



Ministry of Foreign Affairs

Impact Studies FDOV

Facility for Sustainable Entrepreneurship and Food Security

Commissioned by the Netherlands Enterprise Agency

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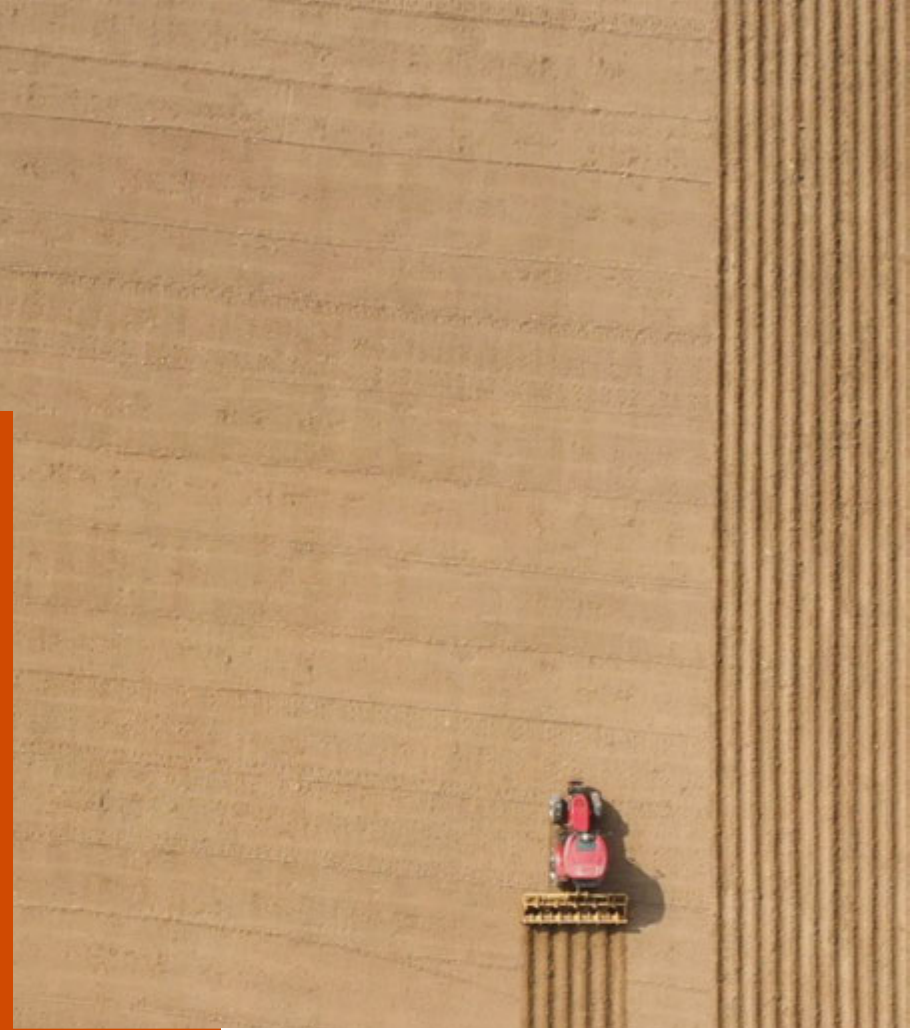
Impact Studies FDOV

Facility for Sustainable Entrepreneurship and Food Security

Final Report

2023-0663

October 2023



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AMSTERDAM INSTITUTE FOR
GLOBAL HEALTH & DEVELOPMENT

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We report on the Impact Studies FDOV in accordance with our Contract dated 29 November 2017, and subsequently amended on 2 January 2018 and 19 July 2018 respectively.

Authors of this document are: Diederik Verzijl, Haye Pennings, Youdi Schipper, Nienke Oomes, Thierry Belt, and Anton Koonstra.

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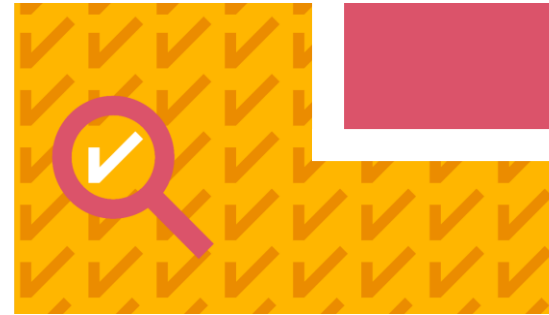
Executive Summary

Why this evaluation

This report presents the key results of the impact studies of the 'Facility for Sustainable Entrepreneurship and Food Security' (FDOV), commissioned by the Netherlands Enterprise Agency (RVO), and conducted by a consortium of PwC, SEO and AIGHD.

The evaluation results are relevant both for accountability purposes as well as for learning purposes at different levels of FDOV stakeholders (NL-MFA, RVO and project implementing parties). Since the selection of projects was not intended to be a 'representative' sample of projects for FDOV, the conclusions cannot necessarily be extrapolated to FDOV as a whole, but they provide useful insights into what worked, what did not, and what was the added value of FDOV.

More specifically, this evaluation provides an overview of our findings regarding the relevance, additionality, effectiveness, and sustainability of approaches and intervention strategies that were supported by FDOV. Based on these findings, we also present high-level recommendations for further improving future PPPs in the field of food security and private sector development.



Executive Summary

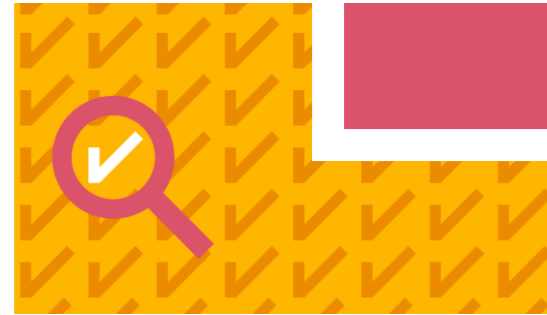
Main recommendations

The evaluation is guided by selected OECD-DAC criteria and three 'Cross-Cutting' themes (added value of PPPs, gender, climate). Our main **recommendations** are as follows.

- FDOV projects were often overly complex; measures should be taken to reduce complexity**
 - Develop stricter criteria for project proposals (e.g. explained in guidelines or templates) so as to limit the total number of goals and the total number of instruments/interventions/partners. Consider assigning a higher value to proposals in which certain conditions (for success) are already met (e.g. readily available market).
 - During the project approval process, assign a higher value to proposals with a clear and streamlined project design and ToC, and reject proposals (or ask to revise proposals) that have an overly complex ToC, with too many instruments or too many goals.
- FDOV project output targets were typically achieved, but outcome and impact targets tended to be too ambitious**

Ensure that assumptions in project proposals are realistic and validated. RVO could help to ensure this by:

 - a) requiring that all key assumptions underlying the ToC are made explicit and convincingly substantiated, using evidence from recent high-quality empirical studies;
 - b) ensuring project proposals include a risk matrix that assesses the risks of assumptions not being met;
 - c) when assessing proposals, conduct an independent assessment (by RVO or an external party) to assess whether the assumptions made are realistic, and whether the risks are not excessively high (or how these risks could be mitigated).



Executive Summary

Main recommendations (continued)

3. Take into account the factors that contribute to limited outcome-level effectiveness in FDOV projects

While project implementation (at output level) was generally good for the FDOV projects evaluated, effectiveness at outcome level was often more limited when compared to targets set. Contributing factors include:

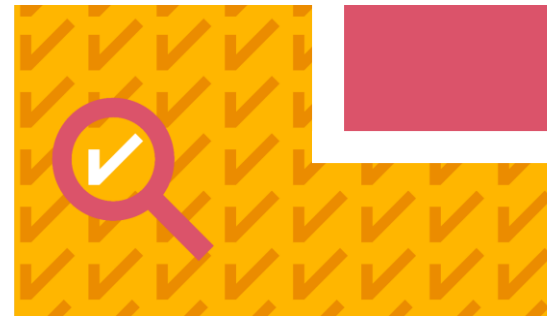
- Too ambitious outcome targets (see recommendation 2)
- Unforeseen supply side bottlenecks (e.g. availability of inputs or processing facilities)
- Insufficient attention to the demand side (although a number of projects did pay attention to consumer awareness and marketing)
- Unexpected external events (e.g., disease outbreak, political turmoil, flooding)
- Unsupportive enabling environment (e.g., delays in registration processes for new varieties, or other formal procedures managed by local governments)

4. Take measures to improve Monitoring, Evaluation and Learning

- Consider having RVO-appointed, independent MEL partners involved in projects from the selection and concept stage, instead of projects selecting their own MEL partner after the project starts. An external MEL partner could be in charge of, amongst others, advising on project selection based on existing knowledge of "what works", designing a clear ToC, minimising complexity, developing a clear MEL framework, design, implement and analyse baseline and follow-up surveys, oversee MEL reporting. Local parties (e.g. local universities) could focus on high-quality data collection.

5. Devote more attention to ensuring sustainability of project results

- Assumptions underlying proposed business cases should be convincingly substantiated and possibly examined by subject-matter experts (e.g., on a particular value chain).
- In general, we recommend that more focus is directed to long-term sustainability and systemic change, rather than aiming to 'upgrade' as many farmers as possible.



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1

Introduction

1.1 About this evaluation

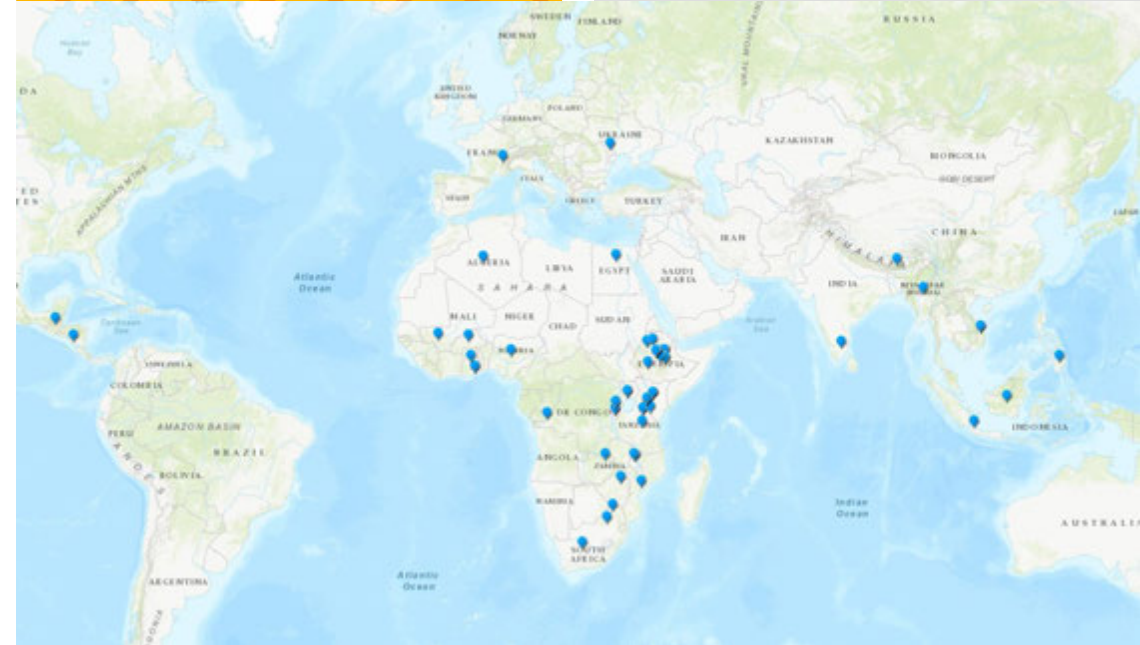
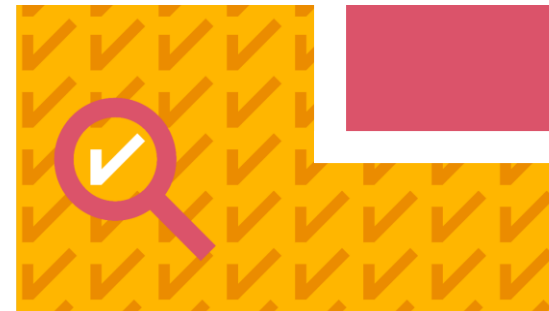
This report contains the impact studies of the Facility for Sustainable Entrepreneurship and Food Security (FDOV)

FDOV was a Dutch government-funded grant programme initiated in 2012 by the Ministry of Foreign Affairs of the Netherlands that supported public-private partnerships (PPPs) aimed at improving food security and private sector development in developing countries.

FDOV was implemented by the Netherlands Enterprise Agency (RVO) and issued calls for proposals in 2012 and 2014. FDOV is currently phased out, new funding calls were launched in 2018 and afterwards under the successor facility SDG Partnership (SDGP).

This evaluation is the result of the joint efforts of PwC, SEO, and AIGHD

RVO selected the consortium of PwC, SEO, and AIGHD to conduct an impact evaluation of a selection of FDOV projects. These were FDOV12KE09 (“Flying Food”), FDOV12VN05 (“Growing out of poverty with potato”), FDOV14KE63 (“Food for All”), FDOV12MW01 (“Going Nuts”) and FDOV14MW16 (“PPP Macadamia Value Chain Enhancement”, hereafter referred to as “Macadamia VCE”). This is the final and overall evaluation report based on the aforementioned project evaluations.



FDOV, with a total programme budget of €103m, has awarded subsidies to 46 projects in 28 countries in Africa, Asia, Latin America, and Eastern Europe. In 2018, FDOV was succeeded by the SDG Partnership facility (SDGP).

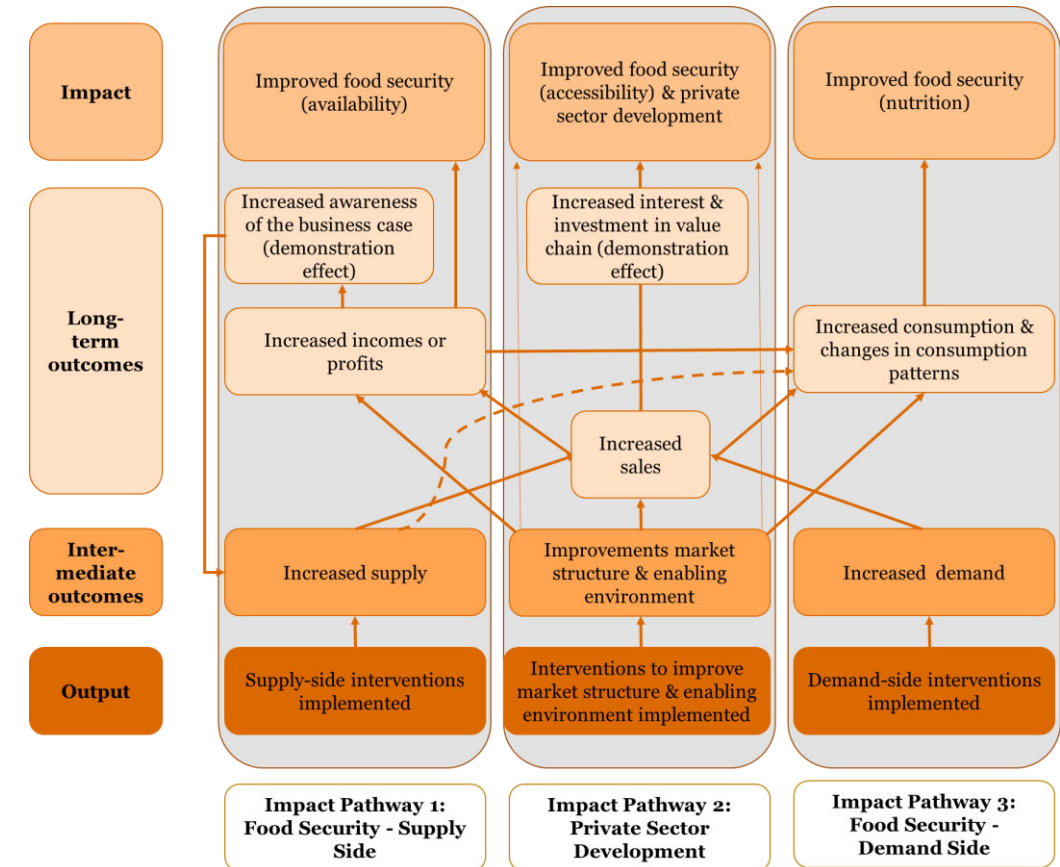
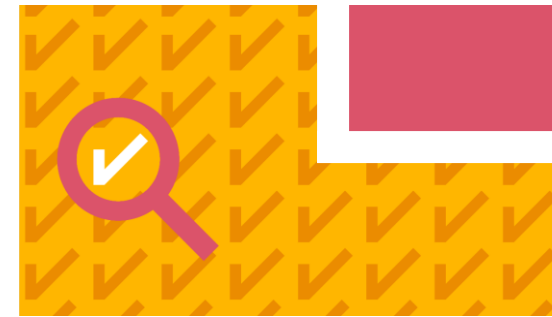
1.2 Theory of Change

The overall Theory of Change (ToC) for FDOV is presented on the right

This ToC or Results Chain* shows the three different impact pathways that FDOV projects can take in achieving impact on food security and private sector development.

- Impact Pathway 1, Food Security – Supply Side: Typical examples of such activities are the provision of information, training, inputs, or equipment to be used for the introduction of a new production technology or a new product into the local market.
- Impact Pathway 2: Private Sector Development: Examples of PSD activities are measures that lead to increased access to finance, lower cost of transportation, cheaper or easier storage, increased competition, improved marketing, or other improvements in the business environment.
- Impact Pathway 3, Food Security – Demand Side: Examples of activities are consumer awareness campaigns or other marketing measures.

Most FDOV projects contain elements of all three impact pathways, although generally most attention appears to be devoted to the FS supply side channel.

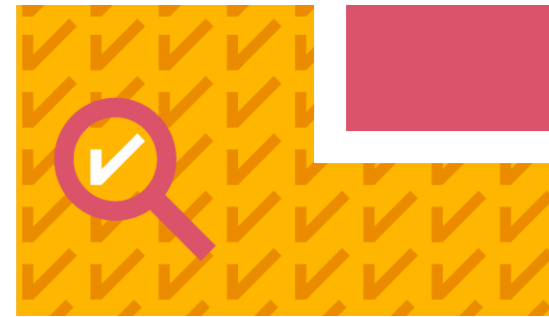


2

Methodology
and case studies

2.1 Methodology & Case studies

The case studies represent both FDOV calls, several countries, varied emphasis in terms of impact pathways, various focal commodities, and a range of empirical methods



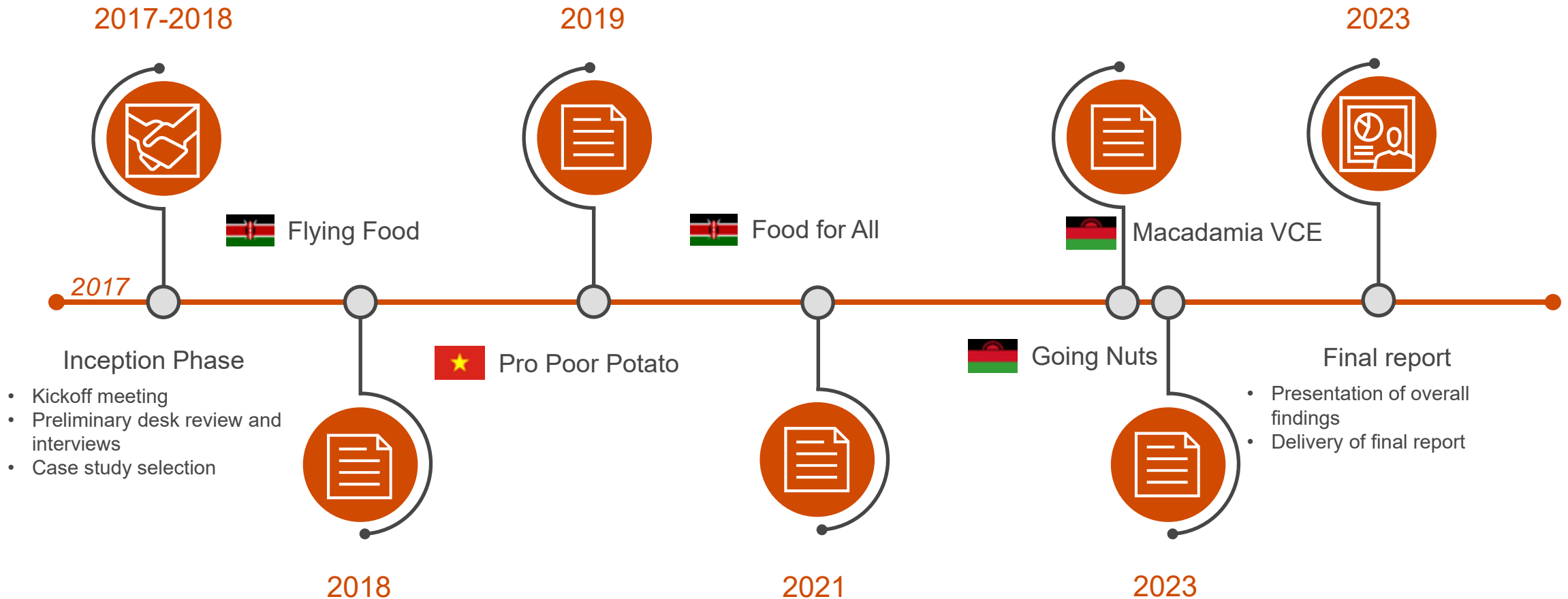
Five FDOV projects were selected for in-depth evaluation (see table below).

- The selected projects cover three countries (Kenya, Vietnam and Malawi) and three impact pathways (demand side, PSD, and supply side) as per the ToC.
- Due to the conflicts in the country, two projects in Ethiopia were replaced by the Malawi projects in 2021.

On the following pages, we introduce the selected projects further, including the evaluation areas of interest and methodology.

Project code	Project name	Commodity	Country	Run date
FDOV12KE09	Flying Food	Crickets	Kenya	2013-2018
FDOV12VN05	Pro Poor Potato	Potatoes	Vietnam	2014-2019
FDOV14KE63	Food For All	Horticulture and dairy	Kenya	2015-2020
FDOV12MW01	Going Nuts	Groundnuts	Malawi	2013-2021
FDOV14MW16	Macadamia VCE	Macadamia nuts	Malawi	2015-2023

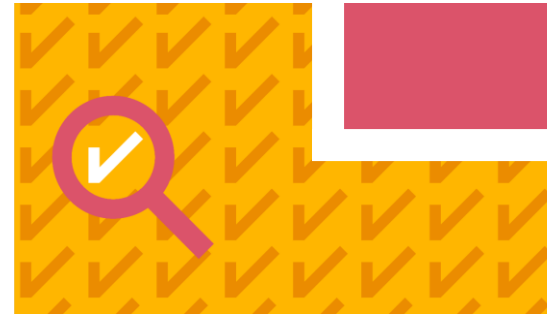
2.2 Methodology – Timeline



2.3 Case study 1 – Flying Food

The main objective of Flying Food was to develop a sustainable cricket value chain in Kenya and Uganda

- This evaluation was conducted by SEO (2018)
- Central interest: effects of intervention on production by small-scale cricket farms (supply side), consumption and on private sector development (i.e., value chain development)
- Evaluation relies on mixed methods, including project documentation, the project's MEL system (including 'means of verification') and primary data collected during a field visit semi-structured and in-depth interviews with project partners and beneficiaries



Flying Food

The main objective of Flying Food was to develop a sustainable cricket value chain in Kenya and Uganda. Project activities focused on three 'impact pathways' with the following objectives:

1. **Supply side:** establishing at least 600 small-scale cricket farms in Kenya and Uganda by training farmers and supplying them with cricket rearing equipment and other inputs.
2. **Demand side:** development of cricket recipes, design of food products, consumer testing and marketing campaigns.
3. **Private sector development side:** developing a sustainable value chain for crickets and cricket products, including the production of inputs and equipment, processing, packaging, distribution, and retail.

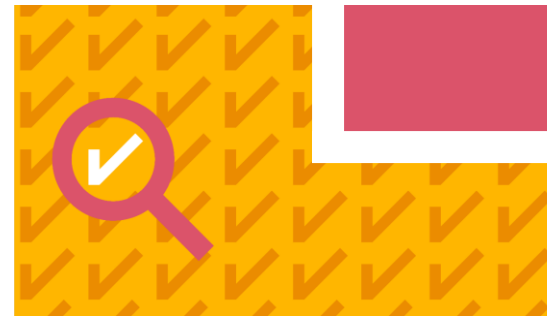
This project was proposed by a public-private consortium led by TNO and involving private partners, knowledge institutes and NGOs from Kenya, Uganda, and the Netherlands.

Budget: €2.5 million, of which €1 million FDOV subsidy.

2.4 Case study 2 – Pro Poor Potato

The key aim of the Pro Poor Potato project was to develop a sustainable potato value chain in Vietnam

- This evaluation was conducted by SEO (2019)
- Central interest: efforts to introduce new higher quality varieties of potato into the Vietnamese market, training over 2,500 potato farmers (supply side), and increasing consumer awareness of the nutritional value and versatility of potato consumption (demand side) and sustainable value chain development (private sector development side)
- Evaluation relies on mixed methods, including project documentation, the project's MEL system as well as interviews with project partners Agrico, WUR, Fresh Studio and PepsiCo



Pro Poor Potato

The key aim of the Pro Poor Potato project was to develop a sustainable potato value chain in Vietnam. Project activities focused on three 'impact pathways' with the following objectives:

- 1. Supply side:** establishing a potato production system in various (remote) agri-ecological zones of Vietnam by contracting 2,500 farmers. Activities included the provision of productivity enhancing equipment, training potato production advisors, establishing demo-farms and the mechanisation of potato production.
- 2. Demand side:** increasing the demand for (higher quality) table potatoes by increasing consumer awareness of the nutritional value and versatility of potato consumption through the development of new recipes, consumer- and trader awareness campaigns and marketing campaigns.
- 3. Private sector development side:** developing a sustainable value chain for potatoes and potato-based products, by introducing new, higher quality varieties of potato into the Vietnamese market, connecting the various links in the value chain and establishing a market for these new potatoes.

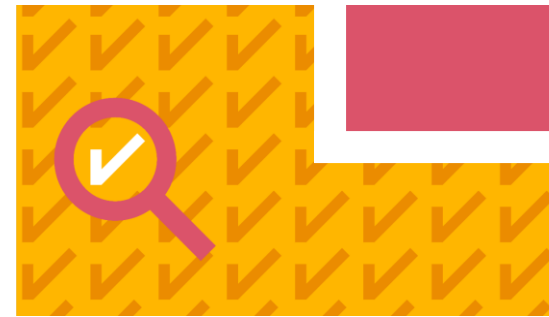
This project was proposed by a public-private consortium led by Fresh Studio Innovations Asia Ltd. Project partners are Agrico, PepsiCo and Wageningen UR.

Budget: €6 million, of which €3 million FDOV subsidy.

2.5 Case study 3 – Food for all

The main objective of Food for All was to increase productivity among horticulture and dairy smallholders in Kenya, as a pathway towards improved food security.

- This evaluation was conducted by AIGHD (2018-2021)
- Central interest: input choices and marketing channels; and resulting changes in farm income, productivity, food security status
- Evaluation relies on mixed methods, incl. 2019-21 farm level survey data among treatment and control farmers; focus group discussions and key informant interviews
- The results include the effects of COVID on farmers



Food for All

The main objective of the Food for All Project was to increase smallholder productivity in horticulture and dairy value chains in Kenya, as a pathway towards improved food security. Project activities focused on two ‘impact pathways’ with the following objectives:

1. **Supply side:** establishing channels for improved horticulture and dairy inputs; training 48,500 farmers on key farming techniques to increase value-added; improving farmer information through soil testing and mobile phone-based extension services.
2. **Private sector development side:** reinforcing market demand through establishing a processing factory, horticulture collection centres, long-term contracts within the value chain, and an ICT platform.

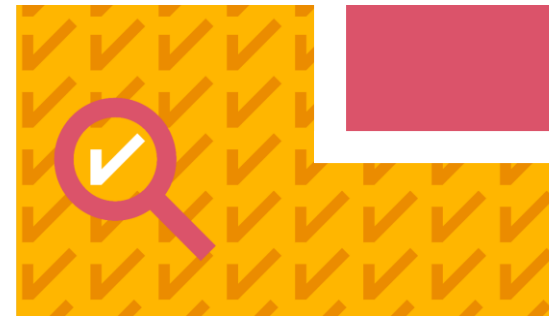
F4APK was initiated by a public-private consortium consisting of Solidaridad and Heifer; Meru Greens Horticulture and SoilCares Foundation; and the Kenyan Horticultural Crop Department.

Budget: €5.4 million, of which €2.6 million FDOV subsidy.

2.6 Case study 4 – Going Nuts

The main objective of Going Nuts was to connect smallholder farmers to both the domestic and international market for groundnut products

- This evaluation was conducted by PwC (2022-2023)
- Central interest: ability of the project to increase, diversify and expand (export) sales including towards markets that have stricter standards on aflatoxin levels; value chain development: extent to which smallholder farmers are benefiting from the (expected) improved market position of the processor
- Evaluation relies on mixed methods, incl. extensive project documentation reviews; MEL data analyses; focus group discussions; and key informant interviews



Going Nuts

The main objective of Going Nuts was to connect smallholder farmers to both the domestic and international market of groundnut products. Project activities focused on two ‘impact pathways’ with the following objectives:

1. **Supply side:** increasing the sustainable production of quality groundnuts by providing agricultural inputs and training to farmers.
2. **Private sector development side:** creating opportunities for private sector development, by setting up an infrastructure for diversified quality groundnut products.

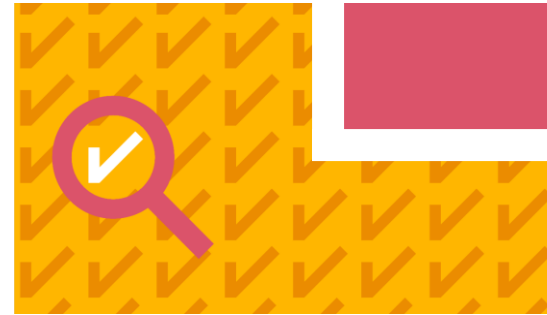
This project was proposed by a public-private consortium led by Dutch NGO Sympany+ and involving a local private partner and local NGO

Budget: €3 million, of which €1.5 million FDOV subsidy.

2.7 Case study 5 – Macadamia VCE

The main objective of Macadamia VCE is to involve smallholder farmers in the macadamia value chain

- This evaluation was conducted by PwC (2022-2023)
- Central interest: project efforts to broaden the agricultural development base of smallholder farmers through capacity building; value chain development: extent to which smallholders are successfully involved through the project's attempts to realise an inclusive, equitable and empowering involvement of smallholders in the macadamia sector
- Evaluation relies on mixed methods, incl. extensive project documentation reviews; MEL data analyses; focus group discussions; and key informant interviews
- This project is on-going (ending in 2023)



PPP Macadamia Value Chain Enhancement

The main objective of Macadamia VCE is to involve smallholder farmers in the macadamia value chain. Project activities focused on two 'impact pathways' with the following objectives:

1. **Supply side:** introducing and increasing the production of macadamia nuts by smallholders by providing agricultural inputs and training until the macadamia trees grow nuts after five years.
2. **Private sector development side:** creating opportunities for private sector development, by setting up an infrastructure for supply of high-quality macadamia nuts by smallholder farmers.

This project was proposed by a public-private consortium led by Dutch NGO Sympany+ and involving local private partner (processor), Dutch private partner (off-taker) and a local NGO.

Budget: €2.85 million, of which 50% FDOV subsidy.

3

Main findings

3.1 Findings – definitions

The evaluation team assessed the FDOV along the lines of three OECD-DAC criteria, complemented by the criterion of ‘additionality’ and an assessment of three selected ‘cross-cutting’ themes.

3.2 Relevance – Is the intervention doing the right things?

“The extent to which the intervention objectives and design respond to beneficiaries , global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change”.¹

3.3 Additionality – Is the intervention adding something new to the context?

“The extent to which the intervention is adding value to the context and the extent to which this could be done by parties in a similar way”.¹

3.4 Effectiveness – Is the intervention achieving its objectives?

“The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups”.¹

3.5 Sustainability – Will the benefits last?

“The extent to which the net benefits of the intervention continue, or are likely to continue”.¹

3.6 Cross-cutting’ themes – Additional to the above mentioned criteria, together with RVO, the following ‘cross-cutting’ themes were selected.

- Value added of PPPs
- Gender
- Climate

¹ [OECD-DAC Criteria for development assistance](#)



Findings on Relevance



3.2

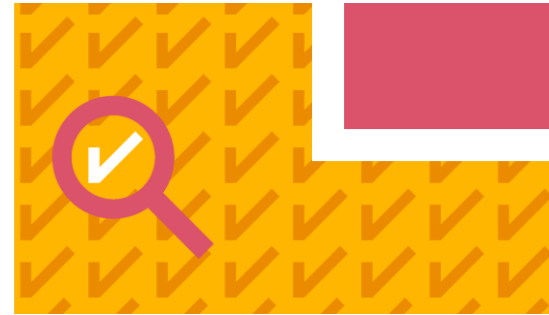
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3.2 Relevance – Flying Food

The relevance of Flying Food for local development was clear ‘ex ante’, but limited ‘ex post’.

1. On the one hand, **its focus on income generation and food security (in light of protein deficits) was clearly relevant for Base of the Pyramid (BoP) producers and consumers**, in particular smallholder farmers, women and youth. Moreover, it was well aligned with the economic and social priorities of the Kenyan government.
2. On the other hand, **the focus on BoP producers may have partly been responsible for the relatively low effectiveness of the project**. For example, yields were far lower than expected, not only because of the bacterial infection but also because of the limited ability of BoP farmers to implement strict hygienic methods and cleaning protocols to prevent re-infection. Moreover, there are substantial economies of scale that make production by a larger central producer and processor more economic.
3. Given the novelty of the project, **it would, with hindsight, have been preferable for the project design to focus initially on the ‘Middle of the Pyramid’ (MoP) producers and then roll out lessons learnt to the BoP**.
4. Similarly, **a well-functioning market for cricket products could have first been created among ‘MoP’ consumers in cities before trying to establish such markets in villages**.



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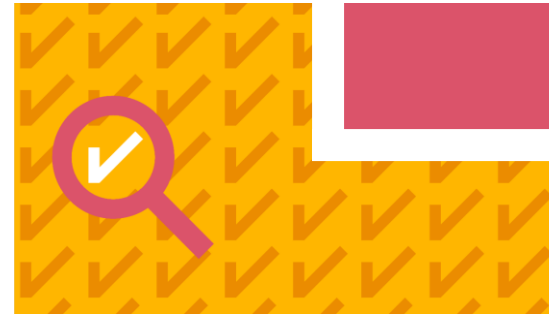
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3.2 Relevance – Pro Poor Potato

The design of the project was relevant for income generation needs of base-of-the-pyramid (BoP) producers, but less relevant for improving food security.

- 1. In terms of income generation needs of smallholder farmers, the project was relevant**, as it targeted groups with low incomes and limited alternative income generation capacities.
- 2. In terms of improving food security of the consumers and the smallholder farmers themselves, the project was less relevant.**
 - The country has developed beyond the level in which (part of) its inhabitants suffer from a shortage in caloric intake.
 - The Vietnamese perceive the potato as a replacement for vegetables (which often represent a similar or higher value in terms of micronutrients) rather than rice.
 - As the project targeted potato farmers, rather than rice farmers, no substitution of rice farming took place.
- 3. The design was in line with the economic and social priorities of the Vietnamese government** related to food security and poverty reduction.
 - Although the cultivation of potatoes is at the moment not prioritised by the Vietnamese government, the goal of nation-wide and year-round supply of potatoes is in line with the food security objectives of governmental policies.
 - The project contributes to reducing Vietnam's potato trade deficit.



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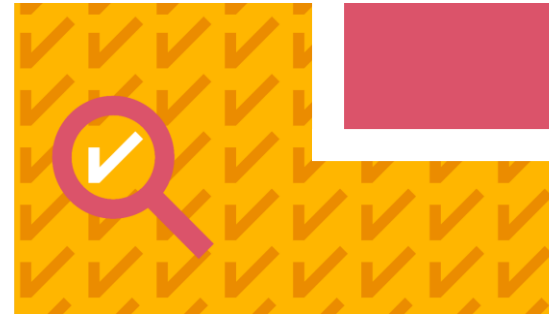
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3.2 Relevance – Food For All

Relevance is high at the policy level, but mixed at the farm level.

- 1. At a strategic level**, the objectives of F4A are policy relevant. Project goals reflect high level Kenyan priorities, e.g. raising the contribution of agro-processing while increasing added-value and reducing the number of food-insecure Kenyans.
- 2. At the project design level**, according to stakeholders, relevant components included the strong and concrete market orientation; the infrastructure investment; the connection to and innovations in existing extension networks; and the ICT platform in the context of fast growing (smart) phone ownership.
- 3. At the farm and beneficiary level**, the expected benefits depend on the strength of the producer organizations. In particular, dairy treatment POs have been established for much longer than horticulture POs, and their members have higher SES and welfare indicators.
- 4. Relevance was particularly limited in the horticulture value chain:** Almost half of the targeted farmers do not grow any of the target crops at baseline. Despite that fact that Food for All only selected horticulture farmers with availability of water for irrigation, access to water may well be a limiting factor for these crops, especially since irrigation costs need to be self-financed. Among farmers that grow F4APK target vegetables, irrigation is used in only about half of crop decisions.



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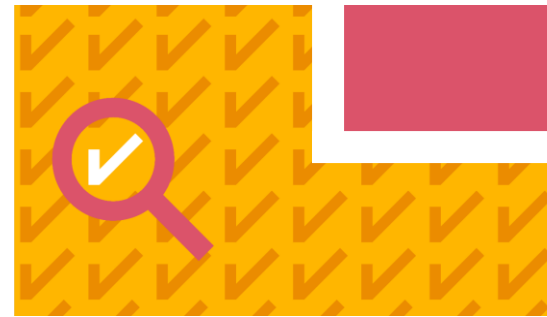
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3.2 Relevance – Going Nuts

Going Nuts in its design is relevant for its contributions to strengthening the groundnut value chain in Malawi, and for its intended positive effects on income generation and food security (through improved availability and food safety).

- 1. Relevant for end-beneficiaries** – Going Nuts in its design is relevant for its contributions to strengthening the groundnut value chain in Malawi. Since groundnut production skills are lacking among smallholder farmers, which affects income generation, the project can be considered relevant with regards to improving the income position of end-beneficiaries. Although the project has a private sector development purpose, through its efforts to improve local food availability and safety, the project also explicitly addresses improving food security. The project specifically targeted groups which have no alternative means of income generation (subsistence farmers) and, ex-ante, is relevant for the enhancement of gender equality since the project would focus on female farmers to take active part in the implementation of this project.
- 2. Relevant for local and governmental policies of host country** – The project design is relevant for several local policies, although we also conclude that the policy environment does not support intended effects moving forward. We explain that the policy environment poses challenges to incentivising smallholder farmers to improve the quality of production (e.g., because of a large informal groundnut market).



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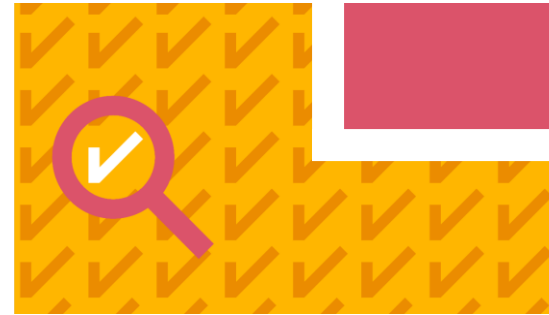
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3.2 Relevance – Macadamia VCE

Macadamia VCE in its design is relevant for its contributions to strengthening the macadamia value chain in Malawi, and for the opportunities it brings through a higher and more stable income for end-beneficiaries.

- 1. Relevant for end-beneficiaries** – This evaluation supports the idea that Macadamia VCE in its design is a locally relevant project. Macadamia VCE supports the development and the participation of smallholder farmers in the macadamia value chain, and is relevant for realising crop diversification, which can contribute to generating a more stable income. The intervention can also be considered relevant for its contribution to realising export potential. Relevance of the project for increasing local or regional food availability (beyond the farmers themselves) is more limited and also is no project objective since the production by participating farmers is intended for export to European markets (the Dutch market).
- 2. Relevant for local and governmental policies of host country** – Macadamia VCE is relevant for several local policies. Also, from project documentation, we can observe that the project has established relevant working relationships with (local) government representatives. Yet, the project design does not contain specific goals for improving policies.



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Findings on Additionality*

*Additionality can be broken down into 'input additionality' and 'development additionality', in line with DCED (2014):

1. Input additionality is the extent to which “the public input resources are additional to what might anyway be invested or done by the applicant/partner company and other parties, as well as the timing of it”.

2. Development additionality is the extent to which public resources contribute to changes in development-relevant results that would not have materialised without them.



3.3

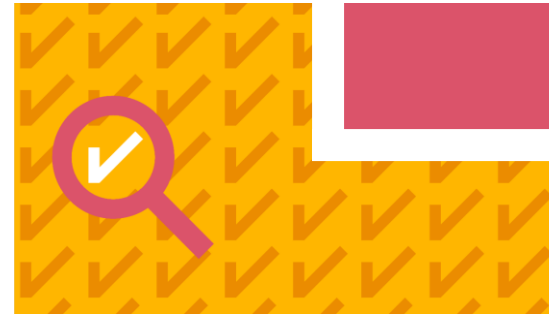
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- [Additionality – Macadamia VCE](#)

3.3 Additionality – Flying Food

The additionality of the project was high ‘ex ante’, but lower ‘ex post’.

1. **Input additionality was high** because Flying Food project activities would almost certainly not have materialised without public support.
2. **Development additionality** was high because the ‘development focus’ on BoP producers and consumers (and special emphasis on women) would almost certainly not have occurred without public funding.
3. However, **the development outcomes that were targeted in this way were not achieved ex post**, and some farmers may in fact have been left worse off.



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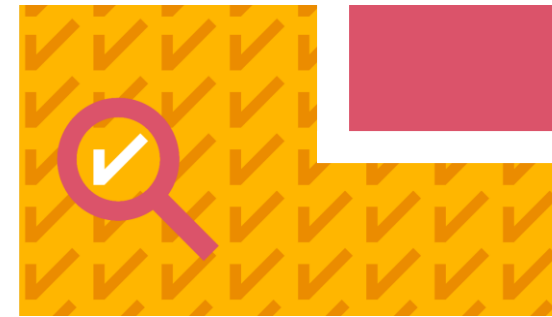
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3.3 Additionality – Pro Poor Potato

Input additionality was mixed, but development additionality was high.

- 1. The input additionality of the Fresh Studio activities was high.** It is very unlikely that Fresh Studio would have been able to enable knowledge sharing between Fresh Studio, farmers, traders, retailers and end-consumers in the absence of public funding, due to the limited market scale of potato in the region.
- 2. The input additionality of the PepsiCo contribution was low.** PepsiCo financed the training and TA given to its own contract farmers. But, since this is beneficial for PepsiCo, it seems unlikely that PepsiCo would not have financed and provided training and TA without the FDOV project.
- 3. The Dutch public contribution to the project was purely financial.** The FDOV financing was certainly additional but could have been supplemented by additional public involvement in the project.
- 4. The development additionality of the project was high through its focus on the entire value chain,** which helped connecting the various value chain actors to each other (e.g. Fresh Studio introduced new potato varieties, organised imports (from Agrico) and sold these to farmers, who received training, and were linked to traders; retailers benefitted from increased consumer awareness and marketing campaigns; Fresh Studio engaged with Vietnamese national and regional governments to try and improve policies).



- 5. The timing of the delivery of seed potatoes was suboptimal.** Potatoes delivered from the Netherlands came too late for the first sowing period in Vietnam (i.e. winter harvest).
- 6. Targeted farmers were already cultivating potatoes before the start of the project and little additional potato cultivation took place.** The partnership between smallholder farmers and traders was often already in place, as well as many of the collaborations between traders and retailers.

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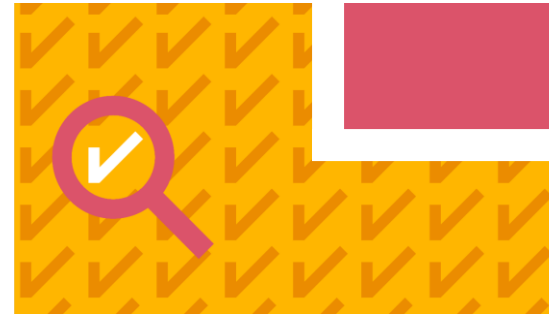
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3.3 Additionality – Food For All

This project scored well on both input additionality and development additionality.

1. **Input-additionality** is reflected in the reported narrow surpluses (and sometimes losses) of Meru Greens, the main commercial partner, indicating the need for additional resources to make the project investment.
2. **Development additionality** is particularly reflected in the explicit attention to female participation in project documentation and reporting, as well as the high reported female representation in project trainings and employment.



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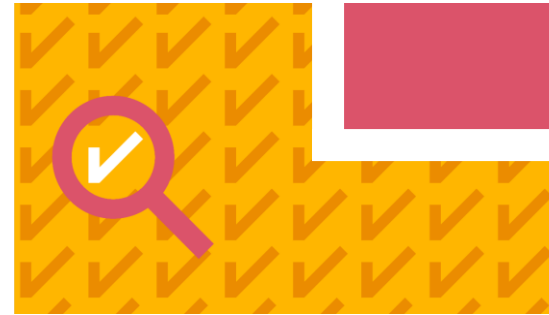
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3.3 Additionality – Going Nuts

The case for public support to Going Nuts is clear

- 1. Input additionality was present** – Although a full-scale additionality assessment was not carried out, the available (limited) documentation suggested that, without the support from the Dutch government, the PPP consortium would not have existed, and project partners would not have been able to self-finance the project. Alternative financing possibilities that private sector partners may have had, however, were not explicitly considered in the project appraisal, nor was the question of whether a subsidy was the most adequate financing mechanism. Finally, investments to further the groundnut value chain most likely would not have taken place without the project.
- 2. Development additionality of Going Nuts is clear** – There were also good indications of development additionality. In particular, it seemed clear that the public contribution ensured a focus on public objectives in the project design, e.g., a focus on including (female) smallholder farmers in the groundnut value chain. For example, a convincing case was made that Afri Oils Ltd. would not have attempted to include smallholder farmers in their business model at this scale without public support, because of the risks involved. Also, as a result of the public contribution, the project covered a large geographical area.



The figure on the next slide reflects these high-level findings, with colour boxes indicating what went well (green), what could have gone better (red), and which results are uncertain (orange).

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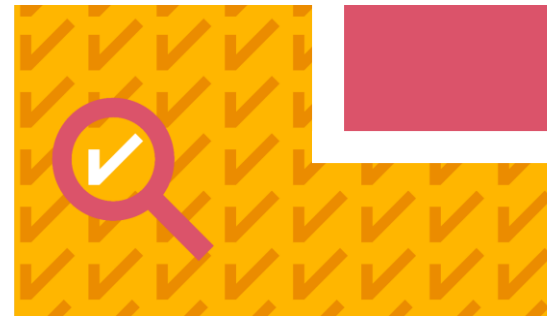
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3.3 Additionality – Macadamia VCE

Public funding was necessary for Macadamia VCE. Yet, we also point out that some important decisions are likely to take shape beyond the horizon of donor involvement.

- 1. Input additionality was high at the start of the project** – Implementation of the project would most likely not have happened without a public contribution. Input additionality was high at the start of the project, given that involving smallholder farmers was seen as too risky by market participants. However, this additionality was expected to diminish if the project were to be successful in demonstrating that there is a business case for involving smallholder farmers. The total private sector contribution was 26%: 21% contribution by Sable Farming Ltd. (part of which is used to expand the private processing facilities of Sable Farming Ltd.) and 5% by Intersnack Procurement B.V. The role of Intersnack Procurement B.V. goes beyond that of financier and includes that of advisor and future buyer of smallholder produce processed by Sable Farming Ltd.
- 2. The development additionality of the project is clear** – Prior to this project, there was no obvious business case for including (female) smallholder farmers in the macadamia value chain. However, the goal of the project was to show that, when some conditions are satisfied (e.g., farmers are provided with grafted plants, trained for multiple years, etc.) there will be a business case for including them. It seems clear that, given the high cost of fulfilling these conditions, and the uncertain outcomes, private partners would not have embarked upon such an investment without a public subsidy that reduced their risks. The effects of private ownership of certain assets (storage and trading centres and the equipment stored there) however are unclear at this moment. Also, we indicate that some important decisions (which may increase the level of entrepreneurial risk to which the macadamia farmers are exposed, thus possibly affecting the project's development additionality) are likely to take shape beyond the horizon of donor involvement.



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Findings on Effectiveness



3.4

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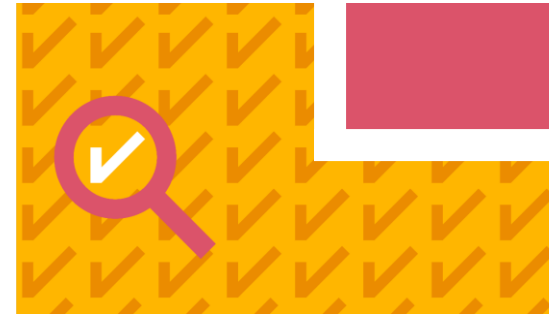
- [Effectiveness – Flying Food](#)
- [Effectiveness – Pro Poor Potato](#)
- [Effectiveness – Food for All](#)
- [Effectiveness – Going Nuts](#)
- [Effectiveness – Macadamia VCE](#)

3.4 Effectiveness – Flying Food

The effectiveness of the project was reasonable in terms of outputs, but low in terms of outcomes.

While many outputs were achieved, outcome targets were only partially met. Many activities were conducted, but little was achieved in terms of actual production, income generation, sales, or consumption. This was due to various factors, including most importantly an unexpected disease outbreak. In addition, the project suffered from periods of political turmoil and flooding due to which the training and monitoring activities were hampered.

- 1. On the supply side**, many output targets were met but outcomes were drastically below target.
 - In terms of outputs, methods were developed, a group of trainers was formed, and more than 300 farmers were trained, but not all of these were fully equipped.
 - In terms of outcomes, however, the production of crickets and resulting income were much lower than targeted. This was due to various factors, including most importantly an unexpected disease outbreak. In addition, the project suffered from periods of political turmoil and flooding.
- 2. On the demand side**, many outputs were achieved, but outcome targets were only partially met.
 - Various activities took place: awareness was raised, consumer research was conducted, and innovative cricket products were developed.



- However, outcome targets were only partially met only a few active local markets for crickets were identified and they did not offer the targeted 5,000 affordable servings of cricket products per months.
- 3. On the private sector development side**, most outputs were reached, and outcomes were partially met.
 - Many value chain actors were identified and developed, and the project made great progress with building a full cricket value chain.
 - Outcomes were mixed thus far, mostly because of the setbacks experienced on the supply side.

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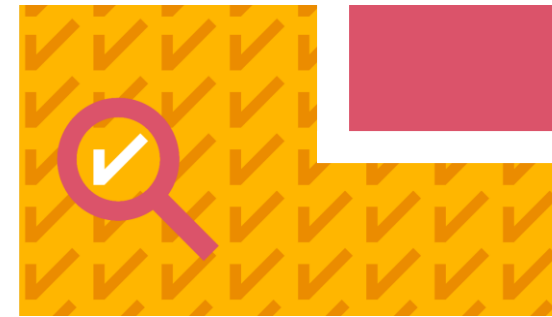
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3.4 Effectiveness – Pro Poor Potato


The project was only partly effective on achieving its objectives in terms of supply, demand, and private sector development.

- 1. On the supply side**, the project delivered on the agreed outputs (advisors were trained and put to work assisting farmers. 2,500 farmers completed all sessions of the training module).
 - In terms of outcomes, the lack of a convincing baseline in the Fresh Studio MEL system makes it impossible to confidently state whether targets set for yield and income increases were realised. However, the Dutch cultivars do offer a slight price premium over their main German competitors, and Farmers who received training and/or extension services performed relatively more stable over time. Nevertheless, the targeted sixty percent increase in income is not met.
 - Gender specific targets were largely met, although this was simply a reflection of the gender ratio among potato farmers.
- 2. On the demand side**, Fresh Studio successfully carried out market and consumer studies and was involved in consumer and awareness campaigns. The project helped to increase demand for potatoes in Vietnam, as consumers are more aware of the nutritional value of potatoes, but the scale remained small due to the delays in the registration process of new varieties.



- 3. On the private sector development side**, Fresh Studio contributed to the overall development of the private sector, by developing an extensive network of value chain parties during previous projects and cooperating appropriately with the stakeholders in the current project.
 - Outside of the value chain Fresh Studio worked to strengthen the cooperation between the private parties and the local authorities, e.g. through the establishment of the potato policy discussion platform.
 - The target of contracting 2,500 farmers was formally met but Fresh Studio and RVO should have been more precise about what this meant (e.g. contracts are seasonal and do not reflect the number of “partnerships” established; parties that cooperated for more than one season were counted multiple times in this aspect; the number of partnerships cannot completely be attributed to Pro Poor Potato, as many of these parties had been cooperating before the start of the project).

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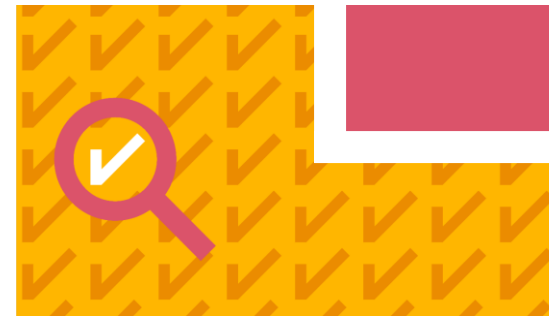
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3.4 Effectiveness – Food For All

Project implementation was successful in terms of outputs, but effectiveness is mixed and limited overall. The project results chain appears overambitious.

Project implementation was successful. Across a range of areas, the project achieved many of the output goals and sometimes exceeded them by a large margin. However, the effectiveness of these project investments in terms of productivity, income and food security gains is mixed.

- 1. On the supply side**, effects on the use of inputs and techniques are mixed. Farm productivity did not increase significantly relative to the control group, nor did farm income.
- 2. On the private sector development side**, for dairy farmers we find an impressive increase in the share of milk sold to dairy cooperatives: a success for the F4APK theory of change. Dairy treatment farmers report a substantial milk price increase, but we do not find a significant increase relative to the control group
- 3. For horticulture farmers** we find that the share growing any F4A crop decreased, as did importance in terms of value and acreage devoted. Based on their experience, project management in interviews confirmed the movement of farmers out of horticulture. Consistent with these reports, horticulture sales via collection centers fell.



The overall level of product certification reported by farmers is low at baseline; for French beans there is a clear drive towards increased levels of certification, both in the treatment and control group.

- 4. The trends in self-reported food access and life satisfaction indicators are very similar for treatment and control POs in both value chains.**

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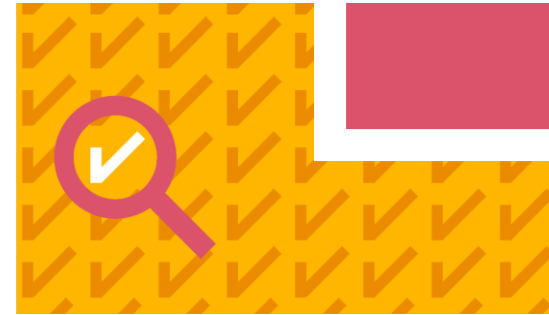


3.4 Effectiveness – Going Nuts

Despite its best intentions, Going Nuts was not effective in establishing a structural market connection between producers and the processor

Going Nuts aimed to increase the sustainable production of quality groundnuts by providing agricultural inputs and training to farmers. Going Nuts aimed to create opportunities for private sector development, by setting up an infrastructure for diversified quality groundnut products. This included the establishment of a groundnut processing plant (processing building and machines) and a reliable market relationship between smallholder farmers and Afri-Oils Ltd. as a processor.

1. **In particular, the project was not successful in linking the trained project farmers to Afri-Oils Ltd. (neither individually nor in organised structures).** Key determinants include competition of Afri-Oils Ltd. with vendors buying ungraded groundnuts (causing side-selling in large quantities and adding to the risk of the quality of groundnuts being inferior), working capital restraints of project partner Afri-Oils Ltd., and the lack of a logistical plan to handle supply offered for trade by DAPP Malawi farmers in Chiradzulu. Although the productivity of project farmers increased, the quality of their harvested groundnuts appeared not to have changed structurally (although this was difficult to assess, given that farmers were not linked to Afri-Oils Ltd).



2. **While the project was somewhat effective on the supply side, it was not effective in terms of its private sector development objectives.** On the one hand, project farmers did increase their productivity. On the other hand, the intended effects on the local processing capacity and processed nut exports did not materialise. Production by Afri-Oils Ltd. only increased up to 20% towards the target that was set, e.g. because project farmers continued to sell their groundnut produce via informal routes to markets. Although farmers still rely on selling ungraded groundnuts to vendors (potentially of inferior quality), increased productivity potentially also raised their incomes – given that informal exporters reportedly offer good prices (even though there was little incentive to improve quality). At the same time, farmers spoken with in focus groups reported hardly any income improvements and reported, for example, to require higher prices for their groundnuts and with less price volatility.

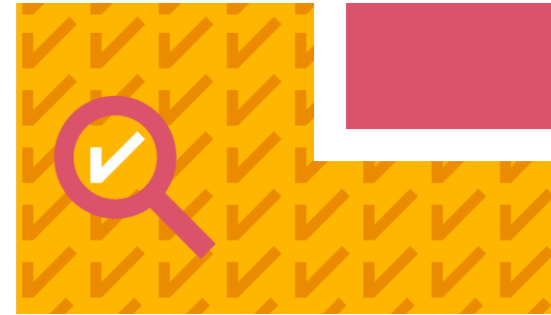
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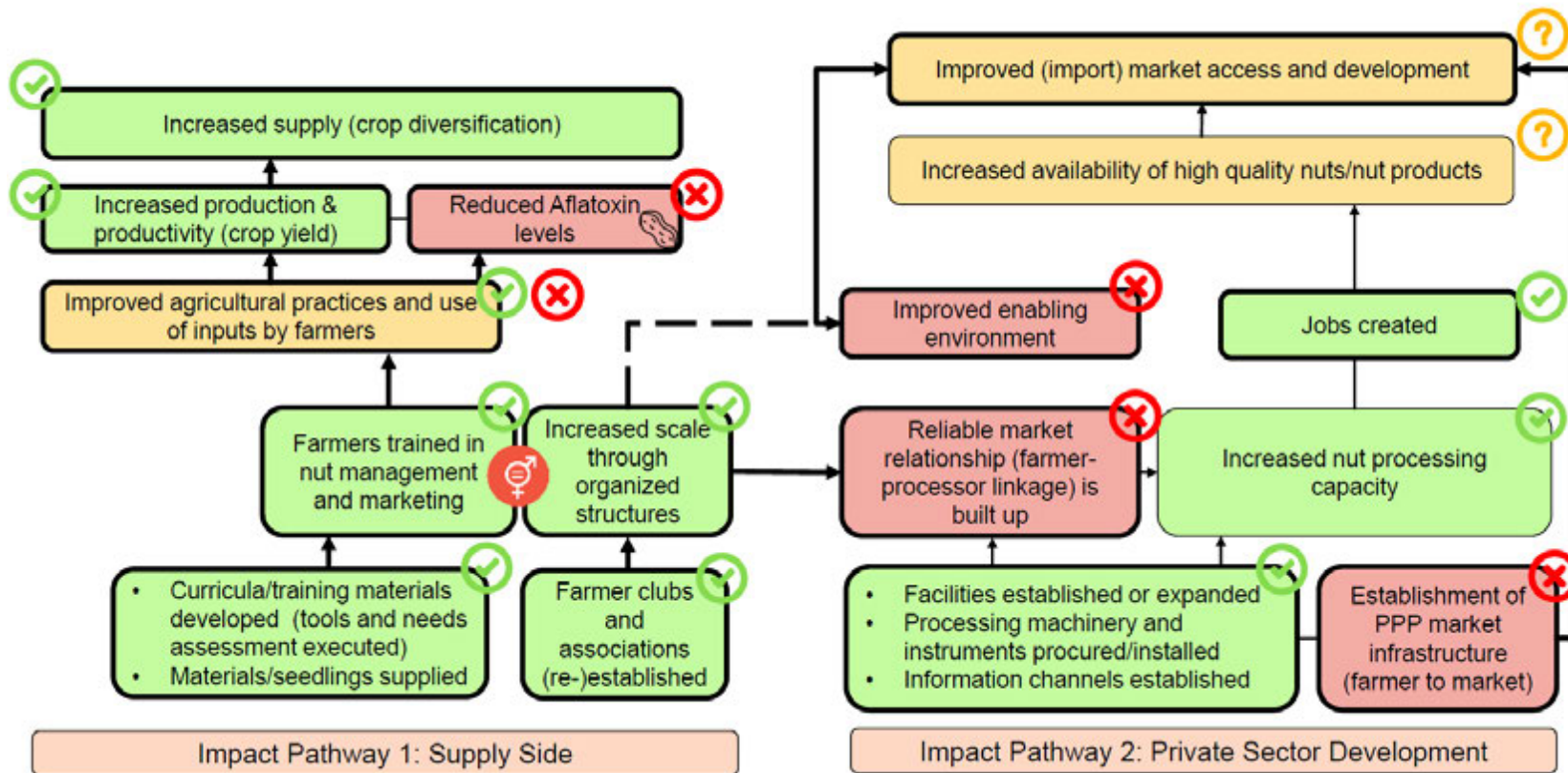
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3.4 Effectiveness – Going Nuts



The figure below reflects the high-level findings described on the previous page (p. 36), with colour boxes indicating what went well (green), what could have gone better (red), and which results are uncertain (orange).



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3.4 Effectiveness – Macadamia VCE

Macadamia VCE, which is still ongoing, has thus far been effective in achieving outputs and some short-term outcomes, but the conditions for achieving a long-term sustainable impact are not yet met

Macadamia VCE aims to introduce smallholders to macadamia farming, providing them with macadamia trees of 18 months old, and teaching them how to grow them into mature trees that produce ample macadamia nuts after five to seven years of care. In this way, the project aims to increase the supply of high-quality macadamia to Sable Farming Ltd., a local processor and project partner that sells macadamia to Intersnack Procurement B.V., a Dutch project partner who then sells the macadamia to the European retail market.

1. **Output level results so far are convincing.** Farmers have been trained on agricultural practices relevant to macadamia farming, and they have received macadamia trees of 18 months old for free. Also, the farmers typically are aware of the business logic underpinning macadamia farming, and they have organised themselves in cooperatives. From a beneficiary perspective, this part of the project has gone well.
2. **Similarly, supply-side outcome-level results achieved so far are promising.** The current and stable tree survival rate of close to 90% points to a high level of commitment and adoption of good agricultural practices. Adoption of (certain) good agricultural practices is also mentioned by project partners and reflected in the M&E data. We indicate that despite significant training efforts in the field of integrated pest and disease management control, insect damage and disease are the main causes of tree damage.

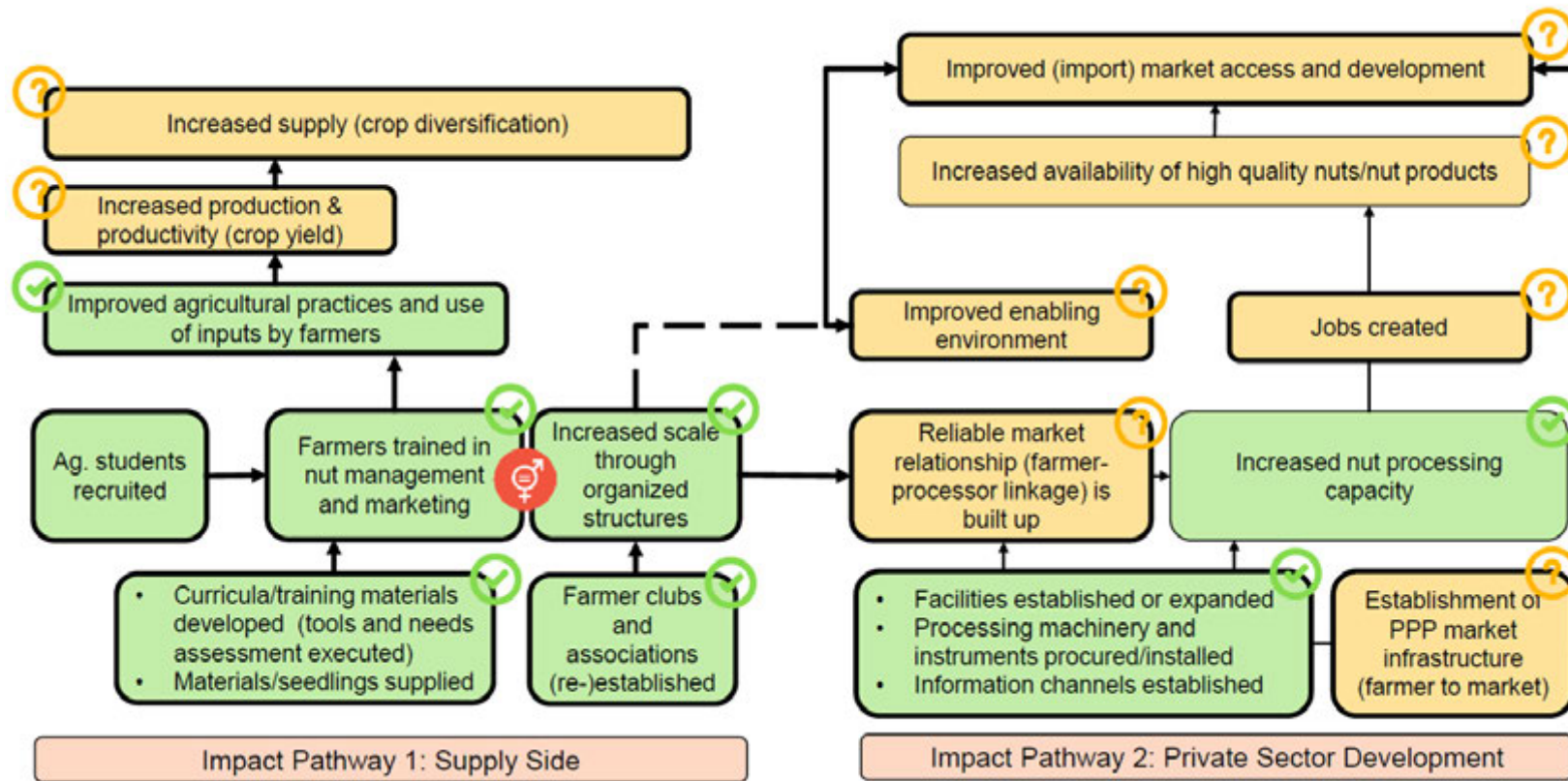
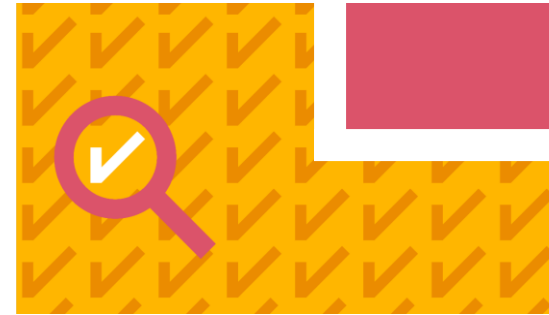
This has not resulted in trees dying or being in a bad condition at a large scale, yet may impact future quality of nut production if the issue is not addressed. Nut quality adversely affects the price farmers may receive for their produce. Moreover, current results in the domain of private sector development at short-term outcome-level are not yet achieved. Specifically, reliable market relationships are not yet built up.

Since Macadamia VCE is on-going and only small volumes of macadamia nuts have been harvested and sold so far, it is too early to assess the impact of the project. In the evaluation, we indicate three important conditions for reaching impact-level results, as well as the current project situation on these conditions:

1. *Trusted relationships:* We indicate that market relationships at the time of writing (October 2022) are fragile, and Sable Farming Ltd. indicates that they intend to further strengthen the relationship with project farmers (although there is no formal commitment yet).
2. *Product quality and productivity:* Project partners indicate that - provided with trees and training - smallholder farmers will be able to produce macadamia nuts that have the same quality (or even of a higher quality) compared to those produced by commercial estates – without using the equipment and inputs that commercial estates use (e.g., drip irrigation, chemical fertiliser, crop spraying inputs). In theory, this is because the limited size of smallholder farmers' orchards would allow farmers to devote relatively more time per tree. Yet in focus group discussions farmers reported (October 2022) to not have sufficient liquidity to obtain the inputs required to produce high-quality macadamia nuts.
3. *Contract arrangements:* We point out that some important decisions, e.g., with regards to the contract farming arrangements with involved farmers, are likely to take shape beyond the horizon of donor involvement. This relates to, e.g., the distribution of risks between value-chain actors, and the level of entrepreneurial risk carried by the macadamia farmers.

3.4 Effectiveness – Macadamia VCE

The figure below reflects the high-level findings described on the previous page (p. 38), with colour boxes indicating what went well (green) and which results are still uncertain (orange).



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Findings on Sustainability



3.5

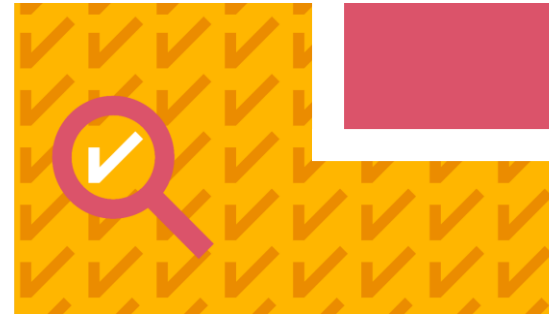
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- [Sustainability – Pro Poor Potato](#)
- [Sustainability – Food for All](#)
- [Sustainability – Going Nuts](#)
- [Sustainability – Macadamia VCE](#)

3.5 Sustainability – Flying Food

The sustainability of the project is potentially high, but fragile.

1. The project was not yet sustainable when it formally ended.
2. However, project partners made remarkable progress with improving the prospects for a financially sustainable cricket value chain in Kenya.
 - In particular, they deserve credit for having attracted an MFI as a key value chain player, which was not originally part of the project plan.
 - By the time this report was concluded, the project was still in search of additional financing.



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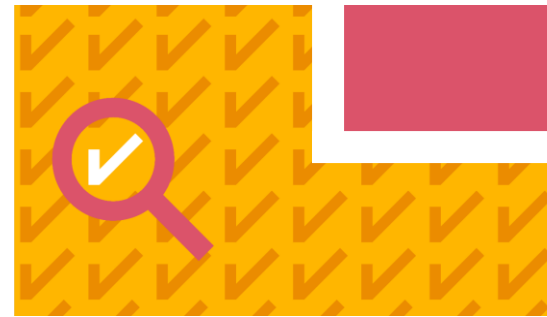
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3.5 Sustainability – Pro Poor Potato

Some elements contribute to continuity, but the project has not brought systemic change yet.

- 1. The newly introduced Dutch varieties are competitive against other locally produced potato varieties, which bodes well for sustainability.** Although Chinese imports remain cheaper and available year-round, Vietnamese consumers appear to be prepared to pay extra for potatoes produced in Vietnam.
- 2. The commitment of Fresh Studio to the Vietnamese agricultural sector is high.** Fresh Studio indicates it will remain active in stimulating the development of potatoes in Vietnam, and considering similar potato projects in neighbouring countries. Fresh Studio and Agrico agreed to extend their partnership, with Fresh Studio continuing to import and sell Agrico potato varieties.
- 3. The project helped the professionalisation of the sector by introducing high quality seed potatoes and transferring knowledge, although it has not brought systemic change yet.** Although limited progress was made in terms of mechanisation of potato cultivation, the new varieties introduced were made available on the market. It is likely that they farmers continue to purchase seed potatoes from Fresh Studio after the project has ended as (a) they were engaged in a professional and commercial way from the beginning (b) they were made aware of the fact that seed potatoes were provided at an introduction price.



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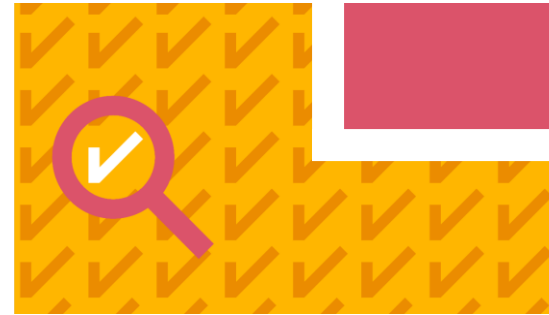
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3.5 Sustainability – Food For All

Sustainability indicators provide a mixed picture

- 1. Positives:** The nursery business cases are financially healthy and do not raise sustainability concerns. The dairy business case shows good and stable financial reports.
- 2. Concerns** relate to the capital investments and post-project continuation of activities.
 - A concern for the processing unit is that the net cash-flow margins appear to be thin.
 - Hardware: the 2020 Annual Report finds that three out of six investments (representing a large share of the investment) are in good condition and functional at the end of the project, and three are not.
 - A concern mentioned by the internal project evaluation is that certain aspects of Food for All, including input access and collective output marketing, were largely organized through the project and may require continued support. There is some concern in the internal evaluation whether the trainings will continue without project support.



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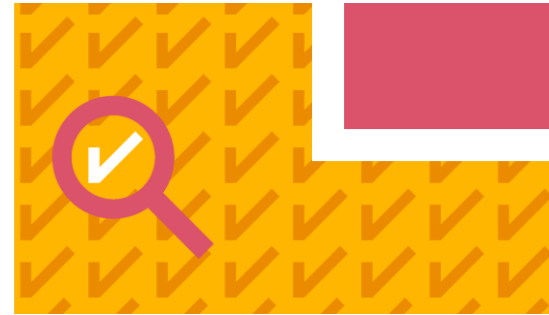
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3.5 Sustainability – Going Nuts

It is unlikely that Going Nuts would soon lead to systemic change

- 1. Little evidence of systemic change and/or scalability of the intervention –** The value-chain enhancement as envisioned by the project has not been generated. The groundnut farmers are currently yielding higher quantities of groundnuts thanks to the project, yet still not of structurally better quality, and it is our impression they still sell them to whomever offers to buy them first for reasons explained (e.g., because it's convenient, quick, simple and makes little demands from them, compared to selling via formal routes to markets). Afri-Oils Ltd. has increased processing and testing capacity, yet currently (at the time of evaluation; October 2022) buys groundnuts from only one trusted party. No ongoing relation has been established between Afri-Oils Ltd. and the end-beneficiaries.
- 2. Little to no contribution of the business case and/or revenue model to continuity and sustainability –** Following the above, we conclude that the business case does not contribute much to continuity and sustainability of project results.



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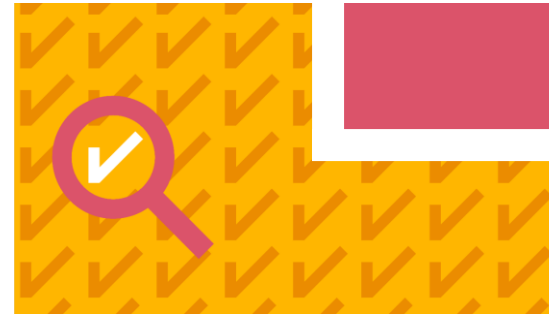
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3.5 Sustainability – Macadamia VCE

Macadamia VCE is yet to show to lead to systemic change or sustainable continuity

- 1. Macadamia VCE is yet to show to lead to systemic change or sustainable continuity** – This is mainly because the project is still ongoing and many of the trees are yet to generate fruit. Basic short-term outcome benefits are likely to continue. In the evaluation, we indicate important conditions for reaching impact-level results. If these conditions are met, Macadamia VCE is likely to contribute to systemic change and results then are also likely to be sustainable. The project has scaling potential, although this depends on smallholder farmers’ access to grafted macadamia seedlings and availability of extension services.
- 2. Conclusion on contribution of the business case and/or revenue model to continuity and sustainability is pending** – Several elements of the business case may contribute to continuity and sustainability, whilst other elements present a risk. Project reporting suggests that the project is now in the hands of the farmers themselves who will carry on growing macadamia nuts beyond the duration of the project (with continued, but more limited, support from Sable Farming Ltd.). Their position in the value chain however is somewhat uncertain. Also, since access to grafted macadamia seedlings is limited, it is difficult for farmers to replace damaged trees, to expand macadamia orchards that are working well or show promise, or to bring new smallholder farmers into macadamia farming.



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Findings on Cross-Cutting themes



3.6

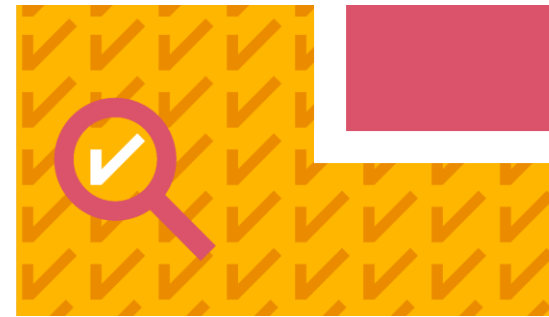
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3.6 Cross-Cutting themes: Value added of PPPs

PPPs are effective under certain conditions (1/2)

1. PPPs are often temporary project coalitions. An advantage is that PPPs can flexibly implement innovative project designs. However, even if the project collaboration is successful, it is not a given that the coalition survives after the project funding. Sustained implementation is less likely if the project collaboration faces challenges.
2. It is important to critically review assumptions in the project ToCs, especially those that relate to the role and (post-project) involvement of private-sector partners and the commercial viability thereof.
3. Public funding often enables private investments that would not be made in absence of public support. However, for a better contribution to systemic change, both the public partners and the private partners should have an active role in the project and contribute to reaching project goals.
 - The public element should do more than purely financially contributing to the project (e.g. government-to-government dialogue in Pro Poor Potato).
 - If PPPs aim also to positively change behaviours of large corporations, it is important to make sure that such corporations contribute to the projects beyond activities that only impact their own value chain.
4. PPPs entailing partners with local presence are of a high value and increase the sustainability of the project, yet it is more likely that they tap into existing structures from previous projects or with previous partners, potentially limiting additionality.



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3.6 Cross-Cutting themes: Value added of PPPs (Ctd.)

PPPs are effective under certain conditions (2/2)

5. The dynamics in the FDOV PPPs are case specific, although we observed in multiple case studies a variety of partners, sometimes unequal in size and power. Two examples illustrate this:

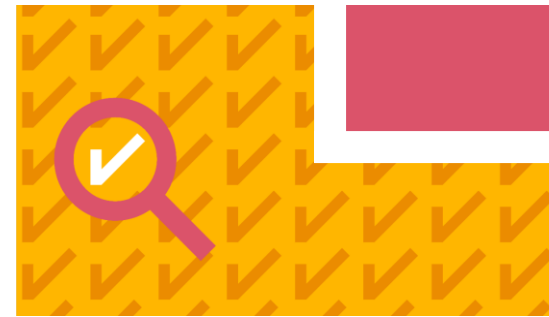
- **Food for All**

Implementation challenges were faced due to unfulfilled commitments by the largest private sector project partner. These issues included delayed farmer payments, unused produce collection centers, failure to install remaining collection centers, and non-operation of the banana ripening chamber. Despite these issues, this private project partner was acknowledged for its positive contributions to the project.

- **Pro Poor Potato**

FDOV and the private contributor, PepsiCo, shared a common goal, but ended up working in isolation. PepsiCo's private sector contribution was fully used to give training and TA to its own contract farmers, and therefore did not leave the company. As this assistance was beneficial to PepsiCo, it seemed unlikely that PepsiCo would not have financed this without the FDOV project.

- See also **High-level recommendation 5.1** (section 4.1).



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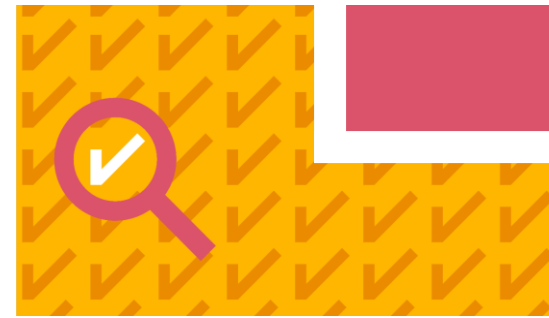
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3.6 Cross-Cutting themes: Gender

FDOV contributed to making women involvement a priority in projects

1. For most projects female participation is a development relevant priority that was mentioned throughout the project documentation and reporting.
2. In all projects, particular attention was paid to the involvement of women in the supply side of the project. For example:
 - In Flying Food training more than half of trained farmers were women; this was particularly beneficial for women as they did not have many alternative income generation capacities.
 - In Pro Poor Potato, the project was relevant for women by nature, as 70% percent of all potato farming operations (in the Red River Delta) are managed by women. 70% of the farmers trained were women, (although only 52% of the advisors trained by the project were women). 62% of targeted farmers by Fresh Studio for new contracts with traders were women)
 - In Food for All, the share of female and youth reached by the project climbed steadily, from 45 percent to 70 percent in 2019-20. 64 percent of all trainees in 2020 were female. 73 percent of the jobs created at the Meru Greens factory (73%) were for women.



3. At the same time, we have come across examples in which gender impact was somewhat limited.
 - For example, in the Going Nuts project (in which job creation was realised as a result of the project), it is our impression that lower-paid and temporary work is carried out mainly by female employees, whereas management positions and qualified jobs (e.g. lab technicians) remained with male employees.

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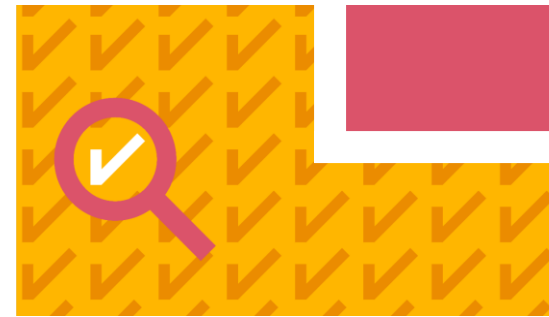
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3.6 Cross-Cutting themes: Climate

Climate issues should be accounted for in project designs and assessing relevance of suggested interventions

- 1. Climate issues need to be accounted for in project design, as they affect project implementation**, e.g. water scarcity makes the use of irrigation crucial: if irrigation investments need to be financed by the farmers this will affect their willingness to take up risky investments proposed.
 - In the case of Macadamia VCE, despite the fact that farmers were provided with macadamia trees and training, limited ways to address irrigation needs (due to the lack of financial means by the farmers) might prevent from reaching highest-quality nut production (this is uncertain).
 - In Food for All, water scarcity made cultivation of the focal horticulture crops more difficult. Although the project addressed this problem by introducing farmers to water efficient climate smart irrigation technologies, many farmers discontinued production of the project crops.



- 2. A number of conditions need to be satisfied for the projects to have a positive impact on climate change mitigation and adaptation.**
 - The scale of the project is a crucial factor for determining the impact on climate change. Most of the projects did not yet seem to have led to scalability, which is a necessary conditions to have a significant impact.
 - If sustainable production systems are only “added on top” of current less sustainable practices (rather than substituting them), the environmental impact can be negative, e.g.
 - In Flying Food, farmers who took up cricket rearing did not significantly reduce farmer activities involving livestock.
 - In Pro Poor Potato no substitution materialised of rice cultivation with potato cultivation (more water-efficient).

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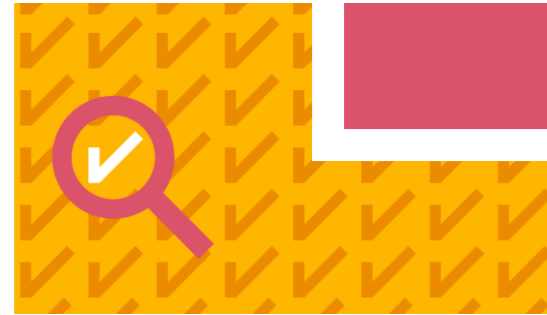
Recommendations

4.1 High-level recommendations

1. FDOV projects were often overly complex; measures should be taken to reduce complexity

PPP-projects in the field of food security and private sector development are typically complex in nature. The FDOV projects evaluated here often had excessively complex results chains on top of complex PPP-designs, in complex settings, with a large number of indicators, a wide range of interventions, and too many goals relative to the instruments provided. This observation has also been made in many other evaluations (see e.g. the IOB's "Wederopbouw" evaluation 2019).

- The FDOV projects studied typically operated in complex, low-income and high-risk agricultural settings, where the risks to project effectiveness are high.
- The PPP design adds complexity by bringing a range of partners, sometimes unequal in size and power, to work together for the duration of the project.
- Results chain were often excessively long, further increasing the risks that sustainable impact is not achieved (within the constraints of a given budget, fixed duration and given level of expertise and experience of a PPP).
- In agriculture, there are additional risks to project effectiveness even if the results chain is short (e.g. related to weather or disease).
- Complexity sometimes increases because of political changes in the priorities of NL-MFA with regard to target groups or themes (e.g. resulting in requests to add more interventions specifically targeted at women or youth).



Recommendation 1.1: Develop stricter criteria for project proposals (e.g. explained in guidelines or templates) so as to limit the total number of goals and the total number of instruments/interventions/partners. Consider assigning a higher value to proposals in which certain conditions (for success) are already met (e.g. a readily available market).

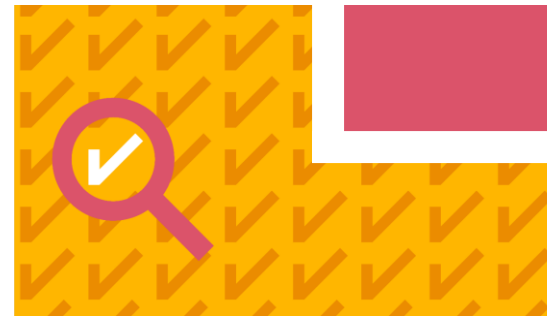
Recommendation 1.2: During the project approval process, assign a higher value to proposals with a clear and streamlined project design and ToC, and reject proposals (or ask to revise proposals) that have an overly complex ToC, with too many instruments or too many goals.

4.1 High-level recommendations

2. FDOV project output targets were typically achieved, but outcome and impact targets tended to be too ambitious

Outcome-level targets in FDOV projects often proved to be too ambitious, and risks were often underestimated. During the course of projects, targets were sometimes reduced as it was agreed that they were unrealistic; however some of this could have been foreseen if a better risk assessment had been made ex ante.

- Output targets (such as the number of people trained) were generally reached, sometimes exceeded.
- Outcome targets (such as productivity or income increased) were often too ambitious, and needed to be reduced later during the project
- The assumptions underlying the ToC were often not made explicit and were sometimes unrealistic due to underestimation of risks.
- One of the reason for overly ambitious outcome targets is that there are incentives for implementing partners to be optimistic and ambitious in project proposals (as this is seen as increasing the chances of project approval).
- Another possible reason is that there are insufficient incentives for RVO staff to reject proposals or withhold payment for projects with unrealistic assumptions or overly optimistic target (or insufficient capacity to assess whether this is the case).



Recommendation 2.1: Ensure that assumptions in project proposals are realistic and validated. RVO could help to ensure this by:

- (a) requiring that all key assumptions underlying the ToC are made explicit and convincingly substantiated, using evidence from recent high-quality empirical studies;
- (b) ensuring project proposals include a risk matrix that assesses the risks of assumptions not being met;
- (c) when assessing proposals, conduct an independent assessment (by RVO or an external party) to assess whether the assumptions made are realistic, and whether the risks are not excessively high (or how these risks could be mitigated).

Recommendation 2.2: In light of the above, explore to what extent (some (nuanced) form of) Results-Based Financing could be a feasible solution to help avoid overly optimistic goals with unrealistic assumptions.

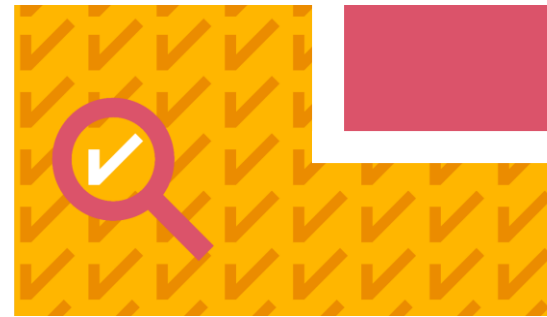
4.1 High-level recommendations

3. Outcome-level effectiveness in FDOV projects was limited due to several factors

While project implementation (at output-level) was generally good for the FDOV projects evaluated, effectiveness at outcome-level was often more limited when compared to targets set.

Factors that limited effectiveness included:

- Too ambitious outcome targets (see previous slide)
- Unforeseen supply side bottlenecks (e.g. availability of inputs or processing facilities)
- Insufficient attention to the demand side (although a number of projects did pay attention to consumer awareness and marketing)
- Unexpected external events (e.g., disease outbreak, political turmoil, flooding)
- Unsupportive enabling environment (e.g., delays in registration processes for new varieties, or other formal procedures managed by local governments)
- Development of commercially viable business cases proved to be challenging and their potential for upscaling is limited



Recommendation 3.1: Allow for flexibility in project design and target setting when unexpected events occur or unforeseen bottlenecks emerge. Efficiency and effectiveness can be improved through a more ‘agile’ approach. Regularly assess whether each intervention continues to be relevant and effective, and allowing to change the project design and targets along the way. This does require strengthening monitoring and feedback mechanisms.

Recommendation 3.2: Ensure that projects pay sufficient attention to potential supply-side or demand-side bottlenecks.

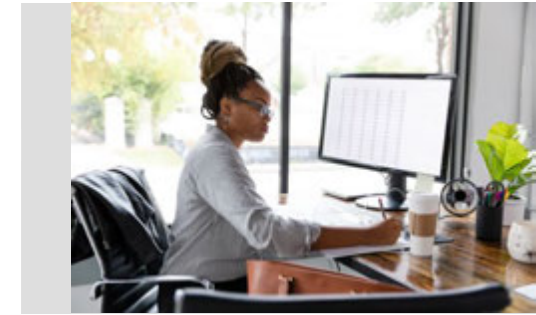
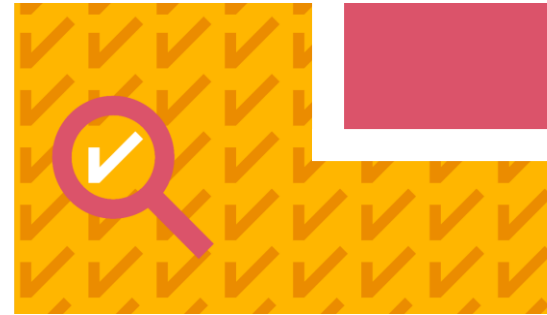
4.1 High-level recommendations

4. Take measures to improve Monitoring, Evaluation and Learning

Evaluation and learning did not always prioritise the questions RVO/NL-MFA most urgently needs to answer. Focus should be on ensuring a clear MEL strategy, with an emphasis on learning.

Recommendation 4.1: Consider having RVO-appointed, independent MEL partners involved in projects from the selection and concept stage, instead of projects selecting their own MEL-party after the project start. An external MEL could be in charge of, amongst others, advising on project selection based on existing knowledge of "what works", designing a clear ToC, minimising complexity, developing a clear MEL framework, design, implementing and analysing baseline and follow-up surveys, overseeing MEL reporting. Local parties (e.g. local universities) could focus on high-quality data collection.

- If this is done as a partnership between RVO, external evaluators, and the implementing partner(s), the MEL process is likely to become stronger. External MEL advice can add a number of elements, mentioned above. Timing and alignment with strategic learning objectives is important here.
- External MEL advice can then complement and strengthen internal MEL capacity in decision-making, such as sustainability / embeddedness in organisation.



Recommendation 4.2: Results from MEL-partners should also be used by RVO MEL-experts and discussed with project partners as part of an on-going discussion about project effectiveness in relation to the ToC ('tactical learning'). Ensure timely measures when ToC-assumptions seem to be violated.

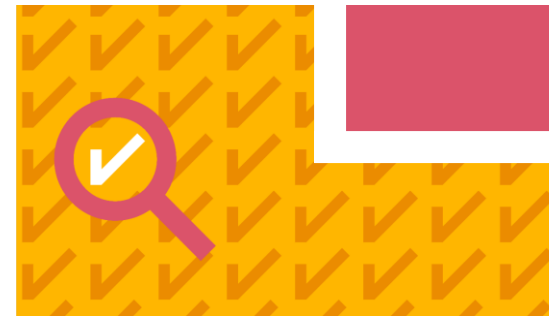
Recommendation 4.3: Collect evaluation results in a structured manner to allow for 'strategic learning' and reserve some evaluation budget for the longer-term, to be able to assess project results ex-post (sustainability).

4.1 High-level recommendations

5. Devote more attention to ensuring sustainability of project results

PPP-designs have clear short-term advantages, but successful implementation is often complex. To enhance the potential of projects to lead to sustainable results, commercial and financial viability of proposed business cases is crucial. Clear, upfront choices on how to sustain project results beyond the project are important:

- Self-sustaining business case
- Community payments/contributions
- Local government support
- Temporary/additional donor support



Recommendation 5.1: Assumptions underlying proposed business cases should be convincingly substantiated and possibly examined by subject-matter experts (e.g., on a particular value chain).

Recommendation 5.2: In general, we argue that more focus is needed on long-term sustainability and systemic change, rather than aiming to ‘upgrade’ as many farmers as possible. This relates to recommendation 2.1.

4.2 Specific recommendations - Relevance



Conclusions

- 1** Focus on Base of the Pyramid (BoP) producers in novel and ambitious projects (e.g. Flying Food, Going Nuts) risks making farmers worse off.
- 2** Relevance of projects regarding improving food security was sometimes suboptimal (e.g. Pro Poor Potato).
- 3** FDOV projects have complex, ambitious results chains on top of complex PPP designs, in complex settings (all evaluations).
- 4** Training poor farmers has a very mixed impact record. If a project lacks other essentials (guaranteed prices, irrigation) we should not expect much to change.

Recommendations

- Carry out a careful risk assessment ex-ante, and consider carrying out a piloting phase, and/or focusing first on Middle of the Pyramid (MoP) producers (especially in cities) or larger central producers instead.
- Improve ex-ante assessment of relevance for the end beneficiaries, and carefully check the validity of the underlying assumptions.
- Reduce complexity of design in some dimensions. For example, focus on fewer goals/instruments in Theory of Change (ToC).
- RVO (NL-MFA) should not accept ToCs of new food security projects without critically reviewing evidence (on ToC links) of past evaluations.

4.2 Specific recommendations - Additionality



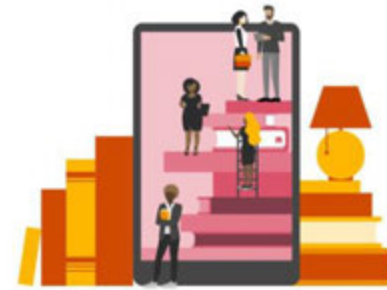
Conclusions

- 1 Input additionality is sometimes low (private partners would likely carry out the same activity anyway, e.g. PepsiCo in Pro poor potato)
- 2 Trade-off between additionality and viability: High input additionality is often realised with innovative, yet risky projects (e.g. Flying Food)
- 3 Clear guidelines for how additionality should be assessed in project appraisals appear to be lacking
- 4 High-additionality and high-risk projects (e.g. Flying Food) may end up hurting farmers who spend time and energy on the project

Recommendations

- Ensure that the public sector contributes also in design/implementation, rather than only financially (e.g. make sure that private partners activities contribute to the whole project, rather than only to their own activities)
- More carefully assess viability of the project ex-ante, in which consideration is being given to trade-offs between additionality and viability (or inclusiveness and efficiency)
- Establish clear guidelines that explicitly address the concepts of input- and development additionality in project appraisals.
- Include a risk assessment and an assessment of opportunity costs for participating food producers and intended beneficiaries in project appraisals

4.2 Specific recommendations - Effectiveness



Conclusions

- 1** Not all projects were effective in achieving their outcomes.
- 2** It was not always clear whether objectives were achieved, as outcomes, indicators, and corresponding baseline and targets were not always well defined.
- 3** Effects on nutrition depend on effects on agricultural productivity and income (ambitious results chain, e.g. Food for All)
- 4** Measuring effectiveness of RVO projects was hampered by the very late start of the evaluations.

Recommendations

- Ensure a realistic scope of the intervention in the design phase: this requires realistic links and assumptions between outputs and outcomes in the ToC. Continuously monitor whether project activities indeed contribute to reaching outcome-level results.
- Make sure that the objectives and outcomes are SMART, and observed improvements can be attributed (at least in part) to the project.
- Select one realistic goal per project and implement proven interventions for this simpler results chain
- Make sure evaluators are engaged from the start. Set an agenda for strategic learning to make the most of evaluations.

4.2 Specific recommendations - Sustainability



Conclusions

- 1** Factors boding well for sustainability are competitiveness of the products, serious commitment by private partners, and strong engagement of farmers (e.g. making them aware of the risks).
- 2** Business cases and revenue models are not always clearly beneficial to all value-chain actors, especially in the post-project period
- 3** PPPs are flexible and typically short-term: this has implications for long-term incentives and prospects.

Recommendations

- Assess whether these factors are present in project design and determine implications if these appear to be absent
- Close attention needs to be paid to not only the direct costs and earnings for each value-chain actor that contributes to the project and its business case, yet also to the risks, opportunity costs, and trade-offs that each value-chain actor faces (especially beneficiaries)
- Assess sustainability indicators carefully, across a wide range of RVO supported projects with PPPs; and determine whether the benefits of PPPs outweigh the costs

Annex A. Evaluation Questions



Annex A. Evaluation Questions

#	Evaluation question
1	Is the intervention locally relevant?
1.1	To which degree did projects research and design their intervention according to needs of end beneficiaries?
1.2	To which degree are projects relevant for local and governmental policies of host countries?
2	To what extent were the projects additional according to the DCED definition?
2.1	To what extent was the ex-ante additionality assessment in line with evidence?
2.2	Was public funding necessary for the implementation of the project? (output, outcome, impact?)
2.3	How can ex-ante additionality assessment be improved?
2.4	What difference has the public contribution made to the achievement of public goals?
3	To what extent are the projects effective in reaching their outcome and impact objectives?
3.1	What changes related to outcome levels 1 & 2 and impact 1, 2 & 3 can be observed in comparison to the project baseline?

#	Evaluation question
3.2	What was the contribution or attribution (net effect) of the intervention (design of the project, project duration, the partners, the cooperation within the partnership, etc.) to the observed effects?
3.3	Is the engagement of civil society effective in keeping the focus on public objectives?
3.4	Did the projects reach the desired end-beneficiaries (women, youth, vulnerable groups, farmers, policy makers, etc.) and how are they benefitting?
4	What are the key determinants (both internal and external to the project) for inducing or hampering the intended and unintended effects?
5	To what extent do the benefits of the project (outcome & impact level) continue after FDOV-funding ceased and how was this influenced by the business case and/or revenue model?
6	Did the project/ intervention lead to systemic change and/or was the intervention scalable? If yes, in what way?
7	What is the CSR performance of the selected FDOV projects?
7.1	How relevant were the designed CSR plans?
7.2	What effects can be observed of CSR plans of private partners in consortia?
7.3	To what extent did the projects have a major positive or negative influence on their direct natural environment or contributed (combatting) global climate change?

This is a publication of

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This publication was commissioned by the ministry of Foreign Affairs.
© Netherlands Enterprise Agency | January 2024

Publication number: RVO-019-2024/RP-INT

NL Enterprise Agency is a department of the Dutch ministry of Economic Affairs and Climate Policy that implements government policy for Agricultural, sustainability, innovation, and international business and cooperation. NL Enterprise Agency is the contact point for businesses, educational institutions and government bodies for information and advice, financing, networking and regulatory matters.

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