



## Learning event on evaluating the support to pro-poor value chain development

Thouraya Triki, Director, PMI

19 September 2019

# Current IFAD experience

## IFAD VC approach

- VC approach has gained prominence in IFAD portfolio
  - > 70% of projects in volume and value
- Working mostly with governments and focusing mostly on small producers through:
  - Increase in productivity & surplus production
  - Improvements in quality & standards
  - Aggregation & support to farmer organizations
  - Small-scale infrastructure and other improved public services
  - Financing VC actors – mostly through matching grants
  - Brokering and linking farmers to markets
  - Partnerships with private sector, 4P
  - Multi-stakeholder platforms
- Indirect support through grants and supplementary funded initiatives
- IFAD-niche : focus on people not commodities



# Current IFAD experience : knowledge products



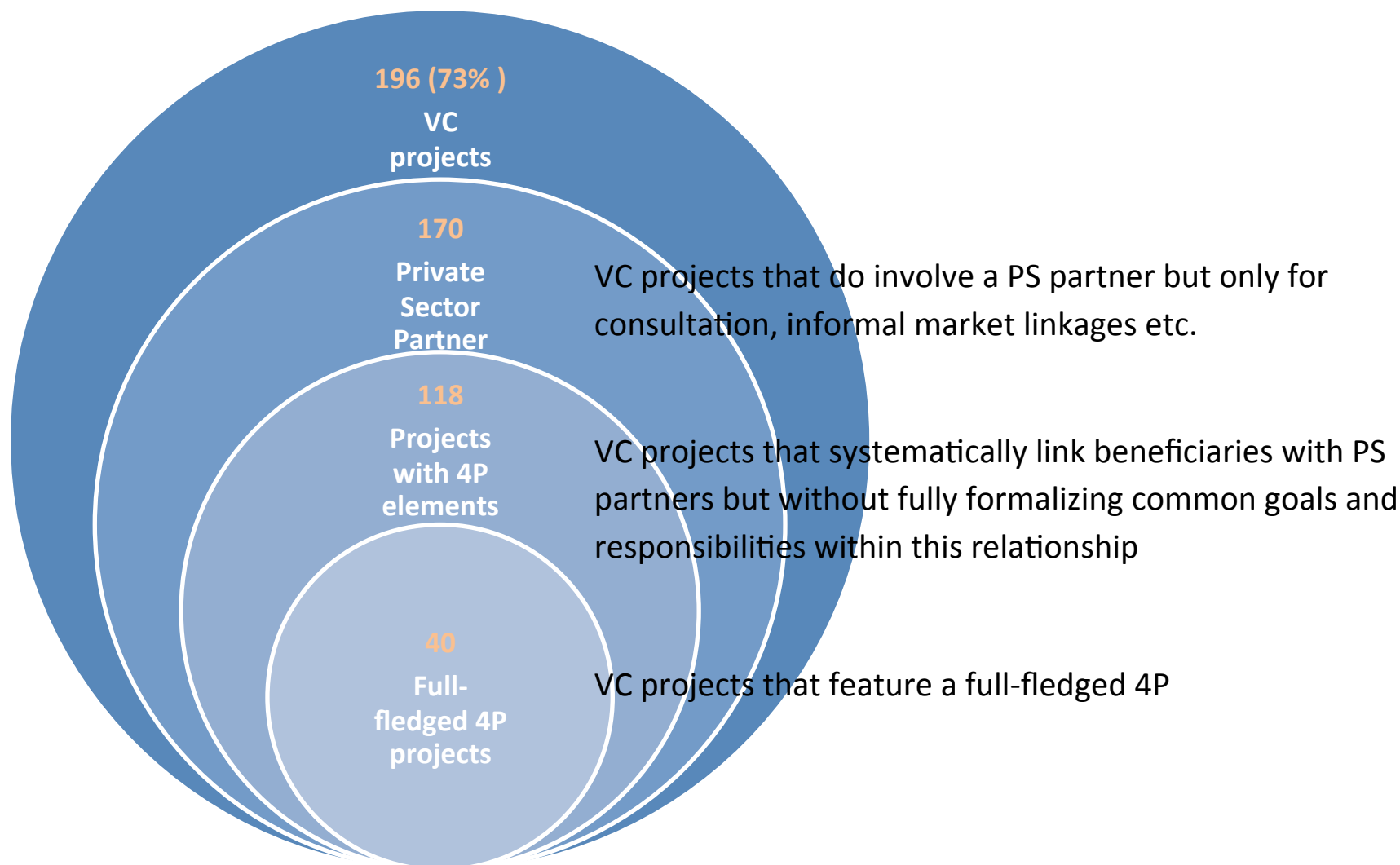
The screenshot shows the IFAD Rural Poverty Portal website. The header includes navigation links for Rural Poverty Portal, Photos, Videos, Publications, and Events, along with social media icons. The main navigation bar lists: Home, Who we are, What we do, Where we work, Topics we cover, Our stories, Newsroom, and Evaluation. The page is titled 'Value chains toolkits' and features a sidebar with a list of topics including Climate and environment, Food and nutrition security, Free prior and informed consent, Household Methodologies, Land, Livestock and rangeland, Reducing rural women's domestic workload, Rural finance, Rural institutions, Scaling up, Value chain (selected), Young people, and Resources. The main content area describes the toolkit's purpose: 'The toolkit on sustainable inclusion of smallholders in agricultural value chains aims to support the design of IFAD-supported Value Chain (VC) projects.' It also states that the tools developed offer valuable guidelines to help practitioners address the analysis and design of VCs during the design of country strategies and the design and implementation of projects/programmes. A list of included resources is provided, including a Teaser, a design commodity value chain in development projects, a how-to note on Public-Private-Producer Partnerships (4Ps), a climate change risk assessments guide, a livestock value chain analysis guide, a progress monitoring guide, and lessons learned in designing commodity value chain development projects. The right sidebar contains a search bar and filters for document type, thematic publications, country, and topic, along with a 'Browse IFAD publications' section.

# Current IFAD experience

---

- VC approach has been one of the major vehicles for IFAD's partnerships with private sector and crowding-in private investments (e.g. 4P);
- VC approach can be useful to increase poor people's benefits from market participation but it is not a panacea!
- VC approach presents multiple entry points for support -- not only at primary production, but also input provision, processing, transport, marketing, etc.
- There are many opportunities to integrate corporate commitments (gender, youth, nutrition, climate change) through VCs
  - e.g. VCs that are nutrition-sensitive, or produced/marketed by poor women.

# IFAD portfolio of VC projects 2010-2018



# Lessons learned: What has worked?

- Good diagnostic and market analysis
- Strong PMU and/or local service providers that have capacity
- Working with existing farmer organizations more effective/efficient
- Multi-stakeholder platforms – very good for VC governance and inclusivity
- Trust building is a pre-condition (IFAD “honest broker” function)
- Improving public infrastructure as incentive for private sector investments in rural areas
- Strong monitoring and auditing to ensure that the partnership is and remains equitable

# Challenges

- Tensions between targeting the poorest and commercial viability of VC approach;
- Limited implementation capacity and experience of governments in VC development;
- Reluctance of governments to borrow money for private sector activities or for technical assistance against limited VC finance tools & instruments in IFAD to directly finance VC actors
- Market information systems are often poorly funded and not sustainable post-project (e.g. Honduras PROMECOM and Kenya SHoMaP)
- Difficulty to align working rhythms between public and private sector
- Tracking results delivered by VC projects has not been necessarily reflecting what is being achieved on the ground;
- KM products access and use did not meet expected ambition;

# Building on IFAD experience and IOE recommendations

- With the new PSS approved and the ABC Fund, IFAD will be able to provide financial products to directly finance VC actors (e.g. ABC Fund or other) and complement government efforts;
- ICT4D strategy will support the development of innovative and more sustainable market information systems and access to markets;
- Targeting guidelines– there are many entry points to involve the poorest (e.g. job creation, specific crops) that should be facilitated by IFAD ongoing targeting efforts;
- IFAD will keep promoting multi-stakeholder platforms to improve VC governance and scale up policy engagement;
- KM products are being reviewed; move towards food systems approach?
- What is next?
  - ❖ Take on-board IOE – CLE recommendations
    - ❖ Prepare concrete, tangible, and user-friendly engagement tools to support operational staff working on VC development projects
  - ❖ Start developing financial products and other activities under PSS