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DFID Food Trade East & Southern Africa  
Evaluation Management Unit

## VALUE FOR MONEY ASSESSMENT

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**Acknowledgements**

Many thanks to the FTESA PMU team for their cooperation and collaboration.

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# FoodTrade East & Southern Africa: Value for Money Assessment

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## Acronyms

AECF	Africa Enterprise Challenge Fund
AgDevCo	Agricultural Development Company
CF	Challenge Fund
DF	Development Fund
DFID	Department for International Development (UK)
EAGC	East African Grain Council
EMU	Evaluation Management Unit
ENAS	Ets Nkubili Alfred and Sons
FTMA	Farm to Market Alliance
FTESA	FoodTrade East and Southern Africa
GEMS4	Growth and Employment in States
KPD	Kaderes Peasant Development
MADE	Market Development Programme for Northern Ghana
MIS	Market information system
MOST	Malawi Oilseeds Sector Transformation
MT	Metric tonne
MTE	Mid-term Evaluation
NMDP	Samarth Nepal Market Development Programme
PHH	Post-harvest Handling
PMU	Programme Management Unit
VfM	Value for Money
WAFM	West Africa Food Markets
WFP	World Food Programme

## Executive Summary

This Value for Money (VfM) assessment of FoodTrade East and Southern Africa (FTESA) builds on the VfM Report of February 2018 conducted by the Evaluation Management Unit (EMU), and uses data from the self-assessment by the FTESA Programme Management Unit (PMU) in their Final Report (April 2018).

The EMU helped the PMU develop six VfM metrics midway (2016) through programme implementation. Since 2016, the PMU reported data against these metrics, however, there are no associated targets. This VfM assessment uses this data to explore the VfM of the **overall portfolio** and at the **grant level**, as well as groupings by **sub-sectors/themes** and **funding mechanism** (challenge and development fund). We also compare FTESA VfM with **other similar programmes** (e.g. West Africa Food Markets (WAFM) and other DFID-funded market development programmes).

The table below provides a summary of the VfM of the **overall portfolio** across different indicators at the end of the programme (2018) compared with 2016.

- Economy:** Economy improved between 2016 and 2018 and FTESA VfM indicates better economy compared to WAFM.
- Efficiency:** While the smallholder engagement cost increased between 2016 and 2018, it lies within the range of other comparable programmes; leverage improved and rates are higher than similar programmes.
- Effectiveness:** The volume of sales contributed per beneficiary farmer increased between 2016 and 2018, however, there is no comparable data from similar programmes.
- Equity:** The % of females reached fell, and the cost of female outreach was significantly higher than overall reach. This suggests that achieving equity is a cost driver, however, it is within the range of other comparable programmes.
- VfM by sub-sector/theme:** Input-related grants performed worse than others (post-harvest handling and aggregation, entire value chain, innovation and market information systems (MIS)).
- External benchmarking:** FTESA has performed within the range of other comparable programmes and there are areas (e.g. economy and leverage) where FTESA performed better in comparison to other similar programmes.

	2016	2018
<b>Economy</b>		
Fund management cost ratio	29%	21.5%
Administrative cost ratio	32%	23.6%
<b>Efficiency</b>		
Smallholder engagement rate	£47.74	£55.34
Portfolio wide leveraging ratio	1.52	2.73 <sup>1</sup>
<b>Effectiveness</b>		
Volume of staple food sales contributed to per farmer reached	394kg <sup>2</sup>	459kg
<b>Equity</b>		
Cost of female outreach	n/a	£135
Female outreach (%)	43% <sup>3</sup>	41%

Results by groupings of grants:

- Smallholder engagement rate:** Grants which improve practices in post-harvest handling and aggregation, the entire value chain and innovation and MIS are more efficient in engaging smallholders than funds that work on inputs alone. However, the latter group only includes two grants, including ENAS where smallholder engagement rates are very low compared to costs which skews the overall costs for this group upwards. The NGO consortium model and forward delivery

<sup>1</sup> 2017 data reported, 2018 data not available

<sup>2</sup> New indicator in 2017 hence 2017 data reported here

<sup>3</sup> New way of measuring indicator in 2017 hence 2017 data reported here

contracts appear to be more efficient than the off-taker and lead firm models. However, there is only one grant for each model. The lead firm model performs better than the off-taker model.

- **Volumes sold per farmer:** Grants classified under post-harvest handling and aggregation and the entire value chain are more effective in contributing to sales than grants that work on inputs alone, however the latter only includes one grant. The lead firm model performs better than the off-taker model.
- **Female outreach:** Grants classified under inputs performed worst in terms of cost of female outreach, however, one grant (ENAS) skews the result upwards. Grants classified under entire value chain are more expensive than those under post-harvest handling and aggregation. The NGO consortium and forward delivery model perform better than the off-taker and lead firm models but, again, the former two groups only include one grant each. The lead firm model performs better than the off-taker model.

Based on the metrics analysed and benchmarking conducted, there are several areas where the programme performed well over time and when compared to other similar programmes.

The FTESA experience shows that, at the outset, programmes need complete VfM frameworks which outline clear definitions and plans for how to, and who will, collect and analyse data and implement such plans consistently while reviewing the VfM framework periodically to ensure it is useful. Also, there should be enough VfM indicators against each metric type (i.e. economy, efficiency, etc.) aligned to logframe indicators, capturing important aspects of the programme and reducing the reporting burden on programme teams. Moreover, this data should feed into ongoing analysis and learning by programme teams.

## 1. Introduction

### 1.1. Purpose of the assignment

The purpose of the assignment is to provide an assessment of the Value for Money (VfM) of FoodTrade East and Southern Africa (FTESA) as part of the final evaluation. This assignment updates the earlier VfM assessments conducted by the Evaluation Management Unit (EMU) during the mid-term evaluation (MTE) in 2016 and the subsequent update (February 2018). The latter update added an internal benchmarking of FTESA grants, as well as an external benchmarking of FTESA to similar programmes elsewhere. The brief for the current VfM assessment was to use the same approach. In addition, we added more comparative analysis with other DFID-funded market development programmes, where appropriate, as well as further analysis. We also added cost data on some VfM indicators, where possible.

### 1.2. Approach and methodology

We conducted a desk-based assessment, with limited resources, and no field work since the programme had ended. The assessment relies on programme data and documents provided by the Programme Management Unit (PMU) and DAI teams during close out (April-May 2018), as well as phone interviews. The EMU sent questions to the PMU and DAI to get a better understanding of how they do their costings (e.g. what costs they use in calculating the indicators) and to seek clarity on several issues. Finally, the evaluation team compared the FTESA VfM results with other market development programmes. We are cognisant that each programme approach is different, operating in different contexts. However, these programmes use similar metrics and measurement frameworks which help us make comparisons.

We are conscious that each programme context is different, and across countries and regions there may be diverse approaches and issues. However, there are also similar metrics and measurement frameworks that have emerged, which help us make comparisons.

### 1.3. Limitations

The scope of this assessment ultimately depends on the information provided by the PMU. Below we provide some qualifications and limitations

1. For their own reporting, and specifically for the FTESA Final Report (May 2018), the PMU/DAI used the original portfolio-wide VfM metrics and did not disaggregate by grants as done in the EMU's February 2018 report. Hence, we had to revisit the categorisation proposed in the February 2018 report (inputs, post-harvest handling and aggregation, entire value chain and innovation and MIS) and update the analysis.
2. The VfM assessment is not able to explain all the differences between grants since we were unable to follow up and discuss them with the PMU, and there are no resources to drill down to the grant level and conduct interviews as part of this assessment. However, through other modules of the evaluation, we drew on further insights and attempted to provide more interpretation of the results in the final evaluation report.
3. As the programme closed while we conducted our analysis, it proved a challenge to get answers to all queries we raised. The results we present are those provided by the PMU and, in some cases, based on the EMU's understanding and interpretation. To do more analysis on economy and efficiency beyond the fund management and administration costs, we need expenditure information on key cost categories, however, we did not receive this information from the PMU during the evaluation process.
4. The programmes used for comparative VfM analysis in this report are the Africa Enterprise Challenge Fund (AECF), West Africa Food Markets (WAFM) and several other market development programmes funded by DFID. We dropped AgDevCo as a benchmark (used in the February 2018 VfM assessment) since it is very different from FTESA's grant model and is not comparable. As its regional 'sister' programme, WAFM is most like FTESA and while the other programmes are similar in terms of objectives, their delivery models are quite different. They tend to emphasise activities that facilitate market system level change, whereas FTESA and WAFM focus on providing grant funding to piloting or scaling up business models in target markets.



5. Although different programmes have similar VfM indicators, the definitions can vary. For example, several programmes use 'smallholder engagement rate' as a VfM indicator, however the definition of 'smallholders' can vary across results frameworks. Since we did not do a detailed analysis of the comparator programmes, regarding their approach and how they calculate VfM, such comparison of VfM figures is less than perfect. In addition, we were unable to find comparable indicators for effectiveness across similar DFID programmes.
6. Some models only have one grant allocated in the grouping, limiting the sample and our ability to effectively answer questions on which model worked best.
7. We were unable to compare specific models employed under FTESA with models used by different programmes since we did not have comparable disaggregated data by sub-sector/ model for other programmes.

## 2. Value for Money indicators and insights

The EMU helped the PMU develop six VfM metrics midway (2016) through the programme. Since 2016, the PMU has reported data against these metrics, however, there are no targets associated with these metrics. This VfM assessment uses this data to explore VfM of the **overall portfolio** and at the **grant level**, as well as by **sub-groups** of grants and the **funding mechanism** (challenge and development fund). We also **compare FTESA VfM with other similar programmes** (e.g. WAFM and other similar DFID-funded market development programmes). Whilst recognising the differences, there are enough similarities in approaches across these programmes to enable comparison.

### 2.1. Economy

#### 2.1.1 Fund management and administrative cost ratios

FTESA tracked two metrics under this category: fund management cost ratio and the administrative cost ratio. The **fund management cost ratio is 21.5%** (June 2018), calculated using management costs of £5.9m and total funds disbursed of £27.5m<sup>4</sup>. According to the PMU, fund management costs include primarily salaries and some overheads both in field offices as well as in the UK office of DAI. The ratio shows a downward trend, decreasing from **29% in 2016 to 21.5% in 2018**, most likely due to increased disbursement rates (e.g. from £16m in 2017 to £27.5m 2018).

The **administrative cost ratio is 23.6%** (June 2018), calculated using administrative costs £6.5m<sup>5</sup> and £27.5m in total funds disbursed. The previous VfM report defines this as the cost of fund management in addition to rent, maintenance and utilities. The PMU does not include this indicator in its final report. Furthermore, we did not receive the final (June) disbursement figures whilst conducting this assessment. However, using the data sent by the PMU on grants costs, we added up the administrative costs and calculated the ratio as 23.6% (based on disbursements until April 2018). Again, this represents a downward trend from 32% in 2016 to 23.6% in 2018, due most likely to the increase in funds disbursed. Table 1 shows the trends for the two indicators.

The use of two metrics in this category that measure similar things is potentially redundant since one is enough to demonstrate economy. Other market development programmes often track the share of technical assistance spending in overall programme expenditure, as this is often the key cost driver for these programmes. The trends on key cost drivers are relevant for understanding economy performance. Often there are fixed management cost ratios under contracts and these have less to do with performance. However, we were unable to calculate the share of technical assistance for FTESA as the programme finances did not lend themselves to identifying such costs.

*Table 1: Fund management cost and administrative cost ratio*

Metric	2016	2017	2018
Fund management cost ratio %	29	31	21.5
Administrative cost ratio %	32	34	23.6

#### 2.1.2 Comparing with other programmes

Here we compare FTESA's performance with AECF and WAFM. For the first window of **AECF** (closed in June 2016), the fund management cost ratio was **23.5%**. According to reporting, this cost declined in the second window of the programme because the first window carried out the initial work of establishing the systems<sup>6</sup>. For WAFM, the fund management cost ratio was **22%**<sup>7</sup>. WAFM reported that their administrative cost ratio to overall spending

<sup>4</sup> This was the figure from the Final Report of PMU, edited version made available in May 2018. It is likely that the total expenditure has changed by end of June 2018 in the final PMU invoice to DFID.

<sup>5</sup> £6,527,129.

<sup>6</sup> AECF Annual Review, September 2016. <https://devtracker.dfid.gov.uk/search?query=AECF&includeClosed=0>

<sup>7</sup> West Africa Regional Markets Programme (WAFM) Annual Review, March 2018, page 12.

was **35%** as of January 2018.<sup>8</sup> As its sister programme, WAFM is very similar to FTESA and most relevant for benchmarking. FTESA results indicate better economy performance when compared to WAFM.

*Table 2: Comparison of economy across market development programmes*

Market development programme	Fund management ratio %	Administrative cost ratio %
AECF (2016)	23.5	n/a
WAFM (2018)	22	35
FTESA (2018)	21.5	23.6

## 2.2. Efficiency

Under efficiency, the PMU tracked smallholder engagement rate. The EMU also proposed an indicator on the cost per metric tonne (MT) of warehouse capacity, however the PMU did not calculate this in their final reporting. For this assessment, the EMU looked at both indicators, and included leveraging ratio (previously included under effectiveness but more appropriate to include under efficiency).

### 2.2.1 Smallholder engagement rate

FTESA defines the **smallholder engagement rate** as the ratio of funds disbursed (£27,575,796)<sup>9</sup> and the number of male and female farmers benefiting from national and cross-border value chains (498,253), which equals **£55.34**.<sup>10</sup> Several other market development programmes studied for comparison also use this metric. The smallholder engagement cost increased between 2016 and 2018 (see below for possible reasons why).

*Table 3: Smallholder engagement rate*

Metric	2016	2017	2018
Smallholder engagement rate £	47.74	50.67	55.34

### 2.2.2 Comparing across FTESA grants

The PMU's Final Report reports the engagement rate as **£36.76** for the Challenge Fund (CF) and **£47.60** for the Development Fund (DF). These rates differ from the February 2018 VfM report since disbursements increased closer to the programme end. These are also different from the overall result presented above (£55.34), and the overall result does not represent the average of the two indicators. This is because the overall cumulative result calculation used total funds disbursed, which includes funds in addition to the CF and DF disbursements.

*Table 4: Smallholder engagement rates across funding mechanisms*

Type of fund	Smallholder engagement rate £	
	2017	2018
Challenge Fund	45.02	36.76
Development Fund	55.96	47.06

Table 4 shows that the CF was more efficient than the DF. CF and DF budgets are different, with £15m allocated to DF grants and £13m to CF grants, and with a similar number of beneficiaries as the nominator, the denominator accounts for the differences.

The differences in rates among the 22 grants of FTESA are significant, as shown in Table 5. When queried about these and why there are such variances, the PMU argued that it is "due to the different grantees engaged under each fund, and how their projects have been structured to address key systemic constraints".<sup>11</sup> Table 5 indicates that ENAS is by far the most inefficient grantee in terms of outreach costs. The Ets Nkubili Alfred and Sons (ENAS)

<sup>8</sup> Itad 2018 VfM Assessment. January 2018, p.8.

<sup>9</sup> FTESA Programme Final Report (April 2017-April 2018) Edited Version, p.20. We used total funds disbursed, since this is an outcome level indicator. Outcome level results should use total spend to date where there is no apportioning of costs by the programme, as is the case for FTESA.

<sup>10</sup> FTESA Programme Final Report (April 2017-April 2018), Edited Version, p.15.

<sup>11</sup> Email exchange on 27 April 2018 between DAI and EMU.

grant size was £1.2m but it reached around 300 beneficiaries despite featuring modalities where they engage smallholders<sup>12</sup>. Yak Fair and World Food Programme Farm to Market Alliance (WFP-FTMA) grants contributed most significantly to beneficiary numbers for FTESA overall, together making up for half of the smallholder farmers engaged. Mount Meru Millers, Joseph Initiative, Musoma Foods, East Africa Grain Council (EAGC) and Kilimo Trust are among the other grants that appear costlier compared to outreach.

The reason why some of the costs are higher in 2018 is that previous calculations did not include all grant costs. As disbursements picked up towards the end, but beneficiary numbers had not changed significantly, this resulted in higher costs of smallholder engagement. This was most visible in grants such as Kilimo, Classic and Raphael. When we exclude the outlier ENAS, outreach cost figures still vary widely, for example, between Esoko (£6) and Mount Meru (£275). The latter grant was more than twice the size of the former. When we grouped grants (Table 6) based on their sub-sector/theme (inputs, innovation, etc), the differences are large. The most sizeable grant was WFP-FTMA (£4.9m) and it has resulted in over 170,000 beneficiaries, therefore contributing greatly to smallholder outreach figures.

*Table 5: Smallholder engagement rates across grants*

Grantee <sup>13</sup>	Smallholder engagement rate £	
	2017	2018
ENAS	2,381	3,876
Joseph Initiative	251	100
EAGC	208	133
Mount Meru Millers Ltd	155	275
Musoma Foods	114	110
Kilimo Trust	112	185
Afritec Seeds	85	63
Raphael Group	70	99
KPD plc	53	60
Farm Africa	35	48
Seba Foods	30	121
Classic Foods	23	29
WFP-FTMA/PPP	21	29
Sosoma Foods	15	15
Shalem Ltd	12	18
Yak Fair	11	17
Esoko	9	6

Table 6 indicates that funding grants which improve practices in post-harvest handling and aggregation, the entire value chain and innovation and MIS are more efficient in engaging smallholders than funds that work on inputs alone. However, the inclusion of ENAS in the inputs group, where smallholder engagement rates are very low compared to the grant cost, skews the result. In terms of different models, the NGO consortium model and forward delivery contracts implemented by Farm Africa and WFP respectively appear to be more efficient than the off-taker and lead firm models. However, the NGO consortium model and forward delivery model only include one grant each. The lead firm model performs better than the off-taker model.

<sup>12</sup> The grant document states: ‘...In addition to fertiliser importation and distribution, ENAS is involved in livestock breeding, coffee washing stations, agriculture extension services, agricultural inputs, buying and selling staple crops, rice milling and now NPK blending. ENAS has well developed sales channels, operating in more than 20 districts in Rwanda’. ENAS Final Progress Report, March 2018, p.2.

<sup>13</sup> Excludes the partners/ grantees that do not feature a modality where they will directly engage smallholders.

*Table 6: Smallholder engagement rates across sub-sector/theme*

Sub-sector/theme	Smallholder engagement rate £	
	2017	2018
Inputs	252	146
Entire value chain	54	46
Post-harvest handling and aggregation	28	29
Innovation and MIS	23	11
<b>Model</b>		
Off-taker model (Yak, Sosoma, Seba, Mount Meru, Joseph)	n/a	106
Lead firm consortium model (Raphael, Kaderes, Shalem, Musoma, Kilimo)	n/a	74
NGO consortium model (Farm Africa)	n/a	48
Forward delivery contract model (WFP)	n/a	29

### 2.2.3 Comparing with other programmes

**WAFM** calculates this metric based on funds committed and not actually disbursed. WAFM reported the cost of **£17.48**<sup>14</sup> to engage a smallholder farmer, which is substantially lower than FTESA. However, even though the wording of the indicator is the same, there may be differences in the beneficiary groups included.

Reviewing the definitions used, this metric is like those used by other market development programmes funded by DFID, some of which also use matching grants as a modality. Our benchmarking against this metric shows that FTESA is costlier than three of the programmes (Malawi Oilseeds Sector Transformation (MOST), Growth and Employment in States (GEMS4) and WAFM) but less costly than Market Development Programme for Northern Ghana (MADE) and Samarth Nepal Market Development Programme (NMDP).

*Table 7: Comparison of cost of outreach across market development programmes*

Market development programme	Cost of smallholder engagement £
MADE Ghana (2017)	211
Samarth NMDP (2018)	61
FTESA (2018)	55
MOST Malawi (2017)	52
GEMS 4 Nigeria (2017)	26
WAFM (2018)	17

### 2.2.4 Leverage ratio

The second efficiency metric is the **portfolio-wide leverage ratio**. Leveraging of additional investment is a measure of efficiency since it is about turning programme inputs into outputs. As the funds leveraged may or may not lead to intended outcomes, this metric belongs to VfM efficiency domain, not effectiveness.

*Table 8: Portfolio leverage ratio*

Metric	2016	2017
Portfolio-wide leverage ratio	1.52	2.73

We look at CF grants since they are meant to leverage additional (matching) funds, but the PMU did not provide the EMU with updated data, so we used the 2017 data. The FTESA result was **2.73** in 2017 up from **1.52** in 2016. These represent high ratios for this metric, indicating good performance, especially when compared to other programmes studied, as shown in Table 9.

<sup>14</sup> According to WAFM Annual Review, 2018, p.12; and, Itad (2018) WAFM VfM Assessment

*Table 9: External benchmarking of leveraging ratios*

Market development programme	Leveraging ratio
FTESA (2018 result)	2.73
MADE Ghana (2017 result) <sup>15</sup>	2.34
WAFM (2018 result) <sup>16</sup>	1.44

### 2.2.5 Cost per MT capacity of warehouse construction/ refurbishment

The **cost per metric tonne (MT) capacity of certified warehouses constructed or refurbished** is another efficiency metric and includes the cost of materials, trainings and overheads in the numerator and volume of capacity created or improved in the denominator. We had no updated data and therefore used the 2017 data from the February 2018 report. It shows that Raphael appears the most cost-efficient way to create more capacity for grain storage, and Yak the most expensive.

*Table 10: Cost per MT capacity of certified warehouses constructed or refurbished by grantees*

	Cost of certified warehouse (constructed or refurbished) £	Capacity of warehouses (constructed or refurbished) MT	Cost per MT capacity of certified warehouses (constructed or refurbished) £
Grantee	2017		
Yak Fair	404,462	5,000	80.89
KPD plc	686,453	13,927	49.30
Raphael Group	10,302	300	34.34

Since other FTESA grants or similar programmes do not use this indicator, we cannot do a comparison. Moreover, since it only covers 3 grants, we cannot use this to assess FTESA's overall VfM.

## 2.3. Effectiveness

### 2.3.1 Volume of staple food sales per farmer reached

The EMU developed a new effectiveness indicator '**volume of staple food sales contributed to per farmer reached**' during the last VfM assessment, using the ratio of the volume of staple food sold by FTESA beneficiary farmers to the number of smallholders engaged by FTESA. Based on this new metric, FTESA contributed to sales of **459 kilos** of staple food per farmer reached, increasing from 394 kilos in 2017.

*Table 11: Volume of staple food sales contributed to per farmer reached*

Metric	2017	2018
Volume of staple food sales contributed to per farmer reached kg	394	459

There is no target for this indicator and, in the absence of external benchmarking (see section 2.3.3), it is hard to make any conclusions regarding performance based only on this metric. The programme team used this metric since a key aim of FTESA is to increase the volume of staple food traded. We added a column on costs in Table 12 so that we can compare performance versus costs.

### 2.3.2 Comparing across FTESA grants

We disaggregated this indicator by grant to generate insights on grant performance compared to costs. Table 12 shows **Musoma Foods is most effective** in contributing to sales per farmer, as was the case in the February 2018 report. It is a relatively low-cost grant with strong performance. Farm Africa recorded a high-volume result, but with significantly higher costs. Raphael Group contributed to high volumes of food sales per farmer reached, and

<sup>15</sup> Strategic External Review of Ghana MADE, 2017, p.33.

<sup>16</sup> According to WAFM Annual Review, 2018, p.12; and, Itad (2018) WAFM VfM Assessment. Note that the WAFM figure is based on commitments and FTESA is based on disbursements, hence biasing the WAFM figure upwards.

at a much lower cost than the Farm Africa consortium. At the other end of the spectrum, grants to Mount Meru, EAGC, Kaderes (KPD), Yak and Afritec have not translated into large volumes of staple food sales per farmer. In the case of EAGC, Joseph, Mount Meru and Seba, the costs are considerably higher than others, yet sales are very low. Looking at cost per kilo sold, Musoma, Farm Africa, Shalem, WFP, Raphael Group, KPD and Kilimo all perform well (between £0.02 and £0.24 per kilo sold).

*Table 12: Volume of staple food sales contributed to per farmer reached across grants*

	Kg of staple food sales FTESA contributed to per farmer reached		Grant cost £	Cost per kilo sold £
	2017	2018	2018	2018
Musoma Foods	5,286	7,084	431,612	0.02
Farm Africa	1,345	1,494	3,146,370	0.03
Raphael Group	815	1,251	582,142	0.08
Kilimo Trust	407	785	1,703,444	0.24
WFP-FTMA/PPP	274	429	4,942,682	0.07
KPD plc	27	355	589,544	0.17
Shalem Ltd	423	272	327,568	0.07
Mount Meru Millers Ltd	9	172	1,222,716	1.60
EAGC	121	141	3,075,740	0.95
Joseph Initiative	n/a	88	1,285,613	1.14
Afritec Seeds	90	40	588,522	1.59
Yak Fair	12	29	710,273	0.59
Seba	n/a	25	987,841	4.84
Sosoma	n/a	5	135,546	2.92

Table 13 indicates that grants classified under post-harvest handling and aggregation and the entire value chain are more effective in contributing to sales than grants that work on inputs alone, however the latter only includes one grant. The lead firm model performs best, however, the huge volumes for Musoma skew the results for this grouping. Nevertheless, all lead firm model grants are in the upper half of the table. The off-taker model performs worst, with all grants in the lower half of the table. The DF is more than three times as effective as the CF in producing volume of food sales per farmer.

*Table 13: Volume of staple food sales contributed to per farmer reached across sub-sector/theme*

Sub-sector/theme	Kilo of staple food sales FTESA contributed to per farmer reached	
	2017	2018
Entire value chain	521	577
Post-harvest handling and aggregation	333	514
Inputs	83	38
<b>Model</b>		
Lead firm consortium model (Raphael, Kaderes, Shalem, Musoma, Kilimo)	n/a	1950
NGO consortium model (Farm Africa)	n/a	1494
Forward delivery contract model (WFP)	n/a	429
Off-taker model (Yak, Sosoma, Seba, Mount Meru, Joseph)	n/a	67

*Table 14: Volume of staple food sales contributed to per farmer reached across funding mechanisms*

Type of fund	Kilo of staple food sales FTESA contributed to per farmer reached	
	2017	2018
Challenge Fund	188	208
Development Fund	583	661

### 2.3.3 Comparing with other programmes

We were unable to find comparable indicators for effectiveness across similar DFID programmes. Other programmes use income, jobs, etc. and we do not have this data for FTESA.

## 2.4. Equity

### 2.4.1 Female outreach

The previous VfM reporting on FTESA used the '**percentage of women among smallholders engaged**' as the equity metric. We calculated '**cost of female outreach**' for FTESA using the reported % outreach and overall expenditure<sup>17</sup>. The cumulative programme-wide result is **£135**. Female outreach (%) shows a decrease (from 43% to 41%) and a higher cost than the overall outreach cost (£55), suggesting that achieving equity is a cost driver.

*Table 15: Female outreach*

Metric	2017	2018
Female outreach %	43	41
Cost of female outreach £	n/a	£135

### 2.4.2 Comparing VfM across grants

Table 16 indicates that grantees such as Shalem Ltd, Sosoma Foods and Afritec Seeds performed strongly in engaging women. Shalem is the top performer in terms of % **outreach**, with 72% female outreach at a relatively low cost of outreach (£25). For **cost of female outreach**, Shalem, Sosoma, Yak Fair, WFP-FTMA, Classic Foods and Esoko grants performed better than the overall FTESA result (£135).

In terms of female outreach (%), Esoko, KPD and Musoma Foods performed much less equitably than others, with female outreach between 25-27%. Musoma performed low in terms of outreach and costs, with a very high cost of female outreach (£407). Esoko's cost of outreach was very low, however, women were in the minority among a very high number of total beneficiaries. As discussed above, ENAS performed weakly given very low rates of smallholder engagement, both female and overall.

<sup>17</sup> 41% as reported in FTESA Final Report April 2017-April 2018, p. 21. 41% of the smallholders engaged (which is 498,253 as per the same report) is 204,284. Using £27,575,796 as the numerator, the result is £135.



*Table 16: Female outreach across grants*

Grantee	Female outreach %		Cost of female outreach £
	2017	2018	2018
ENAS	33	33	11,700
Mount Meru Millers Ltd	33	33	835
Musoma Foods	22	27	407
Kilimo Trust	48	48	386
Joseph Initiative	37	29	347
EAGC	51	47	285
Seba Foods	33	45	269
KPD plc	27	27	223
Raphael Group	49	49	202
Farm Africa	33	34	142
Afritec Seeds	62	54	117
Classic Foods	37	45	64
WFP-FTMA/PPP	48	46	63
Yak Fair	46	46	37
Sosoma Foods	58	57	26
Shalem Ltd	72	72	25
Esoko	28	25	22

Table 17 below shows that grants classified under inputs performed worst in terms of cost of female outreach, however, one grant with very high costs and low smallholder engagement rates skews the results. Grants classified under the entire value chain are more expensive than those under post-harvest handling and aggregation in terms of female outreach. The NGO consortium and forward delivery model perform better than the off-taker and lead firm models but the former two groups only include one grant each. The cost of female outreach across funding mechanisms (CF and DF) are very similar (Table 18).

*Table 17: Female outreach across sub-sector/theme*

Sub-sector/theme	Cost of female outreach £	
	2017	2018
Inputs	n/a	5909
Entire Value Chain	n/a	299
Post-harvest handling and aggregation	n/a	153
Innovation and MIS <sup>18</sup>	n/a	22
<b>Model</b>		
Off-taker model (Yak, Sosoma, Seba, Mount Meru, Joseph)	n/a	303
Lead firm consortium model (Raphael, Kaderes, Shalem, Musoma, Kilimo)	n/a	249
NGO consortium model (Farm Africa)	n/a	142
Forward delivery contract model (WFP)	n/a	63

*Table 18: Female outreach across funding mechanisms*

Type of fund	Cost of female outreach £	
	2017	2018
Challenge Fund	n/a	215
Development Fund	n/a	219

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<sup>18</sup> Only includes Esoko

### 2.4.3 Comparing with other programmes

We compared % and cost of outreach with other programmes and FTESA performed reasonably well in equitable reach compared to similar programmes. WAFM's latest figures<sup>19</sup> showed 37,096 female beneficiaries out of 192,041, which corresponds to 20%.<sup>20</sup>

*Table 19: Benchmarking the cost of female outreach*

Market development programme	% female outreach	Cost of female outreach £
GEMS 1 Nigeria (2015)	n/a	435
WAFM (2018 result)	20	140
FTESA (2018 result)	41	135
Samarth NMDP (2018)	52	115
GEMS 4 Nigeria (2017)	35	80

19 WAFM Annual Review, March 2018, p.12-13.

20 VfM Assessment of WAFM, January 2018, p.11.

### 3. Conclusions

- Based on the metrics analysed and benchmarking conducted, there are several areas where the programme performed well over time and when compared to other similar programmes.
- FTESA had an appropriate number (six) of metrics, avoiding overburdening the PMU and making reporting difficult.
- The PMU's reliance on the EMU for VfM measurement and analysis possibly disincentivised it from internalising this. Nevertheless, in the last two years of the programme, the PMU calculated and presented programme trends against the agreed metrics.
- For some metrics, it was difficult to make comparisons to other programmes. However, we adjusted the metrics of other programmes to enable comparability where possible.
- **Economy:** Economy improved between 2016 and 2018 and FTESA VfM indicates better economy compared to WAFM.
- **Efficiency:** While the smallholder engagement cost increased between 2016 and 2018, it falls within the range of other comparable programmes; leverage improved, and rates are higher than seen in similar programmes
- **Effectiveness:** The volume of sales contributed per beneficiary farmer increased between 2016 and 2018, however, there is no comparable data from similar programmes.
- **Equity:** The % of females reached fell, and the cost of female outreach was significantly higher than overall reach, however, these indicators fall within the range of other comparable programmes.
- **VfM by sub-sector/theme:** Input-related grants performed worse than others (post-harvest handling and aggregation, entire value chain, innovation and MIS). This is based on data that is available and requires more analysis by the evaluation team during the final evaluation to understand and interpret the results.
- **External benchmarking:** FTESA has performed within the range of other comparable programmes and there are areas (e.g. economy and leverage) where FTESA performed better in comparison to other similar programmes.

### 4. Recommendations

The following steps can foster further learning for future programmes:

- The FTESA experience shows that, at the outset, programmes need complete VfM frameworks which outline clear definitions and plans on how and who will collect and analyse data. Such plans need consistent implementation, with periodic reviews of the VfM framework to ensure it is useful.
- Align metrics to the logframe so as not to create undue burden for programme teams.
- Programme teams should conduct regular analysis (e.g. case studies) to explain differences, especially within the portfolio of grants, and feed this analysis into ongoing learning by programme teams.
- Programme teams should conduct more external benchmarking with other similar, particularly DFID-funded, programmes.
- Programme teams should identify and use the same metrics as other similar programmes to aid comparison, since value is a relative concept and without comparisons it is difficult to make VfM judgments.

## 5. Appendix

Table 20: Funds disbursed across different sub-sector/theme and grantees as at April 2018

Partner/ Grantee	Type of fund	Sub-sector/theme	Funds disbursed £	Fund management costs £	Indirect costs £	Total cost £
WFP-FTMA/PPP	DF	Entire Value Chain	3,772,760	1,063,565	106,356	4,942,682
Farm Africa	DF	Entire Value Chain	2,401,631	677,035	67,703	3,146,370
EAGC	DF	Entire Value Chain	2,347,720	661,837	66,184	3,075,740
Kilimo Trust	DF	Entire Value Chain	1,300,243	366,547	36,655	1,703,444
EAGC I (ended)	DF	Entire Value Chain	1,300,000	366,478	36,648	1,703,126
COMESA-Actesa	DF	Policy	1,057,922	298,235	29,823	1,385,980
Joseph Initiative	CF	Entire Value Chain	981,311	276,638	27,664	1,285,613
ENAS	CF	Inputs	955,633	269,399	26,940	1,251,972
Mount Meru Millers Ltd	CF	Entire Value Chain	933,302	263,104	26,310	1,222,716
Seba Foods	CF	Entire Value Chain	754,021	212,563	21,256	987,841
Virtual City	CF	Innovation and MIS	566,978	159,835	15,983	742,796
Yak Fair	CF	PHH and aggregation	542,153	152,836	15,284	710,273
Victoria Seeds	CF	(terminated)	511,762	144,269	14,427	670,458
PPTL	CF	PHH and aggregation	500,003	140,954	14,095	655,052
KPD plc	CF	PHH and aggregation	450,000	126,858	12,686	589,544
Afritec Seeds	CF	Inputs	449,220	126,638	12,664	588,522
Raphael Group	CF	PHH and aggregation	444,351	125,265	12,527	582,142
Classic Foods	CF	Entire Value Chain	430,355	121,320	12,132	563,807
Esoko	CF	Innovation and MIS	387,048	109,111	10,911	507,070
Musoma Foods	CF	PHH and aggregation	329,451	92,874	9,287	431,612
TechnoServe	DF	(terminated)	279,309	78,739	7,874	365,921
Shalem Ltd	CF	PHH and aggregation	250,034	70,486	7,049	327,568
Sosoma Foods	CF	PHH and aggregation	103,463	29,167	2,917	135,546