

Main Report

Triodos  Facet

EVALUATION OF LMD PROGRAMME: VOLUME 1

ICCO / Kerk in Actie 2007-2010



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Photo: Organic orchard in CECTEC agricultural school, Paraguay, October 2010

‘THE MISSION OF TRIODOS FACET IS TO CONTRIBUTE TO SUSTAINABLE ENTERPRISE DEVELOPMENT’

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ABBREVIATIONS

AFMO	Africa and Middle East
AKV	Overhead costs
AZEO	Asia, Europe and Oceania
BB	Lobby and Advocacy
BDS	Business Development Services
DAB	Direct Poverty reduction
DGIS	Netherlands Directorate-General of Development Cooperation
DREO	Duurzame Rechtvaardige Economische Ontwikkeling (Sustainable Fair Economic Development)
FAM	Financial administrative Manager
FC	Fair Climate
FED	Fair Economic Development
FGD	Focus Group Discussion
FS	Financial Services
FTE	Fulltime Equivalent
IA	ICCO Alliance
ICCO	Interchurch organisation for development cooperation
IM	International Markets
IOB	Inspection Development Cooperation and Policy evaluation
KiA	Kerk in Actie
LA	Latin America
LMD	Local Market Development
M&E	Monitoring and Evaluation
MFS	Medefinancieringsstelsel (Dutch government subsidy to development agencies)
MO	Civil Society
MP	Monitoring Protocol
NGO	Non-Governmental Organisation
PC	Programme Coordinator
PO	Producer Organisation
PSC	Private Sector Cooperation
SFED	Sustainable Fair Economic Development
VC	Value Chain
VT	Vocational Training
WUR	Wageningen University and Research Centre

EXECUTIVE SUMMARY

This report contains the result of the evaluation of ICCO's (being ICCO/Kerk in Actie) Local Market Development (LMD) programme in the period 2007-2010, funded by the MFS1 programme of the Ministry of Foreign Affairs.

The overall objective of the LMD is summarized as "small producers and employees realize a sustainable improvement in their socio-economic position within local markets by increasing their access to markets, increasing their influence in the value chains and improving their competitive edge through differentiation strategies". The value chain development concept is central to the LMD strategy; which is embedded in the theory of change of the whole fair economic development (FED) programme of ICCO. This theory of change sets the objective of the socio-economic position of disadvantaged communities to improve sustainable by promoting fair, socially and environmentally sustainable and economically viable markets. The FED programme focuses on male and female small producers, workers and self-employed in rural areas.

The work of ICCO can be defined within three dimensions: the Political (Democratization and Peace building), the Social (Access to Basic Services) and the Economic (Fair Economic Development), three societal actors (the State, Civil society and Market) and three intervention strategies (Direct Poverty Alleviation, Civil Society Building and Policy Influencing).

The FED program focuses on economic development from three angles: market development, value chain development and development of an enabling environment. Within the programme, ICCO interventions have 4 complementary roles: Strategic Funding, capacity building, brokering and lobby. The FED program has five sub-programs supported by a team of specialists. The sub-programs are Local Market Development (LMD), International Market Development (IM), Financial Services (FS), Private Sector Cooperation (PSC), Fair Climate (FC); LMD is considered to be the heart of the FED program. The total fund amount for grants committed for 365 LMD projects in the period 2007-2010 amounts to EUR 67.647.552; to date is of EUR 43.572.875 has been paid out.

To assess the LMD programme, the ToR has two basic research questions: (1) Has the position of small producers and employees sustainably improved within the LMD-programme period; and (2) To what extent has ICCO/KiA's LMD programme contributed to this improvement? To answer these questions we have translated these questions into the following research questions:

1. What are the effects of ICCO/KiA's LMD programme on the socio-economic position within local markets of small producers and their employees?
 - a. How sustainable is the improvement?
 - b. Has ICCO's LMD programme contributed to this improvement?
 - c. Has the programme been additional?
 - d. Has the programme been effective?
 - e. Has programme been efficient?
 - f. Has the programme developed 'scalable models' for LMD?
2. On ICCO's LMD programme and strategy:
 - a. Do the ICCO/KiA LMD-strategies show sufficient consistency?
 - b. Were the right partners chosen?
 - c. How does ICCO/KiA's LMD-policy relate to what is commonly believed to be effective LMD-policy?

Methodology

The scope of the evaluation is a total of 365 grant projects; the funds paid in the form of loans, guarantees and participations are not included in this evaluation. To evaluate this portfolio a random sample of 50 projects has been drawn from the 365 LMD projects in the portfolio (see Annex 3 for the complete desk review sample). The desk review has entailed detailed data collection from the available sources; furthermore a detailed desk study, and interviews with ICCO staff. To determine the outcomes and impacts (and the sustainability) of the programme on the target group, the evaluation has conducted field researches of 24 of the 50 projects in 6 countries (see Annex 4 for the field review sample). The field study

sample covers 7% of the total paid LMD grant budget, the desk study sample covers a total of 18% of the total paid out amount under LMD, and is believed to be (statistically) representative for the LMD portfolio. The first phase included data analysis, a detailed desk study, and interviews with staff of ICCO and (former) LMD staff officers. In the second phase, field research was undertaken to collect data from the projects in the field review sample, next to a survey of the 50 partners. The latter has resulted in 16 responses, which were included in the evaluation as supporting arguments. In the field studies, data from ICCO, the partner organisation and M&E information such as evaluations, have been cross checked with the partners in the field, their beneficiary organisations, and with the target group. For each project, at least one focus group discussions with members of the target group have been conducted, next to interviews with staff of the partner, and the beneficiary organisations (if any).

A detailed evaluation matrix has been developed, which is Annex 1 to this report; based on this matrix, the research questions are answered (see p. 5).

Findings

Based on the desk and field study, chapter 3 describes the findings of this evaluation; these have been grouped conform the applied evaluation approach into inputs, outputs, outcomes and impacts of the LMD programme.

Inputs

The *financial inputs* for the LMD programme in the period 2007-2010 have been EUR 67.647.552 (committed); and the actual spent amount is EUR 43,572,875. The majority of the projects implemented (50%) has a DAB intervention strategy as main strategy, followed by MO (32%) and BB (14%). A significant number of projects has a mixed intervention strategy, and scores on DAB as well as MO and BB indicators.

The *overheads* of ICCO and its implementing partners have been calculated. According to ICCO data, the overhead of DREO (the department within ICCO that implements the LMD programme) in 2007-2009 has been 12, 8 % on average. The implementing partners overhead has been estimated on the basis of desk and field study findings, and measured at approximately 26% overall. In total, therefore the overhead expenses are at about 39%.

The non-financial inputs have been analysed based on interviews with staff and reviewing of documentation. Quantity and quality of staff at ICCO to select and manage projects has been described in the light of the changes in strategy and in organisation within DREO, the department at ICCO that carries out the LMD programme. The *allocation* of projects – the main task of ICCO staff - has been part of an evolution, since not all partners in 2007 were focussed on LMD objectives, and ICCO started to work with the existing stock of partners. About 20-40% of the partners had a very broad portfolio of activities and no clear focus on economic development. Therefore, the allocation of funds to LMD programme has not resulted in only LMD projects being funded. Based on an assessment tool for value chain development projects (used by the consultants), we concluded that of the 24 visited projects 10 projects, together absorbing 37% of the field study sample budget, did not score on any of the three defined indicators for a value chain project, and therefore were scored as “no value chain project”. Another 13% had very few value chain aspects, so that in total 50% of the projects have no, or very little value chain character, while this is a crucial aspect of the LMD programme.

Partner selection was done mostly on the basis of existing partners; only 5 of the partners have been new to ICCO in the field study sample (representing 18% of the budget 2007-2010). The vast majority (68%) are NGOs, while 12% are value chain specialists, 12% producer organisations, and in 4% of the cases the contract partner was a social enterprise. Starting with MFSI, in 2007, ICCO started working with the so-called monitoring protocol, where locally specified result agreements are included in each partner contract. However, there was a wide variety of agreements; in at least 25% of the field study samples, the result agreement indicators were not measureable and in 32% of the cases, contracts also include result agreements on output level. The majority of the result agreements on financial management level are related to the financial sustainability of the partner, not to impact on target group or beneficiaries in financial terms. For the field study sample, 38 of the 115 result agreements agreed on in the contract were delivered, 37 were partially delivered and 40 not delivered. Few corrective measures were documented during the project implementation. In 2 cases, underperformance on result agreements (often combined with late and inadequate reporting of the partner) did lead to reduction on the budget for the next

contract period, or in a few cases to the phasing out of a partner (2 cases of the field study sample) ICCO has the ambition to phase out more of the partners, in total about 8-16% of the desk study sample (weighted by budget), .

ICCO has invested significantly to train its own staff, and assist the partner organisations in the learning process; however, for most partners, learning by doing has been the main source of new knowledge, and most partners have not fundamentally adapted their working methods, or target group. ICCO has developed a new M&E framework, specifically designed for the programmes operating with MFS funds; furthermore, a new computerized data management system has been introduced.

Outputs

The findings on outputs have been presented in the report grouped by the three intervention strategies, as in the monitoring protocol, where the targets and realisation scores are compared to what was found in the field studies.

A key target for ICCO was to have 97 partners active in value chains; this was achieved, and the results were actually higher than proposed (in 2009, 149 active partners). However, the meaning of “active chain supporter” varies; the intervention is not always targeted at a specific chain or market. While ICCO’s objective was that the LMD programme focus is on identifying the main bottlenecks in specific chains and involving different actors (farmers, processing industries and traders) in solving these problems, only 8 of the 24 field study partner performed an analysis of the main bottlenecks in a specific value chain and designed and adjusted its activities accordingly. Half of the field and desk study projects were a continuation of a previous programme not targeting a specific value chain, but focused on a broader context.

The objective under the institutional development (MO) component is to have 51 *BDS and VT organisation active*, which has been achieved, though these are also counted under the above “active supporters of the chain”.

In total, the LMD portfolio has now 45 *programmatic coalitions* (coalitions of partners and others) and 101 *programmatic chain interventions* (multi-stakeholder cooperation in a chain) implemented by the ICCO partners. Most programmatic interventions developed are still in an early stage of development, and the majority of running LMD projects the team visited are not or only lightly integrated into a wider programme so far. Many partners are members of forums or other networks, and the LMD programme initiated the development of coalitions or alliances, to be able to develop a programmatic approach. In several cases, there is a limited willingness between NGOs to form coalitions or alliances, because of conflicting interests (partners fight for the budget) and conflicting ideologies and intervention strategies.

Most NGOs have participated in a *network organizations and/or coalitions that have developed an advocacy strategy and market intervention strategy* with new partners. The new partners are in most cases other NGOs, but not *private sector organisations*, which represent 7% of the cases.

Overall, *Lobby and Advocacy outputs* are limited in number; this is mostly because advocacy is typically a (small) part of a wider LMD project, not an activity on its own. For example, the aim to *stimulate sustainable production* was part of one project as a minor result in the overall project design. *Addressing the business climate for small producers* was planned for 9 issues, 16 partners were active and 9 issues addressed. Main activities are participating in lobby networks, supporting/financing actions of advocacy organizations and training on advocacy/policy influencing to other organizations. The activities resulting in *number and type of national lobby events to reduce local market distortions resulting from free trade agreements* and *number and type of initiatives/cases of local stakeholders taking action against market distortion and the effects of free trade agreements* has not taken place in the LMD program itself but was taken up by ICCO’s lobby department dealing which coordinated activities from there. These lobby activities have not been part of this evaluation.

Outcomes

The evaluation has measured outcome by comparing outcomes observed in the field to (a) the result agreement, which is part of the contract between ICCO and the implementing partner, and (b) the information in the monitoring protocol, on which the reporting to DGIS is based. In general, the contract of

the 24 field cases contained in total 115 result agreements. Of all result agreements, 33 were fully achieved, 37 were partially achieved and 40 were not achieved.

Creating viable and sustainable producer organisations and chain relations has been one of the most important target outcomes of the LMD programme; although especially financial sustainability of producer organisations has been found to be difficult to realise. In some cases, the studied NGOs do not have a strong focus on creating sustainable producer organisations; 15 of the 16 respondents in the survey believe that to sustain what has been achieved so far, requires several extra years of donor support. These NGOs lacked assessment skills and monitoring systems to be able to measure profitability and feasibility of producer organisations, and in the result agreements, the results of support to producer organisations are typically described as “improved capacities”, and not in terms of business viability of the PO. 2 of the 24 organisations received next to grants also loans, or guarantees (on loans), backed by ICCO; 10 of the 24 are working actively on access to finance for their beneficiary organisations. LMD did lead to partners joining new networks, and thus the membership of networks and coalitions has increased.

The LMD programme aimed to *strengthen producer organisations in terms of membership, innovation capacity and risk profile* was realised to a varying degree. Larger producer organisations were mostly directly supported by ICCO, while smaller producer organisations received support through an NGO. *Increased use of organic production standards* has been achieved, mainly by promoting these production methods at the level of producer organisations. Also, organic production without certification was promoted, and has resulted in an increased use of organic production standards. Evidence of *an improvement of the business climate* was not found in the field study sample. Activities like lobby meetings, radio broadcasting or development of research reports have been implemented, but in the desk and field study sample, these were not part of a comprehensive lobby strategy targeting tangible improvements in the business climate. *Elimination of market distortion (through lobby)*, has not been carried out under this programme, but by another department in ICCO.

Impacts

The closed¹ projects in the field study (75% of the total sample) would have a total target value of 17,181 people (data corrected for errors and updated to end 2010), of which we found that there has been an impact of (maximum) 10,027 people, or 58% of the target. Extrapolated to the overall LMS programme result, this would be 116,000 (target 200,000). Income security is the most frequent impact realised, followed (closely) by income increases. So far, not many partner organisations have had the intention to upscale, or are up-scaling previous try-outs; only 4 out of 24 projects are in fact an up-scaling of an earlier project. The degree of up-scaling is not high: typically, the *intended* scale-up factor is 2. The general observation here is that ICCO partners tend to work with their traditional target group, and develop new projects in order to serve their target beneficiaries better, rather than use a successful approach in other areas with other beneficiaries.

Partner Learning is one of the intended goals of ICCO, which wants to contribute to the development of civil society in general, and wants to develop the capacities of its partners to implement LMD programmes in particular. By comparing the original capacity versus the new knowledge acquired since the LMD programme is active, we found in the field study that most (11 out of 24) of the partners found the LMD work to be new to them, 7 have improved their skills in the course of the project, and that was attributable to ICCO support, in their view. However, the field study revealed that this has mostly been achieved by a relatively slow and costly learning-by-doing method (see *relevance*). Five partners have indicated to have substantially revised their working methods, of which three are considered as not proficient with LMD projects before. Nearly half of the partners have changed staff, and hired new expertise to deal with the new challenges.

Assessment

Based on the above described findings, the evaluation has developed an opinion on the research questions. These are mostly based on the assessments of the 24 field study cases, which are summarised in the assessment chapters.

¹ We define closed projects as finalised and almost finalised projects (within the next 1 or 2 months)

Efficiency

Efficiency is moderate; we have assessed (cumulative) overheads, ICCO's capacity to develop and monitor projects and the allocation efficiency. Projects in the field study were also scored; while we cannot make statements on the cost per activity/output, we have assessed the partners' overall efficiency in terms of implementation and management. Overall, projects are generally efficient, though (cumulative) overheads are high; delays in implementation are frequent, activity based costing is rare; allocation efficiency is not high. Therefore, we rate ICCO's, and its partners' efficiency as moderate. **Additionality is high;** ICCO funds projects that generate results which would not have occurred without the support of the ICCO partners.

Effectiveness

Effectiveness is moderate; ICCO's partners on the whole achieve about half or a little more than half of what was agreed to be a result in the contracts with ICCO. Projects with a high DAB content score better, because they are often "traditional" projects; but are – at least in our assessment - not LMD projects as foreseen in the LMD strategy of ICCO. Relatively few projects are up-scales of earlier programmes; so far only a handful of projects have been taken to another target group to replicate and upscale the tested approach. This has to do with the relatively short time since the start of LMD in 2007, and the fact that most ICCO partners have a strong preference to work with their traditional target group. The *sustainability* of the sampled LMD projects is limited; **most key achievements are not sustainable.** That means, most of the outcomes that partners realise are not sustainable, i.e. they stop delivering benefits to the target group once the funding stops, or – as is often the case – depend on further funding. ICCO partners are rarely developing exit plans, or address the issue of sustainability in a coherent and planned manner. Also, some services provided are essentially public services which cannot be sustainable unless a local government takes over funding, which is not taken into account.

Relevance

In our assessment ICCO's **relevance is moderate to good;** about 58% of the targets of the sampled projects is realised. However, the main drawback here is that there is little evidence to validate the numbers, as there are very few baselines and impact assessments. Also, the **quality of the impact** is not well known: most projects are considered to contribute to income security, followed by income increases. The value of both is unknown. Partner learning is taking place, but slowly, and mostly by (a relatively costly) learning by doing method. ICCO's (partners') contribution to the observed effects is good, **attribution is high;** with the exception of cases where ICCO funds a smaller part of a joint donor exercise (which yields naturally a lower attribution percentage), most projects score high on attribution.

LMD Programme consistency

With respect to the **consistency of the LMD strategy** we note that the goals of LMD are not consistent with the goals of the partner policy that ICCO applies. It is unclear within ICCO's strategy whether the partner is a means to an end – sustainable improvement of the socio-economic position - or also a separate or concurrent end in itself. The other noticeable aspect is the interest of ICCO to develop NGOs into effective VC developers on the one hand and the freedom it leaves the partners to approach LMD, or value chain development.

The **partner choice** is not necessarily consistent with the aim of LMD: partners are not chosen on their effectiveness and capacity to deliver results, but (also) chosen as a part of a broader strategy to improve the civil society. This has led to projects that are part of our assessment but half of which are not LMD in content in our assessment.

We have **compared the LMD programme strategy** and policies, and compared those to other local market development programmes (-approaches) such as making Markets work For the Poor (M4P) or SNV VC programmes however, without making a definitive statement on whether or not the LMD concept of ICCO is effective or not; this we consider an item for learning and discussion. We notice that the institutional setting of ICCO as a financing agency for civil society organisations, has an impact on how ICCO – and moreover its partners – approach value chain development programmes, see the role of the market, consider the role of the partner in the value chain programme and engage in cooperation with the chain stakeholders

The **overall result of the evaluation of ICCO's LMD programme** is explained by a number of factors: ICCO and most of their partners have only recently started with LMD-type projects, which is reflected in the

different scorings of the more “traditional” partners vis-a-vis the more advanced chain development specialists. ICCO, in turn, works with the stock of partners available in 2007, and this sometimes results in sub-optimal partner and strategy choices or learning exercises. ICCO considers that in the rural areas it works, better partners are not always readily available, and hence the results reflect the circumstances. The LMD programme is also new for ICCO, and has been developed gradually. Nevertheless, in our view, ICCO has choices to improve result-orientation as have been discussed in the recommendations chapter.

Recommendations

Based on the findings, assessments and conclusions made in this report, a number of recommendations for ICCO’s future operations in this field have been developed. These include:

Improvement of the M&E system, and demand baselines: although a good system overall, baselines and post-project surveys should be a standard; indicators need to be more concrete, since the current impact indicators says little about the value of what ICCO achieves. We suggest to ensure that partner reporting is on indicators as well; to improve of data (-quality) in the current system. Also, shortening reporting cycles would enable more pro-active monitoring of projects.

Standardised reporting and appraisal: We saw that proposals, budgets, progress reports and final reports do not have any sort of format, nor do LMD projects follow a standardised approach: e.g. baselines, value chain analyses or business plans are optional, not compulsory. We recommend ICCO to review its policy and strike a new balance between partnership, support and performance control. A tool for this is to ensure that reporting (be it proposals or final reports, or budgets) is coherent, and systematic; and to challenge partners to address the issues ICCO has learned that are crucial to ensure a good LMD programme.

Benchmark development: we recommend ICCO to use its experience in funding and implementing developmental projects to develop ratios like project cost to income increase per farmer in a country or value chain. These and many other benchmarks could be of use to determine early on what is realistic to fund and what may not be; and trigger questions when a proposed activity is far from an established experience value.

Partner policy review: we consider that there is an inconsistency between ICCO’s desire to help create strong civil society organisations, while at the same wanting to achieve maximum benefits for the target groups. This is not always win-win, but often, we find, a trade-off. We strongly recommend ICCO to review what is the purpose and what is the goal here. Clarification here would be a benefit for effective selection of partners, and ICCO’s organisation as well: programme officers have a clear view on what to look for and what to dismiss as not relevant. We would recommend ICCO to see the strengthening of partners as a *component* in a LMD programme – if the partner overall qualifies to be a good VCD programme facilitator, despite some weaknesses. That component can be a part of the investment, and of the results. But it would be a means to an end; we would find that the potentially beneficial role of an (improved) NGO in society is too broad and intangible to be a goal by itself.

Value chain thinking: Local market development is meant to create sustainable sources of income for the target group within the context of the market system the target group works operates, but most partners are not (proficiently) applying value chain development methods to achieve impact. We recommend ICCO strongly to be clear to partners what are the best practices, what are minimum criteria for fundable VC projects and what the preferred role of the partner NGO should be. Also, ICCO’s own view on what value chain development should be critically reviewed. Partners should be supported with the understanding and application of “best practice” value chain development, using ICCO’s funds as well as technical expertise.

Sustainability achieved through markets: In our view, ICCO’s key challenge is to generate *sustainable* results, rather than results that depend on continued funding. To achieve better results on sustainability we recommend ICCO to ensure that LMD projects are done with value chain development methods; that partners are selected that are able to develop and manage a value chain project; that careful assessment of exit plans is done, and that ambitions are realistic as too high ambition means high risk, and that is a cost, not a benefit.

We recommend also a *demand-oriented programmatic approach*; instead of a supply-driven ambition by ICCO in order to generate effective coalitions and partnerships. We recommend ICCO to consider that Programmatic alliances are not a “must” but stimulate cooperation where that is in the mutual interest, and is effective.

1 INTRODUCTION

1.1 Objective of the evaluation

The Local Market Development (LMD) programme of ICCO/Kerk in Actie (henceforth referred to as ICCO) has been on the agenda of the DREO (Sustainable Fair Economic Development) Department since 2004. The most recent programme addressing the theme covers the period 2007-2010. With 2010 being the last year of the program, ICCO wants to assess its results. The main focus in the evaluation is the question whether the objectives of the programme have been reached as well as drafting the lessons learned and recommendations for the follow-up program.

ICCO contracted Triodos Facet to evaluate their four year program of Local Market Development, implemented with alliance members and partners, financed of the Dutch Ministry of Foreign Affairs through the MFS1 budget.

The evaluation is intended to serve the following purposes:

- 1) To prove:
 - a. Show and account for the results of the ICCO LMD programme;
 - b. Evaluate the effect of the ICCO LMD programme on the position of small producers and their employees in local markets in terms of efficiency, effectiveness and relevance as well as additionality and sustainability of the assistance given;
- 2) To improve:
 - a. Provide insight in the lessons learned and provide recommendations for future activities based on the findings of the review and ICCO LMD strategy and policies.

The evaluation focuses on the efficiency and effectiveness of the programme, with an emphasis on the latter. The overall research objective is to assess what the effect (impact) of the LMD programme has been on the (socio-economic) position of small holders and their employees.

As sub-questions, we assess (a) how sustainable these improvements have been, and (b) to what extent the LMD programme has contributed to these improvements.

The complete ToR can be found in Annex 2 of this report.

1.2 Background of the LMD programme

The LMD programme was started in 2004, when DGIS approved a special budget (€1 MLN) to be made available from the existing DGIS financed ICCO budget. This allowed the organisation to make three full time staff available to start developing a local market development approach and project portfolio in each of the 3 regions (LA, AFMO and AZEO). In 2007, MFS1 was approved. Since then, the LMD positions have been paid out of the regular MFS1 financing, and under the DREO department, new staff was recruited from inside and outside ICCO to develop the LMD programme.

We have reviewed the LMD programme on the basis of the following documents:

- ⊙ MFS1 proposal
- ⊙ ICCO partner policy document 2003
- ⊙ "BASIS UITGANGSPUNTEN externe instrumentarium ICCO"
- ⊙ ICCO Partnership Policy; ICCO Policy Paper - April 2003
- ⊙ ICCO's Code of Conduct and Principles of Good Donorship
- ⊙ Towards More Just And Equitable Societies, ICCO's support for Institutional Strengthening and Capacity Building
- ⊙ ICCO ALLIANCE Operational Plan 2007-2010

In the Business Plan 2007-2010 (the Corporate Business Plan of the ICCO Alliance as approved and funded by the Dutch Government), the overall objective on LMD is formulated as *"small producers and employees realize a sustainable improvement in their socio-economic position within local markets by increasing their access to markets, increasing their influence in the value chains and improving their competitive edge through differentiation strategies"*. The focus of the programme is rural areas, targeting small as well as larger producer organisations, small producers and rural businesses.

1.3 ICCO's theory of change

The ICCO Alliance (IA) is committed to a world focused on prosperity /well being, justice and participation. The program Sustainable Fair Economic Development (FED) sets the objective of the socio-economic position of disadvantaged communities to improve sustainable by promoting fair, socially and environmentally sustainable and economically viable markets. The IA focuses on male and female small producers, workers and self-employed in rural areas.

The work of ICCO can be defined on the basis of three values (reliability, respect and transparency), three societal actors (the State, Civil society and Market) and three intervention strategies (Direct Poverty Alleviation, Civil Society Building and Policy Influencing).

The DREO program focuses on economic development from three angles:

1. **Market development:** the accent is on the promotion of a market for products of small producers from the South. This market can reside in the South, but also in the North. The development of Fair Trade markets, partially certified markets and mainstream markets has particular attention.
2. **Value Chain development:** aim is the development of chains where the DREO target group benefits; we call this 'pro-poor chain development'. This includes the development of chains in which all actors, from producers (m/f) to processors, wholesalers, and supermarkets sustainably work together.
3. **Development of an enabling environment:** the accent is on promoting an environment that is supportive to Economic Development, such as laws and regulations, but also to enhance access to infrastructure.

Within FED IA interventions have the following four complementary roles:

1. **Strategic Funding:** the FED program uses strategic finance, selective and innovative. The funding to an institution/organization/actor is finite and limited and must not distort the market. The funding must contribute to the financial sustainability of the organization/actor.
2. **Capacity building** focuses on strengthening individual organizations (organizational development) but also on strengthening relationships between organizations (Institutional Strengthening). FED interventions take into account the chain of actors, which are crucial for economic development in the following 4 categories:
 - a. Chain *actors*, these are the actors that have ownership of the chain product at some stage in the value chain (e.g. producers, processors, merchants, wholesalers, retailers, consumers)
 - b. Chain *supporters*, these are actors who provide supporting services to a chain (banks, financial institutions, Governments, certification and quality settings, inspections, administrative service providers, etc.), they offer direct chain actors their services on a commercial basis.
 - c. Chain *facilitators*, they facilitate pro-poor value chain development and play a brokerage role. Often these are NGOs, which deliver these services on non-commercial basis. Sometimes this role is performed on a commercial basis.
 - d. Chain *influencers*: This can be trade associations of entrepreneurs as well sometimes NGOs, which play a role in bringing together various actors with a common interest. Part of the lobby work is carried out in the North by international NGOs.
3. **Brokering:** the IA FED program is positioning itself as a broker between different actors in and around value chains.
4. **Lobby:** Policy influencing focusing on local, regional and national authorities and international institutes in order to promote policies which improve the position of small producers in the market. This lobby is done both in the North and in the South.

The FED program has five sub-programs supported by a team of specialists. The sub-programs are Local Market Development (LMD), International Market Development (IM), Financial Services (FS), Private Sector Cooperation (PSC), and Fair Climate (FC).

According to the FED policy, LMD is "the heart of the FED program". A stable local market and value chain development in South is the overall goal of the FED program. Rather than choosing specific product groups, within LMD the choice of value chains is decided based on local opportunities and context. Strengthening local producer groups of farmers and other small producers and linking them to private sector actors is the main focus. Demand oriented development of production and a fair price for small

producers and sustainable access to markets are the main points of attention. The overall goal of LMD is therefore to improve the socio-economic position of small producers and employees through improved market access, improved chain influence and improved competitive position through differentiated strategies.

1.4 LMD programme approach

In the MFS1 proposal, the DREO intervention focuses on self-regulating markets. The plan states that the intervention period of DREO will be on average six years per focus country. *“Within this timeframe, promising producer organisations, labour organisations, various platforms (businesses, vocational training institutions), local bankers and/or microfinance organisations and other supporting partner organisations need to graduate and become independent, self-regulating (and commercial) organisations” (page 174).*

ICCO in the MFS 1 proposal describes the intervention strategy for the Local Market Development programme, which is based on three intervention strategies:

- 1) Direct poverty alleviation (DAB)
- 2) Civil society development (MO)
- 3) Lobby and advocacy (BB)

The Direct Poverty Alleviation (DAB) strategy in the MFS1 proposal describes the following planned outcome:

- ☉ Viable and sustainable producer organisations through profitable trade relations and an improved competitive position in local market segments

This was to be achieved by involving 97 partner organisations in 27 countries as supporters of chain development, by ensuring at least 27 partner organisations in 15 countries have the capacities to support producer organisations to adjust their products to dynamic demands in the supply chains, and enhancing investment in innovation of at least 27 POs by enhancing access to credits and other form of capital.

The second intervention strategy entails civil society development. The targeted outcome in the MFS1 proposal is described as follows (p.183):

- ☉ At least 75% of the producer organisations involved in the programme have improved their service provision, have a stronger innovation capacity and have increased the number of members.
- ☉ 20 coalitions of stakeholders within and around a chain lead to increased insights in local markets, improved chain interventions, more targeted advocacy strategies and clear agreements between chain actors.

According to the proposal, this was to be achieved by the 51 partners (local educational organisations or NGOs) in 17 countries that are financially and technically capable of providing BDS and/or VT that stimulates entrepreneurship in rural areas, and by 20 network organisations and/or coalitions within and around value chains that have access to the alliance tools and facilities for institutional development. Finally, it was also proposed that 30 DREO partners would cooperate with Dutch businesses, and/or individual managers.

The third intervention strategy described in the MFS1 proposal is Lobby and advocacy (BB), which targets the following outcomes:

- ☉ 27 lobby organisations stimulate use of organic production standards, new products and new marketing strategies for local markets (including certification).
- ☉ In 9 local institutions in 15 countries lobby has taken place for improvement of the business climate for small producers in local markets
- ☉ In 9 local stakeholders through advocacy were stimulated to map out and combat market distortion and/or promote protection of small producers against the negative effects of free trade agreements

This was to be achieved by having 27 partners that work on stimulating sustainable production (fair trade, bio, IPM), 47 partners active in programmes that aim to improve the business climate for small producers, 9 local partners developing and implementing advocacy strategies geared towards reducing local market distortions resulting from free trade agreements, and 15 national lobby meetings focussed on fair trade.

ICCO Partnership Policy, ICCO's Code of Conduct and Principles of Good Donorship and the ICCO publication "Towards More Just And Equitable Societies, ICCO's support for Institutional Strengthening and Capacity Building" elaborate on the principle of durable partnerships (according to the Code of Conduct, partnerships are as a rule, are not short-term, project oriented partnerships, but long-term oriented) and emphasize the role of civil society in the development process. The underlying conviction is that most Southern partners play a role in tackling the root causes of poverty and exclusion in their own societies at two levels: at the micro-level, where concrete interventions aim at empowerment and poverty alleviation of specific sectors and, at another level, within civil society working toward overcoming the structural, institutionally rooted causes of poverty.

During the period under evaluation, several larger institutional processes were initiated within ICCO. These processes had an impact on the performance of the staff of LMD, as well as on the efficiency, effectiveness and relevance of the LMD programme. The three main changes are:

- 1) *The shift from regionally organised to a thematic organization*; the shift from a regional based organization to a thematic organization implied that partners and projects needed to be redistributed over the different focus themes and departments of ICCO. LMD thus inherited a significant share of the projects for continuation of support.
- 2) In 2007, ICCO introduced the so-called *programmatic approach* as the future mode of operations, together with two other key strategic changes; decentralization and co-responsibility. LMD staff developed their portfolio of projects into coherent programmes. The evaluation will further look into the effect of this programmatic approach in the section on recommendations and lessons learned.
- 3) *The process of decentralization*. In 2008, ICCO decided that it would open regional offices, from where the partners and projects would in the future be managed. As with any reorganisation, this caused unrest under LMD staff, of which many left ICCO or were transferred to a new position in ICCO in Utrecht or abroad. New (often regional) staff was recruited to take over their responsibilities. The decentralisation thus caused a loss of continuity in relations with partners, a loss of efficiency during the period of transfer of projects to the regional offices, as well as a loss of knowledge and skills of the DREO department.
- 4) *Introduction of a new M&E system*. ICCO has developed and introduced the use of a customised monitoring protocol based on the MFS1 objectives. The set of performance indicators was accompanied by the introduction of a computer software system (MS Dynamics) that captures all information relating to a project funded by ICCO, and is updated and scored by the programme officers.

1.5 Organisation of the report

The current report consists of two volumes.

Volume 1: Main report; the main report describes the main findings and assessment of the LMD programme, answers the ToR research questions and offers recommendations for learning.

Volume 2: Case study report; includes the 24 case study reports. Here, the 24 LMD projects selected for field research are being described individually. The cases are introduced with a brief country context description for each of the six countries where field research has taken place.

2 METHODOLOGY

2.1 Scope of the evaluation

ICCO's LMD programme has been phased in by ICCO starting in 2007, after the MFS1 grants became available. In order to determine the population of projects that qualify under LMD, a database of eligible projects has been developed by ICCO. Projects are selected as LMD projects for MFS1 2007-2010, if the following criteria apply:

- 1) The project was funded out of the LMD budget. ICCO's systems apply percentages of a project's contribution to a specific theme, such as LMD, for the content of the projects. The rule is that if a project scores 50% or more on a specific theme, it is technically treated and paid from that budget line. For this evaluation, we are concerned with how the funds destined for LMD have been used, hence we have also applied this rule: all project funded out of the LMD budget are in general part of this evaluation, and are evaluated as LMD projects.
- 2) New projects that are marked as "LMD" in the M&E system and have been funded after 2007.
- 3) Existing projects that have been negotiated before 2007, but have (a) result agreements (a principal innovation and compulsory under MFS1), (b) are marked as LMD in the systems, and (c) are funded with LMD funds after 2007.

Note that in agreement with ICCO, ongoing projects as well as closed projects have been included. The total resulting portfolio consists therefore of 365 projects, or financings (both terms will be used interchangeably in this report), with a total budget of EUR 43, 5 million paid, and EUR 67,7 million committed to date. In total, 304 projects have been finalised, while 61 projects are still ongoing². See also table 6 on p. 6 for more details.

The evaluation seeks to assess the inputs, outputs outcome and impacts of ICCO's LMD programme, funded under MFS1, 2007-2010. The assessment therefore consists of:

- 1) Findings on inputs, outputs, outcome and impacts of the overall programme
- 2) Findings on inputs, outputs, outcome and potential outcome in selected case studies.
- 3) An analysis of these findings.

The analysis is based on the evaluation matrix and the derived method of answering the research questions as shown in table 2. Table 1 overleaf shows how the analysis of the findings generally addressed:

- ④ **Efficiency:** which means that the relation between inputs and outputs will be assessed (what has been done with which budget, staffing and know how and was this additional?).
- ④ **Effectiveness:** which means that the relation between outputs (activities) and outcome (results) will be assessed (which results have been achieved with the realised activities?).
- ④ **Relevance:** which means that the relation between outcomes (results) and impacts will be assessed (what impacts have been achieved with the realised outcomes?)

The main criteria applied in this evaluation will be to assess **to what extent ICCO's partners have done and achieved what had been planned to do and achieve**. Specifically, we therefore evaluate effectiveness and relevance against the result agreements in the contracts between ICCO and its partners.

2.2 Overall approach

The evaluation study of ICCO's LMD programme has been carried out in accordance with the rules and guidelines of its funder, the Ministry of Foreign Affairs/DGIS, using the IOB guidelines of 2009 as a basis for the methodological set-up of the evaluation.

2.2.1 Research questions

In the following section we describe the methodological approach, in brief:

For the evaluation of the efficiency, effectiveness and relevance of the LMD projects the research questions are:

² Based on end date later than 2010 in the ICCO database.

Table 1: Research Questions

Efficiency	<ul style="list-style-type: none"> • How many and what kind of projects have been realised by the LMD programme at what cost, and with which resources and systems? • What outputs for the three intervention strategies (DAB, MO, BB) have been realised at what cost? • What general types of outputs (trainings, TA, institutional funding) have been financed for which size of target group (No. of farmers) at what cost? • To what extent are LMD projects additional?
Effectiveness	<ul style="list-style-type: none"> • How and to what extent has the LMD programme enabled small producers to participate in local markets? • How many and what type of innovations have been introduced that benefit the target group, as a result of LMD? • To what extent has support improved the quality and/or quantity of producer organisations and labour organisations working with the target group? • How and to what extent has LMD strengthened coalitions and local networks, and led to improved chain interventions? • To what extent have the LMD activities led to better production standards, improved business climate, and reduced market distortions for small producers?
Relevance	<ul style="list-style-type: none"> • To what extent have the proceeds in the chain, that resulted from LMD programme(s) led to an improved socio-economic position (increase income, - security, and working conditions) of small producers and their employees? • How many and what type of people have been benefited from LMD programmes? • What does the improvement of the socio-economic position, apart from income increases, consist of? • To what extent has the position of women changed as a result of the LMD activities? • To what extent are the changes in the socio-economic position of small producers and their employees sustainable?

These research questions have been translated in the result matrices below. This table also includes references to the documents that are the basis for our opinion forming. The column 'indicators' refers to the numbers in the evaluation indicators and can be found in the complete evaluation matrix **Annex 1**. The final evaluation matrix has been developed and agreed with ICCO, as documented in the Intermediate Report.

Table 2: Research Questions, evaluation method, indicators

Efficiency of LMD projects	Evaluated against	Indicators
Overhead expenses ICCO, and implementing partners	MFS1, contract	IN1,3
ICCO investments in learning and management	MFS1, BP 2007-10	IN2, 5,6,7
Types of outputs developed for DAB, MO, BB, cost	MFS1, PP, contracts	IN1, DAB2, MO2, BB2
<i>Ratio of outputs per target group size and cost per output</i>	MFS1, PP, contracts	IN1, DAB/MO/BB2
Effectiveness of LMD projects	Evaluated against	Indicators
Number of small producers that gained access to local market per project intervention	MFS1, contract, EV studies, field study data	DAB1,2,3
Number and type of innovations benefiting the target group per project intervention	MFS1, contract, EV studies, field study data	DAB1,2,3
Number of producer and labour organisations having improved their performance per project intervention	MFS1, contract, FR, EV studies	MO1,2

Number and type of coalitions and networks strengthened per project intervention, and effect on the chain intervention	MFS1, contract, FR, field study data	BB1
Number and type of documented changes in production standards, business climate, and reduced market distortions for small producers	MFS1, contract, FR, field study data	BB2

Relevance of LMD projects	Evaluated against	Indicators
Income increases and job creation in target group	MFS1, contracts, field information, FR, EV studies	IMP1,2
<i>Improvements in working conditions, gender empowerment, security</i>	MFS1, FR, EV studies, field information	IMP1,2

2.2.2 Evaluation steps

The first phase included the following activities:

- 1) Data analysis on the basis of Excel sheets provided by ICCO/LMD programme
- 2) Detailed desk study
- 3) Interview with staff of ICCO and (former) LMD staff officers³

Desk review sample

The total portfolio of (eligible) LMD project contains 365 projects; of these we have taken ad random a sample of 50 projects for desk and field review.

- 1) We have randomly drawn 50 projects from the database (using a function in Excel, which puts a random number next to each project, and we selected the first 50 projects)
- 2) We have excluded projects with size smaller than 10,000 EUR, as these projects represent only a small fraction of the total (<1%), and are not suitable for in-depth studies. In the cases that we had to exclude projects, we have randomly drawn new projects (four projects replaced).

In order to verify the representativeness of the selected sample, we have checked the distribution of funds over regions, and funds over intervention strategies.

Thematic distribution of funds

The thematic distribution varies with less than 10% for DAB and MO, and is deviating more than that on BB, which however is a consequence of the relative limited number in the database. We consider this to sufficiently reflect the overall distribution, and have not corrected the data set for the BB intervention strategy.

Table 3: Thematic distribution of desk review sample

Intervention strategy	Total MFS 1 projects (n=365), percent of total funding	Desk study sample, percent of funding (n=50)
DAB	50%	53%
MO	32%	31%
BB	14%	11%

³ A list of interviewees at ICCO is included in Annex 6.

Table 4: Size distribution of the desk review sample, by budget

Funding size per project	Total population (n=365) EUR		Desk study sample (n=50), EUR	
	Fund Amount	Sum of Fund amount	% of total	Sum of Fund amount
≥250,000	41,296,326	61%	9,621,308	73%
50,000-250,000	24,179,155	36%	3,302,464	25%
<50,000	2,172,071	3%	180,437	1%
<i>Total</i>	<i>67,647,552</i>		<i>13,104,209</i>	

Table 5: Size distribution of desk review sample, by numbers of projects

Funding size per project	Total population (n=365)		Desk study sample (n=50)	
	Fund Amount	No. of projects in total population	% of total	No. of projects in desk study sample
≥250,000	93	25%	20	40%
50,000-250,000	172	47%	23	46%
<50,000	100	27%	7	14%
<i>Total</i>	<i>365</i>		<i>50</i>	

The size distribution of the sample roughly matches with the total population; albeit that the sample contains relatively more large projects. This is in part due to randomness and the fact that very small projects have been excluded. However, this deviation is desired, as larger projects deliver more insights for learning than (very) small projects. See **Annex 3** for the complete desk review sample.

Field review sample

In the second phase, field research was undertaken to collect data from the projects in the field review sample. In total, five missions in five countries were budgeted for in the proposal. The selection for the field visits has been done in the following way:

- 1) Regional distribution: In line with the distribution of MFS1 fund amounts in the total of projects, we distributed the missions as follows: two missions to Latin America, two to Asia and one to Africa.
- 2) Number of projects/country: Within the sample of 50 projects in the desk study, we selected the countries in which there are four or more projects. This yielded the following list of countries: Bolivia, Kenya, Ethiopia, India, Nicaragua and Peru (four projects each) and Paraguay and the Philippines (five projects each)
- 3) Previous evaluations: We eliminated the countries that were already evaluated in other ongoing ICCO evaluations. This excluded Bolivia and Peru.

This leaves a total of six countries for which missions can be conducted, two in each region. Since both Ethiopia and Kenya have a significant number of projects in the sample, and are in relative geographic proximity to each other, we have visited both countries in one field mission. In total we have visited 24 projects of the 50 projects in the sample. For the complete list of projects drawn in field review sample, see **Annex 4**.

Table 6: Sample selection: budgets, region, in millions of EUR

Region	Total population (n=365)				Desk study sample (n=50)				Field study sample (n=24)			
	Budget	% of total	Sum paid 2007-2010	% of total sum paid	Fund amount	% of total fund amount	Sum paid 2007-2010	% of total sum paid	Fund amount	% of total fund amount	Sum paid 2007-2010	% of total sum paid
AFMO	15,2	22%	10,1	23%	3,03	5%	2,2	5%	0,6	1%	0,5	1%
AZEO	19,6	28%	12,6	29%	4,3	6%	2,2	5%	2,7	4%	1,3	3%
LA	29,3	43%	18,1	42%	6,3	9%	3,4	8%	2,2	3%	1,2	3%
WW	2,6	4%	2,4	5%	0,1	-	0,1	-	n/a	-	n/a	n/a
EUR	0,7	1%	0,3	1%	0	-	0	-	n/a	-	n/a	n/a
NL	0,2	<1%	0,1	<1%	0,002	-	0,0	-	n/a	-	n/a	n/a
Total	67,7	100%	43,6	100%	12,8	20%	7,9	18%	5,7	8%	3,1	7%

Source: ICCO database

As can be seen above, the field study sample covers 7% of the total paid LMD budget; this sample is significant, but not the 25% that are considered as sufficient by the IOB. See research limitations in chapter 2.3 for further discussion.

The desk and field review is representative, in our view, representing 18% and 7% of the spent budget respectively, and a relatively large number of projects. A small number of larger projects would entail the risk of distortions through statistical outliers, and less reliability of the results.

2.2.3 Desk review

In the desk review we have extracted information from ICCO's database. The desk study extracted data from the filing system at ICCO that address the research questions formulated above, based on the evaluation matrix presented in Annex 1. In addition to that, other relevant data was collected that enhance the quality of analysis, and learning.

2.2.4 Field review

The field review analysed 24 selected cases, which were assessed based on below research matrix:

Table 7: Overview of field research methods and scorings

Subject/Result Area	Description	Methodology
1. General Information		
Project Summary	Summarises the rationale and concept of the project, and highlights key implementation issues	Based on documents and interviews with partners
Simplified result chain	Graphically depicts the project's intervention logic	For quick overview purposes the result chains are in "traffic light colours": Green=done or achieved Orange= partly done or achieved Red=(mostly) not achieved
2. Findings		
Inputs	a) EUR/funds from ICCO, and other partners b) ICCO non-financial support c) Type of financial input: - NGO partner overhead - (NGO) services (if possible, external) - External funding (to beneficiaries)	Documents, interviews Partner interview and survey Documents, interview and budgets in files.
Outputs	a) Spending destinations/category	Partner interview and survey

	<ul style="list-style-type: none"> - Training - Coaching, mentoring, management, or advocacy - Financial support (external) <p>b) Narrative summary of key outputs delivered (so far)</p>	<p>Documents, interview and budgets in files; where information is not clearly observable either estimates have been made or left blank</p> <p>Based on interview with partner, cross-checked with beneficiaries</p>
Outcomes	<p>a) Result agreements vs. reality, No. of achieved results agreements</p> <p>b) Narrative summary of the outcomes observed</p>	<p>Rating based on observable, not presumed outcomes (in case of ongoing projects);</p>
Impact	<p>a) No. of people reached</p> <p>b) Most important effect on socio-economic position (income increase, food security, income security, empowerment, gender)</p> <p>c) Income effect in quantitative terms, if any</p>	<p>Based on observable impacts; triangulation of documentary evidence, partner opinion, and FGD results;</p> <p>Rating:</p>
3. Assessment		
Efficiency	<p>Indirect measurement, as output cost cannot be retroactively assessed; indicators influencing efficiency are:</p> <ul style="list-style-type: none"> - activity-based or lump budgets - overhead of partner - delays in implementation - suitability of used inputs - management efficiency - complexity of implementation - duplication of activities - other observables suggesting (in)efficiency 	<p>Assessment assumes +, unless there are visible inefficiencies, or special measures take to increase efficiency.</p> <p>Rating:</p> <p>++ = highly efficient</p> <p>+ = efficient, no major comments</p> <p>+/- = some efficiency issues noted</p> <p>- = major efficiency issues noted</p> <p>-- = inefficient</p>
Effectiveness	<p>Assessment is based on the observable outcomes <u>now</u>; a project is effective if the outcome is visible at the time of writing. Effectiveness is measured ex post, not ex ante (expected eff.); if projects are closed, or very close to closure, effectiveness is assessed overall. In ongoing projects, "too early to say" for overall effectiveness, but for completed components assessments can be made, if any.</p> <p>For ongoing projects (>1 year in operation), an assessment is made whether or not the project is achieving outcomes in line with the plans.</p>	<p>Rating:</p> <p>++ = fully achieved, and more</p> <p>+ = most key outcomes have been realised</p> <p>+/- = some outcomes achieved, some not</p> <p>- = few outcomes achieved</p> <p>-- = outcomes not achieved</p> <p>Or, for ongoing projects:</p> <p>"too early to tell"</p> <p>"not/on track"</p>
Relevance	<p>No independent impact assessment, only the plausibility of the impact is verified; only for closed projects. Where plausibility is in doubt, "not known".</p> <p>Assessment is judging reality in the field <u>now</u>, against target in the contracts (or proposal, in case target is not mentioned in the contract).</p>	<p>++ = fully achieved, and more</p> <p>+ = significantly more half of target realised</p> <p>+/- = app. half of target achieved</p> <p>- = significantly less than half achieved</p> <p>-- = no impact achieved</p> <p>Or:</p> <p>"not known"</p>
Additionality	<p>Counterfactual: how would the results (outcomes, impacts) differ if funding had not been granted; strong deviation = high add.; et vice versa.</p> <p>The possibility of alternative donors having funded the project is <u>not</u> considered.</p>	<p>++ = Very additional</p> <p>+ = additional</p> <p>+/- = not fully additional</p> <p>- = low additionality</p> <p>-- = not additional at all</p>
Sustainability	<p>Sustainability is considered whether or not a project's outcome or impact is there, after project support has ended.</p> <p>Measured against contract; where outcomes are meant to be sustainable, sustainability is assessed, otherwise "not relevant".</p> <p>No augmentation of assets is considered unsustainable (outcomes where the grant from ICCO partner is still generating effects, but it is evidently not replaced, are finite, and not self-sustaining).</p>	<p>Rating:</p> <p>++ = sustainable, with growth potential</p> <p>+ = most key achievements are sustainable</p> <p>+/- = some outcomes sustainable, some not (50:50)</p> <p>- = most key achievements are not sustainable</p> <p>-- = unsustainable</p> <p>Or:</p> <p>"not relevant"</p>

Attribution	<p>a) ICCO rule if more than one funder for the same project: ICCO contribution percentage is multiplied with outcome/impact</p> <p>b) Where no other donors are involved, we rate attribution according to how significant the involvement of ICCO projects is</p> <p>c) Where relevant, we try to net out the effect of market(-prices), shifts in the demand, and other factors</p>	<p>++= fully attributable to LMD</p> <p>+ = significantly attributable to LMD</p> <p>+/- = not fully attributed to LMD</p> <p>- = not attributed to LMD</p> <p>---= not attributed to LMD at all</p>
M&E data comparison	Comparison between the ICCO M&E data for the project, and the actual observed in the field (quantitative targets only); assesses whether the data can be validated or not.	For ongoing and recently closed projects: validation possible; if data is completed in the system. For projects closed longer than 1 year, no comparison can be made (actual observed cannot be compared to old figures; we cannot retroactively assess actual more than 1 year ago). Here, the team provides a mere indication of likelihood the target was achieved.

2.2.5 Partner survey

The team has implemented a partner survey; the aim of the survey is focussed not on specific projects but on general aspects of the cooperation, and results of the involvement with ICCO's LMD programme.

The survey has been made available online in November, and targeted;

- (a) the 50 implementing partners that are included in the desk study sample, including those visited during the field mission;
- (b) Six partners ICCO considers to be the most advanced and progressive partners in LMD, serving as a benchmark against the desk review sample.

The limitation here is that the response rate has been lower than hoped for; a total of 18 (out of 56) respondents have submitted a complete questionnaire. Despite four reminder letter from ICCO, and direct phone calls to partner organisations, the response rate remained very low. A reason could have been that partners found the questions to be sensitive to their relation with ICCO, and were concerned about consequences, despite the repeated reassurance from ICCO that this would not be the case.

Therefore, the survey information has to be treated more as anecdotal evidence, rather than statistically relevant information.

2.3 Research limitations

2.3.1 Overall

- 1) Outcomes and Impacts (effects of LMD interventions on partner organisations, beneficiary organisations and target group) can be best assessed in the field. The analysis of effectiveness will therefore be concentrated on the achievements in the 24 case studies selected.
- 2) The interventions of ICCO's LMD programme in the 36 countries display a high degree of diversity: apart from the three intervention strategies, country context, partner preferences and interpretation of the LMD theme and subsequently the content of the projects. This means that the scope for generalisation of conclusions drawn from field findings is limited. The evaluators will draw on their experience elsewhere to judge whether conclusions can be generalised or not.
- 3) Most, if not all findings are the result of information gathered within the context of the evaluation, and therefore not fully independently acquired. Where possible, we have sought to collect independent information (newspapers, sector organisation reports and the like).
- 4) With respect to efficiency, we cannot (ex-post) assess whether a particular output could have been achieved with less resources, for two reasons: considering the diverse country and project contexts this would – after the activity has taken place – makes a factual assessment impossible; beyond that the timeframe available does not allow for an in-depth assessment. We have used the IOB guidelines (2009) to develop indicators for efficiency, and have applied those.

- 5) With respect to effectiveness, our findings are based on the reports and interviews with the stakeholders. The findings have been triangulated between the different stakeholders to ensure their accuracy; however, we cannot validate all information. We have not conducted an audit, or collected factual evidence beyond reviewing available documentation, interviews and discussions with involved people. Where doubts about the accuracy of the information have arisen, this has been noted in the text.
- 6) With respect to relevance, we have not conducted a quantitative impact assessment in any of the case studies (unless such information was available); with the means available this could not be done. Instead, the evaluators have tested whether or not a claimed impact, as reported by ICCO partner, is *plausible*, or not.
- 7) This review does not seek to compare ICCO's LMD programme to other programmes or organisations (no benchmarking) nor does it seek to give an opinion on the strategies and plans made by ICCO (no opportunity cost analysis).
- 8) The sample size is smaller than would be IOB standard: 18% (desk study) of the total, of which 50% have been visited (being 7% of the total funds spent). Reason is the relatively small average size of project, and subsequent high number of projects. The evaluation of a project however requires a minimum time, so that more than 5-6 projects per mission are not feasible to do. Generalisation of these findings for the whole portfolio is therefore limited to some extent. However, we consider the findings representative as the number of projects is large within the portfolio and the sample(s); and the sample has been drawn at random. Therefore, we consider the answers to the research questions valid.
- 9) We have excluded project smaller than EUR 10,000, as these projects would be too expensive to evaluate relative to the importance of the project for the portfolio (<1% of the total budget). We do not believe this have a distorting influence on the results.
- 10) The case studies are not country studies: the country in which the projects took place have not been randomly chosen, but have been chosen for logistical reasons. The country context is not part of the evaluation.

2.3.2 Case studies

- 1) In many of the selected cases, the project consisted of several components that are geographically at a large distance from each other, and hence it was not always possible to perform interviews and site visit for all the project components. In such cases, the evaluation does test the other components on the basis of the information and interviews, but without cross-checking in FGDs. Where the FGDs have revealed significant deviations, this has been taken into account when assessing the other components, if comparable.
- 2) In cases where a project entails multiple outcomes, components and target groups, and a choice had to be made, the evaluators have themselves decided which outcomes to research; however, the evaluated partners have had a strong influence on the organisation, composition of the focus group and selection of the people who have been interviewed; and the interviewed individuals were aware of the context of the evaluation. Therefore, information extracted is not fully independent. The evaluators have used their professional experience to gauge whether or not information given has been biased, and should be used for assessment.

Overall, the research limitations are made explicit to make the reader aware of these; however, we do not consider these to be (a) unusual, and (b) having a significant influence on the quality of the answers to the research questions.

3 FINDINGS

This chapter discusses the findings of the desk and field study and the results of the partner surveys. In general, these are the facts, figures, and observations made by the evaluation team. On the basis of these findings we develop our opinion on the research questions, as presented in the Assessment in chapter 4. The chapter is organised in four main sections:

- 1) Inputs
- 2) Outputs
- 3) Outcomes
- 4) Impact

3.1 Inputs

The section of inputs discusses the following findings:

- ⊙ What have the financial inputs been for the LMD programme, and the different intervention strategies (DAB, MO, BB)?
- ⊙ What have the overhead expenses been of ICCO and the implementing partners?
- ⊙ What have the non-financial inputs been, namely;
 - ⊙ Quantity and quality of staff at ICCO to select and manage projects
 - ⊙ Systems to allocate funds to projects
 - ⊙ Systems to select partners
 - ⊙ Systems to enhance internal learning
 - ⊙ Systems to plan, monitor and evaluate LMD projects

3.1.1 Financial inputs

The total fund amount committed for LMD projects in the period 2007-2010 amounts to EUR 67.647.552. The total sum paid to date is of EUR 43.572.875. The significant difference between funds committed and funds disbursed can be explained by the high average contract duration of the projects. Over 40% of the programmes in the total LMD portfolio have a duration of 3 years or longer. In addition, 23% of the projects had its duration extended. Less than 2% of the projects (measured in EUR) were ended prematurely.

Financial inputs per region

Most of the LMD budget was spent in Latin America (43%), where also most of the projects were implemented (138 projects, or 38%). Africa and the Middle East are second, with 114 projects (31%) and third is the AZEO region, with 93 projects and 29% of the budget.

Table 8: Financial input per region, EUR

Region	Fund amount (committed)	Paid (Actual expenditure)	% of total funds	No. of projects	% of total No. of projects
AFMO	15,155,269	10,061,672	22%	114	31%
AZEO	19,643,737	12,604,516	29%	93	25%
EUR	700,312	271,534	1%	3	1%
LA	29,288,043	18,102,068	43%	138	38%
NL	222,010	137,330	0%	8	2%
WW	2,638,179	2,395,755	4%	9	2%
<i>Grand Total</i>	67,647,552	43,572,875	100%	365	100%

Source: ICCO LMD project database

Financial inputs per intervention strategy

The LMD programme is composed of three different intervention strategies;

- 1) DAB (directe armoedebestrijding): This intervention strategy focuses on poverty alleviation through chain development: viable and sustainable chain relations within local market segments are the main deliverable
- 2) MO (maatschappij ontwikkeling): This intervention strategy focuses on the civil society, and consists of the following main deliverables: (MO1) Capacity development: strengthening of producer organisations and labour organisations in rural areas in terms of membership, innovation capacity and risk profile, (MO2) strengthening of local networks: coalitions lead to improved chain interventions.
- 3) BB (Beleidsbeïnvloeding): This intervention strategy is based on lobby and advocacy. The main deliverables defined are: (BB1) Promotion of the use of organic producing standards, new products and new marketing strategies for local markets including certification mechanism; (BB2) Improvement of the business climate - amongst others rules and regulations - for small producers; (BB3) Elimination of market distortions (negative effects of free trade agreements) through lobby.

The majority of the projects implemented (50%) is based on a DAB intervention strategy, followed by MO (32%) and BB (14%). It must be noted also a significant number of projects has a mixed intervention strategy, and scores on DAB as well as MO indicators.

Table 9: Distribution of budget over intervention strategies, per region

Region	Average of % DAB	Average of % MO	Average of % BB
AFMO	53%	37%	9%
AZEO	52%	28%	16%
Europe / USA / Worldwide	16%	43%	30%
Latin America	52%	30%	15%
<i>Average overall portfolio</i>	50%	32%	14%

Source: ICCO LMD project database

Financial inputs: ICCO overhead expenses

In the annual reports, the overhead costs for the MFS 1 programme within DREO have been specified as follows:

Table 10: ICCO/DREO overhead expenses, 2008 and 2009

Item	2008	2009
DREO overhead	12,3 %	13,4 %

Source: ICCO accounting information

This indicates that the approximate overhead (or AKV) of the ICCO LMD projects is 12,8% on average.

DREO at her peak had 70 employees, and an annual budget of EUR 32 million (this budget includes staff from KiA). The LMD budget was about EUR 11 million per year, and the largest programme under DREO.

Financial inputs: Partner overhead expenses

ICCO contribution to partner activities are, on principle, not based on activities, but mean to contribute to the overall objective of the partner organization, including overhead costs. However, all partner organizations are expected to deliver outcomes based on activities financed by ICCO. The desk study analysed to what degree activities were specified in the project budget. For 46% of the projects, the evaluation team could not directly relate the budgeted costs to the activities specified in the project plan.

The *overheads* in the field study were assessed as follows:

- 1) General expenses such as office rent, support staff, office expenditures and the like, paid from ICCO budgets are considered overhead;
- 2) All cost directly attributed to LMD project activities were excluded;

- 3) Cost for organisational development were not included as overhead if these were part of the project; where these cost were not directly related to the aim of the project (e.g. visit to a conference, networking, etc.) the cost were included as overhead.
- 4) In cases of pure overhead funding, the percentage was excluded (1 case).
- 5) Overhead percentages were shared and discussed with the partner during the interview. There have been expenses which could be interpreted either way, naturally; we estimate that this could swing the percentage 3-4% either direction. Based on this assessment in the field the average budget that can be attributed to organizational overheads is 26%.

Table 11: Implementing partners' budget distribution, field study sample

Partner budget categories	Average % of partner budget
Overhead	26%
Services provided directly by the NGO	34%
External funding	40%

Source: Field study, n=23

Leverage of ICCO funding

According to the partner survey, the share of ICCO funding compared to the overall budget of the contract partner ranges very widely (from 1% to 80%). On average, ICCOs share of the total partner budget is around 20%.

Table 12: Share of ICCO funding of budget partner organisation

Year	2007	2008	2009	2010
Average share of ICCO funding in contract partner budget	27%	24%	17%	21%

Source: ICCO LMD partner survey, n=18

Financial inputs on gender

According to the ICCO database, 13 of the 365 LMD projects include a specific focus on women. These 13 projects absorbed EUR 1.652.203. However, this is an understated approximation of the total input for gender relevant activities, because desk and field study indicates that addressing gender issues was often been included to a project, but budgets are not specifying these activities. This justifies the assumption that inputs in gender relevant projects were higher than the EUR 1.652.203 mentioned above.

3.1.2 Non-financial inputs

Quantity and quality of staff at ICCO

In the period 2007-2010, DREO employed between 25 and 70 people. It is difficult for this evaluation to extract the number of staff that worked on the LMD project alone, for a number of reasons. Firstly, staff has not registered time spent on LMD projects versus other activities/ work on other DREO programmes. In addition, staffing and responsibilities changed in the course of time, mixing functions and responsibilities (for example a specialist becoming responsible for a number of partner contracts). Thirdly, during the decentralisation process, tasks and responsibilities were transferred to new staff in the regional offices, which were not included in this evaluation because this process is still ongoing.

In the period 2007-2010, DREO had the following staff positions:

- ☉ *Relatiebeheerder*; the relationship manager acts as an account manager to the partners, and was also responsible for the development of the programmatic approach and country plans as well as a portfolio of "loans and guarantee funds" disbursed in their respective countries.
- ☉ *FAMer*; the financial manager assesses financial accounts and provides input to improve the financial management systems of partners.
- ☉ *Specialists*; thematic specialist, like experts on organic certification, tropical fruit value chains, capacity development, provide support to the relationship managers on thematic issues.
- ☉ *Bedrijfseconomisch medewerker*; Business and economic specialist, supports the relationship manager in assessment of business plans / business check on proposals

- ⊗ *Programme coordinators (PC)*; The PCs are the regional managers of DREO, 5 FTE was dedicated to this management layer; one PC for each region (AFMO, AZEO and LA). Their tasks include team management, and portfolio oversight. In practice, the PCs often also worked as a relationship manager for one or more countries.
- ⊗ *Head of the DREO department*; the DREO department was headed by 2 FTE.
- ⊗ *Secretaries, 7FTEs*

LMD, or economic development in general, is a relatively new theme within ICCO. Many of the staff members expressed their satisfaction with the shift to a thematic organisation. It was felt that working on the theme of economic development with likeminded people, and approaching the challenges from the same economic development angle led to more professionalism and improved internal learning.

Not all staff within DREO had a background in economic development, and it took time for staff to learn and get acquainted with the new LMD approach. For that reason, business and economic specialists were recruited, mainly from outside ICCO, to help assess feasibility of business plans, and analyse risks. The majority of interviewees stated that in the first two years of DREO, the department was overstaffed with specialists, who sometimes had conflicting opinions, which according to them did enhance internal learning and knowledge development, but which also slowed down core processes of project development and management. In some cases, relationship managers thus preferred to bypass a specialist.

Allocation of projects

The project application procedure starts with a “country programme”⁴, developed by the relationship manager. It describes the approach and coherence of ICCO activities in a country, the objectives of ICCOs involvement and provides a rationale on why the approach suits ICCO. According to staff interviewed, if the country programme is approved by the head of DREO, this already means that the activities/projects of the partners are informally approved. With this country programme in mind, the relationship manager initiates a dialogue with the existing ICCO partner, who then develops a proposal. However, country specific LMD plans were developed for 8 countries; a further 13 are included in sub-regional thematic plans and 2 in IM plans with a LMD component.

LMD “inherited” 27% of its projects at the launch of the programme in 2007, as can be seen in table 13 below. When MFS1/LMD was started, ICCO partners and projects in the different regions were distributed over the different themes and departments of ICCO. While for 60-80% of the partners it was evident under which department they could best continue to perform, 20-40% of the partners had a very broad portfolio of activities and no clear focus on economic development or other themes, such as access to basic services, democratisation and peace building.

Table 13: LMD projects committed before 2007

Date of contract	Number of projects	% of total projects
Contract signed after 1-1-2007	268	73%
Contract signed before 2007	97	27%
<i>Grand Total</i>	365	100%

Source: ICCO LMD project database

Overall, the LMD partners have been mostly existing partners; 82% of the budget went to this group during 2007-2010 (in our field study sample); 5 partners were new, representing 18% of the budgets.

⁴ In principle, “country plans” are no longer in use but should be LMD plans in a country, or ideally part of a value chain programme (which is however infrequently the case in the sample we have reviewed).

Table 14 Existing vs. new implementing partners ICCO (n=24)

Item	New Partners (Financed after 2007)	Traditional Partners (Financed before 2007)
Number of partners (n=24)	5	19
As percent of budgets	18%	82%

Source: field study data

Application of value chain development concept

The evaluation team developed a scoring tool to be able to estimate the “value chain development” degree of the projects in the LMD portfolio, in an attempt to see what projects can be seen as truly innovative and market oriented, and what share of the LMD supported projects are not directly qualified as innovative and market oriented. The criteria applied are based on the commonly available “best practice guides” on value chain development, such as M4P, discussed in greater detail in section 4.4. These are however not necessarily universal, and represent the evaluators’ view.

The team scored all field study projects on the following 3 indicators:

- 1) Has a value chain analysis been executed to define project concept and activities? (not necessarily funded by ICCO);
- 2) Did the contract partner build capacity of/ collaborate with sustainable chain service providers?;
- 3) Did the intervention target increased number/volume of transactions, with a clear end-market/buyer?

Based on this tool, 10 projects, together absorbing 37% of the field study sample budget, did not score on any of these indicators, and therefore were scored “no value chain project”. Another 13% had very few value chain aspects, so that in total 50% have no value chain character, while this is a crucial aspect of the LMD programme. This applies also to projects with MO, or institutional character: interventions are meant to have an effect on the chain, rather than being a solution to a general matter. MO projects too, are frequently not based on “value chain thinking”.

Table 15: Value chain rating of LMD projects, field study sample

Value chain rating	Frequency	Budget (EUR)	Percent of budget
No value chain project at all	10	1,599,079.77	37%
A few value chain elements	4	560,000	13%
Some important value chain elements	4	1,500,031	34%
Value chain project	4	708,449	16%
Not rated because not relevant	2		
Total	24	4,367,560	100%

Source: Opinion of the evaluators, based on scoring tool, n=24

Partners

As mentioned above, LMD ‘inherited’ close to one third of the projects, and with that the relationship with the implementing partners of these projects. Since economic development was a relatively new theme within ICCO, many of these existing partners had limited or no experience in formulation and implementation of economic or local market development projects and programmes.

According to the field and desk study sample, 68% of the ICCO LMD contract partners were NGOs, 12% were value chain specialists, 12% producer organisations, and in 4% of the cases the contract partner was a social enterprise.

Table 16: Type of partner organisation, desk study sample

Type of partner organisation	Number of projects	%
NGO	34	68%
Producer organisation	6	12%
Labour organisation	0	0
Educational organisation	2	4%
Value chain consultant	6	12%
Social enterprise	2	4%
Total	50	100%

Source: Field and desk study data, N=50

In the section on outputs, the evaluation team elaborates further on the different roles ICCO partners have played in their local market development projects.

Systems to enhance internal learning and to determine the LMD strategy

Internal systems to enhance learning on LMD issues within ICCO in Utrecht were largely dependent on the PC, who could organise regular learning sessions or require relationship managers to exchange more with specialists. Staff was trained on value chain methods and approaches by WUR, and other consultancies, and most relationship managers considered the learning together with the partners in the field as a valuable experience as well.

According to both ICCO staff and interviewed partners, ICCO is very loyal to its partners and has offered them time to learn and catch up with the LMD concept. In general, ICCO partners are visited every year by the relationship manager, who according to the field study and partner survey mainly uses this moment to discuss project strategy and progress, and make field visits. Significantly less partners (3) stated that time with the relationship manager was spent on discussing the concepts behind LMD and/or value chain development.

Half of the partners interviewed or surveyed (14) mentioned they had received some guidance from the ICCO relationship manager, 1 out of every 4 partners received training and coaching from a consultant/facilitator contracted by ICCO. However, “learning by doing” was rated by all respondents as the most important learning factor, and ICCO support was rated as a “minor” contribution to the partner learning curve. Learning from partners in a network or other organisations was only rated by 1 project as relevant, however at least 9 respondents joined in meetings, sponsored by ICCO, to exchange experiences. Partner indicated that this delivered a significant contribution to their own tools and insights. Field study evidence suggests that in some cases, there is animosity between partners, which hampers exchange.

3.1.3 Systems to plan, monitor and evaluate the LMD programme

Approval and contracting procedure:

Systems to plan, monitor and evaluate the LMD programme include the procedure for project application and contracting. These steps are summarised below.

- 1) **Country plan:** As mentioned above, the country plan is an official first step to plan ICCO projects. A country plan describes the approach and coherence of ICCO activities in a country, the objectives of ICCOs involvement and provides a rationale on why the approach suits ICCO. LMD funded projects in 23 countries, and for 8 countries such a country plan has been developed. The other countries were included in sub-regional plans (13) or International Market plans
- 2) **Proposal:** The first step in the project application and approval process is that the partner prepares a project proposal. The vast majority of proposals is received from organisations that the ICCO relationship manager has visited during a field visit. The organisation is invited to submit a proposal, of which it has already discussed the tentative outline and budget with the relationship manager. ICCO has no standardised format for the project proposal. According to the findings of our desk study, the quality and length of proposals varies widely.

- 3) **Project plan:** The relationship manager translates the proposal into the ICCO “project plan format, and proposes result agreements on outcome level as well as on financial management level. These result agreements are often outcomes copied from the project proposal. The relationship manager also interprets the foreseen results and translates them into indicators in the MP format of Microsoft Dynamics, the ICCO project management software. The relevant indicators of the monitoring protocol, and the project tentative scoring on these indicators, are also included in the project plan. Next, the project plan is reviewed and approved by:
 - ⊙ 2 colleagues of the relationship manager
 - ⊙ the PC
 - ⊙ the head of DREO
- 4) **Organisational scan:** Before funding can be considered, ICCO conducts a detailed scan of the organisation, validating whether the organisation is mature enough to be trusted as a partner for ICCO.
- 5) **Contracting:** The result agreements as formulated in the project plan are included into the contract, and a formal reaction of ICCO is communicated to the partner. In some cases, contract negotiations take place before the contract is signed.
- 6) **Reporting:** The contract includes the number of narrative and financial reports required as well as the due date. In general, ICCO requires annual progress reporting on the 1st of April and an organisational audit per June 30st of the previous year (no project audit). In some cases, special “monitoring issues” are included in the contract, on which ICCO requests the partner to report.
- 7) **Feedback letters:** ICCO responds to every report received with an official feedback letter. This letter acknowledges the reception of the report, and provides feedback to the partner on the result agreements as stipulated in the contract.
- 8) **Monitoring protocol:** The MP is updated at least annually by the relationship manager, based on meetings as well as official progress reporting of the partner.

Result agreements:

In 2007, ICCO’s R&D Department introduced a new contracting policy, where result agreements are included in each partner contract. These result agreements are formulated on two levels

- ⊙ Result agreements on outcome level
- ⊙ Result agreements on financial management level

With respect to the result agreements on outcome level, the evaluation team found a wide variety of agreements. In at least 25% of the field study samples, the result agreement indicators were not measurable. In at least 32% of the cases, contracts also include result agreements on output level (for example the number of trainings organised). The majority of the result agreements on financial management level are related to the financial sustainability of the partner (to actively look for other sources of funding).

The evaluation team found that for the field study sample, 40 of the 115 result agreements agreed on in the contract were not delivered, 37 were only partially delivered (see table Table 26: Number of achieved result agreements). No reminders or corrective measures were documented during the project implementation. In some cases, underperformance on result agreements (often combined with late and inadequate reporting of the partner) did lead to reduction on the budget for the next contract period or (in very few cases) the phasing out of a partner.

In the table below we summarise the findings with respect to the changing of partners in the desk study sample: 75% of the budgets are going to partner who are still funded, and are not planned to be “phased out”. About 8% of the budgets are allocated to partners planned to be phased out – here we have however noted in the files that this has frequently been the ambition, but did not occur in the end. Another 8% of the budgets went to four projects terminated in execution (e.g. for fraud). At best, therefore, 9% of the budgets went to partners that were actually phased out (which can be for a variety of reasons, like one-time researches, change in geographic focus, or underperformance). In total, 18 of the 50 partners were changed, which is proportionality more, suggesting that the larger partners are less likely to be phased out.

Table 17: Status of LMD partners, 2010

Status of LMD partners	% of budgets (n=50)	No. of partners (n=50)
Ongoing	75%	35
Terminated	8%	4
Planned to be final funding	8%	6
Final funding	9%	5

Source: Field and desk study data, N=50

Monitoring and evaluation:

As mentioned above, the monitoring protocol key indicators and target values are in the project plan, but we found that they are infrequently found in the contract with the implementing partner. Not all result agreements have been translated adequately into the (new) monitoring protocol.

The monitoring protocol is the foundation of the annual progress reports that are submitted to DGIS. For MFS1, DGIS restricted the number of indicators in the monitoring protocol to 1 indicator per objective. The monitoring framework therefore initially included only 9 indicators. In the following years, three new indicators were added to the monitoring protocol, in consultation with DGIS.

The MP also contains a “quality indicator” for achievement of the result. This indicator represents the subjective assessment of the ICCO staff member on the quality of the implementation, ranging on a scale of 1 to 4 from “good” to “poor”.

External evaluations:

It is the objective of ICCO to have external evaluations implemented for each partner, every 3-5 years. An external evaluation is agreed upon in the project contract, and budget is made available by ICCO. In ICCO’s evaluation policy, the partner is in principle the owner of the evaluation, while ICCO is monitoring the implementation. The procurement procedure differs, but usually the ToR is written together with the partner, and the partner proposes a suitable local consultant to ICCO, who checks if the consultant has the proper skills and has no evident conflict of interest. In some cases ICCO may recruit an additional Dutch consultant.

For the LMD project, 100 projects were externally evaluated. The evaluation reports assessed by the evaluation team widely differs in scope, findings and lessons/benefit for the implementing partner. We have, however, not scored the quality of the evaluation reports as such; the findings of the reports were used in the field studies, and cross checked with the findings of the evaluation team, if relevant. Also, partners have been questioned whether or not the evaluation has been seen as useful, and if it has led to changes in the implementation.

3.2 Outputs

3.2.1 General notes on LMD outputs

The partner budgets were divided into three output categories, namely training provided by the contract partner, coaching provided by the contract partner and “funding”, which includes both hardware for the target group as well as contracting of external service providers.

Table 18: Types of outputs

Outputs	Weighted average % of budget
Training	58%
Coaching, consulting	29%
Direct financial support	25%

Source: Field and desk study data, N=50

As can be seen, the majority of resources were dedicated to training of producer organisations and community organisations. In general, the evaluation team found that many outputs were defined and delivered from a programmatic angle, where the partner engaged in a long term, broad based capacity

building plan for the targeted communities. This opposed to providing targeted, short term services with a clear focus on enhancing their participation/ entry into local markets.

In the sub-chapters below, the outputs achieved per intervention strategy are discussed in greater detail.

3.2.2 DAB (Poverty alleviation) outputs

The monitoring protocol provides the following data on the output indicators of the LMD programme. In the table below, we summarize the relevant poverty alleviation output indicators as targeted by the LMD programme. We also present our findings of the field study, summarizing the targeted output of the projects selected in the field study sample, the realized output according to the ICCO MP, and the realized outputs according to the field study findings.

Table 19: Monitoring protocol Poverty Alleviation (DAB) outputs

DAB outputs	LMD target	LMD Targeted outputs of field study sample (cumulative)	LMD Realized outputs of field study sample (cumulative)	Field study findings
DAB2.1; Number of partner organisations active as a supporter of chain development (supporter) and number of partners active in the chain (actor)	97 chain actors & supporters of which 77 chain supporters	12 chain actors & supporters of which 2 chain supporters	5 chain actors & supporters of which 1 chain supporters	8 chain actors & supporters
DAB2.2; Number and type of producer organisations supported		34 producer organisations	37 producer organisations	26 producer organisations

Source: ICCO project administration in Microsoft Dynamics

T=target, R=realised between 2007 and 2009, as stated in the ICCO progress report 2009.

Partners active as chain supporters or actors:

According to the ICCO alliance progress report of 2009, the target of 97 partners active in value chains was easily met, and results were actually higher than proposed (in 2009 ICCO reported 149 active partners). The report does not differentiate between chain actors versus chain supporters.

The evaluation team took a closer look into what it means to be an “active chain supporter”, and aimed to identify innovation in partners’ strategy to enhance participation/ entry into local markets for their target group. It was found that the intervention is not always targeted at a specific chain or market. While ICCO states that the LMD programme focus is on identifying the main bottlenecks in specific chains and involving different actors (farmers, processing industries and traders) in solving these problems, the evaluation found that only 8 of the 24 field study partner performed an analysis of the main bottlenecks in a specific value chain and designed and adjusted its activities accordingly. Half of the field and desk study projects were a continuation of a previous programme the NGO had implemented, not targeting a specific value chain. This suggests that the definition of an active value chain partner was interpreted very broadly. With respect to the roles that ICCO partners chain in the value chain (chain actors versus chain supporters), the team found a broad range of partner roles.

Table 20: Role of partner organisation in project, field study sample

Item	All roles	No clear role	Facilitator	Service provider	Actor
No of projects	3	4	6	11	3
Percentage	13%	17%	25%	46%	13%

Source: Field study data, n=24

The most common role was the role of “service provider” to actors in the value chain. Since only 8 of 24 projects performed an analysis of the main bottlenecks in a specific value chain and designed and adjusted its activities accordingly, the services provided by the remaining projects were broad and “programmatic”, as opposed to targeted “hit-and-run” interventions with a clear deliverable and exit strategy. When relating the role of the partner to the sustainability score of the project, it was found that projects in which

the partner has the role of service provider, the sustainability score was more likely to be negative (see chapter 4 *Assessment*).

Number and type of producer organisations

The MP monitors the number and type of producer organizations supported. In 2008, the indicator was adjusted to be able to differentiate between large and small producer organisation. This was because the objective of 65 producer organisations with an annual turnover of over 10.000 USD was rather high, since the majority of ICCO partners was working with very small producer organisations.

The field study looked at the relationship between the supported producer organisations and the donor/NGO community. In 50% of the cases, it was found that the producer organization supported was rooted in the community to which the NGO has been providing supporting for a longer period, with different interventions. This suggests that the PO was not selected because of the strategic beneficial position in a certain value chain, but it was selected because the NGO has historic relationships in this community. Cross tabulation revealed that these projects scored on average lower on effectiveness, efficiency and sustainability. Projects that selected producer organisations based on their strategic potential position in the value chain scored higher on sustainability.

Table 21: Type of Producer Organisations supported, field study sample

Item	New PO with targeted intervention and exit strategy	Some new, some old	The PO is rooted in the community the NGO has been supporting for a longer period
No. of projects	8	4	12
Percentage	33%	17%	50%

Source: Field study data, n=24

Number of type of innovations have been introduced at POs

The indicator “number and type of innovations introduced” was phased out of the original monitoring framework after year one, and thus were not registered by ICCO.

The main innovations noted in the field study, referred to agricultural processing equipment that was introduced at a producer organization. The degree to which the target group was benefitting from the innovation widely varied. In 4 cases (POs supported and visited in the field study), processing equipment stood idle because producer organizations were incapable of selling the (semi) processed goods. The number of new trade relations, and especially the attribution of LMD to new trade relations, was difficult to assess in the framework of this evaluation, since it was mostly not reported on. Focus group discussions and the partner survey indicate that when building new trade relations, the producer organization, the business and the NGO struggled with a lack of trust and understanding of each others’ strengths and weaknesses.

Number and volume of credits and other form of capital mobilised for POs through LMD

Number and volume of credits and other forms of capital mobilized for producer organizations was originally included in the MFS proposal as an indicator of success of the LMD programme, but was not taken up in the monitoring protocol. In the MFS1 proposal, the objective was to enhance investment in innovation of at least 27 POs by enhancing access to credits and other form of capital.

In the field study, we found that 10 out of the selected 24 partners were actively working on enhancing access to financial services for their beneficiaries, for example PCCI in Philippines connects handicraft producers to local microfinance institutions. We also found evidence of capital mobilized for producer organizations, mainly through either Terrafina or Oikocredit, for example in Paraguay, where Oikocredit is preparing a large investment in a producer organisation that is setting up an organic sugar refinery. UMFI in the Philippines has received a loan from Oikocredit (guaranteed for 50% by ICCO) to enhance its working capital, which was a significant support for the organisation. ICCO’s support here is geared towards attempting to bring institutions like Oikocredit and Terrafina close to the more rural context in which its LMD programme operates. This has certainly succeeded in several cases; however, the availability of quantitative information is limited for the wider portfolio (not mentioned explicitly in each contract, hence only visible in situ).

Six of the 24 field study partners that were not actively considering if and when grant funding could be blended or replaced with loan financing, or did not have knowledge of and/or relations with the local financial service providers that reach their beneficiaries.

3.2.3 MO (Civil Society) outputs

The table below summarizes the relevant civil society development output indicators as targeted by the LMD programme. We also present the findings of the field study, summarizing the targeted output of the projects selected in the field study sample, the realized output according to the ICCO MP, and the realized outputs according to the field study findings.

Table 22: Monitoring Protocol, Civil Society (MO) outputs

MO outputs	LMD target	LMD Targeted outputs of field study sample (cumulative)	LMD Realized outputs of field study sample (cumulative)	Field study findings
MO2.1; Number of partners that develops or implements BDS and VT programmes	T: 51 partners VT & BDS R:88	14 partners VT & BDS	4 partners in VT & BDS	5 partners in VT & BDS
MO2.2; Number of programmatic chain interventions developed and/or implemented by partners	T: 50 programmatic chain interventions R: 101	14 programmatic chain interventions	4 programmatic chain interventions	7 projects part of a “programmatic chain intervention”, to a limited extent.
MO2.3; Number of network organisations and/or coalitions that participates in a programme for institutional development from the alliance	T: 20 networking organisations R: 31	1 networking organisations	none	none
MO2.4; Number of network organisations and/or coalitions that has developed an advocacy strategy and market intervention strategy	T: 15 networking organisations R: 50	none	none	none
MO2.5 (add); Number of DREO partners cooperating with Dutch businesses, intensity of cooperation	No targets specified			1

Source: ICCO project administration in Microsoft Dynamics;

T=target, R=realised between 2007 and 2009, as stated in the ICCO progress report 2009.

BDS and VT providers

The count of partners providing BDS and VT overlaps with the count of partners active in value chains, scored under DAB. Partners that provide BDS, financed by a donor programme, and schools that provide VT are less aware of the demands, and tend not to target their intervention based on actual demand, but available funding. This makes this component on average scores low on effectiveness and sustainability.

Number and type of programmatic chain intervention

The definition of a programmatic chain intervention “*Consolidating experiences of ICCO’s Programmatic Approach; An evaluative study of the Programmatic Approach of the ICCO Alliance*” (December 2009) a programmatic approach entails “a programme coalition that joins forces to have an impact on a certain problematic. The coalition partners own this process together”. In total, the LMD portfolio has now 45 programmatic coalitions and 101 programmatic chain interventions implemented by the ICCO partners in its portfolio.

Table 23: Types of programmatic chain interventions

Theme	National	Regional	Total
<i>DREO programmatic approaches</i>	21	24	45

Source: Publication: "Consolidating experiences of ICCO's Programmatic Approach; An evaluative study of the Programmatic Approach of the ICCO Alliance"; December 2009

During interviews, however, the vast majority of partners stated that they were mainly developing and implementing activities by themselves.

Table 24: No. of partners active in programmatic chain interventions

Was your programme part of a larger (programmatic) alliance?	Response count
Our activities were part of a larger alliance with several partners cooperating in several parts of the local value chain	4
Our activities were mostly developed and implemented by us	21

Source: Partner survey and field study

Overall, the evaluation found that the programmatic programmes developed are still in an early stage of development, and the majority of running LMD projects the team has visited are not or only lightly integrated into a programme. An example is the SDC Asia project in Philippines, that is officially part of a programmatic chain intervention, but in reality the evaluation team found that the programme partners agreed to distribute the regions in an early stage of the programme, so that SDC Asia performs her own project in a separate region. In the same country, PCCI has a plan to implement two chain programmes with seven different partners, and offering the same marketing channels to different NGOs/POs. This though has yet to happen. Overall, newer programmes have a different interpretation to this subject than older programmes, where the term programmatic approaches are barely understood or implemented by the partners.

In our understanding, the programmatic approach was meant create more synergies, and not be limited to a common denominator for the projects. This is further elaborated on in the learning chapter.

Partner participation in the ICCO alliance's institutional development activities

The ICCO Alliance's benefits beyond partner participation in "SharePeople" were not clearly identified. Two organisations in the desk study sample received support from SharePeople. According to the partner survey and the fields study, one third of the partners do not know SharePeople.

Oikocredit has been actively involved in several projects by financing ventures ICCO grants have been supporting, typically backed by a partial guarantee of the loan. In two of the field cases this has been the case.

Many partners are members of forums or other networks, and the LMD programme initiated the development of coalitions or alliances, to be able to develop a programmatic approach. In Paraguay, the design of the Paraguay Organico coalition is innovative, bringing POs private sector and NGOs together, but the programme is still young and the new partners are struggling to build trust, as well as services that bring direct benefit to the coalition. On a less positive note, the team also found evidence of limited willingness between NGOs to form coalitions or alliances, because of conflicting interests (partners fight for the budget) and conflicting ideologies and intervention strategies.

Number of network organizations and/or coalitions that has developed an advocacy strategy and market intervention strategy

This indicator is interpreted as the number of new network or coalition partners, with whom partners actively cooperate in their chain intervention or advocacy strategy. According to the partner survey, the majority of partners did engage in cooperation with new partners. The partners mainly engage with other NGOs, community based organizations and with producer organizations. The evaluation found that partners had limited ability to engage with new private sector partners. According to the partner survey, only 7% of the new organizations the ICCO partners have engaged with are private sector companies, and few examples were found in the field study that could qualify as cooperation with private businesses.

Many partners struggle with partnerships with the private sector or buyers of the agricultural produce of the POs they support. The following reasons were mentioned:

- ⊙ Lack of trust; some NGOs perceive the companies as exploitative actors that abuse their beneficiaries. In turn, some potential partner companies perceive the NGO as extreme leftists and activist organisations that damage their relation with their suppliers by mobilising them to demand unrealistic benefits. This has been observed as an issue in 2 of the six visited countries in the field study (Philippines and India).
- ⊙ Lack of knowledge and network; in some cases, the NGO staff had not made a proper analysis of the market system in which the farmers operate, and had not invested in developing relations with potentially relevant private sector actors.

Number of DREO partners cooperating with Dutch businesses, intensity of cooperation

This indicator was phased out, and this seems logical because the value of partnerships with Dutch companies to develop local markets seems questionable, although one partner did report to be working with a Dutch company.

3.2.4 BB (Lobby and Advocacy) outputs

Table 25: Monitoring Protocol Lobby and Advocacy (BB) outputs

BB outputs	LMD target	Targeted outputs of field study sample (cumulative)	Realized outputs of field study sample (cumulative)	Field study findings
BB2.1; Number and type of partners that work on stimulating sustainable production (fair trade, bio, IPM), and number of countries	T: 9 partners in public policy R: 6	1 partners in public policy	None	1 (Africa Juice Ethiopia)
BB2.2; Number and type of certification mechanisms developed by an interest/advocacy organisation, and number of countries	T: 9 certification mechanisms or topics R: 3 T: 9 countries, R: 5 countries	0	None	none
BB2.3; Number and type of partners that have developed strategies aimed at improving the business climate for small producers	T: 9 partners in public policy R: 16	1 partners in public policy	0	1 (BASE-IS Paraguay)
BB2.4; Number and type of issues that have been placed on the policy agenda related to improving the business climate for small producers	T: 9 issues R: 9 issues	none	none	none
BB2.5; Number and type of national lobby events to reduce local market distortions resulting from free trade agreements	T: 15 partners active R: 4	none	none	none
BB2.7; Number and type of initiatives/cases of local stakeholders taking action against market distortion and the effects of free trade agreements	T: 9 cases, R: 3cases T: 9 countries R: 2 countries	none	none	none

Source: ICCO project administration in Microsoft Dynamics

Stimulating sustainable production

In the MP it was targeted that 9 partners would work on sustainable production, through lobby activities in public policy, of which one in the field study. Of this field study project, this indicator was only a minor result in the overall project design. It is not possible to assess if the result has been achieved, because the

project is ongoing. Overall, fewer activities were implemented compared to what was proposed in the business plan.

Addressing the business climate for small producers

9 active partners addressing 9 issues were proposed, and according to the progress report 2009, 16 partners were active and 9 issues addressed.

The partner survey indicates that all 18 respondents are active in policy influencing and advocacy, or supporting organisations that do this. Their main activities are participating in a lobby network, supporting/financing actions of advocacy organizations (events, actions, roundtables, etc.) and training of other organizations on advocacy/policy influencing..

The only project in the field study sample related to the business enabling environment is BASE-IS in Paraguay. This research institution has developed and is developing several publications with topics relevant to LMD. BASE-IS has not developed a clear lobby agenda and strategy to enhance the business climate for small producers, but does provide information and workshops to producer organisations on rights issues.

The number of countries where policies have changed is achieved, but ICCO justifiable argues that the link between the activities –e.g. support to a radio broadcasting station- and the changed regulations is often very indirect and difficult to measure.

Number and type of national lobby events to reduce local market distortions resulting from free trade agreements and Number and type of initiatives/cases of local stakeholders taking action against market distortion and the effects of free trade agreements

This activity was not carried out under the LMD programme, as was originally planned; instead ICCO has set-up a specialised lobby department, which has implemented this type of project. This fell outside the scope of this evaluation, and thus is not assessed here.

3.3 Outcomes

3.3.1 General notes on LMD outcomes

The following section aims to provide an overview of the outcomes of the LMD programme realised in the period 2007-2010. It must be noted that not all projects were completed at the time of the evaluation. Where the evaluation makes statements about the achievement of results, ongoing projects were left out of consideration.

As mentioned in the section in “inputs”, ICCO formulates the targeted outcomes of supported partners on two levels:

- 1) In the result agreement, which is part of the contract between ICCO and the implementing partner
- 2) In the monitoring protocol, on which the reporting to DGIS is based, and which is translated into the partner contract.

With respect to the outcomes as formulated in the partner contracts, the evaluation team found that the 25 field study projects contained in total 115 result agreement deliverables. Of all result agreements, only 33 were fully achieved, 37 were partially achieved and 40 were not achieved.

Table 26: Number of achieved result agreements

Type of result agreement agreements	No. of result agreements in the contract	No. of achieved , partially achieved and not achieved*
Result agreements on deliverable and/or outcomes	115	33 achieved, 37 partially achieved, 40 not achieved

Source: Field study data *) N=21, since three ongoing projects were left out of the analysis because they are still ongoing

The next sections elaborate on the outcomes targeted and achieved per intervention strategy, based on the targets as specified in the MP and reported to DGIS.

3.3.2 DAB outcomes

Table 27: Monitoring Protocol Poverty Alleviation (DAB) outcomes

LMD outcome target	Targeted outputs of field study sample (cumulative)	LMD targeted outcomes	Targeted outcomes of field study sample (cumulative)	Realized outcomes of field study sample (cumulative)	Field study findings
DAB1.1; Specific proof that LMD has contributed to <u>viable and sustainable producer organisations</u> through profitable trade relations within local market segments		1100 POs, of which 100 with a consolidated turnover >10.000 USD/year	34 larger POs, and 110 with a consolidated turnover of <10.000 USD/year	37 large POs, and 105 with a consolidated turnover of <10.000 USD/year	

Source: ICCO project administration in Microsoft Dynamics

Viable and sustainable producer organisations and chain relations

One of the most relevant targeted outcomes of the LMD programme was promoting the financial sustainability of producer organisations. Field research indicates that this outcome was difficult to realise. Related to the financial sustainability of producer organisations, the evaluation team found that:

- ⊙ In some cases, supported producer organisations had been supported for many years by the same NGO. This indicates that the NGOs (who channel the ICCO support funds to the producer organisations) in some cases do not have a strong focus on creating sustainable producer organisations. The partner survey indicated that 15 of the 16 respondents believes that to sustain what has been achieved so far, requires several extra years of NGO support.
- ⊙ NGO lacked assessment skills and monitoring systems to be able to measure profitability and feasibility of producer organisations
- ⊙ In the result agreements, the results retained to producer organisations are always described as “improved capacities”, and not in terms of for example number and volume of transactions, number of members, increased turnover or profitability of the supported PO.

Increase in the number of successfully introduced innovations, and new trade relations

The outcomes on successfully introduced innovations and new trade relations was not monitored by ICCO, because this indicator was phased out of the monitoring protocol.

3.3.3 MO outcomes

Table 28: Monitoring Protocol Civil Society (MO) outcomes

LMD MO outcome target	LMD targeted outcome indicator*	Targeted outcomes of field study sample (cumulative)	Realized outcomes of field study sample (cumulative)	Field study findings
MO1.1; Specific proof that <u>producers’ organisations and labour organisations in rural areas have improved</u> their service provision, have a stronger innovation capacity and increased membership.	T: 20.000 members of formal groups R: 34352 and 30.000 members of informal groups R: 5.670	22310 members of formal and informal groups	2700 members of formal and informal groups	10735 members of formal and informal groups
MO1.2; Specific proof that LMD has contributed to coalitions and strengthened <u>local networks</u> leading to <u>improved chain interventions</u> , and increased membership of networks and coalitions	T: 300 member organisations of networks and coalitions R: 731	none	none	none

Source: ICCO project administration in Microsoft Dynamics, and field study results; * Annual report 2009

Strengthened producer organisations in terms of membership, innovation capacity and risk profile

As was already listed in the progress report of 2007, the number of members of formal and informal groups is an inappropriate indicator to assess if producers’ organisations and labour organisations in rural areas have improved their service provision, have a stronger innovation capacity and increased membership. In some cases, members may leave the PO because it is not providing appropriate services, but in other cases members may leave the PO because they are unwilling or unable to join on the track of innovation the PO has engaged in.

The evaluation did aim to assess if and to what degree POs had become more innovative and service oriented. Larger producer organisations were mostly directly supported by ICCO, while smaller producer organisations received support through an NGO. Field study cases where the ICCO partner was a producer organisation were found in Philippines and in Nicaragua. Innovation capacity widely varied, where in PCCI in the Philippines service orientation and innovativeness was perceived by the evaluation team to be high. In Nicaragua, this scoring was significantly lower. More detailed information on the innovation capacity and service orientation of POs in the field study sample can be found in Volume 2 of the report.

Strengthened local networks leading to improved chain interventions

According to the partner survey, LMD did lead to partners joining new networks, and thus the membership of networks and coalitions increased. Partner perception on the contribution of coalitions and local networks to improved chain interventions varies, but the exchange with likeminded NGOs is valued most.

3.3.4 BB outcomes

Table 29: Monitoring Protocol Lobby and Advocacy (BB) outcomes

LMD outcome target	LMD targeted outcomes	Targeted outcomes of field study sample (cumulative)	Realized outcomes of field study sample (cumulative)	Field study findings
BB1.1 Specific proof that LMD contributed to an <u>increased use of organic production standards</u> , new products and new marketing strategies for local markets (including certification).	Increased use of standards in 9 countries	0	0	
BB1.2; Specific proof that LMD contributed to an <u>improvement of the business climate</u> (measured in changes in regulations, policies and/or certification mechanisms) for small producers in LM	9	0	0	
BB1.3; LMD demonstrably contributed to <u>elimination of market distortion</u> and/or protection of small producers against the negative effects of free trade agreements	9	0	0	

Source: ICCO project administration in Microsoft Dynamics

Increased use of organic production standards

The evaluation team did find specific proof of the LMD programme contributing to an increased use of organic production standards, but mainly by promoting these production methods at the level of producer organisations. Also, organic production by default (without certification) was promoted, and may have resulted in an increased use of organic production standards when organic trading companies after this support started buying produce from the farmers, but no specific proof of this was documented / could be retrieved by the evaluation team.

Improvement of the business climate

Specific proof that LMD contributed to an improvement of the business climate (measured in changes in regulations, policies and/or certification mechanisms) for small producers was not found by the evaluation team in the field and desk study sample. Activities like lobby meetings, radio broadcasting or development of research reports were implemented, but in the desk and field study sample, these were not part of a

comprehensive lobby strategy targeting tangible improvements in the business climate. There is no specific proof that the activities resulted in tangible outcomes.

Elimination of market distortion (through lobby)

In the field and desk study sample the evaluation team did not find specific proof of the LMD programme contributing to an elimination of market distortion and/or protection of small producers against the negative effects of free trade agreements. No partners specifically or explicitly worked on this topic.

3.4 Impact

Table 30: Monitoring Protocol LMD impact

LMD impact targets	Targeted (T) and Realised (R) impact overall LMD portfolio	Targeted impact <u>field study</u> sample (ICCO monitoring protocol)	Field study findings, 2010
IMP1; Number of people, and type of small producers and their employees that have benefited from the LMD programme	T: 200.000 farmers R: 209.925, of which 26% female	T: 147.780 R: 73.886	T: 160.065 R: 20.820

Source: ICCO project administration in Microsoft Dynamics, field study findings

The above table depicts the overall LMD target and realisation, in terms of numbers of people benefitting, and the target and realisation in the field study sample (n=24), as is found in ICCO’s M&E system, November 2010. Next to that, our findings in 2010 are shown. As can be seen there is a significant deviation between the field study sample realisation and the impact we have seen. There are a number of reasons for that, which we discuss below:

Different points in time: Naturally, we have examined projects in many cases (long) after the project has been closed, hence the two realisation results cannot be compared as such. Rather, these different scores express more the sustainability of the impact (which reduces the realisation number). At the same time, there are also many project where there is currently nothing filled in the M&E system (due to the reporting cycle, and not yet updated projects), while we can report on impact, based on the field research done (which increases the realisation number).

Wrong data in the M&E system: We found that in two cases (Pradan and Dastkar) the target and realisation of the impact has been largely attributed to ICCO, while in reality ICCO is only contributing a part of the budget. In the Pradan case, which is very large (half of the overall LMD target), ICCO funds only 2,3% of the total project budget, yet considers that 100,000 people (of the total 180,000 Pradan considers to have reached) are due to ICCO (realisation score stands at 67,000). The argument (as found in the files) is that there is “leveraging”; supposedly, without the institutional (=overhead) funding, the whole (40 million EUR) programme would not have happened, and hence ICCO’s attribution is higher. This is (a) not in line with ICCO’s policy on attribution (which states that attribution should be *pro rata* with the funding percentage), and (b) is illogic: a supposedly “strategic” investment increases *additionality* and not attribution. This is also the case with the second mentioned project in India (Dastkar) where ICCO contributes 25% of the budget, but has erroneously attributed the entire impact to ICCO. The combined reduction of impact is very significant for the ICCO overall LMD programme: the currently reported overall impact of 209,925 people in the M&E system is reduced (by the Pradan case alone, which reports as realisation 66,298 people, but should be 1,523 people) to 145,152 people; a reduction of 31%.

Baselines

In total we have analysed 24 projects; of those 24, a total of 4 projects had made a baseline study prior, or in the upstart of their activity. None of the projects we have visited has done also a survey after the implementation of the project, so that there is no “hard” evidence of the actual impact achieved. In other words, the quantity and quality of ICCO’s impact is unknown: whether or not there has been e.g. an increase in income, or an improved income security, or how many people are exactly affected is based on

(mostly the partners’) assumptions, and estimates. We do not know what the value is of the impact generated, even if we can observe that it is *plausible* that there has been an impact, in the sense of a non-quantified benefit to a target group.

3.4.1 Number of small producers and their employees reached

In most cases the number of people “reached” (as mentioned in the contracts and the monitoring system) is calculated on the basis of the proposal of the partner, who in turn assess this by adding e.g. the number of members of a PO, or farmers in a region the partner is active. Whether or not these figures are correct we could not verify in the field; typically, there is no documentation available that could verify this claim (somewhat) independently.

Another aspect is the way of counting: we found that in some projects the beneficiaries are defined as “the community” in a village or area, everyone including family members. In others, the beneficiaries are strictly “small producers and their employees” as in the M&E protocol, thus without the family members and others in the area (while there are often, if not always benefits for family members, and the wider community as well). This inconsistency results in a pollution of the database, which is sometime fairly significant.

The table below summarises the findings in the field, as compared to the impact we found documented in the contracts and proposal, in case the system was not filled in, and the data M&E system.

Table 31: Realised impact per project, field study sample

Partner	Country	Impact proposed or contracted	Impact realized findings field visit
OSRA	Ethiopia	20	63
Africa juice	Ethiopia	500	Too early
Timbaktu	India	0	6
Pradan	India	100.000	1523
Dastkar	India	20.000	8000
Udyogini	India	200	116
WRCCS	Kenya	1250	850
WRCCS	Kenya	3000	1300
NRIDCCS	Kenya	400	n/a
FarmersOwn	Kenya	2800	0
Del Campo	Nicaragua	3000	675
INSFOP	Nicaragua	1026	388
Coop Juan Fr.	Nicaragua	675	62
ICCO-Nic	Nicaragua	1000	n/a
BASE-ECTA	Paraguay	2800	Too early
CECTEC	Paraguay	1250	< 1250
SEPA	Paraguay	365	365
CECTEC	Paraguay	3270	2213
BASE-IS	Paraguay	n/a	n/a
PRDCI	Philippines	n/a	655
UMFI	Philippines	2500	3289
Wise Act	Philippines	n/a	65
PCCI	Philippines	1000	Too early
SDC Asia	Philippines	15.000	Too early
TOTAL		160.065	20.820

What we can see here, is that the target, if corrected for Pradan and Dastkar, would be around 60,000, less than half of the current value. To date, around a quarter of that has been realised. While there are many ongoing projects in that field study, the closed projects would have a total target value of **17,181 people**, of which we found that there has been an impact of (maximum) **10,027 people**, while the M&E system displays a value of **4,526 people** as realised. That implies, that in our field sample – corrected for the big errors, and “made up to date” – roughly **58% of the targets are realised**.

3.4.2 Type of improvement of the socio-economic position of the target group

Few impact *targets* are specified by ICCO in the result agreements or contracts with the partners. This makes it difficult for the evaluation (and also for ICCO) to measure the impact of the interventions. The goal of ICCO's LMD programme is formulated as "improvement of the socio-economic position of small producers and their employees" which in itself is very broadly defined. To make this more tangible we have researched what type of income effect has been the most important one, if any. Here we have made a choice of the most frequently occurring planned or realised effects⁵, and turned those into categories. The researchers have then ranked the five chosen categories according to their relative importance (1=most important, 5=least important, 0=not relevant in this project). The result (based on a weighted average) is shown below:

Table 32: Ranking of importance of impact type, desk study sample

Ranking of importance of impact type (n=50) (1= most important, 5 = least important)				
income increase	Food security	Income security	Empowerment	Gender benefits
2	5	1	3	4

Source: Desk and field study

As can be seen, income security is the highest ranking, followed (closely) by income increases. These two are also the most frequently envisaged/realised targets, while the other three types are significantly less frequent. There are also other possible categories, such as health or environmental benefits; however, these have not been made categories given the relatively low frequency (or relative importance) observed.

☉ Up-scaling of ICCO initiatives

Few projects in ICCO have had the intention to upscale, or are an up-scaling of previous try-outs, as below table shows. We have investigated whether or not a project is *intending* to upscale the current activity to a *new* target group (in a later phase), or not; and whether the current activity is an upscale of a previous activity (funded by ICCO or others). If so, we also tried to assess what the additional size of the target group is, compared to the previous (pilot) target group, in order to determine the "scale" of the upscale. The results are presented in the table below:

Table 33: Up-scaling intentions and results, field study sample

Name partner (n=24)	Intention to upscale in project plan/proposal/contract	If there is an intention, how many <u>extra beneficiaries?</u>	Project is an up- scaling of an earlier project (thus with a new target group) Y/N	If an up-scaling of an earlier project, how many extra beneficiaries are now reached?
OSRA	Y	n/a	N	
AfricaJUICE	Y	From 500 to +/-1,000	N	
Farmers Own	N		N	
WRCCS 1 st phase	Y	From 1500 to 3000	N	
WRCCS 2008-10	N		Y	T: 2,000, R: 300
NRIDCCS	N		N	
Timbaktu	N		N	
Pradan*	Y	(100,000), 1,523	Y	(66,298) +/-1,000
Dastkar	N		N	
Udyogini	Y	not known	Y	3,200
Del Campo	N		N	
INSFOP	N		N	
Coop Juan Fr.	Y	From 100 to 261	N	
ICCO-Nic	N		N	
BASE-ECTA	N		N	
CECTEC	N		N	

⁵ This has been done for both desk and field study: in desk study cases we assessed the proposal of the partners, the contract, and the end reports (if applicable) to determine the ranking.

SEPA	N		N	
CECTEC	N		N	
BASE-IS	N		N	
PRDCI	Y	not known	N	
UMFI	Y	From 1,000 to 2,500	Y	3,289
Wise Act	N		N	
PCCI	Y	not known	N	
SDC Asia	Y	not known	N	
Count=Y	10		4	
Count=N	14		20	

*) Pradan was filled in wrongly in the system, hence in parenthesis; the real number (according to our view) follows

Source: Field study

As can be seen, the intention to upscale exists in 10 of the 24 cases (40%), but only 4 out of 24 projects are in fact an up-scaling of an earlier project. The scale of the upscale is not dramatic: typically, the *intended* scale-up factor is 2; the new project should address a target group twice the size of the earlier target group.

The general observation from the field is that ICCO partners tend to work with their traditional target group, and develop new projects in order to serve their target beneficiaries better, rather than use a successful approach in other areas with other beneficiaries.

3.4.3 Broader impacts

In this evaluation, we have taken into account the impacts, and the sustainability thereof, that were *intended*. That means, the effects and impacts the partner has proposed, and agreed to in the contract, are measured against achievement. Naturally, there are more impacts, and even if the intended impact has not been achieved, or has not been sustainable, there are other effects and impacts. Like, a trained person in a BDS provider or PO will keep this knowledge – and can use it – even if the PO or BDS provider is stopping its activity. Also, there are always effects and impacts that may occur later, but are not yet visible. These broader impacts can be classified in four categories:

- ⊙ **Unintentional**; there was an additional effect, that was not planned, but occurred and has been observed
- ⊙ **Intangible**; there is an additional effect or impact, but it cannot be described accurately, or measured
- ⊙ **Hypothetical**; apart from the intended effect or impact, there are other effects, but these have not yet occurred
- ⊙ **Unknown** (unknowns); there are possibly other effects and impact, but neither partner, nor ICCO or researcher are aware of it.

The first category is often observed: never does the impact happen exactly as planned, and very often the beneficiaries are benefitting in a different way than planned. Often, the income increase planned has become an improved income security, as frequently seen. Here, both partner and the evaluators have taken these effects on board, so long they are not entirely different in nature from what the original plan was (like an income increase was planned, but instead the target group has been trained (which is another kind of benefit), without an income effect).

Intangible and hypothetical effect and impacts have not been taken into account, but have been occasionally noted in the respective case study. The evaluation wants to establish whether or not ICCO (and its partners) have achieved the effects and impacts they planned to achieve. Judgements against claims of future impacts are impossible (speculative), and whether or not an intangible impact has been achieved or not cannot be determined by definition. Unknowns have been dealt with to a limited extent, namely whenever the researcher suspect other important benefits to have occurred, this was discussed with partners. In a few cases, this has lead to inclusion in the case study report.

This broader impact relates strongly to an important, though unspecified objective of ICCO, namely, the strengthening of civil society. For ICCO, the LMD programme also serves as a tool to strengthen the capacity of civil society (i.e. the partner NGOs). A strong civil society in turn, is seen as an important factor for developing countries to be able to overcome poverty, and develop in a fair and sustainable way. In our

terminology, this refers to an intangible and hypothetical impact; we cannot precisely assess what this impact could or should be, and it will occur in the future. Also, the key LMD documents (MFS1 proposal, contract with DGIS, LMD strategy documents and the M&E system) do not explicitly refer to this impact, neither does the ToR. Therefore, in the context of this evaluation, we cannot make a statement on this potential impact.

Partner Learning

One of the intended goals of ICCO is to improve partners' abilities to implement LMD programmes; here we have assessed the visited partners by estimating the original capacity versus the new knowledge acquired since the LMD programme is active. Also, partners' changes in staff (capability) and changed approaches have been assessed, next to the question whether or not the partners had significant support in this process from ICCO, or not (and have learned mostly "by doing").

Table 34: Partner learning results

No.	Name partner	Has been proficient in LMD-type activity before 2007	Has improved its knowledge and proficiency during the LMD project	Has changed/hired new staff with economic background to enhance proficiency	Partner has changed visibly its working methods and approaches	Was ICCO-sponsored actions important for this learning process?	Directly attributable to ICCO
1	OSRA	Y	Y	N	Y	N	N
2	Africa juice	N/A	N/A	N/A	N/A	N/A	N/A
3	Timbaktu	N	Y	Y	Y	N	N
4	Pradan	Y	Y	Y	N	Y	Y
5	Dastkar	Y	N	N	Y	N	N
6	Udyogini	Y	Y	Y	N	Y	Y
7	WRCCS	N	Y	Y	Y	Y	Y
8	NRIDCCS	N	N	Y	N	Y	-
9	FarmersOwn	N/A	N/A	N/A	N/A	N/A	N/A
10	Del Campo	Y	N	N	N	N	N
11	INSFOP	N	Y	Y	Y	N	N
12	Coop Juan Fr.	Y	N	Y	Y	Y	-
13	ICCO-Nic	N/A	N/A	N/A	N/A	N/A	N/A
14	BASE-ECTA	N	N	N	N	N	N
15	CECTEC	N	Y	N	N	Y	Y
16	SEPA	N	Y	Y	N	Y	Y
17	CECTEC	N	Y	N	N	Y	Y
18	BASE-IS	N	N	N	N	N	N
19	PRDCI	N	Y	N	N	N	N
20	UMFI	Y	Y	Y	N	Y	Y
21	Wise Act	N	N	N	N	N	N
22	PCCI	Y	N/A	N	N/A	Y	N/A
23	SDC Asia	Y	N/A	Y	N/A	N	N/A
Count=Y		9	11	9	6	10	7
Count=N		11	7	10	12	10	9

Source: Field study

As we can see, learning has definitely taken place: while most (11) of the partners found the LMD work to new to them, 7 have improved their skills in the course of the project, and that was attributable to ICCO support, in their view (see last column, shows the number of cases where the partner has improved knowledge, and has received ICCO support). However, only 6 have been rated to have substantially revised their working methods, of which 3 are considered as not proficient with LMD work before, but are now, 3 have changed their methods, although already experienced with the subject. Nearly half of the partners have changed staff, and hired new expertise to deal with the new challenges.

4 ASSESSMENT

In this chapter we analyse the findings of the desk review and the field visits against the objectives set in the business plan. This represents our interpretation of the findings. We try to answer the following questions:

- ⊙ Efficiency: have ICCO, and their partners, managed the LMD programmes efficiency?
- ⊙ Effectiveness: have ICCO, and their partners, achieved the results that were planned, and agreed upon? Are the findings of the field studies consistent with the M&E reporting of ICCO?
- ⊙ Relevance: have ICCO, and their partners, delivered projects that are relevant to the target group? Are the findings of the field studies consistent with the M&E reporting of ICCO?

In the following sections, we draw together the findings of the field study, the desk review and the interviews with ICCO staff in order to provide an answer to the above questions.

4.1 Efficiency

As mentioned in the methodology chapter, assessing efficiency has limitations, and we therefore base our conclusion on a number of indicators for efficiency. These are:

- ⊙ Efficiency of the partner
- ⊙ Efficiency of ICCO organisation, systems and support

4.1.1 Partner efficiency

The evaluation team scored the efficiency of the field study selected projects based on the following⁶:

- ⊙ overhead of partner
- ⊙ activity-based or lump budgets
- ⊙ delays in implementation
- ⊙ suitability of used inputs
- ⊙ management efficiency
- ⊙ complexity of implementation
- ⊙ duplication of activities
- ⊙ other observables suggesting (in)efficiency

Based on this method of assessment, the overall score for the 24 cases is as follows: The weighted average scoring on efficiency of the field study projects is 2,46, the median is 2. This means that overall, the projects are efficient; most projects have this score, or more. As can be seen in below table, 13 cases score a “+”; which indicates good efficiency. Nevertheless, this should not be misinterpreted: 10 of the 24 cases have some, or major efficiency issues. Therefore, the overall score should be interpreted as “most projects are efficient, but several are not”.

⁶ Based on “IOB guidelines for evaluations”, 2009

Table 35: Field study scoring, efficiency

Field Study Scoring	Denomination	Frequency
Highly efficient	++	0
Efficient, no major comments	+	14
Some efficiency issues noted	+/-	5
Major efficiency issues noted	-	5
Inefficient	--	0
Total number of cases		24
Median	(1=++, 5=- -)	2.00
Weighted average	(1=++, 5=- -)	2.46
(Predominant) Intervention strategy		Correlation with efficiency
DAB		Small positive correlation with efficiency
MO		No correlation
BB		No correlation
“Value chain project” score		Strong positive correlation with efficiency

Source: Field study

Segmented by intervention strategy, we see that DAB projects show a small positive correlation; MO and BB projects are neutral. Projects that according to the evaluation team qualified as “value chain” projects are generally more efficient, as they demonstrate a strong correlation on efficiency.

The most common issues related to efficiency of the programme are the following:

- 1. Lump-financing, instead of activity based costing;** here we have noted that several projects seem to have a budget that is a “given”, before the actual approval it was clear that this amount, more or less, should be applied for. ICCO does not have a standard format within which the partners have to justify their budget proposal; partners are free to provide any style budget. We don’t see this as an indicator for efficiency: the partner has no incentive to ensure that the planned results are achieved with the most economic budget. Also, for ICCO staff, budgets without clear specification of what the resources are actually going to be used for makes it more difficult to assess whether the budget is too high or not. Lump-finance budgets do not encourage an efficiency-oriented mindset.
- 2. Delays in project implementation;** most partners are not concerned with timely implementation, even though ICCO offers a generous three-year term for the realisation of a typical project. Since there are few moments when ICCO can influence, or stimulate the partner after the funding has been granted, and the result agreements are not bound to a specific timing, partners have no sanctions to expect if there is an obstacle. Progress monitoring is not strong, and relies on the assumption that partners are strongly motivated. While this seems to be valid with most partners, not all are like that.
- 3. Partner overheads;** the overheads associated with the partner organisation is generally not low: as an (weighted) average 26% is a significant value. We noted that there is little, if any discussion between ICCO and partners on this matter in the correspondence leading up to approval. Also, the lack of a budget format does not request the partner to make a clear statement on the overhead, and no benchmarks exist to judge.

4.1.2 Efficiency of ICCO

Here we address the relation between the inputs besides the funding as such, and the outputs delivered. Indicators for efficiency are:

- ⦿ Overhead of ICCO and partner
- ⦿ Capacity to design and develop LMD projects
- ⦿ Capacity to monitor and evaluate LMD projects
- ⦿ Allocation efficiency

Table 36: Overview efficiency criteria scoring, ICCO

Efficiency indicator	Rating by evaluation team	Comments
Overhead of ICCO and partner	Not efficient	39% of the total; requires attention
Capacity to develop LMD projects	Moderately efficient	Procedure needs improvement
Allocation efficiency	Not efficient	Significant number of non-LMD projects in the portfolio
Capacity to monitor and evaluate projects	Moderately efficient	Good system, but information too late/incomplete in the system

Overhead

The DREO overall overhead has been higher than the standards used within ICCO; and stood at app. 12.8 %% in 2008 and 2009. While ICCO has data on its own overhead cost, it does not collect this information from its partners. The evaluators have attempted to shed light on this subject, and found that ICCO's partners absorb on average 26% of the budget for overhead expenses, if the field review sample is roughly correct.

Table 37: Implementing partner overhead

Total overhead in EUR from field cases (n=21)*	Total budget in EUR of field cases (n=21)*	Total partner overhead, %
854,821	3,326,026	26%

**) In two cases, no percentage could be established; one case is a pure overhead funding, and was excluded.*

Source: Field study, partner and evaluators' estimates

When adding up the ICCO overhead and the partner overhead, the total overhead share comes to 39%. In our assessment, that is a high percentage in which requires more attention from ICCO.

One reason for the relatively high overhead within DREO is the fact that LMD has funded many projects. The desk review revealed that ICCO engages in a relatively large number of smaller projects, which indicates that ICCO is willing to experiment, learn, and is flexible in trying out new things. While this may cause higher overheads, it improves the overall efficiency of the programme: bigger new projects are less likely to fail, if smaller pilots and research projects are done before to ensure quality.

Also, the decentralisation effort ICCO has undertaken in the later phase of the LMD programme period. This has resulted in overstaffing, since temporarily double structures needed to be kept. Given that this is a temporary feature, we would expect the overhead to return to levels of 12% and less, as was planned. Whether the decentralisation in the end will lead to less overhead costs remains to be seen.

The LMD programme has invested significant resources of its overhead budget in internal learning and technical specialisations; however, as the partner interviews and survey showed, the internal learning investments are not uniformly intensive and effective. Technical specialists and business and economic specialists were employed for LMD, but their input was not always used efficiently, for example in providing support in project design. This has also contributed to a higher than needed overhead expense.

On the positive side, partners overwhelmingly consider ICCO not to be a bureaucratic partner; generally, ICCO is considered easy to work with and flexible.

Another observation is that fund utilisation is high; ICCO has managed to develop a project portfolio in a short time, for a theme that can be considered to be relatively new for ICCO and particularly its partners.

Capacity to design and develop LMD projects

ICCO's staff is motivated and competent on their field of activity, we conclude from the interviews; however, the organisation of the selection of LMD projects is not viewed as efficient by staff. Some issues are:

- 1) ICCO's selection of projects takes place on the basis of a procedure that does not use standardised formats for partners, and only to a limited extent applies a standardised procedure within ICCO. Consequently, the procedure is not as efficient as it could be. There is of course a system (like inter-collegial checking, and after that a group discussion before approval, o-scan, and financial audits), but

the diversity of motivations given why the project was eventually approved and what the key reasons were shows that there is substantial leeway.

- 2) Time-wise, procedures are not always fast; e.g. some partners have complained that decisions on their proposals have taken a year and longer. Also, feedback on progress reports submitted was received late in several cases.
- 3) The contracts show a great diversity of result agreements, as is revealed by the partner survey and the field interviews: contracts are often not consistent with LMD objectives, or do not include agreements on results but on activities or outputs, are not quantifiable (or SMART), or do not contain agreements on financial results and impact. While much of that could be attributed to a gradual evolution of practices, the need for more streamlining becomes evident here.
- 4) Out of the 110 result agreements in the contracts of completed field study projects, only 33 were achieved, 37 were partially achieved and 40 were not achieved. In the vast majority of cases this did not lead to reminders or documented consequences. This leaves the impression that ICCO challenged partners to experiment with new ideas, but provided limited guidance during implementation. This implies an expensive way of learning if projects fail and ICCO does not monitor and take corrective action.
- 5) The lack of standardisation also prevents management and organisation to make a clear decision on what ICCO's policy is in practice: for example, staff sees that there are conflicting views on what the fundamental grounds for selection of a project should be. Should the LMD results offered in the proposal be the key reason for selection, or the importance of the NGO itself as a pillar of civil society? A standardised procedure would force a clear policy to be made on this and any other issue relationship managers face.

On the whole, we assess that ICCO is a learning organisation, in which much time is devoted to learn, change programmes and policy, and acquire new knowledge. Exchange between partners is facilitated through ICCO, and local capacity is being used to actively train and coach partners in a new field of activity.

Allocation efficiency

The process within ICCO is strongly based on relationships between relationship manager and partner NGO. This offers flexibility, but also reduces standardisation of selection. In our assessment, we consider that 37% of the LMD projects were not LMD, since these projects had no value chain character at all, and only about 51% of the budget went to project with a convincing LMD character. Therefore, the evaluation concludes that the ICCO systems do not fully assure that selected projects are in line with the concept of LMD. In our view that is an indicator for low allocation efficiency; many projects are in the portfolio that are not (really) LMD programmes as envisaged in the MFS1 proposal.

Because there is little standardisation in the decision making process, there are also few, if any benchmarks that emerge from four years of LMD practice: for example, reasonable overhead percentage, cost-benefit ratio, cost per training or investment cost per PO turnover. Although benchmarks have only a limited use in the diverse context of LMD, we notice that costing questions are rarely discussed or negotiated between partner and ICCO; budgets size follows the availability of resources, not informed efficiency concerns.

Capacity to monitor and evaluate LMD projects

ICCO has developed a good M&E framework:

- 1) Most indicators are logic and capture the big diversity of projects under LMD. The M&E concept measures key results on output, outcome and impact levels. This is done with an efficient number of indicators and each quantitative target and realised value is combined with a quality indicator, reflecting the opinion of the relationship manager on the project's progress, or result.
- 2) Evaluations are carried out on larger projects, often using ICCO partners active in the same field of LMD, from other countries. This delivers practical advice and credible results for the evaluated partner. The quality of the evaluations seen in the desk study is differing, but generally good in our view.
- 3) ICCO's computerised filing system is very advanced, and – with some training – easy to use. Monitoring information, contracts, and communications as well as other relevant project documentation are stored in one system, which allows quick overview of a case, from anywhere in the world.

There are however some drawbacks:

- 1) In the desk review we noticed that a large number of projects have not been properly filled in; both for closed and ongoing projects. With ongoing projects this has to do with the long reporting cycles in ICCO: partners report progress once per year; reporting covers the period until the end of the year, and the partner is given three months to deliver the report. After that it is reviewed and reacted upon by ICCO, before the final information is entered. Hence, reporting information is entering the system up 1 year later, if everyone is on time. This, however, also is not always the case – delays of over a year and more have been noticed in the system (e.g. UMFI, three years delay). Also, some closed projects do not have any information in the system.
- 2) The above limits the possibility to react, which is the principal reason for collection of monitoring facts during implementation. ICCO managers receive information that could trigger actions a long time after the situation has occurred. Therefore, most monitoring information comes through the visits (the frequency of which varies strongly, as we have seen in the field study), and informal contacts, not the system as such. Informal monitoring systems are however less effective and transparent than systems which seek to develop formalised information streams. That is also reflected in the fact that ICCO rarely ever stops a project – it appears that only two projects of the 365 LMD projects in the system has been stopped prematurely. This is at odds with the relatively high number of not achieved result agreements we have found in the field study.
- 3) ICCO's indicator *system* is good, but we feel that many of the indicators are too broadly defined: for example, a key outcome indicator is the "Number of partner *active* as chain supporter..."; the precise meaning of "active" can be anything from a "warm handshake to a new wholesale market". Equally, the "improvement in the socio-economic position..." of the target group can have many different meanings.

4.1.3 Additionality

Table 38: Field study scoring, additionality

Field Study Scoring	Denomination	Frequency
Highly additional	++	0
Additional, most inputs are additional	+	8
Moderately additional, some inputs are not additional	+/-	16
Low additionality, effect would have occurred without the inputs	-	0
Not additional at all	--	0
Total number of cases		24
Median	(1=++, 5=--)	2.00
Weighted average	(1=++, 5=--)	2.49
(Predominant) Intervention strategy		Correlation with additionality
DAB		Positive correlation with additionality
MO		No strong correlation
BB		No strong correlation

Source: Field study

Additionality of ICCO's LMD support is generally high – the 49 -, and no cases of low or no additionality have been found in the field study. ICCO partners operate in areas, and with target groups which are poor, disenfranchised and disconnected. The design of the interventions is overall conscious of the needs, and the local realities. Consequently, the counterfactual – if there had been no ICCO support – is usually clearly answered.

4.2 Effectiveness

Assessment of the effectiveness of the LMD programme is based on the relationship between realised inputs and the observable outcomes.

4.2.1 Results field studies

Table 39: Field study scoring, effectiveness

Field Study Scoring	Denomination	Frequency
Highly effective , results fully achieved, and more	++	1
Effective, most key outcomes have been realised	+	8
Moderately effective, some outcomes achieved, some not	+/-	4
Not effective, few outcomes achieved	-	9
Ineffective, outcomes not achieved	--	1
Total number of cases		23
Median	(1=++, 5=- -)	3.00
Weighted average	(1=++, 5=- -)	2.83
(Predominant) Intervention strategy		Correlation with effectiveness
DAB		Positive correlation with effectiveness
MO		No strong correlation
BB		No strong correlation
“Value chain project” score		Positive correlation with effectiveness

Source: Field study

The above result of the field study requires interpretation:

“Moderate” is not necessarily “almost good”

The overall score defined as “moderately effective” generally reflects a rating in which about half of the key outcomes have been realised (or are still existent), while the other half has not been achieved (or does not longer exist). Therefore, this is not necessarily a good score, depending though on the context in which this happens.

Effectiveness is better with DAB-projects, but many DAB projects are not LMD

About 37% of the budget of LMD projects in the field study sample was spent on projects that do not qualify as a value chain project, and another 13% do not have much in common with LMD (see Table 15: Value chain rating of LMD projects, field study **sample**). Therefore, half of the LMD projects appear in the files as such, but in reality are not in line with the concepts upon which LMD is based. The field study noted this, but rated the projects’ effectiveness against the agreements, not against the policy documents of LMD. Would we have done so, many projects would have been qualified as not effective. Apart from that, we see that partners often do what they used to do, and do it with the same target group(s). As a result, effectiveness may be high, because partners know this line of work well. This leads to good scores on effectiveness in the DAB sample, but in fact (programme) efficiency is lowered, because funds were – in principle - misallocated.

Projects with a high DAB content scores better overall, compared to MO and BB

Overall, however, projects that score high on DAB achieve better results in our sample on efficiency, effectiveness and relevance, as well as sustainability. One reason may be the small sample size: there are only few MO and BB projects, which limits the validity of this statement. Another is that the population of partners LMD “inherited” are focussed on DAB-like activities traditionally; hence are better in (what has been decided to be) LMD activities. MO and BB seem to be further away from market-based value chain thinking, and often very broadly addressing the needs of the actors in the local value chain. This might be also a reason for fewer results. Finally, DAB project are generally offering significantly higher direct support to the target group; therefore, more “effect” can be realised, while MO and BB operate indirectly.

Capacity building approach is training, long term and broad, not short and focussed

The majority of outputs of the LMD supported projects are related to training of producer organisations and community organisations. In general, the evaluation team found that many outputs were defined and delivered from a programmatic angle, by NGOs with a tradition of community development. The NGO partners with LMD funds engaged in a long term, broad based capacity building plan for the targeted communities or producer organisations. Their activities include training on gender issues in the community, democratic principles, land right issues, biodiversity, and education of rural youth, to name a

few. This “ground work” in some cases is highly relevant in the challenging context of the local reality of the target community of the NGO. However, the broad intervention strategy also results in NGOs “spreading themselves thin”. A targeted, short term service with a clear focus on enhancing the target group participation or entry into local markets, could have achieved more. An additional remark is that in other cases, it is a far stretch to overcome all the challenges that hamper the access to local markets of these communities, and more numbers can be achieved by selecting more advanced producer organisations or communities with a better starting position.

4.2.2 Sustainability

All field cases have been rated on sustainability; that is, if the case has been closed. In some ongoing cases, where programme components have been completed and the project is relatively close to closure, sustainability ratings have also been applied, if that was possible. Therefore 19 of 24 cases were rated on sustainability. In some cases, sustainability has not been rated because it was not a relevant aspect in the project (like for pilot studies).

Table 40: Field study scoring, sustainability

Field Study Scoring	Denomination	Frequency
Sustainable, with growth potential	++	0
Most key achievements are sustainable	+	2
Some outcomes sustainable, some not (50:50)	+/-	7
Most key achievements are not sustainable	-	8
Unsustainable	--	1
Total number of cases		19
Median	(1=++, 5=- -)	4.00
Weighted average	(1=++, 5=- -)	3.18
(Predominant) Intervention strategy		Correlation with sustainability
DAB		<i>Positive correlation with sustainability</i>
MO		<i>Negative correlation with sustainability</i>
BB		<i>No strong correlation</i>
“Value chain project” score		Positive correlation with sustainability

Source: Field study

As we can see the median is 4, or (-); which means that half of the projects are not sustainable for the largest part. The weighted average improves the picture somewhat, and stands at 3.18. This is the effect of the largest project in the portfolio, which scores a 2 (+). If this project was +/- or less, the weighted average and the median would be close to each other. In other words, while ICCO LMD projects score reasonable on effectiveness, the longer term benefits of these effects is limited, many projects are not sustainable.

There is a positive correlation with the DAB intervention strategy, and a negative correlation with MO, which can be explained by the fact that the MO activities are related to improving project design, which by definition is not sustainable, or related to BDS/VT capacity building service provision, without a clear scope to make these services cost covering. The reason that the more “modern” value chain oriented projects are more sustainable is that sustainability of the market intervention is of key importance in the project design. Other possible correlations were researched (funding size, training budgets, VC score etc.): here, it stands out that projects that spend a high share of the output budget on trainings show a strong negative correlation with sustainability.

Service providers score lower on sustainability

A noticeable feature is that the type of partner involved with an ICCO project makes a difference with respect to the sustainability: if the partner is a service provider, typically a BDS organisation, sustainability is lower. This has to do with the nature of the organisation involved; a service provider is more likely to be interested in continuous provision of services, and has less involvement with the target group and sometimes only a small spectre of services to offer. There are though very good examples of BDS providers

delivering market-oriented solutions; in short, a value chain minded facilitator is delivering good LMD programmes, while a traditional BDS trainer will be less likely to succeed in making a long term difference for the target group.

Sustainability and service delivery

Sustainability is generally lower if the partner is spending a much higher than usual proportion on training; and if that training is provided mostly by the partner himself. Although the data are not revealing strong correlations (the sample is too small to support a significant finding here), the field visits have delivered anecdotal evidence that training-intensive exercises by NGOs are less likely to be successful on the longer term for the target group. Reason is that a service already offered in the market place is more affordable, and better tuned to the actors' needs. NGO trainings are not subjected to the forces of competition and judged by demand, and are therefore often more expensive and can afford to be less in touch with real needs. NGOs tend to offer far more training than needed, and less effectively and for free; naturally, all of that is not associated with sustainability. So the kind of services delivery can be revealing whether or not a project is likely to be sustainable; or at least could or should raise questions about the prospects. For ICCO, this is not a criterion during appraisal, as we could see in the desk study files.

No exit plans

If we separate the LMD field sample into two groups, namely "progressive" value chain facilitators, and "traditional" NGOs, we see a divergence: the traditional group barely ever has a sustainability plan, or exit plan in either proposal or documentation, and when asked about the future plans, the most frequent answer on sustainability is to attract new funding, to sustain results for the same target group. The progressive group typically has a clear vision on how their intervention can become sustainable, and plans for an exit in the project target area.

There is no consistent thinking across the field study sample on what the goal of sustainability contains. For example, if a PO is supported with e.g. a hard ware grant, rarely ever business plans are made, and if they are, they show that the service of the PO is sustainable, because the income covers cost. The subtlety that the gross margins should be large enough to allow for maintenance, repairs, depreciation of the capital good (plus interest cost), and replacement over time, is then not considered.

Value chain projects are more concerned with this matter, realising that a market intervention or influencing of the local market system is only useful if the markets can sustain it. While the theory has been absorbed there by ICCO, the reality of the LMD partners is still not always focussed on sustainability. In a number of cases, the ICCO support is effectively geared towards operational cost, and the idea is that after a three year support period all this can be made sustainable. However, this expectation was in these instances far from realistic.

Public services

We have seen a sizable group of LMD partners that spend a significant amount of their efforts and funding in the provision of what could be seen as a "public good"; for example, schooling, VT, awareness raising on gender issues and environmental services. These are "products" for which there is no (functioning) market. Hence, on the long term these services should be paid for by national governments. Here, the perspectives are generally bleak, which then implies that ICCO funding then must consider to be ready to fund this for a very long period, or not to start this in the first place, as a temporary funding here does not contribute to sustainable improved access to profitable local markets. This aspect, however, is rarely discussed in the files during the application procedure, we found.

4.3 Relevance

Finally, we discuss whether or not ICCO's LMD projects have been relevant or not. Here the assessment is in principle judging reality in the field now against target in the contracts (or proposal, in case target is not mentioned in the contract). This is how the researchers have rated the 24 cases. In 21 cases a judgement could be made, in 3 cases it was too early to call.

4.3.1 Results from the field studies

Below, the table summarises the assessments of the cases in volume 2 of this report:

Table 41: Field study scoring, relevance

Field Study Scoring	Denomination	Frequency
Highly relevant	++	1
Relevant	+	9
Moderately relevant	+/-	5
More irrelevant than relevant	-	4
Fully irrelevant	--	2
Total number of cases		21
Median	(1=++, 5=-)	3.00
Weighted average	(1=++, 5=-)	2.69
(Predominant) Intervention strategy		Correlation with relevance
DAB		Positive correlation with relevance
MO		Negative correlation with relevance
BB		No strong correlation

Source: Field study

The relevance of the projects is moderate to good; the weighted average score is 2,69, in between “moderately relevant” and “relevant”; 9 of the 21 projects score in the latter category, 6 are barely relevant. The correlations are of very limited meaning: DAB projects by nature generate a more visible and “countable” impact, while MO and BB are more indirect, and hence tend to show less impact on paper.

To qualify this assessment, we have only assessed the *plausibility* of impact, and not done an independent impact assessment. This implies that we have assessed – if there is a visible outcome – whether or not it is plausible to say that there is an impact on the target group, and cross checked that with a focus group discussion. This does not verify whether or not the number and the quality of the impact is actually there. As mentioned, ICCO’s partners rarely ever do a baseline survey, and none in the sample has made a post-project impact assessment to verify quantity and quality of the impact.

Long term goal attainment

In our analysis, we concluded that in the field study sample 58% of the goal (=impact) has been generated in the closed projects; however, this refers to the quantity of people, not yet the quality thereof. If extrapolated to the total portfolio, ICCO’s target of improving the socio-economic position of 200,000 people would result in 116,000 actual over time. Considering the high-risk environment ICCO’s partner work in, this is a reasonable achievement, in our view.

Quality of impact is undefined

The main critical remark we make with respect to impact is that while there is a substantial outreach – numbers of people that have been reached – it is less than convincing what the value of this is for the target group. Income increases are often reported, but are frequently based on estimates (or guesstimates) rather than evidence. It is plausible, but more in the sense of “possible” – the improvements could take place, but vary strongly across the target group (to an unknown extent), are dependent of a number of favourable circumstances, and are frequently of an intangible nature. In most cases impact is on income security rather than an income increase, we have found. What the *value* of this income (or food) security is remains unknown – also, we don’t know how “secure is the security”. In our view, many of the projects claiming income security as an impact have in fact not achieved an increase, but a modest increase in security. Impacts such as empowerment and gender benefits are even more difficult to assess, or value; and, as we have observed are very often tautological: any intervention can claim to have an effect e.g. on empowerment, but only few can establish to have had a tangible, sustainable and substantial impact on empowerment.

More outreach than impact

The above leads us to the conclusion that ICCO's impact indicator is actually more an outreach indicator. That is the consequence of the definition of impact in ICCO: "sustainable improvement of the socio-economic position of small producers and employees..."; which in turn is to be achieved through "growing, or consolidated income from LMD activities" (next to "increased membership in formal and informal groups" (MO) and "number of countries where rules and policy...has adapted to benefit small producers" (BB)). Growing or consolidated income literally means anything – unless the intervention has resulted in a decrease of income; membership of informal groups are equally meaningless (what advantages membership delivers is more relevant to know), and hard to measure.

In short, we consider that these definitions are very broad, and can include anything, and nearly any project can claim to have had an impact; however the plans may have succeeded or failed.

In our view, ICCO's *impact* indicator is too broad, and is more an *outreach* indicator: it shows how many people have been "touched"; it does not demonstrate how relevant this is to the target group.

Data quality is poor

Based on the assessment in the findings chapter the numbers we find that the data quality is poor; the M&E system as such is good, but the data going into the system are not good, for the following reasons:

- Target Group size data is in nearly all cases taken over from what the partner proposes; there is very little critical analysis whether or not this data is valid; few downward corrections take place.
- The reporting of partners is rarely on impact – it is mostly treated as a given, rather than an established fact. The low use of baseline is a testimony to that; ICCO does carry out evaluations, but does not require partners to do baselines, and post-project impact assessments.
- There is no quality assessment of impact – target group size is the only indicator; e.g. the %increase in income, or other income effects are not measured by partners, and reported in the system, nor found in the databases.
- The M&E system is frequently not updated, even long after the end of the project. Also, the way impact data is entered seems to vary strongly.

Scalability

Not many projects are yet designed or intended to be scalable; most partner NGOs – as we have also seen with the difficulties of partners to cooperate in programmatic alliances – prefer to work with "their" existing target group, and see themselves as the advocate of that group, rather than venturing out of their region to upscale programmes. Progress has been made in the period since LMD was introduced, but many NGOs have not changed fundamentally. The projects we saw that were up-scales of earlier initiatives in the sample are long engagements, with larger NGOs, and in some cases with networks of NGOs (e.g. UMF, Udyogini). We note that up-scaling potential is not high on the agenda in ICCO, as in very few cases the possibility (and likelihood) to up-scale is not a critical element in appraisals of new proposals. The development of programmatic chain interventions – if successful - could bring change here.

Programmatic approach is better

The programmatic approach ICCO has advocated shows a limited, but visible positive correlation with impact: the 8 projects in the sample that have been rated in the M&E system as a part of a programmatic alliance score an average of 2,5 on relevance, while the 16 others score 3. The main reason is that in the population of the 8 programmatic projects a high percentage is modern-day value chain projects, who are associated with better results. So, in all, the main benefit of the programmatic approach could be that it helps to design better value chain oriented projects, less so the cooperation between NGOs.

Partner learning

The partners in the sample we investigated have learned and developed themselves; and ICCO support has been instrumental here as well. However, a critical point in our view is that the learning process has been a relatively slow evolution, certainly not a revolution; and has been mostly due to the experiences made with the LMD funded projects implemented ("learning by doing"). The latter we consider to be a very expensive method of learning, and in some cases a futile one: a NGO with no background in economic activities is asked to become a semi-commercial player will not likely ever become an effective value chain developer, and we have not seen any evidence of such a transformation having taken place. Successful

LMD programmes, however, require expertise, mind-set and experiences of a specific kind, which not all partners will be able (and willing) to develop.

4.3.2 Attribution of LMD

In the field studies, the researchers have attempted to assess the attribution of ICCO to the observed effects and impacts; however, within the possibilities of this research (see limitation in methodology chapter). The results are summarised in the table below:

Table 42: Field study scoring, attribution

Field Study Scoring	Denomination	Frequency
Highly attributable to ICCO	++	1
Mainly attributable to ICCO	+	14
Moderately attributable to ICCO	+/-	3
For the majority not attributable to ICCO	-	6
No attribution	--	0
Total number of cases		23*
Median	(1=++, 5=--)	2.00
Weighted average	(1=++, 5=- -)	2.11
(Predominant) Intervention strategy		Correlation with attribution
DAB		Positive correlation with attribution
MO		Negative correlation with attribution
BB		Negative correlation with attribution

Source: Field study data *) excludes Pradan case, which is big and low for natural reasons, and would distort the data

The results deliver a positive picture: ICCO's projects overall have a high attribution, meaning, the impacts observed are largely due to ICCO's (partners') support. In some cases, ICCO's attribution rating has been low, but this is for "natural" reasons: the intervention type – BB projects, for example, cannot have a large influence on the target population, but are nonetheless additional and hence valuable. This explains the correlation observed: lower for the more policy and institutional projects, higher for DAB. In other cases, low attribution is the consequence of a low contribution of ICCO ('s partner) to a common effort funded by more donor agencies; here again, a "low" score does not imply a bad choice.

We consider that the good attribution is the result of ICCO's partners' poverty focus: many are rural-based, engaged with disenfranchised groups, and often the only actor in the area. In other words, not much else *can* be of influence, except the market, and wider institutional environment. The netting out of these effects is difficult, considering the nature of the impact, as extensively discussed in the preceding chapter: since ICCO does not know what the extent of its benefits to the target group is, no exact analysis can be done to establish how much of that is due to e.g. price changes in the market, and how much a consequence of ICCO's support.

4.4 Assessment of LMD Programme and Policies

Considering the above assessment of efficiency, effectiveness and relevance, and the findings in the preceding chapter, we turn to analyse the set-up of the LMD programme, and assess the following ToR questions:

- ⊙ Is the LMD strategy consistent?
- ⊙ Have the right partners been chosen?
- ⊙ Is the LMD programme effective, compared to other programmes?

4.4.1 LMD Strategy, policy and implementation

Generally, the LMD strategy developed by ICCO is good, and in line with modern-day principles of achieving access to markets for poor communities, in our assessment. The approach embraces value chain thinking, and a focus of understanding the market system and its embedded and influencing institutions.

Benchmarking ICCO's LMD programme to other programmes in terms of effectiveness cannot be done in a reasonable way here, but a comparison in the approach and institutional set-up can be described. Here, we use the "M4P" programmes ("Making markets work for the poor") and –approach as practiced DFID, SDC and Sida, and SNV's VCD programmes. These programmes are similar to LMD in that they focus on rural areas, focus on poverty alleviation (and not on local economic development in general), and are primarily concerned with local/region market access for the target group, rather than international/export markets. Without going into details of the programmes and approach, we discuss instead the main differences we detect between these programmes, and ICCO's LMD programme.

Institutional set-up: SNV's value chain development programmes are conducted by its *own field offices*, where SNV takes on the role as a facilitator. M4P programmes are programmes within donor agencies, which identify target areas and then *contract partners* (NGOs, consultants or other agencies) to implement the programme in the area.

ICCO sees itself as a financing agency for the civil society, and works with a network of established and trusted partners to implement its programmes. While ICCO defines strategies, programmes and priorities (and raises funds), the partners are autonomous and request funding from ICCO. When the LMD programme was developed, ICCO's departure point was from an existing network of partner organisations (with widely differing missions, strategies and experiences), with which the LMD programme objectives were to be achieved.

Common methodology: M4P programmes generally apply strictly the same methodology to all their programmes⁷, which implies that the donor controls that an M4P programme is designed and implemented "according to the rules" – at least in principle.

ICCO's different set-up implies that it generally requests its partners to come forward with plans and ideas, who are funded in case the results match with the objective of the LMD programme. While the proposal is generally scrutinised, there is no common guideline what is the recognised "best practice" to implement LMD projects. Consequently, approaches vary widely across the sample we have visited.

Research first, and decide later: A major difference is that M4P, or VCD programmes spend considerable time on the assessment of the market system and the development of strategies to include the poor in an improved market system. This can easily take up to one year of research, before a go-no go decision is taken by the donor (the latter is less the case with SNV, but a prominent feature with M4P at SDC and DFID).

ICCO requests partners to come forward with an already developed programme in most of the cases, we have seen. Sometimes ICCO also funds pilots, and researches, but in most cases this does not lead to VC analysis being done. Partners are not able to spend significant resources on new and bold programmes, and are therefore often presenting modifications of earlier programmes, and refine those "along the way". We have seen only few examples of mature VCAs being the basis of a project. Partners are also in most cases not capable to do such an effort without significant external support.

Role of the market: M4P has a strong "end-market focus" for its interventions; the general concept is that only if there is a solid market opportunity for the products of the chosen target group, there can be a sustainable benefit. The only question the intervention has to address, is how the local market system can be influenced so that the target group can access and benefit from the market. Partner NGOs, institutions and the like are all secondary to this.

⁷ The M4P Practice Guide can be downloaded freely from the net; we recommend the study of this guide as being the most modern, logic and thoroughly elaborated value chain development (for poverty eradication ends) guides.

ICCO's focus is first on the partner and on the target group, less on the market: the partner is important as a part civil society and of course the target groups' needs are the first concern for these partners. As we saw in the desk study and in the field, ICCO's partners tend to see the market not as the remedy but as the obstacle, to put it "black and white". Some NGOs even have an outspoken aversion to the market which they see as the root cause of their target group's poverty, and see it as their *mission* to introduce other mechanisms to create wealth, like subsidising, supporting or creating cooperatives, social enterprises and producer organisations *instead* of using markets and supporting businesses.

This is different from M4P/VCD philosophy, which generally accepts the market and tries to make the best out of it to benefit the poor; whether a cooperative is preferable is purely a technical concern, whatever is possible and seems effective is done, irrespective of the desirability. M4P would subsidise a commercial business just as much as a cooperative, if that helps to enhance the income of the target group, while many ICCO partners (and many in ICCO) consider this wrong by principle, we have observed.

It must be said that there is a rich variety of partners in ICCO's network: a number of partners are very close on the M4P approach (e.g. about 12% are outspoken VC developers), but the majority feels less comfortable with strictly market-based thinking. ICCO, in turn, knows this, and uses the LMD programme as a tool to change the attitude and improve capacity and focus ambitions of its partners. It wants to ensure that the partner NGOs can play a positive role in society and for that the partner needs to be able to be relevant, hence be able to implement – within the LMD group of partners – effective and relevant LMD programmes. However, from an M4P point of view this can be - and often is, in our view – a goal conflict: the desire to strengthen partner NGOs can be at odds with effective LMD programmes for which many partners are not the ideal choice, so that inferior LMD results are accepted to allow the partner to adapt and learn.

Choice of partner depends on outcome of VCA: M4P programmes are very rigorous in the choice of their partners – these are strictly a means to an end, and are chosen on the basis of their capacity to implement the envisaged programme. The sustainability of the partners' involvement has a medium term horizon; the partner is supported for a period of 3-6 years during which the chain intervention must become sustainable. After that, the partner's role is no longer a concern of the donor.

ICCO generally advocates a similar view (as expressed in the MFS1 proposal); however, the practice is different: the intervention *starts with the partner*. The partner presents a proposal, which approved or not (or approved in a modified fashion) and then implemented. In other words – if ICCO approves the programme – the partner is chosen by default. M4P starts with the target region/group, approves a programme (or not), and the partner could be anyone suitable.

Role of the partner NGO: M4P programmes have a very clear view on what the role of the partner NGO should be: namely to be a "temporary supporter"; meaning neither an actor in the chain, nor a chain supporter/influencer (like an MFI or BDS provider or local government institution). There is a strict division of tasks; all in the market system are the one to be influenced by the facilitators' programmes, who in turn refrains from direct interference. The view is that the facilitator is funded by a donor, and should retreat after donor support ends; thus not be part of the lasting value chain.

ICCO's partners assume many roles, sometimes at the same time: some are actors (like a wholesaler), some are chain supporters (like MFIs, BDS providers), and some assume public service functions (like providing educational services). Many are not facilitators of a chain programme, but more a lone-standing intervention in a chain. Those who are facilitating a value chain programme, sometimes "facilitate themselves", being both facilitator and actor at the same time. This is sometimes noted as an item for discussion by the partners themselves, and we have noted a certain degree of "role confusion" – not all partners, and ICCO itself, are really sure what the precise role of the partner should be in an LMD programme, and what it should not be. In any case, ICCO's LMD programme differs here markedly from other programmes, like M4P.

Cooperation: Finally, M4P programmes have *one* facilitator, not many. That one facilitator is steered and controlled by a group of relevant stakeholders, comprising community organisations, local government, or business associations; and the donor(s). The facilitating organisation itself works with other relevant institutions in the market system, but does not engage in a "coalition" of several NGOs wishing to address

the same value chain. The rationale is that there should be agreement of the key stakeholders, and translated into action by one organisation, not several, to avoid conflicts between stakeholders. Also, and perhaps more important, the “choreography” of a chain intervention is crucial: if one part of the chain is improved it only helps if other improvements elsewhere in the chain are also undertaken correctly, with one objective in mind, and in time. Having many partners, with differing objectives, views and approaches can stand in the way of both efficiency (too much talking) and effectiveness (interdependent outcomes being achieved as planned).

ICCO champions a programmatic approach, which – in some way – does the opposite; namely tries to bring together several partner NGOs to develop common chain programmes. Like e.g. one partner acting as a wholesaler cooperates with another who assists farmers to service the market through this wholesaler. This is a noticeable difference, which is appreciated by partners where a broader, national agenda is being pursued, or if it is in line with the partners’ individual objectives. However, we did notice cases where a common chain programme has not worked out because of the NGOs seeing themselves as competitors within the chain programme, and wishing to keep an exclusive grip on “their” target group.

4.4.2 Partner policies

We see two issues with respect to the partner policies of ICCO that are worth devoting a section on: one is that it is unclear within ICCO’s strategy whether the partner is a means to an end – sustainable improvement of the socio-economic position, or also a – separate, or concurrent – end in itself. The other is the interest of ICCO to develop NGOs into effective VC developers on the one hand and the freedom it leaves the partners to approach LMD, or value chain development. We discuss these below.

Civil society goal vs. LMD goal

As we have discussed above, we detect a double objective in ICCO’s partner policy: the goal seems to be to strengthen NGOs *and* to generate benefits for the target group through LMD. The policy documentation we have seen point towards NGOs being a means to an end; however, the practice seems different. Supporting partners, ensuring their sustainability and relevance is a key objective and criteria in the selection process. The views in ICCO are diverse, and the partner policy is predominantly based on the concept of working with the existing partners. This we see as the root cause for the allocation of projects to partners who are not really capable, who are not pursuing LMD programmes, the fact that very few programmes are ever stopped, and few partner NGOs (and their programmes) are “phased out”. As we have described in this report, ICCO worked with the existing stock of partner organisations, 2 percent of projects have been stopped prematurely, and 50% of the LMD budgets were spent on projects with no, or a low “LMD-content” (see page 12-14). We conclude that this is a matter of concern, and a clarification within ICCO is needed to decide what the goal hierarchy is (logically, there can only be one ultimate goal).

Direction vs. autonomy

ICCO’s thematic development with MFS1 has been a major change for many partners: ICCO’s new LMD programme meant that many partners were selected - by ICCO – to be in the group of LMD partners, and had to develop plans that match the objectives of the programme. In several country plans it is noted that there is significant resistance to LMD, and not all partners felt that LMD was their mission and objective. So, on the one hand ICCO did push through a change in focus and approach. On the other hand however, ICCO leaves a very broad room for interpretation for the partners, as we could see from the differences in the approach. For ICCO this is desirable, as partners should be left to decide what is best in their specific circumstances. Therefore, ICCO does not demand e.g. a standard format for proposals, does not have a standardised way of examining and appraising proposals, and does not request standardised reporting on the contents (it does request strictly formatted reporting on finance, however).

In our view, this leads to a broad variety in “styles”; and leave ICCO with little in hand to actually enforce what it believes is most appropriate within the LMD context. Direction of the LMD programme becomes an evolutionary process, largely in the hands of the partners. ICCO does not exert strong influence on the actual implementation (as the low number stoppages show); its only influence is - as programme officers would say – during the appraisal. We consider that this method has certainly its merits – partners are free to experiment, and learn – but also has little safeguards to ensure that the desired outcome and impact of the LMD programme will come out; thus is at odds with the strong direction and high ambition of the LMD programme. We see this as the main cause why the LMD portfolio of projects – as we have seen in the

field studies – differs so strongly, and is more reminiscent of a broad “rural development” programme, where both value chain and standards grant-based support to farmers is mixed together.

4.4.3 Assessment

To assess the effectiveness of ICCO’s LMD strategy, policies and programmes, we compared ICCO’s LMD programme to other value chain programmes with similar objectives. We have noted a several differences between ICCO’s approach and comparable programmes such as M4P. The main differences are:

- ⊙ ICCO’s institutional set-up is different, ICCO is a financing agency, that funds programmes based on partners’ requests
- ⊙ ICCO does not enforce a particular approach or methodology towards LMD programmes
- ⊙ ICCO does not require, and many do not execute in-depth value chain analyses before the intervention is started, or approved. There are – effectively – no “go/no go” moments in a typical LMD project
- ⊙ ICCO’s partners emphasis is on the target group and less on the end-market; the market is frequently seen as the problem not the remedy of the target group’s low income
- ⊙ ICCO’s partners focus on social enterprise and other alternatives to commercial business as a solution to an observed bottleneck in the local value chain.
- ⊙ A LMD programme starts with partner, not VCA and intervention design; partners are typically not selected on their merits as organisation for the particular task defined in the programme.
- ⊙ ICCO’s partners can also be actors, institutions and service providers, apart from being facilitators
- ⊙ ICCO encourages cooperation between several facilitating partners

The above “best practice” policies and practices are however not proven to be better or worse; therefore we cannot *evaluate* ICCO’s LMD programme as being effective or not, based on the above comparison. Thus, assessments here are mostly in the eye of the beholder, and should be seen as an input for discussion and learning rather than being an evaluation conclusion.

However, we can say that ICCO’s programme does deviate from other LMD-type programme in several important ways. In our view, we would distinguish between deviations that are based on “beliefs” and some which are more of a “technical” nature:

- ⊙ The fact that ICCO is a more demand orientated (in the sense that it accepts the autonomy of its partners, and is funding based on the “demand” of the partners for funding) when it comes to approaches, and that it focuses on social enterprises (as a tool for empowerment) have advantages and disadvantages: more flexibility to take account of local circumstances and a focus of empowerment are certainly valid strategies.
- ⊙ The fact that ICCO considers civil society development as an important overall goal is fine; however, in our view this needs to be decided explicitly, and if the development of the partner is more important than the effects of the LMD programme, this needs to be made explicit. If not, the capacity of the partner needs to be the criterion and not its position or importance to the wider civil society. If a specific need for capacity development is found critical, this should become a component in the contract, next to the other LMD programme components – complete with budget, objectives and measurable results.
- ⊙ The other deviations are - in our view - a matter of effective and efficient organisation of the LMD effort, and as such ICCO is recommended to review these against experiences in other VCD programmes. Successful value chain intervention needs thorough, market-based research before a intervention is started (and in many cases the plan is rejected); partners need to focus on facilitating change, rather than trying to assume roles for which they are evidently not equipped (like an NGO with no business experience being BDS provider, or even a business in a commercial environment). Programmatic alliances should also be seen as a tool, rather than a necessity – if partners have a good reason to cooperate, they should, otherwise they should not.

In all, we consider that the ICCO LMD programme is a good first step, but is not fully matured as yet to be considered a benchmark for a modern, efficient, and effective value chain development programme.

5 CONCLUSIONS

Based on the findings and the assessment presented in the preceding chapters, we can now summarise the answers to the key questions in the Terms of Reference for this evaluation; for more details the reader referred to chapter 4. We translated the ToR questions as follows:

1. What are the effects of ICCO/KiA's LMD programme on the socio-economic position within local markets of small producers and their employees?
 - a. How sustainable is the improvement?
 - b. Has ICCO's LMD programme contributed to this improvement?
 - c. Has the programme been additional?
 - d. Has the programme been effective?
 - e. Has programme been efficient?
 - f. Has the programme developed 'scalable models' for LMD?
2. On ICCO's LMD programme and strategy:
 - a. Do the ICCO/KiA LMD-strategies show sufficient consistency?
 - b. Were the right partners chosen?
 - c. How does ICCO/KiA's LMD-policy relate to what is commonly believed to be effective LMD-policy?

In our assessment ICCO's **relevance is moderate to good**; about 58% of the targets of the sampled projects is realised. However, the main drawback here is that there is little evidence to validate the numbers, as there are very few baselines and impact assessments. Also, the **quality of the impact** is not well known: most projects are considered to contribute to income security, followed by income increases. The value of both is unknown.

The sustainability of the sampled LMD projects is limited; **most key achievements are not sustainable**. That means, most of the outcomes partners realise are not sustainable, i.e. stop delivering benefits to the target group once the funding stops, or – as is often the case – depend on further funding.

ICCO's (partners') contribution to the observed effects is good, **attribution is high**; with the exception of cases where ICCO funds a smaller part of a joint donor exercise (which yields naturally a lower attribution percentage), most projects score high on attribution.

Additionality is high; ICCO funds projects that generate result which would not have occurred without the support of the ICCO partners.

Effectiveness is moderate; ICCO's partners on the whole achieve about half or a little more than half of what was agreed to be a result in the contracts with ICCO. Projects with a high DAB content score better, because they are often "traditional" projects; but are – at least in our assessment - not LMD projects as foreseen in the LMD strategy of ICCO.

Relatively **few projects are up-scales** of earlier programmes; so far only a handful of projects have been taken to another target group to replicate and upscale the tested approach. This has to do with the relatively short time since the start of LMD in 2007, and the fact that most ICCO partners have a strong preference to work with their traditional target group.

Efficiency is moderate; we have assessed (cumulative) overheads, ICCO's capacity to develop and monitor projects and the allocation efficiency. Projects in the field study were also scored; while we cannot make statements on the cost per activity/output, we have assessed the partners' overall efficiency in terms of implementation and management. Overall, project are generally efficient, though (cumulative) overheads are high; delays in implementation are frequent, activity based costing is rare; allocation efficiency is not high. Therefore, we rate ICCO's, and its partners' efficiency, as moderate.

The overall result of the evaluation of ICCO's LMD programme are explained by a number of factors: ICCO and most of their partners have only recently started with LMD-type projects, which is reflected in the different scorings of the more "traditional" partner, vis-a-vis the more advanced chain development specialists. ICCO, in turn, works with the stock of partners available in 2007, which results in sometimes sub-optimal partner and strategy choices, or learning exercises. ICCO considers that in the rural areas it

works, better partners are not always readily available, and hence the results reflect the circumstances. The LMD programme is also new for ICCO, and has been developed gradually. Nevertheless, in our view, ICCO has choices to improve result-orientation as we will discuss in the recommendations chapter below.

With respect to the **consistency of the LMD strategy** we note that the goals of LMD are not consistent with the goals of the partner policy ICCO applies. It is unclear within ICCO's strategy whether the partner is a means to an end – sustainable improvement of the socio-economic position - or also a separate or concurrent end in itself. The other noticeable aspect is the interest of ICCO to develop NGOs into effective VC developers on the one hand and the freedom it leaves the partners to approach LMD, or value chain development.

The **partner choice** is not necessarily consistent with the aim of LMD: partners are not chosen on their effectiveness and capacity to deliver results, but (also) chosen as a part of a broader strategy to improve the civil society. This has led to projects half of which are not LMD in content in our assessment.

We have **compared the LMD programme strategy** and policies, and compared those to other local market development programme (-approaches); however, without making a definitive statement on whether or not the LMD concept of ICCO is effective or not; this we consider an item for learning and discussion. We notice that the institutional setting of ICCO as a financing agency for civil society organisations, has an impact on how ICCO – and moreover its partners – approach value chain development programmes, see the role of the market, consider the role of the partner in the value chain programme and engage in cooperation with the chain stakeholders.

6 RECOMMENDATIONS

Based on the findings, assessments and conclusions made in this report, and the observations we have made in the field we have a number of recommendations for ICCO's future operations in this field. Many of the issues pointed at have been discussed at length in the text of the main report and are not repeated here in detail. These recommendations are of course purely reflecting our opinions and insights and are intended to deliver material for further discussion within ICCO and its network of partners.

6.1 Improve the M&E system, and demand baselines

The M&E system of ICCO is a good, and coherent system, and embedded in a good electronic filing system; not many aid agencies have similar systems. However, we recommend ICCO to improve the following:

- ⊙ **Baselines and post-project surveys as a standard;** for ICCO, it would be a strong asset to be able to report with confidence what its ultimate impact on the target group is (worth). Currently, this is not possible. Partners should and could be made to understand that having living proof of relevance is a necessity in modern development cooperation and a good investment for the target group, not an extra cost – more proof of relevance delivers more funds, and better insights what works and what does not. Eventually, this is one important step towards partners who are ready to “manage for impact”, which would be significant progress. Therefore, we suggest ICCO *demanding* that partners carry out baselines and impact measurements that deliver a clear insight into the actual impact generated.
- ⊙ **Make indicators more concrete;** it is understandable that ICCO has chosen for more general indicators (like “growing or consolidated income”) to capture all the possible effects and impacts from its diverse portfolio. However, this should not be leading to indicators having no meaning at all anymore. Improving the socio-economic position can be dissected into several categories of income effects, and quantified (even income security can be given a value, by approximation). We suggest ICCO to review the indicators for quantifiable results.
- ⊙ **Ensure reporting is on indicators as well;** the reporting of the partners is diverse, to put it diplomatically. Apart from reporting formats, we would also suggest that partners – at least on larger projects – are asked to properly report on the key indicators the actual project is scored on. This could help to overcome the lack of data (-quality) in the current system, and lead to a better updated system.
- ⊙ **Shorten reporting cycles;** currently ICCO is demanding very little from partner in terms of progress reporting – once a year, and format is free-style. The time given is also very generous; it can take easily up to year (and more if the partner is late) before new data arrives in the system. This makes it almost impossible to actually “monitor” a project, and a larger programme: the data that would, or should trigger actions, are arriving in the system long after a corrective action could have been useful. In fact, even the follow-on funding is often granted before the reporting on the previous funding is in, so performance is no (formal) criterion then. This touches a wider point: an M&E system can be only for reporting to the donor, but can also be an integral performance management tool in ICCO. We recommend ICCO to consider using the system also a tool to challenge itself, and its partners for better performance.

6.2 More involvement, standardised reporting and appraisal

ICCO's policy on reporting demand from partners is strongly influenced by its desire to engage in a learning partnership and dialogue which should leave room for the partners' own way of development. This is also documented at length in the partner policy documentation we have reviewed. This has, however, a number of unwanted consequences, in our view.

We saw that proposals, budgets, progress reports and final reports do not have any sort of format, not do LMD projects follow a standardised approach: e.g. baselines, value chain analysis or business plans are optional, not compulsory. While it is good to leave creative space for the partners and to be flexible, enforcing a programmatic objective and assure effective projects is difficult under these circumstances. The policy of not interfering too much during implementation, and restrict involvement to feedback letters only is not sufficient to stimulate change in partners' operations, challenge partners to perform better, and stimulate (risk-taking) innovation.

We recommend ICCO to review its policy and strike a new balance between partnership, support and performance control. A tool for this is to ensure that reporting (be it proposals or final reports, or budgets) is coherent, and systematic; challenging partners to address the issues ICCO has learned are crucial to ensure a good programme.

6.3 Develop benchmarks

ICCO has amassed a wealth of experience in funding and implementing developmental projects; but few if any benchmarks within the organisation are found. Whether or not a project is “expensive” cannot be judged by a programme officer. Sometime ratios like cost per farmer are calculated, but these are of little help, considering the vast differences in results, and country circumstances. Because there is no standardised reporting, and information collection, more useful benchmarks are not possible to develop. Such as a ratio of project cost to income increase per farmer in a country, or value chain. Useful to know, as usually, a significant portion of the funding will have to be earned from the value chain later on, and excessive ratios (which we have seen frequently) should raise concern at the appraisal stage.

6.4 Review partner policy

We have discussed the partner policy and its consistency with the LMD programme in chapter 4.4, and found that there is an inconsistency between ICCO’s desire to help create strong civil society organisations, while at the same wanting to achieve maximum benefits for the target groups. This is not always win-win, but often, we find, a trade-off. We strongly recommend ICCO to review what is the purpose and what is the goal here. Is it - as the partner policy (2003) states - *“Strengthening civil society and its organisations is not just a means to an end when it comes to poverty alleviation but a goal in itself”*? Or is it that the impact of LMD programmes has to be achieved as efficiently and effectively as possible, as the MFS1 documentation states? This is visible in the portfolio of LMD. There is a clear differentiation between traditional civil society partners, who are implementing traditional rural development programmes, and “professional value chain development” partners, who have a stronger intervention methodology, clearer roles, defined deliverables and an exit strategy.

A clarification is important here: depending on the conclusion, partner selection (and de-selection) can be either done on the partner’s ability to service the target group, or on the merits the organisation has for the wider process of development. If civil society strengthening is the aim – other programmes could more directly address the partners’ capacities; “learning LMD by doing” is in any case too inefficient and slow. Clarification here would be a benefit for ICCO’s organisation as well: programme officers have a clear view on what to look for and what to dismiss as not relevant.

We would recommend ICCO to see the strengthening of partners as a *component* in a LMD programme – if the partner overall qualifies to be a good VCD programme facilitator, despite some weaknesses. That component can be a part of the investment, and of the results. But it would be a means to an end; we would find that the potentially beneficial role of an (improved) NGO in society is too broad and intangible to be a goal by itself.

We recognise that ICCO’s “asset” is in part its long standing, and trusting relationships with the network of partners it has; thus, this value should not be carelessly scarified. If a rigorous selection of partners points out that many NGOs have no added value in an LMD programme, and are unlikely to become suitable with a reasonable investment in capacity building, other roles could be considered in other thematic areas. Ultimately, however, especially “economic projects” or in particular challenging value chain projects cannot be successful if the implementing partner is not up to the task: you can challenge a partner to change, but ambitions here have to be realistic.

6.5 Embrace and enforce value chain thinking

Local market development is meant to create sustainable sources of income for the target group within the context of the market system the target group works operates. The ambition – if the intervention is to be relevant and sustainable – is to influence and improve the market system such that it serves the target group better. To achieve this, value chain thinking is indispensable. The evaluation has shown that projects that choose to embrace value chain concepts are more effective, and - even more importantly – more (likely to be) sustainable.

However, most partners are not (proficiently) applying value chain development methods to achieve impact. Instead, direct interference via unsustainable grants, lack of end market awareness, are features often seen in the cases we researched. There are many issues that could be discussed here, as the section that compared ICCO LMD to M4P showed. We recommend ICCO strongly to:

- (a) Send out a clear message to partners what is best practice, what are minimum criteria for fundable VC projects (like e.g. a VC Analysis), and what the preferred role of the partner NGO should be.
- (b) Critically review ICCO's own view on what value chain development should be, and how it is done best. We consider that ICCO's choices here can be improved: e.g. being a facilitator rather than an actor, or choosing for research first and decision to fund later, are matters we would recommend to introduce as a guideline, if not rule.
- (c) Support partners with the understanding and application of "best practice" value chain development, using ICCO's funds as well as technical expertise.

6.6 Address sustainability through markets

In our view, ICCO's key challenge is to generate *sustainable* results, rather than results that depend on continued funding. To achieve better results on sustainability we recommend ICCO to consider the following:

- ⊙ **Ensure that LMD projects are done with value chain development methods;** VC methods are invented to ensure that the donor funded effort is forced to focus on sustainability, rather than attempting to use ample donor funds to make "quick fixes" that cannot sustain themselves (like just buying a machine for a PO)
- ⊙ **Partners are selected that are able to develop and manage a value chain project;** as discussed above, concepts and best practices are important, but all depends ultimately on the entrepreneurialism, skill and drive of the implementing partner – good VC developers will adapt concepts to be effective. There is no surrogate for good management and leadership in business, and LMD means to be in local business.
- ⊙ **Careful assessment of exit plans** (it should be a compulsory item in a LMD proposal), and whether sustainability can realistically be expected. E.g. we mentioned in the assessment, public services cannot become sustainable in the market system, as there is no market for it; scenarios in which a local governments eventually see the benefit for themselves to fund and have the ability needs to be thought through. Equally, BDS providers and other services are hard to make sustainable in a rural setting in particular, experience shows. Creative solutions are required (like mobile banking instead of a branch office), and tested against reality before engagement.
- ⊙ **Realistic ambitions;** (too) high ambitions mean high risk, and that is a cost, not a benefit. Changing a value chain that has many "broken links" is more risky than fixing one broken link (risks in a value chain are interdependent – all links have to work in order to deliver any result). "Long chains" – from farmer to world export markets accumulate large risks to a value chain programme's success. Risks need to be calculated across the chain – only a calculated risk is risk worth taking.

6.7 Demand-oriented programmatic approach

The programmatic approach ICCO seeks to involve at least 80% of its partners has its merits in general (as we pointed out, it helps seemingly to enforce value chain thinking), but should not be supply-driven: ICCO ambition has led to the development of many programmes, at least on paper. Many of the interviewed ICCO staff referred to this rule as a key driver for the 'urgency' to act on the Programmatic Approach. This, however, will not help to generate effective coalitions and partnerships.

As we have pointed out in the comparison of best practices in section 4.4, there are concerns about in theory and in practice whether it is beneficial to have a group of NGOs seeking to develop a value chain together – but if the partnership is enforced top-down, an added value for the individual actors (ICCO key principle No. 4 for Programmatic Approaches) is unlikely to materialise and a coalition will either not cooperate, or even stand in each other's way.

Therefore, we recommend ICCO to consider that PAs are not a "must" but stimulate cooperation where that is in the mutual interest, and is effective. This would already be a challenging task for programme officers, bringing together less than willing partners will either be impossible, or only happen on paper, neither of which is desirable.

6.8 Revise indicators for strategic funding

In its approach to local market development, ICCO frequently funds NGOs directly, that is without a specific programme target, or with a component that is there to support the overhead cost of the organisation. With that funding, the aim is to allow for development of the NGO partner itself, which in turn e.g. allows for the NGO to attract new funding, which in turn generates more impact for the target group. The question for ICCO has been how to measure the value of this type of funding. Using the strategic funding as an argument to attribute all, or a large proportion of the ultimate impact on the target group is not in line with evaluation methods: attribution depends on how an effect has come into existence, and strategic funding can only be an indirect, and ultimately very small part of the total impact observed (like e.g. a strategic funding which was 50% of the fundraising cost, which was again 20% of the overhead associated with the future project, being 25% of the funding of the project. This would be leading to an attribution of (in the best case) 2,5%). Also “knock-on” effects like these are to be proved in terms of causality to be valid, which is hard to do convincingly. At the same time, the (potentially) high additionality is not sufficiently describing the added value of strategic funding ICCO feels it has.

We recommend ICCO to develop a separate set of indicators here; this would mean that strategic funding with the aim of strengthening the sustainability and outreach of NGOs is measured for achieving exactly that: e.g. x EUR spent on strategic funding (input), leading to use of funds for e.g. fund raising activities (output), leading to increased funding of the NGO (outcome), resulting in more outreach of that NGO (impact). Attribution of the effect would be proportionate with the fundraising budget of the NGO. The impact, though in theory could be calculated through parts of percentages of percentages, we would define – separately from the overall impact indicator – as “contribution to increased outreach of civil society”. The quality of this impact would be rated as good, if the impacts of the NGO are indeed contributing to the aim of e.g. improving the socio-economic position” of the target group, while weak if this is not seen to be the case.

Finally, use of local consultants has shown to be a good tool to create and develop effective coalitions between ICCO partners (and others) in a chain.

ANNEX 1: EVALUATION FRAMEWORK

Desk and Field study design: ICCO LMD 2007-2010							
Relation to be measured	Result Level	ID	Performance Indicators	Desk study data	Field study data/findings	Other data/findings	Answering which research question?
IMPACT		IMP1	Number of people, and type of small producers and their employees that have benefited from the LMD programme	<ul style="list-style-type: none"> MP data 	Validation of final reports and external evaluations through FGDs: - Did socio-economic position change, in terms of working conditions, power balance, gender balance, income security, food security. Attribution of LMD activity	Desk study, macro-economic data on target group Donor scan: What are activities of other donors in the same field (additionality)	- Changes in terms of working conditions, power balance, gender, income security, food security. - Attribution of LMD activity - Extent of change
		IMP2	Extent and type of improvement of socio-economic position of target group	<ul style="list-style-type: none"> Information on extent and type in external evaluation? 	- What changed? - What caused the change? - Is the change sustainable?		
Relevance				Desk study data	Field study data/findings	Other data/findings	Answering which research question?
OUTCOME	DAB1	DAB1.1	Specific proof that LMD has contributed to viable and sustainable producer organisations through profitable trade relations within local market segments	Check for specific proof available in Dynamics (photo's, training reports, annual accounts of supported POs)	Partner interviews: <ul style="list-style-type: none"> Partner's tools to assess profitability /feasibility POs Partner perception of feasibility and profitability of supported POs for the coming years Interviews with PO board: <ul style="list-style-type: none"> Local market turnover, trade volumes and profitability figures and projections (2007- 2012) External support/funds received/projected 2007-2012 		What were key success factors in supporting POs to become (more) viable and sustainable? Attribution of LMD

	DAB1.2 (add)	Specific proof that LMD has contributed to an increase in the number of successfully introduced innovations (PMC, processes) to small producers in local markets	Partner interviews: - Key success factors in successfully introducing innovations? FGD with small holders: - (to what extent) have members adopted innovation		What were key success factors in successfully introducing innovations?
	DAB1.3 (add)	Specific proof that LMD increased the number of new trade relations and increased volume of trade of small producers with local wholesalers, processors or supermarkets	Interviews with PO board: - Local market turnover, trade volumes and profitability figures and projections (2007- 2012) FGD with small holders: - (How) have members of the focus group experienced changes due to new trade relations, increased volume of trade Optional: Interviews with wholesales/ overarching trade associations on increased trade volumes in local markets		Did the LMD programme lead to increased volume of trade of small producers within local market?
MO1	MO1.1	Specific proof that producers' organisations and labour organisations in rural areas have improved their service provision, have a stronger innovation capacity and increased membership.	Interviews with PO boards - What is current innovation capacity of POs? - Number of members realised and projected 2007-2012 - What services are offered to members? Focus group discussion; - have service levels improved?		(in what way) have producers' organisations and labour organisations in rural areas been strengthened?
	MO1.2	Specific proof that LMD has contributed to coalitions and strengthened local networks leading to improved chain interventions, and increased membership of	Partner interviews: -new network partners / coalitions thanks to LMD? Optional: interviews with local network members on ICCO partner role in the network, and achievements of the network in the program period	Minutes of local network meetings? Partner survey	Have partner's chain intervention capacities been improved? Have new coalitions and local networks been formed? Has membership of

networks and coalitions

coalitions increased?

BB1	BB1.1	Specific proof that LMD contributed to an increased use of organic production standards, new products and new marketing strategies for local markets (including certification).	Partner interviews: - Has total use of standards/ total trade volume in local markets have increased? Optional: Interviews with national organic trade associations to assess if total use of standards/ total trade volume in local markets have increased		Has trade in certified products increased in local markets? Do small producers produce for this market?
	BB1.2	Specific proof that LMD contributed to an improvement of the business climate (measured in changes in regulations, policies and/or certification mechanisms) for small producers in LM	Partner: - Official, additional proof of changes in regulations, policies and/or certification mechanisms that can be provided by the partners FDG with small producers: - Noticeable changes in business climate?	Official government publications	Has the business climate for small producers in local markets improved?
	BB1.3	LMD demonstrably contributed to elimination of market distortion and/or protection of small producers against the negative effects of free trade agreements	Partner interviews - Official proof of elimination of market distortion and/or protection of small producers against the negative effects of free trade agreements that can be provided by the partners FDG with small producers - Noticeable changes in effects of market distortions?	Official government publications	Have market distortions been eliminated? How many small producers are protected against the negative effects of free trade agreements

Effectiveness (including sustainability)			Additional desk study data	Field study data/findings	Other data/findings	Answering which research question?
OUTPUT	DAB2	DAB2.1	Number of partner organisations active as a supporter of chain development (supporter) and number of partners active in the chain (actor)	- Typology DAB activities - % actors active in the chain - MP data	Partner interviews: <ul style="list-style-type: none"> • Verify data from the database • Institutional capacity building of PO (% projects), direct capacity building of small producers (% projects) • When did partner become active in LM chains? (how) did ICCO LMD contribute to that? • Have partners in period 07-10 changed their strategy/role from actor to facilitator? If so, (how) has LMD contributed to this? • Target group/ partners own contribution to LMD projects 	What does 'active as supporter of chain development' imply? What does "active in the chain" imply? What is attribution of ICCO to initiating partner LMD activities?
		DAB2.2	Number and type of producer organisations supported	- Typology of beneficiary producer organisations (on the road to sustainability vs fin sustainable, and small vs. large POs) - MP data	Partner interviews <ul style="list-style-type: none"> • Verification of MP data • How were beneficiary POs selected? • Does partner also work with these POs on other projects? • What is partners' current relation with the supported producer organisations? 	How many and what type of producer organisations were supported?
		DAB2.3 (add)	Number and volumes of investments realised for innovation of producers' organisations		Partner interviews <ul style="list-style-type: none"> • Typology and number of innovations introduced at POs 	How many and what type of innovations have been introduced, that benefit the target group, as a result of LMD?

	DAB2-4 (add)	Number and volume of credits and other form of capital mobilised for POs through LMD		Partner interviews: <ul style="list-style-type: none"> • Number and volume of credits and other form of capital mobilised for POs through LMD 	Learning questions: Strategic contribution of FD programme to LMD activities
MO2	MO2.1	Number of partners that develops or implements BDS and VT programmes	- MP data	Partner interviews: <ul style="list-style-type: none"> • How was the beneficiary VT/BDS provider selected? • Target group own contribution to the VT/BDS? • (in what way) does the partner also work with the VT/BDS provider in other projects? • What is partners' current relation with the VT/BDS provider? • Are VT/BDS services still available? • Who are benefitting from the available services? Service provider interviews: <ul style="list-style-type: none"> • Are VT/BDS services still available? • Who are benefitting from the available services? 	Are services sustainably available? <i>Learning question:</i> (in what way) is the LMD target group benefitting from these services?
	MO2.2	Number of programmatic chain interventions developed and/or implemented by partners	- MP data - total LMD programmatic chain interventions	Partner interviews: <ul style="list-style-type: none"> • Typology of programmatic chain interventions • Did partners involve new non-conventional stakeholders in the project? • Did partners propose a new role for themselves in the project? • Partners' perception of feasibility and benefits programmatic chain 	Type and quality of the programmatic intervention <i>Learning question:</i> Are programmatic chain interventions more likely to achieve sustainable results?

interventions

	MO2.3	Number of network organisations and/or coalitions that participates in a programme for institutional development from the alliance	- MP data - Typology of activities to achieve this, # of activities facilitated by ICCO	Partner interviews: • Did partner participate in alliance's institutional development activities? • (How) did participation lead to changes?	Partner survey	<i>Learning question:</i> How and to what extent has the LMD alliance lead to improved partners' LMD performance
	MO2.4	Number of network organisations and/or coalitions that has developed an advocacy strategy and market intervention strategy	- MP data	Partner interviews • Typology of activities implemented • Has the network enhanced the success of your advocacy/market intervention strategies? Optional interviews other network partners • "Peer opinion" of performance of ICCO partner in the network? • Has the network enhanced the success of your advocacy/market intervention strategies?		(to what degree) have network partners bought-in to or implemented the new strategies
	MO2.5 (add)	Number of DREO partners cooperating with Dutch businesses, intensity of cooperation			Partner survey	Have LMD partners worked with Dutch businesses in 2007-2010?
BB2	BB2.1	Number and type of partners that work on stimulating sustainable production (fair trade, bio, IPM), and number of countries	- MP data - Typology of activities, single activity or integrated in larger programme, and targeted sector/groups	Partner interviews • When did partner become active in this theme • Typology of activities and targeted sector/group • Partner opinion of potential outreach of this activity to small producers		What did partners do to stimulate sustainable production systems?

BB2.2	Number and type of certification mechanisms developed by an interest/advocacy organisation), and number of countries	- MP data - Typology of activities, single activity or integrated in larger programme, and targeted sector/groups	Partner interviews <ul style="list-style-type: none"> • When did partner become active in this theme • Typology of activities and targeted sector/groups • Partner opinion of potential outreach of this activity to small producers 	Has LMD programme contributed to the development of certification mechanisms? Attribution LMD?
BB2.3	Number and type of partners that have developed strategies aimed at improving the business climate for small producers	- MP data - Typology of activities, single activity or integrated in larger programme, and targeted sector/groups	Partner interviews <ul style="list-style-type: none"> • Typology of partners • Typology of activities • When did partner become active in this theme? • (how) were key business climate issues of small producers defined/researched? • Typology of activities and targeted sector/group • Partner opinion of potential outreach of this activity to small producers 	What did partners do to improve the business climate for small producers?
BB2.4	Number and type of issues that have been placed on the policy agenda related to improving the business climate for small producers	- MP data - Typology of activities, single activity or integrated in larger programme, and targeted sector/groups	Partner interviews <ul style="list-style-type: none"> • When did partner become active in this theme? • Typology of activities, and targeted sector/group. • Activity fragmented or integrated in larger programme? • Partner opinion of potential outreach of this activity to small producers 	Has the business climate for small producers improved, as a result of LMD activities?
BB2.5	Number and type of national lobby events to reduce local market distortions resulting from free trade agreements	- MP data - Typology of activities, single activity or integrated in larger programme, and targeted sector/groups	Partner interviews <ul style="list-style-type: none"> • When did partner become active in this theme? • How were LMD relevant distortions identified? 	What did partners do to reduce local market distortions resulting from free trade agreements for small producers?

				<ul style="list-style-type: none"> • Partner opinion of potential outreach of this activity to small producers • Interviews with government officials subjected to the lobby • “Peer opinion” of quality of lobby event 		<p><i>Learning question:</i> Are lobby events effective tools to reduce market distortion?</p>
BB2.7	Number and type of initiatives/cases of local stakeholders taking action against market distortion and the effects of free trade agreements	- MP data		<p>Partner interviews</p> <ul style="list-style-type: none"> • Are you aware of initiatives/cases of local stakeholders taking action against market distortion and the effects of free trade agreements? 		Have initiatives/cases of local stakeholders taking action against market distortion and the effects of free trade agreements taken place?

Efficiency			Desk study data (dynamics data)	Field study	Other sources	Answering which research question?	
INPUT	Funding - budgeting - monitoring - staffing - learning - management	IN1	MFS1 funds spent on LMD projects implemented by partners	<ul style="list-style-type: none"> • Financial Amount vs Spent Amount (database) • Project budgets 	<p>Verification of data on fund spend on:</p> <ul style="list-style-type: none"> - Activities for target group implemented by partner - Partner internal learning - Subcontracting service delivery target groups 		Overheads and % of budget that arrives at target group
		IN2	MFS1 funds spent on AKV (project administrative budget)	<ul style="list-style-type: none"> • ICCO annual reports, % AKV per year 	No. visits of ICCO staff, hq or project visits	ICCO interviews	Overheads and % of budget that arrives at target group
		IN3	Co-financing of third parties (non-DGIS)	<ul style="list-style-type: none"> • Average % of co-financing (Dynamics/kenschets) 	<ul style="list-style-type: none"> - Verify MP data on co-financing - Indication on budget for LMD activities if ICCO would not have contributed 		Is ICCO LMD co-financing additional?
		IN4	Quantity and quality of staff at ICCO for LMD	<ul style="list-style-type: none"> • # and level of education LMD staff • Estimation FTE/project (EUR/project) 	<p>Partner perception of ICCO staff's:</p> <ul style="list-style-type: none"> - country knowledge - LMD knowledge - project management 	Partner survey, ICCO interviews	Is staff quality and quantity sufficient to implement LMD?

IN5	Systems to enhance internal learning and to determine the LMD strategy	<ul style="list-style-type: none"> • € spent on internal learning ICCO 	<ul style="list-style-type: none"> - Partners investments in LMD learning in € - Partners investments in participating in alliance activities in € - Verification of participation in ICCO project, where relevant 	ICCO interviews	Budget spent on internal learning? Does learning go beyond ICCO?
IN6	Systems to plan, monitor and evaluate the LMD programme	<ul style="list-style-type: none"> • Quality of proposals submitted to LMD • % of projects accurately filled and scored in Dynamics • % of projects externally evaluated, and quality of evaluations as scored by ICCO 	<p>Partner interviews:</p> <ul style="list-style-type: none"> • How was the LMD project initiated / planned? • Was the project implemented according to plan? • (To what degree) were changes discussed with and reported to ICCO staff? • (To what degree) have action points/points of attention of ICCO lead to improvements? • M&E communications: emails/calls per month, administrative workload, most useful feedback received 	Partner survey	What is the quality current M&E? Are systems for planning of new projects sufficient?

Terms of Reference PE Local Market Development (LMD)

1 Introduction

Local Market Development has been explicitly on the agenda of the ICCO and Kerk – in –Actie (KiA)'s DREO (Sustainable Fair Economic Development) Department since 2004. The most recent programme addressing the theme covers the period 2007-2010. With 2010 being the last year of the program, ICCO & KiA wants to assess its results. The main focus in the evaluation is the question whether the objectives of the programme have been reached.

In chapter 2, the LMD programme is described in short. Chapter 3 is devoted to the evaluation.

2 The LMD programme

2.1 Theme and objectives/goals

The LMD programme is aimed at the stimulation of strategic chain development in local, national and/or regional markets and at horizontal and vertical integration of small producers and/or entrepreneurs in these product chains.

Theory of change

In the *Bedrijfsplan* it is described what output is aimed at with the various intervention strategies. When direct poverty reduction (DAB) is concerned, the ICCO/KiA-partners and producers organisations are supposed to carry out an integrated chain development programme for the local market in cooperation with the ICCO alliance. Eventually, this should result in improvement of the entrepreneurial climate, a raise in employment and an enhanced socio-economic position of small producers and their employees by taking part in the local market programme.

On the aspect of developing of Civil Society and institutional development (MO), a strengthening of the capacities of producers' and employees' organisations as well as multi-actor networks taking part in the local market programme, should result in improvement of the capacities as well as the production and working conditions.

When Lobby and Advocacy (BB) are concerned, the result of influencing the trade conditions (especially disturbing effects on the local market), development and harmonisation of local seals of approval for organic products and access of the target group to new focal point markets should be that small producers get more room to consolidate their market position and gain more influence on the access to local focal point markets.

2.2 The LMD-programme in short

As the main objective suggests, the programme is aimed at the improvement of the socio-economic position of small producers and their employees. Other actors in the value chain – such as traders and the processing industry – are concerned to be instrumental and are therefore not included in the programme. That said, the scope of the programme turns out to be wider than just the two groups the program is aimed at.

The programme is carried out in over 20 countries in Africa, Asia and Latin American countries.

The LMD programme works with the following approaches:

- Participative approach: The project involves all stakeholders in defining its interventions through regular planning meetings on project development as well as value chain meetings.
- Poverty focus: the project aims at fair, economically and ecologically sustainable relations between the actors of the value chain. In order to optimise outreach the project will focus on markets, while searching ways to include the smallest farmers possible, with specific attention for female farmers..

- Sub sector focus: The project works on the basic assumption that a sub sector focus, which offers concrete and sub sector needs-specific solutions is appropriate to building the necessary trust and capacity to enter into commercial relationships in the commodity chain. The project works in the fruit and vegetable processing and dairy sectors.
- Working along value chains: involve and encourage all actors along the value chain in providing the services needed to overcome obstacles, ensure that products are delivered to markets and make sure that farmers receive fair compensation for their efforts. The programme aims at addressing the major bottlenecks in the value chains, with the interest of all actors, particularly small farmers in mind.
- Capacity building: the programme develops the capacity of value chain actors and value chain supporters in playing their respective roles.
- Customized Multi-Stakeholders technical support: The programme shows opportunities to existing stakeholders (donor projects, local extension services, service providers and state organizations) in provision customized technical assistance to chain actors and motivates them to do it.
- Working with local service providers: the project mandates technical and organizational support of farmers' groups to local service providers.
- Learning platform initiates a dialogue on lessons learnt in project intervention in local market development and farmers' organization development with the aim of disseminating and capitalizing on the project's experience.

A detailed overview of the activities that are part of the programme, as well as the countries/regions where the activities are executed and the participants/stakeholders is to be found in annex 2.

2.3 Expenditures and planning of the programme

The LMD-programme started in 2007 and ends in 2010, thus covering a 4 year period. The total budget of the LMD-programme for these 4 years is 51 mn euro. This means the average annual budget is €12,75 mn. The accounting records show that in practice approximately some €11.175.000 has been spent on LMD annually.

More information on the budget and the actual expenses up until 2009 will be available to the research team.

2.4 Assessing the results of the programme: indicators

With approval of the grant provider, in 2008 the objectives as described under 2.1 have been modestly altered. They are recorded in the monitoring protocol of august 2008 (annex 3). The LMD programme provides clear objectives, success factors, targets and indicators on the level of the alliance, the partners and the target groups. In the monitoring protocol, these objectives, success factors, targets and indicators are specified in terms of chain development (DAB1), capacity development (MO1), strengthening of local networks (MO2), promotion of the use of organic producing standards, new products and new marketing strategies (BB1), improvement of the business climate for small producers (BB2) and elimination of market distortions (BB3). From the start of the programme, the results of the programme have been described in annual reports along these lines.

3 The evaluation

3.1 Purpose of the evaluation

As mentioned before, with 2010 being the last year of the LMO-programme, ICCO/KiA wants to assess its results. Therefore, an evaluation study will be carried out. The purpose of this evaluation will be threefold:

- To show and account for the results of ICCO/KiA's involvement in LMD;
- To weigh, judge and assess this engagement;
- To draw lessons for future activities with respect to local market development.

The evaluation should be representative for the LMD programme and has to be designed in such a way that all the expenses on LMO in the entire evaluation period are accounted for. Furthermore, the results of the evaluation should allow the ICCO alliance to be able to take a more informed approach to further integration and translation of its LMD programme into the Fair Economic Development (FED) programme

as is planned for the period 2011 - 2015. The evaluation will provide useful input for country plans of the ICCO Alliance for the years to come.

3.2 Evaluation questions

The central question to be answered regarding the results of ICCO/KiA's LMD programme during the period 2007-2010, is:

What are the effects of ICCO/KiA's LMD programme on the position within local markets of small producers and their employees?

Considering the overall objective of the programme, this question can be divided into two separate questions:

- 1) Has the position of small producers and employees sustainably improved within the LMD-programme period?
- 2) To what extent ICCO/KiA's LMD programme has contributed to this improvement?

To answer the first question, the position of small producers and their employees has to be assessed and compared to the situation before the start of the programme. The idea is to not only look at the socio-economic position, but also take aspects like gender, empowerment, access to professional markets, and food security into account

To answer the second question, first an inventory of activities and related objectives of the programme has to be made. Second, it has to be assessed whether the activities have been executed and whether these activities have been effective (to what extent have the activities resulted in reaching the objectives?). Furthermore, an important issue is to assess to what way the LMO programme as it has been carried out over the past years, has been able to come up with 'scalable models' for LMO (in simple terms: be able to reach more beneficiaries with the same amount of financial input). In general, the researchers are asked to pay attention to the efficiency of the activities (could the results have been realised using less resources or could more results have been realised using the same amount of results?). However, the focus of the result should be on effectiveness of the program; efficiency is to be assessed within the context of the effects study.

Because of the learning goal of the evaluation, the research team is asked to not only assess the effects of the LMD programme, but also to elaborate on and explain the findings by placing them into the context of the LMD-strategy (do the ICCO/KiA LMD-strategies show sufficient consistency; were the right partners chosen etc) and within the context of the common ideas on the LMD-theme (how does ICCO/KiA's LMD-policy relate to what is commonly believed to be effective LMD-policy?). In this way, lessons can be learned from the weak points of the policy in order to improve ICCO/KiA's LMD-strategy. Another question to be answered is whether the strategy fits with the country context. To do this, the country plans - of which two⁸ can be found in annex 4a and b - can be used.

⁸ The examples provided are two plans of the same country made in different moments in time and reflecting developments in LMO thinking within ICCO.

3.3 Time period

The evaluation will look into LMO activities as financed by ICCO/KiA over the period 2007- 2010. Most preferably the field work part of the evaluation addresses countries in all three LMD-continent.

3.4 Approach

Phase one

In the first phase of the evaluation study, the ToR will be elaborated by the research team in order to get a better view of the theme and to phrase the approach of the study – including the research questions – more precisely. To do this, it will be necessary to make a quick and global scan of relevant LMD-policy documents, the database with LMO projects and a limited number of explorative interviews with relevant ICCO/KiA-staff have to be done to explore the subject. These activities will lead to an inception report which contains a detailed mode of operation, a detailed time schedule and budget and a well motivated proposal for selection criteria for the indicators to be used and cases to be researched. The inception report will be discussed with the Coordination Group (CG, see 3.5) and – if necessary – adjusted accordingly. When approved by the CG, the second phase of the evaluation study starts.

Phase two

The second phase of the evaluation research will be aimed at the research questions. First, this means a general desk research of the whole LMO portfolio will have to be performed. Second, it will be necessary to interview a number of people: the responsible ICCO staff and other relevant informants in the Netherlands. In this phase of the evaluation, the development of the socio-economic position of the target group will be assessed, and an inventory will be made of the activities, objectives and indicators – and if possible the results – of the LMD-programme. Moreover, information will be gathered for the context analyses of ICCO's LMD-strategy.

In this phase, it will become clear to the researchers what information is missing and/or has to be verified to be able to make an accurate judgement of the results of the programme. In order to gather this information, field research will be necessary. At the end of phase two, the team writes an intermediate report in which the provisional findings are reported, in which it is pointed out what information is to be gathered locally to answer the research questions and in which a motivated proposal of the field study is presented. In the proposal, it has to be elaborated in which way the choice of the cases optimizes the representativeness of the research, as the selection should be representative for the total of ICCO's interventions on LMD. The proposal should make clear what the sources of the information will be (i.e. accounting records, informants from the sector, people from partner organisations, members of the target group etc), what is to be expected of the quality and quantity of the information available locally and what techniques of data collection will be used. The intermediate report is discussed with the CG to come to an adequate design for the field study.

Phase three

The field study will be performed in at least four but preferably six countries to cover the three continents in which the LMD-programme is executed. Of course, the number of countries in the field study will be restricted by the total budget of the research project.

This phase of the research project starts with an in depth desk study of the interventions that have been performed locally by ICCO/KiA and its partners within the scope of the LMD-programme. To do so, both ICCO-documents and an argued number of documents of partner organisations in the selected countries will have to be studied. Amongst those are project evaluations performed by the partners that are available at the ICCO office in Utrecht. The selection should do justice to the objectives of ICCO's LMD-programme, the strategies used, the development stages of local markets and other for the LMD-programme relevant criteria. Supplementary interviews with ICCO/KiA staff will be needed to put the country specific information into perspective. Following this desk study it will be necessary to gather information on the scene from locally available documents and - amongst others - informants from the sector, partner organisations and target groups. Triangulation of data found in the desk study and other relevant recent research is essential. The aims of the country cases are to:

- complete lacking information of previous phases;
- verify already collected data, and collect additional data on partner organizations and target group level (looking for intended as well as unintended, positive and negative effects; and taking a gender perspective into account). The study should use specific research techniques to collect this type of information.
- **share** the information collected with at least the partner organizations, but preferably also with other relevant stakeholders in the field, in order **to create a common understanding and stimulate the learning process of relevant stakeholders.**

The third phase results in separate reports on all countries visited, in which the relevant research questions will be answered.

Phase four

In phase four the information of the previous phases will be merged in a final report, in which the research questions will be explicitly answered. This final report will be presented to the CG by (the leader of) the evaluation team. Following the presentation, the evaluation team is supposed to finalize the report within ten working days. Once the CG has accepted the final version of the end report, it is sent to the members of the Expert Reference Group (ERG) for final approval.

3.5 Quality, responsibilities and supervision

The evaluation needs to meet the standards set out by the Policy and Operations Evaluation Department (IOB), an independent body of the Netherlands Ministry of Foreign Affairs (see annex 5)

The responsibility for the evaluation lies with the R&D unit of ICCO (Martin Vos, PME unit). He will work in close cooperation with the LMO-Program Specialist André Vording.

Within the ICCO Alliance the evaluation will be supported by a small internal coordination group (CG).

3.6 Evaluation team

The leader of the evaluation team is responsible for the actual execution of the evaluation and the control of the members of the team.

The evaluation team should have the following qualifications:

- Knowledge of the theme Local Market Development
- Knowledge on working according to a programmatic approach
- Knowledge of the NGO sector
- Experience in complex evaluation projects

3.7 Planning

Part of evaluation

Selection consultant

Phase 1

Phase 2

Phase 3

Phase 4

Submission of draft final evaluation report

Time investment

June 2010

June-juli 2010

Juli-August 2010

September - October 2010

November 2010

Mid December 2010

3.8 Budget

The budget should give a breakdown of the expected number of days per team member and their fees. Prices need to be calculated in Euros, and can not be changed during the contract. The maximum budget available for the complete evaluation (including all case studies and synthesis phase) is €140.000 (including VAT).

The payment procedure is the following:

30% at acceptance;

30% at presentation of draft report;

40% after receipt of approved final report and financial justification.

ANNEX 3: DESK REVIEW SAMPLE

Project number	Country	Region	Partner	Budget
01-03-05-070	BOLIVIA	LA	FUNDACIÓN NOR SUD	42.580,00
01-03-05-093	BOLIVIA	LA	PASOS	140.000,00
01-03-05-012	BOLIVIA	LA	IICCA	290.000,00
01-03-05-065	BOLIVIA	LA	FEPADE	450.000,00
01-03-03-057	BRAZIL	LA	ICCO	17.784,00
01-03-06-012	BRAZIL	LA	OELA	222.123,00
72-01-03-007	CAMEROON	AFMO	CERUT	415.000,00
01-03-07-020	ECUADOR	LA	VSF - CICDA	160.000,00
73-01-01-004	EL SALVADOR	LA	CONFRAS	185.000,00
75-01-02-016	ETHIOPIA	AFMO	Africa Juice	118.752,00
75-01-02-013	ETHIOPIA	AFMO	FCE	431.000,00
75-01-02-018	ETHIOPIA	AFMO	FCE	980.000,00
72-01-04-002	GHANA	AFMO	ACDEP	14.500,00
72-01-04-002	GHANA	AFMO	ACDEP	476.643,00
73-01-05-012	GUATEMALA	LA	OPCION	82.000,00
73-01-06-006	HONDURAS	LA	CNTC	180.000,00
01-02-05-019	INDIA	AZEO	TIMBAKTU COLLECTIVE	20.000,00
71-01-03-015	INDIA	AZEO	DASTKAR DELHI	59.111,00
71-01-03-021	INDIA	AZEO	UDYOGINI	146.957,00
71-01-03-007	INDIA	AZEO	PRADAN	945.000,00
01-01-04-029	KENYA	AFMO	NRIDCCS	38.204,00
01-01-04-021	KENYA	AFMO	WRCCS	60.000,00
01-01-04-034	KENYA	AFMO	FARMERSOWN	107.718,00
01-01-04-026	KENYA	AFMO	WRCCS	300.000,00
74-01-03-002	KYRG	AZEO	HELVETAS ZURICH	440.040,00
74-01-03-002	KYRGYZSTAN	AZEO	HELVETAS ZURICH	237.740,00
01-03-16-011	NETHERLANDS	NL	ICCO	100.000,00
73-01-07-037	NICARAGUA	LA	ICCO	88.433,77
73-01-07-037	NICARAGUA	LA	ICCO	100.045,08
73-01-07-037	NICARAGUA	LA	ICCO	174.231,15
73-01-07-015	NICARAGUA	LA	DEL CAMPO	279.974,00
73-01-07-026	NICARAGUA	LA	INSFOP	300.000,00
73-01-07-028	NICARAGUA	LA	Coop Juan Francisco	350.000,00
01-02-07-005	PAPUA NEW GUINEA	AZEO	VDT	110.000,00
01-02-07-005	PAPUA NEW GUINEA	AZEO	VDT	575.000,00
01-03-08-022	PARAGUAY	LA	SEPA	20.000,00
01-03-08-041	PARAGUAY	LA	BASE-IS	86.668,00
01-03-08-001	PARAGUAY	LA	CECTEC	170.000,00
01-03-05-089	PARAGUAY	LA	BASE-ECTA	180.000,00
01-03-08-022	PARAGUAY	LA	SEPA	228.015,00
01-03-08-026	PARAGUAY	LA	CECTEC	250.000,00
01-03-05-098	PERU	LA	APRODES	180.000,00
01-03-05-007	PERU	LA	IAA - CUZCO	233.000,00
01-03-05-015	PERU	LA	SEPAR	350.335,00
03-03-00-038	PERU	LA	CEPES	1.270.600,00
76-01-01-032	PHILIPPINES	AZEO	PCCI	128.100,00
76-01-01-004	PHILIPPINES	AZEO	UMFI	230.586,00

76-01-01-037	PHILIPPINES	AZEO	SDC ASIA, INC.	300.000,00
01-02-06-012	PHILIPPINES	AZEO	PRDCI	463.056,00
75-01-03-006	RWANDA	AFMO	ICCO	21.869,46
75-01-03-006	RWANDA	AFMO	ICCO	51.230,54
21-01-08-028	SRI LANKA	AZEO	DC	20.000,00
01-03-11-006	SURINAME	LA	STEPS	254.660,00
74-01-03-010	TAJIKISTAN	AZEO	HELVETAS ZURICH	116.000,00
01-04-00-097	WERELDWIJD	WW	AGROMISA	100.000,00
76-01-01-018	PHILIPPINES	AZEO	WISE ACT	125.000,00

ANNEX 4: FIELD REVIEW SAMPLE

Name project/partner	country	total budget (EUR)	start date	end date	
01-01-04-021	KENYA	60.000,00	1-9-2006	1-3-2008	Closed
01-01-04-026	KENYA	300.000,00	1-4-2008	31-12-2010	Closed
01-01-04-029	KENYA	38.204,00	1-1-2008	30-6-2008	Closed
01-01-04-034	KENYA	107.718,00	1-7-2008	28-2-2009	Closed
01-01-05-022	ETHIOPIA	20.000,00	1-7-2007	30-6-2008	Closed
01-02-05-019	INDIA	20.000,00	1-6-2007	31-12-2007	Closed
01-02-06-012	PHILIPPINES	463.056,00	1-1-2005	31-12-2007	Closed
01-03-05-089	PARAGUAY	180.000,00	1-1-2009	31-12-2010	Closed
01-03-08-001	PARAGUAY	170.000,00	1-4-2008	31-3-2010	Closed
01-03-08-022	PARAGUAY	248.015,00	1-1-2005	31-12-2007	Closed
01-03-08-026	PARAGUAY	250.000,00	1-3-2005	29-2-2008	Closed
01-03-08-041	PARAGUAY	86.668,00	1-1-2009	31-12-2011	ongoing
71-01-03-007	INDIA	945.000,00	1-4-2006	31-3-2009	Closed
71-01-03-015	INDIA	59.111,00	1-4-2009	30-6-2010	Closed
71-01-03-021	INDIA	146.957,00	1-11-2009	31-10-2011	ongoing
73-01-07-015	NICARAGUA	279.974,00	1-6-2006	31-5-2009	Closed
73-01-07-026	NICARAGUA	300.000,00	1-1-2006	31-12-2007	Closed
73-01-07-028	NICARAGUA	350.000,00	1-1-2010	31-12-2013	ongoing
73-01-07-037	NICARAGUA	88.433,77	1-1-2007	31-12-2010	Closed
75-01-02-016	ETHIOPIA	118.752,00	1-12-2009	31-12-2012	ongoing
76-01-01-004	PHILIPPINES	230.586,00	1-6-2004	31-12-2007	Closed
76-01-01-018	PHILIPPINES	125.000,00	1-7-2005	31-12-2007	Closed
76-01-01-032	PHILIPPINES	128.100,00	1-7-2009	30-6-2011	ongoing
76-01-01-037	PHILIPPINES	300.000,00	1-6-2009	31-5-2012	ongoing

ANNEX 5: DATA COLLECTION, DESK REVIEW

<i>ID</i>	<i>Data Field</i>
General	
G.1	Share of project DREO activities
G.2	Share of project LMD activities
G.3	Share of other ICCO programs (IM, DEM, CAP etc.)
G.4	Share of project contribution to MDG1, MDG3, MDG5, MDG7, MDG8
G.5	Amount or share of project budget co-financed, in EURO or 'none'
G.6	Co-financier (own contribution local partner/private sector/other donor)
G.7	Date of last assessment
G.8	Project phase at last assessment (Des End, Realisation 1,2,3, Realisation End)
G.9	Quality of proposals submitted to LMD
G.10	% of LMD budget for "internal" ICCO projects
G.11	Typology of beneficiary organisations (No. of members, income)
G.12	Status of beneficiary organisation before, after project (org. sustainability)
G.13	Programmatic chain interventions Y/N
G.14	Typology DAB activities, % of budget
G.15	Typology of MO activities, % of budget
G.16	Typology of BB activities, % of budget
G.17	Agreed activities, realised activities, per type of activity
G.18	Typology of outcome(s), (reported) realised outcome(s) (PR/FR/EV)
G.19	Realised impact, expected vs. realised (FR/EV)
G.20	Specific proof available for activities, outcomes and impact
G.21	Typology of implementing partner organisation (new, existing)
G.22	Partner O-scan rating
Poverty Alleviation (DAB)	
DAB1	Targeted number of small producers that earn a consolidated or growing income
DAB2	Targeted number of small female producers that earns a consolidated or growing income
DAB3	Realised number of small producers that earns a consolidated or growing income
DAB4	Realised number of small female producers that earns a consolidated or growing income
DAB5	Result target agreed with partner
DAB6	Realisation score (1-4)
DAB7	Explanation on realisation
DAB8	Other DAB result targets agreed with partner
DAB2.1.1	Targeted number of partner organisations active as chain supporters or actors.
DAB2.1.2	Targeted number of partner organisations active as chain supporters
DAB2.1.3	Realised number of partner organisations active as chain supporters or actors
DAB2.1.4	Realised number of partner organisations active as chain supporters
DAB2.1.5	Realisation score (1-4)
DAB2.1.6	Explanation on realisation
DAB 2.2.2	Targeted number of large and small POs supported
DAB 2.2.2	Targeted number of POs with consolidated; omzet >10.000 supported
DAB 2.2.1	Realised number of large and small POs supported
DAB 2.2.1	Realised number of POs with consolidated; omzet >10.000 supported
DAB 2.2.1	Result target agreed with partner
DAB 2.2.1	Realisation score (1-4)
DAB 2.2.1	Explanation on realisation
Institutional Development (MO)	
MO1	Targeted number of members of formal and informal groups
MO2	Targeted number of members of informal groups
MO3	Realised number of members of formal and informal groups
MO4	Realised number of members of informal groups
MO5	Result target agreed with partner

MO6	Realisation score (1-4)
MO7	Explanation on realisation
MO8	Targeted number of participating partners in networks and coalitions
MO9	Realised number of participating partners in networks and coalitions
MO10	Result target agreed with partner
MO11	Realisation score (1-4)
MO12	Explanation on realisation
MO2.1.1	Targeted number of partners that develops or implements business development services and vocational training programmes
MO2.1.2	Targeted number of partners that develops or implements business development services
MO2.1.3	Realised number of partners that develops or implements business development services and vocational training programmes
MO2.1.4	Realised number of partners that develops or implements business development services
MO2.1.5	Realisation score (1-4)
MO2.1.6	Explanation on realisation
MO2.2.1	Targeted number of programmatic chain interventions that is developed by partners and actors
MO2.2.2	Realised number of programmatic chain interventions that is developed by .6partners and actors
MO2.2.3	Result target agreed with partner
MO2.2.4	Realisation score (1-4)
MO2.2.5	Explanation on realisation
MO2.3.1	Targeted number of network organisations and / or coalitions that participates in a programme for institutional development of the alliance
MO2.3.2	Realised number of network organisations and / or coalitions that participates in a programme for institutional development of the alliance
MO2.3.3	Realisation score (1-4)
MO2.3.4	Explanation on realisation
MO2.4.1	Targeted number of network organisations and / or coalitions that has developed and advocacy strategy and market intervention strategy
MO2.4.2	Realised number of network organisations and / or coalitions that has developed and advocacy strategy and market intervention strategy
MO2.4.3	Result target agreed with partner
MO2.4.4	Realisation score (1-4)
MO2.4.5	Explanation on realisation
Lobby Activities (LA)	
BB1	Targeted number of countries where regulations, policies and / or certification mechanism have been adjusted and developed to promote the participation of small producers in local market chains
BB2	Realised number of countries where regulations, policies and / or certification mechanism have been adjusted and developed to promote the participation of small producers in local market chains
BB3	Result target agreed with partner
BB4	Realisation score (1-4)
BB5	Explanation on realisation
BB2.1.1	Targeted of partners that works in the field of sustainable production (fair trade, biological production, non-pest management, IPM)
BB2.1.2	Realised of partners that works in the field of sustainable production (fair trade, biological production, non-pest management, IPM)
BB2.1.3	Realisation score (1-4)
BB2.1.4	Explanation on realisation
BB2.2.2	Targeted number of certification mechanisms developed

BB2.2.3	Realised number of certification mechanisms developed
BB2.2.4	Result target agreed with partner
BB2.2.5	Realisation score (1-4)
BB2.2.6	Explanation on realisation
BB2.3.1	Targeted number of partners that has developed strategies aiming at improving the business climate ('enabling environment') for small producers
BB2.3.2	Realised number of partners that has developed strategies aiming at improving the business climate ('enabling environment') for small producers
BB2.3.3	Realisation score (1-4)
BB2.3.4	Explanation on realisation
BB2.4.1	Targeted number of issues in the context of “enabling the business environment” that has been put on the policy agenda
BB2.4.2	Realised number of issues in the context of “enabling the business environment” that has been put on the policy agenda
BB2.4.3	Result target agreed with partner
BB2.4.4	Realisation score (1-4)
BB2.4.5	Explanation on realisation

ANNEX 6: LIST OF INTERVIEWS

Name	Function
Willemijn Lammers	Manager DREO (Head)
Guus Paardekooper	Programme Coordinator DREO
Wilfried Schasfoort	Former PC DREO AFMO Current Position: Manager F&S Advisory Services
Elly Janssen	Former Relation manager Kenya
Dirk Bakker	Former Relation manager The Philippines Focal point LMO AZ Current position: Global Program Coordinator Inclusive Value Chain Development
Marije Rhebergen	Former Specialist LMO LA Former specialist IM Fruit Current position: IM specialist for ICCO BV F&S Adv Services
Jeroen de Vries	Former Paraguay relation manager Current position: Global Program Coordinator
Andre Vording	Former specialist LMO AZ/AFMO/Global Current position: Policy Advisor P&D DREO
Angelica Senders	Capacity Building Specialist Current position: Consultant capacity building at F&S

ANNEX 7: DATA SHEETS

Overview findings field sample

Project	Country	VC intervention score	Input distribution%			Output types %			Scores evaluation team (1=very good)							% DAB	% BB	% MO
			Overhead	NGO services	Funding	Training	Coaching	External funding	Efficiency	Effectiveness	Relevance	Sustainability	Additionality	Attribution				
01-01-04-021	KENYA	1	18	53	29	23	40	37	2	4	3	4	3	2	100	0	0	
01-01-04-026	KENYA	1	38	44	18	36	28	36	4	2	2	3	2	2	80	0	20	
01-01-04-029	KENYA	0	35	62	3	60	30	10	3	4	3	4	3	2	60	0	40	
01-01-04-034	KENYA	0	12	69	18	20	0	80	4	5	5	4	3	2	60	0	40	
01-01-05-022	ETHIOPIA	0	6	41	53	11	10	79	2	2	2	2	2	2	100	0	0	
01-02-05-019	INDIA	2	50	22	28	15	23	62	4	3	4	4	3	1	0	0	0	
01-02-06-012	PHILIPPINES	0	24	51	25	43	24	33	2	4	4	4	2	2	50	0	50	
01-03-05-089	PARAGUAY	1	30	2	67	95	0	5	3	2	3	3	2	4	50	0	50	
01-03-08-001	PARAGUAY	0	20	33	46	100	0	0	2	4	2	3	2	4	60	0	40	
01-03-08-022	PARAGUAY	0	24	20	56	82	4	13	2	3	3	5	2	4	30	30	40	
01-03-08-026	PARAGUAY	0	6	2	92	90	0	10	3	4	2	3	2	2	100	0	0	
01-03-08-041	PARAGUAY	1	28	32	40	0	45	55	2	4	4		3	4	25	50	25	
71-01-03-007	INDIA	3	100			0	0	0	3	2	2	2	2	4	70	10	20	
71-01-03-015	INDIA	3	78	2	20	91	0	9	2	2	2	3	2	3	30	20	50	
71-01-03-	INDIA	3	42	56	2	26	72	2	2	2			2	3	25	0	75	

021																	
73-01-07-015	NICARAGUA	2	24	42	35	20	9	71	2	3	3	3	2	2	75	0	25
73-01-07-026	NICARAGUA	0	30	9	61	59	10	31	2	4	2	3	3	2	70	0	30
73-01-07-028	NICARAGUA	0	23	28	49	50	12	38	4	2	4		2	3	50	20	30
73-01-07-037	NICARAGUA	1							3	4			3	2	30	10	60
75-01-02-016	ETHIOPIA	3	6	0	94	12	9	79	2				2	4	40	20	40
76-01-01-004	PHILIPPINES	3	30	60	10	69	22	9	2	3	1	4	2	2	100	0	0
76-01-01-018	PHILIPPINES	0	22	65	13	66	18	16	4	4	5	4	3	2	70	10	20
76-01-01-032	PHILIPPINES	2	33	33	34	33	17	50	2	2	2		2	2	70	10	20
76-01-01-037	PHILIPPINES	3	34	52	12	35	56	9	2	1	2	2	2	2	80	20	0
	Sum		713	778	805	1036	429	734	63	70	60	60	56	62			

DAB indicators Monitoring protocol (Desk and field study sample)

Desk/Field sample	Project number	Country	DAB- a Output alliance			DAB-a Output partner :			DAB-a Outcome partner		
			Number of partners active as supporter of chain development and number of partners active in the chain			Number of producer organisations that is able to operate in the local market in a profitable and feasible manner			Number of small producers that earns a consolidated or growing income from LMO activities		
			chain actors & supporters (number)			PO (large and small)			Small producers (number)		
			DAB Project target value	project realisation value (ICCO)	Realised (FINDINGS)	Project target value (number) PA_a Output Partner	project realisation value	Realised (FINDINGS)	Project target value (number) PA_a_Outcome DAB1.1	project realisation value	Realised (FINDINGS)
desk	01-03-05-012	BOLIVIA	1	1		1	1		300	1,918	
desk	01-03-05-065	BOLIVIA									
desk	01-03-05-070	BOLIVIA									
desk	01-03-05-093	BOLIVIA	1			1			214		
desk	01-03-03-057	BRAZIL									
desk	01-03-06-012	BRAZIL									
desk	72-01-03-007	CAMEROON	1			4	11		5,500	847	
desk	01-03-07-020	ECUADOR	1	1		5	5		300	193	
desk	73-01-01-004	EL SALVADOR	1	1		1	900		1,000	3,000	
desk	75-01-02-013	ETHIOPIA	5	5		2	100		4,535	5,967	
desk	75-01-02-018	ETHIOPIA	6	6		115	115		8,363	8,000	
desk	72-01-04-002	GHANA	1						3,000		
desk	73-01-05-012	GUATEMALA	2	2		1	1		350	411	
desk	73-01-06-006	HONDURAS									
desk	74-01-03-002	KYRGYSTAN	1	8			170		2,000	2,650	
desk	01-03-16-011	NETHERLANDS									
desk	01-02-07-005	PAPUA NEW GUINEA									
desk	01-03-05-007	PERU	1	1		1	50		80	9,200	
desk	01-03-05-015	PERU	1	1		3	5		6,278	675	
desk	01-03-05-098	PERU	1	1		2	2		150	114	

desk	03-03-00-038	PERU									
desk	75-01-03-006	RWANDA									
desk	21-01-08-028	SRI LANKA									
desk	01-03-11-006	SURINAME									
desk	74-01-03-010	TAJIKISTAN	1	8					900	880	
desk	01-04-00-097	WERELDWIJD									
Field	01-01-05-022	ETHIOPIA	1	1	1		10	10 (Pending)	20	70	63
Field	75-01-02-016	ETHIOPIA	2		P	5		P	500		P
Field	01-02-05-019	INDIA									6
Field	71-01-03-007	INDIA	1	1	1	1	4	4	100,000	66,298	1,523
Field	71-01-03-015	INDIA									
Field	71-01-03-021	INDIA									
Field	01-01-04-021	KENYA	1	1	1	1	1		1,500	1,000	850
Field	01-01-04-026	KENYA	1	1	1	4	1	1	3,000	700	1,300
Field	01-01-04-029	KENYA	1			1			400	200	200
Field	01-01-04-034	KENYA	1						2,800		
Field	73-01-07-015	NICARAGUA									
Field	73-01-07-026	NICARAGUA	1	not filled	1						
Field	73-01-07-028	NICARAGUA									
Field	73-01-07-037	NICARAGUA									
Field	01-03-05-089	PARAGUAY									
Field	01-03-08-001	PARAGUAY	1		1	2	2	2	1,250	1,250	300
Field	01-03-08-022	PARAGUAY									
Field	01-03-08-026	PARAGUAY									
Field	01-03-08-041	PARAGUAY									
Field	01-02-06-012	PHILIPPINES									
Field	01-02-06-018	PHILIPPINES									
Field	76-01-01-004	PHILIPPINES					19	19		1,668	1,668
Field	76-01-01-032	PHILIPPINES	1		1	20			1000		
Field	76-01-01-037	PHILIPPINES	1	1	1				15,000		15,000
		TOTAL	36	40	8	170	1397	26	158,440	105,041	20,910

MO indicators Monitoring protocol (Desk and field study sample)

			MO_a Output alliance Number of partners that develops or implements business development services and vocational training programmes			MO_a output partner Number of programmatic chain interventions that is developed by partners and actors			MO-a outcome Number of members of formal and informal groups		
			partners prof education & BDS			programmatic chain interventions			members formal & informal groups		
Desk/Field sample	Project number	Country	Project target value (number)	Project realisation value	Realised (FINDINGS)	MO Project target value (number) ID-a_	project realisation value	Realised (FINDINGS)	Project target value (number)	project realisation value	Realised (FINDINGS)
desk	01-03-05-012	BOLIVIA									
desk	01-03-05-065	BOLIVIA									
desk	01-03-05-070	BOLIVIA	1	1		3	3		1379	1379	
desk	01-03-05-093	BOLIVIA									
desk	01-03-03-057	BRAZIL									
desk	01-03-06-012	BRAZIL									
desk	72-01-03-007	CAMEROON									
desk	01-03-07-020	ECUADOR	1	1			1		300	193	
desk	73-01-01-004	EL SALVADOR									
desk	75-01-02-013	ETHIOPIA									
desk	75-01-02-018	ETHIOPIA									
desk	72-01-04-002	GHANA									
desk	73-01-05-012	GUATEMALA	1	2		1	5				
desk	73-01-06-006	HONDURAS									
desk	74-01-03-002	KYRGYSTAN									
desk	01-03-16-011	NETHERLANDS									
desk	01-02-07-005	PAPUA NEW GUINEA									
desk	01-03-05-007	PERU	2			2			150		
desk	01-03-05-015	PERU									

desk	01-03-05-098	PERU	0								
desk	03-03-00-038	PERU									
desk	75-01-03-006	RWANDA									
desk	21-01-08-028	SRI LANKA	1	1		1	1		75	880	
desk	01-03-11-006	SURINAME									
desk	74-01-03-010	TAJIKISTAN	5	5		1	3		100	9883	
desk	01-04-00-097	WERELDWIJD	6	0		8	8		11543		
Field	01-01-05-022	ETHIOPIA									
Field	75-01-02-016	ETHIOPIA	1		p	1		p	500		p
Field	01-02-05-019	INDIA									
Field	71-01-03-007	INDIA									
Field	71-01-03-015	INDIA	1		1	1		1	20000		8000
Field	71-01-03-021	INDIA									
Field	01-01-04-021	KENYA	1				1	1		1000	1000
Field	01-01-04-026	KENYA	1				1	1		1000	1300
Field	01-01-04-029	KENYA	1							200	200
Field	01-01-04-034	KENYA									
Field	73-01-07-015	NICARAGUA									
Field	73-01-07-026	NICARAGUA									
Field	73-01-07-028	NICARAGUA	1	not filled	1	1	not filled		675	not filled	62
Field	73-01-07-037	NICARAGUA	5	3	2	5	2	2	1000	500	?
Field	01-03-05-089	PARAGUAY									
Field	01-03-08-001	PARAGUAY				1		0	75	not filled	75
Field	01-03-08-022	PARAGUAY	1		0	1		0	60	not filled	60
Field	01-03-08-026	PARAGUAY	1		1						
Field	01-03-08-041	PARAGUAY									
Field	01-02-06-012	PHILIPPINES									
Field	01-02-06-018	PHILIPPINES									
Field	76-01-01-004	PHILIPPINES									
Field	76-01-01-032	PHILIPPINES	1			2					

Field	76-01-01-037	PHILIPPINES									
		TOTAL	31	13	5	28	25	5	35857	2700	10697
		Total field sample	14	3	5	12	4	5	22310	2700	10697

Correlation between scores field study cases and intervention strategy.

Correlation		efficiency	effectiveness	relevance	sustainability	additionality	attribution
	DAB	-0.12	-0.02	-0.48	-0.37	-0.20	-0.30
	BB	-0.19	-0.13	0.18	0.08	0.02	0.53
	MO	-0.08	0.10	0.29	0.24	-0.04	0.42
	% LMD	-0.135	0.085	0.046	0.402	0.426	-0.433
Budget partner	Overhead	-0.22	-0.17	0.02	-0.07	-0.24	0.12
	NGO services	0.28	-0.09	0.16	-0.17	0.17	-0.41
	Funding	-0.16	0.08	-0.27	0.10	-0.02	0.31
Activities partner	Training	-0.07	0.28	0.28	0.38	0.04	0.40
	Coaching	0.26	-0.03	0.12	-0.17	-0.04	-0.19
	External funding	0.05	-0.11	-0.25	-0.20	0.10	-0.42



Case Study Reports

Triodos  Facet

EVALUATION OF LMD PROGRAMME: VOLUME 2

ICCO / Kerk in Actie 2007-2010



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‘THE MISSION OF TRIODOS FACET IS TO CONTRIBUTE TO SUSTAINABLE ENTERPRISE DEVELOPMENT’

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INTRODUCTION

This Volume 2 of the evaluation of the LMD program of ICCO/Kerk in Actie 2007-2010 reports on the projects that have been visited in the field. The field visit sample is composed of 24 projects in 6 countries. Below we will first provide an overview of the evaluation scores for the different projects. These scores have been indicated by the evaluation teams, based on their findings in the field.

The overview is followed by the separate reports for the different projects, including general project information, findings on the input, outputs, outcomes and impact of the project and finally a description of the assessment of the project based on these findings. For the in-depth analysis and general conclusions from the field findings, please refer to Volume 1 of this evaluation report.

OVERVIEW OF PROJECT SCORES

Partner	Number	Country	Efficiency	Effectiveness	Relevance	Additionality	Sustainability	Attribution
OSRA	01-01-05-022	Ethiopia	2	2	2	2	2	2
AfricaJUICE	75-01-02-016	Ethiopia	2	Too early	Too early	2	Too early	4
Timbaktu	01-02-05-019	India	4	3	4	3	4	1
Pradan	71-01-03-007	India	3	2	2	2	2	4
Dastkar	71-01-03-015	India	2	2	2	2	3	3
Udyogini	71-01-03-021	India	2	2	Too early	2	Too early	3
WRCCS	01-01-04-021	Kenya	2	4	3	3	4	2
WRCCS	01-01-04-026	Kenya	4	2	2	2	3	2
NRIDCCS	01-01-04-029	Kenya	3	4	3	3	4	2
FarmersOwn	01-01-04-034	Kenya	4	5	5	3	4	2
Del Campo	73-01-07-015	Nicaragua	2	3	3	2	3	2
INSFOP	73-01-07-026	Nicaragua	2	4	2	3	3	2
Coop Juan Fr.	73-01-07-028	Nicaragua	4	2	4	2	Too early	3
ICCO-Nic	73-01-07-037	Nicaragua	3	4	Too early	3	Too early	2
BASE-ECTA	01-03-05-089	Paraguay	3	2	3	2	3	4
CECTEC	01-03-08-001	Paraguay	2	4	2	2	3	4
SEPA	01-03-08-022	Paraguay	2	3	3	2	5	4
CECTEC	01-03-08-026	Paraguay	3	4	2	2	3	2
BASE-IS	01-03-08-041	Paraguay	2	4	4	3	Too early	4
PRDCI	01-02-06-012	Philippines	2	4	4	2	4	2
UNFI	76-01-01-004	Philippines	2	3	1	2	4	2
Wise Act	76-01-01-018	Philippines	4	4	5	3	4	2
PCCI	76-01-01-032	Philippines	2	2	2	2	Too early	2
SDC Asia	76-01-01-037	Philippines	2	1	2	2	2	2

[++ = 1, + = 2, +/- =3, - =4, --=5]

STRUCTURE OF THE REPORTS

Each case study report has a similar structure. The headings below provide an overview of the main topics of each report. For more detailed insight in the definitions used, please refer to the methodology chapter in the main report.

General data:

Overview of general project data

History of ICCO support to the partner

A “result chain”; a graphic overview of the evaluation teams interpretation of the intervention strategy of the project, and the achievements so far (green=achieved, orange=partially achieved and red=not achieved).

Findings:

Inputs:

Factual overview of the financial and non-financial inputs, including an estimated specification of the budget destinations of ICCO funds, which are divided into three categories; 1. NGO overhead; 2. NGO services (all costs related to the services provided by the NGO, including salaries of expert staff involved in service provision, transport costs, CSA, etc.) and 3. External project costs (all “out of pocket” costs for implementing the project, including a.o. procurement of hardware for the target group and services provided by third parties).

Outputs:

Factual overview of the share of the budget spent in the following categories:

- ☉ Trainings
- ☉ Coaching, mentoring and advocacy
- ☉ Financial support to beneficiaries

Factual summary of the main activities implemented.

Outcomes:

Factual overview of the result agreements ICCO and the partner agreed on in the contract, and status of the achievement of each result agreement at the time of the evaluation.

Impact:

Factual overview of the targeted impact

Interpretation or guestimate of impact realised according to the evaluation team

Assessment

Assessment:

Opinion of the evaluation team on the efficiency, additionally, effectiveness, sustainability, relevance and attribution of the case study project.

Monitoring protocol;

Overview of the scoring of the project on the indicators defined in the LMD monitoring protocol, as proposed and realised according to ICCO, and as found in the field study.

CASE STUDIES PARAGUAY

BACKGROUND INFORMATION LMD IN PARAGUAY

Market situation of small producers

The Paraguayan agricultural sector is one of opposites. Adjacent to large and highly mechanised estates, producing mainly soybeans, it counts with a marginalised rural community, living from mixed subsistence and cash crop agriculture on plots of one or two hectares. 48% of the population lives in rural areas, and one third of the population lives in poverty. Less than 7% of the rural population had access to financial services in 2004. Government agricultural extension services have a very limited outreach. Many landless farmers have clamoured for land and illegally invaded private properties.

Paraguay used to be a major cotton producing country, with close to 600.000 small holders cultivating cotton. However, because of free fall prices on the world market, cartels in the ginneries, and the phasing out of government support to the sector, cotton became less and less attractive to the Paraguayan family farm. In 2009, the number of cotton farmers was a mere 17.000, of which approximately 400 organic cotton farmers.

In search of new sources of income, small producers reverted to sesame and sugar cane. Since 2004, Paraguay is the world's leading producer and exporter of organic sugar, and export revenues in 2008 reached 28 million dollars. In addition, an estimated 60.000 to 80.000 producers are engaged in sesame, of which an estimated 2,000 and 4,000 organic farmers.

Overview of ICCO's support to Paraguay

ICCO has been providing support to Paraguayan civil society organisations since 1985. In the period 2007-2010, the support concentrates on two thematic areas: "Democratization and Peace (D&P) building" and "Sustainable and Fair Economic Development" (DREO). The Local Market Development programme is part of the DREO department. The average DREO budget for Paraguay is around €500.000 per year.

Interestingly enough, Paraguay was never selected as a focus country for LMD. The activities in Paraguay were focussed on International Markets, and for that reason, only an IM project plan was developed. After a series of investigations in 2004, cotton was selected as the main intervention market and "the Cotton Programme" was established. Since now, cotton is hardly grown by small producers in Paraguay, none of the projects prominently featured cotton. The evaluation team noted that in Paraguay, no "bureaucratic" distinction was enforced by ICCO, requesting partners to either focus on international or local markets, and this reflects the reality in which the small producers operate.

During the implementation of the LMD programme, ICCO has strongly insisted on changing institutional competencies with its "traditional partners". This led to the discontinuation relations with three 'traditional partners' (CCDA, CPC and Terraviva) and the contracting of four advanced, independent producer organizations (cooperatives), representing over 6000 rural producers and contracting an entrepreneurial NGO (Jopoi) and a professional fund managing NGO (CIRD). At the time of this evaluation, five 'traditional partners' remained, of which four were selected in the LMD evaluation case study sample.

Paraguay Organico

In 2009, ICCO support resulted in the establishment of the Paraguay Organico platform, a platform in which companies, producer organisations and ICCO partner NGOs are united to promote development of markets for four target crops: stevia, cotton, sugar and sesame. Paraguay Orgánico members have access to the FSA grants facility to which ICCO contributed €400.000,-. The FSA offers participating NGO's the opportunity to make contracts with producer organizations and companies to scale up organic production.

The focus on promoting inclusive organic farming in Paraguay seems an interesting opportunity. Besides international markets for a number of niche market crops (organic stevia, sugar, sesame and passion fruits), also small scale local (non certified) organic farmer markets offering fresh fruits and vegetables and farm products such as cheese and honey have emerged.

Three of the four partners that were included in the case studies are members of Paraguay Organico. The platform is relatively new and not included in the scope of this evaluation. Experience in the development of Paraguay Organico has been documented extensively in the IM evaluation as carried out by Eduardo Ramirez of RIMISP.

FINDINGS ON 01-03-05-089 - BASE-ECTA FONDO DE PEQUEÑOS PROYECTOS

GENERAL

Project data

Country	Paraguay
Start date:	01-01-2009
Closing date:	31-12-2010
Project partner name:	BASE – ECTA
Name of the project:	BASE-ECTA Fondo de pequeños proyectos
Total budget of the project:	€ 180,000
ICCO share in project budget:	€ 180,000
LMD % of the project:	100% LMD
Intervention strategy:	50% DAB, 50% MO

Overview of recent ICCO Financial support to partner

Period	Project name	Budget
2003-2005	BASE-ECTA Fondo de pequeños proyectos 2003-2005	€ 275,000
2006-2008	BASE-ECTA Fondo de pequeños proyectos 2006-2008	€ 273,299
2009-2010	BASE-ECTA Fondo de pequeños proyectos 2009-2011	€ 180,000

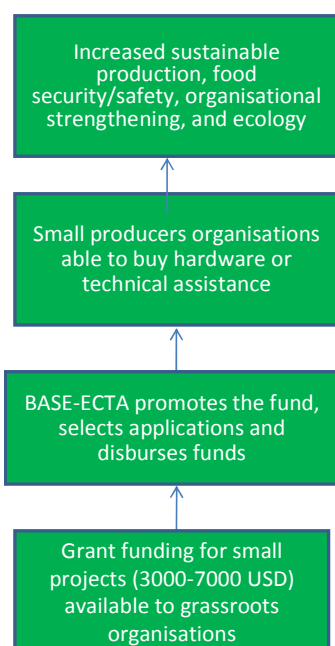
Project Summary

Since 1992 ICCO has been funding, together with ‘Development and Peace’ from Canada and the Inter America Foundation from the USA (\$155,500 in 2008-2010), the ‘Fondo de Pequeños Proyectos (FPP)’ or Small Projects Fund that is implemented by a consortium of 5 Paraguayan NGO’s and administrated by one of them (BASE-ECTA). In this period over 600 initiatives from grassroots organizations have been supported. The projects from the grassroots organisations are focussed on sustainable production, food security/safety, organisational strengthening, and ecology. The target groups consist of: rural committees, producers associations, youth organisations, indigenous communities and organisations who work on agro-ecology, gender equality, and promoting the negotiation capacity of the grass root organisations.

The fund administrator (BASE-ECTA) receives the funding proposals throughout the year, and forwards them to an appraisal committee with representatives of the partner NGOs which meet 4 times a year to approve the proposals. This committee has guidelines for the assessment of proposals. Since because of tax laws, the applicant needs to be legally established, in most cases an ‘intermediate organisation’ applies to the fund on behalf of the grassroots organisation. Between 2004 and 2008, these intermediates needed to be member of the POJOAJU the Paraguayan umbrella organisation of NGOs. The FPP in 2008 opened up to non POJOAJU members, and now around 15% of the applications are channelled through (paramount) producer organisations and government organisations.

Simplified result chain

The graphic overview provided below shows the intervention strategy of the small projects fund, and the achievements so far (green=achieved, orange=partially achieved and red=not achieved).



As can be seen, the objective of the small projects fund is to support small producer organisations to buy hardware or technical assistance, en through this increase the sustainable production and food security/safety in their communities, or improve their organisations.

FINDINGS

Inputs

Financial inputs

(ICCO and other sources (EUR and other in-kind matters))

Year	2008	2009	2010
Total FPP budget	150,895 (100%)	146,891 (100%)	146,891 (100%)
ICCO contribution to FPP budget	91,100 (60%)	90,000 (61%)	90,000 (61%)

Of the BASE ECTA budget, the main budget categories are NGO overhead, which amounts to 30% of the total project budget funded by ICCO, and External project costs (67%), which are grants given to the small projects that the FPP supports.

Input	Percent of total funding
NGO overhead	30%
NGO services	2%
External project costs	67%

Non-financial inputs

ICCO visits BASE ECTA on a regular basis, usually once a year, where progress and sometimes strategy are discussed. ICCO has supported the FPP since 1991. Discussions on participating in the “programmatic approach” in Paraguay resulted in a “result agreement” to formalize a new structure for the FPP during 2009 and 2010. This changed the implementation of the FPP fundamentally, and as of 2011 the FPP will be implemented by a new organization, called the ADPP, leaving BASE-ECTA as only a member organization. ADPP as a legal entity will have to apply for a prolongation of the FPP funding and more professional requirements can now be requested.

As concerned to the participation of BASE-ECTA in Paraguay Orgánico, they were invited to tender for the position as fund manager for the technical assistance fund. Out of four applicants they ended last in this tender which eventually went to CIRDA.

Outputs

The outputs of the project can be distinguished into two categories (based on the budget):

1. Financial support to the beneficiaries; most of the budget is spent on the financial support to the beneficiaries.
2. Training: A part is spent on workshops that raise awareness of the fund, and train potential new beneficiaries on how to apply for the fund. These workshops also invite beneficiaries of the fund to come and exchange their experienced.

Output	Percent of total output
Trainings	24%
Coaching, mentoring and advocacy	0%
Financial support to beneficiaries	76%

The activities are well planned and implemented on time. The project is still ongoing, but seems well on track to deliver all the expected outputs. The relatively new project manager seems to be well on top of things.

Outcomes

The contract stipulates 9 outcomes and 2 monitoring points that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained. It should be noted that the project is still ongoing, so not all outcomes are achieved yet.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	9	1	5	3

The following results were agreed upon in the contract:

1. 100 projects have been approved and 50 projects have been implemented with an average amount of \$ 4,000 to 7,000 in the thematic areas of organizational strengthening, environmental projects, food security and sustainable production
2. 20 organisations participate annually in workshops to strengthen their capacities to apply to funds.
3. The formalization of the new legal structure of FPP, with legal personality as agreed at a meeting in January 2009 is made before the end of 2009. The legal details are communicated to ICCO at the time of enrolment in public registers, while BASE-ECTA formally informed about his new role in the FPP.
4. The FPP strengthened its ability to capture more resources to support community projects.

Following interviews with BASE-ECTA staff, trained youth and community organization members, the evaluation team made the following findings:

Result 1: 100 projects approved

This result is very likely to be achieved. In 2009, the FPP received 51 applications, of which 2 were rejected, 29 were approved and 20 were passed on to the year 2010. The interest in the FPP is high, and thus FPP seems well on track to meet the first output agreed on in the contact.

However, the fact that the team stated that project that were not selected this year are very likely to be selected the next year does provide food for thought, because it means that already in year 1 the 3 year fund was fully committed.

16 out of the 29 approved projects are projects in sustainable production and food security/safety. Of these, an estimated 75% are targeting organic or fair trade products. For sustainable production and food security/safety projects (which are often difficult to differentiate, according to the fund management) the fund contributed mainly in hardware for the applicant organisation, such as market stalls, refrigerators,

processing equipment for agricultural commodities, beekeeping equipment, shade nets, irrigation systems.

The other 13 projects are in institutional strengthening or social/community infrastructure, such as improved cook stoves, improved water supply or biodiversity.

Result 2: Annual participation in workshops of 20 organisations

With respect to the second result agreement, in 2009, three workshops were held, in which a total of 29 organizations participated. Also in 2009, 29 project plans were approved and financed. The organization seems to be well on track to complete the agreed outputs by the end of 2011.

The workshops have contributed to the broadening the portfolio of beneficiaries to include more POs and community organizations that are not supported by member NGOs of JOPOY. It was mentioned that the fund is well on track to include new POs and other new beneficiary groups, but the taxation law makes it challenging to process their requests if the PO is not established as a legal entity. It seems that there is some discussion within the organization of the fund, where SEPA still prefers to continue working with the smaller target group.

Result 3: formalization of new legal structure of FPP

This result has been achieved. The small projects fund has been established under a new legal entity, and is now officially called Alianza para el Desarrollo de Pequeños Proyectos (ADPP).

Result 4: Strengthened ability FPP to capture more resources

This result has so far not been achieved. The fund is discussing a possible framework agreement with the UNDP, who in Paraguay manage the 'Programa de Pequeños Donaciones'. A challenge is that the UNDP fund offers funds for larger projects, and requires a 50% own contribution. In the framework agreement, the parties would agree that FPP can co-finance and submit requests for funding to the UNDP fund. They have also joined a network of small project funds in the region (Argentina, Brazil, Uruguay and Paraguay), through which they hope to attract new donors.

In addition, the following monitoring points were agreed upon in the contract:

1. The monitoring system will be revised before the end of 2010
2. The annual narrative and financial reports provide details on overhead, actions to follow up on recommendations made in the previous evaluation and progress in attracting additional donors to the fund.

With respect to these monitoring points, the FPP team mentioned they have contracted a consultant to develop and systemize the internal procedures as well as a monitoring protocol. The evaluation team did not find proof of this. The project manager this year has paid a monitoring visit to all projects, but a clear monitoring/evaluation structure seems to be missing to date. With respect to internal learning, although the fund has existed of over 15 years, there is no structure/procedure to make experiences explicit and adjust selection criteria to be skewed towards low risk high impact projects.

Progress on attracting additional donors, as elaborated on under Result 4 here above, has been slow but some action has been undertaken.

Impact

The contract with states that the result for the target group should be as follows:

1. 50 grassroots / small producer organizations have improved their agro-ecological production (agriculture, forestry and handicraft) or fair trade production (agricultural, forestry and handicraft), to improve income generating capacities of the target group.
2. Grassroots level organizations improve the quality of life of their members with the implementation of projects and provide an own contribution to the FPP project of at least 25% on average.
3. 60 grassroots organizations improve their management capacity, management and coordination with other actors of Paraguayan society.

So far, the total number of beneficiaries is 2800, of which 1298 beneficiaries are female.

Following interviews with staff, representatives of the partner NGOs and beneficiaries of the fund, the evaluation team made the following findings:

Improved income generating capacities of the target group

- The FPP aims to improve the socio economic conditions by making small funds for innovations available to small producer groups. During the focus group discussions, the issue of improved socio-economic conditions was discussed. It seemed that the projects that were directly related to organic orchards had an impact on the improved food security of the household.
- On the subject of improved income, the matter was more complicated. A number of beneficiaries expressed that the market for their new or processed product was much more difficult to serve than they had initially expected. This was the case for organic food markets (3 projects expressed that the market did not pay extra for organic, or that transport to the market was not available or too expensive), and for sugar cane honey (1 project expressed that the buyers turned out to pay less for the semi-processed sugar than for sugar cane).

Own contribution of at least 25%

The own contribution of the target group is mostly in kind, and expressed in days of labor (up to 600 days). The FGD participants mentioned that it was sometimes hard to mobilize the community members to put in that many days of work, because they needed to be motivated and understand why this was requested, and could not immediately see the benefit. Sometimes, the targeted own contribution is not delivered. The FPP does not register and/or monitor this.

60 grassroots level organisations improved

During the focus group discussion with beneficiaries of 15 projects, beneficiaries of three projects expressed that thanks to the fund, they had set up appropriate structures and after this first financing had been able to attract additional funds (mostly from government) to their organization. More than half of the beneficiaries in the focus group were benefiting from support from an NGO in Paraguay, and three out of 15 were also financed through formal financial institutions.

Sustainability of the impact (target group level)

The evaluation team visited two beneficiaries of the fund. Equipment was poorly maintained and in one case not in use. Also, two out of 13 beneficiaries interviewed in the focus group discussion stated that the hardware they had bought with the FPP support was inadequate, their PO lacked capacity to service and maintain the hardware, or there was no market for their product, and thus materials stood idle. Also, the FGD provides an indication that 'complicated' projects targeting a new local market were the least successful in terms of improved socio economic positions of the target group.

This gives an indication of low sustainability of the impact. However, the sample is very small. This needs to be further looked in to.

ASSESSMENT

In our interpretation of the above figures, information and observations we conclude that:

- The project is **efficient** to a limited extent (+/-), because of a relatively high management fee, low learning effect, and questionable realisation of the requested own contribution.
 - The project is **additional** (+)
- The project is **effective** (+), outputs are effectively translated into outcomes.
 - **Sustainability** of the outcomes low (-), but it should be noted that the sample is very small. It is recommended to further look into this issue.
- The project was rated as **moderately relevant**, because, 45% of the fund is used for providing support to projects that do not or very remotely relate to LMD.
 - Attribution of ICCO is **low**, since the fund is also supported by the Inter American Foundation, and this organisation claims the "income generation" results.

The arguments for the above conclusion are as follows:

Efficiency

The evaluation team considers the efficiency of the small fund moderate. The management costs absorb 30% of the budget, which is on the high side. No learning effect or improved efficiency has taken place, although the fund has been operated by the same team for many years.

Also, as mentioned above, the realisation of the requested 25% own contribution is questionable. However, several larger, well established POs have requested support. Possibly, these POs could pay a higher contribution, or be served more efficiently with soft loan financing, instead of grants. For co-financing of small productive and market oriented projects, the fund could seek cooperation with local financial institutions. This would test the profitability of the proposed intervention (serious review by a financial institution) as well as initiate a financial relationship in case the organisation would require follow up finance.

On a more positive note, the FPP is well on track to implement the proposed activities in time. The new project manager seems to be well organised.

Additionality

The additionality is significant. The FPP is the only fund in Paraguay that supports grassroots organisations with small donations. However, the cases where FPP co-finances/replaces an own contribution in other ICCO projects is a point of attention.

The FPP is the only fund in Paraguay that supports grassroots organisations with small donations. However, in at least three out of 29 cases, the fund financed initiatives of the same beneficiaries the ICCO supported NGOs are working with. Also, in two cases, the FPP co financing requests of POs to Paraguay Organico. In these cases, the FPP seems to have limited added value. The money all comes from ICCO, only another administrative layer has been created.

Effectiveness

With respect to effectiveness, the project has been effective, outputs are effectively translated into outcomes because all the approved projects have obtained the equipment/ hardware they requested in the proposal. However, in a significant number of cases the fund finances initiatives of the same beneficiaries the ICCO supported NGOs such as SEPA are already working with.

Sustainability

The focus group discussion and field visits give an indication of low sustainability of the impact. Also, the signaled issues with realization of the 25% own contribution may be an indicator of limited target group buy in and thus lower sustainability. In addition, the FGD provided an indication that 'complicated' projects targeting a new local market were the least successful in terms of improved socio economic positions of the target group. However, the sample is very small. This needs to be further looked in to.

The fund management as well as the NGOs seem to lack business and finance know how to assess business opportunities, and do not assess when and how more leverage can be created. More 'advanced' value chain projects that were supported did not take off/encountered many problems. Applicants did not know the market sufficiently well before they requested the support. A business plan would be useful to test if the small producers' organisation has sufficient market knowledge to be able to effectively use the hardware to supply a new market.

Relevance

The project is moderately relevant, since the fund only partially is relevant for local market development. If funds would have been made available for income generating projects only, requesting a more significant own contribution, more could have been achieved. Now, 45% of the resources are dedicated to projects that are not related to income generation.

With respect to relevance, the monitoring of impact is still shaky, but seems on its way to make significant improvements. This may be a point where ICCO can contribute with knowledge and more guidance on what they would like the fund to monitor.

Gender relevance

Out of the total number of 2800 beneficiaries, 1298 beneficiaries are female.

Attribution

The Inter America Foundation from the USA according to their website supported the FPP in the period 2008-2010 with a total of \$155,500. IAF targets to improve the lives of 3000 beneficiaries, and since 2010 'claims' all the FPP projects in the field of sustainable production. If one would want to calculate in that manner, the attribution of ICCO to the LMD relevant outcomes would be close to nil.

Attribution is rated moderate, especially now that the IAF aims to 'claim' the sustainable production projects. We would recommend that ICCO coordinates with IAF.

ICCO monitoring protocol

No data is available in the ICCO MP in Dynamics.

FINDINGS ON 01-03-08-041 - BASE INVESTIGACIONES SOCIALES

GENERAL

Project data

Country	Paraguay
Start date:	01-01-2009
Closing date:	31-12-2011
Project partner name:	BASE INVESTIGACIONES SOCIALES
Name of the project:	BASE-Investigaciones Sociales
Total budget of the project:	€ 86,668
ICCO share in project budget:	€ 86,668
LMD % of the project:	50% LMD, 50% DEM
Intervention strategy:	25% DAB, 25% MO, 50% BB

Overview of recent ICCO Financial support to partner

Project name	Budget
BASE-IS 2003-2005	€ 120,000
Plan trienal 2006-2008	€ 139,842
BASE IS (for the period 2009-2011)	€ 86,668

Source: *dynamics*, November 2010

Project Summary

BASE IS is a research organisation, which works in the following thematic areas; rural development, migration, food security, youth, land rights and political analysis.

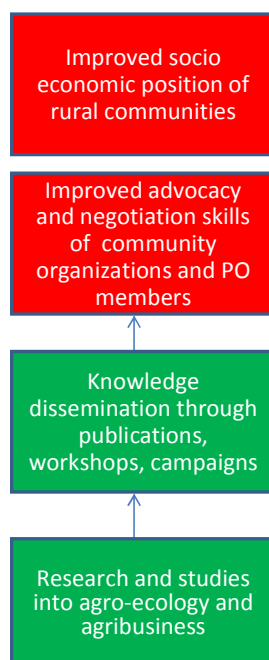
BASE IS has been supported by ICCO for 25 years, and has the reputation of being a good research organisation. BASE-IS does not specifically implement market research, the analysis is broader, and the recommendations or conclusions are mainly on a political level.

The budget for BASE IS was lowered from € 139,842 in the previous budget period to € 86,668 for the period 2009-2011.

For the period 2009-2011, ICCO and BASE IS agreed BASE-IS would publish a number of research papers that relate to activities of the ICCO partner NGOs in Paraguay and/or to Paraguay Oranico. Secondly, the NGO was supported to organise workshops / other sessions for rural community organisations and other NGOs in Paraguay, and support them to improve their advocacy. Thirdly, BASE-IS implements lobby activities and campaigns that aim to place social and environmental abuse of big companies on the policy agenda.

Simplified result chain

A simplified “result chain” explaining the intervention logic of the project is provided below:



The intervention logic is as follows: BASE IS implements research relevant to rural community organisations and members of Paraguay Organico. The knowledge is disseminated through workshops and campaigns. These workshops need to address the advocacy skills of rural and urban organizations. Expected impact of the project on the social and economic position of small producers and employees is through improved programme interventions of ICCO partner NGOs in Paraguay and improved advocacy skills of rural and urban organisations.

FINDINGS

Inputs

Financial inputs

(ICCO and other sources (EUR and other in-kind matters))

Year	2008*	2009*	2010**
Annual turnover of BASE IS	142,601 (100%)	217,452 (100)%	n/d
ICCO contribution to BASE IS	42,359 (30%)	22,348 (10%)	28,889

* Audited financial statements

** Budget

The inputs of this project can be categorised as follows:

Input	Percent of total funding
Overhead	28%
Partner services	32%
External project costs	40%

Non-financial inputs

ICCO relation manager has dedicated time and resources to exchange with NGO staff to explain market development.

Outputs

Outputs in general can be distinguished in the following three categories (based on the budget): roughly half of the budget was spent on research activities, and the other half on seminars, workshops and meetings to disseminate the research findings and/or provide workshops on advocacy.

Output	Percent of output
Trainings	0%
Research (coaching, advocacy)	45%
Workshops, field visits., meetings (direct support to beneficiaries)	55%

Following interviews with BASE-IS staff, trained youth and community organization members, the evaluation team made the following findings:

Related to the first component, BASE IS has completed the series of studies as agreed in the contract so far, and is on track to implement the remaining ones. In 2009-2010, the organization completed the following research papers:

- N° 132. Los impactos socioambientales de la soja en Paraguay, on the social and environmental impact of soy production in Paraguay
- N° 128b. Agroecología vs. Agricultura convencional, on the benefits of organic versus conventional agriculture for the country.
- N° 128a. Agroecología y Desarrollo Sustentable. Debates para la acción. Exploring the benefits of organic farming and sustainable development.
- N° 125. Cronología de denuncias de intoxicación y DD. HH. ante el avance de los Agronegocios; on health problems related to activities of the agribusiness establishment in Paraguay

Two additional papers will be published in 2011, one on farmer markets (weekly markets where farmers from the region sell their fresh fruits and vegetables, honey and dairy products) and one on institutional markets for family farms. The latter paper will explore the feasibility and potential benefits of a government policy to oblige large governmental institutions such as the police or the hospital to buy a fixed share of their inputs from small scale family farms.

The relation between in the research papers and the objectives of Paraguay Orgnaico and/or the LMD activities of ICCO partners is indirect. According to the contract, the objective of support to BASE-IS is to systematise the existing experiences, and define future strategies with the participants of the Paraguay Organico programme. This link is not prominent, and BASE IS does not see what she can contribute to Paraguay Organico.

The second component of the programme is to enhance capacity of urban and rural community organisations. In this field, BASE IS is 'demand driven', meaning that workshops and field visits are scheduled after a demand from the field has been received. In 2009, approximately 35 training sessions took place, to raise awareness on the benefits of organic farming, provide information on government policies for rural development and inform farmers on the negative effects of large scale agribusiness (monoculture, use of agrochemicals). BASE IS also provided training to a number of NGOs that work with community organisations, mainly through the Red Rural, a Paraguayan network of rural development NGOs.

With respect to policy influencing, the third component, BASE IS has undertaken training of farmer organisations, and implemented campaigns (eg. against Cargill having a chemical plant next to the inlet of the Asuncion water supply) in network/cooperation with other organisations. These activities were not related to local market development.

Outcomes

The contract stipulates 4 outcomes and impacts that the project should achieve (result agreements). In addition, agreements were made on next steps BASE IS would take to improve the financial sustainability of the organisation.

The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	4	0	1	3

The two result agreements on outcomes are the following:

1. Through education, training and dissemination activities, BASE-IS supports rural and urban organizations in their ability to improve their advocacy. BASE-IS also evaluates the results.
2. BASE-IS also provides support to rural organizations in thematic areas such as agro-ecology, land reform, agricultural policy, comparative analysis of value chain models.

1. This result was not achieved so far. BASE-IS did pay 35 visits to urban and rural organizations so far, but it is not clear to what degree these awareness raising activities can be interpreted as tangible “capacity building”. According to BASE-IS, the objective of these meetings is not to train the organisations, and workshops do not result in next steps or an articulated advocacy strategy of the beneficiary organisation.

2. This result was partially achieved, BASE-IS does provide rural organizations with information on the thematic areas mentioned above. For example, the local radio broadcasting station of CECTEC discusses the research papers of BASE IS in her programmes.

Impact

The contract states that the result for the target group (trade and lobby organisations) are formulated as follows

Agreements at the level of impact

1. BASE-IS itself (in conjunction with participating organizations) to assess the degree of improvement in advocacy organizations.
2. BASE-IS has contributed to improving the skills and expertise of the members of the FED program on issues of agriculture and improved market access, so that organizations are capable of negotiating and lobbying to improve market access. BASE-IS evaluates improvements in trade and lobbying organizations.
3. *Financial Agreements.*
The inclusion in the Strategic Plan a strategy for financial sustainability (which is the current situation, what are the goals to achieve and how)

Agreements regarding sustainability

BASE-IS has explored and defined the organizational future prospects at the end of the contract, with a strategic plan.

Following interviews with BASE IS staff, the evaluation team made the following findings:

1. This result has so far not been achieved, BASE-IS has so far not made an assessment of the degree of improvement in advocacy skills of organizations it has supported.

2. This result has so far not been achieved. In 2009 and 2010, BASE IS did not specifically focus on building capacities of FED partners (we interpreted FED partners as partners of Paraguay Organico). With respect to evaluating the results (an output defined in the contract), no changes have been implemented. According to staff, it is close to impossible to measure results, since they mainly raise awareness, and improved awareness cannot be measured.

BASE IS according to the agreement had the role to monitoring and systemize the experiences in Paraguay organico, but when RIMISP was contracted by ICCO to perform this role, BASE IS did not feel it was necessary to continue in this function. BASE-IS so far did not monitor or evaluate improvements in trade and lobbying organizations. BASE IS is uncertain of their role in Paraguay Organico, and has not had contact with the project management for several months.

3. A strategy for financial sustainability has to date not been developed, and during the meeting the staff did not express this being a priority. BASE IS has another year to comply with these targets, but it is not likely this result will be achieved given the limited priority that has been given so far.

Sustainability of the impact

Proof of sustainable outcome in the case of policy influencing would be a change in policy, or a clear indication that a certain topic has been placed on the policy agenda. BASE IS campaign against Cargill has been successful, but is not related to local market development. Sustainable outcomes or impact relevant for (local) market development were not documented by the project.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project is **efficient (+)**, there are no indications of inefficiencies
 - o The project is **moderately additional (+/-)**, the research papers would most likely not have been realised without ICCO funding, field visits and exchange with NGOs would have been realised.
- The project is **not effective (-)** so far, since the agreed outcomes were not realised and the project does not seem on track to realise these outcomes within one year.
 - o It is **too early to know** whether the project is **sustainable**.
- It is **too early to say** whether the project will be **relevant**, but if the project continues on the current track the relevance is **likely to be low**.
 - o The **attribution** of ICCO to the project outcomes is **10%**

The arguments for the above conclusion are as follows:

Efficiency

According to the evaluation team, the efficiency of the project is sufficient. BASE IS implemented the agreed number of studies, and performed workshops for NGOs and urban and rural community organisations as agreed in the contract.

Additionality

ICCO funding to BASE IS signifies 10% of the organisation's budget. Additionality of this project is moderate, as ICCO is not an important contributor to the BASE IS budget (10% of the budget is funded by ICCO). The research papers would most likely not have been realised without ICCO funding, field visits and exchange with NGOs would have been realised because when BASE IS is invited, the hosting NGO or PO contributes to their travel costs and DSA.

Effectiveness

According to the evaluation team, the effectiveness of the intervention is insufficient so far. The agreed outcomes were not achieved, BASE IS did not develop a strategy on achieving outcome, and as a organisation did not learn how to measure outcome and incorporate lessons to improve their advocacy capacity building skills.

Sustainability

The project is still ongoing, so it is too early to say if the impacts will be sustainable. So far, no impacts on the target group were identified by the evaluation team.

Relevance

The relevance of the intervention for the target group is very indirect, and thus seems limited. The project did not document if and in what way the interventions contributed to improved lobby and advocacy capacities of FED partners. Also, impacts on the target group were not documented by the project, and therefore could not be assessed. In our opinion, better LMD results could have been achieved by financing other partners/activities. The role of BASE IS in Paraguay Organico as a capacity builder for lobby activities in potential is there on paper, but the organisation is not very entrepreneurial in seeking ways to make its knowledge more relevant and applicable.

It should be noted that the project still has another year left for full implementation. This offers an opportunity to improve the effectiveness and relevance. Therefore, the relevance is rated as Pending.

Gender relevance

The interventions did not specifically target women.

Attribution

Attribution is rated as high. The narrative report over 2009 features workshops for rural youth. These were (co)financed by a third party, and cannot or not fully be attributed to the ICCO support. The other outputs achieved can to a large extent be attributed to this funding. BASE IS implemented one research project together with a partner research institute in Brazil. It is unclear if this specific research would have been implemented if ICCO would not have financed the organisation.

Comparison of findings with ICCO/KiA monitoring protocol

Date of monitoring by ICCO (01-03-08-041):

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 3 years	Realised (Findings)
Alliance output					
MO-b	Number of network organisations and / or coalitions that participates in a programme for institutional development of the alliance	1	n/a	0	1
Partner output					
MO-b	Number of network organisations and / or coalitions that has developed an advocacy strategy and market intervention strategy	0	n/a	0	0
Outcome					
MO-b	Number of members in networks and coalitions	15	n/a	n/a	0

The indicators are well defined, only for the MO-b outcome indicator (Number of members in networks and coalitions) it is unclear what was meant. The alliance indicator was met, BASE IS is a member of Paraguay Organico. However, the organisation is not certain of its role in this coalition, and has so far not developed an advocacy strategy for this purpose.

FINDINGS ON 01-03-08-001 - CECTEC 2008-2010

GENERAL

Project data

Country	Paraguay
Start date:	01-04-2008
Closing date:	31-03-2011
Project partner name:	CECTEC (Centro de Educación, Capacitación y Tecnología Campesina)
Name of the project:	CECTEC 2008-2010
Total budget of the project:	€ 170,000
ICCO share in project budget:	€ 170,000
LMD % of the project:	60% LMD, 40% IM
Intervention strategy:	60% DAB, 40% MO

Overview of recent ICCO Financial support to partner

Period	Project name	Budget
2001-2004	Agricultural school 2001-2004	€ 272,268
2005-2008	Agricultural school 2005-2008	€ 261,500
2008-2011	CECTEC 2008-2011	€ 170,000
2011-2013	Plan Trienal 2011-2013	€ 210,000 (not yet approved)

Project Summary

CECTEC established an agricultural school in the eastern part of Paraguay in 1991. The school teaches youth in the age between 11 and 15 in Spanish, math, life skills and organic farming practices, with an emphasis on diversification to enhance food security of the family.

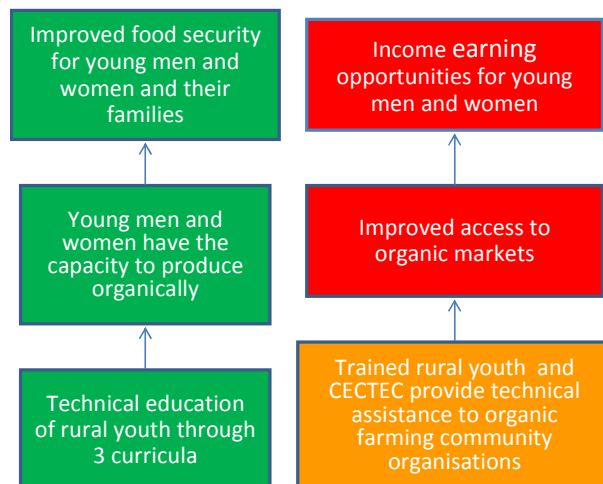
The CECTEC agricultural school is recognised as an official educational institute. The method of teaching was innovative when the school was established; after 15 days in school, students return to their home communities for two weeks to bring in practice what has been taught. Today, 5 other agricultural schools in Paraguay have replicated the teaching method.

The school has been supported by ICCO for many years, and since 2001 with a budget of approximately €80,000 per year. In addition, the school has received support on a project basis from several other donors, as well as received support from the Paraguayan Ministry of Agriculture and Ministry of Education. The school is part of the CECTEC association, established in 1985 and based in Asunción. In total, the organisation employs 42 staff.

Besides the agricultural school, CECTEC in the same period managed a programme funded by the EU, focussing on establishing and supporting market linkages of organic farming communities and associations in the regions of Caazapa and Itapúa.

With respect to its membership of Paraguay Organico, the CECTEC school does not actively promote cotton, sugar cane, stevia or sesame (the core crops of the Paraguay Organico programme). The school promotes organic farming and crops that support the family nutritional and food security situation. CECTEC is member of Paraguay Organico and as such takes part in a programmatic chain intervention, which has been active since the beginning of 2010.

Simplified result chain



The objective of the 2008-2011 programme is to contribute to the strengthening of organic production and marketing associations of Caazapá and Itapúa farm families through the technical education of young men and women. This should enhance their access to markets and their income levels. The programme also wants to create improve food security of young men and women. The emphasis of the agricultural school is on improved food security of the family farm by promoting crop diversification and small livestock.

ICCO approved this project under time pressure. The “value chain improvement” targets agreed upon in the contract were not feasible, because the budget was cut. This is the reason for the flawed project realisation values. The innovations were not implemented and the budget was mainly used for the ongoing agricultural school activities.

FINDINGS

Inputs

Financial inputs

Year	2007*	2008*	2009*	2010**
Annual turnover of CECTEC	766,038 (100%)	880,480 (100%)	972,699 (100%)	n/d
ICCO contribution to CECTEC	91,136 (12%)	70,535 (8%)	46,600 (5%)	55,100

* Audited financial statements

** Budget

CECTEC students do not pay, but make an in-kind contribution to the school, by bringing 1,800 kg of maize (or value equivalent in agricultural products) in total during 3 year, whenever the family is able to pay. Less than 25% of the students complete the requested payment. CECTEC chooses not to remind students or their parents to comply with the requested contribution.

In addition to the contributions of students, CECTEC also counts with processing equipment for several commodities, including sugar cane, grains, mate and cassava. During the harvesting campaign, (also non-organic) farmer cooperatives come to CECTEC to process their harvest. They pay in kind, CECTEC receives 40% of the harvest. Also, the labour of the students is an input for the school. The school thus daily feeds 25 to 100 people (students, staff and family members of staff) with minimum expenditures. During the evaluation visit, sugar was being produced.

The inputs of this project can be categorised as follows: most of the inputs has been used for funding beneficiary organisations, activities of the target group, 24% has been used as overhead, and 20% was spent on increasing the resources at NGO level.

Input	Percent of total funding
NGO overhead	24%
NGO services	20%
External project costs	56%

Non-financial inputs

ICCO's knowledge and non-cash inputs:

ICCO relation manager has dedicated time and resources to exchange with NGO staff to explain the new focus on value chains and market development. Also, ICCO contracted a local consultant to continue discussions with the NGO partners, in the framework of the launch of the Paraguay Organico platform. According to the management, ICCO's strategic input has challenged CECTEC to become more market oriented, to work with the private sector, to develop new additional strategies to spread their knowledge and teaching methods, and to explore innovative funding mechanisms for the school. This new strategic considerations however have to date not lead to concrete actions or clear changes in the organisation or strategy of the NGO.

ICCO Partner:

CECTEC focuses on organic farming for self consumption and sales in weekly village/town markets. There is a limited but growing interest in working with larger companies that buy organic agricultural produce. The organisation is implementing two projects in the framework of Paraguay Organico, for a value of €20.000.

Outputs

Based on the budget, we can categorize the outputs as presented in the table below. As expected, training has been the main spending destination; out of pocket expenses for the school account for around 13% of the budget.

Output	Percent of total output
Trainings	82%
Coaching, mentoring and advocacy	4%
Out of pocket expenses for the school	13%

The main output of the school is the number of students and graduates. The table below presents an overview of the number of graduates per year from 2007-2010.

Graduates per course/year	2007	2008	2009	2010**
PAFF	60	57	44	117
BTA	12*	12*	9*	52
Mujeres campesinas	-	6	6	--

* BTA en la modalidad a distancia

** Matriculados

CECTEC has implemented three curricula, the PAFF programme, with a focus on life skills and organic farm planning, the VTA (a more advanced course on organic farming and processing of farm products), and the remote education bachelor programme offered by a public agricultural higher education institution. The VTA and bachelor programme were introduced in 2008. Every year, around 70 students graduate. The number of graduates has remained stable.

With respect to the quality of the education offered, during the focus group discussions, students mentioned the low quality of teachers and the high staff turnover to be a problem. Agronomic teachers without experience in organic farming were thought of to know less than the students themselves. High staff turnover (some students mentioned that teachers stayed no longer than 6 months) results classes not being available because there is no teacher, and a lot of repetition in the classroom. CECTEC is aware of this issue, and continues to seek ways to improve the availability and quality of teachers.

The staff of CECTEC also has provided technical supported organic farming community organisations (representing on average 6 to 10 families), organised (organic) markets, and introduced community organisations to other projects/relevant networks.

Outcomes

The contract stipulates three outcomes that the financing should achieve (results). The table below summarizes to what extent these results have been attained so far since 2008.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreements	3	2	2	1

The results included in the contract are the following:

1. It has improved the operational capabilities, management, coordination and partnership building for local development of at least 80% of community organizations belonging to the "Asociación Comunitaria de Producción y Servicios" through technical support of young people involved in the technical training program.
2. CECTEC intensifies the promotion of inclusion of farmers in international supply chains organic (cotton and sesame) through mediation between the private sector (ARATEX organic, Shirosawa and others) and Producers Associations in the departments of Itapúa, Caazapá and Design Association (COPAAR, and Others) covering 500 families.
3. CECTEC built and validated a professional technical training program for organic farming for young men and women peasants and encourages their inclusion in the national curriculum of rural professional technical training".

The above mentioned outcomes were not achieved. With respect to the outcomes, or results agreed as quoted in the contract, CECTEC states that these were never agreed upon. In 2008 CECTEC submitted a proposal to ICCO requesting funding of €351.000. ICCO did not approve this request, and made €170.000 available to the organisation, with a request to adjust the budget according to the amount made available. A copy of this email was shown to the evaluation team.

Impact

The following impact was agreed upon in the contract:

1. After the project, 80% of community organizations belonging to the "Community Association of Production and Services" have received the technical support of the young trainees. In at least 4 municipalities, young graduates and their organizations have projects to improve the marketing of their products directly benefiting 500 rural families.
2. Upon completion of the project productivity has improved by 20% in 400 farms of the members of the "Asociación Comunitaria de Producción y Servicios", while at least 250 new farmers have gained access to national and international value chains identified (cotton, sesame, sugar and other organic products)
3. At the end of the first year of the project is implemented, 90% of the courses set in the curriculum are taught. At least 120 students graduate from technical training program, and at least 80% of young people who enter the program complete the courses. At least 2 schools in the region incorporate elements of the agro-ecological curriculum into their curricula.
4. Sustainability: During the implementation of this phase of funding, CECTEC develops a 'business plan' to significantly improve the economic sustainability of the school within 5 years, identifying and experimenting with innovative forms of financing

Result 1 and 2.

Again, the first two results agreements are not valid because of the reduction in the budget.

In the project proposal, the project stated it targets to reach 1250 small producers.

The evaluation team would estimate this number to be lower, for the following reasons:

- The project did not directly target small producer organisations, but rural youth, who were provided with a mix of basic education and organic farming education. The logic of CECTEC is that these youth will play a catalyst role in introducing organic farming practices in their communities. In the focus group discussion with graduates, only 3 out of 10 graduates were member of their local development committee.
- The feasibility of reaching the targeted outcomes through rural youth highly depends on the trained youth being able to transfer their organic farming knowledge to their families and communities. Teachers estimate that 55% of the youth succeeds in playing an innovative role in their family farm. In the focus group discussions, all youth stated that they had introduced some innovation at the farm, but the degree of change varied heavily. Some youth were only allowed to take care of small livestock (keeping chicken). According to teachers in the school, the success heavily depends on 1) if the family already is involved in organic farming; 2) the relation between the child and the father (traditionally the father decides what is being cultivated and how) and 3) the motivation of the student.
- Teachers estimate that on average 20% of the students already has a sister/brother that completed a degree at CECTEC. In that case, the second, third or fourth brother or sister will add less additional change. The number of affected families does not equal the number of students.
- Outreach to new communities is an issue, because the majority of students come from communities in which CECTEC has been active for many years, the school is to a certain degree “preaching to the converted”. Many families had already adopted more sustainable agricultural practices before their children went to the CECTEC school.

Result 3.

This result was partially achieved. The targeted number of graduates was met. However, because of the difficulty the school has to contract suitable teachers, less than 90% of the courses in the curriculum were offered.

No evidence was found that of other schools in the region incorporating elements of the CECTEC curriculum into their programme, and CECTEC had not actively worked on this. The school instead in 2009 established a new department of the school, in a community at 2 hours driving distance from the current location, in the small village of San Miguel. The expectations are that from 2011 onwards, the PAFF programme will be taught in San Miguel, and the (advanced) BTA and bachelor courses are offered in la Escuela Agroecológica de la Colonia Pirapey.

Result 4. Financial sustainability:

CECTEC so far has not developed a ‘business plan’ for the organisation. The organisation is in a process of changing its legal status from association to NGO

Sustainability of the impact

The financial sustainability of the organisation is an issue. The budget of the school depends for 50-70% on ICCOs contribution. The school has many assets, which could be used more productively. A number of CECTEC graduates are highly experienced and skilled in organic farming. It seems that in Paraguay Organico, there is a need for skill-based training to new organic producers. CECTEC has not found a modus of mobilising the skills in her network of graduates to the benefit of the businesses and POs in Paraguay Organico. This could be further explored. Other assets include 95 ha of land, processing equipment, and the radio broadcasting station.

On the sustainability of the impacts the students continue to realise after they have graduated from CECTEC, as was mentioned above, all graduates mentioned they have incorporated at least some organic farming practices at their family farm or at their own farm if meanwhile they have gotten married and were able built their own home. Only the minority of the students will have the opportunity to play a catalyst role in improving their local communities, but the knowledge and skills are sustainable.

ASSESSMENT

In our interpretation of the above figures, information and observations we conclude that:

- The project is sufficiently **efficient** (+), but there is room for improvement if the school would be able to attract more students, and improve the quality of the education.
 - o The project is **additional** (+)
- The project is **not effective** (-) since the agreed outcomes were not achieved. This can be attributed to the budget cut, and the reluctance to adjust the result agreements in the contract to the new budgeted deliverables and outcomes.
 - o The **sustainability** of the project is rated moderate (+/-). Financial sustainability of the school needs to be further looked into, sustainability of the impact on the youth is high as they continue to use their skills and knowledge.
- The project was **relevant** (+) because of its contribution to improving food security, but some remarks need to be taken into account. First, outreach to new communities is an issue CECTEC needs to continue to work on. Also, the intervention strategy using youth to impact community and producer organisations requires further attention, for there are indicators that this is not a feasible strategy
 - o The **attribution** of ICCO to the project outcomes is high (+)

The arguments for the above conclusion are as follows:

Efficiency

The evaluation team is of the opinion that the project was implemented in a sufficiently efficient manner, since the project outputs were implemented in a timely manner. Considering the facilities, the institute could increase its efficiency by receiving more students or using its assets (land, processing equipment, skilled graduates) more effectively. Also, the quality of the education is an issue.

Additionality

Without ICCO funding, the school would have had a major budgetary challenge. Also, additional community work activities are likely not to have taken place.

Effectiveness

The effectiveness is not sufficient since most of the envisaged outcomes were not achieved. ICCO approved this project under time pressure. The targets agreed upon in the contract were not feasible, because the budget was cut. This may have been the reason for a flawed project design. The innovations were not implemented; the budget was mainly used for the ongoing agricultural school activities.

With respect to the more strategic discussion on CECTECs potential contribution to a programmatic approach, the evaluation team feels that the project lays the basis from which organic markets are to develop. However, the effectiveness will highly depend on the trained youth being able to transfer their organic farming knowledge to the families and communities.

CECTEC has made limited progress in developing more focussed advisory / TA products for the members of Paraguay Organico.

Sustainability

The financial sustainability of the school is low needs to be further looked into. The trained youth are using their skills (to a varying degree) and thus the sustainability of the impact on graduates is high. The sustainability was therefore rated by the evaluation team as moderate.

Relevance

We rate the relevance of the project to be good, since the outcomes of the project have lead to improved food security as well as improved nutritional status of the families. However, outreach to new communities is an issue, because the majority of students come from communities in which CECTEC has been active for many years, the school is to a certain degree “preaching to the converted”. This lowers the relevance. Also, the intervention strategy using youth to change producer organisations (the original strategy of the project, that was not implemented to the full extent), requires further attention for there are indicators that this is not a feasible strategy.

Gender relevance

Gender balance was mentioned as an improvement by CECTEC staff, and focus group discussions with women (mothers of CECTEC students that participate in the farmer markets) confirmed that as an effect of the support, decisions in the house are now take jointly. The special course for young girls, offered in 2007, was discontinued because of limited interest, and girls and boys again jointly take the same PAFF programme.

Attribution

The attribution to the activities of the CECTEC school is high. The attribution of ICCO to supporting rural producer cooperatives is low, because it was funded by a separate EU project.

Comparison of findings with ICCO/KiA monitoring protocol

Date of monitoring by ICCO (01-03-08-001)

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 3 years	Realised (Findings)
Alliance output					
DAB-a	Number of partner organisations active as supporter or partner (actor) of chain development	1	Good	n/a	1
MO-a	Number of partners that develops or implements business development services and vocational training programmes	1	Sufficient	0	0
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	2	Sufficient	2	2*
MO-a	Number of programmatic chain interventions that is developed by partners and actors	1	Moderate	0	0**
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	1250	Sufficient	1250	Less than 1250
MO-a	Number of members of formal and informal groups	75	Moderate	0	75

* It is questionable if this target is realised and attributable to the project

** The contribution of this project to the programmatic chain intervention is still very limited.

FINDINGS ON 01-03-08-022 - SEPA 2005-2007

GENERAL

Project data

Country	Paraguay
Start date:	01-01-2005
Closing date:	31-12-2007
Project partner name:	Servicio Ecuménico de Promoción Alternativa
Name of the project:	SEPA 2005-2007
Total budget of the project:	€ 248,015
ICCO share in project budget:	€ 248,015
LMD % of the project:	50% LMD, 50% DEM
Intervention strategy:	30% DAB, 40% MO, 30% BB

Overview of recent ICCO Financial support to partner from 2004

Project name	Budget
Escuela Agroecologica	€ 12,200
SEPA 2005-2007	€ 248,015
SEPA 2008-2010	€ 180,000
Plan trienal 2011-2012	€ 180,000

Project summary

SEPA is a Paraguayan NGO with a strong focus on the rural poor and disadvantaged. The NGO is critical of government policy and the agribusiness establishment in Paraguay, and promotes alternative livelihood strategies.

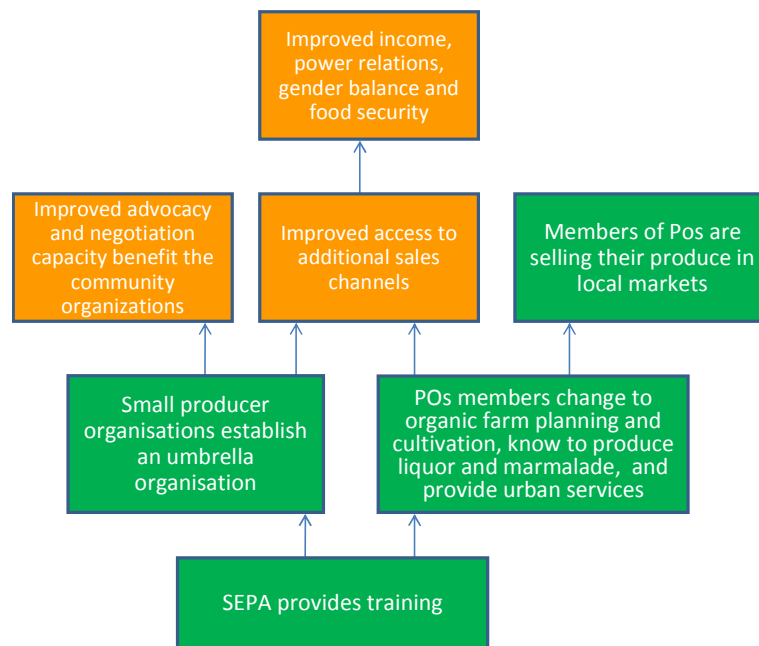
The project “SEPA 2005-2007” was a prolongation of finance that SEPA has been receiving from ICCO for over 20 years. In the 2005 project plan, (or KIDBEMO) ICCO identifies 3 risks, namely; 1) the risk that SEPA will not be able to connect farmers to markets, so they will not be able to sell their produce; 2) The risk that SEPA will continue to work in the same communities, and not make an exit; 3) The risk that the lobby activities will not be linked to the production activities.

In the opinion of the evaluation team, all these three ‘risks’ indeed materialised. No corrective measures from ICCO were documented. Notwithstanding, in 2007 SEPA proposed a similar proposal, with a similar risk profile, and received financing for a new 3 year programme. Also for 2011-2013 again the project plan has been approved.

The project was active in two regions of Paraguay; Arroyo y Esterras y Paraguarri.

An external evaluation of the SEPA projects was performed in 2007. The evaluation did not provide feedback on the feasibility of the intervention strategy and did not present findings on outcome and impact level.

Simplified result chain



As can be seen, the main objective of the project was to improve incomes, income security, food security, power relations and the gender balance in the targeted agricultural communities. The outcome the project aimed to achieve was to improve the organisational structures and capacities of producer organisations. This was to be done by establishing an umbrella organisation of community organisations, enhancing access to sales channels, and introducing new products that can be produced at the family farm.

FINDINGS

Inputs

Financial inputs

(ICCO and other sources (EUR and other in-kind matters))

Year	2005*	2006*	2007
Annual realised budget of SEPA	164,075 (100%)	187,544 (100%)	n/d
ICCO contribution to SEPA	73,628 (45%)	93,628 (50%)	n/d

* Source: SEPA audited financial statements

ICCO in the project period was an important donor for SEPA, providing 50% of their budget. In addition to this project, SEPA in the period 2005-2007 received financing from ICCO, CCFD de Francia, MISEREOR, the government of Basque country, Manos Unidas from España, and Development and Peace from Canada.

The inputs of this project can be categorised as follows: most of the inputs has been used for providing services to the target group, 24% has been used to cover overhead expenses.

Input	Percent of total funding
NGO overhead	24%
NGO services	20%
Providing TA through external organisations or hardware to the beneficiaries	56%

Non-financial inputs

According to SEPA, the ICCO economic programme made SEPA realise that there was not yet a solution for integrating small producers into the economy of Paraguay. Therefore, they proposed the current projects. Later (after the project that is subject to this evaluation was ended), ICCO contracted a consultant in Paraguay to inform partners and provide a platform for exchange when preparing the “programmatic approach”. SEPA actively provided input in this discussion, and according to SEPA achieved that the programme also included contributing to food security as a desired impact of Paraguay Organico.

Outputs

No outputs are listed in the ICCO monitoring protocol for this project. Also the contract does not specify outputs. The proposal does mention specific outputs, and the reports provide detailed feedback on progress made. ICCO has confronted SEPA one more than one occasion, requesting an improvement in the quality of the reports, and requesting the organisation to propose, deliver and report on outcomes, and not on outputs.

The outputs of the project can be distinguished into the following three categories (based on the budget):

1. Training: The outputs presented in the project proposal are very broad. The project provides capacity building to the beneficiary communities, through its own field staff, on agricultural practices, gender, organizational development of producer organizations, agri-processing, sales skills, negotiation and advocacy skills, biodiversity, and more. Since all capacity building is provided by SEPA, it appears that the quality of services provided may not be high. Focus group discussion members were however very happy with SEPA, because they are “in the region” whilst other agricultural extension workers from the MAG were not willing to come to their houses.
2. Coaching, mentoring and advocacy: According to the budget, coaching and advocacy is a minor share of the outputs. Actually, this advocacy activity is likely to overlap with the training component, since advocacy is often implemented together with the community organisation (see also the outcomes section).
3. Financial support to the beneficiaries; No budget was spent on the financial support to the beneficiaries. However, many beneficiaries and their POs received financial support through the Small Projects Fund, administrated by BASE-ECTA. SEPA is member of the board and of the evaluation committee, and has submitted and approved many applications for the beneficiaries supported by this project.

Output	Percent of total output
Trainings	82%
Coaching, mentoring and advocacy	4%
Financial support to beneficiaries	13%

Outcomes

The contract stipulates 10 outcomes and/or impacts that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	7	5	1	1

The following results were agreed upon in the contract:

1. Producer organizations are using farm planning strategies, have engaged in organic farming, have diversified their crops, are conserving and disseminating local seed varieties, have improved integration in local markets and have strengthened their administrative and management capacities. As a result family incomes have increased
2. Families that are members of the producer committees are adding value to the fruits during the harvest season, by producing marmalade or liquor.
3. Umbrella committees have been established (one in Paraguari and one in Arroyo y Esterras)

4. The Asociacion de Mujeres Artesanas de Carepegua has improved production capacity as well as quality of designs. They are also selling in new markets, to a variety of buyers.
5. Urban community leaders have the capacity to undertake economical works, such as plumbing, electric installations, and maintenance and repairs on machinery.
6. Beneficiary communities have strengthened their organizations, based on democratic principles, with gender equality
7. Social organizations that form part of the projects have knowledge of and participation in local policy influencing institutions.

Following interviews with staff, trained youth and community organization members, the evaluation team made the following findings:

Result 1.

This result was achieved. Approximately 365 members of beneficiary producer organizations in the supported communities have changed their farming practices. When the focus group discussion was held, the beneficiaries mentioned that they are selling through local markets, but coming to the market is not always profitable because of the high transportation costs. However, in the years following this project, SEPA has supported two Pos by providing them with a car. For these POs, the income of members has increased.

A number of beneficiary communities were also supported by Alter Vida to improve their access to markets (and EU /ICCO project of Alter Vida), and also received support from the BASE ECTA small projects fund, mainly to buy share nets and other hardware for their orchards.

Result 2.

The result was achieved according to the report submitted by SEPA in 2007, with 65 women having been trained, and 35 producers having sold 1230 kg of marmalade. In October 2010, however, no structural market was found for the liquors or marmalade, and thus trained women only sporadically use their production skills.

This SEPA intervention was not based on a strong analysis of the local market. The products to be promoted were selected out of a producers perspective, SEPA selected products that can be produced at the family farm without major investments, without ensuring there is a market for these goods. Cost price calculations were included in the proposal, but these calculations overlooked transport costs to the market, which turned out to be a major bottle neck.

Result 3.

This result was achieved. Umbrella organisations were established. However, no significant benefits were created for the target group, according to the focus group discussion.

Result 4.

This output has partially been achieved. The Association has improved the production capacity and quality of design. In 2010, three years after the project had ended, the Association was still alive. The municipality supported the women group by subsidising a shop in town where they can sell their products. Their production remains far under capacity, because they have not been able to supply to other markets.

Result 5.

This result was achieved, because the training has taken place. It is not clear to what degree the services are still being provided by the people that received training. One member of the FGD had received training, but was not using these skills as a source of income.

Result 6

Beneficiary communities were trained on democratic principles, with gender equality, but there was no foreseen impact or outcome formulated that these organisation needed to achieve for their members. Also, it should be noted that the supported organizations are very small (around 12 members) and it is not clear to what extent the organization reflects only the members or also the community to a larger extent. Also, the members of the focus group discussions mentioned that the main benefit that these community

organizations create for their members is channelling SEPA support. This indicates that community organizations may not produce value to their members on their own.

Result 7

SEPA has worked with social organizations that form part of the projects to improve their knowledge of and participation in local policy influencing institutions, by organizing workshops, introducing the organizations to the district governments and municipalities, and through a monthly publication of SEPA that improved the visibility of SEPA in the communities and with all levels of government.

Also here the members of the focus group discussions mentioned that the community organizations heavily rely on support from SEPA in their dialogue with the government. This again indicates that the organization may not produce value to their members, if the NGO is not there.

Impact

In 2007, the project was evaluated by an external evaluator, who surveyed 147 beneficiaries. The evaluation provides a number of qualitative insights, but not a quantitative analysis on improved socio economic conditions.

Family farm incomes had increased for the members of the focus group discussion that participated in several projects of SEPA. Since the main “income generation” components of the project failed (handicrafts and marmalade and liquors did not reach a sustainable market), this income increase cannot be attributed to this project only, it must be attributed to continued support of SEPA, but also the FPP and Alter Vida, in assisting farmers to diversify their sources of income, and sell in local markets.

This evaluation also cannot make a quantitative statement on the number of beneficiaries impacted.

Sustainability of impact on the target group

Sustainability of the impact (target group level) on food security is secured for a group of approximately 365 farmers. The sustainability if the income increase is questionable, because the main increases can be attributed to continued support provided by SEPA, and not to increased access to profitable markets. Also there are indicators that the sustainability of the provided support to community organizations is low. Supported and trained community organization may not produce value to their members, if the NGO is not there.

In Arroyo y Esterras, for example, SEPA today continues to work and build capacity with at least 60% of the community organizations that were supported under this project. A community organization in Arroyo y Esteras counts with on average 12 members. The membership fluctuates, every year on average 2 people leave the association and 2 new ones join. SEPA mentioned that it is important the NGO continues to provide training and services to the community organizations, because of this fluctuating membership. This type of support without an exit strategy is not sustainable in the event that funding for the NGO activities stops.

ASSESSMENT

In our interpretation of the above figures, information and observations we conclude that:

- The project has been **efficient** (+), as far as the evaluation team could see, all activities were implemented without delays. Overhead of 37% is high.
 - o The project is **additional** (+), without the ICCO support activities would not have been implemented in the same manner
- The project has been **effective to a limited extent** (+/-)
 - o **Sustainability** of the outcomes is very low (--) because of the lack of an exit strategy from the community organisations supported, and because the products produced in the communities still are not reaching profitable markets that can absorb significant volume.
- The project has been **relevant to a limited extent** (+/-)
 - o The project **attribution** to the impacts realised was scored as **low** (-)

The arguments for the above conclusion are as follows:

Efficiency

The project has been efficient (+), as far as the evaluation team could see, all activities were implemented efficiently without delays.

Additionality

The project is rated as additional (+), because it is likely that without the ICCO support activities would not have been implemented in the same manner.

Effectiveness

The evaluation team scored the project as effective to a limited extent (+/-) for the following reasons: SEPA provides a broad range of capacity building and training services to community organisations, but without specifying a concrete outcome (what should these organisations be able to do for their members, after the support?). It is not made clear what the objective is of this improved capacity.

Also, the market driven or commercialisation activities so far have not succeeded in increasing access to profitable markets that can absorb significant volume.

Sustainability

Sustainability of the outcomes was rated by the evaluation team as very low (--) because the new products that were introduced are no longer sold on the market. Although incomes of some beneficiaries have increased, the sustainability of this income increase is questionable, because the main increases can be attributed to continued support provided by NGOs (such as free transport), and not to increased access to profitable markets.

In addition, the intervention strategy of the NGO for providing support to community organizations does not focus on creating sustainable, self-supporting organizations. Supported and trained community organization according to SEPA cannot produce value to their members, if SEPA is not there.

Relevance

The project has been relevant to a limited extent (+/-). The beneficiaries interviewed during the focus group discussions mentioned they experienced improved gender balance in the households, income increase for and improved food security. However, it is unclear to what extent these benefits can be attributed to this single project.

Gender relevance

The project had two specific gender components, one where women were supported to produce artisanal handicrafts, and one for women to produce liquor and marmalade in their homes for sale in local markets. Also, SEPA pays attention to the gender equality when organising workshops for community organisations.

Attribution

Family farm incomes had increased, gender relations were improved and food security was higher for the members of the focus group discussion that participated in the several projects of SEPA. Since the main "income generation" components of the project failed (handicrafts and marmalade and liquors did not reach a sustainable market), this income increase cannot be attributed to this project only, it must be attributed to continued support of SEPA, but also the FPP and Alter Vida, in assisting farmers to diversify their sources of income, and sell in local markets.

Also, the attribution of this specific project to the improved food security and gender relations could not be assessed. At least 2/3 of the members of the FGD had participated in other workshops related to gender and/or cultivation of organic orchards / small livestock promotion activities.

Comparison of findings with ICCO/KiA monitoring protocol

Date of monitoring by ICCO (01-03-08-022):

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 4 years	Realised (Findings)
Alliance output					
MO-a	Number of partners that develops or implements business development services and vocational training programmes	1	Moderate	0	0*
Partner output					
MO-a	Number of programmatic chain interventions that is developed by partners and actors	1	Sufficient	0	0**
Outcome					
MO-a	Number of members of formal and informal groups	60	Moderate	0	60***

* This seems to be the wrong indicator, SEPA does have a school, but that school did not feature in the result agreements.

** This project did not contribute to the programmatic chain intervention.

*** It is likely that the supported groups counted at least 60 members in total.

FINDINGS ON 01-03-08-026 - ESCUELA AGRÍCOLA 2005-2008

Project data

Start date:	01-03-2005
Closing date:	29-2-2008
Project partner name:	CECTEC (Centro de Educación, Capacitación y Tecnología Campesina)
Name of the project:	Escuela Agrícola 2005-2008
Total budget of the project:	€ 250,000
ICCO share in project budget:	€ 250,000
LMD % of the project:	80% LMD, 20% EDU
Intervention strategy:	100% DAB
MDG:	100% MDG1

Overview of all ICCO Financial support to partner:

Period	Project name	Budget
2001-2004	Agricultural school 2001-2004	€ 272,268
2005-2008	Agricultural school 2005-2008	€ 261,500
2008-2011	CECTEC 2008-2011	€ 170,000
2011-2013	Plan Trienal 2011-2013	€ 210,000 (not yet approved)

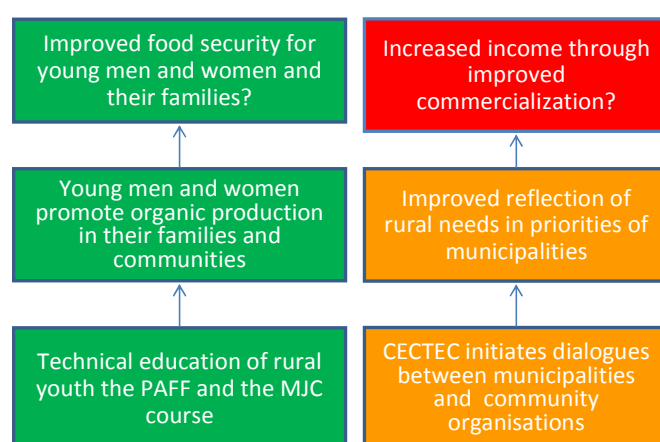
Organisational profile

CECTEC established an agricultural school in the eastern part of Paraguay in 1991. The school teaches youth in the age between 11 and 15 in Spanish, math, life skills and organic farming practices, with an emphasis on diversification to enhance food security of the family.

The CECTEC agricultural school is recognised as an official educational institute. The method of teaching was innovative when the school was established; after 15 days in school, students return to their home communities for two weeks to bring in practice what has been taught. Today (2010), 5 other agricultural schools in Paraguay have replicated the teaching method.

The school has been supported by ICCO since 1998, with a budget of approximately €80,000 per year. In addition to the ICCO contribution (55%), in the period 2005-2008 the school received support from the Paraguayan Ministry of Agriculture (33%), FAO (1,8%), GEF (1,8%) and through own contributions of the students.

Simple result chain



The outcomes of the 2005-2008 programme is to contribute to provide technical education on organic farming as well as general education and life skills to young men and women in Caazapá and Itapúa, to

contribute to strengthening organic production farmers associations through their children, and to initiate and facilitate in dialogues between the municipality and the producer organisations. The objective or foreseen impact is not formulated as such in the proposal or the contract. The two main foreseen results related to LMD are likely to have been improved food security and increased income.

FINDINGS

Inputs:

Financial inputs

The table below provides an overview of the support provided by ICCO, and the annual budget of the CECTEC NGO. The ICCO share of contribution to the budget of the school (which is part of the NGO) was 51% per year.

Year	2004*	2005*	2006*	2007*
Annual turnover of CECTEC	€ 606,719	€ 640,136	€ 659,049	€ 766,038
ICCO contribution to CECTEC	€ 90,874 (15%)	€ 79,470 (12%)	€ 82,390 (12%)	€ 91,136 (12%)

* Audited financial statements

CECTEC students do not pay, but make an in-kind contribution to the school, by bringing 1,800 kg of maize (or value equivalent in agricultural products) in total during 3 year, whenever the family is able to pay. Less than 25% of the students completes the requested payment. CECTEC chooses not to remind students or their parents to comply with the requested contribution.

In addition to the contributions of students, CECTEC also counts with processing equipment for several commodities, including sugar cane, grains, mate and cassava. During the harvesting campaign, (also non-organic) farmer cooperatives come to CECTEC to process their harvest. They pay in kind, CECTEC receives 40% of the harvest. Also, the labour of the students is an input for the school. The school thus daily feeds 25 to 100 people (students, staff and family members of staff) with minimum expenditures. During the evaluation visit, sugar was being produced.

The inputs of this project can be categorised as follows: most of the budget was spent on expenses for the school ("External project costs" category). 6% has been used to cover overhead, and 2% was spent on services provided by CECTED NGO staff.

Input	Percent of total funding
NGO overhead	6%
NGO services	2%
External project costs	92%

ICCO's non-financial inputs:

The non-cash input of ICCO in the period 2005-2008 was centred around providing input and starting discussions on how to work in value chains and with the private sector. The progress made during this period was virtually non-existent, according to CECTEC director, because for CECTEC LMD was a new way of thinking and the organisation first needed to develop its own thinking. In the following budget period (see next case), more progress was made.

Outputs:

Based on the budget, we can categorize the outputs as presented in the table below. As expected, training has been the main spending destination; out of pocket expenses for the school account for around 10% of the budget.

Output	Percent of total output
Trainings	90%
Coaching, mentoring and advocacy	-
Out of pocket expenses for the school	10%

The main output of the school is the number of students and graduates. The table below presents an overview of the number of graduates per year from 2004-2007.

Graduates course/year	per	2004*	2005*	2006*	2007*	Total
PAFF		32	27	55	60	174
BTA		-	-	-	8*	8*
Mujeres campesinas (MJC)		13	14	12	-	39

* BTA is a long distance course is, facilitated by the school through its Internet connection

CECTEC has implemented three curricula, the PAFF programme, with a focus on life skills and organic farm planning, the BTA (a more advanced course on organic farming and processing of farm products), and the mujeres jóvenes campesinas programme (MJC), for young farm women. The MJC programme was discontinued in 2007 because of limited interest and the large overlap with the PAFF.

In total, 213 students graduated during the project period. The proposed number of graduates for the PASS programme was 270, admitting 90 students per year. In addition, CECTEC would train 120 young women through the “mujeres campesinas” curriculum, with an average 20 young women joining the programme every year.

Through field workers, that visit the students when they are home from boarding school, 45 workshops per year were realized in the communities, promoting organic farming and organizational development of community organizations.

Thirdly, CECTEC in this period started reaching out to other institutions that work in the same communities, and to seek scope for cooperation.

The final report provides a detailed overview of many additional outputs realized.

Outcomes

The contract stipulates 7 outcomes and/or impacts that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	8	2	4	2

The following results were agreed upon in the contract:

Agreements

- 1) A consolidated technical educational programme with a socio-human focus for young farm men and women
- 2) Increased production capacity (organic) focus at the farms of the families of the schooling young men and women
- 3) Improve the community organizations through the youth trained at the school
- 4) More visibility of technical and technological capacity of CECTEC in the targeted communities
- 5) CECTED will coordinate its activities to strengthen the cotton chain with Alter Vida, SEPA, FNC and with ICCO.

Financial result agreements:

- 1) In the framework of the project, CECTEC will work with municipalities and develop local development plans that allow the municipalities to set priorities and make resources available to improve productive, educational and organisational conditions for the inhabitants of the district.

Monitoring points:

- 2) ICCO requests CECTEC to identify opportunities to multiply CECTEC’s teaching method in other regions of Paraguay
- 3) ICCO wants to be informed on progress made by students in subjects related to commercialization.

Following interviews with staff, trained youth and community organization members, the evaluation team made the following findings:

Result 1:

This result was achieved; the programme was implemented but the number of students was lower than foreseen. ICCO did not make

Result 2:

This result was achieved.

Result 3:

This result is very difficult to measure, because the proposal was not clear on what the benefits of improved community organizations may be. The evaluation team could not assess if the component had been achieved, also because the project closed already 3 years ago.

Result 4:

CECTEC started cooperation with schools and municipal institutions in the beneficiary communities, and thereby increased its visibility and also its scope for impact. This result was achieved.

“Financial” result agreement:

This is actually an output, and not a financial result agreement. The output has achieved, and in at least 2 municipalities, community organizations had received benefits from the municipality in the period 2007-2010. (for one community a bridge was built, and for one community a large market building was established, with support of GTZ).

Monitoring points:

CECTEC did not specifically report on these monitoring points. No reminders or corrective measures from ICCO were documented.

Impact

The project was evaluated by an external evaluator in June 2008. The findings were verified the budget expenditures, but did not provide insights on the impact achieved by CECTEC (in the “kenschets”, ICCO mentioned it would be an impact evaluation).

In total, 213 students graduated during the project period. The proposed number of graduates for the PASS programme was 270, admitting 90 students per year. In addition, CECTEC would train 120 young women through the “mujeres campesinas” curriculum, with an average 20 young women joining the programme every year.

In addition, the programme aimed to reach out to 1000 beneficiaries by assisting the youth to have positive impact on their families and communities, and 2000 beneficiaries from support and improved working with the municipalities.

Given the limited resourced of this evaluation and the fact that the evaluation team visited the some beneficiaries 3 years after the project had ended, the number of beneficiaries could not be verified in more detail.

Sustainability of the outcome (target group level)

The financial sustainability of the organisation is an issue. The budget of the school depends for 50-70% on ICCOs contribution. The school has many assets, which could be used more productively. A number of CECTEC graduates are highly experienced and skilled in organic farming. It seems that in Paraguay Organico, there is a need for skill-based training to new organic producers. CECTEC has not found a modus of mobilising the skills in her network of graduates to the benefit of the businesses and POs in Paraguay Organico. This could be further explored. Other assets include 95 ha of land, processing equipment, and the radio broadcasting station.

On the sustainability of the impacts the students continue to realise after they have graduated from CECTEC, as was mentioned above, all graduates mentioned they have incorporated at least some organic farming practices at their family farm or at their own farm if meanwhile they have gotten married and were able built their own home. Only the minority of the students will have the opportunity to play a catalyst role in improving their local communities, but the knowledge and skills are sustainable.

ASSESSMENT

In our interpretation of the above figures, information and observations we conclude that:

- The project has been **efficient** to a limited extent (+/-), because the number of students trained was lower than proposed.
 - o The project is **additional** (+), it is likely that activities would not have been implemented if the funding would not have been available.
- The project has been **effective** (+), the outputs have been achieved and the relation between outputs and outcomes is direct.
 - o **Sustainability** of the outcomes moderate (+/-) (low for the CECTEC educational institution, but high for the knowledge and skills being used by the graduates in their communities)
- This project was **relevant** (+)
 - o ICCO's attribution to the project was qualified as **high attribution**

The arguments for the above conclusion are as follows:

Efficiency

The evaluation team is of the opinion that the efficiency of the project has been limited, because the number of students that attend the school was much lower than proposed. Considering the facilities, the institute could increase its efficiency by receiving more students or using its assets (land, processing equipment, skilled graduates) more effectively.

Additionality

The additionality of the project is rated as good, since it is likely that activities would not have been implemented if the funding would not have been available.

Effectiveness

The effectiveness of the project was good, the outputs have been achieved and the relation between outputs and outcomes is direct. Still, not all result agreements were achieved.

Sustainability

The financial sustainability of the school is low needs to be further looked into. The trained youth are using their skills (to a varying degree) and thus the sustainability of the impact on graduates is high. The sustainability was therefore rated by the evaluation team as moderate.

Relevance

The relevance of the project is good, but the project's targeted impact should have been elaborated better in the proposal, and the reports need to focus more on results and impacts achieved. The evaluation team assessed relevance as the project contribution to increased food security and increased income levels.

Gender relevance

Gender balance was mentioned as an improvement by CECTEC staff, and focus group discussions with women (mothers of CECTEC students that participate in the farmer markets) confirmed that as an effect of the support, decisions in the house are now take jointly. The special course for young girls, offered in 2007, was discontinued because of limited interest, and girls and boys again jointly take the same PAFF programme.

Attribution

The attribution of ICCO to the school is high (50%-70%)

Comparison of findings with ICCO/KiA monitoring protocol

Date of monitoring by ICCO (01-03-08-026):

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 3 years	Realised (Findings)
Alliance output					
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	0	Sufficient	0	0
MO-b	Number of network organisations and / or coalitions that participates in a programme for institutional development of the alliance	0	No data	0	0
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	0	Sufficient	0	0
MO-b	Number of network organisations and / or coalitions that has developed and advocacy strategy and market intervention strategy	0	Sufficient	0	0
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	0	Sufficient	0	0
MO-b	Number of members in networks and coalitions	0	No data	0	0

* CECTEC is an active VT provider

CASE STUDIES INDIA

BACKGROUND INFORMATION LMD IN INDIA

India is the second largest country in the world with over a billion inhabitants and reaching both extreme wealth and heavy poverty stricken communities covering more than 40% of the population.

Market situation of small producers

The Indian economy has seen consistent growth for the past several years and the forecasts are positive with similar rates. The growth is mostly due to investments as access to both foreign and domestic financial sources have improved. The economic growth has been in industrial and service sectors, benefiting (upper) middle class mostly.

The country is mostly showing rural demography. 71% of the total population lives in rural areas and 52% of the employed labour force is working in agriculture. Ca. 11% of the total labour force is unemployed. The agriculture output is rice, wheat, oilseed, cotton, jute, tea, sugarcane, lentils, onions, potatoes, dairy products, sheep, goats, poultry, and fish.

The food markets are being supplied by international companies. This is competing more and more with local food production. Therefore, of all sectors, agriculture has shown the least growth. This is mostly harming the small producers that the LMD program is focused on.

The producers in rural areas of India have several disadvantages withholding them from economic growth and socio-economic security. Their subsistence farming is based on traditional systems of low productivity and small scale. Their access to markets is reaching local communities. Access to finance is low because of high interest and low business capacity. Another disadvantage is the fact that the communities are often tribal which decreases their access to markets, both geographically and socially.

The community of non-agro small producers (handicrafts) is the second largest employment group after food producers. The access to markets is mostly limited because of a lack of market information, design skills and production skills. The market has mostly been the seasonal tourism industry. Larger scale mass production of similar products has increased their difficult position.

Overview of ICCO support to India

ICCO has been active with market development programs in India since 2000. Most of the organisations that ICCO cooperated with during MFS1 were also partners before, both with similar interventions as well as others. The activities that ICCO concentrated on during 2007-2010 are "Sustainable and Fair Economic Development" (DREO). Besides the LMD, also other strategies were implemented such as International Markets, Corporate Social Responsibility and Private Sector Development. All these strategies are components of the DREO programme and are more and more integrating.

The Indian government is, centrally and especially on state level, increasing their output towards small producers. Large organisations such as Pradan are increasingly cooperating with government institutions, both directly with government officials and indirectly by being financed by the government. The government initiatives are still on low level and efforts to secure the income of small rural producers are not sufficient.

FINDINGS ON 71-01-03-007 - CREATING RURAL LIVELIHOODS IN POOR REGIONS OF INDIA

GENERAL

Project data

Start date:	01-01-2006
Closing date:	31-03-2009
Project partner name:	Pradan
Name of the project:	Creating rural livelihoods in poor regions of India
Total budget of the project:	€ 41.835.759,-
ICCO share in project budget:	€ 945.000,-
LMD % of the project:	100% LMD
Intervention strategy:	70% DAB, 10% BB, 20% MO

Overview of recent ICCO Financial support to partner:

Period	Project name	Budget
2003-2006	Sustainable income security for the rural poor in India	4.724.567 €
2005-2006*	Day-care centres	25.000 €
2005	Workshop: Poor, Livelihoods and Local Market Dev.	12.160 €
2006	Local market development network Jharkhand	20.000 €
2006*	Follow Up of Results EYE-exchange 2004	5.580 €
2006*	5e SISIN Workshop	9.345 €
2006-2007*	LMO Network 2 Jharkhand	13.000 €
2007	Consultancy A. Mink	8.956 €
2007*	Support female poultry farmers	10.000 €
2005-2011	Satpuda Mushrooms	66.000 €
2006-2009	Creating Rural Livelihoods for Poor Regions of India	945.000 €
2008-2010	Vikas Bazar Network Jharkhand	113.040 €
2009-2012	Livelihoods for Poor Regions	1.044.600 €
2009-2011	VBN Poultry Coalition	111.486 €
2010-2011	VBN: Engaging Markets-1	60.000 €

* Not allocated to LMD.

Source: Dynamics

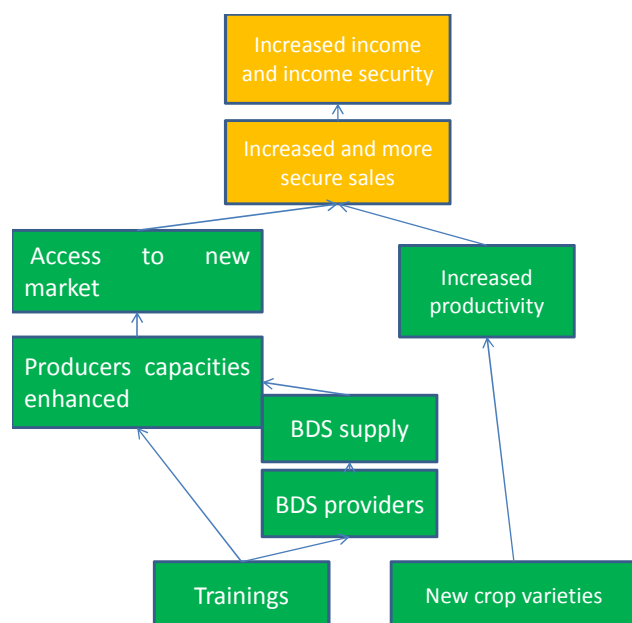
Project summary

The contribution to the assessed program, which is called 'creating rural livelihoods for poor regions of India', has been on a level of institutional support. The contribution from ICCO to Pradan has been substantial over the years and included a market development approach already before the MFS1 LMD strategy of ICCO.

The activities that were implemented during the contract period, in line with the agreement, are aimed at various poor rural communities. The activities have been supply of support to farmers and BDS providers. The interventions have been capacity building of BDS providers and of farmers and value chain development support to the farmers and producer organisations. The activities aimed at various value chains including poultry, Lac, silk, rice, tomatoes and more.

Simplified result chain

Because of the nature of this project, which is the institutional support of the organisation, it is not possible to create a result chain for this particular financing. However, the projects that Pradan is executing, and where this ICCO funding is contributing to, can be summarized in the following simplified result chain:



FINDINGS

Inputs

Financial inputs

Based on the budget we can categorise the inputs to the project as follows:

Year	2007	2008	2009	Total
Total budget	11.790.204	13.988.926	16.056.630	41.835.759
ICCO contribution	302.315	319.565	326.737	948.617
Percentage	2.6%	2.3%	2%	2.3%

The ICCO contribution went to institutional input: salaries and benefits of staff, travel costs, hardware for the office, consultancy costs and office overheads. The trainings, also a substantial part of the budget, went to the staff. Internal trainings for understanding value chain development but also more social topics such as community mobilization and development and gender related topics.

Inputs	Budget	Spent
Salary and benefits	€ 647,287.00	€ 421,162.33
Travel	€ 92,656.00	€ 48,529.13
Overheads	€ 65,398.00	€ 41,311.97
Consulting	€ 7,407.00	€ 15,895.85
Hardware	€ 40,517.00	€ 28,804.50
Trainings	€ 95,352.00	€ 134,536.40

This table is created with data from the budget and the actual expense audits for this project for the period April 2007 to March 2009. The most significant difference of the expense overview is the training part. The fact is that a part of the staff that is involved also provides trainings to workers of the project (internal) and to beneficiaries and their organisations.

Non financial inputs

ICCO's knowledge and non-cash inputs:

The contract states no agreement on non-financial support from ICCO to Pradan. However, the project partner in the field office (state HQ of Jharkhand) mentioned that workshops and trainings for the staff for specific projects were provided and study trips to NL and other locations for LMD knowledge were organised.

ICCO Partner:

Pradan as an organisation provided substantial support to the field projects. The support is institutional such as HR development and management, fundraising and knowledge development. As can be seen below, the institutional funding went for a large part to staff that was hired to train field staff as well external resource persons.

Outputs

Because of the nature of the ICCO support, activities are not directly financed. However, the ICCO support has been based on a contract which has identified results. These results were also elaborated in the contract by a list of results and activities.

Pradan is working in many different communities within the country. The institutional funding was not earmarked to any specific location. The sample cases that have been visited were mainstream cases from one of the many state offices; some are finalized and some ongoing. The outputs described below are based on these sample visits.

The following activities were agreed upon per contract:

1. Working directly with poor communities in the spirit of enabling them to build upon their skills, initiative, resources and entitlements rather than delivering services or solutions
2. Developing people's stakes
3. Identifying, reorienting and nurturing functional leaders in the community
4. Helping communities learn to effectively deal with mainstream institutions
5. Creating pools of resource people/service providers
6. Collaborating with PRIs/NGO/Government/Resource Institutions
7. Policy advocacy
8. Generating awareness of rural issues through media
9. Prototype development
10. Mobilising financial resources
11. Expanding pool of development professionals

Based on the interviews with staff and beneficiaries in the field, we have made the following findings:

Activity 1,2,5 and 11: Capacity building through trainings and workshops

The activities of capacity development took place at all levels of the business environment: entrepreneurs as well as business support providers, and community level institutions as well as community based organisations. The purpose is both acquiring skills (in production, business, coaching, and management) and awareness (community development, gender, education). This effort also involved the identification and mobilization of a pool of resource persons and service providers.

The value chain development, besides capacity building, also included the creation of cooperatives to cluster and empower the producer groups and the development of market linkages.

Activities 3, 4, 6, 7: Community development

The functional leaders of the communities where Pradan is active are (re)instated. They are having a functional role in the community development process for Pradan. These community leaders' involvements also have an important role in the process of democratization of both the villages and the self-help groups and cooperatives.

The community and its leaders are supported in their work with mainstream institutions. New institutions are initiated also such as cooperatives and self help groups for (female) producers. The government

institutions should also have been involved, aiming at policy advocacy, but no record of this was made during the field visit.

Activities 4,6,9 and 10: Project development and fundraising, collaboration with institutions

Pradan is actively involved in fundraising with other donors, working with the government on policy development and even capacity development of government officials for rural development and working with other organisations on rural market development projects.

Activity 8: Generating awareness of rural issues through media

During the field visit, no record was made from media activities to raise awareness of rural issues.

Outcomes

The contract stipulates 5 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	5	4	0	1

The following results were agreed upon in the contract:

1. Promoting sustainable livelihoods based on integrated NRM and non-farm enterprises
2. Enabling access to basic amenities and rights and entitlements
3. Building people’s capabilities
4. Building viable people’s institutions
5. Setting up service enterprises

Based on the interviews with staff and beneficiaries in the field, we have made the following findings:

Outcome 1: Promoting sustainable livelihoods based on integrated NRM and non-farm enterprises

At the field level in Jharkhand, several value chains are developed, each of them having one or more cooperatives as active actors in the chain. The number of producer organisations that Pradan has been working with, is more than four, which is the number of POs as included in Dynamics. However, the funding is institutional and therefore it is hard to earmark the results that can be attributed to this specific funding contract or other Pradan projects. Some of the value chains were also specifically supported through other financings, such as the ‘poultry coalition.’

Outcome 2: Enabling access to basic amenities and rights and entitlements

This has not been discussed at the meetings as part of the results that have been reached.

Outcome 3: Building people’s capabilities

Several trainings have been conducted and during the field visits the increased capacity and the value attributed to this by the beneficiaries has been confirmed. The value chains that have been developed are managed by capable people from within the communities, which were trained by Pradan.

Outcome 4: Building viable people’s institutions

The ‘people institutions’ refer to the farmer cooperatives and the self help groups. During the field visits, resource people from these institutions confirmed its value and affirmed the strategy as positive with information on salary increases, increased amount of people with viable businesses and healthy supply chains up to the market.

Outcome 5: Setting up service enterprises

The efforts aimed at enhancing capabilities of the target group have resulted in the set-up of different service providers or enterprises in the field.

General:

Since one of the outputs as stipulated in the contract is ‘prototyping, project development and fundraising’, the result of these efforts is relevant to assess the performance of this project. Two of the

three producer organisations that were visited were resulting from or related to other projects (poultry coalition and the Vikas Bazar Network), which were both developed (but not executed) through the institutional funding. The execution of these projects is financed by other donors and depends on the mobilization of finance.

Impact:

There is no clearly stated impact in the contract because of the institutional nature of the support. It would also be very difficult to identify the exact attribution of the ICCO funding to the impact. Still, the monitoring tool of ICCO has the following impact stated, including success indicators:

Proposed impact	Proposed	Total outreach	Increase during project = result	ICCO contribution (2.3%)
Improvement of socio-economic position of small producers and employees	100.000	181.400	66.298	1523

The impact calculation in the table above is concluded as follows. The total number of households that was involved during the project period was over 181.400. However, the activities were already happening for a long time and the increase of this outreach over the project period of this particular case is 66.298. Arguably, this is the impact of this project. ICCO provided 2.3% of the budget and thus the attribution of the ICCO funding is that 1523 small producers and employees have an improved socio-economic position. The understanding is that the proposed result of 100.000 was meant as a total result, created by Pradan in the project period and not the result directly attributable to ICCO.

During the two focus group discussions, in which a total of 38 women participated, outcome and impact of the LMD interventions of Pradan were discussed and assessed as very positive. The argumentation has been very positive both from a social point of view, as well as from the perspective of their increased incomes and income security.

The improved social position in the community was confirmed through the fact that women have more power in their families, since they are now a relevant income generator for the household. Other indications are less use of alcohol (a big problem in rural tribal communities) and increased attention to education of youth.

ANALYSIS

The findings of the assessment of the projects is summarised in the table below.

- The project is **moderately efficient** (+/-)
 - o The project is **additional** (+)
- The project is **effective** (+)
 - o The project is **sustainable** (+)
- The project was **relevant** (+)
 - o The project is **not attributable** (-)

The argumentation of the above conclusions is as follows.

Efficiency

The general efficiency of the project is difficult to measure in relation to the agreed results because of the fact that the funding has been institutional. Still, the efficiency is considered to have been moderate because of the following arguments:

Part of the human resources that have been funded also attributed to activities of the market development projects, such as trainings and other capacity building activities. These activities have all been executed by internal resources, i.e. by NGO staff. While the reason for funding the organisation institutionally was because other donors do not allow funding overhead costs, part of the funding is also used for specific project related activities/resources. The training activities that were done by staff can also be part of a specific project which means that the funding from ICCO for covering overhead could have been used more efficiently.

Pradan is a rather heavy organisation: there is a massive pool of employees appointed to each project and therefore organisation has a very high number of employees. The organisation is having increasingly problems with covering the overhead cost, because of rising salary costs. This does not seem efficient: slimmer organisation structure and more efficient project implementation strategy are needed to minimise HR costs. During discussion with the NGO's state office, their response to this assessment was confirmative, although they did not see how they could decrease this without harming the implementation capacity.

The activities as formulated in the contract have been implemented according to plan. The supply chains were supported institutionally, trainings and workshops were delivered, professional (business) support was provided and funding was raised successfully. Also, the organisation seems to be very suitable for this type of interventions, looking at their outreach and experience. There is no evidence of duplication of activities. Other organisations are implementing similar strategies (for example Udyogini) but in coordination and in different areas. This argues for high efficiency of the execution.

Additionality

The funding from ICCO for the organisation is very important according to the partner organisation. Other donors and the government are solely funding project activities and do not allow overhead coverage. This aspect of counterfactual is positive.

The partner organisation also seems to have an additional role in developing value chains. The output reached sufficient effects which would not have happened without the interventions since the government is not taking care of this and Pradan is active in different fields as other NGOs.

Effectiveness

The outcomes of the activities performed by Pradan are positive, looking at the results agreements and the general perspective of how many producers benefited. However, the targeted outcomes are considered to be rather low. Instead of one single producer organisation to gain access to local markets and enhance the competitive position, 4 producer organisations gained such access. Looking at the size of the organisation and of the institutional funding, the achieved result is much more realistic than the proposed one. The effectiveness is therefore sufficient, not exceeding expectations.

The fundraising outcome has been sufficient as well. The output seems to have created the expected outcome for new projects in the course of developing new value chain improvements.

Sustainability

Developing a full value chain takes, according the Pradan experience, about 7-10 years. The ICCO institutional funding was focused on a three year period. This does not show a relative understanding of financing a facility that is focused on developing a self-sustainable value chain. The previous value chains that have been set-up by Pradan all show complete independence of business and operations. The value chains that are being set-up within the project are not yet sustainable and will need more funding in the near future.

Relevance

The project has seen a high increase of beneficiaries (67.000) during the implementation period and many beneficiaries have benefitted from the implementation in general (181.400). Also, from the perspective of the beneficiaries, the intervention is regarded as positive based on the relevance of the training, their role in their community and the income increase or security.

Attribution of ICCO funding

The ICCO contribution compared to the total budget is only 2.3%. This seems very low and the attribution of the result cannot be assessed as very high. This strategy has been a conscious decision however with the knowledge that Pradan is unsuccessful to raise funds for overhead costs. ICCO strategically decided to contribute to the value chain intervention by funding the overhead.

Gender relevance

Pradan has a specific focus in its strategy on female producers. The direct beneficiaries of the project are women, however, the producers are commonly families where the husband is the head of the family and the wives and children take part in the farming activities. Trainings and the organisation of SHGs and other structures is only conducted among women. The impact of this strategy is that the position of women and children is improved. Women have more to say in the household and business decisions while more children are going to school.

ICCO monitoring tool

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 3 years	Realised (Findings)
Alliance output					
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	1	Good	1	1
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	1	Good	4	4
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	100.000	Sufficient	66.298	1523

The evaluation team felt that the project could also score on MO and BB indicators. However, ICCO only scored on the criteria selected above (DAB).

FINDINGS ON 71-01-03-021 - BDS PROGRAMME 2009-2011 (UDYOGINI)

GENERAL

Project data

Country	India
Start date:	2009
Closing date:	2011 (reporting in 2012)
Project partner name:	Udyogini
Name of the project:	BDS Programme
Total budget of the project:	€ 434,000
ICCO share in project budget:	€ 146,957
LMD % of the project:	50% LMD, 50% CD
Intervention strategy:	25% DAB, 75% MO

Overview of all ICCO Financial support to partner:

Period	Project name	Budget
2003-2006	Contribution 2003-2006	230.000 €
2006-2009	Mobilization and Market development	240.000 €
2009-2012	BDS programme Jharkhand & Orissa	146.957 €
2006-2007	Local business centre	32.200 €

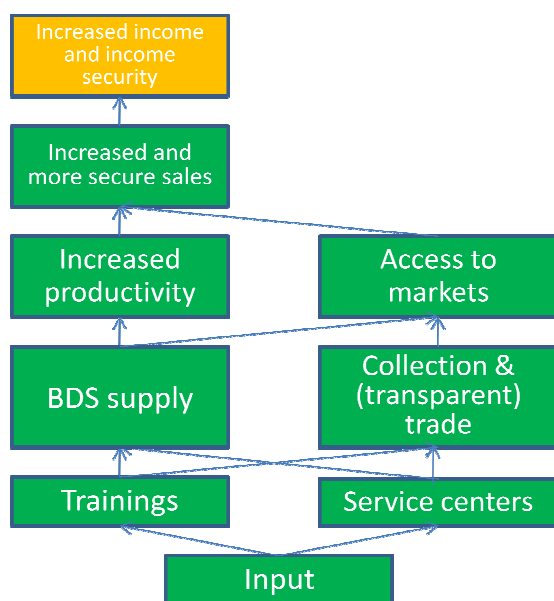
Project summary

This BDS program of Udyogini is aimed at developing BDS centres in Jharkhand and Orissa, two states in the eastern part of India where poverty is striving and the rate of development is low on the level of democratization, basic human rights and gender balance. Rural poor communities have a lack of access to finance, markets, services and skills-development. The BDS centres will develop skills and provide services to entrepreneurs in various communities. They are specifically targeting certain value chains and aim to strengthen the actors in these chains.

The program is today half-way and there is no significant difference between the proposed and executed activities. The BDS centres are implementing several stages of support to the supply chains. Women groups are trained in production- and business-skills. Eventually, these beneficiaries are chosen and the role in the value chain is decided through their individual interest and entrepreneurship. The producers can increase their production while more entrepreneurial women start collection centres, on village or cluster level. The supply to the market is currently done in cooperation with Udyogini through the cluster level service centre and will later be done through a to-be-established market actor. A partnership with a lead firm is established with regional larger scale market actors to create a long term relationship in the market. The system is created in a way which is attractive for the lead partner.

Simplified Result chain

The program has its main focussing on one value chain: Lac (an organic shining substance used for paint, make-up and fabrics). Other potential value chains are being explored such as poultry, handicrafts and bamboo. The market has been analysed properly before starting the identification of improving the VC, especially on Lac. The poultry VC is still in the probation stage.



The “position” of the intervention in the local market chain of the partner NGO is facilitator and in some cases on a direct business advisory support level. However, the long term position is aimed at the exit strategy to leave behind a supporting BDS system for the VC, paid by the market.

FINDINGS

Inputs:

Financial inputs

ICCO has funded a part of the total budget of the programme and contributed in total € 146,957, which represents about one third of the total budget for the programme. The other sources were national and international non-profit organisations, including some private sector initiatives. Some of the funding was also done by the government.

Based on the budget we can categorise the inputs to the project as shown below. The budget was proposed as follows:

Input	% of the total funding
Overhead	42%
NGO project costs	56%
External project costs	2%

Non-financial inputs

ICCO’s knowledge and non-cash inputs:

The organisation received specific input from ICCO to develop their market development interventions. ICCO staff provided technical assistance on the VC development strategy in general and SharePeople provided professionals, for example to do an assessment of a previous BDS program.

ICCO Partner:

The implementing organisation brought their experience on micro business development into the project which was used specifically for entrepreneurship development. The Udyogini School of Entrepreneurship was created specifically for the program as part of the strategy. The knowledge for the courses was provided by the ICCO partner.

Udyogini is involved on the practical execution of the programme. The organisation is organising and conducting entrepreneurship training and other capacity development courses, conducting networking

and advocacy toward the local government and large value chain actors, and pushing for the institutionalization of VC and VC actors.

Udyogini is implementing some of the activities themselves and some of the activities together with local NGO's. This is different per geographic area. When local partner NGO's were involved, they performed the activities of community mobilization and the creation of Self Help Groups. On the long term, local activities are to be taken over by UJAS, a local producer based organisation. This is a local cooperative which is initiated and promoted by Udyogini, which will facilitate the marketing and sales of the local produce towards market actors.

Outputs:

Specifically, the activity distribution of the budget that was proposed is as follows:

Output	% of the total output
Training	
trainings etc by NGO	26%
Coaching	
coaching by NGO	70%
coaching outsourced	2%
Funding (also hardware)	
funding beneficiary organisations	2%

More specifically, these are the outputs (or activities) as included the contract:

1. Two BDS centres fully operational in Jharkhand and Orissa.
2. 20 enterprises created across the selected supply chains, to provide services and market linkages to producers and owned and managed by producers/collectives.
3. BDS centres created clear portfolio of services and products.
4. Udyogini internal capacities have strengthened centrally (research, development, HR). Teams are hired and functional and effectively delivering support to BDS centres.

Based on our interviews with staff and beneficiaries we have made the following findings:

Activity 1: Two BDS centres fully operational in Jharkhand and Orissa.

The program is halfway and only working in Jharkhand at the moment. The centre is actually a more or less mobile BDS and skills development service, which works all within the state in various communities. The work that is being done includes facilitation of the establishment of community service centres and delivery of entrepreneurship courses in different communities. At the moment over 3,000 producers, all organised into Self help Groups, are benefitting from the BDS centres.

Activity 2: 20 enterprises created across the selected supply chains

The enterprises that are being set-up are village and cluster level service centres. This includes the collection of produce and distribution from producer to village-level service centre(VLSC) to cluster service centre (CLSCs) to the market. Of 20 such enterprises, 15 village level service centres and 1 cluster level service centre have been created.

Activity 3: BDS centres created clear portfolio of services and products.

The products and services that are identified are still in the development phase. Some of them are currently small grocery shops while others have started the collection already. The market is on cluster level and produce is sold via the cluster level service centre. The V/CLSCs are covering their costs through from sales margins, although they receive seed-capital from the project. The market is not fully self-sustainable and sometimes the costs are covered through barter.

Activity 4: Udyogini internal capacities have strengthened centrally (research, development, HR).

According to the head quarters, the number of personnel of Udyogini has increased and their capacities improved over the past year. They have followed different courses and improved the capacity to be able to work on value chain development on a community level.

Activity 5: Teams are hired and functional and effectively delivering support to BDS centres.

Currently there are 100 business development support providers that are working in the various communities that have started the VLSCs. The costs for these providers are carried by the market, although this is not completely self-sustainable. The costs are also often covered on barter.

Outcomes

The contract stipulates 3 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained so far, with the program being half way implemented.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	3	1	2	0

The following results were agreed upon in the contract:

- 1) Each BDS centre has at least 8 clients for BDS services, of which at least 2 private sector.
- 2) In each state, 40 entrepreneurs own potentially profitable enterprises and 160 certified BDS providers are operational. At least two products/commodities are identified for BDS delivery.
- 3) Udyogini is effectively delivering support to its BDS centres.

Summarizing, we can say that the expected results as agreed per contract are well underway, but since the project is ongoing the result assessment is not applicable. The program lasts until the end of 2011 (reporting in the beginning of 2012) and one of the BDS centres with BDS capacity development activities is working well, although not yet fully self-sustainable.

The outcomes of the activities are consistent when comparing the viewpoints of different partners and beneficiaries with what Udyogini presents. The activities are all having a positive effect on the involved actors in the VC, while the system that was set-up to improve the VC for the producers is also starting to work and having its positive outcomes. The producers and the producer groups are satisfied with the service centres and its services. Small producers, through the producer groups, are able to get sustainable and transparent access to the local market and enhance their competitive position.

Below we will discuss the 3 outcomes more in detail, based on the findings in the field:

Result 1: Each BDS centre has at least 8 clients for BDS services, of which at least 2 private sector.

The BDS centres will be providing services to clients such as NGOs, Government institutions and the private sector. Of this prospect, 1 private sector client and 1 NGO is involved with the project currently. Several communities are involved, but no higher level government institution yet.

Result 2a: In each state, 40 entrepreneurs own potentially profitable enterprises

The project is being implemented in Jharkhand only at this moment. The Orissa strategy will be implemented in 2011. The centre in Jharkhand has started and currently works with 15+1 service centres entrepreneurs. These service centres are all aimed at becoming commercially self-sustainable, hence private enterprises. The entrepreneurs, together with the potential service providers, were all trained at the Udyogini School of Entrepreneurship (USE).

Result 2b: 160 certified BDS providers are operational

Currently, 100 BDS providers are involved. They are not all functioning yet as providers. They are trained at the USE as providers and are involved with the project activities. At a later stage all of them will start

supplying services, mostly via the service centres, to the producers and entrepreneurs. Currently, some of them are providing services already.

Result 2c: At least two products/commodities are identified for BDS delivery

One commodity is fully identified and studied, which is Lac. The value chain of Lac is has been developed and improved, from producers to the private sector lead firm as reliable buyer. The other identified commodities are poultry, honey and mahua. These are not yet fully explored, but will be during the second half of the programme period.

Result 3: Udyogini is effectively delivering support to its BDS centres.

The BDS centres are aimed to be self-sustainable in the future. This will be implemented through a franchise system of product development, skills trainings and service delivery (the name of the organisation will be UJAS). However, during the implementation of the BDS programme, the BDS centres will be fully operated by Udyogini.

Impact:

The impact of the project is not possible to determine yet, since the project is still ongoing.

However, retrieving from the focus group discussions there has been signs of positive impact. Due to new actors in the VC, the producers have better and more transparent access to the market. This already generated more secure and fair income compared to other producers and compared to the situation before.

For another important actor in the VC – the lead firm – the system is creating more sustainable supply at a more reasonable and reliable price. The opportunities for the intermediary traders, often abusing the lack of transparency for their own benefit only, have decreased substantially already.

ANALYSIS

The findings of the assessment of the projects is summarised in the table below. These findings have a relation only with the LMD targets.

- The project is **efficient** (+)
 - o The project is **additional** (+)
- The project is **effective** (+)
 - o It is **too early to assess the sustainability** (P)
- It is **too early to assess** the whether the project was relevant (P)
 - o The project is **attributable** (+)

The argumentation of the above conclusions is as follows.

Efficiency

The overhead of the project is relatively high. This is explained by the fact that the project activities have been mostly executed internally. Since the organisation seems suitable to execute such a project, the high overhead is not considered as negative. Also, the Udyogini non-financial input to the beneficiary organisations is substantial and delivers a substantial part of the output. Udyogini is advised to receive continued support to the intervention strategy to ensure their right direction to facilitate the value chain development and not to start mixing up the roles of facilitators and actors.

The organisation does not seem too large which means that there are short communication lines and no overwhelming bureaucracy. Looking at the outreach and the targets for the coming year, this seems to be an efficient strategy. The execution of the activities is seemingly going according the plan.

Although the intervention strategy is very similar to the activities of other local NGOs (Pradan for example), there is no suggestion of duplication of activities. The various regions where such projects are implemented are being shared properly and no identical interventions are done more than once in the same area / cluster of communities.

Additionality

The output of the project activities has been targeted to regions and communities where such support and interventions were not offered before. The discussions with the beneficiaries have showed that the output has been very helpful and the beneficiaries indicate that such activities are helpful to grow above poverty level and to achieve income security.

Effectiveness

The project activities are not finalized yet. This makes the assessment of the outcomes based on the output difficult. Also, the outcome of the activities has not been monitored yet by ICCO. The contract has different result agreements than the monitoring system.

The outcomes have been substantial, although not as sizeable as the contract states. The project is now half way while the achieved results are not yet halfway, which would suggest poor effectiveness. The field finding suggest otherwise.

The outcomes as mentioned in the monitoring system have, as recorded in that system, not yet been achieved. However, looking at the findings of the field visit, results have been achieved in the form of the start-up of the BDS centre which will transform into the UJAS. Currently half of these outcomes have been achieved.

The contract also states the additional fundraising for this intervention and other projects. Udyogini successfully managed to obtain private sector grants (co-financing) for the LMD projects as well as including government institutions.

Sustainability

The school of entrepreneurship and the first years of running costs of the service centres are financed by the project. The contribution by the market for these costs and later the complete covering of these costs were introduced from the start. This works also successfully with the actors in the market. Already some of the costs are covered by the market (mostly through barter).

The long term perspective of one of the value chains (Lac) is introduced by the involvement of the private sector lead partner. This is an internationally operating Lac processor. Their perspective to the market system intervention is very positive since they notice more stable pricing and delivery of produce already.

Relevance

The impact measurement for a project that is lasting for 2 years and currently halfway is not a waterproof measurement. Still, the following trends are possible to observe:

- ⊙ Successful market linkages: a lead partner is contracted to buy the complete production of Lac. The relationship is relevant because of the importance of creating a sustainable and direct link. The link is also better for the sustainability of market access and the reliability of the price then when dealing with intermediaries.
- ⊙ Organic production methods have been regarded mostly as a potential additional improvement of the production process, not as a key market development potential. Family health improvement was a mentioned result, but not possible to evaluate.
- ⊙ The capacity building of producers was aimed at technical (production) skills. The business skills were not aimed at the producers but at the business support officers of local partner NGOs, cooperatives or independent.

Gender relevance

The project is considered to have a strong women empowerment agenda by aiming at focussing only on women as producers and entrepreneurs as well as starting up specific women/mother aimed services to enable their business potentials.

Attribution of ICCO funding

Looking at the funding from the side of ICCO to this project, the attribution of ICCO to the outcome is small compared to the output. This has to do with the fact that the project is still ongoing. The attribution of ICCO total budget is 32%.

ICCO monitoring

This project is ongoing. The ICCO monitoring tool is not yet updated.

FINDINGS ON 01-02-05-019 - ALTERNATIVE LIVELIHOODS OPTIONS (TIMBAKTU COLLECTIVE)

GENERAL

Project data

Country	India
Start date:	01-06-2007
Closing date:	31-12-2007
Project partner name:	Timbaktu Collective
Name of the project:	Alternative Livelihoods Options
Total budget of the project:	€ 20.000
ICCO share in project budget:	€ 20.000
LMD % of the project:	100% LMD
Intervention strategy:	100% DAB

Overview of recent ICCO Financial support to partner:

Period	Project name	Budget
2007	Alternative Livelihood Options	€ 20.000
2008	Development of Dairy Chain	€ 24.000
2009-2011	CREAM business course	€ 88.206
2010	E&E coalition India	€ 32.415
2010-2011	Protection of Rights of Rural Marginalised Women	€ 14.000

Source: *Dynamics*, November 2010

Project summary

The project mainly consisted of research activities and included some sector related training. The research has three focuses:

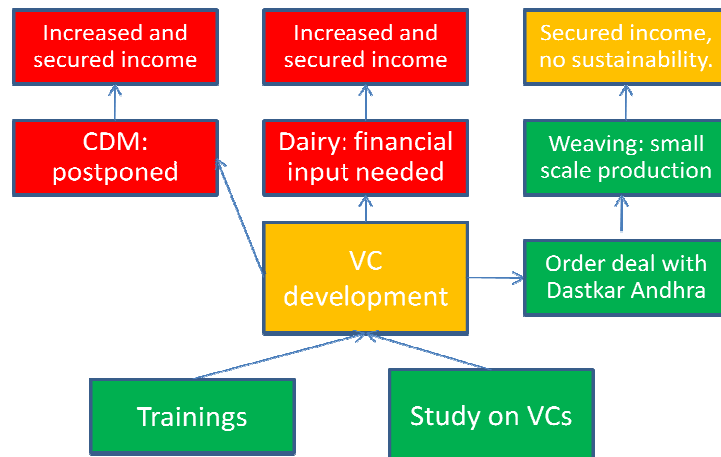
- CDM through carbon emission trade,
- Handicrafts by village women and
- Dairy (milk) value chain development.

All three income generating potential sectors were identified and chosen in collaboration with the three women cooperative societies which are collectives for the SHGs in the region. These are all developed by the Timbaktu Collective in cooperation with the women producers.

The implementation of the project has been done according to the agreements. This resulted in three sector studies. The CDM study outcome has not been positive and this strategy has been postponed as a potential income generating activity. The handicrafts and dairy chain studies showed a more positive potential, but still not feasible. The dairy study resulted in the advice to invest in a comprehensive milk processing plant which required large investments and/or grants. The handicraft study advised to increase the scale which would make the chain self-sustainable.

Simplified result chain

Please find below a simplified result chain of the project intervention. The project was a threefold study with no direct results in society. Indirect results have been as follows:



FINDINGS

Inputs:

Financial inputs:

The budget of the project was 20.000 € and all funded by ICCO.

Overall, the budget was proposed and spent as follows:

Input	% of total funding
Overhead	50%
NGO project costs	22%
External project costs	28%

Non-financial inputs

The value chains as they are set-up by Timbaktu for other produce, Organic Farming for example, has been developed by the partner but have been made independent as much as possible. The three value chains that were target of this study were chosen by the cooperatives from the villages and developed by the partner. The funding for the project was spent on the input for conducting the study which was mostly done by the partner's staff. Some external input was engaged as well.

Outputs

The output were three study exercises including some training with the purpose to develop or enlarge three specific value chains to create more and alternative income generation for rural people and especially women.

The different categories of activities can roughly be categorised as follows (based on the budget)

Output	% of total output
Training	
trainings etc by NGO	7%
trainings etc outsourced	8%
Coaching	
coaching outsourced	23%
Funding (also hardware)	
funding beneficiary organisations	36%
funding target group	26%

More specifically, the contract includes the following agreed activities for all value chains:

- Trainings and exposures
- A coordinator appointed
- Project proposals and fundraising for the follow-up development of each value chain
- Established cooperatives for the dairy and weaving value chains
- Weaving production facility

With respect to the different value chains, we have made the following findings based on the interviews with partner staff and beneficiaries:

CDM

The study on CDM was instigated by the women cooperatives, after TC had introduced them with its potential income generation. The carbon credits were aimed to be awarded on biogas and later on the organic or low-carbon agriculture production. Trainings on CDM were not confirmed during the focus group discussions.

The study concluded that the income model was not feasible because of the scale and the plans were postponed.

Handicrafts

The handicraft (weaving) capacity building and production already started before this particular project, as part of a training programme conducted by the women's cooperatives. The trainings for the weaving centre have been conducted according satisfaction of the current workers. The study was aimed to identify the potential to upscale the weaving production facility. An external organisation, Dastkar Andhra, conducted trainings to the involved women and girls. This organisation also seconded a weaving expert who is leading the production process.

The interest from village women to be engaged in the weaving facility was too low for up-scaling. This had to do with the long distance from the villages to the production facility. Hence, it was decided that the value chain would be taken to a larger production level and the women's cooperative for weaving was not (yet) established due to the small scale of the production facility. This cooperative was supposed to take over the management of the facility from the women's cooperative society on the long term. Instead, the facility is managed by the TC for the time being.

Dairy chain

The study was set-up by the women cooperatives with the aim to identify the potential for a dairy cooling plant. Trainings on dairy management were presented by the partner organisation, although they were not confirmed during the focus group discussion. The study resulted in the conclusion of the feasibility of a comprehensive dairy processing plant.

The partner continued with the sector based on the above conclusion. However more details on the needs for developing the value chain were needed. Fundraising for a follow-up study was done successfully

(committed by ICCO). Currently a project proposal is pending for the development of a comprehensive dairy processing plant.

Outcomes

The contract stipulates 3 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	3	1	1	1

The following results were agreed upon in the contract;

1. Follow-up activities for the dairy chain development proposed and fundraised
2. Follow-up proposal for CDM developed with partner and secured grants for pre-operative expenditure
3. Establishment of women's cooperative for weaving production for the local market

Based on the findings from the field visit including focus group discussions, we can conclude the following with respect to these targeted outcomes:

Outcome 1. Dairy chain

The conclusions of the study were important for the creation of a follow-up proposal for the dairy chain development. The conclusion was that the chain would have potential of increased income generation by establishing a comprehensive dairy processing plant. The proposal requested funds for further study of the dairy chain to identify the exact needs to establish the processing plant.

The people from the cooperative groups still would like to enhance the weaving and the dairy processing plant. They are positive about the potential, especially of the dairy processing plant. The study is showing less positive conclusions, but the participants of the FGD seem not to be aware about this. The women cooperatives have already invested in land for the facility (which, because of the new highway, increased in value substantially). The fact of the matter is also that the TC is unable to find sufficient funds for the establishment of the dairy processing plant.

Outcome 2. CDM

The CDM initiative grew from suggestions of TC and external experts. The idea was that based on organic or low-carbon farming, through which certificates for low carbon emission could be traded. The cooperative societies picked up the idea and pushed for further exploration of the potential. The outcome of the study was negative because of the small (low impact) and individual (hard to monitor) scale of the farmers who are producing organically. No further outcomes.

Outcome 3. Handicrafts

The promotion of the production facility did not result in enough interest to work here. The current producers are aware that the facility is too small in capacity now. They are also aware of the fact that other potential workers are less interested because of the long distance between the villages and the facility. This resulted in the postponement of establishing the cooperative. The management moved to Timbaktu Collective because the previous management, by the women's cooperative society, had reached an unsustainable financial situation and new funds were not found.

The trainings were conducted by Dastkar Andhra and they also provide a production manager. The result of the trainings and management are good. Currently the facility is running just break-even based on orders from Dastkar Andhra.

Sustainability

The results were not having a sustainable character from the start. The results were aimed at exploring three value chains and studying their feasibility. All three have not resulted in direct increasing incomes for

the beneficiaries. The dairy value chain result has been a follow-up study to elaborate the potential. The current situation is a pending project proposal without current increasing income generating activities.

Impact:

The contract does not mention any impact or long term outcomes indicators.

The actual direct impact of the three research studies on income generation and income security is the same for each sector: no further activities have been conducted to improve the value chains. The impact for each VC was different however:

- ⦿ The weaving facility is still open. However in small scale and not feasible at the moment to upscale, professionalize and make independent. Further fundraising is needed.
- ⦿ The CDM plans are postponed, due to the small scale.
- ⦿ The dairy processing plant was the main plan for further development in the future. A second more in-depth study was conducted to identify the possibilities and needs. Fundraising for the actual investment is still perceived but not yet successfully.

For all three value chain there have since the study, no further chain interventions have been performed and no impact has been established on the level of income or job creation.

ANALYSIS

This project is difficult to assess, since the funding was for 3 sector studies. The agreements with ICCO have not been outlined in such a way that a direct assessment to these baseline agreements can be made.

The findings of the assessment of the projects is summarised in the table below. These finding have a relation only with the LMD targets.

- The project is **inefficient** (-)
 - The measurement of the additionality is not relevant, except for the trainings which are measured as **sufficient** additionality (+)
- The project is **moderately effective** (+/-)
 - The project is **not sustainable** (-)
- The project was **irrelevant** (-)
 - The project is **attributable** to ICCO (+)

The argumentation of the above conclusions is as follows.

Efficiency

Almost half of the budget has been used to cover overhead costs which means that the organisation themselves executed most of the research. There is doubt to whether the partner is the proper organisation to execute LMD projects. Their experience is limited and the outcomes of this project are also poor.

The organisation is very small and does not seem to be a solid partner for local market development (contrary to many other community (organisations) development work they are doing). This creates doubt about the suitability of the partner. Their internal knowledge on this subject is very small and their role in the community is very central. They would rather be considered as a value chain actor then a facilitator.

Concerning the size of the budget and the objectives, this seems to be rather small and with small parts of the budget used directly to serve the purpose of the strategy. The follow-up of the project was another study on one of the target subjects of this project, which suggests duplication (double work). A more suitable organisation would have possibly implemented a different strategy. The direct outreach of the project has been very limited as well, although the expectations could not have been that high considering the budget size.

Additionality

Measuring the additionality of the project is not relevant considering the study efforts. The trainings and coaching by Dastkar Andhra are additional because of the positive effect for the producers compared to the situation without this input.

Effectiveness

The results from the studies show that all three sectors do not withhold a sustainable business model. However, all three studies have been finalized according to plan presenting conclusions on the feasibility of each sector. The results of the studies do not matter in case of the effectiveness of the project. All three studies had a feasibility conclusion and a planning to take or not take the next step.

The project also had another effect, specifically on the weaving value chain. The partner Dastkar Andhra trained the workers and assisted at the production facility to increase the quality and productivity. They have also committed to buy the produced products. This is a positive outcome for the output and thus a positive effect. However, the size – only 6 workers – of the effect is not large.

Finally, the study on the dairy chain resulted in a new and successfully fundraised proposal as outcome of the project. The new project is a second, follow-up, study on the dairy chain. The first study in that case appears to be more of a scan than an in-depth study although the proposed aim was not only a scan. This could also suggest that the first study was not executed very well.

Sustainability

The project consisted of 3 studies and some training. The sustainability of the trainings, precisely the weaving skills, has a sustainable outcome since the producers are still (after more than 2 years) are applying the new skills and benefitting from it. The sustainability of the study efforts is not relevant.

Relevance

When considering the relationship between the outcome and impact, which describes the relevance of the interventions, the project has been insufficient.

On some level there is relevance: the stakeholders, who want to start working on attracting an investment in these sectors, have access to the proper knowledge on the value chains now. They are better informed now and will make better decisions as well as better able to inform external organisations on the potential of the value chains.

However, the situation of the beneficiaries is unchanged after three years of finalization of this project. We measure the relevance based on the outcome and impact, where impact is found on the improved situation of the beneficiaries. This is therefore measured as irrelevant.

Gender relevance

The project activities were mostly aimed at women, as is the organisation at large – although not exclusively. The workers with each of the relevant value chains are either women or mostly targeting women. Therefore, the gender relevance is positive.

Attribution

The ICCO funding to the project is 100% of the budget. The attribution is, therefore, high. However, this is not very relevant since the impact of the project at large is insufficient.

ICCO monitoring protocol

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 1 year	Realised (Findings)
Alliance output					
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	0	n/a	n/a	0
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	0	Sufficient	0	0
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	0	n/a	n/a	6

- The outcome scores are difficult to give, because the project was a study with some training. The study efforts were all delivered, but the outcome involving the LMD strategy is very low.
- The ICCO score of 'sufficient' regarding the partner output is only applicable to the weaving facility as 6 workers there are earning a sustainable – although very low - income.

FINDINGS ON 71-01-03-015 - BRIDGES AND OPPORTUNITIES (DASTKAR DELHI)

GENERAL

Project data

Country:	India
Start date:	01-04-2008
Closing date:	30-06-2011
Project partner name:	Dastkar Delhi
Name of the project:	Bridges and Opportunities
Total budget of the project:	€ 264.857,-
ICCO share in project budget:	€ 59.111,-
LMD % of the project:	100% LMD
Intervention strategy:	30% DAB, 50% MO, 20% BB

Overview of recent ICCO Financial support to partner:

Period	Project name	Budget
2004	Contribution 2004	€ 121.055,-
2005-2008	Programme 2005-2008	€ 250.000,-
2009-2010	Dastkar Delhi 2009-2010	€ 59.111,-

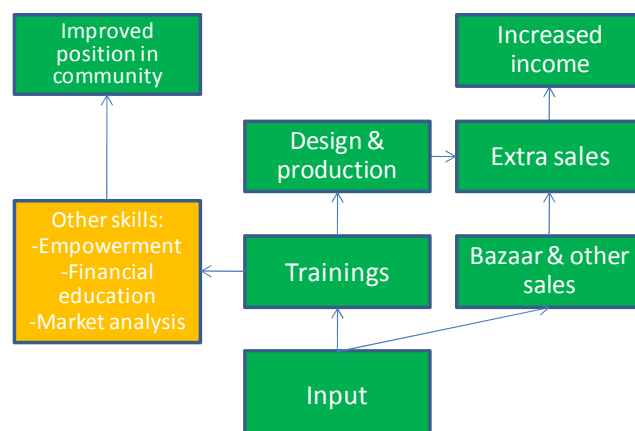
Source: Dynamics, November 2010

Project summary

The ICCO support to Dastkar Delhi is called institutional and titled 'bridges and opportunities' aimed at bridging a funding gap and developing new opportunities for handicraft chains. However, the budget is specific including several activities such as workshops and trainings as well as infrastructural overhead. The organisation has been implementing projects around India since 30 years which created design, production and entrepreneurial capacity among, mostly female, handicraft producers. The projects included production and sales facilities while Dastkar Delhi would aim at sales events and international marketing. The international network also contributed to the building design capacity of the producers. The handicraft sector is the second biggest employer in the country after farming and the producer population is getting older, decreasing and not attracting a new generation. The project activities are also aimed at attracting a new generation, especially women not previously engaged in the supply chain, and building their capacity for future income possibilities.

Simplified result chain

Even though the contract was an institutional support based agreement, certain results were put forward and carried out through a specific result chain. The output and outcome will be assessed accordingly.



FINDINGS

Inputs:

Financial inputs

ICCO has contributed 59.111,- € to the project, which is 264.857,- € of the total budget (22%). The inputs can be categorised as follows (based on the budget):

Input	% of total funding
overhead & internal	78%
NGO project costs	2%
external project costs	20%

As to be expected, the largest part of the budget is used to cover overhead costs and such costs alike. These costs were also directly used for the activities towards the beneficiaries, such as the organisation of sales events and participation of bazaars.

Non-financial inputs

ICCO's knowledge and non-financial inputs are unknown.

Dastkar Delhi has a longstanding record in the field of handicraft production capacity and market development. Their contributions have been on a level of design and production capacity building of the producers and their organisations as well as organising direct sales opportunities through bazaars, exhibitions and orders. The projects that have been developed have all been institutionalized as independent organisations. DD is only still remotely involved (to monitor the organisation and ensure the right use of the name and brand) and also through organizing sales events and export opportunities. The services toward the now independent daughter organisation are paid for through sales % fees.

Outputs:

The outputs that were produced by the organisation were mostly outsourced. The project is mostly institutional funding however with outputs specifically implemented by the partner Ngo staff and not identified as external activities. The activity budget that was proposed was divided as follows:

Input	% of output
trainings etc by NGO	11%
trainings etc outsourced	80%
funding beneficiary organisations	9%

1. ICCO partner level:

Dastkar Delhi has implemented a programme of workshops and trainings as well as sales events (bazaars) and international networking for sales and market information. As part of the fund diversification, the beneficiaries and the beneficiary groups paid sales fees to Dastkar Delhi.

2. Partner organisation(s):

The partner organisations are the independent Dastkar project offices as well as organisations with specific supply of skills and knowledge. The project offices are production facilities and they are working with the producers by providing them production facilities including supply chain support and trainings. The trainings provided by Dastkar Delhi are facilitated by these project offices. The Dastkar Delhi trainings are all aimed at the beneficiaries of these organisations.

3. Target group

The producers are grouped in SHG, through which they save money, receive loans (consumer loans) and work together on the production. Their income is directly related to the production. There is no direct funding from the organisation. Besides the income, they receive health care support (household level) and a pension scheme.

The contract includes the following specific agreements about the activities that should be delivered:

1. Workshops and trainings
2. Sales events Dastkar

Workshops and trainings

The interviewed staff and beneficiaries all confirmed the conduct of workshops and trainings as well as the relevance and necessity of these activities. Especially the beneficiaries confirmed this, also on external level (ex-beneficiaries). They were mostly speaking of the design and production capacity building. The Dastkar Delhi team has provided production and more over product design support, both in design ideas and designing capacity development. Other trainings were financial skills and entrepreneurship.

Sales events

Dastkar Delhi participated and organised several bazaars to increase the sales and to cover the seasonal gap in tourism revenues. The efforts were also strategically aimed at international sales through their network of international partners including online sales and shops.

Outcomes:

The contract stipulates 3 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved	Unknown
Result agreement	4	3	0	0	1

The following results were agreed upon in the contract;

1. Approximately 20.000 beneficiaries have benefitted from these ongoing activities with increased capacities.
2. A financial strategy for fund diversification.
3. Business plan development including a financial sustainability plan.
4. Securing other grants and income for the activities.

Outcome 1: 20,000 beneficiaries

The number of involved beneficiaries is 32.000 women producers. This amount is the total number of beneficiaries that are involved with different Dastkar programs around the country. The number of beneficiaries that are currently included in the activities in the Ranthambhore production facility is 300 producing women, excluding their families who are indirectly benefitting.

Outcome 2: Financial strategy

The outcome is unknown. The funding that was needed during and after the ICCO support was more than what ICCO provided. The funding for these costs has been raised successfully with other donors and also with the government. However, the institutional costs of the organisation are not funded by other organisations than ICCO.

Outcome 3: Business plan

A business plan was created by Dastkar Dalhi. The business plan is focussed on the sales of handicrafts through which the main Dastkar office can sustain their overhead and increase the production facilities. Looking at the sales results of the past years, this has grown substantially each year. The growth currently stagnates because the production capacity has reached its maximum.

Looking at the earlier years of initiating production facilities, this also withholds a history of successful sustainability of business. Dastkar Ranthambhore reached financial independence in 2000 and became an independent organisation in 2004.

Outcome 4: Other grants and income

As mentioned above, the strategy for fund diversification is developed and implemented with success. The funding has diversified mostly on a national level. Whereas earlier the funding was mostly coming internationally, now national institutions, public and private, are picking up this role.

Impact

The support from ICCO has been institutional and therefore would not have any numeric impact agreements. The contract does not include any impact indicators. The amount of beneficiaries that have been involved in the program is possibly an indicator of the impact that the funding has had.

Result	Achieved	Achieved with ICCO (25%)
Approximately 20.000 beneficiaries have benefitted from these ongoing activities with increased capacities.	32.000	8.000

The monitoring tool in Dynamics states a realization of nil members, but the information at DD stated a participating number of producers of 32.000, some men but mostly women, and most of them are member of a SHG. Since the ICCO funding was 25%, the impact that is attributable to ICCO is 8,000.

The interviews with the partner organisation and the focus group discussions showed a vast commitment from these women. They benefitted positively from the support: the SHG provided them a stronger personal and financial position and the production facility provided them a secure income generating activity.

ASSESSMENT

The findings of the assessment of the projects is summarised in the table below. These findings have a relation only with the LMD targets.

- The project is **efficient** (+)
 - o The project is **additional** (+)
- The project is **effective** (+)
 - o The project is **sustainable** (+/-)
- The project was **relevant** (+)
 - o The project is **moderately attributable** (+/-)

The argumentation of the above conclusions is as follows.

Efficiency

The implementing organisation and all the partners are knowledgeable and professional organisations within the field of handicrafts and, as it appears, handicraft marketing. The implementation of the activities has been assessed very positive by the counterparts. The execution of the activities has been done within budget and according to plan. The overhead seems high, even though the organisation is having problems with covering the overhead. Here, a possible improvement is apparent. The activity of sales of handicrafts is a widespread business potential in India. This gives two possible conclusions: there is a duplication of activity because the value chain is already very functioning in normal circumstances. Or, Dastkar is increasing the quality of produce, variety of design and working conditions of producers.

Additionality

The activities that have been implemented in this project period have created a substantial increase of income and especially created sales during periods in between high seasons. This income security increase has been additional. The counterfactual of the project is positive, mostly on the level of nationalizing the market (instead of local/regional) and of the international sales.

The Indian government also joined with the funding. Although this shows a local relevance of the activities, this also creates less additionality of ICCO funding. If local public institutions are contributing to the projects, it can be questioned whether the ICCO funding was crucial. The other funding came from internal contributions (sales) and other donors. The local partners and from the organisations stated that this kind

of funding (institutional) is not possible with other donors and government agencies. The Dastkar India-wide activities would mostly not have happened without it. The government agencies in India have not been interviewed to check this information.

Effectiveness

The proposed outcome was not monitored by ICCO according to the Dynamics monitoring tool. The programmatic chain interventions that are developed by partners and actors was planned to be one (1) and the outcome is the same. The value chain that was initiated is independent and self-sustainable and this increased because of the intervention: international sales online and national sales through the bazaars. The other contracted outcomes, a Dastkar Business Plan and securing other grants for the various activities and partners, have also been achieved.

Looking at the various supply chain actors of women handicraft, the contribution of the Dastkar program to the improvement of the value chain is difficult to establish. However, handicraft being the second largest employer in India, interventions to improve the position of the workers and a quality assurance are valuable additions.

The partner organisations are independent and self-sustainable as are some of the beneficiaries that have started their own production (household scale). The Delhi organisation, which is organising the trainings and sales channels, is not yet self-sustainable. However, they are receiving some of the income from provision fees based on the sales.

Considering the direct effectiveness of the activities, the majority of the beneficiaries have stated that the trainings they received have benefitted them a lot (a rating of 8 on a scale of 1 to 10). These were mostly production capacity and design trainings. Other results from the trainings have been on gender balance level: the involved women have gained a more powerful position in their communities and in the households. This is because of their awareness as well as because of their income generation.

Sustainability

The national and international trade volumes of the products are large and the profits are a relevant source of income for the organisation. The Delhi office has been running on grants but since the extra trade activities through the funding line that is in question here, extra income is also generated. The market and the suppliers are sustainable; hence the income generation should be sustainable. The size of that income is not covering the organisation fully yet. Therefore, the project outcomes of the project are, currently, not sustainable. This is also confirmed by the expressed need for new and more grants.

Relevance

The difference of the socio-economic situation of beneficiaries between before and after the start of the project is not substantial. The major change since this particular project started is the fact that the market has been more (inter)national. Before the intervention, there were two major sales gaps between the tourist (both local and international) seasons. These gaps are now 'filled' with the international orders and national bazaar sales.

Ex-participants of the project have gained from the project when they were still involved, but they have created their own business now for a different supply chain (markets at Jaipur). They acknowledge the advantage they have from participating in Dastkar, but they rather work on their own because of flexibility. The market is also sustainable and sometimes they even outsource assignments to their neighbours.

The targeted outreach according to contract is 20,000. The organisation claimed to have a total outreach of 32,000 small producers. ICCO funding was around a quarter of the budget which means that the attribution of ICCO to the impact is 8,000. This specific calculation argues a moderate relevance of the project.

Gender relevance

The target group of the project activities is fully aimed at women. The chain development also includes many businesses that are run by men, but the trainings, SHG management and production facility is

exclusively for women. The development tools are considered relevant and helpful by the beneficiaries, according to the FGD outcomes. Their position in the communities and within the family has improved substantially. Also their financial situation has improved.

Attribution of ICCO funding

The ICCO funding to the project was almost a quarter of the total budget. The other funding came from their internal contribution and other donors including the Indian government.

Looking at the results, the income increase can be attributed to the funding very well. The income increase was based on new markets and new skills created through this project. The new markets were successful because of the improved skills, mostly of production and designs. These designs were an outcome of the design trainings funded by this project.

ICCO monitoring protocol

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 1 year	Realised (Findings)
Alliance output					
MO-a	Number of partners that develops or implements business development services and vocational training programmes	1	n/a	0	1
Partner output					
MO-a	Number of programmatic chain interventions that is developed by partners and actors	1	n/a	0	1
Outcome					
MO-a	Number of members of formal and informal groups	20.000	n/a	0	8.000

CASE STUDIES ETHIOPIA AND KENIA

BACKGROUND INFORMATION LMD IN ETHIOPIA

Market situations for small producers

In Ethiopia around 42% of the population is living below the poverty line, and about 10% of the population is structurally dependent on food aid. In addition to that, the country is highly impacted by climate change and has a large share of the population being vulnerable to drought.

The majority of the population in Ethiopia depends on agriculture for their livelihoods. Most farmers in rural areas are engaged in subsistence farming or livestock keeping on an average of 0,8 ha of land. They produce limited amounts for the market, because of a lack of access to resources such as owned land with appropriate soil quality, inputs and finance as well as new technologies and finance. Agricultural marketing is inefficient, because of high variability of supply, high post harvest losses and low quality of produce.¹

The economy is currently shifting from a smallholder and pastoralist based production system, dominated by extensive production methods, towards more intensified production for exports. However, the economy is strongly controlled by the government through state monopolies and marketing for agricultural producers is being restricted by inadequate infrastructure and service market barriers. The high inflation and the strict government regulations in the field of microfinance and fertilisers are slowing down agricultural development.

Overview of ICCO's support to Ethiopia

Since 1992, ICCO is active in Ethiopia to strengthen rural economic dynamics for increased livelihoods security for poor households. In the early days this was done by supporting starting MFIs, capacity building of co-operatives and since 2005 by supporting market oriented farmer organisations, such as cereal banks and farmer cooperatives.²

The ICCO Alliance in Ethiopia aim to secure the livelihoods and development opportunities for poor rural producers (with an emphasis on women) in Oromia, Amhara and Afar regions. Besides the fair economic development programme, the Alliance is implementing programs in the field of food and nutrition security, basic education, basic Health&Aids and the global program FairClimate.

Since 2007 the local market development program aimed at strengthening the capacity of producer organisations, and to upgrade their position in value chains in order to improve the incomes and livelihoods of their members. The strategies to achieve this are:

- Supporting the development of new chain partnerships and business ventures;
- Capacity building of value chain actors;
- Improve access to financial services for value chain actors;
- Create a platform for lobby and advocacy for a conducive business environment.

From mid-2010, the programme is being managed by the programme officer who is located at the regional office in Uganda. Since 2009, Fair& Sustainable (F&S), a consultancy firm originating from ICCO with representatives located in Ethiopia, has been contracted by ICCO to build the capacity of local partners.

Linking and learning-by-doing is central to the program in Ethiopia, and is implemented in a Learning Alliance, a coalition of Agri-Profocus members (ICCO, SNV, KIT, Agriterra and Cordaid) in collaboration with IIRR and FFARM. The programme is implemented through collaboration of 10 chain supporters (partner NGOs), MFIs, farmer organisations, BDS providers, knowledge providers and private sector, which are jointly working towards a common goal³.

An important development in Ethiopia was the development of an FMO consortium; a group of 6 NGOs led by FCE has harmonised its strategies and defined a common PME system.

¹ MFS2 proposal ICCO Alliance

² ICCO Ethiopia programme plan 2007-2010

³ Programmatic approach

FINDINGS ON 75-01-02-016 - OUTGROWERS AFRICAJUICE

GENERAL

Project data

Country	Ethiopia
Start date:	01-12-2009 ⁴
Closing date:	31-12-2012
Project partner name:	Africa Juice BV
Name of the project:	Outgrowers Africa Juice
Total budget of the project:	€ 872,990
ICCO/KIA contribution:	€ 118,752
LMD % of the project:	85% (15% tropisch fruit programma)
Intervention strategy:	0% DAB, 20% BB, 40% MO

Overview of recent ICCO Financial support to partner

Period	Project name	Budget (EUR)
2009-2012	AfricaJUICE Outgrowers	118,752
Until 2015	AfricaJUICE Participations ⁵	165,000

Project Summary

AfricaJUICE (AJ) BV is a Dutch company specialized in the production of tropical fruit juices. AfricaJUICE aims to establish at least three production locations across Africa by 2014 and become a premier supplier of Fair Trade tropical juice to the European market.

In Ethiopia, it has already initiated set-up of a large plantation for passion fruit at three locations in the Upper Awash region, around 150 km from the capital. It has redeveloped an existing state-owned farm to a dedicated plantation of yellow passion fruit, mango and papaya. Also it has constructed a large processing factory that had its official opening on November 2010, just a few days before the visit of this appraisal team. The factory has the capacity to process 96 tons of fresh fruits in concentrates, juices and puree on a daily basis, to be sold in South African and European markets. However, the farm is only capable of supplying 3 tons per day of passion fruit currently. In future AfricaJUICE aims to target the East Africa market as well as the domestic market (if the government permits them to sell domestically, which is not currently part of the agreement on which the factory acquisition and plantation lease was based on). AfricaJUICE Tabila Share Company (ATSC) is the juridical owner of the plantation and factory.

In order to seek the involvement of small scale farmers in the business and increase production capacity, AfricaJUICE has started an "Outgrower Incubator" project, to promote an outgrower scheme for farmers that are located in the surroundings of the factory, to enable them to supply passion fruits to Africa Tibila Share Company ("ATSC"), the joint venture between the farmers and Africa Juice BV. The advantage for AfricaJUICE will be to have influence further upstream in the value chain, ensuring maximum yields, quality and security of supply. The outgrowers will have increased incomes; they will operate under fair trade standards and where possible organically certified.

The objective of the 'Outgrower Incubator' project is to achieve that "a group of Fair Trade registered outgrowers with a self-sustaining cooperative organisational structure have access to irrigation systems and commercial debt finance and are established as suppliers of yellow passion and other tropical fruit to international juice producers".

The project aims to develop 500 farmers with 1 ha each of drip-irrigated passion fruit, organised in 5 cooperatives, all located under 1 cooperative union. After 2 to 3 years (2011) the first 100 farmers should

⁴ Originally the project was supposed to start 01-12-2008, however because of issues such as hand-over of the state farm which took more time than envisaged and the hesitation of farmers, the project start for outgrowers has been postponed to 01-12-1-2009.

⁵ This is a guarantee of 50% on the loan of F&S for the shares of ATSC (5%)

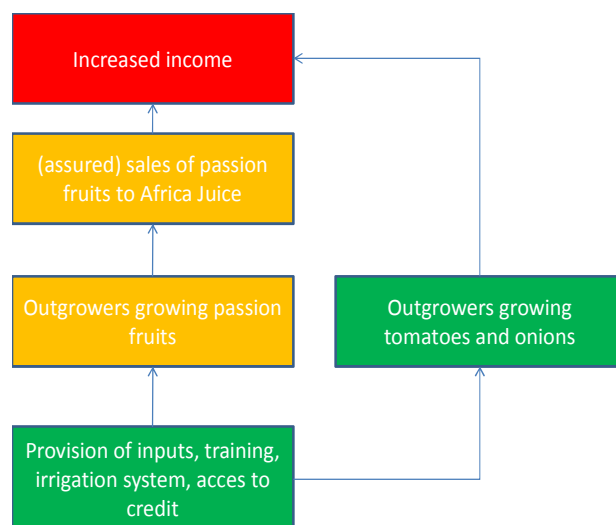
be financially sustainable and organised in a cooperation that will support them. End 2011, 500 farmers will be included, and by end 2015 more than 1,300 farmers will be supplying the juice factory. Eventually, the cooperative union will take 5% shares of ATSC. For the moment, since the cooperative union still does not exist, the shares are bought by F&S BV. AfricaJuice BV holds 81% of the shares and the government 14%.

The project has received funding from ICCO, GTZ, Rabobank Foundation and Africa Juice BV (in kind). Activities of the project include the technical and organisational capacity building of farmers, provision of inputs and irrigation equipment and trellis.

The project implementation has been slow; the hand-over of the state-owned farm took 6 months longer than planned and farmers were hesitant to get started because of the lack of proof from pilots. Therefore the start of the project was postponed by 1 year. Also it took a long time before the outgrower project manager was appointed due to dissatisfaction with a few that started the job and didn't manage it well. Currently the first 13 ha is under plantation by the outgrowers, however the commercial offer still needs to be negotiated with AfricaJUICE with the first harvest coming up in a few months time.

Simplified result chain

Below is a simplified representation of the result chain. Through the provision of inputs, training, irrigation and access to credit, farmers will start producing passion fruits, that will all be supplied to Africa Juice factory with a profit margin, which will ensure increased incomes for the farmers. The union of the outgrowers will become shareholder of the ATSC (5%) which will further secure their financial position. For the moment ICCO holds these shares. Currently however, with the project still in the start-up phase and only some farmers producing passion fruits but not yet selling, the access to irrigation enables the farmers to grow other vegetables, which provides them increased incomes.



FINDINGS

Inputs

Financial inputs

ICCO/KiA has contributed 118,752 EUR to the Outgrower Incubator project, which is 9% of the total financing needs for the implementation of the project.

Fund source	Amount (EUR)	Percentage
GTZ	238,012	19%
Rabobank Foundation	118,752	9%
ICCO/KiA	118,752	9%
CBO loan	156,780	12%
AfricaJUICE (in kind)	240,694	19%
Total Outgrower Project fund	872,990	
ICCO/RF loan	399,869	31%
Total financing needs 2008-2011	1,272,859	100%

Payments made by ICCO until now:

Total amount contracted (EUR)	Paid 2008	Paid 2009	Paid 2010 (per November)	(per
118.752,00	39.584,00	39.584,00	0,00	

The inputs of this project can be categorised as follows, based on the ICCO/Rabobank foundation grant that will be mostly used for financing irrigation equipment and trellis (94%). 6% of their funds will be spent on overhead costs for the project administration and management.

Input	Percent of total funding
NGO overhead	6 %
NGO services	0 %
External project costs	94%

Non-financial inputs

ICCO's knowledge and non-financial inputs

ICCO has outsourced the coordination and relation management to Fair & Sustainable. F&S staff member has place in the steering and advisory committee, and will be involved in the selection of additional development bodies and NGOs that will be involved in the project, especially on capacity building.

ICCO Partner:

AfricaJUICE will contribute 300,000 USD themselves, for project management, technical extension, design and preparatory work. AfricaJUICE has no separate bank account for the Outgrower Incubator project.

Outputs

In general the following three categories of outputs can be distinguished (based on the budget of the grant of ICCO/Rabobank Foundation). Externally funded actions have been the main spending destination, followed by training and coaching.

Output	Percent of total funding
Trainings	12 %
Coaching, mentoring and advocacy	9 %
Financial support to beneficiaries	79 %

More specifically, the funds of ICCO and Rabobank Foundation (total 300,000 USD) will be used for the following three purposes:

- 1) Irrigation-system and trellis (USD 176,000)
- 2) Cooperative development and facilities of cooperative union (USD 117,750)
- 3) Fair Trade certification (USD 6,250)

The funds from ICCO which will be used for investment goods (irrigation system) will be supplied to the cooperatives as seed capital, instead of ordinary capital, and administered as donated capital.

The envisaged outputs of the partner with the ICCO/ Rabobank financing on three levels can be summarized as follows;

Target group (purchase irrigation equipment and trellis system)

So far only 13 ha under plantation by 15 farmers, that will be able to start harvest in the next few months. The current irrigation method is a combination of furrow and drip irrigation. Trellis has been installed for 13 ha. A new group of farmers intends to start planting in around 2 months time. The project managed to reach these farmers because of the component of access to irrigation. The next step is to actually increase and optimise the production of the yellow passion fruits & finalise a pricing basis.

Beneficiary organisation (organisational capacity building, FT accreditation and establishment union)

No cooperative union and legalised cooperatives established yet. FFARM and CFE (local NGO's) have been contracted to support the organisational capacity building of the outgrower farmers. With respect to Fair Trade accreditation, contact has been established and preparatory negotiations are ongoing with the FairTrade Labelling Organisation (FLO). No measurable results have can be reported.

Partner

A project manager has been appointed, which is part of the in-kind contribution of AfricaJUICE. The manager should represent the outgrowers in communications and negotiations, however from the interviews and focus group discussions, the evaluation team found that there is confusion about the role of the manager. The farmers indicated that they felt their project manager was actually an employee of AfricaJUICE and not working for their interests.

Outcomes

The contract stipulates 7 outcomes that the financing should achieve (results). The table below summarizes to what extent these results have been attained so far after only 1 year of project implementation.

	Total in contract	Achieved	Partially achieved	Not achieved
Result	7	1	-	6

The 7 results included in the contract are the following:

1. AJ will develop a cooperative union and will develop approximately 5 primary cooperatives with a total of 500 members. At least two primary cooperatives will be financially sustainable by the end of 2012.
2. AJ will cooperate with other development actors and NGOs, which will be selected in cooperation with F&S, to develop the out grower scheme, cooperative union and the 5 primary cooperatives
3. AJ will aim at realizing fair trade certification for the outgrowers
4. In collaboration with FLO, standards for Fair Trade fruits juices from Ethiopian plantations and outgrowers will be developed
5. The 5 cooperatives will each have 100 outgrower members who each produce fruits on one hectare of drip irrigated land
6. The cooperative union, the 5 primary cooperatives and its 500 members will be self-supporting actors in the fruit juice value chain
7. A value chain of fair trade fruit juices from Ethiopia for the international market will be realized.

The team of evaluators has spoken to 1 focus groups comprised of 11 farmers that have planted the passion fruits. The team also spoke to AfricaJUICE BV management, the Cooperative Society (Wolan City), the outgrower project manager, F&S and ICCO representative. Based on these interviews, and the documentary evidence, we can make the following comments about these outcomes (some of the results are related and presented as such):

Result 1: AJ will develop a cooperative union and 5 primary cooperatives with a total of 500 members.

Result 6: The cooperative union, the 5 primary cooperatives and its 500 members will be self-supporting actors in the fruit juice value chain

Currently 15 farmers have 13 ha of yellow passion fruit under plantation. Since passion fruit is a new product in the region, which is not sold on local markets, the project team found initially a lot of resistance and it was difficult to convince the farmers of its commercial value. Only when the first farmers will start making money with the fruits, it is likely that other will follow. On the other hand, the fact that the project enables access to water for the farmers, makes it very attractive to participate. Nonetheless, we feel that the targeted result to have two financially sustainable cooperatives by the end of 2012 is too ambitious.

During discussions with F&S, AfricaJUICE and the farmers, it became apparent that no agreement has been reached regarding the commercial offer of AfricaJUICE to the farmers. The price they currently offer is too low as perceived by the farmers as well as members of the advisory committee. An internet search revealed that prices in Kenya are 2 to 3 times higher than what was offered by Africa Juice in Ethiopia. It is a critical issue that will determine whether the outcome will be reached. Of more concern, however, is the lack of transparency of the way in which the company determines the price. This issue was also raised by ICCO and F&S and even admitted by The Africa Juice management team.

Result 2: AJ will cooperate with other development actors and NGOs

The project is an example of a project with a value chain approach, where several partners work together to reach a common goal. Besides AfricaJUICE, ICCO/KiA, Rabobank Foundation and GTZ, also other partner organisations have committed in-kind support to the project, such as the Fair Trade Labelling Organisation (FLO), FINTRAC, Netherlands Embassy, Agricultural outreach and co-operative promotion agents (BoARD) and Oromia Agricultural Output Marketing Agency.

Result 3: AJ will aim at realizing fair trade certification for the outgrowers

Result 4: Standards for Fair Trade fruits juices from Ethiopian plantations and outgrowers will be developed.

Certainly AJ is aiming to achieve fair trade certification, and the contact with FLO has been established. Until now, no measurable achievements, such as customised standards for Ethiopian fruit producers, have been realised.

Result 5: The 5 cooperatives will each have 100 outgrower members who each produce fruits on one hectare of drip irrigated land

The 15 farmers that are currently producing fruits both have furrow and drip-irrigated land. The farmers are more interested in furrow, since this enables them to intercrop with other (cash-) crops such as tomato or onion. Compared to furrow, drip irrigation does increase the yield of passion fruit with 20 tons/ha. However, since the profitability of passion fruit production is unknown for the farmers (they have not yet sold any fruits to ATSC and are not impressed with the offered price), and the fruit has no value on the local market or for home consumption, farmers prefer furrow irrigation.

Result 7: A value chain of fair trade fruit juices from Ethiopia for the international market will be realized

This is part of the business plan of AfricaJUICE its staff as well as the project team are motivated and dedicated to contribute to this objective. At this point the evaluation team can not yet make any other conclusions about this other than to note that 2 containers of juice were trial-exported since the factory's establishment.

Sustainability

The contract mentions the following regarding sustainability:

“The primary cooperative and cooperative union to be established will become financially sustainable through a/o the dividends paid on the shares held by the cooperative and proper financial and organisational management as well as adequate service to the members.”

Currently, F&S has the 5% of shares of ATSC that will be transferred to the cooperative union once formed, which the evaluation team expects to take some years.

Impact

After only 1 year of actual project implementation, we have to conclude that is too early to say something about the impact of the project. Based on the above discussion of the outcomes we have observed, and the discussions with the farmers in the FDGs, we do want to make the following comments.

- ⊙ The contract with AfricaJUICE states that 500 members will be reached, who are organised in 5 cooperatives, which are self-supporting actors in the value chain. There is no specification included on the expected socio-economic impact on the target group in the contract. However calculations from AfricaJUICE that are communicated with ICCO state that they expect that the production of the passion fruits can deliver a yearly net income of up to 2.000 USD/ha. It is not clear from this analysis what is the average increase compared to the current income of the target group.
- ⊙ From the discussion the farmers highlighted the importance for them to finally have access to water through the AJ project after not being able to find a solution with the governmental institutes. They have bought 4 pumps as association in 2007, however because of the slope of the terrain these didn't perform properly so they returned the pumps.
- ⊙ The farmers confirm that it is too early to say if the passion fruit production will benefit them, but for the moment they have increased income from onions. They believe cash crops are the future, but they are not convinced yet about the commercial package as it is offered by AJ now. AJ says they pay the world price 2,75 a 3,00 birr⁶/kg, but farmers indicate that this price does not cover the inputs. For the farmers the price is the most critical issue. F&S have also raised alarm on the pricing issue, even threatening to stop support when the commercial offer will not be more interesting for the farmers with the main issue being transparency. The price offered appears to be well below world prices based on internet secondary sources, although caution must be advised when comparing prices across countries.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that the project scores as follows on evaluation indicators:

In our interpretation of the above figures, information and observations we conclude that:

- The project is **efficient** (+) since there are no indications that resources are being used inefficiently
 - The project is **additional** (+) since these results will not have been achieved without the efforts of the Outgrower Incubator project.
- It is **too early to say** whether the project will be **effective**
 - It is **too early to say** whether the outcomes of this project will be **sustainable**
- It is **too early to say** whether this project is **relevant**
 - The project has a **low attribution** (9%) since ICCO contributes only a minor share of total project budget

The arguments for the above conclusion are as follows:

Efficiency

The efficiency is difficult to assess. However, we found no elements that would suggest gross inefficiency. The overhead is low and AfricaJUICE is contributing to the project management and overhead costs. Although the appointment of the project manager took a long time which could maybe have been prohibited, other delays in programme implementation were largely due to external factors and not likely the consequence of inefficient management. Especially the mobilisation of the farmers to start growing an unknown high value crop took more time than envisaged.

⁶ 1 birr=0.043 EUR

Additionality

ICCO has also co-invested in the development of the 8,000 ha Tabila Irrigation project for the establishment of the AJ farm, of which the government holds 14% of the shares. This project is focused on the need for irrigation solutions for smallholders with an innovative value chain approach. Other initiatives, such as SNV (citrus production) and USAID/Fintrac try to complement the AfricaJUICE initiative. We find this project therefore additional, since the outgrower incubator ensures a market for the produced passion fruits, in a region where no other initiatives.

Effectiveness

It is too early to judge on the effectiveness of this project

Sustainability

It is too early to judge on the sustainability of this project

Relevance

It is too early to judge on the relevance of this project

Gender relevance

The project does not have an explicit gender focus. Women are included in the producer cooperatives to be formed. It is too early to judge on the gender relevance of this project

Attribution

ICCO contributes 9% of the total budget of the Outgrower Incubator project.

Comparison of findings with ICCO/KiA monitoring protocol

This project has recently started. The ICCO monitoring tool is not yet updated.

FINDINGS ON 01-01-05-022 - ZERO GRAZING PILOT, OSRA

GENERAL

Project data

Country	Ethiopia
Start date:	June 2006
Closing date:	July 2007
Project partner name:	Oromo Self Reliance Association (OSRA)
Name of the project:	Zero Grazing Pilot
Country:	Ethiopia
Total budget of the project:	20,000 EUR
ICCO/KIA share in project budget:	20,000 EUR
LMD % of the project:	100% LMD
Intervention strategy:	100% DAB

Overview of all ICCO Financial support to partner

Period	Project name	Budget (EUR)
2006-2007	Cereal Banks and access to markets	153,450
2006-2007	Zero Grazing Pilot	20,000
2010-2011	Zero grazing follow-up	100,000

Project Summary

This project was initiated by the Oromo Self Reliance Association (OSRA) to introduce improved zero grazing cattle in two districts near the capital Addis Abbeba. Zero grazing has many advantages mainly enhanced milk production, and less pressure on grazing lands. Demand for milk and dairy products in nearby Addis Abbeba is growing. Since this approach is uncommon in Ethiopia, it was decided to start with a pilot project. The approach is similar to the Dabaree method that was translated by Hundee, another NGO that is active in Ethiopia.

In the original plan, 15 solidarity groups were to be formed of 10 people. 2 members of each group would receive the improved breed heifer and should pass on the first calf to one of the other members. In the preparatory phase of the project however, it appeared that there was a lack of availability of cross breed. Therefore it was decided to distribute the local Borena breed, which is less productive than cross breed, but most productive of all local breeds.

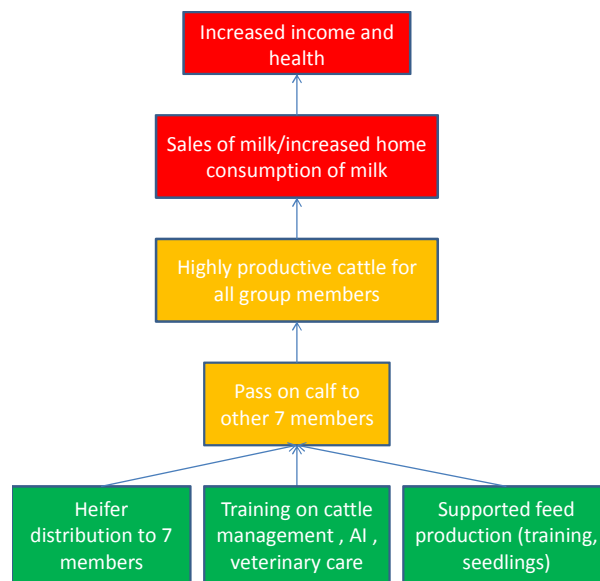
Since the price of the Borena breed was considerably lower, the plan was adapted as follows. 10 solidarity groups of each 14 members were formed. 7 member per group received a the Borena heifer, and are supposed to pass on the first born calf other member of the group. The participants were trained on good (zero grazing) cattle management, artificial insemination and they have also received seeds for fodder production and seedlings for forage to feed the zero-grazing cattle.

The ambition of the project was also to lay a basis for introduction of zero-grazing on credit by WASASA, a microfinance institution in Ethiopia, supported by ICCO since 2005. Both initiatives took place in the same period and in overlapping regions, but with different approaches and different target groups. The synergy between the two initiatives could not always be found, because of conflicting incentives to the target group as well.

The ambition of the project was also to lay a basis for introduction of zero-grazing on credit by WASASA, a microfinance institution established by OSRA and is being operating in different parts of oromia region, in Ethiopia (i am not sure of this. But, Terafina has been supporting WASASA MFI) since 2005. Both initiatives took place in the same period and in overlapping regions,. OSRA targeted poor households mostly women) however the synergy between the two initiatives could not always be found, because of conflicting incentives. Furthermore, according to OSRA, the government had concerns about its cooperation with WASASSA microfinance.

Simplified result chain

Below we describe a simplified result chain, based on the interview and the proposal made to ICCO:



As can be seen, the objective of this programme is to ensure a sustainable source of income for the target group, mostly through the marketing of the surpluses of milk that is being produced through the zero grazing approach and more productive breeds.

FINDINGS

In below sections we report the findings on the inputs, outputs, outcomes and impact; these are based on:

- ⊙ Review of the (available) project documentation, from ICCO and partner organisation
- ⊙ Interviews with staff from the partner organisation
- ⊙ Observations from site visits
- ⊙ Focus group discussions with farmers, activists, cooperative staff and other beneficiaries

Inputs

Financial inputs

ICCO provided 20.000 EUR to OSRA for the Zero Grazing pilot. The categories of inputs into for the project implementation can be categorized as follows; most of the inputs have been transferred directly as funding of heifers and feed inputs for cattle, 6% is spent on overhead costs, and 41% has been inputs delivered by OSRA such as trainings and follow-up activities.

Input	Percent of total funding
NGO overhead	6%
NGO services	41%
External project costs	53%

Non-financial inputs

The progress of the project has been monitored by the representative ICCO officer.

OSRA has been attending collective learning sessions on local market development with other ICCO partners since 2006. As member of the consortium implementing value chain development with farmers marketing organizations, it is being actively involved in learning, reflection and exchange sessions organized both by partners and ICCO. OSRA as well as the farmers' representatives actively took part in Ethiopian Learning alliance initiatives. Specific to Zero grazing, they have been sharing and exchanging experiences with another ICCO partner (HUNDEE).

ICCO has promoted the collaboration of this project with their support to WASASA micro finance initiative (through Terrafina). The aim was to create synergy between the two projects with the final objective to develop an appropriate loan product for zero grazing.

Outputs

Based on the budget, we can categorise the project outputs as follows; the largest part of the project funds have been spent on funding to the beneficiaries, mostly in the form of the heifers and the seeds and seedlings. 11% of the project costs can be attributed to trainings to the farmers as well as and another 10% on coaching, mentoring and advisory services to the solidarity groups and its members.

Output	Percent of total funding
Trainings	11%
Coaching, mentoring and advocacy	10%
Funding to beneficiaries	79%

Outputs by OSRA

The outputs (or activities) of OSRA can be summarized as follows;

1. Training of solidarity groups on cattle management and feed crop production
2. Heifer distribution to 2 members of 15 solidarity groups (50% women)
3. Support Artificial Insemination services at district government level

Based on the interviews with staff and farmers in the field, we have acquired the following information:

Activity 1: Training of solidarity groups

The solidarity groups were formed for this project. OSRA assisted the solidarity groups to form a by-law, and elect representatives (committee members). The solidarity groups do not have a formal structure (but each group has chairman/women, secretary, and cashier, and make monthly contribution of certain amounts). No activities were included in the project for the capacity building of the solidarity groups as such. From the focus group discussions it was confirmed that the groups received 2x training of 3 days on cattle management and feed crops production.

OSRA provided also the seeds for fodder provision and seedlings for tree crop production (e.g. mango or avocado) to enable the cut-and-carry system.

Activity 2: Heifer distribution

Because of a lack of availability of hybrid heifers, instead heifers from the Borona breed were distributed, which is much cheaper. Because of this change instead 10 groups of 14 members were formed and 7 members received heifers. 56% of the members of the solidarity groups are women.

The table under here shows the status of the distribution of heifers as per November 2010. It shows that, 3,5 years after the ending of the project, which is around 4 years after distribution of the heifers, 16 calves have been transferred, and 15 more are to be transferred soon.

Status of distributed Heifers in those solidarity groups of Akaki and Ada'a districts – 14/11/2010

no	Group name	District	Total distributed	Current number of heifers	Died	Inseminated	Pregnancy status		Give birth	Transferred
							Pregnant	Not pregnant		
1	Deressa	Akaki	7	6	1	-	1	3	2	2
2	Weserbi	Akaki	7	7	-	5	-	3	4	1
3	Hortu	Akaki	7	7	-	4	1	2	4	3
4	Abdi Boru	Akaki	7	7	-	2	3	2	2	1
5	Ameja	Akaki	7	5	2	4	1	-	5	4
6	Kebenessa	Ada'a	7	7	-	5	-	3	4	4
7	Bedassa	Ada'a	7	7	-	3	1	3	3	-
8	Chefe Jitu	Ada'a	7	5	2	4	1	2	2	-
9	Jitu	Ada'a	7	6	1	1	-	3	3	1
10	Degaga	Ada'a	7	6	1	-	-	2	2	-
Total			70	63	7	28	8	25	31	16

Activity 3: Support Artificial Insemination (AI) services

At each district there is 1 veterinary expert which is able to execute AI. These 2 veterinary experts in at government district level have received a 2-day training, in order to be well informed about the principles and relevant characteristics of zero grazing cattle compared to the common grazing cattle in this region. Especially the AI services are crucial for the beneficiaries of the pilot, since crossing of the improved heifer with a local breed, will obstruct the objective of this project to ensure that the calves are crossed with improved breed and remain highly productive.

Outcomes

The contract stipulates 4 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	4	3	1	0

The result agreements as mentioned in the contract are the following:

1. Fifteen solidarity groups have adopted zero grazing and two members from each group (50% women) have received improved heifers
2. Improved capacity of the solidarity groups on zero grazing
3. Reduced risks that hamper dairy production
4. Demand for improved dairy production and zero grazing increased and solidarity group linked to Wasasa for access to credits.

Result 1: 15 groups have adopted zero-grazing and 2 members received improved heifers

As we have seen from the above, the approach has been changed to 10 solidarity groups of 14 people, and 7 members per group have received an improved heifer. We can expect that the fact that half of all members has received a heifer, will have positively affected the speed of adoption of the zero-grazing approach. From the external evaluation that was executed and validated by discussions with the staff of OSRA and focus group discussions with the beneficiaries, it appeared that the majority has adopted zero-grazing. The zero grazing concept was adopted by most of the participants (60%). The lack of feed for the cattle has sometimes forced the farmers to sometimes let the cattle graze (semi-zero grazing system)⁷. Also, most of the farmers adopted Artificial Insemination; however a semi-zero grazing approach reduces the level of control over the cows and has the risk of pregnancy of a local breed.

Result 2: Improved capacity of the solidarity groups on zero grazing.

From the focus group discussion as well as the external evaluation it is confirmed that the farmers are well informed about the principles of zero grazing. Besides the training on cattle management, OSRA staff members have continuously visited the farmers to follow-up on their activities and provide advisory services if needed.

Result 3: Reduced risks that hamper dairy production

Risks have been reduced are the lack of awareness of the farmers, increased access to more productive breeds. Risks that are still present which was revealed by this pilot, are the poor functioning of enabling services. The local authority (Animal production, Health and Marketing office at district level) as well as OSRA staff confirmed that the capacity of veterinary services, AI and financial services need to be strengthened. District Agricultural officers confirmed that private clinics exist, however they are mostly focused on rural areas and charge higher fees.

OSRA has recently initiated a follow-up program of the zero-grazing pilot, which takes into account these issues.

⁷ Final Evaluation Report, TAM Consult, November 2008

Result 5: Demand for improved dairy production and zero grazing increased and solidarity groups linked to Wasasa for access to credit

The results of this pilot project were meant to be an input for development of an appropriate loan product for zero grazing by WASASA.

From the focus group discussions, one group located in the Akake district indicated that they had taken a heifer as loan from WASASA. They perceived the interest rate as being too high, and, more important the heifers that were provided to them did not produce offspring. The second FGD in took a money loan from WASASA to buy cattle, fertiliser and feed. Because of the high interest rate they also stopped taking loans.

Discussions with OSRA staff have indicated that the two initiatives have created a certain confusion since WASASA and OSRA zero grazing pilot were targeting the same region, around the same period. Only, whereas Wasasa was not targeting the most marginalised, OSRA targeted the poorest of the poor. The beneficiaries of the OSRA project received free heifers, whereas clients of WASASA needed to (re)pay their heifers. These conflicting approaches hampered synergies between the two initiatives. Another issue lays in the Ethiopian 'NGO laws' that make it complicated for an NGO to assist in any way the (hidden or unintended) marketing activities for a private sector actor. The Government could regard the activities of OSRA as creating a market for WASASA microfinance clients.

Sustainability

With respect to the sustainability of the outcomes, we have to note that investment in cattle is a long-term investment. The solidarity groups do not yet have the volumes of milk to be able to start collective marketing or processing of their products. They are still dependent on seeds for fodder production by OSRA. Even after 4 years, it is still too early to make firm conclusions about the realisation of wider effects of the heifers distributed. The signs however are quite positive, and the social cohesion of the members of the solidarity groups still exists, 3 years after the formal ending of the pilot project.

Impact

Based on the above discussion of the outcomes we have observed, and the discussions with the employees/members in the FDGs, we can report the following.

It is still too early to have significant indications of the changes in living conditions of the participating households. Investment in cattle is a long term investment, since the 'yield' can only be measured after a few years when milk production starts. The fact that the first offspring needs to be passed on the next members means that they will be impacted after a few years.

However we found from the three focus group discussions the following signs regarding the potential impact of the project.

- From the 3 FGDs it was demonstrated that the farmers are currently not yet experiencing many advantages in terms of cash income; They have also confirmed that the heifer breed has a much higher production of milk per day (5-8 liters instead of 2 liters/day), but for the majority of the beneficiaries this has increased their home consumption of milk and dairy products. The members of the solidarity groups did express the intention to sell collectively later when volumes increase.
- The expected profitability of zero grazing was confirmed by farmers saying that they are happy to have received the heifer and other inputs for free, but that obviously it required also some of their own investments. The farmers reported that they had experienced that the cow raising can be more profitable than farming, since it requires less inputs (especially labour).
- The farmers indicate as positive impact the fact that they are now organised in solidarity groups and they experience the advantages of a strong relationship with their fellow villagers. This may open up new opportunities such as group savings, collective marketing of milk and bulk procurement of feed. However the solidarity groups are still informal, at infant stage and no business plans have been developed by the groups yet.

Furthermore, OSRA has recently started a follow-up project to promote zero grazing. In this project the lessons learned, such as the need to strengthen the quality and quantity of veterinary and AI experts in

the region and access of farmers to finance, instead of the distribution of the improved heifers. The follow-up project intends to reach more than 1,700 farmers.

ASSESSMENT

In our interpretation of the above figures, information and observations we conclude that:

- The project is **efficient** (+) since the resources have been used in an efficient manner
- The project is **additional** (+)
- The project is **effective** (+) since most outcomes have been successfully achieved
 - The project is moderately **sustainable** (+/-) since OSRA still needs to provide support to the solidarity groups after project ending
- The project was **relevant** (+) since the target group has experienced benefits from the project
 - The project is **attributable** (+) since ICCO was the only contributor.

The arguments for the above conclusion are as follows:

Efficiency

With relatively limited funds and time available, OSRA managed to implement everything as planned. The project team was sufficiently flexible to adapt the project planning to the local circumstances without creating a delay in the programme. Besides that, we feel that it was a good decision to start with a pilot project. Since it is a relatively new approach in Ethiopia, it was good for OSRA to learn about strengths and weaknesses of its approach.

Additionality

Other NGOs are active on the promotion of zero-grazing in Ethiopia, but not in this region. Other donor initiatives which are active in the two districts are LPMS, Landolex and the Forage Adoption Program (FAP) of ILRI. However these are active working with other peasant associations, and therefore this project has been additional in this region.

Effectiveness

All major outcomes of the program have been reached, therefore we rate this project as effective. The initial targeted results of the project have been reached, and the other members of the solidarity groups are now starting to receive the first spin-off. At the level of access to veterinary and artificial insemination services, the resources have proven to be insufficient. Since this project is a pilot project, this was a valuable lesson that will be taken into account by OSRA for follow-up activities.

Sustainability

It is difficult to measure the sustainability of the project, since the dairy business requires several years before cows become productive. In this case, with half of the members of the solidarity groups receiving the improved calves after several years, it may take another 4 years before the real impact becomes visible. Since OSRA continued the support to the solidarity groups in term of coaching and provision of seeds and seedlings for fodder production and other feed, it is difficult to have insight in the sustainability of the outcomes. But since four years after project ending, the solidarity groups still operate according to plan and is well on track, we rate the sustainability of the project intervention to be sustainable.

Relevance

When considering the relevance of the interventions, the general trend is that the project was relevant. The findings from the evaluation team have stressed the fact that the financing of ICCO enabled OSRA to try out an innovative approach in Ethiopia.

Gender relevance

The project aimed to include 50% women in the solidarity groups, a target which was reached (56%). From the FGD in Ada'a district it was confirmed that raising and milking the zero grazing cattle is a suitable activity for women to be engaged in. Also the marketing of cattle and milk would be the role for women. The farmers told us that the role of the men would be on the field to ensure sufficient supply of feed for the cattle.

Attribution

Since ICCO is the only financier for this pilot (100%), the attribution of ICCO can be rated as being high.

ICCO monitoring protocol

Date of monitoring by ICCO: 14-02-2008 Realisation End

Intervention	Proposed outcome	Target value	ICCO score	Realised value at closing	Field findings at present
Alliance output					
DAB-a	Number of partner organisations active as supporter or partner (actor) of chain development	1	Good	1	1
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	0	Good	10	10*
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	20	Good	70	63**

* The solidarity groups still exist and seem to be strong social structures, however there is not yet specific proof that they are yet able to operate in the local market in a profitable and feasible manner

** 70 members have received the improved heifers, however 7 of them have died after project ending.

BACKGROUND INFORMATION LMD IN KENYA

Market situation for small producers

Agriculture forms the backbone of Kenya's economy and the sector contributes about 30% of the GDP and 60% of export earnings. About 80% of the poor are located in rural areas and rely on agriculture for food security and income generation. Subsistence farming and pastoralists account for over 50% of these poor households. The sector is dominated by production of cash crops (tea, coffee and horticulture) and food crops (rice, wheat and maize) and livestock for local consumption.

However, currently the country is facing declining productivity and growth, increasing food insecurity and environmental degradation. Kenya's long term goal of food self-sufficiency remains unattainable. The growth in the agriculture could be much higher and it has a large potential as driver of economic growth in rural areas. This growth is hampered by marketing problems as well as limited value addition. Key explanatory factors for this are the poor infrastructure, lack of market information, limited access to finance, poor access to adequate inputs and technologies, low capacity of producer organisations and associations to serve their members properly and low presence of affordable BDS for producers and other value chain actors.⁸

In the past years, some external factors have seriously affected the development of the agricultural sector in Kenya, especially in the Western part of the country. The Post Election Violence (PEV) that hit Kenya at the end of 2007 and 2008 has forced hundreds of thousands of farmers and pastoralists to abandon their homes, fields and production assets in the Rift Valley province. The conflict has disrupted the society and the negative impact can still be felt today. It has changed the social climate in Kenya. Besides that, also frequent droughts threaten the goal of food self sufficiency and even food security in the country; at times of severe droughts requires usually food aid to avoid famines.

Overview of ICCO's support in Kenya

The aim of the ICCO LMD program is to strengthen the capacity of farmer organisations in Kenya, upgrade their position in value chains and improve the incomes and livelihoods of their members. Since 2004, ICCO has focused its activities of the LMD programme in the Western region of Kenya, where also other programmes of the IA are implemented such as Democracy and Peace building. The Western region has a high poverty rate and high population density, but offers on the other hand extremely favourable conditions for agricultural production in terms of soil fertility and rainfall. Compared to Nairobi and direct surroundings, in the region has only limited other donor initiatives (in the field of local market development), which makes the ICCO funded activities additional.

The objective of the LMD program is to improve market participation of farmer organisations, strengthen technical business and organisational skills, improve farmers access to financial services, and promote a platform to lobby and advocate for a conducive business environment. The aim was to have targeted 15,000 farmers by end 2010.

ICCO undertook a mapping exercise in 2004/2005 to identify the key sub-sectors in the Western region. The study highlighted the main obstacles and opportunities for market development with the potential to increase incomes and create employment. Since 2005 these insights were used by 9 NGOs that have developed projects and pilots in line with the findings from the study in various sub-sectors. 3 of these partners were included in our field study sample. The crops were selected by the partners themselves, such as soya, sunflower, tomatoes, chilli pepper and livestock. In many cases the NGOs were already ICCO partners before for programmes with a social orientation.

In the first years of the programme implementation, ICCO has learned that the understanding and awareness of the local partners on value chain development and project management was fairly limited, and has taken the following measures to improve the implementation of the LMD programme:

- 1) In 2006 ICCO initiated a linking and learning initiative for local partners through annual workshops;
- 2) In 2008/2009 ICCO has initiated coaching trajectories for the local partners; each partner is supported by a Project Monitoring and Evaluation (PME) coach, and a Value Chain Development (VCD) coach;
- 3) ICCO has joined the AgriProFocus (APF) country focus in Kenya, an online platform which was designed to promote farmers entrepreneurship.

⁸ ICCO MFS2 proposal

FINDINGS ON 01-01-04-021 - FAIR ECONOMIC DEVELOPMENT PROGRAMME - WRCCS

GENERAL

Project data

Country	Kenya
Start date:	September 2006
Closing date:	March 2008
Project partner name:	WRCCS
Name of the project:	Farmers marketing opportunities
Total budget of the project:	60,000 EUR
ICCO/KIA share in project budget:	60,000 EUR
LMD % of the project:	100%
Intervention strategy:	100% DAB

Overview of recent ICCO Financial support to partner

Period	Project name	Budget
09/2006-03/2008	Farmers marketing opportunities	60,000
04/2008-12/2010	Fair Economic Development programme	300,000

Project Summary

ICCO/KIA has decided for the LMD programme to focus its activities in the Western region of Kenya, because of the high poverty rate, high population density and at the other hand extremely favourable conditions for agricultural production. The aim of the LMD program is to strengthen the capacity of farmer organisations in Kenya, upgrade their position in value chains and improve the incomes and livelihoods of their members.

Western Region Christian Community Services (WRCCS) is a church based organisation, traditionally involved in social programmes. WRCCS exists since 1997 and covers an area of 6 dioceses in 8 districts. Their objective is "to reach and empower physically and spiritually the poor and marginalised communities in Western Kenya to improve their lives". The organisation has received support from ICCO/KIA in 2006 for their integrated development programs to start economic pilot program. The project included a market survey and sub sector analysis, business plan for at least one value chain (tomato), the set-up of an economic unit within the organisation as well as the identification of micro finance solutions.

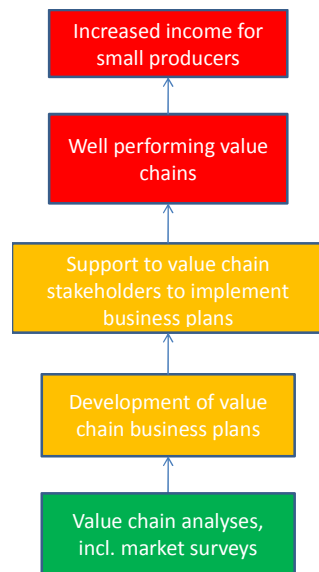
The pilot phase was evaluated and a first start was made on the implementation of the business plans during this financing. After the pilot phase, which was externally evaluated, WRCCS continued with the implementation phase.

The project has been seriously affected by the post election violence end 2007 has forced hundreds of thousands of farmers and pastoralists to abandon their homes, fields and production assets in the Rift Valley province. The conflict has disrupted the society and the negative impact can still be felt today.

Besides that, also frequent droughts (2008) threaten the goal of food self sufficiency and even food security in the country; at times of severe droughts food aid is usually required to avoid famines. Declining agricultural productivity and growth is hampering Kenya's economy to grow.

Simplified result chain

Below we describe a simplified result chain, based on the interview and the proposal made to ICCO:



As can be seen, eventually the objective of the WRCCS overall programme is to increase the socio-economic position of small scale producers in selected value chains. This pilot project has focused on the first steps to reach this objective which is the analysis of the value chains and the development of value chain business plans.

FINDINGS

Inputs

Financial inputs

ICCO provided 60,000 EUR to support this project and was the only contributor. The inputs of this project can be categorised as follows: 18% has been used to cover overhead costs, the largest share (53%) was used for provision of resources for the NGO, needed for the implementation of the project and finally 29% of the inputs was dedicated to direct funding of the beneficiaries.

Input	Percent of total funding
NGO overhead	18%
NGO services	53%
External project costs	29%

Non-financial inputs

The ICCO/KIA relation manager has spent time and resources to explain the NGO staff the principles of local market development. In 2006 they have followed an ICCO partners' workshop on ICCO financial guidelines and Fund Accounting (by TAABCO).

SharePeople has visited WRCCS with several professionals for 1 week in 2007 with the objective to assist with business scans. These visits are on a cost sharing basis, where WRCCS is responsible for accommodation and local transport.

Outputs

The outputs in general can be distinguished in the following three categories (based on the budget): training has been the main spending destination, followed by coaching. Externally funded actions have been accounting for a third of the budget.

Output	Percent of total funding
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Trainings	23%
Coaching, mentoring and advocacy	40%
Financial support to beneficiaries	37%

Based on the interviews with WRCCS staff we have made the following findings with respect to the activities that were implemented:

- ④ The project implementation has started later than planned, because of delays with the contract. Instead of June the project started in October 2006. A large component of this project was to perform a baseline and market study and environmental impact assessment. This was done in collaboration with consultants. The aim of the market study was to identify opportunities in the value chains. With the findings of the survey the objectives of the pilot were adapted.
- ④ Another key output was to prepare a strong economic team to implement this and the follow up of this project. WRCCS has trained its staff on value chain development and monitoring and evaluation, and hired new staff member with a background in business. This has been an important component of this phase of the economic program of WRCCS, since this project has been the first experience with the implementation of an economic program.
- ④ A final external evaluation was performed by Kenya Gatsby Trust. The findings of this evaluation have been used to inform the next phase of the project, through the revision of the implementation strategy.

Outcomes

The contract stipulates 4 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	4	1	2	1

The result agreements in the contract are the following. In our view “Results” 1 and 2 are not a real result but refers to *activities*.

1. Market survey and sub sector analysis
2. Business plan for at least one sub sector (tomato, garlic, groundnuts and/or cassava) with environmental impact assessment
3. Economic unit within WRCCS with capable staff and clear mandate.
4. Appropriate financial institutions to support farmers and CBOs with credit facilities.

The team of evaluators has spoken to WRCCS staff and management extensively, and have visited one of the CBOs, where a focus group discussion took place with members and management of the cooperative. Because of the distances and road condition, it was only feasible logistically to visit one of the 8 CBOs that WRCCS is working with. Based on these interviews, and the documentary evidence, we want to make the following comments about the achieved results (outcomes)

Result 1 & 2: Market survey and sub sector analysis and business plan for at least one sub sector

The study was executed during the first months of the project, however the quality of the analysis and were not sufficient. Also the level of information and capacity was insufficient during the pilot project implementation to develop a high quality business plan for the tomato value chain. WRCCS staff confirmed to us that the internal knowledge on value chain development and market development as well as project planning and M&E was insufficient at the time to enable a quality study. During the implementation phase 3 staff attended a value chain development course, the organisation was supported by coaches, and the capacity and knowledge of the WRCCS team on how to be an effective partner supporting value chain development. At this point the organisation started to grow as a more solid value chain development facilitator.

Result 3: Economic unit within WRCCS with capable staff and clear mandate

As one of the first activities under this project, an economic team has been established, including the appointment of a young woman with experience in business to lead the project. Most of the other staff

members engaged in the project, especially field staff, are already enrolled in other WRCCS projects. For the performance of the project, dedicated field staff would have been better, as also mentioned in the evaluation report. In order to achieve a clear mandate, in the autumn of 2006 the project team held a project planning workshop.

The economic unit has started early with acting as a facilitator in the project. For example, since the farmers expressed a need of improved access to inputs (seeds and chemicals), WRCCS has linked them up with Kenya Seed Company and Bayer.

Result 4: Appropriate financial institutions to support farmers and CBOs with credit facilities

From the external evaluation report we found that WRCCS was able to support the establishment of micro credit schemes of 10,000 KES each. However, the proportion of farmers that have been benefitting from these credit schemes is very limited. When we visited the groups 3 years later, none of the groups is making use of credit schemes. One of the main reasons is that the capacity of the groups in credit management is still poor. As a first step to move towards larger financial management, WRCCS is promoting table banking and use of revolving funds in the farmer groups.

It is important to note that the set up of this project has been flexible to adapt to the findings of the first research phase. After the baseline and market survey that was executed at the inception of the pilot, the findings have been used by WRCCS project team to finalise the detailed results targets for the rest of the programme (both the rest of the pilot as well as the expected follow-up of the implementation phase).

These targeted results have therefore not been mentioned in the contract, however reported to ICCO:

1. Formation of CBOs
2. Setting up marketing information and collection centres
3. Value addition of produce
4. Establishment and strengthening of micro-credit schemes
5. Linkages with other stakeholders
6. Market intelligence for farmers

These results are for the total programme so the implementation phase 2008-2010 had these results also included (sometimes in adapted version). For the results 1,2,5,6 progress have been achieved, 5 CBOS have been mobilised. For the other results, establishment and strengthening of micro credit schemes, and value addition of produce, limited progress has been made during the pilot phase.

Financial agreements

In the contract also financial conditions, monitoring and dialogue points are included. However, just like the details of the general results, these have become invalid throughout the execution of the project, because of adjusted planned results based on the outcome of the market survey in the beginning of the pilot project.

Impact

Based on the above discussion of the outcomes we have observed, and the discussions with the members in the FDGs, we can report the following:

- ☉ The farmers have been sensitized on the marketing opportunities for tomatoes; they have achieved increased knowledge and have increased their acreage under tomato production. We have no reliable information about the increase in incomes for the producers. The marketing of the produce was not always efficient, and some of the beneficiary producers were disappointed that they project did not invest in storage and processing plants.
- ☉ Some of the targeted farmers were disappointed when they have found that the aim of WRCCS was not to invest in storage and processing plants, but mostly to improve their production quantity and quality and collective action in the farmers groups.
- ☉ From the focus group discussions it was difficult to get a clear picture on the attribution of this project on the outcomes and impact that was measured at the level of the farmers, since the pilot was followed by the programme 2008-2010. However from the external evaluation it was confirmed that most of the farmers reported increased production of tomatoes, the marketing of the increased

volumes remained an issue. This resulted in profits from the tomato production, however also significant losses of the produce were reported.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project is **efficient** (+) , there are no indications that the resources have been used inefficiently
 - o The project is **additional** (+) since without the support from ICCO, the outcomes would not have been realised.
- The project is **effective to a limited extent** (-) since not all envisaged outcomes were successfully achieved.
 - o The project is **not sustainable** (-) since the outcomes that were achieved were not in line with the initial strategy.
- The project **was partially relevant** (+/-) since
 - o The project is **attributable** (+) since the funding was exclusively from ICCO.

The arguments for the above conclusion are as follows:

Efficiency

The implementation was on schedule and the majority of the outputs were achieved. Compared to the contract more activities have been initiated, since the first months of the project were used for value chain analysis and based on these results the activities for the remaining of the pilot phase were determined.

Additionality

Based on the interviews with staff and beneficiaries we found that in this particular region in Kenya, the Western Region, without the ICCO funded activities of WRCCS regarding local economic development, the observed changes would not have occurred. Other initiatives do exist in this region with respect to increasing agri-business, notably JICA, however their focus is more on processing activities. Governmental initiatives in the region are not very effective.

Effectiveness

At the moment of evaluation, it was assessed that the not all key outcomes were achieved. The main explanatory factor, as confirmed by the project team of WRCCS, is that the level of knowledge on value chain analysis was at that time insufficient to effectively develop a value chain program. This resulted in poor effectiveness since the activities did not correspond with the required needs to strengthen the value chain and the expectations of the targeted farmers. Some of the farmers have therefore even dropped out throughout the second phase of the pilot project.

Sustainability

The sustainability of the outcomes is limited, since they did not fit anymore in the strategy to be followed for the value chain development. The lack of knowledge on economic development and value chain analysis made it difficult for the WRCCS team to develop high quality value chain business plans, with relevant outputs and sustainable outcomes. We therefore rate the sustainability of the project intervention to be low.

Relevance

The output on the target group during the pilot phase has been partially relevant, since the target group was mobilised and better organised in the five community based organisations. The acreage under tomato production was increased and some of the profits increased as well.

Gender relevance

The project did not have a specific focus on women.

ICCO attribution

The attribution of ICCO's funding to the achieved results is high: ICCO was the only funder for this project. WRCCS does receive funding from other donors for social programs.

ICCO monitoring protocol

Date of monitoring by ICCO: 14-12-2008 (Realisation End)

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 1.5 years	Realised (Findings)
Alliance output					
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	1	Sufficient	1	1
MO-a	Number of partners that develops or implements business development services and vocational training programmes	1	Sufficient	0	0
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	1	Sufficient	1	0
MO-a	Number of programmatic chain interventions that is developed by partners and actors	0	Sufficient	1	1
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	1500	Sufficient	1000	850*
MO-a	Number of members of formal and informal groups	0	Sufficient	1000	1000

* Based on the information from the external evaluation, the actual outreach is more around 850. Since this is almost half of the initially targeted number of farmers, this should rather have been scored as "poor" instead of sufficient.

FINDINGS ON 01-01-04-026 - FAIR ECONOMIC DEVELOPMENT PROGRAMME (WRCCS)

GENERAL

Project data

Country	Kenya
Project data Start date:	01-04-2008
Closing date:	31-12-2010
Project partner name:	WRCCS
Name of the project:	Fair Economic Development Programme
Total budget of the project:	300,000
ICCO/KIA share in project budget:	300,000
LMD % of the project:	100%
Intervention strategy:	100% DAB

Overview of recent ICCO Financial support to partner

Period	Project name	Budget
2006-2008	Farmers marketing opportunities	60,000
2008-2010	Fair Economic Development programme	300,000

Project Summary

ICCO/KIA has decided for the LMD programme to focus its activities in the Western region of Kenya, because of the high poverty rate, high population density and at the other hand extremely favourable conditions for agricultural production. The aim of the LMD program is to strengthen the capacity of farmer organisations in Kenya, upgrade their position in value chains and improve the incomes and livelihoods of their members.

Western Region Christian Community Services (WRCCS) is a church-based organisation, traditionally involved in social programmes. WRCCS exists since 1997, and covers an area of 6 dioceses in 8 districts. Their objective is "to reach and empower physically and spiritually the poor and marginalised communities in Western Kenya to improve their lives". The organisation has received support from ICCO/KIA in 2006 for their integrated development programs to start economic pilot program. The project included a market survey and sub sector analysis, business plan for at least one value chain (tomato), the set-up of an economic unit within the organisation as well as the identification of micro finance solutions.

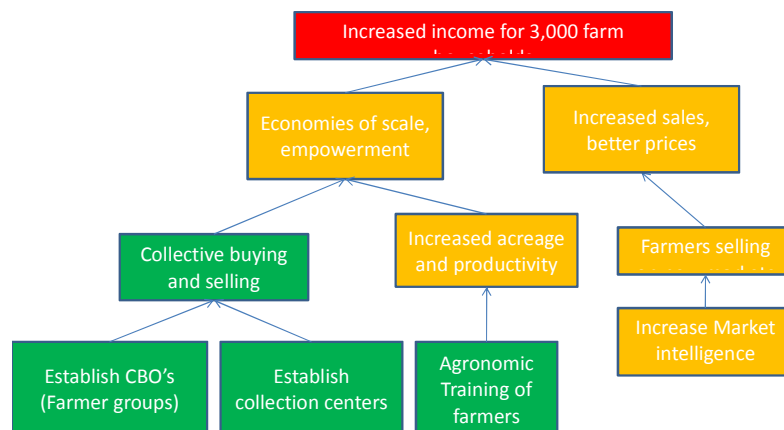
The pilot phase was evaluated and first start was made on the implementation of the business plans during this financing. After the pilot phase, which was externally evaluated, WRCCS started the implementation phase. The objective of the project is to improve the income earnings of 1500 tomato, 500 sweet potato, 500 cassava and 500 groundnut farmers in the Western Province, by December 2010.

One of the findings from during the pilot phase was that the project team did not possess sufficient knowledge on value chain development. During the implementation phase WRCCS staff acquired more knowledge and skills by following trainings on value chain development and was supported by coaches on value chain development and project monitoring and evaluation. With this renewed increased knowledge, the project team now learned how to act as a facilitator in value chain development. It focused its activities on organising stakeholder meetings and development of manuals and action plans for chain development and the role of different stakeholders herein.

At the start of the second project, the post election violence has hit Kenya. This has affected the project implementation especially in the pilot phase, however the negative consequences were still felt in the communities where WRCCS is active, until today.

Simplified result chain

Below we describe a simplified result chain, based on the proposal and interview with staff:



FINDINGS

In below sections we report the findings on the inputs, outputs, outcomes and impact; these are based on:

- ⦿ Review of the (available) project documentation, from ICCO
- ⦿ Interviews with PME and VCD coaches
- ⦿ Interview with project staff at WRCCS
- ⦿ Focus group discussion with 1 CBO (Setabu)

Inputs

Financial inputs

ICCO provided EUR 300,000 for this fair economic development program and has been the only contributor. The average contribution of ICCO/KiA to the total budget of the organisation is around 15%.⁹

The inputs of this project can be roughly categorised as presented in the table below, based on the financial reports as presented to ICCO (until September 2010). A large share (38%) is spent as overhead costs such as administration and office. 44% of the inputs is used to mobilise the NGO with the required internal resources to execute the project (e.g. staffing) and finally 18% is spent to directly support the beneficiaries, mostly in the form of hardware and trainings.

Input	Percent of total funding
NGO overhead	38%
NGO services	44%
External project costs	18%

Non-financial inputs

The ICCO/KiA relation manager has spent time and resources to explain the NGO staff on LMD knowledge. They have also organised annual partner meetings to allow exchange between all ICCO/KiA FED partners, and capacity building activities (trainings) on local market development and value chain theories. In addition, yearly PME learning workshops are organised. Three staff members have followed a VCD training (organised by KIT, IIRR, and Match Makers).

SharePeople has visited WRCCS with several professionals for 1 week in 2010 (on cost-sharing basis), with the objective to inspire NGO staff especially on marketing issues.

Coaching in Kenya

During the pilot phase, ICCO had realised that some of its (mostly existing) partners needed to build their capacities on Value Chain Development (VCD) and Project Monitoring and Evaluation (PME), ICCO has allocated them coaches. The coaches are contracted by ICCO for general identification of main issues at

⁹ Based on audited financial statements of 2008.

the partner, and they are contracted by the partner organisation for consultancy services at strategic moments in their project implementation.

Outputs

Outputs in general can be distinguished in the following three categories (estimate based on financial reports until September 2010); a large share of the budget is spent on training activities (36%) as well as direct funding to beneficiaries (establishment of BDS resource centres, collection points)

Output	Percent of total funding
Trainings	36%
Coaching, mentoring and advocacy	28%
Direct funding to beneficiaries	36%

The activities are described in the ICCO project plan by 15 activities. In general, with the end of the project in sight, the majority of the proposed activities have been executed. However the number of farmers is less than targeted, and the quality of the outputs sometimes requires improvement.

The following table presents the list of activities and our findings in the field whether they have been successfully implemented.

Activity	Findings
1. Project planning retreat	Has been done
2. Baseline surveys	Done, but quality of collection can be improved. However the record keeping in the field is not well done and training is needed to improve this.
3. Rapid market appraisals	Done mid 2008. Would need to be updated.
4. Community organisation	Has been done for around 1,300 farmers
5. Staff development	Staff has been trained, exposure tours, coaches have improved monitoring and evaluation and value chain knowledge. Unfortunately the project leader has left WRCCS halfway the project.
6. Farmer capacity enhancement	800 farmers have been trained in agronomy, market access, enterprise development and record keeping, 60 farmers attended an exchange visit, 8 farmers went to trade fair (2009)
7. Conduct stakeholder forums	Done end 2009 for 4 value chains in two areas
8. Local market intelligence	Not yet achieved
9. Strengthening of Micro Credit Fund	Not achieved.
10. Support to BDS/FED Resource center.	1 information centre has been established for 1 CBO.
11. Recruitment of additional personnel	1 agronomist and 1 business expert has been appointed. It is not completely clear whether they work full time for the FED
12. Staff motivation activities	Team bonding activity done in 2009
13. Furniture and Equipment procurement	Laptop, printer and 2 digital cameras
14. Installation of email system	Done
15. PME framework development	Done with PME coach, but still needs improvement

Outcomes

The contract stipulates 5 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	4	1	2	1

The four result agreements in the contract are the following:

1. Four functional and organised marketing systems for tomatoes, cassava, sweet potatoes and groundnuts formed by December 2010.
2. Community based micro-credit schemes strengthened and linked to MFIs: 30% of farmers have access to financial services through revolving fund by Dec 2008, 50% by Dec 2009 and 75% by Dec.2010.
3. Project coordination functions and staff capacity enhanced
4. Equitable gender participation in the four enterprises enhanced.

Based on discussions with WRCCS staff, the coaches and focus group discussion with the beneficiaries, we have made the following observations with respect to these result agreements:

1. Four functional and organized marketing systems

As we have understood, this result implies that four producer organizations, or CBOs, have been established and are sustainable. WRCCS has been supporting and training farmers and organizations operating in 4 different value chains, however mostly tomato farmers. Currently they work with 5 CBOs however only for tomato this is performing well. For the new programme, WRCCS wants to change the selection of value chains to be supported towards more high value crops; tomato, onions and passionfruit.

2. 75% of farmers have access to financial services

From the interviews with WRCCS staff we have learned that it has been very difficult to change the current resistance of farmers towards loans. WRCCS has established contacts with Equity Bank, which has trained some of the farmers and tries to develop suitable financial products. 50 farmers have opened an account at Equity Bank, however very few are actually using it. K-rep has also initiated activities but these were phased out. In the end, WRCCS has promoted table-banking for the farmer organizations, since they think it might be a intermediate to get used to dealing with actual banks.

3. Project coordination functions and staff capacity enhanced

Although this is difficult to measure, the discussions demonstrated the staff was self-conscious about the increased knowledge and skills they have acquired to successfully implement economic development projects. We have seen that WRCCS is successful in acting as a value chain facilitator by linking value chain stakeholders up. However their consciousness about costs (e.g. project costs per farmer) is still perceived to be low. We have also observed that the (church-based) organization has traditionally a very strong social identity based on hand-outs to the community. It will therefore be challenging for WRCCS to successfully implement economic programs based on not or less subsidized inputs to farmers.

4. Equitable gender participation in the four enterprises enhanced

We have not found any specific proof that show that gender participation in the CBOs has been enhanced. However, during the focus group discussion the group was composed of around 1/5 female producers. The women said they felt more independent from their husbands.

Impact

Since the project is not yet completely finalised, it is difficult to measure the impact. However with the end being nearby we do want to make the following notes;

One of the CBOs that WRCCS is working with is SETABU, registered in 2009 and composed of 200 tomato producers. They have shared with us information on their production and sales of tomato over the past years. The table shows that the volume of production has more than doubled since 2008 and sales have become more than 3 times bigger.

Tomatoes sold	2008	2009	2010 (until end sept)
Volume (kg)	44,480	109,312	92,800
Sales (KES)	450,000	800,000	1,650,000

Obviously, this does not provide us with a clear insight in the profit margin or the income increase per producer. Neither the farmers nor WRCCS could provide us with more details on the income increase, although this calculation was requested by ICCO as stated in the contract. If the increase in volumes is the result of an increase of the acreage under plantation, the costs will have increased as well. Farmers confirmed that they have doubled the acreage under tomato production of the group from 20 to 40 acres. However, farmers mentioned that since a few years, and thanks to the tomato farming, they were able to buy land, pay for school fees and pay for an iron roof.

Another benefit that was indicated by the farmers, is that WRCCS successfully linked the farmers up with government extension agents, seed suppliers, market information system by mobile phone, and other relevant stakeholders.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project is **not efficient** (-), there are some indications that the resources are not used in an efficient manner
 - o The project is **additional** (+) since without ICCO support the observed outcomes would not have been realised.
- The project is partially **effective** (+) since most of the agreed outcomes were fully or partially achieved
 - o The project is **partially sustainable** (+/-)
- The project is **relevant** (+) since some impact is being felt at the target group
 - o The project is has a **high attribution** (+) since the funding was exclusively from ICCO.

The arguments for the above conclusion are as follows:

Efficiency

It is difficult to judge on the efficiency of the project. However, we would like to make the following comments;

- o There were delays in the original program implementation; however these were largely attributable to external factors.
- o The overhead rate is relatively high (38%) and the outreach has been considerably lower while the same amount of money has been spent. (1300 vs. 3000 farmers)
- o From the discussions with the WRCCS project staff, we found that their cost consciousness was very low. The calculations of costs made for the implementation of the project per farmer; it appeared as if the project team had not made this type of calculations before.
- o The project has experienced a serious loss of human resources because of the departure of the project leader. She was appointed in the early stages of the project, with the right profile and she has received training from ICCO. Her departure has caused a delay in the delivery of the outputs within the timeframe as planned.
- o From discussions with the project team at WRCCS, it was confirmed that the initiation of an economic program was new to the organisation. This has affected the efficiency of the project, since the internal learning at the organisation had to take place simultaneously to the implementation of the project.

Additionality

Based on the interviews with staff and beneficiaries we found that in this particular region in Kenya, Western Region, without the ICCO funded activities of WRCCS regarding local economic development, the observed changes would not have been occurred. Other initiatives do exist in this region with respect to increasing agri-business, notably JICA, however their focus is more on processing activities. Governmental initiatives in the region are not very effective.

Effectiveness

Three of the four components has been fully or partially achieved positive results, although less than planned for. Instead of 3,000 farmers, only maximum 1,300 farmers have been reached. Therefore we rate the effectiveness as moderate.

Sustainability

It is too early to make a strong statement about the sustainability of the project. 1 of the 5 CBOs that WRCCS is working with is on the right track to be completely independent and sustainable. For the other CBOs this is not sure, especially now WRCCS announced to be focusing more on horticultural crops for the next program. The farmers did acquire improved skills and knowledge and are investing in agriculture by increasing their acreage.

Relevance

The project has been relevant, since some tangible impact was measured on the target group. The targeted size and outreach of the impact has not been reached however.

Gender relevance

WRCCS had a specific focus on equal inclusion of women in their strategy; the project is therefore gender relevant. Also within WRCCS as an organisation, there is an equal gender balance among staff.

ICCO Attribution

The attribution of ICCO is high since it is the only contributor to this project.

ICCO monitoring protocol

Date of monitoring by ICCO: 10-02-2009 (realisation 1)

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 1 year	Realised (Findings)
Alliance output					
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	1	Sufficient	1	1
MO-a	Number of partners that develops or implements business development services and vocational training programmes	0	Sufficient	1	0
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	4	Moderate	1	1
MO-a	Number of programmatic chain interventions that is developed by partners and actors	0	Sufficient	1	1
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	3,000	Moderate	700	1,300
MO-a	Number of members of formal and informal groups	4	Sufficient	0	1

* The information of ICCO in the monitoring system is outdated and can therefore not be compared with our findings.

FINDINGS ON 01-01-04-029 - BRIDGING PERIOD ECONOMIC PROGRAMME (NRIDCCS)

GENERAL

Project data

Country	Kenya
Start date:	Jan 2008
Closing date:	June 2008
Project partner name:	NRIDCCS
Name of the project:	Bridging period Economic programme
Country	Kenya
Total budget of the project:	38,204 EUR
ICCO/KiA share in project budget:	38,204 EUR
LMD % of the project:	100%
Intervention strategy:	60% DAB, 40% MO

Overview of recent ICCO Financial support to partner

Period	Project name	Budget (EUR)
2005-2006	Programme 2005-2006	170,296
2007	Economic programme 2007	90,000
2008	Post elections peace building initiative	10,420
2008	Bridging Period Economic Programme	38,204
2008-2010	Economic program 2008/2009	130,000

Project Summary

ICCO/KiA has been supporting an economic program of the Nakuru Region Inter-diocesan Christian Community Services (NRIDCCS) since 1983. The project aims to increase access of small producers to local markets. The project has been significantly affected by the post election violence at the end of 2007 which was concentrated in the Central Rift Valley near Nakuru, at the heart of the operating area of NRIDCCS.

This financing was a bridging contract for the first half of 2008, to enable NRIDCCS to continue its ongoing activities, and meanwhile work on a proposal for a long term project adapted to the political situation in the targeted area.

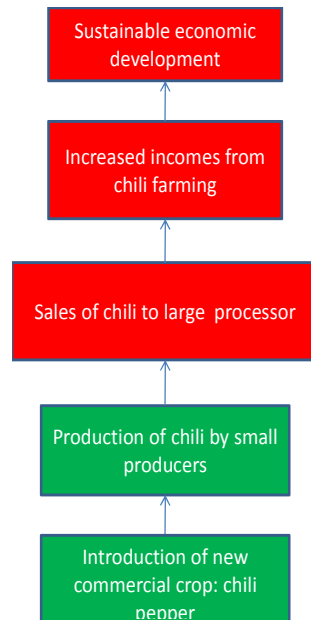
The bridging project has 4 components;(i) training and coaching services to chilli farmers in Laikipia district, and support the farmers organisations (ii) strengthening of local peace/conflict structures, (iii) enhancing the capacity of one community based rural marketing organisation (iv) organisational capacity building of NRIDCCS. The project is focused on the production of chilli pepper since it is a drought resistant cash crop which is not being consumed by elephants, as has happened with other crops. It is also not very vulnerable to pests and diseases.

The aftermath of the post election clashes has seriously affected the results achieved in the bridging period, and the effectiveness of the interventions has been very limited. Still, NRIDCCS has developed submitted a new proposal to ICCO for the period 2008-2010 which was awarded. However, during the implementation of this program, the ongoing insufficient delivery of results has forced ICCO decide to cancel its financial support to the project early 2010. ICCO has decided to continue supporting the chilli farmers, however in a different set up with a BDS provider in the lead of value chain development, who has contracted NRIDCCS to assist with the mobilisation of the community.

The project under review is part of a larger programme and several financings of ICCO. In this report we will assess the expected outcomes and impact compared to what is stipulated in the contract for this bridging period. However for better understanding we will consider the wider context and also look at the projects before and after this bridging contract.

Simplified result chain

Below we describe a simplified result chain of NRIDCCS's overall economic programme, based on the proposal and interview with staff. The general concept of the project is to promote the farming of chilli, a new commercial crop in the region, which will be sold to a large processor collectively and this way generate increased incomes for the farmers.



FINDINGS

In below sections we report the findings on the inputs, outputs, outcomes and impact; these are based on:

- ⊙ Review of the (available) project documentation, from ICCO
- ⊙ Interviews with PME and VCD coaches
- ⊙ Interview with project staff at NRIDCCS
- ⊙ 2 focus group discussions with farmers

Inputs

Financial inputs

ICCO provided EUR 38,204 for this bridging period, and has been the only contributor.

The inputs of this project can be roughly categorised as presented in the table below, based on the budget. 35% is spent as overhead costs such as administration and office. 62% of the inputs is used to mobilise the NGO with the required internal resources to execute the project (e.g. staffing) and only a very small percentage (3%) is spent to directly support the beneficiaries.

Input	Percent of total funding
NGO overhead	35%
NGO services	62%
External project costs	3%

Non-financial inputs

The ICCO/KIA relation manager has spent time and resources to explain the NGO staff on LMD knowledge. They have also organised annual partner meetings to allow exchange between all ICCO/KIA FED partners, and capacity building activities (trainings) on local market development and value chain development.

Reporting to ICCO regarding this financing has been very late and meagre. The project final report has been received only April 2009 (almost one year after ending of the project) and the project has been administratively closed after September 2010.

Outputs

Outputs in general can be distinguished in the following three categories (estimate based on financial reports until September 2010); a large share of the budget is spent on training activities (60%) 30% on mentoring and advocacy activities (value chain working groups), and finally 10% was spent on direct funding of beneficiaries.

Output	Percent of total funding
Trainings	60%
Coaching, mentoring and advocacy	30%
Direct funding to beneficiaries	10%

The project is focused on four different areas of intervention; farmers groups, farming business environment, peace/conflict resolutions and finally the institutional capacity of NRIDCCS. The contract does not stipulate the exact activities that will lead to the result agreements. However in the budget, 5 different activities are mentioned. They are described in the table below, as well as the findings regarding their implementation based on interviews and the final report.

Activity	Findings
1. Training on production planning and drought management	150 farmers have been trained
2. Train on group dynamics, gender and record keeping	No separate training because of time constraints, but combined with agronomic trainings
3. Facilitate the formation of marketing organizations	19 TOMS leaders have been trained however not TOMS not performing well.
4. Support agricultural forums	Around three field days were held, value chain working group was not implemented
5. Strengthen the program implementation capacity	This activity was not executed because of time constraints and an unstable work environment.

However, unplanned activities took place to deal with the instable political situation, namely relief distribution to people affected by the violence, staff capacity building on conflict management and mitigation and peace building processes.

Outcomes

The contract stipulates 3 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreements	3	0	1	2

The three result agreements in the contract are the following:

- 20 stable farming groups (400 farmers) strengthened and engaged in chilli agribusiness farming
- Enhanced capacity of one Community based rural marketing organization
- Programme/Institution capacity of NRIDCCS is strengthened and performance improved

Based on discussions with NRIDCCS staff, the coaches and focus group discussions with the beneficiaries, we have made the following observations with respect to these result agreements. One has to keep in mind that the bridging period took place at the time of the post election crisis, which has seriously disrupted the implementation of the planned activities.

1. 20 stable farming groups

There is no information about the number of farmer groups that are strengthened and engaged in chili farming. Only 150 farmers have been trained, therefore the outcome will not have been achieved.

2. Enhanced capacity of one CBO

It is not clear what actions have been taken by NRIDCCS. TOMS leaders have been trained, however NRIDCCS questioned the performance of the organization and indicated to have stopped working with them at that time.

3. NRIDCCS capacity strengthened

The capacity of staff was strengthened in the field of peace building and conflict management, since the circumstances asked for priority in strengthening these competences of staff, more than capacity on monitoring and evaluation and value chain development.

Impact

Since this contract was preceded and followed by other contracts, it is very difficult to measure the impact of this 6 month bridging contract on the target group. A strong contribution of NRIDCCS has been to promote growing a commercial crop like chilli. Today, around 200 farmers are growing chilli and 100 of them are able to supply chillies to the buyer at a regular basis. It has taken many years for NRIDCCS to convince the farmers to start growing chillies; however NRIDCCS staff did not have the right competences to successfully link the producers to the market. ACD, a BDS provider, has been contracted after the ICCO-contract with NRIDCCS was ended and managed to establish a trade relationship with MACEfoods, a local processor of chilli. Eventually the farmers will work with this company on a contract farming basis.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project is **moderately efficient (+/-)**, since there are indications that the resources have been used inefficiently.
 - o The project is **moderately additional (+/-)** since without ICCO support the partially achieved outcomes would not have been realised.
- The project was **not effective (-)** since most of the agreed outcomes are not or partially achieved
 - o The project was **not sustainable (-)**
- The project **was not really relevant (+/-)** since hardly measurable impact was being felt at the target group
 - o The project is has a **high attribution (+)** since the funding was exclusively from ICCO.

The arguments for the above conclusion are as follows:

Efficiency

There are indications that the resources have not been used efficiently. Besides the post election crisis that has affected the efficiency, the overhead was relatively high. Also, the management structure of NRIDCCS has proven to slow down decision making processes at NRIDCCS. The level of involvement of the board (composed of bishops and other church related officials) is relatively high and makes the organization a hierarchic one. However the execution of an innovative economic program requires swift and fast decision making and more space for the staff to operate and innovate.

Additionality

The project was moderately additional; the promotion of growing commercial crops has been new to the farmers, and probably without the efforts of NRIDCCS the small results that could be measured, would unlikely have come about.

Effectiveness

Most of the result agreements as included in the contract were not achieved. However, NRIDCCS has taken the initiative to adapt its activities to the circumstances and has given more priority to training its staff on peace building.

Sustainability

The few outcomes from this bridging contract with NRIDCCS are not sustainable. During the programme 2008-2009 the farmers were given more support, however still the results were insufficient to continue the cooperation with ICCO.

Relevance

The project has not been very relevant, from the point of view of local market development. NRIDCCS managed to mobilise farmers and provide some initial training to them. The impact on the target group as results of this project has been minimal, although it is difficult to measure what will be the long term impact of NRIDCCS' activities to mobilise and motivate the farmers.

Gender relevance

NRIDCCS provided elements on gender in their training curricula, and tries to have an equal balance of male and female beneficiaries.

ICCO Attribution

The attribution of ICCO to this project was 100%

ICCO monitoring protocol

Date of monitoring by ICCO: 28-07-2009 (Realisation End)

Intervention	Proposed outcome	Proposed	ICCO score	Realised ending (ICCO)	at	Realised (Findings)
Alliance output						
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	1	Poor	0		0
MO-a	Number of partners that develops or implements business development services and vocational training programmes	1	Poor	0		0
Partner output						
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	1	Poor	0		0
MO-a	Number of programmatic chain interventions that is developed by partners and actors	0	Poor	0		0
Outcome						
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	400	Poor	200		0
MO-a	Number of members of formal and informal groups	0	Poor	200		150

We would have filled the M&E table similar to the ICCO officer, except for the number of farmers that has consolidated or increased its income from the LMD activities that took place in this bridging period. We only know that 150 farmers have been trained, but this does not mean that they have actually increased their income from chilli farming. Even at the time of the field visit, only 100 farmers are currently successfully selling chillies.

FINDINGS ON 01-01-04-034 - PROGRAMME 2008-2009 FARMERSOWN

GENERAL

Project data

Country	Kenya
Start date:	July 2008
Closing date:	28 feb 2009
Project partner name:	FARMERSOWN
Name of the project:	Programme 2008-2009
Total budget of the project:	107,718 EUR
ICCO/KIA share in project budget:	107,718 EUR
LMD % of the project:	100%
Intervention strategy:	60% DAB, 40% MO

Overview of recent ICCO Financial support to partner

Period	Project name	Budget
2005	Sunflower seed project Western Kenya	€ 15,071
2006-2008	Programme 2006-2008	€ 900,000 (budgeted) € 300,432 (paid) *
2008-2009	Programme 2008-2009	€ 107,718

**The information in Dynamics and in other documentation on the payments under programme 2006-2008 are inconsistent. In Dynamics and the project plan of 01-01-04-034 it is mentioned that 600,000 EUR has been transferred to FarmersOwn, whereas the database extracted from Dynamics mentions 300,432.*

Project Summary

Farmers Own Trading has been registered in Kenya as a not-for-profit marketing organisation, with a charity sister organisation in the UK (Farmers Own Ltd.). Farmers Own was created to support farmers' organisations to improve their access to local markets. The organisation works with farmers in 4 districts in Western Province in Kenya (Bungoma, Busia, Lugari and Teso). The Western province is one of the poorest regions of the country, but has a high potential to develop its agricultural sector. ICCO has established field offices in Busia and Bungoma, and a head office in Nairobi.

The concept of the project is that farmers will build their own businesses, by having increased capacity in organisation, management and marketing. This will enable them to increase the profitability of their farming activities. Farmers Own will strengthen the farmers organisations (FAAs) with the aim that they will be able to meet the requirements of the local market and are able to successfully negotiate on prices and contracts without assistance of Farmers Own.

The objective of Farmers Own to assist farmers on their way out of poverty by growing and trading food crops which are selected and marketed by Farmers Own. This way, Farmers Own acts as an intermediary between the farmers' organisations and large buyers. Farmers Own would initially take care of the cheap provision of seeds to the farmers (procured in bulk) and negotiate contracts with the buyers. For training and extension, the government agricultural extension service will be linked up with.

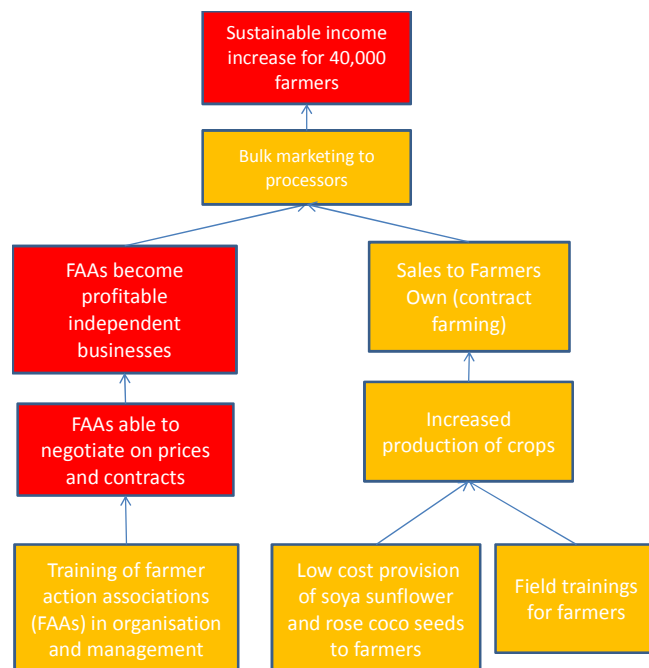
Crops include sunflower, soya and peanuts, to be sold to local oil processing industry. These crops were identified by ICCO to have high potential in this region (Economic Mapping by ICCO (2005)). The project started in 2006 with the ambition to in 5 years time provide income to more than 40,000 households of more than 1 USD/day.

For this third year (programme 2008-2009) an adapted business plan has been developed, because the results in the first two years were insufficient. The payments under the contract Programme 2006-2008 have been stopped halfway because of internal organisational problems, as well as the post election clashes, that have affected the region and the project implementation very seriously. This last payment in the third year is meant to phase out the support from ICCO early 2009, to assist the farmers in their last planting season and give Farmers Own time to look for other donors. The partnership will be ended

because of a different vision on the sustainability and management of the organisation. The final funds will be used to strengthen the farmers organisations, support the farmers to plant under contract to Farmers Own soya, sunflower and rose coco.

Simplified result chain

Below we describe a simplified result chain, based on the proposal made to ICCO. The general concept of the project is that by training of farmers ,which are organised into action associations, low costs provision of inputs (on contract farming basis), the farmer will supply large quantities of soya, sunflower and rose coco to Farmers Own Trading, which will sell to a large processor and shares the profit with the farmers. Eventually the associations become independent, and this way the contract farming of these crops will provide a sustainable income for 40,000 farmers in Western Region.



FINDINGS

In below sections we report the findings on the inputs, outputs, outcomes and impact; these are based on: review of the (available) project documentation, from ICCO, Interview with Tom Were, PME coach for other ICCO partner organisations and interview with former employees of Farmers Own, and fellow development organisations active in the area.

The reporting of Farmers Own about their progress towards ICCO has been insufficient.

Inputs

Financial inputs

ICCO provided EUR 107,718 to Farmers Own as a last payment to phase out the collaboration with the organisation. The payment was made in 2009 and ICCO was the only contributor to this program (100%).

The inputs of this project can be roughly categorised as presented in the table below, based on the budget that was submitted with the proposal. This budget shows that roughly two-third of the financial input from ICCO is spent on NGO costs to enable implementation of the project, such as salaries and wages of experts, 18% of the inputs goes directly to the beneficiaries, in form of trainings and group business development.

Input	Percent of total funding
NGO overhead	12%
NGO services	69%
External project costs	18%

Non-financial inputs

We found no indication of specific non-financial inputs, besides that the responsible ICCO project officer has been monitoring progress and has organised meetings to discuss problems and concerns.

Outputs

Outputs in general can be distinguished in the following three categories (estimate based on budget): training as well as coaching and advocacy such as (field visits and trials) has been one of the main spending destinations.

Output	Percent of total funding
Trainings	40%
Coaching, mentoring and advocacy	40%
Direct funding to beneficiaries	20%

Since there is no final financial report available, it is not known whether the activities as mentioned in the proposal and budget have actually been executed.

Outcomes

The contract stipulates 5 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	5	0	1	4

The three result agreements in the contract are the following:

1. Farmers Own will strengthen the farmer organisations (FAAs) so they will be able to negotiate on prices and contracts with business and traders without assistance by Farmers Own.
2. Farmers Own will strengthen the farmers' organizations so they can meet the requirements of the local market.
3. 2800 farmers will be enrolled as active FAA member and will grow soya, sunflower and/or rose coco
4. 1525 acres of will be planted under contract to Farmers Own (200 acres of soya, 1,400 acres of sunflower, 25 acres of rose coco.

Furthermore the following financial agreement is included in the contract regarding sustainability;

5. Farmers Own will be pro-active to attract new donors so the planned program can continue after phasing out by ICCO early 2009.

Reliable information about whether these agreed results have been achieved is absent. We do want to make the following general observations, based on the ICCO documentation, and interviews with two former employees of Farmers Own and Mr. Tom Were;

- ☉ In the beginning of program, Farmers Own was working around 1,000 farmers growing sunflower. 120 MT was delivered to Farmers Own. Since 2007 staff started leaving and Farmers Own continued with less coverage. Formally also the last office has closed March 2009. A former employee that has been working as agronomist until march 2009, estimated the number of farmers that have actually benefitted from the project in terms of incomes to be around 100. 20 farmer groups are still existent and now enrolled in different programs.

- ⊙ Since the project management has not shown transparency towards the farmers, eventually the farmers have lost trust in the objectives of Farmers Own being not-for-profit. It has not been clear to the outside world whether it is an NGO or a company.
- ⊙ Poor leadership of the organization has led to a large transition of staff. This has been negatively affecting the implementation of the project. The communication between the management and the field staff members was insufficient, which created inappropriate instructions from the management which did not match the situation on the ground. One example that has been given by a former staff member, is the fact that farmers were told to change to growing a different crop although they were not willing to. The change in focus from one crop to another has created

Besides issues with respect to the project management, there are some external factors that have seriously affected the performance of the project:

- ⊙ Climatic factors; serious droughts have affected the region, which spoiled harvests and demotivated the farmers.
- ⊙ The region where Farmers Own was active has been most seriously affected by the post election violence late 2007 /early 2008. The clashes have seriously disrupted life and economic activities, even years after the violence had started. The Busia office has been closed in 2008 and did not re-open.

Impact

Since the evaluation team has not been able to contact the partner organisation's former management or staff, prior to the field visit, it has been very challenging to make appointments with the former beneficiaries of the project. In the field we have managed to speak to a former employee of Farmers Own, and he could have facilitated meeting some of the farmers, however since their location was quite remote, it became logistically impossible to set up a focus group discussion within the time available.

Therefore we cannot make strong conclusions regarding the impact of the intervention. There is no report from Farmers Own with information about the number of farmers reached. Based on the interview with the former Farmers Own employees it was confirmed that some of the Farmer Action Associations, that had been created or strengthened by the project interventions still exist today. However some of them are now supported by other agricultural development projects, so their presence does not demonstrate that the farmer organisations are able to operate in a feasible and profitable manner.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project is **not efficient** (-), there are indications that the resources have been used inefficiently
 - The project is **partially additional** (+/-) since without ICCO support the planned outcomes would not have been realised.
- The project was **not effective** (- -) since the envisaged outcomes were not achieved.
 - The project is **not sustainable** (-)
- The project **was not relevant** (- -) since the impact on the target group is minimal
 - The project is has a **high attribution** (+) since the funding was exclusively from ICCO.

The arguments for the above conclusion are as follows:

Efficiency

We rate the efficiency of this project as low, since the targeted number of farmers has not been reached as planned. Also the management structure of the organisation and the communication between management and field staff has been insufficient.

Additionality

The project intervention has been partially additional, since ICCO contribution has supported the efforts of Farmers Own have contributed to the organisation of farmers in groups, and have received some agronomic training. Government initiatives are ineffective in this region and other initiatives are minor in this remote area.

Effectiveness

The project has not successfully achieved one of the results as agreed in the contract, or was not able to report on it. Therefore we rate the project as being highly ineffective.

Sustainability

The project intervention has proven not to be sustainable; some of the groups are still existent, however these are now supported by other donor initiatives such as CIP.

Relevance

Since outcomes have not been achieved and no impact was measured or known in the field, we rate the project to be very irrelevant.

Gender relevance

The objective was that Farmer Action Associations that Farmers Owns works with directly, were supposed to have an equal representation of men and women in the various layers of management. Also Farmers Own as organisation had a gender policy in the organisation and strived for an equal balance of men and women among staff. The evaluation team did not obtain proof on whether this has been successfully implemented.

ICCO Attribution

ICCOs attribution of to the project was high since ICCO was the only contributor (100%)

ICCO monitoring protocol

Date of monitoring by ICCO: 30-11-2009 (realisation 2)

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 1 year	Realised (Findings)
Alliance output					
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	1	n/a	0	0
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	0	n/a	0	0
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	2800	n/a	0	0

CASE STUDIES THE PHILIPPINES

BACKGROUND INFORMATION LMD IN THE PHILIPPINES

Market situations for small producers

In the Philippines, nearly half of the population is living on less than 2 dollars a day. Most of these poor depend on subsistence agriculture and fisheries for their livelihoods. The agricultural sector offers a potential to develop into a driver of rural economic growth, however, the government neglects the sector and commits a declining budget to agriculture. Anti-poverty programmes of the government like the agrarian reform programme are ineffective to reduce poverty, since they are more sensitive for the interests of landlords and the corporate sector. The poor enabling environment makes it difficult for small producers to access the local and national markets.¹⁰ Engagement with the private sector seems necessary; however the terms of engagement are often not favourable for small producers. Recently though, the emerging CSR policies provide some new opportunities for fairer partnerships.

The country is rapidly developing, but the equitable distribution of this increased incomes is unbalanced. The gap between the rich and the poor is the highest of all Asian countries, and creates tensions which hamper rapid and equitable development in the country. Civil society organisations play a strong role in pro-poor development initiatives; however they are often divided along political affiliation, which affects the level of cooperation.

The development of niche markets such as Organic and Fair Trade is limited because of national certification bodies that are not officially recognised and have a limited coverage.¹¹

Overview of ICCO's support to the Philippines

ICCO is active in the Philippines for over 40 years and has during the MFS1 period supported around 15 partner and network organisations, with a total of 44 projects. This makes the Philippines the largest "LMD-country". The activities have been focused on areas Negros, Samar and Mindanao, and will support a selection of value chains. These value chains are muscovado, seaweed, organic banana and organic rice. ICCO has initiated the use of the concepts of sub-sector analysis and value chain development as tools to support the development of these value chains and the equitable distribution of benefits along the chain. However, many of the NGOs have a strongly anti-capitalist background, as noted in the country planning, and LMD has been a new approach to development.

The objective of the LMD program in the Philippines is to

- Improve the socio-economic position of small producers
- Give direct chain actors a better position within the value chain and to improve their security of income
- Influence policies through lobby and advocacy to create a business environment that is conducive to small producers.

ICCO has had a strategic cooperation with Oikocredit (to provide business loans and guarantees); land reform network; PHILSEN network, regional value chain coalitions, marketing organisations and BDS providers. The LMD programme is implemented in close cooperation with FS and SB programme, as well as Democracy and Peace building programme.

The ICCO Alliance is acting as a broker in promoting linkages and exchanges between different value chain stakeholders and initiatives; as capacity builder to coordinate and support capacity building initiatives of NGOs, small producer organisations and cooperatives; as Communication and Lobby expert to support the lobby activities of the thematic networks; and as strategic financier.

¹⁰ Programma plan Philippines, 2008-2011

¹¹ MFSII proposal ICCO Alliance (2010)

FINDINGS ON 01-02-06-012 - PROJECT LAND AND WATER RESOURCES DEVELOPMENT

GENERAL

Project data

Country	The Philippines
Start date:	01-01-2005
Closing date:	31-12-2007 (with prolongation to end 2008)
Project partner name:	PRDCI
Name of the project:	Land and Water Resources Development Project
Total budget of the project:	€ 463,056
ICCO contribution:	€ 463,056
Share LMD	100%
Intervention strategy	50% DAB, 50% MO

Overview of recent ICCO Financial support to partner

No other ICCO support registered in Dynamics; however, several fundings since 1999.

Project Summary

PRDCI is a spin-off of the Philippine Peasant Institute, founded in 1996, and focuses on poverty alleviation in the Magapa-Suague river basin. In this area on the island of Panay, the rural population suffers from the lack of land and water rights, lack of irrigable land and environmental degradation, which PRDCI aims to reduce with its Magapa-Suague River Basin Development Project. This project has been funded by ICCO since 1999, and has been the main source of funds for the organisation. At its peak, the organisation employed around 12 full-time employees and is based in Iloilo City, Panay.

The project is the third financing that PRDCI has received for the objective of improving lives in the Magapa-Suague River Basin. In the river basin farmers suffer from the lack of land rights, water rights, an underdeveloped irrigation infrastructure, and progressing environmental degradation, due to high-chemical agricultural practices, and pollution in the river. PRDCI has sought to develop a programme that addresses these issues and offers better living conditions and income for the target group. In the preceding

The first ICCO-funded initiative (1996-2001, EUR 462,345), defined the problem and scope of the project in terms of programs and area coverage. From a few barangays in Janiuay the project eventually covered the entire Magapa-Suague River basin that is more than 260 square kilometers wide and shared by 6 towns, namely: Janiuay, Maasin, Badiangan, Mina, Pototan and New Lucena. The second financing (2001-2004, EUR 517,269) was titled The Magapa-Suague River Basin Development Project and focused on organizing and mobilizing the river stakeholders, promotion of sustainable agriculture and piloting the gender mainstreaming concept that was developed during the extended years of the first term. The third and final ICCO financing (2005-2007, extended to 2008) funded further building of the capacity of stakeholder organizations to enable them to sustain basin development initiatives. Furthermore, mainstreaming sustainable agriculture with farmers and in local governance and development of community based enterprises of partner POs were objectives.

In the third financing, PRDCI implemented four major programs: Land and Water Development Project, Asset Reform and Enterprise Development Project, Productivity and Income Enhancement Project, and an Organisational Development component.

1. The **Land and Water Development Program** is primarily focused on the rehabilitation of the Magapa-Suague river basin, and in the maintenance and management of the environment and ecosystems along the river banks, aimed at (a) improving the quality and supply of water for agricultural activities within the immediate vicinities, and (b) the protection of the environment. The project provided financial and technical assistance to the Magapa-Suague River Basin Management Council (MSRBMC), to the Magapa-Suague River Rescuers' Club (MSRRC) and the Women Leader Facilitators (WOLF).
2. The **Asset Reform and Enterprise Development Program** has two key components – (i) the provision of assistance to the farmers who have not fully received their due benefits from the Philippines' Land

Reform Program (LRP) and the Comprehensive Agrarian Reform Program (CARP) and, (ii) the establishment and capacity building of peoples' organizations (POs) to promote community-based enterprises (CBEs) and income generating project (IGPs).

Under the Asset Reform component of the program, the farmers are assisted to ultimately receive their entitlements from the LRP/CARP programs which are designed to provide titles and/or legal rights to the land they previously farm as tenants of large landowners. These farmers were organized by PRDCI and assisted by way of facilitating meetings with and representations to the government agencies tasked with the aforementioned programs, and in the proper compilation of the appropriate legal documents/requirements. The aim is to enhance the potential for increased productivity (freedom to engage in different agricultural practices, sense of ownership) and income (by way of reducing the lease paid otherwise).

The enterprise development component focused on assisting the establishment of Producer Organizations (POs), by means of technical and financial assistance for capacity building of the POs and the promotion and development of community-based enterprises and livelihoods. Also, PRDCI attempted to develop a marketing cooperative (Organiks) to handle the sales and marketing of organic produce of the supported farmers.

3. The **Productivity and Income Enhancement Program** introduced and supported the organic farming technology and designed/promoted the cluster-growing strategy to the agricultural workers. This included a season-long training for a group of 655 farmers in organic farming, and a programme to develop market-sensitive cropping patterns (so that farmers would produce more in accordance with the needs and prices on the market).
4. Finally, the financial support of ICCO also had an **Organisational Development** component; aiming at improving staff skills, resource mobilisation skills and networking. The objective here was to support PRDCI's future ability to continue operations once the ICCO support has ended.

The third financing was also meant to ensure the sustainability of both PRDCI and its programmes and member organisations; ICCO had decided to shift its geographical focus away from Panay Island, and therefore funding, at least by ICCO, would not continue after the end of the programme.

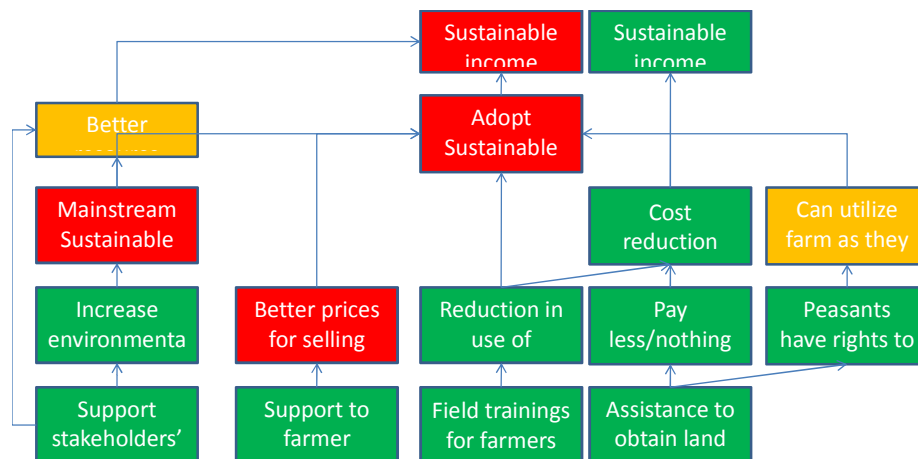
Implementation

Over the period 2005-2008, the project has seen many ups and downs, and mixed results of its approaches and activities. The institutionalisation of the stakeholders has been supported by means of facilitation and financial support; the Basin Council, through its Board of Trustees, has developed several initiatives, and gathered quarterly, and raised a limited amount of resources from local governments. The Youth organization ("Rescuers Club") expanded its membership base significantly, and undertook awareness and advocacy initiatives during the period of implementation. Women Leader Facilitators established 3 municipal chapters that were recognized by municipal governments as lead groups for gender and development efforts. At the same time, the Council did not become a factor in local decision making, and became inactive once the funding of PRDCI ended. The mainstreaming of sustainable agriculture with local authorities did not succeed, as did the various efforts to develop coalitions and cooperation amongst farmer associations and other sector groups. The Youth movement had an effect on the mind set and on the environment, and achieved a significant membership during the project lifetime; however, activities stopped with the end of PRDCI funding.

The asset reform programme did assist over 500 farmers with earning their rightful entitlements, or at least improved their legal position, thereby leading to a substantial and significant enhancement of their income, and wellbeing. The piloting of organic agriculture with 655 did result in improved incomes (by reduced cost), and a better environment, initially. However, most farmers reverted back to a mix of organic and chemical agricultural practice once the technical and in-kind support ceased. The support to the POs did help stabilize or increase the membership, and generate beneficial services for its members, but few, if any managed to become self-sustaining after 2008. The planned common marketing arm, Organiks did barely come off the ground, and has ceased operations by now.

Developing collective marketing and farming practices did not work out as planned due conceptual reasons, as well as external impacts, such as extreme weather and a typhoon. The latter also meant that PRDCI concentrated on relief efforts for a significant period of time, and much of the project area has had to recover from landslides and destruction before the planned programme could resume.

Simplified result chain



FINDINGS

Inputs

Financial inputs

Year	2005	2006	2007	(2008)*
ICCO payments	160,000 €	160,000 €	143,056 €	(89,036) €

*) 2008 was not originally planned; in this year left-over budgets and exchange rate gains from previous years were utilised; these are not additional, but part of the budget in the preceding years.

The inputs of this project can be categorised as follows: most of the inputs has been coming from the NGO, 51%; roughly a quarter has been used for funding beneficiary organisations, activities of the target group (events etc.), and another 24% has been used as overhead, which includes the organisation development expenses.

Input	Percent of total funding
NGO overhead	24%
NGO services	51%
External project costs	25%

Non-financial inputs

PRDCI did not receive a specific training from ICCO, or local ICCO staff on how to develop and implement LMD/VCD programmes. Visits by ICCO staff were very limited; staff considered their project to be “the least visited project” in the Philippines. One reason, PRDCI thinks, is that ICCO had already decided to leave the area (Panay island), and hence saw no strategic interest in developing capacities of PRDCI. Another aspect may have been that the organisational review of PRDCI is very positive, and therefore ICCO may not have seen much need for TA. PRDCI has not formally requested support either.

During implementation, a major Typhoon has impacted the project areas, and shifted priorities; subsequently PRDCI refocused activities and raised funds from Christian Aid and others for rehabilitation efforts. However, these efforts were not related to the objectives of the ICCO financing.

Outputs

The implementation of the three programs of PRDCI produced the following outputs during the period 2005 to 2007. It should be noted that while these were contained in the PRDCI reports and discussed during the interview with the evaluators, not all of these outputs could be validated in depth.

Outputs in general can be distinguished in the following three categories (based on the budget): training has been the main spending destination, followed by coaching (in the broadest sense of the word); externally funded actions have been accounting for a third of the budget.

Output	Percent of total funding
Trainings	43%
Coaching, mentoring and advocacy	24%
Financial support to beneficiaries	33%

Outputs by PRDCI

As program implementers, the outputs can be classified into three categories namely:

- ☉ **Advocacy** which includes the mobilization and/or establishment of relevant organizations and the funding of activities promoting the objectives of the programs;
- ☉ **Capacity Building** which covers the provision of training, funding and other resources to individuals and organizations involved in the programs, and
- ☉ **Legal Assistance** for a group of beneficiaries of the agrarian reform.

Component-wise, the four components are distributed as follows:

Component Name	% of budget, excl. overhead expenses
Watershed rehabilitation	29%
Productivity and income enhancement programme	33%
Asset restructuring and enterprise development	18%
Organisational development	20%

Advocacy

Under the *Land and Water Development Program*, three major relevant organizations were assisted. These are the Magapa-Suague River Basin Management Council (Basin Council) which is composed of representatives from various stakeholders from the public and private sectors; the Magapa-Suague River Rescuers Club (MSRRC) which is composed of youth environment activists; and the Women Leaders Forum (WOLF) which is comprised of women involved in education, peoples' organizations and government officials. PRDCI also provided financial support for the holding of several celebrations with relevant themes and promoting environmental awareness amongst the communities along the river bank, and within the municipalities crossed by the river. These activities are the annual Magapa-Suague River Day celebration held every June, the International Rivers Day every September, and several environment themed activities where the youths were mobilized such as the semi-monthly river clean-up project, biodiversity inventory project, tree planting, etc. PRDCI also provided financial assistance for the production of literatures and materials used by the various organizations involved in environment education and awareness. Some very good examples of these materials are the Teacher's Handbook on Watershed Management, and the Training Modules for the regular and incoming members of the youth's river rescuers club (MSRRC). PRDCI also funded the MRRC in its advocacy work via the holding of cultural presentations during the period 2005-2007.

Under the *Productivity and Income Enhancement Program*, PRDCI assisted its partner-farmers' organizations in the promotion of its organic products via facilitation of involvement in trade fairs held in two major city malls in the capitol, and in agriculture and farm exhibits during a town fiesta. PRDCI also worked with a local government in the establishment of a demonstration farm which showcased organic farming technology. In 2007, PRDCI introduced the cluster growing schemes for farmers. This is known as the "market-sensitive production scheme" which aimed to encourage farmers to practice inter-cropping in groups or clusters, and maintain a steady supply of produce to prevent steep fluctuations in prices.

Capacity Building

PRDCI provided technical and financial support for the holding of the youth summer camps for the MSRRC members in 2005 -2007. These youth summer camps oriented/trained the incoming members about their mission and the attendant responsibilities. It also provided the venue to assess the capabilities of the members in various levels for promotion to the next level. PRDCI also financed the MSRRC training

program for youth leaders, and the mobilization of the youth for the bio-diversity measurement activities along the river banks which was intended to provide the materials for a book about the ecosystem along the Magapa-Suague river basin. Funds were also regularly contributed towards the “meeting expenses” of the regular assembly of the Basin Council, and for trainings to improve the capacity of the Council to manage the stakeholders in the *Land and Water Development Program*. A core group of environmental educators, consisting of teachers, was also formed through various workshops and seminars funded by PRDCI.

Towards the *Productivity and Income Enhancement Program*, PRDCI provided technical and financial assistance to organize farmer cooperatives and relevant people’s organizations, train its members on such diverse topics as basic leadership, basic finance management and bookkeeping, organizational management and project development and management. Financial assistance and networking were also provided to train municipal agricultural technicians on organic farming technology and sustainable agriculture. There were 8 agricultural technicians co-funded with the municipal government to train on organic farming and other sustainable agricultural methods; 655 farmers in selected communities along the river bank were also directly trained and used as the core group to influence the entire target group. Several community-based livelihood projects were also assisted under the peoples organizations, notably KAMI and SAYOA. These enterprises are: (a) Pickles Project, and (b) Meat Processing, and the (c) the pilot of a Vermi(worm) composting project which involved the recycling of bio-degradable wastes from the public market of a selected community and the use of vermi to produce organic fertilizers. PRDCI also provided practical training for members of farmers’ cooperatives on the production of organic fertilizers, as well as provided the seed worm population for individual projects.

Legal Assistance

PRDCI assisted farmers and farmers cooperative to secure land tenures under the Philippine government’s Land Reform Program (LRP) and Comprehensive Agrarian Reform Program (CARP). Said programs were aimed at providing land ownership and/or lease-hold titles to small farmers and agricultural workers who have been long-time share-tenants in large farm properties. Interviews with the PRDCI management revealed that it has been assisting 200 farmers under the CARP and 300 under the LRP. The assistance provided include funding the costs required to facilitate meetings with the relevant agencies implementing the CARP and LRP, legal assistance in the completion and validation of documents required from the farmers and the actual costs of manpower to assist/tutor the farmers in the completion of said requirements.

Organisational development

Here, activities resulted in staff capacity building mainly through a number of exposure visits outside the project area, seminars and conference participation. Efforts were also made to gain new funding, following the ICCO programme.

Outcomes

The contract stipulates 5 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	5	0	2	3

The five result agreements in the contract are the following:

1. Strong stakeholder organizations capable of sustained positive initiatives towards sound management of resources within the basin
2. Local governments at the barangay (village), municipal and provincial levels adopting Sustainable Agriculture (SA) as an approach in improving rural productivity and income
3. Secure land tenure of at least 400 farmers and farm workers that empowers them to adopt Sustainable Agriculture technologies
4. Strong gender responsive partner POs with viable enterprises that strengthen SA in the basin
5. Enhanced reputation of PRDCI as a credible and effective institution in rural development in Iloilo province, Western Visayas and elsewhere.

The team of evaluators has spoken to two focus groups, comprised of farmers, PO staff and youth movement representatives, next to PRDCI management, and former PRDCI staff members that have implemented the programme. Based on these interviews, and the documentary evidence, the outcomes can be described as follows:

Result 1: Strong stakeholder organisations

During implementation, the Basin Council, PRDCI's main target of support, has been active and developed a voice within the policy decision making process regarding environmental and agricultural development issues that affect the river basin's population. However, PRDCI considers that it has not developed to be a "critical factor" in decision making. The Basin Council has been managed mostly by PRDCI (who ran the Council's secretariat during the project's duration), but has not developed much capacity of its own. Individual leaders/members have gained knowledge and experience from the support in terms of capacity building and from the actions of the Council, and were better in analysing, agreeing and articulating the issues vis-a-vis the local and provincial governments. Also, awareness among key stakeholders has been increased. Some actions, during River Day festivities, have resulted in the planting of 178,099 trees in deforested areas. However, there is no strategic plan for the Council, and support from local/provincial government has remained very limited (around EUR 3,000). A plan to generate funds from its member(-organisations) has not materialised. It is not clear whether there are new policies in place or decisions made where the River Council can claim a direct and significant influence.

When ICCO funding ceased in 2009, the activities of the Council stopped as well, since there was no more funding for organising events, and resources for regular meeting of the members.

The River Rescuer's club has been very active and involved over 2,000 youth members during the project; the actions of this youth organisation were leading to clean-up operations, which in turn had a very positive effect on the population living along the riverside: not only was the river cleaner, a mentality change resulted, since the potential polluters were also parents of the youth club members that had cleaned the area before. School education has been taking up the environmental issues facing the river basin, through teachers and pupils involved in the movement. Also, many of the graduates that have been either in the movement, or been friends and class mates, have taken up positions in local administration, and may influence future decision making on environmental matters. Awareness, overall, has certainly increased as a consequence of the Rescuer's Club. Another action involved the adoption of 10 ha of land for tree growing, where local landowners contributed land to the youth movement who planted seedlings for reforestation.

However, with the end of ICCO's funding, the Rescuers' Club has stopped operating as well, to a large extent. There are some informal activities, and the former members are still aware and engaged with the issues; also, schools still use the environmental education parts of the curriculum, especially where former youth leaders are teaching (science clubs). However, the river pollution has returned; firstly, because there is no longer a "social pressure" not to throw garbage into the river (since youth members are no longer active) and internal migration from rural areas to the heavily populated areas along the riverside is high, and new migrants feel less or no inhibitions to pollute the river.

The women's movement has not been a major activity, so outcomes have also been more modest; these include regular gatherings, leading to more cohesion among the participants. Relations with local government were established, although there is no concrete result of this as yet. WOLF did formulate a women agenda, and was recognised as a women representation by three local government units. Since the end of the project, no further development seems to have taken place.

Other stakeholder organisations supported (e.g. KAMI, a rural coalition of various associations and NGOs) did not come off the ground due to lack of interest and ability.

Result 2: Mainstreaming Sustainable Agriculture (SA) in local governments

Despite intense efforts, SA has not been mainstreamed among local governments, largely due to a lack of understanding and awareness and ambition by the local politicians and staff. In one municipality the entire agricultural staff had been trained during the season long field training on SA, and a demonstration farm

has been used to showcase the results of SA to decision makers. A programme of sustainable agriculture was presented to the legislature, but eventually not adopted.

Another major effort has been a season-long field training with 655 farmers on sustainable agriculture; This has been done through a field training, with trainers from PRDCI. The result has been (although not a formal objective of the contract) that these farmers have adopted SA for that season. During focus group discussions it became clear that (as PRDCI confirms) that very few farmers have continued with SA completely, but most have reduced their use of chemicals in farming. PRDCI considers that chemical inputs have been reduced by 65%, which is confirmed by the members of the FDG. The main reasons that SA has not been fully adopted is the lack of support once PRDCI funding stopped, and the higher labour (-cost) involved with SA. "Low-chem" agriculture though is seen as cash saving, and a health benefit.

PRDCI also started to stimulate organic fertilizer and other low-chem inputs, as well as the sale organic crops, through local cooperatives. However, a first attempt failed, and PRDCI set-up its own operation (*Organiks*), which briefly functioned as a sales outlet. With the end of funding, operations were no longer financeable and operation has now stopped.

Result 3: Securing land tenure

According to PRDCI, 392 farmers were successfully assisted with legal advice in order to obtain their land rights by the end of the programme in 2007, out of a total 622 farmers that were supported. The remaining farmers many were awarded their land rights later, though it is not exactly known how many, PRDCI estimates another 100 farmers may have been awarded land titles. We have not been able to independently verify this result in the FDGs, nor in how far the contribution of the programme was essential to this result. However, it seems possible that PRDCI has contributed significantly here. The original intent, namely to have the newly independent land owners engaged in SA failed largely; only 18 farmers engaged in the season-long training of PRDCI.

Result 4: Strong gender responsive POs with viable enterprises

PRDCI's leadership trainings and other awareness raising efforts have reached a number of leaders of cooperatives and members; however, overall there is no clear picture of what the outcome (e.g. in terms of additional members, activities or services) is. Overall, reporting and FDG suggest that PO leaders are better capable to manage affairs, but without tangible changes of the organisations.

PRDCI has invested in and supported several "social enterprises", being cooperatives that offer a commercial service to their members. In total six such projects were supported (in four different POs), with investments, capacity building, and management support. However, none of the six did result in a viable operation, during the project operation, and thereafter.

Name	Business objective	Result	Reasons
KKMPC	Micro-lending to farmers	Did initially increase lending, but ran into problems, changed management, did not achieve an improvement	Low collection rates, weak management capacity, lack of knowledge on finance
SAYOA	Vermin-composting, as input for organic agriculture	Did not reach a commercial scale, production still minimal	Weak management, no ambition to improve the situation
SAYOA	Pickles growing and sales	Did not develop, at first cooperation with KAMI, which failed, later with Organiks (see below)	Weak management, no entrepreneurial drive
KAMI	Processed meat	After investment, some production; however, stopped due to cash flow problems	Collection of cost from the members did not happen, cash ran out. Weak management, low activity to save the enterprise
KAMI	Marketing	Never took off	KAMI officers allegedly did not hand back money as agreed, did not want to work with PRDCI anymore; breakdown of relationship, and weak structures at KAMI
Organiks	Marketing of organic produce and inputs	Initially, sales were developing, but due to natural disaster turnover fell, and difficulties with staff. Business was given up in 2009	Insufficient time, and volume of trade to make a commercially viable operation, problems with staff

Above results display that investing and developing viable social enterprise is a relatively new activity for PRDCI; in-depth business plans appear not have been made before hand, investments were often very small, perhaps too small to have an effect, and issues like re-earning capital inputs were not considered, according to the FDGs, where two of the POs were present.

Result 5: Enhanced reputation of PRDCI, organisational development

PRDCI did not evolve as an organisation; as of now, PRDCI's staff is at a minimum level (three staff), as fund generation has not been very successful. A common smaller project with Christian Aid has been attracted but several other proposals have been turned down by donors. Activities of the remaining staff are still ongoing to find new donors, but there are not as many opportunities, so that the future of PRDCI is looking uncertain.

Although PRDCI has a good reputation with various LGUs and the provincial government, this has not resulted in funding or an institutional role of PRDCI in government programmes.

Sustainability

In general, as can be seen in above outcome description, most components have not delivered sustainable results; two aspects of PRDCI's work have been sustainable, namely the land tenure activities (because the obtained land rights, and associated benefits are sustainable, and increase income for the tenants), and the reduction in chemical inputs by the farmers that participated in the SA training. All other activities, the watershed rehabilitation, the SA mainstreaming, PO support and PRDCI's own organisational development did either deliver no result, or the outcomes that were achieved proved not to be sustainable.

Impact

The contract with PRDCI states that the result for the target group should be "to develop the income sources of the target group", without any discussion of the size of the expected (net) income increase, nor its outreach.

Based on the above discussion of the outcomes we have observed, and the discussions with the farmers in the FDGs, we can conclude the following:

- ⊙ Net income increases are likely to have occurred with the majority of 655 farmers that have partaken in the SA agricultural training. It seems likely that the cost reductions that the low-chemical style of agriculture brings about are indeed reducing cost. No monitoring data, or baseline exists to quantify that effect, and farmers themselves find it difficult to estimate (also, the reduction effect is differing per farm). For the farmers spoken to, however, the income effect is not a major effect to them.
- ⊙ Another cash benefit has been the legal support; according to PRDCI, savings in land fees can be up to 25% of the gross income per ha, for about 400 farmers (with an average farm size of app. 1 ha). There is no data that confirmed or quantify the total effect; however, it seems plausible that there are substantial cost savings for the supported group.
- ⊙ There are non-cash benefits, such as some degree of higher environmental awareness in the river basin, and better health and environmental conditions in the trained farms.

Beyond the above, the lack of (sustainable) outcomes prevents further impacts on the target group; most of the ambitions could not be realised, or have not been sustainable to create a sustainable improvement of the living conditions for the target group.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project has **been efficient (+)**; there are no strong indications that resources have been used inefficiently, so far we could assess.
 - The project is **additional (+)**; without the support from ICCO, the outcomes (planned and realised) would not have occurred.
- The project has **effective to a very limited extent (-)**; since most outcomes were not realised,
 - The project has a **low sustainability (-)** of the limited outcomes
- The project was **relevant to a very limited extent (-)**; the impact on the target group has been minimal, as only few outcomes could be realised
 - ICCO's **attribution is high (+)**; as the funding was exclusively from ICCO

The arguments for the above conclusion are as follows:

Efficiency

Efficiency is difficult for the evaluation team to assess, ex post. We notice that the programme size is very similar to earlier funding provided by ICCO, which indicates that the budget was a given, and the activities were subsequently filled in order to reach the budget, suggesting – though not necessarily – that the inputs were not minimised in order to achieve the planned outputs. Nevertheless, we found no elements in the budget that would suggest gross inefficiency.

The overhead percentage in the budget (around 18%) seems reasonable, considering that it includes the directors salary, and this financing has been a very complex, multi-component exercise. Also, a significant left-over (though mostly due to unexpected exchange rate gains) suggest that PRDCI was managing funds efficiently.

Decision making within PRDCI seems efficient, and swift. Delays in programme implementation were largely due to external factors, and not likely the consequence of inefficient management.

Additionality

Based on the information in the field, PRDCI's efforts have been additional since without its efforts the achieved results would unlikely to have come about. Government initiatives are largely ineffective in this area, and under-funded, and other donor activities are minor in the area.

Effectiveness

Effectiveness is low; only two of the four components achieved some positive and sustainable results, though less than planned for.

Component	Effectiveness	Sustainability	Relative weight
Watershed rehabilitation	Low, few impacts generated, not sustainable (-)	Not sustainable (--)	29%
Productivity and income enhancement programme	Some outcomes (field trainings), remainder not effective (+/-)	Sustainable adoption of low chem. agriculture, remainder not sustainable (+/-)	33%
Asset restructuring and enterprise development	Effective for the land rights part, remainder not (+/-)	Land rights sustainable, enterprise development not sustainable (+)	18%
Organisational development	Not effective (--)	Barely sustainable (-)	20%
Overall	Low (-)	Low (-)	

The WR component has achieved some of the planned outcomes, but even during the life time of the project there was no strong, or significant impact of the stakeholder organisations, except for the youth movement. All stakeholder organisations, however, stopped their work immediately after the end of funding. The productivity and income enhancement programme really only succeeded in adopting low-chem agriculture; all other efforts have not come off the ground. The investments into and support of social enterprises has been a failure, nothing really ever worked on a significant scale and all enterprises ceased operations either before or latest after the end of the funding. The land tenure had a one-off effect that is lasting; however, the idea that as a consequence thereof farmers would adopt sustainable agriculture did not materialise.

Sustainability

The project has had four components, of which two have had (only partially) sustainable effects: the assets reform programme has resulted in a permanent reduction of cost, and hence increase in income of the farmers that participated in the programme. The productivity enhancement programme, though mostly not sustainable, has however resulted in the less use chemicals in agricultural practice, and in a few cases to use of organic agriculture. Both practices carry income (input cost), health and environmental benefits. The organisational development component has not resulted in PRDCI being able to maintain its size and staffing since the end of ICCO support.

We noticed that there were nowhere any clear ideas or concrete plans how to make PRDCI's initiatives sustainable; even though it was clear that ICCO would leave the area and no more funding would be possible. The only sustainability planning was to find a new donor, which – despite an extra component for this – did not succeed.

Looking at the overall result (weighted by the budget size of each component) of the assessment above, we rate the project as not effective (-), and not sustainable (-).

Relevance

There are only two tangible impacts on the target group, namely from the land rights outcome (leading to a cost reduction) and from the adoption of low-chem agriculture (also a cost reduction). All other possible impacts did not materialise. There has been no explicit target for the size and outreach of the impact, but we consider these impacts a very small improvement of the income to a very limited number of people, if compared to the size of the budget (EUR 463,000).

Gender relevance

The project did focus explicitly on a positive gender effect; trainings and capacity building has been unbiased, and specific gender initiatives (e.g. WOLF) have been undertaken. However, given the low rating of relevance overall, the gender relevance is very limited, too.

Attribution

The attribution of ICCO's funding to the achieved results is high; ICCO was the only funder in this effort.

ICCO monitoring protocol

Date of monitoring by ICCO: 20/11/2008

Intervention	Proposed outcome	Target value	ICCO score	Realised value at closing	Field findings at present
Alliance output					
BB-b	Number of partners that has developed strategies aiming at improving the business climate ('enabling environment') for small producers	1	Moderate (2)	0	0
MO-b	Number of network organisations and / or coalitions that participates in a programme for institutional development of the alliance	0	NA	0	0
DAB-a	Number of partner organisations active as supporter or partner (actor) of chain development	NA	Sufficient (3)	NA	NA
Partner output					
BB-b	Number of issues in the context of "enabling the business environment" that has been put on the policy agenda	0	NA	0	0
MO-b	Number of network organisations and / or coalitions that has developed and advocacy strategy and market intervention strategy	1	Sufficient (3)	0	0
DAB-b	Strong gender responsive partner POs with viable enterprises that strengthen SA in the basin	2	Good (4)	0	0
Outcome					
BB-b	Number of countries where regulations, policies and / or certification mechanism have been adjusted and developed to promote the participation of small producers in local market chains	0	NA	0	0
MO-b	Number of members in networks and coalitions	0	NA	0	0
DAB-b	No information in the system				

Comments on the M&E system values

This project is closed, and out findings are three years older than the last input into the system; hence a comparison cannot be made to validate the information.

However we note the following:

- The information in the system is **not complete**; outcome information and –rating is missing.
- It is puzzling to us why the score on DABb shows on the one hand a score of "good", while it shows that the number of POs is zero (which is correct and in line with the reporting).
- The number of POs in the final report is six, hence we wonder why it is 2 in the system.

FINDINGS ON 76-01-01-018 - PRO-WOMEN SPACE (WISE-ACT)

GENERAL

Project data

Country	The Philippines
Start date:	01-07-2008
Closing date:	30-06-2010
Project partner name:	WISEACT
Name of the project:	Pro-Women SPACE
Total budget of the project:	€ 125,000
ICCO contribution:	€ 125,000
Share LMD	100%
Intervention strategy	70% DAB, 20% MO, 10% BB

Overview of recent ICCO Financial support to partner

Period	Project name	Budget
2005-2007	Integrated program on gender and development, phase 3	€ 300,000
2008-2010	Pro-Women SPACE	€ 125,000

Source: Dynamics

Project Summary

The Women's Institute for Sustainable Economic Action Inc. (WISE ACT) is a non-stock, non-profit organization in the Philippines that supports women livelihood initiatives through the facilitation and/or provision of skills enhancement training. It has been implementing a project titled "Integrated Program on Gender and Development (IPGD)" with ICCO assistance since July 1999. The first phase of the IPGD was in July 1999 to December 2001; the second phase was in January 2002 to December 2004, and the third was in January 2005 to December 2007. This is the fourth financing received from ICCO. The previous support included also support to two of the five enterprises the current financing targets. At the time of the visit the project had finished formally, but some activities were still ongoing.

The concept behind WISE-ACT's programme is based primarily on the creation of social enterprises, which in the definition of WISE-ACT are enterprises that serve a social purpose, here the empowerment of women. Therefore not all enterprises have a social purpose as such (like distributing pharmaceutical products to rural people, like one of them does); there reason for existence is that they should enable women to become more independent by engaging in (any) economic or entrepreneurial activity.

WISE-ACT targets women of poor households in remote rural and peri-urban communities, who are considered disadvantaged, in terms of opportunities for livelihood, appropriate training for business and income generating projects, and appropriate social protection. Examples of these are communities where the ALAY KAPWA, BULAKLAK and SAMANACA projects are located. These are remote, rural areas with sufficient resources in terms of unemployed labour, underutilized spaces, and supplies of raw materials. Due to lack of knowledge and appropriate training, the local residents have not been aware of the potential of their communities. PATAMABA and BWISE are deemed enterprises purely designed to empower women to engage in community-based and organization-owned businesses. There was no clear-cut need for the businesses they are currently engaged in, apart from empowerment of the local women-members.

The IPGD projects focus was on Microenterprise Development (Microdev), and Gender Advocacy and Partnership Building (GAPB). The IPGD programme developed and still assists the following community-based enterprises:

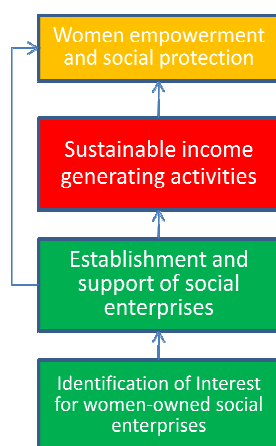
- PATAMABA-WISE, a community-based enterprise owned by an all-women association (local residents) in the municipality of Angono, Rizal (a peri-urban community outside Metro Manila). The enterprise is into the manufacturing of environmentally-friendly laundry soap and liquid detergents, employs members on regular and semi-regular basis.

- ⊙ Batangas Women in Social Enterprise Inc. (BWISE) is a member-owned enterprise, operating as a medical supply distribution channel, linking BWISE-owned village pharmacies, member-owned retail stores and church-owned drugstores; with pharmaceutical companies and mainstream medical suppliers. It aims to provide an alternative source of cheaper pharmaceutical supplies and medicines, and easy access to pharmaceutical supplies and medicines for women in poor communities/remote areas. The initial village pharmacy is located in Rosario, Batangas.
- ⊙ ALAY KAPWA is a community-based enterprise engaged in lemon grass oil production. The project engaged a specific community in Rizal and Quezon provinces to provide tracts of land for the establishment of lemon grass nurseries, and a community processing centre for production and extraction of lemon grass oil and in the manufacturing of bath soap. The project is in incubation stage and located in Sariaya, Quezon. The business was established to provide the women members with a source of livelihood to complement the household income, while taking advantage of the abundant source of raw materials, sufficient under-utilized space and conducive climate.
- ⊙ BULAKLAK is another community-based enterprise engaged in handicraft business using water hyacinth as raw materials. Main products are baskets, bags, local fans, hats and other handicraft products. The project was actually implemented in 2008 but was hit by a major typhoon which destroyed the production plant, and likewise hampered by the emergence of poor quality water hyacinth plants which were considered unfit for handicraft business. To date, the business has stopped production. The enterprise was located in Cardona, Rizal.
- ⊙ SAMANACA is an herbal plant and turmeric business using locally available herbal materials. The enterprise is owned by an association of local farmers in Macabud, Rodriguez, Rizal. The remote rural community is reputed to be infested by anti-government rebels. Still in its incubation stage, the association allocated 800 square metres of land for lemon grass production and 2 hectares for turmeric. To date however, the production has been hampered by a re-invigorated clash between the government and rebel forces.

The aforementioned businesses are women-owned and came out of **WISE ACT's** attempt to promote and develop gender-responsive microenterprises and encourage social entrepreneurship in the communities, in the spirit of its Pro-Women, **S**ocial **P**rotection, **A**ccess and **E**ntrepreneurship (SPACE) project strategy. Primarily, the focus of the community-based enterprises is: (a) Employment of the women-residents in the community, and (b) additional or increased income for the households.

Simplified result chain

Below we describe a simplified result chain, based on the interview and the proposal made to ICCO:



As can be seen, the objective of this programme in fact relates to the strengthening of women's position in society, and to assure social protection, to which income generating activities carried out by women are a tool.

FINDINGS

In below sections we report the findings on the inputs, outputs, outcomes and impact; these are based on:

- Review of the (available) project documentation, from ICCO and partner organisation
- Interviews with staff from the partner organisation
- Observations from site visits
- Focus group discussions with farmers, activists, cooperative staff and other beneficiaries

We noted during the evaluation that there is very little reporting available on this project; only one progress report (covering the first half years only), is available as a narrative summary of the activities and achieved output. The project had ended five months before the evaluation, but no final report has been sent to ICCO. At the time of writing ICCO has sent a reminder to WISEACT management. Repeated requests from the evaluators for more written information have not been responded to, however. Our assessment therefore rests on the interviews with staff from WISEACT and the focus group discussion with women working in one of the social enterprises; the other enterprises are spread over other regions and could not be visited.

Inputs

Financial inputs

ICCO provided PhP 8.412 million, or EUR 125,000 to WISE-ACT to support the project, “Integrated Program on Gender and Development”.

The inputs of this project can be categorised as follows: most of the inputs has been coming from the NGO, 65%; however, this includes the use external consultants (3), though it is not known to what extent. In addition there is a 22% overhead. The remainder, about 13% is used for the SED fund, or social enterprise development fund.

Input	Percent of total funding
NGO overhead	22%
NGO services	65%
External project costs	13%

Non-financial inputs

WISE-ACT has been visited by ICCO once in the years 2008-2010. Apart from that, no training or coaching has been given to the staff. There has been some of information sharing on value chains and LMD, but this did not appear to have been significant: LMD as a term has been heard for the first time while the evaluators have been interviewing the staff. WISE-ACT’s networking activity is mostly with another alliance, that focuses on gender (RNW), and some informal information exchange is taking place here; however, mostly unrelated to the concepts behind the LMD programme. There has been a frequent change of programme officer during the course of the programme: the first programme officer worked with them a longer time, and helped with preparation of the current proposal; after change in 2007 another person (never seen in person) took over, and in 2010, another programme officer from the regional office took on the project.

Outputs

The implementation of the three programs of WISE-ACT produced the following outputs during the period 2008 to 2010. It should be noted that while these outputs were discussed during the interview with the evaluators (as reporting is absent), not all of these outputs could be validated in depth.

Outputs in general can be distinguished in the following three categories (based on the budget): training has been the main spending destination, followed by coaching (in the broadest sense of the word); externally funded actions have been accounting for a third of the budget.

Output	Percent of total funding
Trainings	66%
Coaching, mentoring and advocacy	18%
Financial support to beneficiaries	16%

Outputs by WISE-ACT

As there is no final report available, or a recent progress report, we summarise here the activities and outputs stated by the staff, and to a limited extent verified with one of the five social enterprises.

The Integrated Program on Gender and Development (IPGD) implemented projects supporting five women-led community enterprises. A note here is that the five enterprises as such already existed; in most cases though not profitable, and through intervention, the aim was to upgrade these businesses, or re-start activities and/or introduce a new line of business.

The IPGD's microenterprise development services provided technical assistance (market training, value chain development, and other capacity building services to the five community-based enterprises. These were implemented mostly by staff of WISE-ACT, comprising several blocks of business education.

Organizational training, community interaction, project monitoring and assistance were provided to the five communities and their respective enterprises. Business development services such as assistance to product development, packaging and linkage to potential buyers were provided to these community-based enterprises. To this end, staff developed its own Organisational Development (OD) modules, which were applied in the trainings.

A subsector study of "personal/health care and wellness enterprises" has been undertaken, as input for one of the enterprises. Further, business plans have been (further) developed (although we have not seen these).

In general, the implementation scheme has been to start with and organisational assessment, which indicates the areas for improvement. Followed by that, BDS trainings were given, often over a long period of time (one year and more). Net to that, technical support for production, and product design were given. Women empowerment coaching and discussions were a further important activity.

The SED fund has also been invested, although only 50% has actually been disbursed so far; based on newly developed guidelines, this fund was used to support the chosen enterprises with either working capital or investment capital.

Cost for the five enterprises are distributed as follows (information as supplied by WISE-ACT, 31/10/2010):

Name of the enterprise	Office operations	Training expenses	SED fund*	Mentoring, monitoring, advocacy	Total	Total, %
Bulklak	360,670	1,457,350	200,000	404,978	2,422,998	31%
Samanaca	340,061	680,097	200,000	174,559	1,394,717	18%
Patamaba	329,756	277,590	200,000	62,841	870,187	11%
Bwise	364,105	1,030,416	200,000	274,082	1,868,603	24%
Alay Kapwa	322,886	579,609	200,000	154,171	1,256,666	16%
Total	1,717,478	4,025,062	1,000,000	1,070,631	7,813,171	100%

**) NB, the distribution of the SED fund appears to be an estimate: only 50% has been disbursed, and it seems unlikely that the fund's disbursement were exactly equal.*

Outcomes

The contract stipulates 3 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	1*	0	0	1

**) This is referring to the result agreement that is really a result, and is not an activity, in our view.*

The three result agreements in the contract are the following:

1. WISE ACT will undertake a comprehensive market study and value chain analysis for the whole subsector of personal and health care with a focus on the 5 products selected by the 5 prioritised social enterprises and the results will serve as a road map for WISE ACT for its plans to strengthen these 5 social enterprises.
2. WISE ACT will strengthen the two already running businesses (Patamaba and GADAF's Village Pharmacy) by assisting them in improving the quality of the products and increasing the production WISE ACT will strengthen the other three emerging social enterprises to a level that they will be able to present a realistic business plan at the end of the second year.
3. WISE ACT will organise round-table discussions on the role of social enterprises and women's empowerment. WISE ACT will push for the rural women agenda for sustainable livelihoods in the informal sector. WISEACT will promote the right to food agenda and lobby for women's participation in processes to develop community and national food security. WISEACT will lobby for gender-responsive and economic fair policies in relation to national and international mandates.

On a general note, the above result agreements are very vague, and hence difficult to assess against actual agreements. "Results" 1 and 3 are not results in our view, but refer to *activities*. Result 2 is referring to a result, namely strengthening the enterprises to be able to present a business plan. Still here, this is not a very well defined result.

The team of evaluators has spoken to WISE ACT staff, and management extensively, and have visited one of the five social enterprises (Patamba), where a focus group discussion took place with staff, members of the cooperative, and management. Since WISE ACT's enterprises are scattered throughout the Philippines, only two enterprises were logistically possible to visit. However, the second planned visit was eventually called off, as the members could not be contacted, and the area is considered as difficult due to rebel activities.

Based on these interviews, and the documentary evidence, the outcomes can be described as follows:

Result 1: Market study

According to the one progress report in existence, there has been a comprehensive effort to produce this study; WISE-ACT together with a number of external advisors have been working to assess the market potential for the products in the personal/health segment of the market.

As mentioned above, we see this as an output, rather than a result or outcome.

Result 2: Strengthening the five social enterprises

This clearly has been the focus of WISE-ACT's activities; however, in general the effects of these activities are limited: as WISE-ACT stated, the employment in the five social enterprises has not changed, so far known. In total, the enterprises employ – on a part-time basis – around 65 people, mostly women. The effects on income WISE-ACT describes as "being mostly on improved income security". The benefits are, in WISE-ACT's view mostly "social", namely in women empowerment through better working environment, an source of income independent from their husbands, and more women in leadership positions. WISE-ACT cites "entrepreneurship issues" (the ability of the members/employees to develop a business), as well as "cultural factors" (cultural habits having an influence on organisational stability), and (in one case) natural disasters as reasons for the absence of change in the situation of these enterprises and their employees.

In specific terms, the outcomes per enterprise are as follows:

PATAMABA-WISE (laundry soap and liquid detergent business) in Angono, Rizal was established and on-going. This enterprise has been visited by the evaluators, and a focus group discussion was held. Despite a much appreciated support, the results in terms of business development are minimal; income for the members of the (cooperative-like) business are in fact only once a day in two weeks for most, only four staff have a more pronounced role. There is no organisation or production site to speak of; the production is buying several ingredients for detergents from the market, mixing them and putting them into a new

bag for sale. The overall turnover could not be established clearly, as there is was book keeping available. However, from establishing figures, the consensus was that the turnover and profit is less than half of the business plan, in the best case. The four managers at the site – despite intensive training provided by WISE-ACT – did not appear to understand issues like depreciation of hardware investments, cost-calculation and other business subjects. The business plan that was (reportedly) developed for this enterprise clearly was done by WISE-ACT, not the staff. Overall, the operation is more like a hobby of a group of people (quite literally, production takes place on mostly on weekends), rather than a small enterprise. The SED fund contribution (Php 38,000) has only been for working capital purposes, in order to “re-start” activities, once the previous working capital fund had been depleted. The products (there are also a few marginal other activities) are not selected because there is a major business opportunity, and are unlikely to be competitive in market on any more significant scale.

The other enterprises have not been visited, but are also, according to WISE-ACT not showing much of an increase in employment or income:

BWISE (village pharmacy) in Rosario, Batangas is likewise on-going. It has been duly registered as a legal corporate entity. Its business, the village pharmacy, currently operates in Rosario Batangas employing a duly licensed pharmacist. Direct selling activities are also being done in 5 municipalities and 7 communities within the proximity of its Village Pharmacy.

The ALAY KAPWA started with encouraging results initially. A total of 150 members were engaged in the undertaking. However, after the pre-project interventions, the focus was shifted to herbal tea and powdered herbal medicines. It was decided that local (malunggay) trees as raw materials for herbal medicines and tea would provide quicker monetary returns than lemon grass nurseries and lemon grass oil production. Details on performance at this time are not available.

Both BULAKLAK and SAMANACA projects were started with initial encouraging results. A total of 110 members were engaged. However, the projects are currently struggling and require rehabilitation due to various unforeseen circumstances. BULAKLAK production plant and source of raw materials were severely affected by a strong typhoon in 2008. SAMANACA is currently affected by government actions towards insurgents within the area.

Result 3: Gender Advocacy

As with “result” 1, we consider this to be an activity, and cannot report on an outcome here. In the absence of a reporting basis, we cannot fully verify in how far the mentioned activities have been implemented. However, judging from the interviews with WISE-ACT staff, this is probably where the heart of the organisation lies, and many actions have been undertaken, albeit that these may not have taken shape as described in the contract. The organisation is very active in national and international gender and development advocacy networks, and partakes in several forums and working groups, as we were told.

Whether or not these activities had a specific outcome is not known.

Sustainability

Considering the one outcome under result 2, the strengthening of the social enterprises, sustainability is a matter of concern: the one visited enterprise is very unlikely to become a self-sustaining enterprise in the future, and will more likely have to raise funds in order to continue (as it has since 1993). We cannot judge on the other 4 enterprises, however, two appear to be in peril now and the other 2 have at least not shown signs of growth so far.

Impact

Based on the above discussion of the outcomes we have observed, and the discussions with the employees/members in the FDGs, we can report the following:

In the visited enterprise, the salary per day is at minimum wage level and not different to most women's wages in their main jobs (typically, an income of 2 EUR a day). Even the about 6 employees that consider this their main activity would consider the resulting income stream as a small part of the family earnings; while for the others the net income effect is probably nil (compared to other employment alternatives). This is probably true for the other enterprises as well, though WISE-ACT believes that income security has been enhanced. The visited enterprise was in an urbanised area, where jobs like these are easy to find; in rural areas this may not be so, and therefore this effect may be valid (for two of the five).

In all, the direct benefits affect a group of 65 people, who are - according to WISE-ACT - working actively in the five enterprises (of which two appear to be defunct).

WISE-ACT itself sees the benefit to be in the empowerment of women, the demonstration effect this has on other women and women groups. The ambition of WISE-ACT is to bring women into business and assure their participation in the economic system overall. Though in limited numbers, we can confirm that the initiative is strongly working towards this aim, and women spoken to feel a greater sense of independence, confidence and joy in the work place than in their other jobs.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project has **been efficient to a very limited extent (-)**; there would have been alternative ways to achieve the same outputs and outcomes much more cost effectively.
 - o The project is **moderately additional (+/-)**; outcomes in rural areas may not have come about without ICCO support, but in the urbanised areas this is unlikely.
- The project has **effective to a very limited extent (-)**; most outcomes were not realised.
 - o The sustainability is rated as very limited (-)
- The project was **not relevant (- -)**; the impact on the target group has been minimal, as only few outcomes could be realised
 - o ICCO's **attribution is high (+)**; as the funding was exclusively from ICCO

The arguments for the above conclusion are as follows:

Efficiency

Efficiency is difficult for the evaluation team to assess, ex post. In general, we found no elements in the budget that would suggest gross inefficiency. The overhead percentage in the budget (around 22%) seems high, compared to other programmes, and considering that the programme is not as complex as others.

The main concern regarding efficiency here is whether the most suitable inputs have been used to achieve a result; here, we are not sure that the core competence of WISE-ACT is business training, and whether a professional service provider would not have done this more cost efficient. Also, we consider that the concept – supporting social enterprises by intense organisation development in order to achieve sustainable income generation for women – is not the most efficient tool to do this. After all, a budget of EUR 125,000 has been largely spent on improving incomes of a target group of 65 people.

Additionality

In our assessment we believe that the engagement with social enterprises in the rural areas might be additional, given the lack of support and service provision there. However, the visited enterprise in the urbanised areas is not additional, given that there are alternative income sources, business opportunities and support structures available, as the high level of business activity in the area shows.

Effectiveness

Effectiveness is low; in general the effect on the social enterprises is minimal. Income increases, as well as business turnover, profit, and longer term stability has barely improved. Two of the five enterprises seem out of action for various reasons, while the other three are not showing tangible signs of growth or development. The visited enterprise did not show convincing signs that either the quality or style of doing business has changed much. The improvements that are achieved are generally of an intangible nature, like greater joy to do (part-time) work by the employees. The main positive aspects can be to say that the social enterprises that already existed have not collapsed in the implementation period. This is however, only true for three of the five it seems, and it is unclear whether that is the result of WISE-ACT's support.

Sustainability

With the programme just finalised, it is too early to rate sustainability; however, on the basis of what can be seen today that the prospects are very limited. The businesses are less than likely to grow and improve (with or without continued support). There are also no plans for the immediate future on how the enterprises should survive. Moreover, the business plans we have seen are not realistic and developed professionally, and display a business model that is based on the hope and desire to empower women in business, and the social mission of the enterprise, with little concern of the market, competitors and cost calculations.

Relevance

Overall, 65 people have (probably) seen their income security improve, there have not been extra jobs or significantly increased incomes. The social benefits from the project for this small target group are also small, if not marginal, at least compared to the overall ICCO investment (nearly EUR 2,000 per part-time employee, which would theoretically takes decades to make up for).

Gender relevance

This has been the heart of the matter: for WISE-ACT the commercial success of the enterprises is secondary, and the effect on women's empowerment is the ultimate goal. Although we generally agree that this would be a positive approach for gender equality, the factual impact is so small that the intended effect on gender relations is likely to be very small as well. In fact, one could say that one dependency has been replaced by another, namely earning income from a highly subsidised and not professionalised business operation.

Apart from that, WISE-ACT has undertaken plentiful activities in advocating gender issues, so there is surely some positive impact from these activities (though these are not known, or specific enough). On the whole however, given the low rating of relevance overall, the gender relevance is very limited, too.

Attribution

The attribution of ICCO's funding to the achieved results is high; ICCO was the only funder in this effort. There has been small funding coming from an Austrian aid agency for the gender advocacy part, but not for the social enterprise activity.

On the whole this project has little to do with the goal of LMD; rather it is an unhappy hybrid of WISE-ACT's philosophy and ICCO requirements: WISE-ACT generally works with women to stimulate women in business, and creating social enterprises is a tool, not a goal. Under ICCO's new LMD programme, staff was asked "to provide business plans, in order to get funding". WISE-ACT duly did, but this was obviously not their core competence. A memo from ICCO (July 2008) noted all the above mentioned shortcomings in the proposal, but funding was nonetheless granted, albeit with some conditions in the contract that did not see any follow-up. In our view, this project should not have been funded under LMD, and if funding was granted under another, more suitable budget line, the concept of social enterprise creation should have

been dropped, and advocacy-style activities should have been the focus (being WISE-ACT's core competence).

ICCO monitoring protocol

Date of monitoring by ICCO: 19-02-2009 (realisation 1)

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 1 year	Realised (Findings)
Alliance output					
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	1	Sufficient	1	1
BB-b	Number of partners that has developed strategies aiming at improving the business climate ('enabling environment') for small producers	0	n/a	0	0
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	5	Sufficient	0	0
BB-b	Number of issues in the context of "enabling the business environment" that has been put on the policy agenda	1	Sufficient	0	0
Outcome					
DAB-b	Number of small producers that earns a consolidated or growing income from LMO activities	0	n/a	0	0
BB-b	Number of countries where regulations, policies and / or certification mechanism have been adjusted and developed to promote the participation of small producers in local market chains	0	n/a	0	0

The information in the system appears to be **not updated**; though, the final scores with respect to the numbers are similar to our rating.

FINDINGS ON 76-01-01-037 - INTEGRATING COASTAL COMMUNITIES IN THE MARICULTURE INDUSTRY (SDCA)

GENERAL

Project data

Country	The Philippines
Start date:	01-06-2009
Closing date:	31-05-2012
Project partner name:	SDC Asia (SDCA)
Name of the project:	Integrating Coastal Communities in the mariculture industry
Total budget of the project:	€ 300,000
ICCO contribution:	€ 300,000
Share LMD	100%
Intervention strategy	80% DAB, 20% BB

Overview of recent ICCO Financial support to partner

SDCA implements several programmes funding by different donor agency simultaneously; staff estimates that the ICCO project accounts for app. 33% of the total turnover in the three year period.

Period	Project name	Budget
2007	Study fruit processing facility Mindanao	19.500 €
2010-2012	Fruit value chain development	n/a
2009-2012	Integrating Coastal Communities in the Mariculture Industry	300.000 €

Project Summary

Strategic Development Cooperation-Asia, Inc. (SDCA) is a non-government organization in the Philippines which envisions “a sustainable development which encompasses the long term preservation of the economic, social and ecological potentials of the present and future generations”. It provides services in enterprise development, value chain development and promotes social enterprise, while integrating environmental preservation. SDCA originates from the Swiss Development Corporation’s Asia office (hence the name), who are known to be champions of value chain development and M4P approach to poverty alleviation. Since SDC has withdrawn from the Philippines the former branch office has become a non-profit value chain consulting organisation.

The idea for the project “Integrating Coastal Communities into the Mariculture Industry” was conceptualized after a survey of the poverty incidence in Davao was undertaken by the organization for the SEEP in 2006. The survey was undertaken in connection with a study on the value chain for coastal communities. The findings in the initial study were used to develop the current project which was initially submitted to ICCO in 2008 and approved in June 2009. The project has two (2) components: (i) creation of enterprises for milkfish fingerlings business, and (ii) Seaweeds production businesses. Currently however, SDCA has integrated an additional component – mud crab production. These enterprises are envisioned to provide economic opportunities to marginalized communities within the Davao Mariculture zones; strengthen production supply base in the mariculture industry and contribute to the stabilization of the fish retailing activities of coastal households.

The project applies commercial enterprise development approach and value chain development interventions in the implementation of the project. The commercial enterprise development approach includes micro-franchising and buy-back arrangements of produce with consolidation. The value chain development interventions on the other hand, includes the initial provision of value chain analysis, value chain related training and capacity building for the prospective entrepreneurs, assistance in the establishment of community enterprises, linkage with other value chain players and strengthening of the support systems.

The project aims to promote broad-based growth by transforming constraints in the mariculture industry into economically viable and environmentally sustainable income generating opportunities for the coastal poor.

Implementation

SDCA promotes the development of microenterprises amongst the economically disadvantaged coastal communities by way of micro franchises to strengthen production supply base in the mariculture industry. Technical assistance is provided to the value chain in terms of facilitation and/or conduct of relevant training, and business development services.

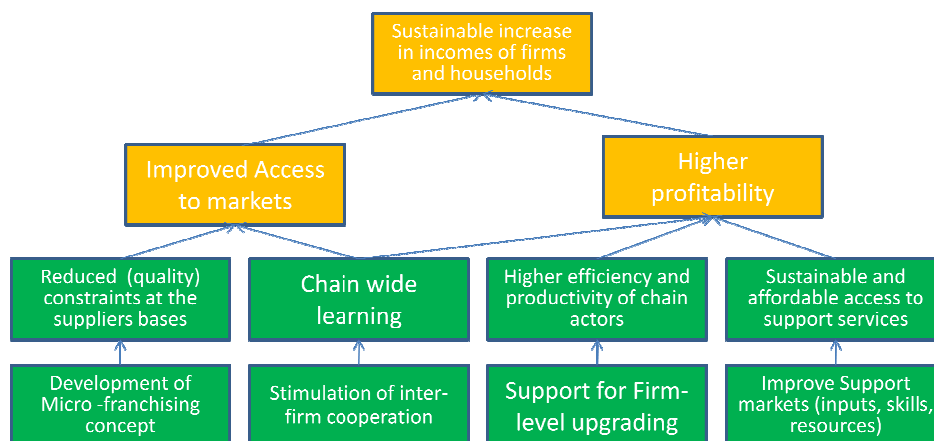
In the milkfish project, a local study undertaken on the trend of captured wild stock fries, estimates supply to be declining at an average of 11.8% annually as a result of illegal and unsustainable fishing practices and the degradation of the environment. SDCA established satellite fish hatcheries to ensure stable supply of fish fries and diminish dependence on the “wild-fish-stock”.

Community organizations are empowered and assisted to establish fish processing centres. In a sample enterprise visited by this evaluation team, the land for the centre was donated by the government, the building and structures are owned by the community association (cooperative) while the fish harvesting facilities, sorting tables and other paraphernalia are funded by ICCO. This set-up resulted in forward integration of additional labour for the logistics and services (harvesters, sorters, packers, transporters, etc.), thereby providing gainful employment for the non-fishers in the community.

In the Seaweeds Project, SDCA assisted the development of seaweed farms for growers/farmers (microfranchisees), thus ensuring steady supply of quality produce and the stabilization of market price; the establishment of community-owned post-harvest facilities, and ensures the market via the buy-back arrangement with the community enterprises. Market linkage is also developed and facilitated by the organization.

SDCA provides the consolidation of the produce via the buy-back arrangement and links the community enterprise to the exporters (seaweeds) and lead buyers (exporters, fish processing companies).

Simplified result chain



FINDINGS

Inputs

Financial inputs

Year	2009	2010	2011
ICCO payments	100,000	100,000	100,000
SDCA earnings/contribution		25,000	41,667

SDCA has proposed to include earnings it hopes to generate from their micro-franchising operations to contribute to the project; however, this is not mentioned in the contract.

Although SDCA has made a proper activity-based budget, distribution of the inputs (overhead, NGO services and External project costs) is difficult to assess; we have made a rough estimation based on the figures and the interviews.

Input	Percent of total funding
NGO overhead	34%
NGO services	52%
External project costs	12%

Non-financial inputs

Originating from the Swiss Development Corporation's Asia office, SDCA does not require any training or conceptual support from ICCO, instead, SDCA has been involved with capacity building for other ICCO partners before.

Outputs

The implementation of the three programs of PRDCI produced the following outputs during the period 2005 to 2007. It should be noted that while these were contained in the PRDCI reports and discussed during the interview with the evaluators, not all of these outputs could be validated in depth.

Outputs in general can be distinguished in the following three categories (based on the budget): training has been the main spending destination, followed by coaching (in the broadest sense of the word); externally funded actions have been accounting for a small part of the budget.

Output	Percent of total funding
Trainings	35%
Coaching, mentoring and advocacy	56%
Financial support to beneficiaries	9%

The project has a wide range of activities, which are reported in an extensive progress report; here we name a number of key outputs:

- ④ *Strengthening of Supply base*; enabling Coastal Households to (Re)start their Enterprises
 - Research and development on low-cost technologies aimed at facilitating the shift from reliance in wild fish stocks to hatchery based aquaculture.
 - Development and incubation of business models by i) identification and documentation of replicable micro enterprise models in mariculture; ii) implementation of pilots to improve efficiencies and as showcases while enabling a stepwise approach to generate sales before all the micro-franchising pieces are in place and ready for promotion under the development projects; and iii) packaging of the business into a franchise
 - Conduct of promotional campaign to attract micro-franchisees
 - Assessment and selection of micro-franchisees
 - Implementation and delivery of franchise package

- ④ Promotion of Good Aquaculture Practices (GAqP)
 - Synthesis of GAqP aligned indigenous technologies into user friendly ‘living’ GAqP Manuals
 - Building an indigenous base of providers to facilitate and assist peers in implementing GAqP and in growing their businesses
- ④ Feed Access, Quality, and Efficiency Improvement
 - Upgrading of harvest/postharvest facilities and providers
 - Development and piloting of “Ready Net” business and the promotion of proper cage net maintenance for improved productivity and GAqP compliance and, at the same time, stabilizing/improving income of net makers
- ④ Promotion of Inter-firm Cooperation
 - Upgrading of caretakers with a focus on proper feed management for improved profitability of grow-out cages and, consequently, increased incentives for caretakers.
 - Pilot implementation of feed distribution system with caretakers as “sales agents”
- ④ Value Added Milkfish Products
 - Development of new products/recopies
 - Research into standardization, marketing and market channel analysis

Trainings SDCA provided skills enhancement training/value chain seminars to participants in the private sector (45), local government units (69) and fishery technology students (58) in a local state university. Approved target is a total of 50 training. The project also participated in province-wide socio-cultural events as venues for the value chain players to socialize and initiate business negotiations, networking and share market information. Some of these events are; the Bangus (Milkfish) Festival, anniversaries such as the Bagsakan (local term for Fish Wholesale Market Centre) Launching and town fiestas.

Outcomes

The contract stipulates 2 outcomes (and one impact, see below) that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained, so far. Note that this project is at about 50% of funding and time, hence an ongoing project where the results are not yet due to be delivered. In all, SDCA is well on track achieving the promised results, as is indicated below.

	Total in contract	Achieved	In progress, on track	Not achieved
Result agreement	2	0	2	0

The two result agreements in the contract are the following:

1. SDCA will enable 90 franchisees to enter the hatchery business, 60 franchisees to set up a business of fingerlings and 92 franchisees to start a seaweeds production business
2. Promotional campaigns will be conducted directed both to target clients and buyers of franchisee products with the support and endorsement from government, dominant fisheries associations and other stakeholders

The team of evaluators has spoken to two focus groups, comprised of fishermen, PO staff, and employees, next to SDCA management, and staff that are implementing the programme. Based on these interviews, and the documentary evidence, the outcomes can be described as follows:

Result 1: Franchisees

Seaweed Micro-franchisees. The project has developed 36 households as seaweeds farmers with 2 associations as owners/operators of post harvest facilities. Overall target was 30, for the whole project.

Milkfish Fingerlings Micro-franchisees. 4 full-time Micro-franchisees and 15 existing fishermen-entrepreneurs were provided technical assistance and inputs (milkfish fries). The approved target for the project was 60 franchisees. The development of micro-franchises is claimed to be hampered by the prevailing mentality amongst the target communities, where organized business is a new concept, and where wild stock fishing is still the preferred method.

Milkfish Hatchery. The approved target was 30 Micro-franchisees into the hatchery business. However, as part of its revised strategy, SDCA developed satellite hatchery involving several supervised ponds. SDCA shifted strategy to minimize risks to the project.

There are also two micro-franchisees in the mudcrab trade, as a new activity developed during implementation.

The initial group of micro-franchisees are used as model farms and platforms to train and demonstrate "Good Aquaculture Practices". The socio-economic evidence provided by these initial group and the product development and research interventions provided by the SDCA resulted in the revived interest in mariculture businesses. As of August 2010, there are 53 households and 3 groups awaiting approval of their applications as micro-franchisees.

For the input markets, 113 (employees of) providers were trained in the mariculture zone near Davao, 56 pond caretakers, 87 seaweed planters and 33 crablets suppliers.

As per reporting, direct support to enterprises stood at 306 (target 450 per 2012) in September 2010; including MSEs in mariculture, fish vendors/traders and micro processors.

Result 2: Promotional Campaigns

Based on the agreement, promotional campaigns will be conducted for, and directed to both target clients and buyers, with support from local government and dominant fishery associations and other stakeholders. Towards this end, the project facilitated training and seminars-workshops for local government units on the value chain development approach. It also provided skills enhancement training/value chain seminars to participants in the private sector (45), local government units (69) and fishery technology students (58) in a local state university. Approved target is a total of 50 training. The project also participated in province-wide socio-cultural events as venues for the value chain players to socialize and initiate business negotiations, networking and share market information. Some of these events are; the Bangus (Milkfish) Festival, anniversaries such as the Bagsakan (local term for Fish Wholesale Market Centre) Launching and town fiestas.

Sustainability

Too early to say, since this an ongoing project; however, the concept and approach is clearly geared towards achieving (commercially) sustainable results. There are, however, significant challenges ahead: as noticed during the evaluation, some of the activities are income generating because SDCA takes an active role in the chain (e.g. selling seaweed to the dealer in Cebu, without a sustainable margin). Consequently, in the remainder of the project, this support will have to be funded by the chain actors, reducing the benefits. SDCA is aware of these challenges, and has plans to address the issues.

Impact

The contract with PRDCI states that the result for the target group should be "to develop the income sources of the target group", without any discussion of the size of the expected (net) income increase, nor its outreach.

1. The project aims to integrate 5,000 households, or 15,000 individuals in the mariculture industry as workers or independent businesses increasing their incomes with at least 30% growing from PhP 6,800 per month to PhP 8,900 in Davao del Norte and from PhP 6,150 to PhP 8,000 in Compostela Valley.

Based on the above discussion of the outcomes we have observed, and the discussions with the farmers in the FDGs, we can conclude the following:

Sample validation conducted by the evaluation team, revealed a general improvement in income for the individuals/households in the mariculture industry. Fish harvesters on the average have an increased income by 60% (PhP 7,200 vs. PhP 4,500) monthly. While the seaweeds farmers claim a modest

improvement in income level as a result of the assured market and better price provided by the SDCA buy-back agreement, stabilized market price as a result of regulated production, and improved market linkage. Forward integration of other activities initiated by the community-owned post harvest and processing centres resulted in jobs generated for the non-growers and non-fishers. Beneficiaries in these integrations are mostly women and out-of-school. These jobs generate additional household income.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project has **been efficient (+)**; there are no strong indications that resources have been used inefficiently, so far we could assess.
- The project's **effectiveness is potentially very good (++)**, but **too early to say**; half-way into implementation, the project seems on track to achieve the planned outcomes.
- The project's **relevance is potentially good (+)**, but **too early to say**; as above, project is on track and likely to achieve the planned impact.
- The project is **additional (+)**; without the support from ICCO, the outcomes (planned and realised) would not have occurred.
- ICCO's **attribution is potentially high (+)**; but an impact study will have to determine the actual attribution of the project to the reported income increases, considering market factors.

The arguments for the above conclusion are as follows:

Efficiency

Efficiency is difficult for the evaluation team to assess; however, since this budget is very transparent, we can confirm that daily fee rates, as well as other cost are in line with local standards. SDCA is specialised in the subject area of this programme, so the inputs (being SDCA's services) are suitable, and unlikely to be found cheaper outside the NGO.

Although an activity- based budget, we notice that the budget is exactly EUR 100,000 per annum, for three years. This is the "typical" funding size ICCO applies, but suggests that the budget was a given, and activities were added until that maximum.

The overhead percentage in the budget (around 34%) is high, but comparable to business-style operations.

Decision making within SDCA seems efficient, and swift; there are few, if any delays in implementation.

Therefore, our assessment on efficiency is positive (+), albeit that it is too early makes definitive conclusions here.

Additionality

Based on the information in the field, SDCA's efforts have been additional since without its efforts the results would unlikely to have been/be achieved. Government initiatives have proven to be ineffective in Davao area, and where they exist are under-funded, not suitable and no comparable donor activities is addressing the needs here.

Effectiveness

So far we can see at this stage, we consider that the project is achieving tangible outcomes as intended; the organisations supported are showing positive signs of improved capacity and turnover. The production volumes are increasing, and this leads to more business stability for small farmers, employees and cooperatives.

Therefore, our assessment on effectiveness is positive (+), in the sense that the project is "on track"; albeit that it is too early makes definitive conclusions here.

Sustainability

As an ongoing project, no statement can be made as yet; however, the challenges are significant, and SDCA is aware and has a plan how to eventually sustain the achieved results.

Relevance

Too early to make a conclusive statement here; in general, this project is one of the few with a quantitative impact target, and efforts are undertaken to measure results here. There is no data ready to review at this stage, but a quick assessment of the evaluators during field visits would suggest that there is already some impact visible in terms of increased income, which suggests a good chance that the target might be achieved at the end of the project. However, the target seems very optimistic (5,000 households), so that the eventual outreach remains to be seen.

Gender relevance

SDCA reports have a section on gender specific outputs; although the project has no specific gender objective, it is engaging actively in inclusion of women (and youth) into the chain programmes, and promotes women entrepreneurship. Although it is too early to make a statement of the factual impact on women and gender relations, we note that the project has plans and tools to achieve results here.

Attribution

ICCO is the only funder in this effort. The reporting of SDCA does not specifically address the issue where the measured income increases are coming from: increased volumes of production, as a consequence of the project's intervention; increased prices, which could be due to better trade relation (due to project), or an external market effect; or higher margins as a result of SDCA's support, or not; or a mixture of the aforementioned. In this – proper value chain – intervention, more in-depth reporting would be needed to provide a clear answer. In our field interviews we noted that overall, income effects are attributed to the SDCA support by the target group; however, the market environment is also very volatile, and influences strongly what net income increases look like. Therefore, we assume a high attribution, considering the degree of influence the project has on the fishermen and cooperatives, but a final judgement can only be made at the end of the project and needs to take into account considerable external aspects.

ICCO monitoring protocol

Date of monitoring by ICCO:

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 1 year	Realised (Findings)
Alliance output					
DAB-a	Number of partners active as supporter of chain development and number of partners active in the chain (chain actor)	1	Sufficient	1	1
BB-b	Number of partners that has developed strategies aiming at improving the business climate ('enabling environment') for small producers	1	n/a	0	1
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	0	Sufficient	0	2
BB-b	Number of issues in the context of "enabling the business environment" that has been put on the policy agenda	1	n/a	0	0
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	15.000	Sufficient	0	Too early
BB-b	Number of countries where regulations, policies and / or certification mechanism have been adjusted and developed to promote the participation of small producers in local market chains	0	n/a	0	0

- The information in the system is **not updated**; hence no reasonable comparison can be made.

FINDINGS ON 76-01-01-004 - MANAGING THE VALUE CHAIN FOR CBO DEVELOPMENT, UMFI

GENERAL

Project data

Country	The Philippines
Start date:	01-07-2008
Closing date:	30-06-2010
Project partner name:	UMFI
Name of the project:	Managing the Value Chain for CBO Development
Total budget of the project:	€ 230,586+33,000 loan guarantee
ICCO contribution:	€ 230,586+33,000 loan guarantee
Share LMD	100%
Intervention strategy	100%DAB

Overview of recent ICCO Financial support to partner

UMFI was created with ICCO support, and this financing was meant to be the last to ensure its sustainability. After 2007, another three year funding was granted, and at the end of that funding in 2010, at the time of the review, another funding has been applied for.

Period	Project name	Budget
2004-2006	Community Based Enterprise Developm	€ 230,586
2004-2006	PTnr 0864a/Community Based Enterprise Developm	€ 33,000
2007-2012	864b / Garantie op Oikocredit lening	€ 35,882
2008-2010	Programme 2008-2010	€ 180,000
2009-2015	UMFI ePT 0864c	€ 86,554.50
2011-2013	Managing the value chain for community based enterprise Dev	€ 512,810

Project Summary

UMFU has been established in 2001 as an off shoot from the Upland Marketing Programme of the Upland NGO Assistance Committee, which focused broadly on poverty alleviation for marginalised population in the upland areas. In this programme, developing income source for the hill tribes was central, and at the same time, sustainable production principles were introduced. In order to support the farmers with the development of new products, and to market the products UMFI was created. UMFI therefore has two core activities: the first is to identify new CBEs to work with, train and develop the enterprises and their members, so that more farmers can partake in producing higher value added and incomes. The second is the marketing operation: UMFI buys (more or less) all the CBEs' outputs, and sells them in a network of retailers it has built up over the years.

The Upland Marketing Foundation Inc., seeks to be the leading organization in establishing sustainable livelihood and or profitable enterprise initiatives anchored on value-adding strategies in poor and marginalized communities. The foundation seeks to attain these through the provision of affordable access to resources, technology, and markets

In 2004, foundation marketed products from 8 CBEs in mainstream supermarkets in Metro Manila maintained trade relations with 150 supermarket outlets in three urban centres. UMFI also maintains ties with various people's associations/organizations and cooperatives through projects on enterprise development anchored on value-adding initiatives. The aim of the 2004-2007 funding was to enlarge the outreach by 45 more CBEs and to ensure that in the future, UMFI can operate sustainably and without further grant support. To ensure that, Oikocredit has provided UMFI with a credit line, which ICCO guarantees for 50%. This was meant to ensure that the organisation has sufficient working capital to operate in the market.

Implementation

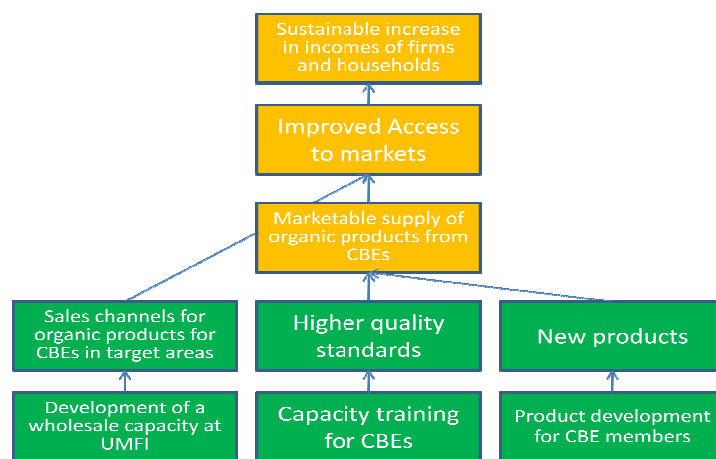
In the three years of support, UMFI has indeed succeeded to enlarge its outreach, and developed a strong development team to identify new CBEs and address the needs of these new suppliers. However, the sales

figures have been less convincing, and lagged substantially behind earlier projections. This counts for both the volume of trade and the profits made; in all UMFI's operating margins have remained far below sustainable levels. The dependency on donor funds has increased, rather than decreased, and by now, if all donor support is added, the investment may now exceed the annual turnover (of app. EUR 600,000) significantly.

At the same time, CBEs and their member households do benefit, and have improved their livelihood, in terms of income, and also income security. The latter is probably the bigger gain, as the CBEs, and their farmers now have fixed contracts on favourable terms that help to shelter farmers against price volatility, and crop risks.

Simplified result chain

Below we describe a simplified result chain, based on the interview and the proposal made to ICCO:



FINDINGS

In below sections we report the findings on the inputs, outputs, outcomes and impact; these are based on:

- Review of the (available) project documentation, from ICCO and partner organisation
- Interviews with staff from the partner organisation
- Observations from site visit (UMFI only)
- Focus group discussions with farmers, activists, cooperative staff and other beneficiaries

The reporting of UMFI was a little late, arriving at ICCO only in 2010, three years after the end of the programme (May 2007), and may hence be coloured with recent information rather than with information from the actual project period. The project was formally closed by ICCO in November 2010.

The discussions with UMFI staff were friendly, open and frank, and delivered a good picture of the organisation in 2010; however, the project result from 2007 are more difficult to verify three years later and are often difficult to attribute to this specific project outcome of the many other fundings from ICCO (and others).

Inputs

Financial inputs

ICCO provided EUR 260,586 to UMFI to support the project “Managing the Value Chain for CBO Development”. On top of that, a guarantee was given to Oikocredit, for a working capital loan, valued at EUR 33,000.

Year	2008	2009	2010
ICCO payments (EUR)	90,000	80,000	60,586

The inputs of this project can be categorised as follows: most of the inputs has been coming from the NGO, 61% (as UMFI has its own staff for development activities). The 30% overhead refers to the project management cost, which could also be interpreted as operational support. The remainder, about 10% is spent of a few grants for the development activities. Please note that these are relatively rough estimates, based on the cost categories found in the annual reports.

Input	Percent of total funding
NGO overhead	30%
NGO services	61%
External project costs	10%

Non-financial inputs

ICCO has frequently visited the project; in fact, as UMFI was seen as a showcase project many ICCO staff and delegations have passed through, according to management. UMFI itself, may have been an input in the discussion on how to develop LMD projects. Nevertheless, the management is satisfied with ICCO's support throughout.

Outputs

Outputs in general can be distinguished in the following three categories (estimate based on accounts): training has been the main spending destination, followed by coaching (in the broadest sense of the word); externally funded actions have been accounting for a relatively small amount.

Output	Percent of total output
Trainings	69%
Coaching, mentoring and advocacy	22%
Financial support to beneficiaries	9%

Specific project outputs are interlinked with UMFI's regular operation, which this funding has supported. Therefore the outputs can only be broadly categorised: The regular commercial activity of UMFI in marketing the products, and the development activities, which include R&D for new product, product development activities, CBE capacity building, and trainings on agricultural and processing techniques.

Outcomes

The contract stipulates 3 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	5	1	3	1

*) This is referring to the result agreement that is really a result, and is not an activity, in our view.

The three result agreements in the contract are the following:

1. Increase turn-over from current (2003) 10 mln PhP per year to 20.9 (yr 1), 33.1 (yr2) and 42.4 mln (yr3), 52,6 (yr 4) and 59,9 (yr 5).
2. Develop and test at least 45 products in 3 years
3. Set-up of 2 new regional distribution centres
4. Service and build capacity of 45 CBE's and 2,500 households in 3 years
5. UMFI will not need further grant money after 2007-05.

On a general note, the above result agreements are very specific and can be measured well against actual agreements. Results 1,2 and 3 are referring to UMFI outcomes, Result 4 refers to impact. The financial result (Result 5) addresses UMFI as an organisation. is referring to a result, namely strengthening the enterprises to be able to present a business plan. Still here, this is not a very well defined result.

Result 1: Turnover increase

On the whole, the target values have not been achieved, and are progressively deviating from the original plan. As can be seen, the last audited accounts show a turnover that is 62% of the target value in the

contract. In fact, in the three years after the project formally ended, turnover has flattened out at a level of 34-36 million peso (roughly EUR 600,000).

Item	2005	2006	2007	2008	2009
Sales	17,089,544	25,762,512	34,050,994	34,802,221	36,946,903
Target	20,923,624	33,103,057	42,400,000	52,600,000	59,900,000
Achievement	76%	81%	80%	66%	62%

Result 2: Develop 45 new products

During the project period, UMFI did develop more products with the CBEs it assisted; however, the real number is probably much lower than the 45. The end report states that 95% of the sales still come from the original products (rice and sugar).

However, at the time of the visit in 2010, UMFI management had decided to re-focus their business activities on organic rice, sugar and coffee, instead of a wide range of products. Overall, the product range seems not to have evolved much.

The main achievement related to this target has been the strengthening of the brand name, which has a significant recognition rate by now, and can be found in nearly any supermarket in the Philippines (as the evaluators have tested during the mission).

Result 3: 2 new regional distribution centres

Depending on the definition, UMFI now has more distribution centres, being mostly retail outlets and warehouses in place. However, there is no reporting on this matter, and seems not to have been a main activity. These centres are in any case not branch offices, with a task comparable to UMFI in Manila.

Result 4: Build capacity of 45 CBEs and 2,500 households

UMFI reports suggest that at the end of the project 69 CBEs were connected to and supported by the organisation. During implementation, the end report considers that about 77 CBEs have been assisted, of which 68 were still in business at the end of 2007. The total number of households involved with UMFI stood at 3,289.

Result 5: No need for grant money after May 2007

In the years after the programme, ICCO and others have still donated funds to keep the organisation afloat. Based on the audited accounts of the year 2009 and 2008, UMFI received a total of PhP 9,3 million (app. EUR 150,000) in the two years after the project. Also, several other projects are being implemented with separated donors, though on specific projects.

Year	Source	Amount (PhP)
2009	ICCO	3,924,805
2009	Upland NGO	250,000
2008	ICCO	4,418,745
2008	Foster Plan Philippines	710,348
Total		9,303,898

The cause of that can be seen in the tables below; UMFI's net equity is negative, and that is growing in recent years. While its gross margin is increasing, so are the net losses. The company still struggles with cash management and proper financing of its operations.

Item	2005	2006	2007	2008	2009
Total Assets	10,098,190	17,933,321	24,540,162	35,078,013	45,547,661
Total Liabilities	12,072,091	18,263,494	27,673,886	38,043,513	49,895,614
Equity	(1,973,900)	(330,172)	(3,458,451)	(2,965,500)	(4,347,953)

Item	2004	2005	2006	2007	2008	2009
Gross Margin	1,866,038	2,918,967	5,137,058	6,401,740	8,741,379	9,648,321
Net Income	(2,646,154)	(686,963)	(535,003)	(1,561,798)	189,241	(1,831,835)

Sustainability

Overall, UMFI's sustainability is challenged by two main problems:

1. Operating margins are low; UMFI estimates a 25-35% margin should be realised in order to have UMFI commercially viable. The actual figure floats around 20%. This in turn has to do with a number of expenses that are on top of what a typical organisation would not typically incur. For example, UMFI has a very long cash cycle; it effectively pre-financing its CBEs and farmers for nearly a year which add interest cost of 4-5% to the total cost of sales. Another factor is that UMFI's mission is to support disenfranchised farmers, and promote organic production. Thus, only a very small segment in the consumer market can be targeted; for a wholesale operation the critical variable usually is volume, which is very low for the overhead cost necessarily incurred. If UMFI would also sell other products from the areas, from other CBEs or other responsibly produced (though not fully organic) commodities, volumes could be increased. Following an increase in the losses in 2009/2010, actions have been taken (change of management, bigger sales force, redirection of strategy) to mend this problem. However, the challenges are steep, and without donor support the organisation would fail.

2. The development and marketing activities are done in one organisation; one part is seeking commercial profit, the other part is pursuing a social agenda, finding new CBEs to work with, invest in their capacity and support these CBEs to produce marketable products. The latter activity is supposed to be funded from the operating profits of the commercial operation. Although the operating margins have improved and are positive, the amount is far lower than required (it does not cover the overhead cost of the commercial operation, let alone other non-business activities). It seems unlikely that these margins will ever be sizable enough to "subsidise" the development work fully. The BOT chairman considers that it would take another "5-6 years" of funding before UMFI becomes sustainable.

The evaluation reports of 2007 mentions this matter, and suggested to spin-off the commercial operations, and seek (co-)funding from donors for the clearly non-commercial support to the CBEs. Discussions have taken place in the years thereafter, but no decision has been taken.

Impact

For logistical reasons, a FDG with CBE members in the field was not possible unfortunately. However, two managers of CBEs have been interviewed at UMFI's premises. Therefore we rely mostly on UMFI information with respect to the impact generated from this project. Based on the records we checked, the figures though appear realistic to us.

In total 3,289 households are linked to UMFI's CBEs. It is not clear how many are new (and hence attributable to the 2004-2007 effort), and how many have been part of the earlier, and later efforts.

How many members are active and contributing to a certain extent is difficult to assess; UMFI reports that 72% of the CBEs are augmenting incomes of households while 28% generate major source of income for the households. On average the turnover with UMFI of a single household would be around EUR 187 per year, compared to EUR 79 investment per household.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project is **efficient** (+) since there are no signs that the funding was used inefficiently.
 - o The project is **additional** (+)
- The project is **partially effective** (+/-)
 - o The project is **not sustainable** (-)
- The project was **highly relevant** (++)
 - o The project is **attributable** (+)

The arguments for the above conclusion are as follows:

Efficiency

Efficiency is difficult for the evaluation team to assess, ex post. In general, we found no elements in the budget that would suggest gross inefficiency. The overhead percentage in the budget (around 30%) seems high, compared to other programmes, but is mostly the consequence of the project design: overhead here is the “project management”, which is in effect support to UMFI’s running cost, in turn the main reason for funding.

Overall, we see that funds are used within a system of a business operation, and are very likely to be used to the maximum extent. Therefore, our assessment on efficiency is positive.

Additionality

The funding of ICCO – here the continuation with the aim to make the organisation sustainable, and enlarge its outreach – has clearly been a precondition for continuity of UMFI; without it, UMFI would have gone bankrupt (and still would). Through UMFI’s continuity and extra funding for development efforts, expansion of the number of CBEs has been achieved, with associated benefits. Considering the rural and deprived setting of the CBEs, it is unlikely that without support these CBEs would have developed marketable, organic products themselves, or through other non-subsidised market operators.

Effectiveness

UMFI has achieved some of the agreed results: most importantly, it has increased its outreach to more CBEs, and subsequently increased its turnover; however, the increase in number of CBEs is much higher than the turnover increase, suggesting that the value of the production sourced from the new CBEs is lower than with the original ones. Also, turnover growth has been realised, but by far not as was planned for.

The main pitfall is that UMFI is still in dire need of grant money; in fact, the need has not decreased. Turnover is also stable at a much lower level than planned.

On balance, we see important achievements, but no, or much less effect on the two key performance objectives; and therefore rate the project as effective to a moderate extent (+/-).

Sustainability

The figures in the annual account leave no other conclusion that UMFI is a loss making operation, and only grant support prevents a collapse; therefore the outcomes achieved at UMFI can only be rated as not sustainable .

Relevance

The project is relevant, and has achieved more outreach than was planned for; considering the poverty levels in the target areas, this generates both a plausible net income effect, but also a significant increase in income security.

Gender relevance

The projects activities have been considerate of gender issue, and reporting suggest a positive effect on gender relations in the communities where the CBEs are developing.

Attribution

The attribution of ICCO's funding to the achieved results is high; ICCO was the main funder in this effort. That means that the impacts can be seen as the result of ICCO's funding, as UMFI would otherwise have collapsed. At the same time, the attribution of this specific funding is somewhat lowered, given that earlier funding have developed UMFI.

ICCO monitoring protocol

Date of monitoring by ICCO: 20/11/2010

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 3 years	Realised (Findings)
Alliance output					
No information in the system					
Partner output					
DABa	Small producer organisations are able to get access to the local market and enhance their competitive position	?	Good	19	68
Outcome					
DABa	Number of small producers that earns a consolidated or growing income from LMO activities	?	Good	1668	3289

- Based on our findings we would have included other (higher) numbers into the system; but a lower quality rating, considering the lack of sustainability and financial results.

FINDINGS ON 76-01-01-032 - PROGRAMME 2009-2011 (PCCI)

GENERAL

Project data

Start date:	01-07-2009
Closing date:	30-06-2011
Project partner name:	PCCI
Name of the project:	Programme 2009-2011
Country	The Philippines
Total budget of the project:	€ 128,100
ICCO contribution:	€ 128,100
Share LMD	100%
Intervention strategy	70%DAB, 20%MO, 10%BB

Overview of all ICCO Financial support to partner

PCCI is a newly founded organisation, but some of its members, like UMFI, have had financial support from ICCO before. PCCI contributes EUR 40,513 from its own members to the project budget, next to EUR 9,000 from the Peace and Equity Foundation (PEF). ICCO thus contributes 72% to this effort.

Project Summary

The PAC Community Consortium, Inc. (PCCI) consists of seven organizations six as a part of the Peace and Equity Foundation's (PEF) Partnership and Provincial Access Centers (PACs), and one is a NGO. The PACs are local NGOs, active in target areas across the Philippines, with the aim of reducing poverty. Together, the organization formed PCCI as an umbrella organization in May 2008. Together, the members of PCCI (or PACCCI as it is sometimes referred to) cover covers nine provinces, sixty municipalities and a total of 65018 individuals from 24032 households. The PACs are active in various sectors from rural and urban communities, lowland and upland dwellers engaged in organic farming, fishing, food processing, or handicraft. Most beneficiaries are micro-enterprises with limited access to local markets.

The different PACs have enterprises programmes, which stimulate production and marketing of locally made a wide variety of products. However, many of these products have access limited to markets. PCCI believes that one opportunity to ensure sustainability of the enterprises is in common marketing of these productions, so that products can be sold across the country, instead of only in the local/provincial markets.

Furthermore, many of the communities from different PAC areas have common products and share common problems. In its business plan, PCCI members considered that value chain thinking is crucial to overcome the main challenges of the enterprises the members support. Also, sharing knowledge and cross-fertilisation amongst partners could bring new ideas, concepts technologies and ideas to live with the beneficiaries and actors in the members' organisations.

PCCI members have therefore developed a plan to coordinate the numerous poverty reduction initiatives in their respective regions, provinces, and cities. A major component of each member's poverty reduction is done through livelihood programs, enterprise development and establishment of social enterprises. PCCI has rated major products of the members on impact, profitability, competitiveness, potential demand and capacity to meet the demand. The selected products were further assessed, and those found suitable for broader market access considered as "consortium" products. These products were then investigated deeper in a Value Chain Analysis in this project.

The aim is to ensure that the selected products are being marketed to wider public, and the members rationalize their choice of product lines to be supported and be translated to specific interventions. PCCI also has the ambitious plan to join partners together to develop common initiatives on specific value chains.

The PCCI support granted by ICCO supports the realization of the following objectives:

- Development of the capacity of PCCI members to implement value chain analysis
- Develop local markets by identifying new channels that will be managed by the PCCI members
- Develop internal capacity of PCCI to be able to facilitate the development
- Enhance the in-house stores of PCCI and its members to formal nation-wide retail network

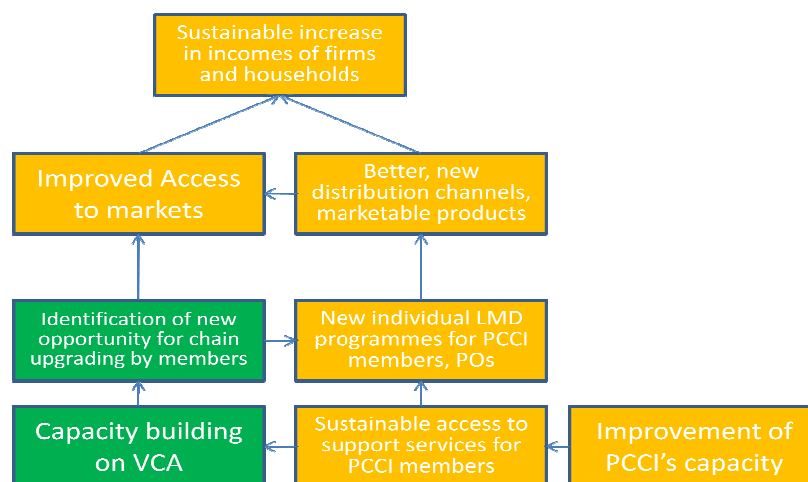
Implementation

The project is now one year in operation and has commenced with VCA trainings and partner support. Next to that, one of the partners, PNNI has started developing its “developmental tourism” programme, aimed at involving local farmers and fishermen in the protection of their natural environment, while at the same time earning returns from touristic activities, which PNNI supports with a number of interventions along the chain in Palawan Island. Also, ECHOstores (retail outlets for handicrafts and other locally made products) are in operations to serve a common outlet for the PCCI members’ products. Also, PCCI has facilitated the participation of members in trade fairs to forge new contacts with larger wholesalers’ networks.

So far two joint initiatives have been started up which involve two or more PCCI members; one in tourism, another in woven goods.

Simplified result chain

Below we describe a simplified result chain, based on the interview and the proposal made to ICCO:



FINDINGS

In below sections we report the findings on the inputs, outputs, outcomes and impact; these are based on:

- ⦿ Review of the (available) project documentation, from ICCO and partner organisation
- ⦿ Interviews with staff from the members of PCCI, and PCCI management
- ⦿ Observations from site visit (PNNI, the only member so far having implemented a VC programme)
- ⦿ Focus group discussions with farmers, cooperative staff and other beneficiaries, for two POs on Palawan island

This project is an ongoing effort, so that not all of the effects can yet be seen or measured; therefore, the evaluators have visited the most advanced partner; visiting all partners would also not have been possible, since all are in different parts of the Philippines. PCCI offices in Manila were visited were many of the partners have sent representatives for a focus group discussion.

Inputs

Financial inputs

ICCO provided EUR 128,100 to PCCI to support its “Programme 2009-2011”.

Year	2009	2010
ICCO payments (EUR)	98,100	30,000

The inputs of this project can be categorised as follows: about one-third goes to hardware, and other expenditure (trade fairs, promotion ect.) for the partners and the POS connected, another third is spent on training, coaching and other NGO services. The 33% overhead refers to the project management cost, and the organisational development component.

Input	Percent of total funding
NGO overhead	33%
NGO services	33%
External project costs	34%

Non-financial inputs

ICCO has supported the project with resources, and also been conducive to the development of the idea. So far, no visible other inputs from ICCO have been provided.

Outputs

The outputs so far delivered are described below; the split up between training activities, coaching and direct support (here to the POs and members) is based on the budget, not on realisation. As can be seen, direct support is high, at 50%; trainings absorb a third, and coaching a relatively small percentage. The latter may be due to the fact that the PM component (=overhead), accounting for a third, may also contain coaching and mentoring time delivered by staff.

Output	Percent of total output
Trainings	33%
Coaching, mentoring and advocacy	17%
Financial support to beneficiaries	50%

Until September 2010, the following activities have been executed:

Under the component “Capacity Building on VC Analysis” a workshop with the members of PCCI has been organised; attended by 15 staff from 7 NGOs (PACs). An external trainer stimulated the participants to work out business plans, critically review product choices and learn how to think in terms of a value chain, instead of an enterprise only.

Next to that, “area-based mentoring” has been a major activity; here, PCCI staff has visited 3 members organisation to discuss the implementation of VCAs and future directions of business. Here also staff from other members (PNNI) participated in order to facilitate exchange.

For the component “Local market development” a main activity was to start-up the ECHOstore shops in Quezon and Puerto Princesa. Both shops are now operational, selling goods produced from various suppliers, among them members of PCCI. With funding from PCCI, members have participated in several trade fairs, and events (Social Development Celebration, Flower Festival).. Some sales were realised during these events. Finally, PCCI has been active in networking with potential partners for marketing, in the NGO and commercial world.

Regarding the internal needs of PCCI, personnel and office have been established and a BOT has been elected in the first general assembly of the members. Also, a business plan was agreed to be written with input from all PCCI members. Further, PCCI took action to review the product portfolio at the ECHOstores, and re- assessed the sales performance with an external consultant.

Outcomes

The contract stipulates 3 results for PCCI to achieve, another 2 on impact level and one agreement on sustainability related matters. The table below summarizes to what extent these results have been attained; however, the project is only half-way through its lifetime, hence too early to make conclusions on the result agreements.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	5	Too early	Too early	Too early

*) This is referring to the result agreement that is really a result, and is not an activity, in our view.

The three result agreements in the contract are the following:

1. At the end of the first year, PCCI has made a Value Chain Analysis on at least 2 products that involve most of the PCCI members.
2. PCCI develops local markets through the identification and tapping of new channels, which will benefit business operations of the PCCI members, immediate opportunities are Echostore, Hapinoy Stores, TSKI and UMFI.
3. The chosen VCA's will have the potential of improving business operations of at least 1000 households.
4. As part of the PME system, PCCI will define monitoring instruments and indicators for measurement improvement in income security at household level, before the end of the first half year.
5. Building PCCI organization: In the first year, PCCI will develop a comprehensive 3 year business plan that will provide key business development services to its members.

Result 1: VCA for two products

At the time of writing, VCAs were still in progress, at least a completed study was not available to review. Two VCAs are being pursued, one on eco-tourism, one on weaving. Preparatory steps have taken place to involve the members to stimulate new activities.

In the mean time, PCCI has already started to develop the tourism value chain in Palawan, which is managed by PNNI, the leading member (chair) within PCCI. Two projects have been visited together with the staff, and focus group discussions have been made with the members of two POs.

The concept is that PNNI has developed a marketing organisation for the sale of “developmental tourism” on the island. This agency tries to overcome gaps in the service delivery to potential clients on the one hand, and offers tours and packages to national and international customers on the other hand. The effort to develop eco-tourism has been ongoing for a while now, with support from five different donors. The total budget was around PhP 10 million, of which 1 million (or 10% came from PCCI/ICCO). The PCCI funding was used to renovate the ECHOstore, which consists of a cafe, a shop, and a travel agency in Puerto Princesa.

The two initiative undertaken have resulted in very positive results for the target group:

- One initiative involved a village community, with a PO of 43 active members. Together the community protects the mangrove forests from illegal squatting, pollution and wood chopping. To make this an attractive proposition, PNNI has developed a concept how the village can benefit from a preserved environment; namely by earning money from tourism to the area. PNNI trained staff, and developed a service the community can offer, and co-funded a floating restaurant which tourists can hire to have a lunch while being shipped through the mangrove forest to Honda Bay, a major site in Palawan. The community owns and manages the float, and earns good returns from the services. The marketing is done through the PNNI-travel agent, located in the ECHOstore. Cooperation is developed with Manila partners to market the this and many other developmental tourism sites in the Philippines and abroad. So far this effort has been profitable, delivering extra income for women, and households in general. Next to that the POs fund is being filled, in order to be able to service the float, and eventually replace it if needed. The effort looks clearly on the move to be a sustainable improvement of income, and has the added benefit of environmental protection. However, this action of PNNI is an effort that started in 1999, and the funding has been from several donors, not ICCO directly. The initiative benefits indirectly from an

upgraded shop/travel agency facility which ICCO has funded. In the future, the PO may benefit from additional customers coming through channel development PCCI and PNNI are planning.

- The other initiative concerns the hire of fisher boats for divers at a diving site in Honda Bay; here a PO with 47 members is making good business out of the local tourism emerging. The fleet has increased from 45 to 67 boats, and turnover of the PO is steadily increasing. A look into the (very well kept) accounts of the PO reveals a very profitable business, despite the seasonal shifts in demand, and the occasional damage incurred through typhoons. The initiative was supported through PNNI and Oxfam in 2007 and 2008, when a floating diving jetty and cafe was installed at the diving site. Here again, protecting the site from detrimental fishery and pollution is a main benefit that results from this work: fishermen are actively protecting the reef from being destroyed, which would not happen if the site had no economic benefit. PCCI seeks to increase customers to the area through its travel agency. In 2009, a promotion campaign delivered a significant extra number of customers, with an additional turnover of 2 million PhP per month.

Result 2: Local market development through new channels

Until now, two stores have been set up, 8 more are planned. The two shops (Quezon and Puerto Princesa) have been visited and assessed: Overall, the sales performance is still relatively limited, the turnover in Quezon is around PhP 100,000 per month, on average (December was a major peak, the average turnover in the other months is around 40,000 PhP, or EUR 350). The operating margin is not yet there to sustain the shop (incl. rent). About 40% of the goods sold are from PCCI partners. However, the goods sold are mostly still subsidized through partner NGOs, hence the operation is not yet sustainable.

Equally, the Palawan shop has been renovated with ICCO support, and sales have begun; so far turnover from cafe/shop are limited, between 25,000-50,000 PhP a month. an average of at least 40,000 PhP is needed to sustain the cost. There is also income from the travel agency, and the two are cross-subsidising each other. The travel agency is more crucial for the developmental effort, as described above, but the shop also sell some products from PCCI partner, and from own POs in handicraft.

The other PCCI initiatives are still underway, and have not yet materialised in cash returns for the POs and beneficiaries. However, the concepts seem to work with some partners, so there is an optimistic outlook for the programme.

Result 4: PME system, baseline

We have not seen that PCCI has already developed a PME system allowing measuring and assessing income changes at household level. This result should have been achieved by end 2009.

Result 5: Comprehensive business plan for PCCI

We understood that there is a Business plan in the making, but have not seen a result yet, neither in the files at ICCO nor at the offices of PCCI.

Sustainability

Too early to report conclusive findings here. We did however see that PCCI is concerned with business-minded thinking about social enterprises and propagates sound marketing and financial policies to its members as the only way a sustainable income increase can be developed. Therefore, signs are encouraging.

Impact

Too early to say in general; PCCI activities are not advanced enough to see a direct impact. The result agreement on a 1,000 households can therefore be addressed only to a limited extent:

Result 3: Impact on at least 1,000 households

Too early to say; though the PNNI activities generate impacts in terms of income increases and –security, these are attributable to earlier funding, from other donors. How much the PCCI effort will influence household incomes, and in which number will have to be determined when the sales performance is measureable through the ECHOstores and other channels to be developed. PCCI considers that a successful development of the ECHOstore channel will impact +/- 500 households, thus other action will have to be undertaken to reach the impact target.

ASSESSMENT

In our interpretation of the above figures, information and observation we conclude that:

- The project has **been efficient (+)**; there is a cost-conscious attitude.
 - o The project is **additional (+)**; outcomes would likely not have occurred without ICCO support.
- The project's effectiveness is **too early to say**; generally, however, the project is **on track** to achieve its results, with some delays in the internal development.
 - o The project is **potentially sustainable**; considering the approach chosen.
- The project's relevance is **too early to say**; the outcome achieved to date are not yet likely to achieve the desired impact, but are **on track** as far as we can see now.
 - o ICCO's **attribution is low, for "natural" reasons**; PCCI is supporting its members indirectly with VCA capacity training, but there are always other donors involved to achieve the results.

The arguments for the above conclusion are as follows:

Efficiency

PCCI appeared cost-conscious to us, based on the view that investments into businesses have to be realistic in order to be sustainable. Although we cannot assess local prices for outputs, the investment done e.g. into the shops are such that a successful business operation should be able to cover depreciation cost of that investment, hence done efficiently. Overhead costs are high, but acceptable for a start-up.

There are delays in implementation, regarding the internal PCCI development, which is not efficient. However, the key activities are well underway.

Overall, we see that funds are used within a system of a business operation, and are very likely to be used to the maximum extent. Therefore, our assessment on efficiency is positive (+).

Additionality

The additionality of PCCI is to be found in its ability to generate cross-member cooperation, leading to added sales and better value chain operations of the members. That concept we rate as a viable case, time will tell whether or not this can be achieved.

We therefore consider the project as additional (+).

Effectiveness

Too early to say; the stores, as a common sales outlet have started and some commercial results are achieved; however not yet sufficient to declare this component as achieved, and hence effective.

The VCA analysis has yet to be completed and results thereof can be seen in a year or later; this will be the main result to account for, and we advise ICCO to ensure that the PME conditions in the contract are completed so that effectiveness can really be seen.

On balance, we see the project to be on track.

Sustainability

Too early to say, but potentially sustainable. That is, concepts that are applied are very likely to be sustainable, if the objectives are achieved.

Relevance

Too early to say; however, early results are encouraging. Here again PME action is required to assess the actual impact later on; considering the many donors and partners interacting here, good data will be needed to assess impact *and* attribution.

Gender relevance

The projects activities have been considerate of gender issue, and reporting suggest a positive effect on gender relations in the communities where the CBEs are developing. The target setting for households/employees is biased towards women (700 out of the 1,000).

ICCO Attribution

Attribution is a major challenge here, for two reasons: (a) PCCI is working as an umbrella organisation, hence the achieved outcome are only in part due to PCCI's actions. (b) PCCI's activities are often co-funded by other donors, and results are also based on already developed organisations. To gauge attribution, the *additional* sales and returns have to be captured to assess PCCI's attribution (for which a strong PME system is required).

ICCO monitoring protocol

Date of monitoring by ICCO: 20/11/2010

Intervention	Proposed outcome	Proposed	ICCO score	Realised	Realised (Findings)
Alliance output					
DABa	Number of partners active as supporter of chain development	1	No score	Not updated	1
MOa	Number of partners that develops or implements business development services and vocational training programmes	1	No score	Not updated	1
Partner output					
DABa	Small producer organisations are able to get access to the local market and enhance their competitive position	20, of which 5 small	No score	Not updated	Not known, too early
Moa	Number of programmatic chain interventions that is developed by partners and actors	2	No score	Not updated	0, not yet started (2 VCAs underway)
Outcome					
DABa	Number of small producers that earns a consolidated or growing income from LMO activities	1000	No score	Not updated	Too early to say

- Generally, the M&E system reflects the contract, but has not been updated yet, because PCCI is due reporting in 31/12/2010; therefore, no new information could be uploaded.

CASE STUDIES NICARAGUA

BACKGROUND INFORMATION LMD IN NICARAGUA

Market situations for small producers

Nicaragua is one of the poorest countries in Latin America. Its per capita income reached US\$ 1,022 in 2007, and according to the 2005 Living Standards Measurement Survey (LSMS), 48 percent of the population lived below the national poverty line, while 17 percent lived in extreme poverty. According to the World Bank's last Poverty Assessment, while the country's poverty rate fell by only four percentage points between 1993 and 2005, per capita income levels grew by over 30 percent during this same period. Progress in reducing poverty (particularly in the rural areas) slowed during 2001-05, while improvements in intermediate indicators of education and health have been uneven and many of the MDG targets are off-track¹².

The country suffers from legal and political insecurity, which results in a limited interest of foreign investors.¹³ Nicaragua has been granted an Extended Credit Facility by the IMF and is complying with the strict criteria imposed, enabling the country to maintain a relatively good fiscal and budgetary performance. Inflation is under control¹⁴. After a difficult 2009, economic performance during 2010 has been good. With a broadly supportive external environment, the recovery has gained strength and growth reached 3 percent.

Agriculture is an important economic sector in Nicaragua. After 1950 in selected areas the sector has moved towards capital intensive and modernised agriculture, with a focus on export crops. In the Pacific Lowlands, there is commercial agriculture of sugarcane whereas in the Central and Northern Highlands coffee and tobacco are important cash crops. Diversification strategies resulted in the increase of production of new exports crops as peanuts, meat and cocoa.

The Nicaraguan economy is open and closely linked to regional and international markets. In 2006, Nicaragua ratified the Free Trade Agreement (FTA) between the Dominican Republic, Central America and the United States (DR-CAFTA). Higher economic growth is expected to come from agricultural exports, especially beef, dairy products, fish, fruits and traditional exports (coffee, sugar, tobacco). The agro-industrial sector is protected for a period of 10 years of tax relief.

In 2010 exports totalled US\$ 1,900 million, an all-time high¹⁵. Volume growth was 16% while value increased by 30%, largely explained by the price hike in several of the country's export products (coffee, sugar, gold). Still Nicaragua's advantages like the large areas of fertile soil and cheap labour are not fully exploited.

Nicaragua is not self-sufficient in food and other basic needs and is therefore dependent on efficient trade on regional and international markets.

The domestic staple food crops are still produced with traditional labour intensive production methods and show little innovation in spite of yearlong government and donor efforts (agricultural extension, rural development programs). General weaknesses of small rural producers are their poor educational preparation, their lack of technical knowledge, their limited access to market information, the dependence on the rains, poor entrepreneurial vision and the adherence to traditional agricultural methods.

Overview of ICCO's support to Nicaragua

The LMD program in Nicaragua has been initiated in 2005, and collaborates with the Financial Services (FS) Program and International Market (IM) program of SFED. The program has started without an official program plan being developed; only in 2009 the program plan for LMD in Nicaragua was officially approved.

Under MFS1, ICCO has worked with 9 partners in Nicaragua and has funded them for more than € 2,3 million.

¹² The World Bank: Republic of Nicaragua, Joint IDA-IMF staff advisory note on the Poverty Reduction Strategy Paper. April 2010.

¹³ IA MFS2 proposal

¹⁴ IMF: Fourth and Fifth Reviews Under the Three-Year Arrangement Under the Extended Credit Facility. December 2010.

¹⁵ <http://www.americaeconomia.com/economia-mercados/cetrex-exportaciones-aumentarian-en-us300m-en-2011>

ICCO focused its activities on small producers and enterprises, aiming to increase their capacities and opportunities to integrate and work efficiently in market driven chain development. The main results that are aimed for are:

- 1) Improvement of the socio-economic position of small farmers and employees (women and men)
- 2) More than 7% of chain actors have better and fairer position in the chain and improve their income
- 3) Minimal one policy in favour of small producers formulated to improve their access to local markets.

ICCO has concentrated its activities in two regions: the so-called Dry Zone (along the Pacific coast) and the Northern Atlantic Region (RAAN), two very different zones in terms of climate, socio-economic and cultural conditions. By 2008, the chains that were selected for support were (organic) cotton, sesame and fruit, for the Dry Zone and cocoa and forest products for the Northern Atlantic region. These chains all have a local market development component, but are also linked to the international markets. The programme aims to effectively integrate small producers and entrepreneurs in the respective chains, by strengthening entrepreneurial spirit, improving access to financial and non-financial services and by supporting organisational efforts of the farmers). Over the past two years the chain focus has changed with cotton, fruit and forest products being eliminated and honey brought in. With the integration of the programmatic approach, the program's focus shifted from bilateral finance of counterpart organisations towards supporting chain development processes led by chain actors and financing projects around common interests of chain actors.

In Nicaragua, ICCO has worked with cooperatives, educational institutions and other strategic partner organisations.

FINDINGS ON 73-01-07-037 - FONDO PARA LA INNOVACIÓN Y FORTALECIMIENTO DEL PROGRAMA

GENERAL

Project data

Country	Nicaragua
Start date:	01-01-2008
Closing date:	31-12-2010
Project partnername:	ICCO: Proyecto de Fortalecimiento de Capacidades Cadenas de Valor
Name of the project:	Value chain program
Total budget of the project:	€ 877,382
ICCO contribution:	€ 574,710
Share LMD:	30%
Intervention strategy	30% DAB, 60% MO, 10% MO

Overview of recent ICCO Financial support to partner

Not relevant.

Project Summary

The main theme for the ICCO & Kerk in Actie Programs in Nicaragua is sustainable Fair Economic Development (FED) with the Value Chain Program being the main ICCO program in the country. This Program aims at the sustainable improvement of the socio-economic position of underprivileged groups through strengthening 5 value chains. To achieve this result, ICCO works with approximately 16 partners in rural areas in two zones: Zona Seca (dry zone in the west of the country) and RAAN (Northern Atlantic Zone).

The initial program focused on some 12 value chains which was reduced to 5 in 2007; organic cotton, cacao, forestry products, sesame and fruit¹⁶. The economic focus is being complemented by activities oriented at the promotion of participation in civil society.

The chains all have a local market development (LMD) component, but are also linked to international markets. An entrepreneurial spirit is embodied in the program's activities so as to diminish the dependency on donors and subsidies and to foster market functioning. The Value Chain Program also includes a strategy to strengthen rural service providers, in view of the fact that market and chain development require both financial and non-financial providers. This Program plan was formally approved in June 2009 with a budget of € 3,666,486 for the period 2009-2011¹⁷.

To support this Value Chain Program, ICCO has created a special support project, now known as the "Proyecto de Fortalecimiento de Capacidades Cadenas de Valor", internally referred to as the Value Chain Program (PCV)¹⁸. This Project initially (2005-2009) focused on capacity building of ICCO partners as a complementary service to the strategic funding by ICCO. Following the internal discussion at corporate level, it was decided to give the Value Chain Program and its support project a programmatic approach. In practice that means less or no more work at micro level (strengthening capacities at personal and organizational level) but at meso- and macro level (creating capacities at institutional level and facilitating chain development processes with relevant actors in the selected chains). The project tries to bring the different players of and around a chain around the table to discuss and work on common issues and interests through a chain wide development processes.

Another change has taken place as far as the chains are concerned. The work was continued in two of the five original chains (cocoa and sesame), whereas the honey chain was added. Due to a low level of initiatives and interventions in the fruit, forestry products and cotton value chains, there were no processes started in these chains.¹⁹

¹⁶ ICCO: Program Plan Local Market Development Nicaragua. No date. Page 2.

¹⁷ ICCO: Plan de Programa Cadenas de Valor y Participación Ciudadana. Version June 2009. Page 1.

¹⁸ The use of the word program for both the support project (PCV) and for the global program with partners is sometimes confusing. Unless otherwise indicated, from this paragraph on the present document uses the word "Program" to refer to the PCV.

¹⁹ Interview with Rogier Verschoor, coordinator of the PCV. November 2010.

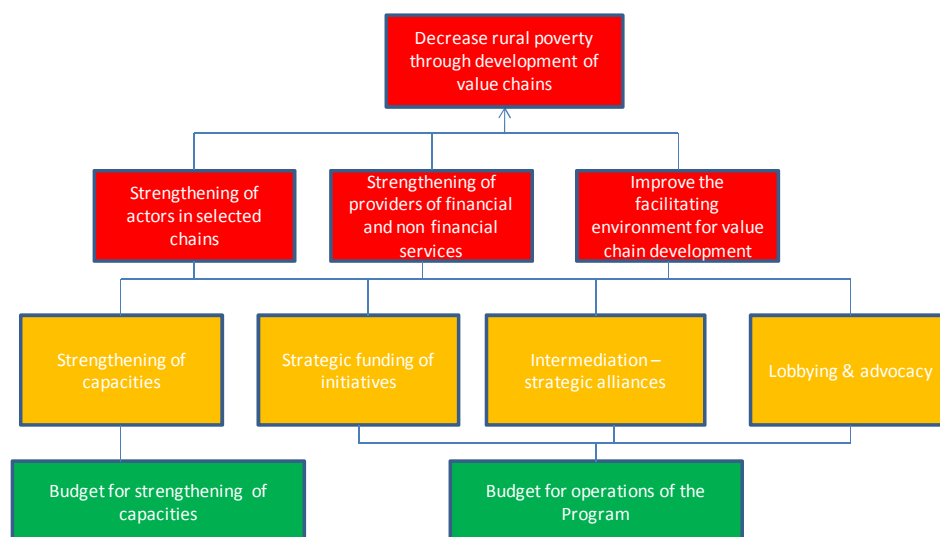
ICCO works in this program with a team of advisors/chain facilitators that is contracted by ICCO directly and with an operational budget. This project has to enable ICCO to increase the efficiency and the outreach of its Value Chain Program. Whereas ICCO has the responsibility for strategic funding and lobby & advocacy, the PCV project has the roles of capacity strengthening, linking stakeholders and networking.

Up to the beginning of 2010 the beneficiary organizations were the ICCO partners working in local market development and some other collaborating institutions (NGOs, cooperatives, universities). They were receiving direct technical support provided by the advisors of the PCV project. Due to the above mentioned change in strategy, the project reduced its advisory services to ICCO partners and has taken up the role as external chain facilitator in sesame, cocoa and honey.²⁰ The work is now at meso- and macro-level which in principle widens the outreach to all interested organizations of the supported chains (NGOs, sectoral coordinating bodies, government institutions, producers' organizations, input suppliers, service providers, exporters, processing enterprises etc.).

In June 2010 the team of advisors presented a proposal on how to restructure the support project as well as the Value Chain Program²¹. This document indicates that the actual set-up of the support project is way too heavy, taking into account amongst others ICCO's decentralization process and the foreseeable drastic decrease in the funding from the Dutch Ministry of Foreign Affairs.

Some initial discussion about this document has taken place but it is very likely that ICCO will stop the funding even before the official end of the project cycle (August 2011).

Simplified result chain



The base document of the Value Chain Program “Plan de Programa Cadenas de Valor y Participación Ciudadana²²” contains a logical framework type of matrix. This matrix includes a description of the expected results and indicators at the level of effect in the target group result at the level of the counterparts and result at the level of the project team.

Of the five results at the level of the counterparts, only two have quantitative indicators. No quantitative indicators are included for the “effect in the target group” nor for the “Result at the level of the project team”.

The change of strategy towards chain facilitation has required a shift in activities and targeted results. The Project has done a serious effort to structure this very general goal and translate it into specific objectives

²⁰ Interview with Rogier Verschoor, coordinator of the PCV. November 2010.

²¹ Proyecto CDV: Programa Cadenas de Valor Propuesta de reestructuración operativa y administrativa. 21 pages.

²² ICCO: Plan de Programa Cadenas de Valor y Participación Ciudadana. Approved versión, June 2009. 48 pages.

and activities. An example of this is the planning matrix made for the cacao chain²³. This matrix indicates four objectives at the level of the players of the chain:

- ⊙ Work towards a common objective
- ⊙ Show real engagement with the process
- ⊙ Being in charge of the process, they manage their own actions
- ⊙ They show effective communication and learning

These objectives are further translated into short and medium term outputs and targets, ranging from the partners being able to make their own work agendas and being represented in national bodies to more structural outputs like a strategic plan. Similar matrices were made for the processes in sesame and honey.

FINDINGS

Inputs

Financial inputs

The following payments have been done under project number 73-01-07-037. The project is also funded by a third party (PSO) and the contribution of ICCO to the total project fund is 66%.

Total budget ICCO	2008	2009	2010
€ 574,710	€ 88,434	€ 174,231	€ 312,045

The inputs of this project can be categorised as follows: 24% has been spent on overhead, such as office, communication costs and administrative assistance, 54% was spent on staffing of the project team (salaries) and finally 22% was operational budget spent on local capacity building.

Input	Percent of total funding
Overhead	24%
Partner services	54%
External project costs	22%

Non-financial inputs

This program is an ICCO initiative to support a wide range of partners and collaborating organizations in development processes of selected value chains. Through the program personnel (a coordinator and two advisors) ICCO puts knowledge and networks at disposition. Specific value chain oriented initiatives get funded through ICCO strategic funds or its delegated fund FIF (small projects facility).

The expatriate coordinator works under a PSO contract and receives a symbolic local salary. He is the linking pin between partners, the advisors, consultants and the ICCO/KIA main office. The Program coordinator ensures that all capacity development trajectories are well planned, implemented and evaluated²⁴.

Outputs

The projects objective is to build local capacity to strengthen the selected value chains, through consultancy, trainings, manuals and exchange visits (100%).

Output	Percent of output
Trainings, coaching, mentoring and advocacy	100%

Outputs by Value Chain program

From 2005 onwards the Program has had an expatriate coordinator. In 2007 the technical capacity of the support project was strengthened by two value chain advisors who were contracted by ICCO to

²³ PCV: Metas e indicadores de corto y mediano plazo para evaluar el impacto de las acciones de facilitación en los procesos de articulación de actores en la cadena de valor cacao. October 2010.

²⁴ ICCO: Application programme coordinator chain development and civil participation. 2008. Page 2.

“dinamizar” the selected value chains²⁵. By the beginning of 2008 they had visited the two focus regions to get familiarized with the counterparts and projects and made an Activity Plan (POA 2008).

In September 2008 a new program coordinator was contracted. He had to be “the linking pin between de partners, the advisors, consultants and the ICCO/KIA main office”. As responsible of the support project, the Program coordinator has to ensure that all capacity development trajectories are well planned, implemented and evaluated.²⁶

We present our findings in line with the originally planned value chains to be supported. The Program team has executed a lot of activities, ranging from simple visits to ICCO partners to more structural engagements and to the promotion of coordinating mechanisms in several chains.

The following table presents an illustrative overview of the Programs activities.

Sector	Outputs achieved
Sesame	<ul style="list-style-type: none"> - Sector wide: Initial actions to start up a national level development process in the sesame chain led by its relevant actors through round tables at regional and national level - Analysis of traceability of sesame in two cooperatives - Intensive support to cooperative Juan Francisco Paz Silva in the development of products derived from sesame and in the preparation and implementation of a major project to diversify its production structure - Training and practical support on organic sesame production - Financial support (with the FIF) to two cooperatives for production of improved seed for organic sesame production certified by the Ministry - Analysis of the financial services portfolio of a local cooperative in (organic) sesame production
Organic cotton	<ul style="list-style-type: none"> - Support for study of organic cotton value chain - Search for new partners in this chain. Did not lead to new partners which motivate to close the activities in organic cotton²⁷
Fruit	<ul style="list-style-type: none"> - Support to the fruit processing plant of Aprodese in Cinco Pinos - Internal discussion and lack of project proposals being presented by counterparts implied a practical withdrawal from the fruit chain.
Forest Products	<ul style="list-style-type: none"> - Support to community forest management activities as implemented by the cooperative of forest professionals Masangni - Assistance in the search for alternative sources of income generation from non-timber forest produce (analysis of foliage, ojoche, ajum oil)
Cocoa	<ul style="list-style-type: none"> - Support to MFI Pana Pana to present a Project for the development of adequate financial products for the growing and processing of cacao - Support to three “Comisiones Municipales de Cacao”, coordinating mechanisms for the sector - Support to the centro de Agronegocios y gestión empresarial “CEGE” in the field of cacao - Contribution (funding and contents) to a post graduate course on cocoa and entrepreneurship development (el diplomado) - Support to the National Cocoa Commission strengthening the network of regional and municipal cocoa commissions
Honey	<ul style="list-style-type: none"> - Sector wide: facilitation of a development process in the honey chain led by the National Honey Commission of Nicaragua (CNAN) - Western region: facilitation of a development process in the honey chain led by the Western Region Round Table (MAPIO) - Northern region Las Segovias: facilitation of a development process in the honey chain led by Las Segovias Region Round Table (MAPIS) as a region of main interest by exporters for its production potential - Support to an innovative honey harvesting project by the country’s main exporters through mobile extracting units - Contribution to national level discussion with the Produzcamos Bank on the development of a financial product designed for the honey production - Support to a national level Course on Tropical Honey Production - Technical training of producers’ organizations in bee and hive management, diseases and commercialization - Presentation of the National Honey Promotion Program as approved by the Ministry of Agriculture

²⁵ M. van der Glas, op.cit. Page 6.

²⁶ ICCO: Application programme coordinator chain development and civil participation, 2008. Page 2. This document contains the job description of the coordinator.

²⁷ The 2009 progress report 2009 mentions the lack of good and trustworthy counterparts and the impossibility to control the conflict between involved partners.

In the implementation of these chain linked activities, the project collaborates with several institutions and projects. These include Agriterra, Alterfin, DED, Ecomercados, the Ford Foundation, FUNICA, GTZ, ONUDI, OXFAM, Pymerural and ECO.

Outcomes

The contract does not stipulate any concrete outcomes that the financing should achieve (result agreements). Because of the fact that this is a special ICCO project with no project partner as such, the contract was not structured in the usual set-up.

In other project documents it is described that the Program and its support project were expected to pursue the achievement of objectives in four fields²⁸:

- Capacity Building: strong chain actors and support agents in each of the 5 chains.
- Market development: new businesses created in the value chains empowering small farmers.
- Financial services: New financial services created benefiting value chain development.
- An enabling environment in which value chain development can flourish.

In view of the fact that the PCV is a support project to the Value Chain Program, the key target group is the same: small producers and processors in several value chains. The objective to be achieved is that “the target group has opportunities and capacities to integrate into a market economy in a fair and sustainable way”²⁹. Due to the type of intervention there is big distance between the targeted population and the support project.

Impact

ICCO has expressed the opinion that this support project has to become independent and should eventually achieve sustainability³⁰.

ASSESSMENT

In our interpretation of the above figures, information and observations we conclude that:

- The project is **moderately efficient** (-), since there are some indications that outputs were not achieved in the most efficient manner.
 - The project is **moderately additional** (+/-) since many initiatives exist, however the project supports relatively new value chains
- The project has a **low effectiveness** (-)
 - It is **not known** whether the outcomes of the projects will be **sustainable**.
- It is **not known yet** whether the project is **relevant**.
 - The **attribution** of ICCO to this project is **66%**.

The arguments for the above conclusion are as follows:

Efficiency

The support Project has no pre-defined outputs. As stated in the ICCO document “Application programme coordinator chain development and civil participation”, the outputs will be defined in accordance with the objectives for each supported organisation. In view of this it is difficult to assess the output against pre-defined expectations or plans. From 2009 onwards the project elaborated a yearly advisory plan with the ICCO counterparts which formed the basis for its yearly reporting. With the change towards a programmatic approach, the Project elaborated 3 matrices guiding the development processes in the selected chains. The Program has been engaged in the five originally planned chains although the activities were limited by the lack of trustworthy counterparts. The support Project has gone through many changes and has hardly reached stability. This has had a negative influence on efficiency. The documentation also shows that ICCO’s regional office and the Project have a poor working relationship and that decision

²⁸ Taken from the logframe included in the document “Application programme coordinator chain development and civil participation”. 2008, page 5.

²⁹ ICCO: Plan de Programa, op. Cit. Original text reads: “El grupo meta tiene oportunidades y capacidades para integrarse de manera justa y sostenible a una economía de mercado”.

³⁰ Interview with Maricke van der Glas. November 2010.

making about the Project is inefficient. The considerable reduction in the number of chains did not lead to a downwards budget adjustment, further reducing efficiency.

Additionality

In an environment where a lot of projects and initiatives are taking place and where interested partners are “courted” by many, such as in the RAAN, the PCV seems to lack weight to become a relevant player. On the other hand, in little time the PCV team has gained a leading role in facilitating the honey and sesame chains where very few other donors and agencies are involved.

Effectiveness

There is little proof from actual monitoring that the Program has been effective in strengthening the partner organisations. In several cases the Program has decided to stop collaborating with institutions due to the lack of interest or commitment. The support project has suffered too many changes to reach effectiveness.

The change to a facilitating role has so far yielded few visible results as the processes have been started quite recently (2009). It is generally known that achieving effects in a sector wide approach takes time and is more complicated than the provision of “one-on-one” advisory services. In our opinion ICCO has not thoroughly analyzed the feasibility of achieving sector wide effects with a project that had only two years to go when the strategic shift was made.

Sustainability

Since there is no information available on the outcomes of the project, it is impossible to measure the sustainability of the outcomes of the interventions.

Regarding the sustainability of the project; from early 2009 onwards, the support project has launched three efforts to change the project structure, but as far as we know ICCO did not reach a final decision. Again in 2009 ICCO’s regional office voiced concern about the situation and since then has been insisting that a transition should take place, leading to less dependency on ICCO.

Relevance

The relevance of the intervention is not known. We found no impact information.

Gender relevance

We did not see evidence of an explicit focus on women producers. However, the producers are commonly families where the husband is the head of the family and the wives and children take part in the farming activities.

Attribution

The functioning of the Program and its support project depend 66% on the funding from ICCO and in that sense the attribution of ICCO funds for the project is high.

ICCO monitoring protocol

Date of monitoring by ICCO: 12-02-2009, Realisation 1

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 1 years	Realised (Findings)
Alliance output					
MO-a	Number of partners that develops or implements business development services and vocational training programmes	5 (2 BDS)	Sufficient	3 (1 BDS)	NA
Partner output					
MO-a	Number of programmatic chain interventions that is developed by partners and actors	5	Moderate	2	1
Outcome					
MO-a	Number of members of formal and informal groups	1000	Sufficient	500	NA

FINDINGS ON 73-01-07-026 - PLAN TRIENAL (THREE YEAR PLAN) INSTITUTO DE FORMACION PERMANENTE - INSFOP

GENERAL

Project data

Country:	Nicaragua
Start date:	01-01-2006
Closing date:	31-12-2008
Project partner name:	Instituto de Formación Permanente - INSFOP
Name of the project:	Plan Trienal (three year plan)
Total budget of the project:	€ 883,000
ICCO share in project budget:	€ 300,000
LMD % of the project:	100%
Intervention strategy:	70% DAB, 30% MO

Overview of recent ICCO support to partner

Period	Project	Budget
2004-2007	Mejoramiento del Sistema de Información Gerencial	€ 17.000
2005-2007	Paneles solares para la comunidad Buena Vista	€ 27.309
2006-2008	Plan trienal	€ 300.000

Project summary

INSFOP is a long standing ICCO partner (1992) based in the city of Estelí and operating in the region known as the “Segovias”. INSFOP was founded in 1978 during the social crisis surrounding the overthrow of the Somoza dictatorship and is based on Christian principles. INSFOP is deeply rooted in the region and throughout its history has established close ties with its target group.

The present project was ICCO’s last one with INSFOP as it is not operating in ICCO’s focus regions (RAAN and Zona Seca) .

INSFOP is recognized nationwide as a professional and a-political NGO with good knowledge about rural development. Several of the professionals that worked with it have become high ranking government officials or end up working in international projects.

This project has carried out in depth development work in mainly rural communities in the region of Las Segovias. To achieve its development objective of improving the living conditions of poor farmers, its intervention strategy focussed on achieving changes at three levels: two at the level of production (higher productivity for existing crops and introduction of new crops) and at the level of the market (new sales channels for the farmers). It was INSFOP’s belief that these changes could be brought about by training the farmers in production methods, by technical assistance and by involving them in pilots of alternative farming methods. The intervention required the intensive presence of technicians who played a double role: bring in technical knowledge and motivate towards change.

The “Plan Trienal” project was formulated with a lot of details and clearly reflected that INSFOP had done its preparatory homework. Prior to formulating the project, INSFOP had detected the following key problems of rural communities:

- ③ Low agricultural productivity in crops which on top of that generate little added value. The farmers do not have the knowledge to change this.
- ③ Limited alternatives for marketing due to a.o. low production volumes, poor quality and the absence of “fair” marketing channels. The farmers have no capacity to influence this.
- ③ Community leaders have little influence on decision making bodies as a result of lack of information, low education and lack of organization.

In view of the fact that lack of information and organization were considered to be key causes for the problems, INSFOP decided to include these elements throughout the project.

The project formulation also reflects several elements that were recommended by earlier evaluation missions, including more emphasis on systemization of the experience and the importance of promoting the association (gathering) of the target population.

INSFOP carried out an intensive program of technical assistance and training, with activities in 43 rural communities, reaching 1,140 families. Most of these families acquired knowledge on agricultural techniques for their traditional crops and about crop diversification and/or exploitation of vegetable and fruit gardens.

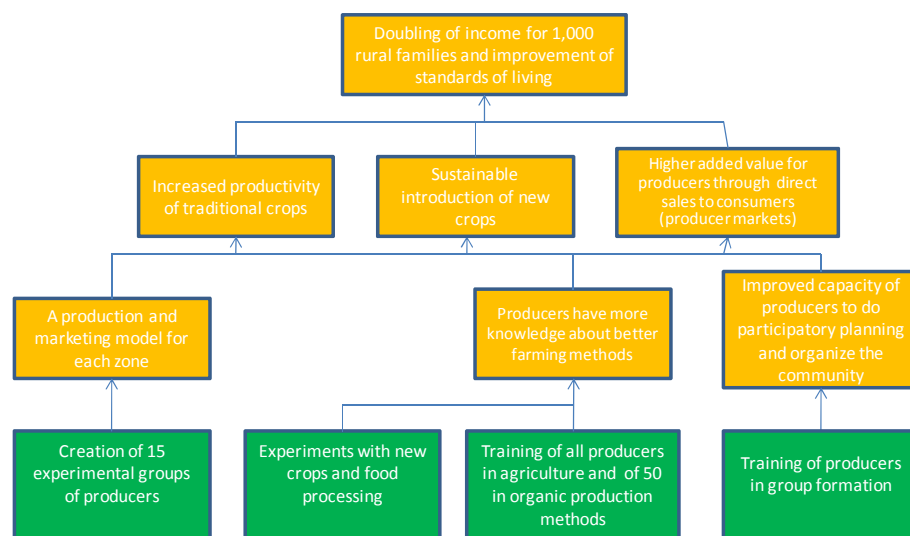
Throughout the project and in the contact with INSFOP one can sense the institutional belief (vision) that farmers can be empowered if provided with the right support. INSFOP has put emphasis on systemizing lessons learned and has published a series of booklets on techniques for community organisation and on ways to add more value to the production.

During the project years, INSFOP's administrative system has improved, partly thanks to the obligation to provide systemized information to its funding partners.

The target group of the project were 1,140 families in 43³¹ rural communities in the departments of Madriz, Nueva Segovia and Estelí. Part of these families had already been targeted by INSFOP but about 50% were new to the institution. One of the criteria for the selection of the communities was the absence of government and/or donor interventions as INSFOP wanted the project to have a significant additionality.

Simplified result chain

The following graph illustrates the result chain of the project in a simplified manner.



This project had a clear focus on improving the living conditions of small farmers in INSFOP's targeted area. This improvement was basically pursued through activities oriented at achieving changes in three areas: two at the level of production (higher productivity for existing crops and introduction of new crops) and one at the level of the market (new sales channels for the farmers). These changes had to be brought about by strengthening the agricultural knowledge of the farmers through training and technical assistance, and by involving them in pilots of alternative farming methods and other experiments. The idea behind this was that production and marketing models could be developed for each zone, which eventually could be rolled out.

Parallel to this technical approach and to the input of knowledge, the project had an important component of organising the farmers with an orientation at community development. The intervention model was further characterized by efforts to empower the target group by teaching them to get better grip on their lives.

³¹ ICCO KIDBEMO, 2006. Page 8.

FINDINGS

Input

Financial inputs

The total budget for the project was € 883.204³² of which ICCO contributed € 300,000 (34%). Other sources of funds included Misereor, FAO, PMA and FUNICA.

Year	2006	2007	2008
Project budget ³³	343,000	275,000	264,000
ICCO contribution	235,000	65,000	0
% contribution	68.5%	23.6%	0%

The inputs of this project can be categorised as follows, based on the budget: Overhead absorbed 30% reflecting that INSFOP used part of the ICCO money for institutional funding. 61% of the funding was used for direct support of the beneficiaries.

Input	Percent of total funding
Overhead	30%
NGO services	9%
External project costs	61%

Non-financial inputs

ICCO did not provide non financial services. ICCO's insistence on regular reporting and on information provision might have contributed to the improvement of INSFOP's administration and managerial information system. The ICCO supported Value Chain Program has not actively supported the project.

Output

The budget shows a key output of this project which focussed strongly on training of the target group and the NGO, accounting for 59% of the expenditure. Direct funding to the partner and the target group represented 31% of the expenditure.

Output	Percent of total output
Trainings	59%
Coaching, mentoring and advocacy	10%
Financial support to beneficiaries	31%

Throughout the three years, the INSFOP personnel have carried out an intensive work program with the rural communities. Activities in this period include:

- Training of close to 1,000 farmers in crop improvement and of over 400 to become "experimental producers".
- Training of women in fruit and vegetable processing.
- Meetings to exchange experiences on crop diversification.
- Systemization and presentation of experiences and practices about the diversification of farms
- Field visits of farmers and technicians to other experiences in diversification and rural development
- Introduction of new crops including peanuts, linseed, medicinal plants
- Donation of seedlings to the farmers.
- Introduction of plant growing in old tires.
- Several research projects about rural issues.
- At least one rural participatory diagnostics.
- Large number of training events about human development, self esteem, gender and responsible parenthood.

³² ICCO: Kidbemo, op. cit. Page 11..

³³ INSFOP, op.cit. .

Outcome

The ICCO/INSFOP contract³⁴ does not explicitly mention an expected project outcome, but formulates the expected results in terms of 14 specific objectives (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved	No information
Result agreement	14	5*	5	1	3

* In our view, one of the results is actually an output

The result agreements in the contract are the following:

1. 90% of households dedicated to small farming have increased yields of basic grains and vegetables by 50% and animal production by 50%.
2. Improved productivity in 50 farms as a result of the implementation of alternative technologies
3. Diversification applied in 50 farms.
4. 300 vegetable gardens improved.
5. 1,140 families trained in agricultural issues.
6. Validated a model of production and marketing according to the agro-ecological conditions in each area.
7. 340 families have developed the capacity to design community organization plans and know participatory planning techniques
8. The 1,140 families have knowledge about presiding local groups contributing to improvement of the communal organization
9. 15 groups of researcher producer group
10. 9 successful experiences systemized
11. 150 economic initiatives taken up or developed by microenterprises
12. Creation of a regional association of producers who design, manage and execute social, production and marketing projects.
13. Three permanent places for direct and fair sales (producer to consumer).
14. A value chain based marketing strategy for each agro-ecological zone.
See overview under "output"

To the extent possible, we have checked the performance of this list of outcomes of which some are more like output. Sources have been the progress report 2007 for ICCO, the 2009 evaluation report³⁵, our meeting with the INSFOP personnel, a focus group discussion with farmers from one of the communities in "La Trinidad" and a field visit.

Result 1: 90% of households: increased yields of basic grains, vegetables and animal production by 50%.

No baseline data about initial yield. No evidence that the 50% increases were achieved by 90% of households

Result 2: Improved productivity in 50 farms as a result of the implementation of alternative technologies

Overachieved during the project. Evaluation report has detected 124 farms where productivity has increased

Result 3: Diversification applied in 50 farms

Diversification of different degrees was achieved in 45 farms

Result 4: 300 vegetable gardens improved.

Achieved during the project. Actually a lot of gardens no longer in use

³⁴ Condiciones específicas del contrato. June 2006.

³⁵ Moncada, O. and Valdivia, H.: Evaluación Proyecto "Fortalecimiento de la capacidad productiva y fomento de la microempresa en el área urbana y rural". September 2009. 67 pages.

Result 5: 1,140 families trained in agricultural issues (output)

1,247 families were trained in one way or the other

Result 6: Validated model of production and marketing according to the agro-ecological conditions in each area

INSFOP has gathered useful information and acquired relevant experience in this field. Not made into a model.

Result 7: 340 families have developed the capacity to design community organization plans and know participatory planning techniques

Hundreds of families were trained but it is not clear if they actually use their capacity to design plans. Community leaders have become more aware of the importance to analyze the situation of the community and of the need to plan for improvement. In several cases this has enabled them to present development projects

Result 8: The 1,140 families have knowledge about presiding local groups contributing to improvement of the communal organization

Some knowledge brought in through training (output).

Result 9: 15 groups of researcher producer group are formed

Currently 10 groups have been created. Most of them have ceased to exist.

Result 10: 9 successful experiences have been systemized

A total of 13 systemizations (manuals, booklets, notes) was carried out in different fields, such as community organisation, participatory diagnostics, leadership, organization of vegetable gardens and processing of vegetables.

Result 11: 150 economic initiatives taken up or developed by microenterprises 85 developed.

No data available on the actual situation.³⁶

Result 12: Creation of a regional association of producers who design, manage and execute social , production and marketing projects.

The creation of two new cooperatives was achieved, however the establishment of a regional association of producers was not achieved.

Result 13: Three permanent places for direct and fair sales (producer to consumer).

A weekly producer market in three cities has become sustainable

Result 14: A value chain based marketing strategy for each agro-ecological zone

Strategies have been written or partly written. No clarity on their use.

The project has led to increased productivity in traditional crops although it is not clear if this has been maintained in the absence of technical support and access to good seed material. As for the diversification, only a small percentage of the farmers continue to apply the acquired knowledge. At the marketing side most farmers continue to sell through the same channels but three producer markets continue to operate, serve tens of farmers weekly and stand testimony to the interest of farmers to sell their product directly to the clients.

³⁶ Based on Moncada & Valdivia, op.cit., page 24. We do not consider the “bancos de semilla” and the “botiquines” as microenterprise activities. During our field visit we encountered no microenterprise initiative being the result of the project.

Impact

The contract includes a clearly formulated impact objective as follows:

“In the period of 3 years, 90% of the 1140 families will have increased their production by 50% and their revenues by 100%”

As there is no baseline information, it is impossible to determine to what extent this impact objective has been achieved. The evaluation report mentions (based on focus group discussions) several examples of increased income as a result of higher productivity in traditional crops or of the introduction of new crops.

The following table includes some examples on productivity and income increase for corn and beans (2005 vs. 2009)³⁷

Variable	Before	After	Increase
Corn (a)			
Average harvest in QQ/Manzana	13.1	20.65	57%
Income at C\$ 400/Q (c)	5.248	8.260	57%
Beans (b)			
Average harvest in QQ/Manzana	10.2	16.4	61%
Income at C\$ 500/Q (c)	4.080	6.560	61%

a) Sample of 88 farmers, excluding extreme values

b) Sample of 63 farmers, excluding extreme values

c) Assuming a constant price. In reality the price of corn and beans has increased

Taking into account the increased prices for maize and beans, the income effect is larger than mentioned in the table and will easily achieve 100%.

Furthermore the interviewed farmers indicate that over the past years they have been able to improve their houses and to keep the children longer at school.

ASSESSMENT

In our interpretation of the above figures, information and observations we conclude that:

- The project is **efficient** (+)
 - o The project is **moderately additional** (+/-)
- The project is **less effective** (-)
 - o The project is **moderately sustainable** (+/-)
- The project was **relevant** (+)
 - o The project is **attributable** (+)

The arguments for the above conclusions are as follows:

Efficiency

Throughout the project duration INSFOP has shown a very good capacity to carry out activities in the targeted rural communities and in general performed well on this. The output was negatively affected by a number of problems³⁸.

- Instability and high rotation in the field staff, partly due to the hard working conditions
- Lack of participation of a number of families in project activities
- Difficulty to find and have work meetings with the community leaders (occupied or not making the work with the project into a priority).

The cost per family reached has been reasonable and stands at € 775 for the three years (total budget). (the ICCO contribution per family was € 263).

³⁷ Based on data in Moncada & Valdivia, op. cit. , page 37. Calculations by Triodos Facet.

³⁸ INSFOP: Informe sobre el plan trienal. 2008. Page 6.

Additionality

The additionality is measured as moderate, since the results that have been achieved are not to the extent that was planned, however if ICCO funding had not been granted, the results were most probably not or partially been achieved.

Effectiveness

As our presentation of the findings shows, the performance on the 14 result agreements includes “overachieved” (3), “achieved (2) and “not or underachieved” (6). There are also three cases where we did not find enough information for an opinion. All this leads to insufficient effectiveness.

Sustainability

The effects in the **traditional** crops are probably sustainable, conditioned upon the continued access of the farmers to improved seeds. As for the **non-traditional** crops, the field visit revealed that the majority of the farmers had gone back to their traditional crops. Some of them however continue with selected crops like peanuts, linseed and chia (seed used for drinks). Most of the experimental gardens are no longer kept, partly because there is no market for the vegetables. The farmers mention that after the departure of the technicians they were no longer in the mood to continue. Changing habits is difficult. The three farmers markets continue to function and provide additional income to several dozens of farmers, therefore sustainability is rated as being moderate.

Relevance

All targeted families were reached in a more or less intensive way. As illustrated under “impact” the farmers report substantial productivity increases in traditional crops. Although this is not 100% attributable to the INSFOP Project, it clearly illustrates the physical and monetary impact. There is also evidence of productivity increases in non traditional crops.

Attribution

The contribution of ICCO to the total project fund has been 34%. ICCO’s contribution has been financial and has enabled INSFOP to carry out one of the few programs on sustainable agriculture and local marketing in the region. If ICCO would not have co-financed the “Plan Trienal” it is unlikely that INSFOP could have carried it out with the same intensity and manpower.

ICCO monitoring system

Date of monitoring by ICCO: 04-12-2009 – Realisation End

Intervention	Proposed outcome	Proposed	ICCO score	Realised at project end	Realised (Findings)
Alliance output					
DAB-a	Number of partner organisations active as supporter or partner (actor) of chain development	1	n/a	0	0
Partner output					
DAB-a	Number of producer organisations that is able to operate in the local market in a profitable and feasible manner	0	n/a	0	0
Outcome					
DAB-a	Number of small producers that earns a consolidated or growing income from LMO activities	0	n/a	0	388

FINDINGS ON 73-01-07-028 - COOPERATIVA MULTISECTORIAL JUAN FRANCISCO PAZ SILVA

GENERAL

Project data

Country:	Nicaragua
Start date:	01-01-2010
Closing date:	31-12-2013
Project partner name:	Cooperativa Multisectorial Juan Francisco Paz Silva R.L.
Name of the project:	Desarrollo de fincas diversificadas (development of diversified farms)
Total budget of the project:	€ 560,152
ICCO share in project budget:	€ 350,000
LMD share of the project:	50% (50% CAP)
Intervention strategy:	DAB: 50%; DB: 20%; MO: 30%

Overview of recent ICCO funding to the partner

Period	Project name	Budget
2008	Sesame oil processing facility	40.000 €
2008	Innovación de nuevos productos	17.000 €
2010-2013	Desarrollo de fincas diversificadas	350.000 €

The relation between ICCO and JFPS dates back to 2008 when ICCO funded a US\$ 40,000 processing facility (sesame oil) project through the cooperative umbrella organisation Del Campo. A second ICCO collaboration is the co-funding for US\$ 17,000 of the project "*Innovación de nuevos productos*".

Partly based on these experiences ICCO decided to support the project under review. This project formally started on 1st January 2010 and has duration of four years till 31st December 2013.

ICCO motivates its interest in supporting the project referring to the fact that JFPS is located in the so-called "Zona Seca" one of ICCO's two geographic intervention areas in Nicaragua. At the same time the project is in line with ICCO's support to various value chains such as sesame, fruits, honey and cashew nuts³⁹.

Project summary

The project launched by the Cooperative Juan Francisco Paz Silva (JFPS) with support of ICCO aims at the diversification of crops among the members of the cooperative. The farmers who traditionally are engaged in livestock and in the planting of sesame will get support to diversify into a.o. fruit, vegetables and honey. The project also aims at creating more added value for the farmers by investing in small processing facilities. Parallel to the work with the farmers, the project also has to achieve the strengthening of the cooperatives technical capacity by contracting a number of technicians. Other objectives are the development of a gender strategy and the promotion of local economic development at the municipal level.

Bringing this together in one intervention has led to a rather complex project that will put a big claim on the management and administrative capacity of the cooperative. This capacity has already shown its weaknesses when it comes to managing the cooperative's loan portfolio which shows an arrears rate of 60%.

Almost one year after its inception, the project is still in a start-up phase although training activities have started as well as handing out of tools and seedlings. The concepts included in the project document are being worked out by an enthusiastic team of young people, most of them sons and daughters of cooperative members. They feel very motivated but have little practical knowledge of alternative crops and hardly can fall back on earlier experience in agricultural promotion and innovation. For some of the planned crops a market study has been made. This study includes a very weak argumentation to invest in orange juice production, heavily underestimating the complexity of the processing and marketing.

³⁹ ICCO: Project Plan JFPS. 2009. Page 2.

The targeted direct beneficiaries are 100 families, whose income has to increase by 15%. In view of the limited number of beneficiaries and the basic preparation of the intervention, the project has a high experimental character. This is further enhanced by the fact that most of the technical support to the farmers will be implemented by persons with limited experience in agricultural extension.

As for the background to the project, it is worth mentioning that prior to formulating the project, JFPS by the ICCO funded Value Chain Program has analyzed the large dependency of the farmers on a limited number of crops: corn, beans and sesame. This analysis pointed out the risks related to this lack of diversification, as the income of the farmers derived from their crops is subject to market fluctuations, weather conditions and agricultural pests. The analysis also revealed that agricultural production is not done in a sustainable manner.

In view of this analysis, the core of the intervention is the diversification of crops. It is assumed that given the varied soils and climates of Achuapa, conditions are favourable for several types of crops⁴⁰. The project document does not provide evidence to the latter.

The partner

The project is oriented at the Cooperativa Multisectorial Juan Francisco Paz Silva R.L. (JFPS), located in the municipality of Achuapa, Department of León (Zona Seca). Achuapa is one of the poorest municipalities of the country.

The Cooperative was created in 1983 and presently has 261 members, including farmers, professionals and traders. JFPS is considered to be one of the most important civil society institutions of the municipality.

The vision of JFPS is to improve the quality of life of its members and their families and promote gender equality, amongst others through the introduction of improved production processes.

Since its start, the cooperative has been contributing to the enhancement of the living standards of families in and around Achuapa, through the execution of (small) projects in the fields of agricultural production, forestry, environmental education and family integration. These projects have been implemented with the cooperation of a number of international donors: Christian Aid UK, ECODES Zaragoza Spain, CIDA Canada and Raleigh International.

The cooperative in particular has accumulated experience in the production, processing and marketing of sesame seed and oil and in the recollection and marketing of beans⁴¹. It is known for its production of sesame oil which it exports through the Central de Cooperativas Del Campo⁴².

Based on the financial information that was made available to us⁴³, we think that the cooperative is financially weak. 65% of the assets consist of "accounts receivable" which apparently include the loan portfolio. This portfolio has a 60% arrears rate.

The target group

The target group of the project are the members of the cooperative which as of November 2010 numbered 261, the direct beneficiaries. With an average family size of six, the number of indirect beneficiaries amounts to 1,305. Most of the members are farmers who on average own 34 manzanas, equivalent to 24 hectares. Roughly 50% of this land is for cattle grazing and 13% is for crops. Each household on average has 15 head of cattle. The size of the farms and the number of cattle indicate that the members are not destitute. This is confirmed by income data contained in the very interesting and detailed JFPS Information System. This system has been developed by the Nicaraguan NGO SIMAS (Servicio de Información Mesoamericano sobre Agricultura Sostenible), and contains very valuable data about the member families. The data include quantitative and qualitative information about the farms and the crops, the families and their income, the access to credit and even the diet. The number of families covered is 262 and data for 2010 are available.

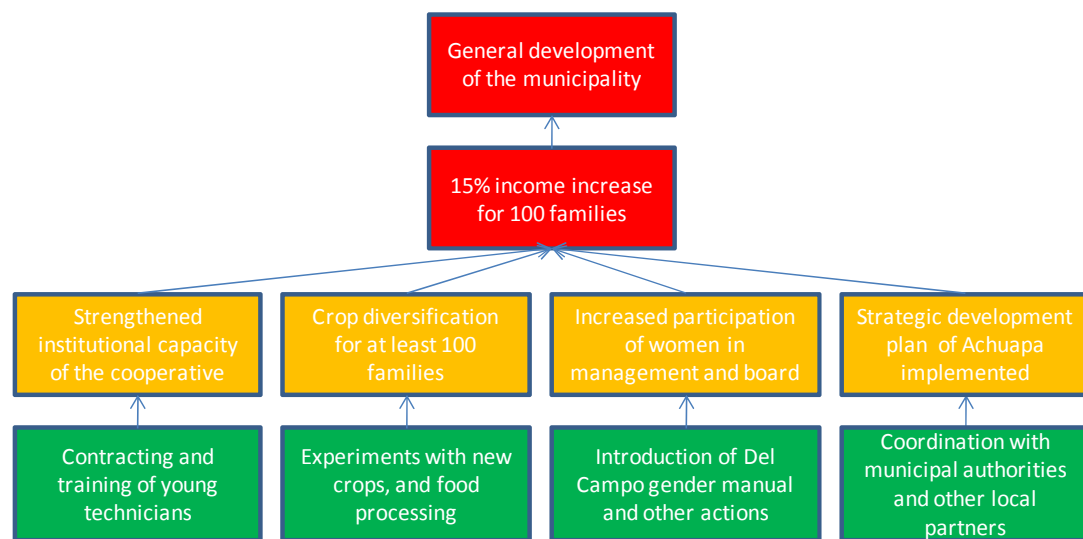
⁴⁰ Our visit to the cooperative revealed that this assumption has not been tested. Achuapa is one of the dryer municipalities of the Zona Seca. Diversifying crops is a venture that requires a lot of preparation and technical knowledge.

⁴¹ Cooperativa JFPS: Solicitud de financiamiento. 2009. Page 2.

⁴² For more information on Del Campo, see the case study on this ICCO partner included in the Triodos Facet report.

⁴³ Cooperativa JFPS: Estados Financieros al 31/07/2010.

Simplified result chain



The intervention logic reflects that the project has four fields of intervention, each at different levels: direct work with the families in diversification, strengthening of the capacity of the cooperative, improvement of the gender situation and the putting into practice of the municipal development strategy. The documentation and the meeting with JFPS indicate that the activities in these four fields have to lead to impact at the level of the families. This impact is expressed in terms of increased income. There is another effect that, although not explicitly mentioned, also seems to have been on the mind of the persons that formulated the project. We refer to the general development of the municipality. We have included this in the intervention model as well.

The key idea is that crop diversification and processing of agricultural produce (mainly fruit) will decrease the dependency on the actual crops and will increase the income of the farmers. The project foresees the introduction or improvement of five different crops, each of them involving 20 families.

FINDINGS

Input

Financial inputs

The total budget for the project is € 560,152⁴⁴ of which ICCO funds € 350,000 (62%). ECODES contributes with € 165,357 while the partner contribution amounts to € 44,795. As per November 2010, ICCO had made a first payment of € 100,000. This Project converts ICCO into JFPS's main funding partner.

Input	Percent of total funding
Overhead	23%
NGO services	28%
External project costs	49%

Non-financial inputs

ICCO's knowledge and non-cash input

Indirectly ICCO has played an important role in the formulation of the project. We refer to the support JFPS has received from the ICCO funded Value Chain Program. As far as we understand the program's advisor for the Zona Seca has played a key role in writing the project document and in helping JFPS in its presentation to ICCO's regional office. According to the project team, ICCO does adequate monitoring of the project through its value chain project. The regional advisor and the project coordinator are mentioned as having helped in different components of the project (base line, definition of gender policy,

⁴⁴ ICCO: Project Plan, 2009. Page 1.

access to coordination initiatives). Their ample knowledge in value chains and access to markets is mentioned⁴⁵.

Partner input

The Cooperative provides most of the technicians that work with the farmers. Several of them are sons and daughters of members of the cooperative. The cooperative also contributes with its in depth knowledge of the families, allowing in principle for an objective selection of beneficiaries for the different project components.

Output

The outputs in general can be distinguished in the following three categories (based on the budget):

Output	Percent of total output
Trainings	50%
Coaching, mentoring and advocacy	12%
Financial support to beneficiaries	38%

The budget shows a clear orientation towards the target group, with the understanding that the item “training of the target group” includes the cost of the technical assistance the producers receive. This consists basically of the salary costs of the newly contracted technical assistants, which over the four years amounts to approx. € 140,000. This points in the direction of job creation. The training of these young persons accounts for another € 60,000, reflecting a high investment in creating capacity. It is not clear how this capacity will be sustained after the project. Overhead stands at 23%, comparable to the Del campo project. The table further shows that 29% of the budget will be spent on “hardware”, reflecting the investment in processing equipment for the transformation of the produce.

The ICCO/JFPS contract⁴⁶ does not explicitly formulate project outputs, but includes a paragraph which contains four specific results, which refer to the following specific activities:

1. Crop diversification of at least 100 families of small and medium farmers (20 families per selected crop) with the introduction of amongst others vegetables, beekeeping, fruit, rice and soybeans. Additional to the diversification each involved farm should carry out reforestation on a plot of 1,800 square meters (1/4 manzana).
2. Strengthening of the Cooperative JFPS, to be achieved through the following activities:
 - Creation of an eight persons promotion team, including at least 3 women to provide technical services to producers in the process of diversification and to monitoring the process
 - Hiring of two technicians with experience in diversified farms and soil management.
 - Hiring of a technician in food processing
 - Contracted a social worker to promote the cooperative feeling.
3. Develop and implement a gender strategy that translates into a 15% increased participation of women members not only as beneficiaries of the cooperatives credit programs but also as direct beneficiaries of the revenue generated through the diversification project. Also increase the participation of women in decision-making and in the board of the Cooperative.
4. Carry out inter-institutional and inter-sectoral consultations and at least 4 workshops to socialize with different key economic and social actors in the municipality to strengthen and to obtain concrete proposals to create an environment and conditions conducive to local economic development in implementing the Strategic Plan of the Municipality of Achuapa.

The project is in its start-up phase. The technicians have been contracted and ICCO’s initial disbursement is used to pay their salaries. They are working out the ideas and concepts included in the project document and show great enthusiasm in doing this. In line with the agreements with ICCO, most of these technicians are sons and daughters of cooperative members. They feel very motivated to carry out the project and to

⁴⁵ The people interviewed do not make a clear distinction between the personnel of the Value Chain Program and the ICCO personnel of the regional office.

⁴⁶ ICCO/JFPS: Condiciones específicas del contrato. November 2009.

assist the families but have little practical knowledge of alternative crops and cannot fall back on earlier experience in agricultural promotion and innovation. Based on the interviews and documentation, we have found the following:

Activity 1: Crop diversification of at least 100 families

Ideas are being developed and the first activities have been carried out. Example of sub-projects include:

- ⦿ Honey: several farmers received training in beekeeping.
- ⦿ Sesame: experiments have taken place with a new variety.
- ⦿ Rice: two experimental plots have been planted. A small rice mill has been bought and will be installed soon.
- ⦿ Vegetables: a pilot has been established, a new irrigation system has been introduced and 6,000 seedlings have been produced.
- ⦿ At number of 25 farms have received tools and small equipment.
- ⦿ 25 farmers received tools for their beekeeping activity.
- ⦿ A “tool box” has been established with inputs for organic agriculture.
- ⦿ Experimental production of Tahini (sesame product)
- ⦿ Experimental production of two types of wine based on local products (flor de Jamaica and calala).

Activity 2: Strengthening of the Cooperative JFPS

The key activity in the first year has been the contracting of most of the planned technicians. These persons have received the first training. The cooperative has started to develop its innovative capacity, for example with a mobile laboratory and training of members in plant health. With the contracting of the new technicians, the number of employees has increased substantially.

Activity 3: Develop and implement a gender strategy

12 meetings have taken place to obtain information about the situation concerning gender. The process is under way to define roles in the cooperative with equity in the context of the gender policy of the cooperative.

Activity 4: Carry out inter-institutional and inter-sectoral consultations and workshops

Several preparatory meetings have taken place. The cooperative is in close contact with the municipality. One of its key persons is a member of the Achuapa municipal council.

In the focus group discussions, the farmers have expressed their opinion on the outputs that were provided by JSPS as follows.

Output provided by JFPS: the view of the farmers⁴⁷

- ⦿ Supply of tools for gardening
- ⦿ Supply of vegetable seeds
- ⦿ Supply of inputs for beekeeping
- ⦿ Tree seedlings
- ⦿ Training to convert organic waste into compost
- ⦿ Exchange of experiences on cultivation methods

The contract also details the obligations of JFPS concerning activities to be carried out in the first year and about reporting.

Activities⁴⁸:

- ⦿ As a condition to the second disbursement, JFPS has to present to ICCO a report of the results and the progress up to 1st August 2010. JFPS informed us that ICCO agreed on a later due date (June 2011).
- ⦿ In the first quarter of 2010 JFPS must carry out a market study for all the products included in the diversification strategy. The study must cover local, national and international markets. The study must be presented to ICCO by the end of June 2010. CAIXA made a market study and it was agreed that JFPS would make it available to the evaluation team. So far this has not happened.

⁴⁷ Based on the focus group discussions.

⁴⁸ ICCO/JFPS: Condiciones específicas del contrato. November 2009. Page 2.

- ⊙ Before the 1st January 2010 JFPS had to send ICCO a depreciation plan of the fixed assets to be bought.

Reporting:

Over a period of four years, the partner has to provide ICCO with 16 reports: an operational budget, a progress report⁴⁹, a financial report and an audit report for each year.

Outcome

The contract⁵⁰ stipulates 4 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained so far (after not even 1 year of implementation).

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreements	7	3	2	2

The following results were agreed upon in the contract:

- 120 small farms diversified to reduce the risks of economic losses (later reduced to 100).
- The cooperative's agro-industry diversified, giving value added to the production of the members.
- Member families obtain higher value added in the marketing of their new products.
- Improved service provision of the cooperative towards its members.
- Strengthening of the professional and community skills of the children (young adults) of the members.
- Gender policy of the cooperative developed and implemented.
- Improved inter-institutional coordination with other organizations of Achupaca oriented at the implementation of the municipalities' strategic plan.

Following interviews with staff and beneficiaries, the evaluation team made the following findings:

Result 1: 100 small farms diversified

For each of the selected crops or fields of diversification the farms have been selected (a total of 100). The cooperative has applied a selection methodology that takes into account the track record of the family in terms of production.

Farmers express their satisfaction about the improved beekeeping techniques they have acquired thanks to the technical support provided by JFPS and brought in by the Value chain Program.

Result 2: The cooperative's agro-industry diversified

Pilot production runs have been carried out for sesame and fruit based products. Installation of rice mill is under way and plans exist to produce orange juice.

Result 3: Member families obtain higher value added

Small quantities of tahini and local wines are being produced. No marketable quantities of new products as yet.

Result 4: Improved service provision of the cooperative

The cooperative now has a 7 member technical assistance team. This team covers the crops selected for diversification and has started to provide assistance to the farmers in administration, marketing, agro industry and sustainable farm production.

Result 5: Strengthening of the professional and community skills of the children

The members mentioned under result 4 basically consist of young people of the community. They are acquiring a very interesting experience.

⁴⁹ According to the contract, the first operational report is due 31st March 2011 but in agreement with ICCO this has been postponed to June 2011.

⁵⁰ Condiciones específicas del contrato. November 2009.

Result 6: Gender policy of the cooperative developed and implemented

Contact has been established with Del Campo to implement its gender policy in JFPS.

Result 7: Improved inter-institutional coordination.

Farmers in the focus groups also mention that they have learned environment friendly techniques and as a result of that now have reduced the burning of the fields prior to planting or to preparing land for grazing⁵¹.

Impact

The contract includes the following detail about expected impact

1. 75% of the families involved in the project have increased their revenue by 15% with sales of new products (vegetables, fruits, honey) from their farms two years after the project has elapsed.
2. Strengthened economic policies and of people's participation in the municipality of Achuapa through the implementation of the Strategic Plan of the Municipality of Achuapa.
3. Developed and implemented a strategy of gender in the cooperative that also includes the increase of female representation in management and board positions at cooperative level.

The targeted direct beneficiaries are 100 families, whose income has to increase by 15%. Given the project budget of > € 500,000 this means an investment of € 5,000 per family, more than twice their yearly income. Over a period of ten years the Internal Rate of Return is negative and the accumulated increased income does not allow recuperating the investment.

One of the reasons of this negative IRR is the fact that the project pretends to diversify no less than five crops. This makes it practically impossible to achieve economies of scale. Even if there would be success in one or more of the diversified crops, the production volume of the 20 farms involved would be too low to allow for any significant entry into the market

A basic condition to measure impact, the availability of baseline data, is fulfilled thanks to the already mentioned "Sistema de Información JFPS" developed by SIMAS. This provides very detailed information about the situation of the 261 member families (2010 data).

It is too early to measure the impact of the project, but to put the goals in perspective, we summarize part of this information about the income of the families⁵².

Source of income	Income in C\$
Income from crops	13,100,000
Of which	
Sesame	5,505,000
Milk & milk products	3,537,000
Pig raising	1,010,000
Non farm income (salaries, remittances)	79,000

US\$ 1 = C\$ 21

The total income from crops and non farm income is approx. C\$ 13,200,000, equivalent to approx. US\$ 630,000. As such the average yearly reported monetary income per family is approx. US\$ 2,400. The 15% income increase mentioned as impact goal then comes down to US\$ 360 (€ 275).

The table shows the importance of sesame which accounts for 42% of the income while milk & milk products (cheese, soft cheese) account for 26%. In view of the recent start of the project, the targeted

⁵¹ Based on the focus group discussions.

⁵² Source : data contained in the "Sistema de Información JFPS".

crops for diversification (vegetables, fruit, honey) still account for very low percentages of the families income.

ASSESSMENT

In our interpretation of the above figures, information and observations we conclude that:

- The project is **not efficient** (-)
 - o The project is **on track to become additional** (+):
- The project is **effective** (+)
 - o It is **too early to judge on the sustainability** of the project.
- The project is closed too recently to assess this, but it is not expected to be **not relevant** (-)
 - o Attribution is **62%**

The arguments to the conclusions above are as follows:

Efficiency

In our opinion the diversification project with JFPS can better be classified as a pilot project. In view of that, and taking into account the limited number of beneficiaries, the investment of half a million Euros points at a hard to understand logic of resource allocation.

In view of the planned outputs and the number of people to be reached this is a very expensive project. An important part of the funding is being spent on salaries of inexperienced technicians. The total budget for technical assistance amounts to US\$ 110,000, this comes down to US\$ 1,000 per family.

Another example of inefficient use of inputs is the US\$ 60,000 for training in leadership and sustainability of the children of cooperative members and the US\$ 29,000 for training of personnel of the JFPS (4 times more than for training of the members).

Execution of the multiple activities is going slower than planned. So far there has been no harvest of fruit and vegetables related to the project intervention. Even so, the members express their satisfaction about several activities, including the distribution of tools and of seedlings⁵³.

Additionality

The additionality of the project is difficult to assess because the project has only started recently. However, the current results as well as the targets show a positive additionality of the project.

Effectiveness

It is too early to judge effectiveness as the project has achieved very little in terms of outcomes. Outcomes are expected from the second year onwards. However we do want to voice an opinion about the low probability of achieving the desired effects under the component "agro industry". JFPS want to invest US\$ 52,000⁵⁴ in a fruit processing facility. We are facing a typical case where an intervention is based on a correct diagnosis of a problem but where the recipe stands little chance of curing the problem.

Diagnosis: every year during the harvest season, farmers do not harvest thousands of oranges as they consider the price they can obtain for them as too low. They let the fruit rot. As the project document states: "The potential is not being exploited, the fruit crop is mainly for auto consumption, with parts of the production (mango, citrus) being wasted as they are not brought to the market because during the harvest season the demand is low and there are no means or equipment for processing"⁵⁵.

Recipe: processing of the oranges close to where they grow and make orange juice. Based on international experience it has become clear that small scale production of orange juice is not feasible. As far as we can see, ICCO nor the "Programa de cadenas de valor" have critically analyzed this part of the proposal nor have made reference to similar cases where the transformation of seasonal fruits has not been successful. Worldwide there are hundreds of failed experiences in this field and some of these have occurred in Nicaragua (one case with ICCO support). The causes of failure are multiple and include lack of fruit during part of the year (leading to low capacity use), technical problems related to production, confusion about the ownership structure, impossibility to find adequate management of the facility, lack of market, problems in stocking the product and lack of distribution channels.

⁵³Triodos Facet. Informe sobre Grupo focal con dos grupos. November 2010. Page 3.

⁵⁴ Source: Presupuesto proyecto de diversificación. Item VII: agroindustry.

⁵⁵ JFPS: Solicitud de financiamiento. 2009. Page 5.

Sustainability

Since the project is only in its first year of implementation, it is too early to make judgements about the sustainability of the project outcomes.

Relevance

Although the project is too recent to answer these questions, the relevance can still be assessed as low because the low impact that is expected from the outcomes: the changes in income and for how many beneficiaries. As shown in the chapter “impact” good baseline data are available. These enabled us to identify the impact from the project which we can only assess as low.

Another indication of low relevance is the expected cost/benefit ration. The project cost per family to be reached stands at € 5,600. Relating this to the expected income increase at the family level reveals that ICCO and its partners are investing € 20 for each € 1 of expected income increase⁵⁶. There is no doubt that this calculation can be refined, but based on the data available our conclusion is that the support project for the Cooperative JFPS has an extremely poor benefit/cost relation. The calculation of the IRR of this project is also negative.

Attribution

The attribution of the impact to ICCO funding is 62%. This is a reasonable rate of attribution where the results can also be attributed to the ICCO funding. The attribution of ICCO is high. Without ICCO’s input the diversification project would be impossible but at the same time ICCO should be aware that in this initial stage an important part of its money is being used to pay for additional staff. Given the fact that this project will demand a lot from the administrative and managerial capacity of JFPS, close monitoring by ICCO is fundamental.

ICCO monitoring tool

Date of monitoring by ICCO: 13-10-2009 – Des End

Intervention	Proposed outcome	Proposed	ICCO score	Realised after 0 years	Realised (Findings)
Alliance output					
MO-a	Number of partners that develops or implements business development services and vocational training programmes	1	n/a	n/a	n/a
Partner output					
MO-a	Number of programmatic chain interventions that is developed by partners and actors	1	n/a	n/a	n/a
Outcome					
MO-a	Number of members of formal and informal groups	675	n/a	n/a	62

⁵⁶ This is exclusive of the institutions overhead.

FINDINGS ON 73-01-07-015 - COOPERATIVA DEL CAMPO R.L.

GENERAL

Project data

Country:	Nicaragua
Start date:	30-06-2006
Closing date:	31-05-2009
Project partner name:	Cooperativa Del Campo Responsabilidad Limitada
Name of the project:	Estrategia para la integración a la cadena de ajonjolí
Total budget of the project:	€ 374,900
ICCO share in project budget:	€ 279,974
LMD % of the project:	50% (50% IM)
Intervention strategy:	75% DAB, 25% MO

Overview of recent ICCO funding to the partner

Period	Project name	Budget
2006-2012	Capital de Trabajo planta	€ 400.000
2006-2009	Estrategia para la integración a la cadena de ajonjolí	€ 279.974
2006-2007	Mejoramiento Tecnológico JFPS	€ 33.500

Project Summary

The project known as “Estrategia para la intergración a la cadena de ajonjolí” focused on one of ICCO’s priority zones and on one of the value chains selected for Nicaragua. The project was based on an intervention model geared at strengthening Del Campo as a key actor in the value chain for sesame and at improving the capacity of member cooperatives to provide services to the farmers by stationing technical staff in the cooperatives. All this had to lead to assure a sustainable supply of sesame to Del Campo’s new processing plant. Other aims were professionalizing the management and administration of Del Campo and several cooperatives and the strengthening and increase of productivity of four new cooperatives and their members.

The partner

Del Campo is a “central de cooperativas” originally founded in 1997. In its actual form “La Cooperativa del Campo R.L.”, based in León (Zona Seca) was formally constituted in 2006 as “Central de Cooperativas multisectoriales de importación y exportación Nicaragüense, Del Campo”. Del Campo is a second level (umbrella) cooperative with 12 cooperatives as founding members, most of these based in the Zona Seca.

Del Campo offers services to its members in agricultural production, credit and processing and marketing of agricultural products. In principle it provides these services for eight products: sesame seed and oil, soybeans, peanuts, organic coffee, beans (frijoles), honey, jicaro seeds and herbs and spices, but sesame seed and oil makes up over 90% of the sales. Del Campo buys the sesame seeds from the producers (members of the cooperatives and others), processes them and sells them to national and international clients. The latter include importers in Europe, Japan and the USA as well as several clients in the fairtrade and organic products market. Del Campo defines itself as an actor in the value chain for sesame.

Del Campo is a very well known and visible cooperative and has direct access to the highest level of government. Over the years it has developed a wide national and international network which has supported it with funding for investments and operations, institution building, technical assistance and access to international markets. It has alliances and/or collaboration agreements with almost 20 national and international partners. During our visit to Del Campo, the management team did not mention the problematic relationship with two of its Dutch based international partners: Argidius Foundation and Oikocredit.

The ICCO funded project, was oriented at Del Campo and 11 of its associated cooperatives. Nine of the cooperatives are in the Zona Seca (five in León, four in Chinandega) while one is in Managua and one on the island of Ometepe.

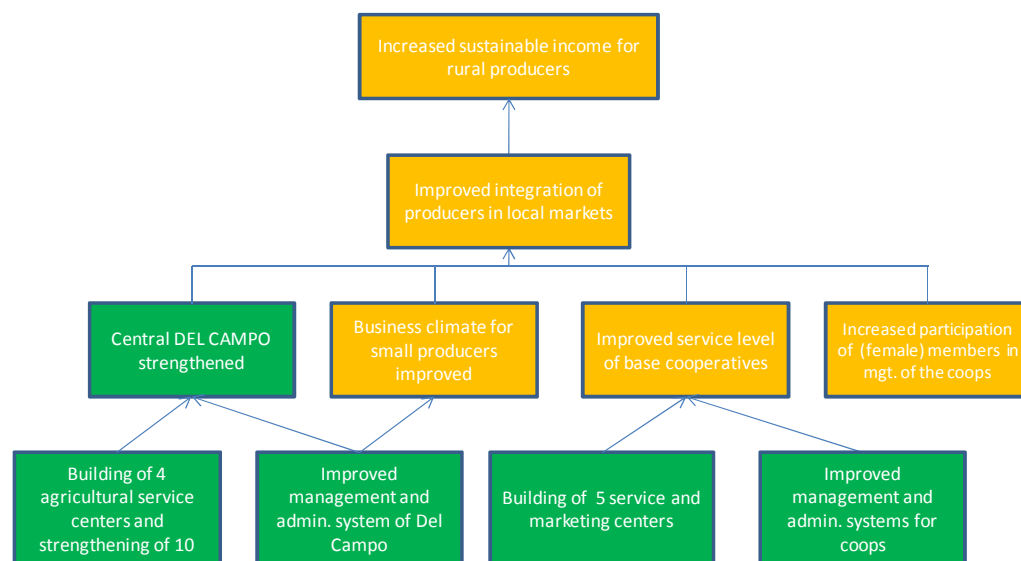
As per mid 2010 these cooperatives have 987 members:

Cooperatives affiliated to Del Campo (November 2010)	Location
Cooperativa Multisectorial Noel Murillo RL	Nagarote
Cooperativa Multisectorial Telica RL	Telica.
Cooperativa Multisectorial Eddy Castellón C. RL	Malpaisillo
Cooperativa Multisectorial Carlos Núñez Tellez RL	El Sauce.
Cooperativa Multisectorial Juan Fco. Paz Silva RL	Achuapa
Cooperativa Multisectorial Alfonso Núñez RL	Chichigalpa.
Cooperativa Multisectorial Eusebio C. Urban RL	Chinandega.
Cooperativa Multisectorial La Norteña RL	Somotillo.
Cooperativa Multisectorial S. José del Obraje RL	Chinandega
Cooperativa Multisectorial Prinzapolka RL	Sabana Grande
Cooperativa Multisectorial La Esperanza RL	Isla de Ometepe

The target group of the project are the members of the above mentioned cooperatives. As of November 2010 the total number of active members is 987. This is considerably less than the 3,600 members mentioned in ICCO's KIDBEMO⁵⁷. The members are farmers, in their majority smallholders with farms between 3 and 10 hectares.

Simplified result chain

The following graph illustrates the result chain in a simplified manner.



FINDINGS

Input

Financial input

The total budget for the project was € 375,673⁵⁸ of which ICCO funded € 279,973.91 (75%). Del Campo's contribution to the Project has been approx. € 95,000. Due to Del Campo not complying with contract conditions (reporting) ICCO has not transferred the last tranche (€ 19,581). The alliance also agreed indirect support through a guarantee of € 147,000 on an Oikocredit loan for the plant.

The Sesame Project converted ICCO into one of Del Campo's main funding partners. This did not lead to a large dependency for the simple fact that Del Campo has important other sources of income, including money from the commercialisation of sesame.

⁵⁷ ICCO: KIDBEMO Del Campo Nicaragua. Page 2.

⁵⁸ Del Campo: Proyecto Central de Cooperativas Del Campo. 2006. Page 1.

The inputs of this project can be roughly categorised as follows, based on the project budget; overhead at Del Campo absorbed about one quarter, reflecting that ICCO's budget was actually used for paying institutional and office costs and a limited number of salaries, 42% is spent for provision of necessary resources to the NGO and finally 35% has been spent directly on the beneficiaries of the project.

Input	Percent of total funding
NGO overhead	24%
NGO services	42%
External project costs	35%

Non-financial input

With respect to the content of the program, ICCO was never very involved in this project. Del Campo indicates that it would have appreciated a more intensive monitoring by ICCO⁵⁹ and states that on average it received one visit a year. This visit focused on administrative and reporting issues. In the three years with ICCO, Del Campo dealt with three different contact persons. Some Del Campo staff has participated in trainings for partner organisations provided by ICCO.

When ICCO funding started, Del Campo already had ten years of experience in agribusiness and work with cooperatives. The project document presented to ICCO reflects conscience about its own needs for organizational strengthening and a view about actions needed to strengthen the central body and the member cooperatives. Throughout the project Del Campo also contributed with its in-depth knowledge of the cooperatives and used the influence it has on them, being their main customer (buying sesame) and a window to the world of international trade and donor support.

Output

Outputs in general can be categorised as follows (based on the budget)

Output	Percent of total funding
Trainings	20%
Coaching, mentoring and advocacy	9%
Direct support to beneficiaries	71%

Training absorbed 20% and has resulted in improved capacity of the human resources involved (administrative skills, production techniques).

The ICCO/Del Campo contract does not explicitly formulate project outputs, but does include a number of agreements that refer to specific activities. The project document does contain a detailed overview of 13 activities to be carried out⁶⁰. These are also summarized below:

1. Del Campo has to formulate SMART indicators to measure the impact of the Project in terms of income of the members, strengthening of the local economy quantity and quality of primary production and participation of the member in the management of their cooperatives
2. Include and carry out a strategy to achieve higher participation of women in the Project and in the management of the cooperatives and of Del Campo.
3. Respond to the question: how can the base cooperatives assure that after the project they will be able to cover the costs of the personnel?

In addition, the contract also details the obligations of Del Campo⁶¹ concerning reporting on progress and financial statements.

⁵⁹ This is surprising in view of the fact that since the beginning of 2009 Del Campo does not react anymore to ICCO phone calls and e-mails.

⁶⁰ Del Campo: Proyecto Central de Cooperativas Del Campo. 2006. Page 4-10.

⁶¹ ICCO: Condiciones específicas del Contrato. June 2006.

Del Campo did not meet the majority of the above mentioned conditions and started to default on its contractual obligations from 2008 onwards. ICCO was very slow in reacting and continued to transfer money as late as end 2008 when it had already become clear that Del Campo was not complying with the contractual conditions.

As for the execution of the planned activities, the following assessment applies:

- ⦿ A key output has been the construction of the planned “Centros de servicios y comercialización” and of the “Centros de servicios agropecuarios”. This accounts for approximately 30% of the ICCO budget.
- ⦿ There is also a tangible output at the administrative level as a new accounting system was introduced in Del Campo and the administrative systems in four cooperatives were modernized. The former allows Del Campo to present professional financial statements.
- ⦿ Attention has been paid to training of the staff and of the Board. After the end of the ICCO support Del Campo signed an Agreement with the UNAN⁶² León to launch a course “Technician in agro ecology with a focus on cooperatives”⁶³.
- ⦿ A visible output has been the provision of technical assistance to the member cooperatives and the farmers. The mechanism used is the payment of technical assistants (a kind of “extensionistas”) who are stationed in the cooperatives. In 2009 Del Campo funded 24 of these technical assistants. In order to change the traditional agricultural habits, farmers (no information on how many) were trained in good agricultural practice (BPA: Buenas Prácticas Agrícolas).
- ⦿ Del Campo has published a Manual (“manual de buenas prácticas”) which includes practical tips and tools to show farmers how they can offer quality products for a demanding clientele. This is an important step towards integrating the farmers into (local) markets and as such shows progress in the field of LMD.
- ⦿ The baseline study about the cooperatives and producers (budgeted for 20% of ICCO funds) has been elaborated but not with ICCO funds. It does not provide information about key indicators like income or number of women owners of farms. Strangely enough the Del Campo team informed us that they do not know the study.
- ⦿ Del Campo did set up a technical system to systemize and store data about the sesame and allows monitoring the origin of the product (traceability).

The focus group discussions with the farmers revealed additional information about varied output provided by Del Campo, from infrastructure and agricultural inputs to services and money⁶⁴. The following list illustrates output provided by Del Campo from the view of the farmers:

- ⦿ Physical space for the cooperative (Centros de servicios y comercialización).
- ⦿ Training in cooperativismo
- ⦿ Training in good agricultural practices (BPA)
- ⦿ Training in how to use fertilizer
- ⦿ Training in the organization of women
- ⦿ Support to actualize the accounts
- ⦿ Tools and accessories for the post harvest processing of sesame
- ⦿ Fertilizer

Outcome

The contract stipulates 3 outcomes that the financing should achieve (result agreements). The table below summarizes to what extent these results have been attained.

	Total in contract	Achieved	Partially achieved	Not achieved
Result agreement	3	1	0	2

⁶² Universidad Nacional Autónoma de Nicaragua

⁶³ Mariángeles Real, in charge of the Area of Cooperative Development of Del Campo.

⁶⁴ The farmers not necessarily know which part of these services have been funded with ICCO money. For them the provider is either Del Campo or their cooperative.

The following results were agreed upon in the contract:

1. Improved organizational and managerial capacity of the “Central de Cooperativas Del Campo”.
2. Improved administrative and managerial capacity of 10 first line cooperatives in Leon and Chinandega
3. The northern zone of León and Chinandega incorporated as a priority action zone to improve the climate for agro business. Strengthening of four relatively new cooperatives.

We analyse the outcome on these expected results and where possible try to relate that with the output. It is important to note that the results do not include a reference to the producers (e.g. improvement of production techniques).

Result 1: Improved organizational and managerial capacity of cooperatives

The organizational strengthening is visible in a number of areas:

- Improved capacity to elaborate plans and monitor their execution.
- Improved efficiency in managing Del Campo, visible in a 20% decrease in “gastos de administración” between FY 2008 and 2009⁶⁵.
- The improved accounting system has resulted in professionally made financial accounts, which have been audited till 30th June 2010.
- The professionalization of Del Campo’s key money earner, the sesame business.
- The strengthening of the unit of “Desarrollo Cooperativo” which offers training and technical assistance to the farmers.
- Improved market knowledge for sesame, allowing taking better advantage of commercial opportunities.

In principle a strengthened organization should be visible in improved financial results. Our analysis of the 2008 and 2009 financial statements⁶⁶ shows that this had not been achieved. Over 2008 Del Campo reports sales of US\$ 4.5 million, leading to a marginal profit of approx. US\$ 12,000. This represents a marginal Return on Equity (ROE) of 1%. In 2009 sales fell to approx. US\$ 3.5 million and Del Campo reports a loss of US\$ 15,000 due to this substantial decrease in sales.

2010 promises to be a better year with sales close to US\$ 3 million in the first half year. Key to this recuperation has been the Japanese market⁶⁷. The lack of working capital remains one of Del Campo’s key weaknesses.

Sales for a total of \$2,979,193 (January-June 2010). Of this sales, sesame seeds and oil account for \$2,879,000 (rounded off) <ul style="list-style-type: none">○ Japan: \$1,201,720○ England: \$934,891○ Sales to the fair trade market: \$81,543○ Organic sesame: \$ 453,185○ Sesame oil: \$207,900 Peanuts: \$96.000 (rounded off) Other products: marginal
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Result 2: Improved administrative and managerial capacity of 10 first line cooperatives in Leon and Chinandega

- According to Del Campo, six out of the eleven targeted cooperatives now have more professional management and are less dependent. In these cases Del Campo has successfully decentralised a part of the functions to the level of the cooperatives. There are now 24 agricultural technicians directly working with the cooperatives.
- When comparing with the situation in 2006, in four cooperatives accounting systems were introduced and are in use. The members and their boards have progressed substantially in the interpretation of financial statements. This has helped them to administer their cooperative more professionally and

⁶⁵ This cost reduction was also a result of the decentralization of the technical assistance for farmers to the member cooperatives

⁶⁶ Francisco G. Urbina: Dictamen del auditor independiente. Mayo 2010.

⁶⁷ In 2010 a competitor (Mantica) stopped selling to Japan, probably because this company stopped processing sesame.

some of the cooperatives now have a more entrepreneurial approach “and look beyond the borders”⁶⁸.

- ④ The administrative and managerial structure of six member cooperatives has improved. They now have technical teams with a manager, an accountant, a technical assistant and a person responsible for gender. There are strong indications that the funding of these teams depends on external sources⁶⁹, jeopardizing the sustainability of the structure. In our opinion this offsets at least partly the reduced dependence from Del Campo.
- ④ It is not clear if investment of resources into the “Centros de servicios agropecuarios⁷⁰” has made these into sustainable providers of inputs for the farmers.
- ④ As a result of the TA, at least two cooperatives have acquired the agricultural and logistic skills to produce organic sesame and deliver produce with this quality to. Over the past three years, the sesame plant manager sees clear progress in the quality of the product delivered.⁷¹
- ④ According to Del Campo the biggest challenge for implementing the project has been changing the production habits of the producers, make them adopt new technologies (good agricultural practices) and get them used to the need for traceability of the produce.

Result 3: The northern zone of León and Chinandega incorporated as a priority action zone to improve the climate for agro business. Strengthening of four relatively new cooperatives.

- ④ We have no evidence about the influence of the project on the general agro business climate in the region. What can be stated is that Del Campo’s sesame processing plant contributes to make planting of sesame more attractive. The area of this crop has increased, at least among small farmers. At the same time there are indications of unfair competition with privately owned plants as the Del Campo plant has a low financial burden (partly a result of Del Campo not honouring its debt towards OIKOCREDIT).
- ④ There were very limited results with the four new cooperatives.
- ④ Probably the most visible outcome is the strengthening of Del Campo as a player in the field of lobbying and advocacy. Del Campo participates in the “Mesa de Ajonjolí” (coordination organisation for sesame) where it plays a role in promoting good agricultural practice. Del Campo also participates in several coordinating bodies at national level including FENIAGRO (Federación de Cooperativas Agroindustriales de Nicaragua) and the “Gabinete de Producción” of the national government. This presence is further strengthened by the fact that Del Campo is a declared sympathizer of the ruling party.
- ④ At the same time we found indications that Del Campo was not open to cooperate with the big US supported program in Occidente (la Cuenta Reto del Milenio - Millennium Challenge Account). This program has targeted small producers in the same region.

Impact

The key impact indicator is mentioned in the project’s logical framework:

“3,000 producer families improve their net annual income based on the production of sesame and other products”.

This clearly formulated impact indicator is not mentioned in ICCO’s monitoring protocol.

Our field visit revealed that Del Campo has 11 associated cooperatives with a total of 978 members. Assuming that all these members are selling sesame to the processing plant (which is not the case) would mean that one third of the target of 3,000 families has been achieved. Del Campo could not provide us with detailed information about the exact number of members that regularly supply the plant with sesame. Based on our field visits, we estimate that this amounts to no more than 50% of the members.

⁶⁸ Mariángeles Real, op. Cit.

⁶⁹ Ericka Canales, chief accountant Del Campo

⁷⁰ To be achieved under Activity 3.3 according to the project document.

⁷¹ Ubaldo Castellón, manager of the sesame processing plant.

There is also a non specified number of “pre-socios”, non full members who can also benefit from the services without paying their share in the capital. We have the impression that this term is used to denominate individual farmers who sell sesame to the Del Campo plant.

To further assess the impact, we have analysed the farmers income derived from selling sesame to Del Campo. The table below includes the detail of sesame sold and shows the amounts paid to the farmers.

Sesame bought from producers and related payments:

Income source	2009-2009	2009-2010
QQ conventional sesame	19,345	43,663
QQ organic sesame	4,537	7,758
Paid for conventional sesame C\$	19,345,000	42,663,000
Paid for by organic sesame C\$	7,259,200	13,033,440
Total payment to producers C\$	26,604,200	55,696,440
:		<i>Cordoba</i>
Selling price quintal of conventional sesame 2008/09		1000
Selling price quintal of conventional sesame 2009/10		1000
Selling price quintal of organic sesame 2008/09		1600
Selling price quintal of organic sesame 2009/10		1680
Approximate exchange rates:		
- 2008/09: US\$ 1 = Cordoba 20		
- 2009/10: US\$ 1 = Cordoba 21		

Based on these data⁷² obtained at the processing plant, we can state that the flow of money to the farmers has been considerable, with 2009/10 being a peak year as a result of good harvest. Assuming that 800 farmers (480 members, 320 non-members) have sold sesame to DEL CAMPO, the average gross income per farmer would be C\$ 70,000, equivalent to approx. US\$ 3,500. Depending on the size of the planted area, the payment per farmer could have been between US\$ 1,000 and US\$ 20,000.

From the analysis above, it is clear that the project has benefitted substantially less farmers than planned. Among the farmers reached, DEL CAMPO has not carried out any impact study. Del Campo staff indicates that the most substantial impact of the LMD programme is improved food security. This seems a very modest impact when we compare it with the increase in income calculated above. The farmers themselves make reference to the fact that selling sesame has “improved my income and that of my family”. Other farmers mention the improvement of their houses and the fact that the additional income helps to pay for better education⁷³.

ASSESSMENT

The result of the assessment of the project is summarised in the table below:

In our interpretation of the above figures, information and observations we conclude that:

- The project is **efficient** (+) since there are no strong indications that resources have been used inefficiently
 - o The project is **additional** (+), since the outcomes would not have been achieved without the support from ICCO.
- The project is **moderately effective** (+/-) since not all planned results have been achieved
 - o The project is **moderately sustainable** (+/-) since sustaining the outcomes still requires additional financial and technical support
- The project was **more or less relevant** (+/-) since the impact was less than planned
 - o The attribution of ICCO is **75%**

⁷² Data received from the plant manager.

⁷³ Focus group with cooperative San José del Obraje

The arguments for the above conclusion are:

Efficiency

Del Campo carried out most of the activities mentioned in the approved budget and finalized them almost within the originally approved timeframe. The organisation has been a suitable choice for the activities and purpose of the project, because of the experience they have with agribusiness and cooperatives. The indicator “cost per beneficiary reached” (only the ICCO project cost) would stand at approx. € 600 (€ 280,000/480) which is very reasonable. However, Del Campo did not fulfil the contractual obligations with ICCO concerning the delivery of progress reports and financial audits.

Additionality

The project has a positive level of additionality when looking at the outcomes and impact of the activities. The grant of ICCO to the project was very important and would not have been replaced by other forms of finance (commercial or public) according the partner. The building of the cooperative service centres would not have taken place without the contribution of ICCO, and training of the farmers in agricultural techniques would have been less intensive.

Effectiveness

Given the fact that the expected results were only formulated in general terms, it is difficult to judge the effectiveness. There are strong indications that the project did achieve important results when it comes to contributing to the improvement of the administrative and managerial capacity of Del Campo and of the cooperatives. There is no written information about the increased technical understanding and production capacity at the level of the farmers, although our focus group discussion with the farmers showed that training received in agricultural techniques is highly appreciated.

Sustainability

The poor financial results of Del Campo in 2008 and 2009 cast doubts about its long term viability and can put the access to well paying markets for the producers in jeopardy. Del Campo stresses the importance of the outcome and impact achieved so far, but when asked if these improvements are lasting, indicates that “To sustain what we have achieved will require some more years of technical and financial support”.

As a matter of fact, providing support to the cooperatives and their members still depends on external resources although the cooperatives generate some income by charging fees for services provided by the technicians. It is not clear why Del Campo does not reserve a higher portion of its income from sales to cover the TA and become self sustainable. It might be that preference is given to orient the income from sales as much as possible to direct payments to the producers. The doubt remains about the type of producer that benefitted most of the project (small/medium/large – member or non-member of the cooperatives).

Relevance

The strengthening of the cooperatives and the training of farmers have contributed to the higher production of sesame. Selling this sesame to the new plant has enabled between 500 and 1,000 families to achieve an increased income. This is an important impact although the number of beneficiaries is considerably lower than originally planned.

Gender relevance

There is no evidence that the Gender Policy of Del Campo, formulated and approved in 2009 and based on a FLO funded analysis carried (2007-2008), is being applied. There is little evidence that the project has contributed to the strengthening of the position of women in the communities. The number of women members stands at 21% and that of “pre-socias” at 29% and has not substantially changed in the project years⁷⁴.

Attribution

The attribution of the ICCO funding is high (approximately 75%).

⁷⁴ Based on member table received from the Del Campo management.
TRIODOS FACET ICCO LMD UNDER MFS1 2007-2010

ICCO Monitoring protocol

Although this project should contribute to local market development (50%), LMD indicators have not been filled in the monitoring system in Dynamics.

LISTS OF PEOPLE INTERVIEWED

PARAGUAY

Project	Name	Organisation	Function
01-03-08-001/ 01-03-08-026 (CECTEC)	Ada Rosa Martínez	CECTEC	Directora
	Pedro Peralta	CECTEC	Coordinador Técnico
01-03-08-041 (BASE IS)	Tomás Palau	BASE Investigaciones Sociales	Director
	Guillermo Ortega	BASE Investigaciones Sociales	Investigador
	Luis Rojas	BASE Investigaciones Sociales	Investigador
01-03-05-089 (BASE-ECTA)	Marcelino Zarza	FPP – ADPP (Alianza para el Desarrollo de Pequeños Proyectos Paraguay)	Presidente ADPP
	Williams Dohmen	FPP – ADPP (Alianza para el Desarrollo de Pequeños Proyectos Paraguay)	Secretario Ejecutivo FPP-ADPP
01-03-08-022 (SEPA)	Marcelino Zarza	SEPA	Director Ejecutivo
	Derlis Desvars	SEPA	Coordinador General
<i>General persons</i>	<i>resource</i>		
	Hebe González	ALTER VIDA	Asociada
	Rubén Rolón	A-FINES	Director
	Henry Moriya	CARANA Corp. – Contratista USAID proyecto PARAGUAY PRODUCTIVO	Especialista en Alianzas Estratégicas y Desarrollo de Negocios
	Víctor González	PARAGUAY ORGÁNICO	Gerente

Focus group discussions:

Project	Description group	Location	Participants
01-03-08-001/ (CECTEC)	Former students of the school	Caazapa	10 former students
01-03-08-026 (CECTEC)	Students and employees of the school	Itapúa, San Miguel	7 students 4 employees (separate interviews)
01-03-05-089 (BASE-ECTA)	Beneficiaries of the fund in the period 2008-2010	Asunción	7 beneficiaries from different regions of Paraguay
01-03-08-022 (SEPA)	Beneficiaries of the project	Asunción	6 representatives from different beneficiary communities

INDIA

Project	Name	Organization	Function	
<i>General resource persons</i>	Samir Batacharjee	ICCO	LMD program manager	
	Joost van den Hee	ICCO (ex-)	Former LMD program manager for India	
	Narendra Nath	Vrutti Livelihoods	Consultant	
	Pramel Gupta	Vrutti Livelihoods	Consultant	
	Prabhat Singh	Vrutti Livelihoods	Consultant	
71-01-03-021 (Udyogini)	Vanita Viswanath	Udyogini	Director	
	Poulami Bhattacharya	Udyogini	M&E manager	
	Amit Kumar	Udyogini	Director state office	
	Nilanjana	Udyogini	M&E manager	
	Amit Sinha	Society for Integrated Development	Director	
	Y.D. Mishra	University	Scientist on Lac	
	Roshanlal Sharma	Lac processing facility	Director/owner	
	D.K. Singh	IINRG	Technical expert on Lac	
	Nikhil	Udyogini	Field coordinator	
	Mithlesh Singh	Udyogini	Field coordinator	
	Amar Singh	Udyogini	Field staff	
	Magan Sahay Mahato	Society for Integrated Development, Pratner organization Udyogini	Social sector Supervisor	
	71-01-03-007 (Pradan)	Soumen Biswas	Pradan	director Jharkhand
		Mr. Yoganand	Pradan	State unit integrator
Viju Abraham		Pradan	State unit integrator	
Rajeev Ranjan		Pradan	Team leader regional office	
Satyabrata Acharyya		Pradan	Director state office	
Anish Kumar		Pradan	Director	
Devvrat Sharma		Pradan	Veterinary consultant	
Abishek Umar		Pradan	Professional	
Styanjay		Pradan	Accountant	
Harkaman Baraik		Gumala Gramin Poultry Shahakari Samittee	Trainer	
Rajesh Minz		Gumala Gramin Poultry Shahakari Samittee	BDS providers	
Kartik Oroan		Gumala Gramin Poultry Shahakari Samittee	BDS providers	
Sarita Devi		Gumala Gramin Poultry Shahakari Samittee	President Gumala Gramin Poultry Shahakari Samittee	
Bandhan Bilung		Gumala Gramin Poultry Shahakari Samittee	Plant Manager Gumala Gramin Poultry Shahakari Samittee	
Sukant		PRADAN Jharkhand	Field Staff cum Trainer, Pradan	
Prakas		PRADAN Jharkhand	Field Staff cum Trainer, Pradan	
Odil		PRADAN Jharkhand	Field Staff cum Trainer, Pradan	
Susa oroan		PRADAN Jharkhand	Future BDS provider	
Saurabh Dutta		PRADAN Gola Jharkhand	Team Leader	
Dineshwar Mahato		AGRAGATI	Coordinator Partner NGO of Pradan	
Shiva das Ghosh	AGRAGATI	BDS provider		
Md. Belal Ansari	AGRAGATI	BDS provider		
01-02-05-019 (Timbaktu)	Bablu Ganguly	Timbaktu	Chairperson	
	Mary Vattamattam	Timbaktu	Secretary cum Chief functionary	
	Manikandan	Timbaktu	Administrator	

	Branmesh Rao	Timbaktu Organic	CEO – Dharani FaM Co-oprative
	Vishwesh Rao	Women Cooperative	Chief Accountant
	Ramalaskhmamma	Women Cooperative	CEO – Adhisakshi women Co-oprative
71-01-03-015 (Dastkar Delhi)	Laila Tyabji	Dastkar Delhi	Director
	Mahitosh Sasmal	Dastkar Delhi	Financial manager
	Ujiwala Jodha	Dastkar Ranthambore	Director
	Dinesh Sharma	Dastkar Ranthambore	Financial manager
	Vishesh Uppal	WWF-India	Head Livelihood program

Focus group discussions:

Project	Description group	Location	Participants
71-01-03-015 (Dastkar Delhi)	Self Help Group inside Dastkar Ranthambhore	Ranthambhore	9
	Producing family, ex-Dastkar Ranthambhore	Ranthambhore	5
71-01-03-021 (Udyogini)	Udyogini entrepreneurs, several SHGs 1	Jharkhand	9
	Udyogini entrepreneurs, several SHGs 2	Jharkhand	21
	Udyogini entrepreneurs, several SHGs 3	Jharkhand	22
71-01-03-007 (Pradan)	Pradan entrepreneurs 1	Silam, Jharkhand	25
	Pradan entrepreneurs 2	Jharkhand	13
01-02-05-019 (Timbaktu)	Timbaktu beneficiaries/participants	Anantapur	14

ETHIOPIA AND KENYA

Project	Name	Organisation	Function
ETHIOPIA			
75-01-02-016 (AfricaJUICE)	Mr Melkamu Negassa	AfricaJUICE Outgrower Project	AJ Outgrower manager
	Mr Werner Griessel	AfricaJUICE BV	General Manager
	Mr Harry van Neer	AfricaJUICE BV	CEO
	Mr Edward	AfricaJUICE BV	Agronomist
	Mr Ato Aman	Cooperative Society- Wolan City	Field officer
01-01-05-022 (OSRA)	Mr Mechessa Alemayehu	OSRA	Former director
	Mr Wondimu	OSRA	M&E specialist
	Mr Ato Shiferaw	OSRA	Field officer
	Mr Tadele	Animal production , Health and Marketing office Ada'a District	Livestock officer
	Mrs Geteamesh	" "	Extension worker
	Mr Mohamed Adem	" "	Office team leader
	Mr Abdorahman Temam	Animal production , Health and Marketing office Akake District	Department leader
	Mr Wubetayea Getachew	" "	Artificial Insemination technician
	Alemu Dejene	" "	Animal input supply expert
	Mrs Alemas Seyroum	" "	Production expert
<i>General resource persons</i>	Mr David M.Kamukama	ICCO Uganda	Program officer for Ethiopia
	Mrs Eva Smulders	Fair and Sustainable	Consultant
KENYA			
01-01-04-021/ 01-01-04-026 (WRCCS)	Mr Masake	WRCCS	President
	Mrs Rebecca	WRCCS	BDS expert
	Mrs Nancy	WRCCS	Enterprise Development Specialist
	Mr Peter	WRCCS	Marketing Support officer
	Mr Bernard Kisake	Kenya Agricultural Commodity Exchange (KACE)	Market Intelligence
	Mrs Carol Sohe	Horticulture Crops Development Agency	Farmer trainings
	Mrs Linda Kibaso	Ministry of Agriculture	Extension and Capacity Building
	Mr Geoffrey Nyanga	KenyaSeed	
	Mr Peniel Uliwa	Match Makers Associates (MMA)	VCD Coach for WRCCS
	Mr Tom Were	Kenyan Community Development Foundation (KCDF)	PME Coach for WRCCS
01-01-04-034 (FARMERSOWN)	Mr Moses M. Wamalwa	FarmersOwn (former)	Former Agri-business Development Specialist
	Mr Charles	CBO Kimilili Districty, Chesamisi area	Chairman CBO/ Farmer
01-01-04-029 (NRIDCCS)	Mr Justus Kinyua	NRIDCCS	Director
	Mr Joshua Kibet	ACD	Consultant for ICCO on chilli value chain development

	Mr Stephen Githendu	NRIDCCS	Agronomist
	Mrs Margaret	NRIDCCS	Community mobilisation
	Bishop Charles Gaika	NRIDCCS	Board Member – Financial Commission
	Mrs Djogou	NRIDCCS	Board Member/Vice chairman – Senior Agronomist
	Mr Lincoln M. Njiru	AKS (Alpita Kilimo Service)	Agricultural inputs shop owner
	Mr Ouanderi	Ministry of Agriculture	Agricultural extension officer
	Mr Ibrahim Mukuna	Faulu Kenya MFI	Loan officer
	Mr David Djogou	Faulu Kenya MFI	Loan officer
	Mrs Phoebe Owuor	Freelance consultant	VCD Coach for NRIDCCS
	Mr Tom Olila	Strategic Connections	PME Coach for NRIDCCS
<i>General resource persons</i>	Mr David Obasu	Freelance consultant	PME Coach for ICCO partners
	Mrs Karin de Jonge (telephone interview)	ICCO	Interim programme officer Kenya
	Mrs Elly Jansen (email)	ICCO	Former programme officer Kenya

Focus group discussions:

Project	Description group	Location	Participants
ETHIOPIA			
75-01-02-016 (AfricaJUICE)	AfricaJUICE outgrowers	Oromia	11 (0 women)
01-01-05-022 (OSRA)	Weserbi and Hortu (2 groups)	Akake	11 (4 women)
	Ameja	Akake	6 (1 woman)
	Kabenessa	Ada'a	6 (3 women)
KENYA			
01-01-04-021/ 01-01-04-026 (WRCSS)	CBO Setabu	Mt Elgon-Kapkoto	50 (10 women)
01-01-04-029 (NRIDCCS)	Chilli farmers Gatundia Cluster (5 groups)	Gatundia	30 (11 women)
	Chilli farmers Karaba Cluster (3 groups)	Karaba	30 (10 women)

THE PHILIPPINES

Project	Name	Organisation	Function
WISE-ACT	Ms. Zonia C. Narito	WISE-ACT	Officer In-Charge
WISE-ACT	Mrs. Theresa S. Molino	WISE-ACT	GAPB Team Leader
WISE-ACT	Mrs. Posedia L. Lood	WISE-ACT	Finance Officer
WISE-ACT	Ms. Sharlene Pacaigue	WISE-ACT	WDP Research Officer
PRDCI	Mr. Andres Tionko + 6 former staff members	PRDCI	Executive Director
PCCI	Atty. Bobby Chan of Palawan	PCCI	Chairman
PCCI	Mayette Paragas, + 5 representatives from regional members/PACs	PCCI	Board member PCCI
PCCI	1 staff member	ECHOStores	Shop manager
PCCI	2 staff members	PNNI, Puerto Princesa	Shop manager, local coordinator
SDC ASIA	Mrs. Conception Nobleza	SDC ASIA, Davao office	Programme coordinator
	Mr. Jonah Nobleza	SDC ASIA, Davao office	Manager, SDC ASIA, Davao
UMFI	Grace Tacuyog, + Commercial Director	UMFI	Deputy Officer at UMFI
UMFI	Rev. Rice	UMFI	President Board of Trustees
UMFI	2 managers of CBEs 2 staff members of the development operations	UMFI, and connected CBEs	
Other resource persons	Mrs. Jocelyn S. Marbello,	Oikocredit	Program manager, account manager UMFI
	Mr. Arnelo M Astillero,	ICCO	ICCO regional programme officer
	Mr. Dirk Bakker	ICCO	Fr. programme officer

Focus group discussions:

Project	Description group	Location	Participants
WISE-ACT	Women/workers of the PATAMABA– WISE social enterprise	Outside Manila	7
PRDCI	farmers, managers of POs and 1 MF manager	Panay island, 30km off Iloilo	15
PRDCI	Former officers of the youth club	Iloilo	2
PCCI/PNNI	Directors/members of eco-tourism cooperative,	Palawan, 20 km outside Puerto Princesa	6
PCCI/PNNI	Director/members fishery/tourism cooperative	Palawan, Honda Bay	3
SDC ASIA	Members of seaweed cooperative FDG2:	Outside Davao, Mindanao	7
SDC ASIA	Members of milkfish cooperative	Outside Davao, Mindanao	12

NICARAGUA

Project	Name	Organisation	Function
73-01-07-015 (Del Campo)	Edwin Omar Avilés	Central de Cooperativas Del Campo	Manager of the cooperative
	Mariángeles Real	Central de Cooperativas Del Campo	Responsible of cooperative development
	Ubaldo Castellón	Central de Cooperativas Del Campo	Manager of the sesame processing plant
73-01-07-026 (INSFOP)	Ericka Canales	Central de Cooperativas Del Campo	Accountant
	Sra. Ruíz Lorenti	INSFOP	President of the Board
	Edgar Castellon	INSFOP	Project Manager
73-01-07-028 (Juan Fco)	Donald Blandon	INSFOP	Responsible for Enterprise development
	Brígido Sosa	Cooperativa Juan Fco. Paz Silva	President of the Board
	Martha Vargas	Cooperativa Juan Fco. Paz Silva	Member of the Board
	Claudia Sorto López	Cooperativa Juan Fco. Paz Silva	Vice Manager
	Harold Lenin Espinoza	Cooperativa Juan Fco. Paz Silva	Technical coordinator
	Ena María Reyes C.	Cooperativa Juan Fco. Paz Silva	Technician
	Mixael Osorio Betanco	Cooperativa Juan Fco. Paz Silva	Technician
	Inglys Aróstegui B.	Cooperativa Juan Fco. Paz Silva	Technician
	Ronald Urbina Bonilla	Cooperativa Juan Fco. Paz Silva	Resp. credit department
	Johana Velázquez	Cooperativa Juan Fco. Paz Silva	Accountant
73-01-07-037 (PCV)	Rogier Verschoor	Proyecto Cadenas de Valor	Project responsible
<i>General resource persons</i>	Mariecke van der Glas	ICCO	Coordinator ICCO regional office
	Sixta Garcia	ICCO	Program officer

Focus group discussions:

Project	Description group	Location	Participants
73-01-07-026 (INSFOP)	Farmers of communities in La Trinidad	La Penca de La Trinidad	8
73-01-07-015 (Del Campo)	Farmers growing rice and sesame	Achuapa	7
	Cooperativa San José del Obraje	Chinandega	11
73-01-07-028 (Juan Fco)	Farmers growing fruits and vegetables	Achuapa	7