

Reducing poverty through sustainable and equitable economic transformation: A Brief Review of the Programmes of the World Bank, USAID and the Dutch Ministry of Foreign Affairs

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EXECUTIVE SUMMARY

The agricultural development programmes of USAID, the Dutch Ministry of Foreign Affairs (Dutch MFA) and the World Bank were reviewed for this paper. The volume of available material on each programme varied substantially, particularly in terms of evaluations of programme effectiveness. This was complicated by the fact that the World Bank introduced their evolving policy agenda from 2008, and USAID from 2010, so the timeframes involved are relatively short for representative impact data to be available. Nevertheless, for both the World Bank and USAID, recent detailed NGO research papers with associated recommendations were uncovered. These were extremely valuable as they go into much greater depth than could be achieved in this short study.

The research showed that USAID and the Dutch MFA have fairly similar policy agendas, with a strong focus on food security, linking this to rural economic growth and other areas such as nutrition. There is a high awareness of the need to mainstream gender in both programmes as evidenced in the research and, in USAID's case, the development of the *Women's Empowerment in Agriculture Index*, which is now being adopted more widely. More lately, the World Bank's most recent related policy agenda (summarised in appendix 7) shows significant convergence with the other two programmes.

The Dutch MFA had, by far, the easiest-to-access and comprehensive analysis of; (i) approaches that their evidence base had shown

to be (in/)effective including in promoting women's empowerment and (ii) promising and emerging policy options on complex policy agendas such as women's access to land. Their high-quality analysis meant that this paper's recommendations inevitably draw significantly on the findings on the Dutch MFA's studies.

Key recommendations emerging from the research are the need to:

- use a **problem-driven approach** for leveraging investment in private sector partnerships including properly understanding, and identifying relevant actors, in the intervention space;
- avoid **over-reliance on market instruments as uniformly appropriate** for addressing rural poverty (including the need to consider rural income generation and social safety nets);
- understand **power dynamics** in value chains;
- increase the capacity and bargaining power of farmer organisations as economic gains at the industry level **do not automatically lead to smallholder or household-level economic benefits**;
- teach farmers **to use agrochemical inputs more effectively** and about alternatives;
- introduce and/or scale-up **market information and weather information services** (e.g. SMS);
- focus on providing **packaged support**; access to the means of production, knowledge, financial services and markets for SMEs, especially those run by women;

¹ This disclaimer informs readers that the views, thoughts, and opinions expressed in the text belong solely to the authors, and not necessarily to the author's employer, organization, committee or other group or individual.

- **consider the use of mobile money to protect savings** in households where spending decisions are primarily not made by women;
- consider that **access to childcare** increases women's wage employment levels and earnings;
- **report results pro rata by donor contribution** in line with the DCED standard, ideally against a predetermined set of acceptable indicators;
- **capture data via feedback loops at the micro, meso and macro levels;**
- incorporate the following impact pathways in monitoring design; direct programme contacts, indirect contacts, imitation, adaptation and innovation and multiplier and employment effects;
- **mainstream environmental sustainability** in the policy and programming of all three donors.

1. INTRODUCTION

This paper is the result of a brief desk-based study² reviewing the rural economic transformation programmes of USAID, the Dutch Ministry of Foreign Affairs and the World Bank based on publically available material. The research reviewed the material through the lens of the Sustainable Development Goals' priority areas of environmental sustainability and 'leave no-one behind', particularly in relation to poverty eradication and tackling gender and income inequality. Information on approaches to environmental sustainability was generally not as forthcoming but has been included where it is available.

The research faced two constraints; time available for the study and variability in the volume/quality of readily-available material particularly in terms of aggregate evaluations or analyses of programmatic effectiveness. The programmes are therefore represented below

² The research also included skype calls with Alison Griffiths, Practical Action & Leonard Zijlstra, ICCO.

³ Reproduced from: <https://www.usaid.gov/what-we-do/economic-growth-and-trade/promoting-sound-economic-policies-growth>

on the basis of the research but, had further time been available, it is inevitable that further material (particularly grey material) would have been unearthed allowing for more meaningful conclusions to be drawn.

The paper begins with an outline of each donor's programme, including how they have adapted their approach, where relevant, and what the key learnings from their work to-date are. The paper then analyses key emerging themes across all three programmes and concludes with the associated programme recommendations.

2. USAID

USAID's programme is built on the policy position³ that broad-based economic growth is essential to sustainable, long-term development as it creates the opportunities households need to raise their living standards and provides countries with the resources to expand access to basic services, allowing the population to chart their own "prosperous futures".

USAID's targets⁴ in agriculture and food security are to:

- Reduce the prevalence of poverty and the prevalence of stunted children under five years of age by 20 percent in the areas where they work over five years;
- Lift 50 million people in Sub-Saharan Africa out of poverty by 2022 – more than one out of every eight people who currently live in poverty in the region.

To achieve the "sustained and broad-based growth" necessary to meet these targets, USAID⁵ works with public and private sector market participants, governments, universities, agribusiness value chains and civil society and farmer groups on:

⁴ Reproduced from: <https://www.usaid.gov/what-we-do/agriculture-and-food-security>

⁵ Reproduced from: <https://www.usaid.gov/what-we-do/economic-growth-and-trade/promoting-sound-economic-policies-growth>

- Giving people access to markets;
- Making governments more efficient in how they spend their money;
- Improving infrastructure;
- Working with private-sector companies;
- Encouraging local channels of financing;
- Developing “sound policy environments” that enable open markets, private sector investment, and gender-equitable access to factors of production, products, and income;
- Promoting effective institutions and services, such as rural extension and finance;
- Strengthening producer and other rural organizations;
- Product standards/ quality control to meet market demands and reach higher-value markets;
- Developing the public sector’s roles as a provider of market-facilitating goods and services, regulator and referee, and monitor and analyst.

2.1 What does USAID’s programme consist of?

USAID’s work in agricultural transformation consists mainly of the Presidential Initiative *Feed the Future*⁶, which focuses on smallholder farmers and particularly women. Feed the Future supports partner countries in developing their agriculture sectors, driven by country-led

⁶ Reproduced from: <https://www.usaid.gov/what-we-do/agriculture-and-food-security/increasing-food-security-through-feed-future>

⁷ A new entity within USAID that brings together a diverse set of partners (e.g. local communities, development practitioners, scientists, entrepreneurs, technology experts, academics) to discover, test, and scale breakthrough solutions (*open source development*) to end extreme poverty by 2030. For further information: <https://www.usaid.gov/news-information/videos/us-global-development-lab>

⁸ Aiming to reach approx. 50 countries with climate and clean energy knowledge, data and tools. Thematic areas include low emission development, adaptation, clean energy and sustainable landscapes.

⁹ Working to help communities better manage and benefit from their natural resources by: (i) supporting land tenure policies and resource rights, (ii) fighting deforestation and planting trees, (iii) protecting biodiversity and (iv) mitigating and adapting to the effects of climate change.

¹⁰ For further information on the Rome Principles on Food Security, please refer to:

priorities, to drive economic growth that increases incomes and reduces hunger, poverty and undernutrition. The other relevant USAID programmes are: (i) U.S. Global Development Lab⁷, (ii) Presidential Global Climate Change Initiative⁸ and (iii) the Environment and Global Climate Change Programme⁹.

2.2 Feed the Future

Guided by the *Rome Principles on Food Security*¹⁰, USAID aims to work alongside development partners to support processes through which countries develop and implement food security strategies and investment plans that reflect their needs, priorities, and development strategies. These Country Investment Plans¹¹ then serve as the foundation for countries to mobilize resources and coordinate with development partners. One notable aspect of USAID’s application of the Rome Principles is their strong emphasis on results monitoring.

To increase programme effectiveness, Feed the Future concentrates on Focus Countries. Countries move from the first to the second phase when certain conditions¹² are met. USAID’s investments aim to address the key determinants of food insecurity; **availability and access**, through investments in productivity, agribusiness and market

<http://www.mofa.go.jp/policy/economy/fishery/wsfs0911-2.pdf>

¹¹ For further information: http://feedthefuture.gov/sites/default/files/resource/files/FTF_Guide.pdf

¹² Foundational investments in Phase I are designed to lay the groundwork for an expansion of core investments in Phase II, helping to provide both donors and recipients with the assurance that investments will be efficient, well-targeted, and mutually reinforcing. The conditions for countries moving from phase 1 to phase 2 are based on three criteria: (1) a multi-stakeholder review of the technical quality and soundness of the Country Investment Plan, (2) evidence of coordination and consultation with key stakeholders, and (3) Focus Country commitment and capacity as indicated by follow-through on the country’s own financial and policy commitments. When a country enters Phase II, it is eligible for larger-scale Feed the Future investments in priority areas that are aligned with the Country Investment Plan.

development, and equitable distribution of and control over productive resources; **utilization** of food, primarily through nutrition; and **stability**, ensuring effective mechanisms are in place to address chronic food insecurity.

In addition to USAID's bilateral investments, they also engage in complementary investments in; (i) **regional programmes** when significant challenges to food security require cooperation across national borders, (ii) **multilateral mechanisms** such as the World Bank-administered multi-donor trust fund – *the Global Agriculture and Food Security Program*, (iii) **countries that are strategic partners**, where investments will benefit Focus Countries through technical, policy, and other cooperation and (iv) **global research and innovation** to reverse the decline in investment in agricultural productivity, respond to key challenges such as global climate change and water scarcity, and strengthen institutions that deliver technologies to small-scale agricultural producers.

2.3 Gender and income inequality¹³

USAID policy on Gender Equality and Female Empowerment features three main goals. These are:

1. reducing gender gaps regarding resources and opportunities (**many** ¹⁴ economic development projects meet this goal)
2. reducing gender-based violence (**very few** projects address this, leading to indirect change)
3. increasing the capability of women and girls to realize their rights and influence decision-making (**some** projects meet this goal).

¹³ Reproduced from pp. 5-6: USAID (Sept. 2015) *Gender and extreme poverty Getting to zero: A USAID discussion series*

¹⁴ Comments on how frequently these goals are met are drawn from:
Singh, N. (May 2014) *USAID Leveraging Economic Opportunity (LEO) Learning Day Report no. 2*. Source: [http://acdiovoca.org/sites/default/files/attach/legacy/site/lookup/ACDI-VOCA-LEO-Learning-Day-](http://acdiovoca.org/sites/default/files/attach/legacy/site/lookup/ACDI-VOCA-LEO-Learning-Day-Summary/$file/ACDI-VOCA-LEO-Learning-Day-Summary.pdf)

A USAID research project *Leveraging Economic Opportunities (LEO)* report ¹⁵ notes that coordination between multiple actors and layers is necessary to bring about positive change in empowerment. Further, that integrated market and gender analysis is essential to this.

To better understand the role of women farmers in household decision making, USAID's Feed the Future initiative has designed a survey tool called the Women's Empowerment in Agriculture Index (WEAI). The WEAI ¹⁶ was designed to measure progress toward women's empowerment and to maintain the effective use of evidence-based solutions and innovative approaches in agriculture. The WEAI tracks rural women's empowerment relative to men in five key areas:

1. Decisions over agricultural production;
2. Access to decision-making power over productive resources;
3. Control of use of income;
4. Community leadership;
5. Time use.

According to findings from the WEAI baseline survey, for the majority of countries the greatest constraints on empowering women in agriculture are: **lack of access to credit and the power to make credit related decisions; excessive workloads; and low membership in groups** brought together by issues such as agricultural production, credit and microfinance.

USAID's gender and extreme poverty discussion paper states¹⁷ that:

"The WEAI and related findings can be used to guide agricultural program design so that

Summary/\$file/ACDI-VOCA-LEO-Learning-Day-Summary.pdf

¹⁵ *Ibid*

¹⁶ Reproduced from pp. 5-6: USAID (Sept. 2015) *Gender and extreme poverty Getting to zero: A USAID discussion series*

¹⁷ *Ibid*

women benefit without incurring unintended negative consequences.

Important considerations include: not increasing women's time burdens, providing schooling or making sure extension services are understandable to less-educated women, and promoting technologies that are more affordable and relevant to women. Additionally, agricultural programs that require a minimum level of physical or financial assets could incorporate activities to address gender biases in land and inheritance laws and promote the importance of women's land rights."

2.4 What lessons can be learnt?

In 2015, Oxfam America undertook a 6-country study to assess the effectiveness of Feed the Future. Oxfam¹⁸ found that Feed the Future had brought agriculture back into the centre of the US development agenda. Further, the research;

"[...] points to substantial, real, and important improvements in the way the US government, especially [...] USAID [...] delivers assistance. FtF [*Feed the Future*] has made significant efforts to adhere to principles of aid effectiveness, an essential step in promoting strong country ownership of US-supported programs as well as durable, lasting partnerships with governments and citizens. The initiative is also making substantial efforts to integrate women's empowerment and natural resource management across FtF activities. Mainstreaming these key issues is helping to focus US agriculture assistance."

The findings were well receiving by the Secretary of the US Department of Agriculture who was the keynote speaker at the launch of the report. The report's key recommendations were:

[...] continued efforts are needed to refine and strengthen FtF to ensure current US

investments contribute to long-term improvements in food security, especially for small-scale producers. [...]

To ensure inclusive participation in FtF projects, it is important to avoid an overreliance on market-led investment approaches as uniformly appropriate for addressing rural poverty and food insecurity. Investments for agricultural production should take better account of significant variations in agricultural resources and potential between and within farming communities¹⁹.

The report went to say that this requires:

- Effectively coordinating agricultural production activities with other programmes for rural income generation and safety nets;
- Ensuring that access to fair and flexible credit is addressed;
- Developing mechanisms for beneficiary input and feedback through the project lifespan as implementing strategies can increase women's participation, including in trainings and technologies that are responsive to gender roles;
- More effectively using metrics and tools such as the Women's Empowerment in Agriculture Index to generate evidence that informs programmatic actions as well as necessary policy measures.

2.5 Environmental sustainability

Oxfam found that Feed the Future investments emphasize the efficient use of resources, including agrochemical inputs. Oxfam noted that this was a missed opportunity to teach farmers alternatives. Oxfam therefore recommend that while continuing to promote sustainable production practices in ways that enable beneficiaries to adapt to climate change, investments should: (i) focus on low-external input approaches, conservation agriculture and agro-ecological practices and (ii) provide

¹⁸ Oxfam America (March 2015) *Promise and Potential – Exploring sustainable impact of Feed the Future*

Source:
http://www.oxfamamerica.org/static/media/files/Summary_Promise_and_potential_OUS.pdf

farmers with information and tools, including weather information, they need in order to prepare for and adapt to changes induced by climate change.

3. DUTCH MINISTER OF FOREIGN AFFAIRS (DUTCH MFA)

The main Dutch MFA focus²⁰ in agriculture-based transformation is on food security. The Dutch policy position can be summarized as follows;

- investment in small-scale farming in emerging economies is an effective way to promote inclusive growth in and beyond the agricultural sector;
- more investment by local and international SMEs, knowledge transfer, capacity building and trade promotion in the agricultural sector are necessary to speed up this growth and make it sustainable;
- there needs to be a focus on developing the whole supply chain rather than only on primary production as this will generate employment, income and added value in rural areas;
- the agricultural sector needs to be attractive to young people, including women - strong farmers' associations and cooperatives can play a key role in this;
- Focusing on good nutrition is important given the high prevalence of stunting and malnutrition, even in places where food is generally available and accessible;
- The Dutch concentrate on providing access to means of production, knowledge, financial services and markets for small and medium-sized farms and enterprises, especially those run by women;
- Dutch stakeholders are working together closely to create better access to, and control over, land through the application of the Voluntary Guidelines on Responsible Governance of Land Tenure.

What does this policy look like in practice?

- Helping to improve access to good propagation and source materials by strengthening local seed systems and encouraging the application of breeder's rights;
- Encouraging inclusive economic growth, private sector development and access to markets by facilitating cooperation throughout the supply chain, strengthening farmers' organisations and building capacity;
- Contributing to bilateral and multilateral efforts to boost regional and global trade promotion and facilitation, infrastructure development, improved legislation and increased efficiency throughout the agri-food chain;
- Finding ways to encourage more private investment by challenging the private sector to devise smart solutions and inclusive business models to raise agri-food chains to a higher level;
- Focusing mainly on the agri-food and horticulture & propagation materials sectors using know-how, technology and access to markets, companies can make a major contribution to inclusive growth. Participating companies are expected to exercise social responsibility and **the Dutch government have committed to taking steps to boost the development of frameworks for international corporate social responsibility underpinned by the OECD Guidelines for Multinational Enterprises and the Committee on World Food Security's Principles for Responsible Investment in Agriculture and Food Systems;**
- Investing in demand-led agricultural research through CGIAR and European research partnerships, aiming to increase Dutch participation in international research programmes.

²⁰ Information drawn from:
<https://www.government.nl/documents/parliamentary-documents/2014/11/18/letter-to-the-parliament-netherlands-contribution-to-global-food-security>

3.1 Gender in agriculture

An in-depth study²¹ on gender in Dutch development assistance found that the impact of economic growth on gender equality appears far less consistent than might otherwise be assumed and that there is “no guarantee that growth on its own will address critical dimensions of gender equality”. The study included two very interesting comparative analyses of (a) the effectiveness of various approaches in addressing gender-based disparities and (b) policy options for improving women’s access to land. These are reproduced in Appendices 4 and 5.

The Dutch MFA takes a multidimensional approach to tackling food security in their partner countries which they break down into people, planet and profit. Some of the programme objectives which they describe as “specific result areas” are;

- an increase in food production and labour productivity;
- more jobs and higher incomes in farming;
- a growth in the number of female rural entrepreneurs;
- a greater role for women in agri-food chains and farmers’ organisations.

The following are the main programme objectives;

1. **Eradicating existing hunger and malnutrition;** focusing on vulnerable

²¹ Quotation from p.44 of Dutch Ministry of Foreign Affairs, IOB Study no. 403 *Premises & Promises A study of the premises underlying the Dutch policy for women’s rights and gender equality*

²² In addition to the programme focus areas outlined above, in November 2014, the following areas of future focus were presented to the Dutch parliament; “Measures to boost food production will only be meaningful if food is not wasted further down the chain is not wasted and serves a market. It is vital to reduce food waste and maintain the quality and nutritional value of food. The Netherlands has considerable knowledge on minimising food waste and processing and enriching food products. This can generate more added value, boost incomes and widen access to nutritious food. Over the coming years, the Netherlands will therefore redouble its efforts to organise and improve cooperation in the agri-food chain in order to identify efficient, commercially viable solutions for food

people who are experiencing hunger due to poverty, natural disasters, armed conflicts and other crises. As well as giving food aid where required, the Dutch work to provide permanent access to adequate sources of nutritious food.

2. **Promoting inclusive and sustainable growth in the agricultural sector**²²; Dutch efforts focus on small and medium-sized farms and other agricultural enterprises that are potentially capable of responding to market demand. The Dutch position is that increasing the earnings capacity of small and medium-sized farms is an effective way to combat hunger and poverty and stimulate inclusive economic growth.
3. **Creating ecologically sustainable food systems** focusing on the sustainable management of environmental global public goods such as water, soil, energy and biodiversity, taking into account the effects of climate change on food systems and vice versa.

3.2 What indicators are used? (See also appendix 3)

On food security, the overall aim is to assess the contribution of Dutch food security policy to the food security situation in the 15 partner countries. This is done by aggregating data from all countries where the programme is active both by country and by project looking at;

processing and logistics in low-and middle-income countries, and to develop local, urban and above all regional markets.

A competitive and efficient agricultural sector demands effective policy. In order to boost the agricultural sector as a whole, the Netherlands will, in the coming years, step up its investments in programmes that help to strengthen national agriculture and trade policies, with a focus on nutrition and ecological sustainability. In parallel with these efforts, we will take measures to deepen the policy dialogue with a number of partner countries and emerging economies. This policy dialogue can lead to openings for deploying Dutch aid and technical assistance, help to promote the transition from aid to economic cooperation and create opportunities for the private sector. We will also study the effects of trade agreements on local agricultural development and food security.”

- Project and country level outcome, impact and sustainability (direct and indirect effects);
- Country level: relevance, coherence, synergy within Dutch programme, between Dutch programme and programme govt. and other donors;
- Contribution of the Dutch programme to national food security;
- In case study countries, examining ex-post long-term impact and sustainability;
- Project efficiency: costs and benefits per beneficiary;
- Analysis of Country programme efficiency;
- Aggregated costs and benefits and a comparison of approaches.

3.3 Project level impact assessment

Food security indicators are based on a shortlist of 'ideal' household level indicators and proxy impact level. In IOB commissioned impact evaluations, the MFA require the use, as far as possible of a predetermined set of impact indicators (see Appendix 3). The Dutch try to stick to indicators and data collection methods that are commonly used, can be compared across evaluations for the eventual policy evaluation, and have been proven to work, especially at impact and proxy impact level. Two important indicators which are often included in policy objectives: child malnutrition and poverty rate are included, and both are 'headcount' indicators with a threshold (e.g. % children moderately stunted; % households living under poverty line). Additional indicators are chosen along the result chain to provide more detail of the path followed between intervention and impact as these are seen to be more sensitive to changes i.e. are more likely to see a significant effect over a limited time period.

Relative to their size, the Dutch MFA appears to invest heavily in research and in making this publically available, including in English. A summary of a recent MFA-funded evaluation of ICCO's economic development projects across multiple projects and countries was reviewed for this paper. A short summary of this is included in Appendix 6 as several of the themes emerging are relevant.

3.4 Poverty and income equality²³

Overall impact assessments of the complete Dutch aid efforts including large-scale impact assessments were not available. This lack of information on results and processes is seen by the Dutch MFA as limiting learning, accountability and the improvement of development cooperation efforts. The Dutch government has, in terms of the analysis of results and effectiveness, paid significant attention to bilateral aid. A report on Dutch ODA²⁴ states that the OECD in 2011 found that Dutch bilateral aid is relatively effective, especially due to the flexibility of the cooperation and because of the technical capacity of the Dutch. The report stated that, according to the IOB (Dutch MFA Policy Section), the best results for Dutch bilateral aid spending were in improving access to public services (education and health care) whilst positive results were also noted in improving food security.

3.5 Women's Economic Empowerment

On women's economic empowerment, Dutch MFA research²⁵ has found that:

- Interventions seem to work best when women micro and small producers and entrepreneurs have economic independence or autonomy and face few social restrictions.

²³ This section is paraphrased from pp.20-22 NCDO (March 4th, 2013) *The Dutch and development cooperation Ahead of the crowd or trailing behind?*

²⁴ *Ibid*

²⁵ All comments on the effectiveness of Dutch bilateral spending from a gender perspective are paraphrased and

draw entirely on p.54 of Dutch Ministry of Foreign Affairs, IOB Study No. 403 *Premises & Promises A study of the premises underlying the Dutch policy for women's rights and gender equality*

- To make sure women can keep their income and protect the privacy of their choice on how to spend it, the use of 'mobile money' is important as it may provide women with sufficient autonomy and independence from social pressures to invest in the business rather than in the extended family.
- The use of mobile phones makes access to financial services less costly; it may also improve access to market information.
- Capital in-kind works better than cash for more successful and larger women-owned small enterprises (i.e. with 5-19 employees). A precondition is that the amount is large enough and women are given sufficient time to show results.
- Capital alone, whether cash or in-kind, is insufficient for subsistence-level firms. Very poor women need a more intensive package of services to break out of subsistence production and to be able to reap the benefits of higher productivity and earnings. They require a sufficiently large capital transfer paired with business training and follow-up technical visits.
- Business training, which is more cost-effective than customized advice, works better for women-owned SMEs rather than micro-enterprises. There is a need to target motivated, self-selected women entrepreneurs to increase its impact. At the same time, as for men, such training has few measurable effects on business survivorship or profits for women. Independent of the quality of the training, short courses are likely to have less impact.
- Savings are a promising way to improve rural women's productivity and increasing their business earnings, especially for more risk-averse women. They may particularly benefit the smallest, subsistence-level women entrepreneurs and women with little household decision-making power.
- Access to childcare increases women's wage employment levels and earnings, but design and delivery matter to ensure quality, affordable and cost-effective care.

4. WORLD BANK

The Bank's 2008 World Development Report reversed decades of institutional disinterest in agriculture. It was followed by the Bank's Agriculture Action Plan for 2010-2012²⁶ and by the follow-up Action Plan for 2013-2015²⁷. The latter outlines scaled-up investments in agriculture of up to US\$30 billion and its mandate is to increase support to agriculture and related sectors for poverty alleviation, equity and environmental sustainability. The 2008 World Development Report²⁸ and the Action Plans²⁹ also prepared the institutional ground for the market-led development of agriculture and a dominant role for the private-sector in institutional lending.

The World Bank Theory of Change on agriculture-based transformation revolves around the **four policy objectives**³⁰ below. The overall assumption is that, given the appropriate macroeconomic policies, national governance and sociopolitical context, progress against the four policy objectives below, will lead to **three pathways out of poverty; farming, labour and migration.**

The policy objectives for the agriculture-for-development agenda outlined in the 2008 WDR are:

1. Improve market access and establish efficient value chains;

²⁶ World Bank Group (2009) *Implementing Agriculture for Development Agriculture Action Plan 2010-2012*

Source:

http://siteresources.worldbank.org/INTARD/Resources/Agriculture_Action_Plan_web.pdf

²⁷ World Bank Group (2013) *Implementing Agriculture for Development Agriculture Action Plan 2013-2015*

Source:

<http://documents.worldbank.org/curated/en/2013/01/17747135/implementing-agriculture-development-world-bank-group-agriculture-action-plan-2013-2015>

²⁸ World Bank Group (2007) *World Development Report 2008 Agriculture for Development*

Source:

http://siteresources.worldbank.org/INTWDR2008/Resources/WDR_00_book.pdf

²⁹ World Bank Group (2013) *Implementing Agriculture for Development Agriculture Action Plan 2013-2015*

³⁰ Reproduced from p.228 of the 2008 World Development Report

2. Enhance smallholder competitiveness and facilitate market entry;
3. Improve livelihoods in subsistence agriculture and low-skilled rural occupations;
4. Increase employment opportunities in rural labor markets and enhance skills.

The World Development Report also notes that the agriculture-for-development agenda “assigns a strong role to public policy to promote poverty reduction and equity, including gender equity, by building productive assets and providing safety nets”.

The **2013-2015 World Bank Agriculture Action Plan**³¹, building on the policy objectives above, **outlines five thematic focus areas** with numbrs 4 and 5 considered cross-cutting;

1. Raise agricultural productivity;
2. Link farmers to markets and strengthen value chains;
3. Facilitate rural non-farm income;
4. Reduce risk, vulnerability, and gender inequality;
5. Enhance environmental services and sustainability.

The most recent agriculture policy agenda from the World Bank was contained in the April 2015 report³² *Ending Poverty and Hunger by 2030: An Agenda for the Global Food System*. This contains detailed policy objectives (outlined in Appendix 7) and focuses on three areas³³;

1. **Climate-smart agriculture**; climate change is projected to reduce crop yields by 15 to 20 percent in the poorest regions if temperatures rise above two degrees Celsius. This is also where food demand is expected to increase the most. Agriculture,

forestry and other land-use changes account for about 25 percent of harmful greenhouse gas emissions, with emissions projected to increase. The report notes that the food system must increasingly deliver three “wins” simultaneously: higher agricultural productivity, greater climate resilience, and reduced carbon emissions.

2. **Improving nutrition** through improved income and gender equality as higher household incomes can allow families to invest in more and higher nutritious food consumption, access to clean water, and better hygiene, which can help improve nutritional outcomes.
3. **Strengthening value chains and improving market access**; encouragingly, the projected food demand growth closely matches needed income gains by the poor. If these increases in food demand are met with an equivalent increase in food supply by the poor, driven by productivity growth, and if supply increases match the demand increases with average prices largely unchanged, then the needed income gains are possible, provided the poor are linked to these growing markets. Actively engaging women in value chains and developing value chains of products women are already involved in can increase economic growth, including livestock products (such as eggs and dairy) to respond to the shift in demand toward livestock products.

4.1 Impact

As the World Bank’s agriculture for development agenda has only been in place since 2008 and has also evolved fairly significantly since then, very little material was found on how effective the policy agenda has

³¹ Five themes reproduced from: World Bank Group (2013) *Implementing Agriculture for Development Agriculture Action Plan 2013-2015*

³² Townsend, R. (April 2015), *Ending poverty and hunger by 2030: an agenda for the global food system*. World Bank Group. Source: <http://documents.worldbank.org/curated/en/2015/04/24367067/ending-poverty-hunger-2030-agenda-global-food-system>

³³ Report summary reproduced in part from the report press release. Source: <http://www.worldbank.org/en/news/press-release/2015/04/16/future-of-food-world-bank-outlines-action-agenda-for-food-system-to-help-end-poverty-and-hunger>

been in practice. Based on the World Bank Group's historic approach, a 2010 evaluation³⁴ of their involvement in Agriculture and Agribusiness found that World Bank agricultural lending had performed similarly to other sectors with **Sub-Saharan Africa performing worse than other regions**. The evaluation went on to note that the environment for agricultural development was less favourable in Sub-Saharan Africa's agriculture-based economies due to poor road and market infrastructure, underdeveloped financial sectors, difficult business environments, a shortage of entrepreneurs, and higher weather-related and disease risks accompanied by weaker country capacity and governance. The evaluation also noted that sustainability of World Bank-supported activities was a concern as efforts at cost recovery for extension services and irrigation had met with limited success and financing of agricultural research was also problematic.

The report also noted that **M&E continues to be weak** as the Bank's data and coding systems do not effectively track all agricultural activities. As such, outcome and results reporting were described, at both the Bank and IFC, as constraining project effectiveness and inhibiting institutional learning.

With regard to the **environment**, projects supported by the Bank appeared to be in compliance with the Bank's environmental safeguards but reporting on safeguards was described as weak. IFC's Performance Standards³⁵ were noted to have had limited range and inadequate management of agribusiness supply-chain issues was evident in the number of complaints submitted to the

compliance advisor and ombudsman addressing the concerns of individuals or communities affected by various IFC investments. It should be noted however that the IFC Performance Standards in question were reviewed in 2012 (after the evaluation was written).

The 2013-15 Action Plan also notes (p. xxi) that there would be a greater emphasis in 2013-15 on **reducing gender inequality** through raising the standard for mainstreaming gender into agriculture programmes beyond the Bank-wide standard. This was to be tracked by the share of projects that included gender analysis in the design and by the share of projects that included gender in all three project dimensions (analysis, actions and M&E) in project design, which appears to be a pretty low bar.

4.2 What lessons can be learnt?

A recent Report³⁶ from the Institute for Food and Development Policy and the Transnational Institute which reviewed the 2008 World Development Report and the 2013-15 Action Plan questioned whether the Bank's strategy will improve rural livelihoods, reduce rural poverty, end rural hunger and build climate resiliency. The report found that the Bank continues to operate from "faulty assumptions regarding both agriculture and development" prioritizing public-private partnerships; increased access to conventional agricultural inputs and 'improved seed varieties'; demographic shifts away from agriculture; and the opening of domestic markets to global agribusiness. The report also noted that the Bank is increasingly shifting funding into the IFC [*elsewhere the report noted that the IFC may not have poverty reduction as its objective*

³⁴ Quotations taken from pp. 86-87 of Independent Evaluation Group, World Bank, IFC, MIGA (2010), *Evaluative Lessons from World Bank Group Experience Growth and Productivity in Agriculture and Agribusiness*. Source:

http://siteresources.worldbank.org/EXTGPAA/Resources/Agribusiness_eval.pdf

³⁵ The IFC Performance Standards were strengthened in 2012. Further information is available at:

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes

³⁶ Extract from p. 4 Holt-Giménez, E., Williams, J. and Hachmyer, C. (October 2015), *The World Bank Group's 2013-15 Agriculture for Action Plan: A Lesson in Privatization, Lack of Oversight and Tired Development Paradigms*. Food First/ Institute for Food and Development Policy (Oakland, California) and Transnational Institute (Amsterdam).

in designing /executing these projects which is obviously problematic] and supporting the financialization of agriculture through projects like corporate-backed index-based climate insurance. The report also noted³⁷ that the World Bank failed to take into account key findings from a 2009 International Assessment of Agricultural Knowledge, Science and Technology for Development report in either of the Agricultural Action Plans and note that this fact is illustrative of how the current World Bank framework has reportedly not prioritized environmental sustainability.

Associated recommendations; the Institute for Food and Development Policy and the Transnational Institute report³⁸ made the following recommendations for the World Bank to bring it in line with the global risks and difficult social, economic and environmental realities facing agriculture in the developing world:

- Revisit the IAASTD³⁹ [*International Assessment of Agricultural Knowledge, Science and Technology for Development*] report to bring the Bank in line with the transformative recommendations of their findings including a focus on local and regional food systems and agroecology;
- Divest from third-party financial intermediaries which cannot be held accountable to civil society or international institutions;
- Divest from projects that allow for involuntary resettlement;
- Maintain and strengthen obligatory safeguards, including by building on relevant international human rights law such as the UN Basic Principles and Guidelines on Development-related Evictions and Displacement, respond to the critiques of internal auditors, and ensure transparency of projects to both affected communities and the public at large;
- Review existing projects and policy reform indicators with the meaningful involvement of the populations most affected, and withdraw from those that fail to promote the right to food and the legitimate tenure rights of women and communities, or that prioritize global financial interests over vulnerable people and the environment;
- Support small-scale producers' own investments as advised by the Committee on World Food Security, by putting women, small-scale farmers and other marginalized groups at the center of any future strategy and project for food security and nutrition (especially in Africa), making sure that human rights and environmental impact assessments are carried out to ensure that projects only move forward if they are found not to have negative impacts on human rights and the environment;
- Prioritize more egalitarian land structures, shifting the land administration focus from titling to access and stop any legal and

³⁸ *Ibid*, pp. 23-24.

³⁹ Please refer to the following excerpt from page 15, *Ibid*: "In 2009, the results of a four year, multimillion dollar study involving over 400 scientists sponsored by the UN Environment Program, FAO, UNESCO, Global Environment Facility and the World Bank were released in the massive "International Assessment of Agricultural Knowledge, Science and Technology for Development" [IAASTD] [...]. Remarkably, the AAP does not follow any of its suggestions. Like the 2008 WDR, the IAASTD gives special attention to the role that smallholders play in agricultural development. But instead of seeking to incorporate them into the existing global food regime, the IAASTD calls for a radical transformation of the world's food and farming systems. The final report— endorsed by 58 governments and released worldwide on April 15, 2008 concluded that industrial agriculture has degraded the natural resources upon which human survival depends and now threatens water, energy and climate security. The report warns that

continued reliance on simplistic technological fixes—including transgenic crops—is not a solution to reducing persistent hunger and could increase environmental problems and poverty. It also critiqued the undue influence of transnational agribusiness on public policy and the unfair global trade policies that have left more than half of the world's population malnourished. The report's authors suggest that we reconfigure agricultural research, extension and education to incorporate the vital contributions of local and indigenous knowledge and innovation, and embrace equitable participatory decision-making processes. They suggest that we increase investments in agroecological farming and adopt an equitable international trading framework, and wrote that it is possible to maintain current levels of productivity and even improve profitability for small-scale farmers while making more socially and ecologically resilient farming systems. All of these findings went unnoted by the authors of the AAP [*Agricultural Action Plan*]."

policy changes that facilitate large-scale land investments, land concentration and that impede smallholder's ability to keep their land;

- Support the adoption of agroecological practices by small-scale farmers to build resilience through: participatory research in agroecology, dissemination of ecological farming knowledge via farmer-to-farmer networks, and capacity-building of public extension services to advise farmers on how to practice ecological farming;
- Prioritize projects and policies that support local infrastructure and distribution of small-scale producers' agricultural products to local markets, including public sector institutional markets;
- Prioritize projects and policies that allow farmers to save, exchange and sell their seeds.

5. REVIEW FINDINGS: EMERGING THEMES AND RECOMMENDATIONS

5.1 Market linkages: what works and is scalable?

Based on the material reviewed during this short study, it is not possible to conclude definitively which interventions are both consistently effective and scalable. This is unsurprising as there would be much greater programmatic convergence by donors and implementing agencies in this thematic area if these findings were readily available based on a strong evidence base. There are however a number of themes and associated recommendations which emerge from this review, which are now outlined. These are

based on a comparative analysis of the material reviewed on all three donors for this desk based study.

5.2 Private sector engagement

Before engaging private sector actors⁴⁰ to leverage value chain investment, it should be clear exactly what (and why now) investment is being leveraged. A "problem-driven" approach should be used to identify the need for private sector partnerships – this includes properly identifying the intervention space and all (possible) partners along the value chains at the local, regional, and global levels. It is essential in this analysis to assess the problem within the embedded contexts of industry relationships and the needs, interests, and capabilities of smallholder producers.

Firms positioned at different segments of the value chain have varied commercial incentives for partnerships. Further, value chain partnerships are not power-neutral.

A detailed understanding of the governance system in each segment and within industry-level platforms is therefore essential to facilitate and sustain partnerships at scale. Whilst private public partnerships impact economic growth at the industry level through increased investment, output, and export, **economic gains at the industry level do not automatically lead to smallholder or household-level economic benefits.** To leverage poverty reduction outcomes from PPPs, development actors need to build the **capacity and bargaining power of smallholders**⁴¹ vis-à-vis large buyers in concentrated markets.

⁴⁰ Section on private sector engagement reproduced from a powerpoint on Private Sector Engagement by Kristin O'Planick, USAID, presented at the second LEO learning event (undated). Source: <http://acddivoca.org/sites/default/files/attach/technical-publications/acdivoca-leo-second-leo-learning-event.pdf>

⁴¹ An increase in bargaining power can be achieved through various channels including improved access to market information services and improved land rights as well as the better known interventions; strengthening farmer organisations and facilitating collective marketing. Some further information can be found on the following links:

- (1) An academic study of farmer bargaining power and the impact of market information services which concludes that market information services can lead to substantial increases in the price: http://www.tse-fr.eu/sites/default/files/medias/stories/sem_12_13/afio/subervie.pdf
- (2) Blogpost by USAID Coordinator on Empowerment and WEE on the linkage between land rights and bargaining power: <https://landportal.info/blog-post/2015/12/four-things-you-need-know-about-women%E2%80%99s-land-rights>

5.3 Environmental sustainability

For all the donors reviewed, there was insufficient information available online to assess the degree to which this area is being mainstreamed. For USAID, there were numerous online references to sustainable agriculture projects within their country programmes. USAID are also investing heavily in Feed the Future Labs⁴² as their research strategy “identified four production systems where an opportunity exists to sustainably increase agricultural productivity and address high levels of poverty and food insecurity”⁴³.

These are:

- South Asia cereal-based systems;
- East Africa highland systems;
- Southern and Eastern Africa maize-based systems and
- West African Sudano-Sahelian systems.

The African components of this USAID-funded work are managed by the Africa Research in Sustainable Intensification for the Next Generation Programme (known as Africa RISING). Africa RISING describe their overall purpose as being “to provide pathways out of hunger and poverty for smallholder families through sustainably intensified farming systems that sufficiently improve food, nutrition, and income security, particularly for women and children, and conserve or enhance the natural resource base”⁴⁴.

5.4 Market Linkage Programme Recommendations

- Over-reliance on market instruments as uniformly appropriate for addressing rural

poverty/ food insecurity (see section on private sector engagement below) should be avoided.

- Agricultural production needs coordination with other programmes especially on rural income generation and safety nets *particularly for those who are vulnerable but not particularly viable in a productive sense*⁴⁵.
- It is important to consider how to create nutrition-sensitive interventions and programmes at the design stage rather than retrofitting these objectives (as USAID are having to do in their Feed the Future programmes). Nutrition sensitive interventions⁴⁶ are those that address the underlying determinants of fetal and child nutrition and development – food security, adequate caregiving resources at the material, household and community levels; and access to health services and a safe and hygienic environment – and incorporate specific nutrition goals and actions, where possible. The linkages between nutrition-sensitive programming and women’s empowerment were beyond the scope of this study but are discussed (looking at agricultural interventions, nutrition interventions and microfinance) in further detail in a Transform Nutrition research brief available online⁴⁷.
- All farmers (men and women) require access to appropriate credit.
- It is important to teach farmers both ways to use agrochemical inputs more effectively (e.g. through ICT-based weather SMS messaging which can also include advice on when to apply chemicals for particular crops to decrease over-use) and about

⁴² Further information available in the USAID FTF research priorities consultation (undated):

https://agrilinks.org/sites/default/files/resource/files/SI%20Innovation%20Lab%20Consultation%20Context_0.pdf

⁴³ Source:

https://agrilinks.org/sites/default/files/resource/files/SI%20Innovation%20Lab%20Consultation%20Context_0.pdf

⁴⁴ Source: <http://africa-rising.net/about/aims/>

⁴⁵ For an example of this, please see the following links for an overview of Productive Safety Net Programme (funded by USAID and the World Bank with others) in Ethiopia:

https://www.usaid.gov/sites/default/files/documents/1865/PSNP_Plus_Real_Impact_Case_Example_030614_508.pdf

<https://www.usaid.gov/news-information/fact-sheets/support-national-food-security-and-nutrition-program>

⁴⁶ *The Lancet* definition quoted on p36 of the following source:

<http://acdivoca.org/sites/default/files/attach/technical-publications/acdivoca-leo-second-leo-learning-event.pdf>

⁴⁷ Please see: http://www.transformnutrition.org/wp-content/uploads/sites/3/2014/04/TN_ResearchBrief2_Web1.pdf

alternatives e.g. low external input approaches, conservation agriculture, agro-ecological approaches, provision of tools incl. weather updates in order to prepare for and adapt to changes from climate change, training in agroecology to build resilience through: participatory research in agroecology, dissemination of ecological farming knowledge via farmer-to-farmer networks and capacity-building of public extension services to advise farmers on how to practice ecological farming.

- Where appropriate, to introduce and/or scale-up ICT-based SMS market and weather information systems.
- Ensure that an adequate mechanism for beneficiary input and feedback (through the presence of feedback loops at micro, meso and macro levels) is in place throughout the project lifespan to increase effectiveness overall and, in particular, women's participation including in trainings and technologies that are responsive to gender roles.
- Cost-share grants can, where appropriate, incentivize private sector drivers of market linkages to invest in new and enhanced aggregation and storage warehouses to improve commodity crop handling, buying, storage and marketing. The link to private sector bulking operators can strengthen farmer organisations leading to increased integration into national/ regional markets.

5.5 Other important issues

A number of other issues were mentioned throughout as being of significant importance but with significantly less detail on how they should be addressed. These include;

- **Vulnerable yet viable; robust participant selection** was shown to be a critical success factor in a wide-ranging evaluation of ICCO's economic development projects and was also mentioned elsewhere;
- **The need to prioritise agricultural research;**

- **The need to prioritise women's land access** (Dutch MFA's recommendations in Appendix 4) and
- **To ensure adherence to the relevant guidelines and frameworks for responsible governance of land tenure and responsible investment in agriculture and food systems** (e.g. application of voluntary guidelines on responsible governance of land tenure, OECD guidelines for Multinational Enterprises, Committee on World Food Security Principles for Responsible Investment in Agriculture and Food Systems and the UN Basic Principles and Guidelines on Development-related Eviction and Displacement N.B. this list is not necessary exhaustive).

5.6 Women's Economic Empowerment Recommendations

- It is useful to encourage the use of metrics such as WEAI as well as reporting against the DCED standard to generate evidence that informs programmatic actions as well as policy measures. Where clear findings are emerging on a sufficiently representative basis from WEAI reporting, these could be used to encourage policy reform. It is not clear to what extent this is already happening as the indicator is still relatively new.
- Strong farmer organisations need to be attractive to young farmers (to encourage the retention of potentially disinterested youth in agriculture) and women (who need to be represented in governance structures to increase women's empowerment and equal returns from farmer organisation sales particularly where only male household members are registered members).
- Programmes need to focus on providing access to the means of production, knowledge, financial services and markets for SMEs especially those run by women.
- There is a debate regarding whether it is more effective for women's empowerment to provide capital in-kind (less fungible,

Dutch position) or in cash (women can choose most appropriate technology, USAID position).

- It is widely acknowledged that the provision of capital alone is insufficient – support needs to be packaged to allow women to break out of subsistence production. This should include access to suitable credit, business training and follow up technical support. The ICCO meta-evaluation found that **peer-to-peer learning was substantially more effective than formal training**. The Dutch MFA found that business training works better for women-owned SMEs than for microenterprises (presumably because of the relatively higher capacity). For all formal training, there were few demonstrable impacts on business survival or profit margins with short-courses showing the least impact.
- **Savings appear to be a promising way to improve productivity and increase business earnings especially for more risk-averse women.** They may also benefit smallest subsistence level women entrepreneurs and women with little household decision-making power (whilst microcredit is being gradually discredited, this is not the case for savings).
- **The use of mobile money can protect savings in households where spending decisions are primarily not made by women.**
- **Access to childcare** increases women's wage employment levels and earnings but the design and delivery are essential to ensure quality, affordability and cost-effectiveness.

5.7 Impact and monitoring recommendations

The programmes reviewed did not use the term 'agricultural transformation' apart from a few select mentions in their policy overviews. This means that the impact recommendations are primarily based on reviews of the Dutch food security programme and USAID's Feed the Future (a comparative table can be found below, table one). The indicators available and

reviewed for the Dutch programme focus quite narrowly on food security whilst Feed the Future's indicators are much more wide-ranging and capture more of the changes necessary to facilitate agricultural transformation, which is obviously preferable. Overall, there was a substantial gap, based on the research, in the completeness, appropriateness and comparability of monitoring and impact reporting between the three programmes reviewed. In particular, it was impossible to ascertain which indicators (if any) were being used to measure sustainability (or progress towards this). Equality was also not addressed other than through increased income. The independent evaluation of ICCO's economic development projects (primarily agriculture-based) strongly recommended that **results should be reported pro rata in line with the DCED standard** i.e. where there are multiple donors, results should be stated proportionately. It was not clear how widespread this issue (of inadvertently over-claiming and/or selectively representing results in 'marketing' brochures) is.

Based on the material reviewed, the Dutch advocate using a predetermined set of fairly narrow impact indicators (see Appendix 3) and incorporate a number of nutrition indicators as their focus is on food security and nutrition. These indicators do not capture changes in the wider operating environment. Interestingly, the Dutch do not allow the use of increase in income from one commodity (which is what many UK NGO value chain projects use, assuming this to be a proxy indicator for increase in household income) or value of product sales (ignoring cost of production; especially hidden labour and/or hired labour costs).

The ideal would probably be a synthesis of the Dutch and USAID indicators but, most importantly, **it should be a pre-agreed set of comparable indicators used consistently in line with the DCED standard. The indicators should also incorporate changes taking place during a project in the wider operating**

environment (as USAID's Feed the Future indicators do). Research for the USAID Leveraging Economic Opportunities (LEO) research project also suggests that information in market development projects should be collected at the micro, meso and macro levels with monitoring design incorporating impact via the following pathways to ensure the full impact is captured;

➤ Direct programme contacts (i.e. 'beneficiaries');

- Indirect contacts;
 - Imitation (of activities undertaken by the direct beneficiaries);
 - Adaption and innovation (people could adapt and innovate from what the direct beneficiaries do with grant funding or what the indirect beneficiaries do e.g. imitation of direct beneficiary's activities);
 - Multiplier and employment effects.
-

TABLE 1: COMPARISON OF DUTCH MFA FOOD SECURITY AND USAID FEED THE FUTURE INDICATORS⁴⁸

| What is the indicator measuring? | Dutch Ideal Indicators | Dutch Acceptable Indicators | USAID Feed the Future Indicators |
|---|--|--|---|
| Gender empowerment | No indicators in material reviewed ⁴⁹ although there was a detailed analysis of approaches which work (please see appendices 4 & 5) | | Women's Empowerment in Agriculture Index |
| Hunger & Food utilization | % population malnourished % children under 5y Malnourished % child mortality under 5yrs | | Prevalence of anemia among women; Prevalence of stunted children; Prevalence of wasted children; Prevalence of underweight women; Prevalence of anemia among children; Prevalence of underweight children; Prevalence of children receiving MAD (minimum acceptable diet) |
| Food access | % population meeting energy Requirements | Average energy intake % eating 3 meals/ Day | Women's Dietary Diversity; Prevalence of exclusive breastfeeding; Prevalence of women consuming nutrient-rich value chain commodities; Prevalence of children consuming nutrient-rich value chain commodities |
| Food access stability | % households being food secure all year | No. months/ year that household | Prevalence of households with hunger |

⁴⁸ Reproduced in edited from from pp.38-39 of IOB Study no. 363 (Dec. 2011) *Improving Food Security A systematic review of the impact of interventions in agricultural production, value chains, market regulation, and land security*

⁴⁹ Whilst no specific indicators were suggested, the following extract from the Dutch MFA review on gender is interesting: "Unequal access to one or several of the above production factors and the resulting differences in input levels explain the lower yields on women's farms: on average these may be 25% lower than those of male farmers. The shortfall in use of such inputs together with limited control over resources 'may be reasons for agricultural segregation, the concentration of women in lower-value, less-marketed crops' [...] According to the FAO, when women's constraints are reduced they could raise yields on their farms by 20 to 30%, raise agricultural output in developing countries between 2.5 to 4% and thus make a substantial impact on food output and food security globally. It would also have 'important additional benefits through raising the incomes of female farmers, increasing the availability of food and reducing food prices, and raising women's employment and real wages' [...]. DFID [...] underlines however, that '(whilst) it is possible to draw some conclusions about the relationship between agricultural growth and women and girls' well-being, data limitations and weaknesses in the existing evidence-base and the contextual nature of gender relations make it difficult to generalise across countries and to accurately estimate the magnitude of effects'". Extract from page 48-49 of Dutch Ministry of Foreign Affairs, IOB Study no. 403 *Premises & Promises A study of the premises underlying the Dutch policy for women's rights and gender equality*

| | | | |
|---|--|---|--|
| | | declares itself food secure | |
| Household income, purchasing power | % living above / below poverty threshold | Average annual income (\$/p/y; \$/hh/y) Average annual farm income, assuming that non-farm income does not change | Prevalence of Poverty; Depth of Poverty (Daily per capita expenditures); Number of beneficiaries participating in productive safety nets; Number of jobs; Total increase in installed storage capacity (m3); Gross margin; Number of rural households benefiting; Number of vulnerable households benefiting |
| Household food production | % HH producing sufficient food (threshold) | Staple food production (cereal equivalent kg/p/y) Production value (\$/hh/y) Production of main staple (kg/p/y) | Quantity nutrient-rich value chain commodities for home consumption; Number of households with formalized land; Number of farmers and others who have applied improved technologies; Number of individuals who have received US Govt supported long-term ag. training; Number of individuals who have received US Govt supported short-term ag. training; Value of incremental sales; Number of members of producer organizations and CBOs; Number of people implementing risk-reducing practices/actions |
| Food price (4) | Trends in food price (% increase/decrease /yr) Food price relative to wages (kg/day) (1) | Food price (\$/kg) | |
| Household buffer | Buffer food stock, above a minimum stock (kg/p) Buffer capital or assets, above a minimum capital | Food buffer (kg/p) Capital (\$/p) | |

| | | | |
|---|--------|--|--|
| | (\$/p) | | |
| Zone of influence national/regional indicators | | | <p>Percentage of national budget to nutrition;</p> <p>Percentage of national budget to agriculture;</p> <p>Percent change in value of intra-regional trade;</p> <p>Percent change in agricultural GDP</p> |
| Intervention indicators | | | <p>Number of people trained in child health and nutrition;</p> <p>Number of children reached by nutrition programs;</p> <p>Number of health facilities with capacity to manage acute undernutrition;</p> <p>Number of children who received Vitamin A;</p> <p>Kilometers of roads improved or constructed;</p> <p>Numbers of Policies... in processes/steps of development;</p> <p>Hectares under irrigation & drainage services;</p> <p>Number national policies supporting regional policies;</p> <p>Number of hectares of land under improved technologies;</p> <p>Number of food security private enterprises...and CBOs receiving assistance;</p> <p>Number of public-private partnerships;</p> <p>Value of Agricultural and Rural Loans;</p> <p>Number of MSMEs receiving assistance to access loans;</p> <p>Value of exports of targeted agricultural commodities;</p> <p>Number of MSMEs receiving business development services;</p> <p>Value of new private sector investment;</p> <p>Number of technologies in phases of development;</p> |

| | | | |
|--|--|--|--|
| | | | Number of food security private enterprises...and CBOs that applied improved technologies; Number of firms/CSOs operating more profitably |
|--|--|--|--|

APPENDIX 1: CASE STUDY USAID FUNDED MARKET LINKAGES INITIATIVE⁵⁰ IN EAST AFRICA

| | |
|---------------------------|---|
| Project name: | USAID Market Linkages Initiative, implemented by CARANA & ACIDI-VOCA |
| Budget: | US\$5.7 Million |
| Activity period: | September 2009-September 2011 |
| Single donor: | Yes, USAID Famine Prevention Fund |
| Intervention area: | Malawi, Uganda, Kenya, Rwanda, Burundi, South Sudan, Zambia, Kivu DRC |

The project used cost-share grants to incentivize private sector drivers of market linkages to invest in new and enhanced aggregation and storage warehouses to improve commodity crop handling, buying, storage, and marketing. This strengthened village level farmer groups, linking them to private sector grain bulking operators, thereby integrating smallholder farmers into national and regional markets. The project engaged private sector firms (traders, processors & warehouse operators), farmer associations and NGOs, who contributed their own funds to the project. In Malawi, SMS-based market information services were used for smallholder farmers and farmer associations, widening their understanding of market dynamics like price variances and trends over time and giving smallholder farmers the opportunity to sell to larger buyers.

The end-of-project evaluation found that the project represented a significant innovation in agricultural development in the Region as its primary emphasis was on the development of the capacity of traders (SMEs, large businesses and Cooperatives) to enhance linkages with farmers and reduce transaction costs and thereby increase food security. The project evaluation noted that traders were

regularly dismissed and there was limited evidence of prior initiatives to strengthen the capacity of traders, especially the smaller ones.

The impact of the combined package of capacity development, procurement of crop conditioning equipment and the construction of grain storage facilities had a clear impact in promoting the trading systems of the grantees. Most grantees reported immediate increases in turnover of 30% to over 100%. In some cases, volumes were reduced by drought but financial progress was nevertheless recorded. The development of physical infrastructure and the associated training of grantees and smallholders also increased market access.

Further the evaluation noted that: "Sustainability will vary according to the nature of the intervention. Thus, the investment in [...] infrastructure can be expected to remain, but **the sustainability of the business built around it will vary according not only to economic variables, but to the business capacity of the grantees.**" [...] The evaluation team met a small but significant proportion of grantees, mainly cooperative or NGO-managed businesses, that **lacked the necessary business acumen to survive an adverse financial climate.**

⁵⁰ Information on this project was drawn from the end of project evaluation: http://pdf.usaid.gov/pdf_docs/Pdact225.pdf and the project factsheet: Source: http://www.carana.com/images/project_descriptions/usaids%20mli%20project%20one%20page%20brief%20july%202011.pdf

The evaluation also praised the flexibility of the project which allowed the reallocation of funds both within the budget and the grantee financing.

Communication among grantees also boosted confidence and enabled the cross-fertilization of ideas among grantees. Grantees highly valued the few chances they had to interact. This finding was very

similar to the ICCO programme evaluation (see appendix 6) which found that **peer-to-peer learning** was the most effective learning method (over formal training). The creation of forums (e.g., annual meetings) for such interaction could enhance future project impacts. One grantee suggested that MLI management share its progress reports or dedicated topic discussions and analysis on its website.

APPENDIX 2: USAID FEED THE FUTURE INDICATORS (REPRODUCED, IN EDITED FORM, FROM THE FEED THE FUTURE INDICATOR HANDBOOK⁵¹)

**Zone of Influence Population-based Feed the Future Survey Indicators
National/Regional indicators**

1. Prevalence of anemia among women
2. Prevalence of stunted children
3. Prevalence of wasted children
4. Prevalence of underweight women
5. Prevalence of anemia among children
6. Prevalence of underweight children
7. Prevalence of children receiving MAD
8. Women's Dietary Diversity
9. Prevalence of households with hunger
10. Prevalence of exclusive breastfeeding
11. Prevalence of Poverty
12. Depth of Poverty (Daily per capita expenditures)
13. Women's Empowerment in Agriculture Index
14. Prevalence of women consuming nutrient-rich value chain commodities
15. Prevalence of children consuming nutrient-rich value chain commodities
16. Percentage of national budget to nutrition
17. Percentage of national budget to agriculture
18. Percent change in value of intra-regional trade
19. Percent change in agricultural GDP

Implementing Mechanism Feed the Future Indicators

1. Number of people trained in child health and nutrition
2. Number of children reached by nutrition programs
3. Number of health facilities with capacity to manage acute undernutrition
4. Number of children who received Vitamin A
5. Number of beneficiaries participating in productive safety nets
6. Number of jobs
7. Total increase in installed storage capacity (m3)
8. Gross margin
9. Kilometers of roads improved or constructed
10. Numbers of Policies... in processes/steps of development
11. Number of households with formalized land
12. Hectares under irrigation and drainage services
13. Number national policies supporting regional policies
14. Number of hectares of land under improved technologies
15. Number of farmers and others who have applied improved technologies
16. Number of individuals who have received US Government supported long-term agricultural training

⁵¹ Feed the Future The U.S. Global Hunger & Food Security Initiative (October 2014) *Feed the Future Indicator Handbook Definition Sheets U.S. Government Working Document*. Source: http://www.feedthefuture.gov/sites/default/files/resource/files/ftf_handbook_indicators_october2014.pdf

17. Number of individuals who have received US Government supported short-term agricultural training
18. Number of food security private enterprises...and CBOs receiving assistance
19. Number of public-private partnerships
20. Number of rural households benefiting
21. Number of vulnerable households benefiting
22. Value of incremental sales
23. Number of members of producer organizations and CBOs
24. Value of Agricultural and Rural Loans
25. Number of MSMEs receiving assistance to access loans
26. Number of people implementing risk-reducing practices/actions
27. Value of exports of targeted agricultural commodities
28. Number of MSMEs receiving business development services
29. Value of new private sector investment
30. Number of technologies in phases of development
31. Number of food security private enterprises...and CBOs that applied improved technologies
32. Number of firms/CSOs operating more profitably
33. Quantity nutrient-rich value chain commodities for home consumption

APPENDIX 3: DUTCH MFA FOOD SECURITY INDICATORS⁵²

Proxy impact indicators for Food security impact, Household income impact and food production impact (ideal, acceptable and unacceptable indicators)

| No. | What measuring? | Ideal Indicators | Acceptable Indicators | Unacceptable Indicators |
|------------|------------------------------|--|--|---|
| 1 | Hunger Index | Combination of indicators 2+3+4 | | |
| 2 | Food utilisation | % population malnourished | | |
| 3 | | % children under 5y malnourished | | |
| 4 | | % child mortality under 5yrs | | |
| 5 | Food access | % population meeting energy requirements | Average energy intake % eating 3 meals/ Day | Diet diversity score (outside study scope, not for other reasons) Consumption one nutrient % population food secure extrapolated from average income % population food secure extrapolated from national food production |
| 6 | Food access stability | % households being food secure all year | Number of months per year that household declares itself food secure (6) | |

⁵² Reproduced in edited from pp.38-39 of IOB Study no. 363 (Dec. 2011) *Improving Food Security A systematic review of the impact of interventions in agricultural production, value chains, market regulation, and land security*

| Proxy impact indicators: ideal, acceptable and rejected indicators for Household income or food production | | | | |
|---|---|---|---|---|
| No. | Aspect | Ideal | Acceptable | Not acceptable |
| 7 | Household income, purchasing power | % living above / below poverty threshold | Average annual income (\$/p/y; \$/hh/y) Average annual farm income, assuming that non-farm income does not change | Income from one commodity, neglecting other income Crop value, neglecting production costs |
| 8 | Household food production | % hh producing sufficient food (threshold) | Staple food production (cereal equivalent kg/p/y) Production value (\$/hh/y) Production of main staple (kg/p/y) | Production of one crop, not the staple crop |
| 9 | Food price (4) | Trends in food price (% increase/decrease /yr) Food price relative to wages (kg/day) (1) | Food price (\$/kg) | |
| 10 | Household buffer | Buffer food stock, above a minimum stock (kg/p) Buffer capital or assets, above a minimum capital (\$/p) | Food buffer (kg/p) Capital (\$/p) | Assets that do not serve to bridge a period of food shortage (housing, farm equipment, land) |

APPENDIX 4: DUTCH RESEARCH ON POLICY OPTIONS TO NARROW THE GENDER GAP IN AFRICAN AGRICULTURE⁵³

| | Promising policy options | Emerging policy options |
|--|--|---|
| Land | <ul style="list-style-type: none"> -Formalise women’s land rights through registration to increase tenure security -Expand co-titling and individual titling for women | <ul style="list-style-type: none"> -Reform family & inheritance law to protect women’s rights |
| Labour | | <ul style="list-style-type: none"> -Offer women farmers financing to hire farm labour -Task agents with helping women farmers to find labour -Provide women farmers with financing or discounts for hiring or purchasing machinery -Provide community-based childcare centres |
| Non-labour inputs (seeds, fertilizer) | <p>Provide women farmers with financing or price discounts aligned with their cash flow to encourage the purchase of fertilizer</p> | <ul style="list-style-type: none"> -Certify small bags of fertilizer for use by women -Provide flexible financing for seeds -Help women better identify and obtain good-quality seed |
| Information | <ul style="list-style-type: none"> -Train extension agents to target female farmers and to be more responsive to their agricultural information needs -Bring agricultural training and advice to women’s doorsteps through farmer field-schools and mobile phone applications -Identify female volunteer farm advisors to spread information within women’s social networks | |

⁵³ Reproduced from p.53 of Dutch Ministry of Foreign Affairs, IOB Study no. 403 *Premises & Promises A study of the premises underlying the Dutch policy for women’s rights and gender equality*

| | | |
|--------------------------|---|--|
| Access to markets | Provide market services through information and communications technology (ICT) | <ul style="list-style-type: none"> -Promote women's cultivation of high-value/cash crops -Channel existing groups to access market opportunities |
| Human Capital | Raise education levels of adult female farmers | |

APPENDIX 5: SUMMARY OF DUTCH RESEARCH ON EVIDENCE OF WHAT WORKS FOR ECONOMIC EMPOWERMENT OF WOMEN⁵⁴

| Target Group | Proven/being proven | Promising | High potential | Unproven |
|---------------------------|---|--|--|---|
| All | - Savings -Land rights/ land titling -Child care for wage workers | -Mobile phones (for financial transactions and market information) -Information on land rights -Farmer associations and networks | -Farmer field schools -Firm certification -Non-traditionally female job skills training for wage workers | |
| Non-poor | -Credit -Business management training | -Modern agricultural inputs (e.g. improved seeds, fertilizer, irrigation) | | |
| Poor and non-poor | | -Consulting services for entrepreneurs | | |
| Poor | | -In-kind capital tailored for women entrepreneurs -Integrated services for farming | | -Skills, on-the-job training and/or wage subsidies for unemployed |
| Poor and very poor | -Bundled services; in-kind capital (large) + asset-specific training & technical assistance -Rural electrification | | | -Micro cash loan or grant alone |
| Very poor | | | | -Business management training alone |

⁵⁴ Reproduced from p.52 of Dutch Ministry of Foreign Affairs, IOB Study No. 403 *Premises & Promises A study of the premises underlying the Dutch policy for women's rights and gender equality*

| | | | | |
|--------------------|---|--|--|--|
| Young women | -Demand-driven job services; skills training, internships, vouchers and/or subsidies -Conditional cash transfers | -Livelihood programmes (reproductive health + asset building + safe spaces) -Unconditional cash transfers | -Information on jobs (through mobile phones) -Mentors & role models | |
|--------------------|---|--|--|--|

Proven/being proven = Evidence for effectiveness or cost-effectiveness is robust or, in the absence of cost-effective data, simple and replicable in different settings, or weight of evidence is more than promising

High potential = Intervention has been largely untested but promising on conceptual grounds
Unproven = Intervention has not been effective for the particular category of women in the specific settings where it has been evaluated.

Promising = Credible evidence is positive but not yet convincing for breadth

**APPENDIX 6: SUMMARY OF KEY FINDINGS: SYNTHESIS REPORT PROGRAM EVALUATION ICCO
FED PROGRAM 2011-14**

| Intervention type | Findings | Recommendation |
|--|---|--|
| Innovation | Funding innovation in stand-alone projects was generally ineffective Innovation needs to be approached with care | Innovation needs to be funded through coalitions rather than by trial and error |
| Programmatic Approach | ICCO defines programmatic coalitions (PC) as several partners working together towards one goal with/without a multi-stakeholder approach (MS) where the private sector, public sector and NGOs are all represented. All projects with both PC and MS were effective, while only 20% of projects with neither were effective. | Increase effectiveness by insisting on better theories of change, and investing in larger, more comprehensive projects embedding FED interventions in programmatic coalitions and multi-stakeholder approaches is good for effectiveness and learning. |
| Creation of an alternative private sector | Programme partners evaluated had a tendency to create an alternative private sector. In many cases, collaboration with existing players instead of creating new social enterprises which often fail and are poorly designed would have been preferable. A failed social enterprise is probably the least social of all enterprises. Where creation of new businesses is still seen as essential, ICCO and its partners should think more as a social or impact investor, applying the same scrutiny to the business feasibility of investments as any other investor would apply. Good impact investors have objectives beyond profit, not instead of profit. | Build sustainability with the private sector, not as an alternative to it. |
| Partner selection and performance | The effectiveness of partner selection and whether they are private sector-minded and innovative is important for to understand. Field studies and surveys of partners and POs showed that in 47% of the cases, ICCO is taking a strong leadership position in the direction and | Selection of strong partners is critical to success |

| | | |
|----------------------------------|--|--|
| | <p>design of the projects. More new partners have been engaged in the programme. 76% of partners are more like "drivers" than "followers", which is positively correlated with success: 81% of the projects by "drivers" are effective, while only 25% of the projects by "followers" are effective.</p> | |
| Learning | <p>Learning was most effective between peers, be it POs to POs or partners learning from other partners in a coalition. Partners did not feel the capacity building provided directly by ICCO was important or had a significant impact. Although ICCO support on administrative, financial and some technical issues was appreciated by partners, it is not perceived to be as valuable as peer learning.</p> | <p>Consider peer-to-peer learning as an alternative to formal training</p> |
| Theory of Change | <p>Quality of the ToCs was rated good in 30% of the cases. The positive correlation with effectiveness is strong – all good ToCs led to effective projects, compared to only 40% of the weak ToCs.</p> | <p>ToC and results chain need to be consistently good</p> |
| Relevance and attribution | <p>DCED standard requires pro rata attribution of impacts where there are multiple donors. This can reduce the total numbers on outcomes and impacts reported.</p> | <p>Results should be reported pro rata in line with the DCED standard.</p> |

APPENDIX 7: WORLD BANK GROUP POLICY AGENDA FROM *ENDING POVERTY AND HUNGER BY 2030: AN AGENDA FOR THE GLOBAL FOOD SYSTEM*⁵⁵

The policy agenda focuses on three areas⁵⁶;

(1) Climate-smart agriculture;

Specific measures proposed include:

- promoting the adoption of drought- and flood tolerant crop varieties (such as drought tolerant maize and scuba rice) and more resilient and emissions-efficient livestock;
- expanding the reach of agricultural advisory/extension and veterinary services and improving the quality of these services;
- further harmonizing seed standards and certification (at regional levels) to ease administrative procedures;
- for seed trade and variety release to bring access to a wider diversity of seed varieties;
- improving pasture and rangeland management;
- facilitating private sector investments in input supply and
- aligning farmer incentives, ensuring associated policies do not promote production in unsuitable geographic areas (such as water-intensive production in water-stressed areas).

(2) Improving nutrition;

Specific focus areas include:

- Expanding coverage of nutrition-specific investments including deworming, growth monitoring and promotion for children under two, and iron and folic acid supplements for pregnant women.
- Refocusing investments to make them more nutrition-sensitive including;

- *Nutrition-sensitive agriculture*; focus on female smallholder farmers; technologies to reduce women's workloads; development/ adoption of biofortified crop varieties; food fortification that adds micronutrients to processed foods; aflatoxin control strategies; crop diversification to food with higher nutrient content such as horticulture, pulses, dairy, and fish; and increased nutrition education through agricultural extension and livelihoods programs that can improve dietary variety in production and increase consumption).

- *Nutrition-sensitive social protection*: based on the assumption that programmes may have a greater impact on nutritional outcomes by fostering links between conditional cash transfers for the poor and health services or water supply, hygiene and sanitation programs and specifically activities related to nutrition education or micronutrient supplementation.

(3) Strengthening value chains and improving market access through:

- A. Aligning policies with the shifting composition of demand through;** aligning farmer incentives, through associated policies, to respond to changing market demands can help raise incomes of poor farmers. This includes: (i) removing price policy biases against production of higher-value crops (such as far-reaching subsidy programs for traditional cereal

⁵⁵ Townsend, R. (April 2015), *Ending poverty and hunger by 2030: an agenda for the global food system*. World Bank Group. Source: <http://documents.worldbank.org/curated/en/2015/04/24367067/ending-poverty-hunger-2030-agenda-global-food-system>

⁵⁶ Report summary reproduced in part from the report press release. Source: <http://www.worldbank.org/en/news/press-release/2015/04/16/future-of-food-world-bank-outlines-action-agenda-for-food-system-to-help-end-poverty-and-hunger>

crops) that create disincentives for farmers to respond to market signals and that create inefficiencies in value chains, which can contribute to non-cereal food inflation and poor dietary diversity; (ii) removing restrictions on using land designated only for specific crops, particularly if these crops are also leading to negative environmental outcomes, including high GHG emissions; and (iii) facilitating trade within countries and regions, and globally.

- B. Upgrading infrastructure, logistics, institutions, and information and communication technology through;** reducing transaction costs, improving the structure of markets, and access to information can increase prices farmers receive for their produce (crops, livestock, and fish). The agenda includes: addressing structural barriers such as movement restrictions and building roads to link smallholder producers to major road networks; increasing competition in wholesale markets; streamlining or reducing multiple taxes and fees; encouraging private storage and handling; and developing sustainable models of linking market data collection with ICT technology providers to help improve access by poor farmers to market information.
- C. Improving supply chain management through** strengthening producer organizations and value chain coordination can help smallholders better link to local, urban, regional, and international markets and lower costs (operating, procurement, marketing, and distribution).
- D. Improving food safety and quality standards through:** (1) improving capacity to meet food quality and safety standards in growing high/ middle income markets to help improve smallholder competitiveness and improve domestic health and nutrition, (2) addressing food safety issues, such

as aflatoxins, that both have a negative impact on health and reduce options for trading key agricultural products like maize and peanuts and (3) reducing overuse and misuse of antibiotics in livestock and aquaculture to lower their impact on microbial resistance in humans.

- E. Reducing food loss and waste** to help reduce income losses, and together with lower food waste, increase overall food supply without GHG emissions, and help preserve food micronutrients. The agenda includes: (1) improving economic incentives through infrastructure and logistic investments to reduce transport time and costs, improving market information to better target poorly supplied markets, and facilitating product differentiation in markets for sale of less standardized, lower-quality products, (2) addressing climatic factors (temperature and humidity) through improved storage technology and (3) improving knowledge and learning.
- F. Fortifying food through:** Supporting fortification of processed food with vitamins and minerals can enhance the nutritional value of food. Actions could include: (1) developing and supporting financing mechanisms to offset additional fortification costs of commercial food processors, millers, or refiners and (2) developing regulatory frameworks for fortification standards.
- G. Productive partnerships through:** (1) linking smallholders with larger-scale producers to help them link with markets, advisory services on agricultural practices, and inputs; and (2) creating effective forums for policy dialogue between producers, agribusiness, and the public sector to better align policies to commercial realities and changing opportunities.
- H. Expanding agribusiness growth and jobs through:** (1) improving the rural investment climate (streamlining and reducing licenses and fees), (2)

promoting medium, small, and microenterprise actors in value chains, especially in rural towns, (3) targeting investments (in roads, electricity, and water) in particular economic clusters to help induce private agribusiness investment and increase economies of scale and (4) improving access of local agribusinesses to competitive financing to help them compete with foreign agribusiness investors who have access to cheaper finance, but also seizing opportunities for foreign investors to apply their globally sourced financing to benefit supply chains.