



Executive summary

End-term Review

Sustainable Agriculture Kigoma Regional Project (SAKIRP)

Tanzania

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1 Presentation of the evaluation

Agriculture in the Kigoma region of Tanzania is characterised by low crop production and productivity, inadequate extension service delivery, lack of farmer organization, a strong informal character of the market, and weak linkages between value chain (VC) actors. Against this backdrop, Enabel implemented the Sustainable Agriculture Kigoma Regional Project (SAKIRP) from June 2016 to May 2023. The project had a budget of 8.8 million EUR and covered selected wards in all six rural districts of the region.

The specific objective of the SAKIRP was to increase and diversify the income of smallholder farmers (SHFs), especially women, in Kigoma region through pro-poor development of selected VCs: beans, cassava, sunflower, and soybeans. The project sought to attain five key results or outcomes: enhanced VC coordination (R1), strengthened mechanisms for VC financing (R2), better service provision for VC actors (R3), stronger positioning of SHFs in VCs (R4), and market access for SHFs (R5).

After initially working with informal farmer extension groups, SAKIRP geographically consolidated and refocused its support on Agricultural Marketing Cooperative Societies (AMCOS) from 2019. Most project activities were directly implemented with the local government, beneficiaries, and the private sector. Other strategic partners included the World Food Programme (WFP) and parastatal organizations.

The purpose of this end-term review was to support accountability, learning, and steering. It covered all OECD-DAC evaluation criteria and focused on the period after the mid-term review (conducted in 2019). This review is based on available documents and existing M&E data, as well as primary data collected by the review team in four districts of Kigoma region. The team interviewed 37 VC key informants, visited 6 AMCOS to conduct focus groups with leadership and members, and observed infrastructure, production, and processing sites.

2 Results and conclusions

2.1 Performance criteria

The OECD-DAC evaluation criteria were scored on a scale from A (highest) to D (lowest).

Evaluation criterion	A	B	C	D	Justification
Relevance	•				SAKIRP was fully aligned with beneficiary needs and relevant national policies (and those of Belgian development cooperation).
Coherence		•			Coherence with the work of UN agencies was good, but synergies with other Belgian development projects were more limited.
Efficiency		•			After some initial difficulties, the project adapted efficiently to external constraints, M&E results, and learning experiences while testing different implementation modalities and principles.
Effectiveness	•				The project achieved all key outcomes in the five result areas. Nearly all planned outputs were implemented and effectively used by project stakeholders.
Impact		•			The specific objective of SHF income generation and diversification was achieved by AMCOS. The different VCs were strengthened to a varying extent.
Sustainability			•		Despite its proactive search for solutions, the project still faced several unresolved sustainability issues (related to institutional context and limited resources of partners) at the time of closure.

Relevance: The project was effectively designed and adapted to address the main beneficiary needs and barriers to VC development regarding local extension services, access to input and equipment, market access infrastructure, access to VC financing, VC coordination and market links, and data and information management. The project successfully realigned its strategy and activities after some initial assumptions proved wrong in the highly dynamic context. At a macro level, it is fully aligned with the Agriculture Sector Development Strategy and Programme II of Tanzania and the Strategy Policy Note on Agriculture and Food Security for the Belgian Development Cooperation.

Coherence: Tangible or conceptual synergies between SAKIRP and other Enabel projects (beyond resource sharing) were modest. SAKIRP is in principle synergetic with the work of other Belgian actors in Tanzania although these actors do not operate in Kigoma region. As a development project, it complements humanitarian interventions of non-Belgian actors in the region and has substantial synergies with ongoing and planned activities of WFP.

Efficiency: Within the existing external constraints, the main implementation modalities and principles were efficient for transforming inputs to outputs. Strong efficiency gains were achieved through service delivery via local administrative structures, the local contribution principle, and the consolidation strategy of moving from informal farmer groups to AMCOS, among other modalities. Output delivery was largely on track (after initial delays in the VC financing and market access components). Local institutional partners struggled with providing the required human resources.

Effectiveness: Almost all outputs were intensely used by beneficiaries, which substantially contributed to the achievement of outcomes in all result areas of the project. VC management and coordination (R1) was strengthened through SAKIRP's initiative to act as coordination platform in the region and enhance existing data systems of district agricultural departments. VC financing (R2) improved due to capacity strengthening of AMCOS and a successful blended financing strategy involving revolving funds and a co-guarantee fund. VC actors also received better services (R3): local extension services were strengthened, AMCOS and farmers were trained by Farming as a Business (FAAB) coaches, and AMCOS were linked to input suppliers. Individual farmers were empowered (R4) as a result of farmer extension groups being transformed into AMCOS with better capacities, and extension training and other production support received. Market access of farmer organisations improved (R5) due to better aggregation capacities, quality, and market links with buyers; market information systems; and infrastructure including stone arch bridges. The latter were not part of the initial design but created strong benefits for the local population and were scaled up throughout the country.

Impact: The intervention diversified and increased the income of SHFs organised in AMCOS by more than 50% against the baseline. This was mainly due to enhanced collective marketing and introduction of new crops, but not so much because of higher yields. Prices of crop sold through collective marketing clearly exceeded those in the open market. In terms of overall VC development, beans and sunflower were far more established at project closure than at baseline. High bean quality has been consolidated and has attracted large-scale buyers (and might continue doing so). Sunflower has been fully integrated in the local farming system and private sector. Soybean was introduced through a pilot and shows potential for further scale-up (conditional on external support). In contrast, cassava lost momentum due to declining market prices.

Sustainability: The perspectives for continued funding of infrastructure items are good, but AMCOS and districts will likely not have enough funds for FAAB training and extension services, respectively, and will need to continue relying on other development partners.

The technical capacities of districts and AMCOS have been strengthened but remain weak in specific areas of sustainability. Local ownership and use of outputs by AMCOS is relatively strong but weaker within district administrations, except for infrastructure. Infrastructure items – especially stone arch bridges – have been sustainably embedded into local and national governance. In contrast, a few other components (such as performance bonuses for Ward Agricultural Extension Officers (WAEOs), tracking devices for motorbikes instead of logbooks) might be discontinued given their weak anchorage within existing governance structures.

Horizontal themes (monitoring and result-oriented steering): SAKIRP put in place a comprehensive, relevant, and actionable M&E system. It capitalised project results at an extraordinarily high level. During its implementation, the project considerably evolved, adapted, and improved due to its high level of result-oriented steering, making efficient use of M&E data for strategic decision-making.

Transversal themes (gender, and environment and climate change): SAKIRP initially had a strategic focus on VCs with strong potential for gender equality and women’s empowerment (GEWE). During implementation, this potential evolved unevenly across VCs as the GEWE concept was somewhat diluted in the selection of new crops and the strategic shift from farmer groups to AMCOS. Gender sensitisation was increasingly implemented from 2021, albeit with few tangible results within the short period so far. Environment and climate change was not at the centre of SAKIRP’s mandate and design, but the project took various actions to adapt crop production to climate change and conserve the environment.

2.2 Specific question

The review also analysed how public funds could be used to de-risk and leverage lending by banks to poor farmers. In a nutshell, the analysis showed that SHFs’ access to bank loans was initially hampered by high credit risk and limited information for risk assessment by banks. SAKIRP addressed these barriers by coupling a blended financing strategy, under which it set up revolving funds with AMCOS and a co-guarantee fund with PASS, with capacity strengthening and information sharing. These elements lowered the actual credit risks of AMCOS and provided information-constrained banks with a ‘proof of concept’.

Revolving funds and the co-guarantee proved to be effective tools for de-risking and leveraging bank loans to farmers. Capacity strengthening and information sharing enhanced this leverage effect. While co-guarantees would typically be a temporary measure (to avoid that banks off-load their risks on development partners), revolving funds for AMCOS (or similar organisations in other sectors) are an effective long-term pillar for leveraging bank loans, provided their design ensures high repayment ratios.

3 Recommendations

R1: *Enabel should capitalise on the implementation modalities, VC approaches, and experience with specific VCs gained by the project.* These lessons should be considered in the design of future Enabel support in the region (specifically, in the choice of implementing partners, selection of VCs, decision on entry points for support to AMCOS and GEWE, and support strategy for VC financing).

R2: *Enabel should conduct an assessment of the co-guarantee funds supported by different projects so far.* This will facilitate capitalisation of experiences and expertise building within Enabel, and potentially optimise operational guidelines.

R3: *To further enhance access of AMCOS to bank loans, districts should help devise and oversee co-financing solutions for continued FAAB support together with AMCOS, banks, and local consultants.* Options to be explored include, for example: training of AMCOS leadership to assume FAAB key functions, cost sharing by clusters of cooperatives, and fostering the multi-tasking of WAEOs.

R4: *Districts should explore options for better monitoring of extension services within their feasible parameters.* This could involve allocating a larger share of crop cess (ideally 20% or more) to extension services, linking performance evaluation of WAEOs to volumes of produce marketed, and using the Ministry of Agriculture's smartphone-based tracking system to improve human resource management.

R5: *The Belgian Directorate-General for Development Cooperation and Humanitarian Aid (DGD) should provide better tools for private sector development,* given that current options are limited but future Belgian development aid, including the next country portfolio for Tanzania, will focus more on private sector development.

R6: *Enabel, with financing of DGD, should scale up stone arch bridges in other partner countries and ensure institutional buy-in.* In promoting the bridges, Enabel projects in other countries can build on the technical and procurement package developed by SAKIRP, as well as on the project's experience with local contributions and training of masons.

4 Lessons learned

L1: *Strategic focus on AMCOS and collective marketing*

In highly fragmented VCs, interventions may achieve stronger transformational impacts if they focus on actors that satisfy minimum required capacities and scale, although possibly at the cost of lower equity among SHFs. Moreover, support to aggregation and collective marketing may be a more effective trigger for engaging SHFs in structured VCs than support to production.

L2: *Local contributions*

The principle of local contribution cuts through all beneficiaries including AMCOS, local communities, government departments, and grant NGOs. It increases communication, ownership, local resource mobilisation, and it helps focus local priorities. Despite this potential, local contributions have not been systematically applied in Enabel context because of the trend to organise large procurements.

L3: *Drivers and inhibitors of private sector investment*

With sufficient market potential and production of a specific crop, the private sector is willing to make the necessary investments without subsidies from development partners. A key role of development projects is to unlock investments by raising market profitability and reducing risks in production, marketing (including side-selling), and financing.

L4: *Support strategies for external VC financing*

Access of AMCOS to bank loans can be most effectively enhanced by long-term measures that reduce credit risks of AMCOS and information gaps for risk assessment by banks. Co-guarantees with financial or public institutions can buy time for these measures to become effective but should be temporary to avoid distorted market prices for risk-taking. In contrast, revolving funds can be long-term pillar of blended financing strategies. Coupling

these instruments with capacity strengthening and dissemination of information is key for the development/public funds to attract private sector funds with sufficient leverage.

L5: Cost-effectiveness of infrastructure for the wider population

Even if an intervention targets a specific sub-population (such as farmers and crop commodity traders), it may be cost-effective to invest in infrastructure that produces tangible benefits for the wider population. This increases financial and institutional buy-in from stakeholders and improves the sustainability of benefits for everyone, including the original target group.

L6: Integrating support in existing institutional systems

The sustainability of project outputs is enhanced if they are integrated into existing institutional systems. If the project establishes a parallel system, it will require enough influence on partner institutions for them to eventually integrate the new elements in their systems. Integration was fully achieved for stone arch bridges but only partially for public extension services.

L7: Gender Equality and Women's Empowerment in a VC approach

In a VC approach, the implementation of the GEWE concept may be complicated by multiple competing objectives. VC development strategies that are most effective for income generation among SHFs may not always make a strong impact in terms of GEWE.