



# Evaluation Agritererra Farmers Common Sense in Business Programme 2016-2020

Final Report

Client: Ministry of Foreign Affairs, Sustainable Economic Department (DDE)

Rotterdam, 3 July 2020





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Rotterdam, 3 July 2020



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# Executive Summary

The Ecorys and Erasmus University consortium was awarded the contract to carry out an independent evaluation of the Farmers Common Sense in Business (FCSB) programme, implemented by Agriterra. The two key aims for the evaluation relate to accountability and learning by examining:

- the effectiveness and efficiency of the implementation of the FCSB programme, accounting for investments made and progress achieved so far;
- whether and what improvements can be made in the strategy and approaches of Agriterra to increase its performance.

The evaluation covers the period 2016 – 2019 of the FCSB programme and has to answer two main questions: i) is this program doing the right things and ii) is Agriterra doing things right?

The evaluation is to make recommendations on Agriterra's future programming and provide inputs for DDE's decision making on future support of Agriterra's FCSB programme in its multi-annual planning framework.

## Approach and methodology

The research questions stipulated in the Terms of Reference have guided the evaluation, covering the evaluation criteria of relevance, effectiveness, sustainability and efficiency. The evaluation is used a combination of data collection and analysis methods. This included desk research of literature and programme and project documents; interviews with internal and external stakeholders in the Netherlands, an e-survey conducted among the staff from the Netherlands Embassies/ consulates in FCSB programme countries, three country studies (Ethiopia, Peru and Uganda) and desk-based case studies of 20 clients in other countries. The country studies included interviews and focus group discussions with clients and farmers and external stakeholders such as government and other donors. In order to come to sound findings, triangulation (cross-validation) has been used to ensure that conclusions and recommendations are based on multiple sources of data and a mixture of analysis methods.

## About the Farmers Common Sense in Business Programme

Since 2006 DGIS has been funding Agriterra's Farmers Fighting Poverty (FFP) programme. The FCSB programme represents the third phase of the FFP, which started 1 January 2016 and will end in December 2020. The FCSB programme is supported by DGIS with EUR 55 million, and in July 2019 an additional grant was provided (EUR 4.5 million) for the expansion of the programme countries, especially in Western Africa, and for the strengthening of the youth and gender component of the programme. In terms of provision of advisory services and grant funding, the planning for the FCSB programme (2016-2020) aimed to shift towards 70 percent for advice and 30 percent grants.

In the FCSB programme, Agriterra applies its intervention approach that is based on, what is called, the "three-track approach.

Track 1. Supporting farmers' organisations to improve extension services (technical advice on farming) to their members, so as to enhance the farmer's entrepreneurship (abbreviated as extension services);

Track 2. Making cooperatives bankable (the agribusiness approach);

Track 3. Improving lobby and advocacy (L&A) on behalf of members.

In addition gender (and youth) balance is highlighted as a key area. A particular focus is placed on female leadership in cooperatives and outreach which includes specific targets on women's participation.

For service delivery Agriterra uses business advisors, from the Netherlands and national business advisors in the 23 programme countries (as of end 2019) in Africa, Asia and Latin America, which work together with the Agripool (peer) experts and also (local) consultants. Agripool support is sourced through (i) partnership with companies and (ii) representatives/ members of Farmer Organisations (FOs). Over the programme period, Agriterra worked with a total of 385 clients, which are FOs, cooperatives and Savings And Credit Co-Operatives (SACCOs).

## Key findings and conclusions

**Relevance:** *Is Agriterra -as an organisation and in its FCSB programme – addressing key agricultural problems in developing countries and does it do so in an adequate way?*

Agriterra's support to FOs and cooperatives is relevant in the changing agricultural landscape. The majority of the stakeholders (clients, implementing partners and external stakeholders) value the support provided through the FCSB programme, with Agriterra bringing best practice FO expertise and peer-to-peer advice from the (Dutch) agri-food sector to support cooperative development. Broadly, Agriterra is complementary to other actors that exist in most countries, specifically in relation to FO/cooperative governance and financial management support.

Overall, Agriterra's three track intervention approach addresses the key needs of the FOs, with a main focus on track 2, making cooperatives bankable, which is important given the role of the FOs and cooperatives as an entry point to support agricultural growth (contributing to "economic development, income distribution and democratisation) and their capacity needs. Support provided, however, has been unbalanced with limited attention placed on service delivery to farmer members of cooperatives (Track 1) and Lobby and Advocacy (Track 3) activities.

The programme aligns with the objective to improve agricultural productivity and increase income of the rural population in line with SDG 8 (the focus of DDE) and 2 and DGIS policy objectives. However, the relevance of the interventions particularly in relation to extension support services receives limited attention. This is particularly the case in relation to support to farmers to improve productivity and yield, in the context of the countries which face challenges with regards to fragmented value chains and climate change issues. The cases assessed reflected often ad-hoc and one-off activities, lacking consolidation and prioritisation to address the extension service challenges.

The focus on gender and youth addresses a key issue across the agricultural sector, especially in the context of countries in Asia and Africa which have a long and complex history of patriarchy and gender inequality and high esteem for older people at the detriment of the opinion and contribution of young people. While Agriterra's approach to gender addresses the priority needs in representation of women in the board of FOs and leadership positions, a gender mainstreaming approach at all levels is missing other than the emphasis on female participation, which is often a counting exercise. This affects the effectiveness of interventions.

Agriterra implements a demand-oriented approach in selecting and supporting clients, which enhances the relevance of its interventions. However, a strategic view and an in-depth analysis on the agricultural sector and sub-sectors in the respective countries and regions guiding an integrated



country approach including client selection and client specific interventions is lacking. Similar the country selection strategy and prioritisation of countries of operation remains to be unclear, indicating dispersed efforts with the risk of spreading too thinly.

The transformation to an advisory support organisation is relevant in the context of the countries with other financial flows available, however the assumption on client financial contributions is ambitious and challenging, given the context in the countries of operation. In addition, financial support to clients (grants) are still an important element of the support package and crucial for making a head start.

**Effectiveness:** *the extent to which the programme achieved, or is expected to achieve, its objectives, and its results.*

Programme achievements on effectiveness are mixed across the three intervention areas. Clear results can be evidenced in track 2 with examples of strengthened FOs/cooperative entrepreneurship illustrated by increased transparent financial management systems, and improved governance structures and business operations, as well as increased bankability, as a result of internal capitalisation and profitability. There is, however, limited evidence of results for the other two tracks i.e. extension services and lobby & advocacy within the Agriterra M&E system.

With only limited support to FOs/ cooperatives to make measurements and a lack of monitoring follow up of activities by Agriterra, evidence regarding outcomes at farmer level is missing. While in a number of cases, clear results in increased sales and productivity contributed by Agriterra interventions, were confirmed, several missed opportunities exist. The fact, that interventions, in many cases were designed as one-off activities, limits these results with regard to a larger farmer outreach and sustainability.

Gender activities did lead to a larger outreach to women and increased board membership for a considerable number of clients, almost meeting the programme targets. Leadership training, as evidenced in the case studies has to some extent visibly empowered women in boards. With regard to youth engagement, the formation of Youth Councils played a key role in their empowerment. In other countries, results in terms of increased youth membership are more difficult to achieve due to structural barriers such as access to land and finance.

Agripool peer-to-peer advise, training (and exchange visits) are highly appreciated by the majority of clients and it contributes to strengthening of FOs and cooperatives. However, the agripool support can still be better geared to the specific needs of the country, the sector and type of support. In view of the rapid growth of Agriterra's portfolio, there may be a risk of focusing on the quantity of inputs, rather than quality of inputs.

**Sustainability:** *the extent to which the benefits of the FCSB programme, or are likely to continue, looking at the implementing agency, Agriterra and the programme interventions at the client's level.*

At institutional level, Agriterra did not yet manage to achieve its main structural changes in terms of diversified funding (30 percent non-DGIS funding), but the share of other funding has been increasing considerably since 2019. Projections are that in 2020 the target of 30 percent will be reached (not taking into account possible negative impact of the Corona crisis). Given the capacity of Agriterra's clients, they are not (yet) in the position to pay for Agriterra's services. Only a few examples exist of clients (partially) paying for Agriterra services.

Agriterra's investments in its key alliances, especially AgriCord over the past decade did not lead to the envisaged sustained support to its business model, as it decided to leave the alliance by mid-2019. This required Agriterra to grow on its own strength and develop programme-based collaborations and eventually harness new alliances based on complementarity.

At the level of results being obtained by Agriterra clients, effects observed across all cooperatives visited in terms of improved financial management, governance structure and increased staff capacity are supporting the continuation of business activities as demonstrated for the exited clients visited. Sustainability of results for Track 1 (extension services) and 3 (lobby & advocacy) is likely to be lower, in the absence of adequate follow-up and consolidation of various activities.

Agriterra support in increasing entrepreneurship for many cooperatives is contributing to financial sustainability. However, the fact that client contributions (cost-sharing payments) were much lower than anticipated may in cases be an indication of a limited capacity and/or commitment to implement actions jointly agreed with Agriterra.

**Efficiency:** *the extent to which Agriterra has the required capacity to efficiently plan, implement and monitor the FCSB programme and*

The rapid growth of Agriterra, especially the increased number of local business advisors, has created challenges in terms of overall management, building capacity of staff, monitoring of results, while still maintaining the quality and consolidating the focus of the organisation. This would require some organisational changes, for which Agriterra has already started to take action .

Cost-efficiency shows a mixed picture. On the one hand, Agriterra has provided more advice to clients (a doubling inputs compared to 2015) at a lower cost, increasing cost-efficiency. On the other hand, the percentage of expenditure used for institutional funding of Agriterra itself and its partners (17 percent of the total funded expenditure, excluding overhead cost) negatively affects cost-efficiency.

The present M&E system is too complex and rather costly. Data is not readily available, requiring additional processing software, as well as manual work for aggregation and analysis. Data entry takes place, without duly ensuring that the data is complete and verified, which is important as discipline of field staff in uploading data is sub-optimal. This all is hampering output and outcome reporting, as well as fostering continuous learning. There are serious flaws in the indicators linked to the ten 2020 goals (in terms of representation of the three-track approach, definition, lack of proper baselines, measurement methods used and level of targets) which in turn, limit the extent to which the results can have a steering role for the planning and implementation of the programme, as well as for presenting progress.

## Recommendations

- *For future DGIS funding of Agriterra.* In the decision of DGIS funding for the next phase of the programme, it is recommended that DGIS makes a specific agreement with Agriterra on funding of costs oriented towards the profiling and institutional capacity of Agriterra. There should be a fair share of co-funding by Agriterra to avoid indirectly an unequal level playing field with similar Dutch NGOs and other stakeholders;
- *For future DGIS funding a clear link should be established with SDG 8 (the focus of DDE) but also with SDG 2, and DGIS policy objectives* on the development of small-scale farming and sustainable land use to include issues such as climate change. This should be complemented

with clear indicators that can be directly linked to Agriterra's choice of interventions and activities;

- *Future programming of Agriterra should take into account a more balanced, integrated and tailor-made implementation of the three-track approach.* **Balanced** implies more attention to support (i) farmers' productivity, incomes and crop diversification, in an environmentally and socioeconomically sustainable manner; and (ii) creating an enabling business environment through a systemic lobbying and advocacy support. **Integrated** implies that all three approaches have to be implemented strategically in one country, and not necessarily with the same client. **Tailor-made** implies that activities should be adapted to the specific type of clients and the respective value chains and context. Going beyond the present support, attention should be placed on additional capacity development of staff or by partnering with complementary organisations;
- *Systemic improvement of the Agriterra M&E system, making it a tool for steering and learning.* The system should monitor country and client trajectories, over time and assessing if major milestones are being achieved. A reformulation of the goals for the next phase (Goals 2025 or Goals 2030) that have relevance for the large majority of clients, and for the three intervention approaches, is needed. Indicators should be SMART, taking into account of baseline data. DGIS should set clear targets and require reliable data collection methods and consistent M&E reporting to be able to better monitor the data provided;
- *For future programming, it is recommended to develop clear country strategies* to maximise the added value of interventions and guide client and sector selection with a focus on value chains to increase relevance of Agriterra interventions;
- For future programming *more prioritisation and consolidation of support to clients to increase results* is recommended. Consolidation of activities at country level and between countries, is required to prevent the risk of spreading too thinly;
- *Future programming of Agriterra should not to completely phase-out direct support to clients (grants).* Whereas grants should not be included as a standard component of Agriterra support to all clients, they should be considered as complementary support for specific cases, such as enabling cooperatives to make some crucial steps to improve its business performance and enter new markets. These selections should be based on clear review, assessment and set of criteria to ensure consistency and transparency;
- *Develop an explicit gender policy supporting a more integrated approach.* Formulation of an explicit gender strategy for Agriterra would provide the required guidance in planning and implementation of specific gender activities and gender mainstreaming across other interventions.



# Abbreviations

AIN	Agri-info.net, database of clients of Agriterra
BA	Business Advisor
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee of the OECD
DDE	Department of Sustainable Development of DGIS
DGIS	Directorate General of International Development, falling under MFA
EM	Evaluation Matrix
EQ	Evaluation Question
ERP	Enterprise Resource Planning
FACT	Farmers' Advocacy and Consultation Tool, instrument used by Agriterra in its L&A activities
FCSB	Farmers Common Sense in Business Programme, implemented by Agriterra, subject to this evaluation
FFP	Farmers Fighting Poverty
FGD	Focus Group Discussion
FTE	Full-time Equivalent
IATI	International Aid Transparency Initiative
ICA	International Cooperative Alliance
IR	Inception Report
KPI	Key Performance Indicator
L&A	Lobby and Advocacy
LTO	Farmers Organisation of the Netherlands ( <i>Land en Tuinbouw organisatie</i> ), founder and lead partner of Agriterra
M&E	Monitoring and Evaluation
MFA	Ministry of Foreign Affairs
NAJK	<i>Nederlands Agrarisch Jongeren Kontakt, partner of Agriterra</i>
NCR	National Cooperative Council (of The Netherlands, <i>Nationale Cooperatieve Raad</i> ), partner of Agriterra
OECD	Organisation for Economic Co-operation and Development
POP	Producers Organisation Support Programme (Programma Ondersteuning producten organisaties), this is the administrative budget line of DGIS for the FCSB programme
PSD	Private Sector Development
RG	Reference Group
RQ	Research Question – equivalent to Evaluation Questions, as included in the ToR
SSVO	Foundation of Collaborating Women Organisations ( <i>Stichting Samenwerkende Vrouwen Organisaties</i> ), partner of Agriterra
SWOT	Strength, Weaknesses, Opportunities and Threats (Analytical tool for assessment of programmes or organisations.)
ToC	Theory of Change
ToR	Terms of Reference
YAPP	Young Agricultural Professionals Programme



# 1 Introduction

## 1.1 Background of the evaluation

Agriterra is a network organisation for development cooperation founded in 1997 by the Dutch agri-employers organisations (LTO), the Dutch young farmers organisation (NAJK), the national cooperative council (NCR) and the Foundation of collaborating organisations of women (SSVO). Agriterra's mission is to strengthen farmer organisations (FOs)/ cooperatives in developing countries. Agriterra mobilises hands-on experience from the Dutch agricultural sector via Agripoolers in order to support FOs and cooperatives in developing countries.

The Ministry of Foreign Affairs has provided grants to Agriterra from 2006 onwards. Since 2011, the Directorate General for International Cooperation (DGIS) has supported Agriterra's Farmers Fighting Poverty (FFP) programme. The programme contributes to Dutch policy objectives of Food Security and Private Sector Development (PSD). The Farmers Common Sense in Business (FCSB) program, which started 1 January 2016 and will end in December 2020, represents the third phase of the FFP programme. The FCSB programme was supported by DGIS with EUR 55 million, and in July 2019, an additional grant was provided (EUR 4.5 million) for an expansion of the programme countries and for strengthening the youth and gender component of the programme.

Four years after the start of the program, Agriterra has to be evaluated as per subsidy decision for the FCSB programme 2016 – 2020 as well as the regular evaluation cycle used by the Ministry. According to the Terms of Reference (ToR)<sup>1</sup> the evaluation should assess whether: 1) the programme is doing the right things; and if 2) Agriterra is doing things right?

The Ecorys and Erasmus University consortium was awarded the contract to carry out an independent evaluation of the FCSB, implemented by Agriterra. The two key aims for the evaluation relate to accountability and learning:

- Accountability: examining the effectiveness and efficiency of the implementation of the FCSB programme, accounting for investments made and progress achieved so far;
- Learning: examining whether and what improvements can be made in the strategy and approaches of Agriterra to increase its performance.

The evaluation is to make recommendations on Agriterra's programming and implementation of the FCSB programme. Secondly, the evaluation will provide inputs for DDE's decision making on future support of Agriterra's FCSB programme in its multi-annual planning framework. This is the final report of the evaluation.

## 1.2 Methodology and approach

The evaluation framework is structured around the evaluation criteria and questions, which were used to systematically assess Agriterra as an implementing agency and the FCSB programme. The agreed evaluation framework, including evaluation questions, is included in Annex 2. We list the main elements of the evaluation approach below.

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<sup>1</sup> The full ToR as prepared by the Ministry can be found in Annex 4.

The evaluation of the FSCB programme was conducted at different levels: i) overall development of the portfolio of the FSCB programme, ii) implementation in selected countries and iii) support to selected clients (cooperatives, farmer organisations (FOs) and SACCO<sup>2</sup>s).

In the ToR, three country visits were selected, two visits in Africa (Ethiopia and Uganda) and one in Latin-America (Bolivia) based on the size of the FSCB programme in the respective countries, possibilities to study the different approaches and the specific country contexts. Due to the political unrest at the time, Bolivia was replaced by Peru. Peru also received one of the largest country budgets in Latin America. In addition, Agriterra has had a long-standing relationship with clients in Peru. Seven case study clients per country were purposively sampled based on the following selection criteria:

- **Duration of support:** only clients for which the intake assessment was made before 2018 were selected. Preferably including three older clients already receiving support before 2016 and three newer clients;
- **Ranking of clients:** including older and newer clients with higher, middle and low ratings;
- **Sub-sectors:** Representing key value chains supported in a country, involving a mix of crops and livestock;
- **Type of organisation:** Representing different types of organisations;
- **Status of clients:** Including ex-relationship representing successful and 'failed' projects;
- **Location:** Selection of clients preferably in two or maximum three regions for logistical reasons taking account of security issues, particularly for Ethiopia.

In addition, 20 clients were selected in other countries, including Bolivia, for a desk-based case study following the same criteria noted above whilst also taking account of:

- Geographical and contextual coverage including:
  - ten case study clients in Asian countries with Agriterra country teams: (3 Nepal, 2 Vietnam, 2 Indonesia, 2 Philippines, 1: China);
  - ten case study clients to cover Africa and Latin America: (2 Bolivia, 2 DRC, 2 Kenya, 1 South Sudan, 2 Tanzania and 1 East Africa).
- This included different types of projects, including "regional" projects based on the availability of documentation.

We have used different data collection tools for information gathering, namely a literature and document review, interviews and focus groups and an e-survey. Combined, these mixed methods cover both of the different assessment levels, i.e. Agriterra as implementing agency (context, portfolio, country and client level) and different levels of data gathering through quantitative and qualitative methods.

Below is a short description of the different activities:

### Desk study and Interviews

This part of the evaluation contained an in-depth review of literature on the impact of FOs and cooperative support. It also looked at relevant programme and client documentation/reports and analysis of intervention data available at agro-info.net<sup>3</sup>, AIN<sup>4</sup>, and additional data provided by Agriterra.

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<sup>2</sup> Savings and Credit Cooperative Society.

<sup>3</sup> Internet-based management information tool developed by Agriterra containing information on supported farmer organisations and cooperatives, projects executed and financial data and indicators.

<sup>4</sup> Agriterra information Network.



Interviews were also held at the Agriterra headquarter office, with country staff, agripoolers, Agriterra partners and selected clients (and their members), external stakeholders such as the Netherlands Ministry of Foreign Affairs (MoFA), Dutch embassies, other international and national development organisations such as SNV, GIZ and IDH, and lastly, governmental agencies which provided an outsider's perspective and helped to triangulate the evaluation findings. Annex 3 contains the full list of persons interviewed/ met.

### **(Country) case studies**

The (country) case studies included analysing the project files, M&E data and document research, and stakeholder interviews as described above including with FO/ cooperative management and board members and farmer-level focus group discussions. With the later, there was a focus on female and youth farmers for the end-beneficiary data collection. File research for the desk-based case studies was complemented with skype/ telephone interviews with the Agriterra business advisors and client representatives. For the clients located in Vietnam and Indonesia we involved additional Ecorys staff/ experts in our network to conduct the interviews in local language (the country study notes and case study sheets can be found in the separate Annex document).

### **Survey**

A short e-survey was conducted among the staff from the Netherlands Embassies/ consulates in the 23 programme countries, involving liaison officers for Agriterra as well. Following the introduction made by the Ministry of Foreign Affairs, we sent out a short questionnaire researching the relevance, added value and effectiveness of Agriterra activities. In total, we received responses back from eight countries.

### **Validation meeting**

On March 31<sup>st</sup>, a validation meeting was organised involving the Reference Group for this evaluation. During this meeting, the evaluation team shared the preliminary findings and invited Agriterra, the Ministry of Foreign Affairs and other reference group members to share their feedback and insights on the preliminary findings.

### **Triangulation across methods and samples**

In order to come to sound and robust findings, triangulation (cross-validation) has been used to ensure that conclusions and recommendations are based on multiple sources of data and a mixture of analysis methods.

## **1.3 Challenges and limitations to the study**

Overall, the planned evaluation approach has worked well, whereby the case-based using purposive selection and portfolio focus provided the team with adequate information on both the programme (FCSB) and the programme implementing agency (Agriterra) for making its conclusions and recommendations.

Whereas, the Team received excellent cooperation from Agriterra staff at Headquarters and in-country in the data collection process, it faced a number of challenges and limitations, which are outlined below:

- *Availability of documentation and M&E data for FCSB deliverables and targets, and client projects.* Documentation was not always timely available as documentation was stored in different sources and some data needed additional processing by Agriterra, which in some cases required more time than the team anticipated, delaying the (desk) case study research.

For the majority of client cases, specific targets and reporting on the respective intervention tracks were not readily available or absent;

- *The available agro-info.net (AIN ) data could not be directly processed by the Team..* Initially the evaluation team was informed that all programme data would be available at AIN. However, the aggregation and analysis of these data sets required the use of additional software and combination with other data sets that could only be done by Agriterra staff. For instance, data were recorded by “working area” instead of by the three intervention tracks, and activities conducted for clients are reported under “client projects” and “institutional projects” complicating the overview of specific cases, especially for the desk studies.
- *Multiple versions and different presentation of data sets provided.* Overtime, Agriterra has improved on the methodology used for the measurement of the results, such as contained in the “Top 74 Client index”, reflecting the performance of its clients and the ten Goals 2020, reflecting key programme outcomes and results. Regarding budgeting/ reporting financial information, it was found that the some cost categories had different contents. For instance “local costs” were meant to cover grants, but in some years it also included costs of local staff or external consultants, complicating the efficiency analysis. All in all, it took more time than anticipated to sort out inconsistencies. Next for several desk case studies, the financial information provided needed to be updated by Agriterra in the final stages of the evaluation. This required additional time for analysis and efforts to collect (or distil) the correct information
- *Limited response from the Netherlands Embassies/ consulates in the 23 programme countries, affecting representativeness of survey data collection.* To some extent the Covid-19 crises most likely impacted the response rate from the Netherlands Embassy/ consulate staff to the e-survey;
- *Unavailability of respondents due to the Covid-19 crises.* During the last period of the evaluation the evaluation team had difficulty contacting external stakeholders and clients for Skype/ telephone interviews. Stakeholders became unavailable for interviews, as they travelled from the country of residence, could not make time available due to the crisis situation or did not have a good internet connection at home. For 6 of the 20 case studies we have not been able to conduct interviews with the clients despite multiple attempts to contact them.
- *Representativeness of case studies,* The choice of the Team to conduct a purposeful sampling of cases resulted in a broad picture of the FCSB programme and interesting findings and learnings, but made it difficult to generalize and ascertain the importance of some of the findings.

Finally, it is important to mention that the evaluation research has been conducted before the outbreak of the COVID-19 virus in the different programme countries. The potential impact of the crisis on the FOs/cooperative performance as well as the new measures by Agriterra have not been incorporated into the research and are not reflected in the data presented in this report.

## 2 The Agriterra Farmers Common Sense in Business programme

In this chapter we briefly describe Agriterra and how it evolved over the years, including the main elements of the Farmer Common Sense in Business programme.

Since 2006 DGIS has been funding Agriterra's Farmers Fighting Poverty (FFP) programme through the Subsidy Regulation 2006, article 5.6-5.8 "employers' collaboration." It is managed under the title Producers' Organisation Support Programme (POP) DGIS-Agriterra. The programme contributes to the policy objective of DDE which is linked SDG 8: 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'. The FCSB programme, as described in section 2.2, represents the third phase of the POP, which started 1 January 2016 and will end in December 2020.

### 2.1 Agriterra

Agriterra is an organisation for development cooperation founded in 1997 by the Dutch organisations of farmers (LTO), the young farmer organisation (NAJK), the national cooperative council (NCR) and the Foundation of collaborating organisations of women (SSVO). The mission of Agriterra is to strengthen farmers' organisations and cooperatives in developing countries to contribute to positive economic development and better income distribution. It is based on a vision that a country with strong farmers' associations will make a faster transition to a modern industrialised, service-based economy. Income distribution within and between economic sectors, and between rural and urban settings will become more equal, and democratic decision making will be reinforced. To this extent, Agriterra mobilises hands-on experience from the Dutch agricultural sector via the Agripool in order to better support farmers' organisations and cooperatives in developing countries.

Agriterra's value proposition is focused on Dutch expertise, drawing on long-term experience and the good reputation of Dutch cooperatives internationally. In the Netherlands, FOs/cooperatives were a vehicle for the modernisation of the Dutch countryside and the empowerment of the farmers themselves. Therefore, there is a vast knowledge on the strengthening of FOs/cooperatives and, more importantly, the empowerment of farmer voices.

Until around 2010, Agriterra's strategy was to obtain funds for farmers' organisations in developing countries through inclusion of official development cooperation. Based on the observation that capital flows had changed, it transformed into an advisory service delivery organisation. Development cooperation capital flows have become less significant than new flows of capital into developing countries and agriculture. The appearance of local and multi-national companies as part of Corporate Social Responsibility (CSR) with sourcing and selling aspirations at the 'base of the pyramid' brings the farmers' organisations a huge opportunity. At the same time, banks and investment funds are seeking to increase their portfolios in agriculture and agribusiness. They are searching for potentially bankable clients and projects in developing countries. Local and international large-scale producers and companies are interested in the produce of small farmers. In line with this changing environment, the focus is no longer on capturing funds to grant to farmers' organisations (co-financing). Instead, Agriterra aims to offer them the expertise and knowledge needed to tap into funds available from different sources.

Agriterra also seeks to support FOs to produce financial strategies that underpin actions to further their members' interests. In the earlier strategy, on average, almost 67 percent of each grant assignment was directly transferred to Agriterra clients, and the other 33 percent was spent on advisory services. The planning for the FCSB programme (2016-2020) was to reverse this trend: 70 percent for advice and 30 percent for grants. Part of this new course is the use of the principle of cost-sharing by clients.

In 2015, Agriterra staff was fielded in satellite offices in 12 countries which grew to 23 representative country offices in Africa, Asia and Latin America by the end of 2019<sup>5</sup>. For service delivery Agriterra business advisors, from the Netherlands and national business advisors in these countries work together with the Agripool experts and also (local) consultants.

## 2.2 Context of Farmer Organisations

Approximately, two-thirds of the world's agricultural value added is created in developing countries. A body of evidence has been already established to demonstrate the power of the sector to end extreme poverty, boost economic growth and feed a projected 9.7 billion people by 2050<sup>6</sup>. As per World Bank projections, growth in the agriculture sector is *"two to four times more effective in raising incomes among the poorest compared to other sectors"*.

However, several challenges stand in the way of achieving "agricultural growth". These include a range of structural and technological constraints, inappropriate domestic policies and an unfavourable external economic environment, amongst others. This has resulted in a stagnant growth of Least developed Countries (LDCs)<sup>7</sup> and many other developing countries. Subsequently, the marginalization of these countries has been only increasing.<sup>8</sup>

This context is further evolving given the globalized nature of the world, making developing countries, including LDCs susceptible to external shocks. Climate change is already impacting crop yields, especially in the world's most food-insecure regions. According to FAO, as of 2020, shocks related to climate change, price volatility, conflict, pests and emerging infectious diseases are impacting food production and disrupting supply chains by firstly, straining farmers ability to grow crops and, secondly, allowing people's access to nutritious and affordable food.

In addition, structural inequality, in particular, gender disparity is a key issue across the agricultural sector, especially in the context of countries in Asia and Africa which have a long and complex history of patriarchy and gender inequality. Gender specific obstacles in the sector range across a number of issues including lack of access to land, financing, linkage to markets, agricultural training and education, financial inclusion, working conditions. Whilst women in leadership positions, particularly in FOs in developing countries, still face a significant challenge due to patriarchal societies and gender norms. Similarly, youth face several societal and economic challenges. Across emerging economies youth face structural barriers and remain jobless, and struggle to access public resources, access to finance and quality social services. This is particularly relevant

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<sup>5</sup> These are: Peru, Bolivia, Colombia, Nicaragua, Ethiopia, Tanzania, Uganda, Rwanda, Zambia, Kenya, Niger, Ghana, Mali, Burkina Faso, Ivory Coast, Democratic Republic of the Congo, Burundi, Indonesia, Vietnam, China, Nepal.

<sup>6</sup> World Bank data, 2020.

<sup>7</sup> The least developed countries (LDCs) is a list of developing countries that, according to the United Nations, exhibit the lowest indicators of socioeconomic development, with the lowest Human Development Index ratings of all countries in the world. As of 2018, 47 countries are classified as LDC, while five have been upgraded between 1994 and 2017. LDC Data, Department of Economic and Social Affairs Economic Analysis, United Nations, 2018.

<sup>8</sup> Policies to fully exploit and develop the agricultural potential, The Role of Agriculture in the Development of LDCs and their Integration into the World Economy Technical Paper, FAO, 2010.

for the for the African continent, as it is estimated that by 2050, young Africans are to form over a quarter of the world's labour force.<sup>9</sup>

Set against this backdrop and rapidly changing economic landscape globally, the resurgence of cooperatives in developing countries have been due to several factors: globalization of markets; the emergence of the Fair-Trade movement; lack of governance and transparency; abandonment of planned economies in favour of economic liberalization; a rising call for democratization and social inclusion; and the failure of the socialist co-op model, amongst others. These challenges as mentioned above, establish the narrative that farming must change. Amongst others, farmer organisations in emerging markets must become more professional and more productive. A well-managed farmer organisation can attract finance and customers, which means it can sell more and do more for its members and for farming communities allowing for equitable distribution.

### 2.3 Agriterra's FCSB programme objectives and approach and Theory of change approach

The FCSB programme is supported by DGIS with EUR 55 million, and in July 2019 an additional grant was provided (EUR 4.5 million) for the expansion of the programme countries, especially in Western Africa, and for the strengthening of the youth and gender component of the programme.

The initial programme budget was set at EUR 71 million, with 16 million to be obtained from non-DGIS sources. Agriterra has included one of its 10 "2020 Goals" to have obtained 30% of the budget from non-DGIS sources (see below). In terms of provision of advisory services and grant funding, the planning for the FCSB programme (2016-2020) aimed to shift towards 70 percent for advice and 30 percent grants. In 2015 the share for grants was already close to 30 percent. Over the programme period the share of grants to clients gradually declined from 17 percent to 11 percent in 2019. Grants are used for several activities such as feasibility studies, financial management software and hiring of staff.

The most important intended results of the implementation of the FCSB programme are summarized in Agriterra's 2020 Goals. The wording of "goals" is usually oriented towards overall objectives (or the impact for the society/community), but in this case the list represents immediate and intermediate results, i.e. features of strengthened organisations, as well as some additional results i.e. outreach and overall programme funding.

1. **Outreach to 1 million (unique) farmers;**
2. **50 cooperatives successfully connected to banks and receive working capital (including 25 smoking chimneys);**
3. **55 million euro term loans and working capital mobilised;**
4. **100 million euro invested due to policy changes;**
5. **30% increase in paying members;**
6. **30% coverage of operational costs farmer organisations through services & service arrangements with private sector\*;**
7. **50% clients with operational youth council;**
8. **30% participation of women in board;**
9. **10% participation of youth in board;**
10. **30% of annual budget Agriterra from sources other than DGIS (specifically: China 100%, Peru > 50%, other countries > 30%).**

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<sup>9</sup> <https://www.ohchr.org/Documents/Issues/Youth/UNEconomicCommissionAfrica.pdf>.

### 2.3.1 Three track approach

In the FCSB programme, Agriterra applies its intervention approach that is based on, what is called, the “three-track approach”, which forms the basis for the reconstructed ToC presented in section 2.3.3. The key focus of the FCSB programme is on track 2, support to agri-businesses. Track 3 (advocacy on behalf of farmer interests) used to be the key focus of Agriterra in the previous phases but Agriterra turned away from clients because they had become donor dependent, lacked market orientation and ambition to modernize or professionalise.

#### *Track 1. Supporting farmers’ organisations to improving extension services to their members, so as to enhance the farmer’s entrepreneurship (abbreviated as extension services)*

This intervention area seeks to improve extension services that cooperatives’ and lower-level federations provide to their members. Improved services refer to extension methods for improved farm productivity, decreased post-harvest losses and improved product quality, but also aims to engage members in promoting product-market solutions. Establishing farmer field schools, collectively purchasing tools and inputs, selling or processing produce or getting better access to credit and other services are key actions of Track 1. A better understanding of value chains and an improved position of cooperatives and lower-level federations in the value chain is the next step.

#### *Track 2. Making cooperatives bankable (the agribusiness approach):*

The second track or intervention area provides support to farmer-led businesses. These are companies where farmers are either directly or indirectly in control. The business can be a membership organisation (cooperatives, lower level federations) or an enterprise with the agricultural organisations as the shareholders. The support aims for a strong, competitive market position of the client. The support usually takes the form of advice and technical aid in entrepreneurship, business planning, financial management and day-to-day management. A further step is that agribusiness advisors of Agriterra, working in the region, approach investors and banks in order to ensure the success of the investment plans. As seen below in the current programme Agriterra has put the highest priority on these interventions.

#### *Track 3. Improving lobby and advocacy (L&A) on behalf of members.*

This intervention seeks to strengthen the L&A capacity of FOs. The main instrument is the “Farmers Advocacy Consultation Tool” (FACT) that is based on the active input of members and guided by their problems, ideas and expectations. FACT aims at the preparation of lobby proposals that clients use to negotiate with governments.

### **Budget and actual expenditure per intervention track**

Agriterra<sup>10</sup> was seeking to spent 59 percent of the budget on Track 2: Agribusiness and making cooperatives bankable; 34 percent on Track 1: Extension Services and 7 percent for Track 3: Lobby and Advocacy. Table 2.1 shows the extent to which these priorities have been followed-up in the execution of the budget (see for more information section 3.2).

**Table 2.1 Share of budget by three track approach**

	2015	2016	2017	2018	2019	2016-2019
Track 1 extension services	34%	25%	27%	20%	8%	20%
Track 2 Agribusiness -	50%	63%	64%	70%	87%	70%
Track 3 Lobby and Advocacy	17%	12%	9%	10%	5%	9%

Source: calculation based on data provided by Agriterra.

<sup>10</sup> According to the M&E protocol (section Inputs).

### 2.3.2 Agriterra's approach to gender and youth

The programme assumption is that horizontal and vertical integrations can address societal inequalities including gender disparities and the inclusion of youth (see ToC in section 2.3.3.). Within the grant proposal and annual reports, gender balance is highlighted as a key area. Particular focus is placed on female leadership in cooperatives and outreach which includes specific targets on women's participation. In Agriterra's 2016-2020 strategic plan, it states that "*the empowerment of women will be kept high on the agenda*". Agriterra does not have an explicit gender strategy of its own. In October 2018, Agriterra participated in the formulation of a gender strategy<sup>11</sup> with AgriCord, the global alliance of agri-agencies (of which it separated in June 2019, see section 5.1). This strategy formed a part of the gender interventions of the programme, and resulted among others in the appointment of a gender specialist and the establishment of a female leadership network. A number of pilots<sup>12</sup> were tested which led to the framework of the top-up proposal for DGIS (2019-2020) including youth participation and female leadership targets (budget female leadership € 782.782; youth participation € 1.63 million).

Agriterra's approach to youth focuses on the setup and development of Youth Chapters or Youth Councils, which is part of the advisory practice with farmer organisations and cooperatives to engage youth. The aim is to engage youth in the cooperative agenda, particularly in relation to strategic questions of the organisations and to also train those with high potential in order to get professional board members in the long term. At the programme level, the advice, trainings and exchanges are among others built on the experience of the Youth Commissions of well-known cooperative companies in the Netherlands such as Friesland Campina, Agrifirm, Cosun, AVEBE, etc. It has also set out Youth Councils as the foundation for the Agriterra Young Agricultural Professionals Programme (YAPP) while providing role models the opportunity to be involved in study tours, exchange and deployment of members and employees as Agripool experts for assignments. Agriterra has appointed a youth programme manager who is driving the change agenda.

### 2.3.3 Theory of Change

The Evaluation Team made a reconstructed ToC for the FCSB programme. It illustrates the various inputs made by Agriterra and how the respective approaches and generated outputs fit within the pathways to change. In the figure below, we have reconstructed the ToC following the three-track approach of Agriterra as described in chapter 2.

The ToC follows an input-activity-output-intermediate outcome and outcome pathway. We have included the input row showing the variety of Agriterra's inputs such as financial resources, staff inputs (advisory), agripoolers, training tools and monitoring system. The activities of Agriterra have been conceived at two levels – a cross-cutting set of activities which include ensuring appropriate financial management, effective governance (although these activities are often specifically related to Track 2) and gender and youth participation, and specific activities across each track.

In order to validate the theory and corresponding interventions of Agriterra, we have included the concrete outputs produced with the set of activities across each track. These outputs are supposed to result in a set of (intermediate) outcomes.

These outcome indicators feed into the overarching aim to build stronger cooperatives which ultimately impacts an "inclusive and sustainable agricultural development. This in support of the overall goal of Agriterra to "impact on economic development, income distribution and

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<sup>11</sup> AgriCord/FFP Gender Equality Policy Strengthened Articulation of Gender Equality in Farmers Fighting Poverty, Oct, 2018.

<sup>12</sup> No separate report or specific analysis were carried out in relation to these pilots.

democratisation". As indicated in the report, Agriterra's overall goals to a large extent align with the Dutch policy objectives linked to SDG 8 and 2.

### Assumptions and risks

There are several assumptions underlying the ToC of the Agriterra FCSB programme, below the most relevant ones:

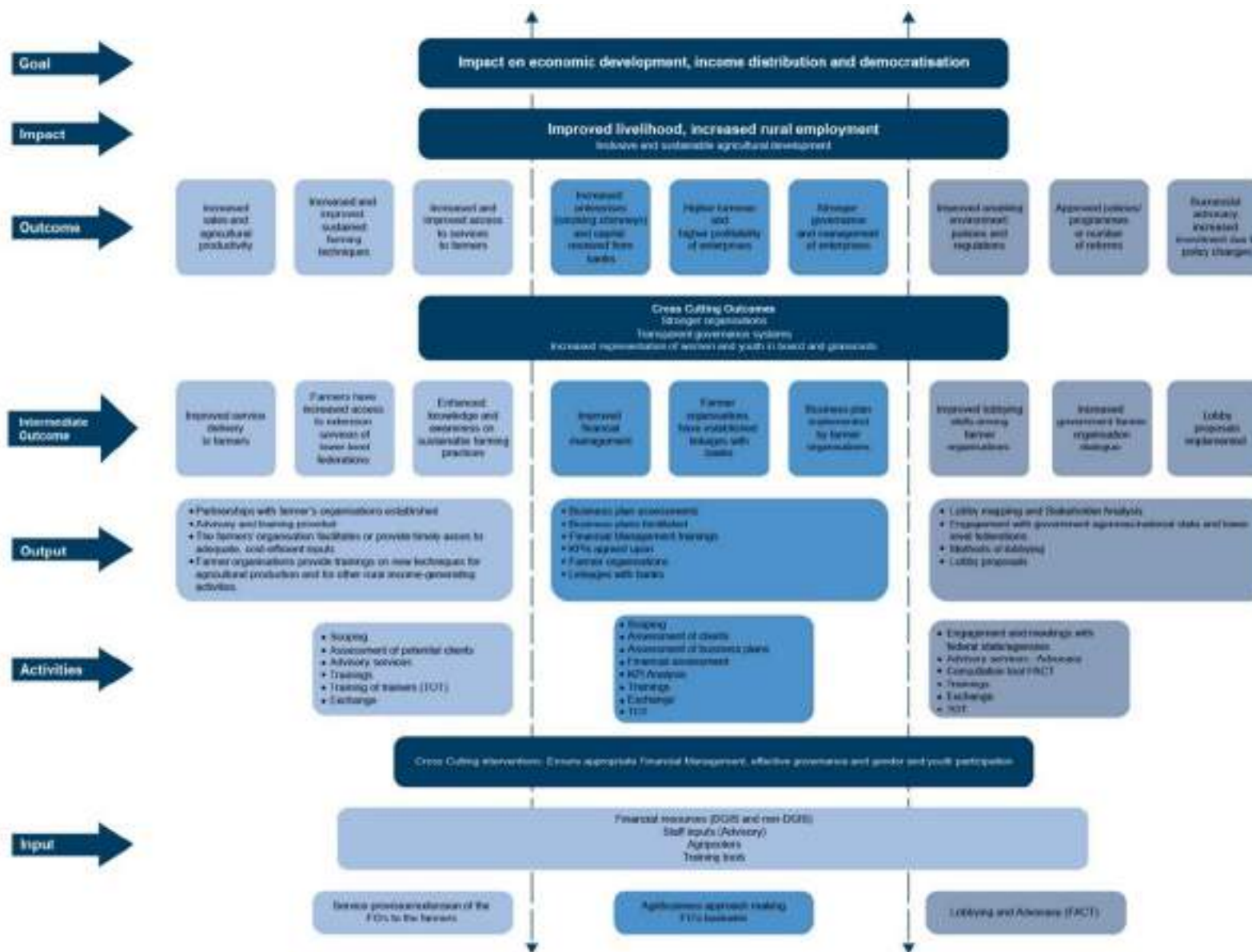
- Farmers organisations and cooperatives are an appropriate vehicle to bring about the required positive change in the agriculture sector;
- The demand for cooperatives is likely to sustain in the context of the countries of operation;
- Agriterra's staff and agripoolers have the knowledge and skills to identify global and context-specific constraints that affect the agricultural sectors and are able to provide adequate and tailor-made advice to FOs and cooperatives that will lead to positive change. There is willingness (and capacity) among cooperatives to change and become professionalised organisations to support farmers;
- Engagement and linkages with Finance Institutions (FIs) will help cooperatives to embark on scaling-up and setting up of new agribusiness and provide increased services to the farmers;
- Development in the countries' context do not hinder the successful performance of the cooperatives and their member farmers.

The assumptions underlying the causal links between activities, outputs and outcomes level are important, because they explain how the results will be brought about. The programme, through its three-track approach with multiple roles, partners and funding seeks to trigger changes to the ultimate goal, of economic development, increased income and democratisation.

In addition to the assumptions, we have outlined the following contextual risks:

- The overall context and volatile nature of majority of the developing countries can hinder sustained cooperative support to agriculture development;
- Horizontal and vertical integrations can address societal inequalities including gender disparities and the inclusion of youth;
- Achieving inclusive agricultural productivity can be challenging in Fragile States;
- Regulatory aspects such as construction permits, access to electricity, tax payments and enforcement of contracts can hinder increased service provision by cooperatives;
- External shocks can impact costs and input prices and therefore smooth functioning of the cooperatives as organisations.







## 2.4 Scope of the programme

### 2.4.1 Client portfolio

Agriterra uses a standard approach for the intake of clients in its intervention countries, this includes a two-pronged process: scoping and company assessment. The scoping exercise consists of conducting an analysis of documents and a one-day visit to potential clients. Cooperatives with the highest ranking based on the scoping assessment are recommended for a Company Assessment. The Company Assessment is the main diagnostic tool. The history and the current situation of the business (financial health, marketing, management capacity, cooperative governance) and the ambitions of the potential client (strategic and business plan) are thoroughly described and analysed. Based on the Assessment, jointly with the client, an Action Plan for the first year is formulated to address the weaknesses and opportunities identified in the Company Assessment. The following box presents an excerpt from the Grant Proposal, clearly explaining the entry and exit criteria that Agriterra seeks to employ.

#### Box 1 Agriterra's clients

To become clients, *cooperatives* must:

- Have at least 1,000 members;
- Be able to show a track record in business;
- Have realistic ambitions for growth;
- Recognise the need for finance (working capital and term loans);
- Show readiness for change.

Cooperatives will no longer be considered suitable clients if they:

- Show little progress;
- Have a vision that differs from Agriterra's long-term view;
- Show no genuine desire to professionalise the business, or prove resistant to change;
- Perpetrate fraud or malpractice in financial management;
- Suffer from serious governance issues that hamper proper business performance.

A client can also exit for positive reasons such as having successfully implemented a business plan. A positive exit is also possible, such as when the organisation becomes partner and supports Agriterra with *agripoolers* from within their membership. Entry criteria for *farmers' organisations* are slightly different (although negative exit criteria are the same). They are considered suitable if they:

- Are national and/or supranational organisations with relevant track record on lobby and advocacy;
- Are 2<sup>nd</sup> or 3<sup>rd</sup> tier (i.e., lower level) organisations with relevant track record of providing services to members;
- Are ready for change;
- Have realistic development ambitions.

Farmers' organisations will be selected mainly from those operating below national level, since this is where business flourishes. They will be district unions or state federations rather than national federations. With national and supranational bodies, Agriterra intends to work in FACT advocacy projects and transfer the type of assistance we deliver from the Netherlands and our country offices.

The table below presents the planned (following the grant proposal) and realised clients by category (cooperatives or associations/federations). Project executors are those clients with whom Agriterra has made an action plan i.e. active clients. Registered clients include clients who have participated in one or more Agriterra events.

**Table 2.3 Planned and realised clients.**

	2015	2016 # (planned)	2017 # (planned)	2018 # (planned)	2019 # (planned)	Total # Client Years 2016-2019 (planned)	Avg # of clients per year 2016- 2019 (planned)	# of unique clients 2016-2020
Registered client	164	122 (272)	278 (289)	291 (306)	357 (306)	1048 (1.173)	262 (293)	<b>474</b>
Client Executors	164	122 (218)	174 (231)	178 (245)	263 (245)	737 (939)	184 (235)	<b>385</b>
Cooperatives *	99	90	129	138	229	586	147	<b>314</b>
Federations**	59	29	40	29	23	121	30	<b>55</b>
Other organisations	6	3	5	(11	11	30	8	<b>16</b>

Note: \*88% local, and 12% sub-nation, \*\* 25% national, 45% sub-national and 35% local

Source copy of overview clients by level and type 2015-2019, Agriterra.

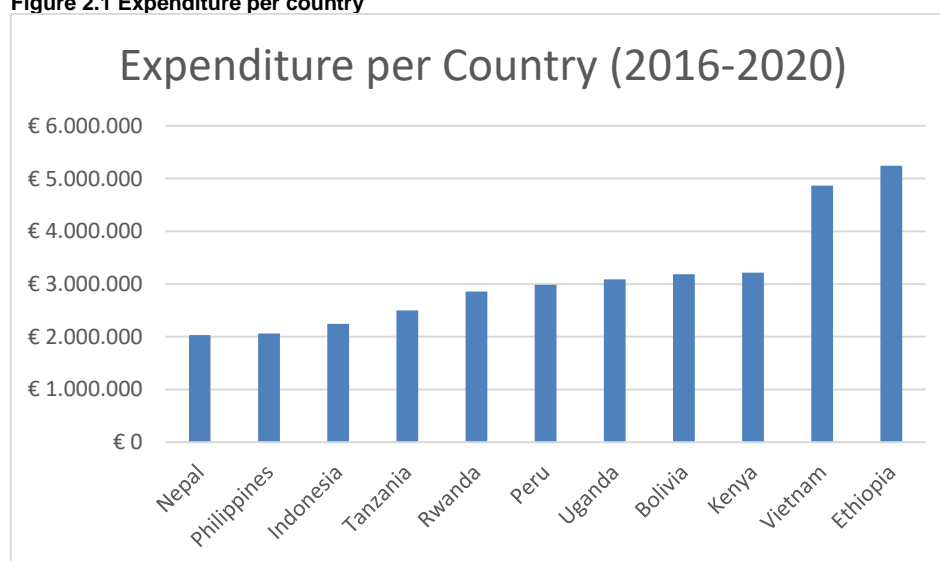
Over the programme period Agriterra worked with a total of 385 clients. The first year of the FCSB programme shows a low number of clients, which according to Agriterra is the impact of the reorganisation and start-up of the new phase. The realised number of active clients are below target during the first three years, and slightly above target in 2019. Regarding the type of clients, 83 percent involved are (mainly local) cooperatives, 14 percent are federations and the remaining 3 percent are other organisations such as SACCO's.

Taking into account the projects funded by other sources, Agriterra has worked with a considerably high number of FOs/ cooperatives. For instance, work for the TIDE project in Uganda is targeted at 75 organisations. Activities with these organisation often only include a limited number of interventions.

### Support per country

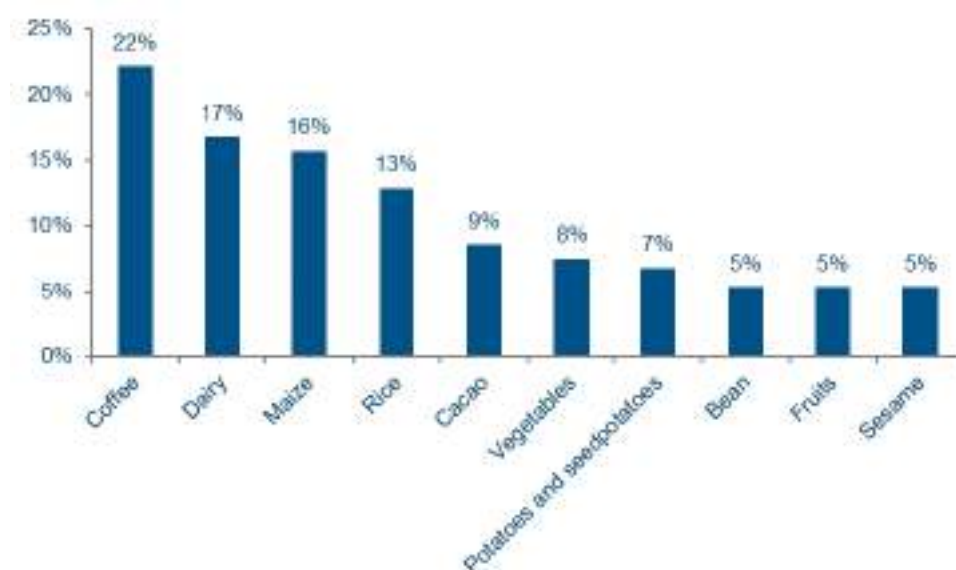
Over the programme period, Agriterra worked in 23 countries. Expenditure concentrated in Ethiopia, Vietnam and Kenya, with respectively € 5.243.847, € 4.866.707 and € 3.217.078. Figure 2.1 below shows the 10 countries that received the main focus over the programme period.

**Figure 2.1 Expenditure per country**



Clients report working with more than 70 different types of commodities, with most clients working with more than one. A few commodities are particularly relevant across the portfolio, defined by 5 percent or more of all clients working with them. Figure 2.2 below summarizes the most common commodities by Agriterra's clients.

**Figure 2.2 Most common commodities (% of clients)**



Commodities also vary geographically. While coffee remains a dominant commodity across the board, the level of concentration varies country by country. For instance, coffee dominates the portfolio in Colombia where half of the clients grow it, but this is only true for one third of the client organisations in Nicaragua.

#### 2.4.2 Agripool support

Agripool support is sourced through (i) partnership with companies and (ii) representatives/ members of FOs. Partnerships with Dutch companies such as RABO Bank, Friesland Campina, ZLTO, LTO Noord, Flynth, Vrouwen van Nu, ABN AMRO, FBD Bankmensen, Coöperatie Boerenhart, Coöperatie Boer en Zorg, amongst others allow for specialised support. Sometimes these companies use this as an opportunity to motivate their staff members, while others request staff to take some leave days. Whereas, initial agripoolers were from the Dutch agribusiness and farming sector, during the FCSB programme an internationalization of agripool was implemented, involving resource pools from FO organisations in Spain and Germany.

The table below provides a breakdown of number of agripoolers mobilised over the years. The table below demonstrates that as of 2019, a total of 527 agripoolers have been used and approximately 51 percent of them represent Dutch expertise. Since 2018, there has been more involvement of regional and local expertise including in exchange visits, particularly in West Africa, with a percentage increase from 18 percent in 2016 to 27 percent in 2019.

**Table 2.2 Agripool support 2015-2019**

	2015	2016	2017	2018	2019	2020
Planned inputs		379	423	461	482	496
Realised inputs	204	286	373	321	527	
Dutch	90	174	241	205	271	
Dutch %	44%	61%	65%	64%	51%	



### 3 Main findings for relevance

Following the ToR, the assessment on relevance concerns three key elements: (i) the relevance of the assumed pathways of change, (ii) relevance of the strategic choices made and selected approaches applied and (iii) the added value of Agriterra and whether the organisation is well positioned to execute the planned interventions. Under relevance, four questions have been formulated which is addressed in this chapter:

- Can the key assumption of the ToC “strong cooperatives and farmer organisations lead to economic growth, income equality and democracy” be verified or falsified?
- Does Agriterra make the right choices in the type of activities and intervention approaches followed, and selection of sectors and clients in reaching the expected results as included in the ToC?
- To what extent did the transformation into an advisory support organisation influence the relevance of Agriterra?
- What is the added value and/or complementarity of Agriterra compared to other (international) organisations working in the agri- and food sector in international development cooperation?

The box below presents the key findings for this evaluation criterion and above evaluation questions, that will be discussed in the remaining of this chapter.

#### Key findings for “Relevance”

- The choice to support FOs and cooperatives as an entry point for agricultural growth in order to contribute to “economic development, income distribution and democratisation is relevant for many developing countries. However, due to the varied contexts in developing countries the role of FOs and cooperatives and their potential contribution to these societal goals differ from country to country;
- Agriterra’s three track intervention approach has a main focus on Track 2 activities to support the business development of FOs and cooperatives, which is important given the role of these organisations and their capacity building needs, but not sufficient to address all key challenges;
- Despite the importance of agricultural yield and improved productivity in the sector in developing countries, Track 1 activities (to support the improvement of extension services to farmers), received relatively limited attention, with often one-off/ light touch interventions;
- Similarly, Track 3 (L&A activities) is relevant address the required changes in the policy and regulatory environment of the agricultural sector in which FOs can play an important role. However, the track receives limited attention, while there is a serious lack of contextualisation of lobbying efforts. Overall, more support is provided to primary cooperatives and less support to FOs/Federations who are important drivers for lobbying and advocacy efforts to impact the enabling environment and reforms in the agricultural sector. This lack of balance may negatively affect relevance;
- Agriterra’s aim to contribute to women’s empowerment at FO boards addresses one aspect of gender issues. However, gender mainstreaming at all levels is absent and Agriterra’s approach is not based on the constraints women are facing in the agricultural sector at the farm level, in different parts of the value chain and in FOs;
- Youth engagement and empowerment interventions are relevant and address the priority needs of youth in the countries of operation;
- The demand driven partnership approach supports the relevance of Agriterra’s activities for its clients. However, the interventions are not based on country strategies and in-depth analysis of the agricultural sector and the various sub-sector value chains. This leads to a one-size-fits-all approach;
- Agriterra does not pay consistent attention to climate change even though it is a clear challenge in the sector and is in line with DGIS priorities;

#### Key findings for “Relevance”

- The transformation of Agriterra to an advisory support organisation is relevant to the context of the countries, however the assumption on client financial contribution remains to be ambitious and challenging, given the context in the countries of operation;
- The general perception amongst clients, external stakeholders and partners is that Agriterra is good in what it does. Agriterra is seen as a leading specialist in strengthening of cooperative management. Broadly, Agriterra is complementary to other actors that exist in most countries, specifically in the form of FO/cooperative governance support;
- While Agriterra’s “Dutch cooperative expertise and cooperative knowledge” is unique to some extent bringing value addition to innovative peer-to-peer arrangements, it should be realised that the agricultural development landscape is proliferated with a number of similar actors including new organisations from the Netherlands/Europe, which makes the value proposition of FO/cooperative strengthening less unique.

### 3.1 Relevance of the overall Agriterra approach

As validated by the Final Evaluation<sup>13</sup> of the previous phase of the FSCB programme, it is not possible to conclude the programme’s “impact” on the small-holder farmers and it is beyond the scope of this assignment. Therefore, the evaluation team paid particular attention to reviewing the “plausibility” of the assumptions underlying the reconstructed ToC presented in section 2.3.3. The higher-level assumption that FOs and cooperatives is an entry point to lead to agricultural growth and contribute to “economic development, income distribution and democratisation” is relevant for quite some developing countries. However, the contribution of strengthened FOs and cooperatives to these societal goals differ from country to country. This is due to the varied contexts in developing countries which is complex and dependent on several factors such as history, governance, legislative structure, and business environment.

The key underlying assumption of the programme’s ToC is reflected in the goal “*stronger producer organisations impact on economic development, income distribution and democratisation.*” This is assumed to be achieved through the implementation of the three-track approach and the cross-cutting focus on Women and Youth, as outlined in chapter 2. In this context, this overarching goal is in line with the DGIS priorities. Most particularly, with the Dutch policy objectives of Private Sector Development (PSD), which is the focus of DDE, and Food Security which are closely linked to the UN SDG 8 and 2<sup>14</sup>. As described in section 2.2, sustained and accelerated agriculture is key to economic development and poverty reduction in developing countries. Growth in agriculture can induce corresponding growth in other sectors of the economy. This process is known as structural transformation: a declining share of agriculture in GDP and a rising share of industry and services as GDP per capita rises. Agricultural growth was the precursor to the industrial revolution that spread across the world from England in the mid-18th century to Japan in the late-19th century. More recently, rapid agricultural growth in China, India, and Vietnam became the precursor to the rise of industry (transforming countries). Given the importance of the sector and its potential impact, it is clear that the growth strategies for most agriculture-based countries has to be anchored towards strengthening agricultural value chains.

The Rochdale Pioneers are generally regarded as the prototype of the modern cooperative society and the founders of the Cooperative Movement in 1844, establishing the link between FO/cooperative movement and the seven principles of engagement which include equity, and

<sup>13</sup> Evaluation of the Program Support to Producer Organisations (POP 2011-2014) implemented. by Agriterra, KIT, June 2015.

<sup>14</sup> SDG Goal 2- End Hunger and Goal 8- Decent work and Economic Growth.



democracy.<sup>15</sup> In more recent years the resurgence of cooperatives (see section 2.2) and a body of evidence across emerging countries has shown that the cooperative business model is multi-faceted and contributes to key areas such as economic<sup>16</sup>, social<sup>17</sup> and democracy.<sup>18,19</sup> The economic fundamental includes improving incomes and creating value and investment opportunity along product supply chains in today's global economy. Social dimensions of the cooperative model offer the opportunity to provide first-hand experience with democratic governance, transparency and member participation, especially in the context of countries that face fragmented systems and structure. Finally, the model is rooted in the philosophy of increasing trust and solidarity in cooperation, in sharing resources and representing the voices of marginalized groups. However, these dimensions are not always straightforward or easy to realise, in practice. While the above presents opportunities to pave pathways for structural transformation to overcome barriers, it is important to note that various challenges stand in the way to establish and achieve equality and democracy in many countries around the world. For example, many organisations in the developing world are called cooperatives, but in reality, are government-established parastatals<sup>20</sup> and are political by nature or just established to access donor/ government funding.<sup>21</sup> In other countries, cooperatives still face political interferences or are victims of elite capture<sup>22</sup> i.e. the control rights of cooperative management provide scope for patronage and rent seeking.<sup>23</sup>

### 3.2 Relevance of Agriterra interventions

An entry point for assessing Agriterra's relevance in relation to its choices and interventions is the three-track approach. As outlined in chapter 2, the three-track approach of Agriterra forms the basis for interventions to support various types of FOs across 23 countries, executed through peer-to-peer involvement in advisory services, training and exchange visits, amongst others. Overall the three tracks address key needs of the FOs, with a main focus on track 2 activities aimed at strengthening governance and management, including bankability. Activities with a focus on farmer level (Track 1) and the enabling environment (Track 3) receive lesser attention, with limited in-depth support and time, despite their importance.

*Track 1 Extension services* aims to improve service delivery to farmers and enable increased access of extension systems to lower-level federations. According to Agriterra staff interviewed, currently interventions under this track receive more emphasis in support of value addition i.e. "smoking chimneys needs to be fuelled." Programme data, however, shows a decreasing trend

<sup>15</sup> A short history of co-operation and mutuality, Ed Mayo, COOP, 2017.

<sup>16</sup> This Principle (3<sup>rd</sup> out of the seven core principles) of Member Economic Participation was approved in its current form when the Co-operative Principles and Values were last reformulated at the Alliance's general assembly in Manchester, England, in 1995.

<sup>17</sup> In conjunction with the other components of the definition on the Co-operative Identity in the Cooperative Alliance's Statement on the Co-operative Identity, Values and Principles and other studies confirm that the economic dimension of co-operatives is mentioned first, however, shared social and cultural "aspirations and needs" are listed on an equal footing.

<sup>18</sup> Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership as per the established Cooperative Principles.

<sup>19</sup> Cooperatives: Pathways to Economic, Democratic and Social Development In the Global Economy, US Overseas Cooperative Development Council, OCDC, 2007.

<sup>20</sup> Parastatals are statutorily authorized corporate entities which earn their revenue from the sale of goods and services and in which the government holds a majority of shares. See The State Corporations Act, (1986) Cap. 446 § 2. (Kenya). They are also referred to as State Owned Enterprises.

<sup>21</sup> The definition of a cooperative still varies from country to country, especially in those states where the law has not been revised to bring it into line with ILO Recommendation No.193.

<sup>22</sup> World Development Report 2008: Agriculture for Development, Chapter 6: Supporting Small-holders through Institutional Development, World Bank, 2008.

<sup>23</sup> Additional incentive problems in traditional cooperatives are: The horizon problem (residual claims that do not extend as far as the economic life of the underlying asset), the portfolio problem (the organization's investment portfolio may not reflect the interests of any given member), and influence costs (decisions affect the wealth distribution among members) (Cook and Iliopoulos, 2000).

over the years with only 8 percent share of budget allocated in 2019 (see section 2.3. table 2.1). On average 20 percent of the budget has been spent on activities under track 1 over the programme period.

The targets as specified in the ToC (see section 2.3) is already a challenge. These targets include “Increased sales and agricultural productivity”, “improved access to extension services” and “Increased and improved access to services to farmers.” This is due to the fact that Agriterra is not directly engaged with farmers and even though it does engage with FOs, farmers remain a distant participant, especially in cases of Federations, Unions and other types of umbrella FOs. However, in some countries, such as Ethiopia, Agriterra support is provided through Training of Trainers (ToT), while in other countries, extension trainings are provided to extension officers, veterinarians and others. Having said that, direct benefits at farmer level is still difficult to trace.

Overall, across the majority of the cases, the support by Agriterra mainly takes the form of financial support in contracting agronomist/extension staff (with Agriterra paying a decreasing portion of the salary costs), exchange visits, next to training of selected farmers and/ or cooperative extension staff on specific topics to improve farming and livestock handling practices. Country contexts differ vastly for this track. While in some cases Agriterra is increasingly providing trainings linked to the agro-processing activities supported, in other (country) cases, other actors have already been working on the set up of well-functioning field units to deliver extension services. In other instances, the country offices had no capacity to work on this track. Finally, the majority of cases indicate that there have been “one-off”/often light touch interventions.

The above challenges, make this track even more susceptible to ad-hoc set of activities, with limited follow-up and consolidation. Overall, even though agricultural yields, productivity and diversifying smallholder production is a key challenge in the sector, this track receives limited attention. Therefore, while the type of intervention is relevant i.e. addressing needs and priorities of the clients in countries, the activities are sporadic and achieving the expected results of the ToC is a clear challenge.

*Track 2 Agribusiness approach- making cooperatives bankable* as outlined in chapter 2, aims to contribute to strengthening of governance and management of cooperatives by supporting financial management and improving bankability of the organisations. Compared to track 1 and 3, this track receives significant attention both in terms of budget with an allocation of 70% and corresponding interventions/activities. The support, starting with the cooperative assessment, usually takes the form of advice and training on entrepreneurship, financial and day-to-day management and business planning. With financial management and organisational support provided to almost, if not, all clients. The improvement of existing business plans or developing new business plans and strategic plans were the main deliverables.

Based on an assessment of country (case) studies, this track receives strong attention and support, in many countries, it is a unique area of intervention. The quality (in terms of content and suitability for the audience) of the support and follow up was relevant to offer the clients the opportunity to improve their financial management systems and internal capitalization. It was indicated that the trainings both suited the often-lower educated farmers involved in the (supervisory) board and higher educated managers of the organisations.

Therefore, the overall support in this track is relevant and in line with the priority needs of FOs in the emerging countries where financial management and governance are key to stronger operation of the organisations. In addition, given that transparency and use of funds including membership

fees is mired by considerable loopholes. This track is relevant to set out transparent and accountable internal systems within several FOs.

*Track 3 Lobbying and advocacy*, at the highest level aims to stimulate increased investment due to policy changes as a result of stronger lobbying and advocacy efforts by FOs. Lobbying and Advocacy in the agricultural sector is a critical area of intervention, particularly in the context of the emerging economies, where FOs can be a strong representative to echo the voices and needs of the small holder farmers. This is particularly relevant in the context of barriers the sector faces as outlined in section 3.1. A body of evidence confirms that the FOs can play an instrumental role in addressing these barriers and advocating for reforms<sup>24</sup>. However, given the context and political economy of most of the emerging countries particularly Asia and Africa, this target, as set out in the ToC, is ambitious. This is firstly because the majority of the countries face broader regulatory issues and legislative structures which requires continuous support and time. Secondly, given the number of actors involved in this area, this intervention requires systematic monitoring and evaluation systems to track the key building blocks of lobbying and advocacy initiatives e.g. number of issues identified, lobbying proposals submitted, advocacy engagement, reforms submitted and finally approved. Hence contribution, let alone attribution, is hard to define.

Despite the importance of this track and clear need among the FOs, the budget allocation has been on average 9 percent against a target of 10 percent spending each year, reflecting a lesser priority. The activities on L&A varies across countries and clients and the main instrument used is the “Farmers Advocacy Consultation Tool” (FACT) training. Several cases indicate the need for contextualising the legislative and political economy challenges faced in developing countries. In some country cases, clear issues affecting the cooperatives were identified in the company assessment. However, no efforts were made to enhance their capacity to engage and negotiate with important stakeholders, including the government. The FACT trainings are mainly delivered by international Agri-poolers. As outlined in chapter 2, the overarching philosophy of FACT is that the trainings and the tool would enable FOs to identify issues, consult with members, carry out research and position themselves to negotiate on key issues. However, in practice, in the majority of the assessed cases, the FACT approach has been limited to “one-off” trainings and workshops or a set of activities rather than building a pathway towards L&A outcomes. Based on an assessment of the cases, there is a clear lack of prioritisation reflected in the lack of follow up and often consolidation of activities.

Therefore, while this track is relevant and aims to address the priority needs of FOs in the context of the countries of Agriterra operation, this is impacted by lack of contextualisation of lobbying efforts, consolidation of activities to reach the targets set out in the ToC i.e. reforms and policy changes.

### **Gender and Youth**

While Agriterra’s approach to gender addresses the priority needs in representation of women in the board of FOs and leadership positions, gender mainstreaming approaches at all levels is missing. Currently given the changes with AgriCord, there is a lack of clarity on the gender strategy as Agriterra does not have an explicit gender strategy of its own. Following the grant proposal, the activities on gender mainly consist of leadership trainings, gender sensitization workshops and introduction of gender policies with an agreed target for female board members. Across the cases assessed, leadership trainings are relevant to the context and priority needs as women in leadership positions still face a significant challenge due to patriarchal societies and gender norms.

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<sup>24</sup> Producer organisations: Reclaiming opportunities for development, FAO Regional Office for Africa, Policy Briefs, 2013.

However, beyond the board and in some cases staff members of FOs, Agriterra's interventions on gender remains minimal. While gender sensitization workshops are visible in many cases, the participation of women in FOs and their engagement seems to be mere counting exercises.

Across all cases assessed, gender seem to be a one-off activity rather than a mainstreamed intervention at all levels. This is indeed mentioned in the approved grant proposal, however, it is still surprising given that gender disparity is a key issue across the agricultural sector (see section 2.2). While issues such as land and social barriers can be argued to be beyond the scope of this programme<sup>25</sup>, interventions around women's participation in farming, women friendly service provision, lobbying efforts on women's land ownership issues, gender sensitive financial and non-financial products amongst others, appear to be absent.

Youth engagement and empowerment interventions are relevant and address the priority needs of the countries. Youth engagement, as outlined in chapter 2 cuts across the three tracks. Agriterra's approach to youth is more elaborated on in the grant proposal and annual reporting. The aim is to increase youth participation in the FO board and increase their representation in membership through the set-up of a Youth Council, exchange visits and leadership trainings. Across the majority of the cases, youth engagement features prominently. Several cases show that the use of Youth Councils in some countries has created the pathway for youth engagement in FOs.

### Climate change

Even though the grant proposal explicitly refers to climate change as a key challenge and an area of intervention, this is not mainstreamed and included in the different interventions with FOs/cooperatives. Specific questions are included in the company assessment but follow up is limited or not existing, even though environmental issues is one of the key threats to agriculture and farmers. The grant proposal indicates that using Agriterra's FACT, organisations can lobby on climate issues for themselves, however no such examples exists or are promoted by Agriterra. It is important to note that, Agriterra is involved in some recent projects on the issue such as Climate Smart Agriculture e.g. in Uganda, Agriterra has joined an SNV led consortium on the CRAFT project<sup>26</sup>, funded by non-DGIS sources.

#### 3.2.1 Choice of Interventions

The above interventions are implemented based on some key factors/choices – for example, country operation, sub-sectors, and cross-cutting themes. These choices/factors have been clustered across four categories: (i) selection of countries (ii) sub-sectors (iii) type of client and (iv) resources i.e. use of Agripoolers.

#### Selection of countries

Subsequent years following 2016, show a steady increase in country presence, especially with a return to West Africa in 2019. However, the country selection strategy and prioritization of countries of operation remains to be unclear, indicating dispersed efforts with the risk of spreading too thinly.

As mentioned, Agriterra is now active in 23 countries. The selection of current countries of Agriterra operations is the result of a mix of various factors rather than being based on a systematic diagnostic and selection of countries. The factors of operation include legacy from the past (e.g. long-standing operation of Agriterra in countries such as Indonesia, Peru etc), and new initiatives of

<sup>25</sup> Here it is still key to link projects to increase relevance of the activities. Projects should not be implemented in isolation, but integrated to a coherent approach, possibly also linking to other programmes, if this is outside the scope of Agriterra.

<sup>26</sup> The programmes focus on increasing the availability of climate smart food for the growing population in Kenya, Tanzania and Uganda. Agriterra's target is to reach 13 cooperatives across three sectors - sesame, soya and potato.

Agriterra's World Team i.e. HQ. Based on interviews and review of background information, Agriterra's selection of countries is based on a broad set of criteria which include: the demand for its services, socio-economic conditions<sup>27</sup>, the security situation, role of government, and the contribution to Agriterra's 2020 goals.

Agriterra's goal is to have presence in all (sub) regions (Africa, Asia and Latin America), and not in every country. However, due to a lack of an organisational i.e. Agriterra strategy (outlining the organisation's vision, market segments and priority country operations), often the selection of these countries and regions seems unclear and uncoordinated. For instance, the re-introduction of Agriterra in West Africa in 2019 is the result of the recommendation of DGIS and the subsequent topping-up of the grant. Whereas, about half of the intervention countries in Asia are below the poverty line, and mainly agricultural-based countries. Agriterra also aspired to work in transforming countries, such as India or China. While Agriterra is operating in China to support selected cooperatives, kicking off the programme in India was unsuccessful. In addition, given the above criteria, Myanmar and the Philippines are not the obvious countries. Based on interviews, work in Myanmar started upon the request of the Ministry of Agriculture. In the Philippines Agriterra was already working since its establishment and therefore the decision was made to continue.

### Sub-sector

While the sub-sector portfolio presented in chapter 2 presents a spread across sub-sectors, there is no sub-sector diagnostic and needs assessment at country level. As outlined earlier, Agriterra does not have country-specific intervention strategies which can form the framework for the selection of sub-sectors, commodities and type of clients based on the context and needs of the country. In some countries, the sub-sector interventions are in line with the national priorities and plans as can be seen in the country case studies, however, in others, there is a lack of clarity on the framework. Instead, the country teams directly start with scoping of potential clients, whereby the willingness to change (demand) of the FOs is the key selection criteria. Consequently, the sub-sectors covered and the geographical distribution of clients is based on the demand-driven scoping and assessment process, rather than a clear selection framework. For instance, in Peru prior to the FCSB programme Agriterra worked with Coffee and Cacao Federations, and through this network many coffee and cacao organisations requested Agriterra support. In some countries, Agriterra partners take a prominent role in the selection of clients. For instance, in Ethiopia, on a yearly basis the government recommends new clients, whilst also Agriterra may identify potential clients to be included in the scoping missions.

### Type of clients

While the three-track approach provides structure and focus, one-size does not fit all. Therefore, the challenge is to structure the support across each level for each type of FOs e.g. primary FOs are directly connected to farmers and require support to strengthen productivity. Unions and Federations, indicate the need for consolidated support to lobby reform proposals successfully.

Agriterra caters to a varied types of FOs (see table 2.2 in chapter 2 for the full overview). Regarding the type of clients, outreach to federations<sup>28</sup> has been much lower than planned following the grant proposal objective which states that in *"the next five years Agriterra will, through 180 lower-level federations or chain associations, 340 cooperatives and 27 (inter)national federations, reach out to 3,5 million farmers.* The number of federations has become about 10 percent of the number of cooperatives in 2019. This indicates the lesser attention towards Federations which is important for

<sup>27</sup> Three international indexes are using used: (i) the Food Security Index; (ii) the Human Development Index (poverty <70); and the Ease of Doing Business Index.

<sup>28</sup> The number of 55 indicated in section 2.3, 2.1 table is based on the number of associations (rebaptized federations) and not cooperatives and associations at national/international level. Summing up the number of project executors (ass. or coop) an additional 36 associations at higher level than local and 10 cooperative unions/federations can be added.

the enabling environment for the well-functioning of cooperatives. This indicates a lack of balance and prioritization which further reinforces the lesser attention given to track 3, Lobby and Advocacy.

In addition to the above, the balance of support is an important area given that Farmer Organisations are not homogenous and vary in relation to type and context, which defines its needs.

### 3.2.2 Resources – Agripoolers

The key resources used in the three-track approach, amongst others are the agripoolers (peer-to-peer approach). As outlined in chapter 2, the scope of agripoolers encompasses (i) partnership with companies and (ii) representatives/members of FOs. The challenge is to source specialised support, which is why Agriterra, to some extent, relies on international consultants as well. While as noted by Agriterra, agripoolers are not consultants and there is a clear distinction, even though the available data does not seem to make this distinction.

Agripool data as provided (see section 2.2, table 2.1) shows that overall inputs in this respect are lagging behind with about 14 percent. As of 2019, the realised inputs exceeded the planned inputs. Data also suggests that Agriterra is moving towards a more localised and regional approach, which based on the case studies proved to be a relevant aspect of peer-to-peer support because of the shared context and experiences.

The engagement of agripoolers is seen in the increased relevance, credibility and realism of the advice and learning from peers that have practical experience. The type of support spans across the three tracks and areas of specialisation. As seen in the table below, agripooler inputs have been largely focused on financial management and governance support and less so in extension services and L&A, with also a number of days agripool support involved internal and outreach events.

**Table 3.1 Type of Agripool support 2015-2019**

Type and number of event or assignment	Specialism	# of experts and (participants)
Exchange/study tours (132)	Sustainable services, business planning and cooperative governance.	341 (2478)
Workshops (680)	Financial management, cooperative governance, FACT, business planning, member commitment, internal capitalisation, youth participation, female leadership and extension.	297 (4,406)
Advisory missions (1414)	Representation; FACT; business planning; financial management; record keeping; business management/entrepreneurship; agrarian specialism.	1986
Scoping for client intake (483)	Client intake and assessment.	271
Internships (100)	Long-term assignments with combination of advice and research: themes related to agrarian specialism, communication, marketing and cooperative management.	1038
Agriterra/Acodea events/training courses (51)	Agriterra themes or specialisms, relation day, Agripool day for partners also to recruit new agripoolers.	109 (1502)

Despite this relevance and creditability, the quality of inputs varies vastly across countries. It is here that the selection process and quality of Agriterra becomes critical. As per interviews, it is recognised that the selection and quality assurance aspects are evolving. Agriterra is growing

quickly and mobilising the peer-to-peer approach, however, maybe at the risk of spreading too thinly and often succumbing to quantity rather than quality of agripoolers. Therefore, this affects the relevance of Agripool support.

### 3.3 Agriterra's transformation into an advisory support organisation

As outlined in chapter 2, Agriterra assumes that connecting to the changed financial flows should allow the development of new income-generating models for both Agriterra and its clients (farmers' organisations and cooperatives). In addition, Agriterra also believes that cooperatives and FOs still require donor support to enable them to develop truly sustainable income-generating models. In line with this changing environment, Agriterra's focus is no longer on channelling grants to farmers' organisations (co-financing). Instead, it has adapted its approach to provide advisory service i.e. expertise and knowledge needed to tap into funds available from different sources.

Agriterra's business case is focused on using BAs and agripoolers coupled with consultants to work 'from both ends' i.e. from the one end this consists of supporting cooperatives to make them bankable enabling them to leverage new sources of funding. On the other end, connecting FIs and investors from its network to its clients. Thus, the assumption is that that clients would not approach Agriterra for the money it brings, but for the value of its advisory services to strengthen their operation and structure. Agriterra's clients would be prepared to pay (partially or fully) for these services when they realise the financial benefits (direct and indirect) generated by the advisory services would be several times larger than the costs of the services provided. As mentioned in chapter 2, over the programme period the share of grants to clients gradually declined from 30 percent to 11 percent in 2019.

Agriterra assumed that the volume of grants would significantly reduce, but not be completely phased out.<sup>29</sup> Whilst the grant component would be used to enable the local staff of farmers' organisations and cooperatives, plus external expertise, to be involved in the advisory work concerning joint programmes such as cooperative investment plans and stronger market links.<sup>30</sup> However, an assessment of all cases shows that this did not occur-- the grant was used to co-finance a wide range of project activities, other than calling in advice such as feasibility studies, financial management software, hiring of staff etc. The case studies also indicate that financial support was still a very important element of the support package and crucial for taking steps forward, particularly for cooperatives that were in the start-up or early start of the growing phase. The direct funding of project activities, were complementary and supported the capacity building events and improved their businesses.

The expectation that the clients would pay from their own or third party funds for advisory is highly ambitious given that there is a body of evidence that confirms that the value of advisory services, particularly cash contribution is still nascent in developing economies. Agriterra projected a large increase in client contributions: a minimum position, where projects would contribute a comparable amount as Agriterra funding, i.e. EUR 53 million. And a maximum position, where clients raise an additional 50 percent, thus 80 million euro. So far, these projections were not realised. The assessment of the available data and review of cases suggest that the current contribution of clients is not purely financial rather in-kind contributions (such as provision of venue, staff time, amongst others) On the average, for the majority of the cases, the client contribution is still at 35 percent (including in-kind contributions).

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<sup>29</sup> It was phased out in Peru, but this appears to be an exception.

<sup>30</sup> Grant Proposal, page 39.

### 3.4 Complementarity

Agriterra's intention is to use best practice FO expertise and peer-to-peer advice from the (Dutch) agri-food sector to support cooperative development in Asia, Africa and Latin America. While this "Dutch expertise" is somewhat unique, the value proposition of FO/cooperative strengthening is not unique in the context of agricultural development in international development landscape. This is particularly relevant in the international landscape where several organisations have been focusing on cooperative strengthening for decades, based on the cooperative principles.<sup>31</sup> These include: large organisations such as FAO<sup>32</sup>, USAID's<sup>33</sup> Cooperative Development Programme, COOP - International Cooperative Alliance (ICA)<sup>34</sup>, Scope Insight<sup>35</sup>, RABO Bank, SNV and others. In addition, the "peer-to-peer" approach is increasingly adopted by organisations in various forms e.g. mobilising specialised consultants with global and regional know-how. Peer-to-peer approach in the context of exchanges between FOs<sup>36</sup> themselves in international and country level is however, witnessed in limited cases. Therefore, Agriterra does bring value addition through such innovative arrangements. For example, in the West Africa region, Agriterra has facilitated knowledge sharing and exchanges by engaging agripoolers who are FO and cooperative representatives themselves.

In the broader international context, Agriterra's complementarity varies across countries. In many countries, Agriterra is a strong complementary partner to organisations such as SNV, GIZ, AgriProfocus and FAO e.g. in Uganda, Kenya and Ethiopia. In other instances, Agriterra is faced by the challenge that several other international actors outlined above and regional hubs are beginning to provide similar support to the same client. This is evidenced in Zambia, Uganda, Peru and Tanzania where various actors are engaged in providing a range of direct capacity building, governance and lobbying and advocacy support to FOs.

The general perception amongst clients, external stakeholders and partners is that Agriterra is good in what it does. Agriterra is seen as a leading specialist in strengthening of cooperative management. Specifically, the assessment-based need identification (demand-driven approach), innovative thinking and peer- to-peer learning/exchange visits are appreciated across majority of the countries. Agriterra leverages its network and mobilises specialised support through agripoolers from RABO Bank, private sector companies, cooperatives in Netherlands along with consultants.

Another perceived strength of the Agriterra approach as compared to the work of other donors is demand driven partnership approach. This has been expressed by most clients across the majority of the countries where the clients felt that they were working in partnership, rather than being told what to do. Only in some isolated instances such as in Indonesia and South Sudan, clients

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<sup>31</sup> Cooperatives have been around for hundreds of years, since Benjamin Franklin formed the first mutual insurance company in Philadelphia, USA. After the industrial revolution, the founders of the Rochdale society developed a set of operating principles to ensure the success of hundreds of cooperatives in England and beyond which soon imitated them. Today, these have formed the globally acclaimed 7 basic guiding principles for cooperatives around the world. The Present Application of the Rochdale Principles of Co-operation (1937).

<sup>32</sup> FAO has been working through cooperatives, producer organizations and networks, to improve their bargaining power and access to markets, across Asia and Africa.

<sup>33</sup> USAID's Office of Local Sustainability (E3/LS) manages the Cooperative Development Program (CDP), a global initiative that is building the capacity of cooperative businesses and cooperative systems for self-reliance, local ownership, and sustainability. CDP currently includes 12 U.S.-based cooperative development organizations (CDOs) working in the sectors of agriculture, finance, health, energy, and information technology. Over the past 18 years, CDP activities have supported more than 500 cooperatives and credit unions with a combined savings of nearly half a billion dollars. \$495 million across Asia, Africa and Latin America.

<sup>34</sup> The ICA has worked over the last 117 years to expand the presence and awareness of cooperatives around the world. The organisation has a Global Office based in Brussels, four Regional Offices (Africa, Americas, Asia-Pacific, and Europe), eight Global Sectoral Organisations (agriculture, banking, retail, fisheries, health, housing, insurance, and industry & services), and five Committees and Networks working on cooperative development.

<sup>35</sup> Dutch organisation working for 10 years, the organisation has been working across 41 countries, and have reached over 8.5 million farmers.

<sup>36</sup> In some cases, Agriterra uses FO representatives to exchange success stories and support in different regions.



expressed the need for a more “informal’ approach to work and a stronger involvement of Agriterra i.e. hands-on support.

In the majority of the countries, Agriterra support is complementary in the form of FO/cooperative governance support which forms a strong organisational foundation. However, this is less in their contribution to agricultural value chain challenges and needs. Agriterra is seen as a strong partner supporting FOs at various levels (unions, primary cooperatives and SACCOs) to strengthen their governance structure and increase the transparency and accountability in the operation of the board and management. Nevertheless in some cases, Agriterra tried to address priority governance needs through training in Nepal and Indonesia, but the cooperatives refused the training stating that they had other priorities and there was a clear lack of trust and ownership. Similarly, Agriterra interventions on internal capitalisation, bankability and financial management training (Track 1) are seen as a clear value added. Agriterra’s added value in this respect is stronger due to its partnership with specialised organisations such as RABO Bank, where specialised support (through agripoolers) was provided successfully in countries such as Uganda, Tanzania, Kenya and Zambia. However, the challenge will be to strengthen Agriterra’s own internal staff expertise to be able to hold this position in the context that there are several actors with long standing experience and expertise in financial management and bankability.



## 4 Main findings for effectiveness

Effectiveness refers to achievement of outputs and outcomes of the FCSB programme (2016-2019), including Agriterra's 2020 Goals and DGIS goals. Under effectiveness seven questions have been formulated that will be addressed in this chapter:

- To what degree have extension services to members been improved since 2016?
- How effective is the approach to make cooperatives bankable?
- To what extent has lobbying and Advocacy interventions (FACT approach) achieved the intended outcomes and leveraged public support?
- To what extent have cooperatives and FOs been strengthened as a result of the undertaken actions?
- To what extent are Agriterra's interventions gender sensitive and has participation of women and their influence increased?
- To what extent does the programme impact and influence participation of young farmers in farmer organisations and cooperatives?
- How effective is the peer-to-peer approach compared to the advisory services by Agriterra staff, other consultants or support from NGO's and other organisations?

As indicated in the ToR the assessment to what extent Agriterra's interventions have generated impact at the level of members' households is outside the scope of the evaluation. However, to fully capture the achievements and possible unintended impact, we have collected anecdotal information at farmer level during field work. In addition, elements used to assess the performance of clients for the Top 74 Index<sup>37</sup> can be considered as (proxy) impact indicators such as increased membership, share of paying members and increased cooperative income, etc. In particular, we assessed the extent to which it is beneficial for the farmers to become an active member of the cooperatives or farmers organisations.

The box below presents the key findings for this evaluation criterion linked to the evaluation questions as mentioned above.

### Key findings for "Effectiveness"

- Effectiveness of Agriterra's interventions vary across the three tracks. Regarding Track 2, the main focus of Agriterra, there is clear evidence of strengthened organisations, as illustrated in the case studies from the field, related to more transparent financial management and improved governance and business management as well as increased bankability as a result of internal capitalisation and profitability;
- Regarding track 1: there is no concrete evidence of outcomes at the farmer level, with no direct monitoring by Agriterra (as was agreed) and/ or follow up of results in this area, although it is key for the development of the agricultural sector; Based on the achieved outputs and discussions in the field it is likely that results in terms of improved service delivery of the FOs have been achieved. The fact that interventions, in most cases were designed as one-off activities, limits these results with regard to a larger farmer outreach and sustainability.
- Regarding track 3: there is limited evidence of L&A results (outcomes), with concrete evidence in terms of policy proposals and evidence from the case study research of concrete policy reforms (e.g. tax exempts);
- Gender activities did lead to a larger outreach to women and increased board membership for a considerable number of clients with the overall percentage slightly less than the set target. Whilst,

<sup>37</sup> The Top 74 index provides a ranking of FO/cooperative clients based a composite score that measures performance of FOs and cooperatives. The index includes scores for financial and non-financial KPIs, Financial Health check, contribution to 2020 goals.

### Key findings for “Effectiveness”

- leadership training has visibly empowered women in boards, there is no evidence of gender mainstreaming at all levels, other than the emphasis on female participation;
- With regard to youth engagement, the formation of Youth Councils played a key role in their empowerment. In other countries, results in terms of increased youth membership are more difficult to achieve because of structural barriers such as access to land and finance;
  - Added value of the support is seen in the increased relevance, credibility and realism of the advice and learning from peers that have practical experience as compared to advisory services by Agriterra staff and local consultants, There is however, some variation in quality and usefulness of support, including . limited or no follow up by the agripooler. Overall, there may be risk of focusing on the quantity of inputs of for example agripoolers, rather than quality of inputs;

The analysis of effectiveness is based on the ToC, as included in section 2.3.2. Section (4.1) below presents the achievements of the three tracks within Agriterra’s intervention approach, whilst the next sections (4.2 and 4.3) address the crosscutting outcomes in the Theory of Change at the cooperatives and farmer level. The last sections (4.4 and 4.5) discuss the specific outreach to women and youth and the effectiveness of the peer-to-peer approach.

## 4.1 Achievements of the three-track approach

### 4.1.1 Track 1: promoting farmer entrepreneurship: provision of extension services

The table below provides an overview of implemented activities under the different objectives for this track as identified in the FCSB programme and number of clients involved. In the absence of data on actual results (intermediate outcomes) of the activities in the Agriterra M&E system, this might provide only an indication of results achieved. The full overview of deliverables and targets in the different working areas over the programme period can be found in section A of Annex 2.

**Table 4.1 deliverables and targets track 1<sup>38</sup>**

Objectives FCSB	Work areas	Clients involved in activities (targeted number 2016-2020) <sup>39</sup>
Access to resources	Institutional cooperation with financial service providers/ participates in saving and credit schemes	32 (80)
Access to inputs, including extension services	Training in improved techniques, Improved extension services Access to inputs	104 (75)
Processing and handling: international certification	members making use of processing improvement initiatives	24 (74)

The support by Agriterra mainly takes the form of financial support in contracting agronomist/ extension staff, exchange visits, next to training of selected farmers and/ or cooperative extension staff on specific topics to improve farming and livestock handling practices.. Extension staff (similar to professional management staff and accountants) are mostly hired based on a cost-sharing arrangement between Agriterra and the client. It starts with a 75-25 percent division which is reversed in the following 2-3 years, with the client eventually paying the full salaries. Clients indicate that this cost-sharing arrangement provides them with the confidence to make the

<sup>38</sup> For the objectives access to resources and processing and handling international certification there is some overlap with Track 2, which makes it difficult to differentiate.

<sup>39</sup> The targets which are an estimation of the capacity of Agriterra are included in the M&E protocol as submitted to DGIS in 2016.

investment and allows them to see (and experience) the (financial) benefits of hiring professional staff, which in turn may provide them with the required finance to pay for (a larger part of) the salaries in later years.

For instance, Winos SACCO in Tanzania with the support of Agriterra hired two extension officers for its members end of 2019. It's not common for SACCOS to provide extension services, but the members asked for this. Moreover, by improving livestock and harvest, the SACCOS hopes that farmers will deposit more and/or take out more loans. For the first year, Agriterra pays 75% of the extension officers' salaries, which will be the other way around in the second year. Members have to pay a small fee for the extension services, which together with the margins taken on inputs should in theory cover the costs of the officers.

In terms of outcomes none of the Agriterra 2020 goals directly relates to track 1. Looking at the (intermediate) outcomes specified in the ToC, based on the case study research it is difficult to make an assessment to what extent extension services have been improved and to what extent it benefitted the members. Based on the achieved outputs (see table above) and discussions in the field it is likely that results in terms of improved service delivery of the FOs, increased access to extension services for members and enhanced knowledge and awareness of sustainable farming practices at farmer level have been achieved. In certain cases, clear results in increased sales and productivity contributed by Agriterra interventions, were also confirmed. The fact, however, that interventions, in most cases were designed as one-off activities, limits these results with regard to a larger farmer outreach and sustainability.

#### 4.1.2 Track 2: Agribusiness and making cooperatives bankable

Agriterra within its second (and key) intervention area provides support to farmer-led businesses, which can be a membership organisation (unions, cooperatives) or an enterprise with an agricultural organisation as shareholder. The provided overview (see Annex 2 section A) showed that over the 2016-2019 period Agriterra worked with a total of 207 clients on output (agricultural products) marketing related activities and 88 clients on enterprise development (agro-processing).

As mentioned respondents (clients as well as partner- and donor organisations) in most cases highly appreciated the quality (in terms of content and suitability for the audience) of the training and support and follow up. The basic financial management training was mostly delivered by Agriterra in-country business advisors and there was a clear benefit of being able to touch base with them as and when needed. Nevertheless, three study clients in Uganda and Ethiopia felt that the financial management training did not provide them with sufficient depth.

#### Outcomes in terms of bankability

The Agriterra M&E provided data includes outcome data over the 2016-2019 period such as profitable rural businesses (e.g. 35 against target of 50), yet it does not provide information on whether or not this was the case at the start of the partnership (and the extent to which this can be contributed to the intervention). With regard to marketing, 124 clients have developed a business plan to improve marketing and 57 have increased access to market information (against target of 75)..

In terms of intermediate outcomes, the case studies showed that support indeed improved financial management (and systems) and governance and thus transparency within the cooperatives. Similar support facilitated preparation or restructuring and implementation of strategic or business plans ("we had ideas but did not know how to implement it") and internal capitalisation policies. For a number of clients Agriterra was instrumental in linking them to financial institutions (within their network), such as also Rabobank. In Ethiopia, Agriterra facilitated access to bank loans by setting

up a guarantee fund to mitigate the risk of non-repayment for the banks to increase their confidence in lending to the cooperative sector. The case studies provided some clear examples in which Agriterra played a crucial role in the organisational and business development of FOs leading to increased growth of the business and benefits to its members. Agriterra's role was specifically pertinent in cooperatives that were start-ups or at early stages of the business cycle.

In Peru, despite the fact that at intake ALLIMA cacao did not comply with many of the requirements, Agriterra identified a large potential and was prepared to take risks. Agriterra helped them to transform into a Cooperative, providing trainings and advice, by doing so serving as a kind of guarantee for financial organisations that provided them loans. With grants Agriterra paid for some crucial small assets, one year of co-funding of salaries of technicians for production increase and consultants for making feasibility studies for expansion and planning new supply lines. This supported growth of the cooperative. Today ALLIMA sells a lot more cacao, has far more members and a good credit rating. Whereas ALLIMA was not yet selling in 2016, it sold 462 in 2019 and plans 800 MT in 2020.

An improved financial system resulting in increased transparency is also seen as a crucial aspect to achieve a higher internal capitalisation rate, which is a further outcome that could be identified in most case studies. This was achieved through an increased number of paying members, number of shareholders, increased member fees, (increased) payment for services etc, in turn also supporting bankability of the organisations and value addition. The introduction of the concept of internal capitalisation, which was new in some of the countries, very much supported growth of the cooperatives.

For instance, in Ethiopia, bankability of the supported unions has increased over time through an increase in their internal capital and investment of 150 million BIRR, almost 4,5 million EUR in the last 4 years. Due to interest from the government, this approach of internal capitalisation has been rolled out throughout the country and offered to all unions, resulting in a leverage affect with a much larger reach and impact and likely sustainability.

In terms of outcomes track 2 can be linked to Agriterra's 2020 Goal number 2 (connecting 50 cooperatives successfully to banks, including 25 'smoking chimneys', which are upgraded processing facilities or new processing facilities installed) and number 3 (mobilising EUR 55 million in loans and working capital). The cumulative data reported at the end of 2019 presented in the table below, shows that both targets already have been achieved with cooperatives successfully accessing 105 bank loans (with some cooperatives accessing multiple bank loans) and a total mobilisation of over € 70 million as a result of the Agriterra intervention. This can be seen as a considerable success in an area in which Agriterra is a leading specialist in most countries. The loans support, clients in terms of working capital and infrastructure financing. Agriterra has analysed the relation between Goal 2 and 3. It was found, that the assumption that the mobilised loans are a crucial factor for upgrading or setting up a new processing facility did not fully hold. Only 15 smoking chimneys were related to Agriterra mobilised loans, in the other cases funding could internally be arranged which may even be seen as a larger success.

**Table 4.2 Agriterra results goals 2 and 3**

Agriterra 2020 goals	up to 31 dec 2015	2016	2017	2018	2019
Nr 2. 50 Coops connected to banks	9	33	63	81	105
Nr 2 25 Smoking Chimneys (attribution Agriterra)		10 (17%)	26 (43%)	35 (48%)	40 (46%)
Nr 3. Loans and working capital, Agriterra attribution - Total portfolio	€ 13.197.437	€ 18.482.870	€ 13.625.567	€ 12.570.557	€ 15.973.165
Total portfolio cumulative	€ 13.197.437	€ 31.680.307	€ 45.305.874	€ 57.876.431	€ 73.849.596

Source: Data provided by Agriterra on request of the Evaluation Team. As observed in the Table the 2016 figure also includes the mobilization made in 2015, which was the last year of the previous phase. It is noted that the data presented in the Table considerably differ from the data provided on the goals in the respective annual activity and progress reports, as Agriterra improved tracking data in 2018 over the previous years.

With regard to value addition agricultural commodities, the case studies provide clear examples of increased turnover and profit due to agro-processing or improved output marketing.

For example, Rukiga SACCO in Uganda received support in strengthening the organisation through restructuring its operational costs, and internal capitalisation. Over the project period its net profit grew from UGX 12 million<sup>40</sup> (2015) to UGX 430m<sup>41</sup> (2019), with cost to income ratio reducing from 98 percent 2015 to 76 percent 2019.

In the case of the Peru portfolio, the increase in yearly export (in cases 10 times the initial export) is a good reflection of the rate of success the cooperatives supported by Agriterra have (case studies on the cooperatives Sol y Café, Allima and COOPECAN).

#### 4.1.3 Track 3: lobby and Advocacy

The main instrument for L&A activities, the FACT training, is perceived to be useful, however, very critical feedback is also provided, particularly by clients that represent federations and unions. For example, in Uganda, clients felt Agriterra's support was limited to the technical training and that the specific country context was not necessarily taken into account. They noted that Agriterra's approach is often narrow, and limited in taking into account the political economy, country legislations and external actors. Exposure visits to the Netherlands to understand land ownership structure played a significant role to understand the "ideal" scenario for advocacy, but the follow-up interventions were either missing or not geared towards the local context for the majority of the clients. In some cases, for Uganda and Vietnam, clients and agripoolers felt that it was complicated to compare the situation in the Netherlands with the emerging economies (particularly Asia and Sub-Saharan Africa) at various stages at the back of complex histories.

Below a table with reported outputs and intermediate outcomes for activities under track 3, showing that actual results at portfolio level are still considerably lower than the targeted numbers..

**Table 4.3 Deliverables and targets Track 3 Lobby and Advocacy**

Objectives FCSB	Work areas	Reported outputs/ outcomes (targeted number 2016-2020)
Participatory development of policy proposals	Policy proposals developed (y/n)	32 (35)
Policy communication	Analysis of most relevant actors	6 (30)
	Complete stakeholder analysis available for key policy issues	16 (30)
	Formal meetings at national level	5 (30)
	Policy articles in newspapers	6 (30)
Policy adoption	Policy proposals integrated	22 (30)

The case study research shows that despite the appreciation of the trainings, effectiveness in terms of follow up by the clients vary largely, depending on the type of FOs and country context, but also the trainer(s) involved. For example, the majority of the primary FO cases assessed received the training however, only in a few cases (for example, in Nepal and Ethiopia), the FACT approach was used to obtain data and inputs from members. This is firstly, due to the fact that majority of the

<sup>40</sup> Approximately Eur 3000.

<sup>41</sup> EUR 104144,62.

primary FOs do not necessarily engage in broader L&A activities and rely on the federations and unions. Secondly, there is no follow up session by the country team to support primary FOs to systematically engage with members, identify issue and take a bottom-up approach.

Both in the (country) cases and case studies, a limited number of outputs such as lobbying proposals and engagement with the government were evidenced.

For example, in the Philippines Agriterra supports Sorosoro Ibaba Development Cooperative (SIDC). In general government in the country is not very responsive to cooperatives as the impression is that they are unreliable and unprofessional. Based on the learnings from the training SIDC provided several courtesy calls to the (local) government to promote cooperatives and provide more clarity on its activities and the benefits for farmers. SIDC is also lobbying to change the somewhat disregarded perception of larger cooperatives in the country, and show that it is a professional, self-sustainable model that can be emulated and supported.

### Lobbying and Advocacy outcomes

Support under this track is linked to Agriterra Goal number 4 (EUR 100 million invested as a result of policy change).<sup>42</sup> To get a more comprehensive picture, we will also look at the other (intermediate) outcomes as specified in the ToC such as improved policy dialogue mechanisms, implementation of lobby proposals and approved policies or reforms. Agriterra reports that 22 policy proposal of clients are integrated into national government strategies (against a target of 30). Measurement and evidence of further outcomes however is limited as Agriterra does not have a systematic monitoring, evaluation and learning system in place to effectively track the number of issues identified, proposals submitted, approved or legislations tabled or changed in follow up to the FACT trainings provided.

A number of the case studies provided clear examples of further results.

For example, in Nepal, the Central Tea Cooperative Federation, has used the two FACT trainings provided to lobby the government on issues of export sales tax. Also, the PCs were involved in L&A as they collected ideas from the grass-roots level (making it evidence based) and presented the information at a higher level to support the cooperative in making lobbying proposals to the government. The effort according to the client contributed to the approval of a 5 percent VAT exemption. One of the Federation members is now a FACT trainer.

With the formulated goal related to public investment Agriterra faces a challenge, having set out an already ambitious target in the context of complex countries where outcomes firstly are mired by the broader regulatory issues and legislative structures<sup>43</sup>. Contribution thus is a clear challenge, given the number of actors involved in this arena. Agriterra's end 2019 reports a total of EUR 34.855.056 investment mobilised. According to disaggregated data, this includes a limited number of countries (mainly Vietnam) and often data collection is insufficient to provide solid evidence of Agriterra's contribution to this outcome (see also section 6.3).

**Table 4.4 Agriterra Goal 2020 number 4**

AGT 2020 Goal 4: Investment due to policy changes	2016 (in €)	2017 €	2018 €	2019 €
Total portfolio	17.000.000	2.265.000	1.330.000	1.871.212

<sup>42</sup> The monitoring protocol consists of several indicators which are not used.

<sup>43</sup> Majority of the developing countries face challenges within a complex political economy with numerous loopholes, governance issues, which requires L&A interventions to be at all levels, taking into account of influencers and decision makers in the political space. Lobbying efforts often take years and implementation of reforms remains to be a key challenge.



AGT 2020 Goal 4: Investment due to policy changes	2016 (in €)	2017 €	2018 €	2019 €
Idem cumulative	29.388.844	1.653.844	32.983.844	34.855.056

The case study research showed that the claimed successes or amounts are not always straightforward nor are they validated. For example, according to Agriterra, successful lobbying by the Uganda Cooperative Alliance (UCA) and other allies using the FACT methodology led to a 10-year tax exemption for Uganda SACCOs worth USD14,500,000 annually. UCA was among the Uganda partners trained in FACT by Agriterra. However, in-country interviews showed a different story. UCA has been working independently and attended one training by Agriterra on the fact tool. While they appreciated the tool and used it in their approach, they felt Agriterra's contribution was limited. This was validated by all clients and external stakeholders in Uganda. Similarly, in Vietnam Agriterra reports to have supported the National Farmers Union Lobby and advocacy efforts which leveraged EUR 1.7 million investment. However, the interviews showed that, while trainings were delivered, no support for lobby proposals or interventions were carried out by Agriterra and that the success of the investment was due to the clients existing network and link to the prime minister's office.

In some countries, the Agriterra office, itself takes up a clear role in L&A, making use of its close relationship with government. In countries such as Ethiopia, Kenya, and Indonesia, this is firstly due to long standing in-country presence and engagement and secondly, due to the strong network of Agriterra, which is an important added value. For example, in Ethiopia, Agriterra has developed a close relationship with government and stepped up to be involved in policy influencing, with a recent study tour for high government officials to the Netherlands. Experiences from this mission are aimed to influence governments position on some key issues such as the establishment of an APEX organisation and the possibility to involve external experts in cooperative boards.

## 4.2 Strengthening of cooperatives

Stronger organisations are one of the specified cross cutting outcomes of the Agriterra intervention approach next to increased representation of women and youth (see section 4.3). Strengthened organisation refers mainly to track 2. However, in principle the FOs/ Cooperatives should also have been supported in their core business of better service delivery to farmers but this was not always given sufficient attention. The case studies show that across clients in all countries efforts to strengthen financial management, governance systems and cooperative management were strong areas of success. In almost all case studies concrete achievements could be observed in the form of improved financial systems and more transparent financial management, clearer roles and responsibilities and improved (more transparent) board operations and management and increased active membership (participation).

Due to the purposive sampling method, the case studies contain a relatively large number of clients that received more long-term support, e.g. more successful trajectories. As mentioned over the full FCSB programme period Agriterra worked with 474 unique clients. No overall portfolio data could be provided on percentages of successful, prematurely stopped or failed trajectories. The country studies show that a considerable number of client relationships were stopped or put on hold. In Peru about half the portfolio clients did not receive more than two years of support, reflecting the low level of progress made, and exited without reaching the set objectives for the Agriterra intervention. In these cases, Agriterra support is mostly discontinued and redirected to other

promising clients. In Ethiopia about 40 percent of the phased-out clients (8 of 20) successfully graduated.<sup>44</sup>

However, a short time frame of support does not necessarily mean that the organisations have not benefitted from the Agriterra support.

For instance, in Peru, ex-client UNICAFEC, due to Agriterra support, was transformed into a cooperative and was able to develop its business unit for input supply, implement stricter member criteria, and recover a lot of very long outstanding loans from its farmer members (which were already considered as 'lost'). The bookkeeper participated in a ToT and Agriterra still involves him in its training sessions for other clients. Currently, he is the acting general manager and eager to gain Agriterra support again.

The Top 74 scores, provide a broader picture of the progress made by clients over the years. At an annual base a composite score is calculated that measures performance of FOs and cooperatives. The index includes financial and non-financial KPIs, Financial Health check, contribution to 2020 goals. Scores are provided in 2016, 2017 and 2018, with data for two or three years available for only 105 clients. When we compare scores of unique clients over the years, 56 (53 percent) of these clients show an improved or equal score whilst the other 47 percent received a lower score over time. Whereas increased score (ranking 74) is an indication that cooperatives are performing better, there is however an attribution issue as many other factors/ and actors played a role in this (see also section 6.3).

Looking at the relative importance of Agriterra's interventions for its respective clients, the case study research shows that a range of other donors have supported most FOs/ cooperatives, either before Agriterra support, or during Agriterra support. In the latter case, other donors may have come in as cooperatives showed steady improvements in financial management and governance, or had developed business plans due to Agriterra support. Client and stakeholder discussions in many cases show that Agriterra is ranked high in terms of importance and/or influence of the support in comparison with other donors (although some response bias may be involved in this respect).

In case of Agriterra support to second-level organisations (such as unions), some of their members at the primary level may also be included. For instance, in Ethiopia, Agriterra aims to select 5 to 10 of the more active Primary Cooperatives (PC) per Union for support to show them the importance of strengthening their PCs. Results at this level are less clear as the Agriterra intervention to PCs appears to be more shallow, including more one-off trainings and less deepening with limited follow up and/ or monitoring of results. Stakeholders interviewed mentioned that internalisation of training takes time and more follow up is needed than is currently being provided. Also, upscale to more PCs would benefit from a more systematic approach and monitoring thereof by Agriterra. In Peru, trained staff (ToT) of secondary-level cooperatives provide support to member committees at the primary level.

### Key Influencing factor

A key factor that influences the level of progress of FOs/ cooperatives is the capacity of staff (at the start of the partnership). In line with this for a number of case studies Agriterra insisted to the client that it had to replace staff to be able to achieve its ambitions. Staff turnover (including board member rotation) during the relationship and/ or after the trajectory can be very much disruptive in terms of entrepreneurship of the FOs/ cooperative.

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<sup>44</sup> Of the 12, that were phased out unsuccessfully, in total six clients, 'failed' for reasons such as limited commitment and contribution to the activities of the Action Plan. Another six clients were phased out for specific reasons such as the security situation and the business case not being feasible.

### 4.3 Benefits at farmer level

The ultimate aim of the FCSB is to benefit the farmer members of their clients. Following the grant proposal, Agriterra's objective was to reach out to 3,5 million farmers (Agriterra's 2020 goal number 1, number of (unique) farmers), which was later changed to one million. Here a link can be made with Agriterra 2020 goal number 1. The reported data at the end of 2019 for this indicator shows an increased number of unique (active) farmers reached by the programme over the years at portfolio level and for Ethiopia. Ethiopia has a very high share providing outreach to 80 percent in 2017 and 60 percent in 2019. The reported number of farmers for the overall portfolio in Ethiopia shows a high increase in the number of unique (active) farmers since 2017. Compared to 2016 the number of unique farmers in Ethiopia increased eight times in 2017, which indicates that another accounting system has been used<sup>45</sup>. The two other countries visited show a more mixed picture. In the case of Peru, it should be noted that a number of the well-functioning cooperatives consolidated their membership and only took new members when they were taking fully responsibilities of as a member (e.g. Sol y CAFW, Acopagro, Coopecan).

**Table 4.5 Number of (unique) farmers overall portfolio, and three countries visited**

Number of (unique) farmers	up to 31 dec 2015	2016	2017	2018	2019
Total portfolio Agriterra	322.656	395.166	677.785	845.911	1.071.185
Ethiopia	10.680	62.518	536.078	493.596	609.117
Peru	24.209	7.014	8.992	10.665	11.378
Uganda	54.645	27.598	64.686	53.448	65.957

The evaluation team agrees with the increased involvement of members but is critical of the total numbers reported (see also section 6.3) based on the case study research. Next to differences in accounting, the numbers in many cases do also include inactive members of the unions. Similarly, the extent to which farmers can benefit differs considerably.

Looking at the specific benefits for farmers, increased business performance can benefit farmers in terms of increased input supply, premium-price, a secure or new market, availability of loans, dividend payments and sustainable services including such as mechanisation and transport. In most cases cooperatives pay a premium price (which is said to have influenced the market price as well) which is limited to one to two percent of the price. However, access to the Fair Trade and Organic Farming international market can be very beneficial for the premium prices paid, with prices 15 to 30 percent higher than in the conventional market as shown in Peru (e.g. case studies cooperatives Sol y Café, Allima and COOPECAN).

For additional farmer supply to the cooperative the premium price for the specific crop, to some extent, can be contributed to the work of Agriterra focused on increasing active membership, output marketing and internal capitalisation for working capital and/ or investment. For many of the client cases studied the number of farmers that are actually benefitting is increasing but often still low. This is in part because the cooperatives still have a lot of 'sleeping' members with the actual supply depending on the willingness and ability of farmers to sell. In other cases, the buying capacity of the cooperative is still limited in absence of sufficient working capital. According to the conducted interviews, reasons why farmers still sell to merchants are their ability to provide loans, to visit the farmers timely and the provision of transport facilities.

<sup>45</sup> : According to Agriterra figures are taken from activity reports. 2016 figures relate to project outreach. From 2017 onwards farmers reached was defined as active farm members. Moreover, before 2017, AIN did not allow for direct registration of farm members with unions. From 2017 onwards active farm members are registered.

Other benefits that can to some extent be contributed to Agriterra's support include increased dividend (including surplus and second payment to members after the season) payments as a result of increased value addition and/or improved management. Interviews with farmers however show that increased dividend payments often take a longer time to materialise in the short run as the required investments for value addition or other business ventures are costly and eat up scarce financial resources. In certain cases, it appeared that cooperatives were very much focused on developing the business and had less of an eye on the needs of (and benefits for) the farmers, including transport and mechanisation services.

As mentioned above, it is difficult to make an assessment to what extent extension services have been improved and whether it did benefit the members. Interviews with farmers involved in the trainings (in most cases in a ToT arrangement) in Ethiopia and Uganda show small-scale results in terms of additional yields and/or quality of produce were achieved as a result of improved agricultural practices. Benefits for the larger group appear to be more limited. In cases where extension staff of the cooperative were trained or hired, benefits for a larger group of farmers seems to be better assured. The evaluation however did not come across any cases in which bottlenecks in marketing were addressed at the level of the farmers (as was recommended by the previous evaluation).

In general, Agriterra support is only focussing on the business aspect of the cooperative. Agriterra advisors are not monitoring and/ or discussing the specific benefits at farmer level with the cooperative or with the farmers involved. It is important to note that Agriterra is not directly engaging with farmers and even though it does engage with FOs, farmers remain a distant participant, especially in cases of Federations, Unions and other types of umbrella FOs. Therefore, benefits at farmer level are already difficult to trace. In the case of primary FOs, in almost all cases Agriterra's engagement with farmers remained limited to one-off training or workshops, which limits contact and potential feedback and hence the likeliness for sustainability of results. Agriterra's position is that the FOs should provide proof with regard to benefits at farmer level, however Agriterra has not requested such proof and also support to clients to develop such systems, although indicated in the grant proposal has been very limited (see also section 6.3).

In terms of employment, increased staff of cooperatives, including a considerable number of low-skilled jobs, often for women/ youth from the communities can be considered an additional benefit of Agriterra activities.

## 4.4 Participation of women and youth

### Women participation

Before presenting the analysis, it is important to note some caveats to this assessment:

- There is no gender disaggregated information at various levels to allow for a robust analysis;
- The available data is precarious as reporting is mainly focuses on the number of female participants in trainings, which does not equate to Agriterra interventions and achievements.

According to Agriterra's Theory of Change, the farmers' organisation could empower youth, women and vulnerable groups to participate and to exploit their economic and social potential. Agriterra has set a minimum participation of 30 percent women in all activities. The target on representation of women in boards has been increased from 15 percent to 30 percent as the initial target was already achieved after one year. The monitoring protocol states that gender specific activities are included

in all interventions as a cross-cutting issue, which is also the focus of Netherlands BHOS<sup>46</sup> policy. However next to the making sure women (and youth) have access to service provision (number of female participants) no other gender responsive activities could be traced (taking structural barriers into account). It should be noted here that the Ministry agreed with Agriterra on a target of percentage of women boards members only (see below).

For instance, particularly in VSLAs, clients felt that financial management and specifically product development support provided should integrate (or at least point at) specific financial products for women. Also, because across Asia and Africa access to finance is one of the structural barriers women face in accessing membership.

In general, across the majority of the cases, gender workshops, and/or leadership trainings have been completed. The main aim of these trainings has been to empower women in the FOs to be board members and to increase female membership in the primary FOs. According to the majority of the case study clients, these workshops and trainings are appreciated by the women leaders (women in board) as well as men. In particular, leadership trainings have visibly empowered women in various ways. They are more aware of their roles as a result of the trainings as evident from the examples below:

'I couldn't even imagine I could be a member of an FO, let alone, be a board member. A lot of us just didn't even dare to dream to be a board member and thought we can just continue to support our husbands. So, these trainings really inspired us, helped us improve our leadership skills and made us realise that we are capable of so much more. I learnt that I could be a leader and if more people see me in the board, the aspiration and empowerment will spread around us.' Female Board member, Rukiga SACCO in Uganda

In Ethiopia, although there is a government regulation to include female (board) members, women participation is often not that evident partly due to traditional barriers. (Agripool) sensitizing workshops on women (and youth) participation provided the cooperatives and their members with (new) insights on the benefits of women participation for the organisations as well as farmer households, supporting further outreach activities.

While across a number of the cases, leadership and women's participation in the board was highly appreciated, in a limited number of cases, the clients did not see the benefit of the leadership training (and only got involved as it was a requirement for the engagement with Agriterra). This was specifically in cases where women are already prominent members or women led FOs and they felt the training was an addition to what they were already doing.

As mentioned under relevance across all cases assessed, gender seem to be often a one-off activity rather than a mainstreamed intervention at all levels, limiting effectiveness. For example. In cases, where gender policies were developed, there was no monitoring or follow-up activities on the implementation of these gender policies. For example, in all cases assessed in Uganda, while gender policies were introduced, there was a clear absence of implementation of gender policies and follow-up activities.

The specified intermediate outcome on women participation can be linked to Agriterra 2020 goal number 8 (30 percent women in the board). Progress can be seen in line with the table outlined below, with the overall 2019 percentage slightly less than the set target, similar for Peru and Uganda.

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<sup>46</sup> Buitenlandse Handel en Ontwikkelingssamenwerking.

**Table 4.6 Agriterra 2202 Goals number 8: Percentage of women in board**

Goal 8	% women in board	Up to end 2015	2016	2017	2018	2019
	Total portfolio	18%	21%	23%	24%	27%
	Ethiopia	15%	18%	15%	18%	21%
	Peru	no data	10%	9%	13%	29%
	Uganda	18%	21%	23%	24%	27%

Despite this progress, the extent to which this result can be attributed or contributed to Agriterra’s interventions is not always clear as the indicator does not look at increased board positions (and thus includes the baseline situation as well). This is especially the case if countries/ FOs have had a history of women in the board. For instance, Vietnam and Uganda amongst others, had multiple FOs which already had achieved a 30 percent board representation. Other factors complicating measurement are specific government regulations for cooperatives on minimum requirement for women’s participation/ representation in countries like Nepal, Vietnam and Philippines.

### Youth participation

With regard to youth participation the Agriterra approach focuses on the setup and development of Youth Chapters or Youth Councils<sup>47</sup>, which is part of the advisory practice with farmer organisations and cooperatives. The purpose of these Youth Councils is to attract young members and engage them in the discussions around cooperative agenda, and train high potential youth to slowly engage in the board. The aim is to engage youth in the cooperative agenda, particularly in relation to strategic questions of the organisations and to train high potentials in order to get professional board members in the long term. Unlike gender, it appears that youth engagement is much more prominent and mainstreamed at all levels, with the exception of countries where structural barriers exist (e.g. in Ethiopia farmers can only become a member if they own land, which limits possibilities for youth, who often do not own land).

In some cases, such as Uganda, engagement of youth in the councils is prominent in the support provided, and follow up on youth council chapters are set up and run by youth leaders. Regional and international exchanges are carried out in a number of cases assessed. In some countries, innovative interventions such as annual Young Farmers Tours are used to inspire, connect and expose young board members and managers to new experiences and knowledge to be applied in their organisation.

The Youth Leadership Academy was appreciated by for example a group of youth interviewed in Uganda. “Generally, if you are a youth, you are trouble! You cannot be trusted, and you definitely will not get access to membership in FOs especially in remote areas. The youth training and leadership changed our own perceptions and it also allowed FOs to begin to trust us and members increasingly began to be our guarantor to become a member.” Youth Council Member, Uganda.

In terms of outcome, youth participation can be linked to Agriterra 2020 goal 6 (50 percent clients with an operational objective) and goal 9 (10 percent youth in the board). As also recognised by Agriterra the target for goal 6 is difficult to realise as most FOs either have youth board members or established a youth council. Both is not possible. The data shows clear results in terms of youth councils established, overall and in the case of Uganda. The target of 10 percent has been achieved by the end of 2019, however, the reported data shows a drop during 2018 and 2019.

<sup>47</sup> Involvement of a youth council is not allowed in Ethiopia and Peru following cooperative regulations.

**Table 4.7 Agriterra 2020 goals number 6 and 9**

Goal 2020			Up to end 2015	2016	2017	2018	2019
Goal 6 50% Youth councils	<b>Total portfolio</b>			<b>3</b>	<b>15</b>	<b>25</b>	<b>44</b>
	Uganda			1	1	17	17
Goal 9 % of youth in board	<b>Total portfolio</b>		<b>7%</b>	<b>9%</b>	<b>11%</b>	<b>14%</b>	<b>10%</b>
	Ethiopia		12%	10%	17%	17%	17%
	Peru		no data	8%	15%	17%	22%
	Uganda		13%	12%	15%	14%	13%

The number of youth members is often not counted by the cooperatives, which may limit attention for the issue.

#### 4.5 Peer to peer approach (Agripoolers)

Overall, support by Agripoolers (and also exchange visits) is highly appreciated based on the usefulness of the advice and learning from peers as compared to advisory services by Agriterra staff and local consultants. However, the quality and usefulness of the peer-to-peer support varies with support being often one-off.

The implementation of the peer-to-peer approach, i.e. selection and mobilisation of agripoolers has evolved overtime. Interviews indicate that at the earlier stages of the FCSB programme, there was a more ad-hoc approach to selection and mobilisation of experts, based on lessons (expertise, type of support and need for preparation), recently attempts are being made by Agriterra to standardise and structure the process.

While a wide range of agripoolers are engaged, Agriterra staff recognise that quality varies vastly. Similar, the level of preparation for agripoolers differs, depending on the country staff involved and depending on the engagement and commitment of the agripoolers. In some cases, agripoolers commented that provision of additional information or documents such as available strategic plans during preparation would have supported their interventions better. In most cases debriefing is done by business advisors but feedback is that it is not done structurally.

As compared to involvement of Agriterra staff and/ or consultants the added value of involving agripoolers is found in their ability to facilitate trust, acceptance and support (easier) transformation based on their practical experience.

*A case study client in Nepal indicated that the added value of involving a Dutch agripooler was his ability to provide the trends from abroad and advanced knowledge and experience of the EU market. Agripoolers are a good modality to share knowledge, ideas – good to have peer discussion.*

With respect to Agriterra business advisors, a number of clients indicated that they did not always have the expert knowledge of the specific sector or subject. In some countries, involvement of agripoolers has been hampered by the perception of Agriterra staff as well as clients that agripoolers are expensive. This is not the case but this perception could be due to the invoiced fee rate and fact that BA salaries are to some extent fixed costs.<sup>48</sup> Recently, there has been a push from the Head Quarter to involve more agripoolers (one in every training except FM etc.). However,

<sup>48</sup> In reality, the average daily fees of Agri poolers are only slightly above fees of local Agriterra BA staff (e.g. 250 euro compared to invoiced fees of € 760 - 711 for international BA staff and € 203 for national BA staff).

across a number of cases, newer business advisors themselves still need to understand the added value of their involvement. Clients interviewed in Vietnam, Indonesia, South Sudan felt that while agripoolers are effective means to strengthen the FOs, their inputs were much too expensive<sup>49</sup>. Moreover, they could benefit from regional expertise which is equally strong in for example Asia.

Agripoolers support are in most cases designed as one-off activities (included a more long-term capacity development trajectory), with a few exceptions where follow up is provided in a later review mission by the agripooler. Most often follow up is done by business advisors who are not always expert on the topic.

Peer-to-peer support in general was appreciated across majority of the FOs/ cooperatives, but less so by Apex bodies where follow-up activities are critical particularly for L&A trainings and exposure visits to the Netherlands. In a limited number of cases, clients felt that the agripoolers did not have sufficient context of the country. In Ethiopia for example, comparisons with the Netherlands FO approach caused misunderstandings and confusion. Similar case study clients in Nepal commented that the exchange with agripoolers were sometimes difficult to understand as the country realities are very different making comparison difficult.

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<sup>49</sup> Clients in these countries do not actually pay for the agripool inputs but made this assessment based on the joined action plan and budget.



## 5 Main findings for sustainability

This section discusses to what extent has Agriterra ensured the sustainability of the FCSB programme. Sustainability will be assessed at different levels, looking at: 1) the overall sustainability of the FCSB programme, determined by the likely continuation of the business model of Agriterra and 2) Agriterra's interventions at the client's level. Under sustainability two questions have been formulated that will be addressed in the next sections:

- What is the sustainability of Agriterra's business model?
- To what extent are the results being obtained by Agriterra's interventions at the client level sustainable?

The box below presents the key findings for sustainability linked to the two evaluation questions.

### Key findings for "Sustainability"

#### At the level of the agri-agency Agriterra

- Agriterra's investments in its key alliances, especially AgriCord over the past decade did not lead to a sustained support to its business model, as it decided to leave the alliance by mid-2019. This required Agriterra to grow on its own strength and develop project-based collaborations and eventually new alliances based on complementarity;
- Agriterra did not manage to achieve its main target in terms of diversified funding with on average 12 percent for 2016-2019 of the total budget obtained from non-DGIS sources. Due to the intensification of market development in 2019, projections are that in 2020 the target of 30 percent will be reached (not taking into account possible negative impact of the Corona crisis);
- Funding is mainly from conventional international and national donors, with a small percentage of funding from banks and companies (as was anticipated in the Grant Agreement);
- Given the capacity of Agriterra's clients they are not (yet) in the position to pay for Agriterra's services. Very few examples yet exist of clients (partially) paying for Agriterra services;
- Whereas Agriterra has implemented a financial mechanism to ensure that third-party funding takes a proportionate share in the overhead costs, there is still a need for benchmarking and dialogue in order to agree on unified criteria in tariff setting of comparable Dutch NGOs in the sector.

#### At the level of results being obtained by Agriterra clients

- Effects in terms of improved financial management, governance structure and increased staff capacity supporting the continuation of business activities were observed across all cooperatives visited and are likely to be lasting, as demonstrated for the exited clients;
- Agriterra support in increasing entrepreneurship for many cooperatives - resulting in increased capital, access to loans and increased membership fees and profitability - is contributing to financial sustainability and (likely) continuation of activities after ending of Agriterra support;
- Client contributions (cost-sharing payment) were much lower than anticipated with about 30 percent of agreed payments. Whereas, these funds do not enter the FCSB programme budget, it might to some extent be an indication of client's capacity and/or commitment to implement actions jointly agreed with Agriterra;
- Sustainability of results in terms of Track 1 (extension services) and 3 (lobby & advocacy) outcomes appear to be lower, especially in the absence of an adequate follow-up of activities.

## 5.1 Sustainability of Agriterra's business model

We first address the alliance building and international networking of Agriterra that formed the basis for its international profiling and growth of the organisation, and consequently its key strategy for its sustainability of the organisation. Secondly, we will look at the results of Agriterra in obtaining funding of third parties, and assess its Earning Model.

**Alliance building.** Since its inception, Agriterra has been active in building alliances with comparable organisations world-wide. Agriterra came up with the name agri-agency for such development organisations. For almost 15 years Agriterra played a major role in the International Federation of Agricultural Producers (IFAP), that could double its members mainly with Agriterra's clients in developing countries. In 2011 IFAP was dissolved and replaced by the World Farmers Organisation (WFO). Recently Agriterra is re-establishing contacts with the WFO.

In 2003 Agriterra and seven other agri-agencies established the non-profit development alliance AgriCord. AgriCord has an official development assistance (ODA) status with the OECD and currently consists of approximately a dozen agribusinesses.<sup>50</sup> Agriterra was one of the leading agri-agencies within AgriCord taking on leadership positions and providing many ideas, systems and procedures. DGIS shared Agriterra's expectations for AgriCord to become a key alliance of professional agri-agencies, and provided funding to AgriCord. Besides fundraising, there were joint activities in the internationalization of the agripool (for instance, the Spanish agri-agency Acodea, provides agripoolers and advisors on behalf of Agriterra in Latin America (Peru, Bolivia, Colombia and Nicaragua). During the past five years internal problems,<sup>51</sup> a lack of a united vision and different views on the speed of integration has led to the disinvolvement of Agriterra in June 2019.

In the Netherlands Agriterra was seeking to initiate/collaborate in an alliance with Dutch agribusiness, institutions and organisation as an alternative source of funding to become less dependent on DGIS funding. However, the established network Agri-Profocus<sup>52</sup> did not fulfil that aim. Nevertheless, in 2015 Agriterra joined the Board and is active in a Steering Group that should develop a new Agri-ProFocus strategy for its transition to a Netherlands Food Partnership (NFP). This may create new opportunities.

As the "alliance strategy" proved to be unsustainable for Agriterra, it needed to find the "international legitimacy on its own merits"<sup>53</sup>, developing new projects with a few likeminded partners, such as the agri-agency ACODEA<sup>54</sup> (Spain) and SACAU<sup>55</sup> (South Africa). The collaboration will be on the basis of complementarity, while safeguarding Agriterra's interests. For instance, Agriterra, in partnership with the Danish Agriculture Food Council (DAFC) and SEGES has prepared a Programme Proposal on Sustainable Intensification of Agriculture, seeking to involve WFO (farmers), GCIAR (research), World Resources Institute (WRI, research), EC (policy and funds) and GCF (Green Climate Fund). Agriterra is still seeking funding for the proposed program with organisations such as the EU, FAO, IFAD, ADB, which are the same ones that are funding AgriCord's programmes. The TA facility for the Agri-Business Capital (ABC) Fund of IFAD is an example of funding that Agriterra obtained from a financial institution and impact investor.

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<sup>50</sup> Eight based in Western Europe, others in Canada, Brazil, Senegal and the Asian Farmers Organisation a regional partnership of 11 organizations, based in Manila.

<sup>51</sup> The Exit Letter refers to internal problems, such as inadequate financial management, control mechanisms, the lack of a quality system, and serious governance problems.

<sup>52</sup> The organisation was established at the instigation of the Dutch government (DGIS-IGG). AgriProFocus is bringing together farmers, agribusinesses, civil society, knowledge institutes and governments to find new sustainable ways of creating impact with farm businesses. Farmer cooperatives are included in the work of its partners.

<sup>53</sup> Formulation quoted from Agriterra PPP on internationalization.

<sup>54</sup> Agriterra has invested a lot in the development of this agri-agency that work in Spanish speaking countries.

<sup>55</sup> Southern African Confederation of Agricultural Unions.

**Diversification of the funding.** In the previous phase of the programme, DGIS funds constituted about 95 percent of the total budget, with five percent forthcoming from the Dutch agribusiness and through the AGRICORD network and some larger Dutch agribusinesses (Campina, Heineken).

The present funding agreement with the Ministry contains a target for non-DGIS funding of 30 percent (e.g. a budget of EUR 16 million or 22 percent during the five-year period and of 30 percent non-DGIS contributions to be reached by the end of the five-year programme). This target included a funding of 50 percent for Peru and 100 percent for China<sup>56</sup>. The broadening of the funding base of Agriterra is taking place within the same mandate, i.e. enhance the strengthening of cooperatives and farmer organisations. Agriterra deliberately seeks the diversification of the funding exclusively for the current FCSB programme and therefore does not separately administer projects funded by non-DGIS funding.

The field visits showed that the nature of Agriterra activities funded by other donors differs, and is not always fully aligned with the FCSB programme and the Agriterra intervention approach. In case where Agriterra provides services linked to projects/ programmes of donor organisations by default, the support provided will be more opportunity or supply based than support provided within the framework of the DGIS subsidy. For instance, in Ethiopia, Agriterra activities funded by GIZ focus on strengthening of cooperatives linked to mechanisation support offered, but are still following its demand-based approach. In other assignments Agriterra only provided specific financial management training which is more consultancy based. In this case, although the training is an activity offered as part of the FCSB programme, clients are not fully served with Agriterra's integrated three track approach.

Agriterra seeks to increase the contributions from other international and national development organisations, national governments, banks and private enterprises. As seen in the table below, overall, the dependence on DGIS remained high during the first four years of the FCSB programme. On average 12% of the total budget came from non-DGIS sources, primarily through the AgriCord network. Since 2017, as mentioned above, Agriterra has also initiated acquisition outside the AgriCord network. The projected non-DGIS income for 2020 is much higher. Examples are among others are: the First round SDGP Facility, RVO, SNV several programmes, HortInvest, GIZ, but also small consultancy assignments with e.g. Root Capital. If the projections are achieved, the target of 30% non-DGIS funding will be reached for the year 2020 (not taking into account possible negative impact of the Corona crisis).

**Table 5.1 Income from various sources, 2015-2020, in EUR<sup>57</sup>**

Income categories	2015	2016	2017	2018	2019 *	2020**	AVERAGE 2016-2019
DGIS Grant	8.507.817	10.101.206	13.068.776	11.189.437	13.232.140	14.087.278	11.897.890
Acquisition and third party func	3.439.640	1.057.606	1.461.359	2.109.428	1.529.667	6.452.101	1.539.515
Designated and expert funds	21.422	46.270	249.686	157.088	67.692	45.000	130.184
Other income	46.687	8.592	2.172	914	1.168	39.146	3.212
Total income	12.015.566	11.213.674	14.781.993	13.456.867	14.830.667	20.623.525	13.570.800
<b>DGIS in % income</b>	<b>71%</b>	<b>90%</b>	<b>88%</b>	<b>83%</b>	<b>89%</b>	<b>68%</b>	<b>88%</b>

Source: Financial Reports 2016-2018, Budget 2019 and 2020; Forecast budget 2019, Q4 not yet approved. 2015 was an exceptional year with a high non-DGIS funding, i.e. 29%<sup>58</sup>.

Since 1 January 2017 Agriterra HQ has a small market development team that has four objectives:  
(i) establish a relationship and reputation with 1-2 other big donors long-term; (ii) safeguard external

<sup>56</sup> In case of Peru the goal to receive 50% of finance from non-DGIS sources, is by far not achieved. In China at this stage about 50% if funding is provided by other sources (e.g. government) and this should be 100% next year.

<sup>57</sup> Contributions of clients to the Action Plans are not included in the overview, as these funds are not considered as a source of income and therefore are not included in Agriterra's financial reporting.

<sup>58</sup> The high non-funding is due to EUR 2.5 million that became available in 2015 through the Triodos Sustainable Agricultural Fund.

image towards funding sources (with marketing); (ii) support acquisition efforts in countries (it is a shared responsibility); (iv) provide the Agriterra MT with timely, accurate and useful information on acquisition. Local staff are also expected to generate additional funding for the programme, but success depends on their own experience. Acquisition and third-party funding have been realised mainly in Africa, followed by Asia. Agriterra did not succeed in obtaining donor funding in Latin America, as the BAs do not have the profile of a marketer/business developer and lack the proper skills. In several cases, considerable work was done, but so far, no major funding was obtained. An important factor is that major funding agencies have withdrawn from this continent.

Agriterra is also targeting larger donors, such as the EU, USAID and GIZ<sup>59</sup>, which are conventional donors, like DGIS. A second minor approach followed is to try to sell a limited package of concrete services on an invoice basis, in order to avoid the time consuming and expensive aspects of proposal writing. For example, conducting a specific training for cooperatives. However, this is not within the comprehensive approach that Agriterra seeks to implement.

**Earning model and level playing field.** In the previous programme, the relatively small third-party funds were directly channelled to clients in the form of grants, having no effect on Agriterra's finances. However, as direct financial support to clients became phased out, third parties increasingly fund the Agriterra's advisory services. Therefore, DGIS<sup>60</sup> expressed concern that Agriterra could subsidise its tariffs charged to third parties using DGIS money, by setting the annually Agriterra's tariffs lower than those in the market.

As long as Agriterra can dictate its DGIS tariffs to all its funding partners there is no discrepancy. However, such an arrangement assumes that the other funding partners use the same budgeting system. However, other systems, such as direct budgeting or fixed sum payments are regularly used.

In July 2016, Agriterra addressing these concerns, proposed transparency on the issue by providing detailed information on implicit tariffs in third party grants and compared them with the usual tariffs charged to DGIS.<sup>61</sup> In 2017 Agriterra proposed a mechanism, whereby third-party funding would take a proportional share in the overhead cost. In December 2018 DGIS confirmed that Agriterra had correctly calculated its tariffs and met all financial obligations of Article 6 of the Grant Decision 2019.<sup>62</sup>

Already in 2016 Agriterra was proposing more transparency in tariffs among similar Dutch NGOs, and requested DGIS to share information on tariffs among comparable Dutch NGOs to benchmark tariffs. This could lead to unified criteria for situations of unfair competition. In November 2019, Agriterra repeated this proposal. So far, DGIS has not followed up on this suggestion. Consequently, such regular dialogue and benchmarking is still on the agenda.

## 5.2 Sustainability of Agriterra's interventions

In this section we will assess the extent to which the clients are able to maintain an improved functioning and (are likely) to continue with the implementation of their plans, providing improved services to their members, and effectively and efficiently operate their agribusiness, once

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<sup>59</sup> Memo Director Agriterra.

<sup>60</sup> At the time of approval of Agriterra's FCSB program.

<sup>61</sup> Agriterra note, Agriterra – The earning model in a changing landscape.

<sup>62</sup> MINBUZA-2018-1332358 dd. 21.12.2018.

Agriterra's support ends. Key elements are financial- and institutional (quality of the board and management) sustainability of the clients.

Financial sustainability is closely linked to business performance of the clients which is discussed in section 4.2. Further related indicators are the (increased) percentage of paying members (Agriterra 2020 goal nr. 5) and the percentage of operational costs by private sector income (Agriterra 2020 goal, nr. 6 covering 30 percent of the operational costs of agricultural organisations by private sector income).

Data on number and percentage of paying members is collected but is not complete and in cases not accurate (see section 6.3 for more information). The case study research however shows that in a considerable number of the cases an increase in the number of paying members (farmers and also cooperative members) or amount paid has been achieved. Support of Agriterra may directly stimulate members to buy shares (internal capitalisation), contribute to increased female and youth membership (female and youth workshops) and indirectly activities to improve service delivery may also to an increased number of (paying) members.

Primary cooperative members of the Central Tea Cooperative Federation in Nepal were paying a membership fee of 1% of their profit. With the support of Agriterra the organisation was able to increase its income through services and trainings for members, next to an increased membership fee and share capital. Among others it was able the charge(10-15 percent of sales to its members through the export linkage of tea, which was expected to make the MFD self-sustainable by generating income. As a consequence, the overall donor dependency ratio has gone down from 100% in 2013 to 88% in 2017, which allows the organisation to be more sustainable in the future and not as vulnerable to donor withdrawals.

The table below presents the Agriterra data reported for goal number 6, showing that target has been achieved end 2019<sup>63</sup>.

**Table 5.2 Results Agriterra Goal 2020 number 6.**

Agriterra goal 2020	Up to 31 dec 2015	2016	2017	2018	2019
6. Coverage of operational costs FOs through services arrangements	-	20%	12%	25%	30%
Total portfolio Agriterra					

FEGABENI is a second-tier organisation that gathers small, medium and large cattle breeders in Beni and Pando, two poor departments in Bolivia. FEGABENI was near bankruptcy when it requested support from Agriterra. The FO had negative results between 2013 and 2016 and did also lack a strategic or a financial plan to generate income. It did not have a fixed membership fee, but charged only some activities; therefore, it had not increased its income for many years, while personnel costs were increasing. Due to Agriterra support, the FO was able to (i) turning negative results into positive financial results; (ii) develop a strategic plan for future actions.

The case study research showed that across all cooperatives visited, and particularly the exited clients, there appear to be lasting results in terms of improved financial management, governance structure and continuation of business activities. Phased out clients visited seem to be able to continue on their own (with no other donor funding coming in for the specific Agriterra activities).

<sup>63</sup> According to Agriterra, this is an extremely difficult indicator because service income from private sector deals is not found back in audited statements. The 30% figure is a projection not yet confirmed. Looking at non Donor income, of FO's it appears that percentages are around 60%.

There appears to be a good sustainability in the successful projects, those that received support for a longer time period.

As mentioned in the effectiveness section a considerable number of clients phased out before agreed objectives were achieved. Consequently, the results of Agriterra support to these clients fall short of earlier expectations. However, a short term support from Agriterra does not necessarily mean that the investments of Agriterra are lost.

For instance, support to the AADA dairy cooperative in Ethiopia was exited after less than two years due limited commitment and progress. The visit showed some lasting effects in terms of internal capitalisation (re-investing dividends) and hiring of professional staff (the client stated that the support of Agriterra allowed them to see the benefits).

It can be said that Agriterra's participatory way of working fosters sustainability of results. In general, clients see Agriterra very much as a partner, which creates a sense of ownership and in most cases trust. The approach allows clients to implement activities and engage their own staff members. Clients state that they "*do it themselves with technical back-up from Agriterra*".

The extent to which clients have contributed to the costs of activities (cost sharing) could be seen as an indication of both ownership and financial ability of the client to continue with the intervention (including future consulting services). Clients in many cases refer to this mechanism (and their contribution) as an indication for their commitment. Nevertheless, Agriterra data shows that actual client payments over the period 2016-2019 with EUR 4.616.361 were considerably lower than the budgeted (agreed) amount of almost EUR 15 million. With the lower volume of grants own contributions are lower than initially planned, but even more lower, because not all clients fully met their commitments. Peru may be the exception as clients appear to have no problem at all in coming forward with their own contributions, The evaluation team also did not see any cases in which the clients paid for Agriterra services although for some this was planned for 2020. In general, clients do not have the capacity due to lack of own financial resources, or they give priority to spend on other activities. It is also difficult for clients to find third parties that agree to use their funding for payment to Agriterra. Phased out case study clients still would like to have additional advisory support of Agriterra for certain activities. However, in the countries visited there are not yet any examples of Agriterra providing follow up support on a consultancy base.

As mentioned earlier a key influencing factor for sustainability is the extent to which staff (and their acquired knowledge) remains with the cooperatives. The services of Agriterra very much contribute to an increased quality of the board and management. Staff turnover but also the required rotation of Board members may (and do) hamper continuation of activities, certainly in cases where procedures, lessons learned etc. were not recorded.

Another factor that influences sustainability is the absence of a multi-annual planning. The majority of clients (but also Agriterra teams) interviewed did not know if Agriterra support for the specific client would continue in the next year (requiring them to move forward and sustain). In general, no clear timelines for Agriterra support are set at the start of a relationship. In a number of countries some general (internal) guidelines are set for support (a period of 3 to 4/5 years) whilst in other countries it is left more open, depending on additional requests of the client, with no clear timeline in mind. The latter is very much visible in countries such as Indonesia and Philippines where Agriterra has been supporting clients for over 10 years. Similarly, in Uganda, the country team had no clarity on when the support ends. The cooperative assessment results in annual action plans only, which makes it difficult to get a clear view on the agreed milestones/outcomes, including timeline of support. A discussion on the term of support and clear exit strategy with the clients

seems to be lacking in most cases, for sure for less successful clients. In cases of graduation, often, the last year involves a more limited number of activities, preparing for phase out.

It is the intention of Agriterra to stay in contact with phased out clients. The country visits show that country staff stay in contact with clients that are phased out successfully as much as possible during its regular visits to existing projects which is much appreciated and valued by the clients. In some cases, exited clients also became part of the local/regional agripoolers. In other cases, Agriterra staff indicated that have difficulty following up on ex-clients since no budget (hours) are made available. Follow up of 'failed' clients is not made and there are no exit reports available. In several cases, the clients were not clear as to why the support was discontinued. According to the business advisors factors such as ownership, engagement, political engagement and lack of transparency were the reasons for discontinuation.





## 6 Main findings for efficiency

The main evaluation question to be answered under “Efficiency” is: Does Agriterra have the required capacity to efficiently plan, implement and monitor the FCSB programme? Under this criterion three sub-questions have been formulated that will be addressed in this chapter:

- How has Agriterra developed in terms of organisational capacity and is Agriterra efficiently managing the FCSB programme;
- To what extent could the results have been achieved with less input?
- To what extent is the way Agriterra measures and attributes results reliable and valid? And how can it be strengthened?

The box below presents the key findings for this criterion linked to the evaluation questions above.

### Key findings for “Efficiency”

- The fast growth of Agriterra, especially the increased number of local business advisors, has created challenges in terms of management, capacity of staff, monitoring of results, while also aiming to maintain the quality and focus of the organisation. It also sets limits to HQ in terms of accountability and compliance. It requires a redefinition of responsibilities from HQ and country offices, for which Agriterra has stated internal discussions;
- Cost-efficiency shows a mixed picture. On the one hand, Agriterra has provided more advice to clients (a doubling compared to 2015) at a lower cost, increasing cost-efficiency. On the other hand, the large institutional funding of Agriterra (17 percent of the total funded expenditure, excluding overhead costs) negatively affects cost-efficiency;
- Agriterra’s M&E reporting is limited to output and outcome data at the level of the supported FOs and Cooperatives;
- The set-up of the M&E system is too complex and the system is rather costly. The data is not readily available, requiring additional manual work and analysis, without duly ensuring that the data is complete and verified, hampering output and outcome reporting. This negatively effects the cost-efficiency of Agriterra;
- The information system is insufficiently takes into account the action plans and goals of the client’s. Instead, it is oriented towards HQ’s needs for accountability and reporting to its funding partners;
- Agriterra is investing considerable resources in developing the Top 74 list, which is a ranking of clients and reflects their performance. Overall, world-wide ranking of clients does not have much value, as is comparison cooperatives and associations in different countries. A better use of the scores would be comparison over the years of a particular client. Whereas, the score is a fair reflection of the overall performance of clients, a change in scores cannot be directly attributed to Agriterra, as they are the result of a wide range of internal and external factors and several actors;
- Serious flaws in the indicators linked to the ten 2020 goals (in terms of representation of the three-track approach, definition, lack of proper baselines, measurement methods used and level of targets) all limit the extent to which the results can have a steering role for the planning and implementation of the programme, as well as for presenting progress.

### 6.1 Capacity and management of Agriterra

In 2015 (before the start of the FCSB programme) a reorganisation of Agriterra took place, to make the strategic shift from project managers based at Head Quarter (HQ) to fielding BAs in the countries with a larger share of client projects. In-country BAs can support clients more intensively

and better prepare and plan for the involvement of agripoolers. They are also in a better position to scope and select new clients, and jointly develop the action plans with the clients.

**Staff by location and composition.** Agriterra needed to recruit more staff, given the changed focus on advisory services and the programme objective to reach out to an increasing number of clients, as well as to improve Agriterra products and programme coherence at HQ (professionalisation). The Grant Proposal projected an increase in staff from 57 FTEs in 2016 to 68 FTE in 2020. According to Agriterra this included only projections for staff at HQ and expats in the countries as it planned to include local business advisors only as consultants. By the end of 2019, the total number of staff was 156, with HQ and expatriate members accounting for 59 FTE.. Table 6.1. presents the staff overview.

**Table 6.1 Overview of the staff deployment (in FTE)**

	2016	2017	2018	2019
BA HQ plan (real)	12 (11)	12 (14)	13 (13)	13 (12)
BA expat plan (real)	15 (14)	17 (15)	18 (15)	19 (14)
TOT BA PLAN (REAL)	27 (25)	29 (29)	31 (28)	32 (26)
Non-BA plan (real)	34 (28)	36 (30)	35 (31)	36 (33)
HQ real	39	44	44	45
Deployed in field	45	67	76	111
local BA	28	46	52	79
local non-BA staff	3	6	9	18
Total staff real	84	111	120	156
Advice plan (real)	44% (63%)	45% (68%)	47% (67%)	47% (67%)
BA (local and HQ) as percentage total staff	37%	47%	51%	62%
Field staff as percentage total staff	54%	60%	63%	71%

Source: based on provided Agriterra excel file Overview staff Agriterra 2015-2019. Note: BA is Business Advisor.

The policy to provide less financial support to clients could be implemented much faster than anticipated. Consequently, more budget was available for advisory services, enabling Agriterra to attend to more clients and recruit more local business advisors:

- The major increase took place due the establishment of more country offices than planned and fielding more staff in these countries. In 2016 Agriterra had staff outposted in 12 countries<sup>64</sup>, in 2017 and 2018 two Asian countries<sup>65</sup> were added and by November 2019 another six West African countries<sup>66</sup> brought the total to 20 countries<sup>67</sup> in 2019. The Grant proposal planned 16 country offices in 2016 and 18 in 2020. The increase is partly due to the top-up agreement with DGIS. Most country offices are headed by expats, with non-expat representatives fielded in 5 countries by 2019<sup>68</sup>, consequently less expatriate staff was recruited;
- Outposted staff increased from 29 FTE in 2015 to 111 FTE in 2019, with the number of local BAs tripling from 29 FTE in 2016 to 93 FTE in 2019. Besides the increase in outposted BAs there was a small increase in local support staff in the countries with the largest portfolio's;
- BAs posted at HQ remained stable around 13 FTE/year which was in line with the projection. The total number of BAs increased from 37 FTE to 105 FTE in the same period;
- Additional staff was required to implement non-DGIS funded projects.

<sup>64</sup> Countries, where Agriterra had outposted staff since 2016 are: Bolivia, China, Ethiopia, Indonesia, Kenya, Nepal, Peru, Ruanda, Tanzania, Uganda, Vietnam and Zambia.

<sup>65</sup> In 2017 were added: Myanmar and Philippines.

<sup>66</sup> In 2019 were added: Burkina Faso, Burundi, Ghana, Ivory Coast, Niger and South Sudan.

<sup>67</sup> Agriterra reached a number of 23 countries by early 2020.

<sup>68</sup> China, DR Congo, Ivory Coast, Niger and Sudan.

The share of BAs in the total of FTEs remained remarkably stable: from 58 percent in 2015 to 63 percent in 2016, and 67 percent from 2017-2019. This is explained by the increase in non-BA staff, primarily at HQ, and to a lesser extent in the country offices (3 to 18): overall a 60 percent increase took place from 31 FTE to 51 FTE. Analysts (business, client, financial, IT) form the main non-BA group with a share of roughly 35 percent, followed by financial administration staff with about 25 percent. Staff in organisational support (HRM, ICT, Marketing, agripool recruiters, product and market developers, communication officers have a share of 25 percent. Annex 2 presents a detailed Table with all staff categories employed at HQ and in country offices.

The group of analysts appears to be large which can be explained to a large extent by the HQ-based M&E system, lowering cost-efficiency. The group of recruiters, or agripool specialists appear to be rather small: 1.8 FTE senior staff and 0.9 FTE assistant recruiter, especially given the projected increase in the fielding of agripoolers. The Grant proposal projected about 10 staff for the agripool unit<sup>69</sup>. Whereas the total number of HQ staff is in line with the projections, a shift took place from staff in the agripool to analyst, which was not foreseen. Capacity of the agripool unit appears to be limited taking into account the growth of the portfolio and the number of field missions.

Agriterra is aware of the challenges due to the accelerated growth. The 2020 Budget document makes the following statement: *“Current systems and procedures are no longer capable of meeting the requirements of the organisation. It is therefore critical Agriterra takes the next step in improving its systems (financial and non-financial). For that reason, a reservation is made in the 2020 budget of €90.000, for the implementation of an ERP (Enterprise Resource Planning) system. This system is envisaged to become operational in 2021 and will integrate with Agri-info.net, and will replace three stand-alone software packages which are currently in use.*

**Management and Steering.** Agriterra takes the Grant Proposal and the M&E Protocol as the basis for the planning of activities. In that sense the grant proposal is Agriterra’s multi-annual or Overall Work Plan. The Grant Proposal, the M&E Protocol and the ten 2020 Goals form the basis for the annual plans and budgets. Based on the capacity of the country teams and their past performance HQ determines the yearly available country budget and sets the yearly targets for number of clients. On that basis the country teams plan the number of clients, the budget and the activities.

As mentioned earlier for each of their clients the country offices<sup>70</sup> make a yearly action plan. This is done without explicit reference to a global or multi-year Agriterra-client’ workplan. This is a rather reductionist approach: the client does not know what will be done the subsequent years. Ideally, a multi-year plan in line with the strategic plan of the client, should be made. Even when the client does not have (up-dated or) long-term business plans, the Company Assessment gives sufficient basis for establishing the main goals of the client and/or milestones. Although Agriterra expresses interest in medium/ longer term cooperation, it does not have a clear policy on the duration of the support, except the annual evaluation to assess if the client meets its quality requirements. The duration varies a lot from client to client, from 3-8 years. Less than 2 years is not considered as adequate, but when insufficient progress is made Agriterra will end its support.

**Relations HQ with country offices.** It is clear that the huge growth sets limits to HQs in terms of accountability and compliance. So far, the country offices are Agriterra branches. Although some tasks are delegated to country teams, they are still depending on HQ in terms of budget and targets

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<sup>69</sup> See Table 7, of Grant Proposal. Agriterra informed that it also is supported by the agripool unit of the Spanish agri-agency Acodea (1.5 FTE).

<sup>70</sup> The same applies for Agriterra’s World Team.

for their contributions to the 2020 Goals. The country teams are fully responsible for scoping, assessment of clients, and the joint development of action plans and follow-up<sup>71</sup>.

With the increased number of country offices and outposted staff a further decentralization is being discussed. Key issues are: (1) how HQ can manage risks that country offices follow their own priorities and preferences that deviate from Agriterra's identity and mission. For instance, different views on the value of input of agripoolers, work approach, type of clients to work with, etc.; (2) how to give sufficient room for country offices to implement projects that are tailor-made to the country context.

In a three-days Hackathon (April 2019) the contours of a new relationship were explored. The main outcomes were that locally registered Country Offices would become independent from HQ, headed by a Director, instead by a representative. Relations with HQ will have to be legally defined, possibly under arrangements of a Service Agreement, including a Licence Agreement for intellectual property, safeguarding Agriterra's products. The Hackathon provided important input for a Quality Control/HRM Manual that will be integrated in Agriterra's Quality Management System.

Related to the discussion of the degree of independence of country offices, it is being discussed, whether an intermediate layer (a regional hub) may be necessary, given that most Agriterra country offices are very small.

## 6.2 Cost effectiveness of Agriterra<sup>72</sup>

Overall, with a lower cost of advice<sup>73</sup> more advice has been given, thereby increasing the cost-efficiency of Agriterra. However, this is not the only factor influencing cost-efficiency. The large investment in Agriterra executed projects (institutional costs) negatively impacts cost-effectiveness and may have an indirect effect on conditions for a fair level playing field.

**Trends in Expenditure.** The implementation rate of the programme is fully in line with the planning. The expenditure per year was on average EUR 13.4 million. The lowest expenditure (EUR 11.2 million) was realised in 2016, which is the first year of the FCSB programme, compared to previous years the expected expenditure for 2020 significantly increased, mainly due to topping up of the DGIS budget in 2019, and the increased non-DGIS funding (see section 3.1). table 6.2 presents the major funded cost items.

**Table 6.2 Funding by cost category<sup>74</sup>**

	2015	2016	2017	2018	2019*	2020*	Average 2016-2019
Expenditure in EUR million	12.1	11.2	14.5	13.3	15.6	20.6	13.7
Costs agripool	7%	9%	9%	7%	8%	11%	8%

<sup>71</sup> Agriterra is revisiting the relation between country offices and HQ. The redefinition of the relation between HQ and country offices becomes particularly evident when country offices are acquiring its own funding and selling services that are paid for by the clients. As will be shown under EQ 3.1. this is still an objective for the mid-term.

<sup>72</sup> Financial data used in this section have been obtained from the annual financial reports for 2016-2018, for 2019 Agriterra provided the data. Calculations with the data have been all been forwarded to Agriterra for their checking.

<sup>74</sup> The relative share of the cost categories in the total planned expenditure for 2020 does not correspond with figures used in the Budget 2020, as submitted and approved to DGIS. In the submitted budget the item "local costs", which was used from 2016-2018 to allocate the grants to clients also included costs of external consultants contracted under third party funding. In the Table used adjustments were made to suit the analysis made. It is stressed that in terms of accounting no mistakes were made, as all are expenditures.

	2015	2016	2017	2018	2019*	2020*	Average 2016-2019
cost external consultant	15%	11%	9%	8%	7%	16%	9%
Cost Agriterra advice	33%	45%	49%	56%	55%	49%	51%
Cost events	5%	11%	11%	9%	10%	7%	10%
Sub-total advice costs	60%	76%	78%	79%	80%	83%	78%
Grants to clients	32%	17%	15%	12%	9%	9%	13%
Administrative client cost	9%	8%	7%	9%	11%	8%	9%
Sub-total Non advice costs	40%	25%	22%	21%	20%	17%	22%

Note: 2019 final 2019 figures; 2020: budget.

Table 6.2 shows a steady increase in Agriterra advice cost, particularly due to more advice provided by the BAs. The total cost of Agriterra advice increased from EUR 4.0 million in 2016 to EUR 8.6 million in 2019, an increase of 72%. The share of grants to the clients dropped from 32% in 2015<sup>75</sup> almost by half in 2016 (17%) and further declined to 4% in 2019, in line with Agriterra's strategy.

The share of agripoolers in the total cost has remained rather constant at 8/9 percent, and the share of external consultants declined from 15% in 2015, 11 percent in 2016 to 8 percent in 2019. The cost of Agriterra advice is further explored in the next section.

**Executed budget per client per year.** Table 6.3 presents the budget per client. The budget per registered client shows a steady decline after 2016 as there were relatively few clients, and then drops by 38 percent in 2017, 6 percent in 2018 and 14 percent in 2019. The decline in budget per active client in 2017 and 2018 is marginal, but relatively high in 2019, i.e. 29 percent. The budget per client per year is below the projected of EUR 51,795<sup>76</sup>,

**Table 6.3 Executed budget per client per year**

	2015	2016	2017	2018	2019
Number of registered clients	164	122	278	291	357
Budget* per registered client	€ 48.848	€ 62.988	€ 39.317	€ 36.974	€ 31.789
Number active clients	164	122	174	178	263**
Budget per active client	€ 48.848	€ 62.988	€ 62.817	€ 60.445	€ 43.151

Note: \* Budget minus share institutional and clients project implemented by HQ, World and Europe.

**Expenditure per Staff.** Compared to the previous phase, the expenditure per FTE increased, see Table 6.3.

**Table 6.4 Expenditure per FTE, BA and number of clients**

	2015	2016	2017	2018	2019
No Agriterra staff in FTE	64	84	111	120	156
Budget* per FTE	€ 286.112	€ 384.225	€ 475.225	€ 430.372	€ 420.324
Budget* per BA	€ 216.517	€ 144.991	€ 145.736	€ 134.491	€ 108.083
No of clients per BA	4,4	2,3	2,3	2,2	2,5

<sup>75</sup> In 2015 only cost of expat were booked as Agriterra advice cost; local consultants entered from 2016 onwards on the pay bill, which increased the number of billable Agriterra advisers.

<sup>76</sup> This based on an average yearly country budget of EUR 880,517 and 17 clients per country.

Note: \* Budget minus share institutional and clients project implemented by HQ, World and Europe.

The budget per BA and number of clients per BA is increasing by about 50 percent, reflecting the reduction of direct financial support (grants) to the client and a higher role of Agriterra staff advice. Both are indicators of good cost-efficiency.

**Costs of Agriterra advice and fee levels.**<sup>77</sup> The above-mentioned increase of Agriterra advice is mainly explained by the increase in billable days. Agriterra invoices Agriterra BA staff time spent on projects that can be justified<sup>78</sup>. From 2016-2019 about 55%-59% of the available working days of Agriterra consists of billing days. HQ and expatriate staff have billed 45%-55% of the available working time and local contract staff have billed 64%-67%. HQ and expatriate staff bill less days as they perform other tasks, such as acquisition, management and administration not directly related to projects.

Agriterra invoices DGIS for advice days using the individual staff gross salaries<sup>79</sup> and applies a multiplier (see table 6.5 below). The latter "income" is used to cover all operational costs, including salary costs, accommodation, depreciation, office costs, administration, general costs, and a small surplus (reserves).

**Table 6.5 Key figures for calculation of Agriterra advice cost and advice income, in EUR.**

indicators	2015	2016	2017	2018	2019	2020
billable DD and DN days*	7.734	9.932	16.332	18.690	24.004	30.200
Share HQ/expat and local	100-0%	72-28%	48-52%	40-60%	32-68%	33-67%
average gross salary /day	€ 178	€ 177	€ 143	€ 134	€ 119	€ 128
multiplier	3,11	3	2,92	2,86	2,86	2,96
overall average fee	€ 553	€ 530	€ 418	€ 383	€ 340	€ 380
total advice income	4.279.405	5.259.797	6.832.860	7.166.348	8.172.444	11.476.435
Share HQ /expat and local	100-0%	90-10%	74-26%	67-33%	63-37%	64-36%

Note: \* DD days are directed related with the execution of projects and DN days relate to administrative tasks for projects. Note \*\* Budget.

The turnover increased yearly from EUR 5.2 million in 2016 to EUR 8.2 million in 2019, i.e. an increase of percent in 3 years of 55 percent. The projected increase for 2020, compared to the previous is year is 40 percent, which is a reflection of the much larger expected income from non-DGIS sources.

Given the increased number of staff there has been a tripling of billable days from 2015 to 2019. The ratio HQ and expatriate staff to local staff completely overturned during the past five years. Whereas before 2016 there were no local staff on the pay-roll, its share increased in 4 years to 68 percent of total working time billed.

As the salary cost of HQ and expatriate staff is about three times higher than the salary cost of local staff, the increasing share of local staff gradually decreased average salary costs since 2015 (-38 percent). The billed fees were more or less stable for the different categories during the first four years of the FCSB programme, but are significantly increased in the 2020 budget, especially due to higher HQ/expatriate fees and DN<sup>80</sup> days.

<sup>77</sup> The other costs (agripoolers, consultants, grants to clients, events, administrative project costs) are billed against real cost.

<sup>78</sup> Agriterra uses a time writing application (TimeTell) where hours on projects (billable) and overhead (not billable) time is duly detailed.

<sup>79</sup> Gross salary consists of: the salary, the holiday allowance, the end-of-year bonus and any personal allowance.

<sup>80</sup> DN days relate to administrative tasks for projects.

At the start of the FCSB programme Agriterra agreed with DGIS to gradually reduce the multiplier to make Agriterra market conform. This was done annually however the multiplier it was increased again in 2020. The main reason is that the lower average overall salary costs due to the shift to local staff decreases the total income. Two strategies are followed to compensate for lower income due to a lower fee: i) increase advice time per BA and ii) reduce the general and overhead costs of Agriterra. So far, the tariffs have been sufficient to cover all overhead and operational costs, with a small surplus<sup>81</sup>. According to Agriterra lower tariffs would affect its financial health.

**Comparison of cost advice and advice days and events.** Tables 6.6 and 6.7 show that advice cost per client is decreasing over time, and that the grant per client has been phased out from an average of EUR 23.497 to EUR 2.220. Table 6.6 show how the development of the cost categories by client.

**Table 6.6 Grant and advice cost per client**

	2015	2016	2017	2018	2019*
Grant/active client	36%	20%	18%	14%	5%
Agriterra advice cost/client	36%	53%	58%	66%	74%
agripoolers cost/client	8%	11%	11%	8%	11%
consultants cost/client	16%	13%	11%	9%	10%
grant and total advice/client (EUR)	65.473	76.358	70.860	63.251	43.619

Table 6.6. shows that the total grant and advice cost per client is steadily decreasing after 2016. The relative share of Agriterra advice cost is gradually increasing from 36 percent in 2015 to 74 percent in 2019, This is mainly due to the decrease in grants provision to the clients. At the same time, the relative cost share of agripoolers and consultants remained rather stable. This is further analysed in table 6.7.

**Table 6.7 Costs of agripooler and external consultant missions (in EUR)**

Agripooler and external expert missions	2015	2016	2017	2018	2019*
average cost agripooler mission	4.372	3.517	3.573	2.804	2.336
average cost external consultant mission	10.033	9.553	7.195	4.593	3.551

Table 6.7 shows a steady decrease in the average cost of agripoolers and external consultant missions. The lower cost is due to the internationalization of Agriterra, i.e. more use of regional and local expertise, both agripoolers and external consultants. From 2016-2019, the number of agripoolers increased from 286 to 526, and the number of consultants from 129 to 218.

Whereas the cost of Agriterra advice has decreased, the number of advice days has increased considerably, i.e. a four times higher in 2019, compared to 2015, as shown in Table 6.8.

**Table 6.8 Agriterra – advice days per year, per FTE, per client**

Days	2015	2016	2017	2018	2019	average
DD Advice*	5.270	8.188	14.431	16.175	20.827	14.905
DD Advice per FTE	82	97	130	135	134	124
DD Advice per client		32	67	83	91	79*

Note \*: without the TIDE the number days becomes 108

\* DD days are directly related to the execution of projects.

<sup>81</sup> According to Agriterra, the arrangement with DGIS is that Agriterra may calculate for a risk and continuity reserve of 10 percent of the tariff, but actually reserves 3%..

Table 6.8 also shows that more advice per FTE and that the clients received 2-3 times more advice days, compared to the previous phase, both of which are a positive indicator of cost-efficiency.

Table 6.9 presents an overview of the overall advice provided (Agritererra - BA, agripoolers and external consultants) in the various advice activities, referred to as events.

**Table 6.9 Number of events, experts involved and participants/ clients reached**

Events	2015			2016			2017			2018			2019			total 2016-2019		
	Nr	Exp	Part	Nr	Exp	Part	Nr	Exp	Part	Nr	Exp	Part	Nr	Exp	Part	Nr	Exp	Part
Exchange/study tours	10	10	69	12	21	134	34	51	1148	30	103	405	46	156	722	122	331	2.409
Training courses	7	14	459	9	23	212	13	21	476	8	15	122	14	36	233	44	95	1.043
Workshops -trainings	53	106	779	87	194	1603	134	297	4406	156	317	3750	250	535	5980	627	1.343	15.739
Advisory missions	226	333		232	383		288	456		318	557		350	641		1.188	2.037	
Client intake/evaluation	62	121		59	116		121	271		73	166		168	384		421	937	
Internships	6	8		10	11		22	29		15	26		47	65		94	131	
total events	364	592	1307	409	748	1949	612	1125	6030	600	1184	4277	875	1817	6935	2.496	4.874	19.191
expert by event		1,6			1,8			1,6			2,0			1,6				2,0
participants/ CB event			18,7			18,0			33,3			22,0			22,4			24,2
FTE	64			84			111			120			156			471		
events per FTE	5,7			4,9			5,5			5,0			5,6			5,3		
participants per FTE			20,4			23,2			54,3			35,6			44,5			40,7
Active clients	164			122			174			178			263			737		
Event per client	2,2			3,4			3,5			3,4			3,3			13,6		26,0
Participants per client			8			16			35			24			26			26

Note: Exp = Experts, an include agripoolers, Agritererra BA and external experts; Part = Participants, they include member leadership, farmers, management and staff.

As shown above, the number of events per year doubled during the FSCB programme: on average 624 events yearly were held during 2016-2019, compared to 364 in 2015. The most salient increase took place in the number of farmers (participants) attending CB events (exchange tours, study visits, training courses and workshops): Whereas the number of farmers in 2015 amounted to 1,307, the number increased to 6,935 in 2019. This adds to a total about 19,200 participants.<sup>82</sup> On average about 4,800 farmers participated in these events. The table also shows an increase in the number of events per client, an increase in participants per CB event, and finally an increase of participants/ FTE<sup>83</sup>.

**Analysis of direct and indirect contributions to clients of external funding.** Not all funded costs and activities directly relate to support for clients. We made an analysis on how the funding was allocated to the different projects. The executed budget was examined by following the distinction made by Agritererra between “client projects” and “institutional projects (INS)”<sup>84</sup>.

The share of institutional projects in total projects has increased considerably, i.e. from 18 percent in 2015 to on average 52 percent from 2016-2019. This is explained by the fact that Agritererra itself is organising more activities, compared to the previous phase, when more was done by the clients themselves (managing the grants provided by Agritererra). These institutional or Agritererra-executed projects usually relate to events covering several clients. The second explanation is the investment Agritererra made in its international profiling and professionalisation, see Table 6.10.

<sup>82</sup> The number of participants may not be unique individuals, as an individual may have attended more than one event.

<sup>83</sup> The number of events per FTE remained stable over the years, whereas the number of advisors per event is slightly increasing.

<sup>84</sup> Implemented by Agritererra, both directly related to clients or directly related to the profiling and professionalization of Agritererra.



**Table 6.10 Break down of institutional (INS) projects 2016-2019**

<b>INS projects directed to clients</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 *</b>	<b>2016-2019</b>	
Client intake: scoping & assessment	576.089	2.537.754	2.483.499	2.150.688	1.620.097	8.792.039	33,4%
Training	914	1.094.275	2.768.022	1.364.256	1.971.266	7.197.819	27,3%
Paid services	25.644	192	846	442.763	479.998	923.800	3,5%
AGT evaluation of clients & audits	126.663	115.474	152.803	515.655	255.128	1.039.059	3,9%
<b>Total directed to clients</b>	<b>729.310</b>	<b>3.747.695</b>	<b>5.405.171</b>	<b>4.473.362</b>	<b>4.326.490</b>	<b>17.952.717</b>	<b>68,2%</b>
<b>INS projects directed to AGT, alliances</b>							
Development of Acodea	471.292	293.266	723.863	381.280	134.810	1.533.220	5,8%
Agricord and agri-agencies networking	140.669	27.808	31.518	52.049	157.695	269.070	1,0%
International networking AGT mngt	46.590	79.724	100.490	169.178	154.994	504.386	1,9%
Sub-total	658.551	400.798	855.871	602.507	447.499	2.306.675	8,8%
<b>INS project directed to profesionalization of AGT</b>							
Agro-info-ICT	448.370	642.171	589.634	483.992	392.753	2.108.550	8,0%
Agripoolers recruitment	231.217	285.718	244.154	279.190	410.220	1.219.282	4,6%
Communication/publicity	419.721	239.437	380.852	204.216	224.247	1.048.751	4,0%
Development, testing of training modules	36	327.008		248.581	5.465	581.054	2,2%
Internal training staff	12.400			114.721	200.535	315.255	1,2%
HRM/Manual			158.585	4.065		162.649	0,6%
other projects	-371.046	376.051	101.571	47.781	102.923	628.326	2,4%
sub-total	740.698	1.870.384	1.474.795	1.382.545	1.336.142	6.063.867	23,0%
<b>Total directed to AGT</b>	<b>1.399.249</b>	<b>2.271.183</b>	<b>2.330.666</b>	<b>1.985.052</b>	<b>1.783.641</b>	<b>8.370.542</b>	<b>31,8%</b>
<b>Total institutional projects</b>	<b>2.128.559</b>	<b>6.018.877</b>	<b>7.735.837</b>	<b>6.458.414</b>	<b>6.110.131</b>	<b>26.323.259</b>	
INS to all AGT in % of total budget	12%	20%	16%	15%	16%	17%	
INS to AGT profesionalization in % total budget	6%	17%	10%	10%	12%	12%	
total clients (INS to clients + client projects)	88%	80%	84%	85%	84%	83%	

As is seen in the table above, on average 83 percent of the expenditure can be directly related to client projects, whereas 17 percent is oriented towards the profiling, internationalization and professionalization of Agritererra. Therefore, DGIS is funding Agritererra's professional capacity building, products and M&E systems. The evaluation found that DGIS and Agritererra have not made any agreement on what kind of institutional projects it would fund or what would be a reasonable share. The Grant Proposal only mentions under the heading "creating conditions for efficiency"<sup>85</sup> "a list of seven institutional lines", covering most of the issues mentioned in Table 6.11. In our view the share of funding to Agritererra is very high, and DGIS should have been more critical and selective in funding activities, that is a direct responsibility of Agritererra. Moreover, some items have the connotation of being at least partly overhead costs, and therefore should be paid out the income generated by Agritererra's BAs. For instance, a cost item that stands out in the investment in Agro-info-ICT: more than EUR 2 million. This investment could be partly considered as being general costs, i.e. upgrades and maintenance. Given the fact that the AIN still has several flaws and a lot of manual handling of data is needed using additional software, these are investments appear to be rather inefficient. Agritererra argues that without this application efficient information gathering from 23 countries on hundreds of clients would have become very difficult. Furthermore, it has clarified that this project does not only apply to Agritererra, but also for the 13 members of AgriCord. This alliance still has access. AgriCord uses the application, and the agri-agencies for AgriCord funded projects. Agritererra also notes that the investment is not lost: AgriCord paid for their share and Agritererra is using the application as an asset in negotiations with new partners.

### 6.3 M&E framework

Overall, the set-up of the M&E system is too complex and the system is rather costly. The data is not readily available, requiring additional manual work and analysis, without duly ensuring that the data is complete and verified, hampering output and outcome reporting. This negatively effects the cost-efficiency of Agritererra.

<sup>85</sup> Grant Proposal, page 36/37.

In line with common practice, the DGIS approved Agriterra M&E Framework (or Protocol) is composed of the five hierarchical levels: (1) Impact and Outreach; (2) Outcome; (3) Output; (4) Activities and (5) Inputs. It is found, that there is quite a lot of repetition in the M&E Framework. The first level (Impact and Outreach) fully overlaps with the second level (outcome), as it contains indicators, such as:

- outreach<sup>86</sup>, volume of mobilised loans for working capital and investment, number of “smoking chimneys<sup>87</sup>”;
- membership growth (target 50% for cooperatives, 30 percent lower level FO and 10 percent Federations);
- a set of KPIs, such as (turnover, sales, profit, equity, KPI documentation).

Secondly, quite a number of outcome indicators of the second level (outcomes, summarized in the ten “Goals 2020”<sup>88</sup>) are in turn repeated in the third level (output, and further referred to as Deliverables and Targets). Examples are participation of women and youth in the Board, increase in paying members. The two lowest levels (Activities and Inputs) are in fact presenting data in inputs, such as number of BA at HQ and outposted, and funding (by client, by working area, by interventions approach). Whereas, in the M&E protocol the deliverables/targets are considered as “output”, some of them are at the same time part of the ten Goals 2020 data, such as membership, number of paying members, percentage of women and youth in the board, etc.

In the implementation of the M&E framework the country BA must upload output data into agrofonet.net (AIN). The output is specified by a set of deliverables and targets. From 2016 and 2017 a different set of targets and deliverables (45) were applied than those (35) from 2018 onwards<sup>89</sup>. The deliverables not only vary in both systems, but they are also categorised by four different working fields<sup>90</sup>. The system still allowed comparing for the remaining targets and deliverables over time, see the summary in Annex 2 Tables A.. The set of deliverables are standardised world-wide and for each FO (Federal union, Cooperative, SACCO), with the result that most of them are not applicable for a particular client, whereas other more meaningful data could be missing.

**Monitoring impact at farm level**, The AIN system provides several output indicators at the farm level, but does not contain any outcome indicators, such as productivity, profitability and income. Such indicators are required to assess Agriterra’s impact at this level. However, so far Agriterra has taken a rather minimalist approach. Agriterra’s stance is that the impact of the actions of farmers’ organisations and cooperatives is an issue for the M&E systems of the organisations themselves. Agriterra intended to invest in building those systems and link them with Agriterra data collection<sup>91</sup>. The first deliverable and target of the M&E Protocol is “*Basic M&E systems will be developed with all 20 (inter)national customers and 75 lower level federations*”. However, during implementation not much attention has been given to this deliverable, as reflected by the reported activities in this respect: M&E procedures were implemented in the case of 14 clients and smart targets and indicators were implemented for five clients only<sup>92</sup>.

<sup>86</sup> Outreach indicates the coverage of the programme, but in itself is not an indication of impact.

<sup>87</sup> Smoking chimneys refer to functioning plants owned by farmers organizations.

<sup>88</sup> The ten 2020 Goals were introduced in the first progress report, i.e. Activity Report Agriterra 2016. It concerns a further elaboration by Agriterra, and as such these Goals were not mentioned in the Grant Agreement. They were elaborated to guide staff towards important milestones.

<sup>89</sup> Agriterra replaced the AgriCord system by its own system by January 2018.

<sup>90</sup> Before 2018 these working areas were: (i) Organisational strengthening and inclusive membership base; (ii) Institutional development; (iii) Policy elaboration and advocacy; (iv) Farmer-led economic activities. After 2018 the deliverables are linked to four FO functions: (1) Organisational Strengthening and Institutional Development; 2. Lobby and advocacy; 3. Economic function; and 4 Technical functions. Annex 7 of the Inception report contains the full lists of deliverables.

The basic M&E tool is the Action Plan Excel file<sup>93</sup> that is made for each client. The Excel Template is supposed to be a working document for the field staff, who by the end of the year are expected to fill it in and pass this information on to AIN. However, it was found that the Excel Template is only partially filled in: all contain the jointly agreed Agriterra-client annual work plan with activities and budget contributions from both Agriterra and the client. Most of the other sheets are empty, and not used for reporting. The Action Plan Fiche does not specify if delivery and target information has been directly uploaded in AIN. The multiple reminders of HQ client analysts to country BAs to fill deliverables data in AIN indicate that BAs do not prioritize this action. At the same time, the verification of data is not guaranteed. This means that an outsider cannot assess to what extent activities have been implemented.

When feeding the deliverable data in AIN, the BA has to choose from three working area options<sup>94</sup>. And finally, the working areas in the action plans and three options in AIN are different from the three-track approach. Thus, the information is dispersed in different places, and there is no one to one relation between the working areas and tracks, which complicates the overview of deliverables at track level. To achieve this requires substantial manual work<sup>95</sup>.

As indicated above, AIN offers only one entry point for a specific project, whereas the project may have several components, so not all are easily found. This applies for both institutional projects (projects implemented by AG) and client projects. Main institutional projects are training events where several clients are participating, or the intake of clients (scoping and client assessment exercises). Client projects benefit directly or indirectly from these institutional projects, but this is not directly seen in the client projects. A client project may be registered as track 2 (Agribusiness), as the main actions are at cooperative level. But when activities are supported that relate to track 1 extension this is not (directly) visible in AIN.

Overall, the AIN system is not effective, despite several attempts for improvement. The system is already several years under development, both by internal Agriterra inputs and outsources to IT company involving a high cost (see section 6.2). The evaluation found that in some cases the data provided by HQ, based on AIN were different from data provided by country teams. Data may be interpreted differently and processed inadequately by data analysts at HQs. Additionally, country staff may provide incomplete and not timely data to AIN. Another main weakness of the M&E system is that it reflects annual working plans, without making reference to what the client seeks to achieve and where they want to be after 3-5 years (which is also linked to the absence of multi-annual plans). Whereas, clients main goals and milestones may have been considered during the Client Assessment Exercise, and have been further developed in strategic action plans and feasibility studies this is not visible in the M&E system. Overall, the specific activities of the client action plans are not effectively represented in AIN. A further weakness is that AIN is not designed to steer on client goals. It was learned during fieldwork that a country representative maintained a parallel dataset that he used for the monitoring of its clients. This reflects the limited use of AIN as monitoring tool.

**Top 74.** The Top 74 is the main instrument that Agriterra has developed over time since 2017 that measures the business performance of Agriterra clients. The scoring consists of a composite index (up to 10 points), consisting of financial KPIs (58%), Goals 2020 (15%), and non -financial

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<sup>93</sup> The Excel template contains besides the specific annual action plan (Annex 1), the budget co-funded by Agriterra and the client (Annex 2), a standardized set of targets and deliverables (Annex 3), a narrative report (Annex 4), advisory services (Annex 5), Goal 2020 indicators (Annex 6) and revision of Documents (Annex 7).

<sup>94</sup> These are: (i) Enterprise Development; (ii) Good Governance/management of human resources in Cooperatives; (iii) Financial Management.

<sup>95</sup> For instance, to obtain an overview of how much was done in terms of activities and funding by each intervention track, various data sets needed to be linked manually. This work was facilitated by the Agriterra senior analyst for the Evaluation.

indicators 27 percent.<sup>96</sup> The Top 74 is constructed by analysts at HQ, whereby the client and/or BA in the field provide the required data, such as audited financial reports. So far, about 150 clients were assessed in the Top 74. Given the evolving methodology, and changing sample of clients analysed each year the scores are not really comparable over the three years for which the Top 74 has been calculated. Overall averages per country and per year cannot be compared, as each year the set of clients differ, as some clients have exited the program and others have entered the listing in the respective years

Whereas the scoring may give a rather fair representation of the business performance of a particular client over time, for most variables there is only an indirect link to Agriterra's support. The financial figures, such as increased sales, return on investment are not accompanied with physical figures, such as volume of produce purchased, processing loss, etc.. Therefore, the impact of price fluctuations, weather conditions, etc. on financial outcomes cannot be assessed. We assess that at best the Top 74 scoring is a proxy for Agriterra's impact, whereby the progress of a particular client over several years has to be assessed.

### **The ten Goals 2020.**

The strong point of the 2020 Goals is that it provides a common or organisational focus and orientation for the annual planning exercises. However, a number of the goals are not well defined and may not represent the realistic picture. This is for instance the case with the first goal, outreach to unique farmers. Unlike the indicator suggests, the figures do not represent the accumulative number of unique farmers, and therefore not the annual increase in unique farmers. Instead, the figures actually refer to the "active members" of the client attended by Agriterra in each respective year. So, a member is counted as long as the organisation is supported by Agriterra in a particular year<sup>97</sup>. The way active members are calculated differs per country, depending on the BA and willingness to share information by the client, and in some cases just the full number of registered farmer members is included. When actually the unique farmers would be calculated over the years, the number of unique farmers may be larger (or smaller) than the presented number, but the main question remains what do these numbers really say. The number of (unique) participants of Agriterra events (about 19,200<sup>98</sup> over 2016-2019) (member leadership, farmers, management and staff), see Table 6.9. may be a better alternative goal.

There is also ambiguity in the definition of "Smoking Chimneys" (SC), which is merged with the second Goal: "Cooperatives connected to banks". A SC is considered to be: "an upgraded or new Processing Facility due to Agriterra support". According to Agriterra in total for 15 out of 40 clients/SCs the role of Agriterra in mobilising loans for SC was acknowledged. For others its role was provision of technical support. It is not clear when an upgrade due to advice is considered to be an SC, particularly, when a facility is already operational. AIN registers only one processing factory per client, whereas some have more. Another example is "30 percent coverage of operational costs of FO through service arrangements with the private sector", which encounter issues of measurement. Secondly, the ten goals are not fully representative of the three tracks: there are no goals for Track 1 (extension). Track 3 (L&A) also lacks clear goals: Goal 4 – 100 million invested due to policy changes is multi-interpretable and very few clients (about 5 FOs) reported to have obtained funding, with one union in Vietnam taking a share of over 85% of the funds. Thirdly, not all goals refer to all clients, some are exclusively for FOs and others for Cooperatives.

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<sup>96</sup> These are the percentual share of the 2019 list, based on 2018 data.

<sup>97</sup> To calculate the number of unique farmers one should take members of clients and ex-clients and count them once over all the years.

<sup>98</sup> See Table 6.9 that reports 19,200 participants, The number of participants may not be unique individuals, as an individual may have attended more than one event.

A detailed assessment of all Goals is made in Annex 2, Table B3. This table shows that the recent reported achievement of Agriterra of the ten 2020 goals for the years 2016-2018<sup>99</sup> substantially differ from most figures, as reported in the annual activity reports, particularly for 2016 and 2017. Some of the latest data are lower (e.g. cooperatives connected to banks) and others are higher (e.g. Smoking Chimneys, Mobilised Loans). Differences have been caused by ambiguous definitions of these goals, as well as by improved client data sets that became available over time and other methods of calculation. Agriterra acknowledges that the targets of the first nine Goals were set without taking baseline data<sup>100</sup> into account. Some targets may have been set too low. Therefore, an actualisation should have been made. Whereas the target for women in the board has been updated from 15 percent to 30 percent, other have not been changed. We conclude, that there is a need to redefine a new set of goals for the next phase, assuming Agriterra continues to use this instrument.

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<sup>99</sup> Reported to DGIS early 2020 and to the Evaluation Team in April 2020.

<sup>100</sup> We acknowledge, that a-priori target setting is not feasible, due to the world-wide scale of the operations of Agriterra.



# 7 Conclusions and recommendations

## 7.1 Main conclusions

Based on the analysis in previous chapters, the conclusions of the evaluation are as follows:

1. *Agriterra's support to FOs and cooperatives is relevant in a changing agricultural landscape. However, limited attention has been given to service delivery to farmer members of cooperatives to improve agricultural productivity and increase income of the rural population in line with SDG 8 (the focus of DDE) as well as SDG 2 and DGIS policy objectives. In addition, too little attention has been paid to climate change which is a critical issue in the agricultural sector.*

The assumption that FOs and cooperatives are the best entry point to lead to agricultural growth and in this way contribute to improved livelihood of farmers is still valid. However, this differs per country due to the varied contexts which are complex and dependent on several factors. The FCSB programme incorporates, in principle, key objectives for Dutch development cooperation, including gender and youth as well as climate change. Nevertheless, inclusion of climate change is not mainstreamed and included in the different interventions with FOs/cooperatives, whilst this is one of the key threats to agriculture and farmers.

Worldwide, the agricultural sector is faced with enormous challenges to improve and diversify production and productivity in order to improve the income of farmers and food security. In majority of the developing countries, value chains in agricultural sector are fragmented which hinders appropriate linkages. This in turn impacts small holder farmers capacity to gain a greater share of their value and assume fewer risks. Agriterra, however, is insufficiently focusing on productivity and production increases, taking into account of these value chain challenges. This should be done through Track 1 of their three-track approach, in support of extension services. This Track, however received limited attention (overall 20 percent compared to the planned 34 percent with only 8 percent of budget in 2019). Similarly, less attention has been given to Lobbying and Advocacy (Track 3) with often one-off activities even though lobbying and advocacy is a critical challenge for FOs to push for reforms in the sector. The main focus is on Track 2 to support the business development of FOs and cooperatives. Therefore, while the priority of Track 2 is fully supported, the overall interventions are unbalanced and not sufficient to address all key challenges of FOs and Cooperatives.

2. *Agriterra implements a demand-oriented approach for the selection of its clients, which enhances the relevance of its interventions. However, a strategic view on the agricultural sector and sub-sectors in the respective countries and regions is lacking.*

Agriterra does not have country-specific intervention strategies which can form the framework for the selection of sub-sectors, commodities and type of clients based on the context and needs of the country. However, while in some countries, the sub-sector interventions are in line with the national priorities and plans, in others, there is a lack of clarity on such a framework.

Consequently, it is not known whether Agriterra works in those (sub-) sectors and clients in countries where it can be most effective and have a large impact. Moreover, there may be missed opportunities to consolidate its areas of strength and create synergy with other actions.

3. *The peer-to-peer approach: the involvement of agripoolers in training, advice, and other activities is based on the unique agricultural expertise of the Netherlands. This support is appreciated and contributes to strengthening of FOs and cooperatives, but it can still be better geared to the specific needs of the country, the sector and type of support.*

Agripoolers provide not only training and advice, but also through national and international exchange visits to peer FOs and cooperatives, this support has provided the cooperative leadership and management with relevant and appreciated support.

Whereas Agriterra has a unique position in the Netherlands through its direct link to organized agriculture, similar models of peer-to-peer approach is being increasingly applied by other international agri-organisations and NGOs, which can impact its relevance. Despite the appreciation of the support and contributions, peer-to-peer inputs do not always respond to the specific needs of the sector, country and type of support needed. While the internationalization of Agriterra's agripool is a relevant strategy, there is a clear need to increase quality versus quantity of peer-to-peer support.

4. *Programme achievements are mixed across the three intervention areas, with clear evidence of results for track 2 contributing to strengthened FOs/cooperative entrepreneurship. There is, however, limited clear evidence of results for the other two tracks, i.e. extension services and Lobby & Advocacy.*

Overall Agriterra has been successful in supporting FOs/ Cooperatives (entrepreneurship). Evidence showed that support resulted in lasting effects in terms of improved transparent financial management and governance and entrepreneurship of the clients. The financial position (bankability) of the clients improved due to increased internal capitalisation, professionalisation, growth of businesses and increased profitability, including increased member payments. On the other hand, results in the core business of FOs and cooperatives, better service delivery to the farmers, are less evident. Activities in most cases were designed as one-off activities and in isolation of value chain needs, which limited the results to service provision and benefits for farmers. In addition, there is limited concrete evidence of results of Lobby and Advocacy activities (Track 3). In many cases, there have been "one-off" trainings and workshops, with limited follow up and consolidation to provide a clear pathway towards L&A outcomes i.e. issues identified, proposals developed, L&A activities initiatives and followed up in the lead up to reform or ultimate outcome.



5. *In the absence of a monitoring and follow-up framework, there is no evidence of impact of the actions of the FOs and cooperatives on members incomes.* Agriterra support focuses only on the business aspect of the cooperatives, with no or very limited engagement with farmer members, which makes benefits at this level difficult to trace, whilst this is the ultimate aim of the FCSB programme. As agreed with DGIS, measurement is left to the M&E systems of the organisations themselves, which is often a counting exercise with no validation. Despite the intention to invest in building adequate M&E systems and linking them with the Agriterra data collection, this has not been realised in practice.

6. *Agriterra has a weak monitoring and evaluation system which impacts the availability of solid evidence base to account for results and foster learning and adaptation.*

Overall, the Agriterra information system is not effective in meeting the challenges of the fast growth of the organisation in the past years, despite several attempts at improvement. M&E reporting includes limited baseline and outcome data at the level of the supported FOs and Cooperatives. Consequently, Agriterra cannot present a clear view of results at client level, which is the core focus of the organisation. Despite a large investment in improving the capacity and features of the system, the analysis and reporting of data requires considerable manual work by analysts, which makes it costly. A key weakness is that the information system is not designed to steer on client goals and insufficiently takes into account of systematically tracking and monitoring of key indicators in line with the action plans and targets agreed upon with the clients.

Agriterra is investing substantial resources in developing the Top 74 ranking. However, any change in the scores cannot be directly linked to Agriterra's interventions, as they are a joint outcome of a wide range of internal and external factors and several actors, including Agriterra. This leads to serious issues in relation to contribution. Moreover, comparing average scores for the world-wide portfolio, for different years, countries and/or sectors does not provide useful information, due to different conditions of clients and because each year new clients are added and others exit the programme. Comparison of the scores of particular clients over the years is more meaningful, albeit the contribution issue remains unresolved.

The 2020 goals have a steering role for the planning and implementation of the programme, as well as have an important role in presenting progress. However, there are some serious flaws in a number of goals in terms of representation of the main approaches, definition, measurement method used and level of targets set.

7. *Agriterra pays due attention to youth and gender. While youth empowerment interventions are relevant and have been successful, this is less the case for gender. While attention is given to women's representation in the board of FOs, (as was agreed with the Ministry) there is no gender mainstreaming approach which means that the important challenges that women face in the agricultural sector are not systematically addressed.* Women board members are visibly empowered and aware of their roles as a result of the trainings. However, female farmer (members) are not empowered as women's engagement in farms is not integrated in the interventions on extension services or service delivery whilst the agriculture sector faces layers of social and economic challenges for women.

The empowerment of youth is relevant and given due attention. It appears that youth engagement is much more prominent and mainstreamed at all levels unlike gender, with exception of countries where more structural barriers exist.

8. *Agriterra did not manage to achieve its main structural changes in terms of diversified funding and clients' contributions.*

Agriterra still depends on conventional donors, such as international development organisations and governments, although an increasing amount has been obtained from Financial Institutions and agribusiness companies. Since early 2019 substantial increase of non-DGIS funding has been obtained and projections are that the target of 30% will be reached for 2020. As far as contributions of Agriterra clients is concerned, the expectation is rather ambitious as majority of the clients simply do not have the capacity to pay for Agriterra's services. The agreed cost sharing arrangements of clients (which is not part of Agriterra's budget and does not affect diversified funding) has been significantly lower than planned. This is mainly explained by the lower than planned grant funding to clients which is the major leverage instrument for these contributions but also by the fact that many clients did not fully meet their commitments.

9. *The overall cost-efficiency presents a mixed picture, with more advice per client at a lower cost, but with a high level of funded institutional costs. This raises questions about the level playing field in the awarding of funds.*

The decreasing costs of Agriterra advice and more advice per client increased cost efficiency. However, the high amount of DGIS funding for institutional Agriterra projects (17%) negatively affected cost-efficiency, as less funds are spent on direct support to clients. To avoid unfair competition, Agriterra employed a financial mechanism in which third party funding takes a proportional share of the overhead costs. However, a large proportion of the funded expenditure of the FCSB programme consisted of profiling and capacity building of Agriterra itself, which indirectly may lead to unfair competition.

## 7.2 Recommendations

1. **For future DGIS funding of Agriterra.** In the decision of DGIS funding for the next phase of the programme, it is recommended that DGIS makes a specific agreement with Agriterra on funding of costs for the profiling and capacity of Agriterra. A maximum share of the budget and determination of what kind of institutional projects are eligible for funding is needed. There should be a fair share of co-funding of Agriterra to avoid indirectly an unequal level playing field. Whereas Agriterra has implemented a financial mechanism to ensure third party funding takes a proportionate share in the overhead costs, avoiding unfair competition, there is still need for benchmarking and dialogue to agree on unified criteria in tariff setting of comparable Dutch NGOs in the sector. It is recommended that DGIS takes the initiative to benchmark the fee levels with similar organisations as Agriterra to jointly agree on unified criteria on fee calculation.
2. **For future DGIS funding of the Agriterra programme a clear link with SDG 8 (the focus of DDE) as well as SDG 2 and DGIS policy objectives on the development of small-scale farming and sustainable land use such as climate change should be made, including clear monitoring of results.** The many challenges the agricultural sector is facing in developing countries should be the point of departure for Agriterra's interventions with the aim to contribute to the productivity, production and income of farmers and promote sustainable land use. Therefore, although SDG is seen as leading for the Agriterra programme, increased attention for climate change should be mainstreamed and incorporated at all levels including track 1 and 3, being a key objective for MoFA, whilst being one of the key threats to agriculture and farmers and thus FOs and cooperatives.

3. **Future programming of Agriterra would require a more balanced, integrated and tailor-made approach to implementation of the three tracks.** *Balanced* implies more attention to support (i) farmers, oriented to improve value chain challenges, productivity, incomes and diversification in an environmentally and socioeconomically sustainable manner, i.e. through Track 1- Extension services; and creating an enabling business environment, i.e. through Track 3 L&A. *Integrated* implies that all three approaches have to be implemented at country level with a clear framework on prioritisation of sub-sectors, and type of client needs based on country needs and context, and not merely at individual client level. The challenge in Track 3 will be to contextualise lobbying efforts, consolidate activities and outputs towards concrete outcomes i.e. reforms and policy changes, which require in-depth support and time. *Tailor-made* implies that activities should be adapted to the specific type of clients and context. Going beyond the present support to FOs/ cooperatives would also require additional capacity at country level tweaked towards specific expertise in tracks 1 and 3, as staff and resources are mostly hired to support track 2 activities. Another option is to partner with complementary organisations to leverage synergies and complement areas of strength and expertise.
4. **Systemic Improvement of the Agriterra M&E system, making it a tool for steering and learning.** The system should monitor country- and client trajectories over time and assess if major milestones are being achieved based on the agreed targets. A reformulation for the next phase (Goals 2025 or Goals 2030) that have relevance for the large majority of clients, and for the three intervention approaches, is needed. Indicators to measure the goals should be SMART, feeding into the Theory of change and taking account of baseline data. DGIS should set clear targets and require reliable data and consistent M&E reporting and monitor the data provided. Monitoring data could provide a better picture on realised benefits at farmer level, including Agriterra supported client monitoring of benefits at this level and more qualitative data from follow up by Agriterra staff.
5. **For future programming it is recommended to develop country strategies** to maximise added value of interventions and guide client and sector selection with a focus on value chains to increase relevance of Agriterra interventions. Visibility and successful operations vary vastly across countries. In this context, country strategies are instrumental to contextualize the needs, engage strategically, and enhance the visibility of Agriterra's interventions. It is important to work in a demand driven way, but more focus is required, along with strategic vision within the respective countries. Whereas the demand-oriented approach is supporting relevance of interventions and should be continued, more opportunities can be leveraged and synergy can be created when in the respective countries or regions e.g. through strategic analysis that can help guide the choice of sub-sectors and type of clients.
6. **For future programming more prioritisation and consolidation of support to clients to increase results is recommended.** Consolidation of activities at country level and between countries is required to prevent the risk of spreading too thinly. Therefore, it is important to first build up a robust approach and system, including a clear MEL (monitoring, evaluation and learning) framework that allows for effective tracking, continuous learning and adaptation, as and when needed. While successes have been achieved, it is a missed opportunity to have lack of consolidation (i.e. follow up of activities and support) that could potentially lead to concrete results. While the annual action plans provide clarity and transparency, a clear issue is the unclarity in the vision (building blocks and the journey agreed with the client), milestones and the timeline of support. This lack of consolidation further impacts the end date i.e. the exit strategy for the clients. While some countries have set out a timeline of average of 3 to 5 years, this is not the case in other countries where support continues with no sustainability strategy to exit. Therefore, for future client partnerships multi-annual planning that considers a pathway for

achieving specific targets would allow for follow-up of interventions and consolidation of activities. Joint multi-annual planning, aimed at working with clients for a longer period, will provide clarity with clear milestones to measure and review progress, and ensure that support is not provided in an ad hoc manner and it is ultimately consolidated to lead to concrete outcomes. Important to note here that to keep this demand driven focus multi-annual planning should be done in a flexible way resulting in joint annual planning.

7. **It is recommended not to completely phase-out direct support to clients (grants).** The study has shown, that financial support to clients (grants) was still an important element of the support package and crucial for taking steps forward and supported the capacity building efforts which led to improved business operations. Whereas grants should not be included as a standard component of Agriterra support to all clients, they should be considered as a separate grant window for specific cases, such as enabling a cooperatives to make some crucial steps to improve performance, such as entering new markets by installing product quality systems, traceability systems, and more efficient business planning by acquiring integrated software packages planning purchase and liquidity needs. These selections should be based on clear review, assessment and set of criteria to ensure consistency and transparency.
  
8. **To develop an explicit gender policy supporting a more integrated approach**  
Until half 2019, the gender strategy as developed within Agricord guided Agriterra activities. Formulation of an explicit gender strategy for Agriterra would provide the required guidance in planning and implementation of specific gender activities and gender mainstreaming across other interventions taking into account gender specific obstacles in the sector such as lack of access to inputs, farming and assets, gender sensitive financial products, access to finance and, amongst others. This should be complemented with a robust set of indicators that ensure gender and youth mainstreaming at all levels, built in clear M&E framework.

# Annex 1 Evaluation Framework

Evaluation question	Indicators	Main data collection / analysis methods	Information sources
<b>EQ1 Agriterra -as an organisation and in its FCSB programme – addressing key agricultural problems in developing countries and does it do so in an adequate way?</b>			
EQ1.1 Can the key assumption of the ToC “strong cooperatives and farmer organisations lead to economic growth, income quality and democracy” be verified or falsified?	<ul style="list-style-type: none"> <li>Evidence on underlying assumptions and contribution to economic growth, income quality and democracy.</li> </ul>	<ul style="list-style-type: none"> <li>Literature review on studies on cooperative development and regional development in specific countries.</li> </ul>	<ul style="list-style-type: none"> <li>See tentative list in annex consulted literature.</li> </ul>
EQ1.2 To what extent did the transformation into an advisory support organisation influence the development relevance of Agriterra?	<ul style="list-style-type: none"> <li>Alignment of selected approaches and intervention methods with needs in the countries, needs clients;</li> <li>Country selection strategy;</li> <li>Importance of country offices;</li> <li>Size of operations in the intervention countries.</li> </ul>	<ul style="list-style-type: none"> <li>Institutional analysis;</li> <li>Country visits;</li> <li>E-survey RNE.</li> </ul>	<ul style="list-style-type: none"> <li>Scoping and assessment reports prepared by Agriterra;</li> <li>Agriterra’s minutes and programme documents;</li> <li>Stakeholder interviews including partners and clients of Agriterra;</li> <li>Relevant evaluations and relevant literature.</li> </ul>
EQ 1.3 Does Agriterra make the right choices in the type of activities and intervention approaches followed, sectors and clients in reaching the expected results as included in the ToC?	<ul style="list-style-type: none"> <li>Definition and application of client selection criteria;</li> <li>Quality of scoping;</li> <li>Alignment strategic options/actions and needs;</li> <li>Challenges faced by farmer organisation in applying Agriterra’s advice and recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of strategic documents;</li> <li>Case study analysis;</li> <li>Country visits.</li> </ul>	<ul style="list-style-type: none"> <li>Scoping and assessment reports prepared by Agriterra;</li> <li>Agriterra’s minutes and programme documents;</li> <li>Stakeholder interviews including partners and clients of Agriterra;</li> <li>Relevant evaluations and relevant literature.</li> </ul>
EQ 1.4 <i>What is the added value of Agriterra compared to other (international) organisations working in the agri- and good sector in</i>	<ul style="list-style-type: none"> <li>Perception on the uniqueness of Agriterra as organisation in the Dutch and international context</li> </ul>	<ul style="list-style-type: none"> <li>Perception study;</li> <li>Mapping of other agri-agencies and programmes within the Agri and food sector,</li> </ul>	<ul style="list-style-type: none"> <li>Telephone interviews with other agri-agencies and development agencies working in the agricultural</li> </ul>

Evaluation question	Indicators	Main data collection / analysis methods	Information sources
<i>international development cooperation?</i>	(to what extent are other agri-agencies similar; <ul style="list-style-type: none"> <li>• Perception on the uniqueness of Agriterra's approach (to what extent are other agri-agencies doing the same;</li> <li>• Determination additional benefits from Agriterra's approach.</li> </ul>	focusing on type of clients, strategies and approaches applied; <ul style="list-style-type: none"> <li>• Country studies;</li> <li>• E-survey.</li> </ul>	sectors, including partners of Agriterra; <ul style="list-style-type: none"> <li>• Interviews with clients and key farmers (during fieldwork);</li> <li>• Interviews with Agriterra;</li> <li>• Agro-info.net and IATI;</li> <li>• Interviews with agripoolers, Agriterra (country) staff, farmer organisations, other stakeholders;</li> <li>• Available programme documents, evaluation studies.</li> </ul>
<b>EQ2 To what extent have the planned outputs and outcomes of the FCSB programme (2016-2019) and Agriterra's 2020 Goals been realized</b>			
EQ 2.1. How effective has been the lobby and advocacy interventions (FACT approach) and to what extent did this lead to more public support to Agriterra's clients?	<ul style="list-style-type: none"> <li>• Type and # number of planned and implemented L&amp;A activities;</li> <li>• Quantity and quality of the lobby proposals;</li> <li>• Evidence of more public support to clients.</li> </ul>	<ul style="list-style-type: none"> <li>• Document review;</li> <li>• Field visits;</li> <li>• Case studies.</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-info.net;</li> <li>• Annual and quarterly progress reports;</li> <li>• Interviews with clients and key farmers;</li> <li>• Interviews with Agriterra staff;</li> <li>• Interviews with local government;</li> <li>• Evaluation reports.</li> </ul>
E2.2: To what degree have extension services to members been improved since 2016?	<ul style="list-style-type: none"> <li>• Quality and % of achievement of targets set in Activity Plan;</li> <li>• Increased staff input, and resources for extension to farmers;</li> <li>• Evidence of increased benefits members;</li> <li>• Improved methods;</li> </ul>	<ul style="list-style-type: none"> <li>• Client satisfaction reports or surveys;</li> <li>• Field visits;</li> <li>• Case studies;</li> <li>• Portfolio analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-info;</li> <li>• Activity Plans of Clients;</li> <li>• Interviews clients and key farmers;</li> <li>• Interviews with Agriterra staff;</li> <li>• Interviews with local government;</li> <li>• Evaluation reports.</li> </ul>

Evaluation question	Indicators	Main data collection / analysis methods	Information sources
	<ul style="list-style-type: none"> <li>• Clients' satisfaction of services provided.</li> </ul>		
EQ 2.3: How effective is the approach to make cooperatives bankable?	<ul style="list-style-type: none"> <li>• Quality and % of achievement of targets set in Activity Plan;</li> <li>• # of supported cooperatives that can be considered bankable;</li> <li>• Amount of funding obtained and relative share in total investment or operational budget.</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio analysis;</li> <li>• Field visits;</li> <li>• Case studies.</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-info.net;</li> <li>• Activity Plans;</li> <li>• Interviews clients and key farmers;</li> <li>• Interviews with Agriterra staff;</li> <li>• Interviews with local government, market parties financial sector;</li> <li>• Evaluation reports.</li> </ul>
EQ 2.4 How effective is the peer-to-peer approach (Agripoolers) compared to the advisory services by Agriterra staff, other consultants or support from NGO's and other organisations?	<ul style="list-style-type: none"> <li>• # and share of agripoolers of total nr advisers and advice days;</li> <li>• Type of activities and quality, type of clients served by agripoolers;</li> <li>• # and share of Dutch agripoolers of total agripoolers;</li> <li>• Client satisfaction of advice provided compared to experiences with other advisory support.</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio analysis;</li> <li>• Field visits;</li> <li>• Case studies.</li> </ul>	<ul style="list-style-type: none"> <li>• Training evaluation forms;</li> <li>• Feed-back clients;</li> <li>• Agro-info.net;</li> <li>• Interviews clients and key farmers;</li> <li>• Interviews with Agriterra staff;</li> <li>• Interviews with local government, partners and other stakeholders involved;</li> <li>• Evaluation reports.</li> </ul>
EQ2.5. To what extent are Agriterra's interventions gender sensitive and has participation of women and their influence increased?	<ul style="list-style-type: none"> <li>• Increase # women in board, active in organisation;</li> <li>• Increase # women involved in Agriterra's 3-track approaches;</li> <li>• Specific outreach activities towards women farmers;</li> <li>• Gender differentiation in reporting and monitoring;</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio analysis;</li> <li>• Field visits;</li> <li>• Case studies.</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-info.net;</li> <li>• Interviews clients and key farmers, female farmers;</li> <li>• Interviews with Agriterra staff;</li> <li>• Interviews with local government, partners and other stakeholders;</li> <li>• Evaluation reports.</li> </ul>

Evaluation question	Indicators	Main data collection / analysis methods	Information sources
	<ul style="list-style-type: none"> <li>Gender (lens) perspective in activities.</li> </ul>		
EQ 2.6. To what extent does Agriterra's interventions involve youth and has their participation and influence increased?	<ul style="list-style-type: none"> <li>Increase # youth in board, active in organisation;</li> <li>Increase # youth involved in Agriterra's 3-track approach;</li> <li>Specific outreach activities towards young farmers;</li> <li>Youth (lens) perspective in activities.</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio analysis;</li> <li>Field visits;</li> <li>Case studies.</li> </ul>	<ul style="list-style-type: none"> <li>Agro-info.net;</li> <li>Interviews clients and key farmers, youth farmers;</li> <li>Interviews with Agriterra staff;</li> <li>Interviews with local government, partners and other stakeholders;</li> <li>Evaluation reports.</li> </ul>
EQ 2.7 To what extent have cooperatives and FOs been strengthened as a result of the undertaken actions?	<ul style="list-style-type: none"> <li># increase in clients (cooperatives, FOs)m including exited ones;</li> <li>Comparison of clients' index for ranking in the Top 74 list 2016-2010 (Gross list and short list);</li> <li># of unique farmers reached by the programme;</li> <li>Relative importance of Agriterra' activities and projects for its respective clients.</li> </ul>	<ul style="list-style-type: none"> <li>Correlation analysis;</li> <li>Portfolio analysis;</li> <li>Field visits;</li> <li>Case studies.</li> </ul>	<ul style="list-style-type: none"> <li>Agro-info.net;</li> <li>Top 74 clients;</li> <li>Interviews clients and key farmers;</li> <li>Interviews with Agriterra staff;</li> <li>Interviews with local government partners and other stakeholders;</li> <li>Evaluation reports.</li> </ul>
<b>EQ3. To what extent has Agriterra ensured the sustainability of the FCSB programme?</b>			
EQ3.1 What is the sustainability of Agriterra's business model?	<ul style="list-style-type: none"> <li>Dependence on DGIS budget (share of total and other sources);</li> <li>% and # of categories of non DGIS funding;</li> <li>strategy for commercial fund raising at Agriterra's level and results;</li> <li>introducing innovative models of financing;</li> </ul>	Financial analysis.	<ul style="list-style-type: none"> <li>Interviews Agriterra's management;</li> <li>Interview and data Market Development section Agriterra;</li> <li>Interviews with Agriterra staff;</li> <li>Interviews with partners.</li> </ul>



Evaluation question	Indicators	Main data collection / analysis methods	Information sources
	<ul style="list-style-type: none"> <li>Market conformance of Agriterra's tariffs.</li> </ul>		
EQ 3.2 To what extent are the results being obtained by Agriterra's interventions at client level sustainable?	<ul style="list-style-type: none"> <li>Rate of introduction and successfulness of Agriterra's cost sharing practice with clients;</li> <li>Support from other organisations, and follow up by Agriterra;</li> <li>Quality of the board and management;</li> <li>Clients economic performance;</li> <li>% paying members;</li> <li>% of operational costs by private sector income;</li> <li># of successful interventions/ failed interventions.</li> </ul>	<ul style="list-style-type: none"> <li>Economic Health Analysis;</li> <li>Portfolio analysis;</li> <li>Field visits;</li> <li>Case studies.</li> </ul>	<ul style="list-style-type: none"> <li>Agro-info.net;</li> <li>Top 74 clients;</li> <li>Advisor Reports;</li> <li>Interviews clients and key farmers;</li> <li>Interviews with Agriterra staff;</li> <li>Interviews with local government, partners and other stakeholders;</li> <li>Evaluation reports.</li> </ul>
<b>EQ 4 Has Agriterra the required capacity to efficiently implement the FCSB programme?</b>			
<b>Has Agriterra the required capacity to efficiently implement the FCSB programme?</b>			
EQ 4.1. How has Agriterra developed in terms of organisational capacity and efficiency since 2016?	<ul style="list-style-type: none"> <li># and composition of staff, location;</li> <li>Composition and use of agripool experts;</li> <li>Costs of experts and advice;</li> <li>Share of funds required for overheads;</li> <li>Share of funds spent for CB and professionalisation of staff and agripoolers;</li> <li>Ratio staff/expenditures;</li> <li>Ration staff/projects.</li> </ul>	<ul style="list-style-type: none"> <li>Financial analysis;</li> <li>Accounting analysis;</li> <li>Efficiency analysis.</li> </ul>	<ul style="list-style-type: none"> <li>Information from Agriterra's management and administration;</li> <li>Interviews with Agriterra staff.</li> </ul>

Evaluation question	Indicators	Main data collection / analysis methods	Information sources
EQ 4.2 To what extent could the results have been achieved with less input?	<ul style="list-style-type: none"> <li>• Fee levels advisory services by cater=groy;</li> <li>• Size and cost of human resources, differentiating by advisors, analysts and supporting staff related to number of clients;</li> <li>• Cost of country teams;</li> <li>• % overhead cost in total FCSB budget;</li> <li>• Adequacy and timelines of planning and implementation procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial analysis;</li> <li>• Portfolio analysis;</li> <li>• Benchmarking (to the extent possible).</li> </ul>	<ul style="list-style-type: none"> <li>• Agriterra: (Financial reports;</li> <li>• Financial staff;</li> <li>• Management;</li> <li>• Cost-efficiency paragraphs in Evaluation Reports of other organisations and programmes.</li> </ul>
EQ 4.3 To what extent is the way Agriterra measures and attributes results reliable and valid and how can it be strengthened? (RQ11 and RQ12 - ToR)	<ul style="list-style-type: none"> <li>• Quality of indicators to measure Agriterra's 2020 goals;</li> <li>• Quality of methodology and indicators to rank clients (Top 74);</li> <li>• Use and validity of baseline data;</li> <li>• Actors involved and quality of data collection;</li> <li>• Timeliness and quality of reporting;</li> <li>• Quality of system of attribution used.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of monitoring and evaluation systems;</li> <li>• Review of Agriterra's ranking system of clients.</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-info.net;</li> <li>• Theory of change;</li> <li>• M&amp;E materials (i.e. Reports, internal evaluations, beneficiary surveys, baseline studies, etc.);</li> <li>• Interviews with M&amp;E actors.</li> </ul>

# Annex 2 Tables and complementary information

## A. Table underlying Effectiveness section.

### Table Deliverables and Targets

Work area 1:

				Plan-realisation 2016-2019 (extrapolation)							
Objectives Common Sense in Business	Work areas/deliverables AIN	Score AIN/Tool	Target group CSIB 2016-2020	Client's concern	Coverage %	Planning client projects	Score client projects	% Planned	Planning all projects	Score all projects	% Planned
<b>Work area 1: Organisational strength and inclusiveness</b>											
<b>member participation</b>											
<b>Basic M&amp;E systems will be developed with all 20 (inter)national customers and 75 lower level federations</b>	1-1 Updated FO strategic plan document (y/n)	y=1; n=0	95 FO's and cooperatives	84	88%	94	59	63%	98	61	62%
	1-1 Smart targets and indicators (y/n)	y=1; n=0	95 FO's and cooperatives	11	12%	11	5	45%	13	5	38%
	1-1 M&E procedures documented (y/n)	y=1; n=0	95 FO's and cooperatives	14	88%	15	11	73%	19	14	74%
	1-1: Capacity and knowledge of M&E	%	95 FO's and cooperatives	2	88%	67%	25%	37%	67%	25%	37%
	1-1: Documentation on member consultation	y=1; n=0	95 FO's and cooperatives	5	88%	8	5	63%	10	5	50%
	MBO holds consultative meetings with farmer members on policy issues (y/n)	y=1; n=0	95 FO's and cooperatives	30	32%	28	18	64%	28	18	64%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>96</b>	<b>101%</b>						
<b>Distinct count projects</b>											
<b>human resources</b>											
<b>40 farmers' organisation have HR-guidelines and have trained management, staff and board members in HR matters.</b>	1-2 HR guidelines are documented (y/n)	y=1; n=0	40 FO's/coops	73	183%	83	52	63%	94	58	62%
	1-2 Management and staff training (number)	#trainings	40 FO's/coops	121	303%	2837	2424	85%	3081	2835	92%
	1-2 Board member training (number)	#trainings	40 FO's/coops	127	318%	1908	1541	81%	2114	1725	82%
	1-2 Manager and staff qualifications (%)	% of members qualified	40 FO's/coops	2	5%	58%	48%	84%	48%	84%	175%
	1-2 Annual staff appraisal results (y/n)	y=1; n=0	40 FO's/coops	3	8%	4	2	50%	11	5	45%
	Staff performance cycle used; Annual staff appraisal results (y/n)	y=1; n=0	40 FO's/coops	22	55%	18	7	39%	18	7	39%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>171</b>	<b>428%</b>						
<b>Distinct count projects</b>											
<b>formal arrangements</b>											
	2-2 Communication strategy (y/n)	y=1; n=0	30 FO's	5	17%	6	4	67%	9	5	56%
	2-2 Formal meetings with private sector (num)	# meetings	30 FO's	4	13%	15	7	47%	15	7	47%
	2-2 List of formal relations with private sector (num)	# relations	30 FO's	3	10%	28	10	36%	28	11	39%
	<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>10</b>	<b>33%</b>					
<b>Distinct count projects</b>											
<b>financial management</b>											
<b>200 farmers' organisations and cooperatives operate appropriate financial systems, using a computerized accounting system. The farmers organisation management utilizes the financial reports for planning, control and decision-making. Out of the 320 clients, 200 will be at (or raised to) the highest level of financial health check.</b>	1-3 Longterm financial plan (y/n)	y=1; n=0	200 FO's and Coops	72	36%	88	68	77%	89	68	76%
	1-3 Approved annual budget (y/n)	y=1; n=0	200 FO's and Coops	38	19%	52	39	75%	58	43	74%
	1-3: Accounting handbook/manual available (y/n)	y=1; n=0	200 FO's and Coops	47	24%	53	30	57%	59	32	54%
	1-3: Computer accounting system (y/n)	y=1; n=0	200 FO's and Coops	104	52%	142	88	62%	148	94	64%
	1-3: Accountants training and experience	y=1; n=0	200 FO's and Coops	51	26%	64	51	80%	75	59	79%
	1-3: Approved accounting system (y/n)	y=1; n=0	200 FO's and Coops	22	11%	28	21	75%	32	24	75%
	1-3: Cash handling guidelines (y/n)	y=1; n=0	200 FO's and Coops	8	4%	10	7	70%	11	7	64%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>182</b>	<b>91%</b>						
<b>Distinct count projects</b>											

Work area 1 continued and work area 2:

governance											
50 Cooperatives are democratically governed with full member participation of informed members (general assembly is held, organisation has formal member consultation system, democratic elections and renewals are held according to constitution).	1-4: Well documented general assembly (y/n)	y=1; n=0	50 cooperatives	17	34%	23	14	61%	26	15	58%
	1-4: Comprehensive documentation of elections and renewals (y/n)	y=1; n=0	50 cooperatives	23	46%	30	20	67%	39	24	62%
	1-4: Member-validated constitution (y/n)	y=1; n=0	50 cooperatives	21	42%	34	25	74%	34	25	74%
	1-4: member information system (y/n)	y=1; n=0	50 cooperatives	16	32%	47	24	51%	47	24	51%
	1-4: Member training in rights and responsibilities (m/f/t)	% of women among project participants	50 cooperatives	19	38%	m: 5431 f: 4664 t: 11.095	m: 2325 f: 2055 t: 4376	m: 43% f: 44% t: 39%	m: 5431 f: 4664 t: 11.095	m: 2325 f: 2055 t: 4376	m: 44% f: 44% t: 39%
	1-4: Minutes of Board meeting (y/n)	y=1; n=0	50 cooperatives	4	8%	4	4	100%	4	4	100%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>76</b>	<b>152%</b>						
<b>Distinct count projects</b>											
membership base											
75% of the 100 lower-level federations have an active and representative membership, mandated by and structurally aligned with well-functioning local basic groups with increased membership bases. (Paid) membership of cooperatives and lower level federations has increased by 30%.	1-5: Increased membership (m/f/t)	increase in members	75 low level federations	53	71%	m: 383.041 f: 157.561 t: 540.602	m: 224.026 f: 88.595 t: 312.662	m: 58% f: 56% t: 58%	m: 383.041 f: 157.561 t: 540.602	m: 224.026 f: 88.595 t: 312.662	m: 58% f: 56% t: 58%
	1-5: Number of primary cooperatives (num)	# primary coops	75 low level federations	19	25%	521	639	123%	654	663	101%
	1-5: Local groups in agribusiness clusters	# groups	75 low level federations	1	1%	100	0	0%	102	1	1%
	1-5: Members satisfied with services (%)	% of satisfied members	75 low level federations	8	11%	50%	27%	53%	50%	27%	54%
	<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>84</b>	<b>112%</b>					
<b>Distinct count projects</b>											
specific groups											
The farmers' organisation empowers youth, women and vulnerable groups to participate and to exploit their economic and social potential. Minimum participation of 30% women in all activities, and under the header 'governance' also addresses youth participation in cooperatives. Representation of women in board – the target is 15%; Representation of youth in the board – the target is 10%.	1-6 Gender specific activities / approach (m/f/t)	% of women among project participants	30% women participation with 174 client executors	17	10%	m: 7.230 f: 3.183 t: 10.413	m: 6.710 f: 2.777 t: 9.487	m: 93% f: 87% t: 91%	m: 7.230 f: 3.183 t: 10.413	m: 6.710 f: 2.777 t: 9.487	m: 93% f: 87% t: 91%
	1-6 Gender differentiated analysis (y/n)	y=1; n=0	All clients	1	0%	1	0	0%	2	0	0%
	MBO has gender policy in place (y/n)	yes=1; no=0	All clients	9	5%	6	3	50%	6	3	50%
	1-6 Membership appraisal (%)	% members	All clients	0	0%	0	0	0%	20%	0	0%
	1-6 Programme for specific groups (y/n)	y=1; n=0	All clients	39	23%	51	34	67%	51	34	67%
	1-6 Specific groups in Board (m/f/t)	% of youth and women in board	All clients 306: women 15%, youth 10%	29	17%	m: 345 f: 175 t: 520	m: 122 f: 68 t: 190	m: 35% f: 39%	m: 345 f: 175 t: 520	m: 122 f: 68 t: 190	m: 35% f: 39%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>64</b>	<b>40%</b>						
<b>Distinct count projects</b>											
Work area 2: Institutional development											
networking											
150 farmers' organisations and cooperatives participate in (inter)national policy meetings. This has built visibility for increased credibility and influence.	2-1: Accredited participation in meetings	# meetings	150 FO's and cooperatives	9	6%	550	334	61%	581	376	65%
	2-1: Internet access (y/n)	y=1; n=0	150 FO's and cooperatives	1	1%	1	1	100%	1	1	100%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>10</b>	<b>7%</b>						
<b>Distinct count projects</b>											

## Work area 3

Work area 3: Policy elaboration and advocacy											
participatory policies											
35 farmers' organisations have analysed and decided on strategic positions regarding policy issues in a participatory way with their members	3-1: Policy proposals developed (y/n)	yes=1;no=0	35 FO's	32	91%	44	27	61%	44	27	61%
	3-1: Experts are involved (y/n)	yes=1;no=0	35 FO's	1	3%	1	1	100%	1	1	100%
	MBO engages with knowledge centres & experts to substantiate its policy proposals (y/n)	yes=1;no=0	35 FO's	11	31%	11	8	73%	11	8	73%
	3-1: Generated and allocated funds (%)	% of funds allocated	35 FO's	1	3%	44%	39%	89%	63%	55%	87%
	3-1: Number of members informed through meetings and newsletters (m/f/t)	# total and women	35 FO's	5	14%	m: 9.750 f: 1.780 t: 11.530	m: 8.310 f: 1.880 t: 10.190	85% 106%	m: 9.750 f: 1.780 t: 11.530	m: 8.310 f: 1.880 t: 10.190	85% 106%
	3-1: Staff and leaders trained (n/f/t)	# total and women	35 FO's	5	14%	m: 79 f: 27 t: 106	m: 233 f: 84 t: 317	294% 311%	m: 79 f: 27 t: 106	m: 233 f: 84 t: 317	294% 311%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>35</b>	<b>100%</b>						
<b>Distinct count projects</b>											
policy communication											
30 farmers' organisations communicate their policy positions in newspapers and public documents.	3-3: Analysis of most relevant actors	(y/n)	30 FO's	6	20%	7	3	43%	10	3	30%
	Complete stakeholder analysis available for key policy issues (y/n)	(y/n)	30 FO's	16	53%	13	8	62%	13	8	62%
	3-3: Formal meetings at national level (num)	# meetings	30 FO's	5	17%	31	14	45%	31	14	45%
	3-3: Policy articles in newspapers (num)	# articles	30 FO's	6	20%	40	24	60%	40	24	60%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>28</b>	<b>93%</b>						
<b>Distinct count projects</b>											
policy adoption											
The policy positions of 30 farmers' organisations have been integrated into national strategy documents. 300 farmers' organisations and cooperatives have captured	3-4: Policy proposals integrated (number)	# proposals	30 FO's	22	73%	68	50	74%	68	50	74%
	3-4: FO has been able to capture funds amount)	amount mobilized	30 FO's	11	37%	€ 24.375.404	€ 26.471.542	109%	€ 24.375.404	€ 26.471.542	109%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>26</b>	<b>87%</b>						
<b>Distinct count projects</b>											

Work area 4:

Work area 4: Farmer-led economic activities											
access to resources											
50% of the members of 80 farmers organisations will have access to credit: many members also belong to Savings and Credit Cooperatives (SACCOs)	4-2: Institutional cooperation with financial service providers (y/n)	y=1; n=0	80 FO's	30	38%	32	22	69%	33	22	67%
	4-2: local groups participate in saving and credit schemes (num)	# groups	80 FO's	2	3%	2004	1500	75%	2004	1500	75%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>32</b>	<b>40%</b>						
Distinct count projects											
access to inputs											
The farmers' organisation facilitates or provides sustainable and timely access to adequate, cost-efficient inputs and new techniques for agricultural production and for other rural income-generating activities. This includes knowledge dissemination (extension). 75% of the lower-level federations have an extension system.	4-1: Members trained in improved techniques (number)	#trained members	75 low level federations & cooperatives	64	85%	58.272	34.275	59%	58.834	34.432	59%
	4-1: Members participating in extension services (number)	#members participating in extension	75 low level federations & cooperatives	60	80%	57.343	100.437	175%	58.454	100.493	172%
	4-1: Local groups with access to inputs (number)	#groups with access	75 low level federations	15	20%	5.293	4.650	88%	5.293	4.650	88%
	4-1: Local groups in Farmer Field Schools (number)	#groups in FFS	75 low level federations	16	21%	2.300	843	37%	2.300	843	37%
	4-1: members participating in Farmer Field Schools (number)	# members in FFS	75 low level federations	8	11%	5.630	1.099	20%	8.693	1.099	13%
	4-1: Local groups with access to extension services (num)	#groups with extension	75 low level federations	11	15%	3.746	4.305	115%	3.781	4.311	114%
	4-1: Business plan for savings and credit scheme	y=1; n=0	75 low level federations	11	15%	19	14	74%	19	14	74%
	4-1: Local groups increased production (number)	#groups with access	75 low level federations	6	8%	2	0	0%	10	4	38%
	4-1: Targets for agricultural production (y/n)	y=1; n=0	75 low level federations	7	9%	7	6	86%	9	6	67%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>104</b>	<b>139%</b>						
Distinct count projects											
processing and handling											
75% of the cooperatives hold national and/or international certification.	4-3: Manual on product quality standards	y=1;n=0	130 cooperatives	7	54%	10	7	67%	10	7	70%
	4-3 members making use of processing improvement initiatives (%)	% of members making use	75 low level federations	24	32%	37%	49%	132%	37%	49%	132%
	4-3: Business plan for processing	y=1;n=0	130 cooperatives	38	29%	52	31	60%	52	31	60%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>51</b>	<b>38%</b>						
Distinct count projects											
marketing											
The vast majority not only discuss methods for improved productivity and economic results in production, but are also actively engaged in promoting product-market solutions. 60 cooperatives have investment plans implemented.	4-4: number of linkages with market outlet (number)	#linkages	75 low level federations	87	116%	2.926	2.376	81%	2.994	2.900	97%
	4-4: Business plan to improve marketing (y/n)	y=1; n=0	75 low level federations	124	165%	170	114	67%	173	169	98%
	4-4: Chain analysis for key product (y/n)	y=1; n=0	75 low level federations	56	75%	72	52	72%	76	74	97%
	4-4: access to market information (y/n)	y=1; n=0	75 low level federations	57	76%	78	52	67%	81	78	97%
	4-4/6: local groups with trade contracts / deals (number)	# deals	75 low level federations	4	5%	4.111	41	1%	112	112	100%
	4-4/8: Local groups with increased market volume (y/n)	y=1; n=0	75 low level federations	7	9%	10	4	38%	10	9	88%
	4-4: Agreements with private sector (num)	#agreements	75 low level federations	77	103%	1.090	873	80%	1.022	771	75%
	4-4: Improved production plans (y/n)	y=1; n=0	75 low level federations	19	25%	24	13	52%	24	23	94%
	4-4: Improved trade capacity (num)	# members	75 low level federations	16	21%	11.164	924	8%	11.168	924	8%
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>207</b>	<b>276%</b>						
Distinct count projects											
rural enterprise											
Transparent farmer-led rural enterprises with good potential for sustainability (agricultural inputs, marketing, processing and trading) have been supported. 50 farmer-led rural enterprises are implementing business plans and showing good potential for sustainability (agricultural inputs, marketing, processing and trading): 55 million euro in working capital and investments available. An additional target here is that 30 farmers' organisations are following environmentally sustainable practices. This deliverable includes targets for environmental sustainability.	4-5: targets for rural enterprise development available (y/n)	y=1; n=0	50 farmer led enter	52	104%	76	44	58%	76	44	58%
	4-5: rural enterprises profitable (y/n)	y=1; n=0	50 farmer led enter	35	70%	39	29	74%	43	30	70%
	4-5: rural enterprises transparent (y/n)	y=1; n=0	50 farmer led enter	23	46%	22	16	73%	22	16	73%
	4-5: Sustainable position in value chain y/n	y=1; n=0	50 cooperatives	26	52%	27	14	52%	29	15	52%
	4-5: action against harmful environmental effects (y/n)	y=1; n=0	30 FO's & cooperat	9	30%	14	7	50%	14	7	50%
	4-5: Members satisfied with services in enterprise development (%)	% members satisfied	30 FO's & cooperat	4	13%	45%	44%	99%	45%	44%	99%
	4-5 Staff and leaders trained on enterprise development (m/f/t)	# total and f	30 FO's & cooperat	19	63%	m: 1.068 f: 191 t: 1.159	m: 593 f: 297 t: 890	56%	m: 1.068 f: 191 t: 1.159	m: 593 f: 297 t: 890	56%
	4-5: training in suitable management natural resources (m/f/t)	# total and f	30 FO's & cooperat	3	10%	m: 189 f: 73 t: 262	m: 148 f: 82 t: 230	78%	m: 189 f: 73 t: 262	m: 148 f: 82 t: 230	78%
	4-5: Joint ownership of rural enterprise	y=1; n=0	30 FO's & cooperat	4	13%	5	2	40%	5	2	
<b>Distinct count of clients concerned by one of deliverables or targets</b>				<b>88</b>	<b>160%</b>						
Distinct count projects											

## B. Tables Underlying the Efficiency section.

Agriterra staff composition from 2015 to 2019.

Function	Country	2015		2016		2017		2018		2019-Nov	
		Staff	FTE	Staff2	FTE2	Staff3	FTE3	Staff4	FT	Staff5	FTE4
business advisor expat	Bolivia			1	1	1	1	1	1	1	1
business advisor nat	Bolivia			1	1	1	1	3	3	2	2
business advisor expat	Burkina Faso									1	1
business advisor nat	Burundi									1	1
business advisor nat	China	1	1	2	2	3	3	4	4	4	4
business advisor nat	DR Congo					2	2	2	2	5	5
financial administration analyst	DR Congo									1	1
business advisor expat	Ethiopia	2	2	1	1	1	1	1	1	2	2
business advisor nat	Ethiopia	7	7	6	6	7	7	7	6,5	8	8
cleaner	Ethiopia									1	1
driver	Ethiopia									2	2
financial administration secretary country office	Ethiopia			1	1	1	1	1	1	2	2
business advisor expat	Ethiopia			1	1	1	1	1	1	1	1
business advisor nat	Ghana									1	1
business advisor nat	Ghana									2	2
client information analyst	Ghana									1	1
business advisor expat	Indonesia	1	1	1	1	1	1	1	1	1	1
business advisor nat	Indonesia	2	2	5	5	4	4	4	4	3	3
financial administration secretary country office	Indonesia					1	1	1	1	1	1
business advisor expat	Ivory Coast									1	1
business advisor nat	Ivory Coast									1	1
business advisor expat	Kenya	1	1	1	1	1	1	1	1	1	1
business advisor nat	Kenya	3	3	4	4	4	4	4	4	4	4
financial administration secretary country office	Kenya									1	1
business advisor expat	Myanmar					1	1	1	1	1	1
business advisor nat	Myanmar					2	2	2	2	3	3
business advisor expat	Nepal	1	1	2	2	1	1	1	1		
business advisor nat	Nepal			2	2	3	3	3	3	5	5
analyst financial administration	Netherlands	4	3,07	4	2,97	4	2,97	4	3,14	4	2,16
assistant recruiter	Netherlands					1	0,89	1	0,89	1	0,89
business advisor HQ	Netherlands	8	7,89	11	10,9	14	13,89	13	12,57	12	11,9
business analyst ICT	Netherlands	1	1	1	1	1	1	1	1	2	1,89
client information analyst	Netherlands	4	3,6	5	4,3	6	5,5	6	5,5	4	3,2
client information officer	Netherlands	4	3,78	4	3,78	4	3,89	4	3,78	4	3,67
communication officer	Netherlands	3	2,61	2	1,81	1	1	2	1,334	2	1,39
director	Netherlands	1	1	1	1	1	1	1	1	1	1
financial administration HR Advisor	Netherlands									2	1,34
ICT architect	Netherlands	1	1	1	1	1	1	1	1	1	1
IT support officer	Netherlands	1	1	1	1	1	1	1	1	1	1
manager agri-advice	Netherlands	1	1	1	1	1	1	1	1	1	1
manager operations	Netherlands	1	1	1	1	1	1	1	1	2	1
market developer	Netherlands					1	0,8	1	0,9633	2	1,89
project coordinator ICT	Netherlands	1	1	1	1	1	1	1	1	1	1
receptionist	Netherlands	2	1,8	2	1,5	1	0,8	2	1,6	2	1,58
recruiter	Netherlands	2	1,5	2	1,5	2	1,5	2	1,75	1	0,8
secretary	Netherlands	1	0,8	2	1,89			1	0,8	1	0,89
senior analyst financial administration	Netherlands	1	1	1	1	1	1	1	1	1	1
senior client information analyst	Netherlands	1	1	1	1	1	1	1	1	2	1,89
senior communication officer	Netherlands			1	0,8	1	0,8	1	0,89	1	0,89
senior secretary	Netherlands	1	0,89	1	0,8	2	1,8	1	0,89	1	0,89
trainer/product developer	Netherlands					1	1	1	1	2	2
business advisor nat	Niger									1	1
business advisor expat	Peru	1	1	1	1	1	1	1	1	1	1
business advisor nat	Peru					2	2	2	2	2	2
communication officer	Peru									1	1
business advisor nat	Philippines					3	3	3	3	4	4
business advisor expat	Rwanda	1	1	1	1	1	1	1	1	1	1
business advisor nat	Rwanda					3	3	4	4	9	9
financial administration secretary country office	Rwanda									1	1
business advisor nat	South Sudan									2	2
business advisor expat	Tanzania	2	2	2	2	2	2	2	2		
business advisor nat	Tanzania	1	1	2	2	2	2	2	2	3	3
business advisor expat	Uganda			1	1	2	2	2	1,5	1	1
business advisor nat	Uganda	3	3	2	2	4	4	4	4	9	9
financial administration	Uganda							1	1	1	1
business advisor expat	Vietnam	2	2	2	2	2	2	2	2	1	1
business advisor nat	Vietnam			3	3	5	5	8	8	10	10
financial administration secretary country office	Vietnam							1	1	1	1
business advisor expat	Vietnam					1	1	1	1	1	1
business advisor expat	Zambia	1	1	1	1	1	1	1	1	1	1
business advisor nat	Zambia			2	2	2	2	3	3	3	3
financial administration	Zambia									1	1
<b>Total</b>		<b>67,00</b>	<b>63,94</b>	<b>88,00</b>	<b>84,24</b>	<b>114,00</b>	<b>110,84</b>	<b>125,00</b>	<b>120,11</b>	<b>163,00</b>	<b>156,27</b>

### Funded expenditure by cost category

Funding categories	2015	2016	2017	2018	2019*	2020*	AVERAGE 2016-2019
Costs agripool	891.822	1.005.875	1.332.851	900.193	1.228.586	2.272.500	1.116.876
cost exrternal consultnat	1.755.853	1.232.384	1.331.109	1.001.166	1.129.236	3.202.735	1.173.474
cost AGT advice	3.905.898	4.972.712	7.143.104	7.400.928	8.530.169	10.075.935	7.011.728
Cost events	565.094	1.176.486	1.548.442	1.235.836	1.513.748	1.524.142	1.368.628
Grants to clients	3.853.487	1.858.811	2.171.625	1.597.107	1.440.210	1.825.933	1.766.938
Administrative cost/AgriCord	1.045.726	919.237	1.003.554	1.165.353	1.776.621	1.677.280	1.216.191
Total expenditure	12.017.880	11.165.505	14.530.685	13.300.583	15.618.570	20.578.525	13.653.836



Table AGT Reporting on 2020 Goals\*

		Client category	Projected annual increase	2016	2017	2018	2019
1	1 million (unique) farmers + % women	all	14,7% yearly	395.166 30%	677.785 26%	845.715 36%	1.071.185
2	50 cooperatives connected to banks	coops	+ 10 each year	44 <b>33</b>	78 (included loan and grant) <b>63</b>	81 <b>81</b> (+19 grant)	<b>105</b>
	25 smoking chimneys SC, upscaled or new Processing Facility (PF) (attribution AG )			33 PF, of which 18 new ones, includes existing PF) <b>10 (17%)</b>	36 PF of which 11 SC <b>26 (43%)</b>	49 PF of which 25 SC. with loan: 18, with only advice: 7 <b>35 (48%)</b>	<b>40 (46%)</b>
3	EUR 55 million term loans and working capital mobilised, attributed to AGT Reported Team	coops	10-12.5 million	Client 19.378.074 of which AGT 11.127.145 <b>31.680.307</b>	Client 24.01 m of which AGT 24.01 m <b>45.305.874</b>	60 million, incl. 11 m in internal capital 2016-18) <b>57.876.431</b>	<b>73.849.596</b>
4	100 million euro invested due to policy changes (for FOs)	FOs	15-25 million	19.4 m (Vietnam 17.7) <b>17.000.000</b>	22.65 m (Vietnam 19.2) <b>19.265.000</b>	23.0 m <b>20.595.000</b>	<b>22.466.212</b>
5	30% increase paying members (nr clients)	FOs	10% to 30%	Baseline: 10% pay fee	25% (76 clients)	+21% (90 clients)	N.a.
	Reported to DGIS Reported to Team 28-4-2020)			<b>397.901 53.8%</b> <b>1.297.244</b> <b>77%</b>	<b>544.038</b> <b>58.2%</b> <b>1.271.661</b> <b>79%</b>	<b>576.558</b> <b>59.0%</b> <b>1.429.533</b> <b>78%</b>	<b>901.411</b> <b>86.3%</b> <b>1.565.502</b> <b>85%</b>
6	30% coverage of operational costs FO through service arrangements private sector	FOs	+5%	No success <b>20%</b>	No significant increase (22 clients) <b>12%</b>	Data 2017: 12%, 2016:20% <b>25%</b>	<b>35%</b>

		Client category	Projected annual increase	2016	2017	2018	2019
7	50% clients with operational youth council	all	+10%	Baseline: only 5% (3) have youth council	7%, 6% operational 15 cl	10% -36 clients, 25operational	.....
	Reported to team			<b>5% and 3</b>	<b>7% and 15</b>	<b>10% and 25</b>	<b>12% and 44</b>
8	15% participation women in board, increased to 30%	All	+2,5%	Baseline 20% <b>21%</b>	24% <b>23%</b>	24% <b>25%</b>	... <b>44%</b>
9	10% participation of youth in board	All	+2,5%	Baseline 10% <b>9%</b>	10% <b>11%</b>	13% <b>14%</b>	<b>10%</b>
10	30% non-DGIS funding; China 100%, Peru 50%		+5%	10% <b>10%</b>	10% <b>12%</b>	17% <b>17%</b>	<b>11%</b>

Note: \* Absolute figures are cumulative, except for Goal 1 and 5\*. Figures are taken from 2 sources: (1) in 2016-2018 are taken from the annual progress reports; (2) Figures **in bold** are data provided to the Evaluation Team.

Comments for each Goal:

- **Outreach.** These figures represent the number of directly involved persons in higher level organisations and the active members of primary farmer organisations and cooperatives that have been active in the programme activities in a particular year. Active farmers are those making transactions with the cooperatives. The cooperatives themselves register the members interacting with the cooperative in a particular year. (then the current text continues, starting with: It would have been much clearer if outreach was differentiated by type of organisation. . We also understood that the country BA makes an estimation of how many members can be considered as active. However, the case studies showed that often just the total number of members was included. AGT HQ indicates that some large clients, such as the Vietnamese Farmers Union is not included in the counting, this one alone has several millions of members. This shows that the counting is partly subjective. As seen for Ethiopia, the counting of active members in 2017 was eight times higher than the previous year and counted for 80% of the total AGT portfolio. This raises doubt on actual impact of Agritererra support on these high numbers. Another serious weakness is that the figures do not represent accumulated unique farmers over time, and one year compared to the previous one does not present an increase of unique farmers, as this Goal suggests. It was learned that figures of active members are reported on a yearly base: when a particular client is supported for 3 years (for instance 2016-2018), its active members are included 3 times, when it exits in 2019, the members are not included anymore in that particular year. When actually the unique farmers are calculated over the years, the actual outreach may be larger than the presented number, but the main questions is what do these number really say;
- **Number of clients connected to banks, including smoking chimneys.** Two indicators are merged into one. The upgrade of processing facilities or installing new ones, the so-called Smoking Chimneys should have been a separate goal. The differences in the reporting of these two indicators reflect that they are not well defined. The figures for 2016 and 2017 of clients connected to banks are higher than those reported to the Team. A possible explanation may be that the figures in the annual reports represent also clients that were already connected to banks, unrelated to AGT support;
- The definition of a Smoking Chimney (SC) as an upgraded or new PF due to AGT support is vague. According to AGT in total for 15 clients/SCs the role of Agritererra in mobilising loans for SC was acknowledged, in others its role was provision of technical support. It is not clear when an upgrade due to advice is considered to be an SC, when a PF is already operational. AIN registers only one processing factory per client, whereas some have more. For instance, AIN mentions that the SC for the Peruvian cacao cooperative ACOPAGRO is in progress, whereas they had multiple existing PFs (it is the largest cacao cooperative of the country);
- **Capital mobilised.** There is a significant difference between the (cumulative) figures reported annual reports, especially for 2016 and 2017 and the (cumulative) figures reported to DGIS and the Team for the same years, by early 2020. According to AGT this is due to better data sets of clients over the years;
- **Investment due to policy changes.** This goal refers only to FO. Actually, it represents only one big government investment in Vietnam, some in Nepal and some smaller ones in Indonesia in 2016 in the next years. Has limited significance for the overall portfolio. This is not the ideal indicator for measuring impact of Track 3;
- **Increase in paying members.** Figures in annual reports 10-25% with few relatively clients: This goal was initially meant for FOs only. But later on, this has been extended to all clients. Two data sets are included in the Table, using different system of filtering clients, including or excluding clients with incomplete data: Figures as *communicated to DGIS in 2020*: Based on respectively 93, 96 and 96 clients in 2016, 2017 and 2018 with records of paying member and for 2019 a projection based on the annual plan. The second set (*calculation 28-4-2020*) is

based on 95 records with comparable figures over the years 2016-2019; The % paying members is much lower if all clients are counted: 49% 2016, 67% 2017, 58% 2018, 65% 2019;

- **Coverage of overall cost.** This refers to FO only. This indicator has been subject to different interpretations on how to define and measure. AGT commented that service income from private sector deals is not found back in audited statements. The percentage is obtained by the share of "Other Revenue" or "Sales + Other Revenues" of "operational expenditure". This indicator has been calculated for a small number of FOs (7). The 2019 figure is a projection not yet confirmed. Analysts also take financial accounts and try to see how much income is not provided by donors. Non-donor income of FO appears to be around 60%;
- **Youth council.** For many clients having a youth council is not envisaged in the statutes. This may explain, why the numbers of clients that have a youth council is very small, number client 3 in 2016, 15 in 2017 and 25 in 2018; Other weaknesses: Target equals base line. There is a trade-off with Target 9: Organisations with a Youth Council do not have youth in the board. A better indicator would be *number of youths trained for leadership positions in the board and share that take up positions in the board*;
- Target increased from 15% to 30%. The reporting for this indicator is made at portfolio level and does not take account of the baseline situation for the particular clients, and in this sense does not really show achievements;
- See target 7 and 9;
- The figures provided by AGT are all the same and based on the Annual Financial Reports.

## Annex 3 Persons met/interviewed

Name	Organisation	Function	Location
Johan Veul	DDE/DGIS	Head	The Hague
Mrs. Ank Willems	DDE/DGIS	Project manager Agriterra	The Hague
Kees Blokland	Agriterra	Executive Director	Arnhem
Ronnie Hahne	Agriterra	Chief operations	Arnhem
Cees van Rij	Agriterra	Manager agri-advice	Arnhem
Frank van Dorsten	Agriterra	Senior Analyst	Arnhem
Wouter Driessen	Agriterra	ICT architect	Arnhem
Mrs Ninoska Gonzales	Agriterra	Business Advisor/coordinator Latin America	Arnhem
Matthijs van den Berg	Agriterra	Senior Analyst Africa	Arnhem
Marco Streng	Agriterra	Representative Ethiopia	Arnhem
Bas Prins	Agriterra	Representative Peru	Peru
Mrs Ingrid Koedijk	Agriterra	Recruiter Agripool	Arnhem
Richard Mooij	Agriterra	Business Analyst-ICT	Arnhem
Giacomo di Lallo	Agriterra	Chief information analyst-KPI database	Arnhem
Mrs Bertken de Leede	Agriterra	Business advisor/coordinator Africa	Arnhem
Mrs Agnes Janszen	Agriterra	Business advisor	Arnhem
Tony Brugging	IDH	Programme director	The Netherlands
Rinus van der Klinken	SNV	Project manager (Bridge and TIDE)	Uganda/ Ethiopia
Elvia van den Berg	Independent consultant	Agripooler	The Netherlands
Peter de Koning	Independent consultant, previously Flynth	Agripooler	The Netherlands
Marc Calon	Chairperson Board Agriterra	Agriterra	The Netherlands
Ninoska González	Agriterra	Business Advisor	The Netherlands
Sjors Kruijer	Fruitmasters	Agripooler	The Netherlands
Johan Klompe	CZAV	Agripooler	The Netherlands
Marit de Slegte	Rabobank	Agripooler	The Netherlands
André Arfman	NAJK	Agripooler	The Netherlands
Hugo Bens	LTO	Agripooler	The Netherlands
<b>Peru Country Visit Interviews</b>			
Bas Prins,	Agriterra	Representante legal	Lima, Peru
Mrs Sandra Esaine	Agriterra	Business Advisor	Lima, Peru
Carlos Torero	Agriterra	Business Advisor	Lima, Peru
Oscar Inocente	NCBA CLSA	Project Director, Country Representative	Lima, Peru
Gilbert Bustamante	RootCapital	Director Consultancy Services	Lima, Peru
Elsa Cortijo	Root Capital	Business Development Coordinator	Lima, Peru
Dagoberto Fernandez	COOPECAN	Executive Director	Lima, Peru
Giovanna Ope	COOPECAN, client Agriterra	Vice Director	Lima, Peru
Mrs Jahncarlo Sandoval	COOPECAN, client Agriterra	Director Projects	Lima, Peru

Name	Organisation	Function	Location
Jhony Chusho	COOPECAN, client Agriterra	Assistant	Lima, Peru
Carlos Angulo	ALLIMA CACAO, client Agriterra	General Director	Chazuta, San Martin, Peru
Fernando Ramirez	ALLIMA CACAO, client Agriterra	Head Technical and Social Department	Chazuta, San Martin, Peru
Alicia Apagüño	ALLIMA CACAO, client Agriterra	Commercial assistant	Chazuta, San Martin, Peru
Joysi Panduro	ALLIMA CACAO, client Agriterra	Accounting	Chazuta, San Martin, Peru
David Santos	ALLIMA CACAO, client Agriterra	Responsible for production	Chazuta, San Martin, Peru
David Peralta	Monte Azul, client Agriterra	General Director	Tarapoto, Peru
Deysi Torrez	Monte Azul, client Agriterra	Chairman of the Board of Directors	Tarapoto, Peru
Billy Sánchez	Monte Azul, client Agriterra	Vice President Supervisory Board	Tarapoto, Peru
Elmer Cubas	Monte Azul, client Agriterra	Field Technician	Tarapoto, Peru
Wilson Carrasco	Monte Azul, client Agriterra	Education Technician	Tarapoto, Peru
Arlindo Sinarahua	Monte Azul, client Agriterra	Secretary Supervisory	Tarapoto, Peru
Edwin Almacifur	Monte Azul, client Agriterra	Chairmen of the Board of Directors	Tarapoto, Peru
Fidel Moros	Monte Azul, client Agriterra	Administrator	Tarapoto, Peru
Gilbert Mass	Monte Azul, client Agriterra	Chairman Supervisory Board	Tarapoto, Peru
Noel Fernández	Monte Azul, client Agriterra	Vice President Board of Directors	Tarapoto, Peru
Gonzalo Ríos	ACOPAGRO, client Agriterra	General manager	Juanjui, Peru
Pepe Salvador	ACOPAGRO, client Agriterra	Vigilance committee presidente	Juanjui, Peru
Hernan García	ACOPAGRO, client Agriterra	Production manager	Juanjui, Peru
Merly Cordero	ACOPAGRO, client Agriterra	Administration committee secretary	Juanjui, Peru
Oscar Díaz	ACOPAGRO, client Agriterra	Accounting	Juanjui, Peru
Wendy Rodríguez Ramírez	ACOPAGRO, client Agriterra	Organisational strengthening	Juanjui, Peru
Cesar Salas	ACOPAGRO, client Agriterra	President	Juanjui, Peru
Donald A. Delgado Sánchez	UNICAFEC, client Agriterra	General Directors	San Ignacio, Cajamarca, Peru
Juan S. Guevara Campos	UNICAFEC, client Agriterra	President Board of Directors	San Ignacio, Cajamarca, Peru
Fausto Majuan Meza	UNICAFEC	President Supervisory Board	San Ignacio, Cajamarca, Peru
José F. Aldaz Saavedra	UNICAFEC	Head Technical Assistance and Credit	San Ignacio, Cajamarca, Peru
Mrs Vanessa M. Guerrero	UNICAFEC	Bookkeeping	San Ignacio, Cajamarca, Peru

Name	Organisation	Function	Location
Gabriel Tantarico	UNICAFEC	Head Internal Control System	San Ignacio, Cajamarca, Peru
Carmen Galloso	APROCREDI, client Agriterra	General Director	San Ignacio, Cajamarca, Peru
Celeste Aldana	APROCREDI, client Agriterra	Chief Department of Risk	San Ignacio, Cajamarca, Peru
Neyder León Sarmiento	APROCREDI, client Agriterra	Electoral Committee President	San Ignacio, Cajamarca, Peru
Victor Raúl Quiñones	APROCREDI, client Agriterra	Vicepresident Education Committee	San Ignacio, Cajamarca, Peru
Juan Huamán	APROCREDI, client Agriterra	Vicepresident Vigilance Committee	San Ignacio, Cajamarca, Peru
Isaías Togán	APROCREDI, client Agriterra	President Vigilance Committee	San Ignacio, Cajamarca, Peru
Gustavo Peña	APROCREDI, client Agriterra	President Management Committee	San Ignacio, Cajamarca, Peru
Aristides Román	APROCREDI, client Agriterra	Secretariat Management Committee	San Ignacio, Cajamarca, Peru
Gerardo Goicochea	Sol & Cafe, Client Agriterra	Former president	Jaén, Cajamarca, Peru
Harry Delgado Rivera	Sol & Cafe, Client Agriterra	Production and agriculture investigation manager	Jaén, Cajamarca, Peru
Uganda Country Visit Interviews			
Mr. Ysakor Haile Selassie	Agriterra	Representative, Uganda	Uganda
David Makara	Agriterra	Business Advisor	
Mr. Anno Galema	Dutch Embassy	First Secretary Food Security and Private Sector Development	Kampala, Uganda
Management team	UNYFA	Management	Kampala, Uganda
Management team Board members Staff members	Mt Rwenzori Coffee Farmers Cooperative	Terminated Client	Kampala, Uganda
Management team Board members Staff members	Rwenzori Farmers' Cooperative Union	Exited Client	Kampala, Uganda
Management team Staff members	Buyanja SACCO	Client	Rukungiri, Uganda
Management team Board members Staff members	Rukiga Savings and Credit Scheme Cooperative Society Ltd.	Client	Kabale, Uganda
Management team Board members Staff members	Abesigana Kashari Dairy Cooperative Society Ltd	TIDE project	Mbarara, Uganda
Joseph, Project Manager	TIDE-SNV	Client	Mbarara, Uganda
Management team Board members Staff members	Kibinge	Client	Masaka, Uganda
Management team	PKWI	Client	Kampala, Uganda
Phomola Maphosa	SNV	Country Representative	Kampala, Uganda
Assinwe Ivan	Uganda Cooperative Alliance	CEO and General Secretary	Kampala, Uganda
Richard Mougiiisha	Agri-pro	Country Lead	Kampala, Uganda
Kizimula Hosea, Agribusiness Officer	MAAIF	EXTENSION Skills Management Officer	Entebbe, Uganda

Name	Organisation	Function	Location
Okee Joseph, Senior Agriculture			
<b>Ethiopia Country Visit Interviews</b>			
Country team Ethiopia,	Agriterra	Country representative and business advisors	Addis Abeba, Ethiopia
	Seyemti FCU	Manager, Finance Head Woreda Cooperative, Human Resource Head, Board Members, Deputy Chairperson Board Secretary, PC Manager Board Chairperson Capacity Building Expert Farmers	
	CPA (Cooperative promotion Agency) Seyemti	Promotion Office Expert	
	Meles FCU	Manager, Control Committee member Member Board Member PC manager, farmers	
	CPA (Cooperative promotion Agency) Seyemti	Woreda Cooperative Promotion Expert	
	Regional CPA (Tigray Region)	Head of CPA	
	Tsheay FCU	Manager, board members, PC manager, accountant, Farmers (women, youth)	
	Amedber FCU	Manager, board members, farmers	
	Regional CPA (Amhara Region)	Director, Marketing Directorate	
	Becho Weliso FCU	Manager, Deputy Manager Board Chairperson Chairperson of Control Committee Secretary of the Board PC manager, board members Beneficiary farmers	
	Utawayu FCU	Manager Chairperson of the board PC manager, board members, farmers	
	Adaa Dairy FCU	Manager, Board Chairperson Secretary, Member of the board Human Resource head Production Manager General Service	



Name	Organisation	Function	Location
Abreham Ejeta	Federal Cooperative Agency		Addis Abeba, Ethiopia
	ATA		Addis Abeba, Ethiopia
	ACDI/VOCA		Addis Abeba, Ethiopia
Jelmer van Veen	Dutch Embassy		Addis Abeba, Ethiopia
Florentine Dirks	Sesame business Network		Addis Abeba, Ethiopia
	GIZ		Addis Abeba, Ethiopia
	Technoserve		Addis Abeba, Ethiopia
Worku Behengu	SNV	Country Director	Addis Abeba, Ethiopia
Desk Case Study Interviews			
Business Advisor	Shiling Poultry Cooperative	Agrittera	China (remote interview)
Andrés Viscarra	Agrittera	Business Advisor	La Paz, Bolivia
Alejandra Bazoberry	Agrittera	Business Advisor	La Paz, Bolivia
Guido Guerra	Agrittera	Former Business Advisor	La Paz, Bolivia
Abdón Nacif	FEGABENI	General Manager	Beni, Bolivia
Marco Cabrera	ASOCAFE	Board president	La Paz, Bolivia
Andrés Viscarra	AGRITERRA	Business Advisor	La Paz, Bolivia
Business Advisor and Client Representative	SCPNCK	Agreittera/ Client	DRC (remote interview)
Business Advisor and Client Representative	Ligue pour la Solidarité Congolaise	Agrittera/ Client	DRC (remote interview)
Business Advisor	Dumarwana Small Farmer Agricultural Cooperative Ltd.	Agrittera	Nepal (remote interview)
Business Advisor	Small Farmers Agricultural Cooperatives federation Limited Makwanpur	Agrittera	Nepal (remote interview)
Business Advisor and Client Representative	Central Tea Cooperative Federation	Agrittera/ Client	Nepal (remote interview)
Business Advisor and Client Representative	Fatima Multi-Purpose Cooperative	Agrittera/ Client	Philippines (remote interview)
Business Advisor and Client Representative	Sorosoro Ibaba Development Cooperative	Agrittera/ Client	Philippines (remote interview)
Business Advisor	Njombe regional Coopative Union Ltd	Agrittera	Tanzania (remote interview)
Business Advisor and Client Representative	Wino Saccos	Agrittera/ Client	Tanzania (remote interview)
Business Advisor and Client Representative	KUD Pringgodani	Agrittera/ Client	Indonesia (remote interview)
Business Advisor and Client Representative	Serikat Paguyuban Petani Qaryah Thayyiba	Agrittera/ Client	Indonesia (remote interview)
Business Advisor and Client Representative	Chepkorio Dairy Limited	Agrittera/ Client	Kenya (remote interview)
Business Advisor and Client Representative	Joinas SACCO (formerly Kiambaa Dairy Rural SACCO Society Ltd.)	Agrittera/ Client	Kenya (remote interview)
Business Advisor and Client Representative	TTAC	Agrittera/ Client	Vietnam (remote interview)
Business Advisor and Client Representative	Vietnam National Farmers Union	Agrittera/ Client	Vietnam (remote interview)

Name	Organisation	Function	Location
Business Advisor and Client Representative	South Sudan Agricultural Producers Union	Agriterra/ Client	South Sudan (remote interview)
Business Advisor	East Africa Farmers organisation	Agriterra	Kenya (remote interview)

# Annex 5 Terms of Reference

## Terms of Reference – Agriterra Evaluation Farmer Common Sense in Business 2016 -2020

### Introduction

Agriterra is an organisation for development cooperation founded by the Dutch organisations of farmers (LTO), young farmers (NAJK), cooperatives (NCR) and rural women (SSVO). Agriterra operates in a specific niche of international development cooperation, paying special attention to agricultural and rural development. Agriterra is a network organisation of Dutch agri-employers' organisations and companies. Agriterra mobilises hands-on experience from the Dutch agricultural sector via the so-called Agripool to support farmers organisations and cooperatives in developing countries.

Agriterra is established in 1997 and Directorate-General for International Development (DGIS) has provided a subsidy from 2006 onwards. The current subsidy of EUR 55 million is for the program Farmer Common Sense in Business 2016 – 2020. In July 2019 this was topped up with EUR 4,5 million for an expansion of the program countries and for strengthening the youth and gender component of the program.

Agriterra has to be evaluated as per subsidy decision for the Farmer Common Sense in Business program 2016 – 2020 as well as the regular evaluation cycle used by the Ministry. The evaluation will look at the relevance and performance of Agriterra's support to cooperatives and farmers organisations, at the effectiveness and efficiency of Agriterra's approach and will provide recommendations for a possible continuation of the program. This document sets out the terms of reference for such an evaluation.

### Background information

The mission of Agriterra is to strengthen farmers' organisations and cooperatives in developing countries. Agriterra's approach is based on the vision that a country with strong farmers' organisations and cooperatives will make a faster transition to a modern industrialized, service-based economy. Income distribution within and between economic sectors, and between rural and urban setting will become more equal, and democratic decision-making will be reinforced. Agriterra is convinced that strengthening farmers organisations is a necessary condition for development.

Agriterra's Theory of Change explains the relation between the organisation of farmers and economic development, political participation and income equality, see Annex 1.

Through professionalising and strengthening cooperatives in Latin America, Africa and Asia, Agriterra wants to contribute to positive economic development and better income distribution. Farmers organised in strong, competitive and trustworthy cooperatives are considered indispensable for a vibrant rural economy, fostering agricultural development and off-farm employment in rural areas. The underlying assumption is that stronger farmer organisations provide better services to their members, resulting in positive impact on productivity and income for farmers.

Agriterra draws on a century of cooperative knowledge in the Netherlands disclosed via its extensive network in the Dutch agri-food sector. These experts and Agripool experts from farmers organisations from all over the world, work together with business advisors from the Netherlands and national business advisors in the countries where Agriterra staff is based. In 2018 Agriterra has 117 employees and 17 country-offices.

Agriterra professionalizes farmers' cooperatives and organisations by providing services such as advice, training and exchange. Agriterra's training focuses on Management & Organisation, Financial Management, Governance and Business Development and Lobby and Advocacy.

Before Agriterra starts to cooperate with a cooperative or farmer organisation an assessment takes place. The main objective of the assessment is to identify and screen the cooperative or farmers organisation's business and development potential, to assess their willingness to change, and to assess the opportunities for a partnership in business development. Based on the outcome of the assessment Agriterra provides recommendations for improvement to the cooperative or farmers organisation and work plans are formulated. Agriterra usually enters on average into 4 to 5 years of cooperation with a cooperative or farmers organisation.

Agriterra's interventions since 2016 are characterized by intensive advisory trajectories with carefully selected and ambitious clients (cooperatives and farmers organisations) with a view to strengthen their business performance and negotiating capacities with business partners, government and other stakeholders.

The expected results for the program Farmer Common Sense in Business 2016 -2020 are summarized in Agriterra's 2020 Goals, see annex 2 for an overview of these goals/results

Agriterra's advisory services and training products use a three-track approach (see annex 3)

## I Lobbying and advocacy Farmers' Advocacy and Consultation Tool (FACT)

Agriterra provides guidance to prepare farmer organisations and cooperatives to dialogue with policymakers, Agriterra assists to convert challenges faced by farmers into concrete proposals for presentation to policymakers. Via the FACT method farmers' leaders and staff are trained in four key areas: consultation with members, participatory research, preparation of SMART proposals and stakeholder engagement. FACT is a practical and goal-oriented tool.

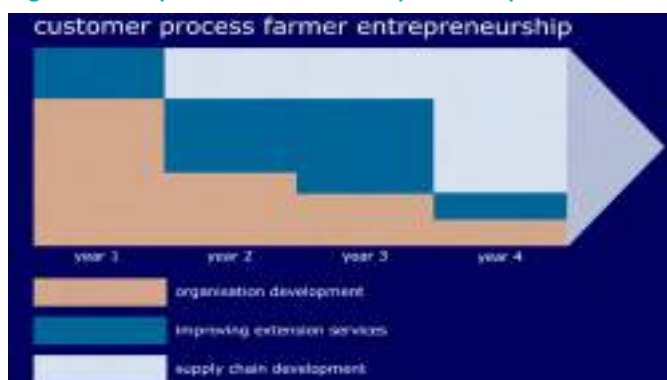
Figure 0.1 Farmers' Advocacy Consultation Tool



### II Improved extension services to members, (promoting farmer entrepreneurship)

Through advice, training and exchange farmer organisations and cooperatives are supported to improve their extension services to members and cooperatives are linked to market and financial institutions. Agriterra provides hands-on expertise with peer-to-peer involvement on the key issues of advisory services to improve skills, knowledge and attitude of members of cooperatives. Agriterra works with the 8 step result management approach (see Annex 4).

Figure 0.2 The process of farmer entrepreneurship

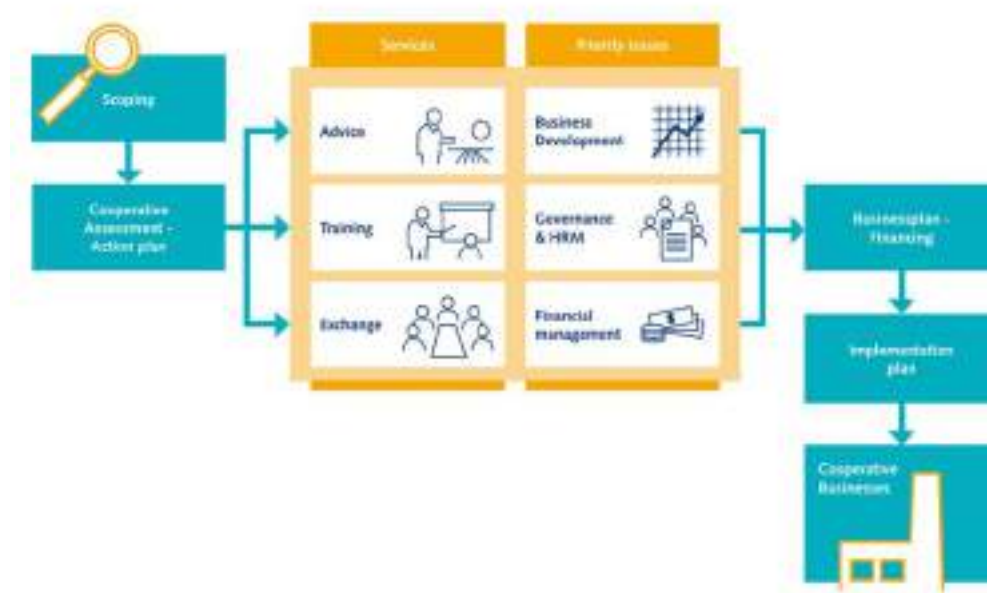


### III Making cooperatives bankable (the agribusiness approach)

Agriterra supports farmer-led businesses; companies where farmers are either directly or indirectly in control. This control is in place either because the business is a membership organisation or because agricultural organisations are the shareholders. The contribution of Agriterra usually takes

the form of advice and technical aid in entrepreneurship, business planning, financial management and day-to-day management. Companies thus become ripe for investment. A further step is that agribusiness advisors of Agriterra approach investors and banks in order to ensure the success of the investment plan.

Figure 0.3 Making cooperatives bankable



In 2015 Agriterra embarked on a new course, transforming from development to a consultancy organisation and putting more focus on promoting entrepreneurship and making cooperative bankable. Part of this new course is the use of the principle of cost-sharing. Agriterra's aim is to professionalize cooperatives so that they can provide output marketing and sustainable services to members who can thereby increase their own livelihood. A crucial aspect of the support to cooperatives is to make it sustainable. Agriterra considers the cooperative as key implementing partner of the mutually created annual action plan. In its project implementation strategy Agriterra follows a demonstration approach on cost-sharing bases whereby step by step withdrawal is practiced. The percentage contribution of the cooperative depends on the financial position and the years of intervention.

In 2019 Agriterra submitted the program Growing ambitions and new horizons: a proposed expansion of farmer common sense in business 2019 – 2020. This program focuses on creating more and new employment opportunities especially for youth and women and an expansion of the program countries. The Farmer Common Sense Program was topped up with EUR 4,5 million for this. In the Farmer Common Sense in Business there is also attention for young farmers, for instance the young leadership program, YAPP, FACT4YOUTH, setting up youth councils and the young farmers tour.

# Objective and scope of the evaluation

## Objective of the evaluation

The objective of the evaluation is twofold:

- **Accountability:** the first purpose of the evaluation is to examine the effectiveness and efficiency of the implementation of the program Farmer Common Sense in Business 2016 -2020 of Agriterra and to account for the investments made on the basis of a review of the progress made so far.
- **Learning:** the second purpose of the evaluation is the learning component for the Ministry and Agriterra and to examine whether and what improvements can be made in the strategy and approaches of Agriterra to increase effectiveness and development impact. The intention of ministry/DDE is to continue cooperation with Agriterra, we therefore seek to gain insight into results and effectiveness of Agriterra's strategy and approaches and to receive recommendations for a possible next phase of the program.

## Scope of the evaluation

The evaluation covers the period 2016 – 2019 of the Farmer Common Sense in Business Program and has to answer two main questions:

1. is this program doing the right things and
2. is Agriterra doing things right?

For this, the evaluation will look into the relevance and effectiveness of the Farmer Common Sense in Business Program and the performance of Agriterra as an implementing organisation. It includes an assessment of Agriterra's business model, the (financial) performances, governance and management and provides an overview of most important developments, achievements and trends and indicates what Agriterra did well and what they should do better.

In 2015 Agriterra made a transformation from a development to a consultancy firm. This transformation limits the ability to examine Agriterra's long term impact. The evaluation will examine Agriterra's performance from 2016 till now and examine the effectiveness of Agriterra achieving results at the level of cooperative and farmer organisation but will not examine the impact at the level of the individual farmers or households.

## Research questions

### Relevance

1. For relevance, a key assumption in the Theory of Change is that strong cooperatives and farmer organisations lead to economic growth, income equality and democracy. How plausible is this assumption? Can it be verified or falsified on basis of available literature? Can indications of its plausibility be found during field visits?
2. Does Agriterra make the right choices and approaches in the activities it undertakes vis-à-vis its Theory of Change and the underlying assumptions?
3. How is Agriterra positioned in relation to other (international) development organisations active in the agri and food sector? And how is Agriterra perceived by these organisations and other relevant partners in terms of characteristics such as expertise, effectiveness and relevance and what is its distinct added value?
4. To what extent and in what way did the transformation from a development to a consultancy organisation influence the development relevance and effectiveness of Agriterra?

### Effectiveness

5. How effective is the lobby and advocacy interventions <sup>101</sup> (FACT approach) and to what extent did this lead to more public investment?
6. To what degree have extension services to members been improved since 2016?
7. How effective is the approach to make cooperatives bankable?
8. What is the added value of the peer-to-peer approach (Agripoolers) compared to the advisory services by Agriterra staff, other consultants or support from NGO's and other organisations?
9. To what extent are Agriterra's interventions of the advisors and agri-poolers gender-sensitive and what are the effects on influence and participation of women in farmer organisations and cooperatives amongst others in the board of these organisations?

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<sup>101</sup> <https://www.job-evaluatie.nl/binaries/job-evaluatie/documenten/evaluaties/2015/09/01/407--evaluation-of-support-for-policy-influencing-lobbying-and-advocacy-pila/2015-job-opening-doors-and-unlocking-potential-%E2%80%93-key-lessons-from-an-evaluation-of-support-for-policy-influencing-lobbying.pdf>



10. How effective are Agriterra's interventions towards young people and what are the effects on influence and participation of young farmers in farmers organisations and cooperatives amongst others via (youth) councils and boards.
11. To what extent is the way Agriterra measures and attributes results reliable and valid and how can it be strengthened?
12. What is the quality of the indicators used by Agriterra and to what extent can they be used to measure effectiveness and impact of the interventions?

### **Sustainability**

13. To what extent are the results sustainable and what is being done by Agriterra to ensure sustainability of the results? What are the effects of the introduction of this principle of cost- sharing in terms of Agriterra's effectiveness and sustainability of the interventions?

### **Efficiency**

14. Has the budget been spent efficiently and strategically? To what extent could the results have been achieved with less input?
15. How has Agriterra developed in terms of organisational capacity and efficiency since 2016?

## Data and methodology

### Previous evaluations

In annex 5 there is the list of evaluations conducted by Agriterra in the last three years from 2016 till now. In 2015 KIT has evaluated the previous program of Agriterra for the period 2011 – 2015.

### Agro-info.net

Agriterra has developed an internet-based management information tool Agro-info.net, it contains information on all projects executed by Agriterra and is accessible to everyone. It contains data on the supported farmer organisations and cooperatives, on the interventions of Agriterra, financial data and indicators, see annex 6.

### Desk research and documents

Key sources for desk research are among others:

- Previous evaluations
- Agro-info.net
- Program Farmer Common Sense in Business 2016 – 2020, including video-link <https://www.youtube.com/watch?v=Fa5Z0G-GhpY>
- Annual plans and reports
- Growing ambitions and new horizons: a proposed expansion of farmer common sense in business 2019 – 2020.
- Farmer Common Sense in Business,
- Agriterra, international specialist in cooperative business development, <https://www.youtube.com/watch?v=372vMvpHH0I>

### Interviews

Interviews can be held with:

- Agriterra: Chair, Marc Calon, managing director Kees Blokland, manager agri advice Cees van Rij and the (former) operational manager Jose Levelink and consultants/advisors.
- Agripoolers
- Clients of Agriterra, board members and members of farmer organisations and cooperatives
- Other partners of Agriterra: SNV, Rabobank, IDH, other agri agencies such as Acodea
- Employees Dutch Ministries: MoFA (DDE and IGG), LNV and embassies
- Others who consultant thinks are relevant.

### Case studies and field visits

The focus of this evaluation lies on effectiveness of Agriterra's interventions for which data is available via agro-info.net and via IATI. Agriterra measures inputs and outputs at several levels to determine the effectiveness and efficiency of its development

activities. For most outcomes such as on the strength of farmers' organisations Agriterra has objective measures, for some others Agriterra collects subjective data. In order to gain more insight in the effectiveness of the three track interventions of Agriterra the evaluation includes case studies and field case visits. Three field case visits are foreseen, two in Africa, Ethiopia and Uganda and one in Latin America, Bolivia. These countries are selected due to the amount of support and budget to farmer organisations and cooperatives in these countries by Agriterra.

## Selection of projects and available sources of information

The selection of a representative number of projects for assessment and validation of findings can be made from Agriterra's internal monitoring and evaluation framework and agro-info.net. For the selection to be representative the projects should at least cover all three approaches and started more than a year ago.

## Phasing and deliverables

The evaluation is expected to produce at least the following five outputs:

1.	An inception report
2.	Field visit reports
3.	A draft final report
4.	A presentation of the main findings and conclusions
5.	A final report

## The evaluation will be divided into three phases:

- **The inception phase:** the consultants' team will produce an inception report that will be delivered no later than 4 weeks after the start of the evaluation. The inception report elaborates on the methodology and research approach for the evaluation, including its limitations. At the end of the inception phase a meeting will be held with the reference group. After consulting the reference group, DDE will give the final approval of the inception report. The approval will be based on the match of the proposed research approach and methodology with the ToR and their feasibility.
- **The evaluation phase:** the actual research, fieldwork, desk study, analysis etc. will be carried out by the consultants' team. At the end of the evaluation phase the evaluator will produce a draft final report with its preliminary findings and conclusions. The reference group will discuss this report with the evaluators. The evaluator will present its main findings and conclusions in a meeting with the reference group and will finalize the report after this meeting.
- **The final phase:** the evaluator will redraft the final report taking into account the comments of the reference group.

The evaluators are required to produce a report in English, including:

1.	Executive summary
2.	Conclusions
3.	Recommendations
4.	Description of the methodology used
5.	Description of the data used and collected
6.	Analyses

## Organisation

### Principal of the evaluation

The Ministry of Foreign Affairs is the main client and funder of the evaluation. DDE (the involved department within the Ministry) will supervise this evaluation and chairs the reference group.

### Reference Group

A reference group will be formed to advise the principal. The reference group is tasked with finalizing the ToR and guiding the evaluation by discussing the inception report and the draft final report.

The reference group will consist of representatives of the Sustainable Economic Development Department (DDE), Inclusive Green Growth Department (IGG), Policy and Operations Evaluation Department (IOB) from the Ministry of Foreign Affairs, a representative of the Ministry of Agriculture Nature and Food Quality and an expert on agriculture and development cooperation.

Reference group		
Johan Veul (chair)	Sustainable Economic Development Department	MFA
Bart van Rijsbergen	Policy and Operations Evaluation Department	MFA
Paul van der Logt	Inclusive Green Growth Department	MFA
Kees Blokland	Managing Director Agriterra	Agriterra
Kim Seeters	Ministry of Agriculture Nature and Food Quality	External expert
Lia van Wesenbeeck	Director of the Amsterdam Centre for World Food Studies	External expert
Ank Willems	Sustainable Economic Development Department	MFA

## Criteria for the contractor and evaluation team

The contractor will be selected by the Ministry of Foreign Affairs in a public tendering procedure using the impact evaluation framework agreement of the Ministry. The evaluation team should consist of 3-5 members in order to comply with the planning. The team needs to be fully independent with no interest to the conclusions and outcome of the evaluation. For the field mission in Bolivia it is recommended that one of the team member speaks Spanish.

The evaluation team will be selected based on the following criteria:

<b>1.</b>	<b>Evaluation team</b>	40 %
a.	Expertise of team leader: * CV and expertise with agriculture and cooperatives	
b.	Expertise of other team members: * CV's and expertise with agriculture and cooperatives in Ethiopia, Uganda and Bolivia	
c.	Explanation on how team composition and available expertise (excluding methodology) will guarantee results.	
<b>2.</b>	<b>Methodology</b>	50 %
a.	Address evaluation quality criteria	
b.	Proposed methodology and explanation of how results are reached	
c.	Implementation and calendar	
d.	Explanation of who is responsible for which aspect of the project's execution	
e.	Proposed chapter outline and indication of report length	
<b>3.</b>	<b>Price</b>	10 %
a.	Financial proposal	

## Planning

<b>When</b>	<b>What</b>
5 September 2019	Meeting Reference group to discuss draft ToR
9 September 2019	Invitation of Expression of Interest
15 September 2019	Deadline for submission of Expression of Interest
25 October 2019	Deadline for submission of full proposals
26 October – 7 November 2019	Appraisal full proposals and contract signing with selected contractor
8 November 2019	Start of the evaluation
9 December 2019 (within 1 month)	Submission of the inception report
End of February 2020	Submission of draft final report
End of March 2020	Submission of the final report

## Budget

The budget for this evaluation is maximum EUR 200.000 incl. VAT. Ministry of Foreign Affairs will cover the costs of the evaluation. Evaluators responding to this Terms of Reference should include a detailed budget. The table below is an indication of the total budget.

<b>Phase</b>	<b>Total costs in Euro 200.000</b>
Inception phase	30.000
Evaluation Phase	
• Research and Analysis	120.000
• Field visits	30.000
Final phase	20.000



# About Ecorys

Ecorys is a leading international research and consultancy company, addressing society's key challenges. With world-class research-based consultancy, we help public and private clients make and implement informed decisions leading to positive impact on society. We support our clients with sound analysis and inspiring ideas, practical solutions and delivery of projects for complex market, policy and management issues.

In 1929, businessmen from what is now Erasmus University Rotterdam founded the Netherlands Economic Institute (NEI). Its goal was to bridge the opposing worlds of economic research and business – in 2000, this much respected Institute became Ecorys.

Throughout the years, Ecorys expanded across the globe, with offices in Europe, Africa, the Middle East and Asia. Our staff originates from many different cultural backgrounds and areas of expertise because we believe in the power that different perspectives bring to our organisation and our clients.

Ecorys excels in seven areas of expertise:

- Economic growth;
- Social policy;
- Natural resources;
- Regions & Cities;
- Transport & Infrastructure;
- Public sector reform;
- Security & Justice.

Ecorys offers a clear set of products and services:

- preparation and formulation of policies;
- programme management;
- communications;
- capacity building;
- monitoring and evaluation.

We value our independence, our integrity and our partners. We care about the environment in which we work and live. We have an active Corporate Social Responsibility policy, which aims to create shared value that benefits society and business. We are ISO 14001 certified, supported by all our staff.







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