Strengthening Agricultural Value Chains for achieving Food Security and Poverty Reduction in Africa

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Purpose and Scope

• Draw lessons for implementation of the Feed Africa Strategy (2016-2025).
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**Bank inputs (sectoral)**

- Infrastructure development
- Environment and Natural Resource Management
- Rural finance
- Agriculture research and extension
- Governance and policy advice
- Technical assistance and knowledge work

**Interventions - support to Feed Africa priority commodities**

- Self-sufficiency Value chains
  - Rice, Wheat, Millet, Sorghum, Sugar, Potatoes
- Nutritional needs Value chains
  - Cassava, Beef, Fish, Diary, Maize, Soy, Poultry
- Export Value chains
  - Cacao, Coffee, Cashew nut, Horticulture, Cotton

**Outputs (where relevant and in line with commodity market demand)**

- Identified value chain gaps and opportunities
- Increased productivity & value addition of specific products
- Improved quality of production in line with market demand
- Innovation and/or adaptation in technology & ICT
- Improved access to market & efficient supply chain operations
- Improved capacity of value chain actors (knowledge, skills, practices) to respond to changing market demands

**Outcomes (depending on commodity & stated objectives)**

- Increased profitability of value chain businesses
- Increased responsiveness of value chain actors to changing market demands
- Empowerment of women and youth & other vulnerable groups
- Increased environmental sustainability and response to climate change
- Enhanced competitiveness in target markets for agri-products
- Improved, cooperative & integrated environment for agribusiness
- Equitable distribution of benefits

**AVCD Fundamentals**
1. Analysis of value chains
2. Profitability with value addition
3. Responsiveness to market
4. Inclusiveness
5. Sustained impact

**AVCD Enablers**
1. Availability of appropriate infrastructure and technology
2. Conducive policy & regulatory environment
3. Availability of appropriate business support
4. Access to finance
5. Private sector participation & linkages among VC actors

**Impacts**

- Reduced rural poverty
- Increased food security
- Employment generation
- Sustained benefits to target groups
- Transitioning to green growth and resilience to climate change
- Macro-economic benefits
Methodology: Analytical framework

Fundamentals
- Value Chains Analysis
- Profitability
- Responsivness to market
- Inclusiviness
- Sustained Impact

Enablers
- Infrastructure and ICT
- Policy and Regulatory Environment
- Business Support Services
- Access to Finance
- Partnership among VC Actors
Methodology: Sources of evidence

A. Literature review

B. Strategy and Policy Review

C. Nine country case studies
   • Key informant interviews, FGDs
   • Project field visit
Key Evaluation Findings - Value chains analysis

Comprehensive analysis of the specific value chain is crucial for relevance:

- Identification of constraints/bottlenecks,
- Distribution of added value among actors,
- Market analysis,
- Stakeholder mapping, risks and assumptions.

A focus on increasing cashew production but inadequate analysis on how increased production would be absorbed in the markets (Zambia).
Key Evaluation Findings- Focus on profitability, not only on production

- Large proportion of resources dedicated to infrastructure, equipment and inputs in support of production (irrigation, seeds and seedlings) and to a lesser extent on processing and marketing.

- Six of case studies supported value addition (Zambia, Rwanda, DRC, Liberia, Uganda and Mozambique): provision or rehabilitation of market infrastructure, processing unit as well as some training and extension for commercialization.

- FAO (2014) set profitability as one of its guiding principles for upgrading a food value chains.
Key Evaluation Findings-Responsiveness to markets

• Needs for adaptive management in project design that allows projects to be responsive to changes (robust M & E system)

• The country case studies found insufficient M&E to assess the dynamism of a value chain.

• Continuous learning and adaptability is an inherent approach in market dynamics for achieving success in value chain development (World Bank (2010)).

• Linkage of M & E with the theory of change associated with VC support.
Key Evaluation Findings: Inclusiveness


- Bank interventions included some design features though rooms gaps exist in designing strategies for inclusiveness.

- Inclusiveness was not sufficiently budgeted for or integrated into implementation and M&E mechanisms.
Key Evaluation Findings: Sustainability

- Secure ownership of beneficiaries.
- Adequacy of VC analysis and participatory processes.
Key Evaluation Findings - Key Enablers

Already supporting the key AVCD enablers

- Infrastructure and Technology
- Policy and Regulatory Environment
- Business Support Service
- Access to Finance
- Partnerships among VC actors
Key Lessons Learnt

Lesson 1: Comprehensive AVCD analysis at project design and its subsequent adaptation during implementation is critical

- Viability assessment (profits, efficiency improvements, inclusion in the VC, new product to market)

- Market factors and actors change (e.g. export price fluctuations for cashew and cocoa).

- Original analyses need to be regularly reviewed to assess if they are still relevant and respond to market signal.
Key Lessons Learnt

Lesson 2: Profitability focus is essential throughout the VC.

- A production focus without adequate consideration for the market affects profitability.

- A profitability focus involves technical innovation in production, processing and marketing.
  - efficiency of product distribution and market information;
  - pricing, packaging, quality, and consumer feedback.
Key Lessons Learnt

Lesson 3: Deliberate, concerted and targeted efforts at all stages of VC are essential to ensure inclusiveness.

• Quotas for target groups are common but should be followed by adequate strategies for inclusion.

• Deliberate targeting helped achievement of positive results (e.g. one cow per poor family intervention in Rwanda).
Key Lessons Learnt

Lesson 4: Sustained benefit requires a comprehensive package of support that ensures partnerships with the private sector, government and other development actors.

• Consideration at the design stage to ensure that a comprehensive package of support is available to the selected VC.

• Require a range of strategies applied and tracked during implementation to ensure long term impact of investments.

• The Bank may not directly provide all required support but would need to work with partners.
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