

COMMON FUND FOR COMMODITIES



**Mid Term Review of the Third
Five Year Action Plan – 2008-2012**

Final Report

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Preamble

A conventional Mid Term Review would generally assess the progress or achievements made at a half-way point through the implementation of a Programme or Project. However, given that only a few projects, amongst the ones approved during the FYAP 2008-2012, have only recently started to be implemented and have not yet produced progress reports, the assessment of projects in this case (using the portfolio analysis tool) is based on the design rather than implementation aspects of the projects. Nevertheless, factors in implementation and management as well as other relevant issues have been discussed with various stakeholders as the methodology section of this report clearly describes.

Although most of the analysis in this report refers to the past two years of the FYAP (i.e. 2008 and 2009), the MTR has looked at some comparative issues between the current FYAP and the previous FYAPs; in particular, in terms of commitment and disbursement of grants and loans in order to better appreciate the development or improvements registered and the trends. Hence, this MTR does not limit itself to assessing progress of the current FYAP objectives and its operations, but deals also with some broader strategic issues.

Acronyms

AU	African Union
CAN	Andean Community
CARICOM	Caribbean Community
CC	Consultative Committee
CDM	Clean Development Mechanism
CFC	Common Fund for Commodities
COMESA	Common Market for Eastern and Southern Africa
EAFC	Eastern African Fine Coffees Association
EARRNET	Eastern African Root crop Research Network
EB	Executive Board
ECOWAS	Economic Community of West African States
EOI	Expressions of Interest
EU	European Union
EWURA	Energy Water Utilities Regulatory Authority
FAO	Food and Agriculture Organisation
FOFIFA	Centre National de Recherche Appliquées au Développement
FOODNET	Postharvest and Marketing Network for Eastern and Central Africa
FYAP	Five Year Action Plan
FTP	Fast Track Projects
ICBs	International Commodity Board
ICO	International Coffee Organisation
IITA	International Institute for Tropical Agriculture
IPC	Integrated Programme on Commodities
LDCs	Least developed Countries
MTR	Mid Term Review
MTC	Meristematic tissue culture
NGO	Non Government Organisation
NRI	Natural Resources Institute
NSGRP	National Strategy for Growth and Reduction of Poverty
ODCs	Other Developing Countries
OFID	OPEC Fund for International Development
PCM	Project Cycle Manual
PEA	Project executing agency
PIA	Project Implementing Agency
PM	Project Manual
SADC	Southern Africa Development Community
REA	Rural Energy Agency
SARRNET	Southern African Root crop Research Network
SAT	Sisal Association of Tanzania
TOR	Terms of Reference
TSB	Tanzania Sisal Board
TFNC	Tanzania Food and Nutrition Centre
UNCTAD	United Nations Conference on Trade and Development
UNFCCC	United Nations Framework Convention for Climate Change
WAEMU	West African Economic and Monetary Union

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Executive Summary

Triple Line Consulting Ltd was awarded a contract to undertake a review of the Functioning of the Common Fund for Commodities and a Mid-Term Review (MTR) of the Five Year Action Plan 2008-12 (FYAP) of the Common Fund for Commodities (CFC) in December 2009. This report deals with the Mid Term Review of the FYAP.

The ToR highlighted four key aspects of the MTR:

- A review of the *design of projects* and their relevance to the FYAP;
- An assessment of the *effectiveness and impact of the advocacy* role of the Fund;
- *Overall assessment of the plan*; and
- Review of projects supported by contributions from the *OPEC Fund*.

Methodology

A framework of analysis was submitted to the CFC Secretariat which outlined the major issues to be covered by the MTR based on OECD-DAC criteria together with the methodologies proposed. The following approach was adopted: i) a desk review of strategic reports as well as background documents and financial reports on the CFC; ii) a desk analysis of the portfolio of all projects (regular and fast track) approved within the current FYAP; iii) stakeholder consultations using Round Table meetings as well as individual interviews; and iv) a field visit to Tanzania to review projects (3 case studies).

The objective of the *portfolio analysis* was to map the objectives and activities proposed in the design of the projects against the strategic directions of the current FYAP and assess the extent to which the projects' objectives are relevant to the FYAP. The content of the *round table and individual meetings* revolved around relevance of CFC interventions in relation to national government policies, partnerships, management arrangements, and lessons learned. The purpose of the field visit (from 4th – 12th May) was to consider broader issues of i) whether the projects fell within the CFC mandate and are consistent with, and supporting national government policies; and ii) partnerships, and how they were being managed and implemented, including the process of engagement with local stakeholders.

Key Findings & Conclusions

The CFC, although a small player in the overall aid and development agenda, is well positioned to support commodity developments given its unique focus on commodities that confers a specific legitimacy on the organisation. It is well placed to '*influence the debate*' on international development given the recent financial crisis which has highlighted the contribution commodities could have on food production and income generation. However, this can only be done through collating lessons learned, results and impact of the projects funded by the CFC, focusing its advocacy and communication work on key issues related to its projects and objectives of the Fund.

The operations to achieve the mandate of the CFC have been determined by its five year programming cycle. This MTR concludes that the CFC has been implementing the third FYAP in accordance with its procedures and guidelines. The specific objectives and strategies identified in this FYAP are generally relevant and contribute to the CFC overall goal and its redefined mandate of '*achieving measurable impact on incomes and livelihoods*', and there is evidence of more attention along the value chain. Although the major focus of the regular projects' objectives remains 'productivity and product quality', the majority of the projects also address the 'market access and market development' objective. More than 50% of projects now properly incorporate the *value chain perspective* into their design. This is an improvement compared to the previous plan. Many of the projects reviewed contribute directly or indirectly to *poverty alleviation*, although it can be argued that this should be seen as a by-product of its work in building greater equity along the value chain. The *spread of projects between LDCs and ODCs* is generally balanced, with slightly more projects in the latter category during the last two years.

The FYAP is progressing well in terms of the rate and the volume of disbursement: disbursement of grants against commitment has improved greatly. This is seen as due to the improvements made in streamlining the project appraisal and selection process, as well as other processes in fund disbursement requirements. However, further progress is required to achieve the target. There is also a high disbursement rate of loans during the current FYAP, unlike the previous two FYAPs.

The CFC has been addressing the needs of smallholder producers through financing relevant projects, and by building partnerships the CFC has leveraged the funding of projects through cost sharing by project beneficiaries and other development partners. The CFC is broadly achieving its target on this measure as the majority of projects have co-financing and/or counterpart contribution between 40-50%.

It has not been possible to establish clearly whether the projects are locally demand driven and owned by beneficiaries, as there was lack of explicit information in the project design documents. Likewise, it has been difficult to ascertain the level of 'participation, consultation and dialogue' with national institutions, producers and beneficiaries on the basis of the desk study of the project proposal documents, although evidence from the field visit to Tanzania suggested that there is a good degree of consultation with the various parties concerned during the design of projects.

The *Project Selection Process has been streamlined* and is being made more efficient through refining the guidelines for prioritisation of projects and using a weighting system. The internal screening process through using the PAC as well as the introduction of the inter-sessional mechanism for approval of projects by the CC have contributed in shortening the process of project selection. This is believed to have made the process of project start-up faster, contributing positively to the disbursement rate. The delay to start-up of most projects is reported to have been reduced to between 7-12 months for this FYAP from 7-24 months in previous FYAPs. This is due to the measures taken by the Secretariat encouraged by the EB with regard to grant and project agreements and revision of audit arrangements, among other measures.

Although there have been important improvements in shortening the delays before implementation, the project cycle at the CFC is still quite cumbersome. Late start of projects is one of the major constraints to the operations of the CFC financed projects. Clearly, further improvements in the management of the project cycle are required. It is worth noting, however, that some of the delays are due to the internal procedures within the countries in which a project is to be implemented.

The roles and responsibilities between an ICB and CFC are not always clear. Although the ICBs are expected to support the design and supervision of the projects, this does not always happen. Their performance in designing, presenting and supervising the projects depends on their level of capacity and commitment.

Although the CFC is playing a *facilitation role* in many projects by bringing various stakeholders together to exchange views between projects dealing with similar commodities, it has not as yet instituted a clear mechanism for exchanging experiences and lessons learnt. As project evaluations and impact assessments are not systematically conducted, results and lessons learned are not collated, disseminated and replicated in a methodical fashion. Cross fertilisation or information sharing on commodities and lesson sharing appear to happen rather haphazardly within the CFC. Knowledge sharing and *knowledge management* therefore still remains weak. Ideas on a robust advocacy and communication strategy are only slowly emerging, and there is little common or clear understanding of what *advocacy* should involve beyond participation at international events. However, it is noted that the need for a well targeted, issues based advocacy and communication strategy is acknowledged within CFC, and that recently CFC and ICBs have started to work on an initiative for a joint Communications Strategy.

A major limitation of this MTR has been the shortcomings of the logical framework set out in the FYAP and the absence or weaknesses of clear indicators and targets which would allow precise measurement of progress and achievement of the objectives. Analysis is therefore somewhat constrained and measurement of the performance of the FYAP using the logframe has therefore been hindered. Similarly with the projects; whilst all have logical frameworks, most do not have clear milestones, and indicators are too focused on activities, with imprecise indicators at the purpose and goal level. There is often an absence of a baseline assessment meaning that measurement of expected results and impact of projects will therefore be difficult to assess. There is clear room for improvement to the logframes and the quality of performance and impact indicators of CFC funded projects within the current FYAP.

Thus, overall further improvements are required to achieve the objectives of the FYAP and challenges ahead to improve the effectiveness of the FYAP and the efficiency of its operations.

Suggested Recommendations

Recommendations fall into 5 broad categories (details are provided in chapter 11):

1 Restructuring specific objectives & defining the programme approach

i) A tighter focus to the range of objectives and features

There is a need to concentrate on a smaller range of objectives, realigning them more distinctly to the 5 pillars of the CFC for greater effectiveness. This would clarify project relevance and define intended impacts in key areas more clearly, and would also help in collating and sharing lessons on key issues, as well as for advocacy activities.

ii) Defining and clarifying the programme approach

The 'Programme Approach' needs to be properly defined, and a common consensus agreed within the CFC as to what is considered as 'programme areas' and what are 'fields of attention'. The need for common understanding, but more importantly for streamlining further, and identifying a narrow range of programme areas related to the objectives of the CFC is considered necessary.

iii) Measurement of performance of the FYAP

Address the weaknesses in the overall logic in the design of the logical framework and provide clear milestones and measurable indicators which will enable proper assessment of the FYAPs performance and results need to be identified for the remaining period of the FYAP.

2 Further streamlining of the project selection processes***i) Strengthening the inter-sessional mechanism of the Consultative Committee***

Developing further the inter-sessional mechanism of the Consultative Committee in order to make the process for project selection more efficient, allowing for more proposals to be reviewed and approved outside the round table meetings.

ii) Greater attention to consistency of projects to national plans

The Consultative Committee should ensure that this aspect is explicitly included in project design in all prospective project proposals, as this is key for ensuring sustainability and ownership of projects by beneficiary member countries.

3 Improving management arrangements & project cycle management***i) Review the Relationship with the ICBs***

The relationship and responsibilities (and consequently the workload) between the ICBs and the CFC should be re-examined and more appropriate management arrangements should be defined between the parties.

ii) More support in use of planning and management tools

Improvements are required to all projects' logical frameworks in order to ensure projects have clear objectives, targets and indicators, both as a tool of regular management monitoring and also to assist in the measurement and assessment of progress and results achieved.

4 Knowledge management & dissemination

i) *More evaluations and impact evaluations*

More emphasis and resources need to be put in conducting evaluations and impact assessments in order to collate the lessons learned, develop the CFC knowledge base, and where necessary to replicate ideas or methods in new interventions.

ii) *Mechanism for knowledge management*

The need for a structured mechanism for knowledge management is required in order to systematise lessons and knowledge sharing within the CFC and with other stakeholders and partners.

iii) *Focused dissemination*

More innovative methods of dissemination of findings are required, beyond the often bland reporting of results. The need to disseminate findings on a focused basis to targeted audiences may generate greater results in the scaling up of activities by the private sector. It would also support CFCs communication and advocacy activities.

5 Strengthening the advocacy role of the CFC

i) *Having a common understanding on advocacy*

There is a need to have a clearer understanding both within CFC and also with other partners on more effective approaches to advocacy. The proposal for a joint communication strategy between ICBs and CFC is a step in the right direction.

ii) *Greater linkages between the three operational programme activities*

Clear results and impact need to be demonstrated to generate greater awareness and engagement from international development partners, in particular the donor community. Therefore advocacy should be fed by the results and impact of CFC funded projects on commodity producers and other stakeholders, and on the wider environment.

1 Introduction

Triple Line Consulting Ltd was awarded a contract, following a proposal submitted on 7th December 2009, to undertake a review of the Functioning of the Common Fund for Commodities and a Mid-Term Review (MTR) of the Five Year Action Plan 2008-12 (FYAP) of the Common Fund for Commodities (CFC) on 22nd December 2009. The two reviews are independent but are taking place concurrently. This report deals with the Mid Term Review of the FYAP. Information presented in this report is current to February 2010 (when much of the data was collected), with some updates related to the field visit in May 2010 and additional information provided by the Secretariat to July 2010.

The detailed Terms of Reference is presented in Annex 1. The summary of the scope of work for the MTR is:

- 1) Assessment of project design, implementation and impact;
- 2) Assessment of the effectiveness and impact of the advocacy role of the Fund;
- 3) Overall assessment of the plan including:
 - Identify and describe the results of the work undertaken by the Fund in relation to the stated objectives and targeted of the Plan
 - The extent to which CFC has appropriated itself new concepts of the Plan, such as the programme and value chain approach
 - The extent to which objectives were met, and where they were not met determine whether this was a problem of implementation or design
 - Identify critical success factors for, and obstacles to, implementation
 - The extent to which the FYAP results could have been achieved more cost effectively through the same design and/or through a different design.
- 4) Review of projects supported by contributions from the OPEC Fund that include:
 - Pace of utilization of Funds *vis-à-vis* the anticipated utilization
 - Criteria used by CFC in deciding which projects to include for funding under the arrangement with OFID.
- 5) Conclusions and recommendations.

An initial briefing meeting with the CFC was conducted on 16th – 17th February 2010 in Amsterdam to clarify the terms of reference for both reviews and to collect data through a round-table meeting and individual interviews with the CFC staff. It was agreed that the team should undertake a field visit to Tanzania incorporating three CFC projects (FIGHF/13- Utilisation of Sisal Waste for Biogas & Bio-fertilizers, FIGG/38FA; Small Scale Cassava and Vertical Integration of the Cassava subsector in Southern and Eastern Africa – Phase II; and ICO/45 Building Capacity for Coffee Certification and Verification for Coffee Speciality Farmers in Eastern Africa). The visit to Tanzania was conducted between 4th–12th May 2010. The case studies are presented in Annex 6.

2 Background on the CFC and FYAP

The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution established in 1989 under the framework of the United Nations Conference on Trade and Development (UNCTAD). The CFC is a partnership of 106 Member States, plus the European Union (EU), the African Union (AU) and the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Andean Community (CAN), The Caribbean Community (CARICOM), the Southern Africa Development Community (SADC), the Economic Community of West African States (ECOWAS), and the West African Economic and Monetary Union (WAEMU).

The CFC was established as an instrument for "*attaining the agreed objectives of the Integrated Programme on Commodities (IPC) as embodied in resolution 93 (IV) of UNCTAD*" with an aim to improve market structures in international trade on commodities in order to increase the export earnings of developing countries. The fundamental remit of the CFC has been to '*mitigate vulnerabilities of commodity producers largely caused by price volatility*'. Moreover, the importance of commodities in terms of contributing to food security and poverty alleviation has been emphasised in recent years. Two financing arrangements were established, the 1st Account and the 2nd Account, for the two functions of buffer stock arrangements and commodity development projects.

The first Project was approved in 1991. Since 1998 (the beginning of the First Five Year Action Plan) a total of 124 regular and 123 fast track projects have been approved, resulting in commitments of US \$194.8 million in grants and US \$ 23.8 million in loans. Disbursements until end of 2009 amounted a total of US \$ 144 million and US\$ 9.7 million respectively (see Table 1 below, chapter 4). There are regular and fast track projects. The latter were introduced in 1997, and the level of award has increased from US \$ 60,000 when first introduced to US \$120,000 per project today.

The governing bodies of the Fund are its Governing Council and the Executive Board. The Managing Director is the Chief Executive of the Fund, but also the Chairman of the Executive Board. The Governing Council meets once a year, and the Executive Board and Consultative Committee, biannually. The latter is composed of thirteen independent experts, and provides advice to the Executive Board, on technical, economic and social aspects of the projects submitted to the Fund. Fast track projects are approved by the Managing Director following advice and recommendations from the Consultative Committee.

The current FYAP was approved by the Governing Council of the Fund in November 2007 and has been under implementation since January 2008. The overall goal of the FYAP is to fulfil the expectations of the Member Countries in directing the Fund to address the specific development assistance needs of Commodity Dependent Developing Countries. The Fund aims to achieve the following **specific objectives** in the Third Five-Year Action Plan:

- to improve access to markets and reliability of supply for primary products and the processed products;
- to introduce price and supply risk management schemes;
- to expand processing of primary products through moving up the value chain, including processing, packaging for the consumer markets;
- to improve competitiveness of commodities and enhance cost effectiveness;
- to improve the marketing chain, including financing services, storage, distribution and transport systems;
- to improve market structures and address market failures;
- to broaden the range of exportable commodities and their respective chains;
- to scale up the impacts of improved production, processing and marketing techniques by disseminating them to the widest possible beneficiaries;
- to encourage corporate social responsibility;
- to highlight the importance of commodities in economic development and in addressing the concerns of commodity producers.

The FYAP has three operational programme objectives which relate to: i) financing projects which address the specific objectives of the Fund, ii) promoting international cooperation, exchanging experience and knowledge sharing on commodity related issues, and iii) raising the profile of the commodity '*problematique*', and specifically concerns of commodity producers.

The projects funded by the CFC have a complex management structure, partly due to the need for addressing transparency and accountability in use of public funds, and also because of the various stakeholders that are involved in the implementation of a project:

- A **supervisory body** (generally the International Commodity Board) which most importantly is responsible for submitting proposals to the CFC for funding, and is also responsible for the supervision and monitoring of the project.
- A **project executing agency (PEA)** which is responsible for the overall management of the project, and is normally an institution that has been involved in development of the project. This could be a regional or international institution.
- A **project implementing agency (PIA)** whose role is the implementation of project's activities and day-to-day management in a specific country. This is generally an institution, a department within a Ministry, or an NGO in each country. There are several PIAs for each project depending in how many countries it is implemented, whereas the PEA is responsible for the whole project.
- **Other collaborating organisations:** these could include research institutions or a government ministry or an NGO and could be a national, regional or international body.

3 Methodology

The ToR sets out four key areas (see Annex 1):

- An assessment of the **design of projects** and their relevance to the FYAP, their implementation and impact
- An assessment of the **effectiveness and impact of the advocacy** role of the Fund
- **Overall assessment of the plan**, and
- Review of projects supported by contributions from the **OPEC Fund**.

The approach used in this MTR is to conduct an analysis of the extent to which the objectives and targets set out in the FYAP led to well designed and relevant projects which are more likely achieve the expected results and make a positive impact on commodity producers and also a wider impact on economic opportunities and poverty alleviation.

Given that few projects (from the current FYAP) have started to be implemented, it would be unrealistic to examine implementation and impact issues. It was agreed (as was the case with the MTR of the previous FYAP) that the MTR team concentrate on desk-based research of project reports, such as project appraisal documents, meeting reports, monitoring data and general FYAP documentation. Additionally, a number of interviews were held with the key stakeholders, such as the CFC Secretariat and staff, PEAs, ICB partners, the PIAs, project participants or clients, and other stakeholders in Tanzania (See Annex 8 for a list of stakeholders interviewed).

A framework of analysis which outlines the major issues to be covered by the MTR based on OECD-DAC criteria (relevance, effectiveness, efficiency, impact and sustainability, and lesson learning and replication) together with the methodologies proposed was submitted to and agreed with the CFC Secretariat in February (see Annex 2). The following approach was adopted:

- Desk review of strategic reports as well as background documents on the CFC and financial reports (ex: grants/loans)
- Portfolio analysis of all projects (regular and fast track) approved within the current FYAP
- Stakeholder consultations using round-table meetings as well as individual interviews
- Site visits to projects in Tanzania and the production of three case studies.

The objective of the **portfolio analysis** was to map the objectives and activities of the projects against the strategic directions of the current FYAP and assess the extent to which the projects' objectives are relevant to the FYAP. This tool has also been relevant in helping to assess the extent to which FYAP is progressing in achieving its objectives.

A scoring system (as used during the last MTR in 2005) was used to measure the extent to which the criteria of the FYAP were being met for each project.

1= not addressed
2= partially addressed
3= well addressed
9= not applicable/not possible to judge from information provided.

A total of 21 regular projects and 18 Fast Track projects were reviewed (refer to Annex 3). An analysis was undertaken to look at the frequency of different project characteristics and objectives. While project requirements in terms of objectives and several other features are clearly set out for regular projects, this was not the case for Fast Track projects. The latter smaller projects are normally studies, seminars, workshops, and modest specific interventions that have broad objectives that they should follow. The MTR team used the same characteristics as for regular projects, to the extent possible, but simplified it in some cases depending on their relevance.

Round Table meetings: Two important round-table discussions were held. One with CFC staff (including the Strategic review of the functioning of the CFC and the MTR) in Amsterdam, and the other organised with the key stakeholders (PEAs/PIAs) for most of the projects funded in Tanzania. The discussions in the round table meeting with CFC staff revolved around the functioning of the CFC and the relevance of its interventions and implementation issues; the discussions in the round table with the PEAs/PIAs revolved around relevance of CFC interventions (in relation to national government policies, realisation of economic opportunities, and the poverty reduction agenda), partnerships, management arrangements, lessons learned, how the changes in FYAP have been communicated, and the role of programme interventions in raising awareness on commodity issues, etc.

The **individual stakeholder interviews** were held with the CFC staff, ICBs, key persons within PIAs and PEAs, and other beneficiaries. The discussions centred on partnerships, implementation issues, and the extent to which the FYAP objectives were being achieved.

A **site visit** to Tanzania was undertaken by two members of the MTR team between 4th and 12th May 2010. Tanzania was selected as a suitable location for case study work based on the criteria of: i) a high concentration of on-going and completed projects where strategic issues such as CFCs relevance and its partnerships, as well project related issues, such as implementation challenges and to some extent a project's impact and lessons learned could be visible; ii) the existence of projects which fall within the current FYAP, and iii) existence of projects which are funded by the OPEC funds during the current FYAP.

Two projects were visited: "*Utilisation of Sisal Waste for Biogas & Biofertilizers*" (FIGHF/13), and "*Small Scale Cassava and Vertical Integration of he Cassava Subsector in Southern and Eastern Africa – Phase II*" (FIGG/43); and individual interviews with the stakeholders of the 3rd project ("*Building Capacity for Coffee Certification and Verification for Coffee Speciality Farmers in Eastern Africa - ICO/45*") which is due to start to be implemented were held. The objective of the project site

visits was not to undertake an evaluation of the projects or monitor their performance, but rather to consider broader issues encompassing:

- Whether the projects fell within the CFC mandate;
- Management and partnerships: how the projects were being managed and implemented, including the process of engagement with local stakeholders, and project implementation agencies;
- Whether the projects were consistent with, and supporting national Government policies, contributed to economic opportunities and poverty alleviation;
- What the challenges are in terms of effectiveness of projects; and
- What are the lessons learned.

Whilst two of the projects selected fell within the current FYAP, the third (the sisal project) had begun an earlier phase in 1997 during the first FYAP, but has evolved and broadened its remit and is still an on-going project in its second phase. The MTR team selected this project in order to assess the benefits of follow-on funding and a long-term commitment to a key commodity sector for the country. It was also an opportunity to discuss issues of scaling-up pilot interventions and the impact and sustainability of the projects themselves.

The case studies have assisted in a better understanding of how the CFC funded projects are designed, managed and monitored, the challenges in their implementation and the relationships between the PEAs and PIAs, as well as other collaborating agencies. Full details on the case studies are found in Annex 6.

4 Evolution of the CFCs Disbursement

4.1 Regular and Fast Track Projects Status: grants and loans

This section compares financial commitments and disbursement levels between the current FYAP and the previous two FYAPs in order to demonstrate development under the current FYAP. Table 1 shows the disbursements against commitments since 1998 (i.e. the first FYAP 1998-2002, second FYAP 2003-2007, the current one 2008-2012) for all regular and fast track projects. This includes grants as well as loans. Likewise, Figures 1 and 2 demonstrate the trend in grants disbursement and grants disbursement rate in terms of percentage, respectively; while Figure 3 demonstrates the relationship between committed and disbursed loans. The cumulative commitments and disbursements for grants and loans (together for 1st and 2nd account) are shown in Table 2.

Table 1: Disbursements against Commitments during the different FYAPs (USD)

		Grants		%	Loans		%
		Commitment	Disbursed		Commitment	disbursed	
1 st FYAP	1998	18,819,431	7,065,885	38	2,305,875	0	0
	1999	9,032,882	7,078,309	78	1,652,004	0	0
	2000	9,707,680	8,511,052	88	7,910,000	0	0
	2001	19,155,612	9,184,247	48	2,721,720	0	0
	2002	17,435,816	8,394,932	48	0	0	0
2 nd FYAP	2003	15,028,587	11,529,205	77	0	0	0
	2004	14,228,170	13,061,436	92	3,019,714	387,000	13
	2005	14,167,264	11,753,053	83	1,532,400	263,000	17
	2006	13,227,094	17,005,652	128	0	0	0
	2007	26,717,613	16,042,300	60	3,200,000	5,256,120	164
Current FYAP	2008	14,566,426	15,623,794	107	0	1,340,000	
	2009	22,695,755	18,727,246	83	1,473,025	2,463,947	167
	2010						
Total 1998-2009		194,782,330	143,977,111	78	23,814,738	9,710,067	41
Total Current FYAP		37,262,181	34,351,040	92	1,473,025	3,803,947	258

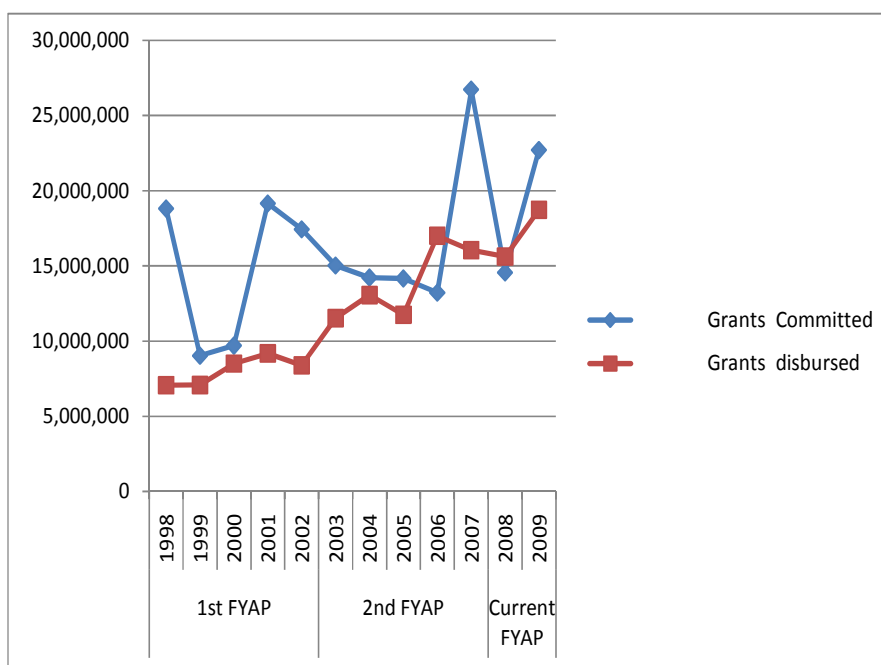
From the table above, the following observations are made:

- The **total commitment** over the twelve years period (1998-2009) was US \$ 218.6 million consisting of grants (89%) and loans (11%). The total commitment for the current FYAP (for only 2 years) was over US \$38 million consisting of grants (96%) and loans (4%).
- The **annual commitment** on regular and fast track grant projects have averaged almost US \$ 15 million during the 1st FYAP, increased by 12% during the 2nd FYAP to more than US \$ 16 million on average, and in the **current FYAP to more than**

US \$ 18 million on average (slightly under target of 20mln). For the current FYAP, only two years (2008 and 2009) are considered, so the trend in disbursement may continue to rise allowing the target to be reached before the end of the FYAP.

- As can be seen in Figure 1, the gap between commitment and disbursement of funds was bigger in the early years due to the long project proposal approval processes resulting in fewer projects being approved, and also due to delays in start up of projects. However, **disbursement of grants against commitment has improved greatly** from 60% on average during the 1st FYAP, to 88% during the 2nd FYAP, and then to 92% during the current FYAP. This reduction in gap between committed and disbursed grants is to be welcomed.
- Also in terms of the **volume of disbursement**, it has reached US \$ 18.7 million in 2009 (reaching the target of 18mln) from only US \$ 7 million in 1998, an increase of 167%. This demonstrates improvements to efficiency in the project approval process and other processes in fund disbursement requirements. More details on efficiency measures taken by the CFC are provided in chapter 7.

Figure 1: Grants committed versus disbursed



- It has to be noted that although the average disbursal rate has improved when comparing the 1st, 2nd and current FYAPs, there are great variations between the years as observed in Figure 1 and Table 1. The trend for grant commitment has been fluctuating greatly: for example, in 2007, it has almost doubled compared with the previous year. Although generally CFC approves projects based on the yearly commitments indicated in FYAP, an explanation for these fluctuations can be where projects have large co-financing arrangements and where sometimes

this co-financing is routed through CFC and hence disbursement figures may appear much larger

Figure 2: Grants disbursement rate (%)

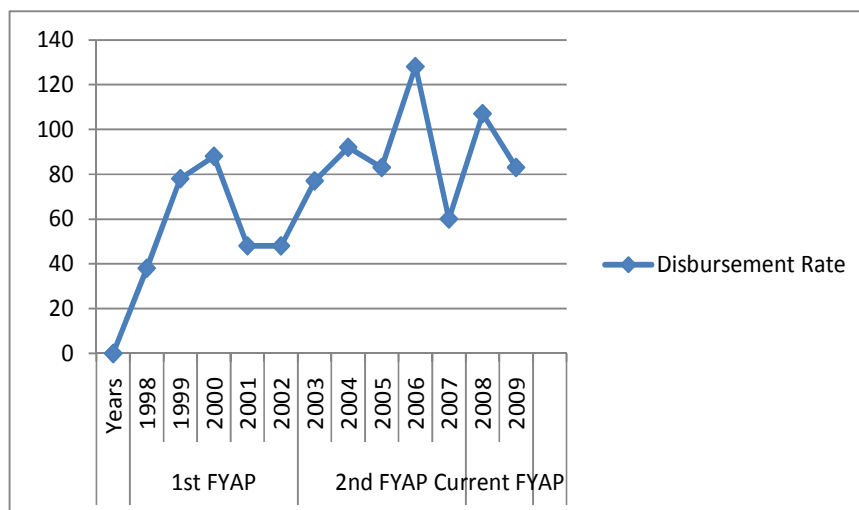


Table 2: Cumulative disbursements against commitments for all projects (Grants & Loans)

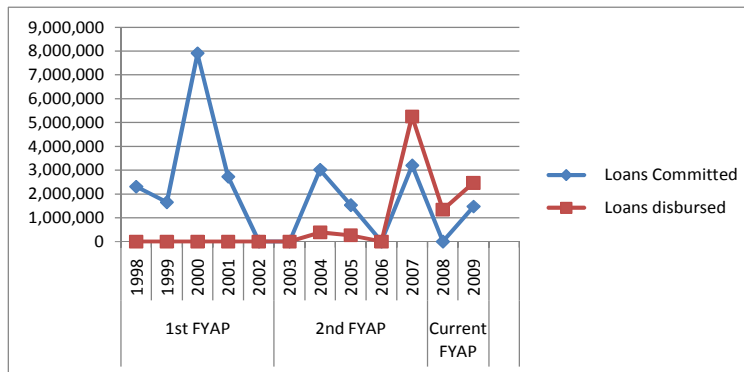
Years	Commitment In USD	Disbursement against commitment	cumulative disbursement in %
1998	92,181,826	26,581,877	29
1999	100,560,837	33,660,186	33
2000	116,526,513	42,171,237	36
2001	130,493,845	51,355,484	39
2002	145,225,941	59,750,417	41
2003	160,254,528	71,279,022	44
2004	177,502,412	84,727,458	48
2005	190,182,362	96,743,511	51
2006	201,877,056	113,749,163	56
2007	231,794,669	135,047,585	58
2008	243,161,095	152,011,380	63
2009	267,329,875	173,502,572	65
2010			

- The cumulative level of disbursement against commitments shows that the **disbursement rate has increased** gradually between 2-5% each year. the disbursement level was 29% in 1998 and increased to 65% in 2009. This reflects the progress made in project start up and implementation and to other processes in fund disbursement requirements.

4.2 Loan Disbursement

- o In contrast to the disbursement rate for grants which is in general high, on average 78% for the whole period between 1998 and 2009, (the best disbursement rate being during this current FYAP), **loan disbursement has been extremely low until 2007**. Loan disbursements were 13% and 17% for years 2004 and 2005 respectively, and in 2007, it jumped to 164% compared to commitments. 54% of all the loans disbursed so far since the start of the CFC loan fund has started, have been disbursed in 2007 as it is shown in Table 1 and Figure 3.
- o During the current FYAP comprising the initial two years, the loans disbursed already constitute 39% of the total loans disbursed since 1998. **This demonstrates a disbursal rate which has not been registered during initial years of the previous two FYAPs as a whole**. The reasons for this higher disbursement may be due to the accounting practices of the Fund and the way that the balance of funds are accounted for on project closure, or could be that the CFC has streamlined its loan policy and procedures thereby increasing its disbursement rate. The amount disbursed for loans constitutes nearly 10% of the total funds disbursed (grants and loans included) for the current FYAP. It has to be noted, the amount disbursed was much greater than what was committed (a 258% increase) for the two years of the current FYAP, (i.e. US \$ 3.8 million against US \$ 1.5 million committed), obviously representing a legacy of committed funds. Since 2007, the disbursal of loans has been greater than the committed amounts (Figure 3 and Table 1).

Figure 3: Loans committed versus disbursed



5. Relevance

5.1. Relevance of the FYAP

The goal of the third Five Year Action Plan (FYAP) is to fulfil the expectations of the Member Countries in directing the Fund to address the specific development assistance needs of Commodity Dependent Developing Countries. The Fund aims to achieve its 10 specific objectives in the Third Five Year Action Plan (reference chapter 2) through providing funds to regular and fast track projects, and communication and advocacy activities. The three operational programme objectives of the FYAP therefore relate to i) financing projects which address the specific objectives of the Fund, ii) promoting international cooperation, exchanging experience and knowledge sharing on commodity related issues, and iii) raising the profile of the commodity '*problematique*', and specifically concerns of commodity producers.

The CFC has also identified operational policies and approaches which enable it to meet the specific objectives. These include financing projects via grants and loans, focusing on commodities, using a programme approach, playing a catalytic role, collaborating with commodity chain stakeholders, using a value chain approach in project assessment, an emphasis on project ownership by beneficiaries, developing partnerships and cooperation, and advocating for commodity problems. The CFC therefore provides funds to projects which meet not only the specific objectives but also include the features identified by the FYAP.

The **specific objectives and strategies** identified in this FYAP appear generally appropriate and relevant to contribute to the CFC overall goal and its redefined mandate of 'achieving measurable impact on incomes and livelihoods'. The three operational programme objectives of the FYAP are relevant and coherent in fulfilling the overall goal and specific objectives of the organisation. However, there is an overlap among some of the specific objectives the Fund aims to achieve in this FYAP (see chapter 5.2 & Annex 3), and the CFC should revamp or restructure these objectives, realigning them more clearly to the 5 pillars¹ it has identified.

Although it was difficult to establish clearly the extent to which CFC funds projects, which **fit the priorities of national policies and plans** through reviewing the projects' design, due to lack of information, in the case of projects in Tanzania this was evidently the situation. The discussions and individual meetings with the partners of CFC in Tanzania revealed that the CFC support to the various commodity sectors in Tanzania have been deemed as highly relevant to national government policies and the realisation of economic opportunities. The projects (e.g. warehousing receipts, hides & skins, and sisal) have been demand-driven through stakeholder engagement and related to the Government policies in agriculture, markets and industry. They address the country's needs and contribute to the Tanzania Vision 2025 and the National Strategy for Growth and Reduction of Poverty (NSGRP) – MKUKUTA and 'Kilimo Kwanza'.

¹. The five pillars are: i) mitigating the impact of price volatility and market development, ii) value chain development, iii) diversification and value addition, iv) enhancing productivity and food security, and v) advocacy, building partnerships and dissemination.

Overall the FYAPs strategies and approach identified are relevant and comprehensive. However, some of them may pose challenges or difficulties. For example, the CFC generally plays a **catalytic role** by financing pilot projects which have to be scaled up and sustained by national governments or other local beneficiaries. The issue is therefore planning exit strategies and feeding into the bigger picture of national programmes, which should enable the projects to be taken up by governments or by private sector finance. However, up-scaling may or may not happen depending on various factors. Hence the CFCs strategy, based on pilot interventions, has its limitations.

Moreover the **regional and/or global focus of CFC support**, although relevant in terms of sharing lessons and experiences between countries and regions, raises the problem of balancing specific national needs compared to global questions. How to achieve 'ownership' especially when the level of national interests are different is also a challenge (see chapter 6.3 for more detail).

The current FYAP has highlighted the **programme approach** as it is believed that *'..it will have the advantage of sharpening project objectives on intervention areas and deepen the related activities for maximum impact'*. Compared to the previous FYAP, there is some improvement in that the current FYAP has effected some streamlining. The CFC together with ICBs have identified 'programme areas' or 'fields of attention' for each ICB and REC, and the projects which are developed and seek funding from the CFC therefore fall within these fields of attention. However the programme areas are really too many: there are about 90 areas from the ICBs, and 38 from the RECs.

The programme approach has not as yet been properly defined within the CFC, and there is absence of consensus or a common understanding among its staff; what are considered as programmes by some are simply fields of attention by others. The need for common understanding, but more importantly for further streamlining, and identifying a narrow range of programme areas related to the objectives of the CFC would be necessary. This would also facilitate in effectively communicating the CFCs work to the outside world: its partners, stakeholders and the general public.

5.2. Relevance of the projects to the FYAP

This section looks at the relevance of the projects approved by the CFC during the current FYAP (2008-2012). The projects are required to address the overall goal of the Fund, i.e. mitigating vulnerability of commodity producers to major economic threats to their livelihoods, as well as address one or more of the specific objectives of the FYAP and include a number of its features. The FYAP has 10 specific objectives², described earlier in chapter 2, and a number of features within the broad areas such as *stakeholder participation, project targets, collaboration and manageability, consistency with national plans, focus on smallholders and other design issues*.

². Third Five Year Action Plan (FYAP) 2008-2012. The analysis at this chapter has included only 9 objectives. The 10th objective which relates to advocacy is being dealt with separately.

As most regular projects funded under the current FYAP have not as yet started and/or have not produced progress reports, the analysis is based mainly on the appraisal of project proposals. A **portfolio analysis tool** is used to assess the design of the projects approved during the current FYAP (only for 2008 & 2009) for regular as well as fast track projects.

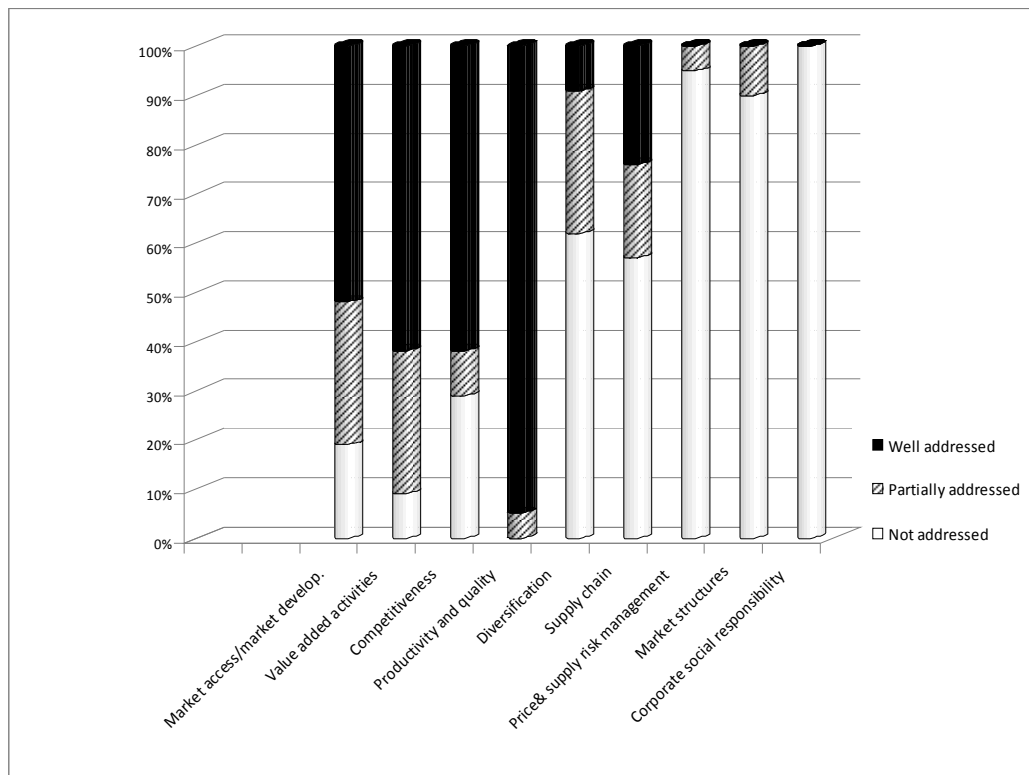
Under the current FYAP, 21 regular projects have been approved: 8 in 2008, and 13 in 2009; as well as 18 Fast Track Projects (FTPs): 11 in 2008, 5 in 2009, and 2 in early 2010.

The detailed findings of the portfolio analysis of all **regular** as well **fast track projects** are presented in Annex 3. What is presented below is a summary of the findings.

Summary findings based on Portfolio analysis

The major question asked in this section was whether the CFC projects approved under FYAP 2008-12 are relevant and address the overall goal of the Fund as well as the specific objectives and the features of the FYAP.

Figure 4: Objectives Addressed by Regular Projects

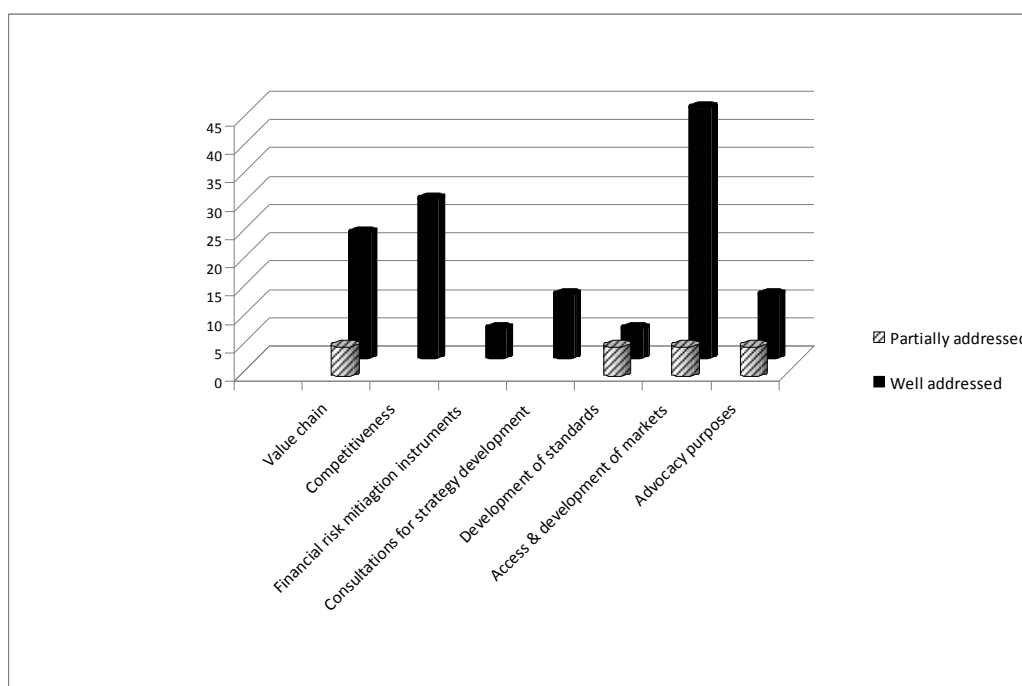


- o Many of the projects reviewed contribute directly or indirectly to poverty alleviation; however in the absence of clear indicators, the extent to which the CFC would be able to measure the achievement of this objective is constrained. Baseline data of beneficiaries is not collected in all projects often owing to the

costs of collection being considered to outweigh the benefits that would accrue. However, in many projects where there are direct beneficiaries this information is collected in the initial phases of the project and serves as a benchmark for evaluating the impact of the project on the livelihoods of the beneficiaries.

- The projects reviewed demonstrated clearly that they address one or more of the specific objectives of the FYAP; and all the objectives with the exception of 'corporate responsibility' have been addressed to varying degrees. Obviously, given the spread of objectives, no one project can address all the objectives at the same time.
- Almost all regular projects (95%) address well the 'productivity and/or product quality improvement objective', followed by value added activities, competitiveness/enhancing cost effectiveness, and market access objectives. Although the major focus of the regular projects remains productivity and product quality, 'market access and market development objective' has picked up during the current FYAP as compared to the previous one (about 52% against 15%).
- With regards to Fast Track Projects, 'Market access/market development objective' seems to be the most frequent objective addressed by the projects; and this could be in the form of a feasibility study or workshops/symposium organised to look at problems/opportunities of market access³.

Figure 5: Broad Objectives identified from the Fast Track projects

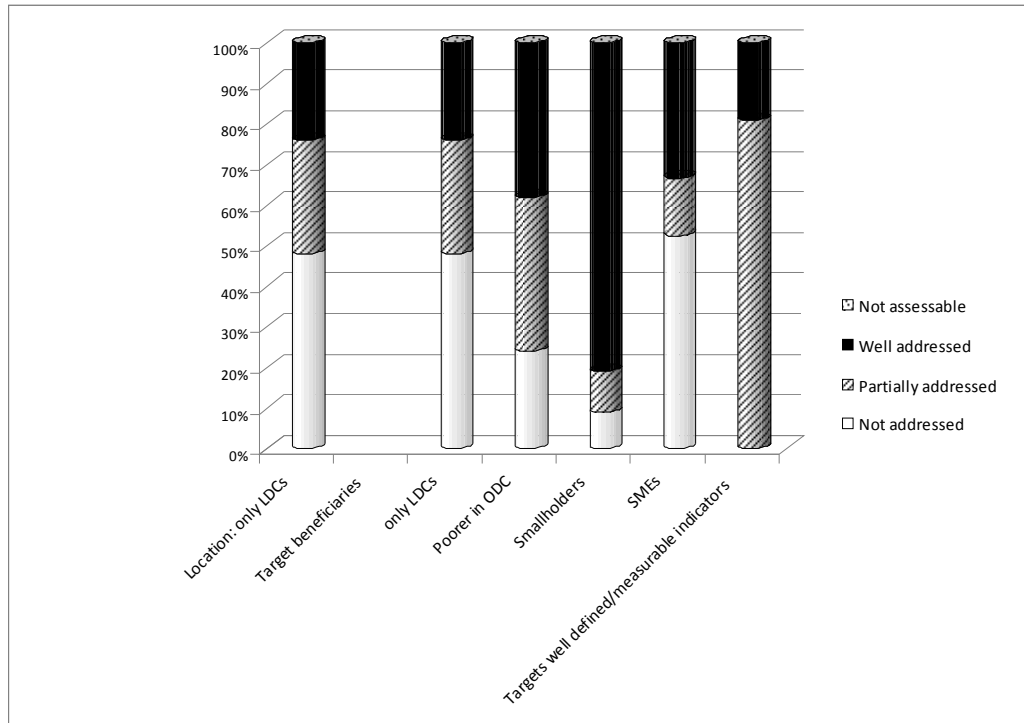


³ Of the 18 Fast Track project documents reviewed, about 50% of them are about workshops, symposiums, forums and meetings; 33% are about studies; 11% pilot interventions; and 5 % events.

- Regular projects have been explicit in their design to which FYAP objectives they address, but are not always explicit on some features (for example, on stakeholder participation, consistency of a project to national plans, and so on; see figure 2, annex 3). The features required that the projects include in their design are generally quite complex and numerous.
- All regular projects have taken the value chain perspective in their design, and more than half have clearly integrated it well. CFC is funding value addition projects and emphasises a holistic approach along the whole value chain e.g. production (farmer organisations) - quality & quantity (standards), processing (business) – packaging & labelling, marketing (trade related issues). This emphasis on value addition is clearly an improvement as in the past the CFC has funded more research projects and the value chain perspective was not always sufficiently highlighted.
- On the question of how well the CFC has leveraged the funding of projects through support from cost sharing with project beneficiaries and other development partners, there are clearly achievements as there are now more co-financing and counterpart funds. On projects approved during the FYAP period from 2008 to April 2010 the majority of them (67%) have co-financing and/or counterpart contributions of between 40-50%.
- Projects are required to demonstrate the participation or consultation with key stakeholders. However, it was difficult to ascertain the level of participation or consultation of producers and other beneficiaries of the project, as there was insufficient information in project design documents. Nevertheless, the field visit in Tanzania revealed there was a good degree of consultation with various parties concerned during the design of projects, in particular the two projects visited.
- Likewise although consistency of a project with national plans is one of the key features (including one of the criteria for the prioritisation of the approved projects for funding), this is not being explicitly addressed in most project design documents⁴. We had therefore to use proxy indicators, such as the commitment made by governments for counterpart funds etc.
- The *spread of projects between LDCs and ODCs* is generally balanced, with slightly more projects in the latter (during the last two years). While 24% of projects are implemented only in Least Developing Countries (LDCs), there are another 28% implemented in LDCs as well as in Other Developing Countries (ODCs), and 38% are implemented only in ODCs. The CFCs funded regular projects focus remains on smallholder producers-exporters; the percentage of smallholder farmers targeted in projects (in LDC as well as in ODC countries) is quite high (81%) against for the Small and Medium Enterprises (33%).

⁴ According to CFC management, conformity of the projects with the national development objectives is elaborated in the documents submitted to Consultative Committee.

Figure 6: Project Targets



- Sustainability is one of the weakest areas and if addressed at all, then only partially during project design; it is only rarely built into the design. In most projects, there is no clear strategy how a project’s activities or outcomes would be sustained once the pilot interventions supported by the CFC end.
- Disseminating results of regular projects is one of the major aspects in the current FYAP, and this seems to have been generally well considered in the design. Many project proposals (58%) have demonstrated how they will disseminate and share results.
- While collaboration between the regular projects and various institutions, generally research institutions or parastatal agencies are high (76%), collaboration with the private sector remains merely adequate (38%). It is particularly engagement with civil society which remains low (19%), although there has been a net improvement in recent years compared to the previous FYAP. The trend is the same with Fast Track projects.
- ICBs engagement in many Fast Track projects, in particular those that are related with organising symposia, workshops and undertaking studies, seems to be greater than with regular projects. This may be due to their natural role; they generally undertake studies and would therefore engage more easily in organising workshops and symposia to share findings and lessons learned on a particular commodity.

6. Effectiveness

In order to achieve its overall goal and specific objectives, the CFC has planned three programme operational objectives in its current FYAP. In what follows, an analysis on the progress of the achievement of the three programme objectives will be made based on:

- i) the indicators set up for these objectives in the log-frame of the FYAP,
- ii) additional assessment on the partnerships and the effectiveness of the advocacy role of the Fund, and
- iii) 'ownership' issues.

6.1. Assessment of objectives based on the Log-frame

The FYAP has a logical framework which includes the goal, objectives, operational policies, their corresponding indicators and the assumptions. In this section, summarised comments on the progress made on the achievements of the specific objectives based on the planned indicators as set out in the log-frame are provided. Detailed comments including the achievement of indicators for each objective and operational policies, and the appropriateness of the indicators are provided in Annex 4.

It is worth noting the logical framework has a number of limitations in terms of the indicators: i) not being outcome oriented, ii) not all being relevant to the corresponding objectives, iii) not being SMART or lacking qualitative measures, and iv) some of them described as activities rather than indicators. Given these limitations, the following comments, on the progress made on the achievement of FYAP objectives, should be taken with some reservation.

Specific objective 1:

To finance commodity development projects within the agreed priority areas: i) improving competitiveness of commodity producers; ii) supporting sustainable operation of the commodity value chains; and iii) addressing vulnerability of export commodity producers and increasing their share in end-product value

Three indicators have been set up intended to enable the measurement of the above objective. The indicators concern the approval and operationalisation of programmed projects, average commitment rate, disbursement rate and reduction of start up delays.

Assessment of these indicators suggests that the FYAP is making good progress as the indicators are being more or less achieved⁵, as:

⁵ Commitment during the years 2008, 2009 have been USD 14.5 mln and 22.6 mln respectively, (i.e. slightly under the commitment planned USD 20mln per year in 2008, but over the commitment in 2009), ii) Disbursal rate during years 2008, and 2009 has been USD 15.6mln and 18.7 mln (slightly under achieved compared to planned USD 20mln/year), and iii) There is generally reduced start up delays – on average about 11 months. However, by the time of this review only 4 projects (out of 21 approved in years 2008 and 2009) have been launched

- commitment rate has now increased and even exceeds the target in 2009;
- the disbursement rate has improved although it still needs to meet the target; and
- there are some improvements to project start-up delays (refer to chapter 7 on efficiency for more detail).

However, as suggested above the indicators described do not seem to express or relate sufficiently to the specific objective, although they are relevant as efficiency measures and demonstrate well the level of commitment and operational issues. It would therefore be useful to refine the existing indicators for the remaining period of the FYAP to better reflect the measurement of the objective.

It is worth remembering that the portfolio analysis undertaken has been able to provide some information on the extent to which progress is being made in the achievement of this objective. There are comments on issues of competitiveness and sustainability etc. and the extent to which the design of the projects integrate or address the objectives of the FYAP (see chapter 5.1)⁶.

Specific objective 2:

To promote international cooperation, exchange of experience and knowledge sharing in commodity related development issues.

Indicators related to annual consultation with ICBs, regular communication with PEAs and organisation of RTMs on commodity problems, and publication of project results and other relevant information are being identified. Again these indicators seem more like activities and do not demonstrate any indication of what will be changed or achieved.

However, given these indicators as stated, there is some progress towards the achievement of this objective, as:

- There is greater cooperation internationally, and this is realised in the greater level of co-funding and counterpart contributions to the CFC funded projects (e.g. the EU, the OPEC Fund and other development partners).
- There is now annual consultation between CFC and the ICBs, in particular since the Beijing meeting last year, both parties are engaged in initiating a joint communication strategy (see chapter 6.2).
- There is on-going regular communication with the PEAs. Generally the latter are supposed to report to the ICBs and send copies to the CFC, but in most cases there is direct and regular communication between PEAs and the CFC, as most ICBs are not always fulfilling their obligations in terms of supervision and technical support to the PEAs. CFCs input during design and planning is well appreciated by the PEA/PIAs consulted.

⁶ For example, the analysis demonstrates about 62% of project proposals approved address competitiveness and 62% value added activities and 24% supply chain, etc. Sustainability is one of the weakest areas: only 10% of proposals properly integrate sustainability in the design.

- The CFC is playing a facilitation role bringing various stakeholders together to exchange views between projects dealing with similar commodities. Vertical knowledge in the value chain – e.g. Coffee and Sugar projects in East Africa is taking place. Transfer of technology is happening between countries of the same region, but also between regions: e.g. East African partners visiting the Brazilian sugar industry and the latter making available their technology and expertise in ethanol for the Sudan, and the latter willing to assist the Nigerian sugar industry. South-South cooperation is therefore developing albeit at a small scale, facilitated by the CFC.
- Lessons and knowledge sharing happens with ICBs and other stakeholders through dissemination workshops, presenting outcomes in ICB meetings, publication of technical papers and presentation of technical outputs in seminars and workshops. However, this seems to be limited and most of all not systemised. *The CFC has not as yet instituted a clear mechanism for exchanging experiences and knowledge, and knowledge management remains still weak.* Even within the CFC, sharing of knowledge and lessons learnt is still weak. A few end of project evaluations are undertaken with an evaluation workshop organised thereafter, to disseminate or share the findings among key stakeholders. These workshops are considered as opportunities for learning and sharing lessons, and where replication of ideas are encouraged or promoted to different countries or contexts. However these are not many and they are not systematised⁷. Impact evaluations are also undertaken for a very few projects, but their results are not widely disseminated even within the CFC staff.

Moreover, most fast track projects are generally meant to disseminate and share knowledge about commodities. These are being organised mostly by the ICBs and other stakeholders, with the financing from the CFC. However, the results of the various workshops are not always collated, published and extensively shared. There is a scope for systematising knowledge management and sharing of knowledge and experiences.

Specific objective 3:

To raise the profile of commodity problematique and, specifically, concerns of commodity producers in the international development community

Indicators related to publication of project results and other relevant information on the internet and via other means, commissioning and publication of expert studies, and publication of information about the work of the CFC in the international press are being identified.

During the two years of this FYAP, the following was achieved:

⁷ A common feature of projects funded by the CFC is that mid term evaluations are undertaken for all projects, but not all projects undertake final evaluations; this may be justified as mid-term evaluations are considered to inform projects while they are running with a possibility of improving the implementation and enhancing their results. However, the importance of evaluations for collating lessons learned needs to be highlighted.

- One publication on bio-fuels in cooperation with IIED has been accomplished in which the findings have been disseminated through an international seminar, a study on mining – PACT International⁸, and a booklet for the 20th Anniversary of the CFC targeted at the general public.
- There have also been a few articles on commodity issues and the CFC by an Italian Press agency, IPC based in Rome.

The publications and articles, together with the seminars organised during the last few years are important in contributing in raising the profile of commodities. However, again these are weak indicators without appropriate milestones for realistic measurement of the objective. Based on these indicators, it has not therefore been possible to evaluate appropriately the above objective. In 6.2 below more detail on the effectiveness of advocacy and communication function or activities at the CFC, are discussed which has a bearing on this objective.

6.2 Partnerships and Effectiveness of the Advocacy role of the Fund

6.2.1. Activities and allocation for Communication and Advocacy

This section deals with the third aspect of the operational programme activities of the FYAP, namely '*complementary activities related to advocacy and communications*'.

Advocacy and Communication have a lump sum allocation of US \$ 1 million in the current FYAP from the uncommitted Net Earnings of the First Account. CFC started to allocate a budget for advocacy and communication since the last FYAP (2002-2007) with a similar lump sum allocation. The basis of allocation between advocacy and communications is 2:1, i.e. US \$ 665,000 and US \$ 334,000. The advocacy budget and activities relate to: i) sponsored studies, ii) events, iii) media outreach and awareness raising, iv) participation in important meetings, v) development and policy strategy, and vi) institutional capacity building and internal communications; while the communication budget and activities relate to information dissemination and CFC website maintenance or improvement.

6.2.2. Effectiveness of advocacy and communication

The advocacy role of the CFC so far has concentrated on participation in regular meetings of the UN, UNCTAD, and African Union. The CFC participates and contributes to special events of International organisations, and ICBs. The CFC has been highlighting the issue of commodities, price volatility, impact on economic and financial crisis on the economies of commodity producing countries and how the food security has been compromised and progress towards achievement of MDGs hampered. This is being done in UN General assembly, meetings of UNCTAD, FAO Committees (Committee on Commodity Problems, Committee on Food Security) etc.

⁸ The international seminar on bio-fuels was organised by the CFC, jointly with the Ministry of Plantation, Industries & Commodities of Malaysia. It attracted 100 participants, including the Governors, expert members of national delegations and invited specialists. IIED presented its study on strategic choices facing Developing Countries in the subject of bio-fuels. Draft outcome of the seminar was presented to the Governing Council and published on the CFC Internet site. CFC will elaborate a paper outlining the policy choices facing Developing Countries. The Study on mining was disseminated during the Seminar in Zanzibar in 2008 in which it coincided the CFC Executive Board meeting in Tanzania.

Briefing papers have been forwarded to G20 for consideration. These functions are mainly undertaken mostly by the Managing Director.

Although CFC has started to allocate funds for advocacy and communications since the last FYAP and has been undertaking advocacy work, it has not as yet an *advocacy and communication strategy*; the development of this is one of the activities of the current FYAP. There does not appear to be so far a clear understanding what advocacy should involve at the CFC. For some advocacy is about website portal development, or newsletters or PR, and for others it is participating in international meetings and delivering speeches. There seems a dissonance on how the CFC should communicate and advocate as an organisation. The indicators planned under the third programme objective of the FYAP (related to advocacy) confirm this lack of agreement and sufficient understanding.

Due to lack of clear strategy and clarity on what it aims to achieve through advocacy, the CFC seems to implement activities or organise events, without always having clear objective what it aims to achieve, i.e. clearly defining a targeted audience and outcomes. Hence some opportunities for raising awareness on the profile of commodities seem to have been lost. Such was the case with the commemoration of the 20th Anniversary of the CFC⁹. Although this event attracted key personalities within the UN system involved in commodities as well as the representatives of the EU and the Dutch government, it is not considered as successful as it should have been in terms of raising the profile of commodities internationally. Partly this was due to timing (it coincided with the Copenhagen meeting on climate change, so the attention of the international media was diverted) and the invited audience, targeting those who were already aware of commodities (the already converted group) instead of a broader audience (e.g. general public, donor communities, academia, high profile international development experts etc.) in order to raise the profile of commodities and CFCs visibility.

Communication at both internal and external levels seems to be generally weak. At an external level, it appears that CFC is not communicating sufficiently what it does. For example, the third FYAP has not been disseminated among stakeholders in Tanzania such as the PEA, PIAs, MITM and National Coordinator of CFC projects, involved in commodities and the execution of CFC funded projects, in spite of the country catering to a large number of CFC funded projects. The CFCs role is not always clearly understood; for example, one key interlocutor mentioned that CFC reports to the ICBs, the latter delegating responsibility to the CFC.

At an internal level, there is no systematic mechanism for sharing information and knowledge. Most CFC Project Officers do not seem to be aware of some key impact assessment results outside their thematic areas; each seems to be working narrowly within his/her thematic areas, and cross fertilisation or information sharing on commodities and lesson sharing appears to occur only intermittently. There is no common understanding on some key issues, such as the vision of the organisation, and programme approach of the current FYAP.

Since 2005, a communication post was created at the CFC. The specific functions of the Communications Officer are:

⁹ According to the interviews held with CFC Staff.

- i) Preparation of methods to increase public awareness and understanding of critical issues and key messages related to the CFC mandate;
- ii) Overseeing the dissemination of the Common Fund activities and project results through publications and other communications tools,
- iii) Establishing and maintaining contact with media - both local and international as well as with NGOs and other international organisations, academia and research institute;
- iv) Drafting and preparing newsletters, folders, etc. about current issues relevant to the Common Fund;
- v) Developing, updating, extending, monitoring and implementing the Common Fund website, including the provision of IT activities,
- vi) Co-ordinating with the Conference Assistant to ensure appropriate media coverage for conferences, events, workshops and seminars, and
- vii) Assisting in the preparations of the Annual Report, etc.

Although the above mentioned Communication post functions seem relevant, it appears that to date there is no clear structure, approach on communications and the Communications Officer seems almost to work in isolation without much interaction with the Project Officers or the Secretariat. There is certainly a scope for improving how the communication and advocacy role should be performed within the whole organisation, and most of all in defining clearly the advocacy and communications strategy.

6.2.3. CFC-ICBs initiative to develop joint communications strategy

The need to develop partnerships and to coordinate communication efforts between the CFC and ICBs to raise public awareness on commodity issues has been felt among the various partners for a considerable time. At their 15th meeting in Madrid, the ICBs and CFC therefore agreed to explore a systematic co-ordination of public relations and media activities. At the Beijing meeting in 2009, they agreed to put in place a joint initiative on communications planning and co-ordination, and further to establish a formal and direct communication between press officers of the respective organisations to work on a framework for a joint communications strategy.

There is now a draft proposal being circulated by the Communication Officer of the CFC, on the CFC-ICBs Joint Communication Strategy which highlights the need, the objectives, the approach and the way forward. The main objective of the Strategy would be to: i) raise public awareness about the role of CFC-ICBs partnership and contribution in commodity development and policy advocacy, ii) enhance visibility and impact of their work, iii) ensure effective dissemination to and feedback from targeted groups in beneficiary member countries, and iv) mainstream good communication practices within the CFC-ICBs partnership. The issues, needs and gaps which will be identified during the consultations will provide the basis for the strategy and proposed actions. There is a desire to shift towards *well targeted, issues-based communication*. A public relations consultancy is proposed to conduct a full scale commodities sector SWOT analysis in order to highlight priority "communications" issues which will be addressed in the joint strategy¹⁰.

¹⁰ CFC-ICBs Joint Communications Strategy: Draft Proposal – January 2010.

For well targeted advocacy and communication activities, the CFC perhaps requires additional resources to that planned for the remainder of the FYAP. This may be considered an investment in raising greater awareness, in particular among the donor communities which may result in obtaining additional funding in the future. The greater the visibility of commodities and the CFC, the better prospects for funding commodity development could be. Clear results and impact need to be demonstrated to generate greater awareness and engagement. Hence, better linking of the three operational programme activities of the FYAP and establishing greater partnerships not only with the ICBs, but also with other international, regional and national stakeholders are crucial.

6.3. Ownership of projects funded by the CFC

From the analyses on the design of the projects, it has not been possible to establish clearly whether the projects are locally demand-driven and owned by beneficiaries, as there was lack of explicit information in project documents. Proxy indicators have been used to ascertain to some extent the level of participation or consultation with member countries, producers and other stakeholders during the design, as participation or consultation is the first steps to ownership. There is some evidence of this in project design documents, but it cannot fully answer the question. However, based on the various interviews undertaken with the CFC project officers, round table and individual meetings held during the field visit to Tanzania, and telephone interviews with some stakeholders, there are certainly projects which are clearly owned by national governments and are locally demand driven.

The key lesson identified is that where the project meets the priority area of a national government plan, there is a likelihood that Government would engage with project activities and eventually take over to sustain and up-scale them. The example of an excellent Warehousing project in Tanzania illustrates this, as the Warehouse project led to a creation of Warehouse Licensing Board (100% financed by government), and it is expanding its work from coffee and cotton diversifying into grains, initially maize and paddy rice.

Given the nature of CFC funded projects having a *regional and/or global focus*, it can be difficult to ensure to what extent specific national interests can be included, and how to achieve 'ownership' in these situations. Generally when a project idea is initiated, it is important that the ICB concerned gets a positive feedback from the countries or governments that the project idea fits with the national government policies and plans. While a country or countries where the problem has been identified as a priority area might have greater engagement as the project may address a national priority, for other countries, it may not be their major priority area and therefore their engagement may be lower (although they will be happy to subscribe if they perceive funding will follow). For example, the project on Organic Production of B is progressing well in Sudan, whilst in Ethiopia, it seems to be lagging as the project does not seem to address a major priority area for the country and the national implementing institutions have been encouraged to come on board into the project by the CFC¹¹. The CFC has to ensure that the participating countries motivation is not solely funding, and that the issue being addressed by the project is one of its major priorities.

¹¹ Interview findings with the Project Officer at the CFC.

As pointed out earlier, '*consistency of projects to national plans*' is considered to be not only one of the features that projects should include, but also is one of the key criteria for the prioritisation of the approved projects for funding by the CFC. However, most of the project documents reviewed have not explicitly addressed this in their design, and whilst it may have been implicit this aspect should be explicitly prioritised in order to ensure sustainability and ownership of projects by member countries.

7. Efficiency

7.1. Improvements in the operationalising of the FYAP

7.1.1. Streamlining the project selection process

- i. The CFC has developed *good guidelines for project selection*, appraisal eligibility and screening criteria. This makes the selection process more systematised and helps during the appraisal process to determine whether the project proposals submitted are consistent with the requirements of the Fund.
- ii. In addition to the guidelines on general project selection, the guidelines for *prioritisation of projects* adopted using a weighting system, also look *appropriate*¹².
- iii. Also one of the *priority criteria* is '*compatibility to national priorities*', which is considered highly significant (see above). However, most projects reviewed (during the portfolio analysis) did not demonstrate explicitly this factor. Projects should be requested to include and highlight this aspect in the design as relevance of projects to national priorities is important in order to ensure sustainability, wider impact and ownership by member countries.
- iv. The *requirement of the FYAP in terms of objectives and other features* that projects are expected to include during their design (see 5.1) are quite overwhelming, and it would be more beneficial for the CFC to concentrate on fewer features which are deemed of greatest priority (see annex 3 for further detail).
- v. The *internal screening process* through using the Project Appraisal Committee (PAC) and the greater assistance provided by the Secretariat resulting in improvements in project quality, has *contributed in shortening the process of project selection*, as it improves the chances of the proposals being accepted by the CC during their first presentation. This is being done to an extent as sufficient design work is now undertaken based on the guidance of PAC before a proposal is submitted to the CC. More generally, project proposals are accepted only after a second presentation, as they are requested to improve their design by the CC during the first submission. This makes the process longer given that the CC meets only biannually: a proposal that is rejected during the first presentation can only be re-submitted after a 6 month period for a second presentation.

¹² Projects which are recommended are ranked by the Consultative Committee in the order in which the projects should receive financing. Four criteria are established in this regard: i) financial, ii) readiness of the project to become operational (compatibility with national priorities and participation of stakeholders in the project), iii) beneficiary focus, and iv) cases of urgency. Each criterion is weighted 20 points, with the exception of the financial criterion with a double weight, i.e. 40 points. "The primary reason for prioritisation is to determine the availability of liquidity for the processed projects ready to be submitted to the Executive Board for approval".

- vi. The CFC has introduced *an inter-sessional mechanism* for regular projects in which a project proposal is circulated electronically to all members and they are asked to provide their comments and recommendations in addition to the biannual (January and July) meetings. This is a positive step; however, this is only used when urgent decisions need to be made, such as a project proposal awaiting co-funding from the EU. It is important this mechanism is developed further in order to make the process more efficient, shortening the decision period between the CC meetings, allowing for more proposals to be reviewed and approved. It could also contribute to cost-cutting, as assembling 13 people for a number of days in Amsterdam twice a year to the CC round table meeting may not always be cost effective.

7.1.2. Greater support in project development

- i. There is *greater involvement of CFC during project development*. According to the portfolio analysis undertaken, the CFCs technical assistance in the formulation and development of a project has increased considerably in this current FYAP compared to the previous period. 58% against 35% of projects respectively received full support from the CFC. This is being done through various channels, using PPF and/or extensive comments from the CC and/or the Secretariat including using PAC screening during the project design phase.
- ii. The use of *Project Proposal Facility (PPF)* would appear to add to the quality of design. This is used if a project requires external support in the design (generally in LDCs), for example, for a project with a loan component. This independent analysis adds to the CFC screening process to improve the design, but also increases the likelihood of a project proposal becoming fundable. More and more projects are being supported by the PPF during the preparation stage. During the current FYAP, about 8 regular projects (nearly 40% of the total approved appraisals during the current FYAP) have benefited from PPF support.
- iii. The *role of ICBs* during the design process should in principle be quite high as they are the ones who submit the proposals, and are meant to have experience and knowledge on a particular commodity and its status in the region/country in which the project will be implemented. However, their involvement has been mixed. For some projects, they have benefited from the expertise of the ICBs in project development and planning (e.g. ICO has provided good support for the Coffee Certification project); however, for most projects, the extent to which the ICBs have supported in the design as a whole is difficult to establish. This lack of involvement is generally due to one of capacity. There are those – a small number – which have the expertise and the capacity to design strong proposals, but the majority of ICBs lack the resources and capacity.

7. 1.3. Shorter delays before implementation

- i. Once a project is approved, there are generally further delays¹³. The Secretariat has taken measures encouraged by the EB to reduce delays in project start up.

¹³ The Secretariat definition of delays in this regard is “the time gap between the Executive Board approval of a project and the first activity or first disbursement of CFC funds to a project”. The delays were caused by:

Among those measures are: i) cancellation of grant agreement, ii) streamlining of project agreement, iii) revision of audit arrangements, and iv) change of policy regarding IPR. The manual and other operational documents have been amended accordingly. Some have already been reviewed: the financial manual and operational manuals on the project cycle are being communicated to the partners.

- ii. Until recently the delays before the commencement of a project ranged between 6 to 22 months. However, due to the measures taken by the Secretariat, it is reported that the delay has been reduced to an average 11 months.

7.1.4. Improvement in the rate of disbursement

- i. The disbursement rate has increased greatly: disbursement of grants against commitment has improved from 60% on average during the 1st FYAP, to 88% during the 2nd FYAP, and then to 92% during the current FYAP (see chapter 4, figure 1). This is due to the improvements made in streamlining the project appraisal and approval process, as well as other processes in fund disbursement requirements as earlier explained. This is indeed a great achievement as the gap between committed and disbursed grants is getting smaller.
- ii. Also in terms of the volume of disbursement, it has reached US \$18.7 million in 2009 from only US\$ 7 million in 1998, an increase of 167%. However, some improvements are still required to reach the target of US \$ 20 mln/annum.

7.2. The Challenges or Limitations

7.2.1. Project delays before implementation

- i. Although there have been important improvements in shortening the delays before implementation, *the project cycle at the CFC is still quite cumbersome* given the nature of its projects.
- iii. Late start of projects is one of the major constraints in the operations of the CFC financed projects. Only 6 out of 8 regular projects approved in 2008, have started, therefore for many of them, there is a delay in start up of between 7-24 months. However this has improved as among the 13 projects approved in 2009, 12 have already started and the delay in start up for the majority of them (9 projects) had been 7-12 months. For example, the Cassava project visited in Tanzania was approved in November 2009, and it is only now (after 6 months) that it will start to implement its activities¹⁴, which is considered to be relatively

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- o Delay in signing the loan agreement,
 - o Delay in signing Project Agreements, Project Implementation Agreements and other documents required for meeting the disbursement conditions,
 - o Concerns over Intellectual Property Rights protection,
 - o Delays in opening a dedicated bank account in the countries,
 - o Delays in securing the EC co-financing,
 - o A bank not fully complying with the approval procedures required by CFC for the disbursement of the loan, etc.

¹⁴ It is however worth noting, a regional meeting which includes the three countries for discussing the work-plan of the project has been held in February, with funds advanced from IITA after an agreement to transfer those funds before all agreements between the various national implementing bodies and IITA have been finalised.

fast. However, the transition between the pilot phase and the current phase has taken nearly 3 years (see the case study on cassava, Annex 6).

- ii. It is worth noting that some of the delays are due to the internal procedures within the countries in which the projects are to be implemented. While some countries have straightforward procedures and agreements are signed without too much delay, others have to go through a long process between various government institutions until project agreements are signed or approved. There is little that CFC can do in these circumstances. However, the regional or global nature of the CFC funded projects involving so many countries makes the process complex and long.

7.2.2. Complex project management structures

- i. The management structures and arrangements for CFC funded projects are complex and look cumbersome. This is partly due to the nature of the projects which are multi-country by orientation. Some projects concern up to 10 countries. For example, the Coffee Certification project is to be implemented in 9 countries involving about 15 PIAs and other collaborating agencies, in addition to the PEA, the Fund Manager (DCDM) and the ICB.
- ii. A PEA generally plays a pivotal role as it is responsible for the overall technical, operational, administrative and financial management of a project. It manages or supervises the work undertaken by the implementing agency in each country in which the project is implemented, i.e. several PIAs at a time. Coordinating projects in so many countries can therefore be quite complex and difficult. The value of PEAs is their wider know-how, introducing good practice ideas from elsewhere, and access to expertise. Generally when a PEA is based in the country where the project is being implemented, the project in that country may benefit more than in the other countries. Some PEAs may be just a conduit for funds, and coordination of the project may be undertaken more by the CFC. There have also been cases where an appointed or selected PEA has been suspended during the course of project execution due to lack of performance or for not adhering to the CFC reporting requirements¹⁵, and this may in some ways affect the effectiveness of a project. However, these are rare cases.
- iii. In some situations, the PEA delegates some of its responsibilities to other private companies for the management or planning of projects. For example, EAFCA is delegating its financial and planning responsibilities of the Coffee Certification project to a private accounting firm (DCDM Advisory Services Ltd) who will serve as a *Fund Manager*. Agreements are made between EAFCA and DCDM, and it is the latter who is coordinating the whole planning process and who will manage the funds once implementation starts. The Project Coordinator hired by EAFCA will therefore have to coordinate the activities in concert with DCDM. This makes the whole project structure more complex, but given the number of countries and the national implementing agencies involved, and the amount of work required in coordination and financial management in this particular project, this arrangement

¹⁵ The project 'Horticulture Out-Grower Schemes for Export Market' (FIGTF/19) has been approved in 2007, and the PEA has been suspended following a poor performance. Until a new PEA is identified, the project administrator is managing the project.

may be necessary, but nevertheless cumbersome. It has, however, to be noted that this is a rare example as normally PEA does not outsource its functions or responsibilities.

- iv. Although the ICBs are expected to monitor (technically) the projects through review of progress reports received from the PEAs and report to the CFC and also through undertaking annual field visits with the CFC, *this does not always happen*. Due to resource constraints and probably also lack of commitment, not all ICBs are able to ensure this role. Most often, the CFC Project Officers step in for monitoring and supervision, in particular when there are serious implementation problems. At times, the PEAs report directly to the CFC (copying the ICBs). The workload of some Project Officers at the CFC may therefore be high. The roles and responsibilities between the CFC and ICBs need to be clarified and reviewed. Moreover, some PEAs are well established international or regional organisations with perhaps greater technical expertise than many of the ICBs; it is therefore difficult to see what is the value added of the ICBs in such cases.
- v. Capacity and resources allocated by the PIAs are crucial if projects are to be successful. In the case where a PIA is a government institution, it often does not put in additional resources, but assigns a national coordinator for the CFC funded project from within the implementing national agency. The coordinator, generally a civil servant, is expected to provide some of his/her time to the CFC funded project; the project responsibility is therefore in addition to his/her existing workload, and some coordinators may be at the same time be coordinating other donor projects (e.g. the TFNC coordinator for the Cassava project in Tanzania, see the case study, Annex 6). This type of arrangement can pose problems, given a coordinator's workload and the requirements of projects their effectiveness and efficiency could be affected. It is important for the CFC to take into consideration this factor during the project development stage to ensure that *necessary and sufficient resources* are being planned by all those concerned for the implementation of a project's activities.

8. Lessons Learnt

Most of the projects which have been approved during the current FYAP have not started implementation. There was only one progress report available for only one project which falls under FYAP 2008-12¹⁶, at the time of this assessment, and the remaining projects have not reached the stage of submitting their progress reports. Therefore, there are as yet no projects' results from these projects.

This section is therefore based on: i) a brief overview of the evaluations and impact evaluations of a sample of projects completed under the previous FYAP (2003-2007), and ii) the discussions held during the visit to Tanzania. Two project evaluations and two impact evaluation reports (*ex-post* evaluations) have been reviewed, and some of the lessons learnt pointed out in these reports are highlighted in this section. The following reports have been reviewed:

- (i) Impact Evaluation of "Groundnuts Seed Systems in West Africa Phase I and II"¹⁷ CFC/FIGOOF/21
- (ii) Evaluation report of "Bridging the yield gap in irrigated rice in Brazil and Venezuela" CFC/FIGR/09
- (iii) Impact Evaluation of a Cluster of CFC Funded Jute Projects. This includes: "Technical Specification and Market Study of the Potentially Important Jute Geo-textile Products (IJO/09) & "Biotechnological Applications of Enzymes for Making Paper Pulp from Green Jute/Kenaf (Whole Jute Plant)" (IJO/14).
- (iv) Terminal Evaluation of the CFC/FAO/IITA Project: "Small Scale Cassava Processing and vertical Integration of the Cassava Sub-Sector in Southern and Eastern Africa", Phase I (CFC/FIGG/12). This is the first phase of one of the case studies selected and visited in Tanzania. (see Annex 6 for more details).

8.1 The major lessons from the evaluations

- i. **The importance of focused dissemination in commodity development.** For example, in project (iv), the dissemination activities of the project have worked well as the evaluation mission noted a high level of awareness among end users regarding the opportunity of HQCF.
- ii. However, for project (iii), it has been pointed out that additional efforts would have been necessary to bring the project closer to a point of handover/industry uptake. *"Efforts at disseminating findings and discussing extensively on a focused basis with industry would have yielded better results rather than a generalised approach to "disseminate the findings"..."* Dissemination is one area which is

¹⁶ Promoting the Development of Economically Viable Rubber Smallholdings in West Africa CFC/IRSG/21- approved in 2008.

¹⁷ The phase I named as "Conservation, Evaluation and Dissemination of Groundnut Germplasm" known as GGP was implemented during 1996-2002; the Phase II called as "Development of Sustainable Groundnut Seed Systems in West Africa" known as GSP was implemented during 2003-2007. The impact evaluation concerns both phases.

considered important in all CFC funded projects. Targeted or focused dissemination needs to be further developed.

- iii. **The importance of strategic funding commitment or funding under a framework agreed with development partners.** For project (i), it is recommended in the evaluation report that CFC should continue to support seed chain initiatives and make a long term strategic funding commitment or make sure to finance seed initiatives within an overall framework agreed with development partners and /or regional and continental research organisations. Although the need for long term strategic commitment for some commodities or projects is evident, this may be difficult for CFC, as the nature of its funds is supposed to serve as catalyst for further support from other development agencies or national governments. However, more inclusive partnerships with other development partners should be established and strategic collaborative actions should be pursued in some key areas.
- iv. **The importance of linkages.** In project (i) the weak linkages between farmers, processors and traders have seriously limited farmers' access to varieties and their capacities to build strong associations/cooperatives and shift step-by-step into seed enterprises. This is an important lesson which applies across the board for projects with a value chain perspective. Unless there are strong linkages between key stakeholders in the chain, a project's results could be compromised. For example, the case study on cassava is dependant on the links between the key stakeholders involved in the chain: producers of fresh cassava, intermediate processors of cassava grit, final processors and producers of HQCF, and end-users of HQCF and other cassava derivatives.
- v. **The importance of including the non-technological factors that affect farmers' gains, such as the availability of production inputs and input/output price relationships during the design.** In projects (i) and (ii), the main outcomes of technological transfer are increases in productivity. This seems to have been achieved in these projects. What has not been addressed in these projects seems to be related to market prices and input prices for the farmers. In the case of project (ii), the gains of farmers in higher productivity were offset to some extent by these factors. If higher productivity is to result in higher incomes for smallholder farmers, the market prices offered for their products need to be well understood. The case study on cassava presented in Annex 6 is a good example on the importance of competitive market prices for smallholder farmers/processors, and the need to understand the relationship between higher productivity/production and the market prices and input prices. This points to the importance of carrying out a cost benefit analysis.
- vi. **Lack of specific milestones in the logical framework of the project.** This is almost a general problem. Projects reviewed all have logical frameworks. However, many of the project appraisals reviewed do not seem to have either clear milestones and targets, or they are too ambitious. For example, lack of clear milestones in Project (ii) has made it difficult or even impossible for the evaluators to comment on the degree to which the objectives were achieved. There is clear room for improvement on the quality of performance indicators of CFC funded projects.

8.2 Lessons drawn from the discussions held with stakeholders and field visits

- i. **Realising impact.** For some projects direct impacts are visible (e.g. Warehouse project, Livestock Hides & skins), but wider impact is usually dependent on raising investment finance (e.g. the Sisal project), and scaling up interventions by government or private sector for sustainability. The hurdle is to benefit small farmers at the bottom of the production chain, as benefits usually accrue further up the chain, e.g. in processing.
- ii. **Risky assumptions on access to finance.** Some projects may be designed with assumptions that the private sector (smallholders as well as businesses) will be able to access investment finance from banks or micro-finance institutions, without sufficiently taking into account the local context of financial intermediation. This type of general assumption is risky as some projects could be dependent on investment finance, without the private sector having the ability to invest as there is lack of affordable finance in a specific country. There is therefore a need to take into account the specific context in which a project is planned to be implemented, during the design as well as the appraisal phase. In some cases, unless the CFC provides loans through credit schemes at affordable interest rate to the private sector, including the smallholders, it may not be feasible for projects to deliver or achieve their results (e.g. the Cassava project, see Annex 6).
- iii. **The importance of cost-benefit analysis at each level of the chain.** Some projects may require establishing the rate of return at each level of the chain: producers, processors, and end users (industries). Cost benefit analysis may have been undertaken at the level of the industry or a processing unit, but not at the level of producers or processor farmers. Unless the rate of return is clearly well established at each level of the chain, it would be misleading to assume a project would provide tangible economic benefits to smallholders.
- iv. **Integrating the small holder farmers in the value chain requires greater investment and commitment in building capacities.** There is a general assumption that by providing training to smallholders, their capacities will be strengthened, and hence heavy reliance on training sessions. However, serious capacity-building goes beyond training; it is about supporting smallholder farmers on a continuous basis during project life to acquire technical skills to adopt good agricultural practices, have entrepreneurial skills to manage their farms, and leadership skills, etc. The extent to which smallholders take part in value addition is dependent on the level of support they would get to enhance those skills. Therefore, unless thorough and on-going capacity-building measures are provided by the PIAs supported by the PEAs during project implementation, the CFC projects intended to benefit smallholders may not fully fulfil this objective.

9. Assessment of the Arrangement of the OPEC Funds

The OPEC Fund Agreement¹⁸ was signed in February 2005. The member states of the OPEC Fund have approved a cumulative grant of US \$ 83.56 million since January 1981. This has been distributed as follows:

- (a) US \$ 37.16 million to a certain category of member states of the CFC to enable them to fully discharge their subscriptions to the CFCs First Account Directly Contributed Capital; and
- (b) US \$ 46.4 million to promote the CFCs Second Account activities in accordance with such modalities as may be determined by the OPEC Fund.

9.1 Pace of Utilisation of Funds vis-à-vis the anticipated utilisation

The modalities of the OPEC Fund with regards to the Second Account have been defined in the above mentioned agreement. It is stipulated that the voluntary contribution of US \$ 46.4 million be drawn in nine annual instalments and each instalment should not exceed US \$ 5 million or 50% of the total cost of a project. Eligible commodity producing Least Developed Countries are accorded priority over the others.

Table 3: Expenditure from the OPEC Funds contribution since 2005

Year	No of projects	Total Project cost	Total CFC Grant/Loan including OPEC funds	Financial support from the OPEC Fund	OPEC contribution in %
2005	6	13,351,672	7,426,703	5,000,000	67
2006	5	15,249,464	8,783,722	4,500,000	51
2007	8	29,996,855	17,624,630	5,000,000	28
2008	6	14,896,370	10,279,852	5,000,000	49
2009	7	29,785,284	12,668,817	5,000,000	39
Total	32	103,279,645	56,783,724	24,500,000	47

The financial support from the OPEC Fund does not exceed US \$ 5 million per annum, but in 2005 the contribution constituted 67% (i.e. more than the expected 50%) of total projects cost. It is however worth noting that the number of projects to which the OPEC Fund contributed was 6, and only in one project did its contribution exceed that which was stipulated in the overall agreement. However, the contribution in terms of percentage was quite low in 2007, and therefore the average contribution for the past five years (47%) does not exceed the overall ceiling allowed.

The first disbursement was made in the calendar year 2005. During the current FYAP, this OPEC contribution constituted 44% of the CFC grant, and covered 13 projects of

¹⁸ Framework of Financial Support from the OPEC Fund to the Common Fund for Commodities. February 2005.

which 11 are in Least Developing Countries. This constitutes 62% of the projects approved during the current FYAP.

9.2 Criteria used by CFC under the arrangement with OFID

The criteria for OPEC Funds are to be used within the overall objectives of the FYAP, but focusing on projects predominantly designed to promote technology transfer, productivity enhancement, quality improvement, enhancement of market accessibility and promotion of private sector initiatives. The portfolio review undertaken confirms this, as the 13 projects co-funded with OPEC funds during the current FYAP focus on these objectives; the majority of them (more than 50%) fulfilling the objective of 'improving productivity and product quality' through transfer of technology or improved techniques.

9.3 Impact of the Projects funded from the OPEC Fund

Since the OFID started to provide funding in 2005, 32 projects have been supported. Many of them are under implementation, and none seems to have operationally closed. Therefore, there have not been end-of-year evaluations or impact evaluations undertaken for these projects. It is therefore premature to discuss the impact of these projects. Moreover, of the 13 projects which benefit from the OPEC Funds during this current FYAP, the object of this report, only 2 have started and none has yet produced a progress report.

However, two of the case studies selected in Tanzania approved under the current FYAP are co-funded by the OPEC Funds. These are: ICO/45 Coffee Certification & Verification in Eastern Africa and FIGG/38FA; and- Small Scale Cassava and Vertical Integration of the Cassava subsector in Southern and Eastern Africa – Phase II. The case studies are detailed in Annex 6.

The Cassava project will be implemented in Tanzania, Madagascar and Zambia, all LDC countries. The project objectives fit clearly within the objectives of the OPEC Fund, focusing on technology transfer, productivity and quality improvement, developing the market for HQCF and other cassava derivatives working in tandem with the private sector. The first phase of the Cassava project had key achievements in technology development and transfer. However, OPEC Funds did not make a contribution to this first phase of the cassava project so the achievements registered cannot be attributed to these Funds. However, these achievements and the lessons learned during the pilot phase constitute a strong basis for the current Cassava project (Phase II) in which the OPEC Funds contribute 43.5% of the total CFC Funds (i.e. 22% of the total project cost). The project looks promising with great potential impact and seems to be well coordinated by the PEA (IITA).

The Coffee project is to be implemented in 9 countries in Eastern and Southern Africa, 7 of which are LDCs. The OPEC Fund contributes 50% of the CFC Funds (i.e. 22% of the total project cost). The project has just been launched and the Executing Agency (EAFCA) has delegated DCDM Advisory Services Ltd, for the planning and as the Fund Manager of the project given its complexity (see 7.2.2 above) A Project Planning document (an inception report) is being prepared and was due to be discussed in June by all the stakeholders (including the CFC, ICO, EAFCA, DCDM and

the various national implementing agencies) in Nairobi. This will be finalised by the end of June and implementation should then start.

10. Key Conclusions

Although the CFC is a small player in the overall aid and development agenda, it is well placed to *'influence the debate'* on international development given the recent financial crisis which has highlighted the contribution commodities could have on food production and income generation. Its sole focus on commodities confers a legitimacy on the organisation.

The CFC has been addressing the needs of smallholder producers through financing relevant projects, and by building partnerships the CFC has leveraged the funding of projects through cost sharing by project beneficiaries and other development partners. It is progressing well in terms of the rate and the volume of disbursement of grants. Many of the projects reviewed contribute directly or indirectly to *poverty alleviation*, although it can be argued that this should be seen as a by-product of its work in building greater equity along the value chain. However, in the absence of clear indicators, the extent to which the CFC would be able to measure the achievement of this objective is constrained. There are also still challenges ahead to improve the effectiveness of the FYAP and the efficiency of its operations.

The 2008-2012 FYAP has a logical framework which includes the goal, objectives, operational policies, their corresponding indicators and the assumptions. Although the three programme objectives are relevant and generally well formulated, the indicators identified to measure the achievement of these objectives have serious limitations in terms of: i) not being outcome oriented, ii) not all being relevant to the corresponding objectives, iii) lacking qualitative measures, and iv) many of them being activities rather than indicators. Measurement of performance of the FYAP using the logframe has therefore been hindered.

Projects reviewed all have logical frameworks, but most do not have clear milestones, and indicators are too focused on activities, with unclear indicators at the purpose and goal level. Similarly, reference to the project design documents, shows only a few projects mentioning the baseline assessment which will be undertaken, although the FYAP specifies that all projects should have a baseline. Measurement of expected results and impact of projects will therefore be difficult to assess. There is clear room for improvement to the logframes and the quality of performance and impact indicators of CFC funded projects within the current FYAP.

The *specific objectives and strategies* identified in this FYAP are generally *relevant* and contribute to the CFC overall goal and its redefined mandate of *'achieving measurable impact on incomes and livelihoods'*, although there is scope for a tighter focus by narrowing the range of objectives. The projects reviewed demonstrate that they address one or more of the specific objectives of the FYAP, and all the objectives with the exception of *'corporate responsibility'* have been addressed to varying degrees. The major focus of the regular projects remains *'productivity and product quality'* (95%). The objective of *'market access and market development'* has been addressed by more than half of the projects (52%) during this current FYAP, which is a large improvement compared to the previous plan (15%). More than 50% of projects now properly incorporate the *value chain perspective* into their design. This

is also an improvement in relevance, as in the past the CFC has funded more research projects and the value chain perspective was not always sufficiently highlighted.

It has not been possible to establish clearly whether the projects are locally demand driven and owned by beneficiaries, as there was lack of explicit information in the project design documents. Likewise, it has been difficult to ascertain the *level of participation, consultation and dialogue* with national institutions, producers and beneficiaries on the basis of the desk study of the project proposal documents. However, in the case of the field visit to Tanzania, this revealed that there is a good degree of consultation with the various parties concerned during the design of projects.

The *spread of projects between LDCs and ODCs* is generally balanced, with slightly more projects in the latter category during the last two years. The CFCs regular projects' focus remains on smallholder producers-exporters. Although '*consistency of a project with national plans*' is one of the key criteria for the selection and prioritisation of projects for funding, this is not being explicitly addressed in most project design.

The FYAP is progressing well in terms of the rate and the volume of disbursement: disbursement of grants against commitment has improved greatly. This is seen as due to the improvements made in streamlining the project appraisal and selection process, as well as other processes in fund disbursement requirements. However, further progress is required to achieve the target. There is also a high disbursement rate of loans during the current FYAP, unlike the previous two FYAPs. The loans disbursed during the last two years already constitute 39% of the total loans disbursed since 1998 (the beginning of the first FYAP).

There is greater cooperation internationally, evidenced by the greater level of co-funding and counterpart contributions to CFC funded projects. The CFC has *leveraged the funding* of projects through cost-sharing by project beneficiaries and other development partners. The CFC is broadly achieving its target on this measure as the majority of projects have co-financing and/or counterpart contribution between 40-50%.

In the current FYAP there is greater involvement of CFC during the project development and design stage. The technical assistance from the CFC in the formulation and development of a project has increased considerably in this current FYAP compared to the previous plans. This is being achieved through various channels, using PPF and/or extensive comments from the CC and/or the Secretariat, including using PAC screening during the project design phase to refine project ideas and make them more relevant to the context and the FYAP.

The *Project Selection Process has been streamlined* and is being made more efficient through refining the guidelines for prioritisation of projects and using a weighting system. The internal screening process through using the PAC as well as the introduction of the inter-sessional mechanism for approval of projects by the CC have contributed in shortening the process of project selection. This is believed to have

made the process of project start-up faster, contributing positively to the disbursement rate.

The delay to start-up of most projects is reported to have been reduced to between 7-12 months for this FYAP from 7-24 months in previous FYAPs. This is due to the measures taken by the Secretariat encouraged by the EB with regard to grant and project agreements, revision of audit arrangements, and a change of policy regarding IPR, among other measures. Although there have been important improvements in shortening the delays before implementation, the project cycle at the CFC is still quite cumbersome. Late start of projects is one of the major constraints to the operations of the CFC financed projects. Clearly, further improvements in the management of the project cycle are required. It is worth noting, however, that some of the delays are due to the internal procedures within the countries in which a project is to be implemented.

The roles and responsibilities between an ICB and CFC are not always clear. Although the ICBs are expected to support the design and supervision of the projects, this does not always happen. Their performance in designing, presenting and supervising the projects depends on their level of capacity and commitment. Most often, the CFC Project Officer intervenes where the ICB is not fulfilling its expected role, bringing with it an increased workload for the Project Officer, but also compromising this expected stakeholder engagement with consequences for a project's effectiveness and intended impact.

The management arrangements put in place for project implementation in countries by PIAs can be an issue for efficient and effective implementation. When a PIA is a public institution, the activities are usually implemented by existing staff who are generally civil servants that are expected to implement project activities in addition to their existing workload, and no additional staff resources seem to be hired. This lack of sufficient additional human resources can be a real problem for some projects, both in terms of management and timely reporting. This issue should be carefully addressed at the design stage, as it can severely affect the delivery of project results.

Although the CFC is playing a *facilitation role* in many projects by bringing various stakeholders together to exchange views between projects dealing with similar commodities, it has not as yet instituted a clear mechanism for exchanging experiences and lessons learnt. As project evaluations and impact assessments are not systematically conducted, results and lessons learned are not collated, disseminated and replicated in a methodical fashion. Cross fertilisation or information sharing on commodities and lesson sharing appear to happen rather haphazardly within the CFC. Knowledge sharing and *knowledge management* therefore still remains weak.

Ideas on a robust advocacy and communication strategy are only slowly emerging, and there is little common or clear understanding of what *advocacy* should involve beyond participation at international events. Although a communications post was created in 2005, there is little evidence that this role has been well integrated within the organisation. CFCs advocacy role is also hindered by lack of sufficient collated lessons learned and the results and impacts of completed projects. The activities

have been more focused on building a computer-based system to facilitate public access to information on commodities, reporting meetings, and events. However, there have been a few interesting research findings disseminated through international seminars.

Communication at both internal and external levels seems to be generally weak. At an external level, the CFC does not appear to be communicating sufficiently its work, for example, its third FYAP has not been disseminated among stakeholders involved in commodities, such as the PEAs. However, it is noted that the need for a well targeted, issues based advocacy and communication strategy is acknowledged within CFC, and that recently CFC and ICBs have started to work on an initiative for a joint Communications Strategy.

11. Key Recommendations

Whilst notable achievements and improvements to processes in the current FYAP have been noted, there are still challenges ahead to improve the effectiveness of the FYAP and the efficiency of its operations. Recommendations fall into five broad categories:

11.1 Restructuring specific objectives & defining the programme approach

iv) *A tighter focus to the range of objectives and features*

Currently there are too many objectives and features that projects should include in their design with an overlap between some objectives. There is a need to concentrate on a smaller range of objectives, realigning them more distinctly to the 5 pillars of the CFC for greater effectiveness¹⁹. Similarly, in the case of project features these should emphasise: i) consistency to national plans, ii) ownership/member country and beneficiary consultation, iii) project design factors – outcomes, targets and indicators clearly set out, iv) cost effectiveness, and v) sustainability. This would clarify project relevance and define intended impacts in key areas more clearly, and would also help in collating and sharing lessons on key issues, as well as for advocacy activities.

v) *Defining and clarifying the programme approach*

The CFC has adopted a 'Programme Approach' in its current FYAP. But this needs to be properly defined, and a common consensus agreed within the CFC as to what is considered as 'programme areas' and what are 'fields of attention'. The need for common understanding, but more importantly for streamlining further, and identifying a narrow range of programme areas related to the objectives of the CFC is considered necessary, as currently there are too many 'programme areas'. Consideration should be given to a focus on: i) improve productivity/product quality, ii) expand processing & move producers up the value chain, iii) improve market access, and iv) improvements to the marketing chain (including financing services, storage, transport etc). This would also help in effectively communicating the CFCs work to the outside world.

vi) *Measurement of performance of the FYAP*

Assessment of the 3 programme objectives of the FYAP has been hindered by lack of sufficient relevant indicators in the logical framework and weaknesses in the overall logic in the design of the logframe. Clear milestones and SMART²⁰ indicators which will enable measurement of FYAPs performance and results need to be identified for the remaining period of the FYAP.

¹⁹ The current report on the Functioning of the CFC (Output 1 of this contract) of argues that even these 5 pillars should be streamlined based on a common interest on strengthening the income from commodities along the value chain. A two-pronged strategy is suggested: i) working with the primary producer, and ii) working with commodity markets.

²⁰ SMART is an acronym for "Specific, measurable, achievable, relevant and timebound", and relates to good practice in defining indicators

11.2 Further streamlining of the project selection processes

iii) *Strengthening the inter-sessional mechanism of the Consultative Committee*

The introduction of this mechanism (using communication technology) has started to show results in making the process for project selection more efficient. This should be extended, not only for those projects requiring a rapid decision, but more generally to speed up decision-making in the bi-annual round table committee meetings and potentially cut costs by reducing this to an annual meeting.

iv) *Greater attention to consistency of projects to national plans*

In order to enable the CFC to assess and establish clearly the extent to which the projects funded by the CFC are consistent with the priorities of national policies and plans, the CC has to ensure that this aspect is explicitly included in project design in all prospective project proposals, as this is key for ensuring sustainability and ownership of projects by beneficiary member countries.

11.3 Improving management arrangements & project cycle management

iii) *Review the Relationship with the ICBs*

The capability of many of the ICBs to fulfil their role and responsibilities of design, supervision and technical monitoring of projects is questioned. Thus the relationship and responsibilities (and consequently the workload) between the ICBs and CFC should be re-examined and more appropriate management arrangements should be defined between the parties.

iv) *More support in use of planning and management tools*

Weaknesses in all projects' logical frameworks have been noted. Further improvements are required in this area in order to ensure projects have clear objectives, targets and indicators, both as a tool of regular management monitoring and also to assist in the measurement and assessment of progress and results achieved. More support is necessary using PPF or other existing mechanisms within the CFC to strengthen partners' skills in using this planning and management tool.

11.4 Knowledge management & dissemination

iv) *More evaluations and impact evaluations*

More emphasis and resources need to be put in conducting evaluations and impact assessments in order to collate the lessons learned, develop the CFC knowledge base, and where necessary to replicate ideas or methods in new interventions.

v) *Mechanism for knowledge management*

The need for a structured mechanism for knowledge management is required in order to systematise lessons and knowledge sharing within the CFC on the one hand, and between the CFC and other stakeholders, on the other hand.

vi) Focused dissemination

More innovative methods of dissemination of findings are required, beyond the often bland reporting of results. The need to disseminate findings on a focused basis to targeted audiences may generate greater results in the scaling up of activities by the private sector. It would also support CFCs communication and advocacy activities.

11.5 Strengthening the Advocacy Role of the CFC**iii) Having a common understanding on advocacy**

There is a need to have a clearer understanding both within CFC and also with other partners on more effective approaches to advocacy. The proposal for a joint communication strategy between ICBs and CFC is a step in the right direction. However, for well targeted issues-based advocacy and communication activities, the CFC will likely require additional resources to that which are currently planned within the remainder of the FYAP.

iv) Greater linkages between the three operational programme activities

Clear results and impact need to be demonstrated to generate greater awareness and engagement from international development partners, in particular the donor community. Therefore advocacy should be fed by the results and impact of CFC funded projects on commodity producers and other stakeholders, and on the wider environment. Better linkages between the three operational programme objectives of the FYAP (i.e. financing, advocacy and partnerships) are deemed crucial.

Annex 1: Terms of Reference**REVIEW OF THE FUNCTIONING OF THE COMMON FUND FOR COMMODITIES (CFC) AND THE MID TERM REVIEW OF THE FIVE YEAR ACTION PLAN 2008-2012**

Expressions of Interest (EOI) are invited from eligible and suitably qualified consultancy firms for the above-mentioned assignment.

The Common Fund for Commodities (CFC) is currently reviewing the relevance and functioning of the organization in relation to international development goals in the context of the current and emerging economic scenario. The Executive Board of the Fund has desired that an independent review to this end be conducted including recommendations on the future direction the organization should pursue and other steps it should take to improve its capacity to respond to the needs and requirements of its Members.

The review takes place concurrently with the mid-term evaluation of the Third Five-Year Action Plan 2008 to 2012 (FYAP) which was approved by the Governing Council of the Fund in November 2007 and is under implementation since 2008. Summary of the FYAP is Annexed. Complete text of the FYAP can be accessed at www.common-fund.org under "About CFC".

Scope of Work

The consultant is expected to conduct:

- (i) an independent review of the relevance, performance and structure of the CFC in the present economic context in relation to international development goals and recommend future direction and other steps the CFC should take to improve its capacity to respond to the needs and requirements of its Members;
- (ii) a mid-term review of the implementation of the FYAP against the stated objectives and targets.

The Independent Review as indicated above is to be conducted with reference to the following:

- (i) Agreement Establishing the Common Fund, decisions and mandate accorded by the Governing Council from time to time;
- (ii) Background documents and the minutes of the meetings of the Executive Board/Governing Council on "The Future Role and Mandate of the Common Fund for Commodities and its Long-Term Financial Sustainability";
- (iii) Changing global economic environment and the current understanding of the impact of commodity dependence on Developing Countries and changes in the economic scenario and the evolving commodity development paradigm and their specific needs in the new context.

The Mid-term Review of the Five-Year Action Plan is to be undertaken with reference to the following:

- (i) Reports: FYAP, Manual for the Preparation and Management of projects to be Financed by the Common Fund for Commodities, Loans Policy,
- (2) Recommendations of the Consultative Committee on projects examined, Projects approved as documented by the Executive Board, Decisions by the Executive Board and Governing Council, Project progress reports, Mid-term, Terminal and ex-post Evaluation reports, Reports of annual meetings with International Commodity Bodies, and other related meetings.

Specific Task to be carried out

The reviews should cover and report on:

- (i) Relevance, Functioning and Future Direction of the Common Fund, and**
- (ii) Mid-Term Review of the Five-Year Action Plan.**

Under each of these two parts of the review, the tasks given below are to be carried out:

Relevance, Functioning and Future Direction of the Common Fund:

1. Evaluate the scope of the mandate of the organization in the context of (i) the current and emerging needs of the Developing Countries in relation to their commodity dependence, and (ii) the position of the CFC in the global development community.
2. Evaluate its achievements and identify constraints, if any, that impeded its work and suggest how these constraints could be addressed.
3. Review the organization of CFC especially with respect to efficiency and cost of operations, in comparison with other International organizations for the tasks performed keeping in view its governing structure, size and financing structure.
4. Make recommendations for targeting the interventions of the CFC specifically in the context of its relations with the International Commodity Bodies and the Regional Economic Communities.
5. Specify or determine financial and human resources and governing structure required to meet the suggested future goals and objectives.
6. Examine whether the CFC could be merged with another suitable International Organisation to improve the efficiency of the organisation and its capacity to deliver the expected goals, considering the financial and legal implications of such an action, and comparing it with maintaining the CFC as a stand alone organization.
7. Suggest measures regarding the future of the Organisation.

I. Mid-Term Review of the Five-Year Action Plan

I. Assessment of project design, implementation and impact:

- (i) Analyze the formulation process and design of projects approved during the FYAP period with regard to the FYAP objectives and criteria for project selection.
- (ii) Assess whether CFC financed projects are owned by beneficiaries and are locally demand driven.
- (iii) Analyze start up and implementation of all new projects since 2008 with particular regard to factors favourable or unfavourable to implementation.
- (iv) Assess the potential impact of the Projects on poverty reduction on the intended beneficiaries.
- (v) Assess the extent to which International Commodity Bodies (ICBs) have incorporated the objectives of FYAP in their commodity strategies.
- (vi) Review of mid-term and terminal evaluations of selected projects with emphasis on project impact and lessons learned and how these lessons are incorporated in the design and implementation of future projects.
- (vii) Assess the impact of the dissemination activities of the project results.

II. Assessment of other aspects of the FYAP:

- (i) Assess the effectiveness and impact of the advocacy role of the Fund.
- (ii) Assess the effectiveness of the Fund's collaboration with academia and institutions of excellence.

III. Overall Assessment of the Plan:

- (i) Identify and describe the results of the work undertaken by the Fund in relation to the stated objectives and targets of the Plan
- (ii) Examine to what extent CFC has appropriated itself new concepts of the Plan, such as the programme and value chain approach.
- (iii) Assess the extent to which objectives were met. Where objectives were not met determine whether this was a problem of implementation of the FYAP or design.
- (iv) Identify critical success factors for and obstacles to implementation.
- (v) Assess the extent to which the FYAP results could have been achieved more cost effectively through the same design and/or through a different design.

IV. Review of projects supported by contributions from the OPEC Fund.

The consultant is also expected to conduct a review of the projects supported by the OPEC Fund for International Development (OFID) with emphasis on the following:

- Pace of utilisation of Funds vis-à-vis the anticipated utilisation.
- Criteria used by CFC in deciding which projects to include for funding under the arrangement with OFID.
- Impact of these projects.

V. Conclusions and recommendations:

Elaboration of the best or most efficient delivery mechanisms (or institutional structure) to attain the stated objectives. Proposed adjustments and changes for the realisation of the targets of the FYAP.

Annex 2: Evaluation Framework – Mid-term Review of FYAP – CFC

Assessment DAC Criteria	Evaluation Key Questions	Sub-questions	Assessment criteria/indicator	Methods to assess questions
Relevance	Relevance of CFC programme and project activities to address specific development assistance needs of Commodity Dependent Developing Countries	<p>To what extent the activities of the projects are appropriate and relevant in meeting the overall objectives of CFC mandate and its FYAP targets?</p> <p>Whether the projects are consistent, and supporting national Government policies, including the poverty reduction agenda?</p> <p>To what extent CFCs Advocacy and Communication Strategy is being implemented?</p>	<p>Projects financed are locally driven – owned by beneficiaries</p> <p>Projects meet overall CFC objectives and contribute to poverty reduction</p> <p>Perception of stakeholders</p> <p>Events, workshops, publications and other activities undertaken related to advocacy and communication (see effectiveness section for specific indicators)</p>	<p>Document review</p> <ul style="list-style-type: none"> - project reports and monitoring data - FYAP documentation - Meeting reports etc <p>Portfolio analysis</p> <p>Site visits</p> <p>Interviews (CFC desk officers, RECs, ICBS, PEAs, PIAs)</p> <p>Executive Board consultation</p>

Assessment DAC Criteria	Evaluation Key Questions	Sub-questions	Assessment criteria/indicator	Methods to assess questions
Effectiveness	<p>How effective has been the implementation of the Third Five Year Action Plan so far: what is the likelihood that the activities will lead to outputs/results in line with the aims of the Fund?</p> <p>Are the projects addressing the key constraints (technological, market, etc) within the commodity?</p> <p>How the projects are being managed and implemented including the process of engagement with ICBs, PEAs, local stakeholders, and project implementation agencies (PIAs)</p> <p>What implementation problems are occurring?</p>	<p>Is the fund's support to finance commodity development project contributing to:</p> <ul style="list-style-type: none"> - improved competitiveness of producers, - sustainable operation of the commodity value chains, - increasing producers' share in end-product value <p>What progress has been made in international cooperation, exchange of experience and knowledge in commodity related development issues?</p> <p>. To what extent the Fund is progressing in raising the profile of commodity problematique, and specifically, concerns of commodity producers in the international development community?</p>	<p>Logical linkages between activities and objectives well established</p> <p>Approval and operationalisation of programmed projects:</p> <ul style="list-style-type: none"> - Average commitment rate of USD20mIn per year. - Disbursement rate of at least USD20mIn per year - 80% or projects launch no later than 12 months after approval. <ul style="list-style-type: none"> - Annual Consultation with ICBs - Regular communication with PEAs and ICBs in all active projects - Organisation of annual RTMs on commodity problems - Engagement with local stakeholders and PIAs <ul style="list-style-type: none"> - Publication of project results and other relevant info. on the Internet and via other appropriate means - Commissioning and 	<p>Portfolio analysis</p> <p>Stakeholder Interviews (CFC desk officers, RECs, ICBs, PEAs)</p> <p>Desk Review</p> <p>Financial statistics of the CFC</p> <p>Project documents and evaluation reports</p> <p>Reports of the Executive Board</p> <p>Reports of CFC meetings with ICBs and other organisations</p> <p>Availability of CFC sponsored publications</p>
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Assessment DAC Criteria	Evaluation Key Questions	Sub-questions	Assessment criteria/indicator	Methods to assess questions
Efficiency	How efficient the Fund has been to achieve its objectives in terms of availability of resources (i.e. technical and financial) at the time they are needed?	<p>How CFC has been tracking progress of projects/ activities?</p> <p>Has there been improvement in the approval & implementation of regular and fast track projects?</p> <p>Have projects and activities been completed on time?</p> <p>What criteria are used for projects under the arrangement of OPEC Fund, and pace of utilisation vis-à-vis anticipated utilisation?</p>	<p>Proper systems for project reporting implemented</p> <p>All projects have baseline indicators to provide the basis for comparison and impact evaluation.</p> <p>Reduced start-up delays Rate of approval Rate of disbursement</p> <p>More vigorous role of the Secretariat and ICBs in screening project proposals before submitting the proposals to Consultative Committees.</p> <p>An efficient way of dealing with Fast Track projects exist.</p> <p>Projects approved or selected with a measurable set of performance benchmarks and indicators (i.e. well established selection criteria, including for the OPEC funded projects)</p>	<p>Reports of the Consultative Committee</p> <p>Financial statistics of the CFC</p> <p>Project documents and evaluation reports</p> <p>Reports on the use of the PPF</p> <p>Reports of the meetings with ICBs</p> <p>% of reports of completed projects which can be accessed in the public domain</p> <p>Portfolio analysis</p> <p>Interviews (CFC desk officers, ICBs, PEAs)</p>
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Assessment DAC Criteria	Evaluation Key Questions	Sub-questions	Assessment criteria/indicator	Methods to assess questions
Operational Policies	<ul style="list-style-type: none"> - Commodity focus - Financing via grants and Loans - Catalytic role of the Fund - Programme Approach to project identification - Value Chain Approach to project assessment - Beneficiary focus and impact - Sustainable commodity production - Active role in project development using PPF - Project ownership - Information dissemination - Advocacy of commodity problems - Cooperation and partnership 	<ul style="list-style-type: none"> - Project approval process and procedures - CFC secretariat participation in project identification and formulation - The use of programme approach as well as the value chain approach - Project sizes - Level of cooperation and partnerships 	<ul style="list-style-type: none"> - Implementation of at least one project per programme priority area within the Plan period. - Average project size of USD2 ml for regular project, 100,000 for Fast Track projects. - Co-financing and or counterpart contributions ratio no less than 40% on average across portfolio - A measurable set of performance benchmarks and indicators for project approval. - Active participation of CFC Secretariat in project identification and formulation - All projects subjected to mid term review and final evaluation - Positive results of every completed project made accessible to the interested parties either by publication or by placing results in the public domain - Timely implementation of advocacy and information 	<ul style="list-style-type: none"> Reports of the Consultative Committee Financial statistics of the CFC Project documents and evaluation reports Reports on the use of the PPF Reports of the meetings with ICBS % of reports of completed projects which can be accessed in the public domain Portfolio analysis Interviews (CFC desk officers, ICBS, PEAs)
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Assessment DAC Criteria	Evaluation Key Questions	Sub-questions	Assessment criteria/indicator	Methods to assess questions
CFC targets for First and second Account operations		<p>First account operations²¹</p> <p>Second Account operations²²:</p>	<p>Required level of commitments (targets)</p> <p>Approval of 6 regular and 17 Fast Track projects, total financing of USD 13.7 mln</p> <p>Approval of 44 regular and 33 Fast Track projects, total financing of USD91.3 mln</p> <p>Communications programme value of USD 334,000</p> <p>Advocacy programme value of USD 665,000</p> <p>Administrative budget maintained at zero real growth</p>	CFC financial reports

²¹ . These are related to : i) price and supply risk management schemes, ii) market structures, iii) marketing chain

²² . These are related to: i) market access, ii) expand processing, iii) improve competitiveness, iv) disseminate improved techniques, v) broaden range of exportable commodities

Assessment DAC Criteria	Evaluation Key Questions	Sub-questions	Assessment criteria/indicator	Methods to assess questions
Impact & Sustainability	Are the Programme and the projects financed by CFC likely to have an impact beyond the intervention: <ul style="list-style-type: none"> a. on the commodity b. its markets c. wider socio economic sphere 	Does CFC support act as a catalyst in initiating a stream of activities resulting from workshops/conferences? How well has CFC leveraged the funding of projects through support from cost sharing by project beneficiaries and other development partners?	Potential impact of the projects on the intended beneficiaries Type of activities initiated etc. Number of projects with cost sharing Co-financing level	Evaluation reports of a sample of projects CFC financial reports Site visits (case studies)
Lesson learning and replication	To what extent lessons learned are being used within the same projects as well as beyond the intervention	Do the interventions have strong elements of replication for other countries, commodities, markets? To what extent the projects' results have been disseminated and replicated to different markets (countries and commodities)? Has CFC developed a culture of lesson learning across its projects and how?	Demonstration of disseminating good practice through centres of excellence, symposiums, workshops etc. Project proposals incorporate dissemination and replication elements Lesson sharing events/symposiums are organised	Evaluation reports of a sample of projects Project proposals Portfolio analysis Site visits (case studies)

Annex 3: Portfolio Analysis Results

This annex sets out the findings of the portfolio analysis, the key points of which are highlighted in the main report, see especially chapter 5.2.

Objectives of the FYAP Addressed by Regular Projects

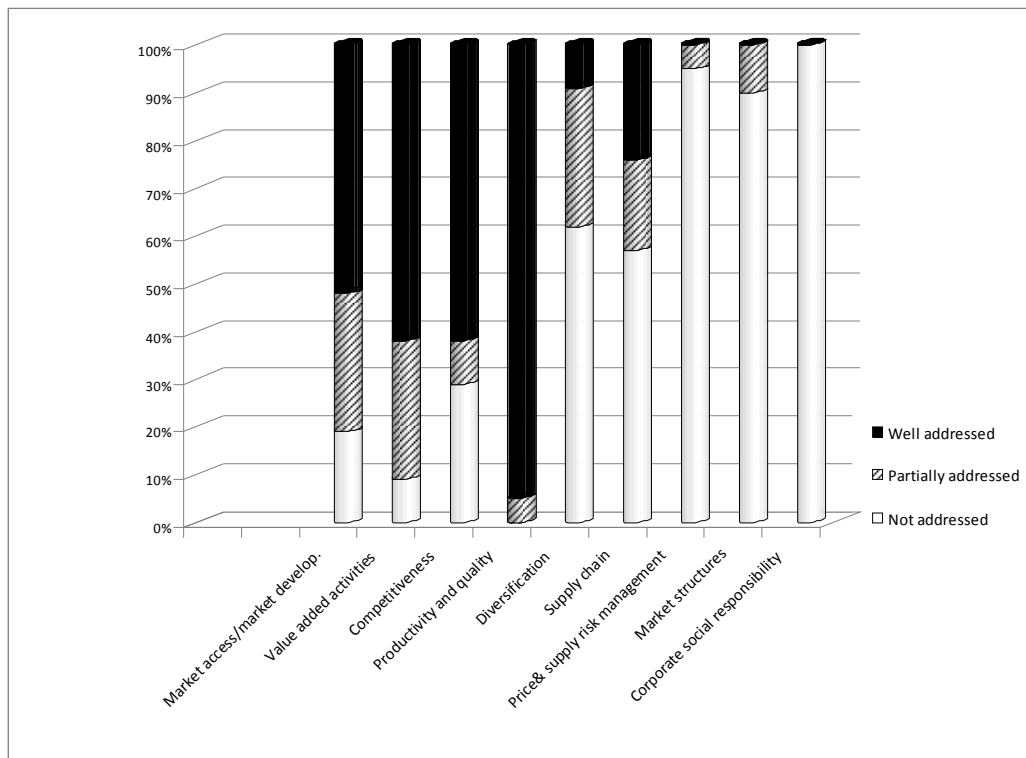
Many of the projects reviewed contribute directly or indirectly to poverty alleviation; however in the absence of clear indicators, the extent to which the CFC would be able to measure the achievement of this objective is constrained.

The projects reviewed demonstrated clearly that they address one or more of the specific objectives of the FYAP, and all the objectives on the exception of 'corporate responsibility' have been addressed with varying degrees. It is worth noting there is an overlap between the various objectives (figure 1): for example '*competitiveness objective*' is related to the objective on '*improvement in quality of the product and productivity*'. Also projects address generally various objectives at the same time, although there may be a focus on one or two objectives.

While some objectives are categorised by the CFC under the 1st Account, others fall under the 2nd Account. This categorisation seems quite arbitrary although there may have been some logic to this when the Fund was established. Introducing price and supply risk management schemes, improving marketing chain and market structures in commodities are categorised under the 1st Account. However, some regular projects funded from the 2nd Account may as well address some of these objectives, although it may not always be explicit. For example, almost a quarter (24%) of the regular projects appraised, address well (marketing) supply chain objectives in addition to other objectives.

Figure 1 shows almost all projects (95%) address productivity and/or product quality improvement objective, (this is the most frequently addressed objective) followed by value added activities, competitiveness/enhancing cost effectiveness, and market access. Within the latter objective, there are two projects which have also considered creating or expanding 'demand'. While vertical diversification through expanding processing has been addressed extensively (presented within the value added activities objective), horizontal diversification objective (which involves diversifying in new crops or activities, presented as 'Diversification' on the above graph) has not been sufficiently addressed.

Figure 1: Objectives Addressed by Regular Projects



Comparing the trends between FYAP 2003-07 and the current FYAP in terms of the most frequent objective addressed, there are similarities with the objective of productivity and product quality being the most frequently addressed objective. The net difference between the two FYAPs is related to 'market access objective'. There are considerably more projects which are addressing this objective in the current FYAP (52%) against the previous plan (around 15%). It may be concluded that although the major focus of the projects remains productivity and product quality, improvement to access markets and development of markets as an explicit objective has picked up during the current plan. There are therefore more linkages between production and marketing, and the value chain perspective is more enhanced with CFC funded projects than in the past (as also demonstrated in figure 4).

Features of the FYAP addressed by projects

The features required for the projects to include in their design are generally quite complex and numerous. While the projects are more explicit on some of the features, they are not always explicit on those features which are considered key under the FYAP.

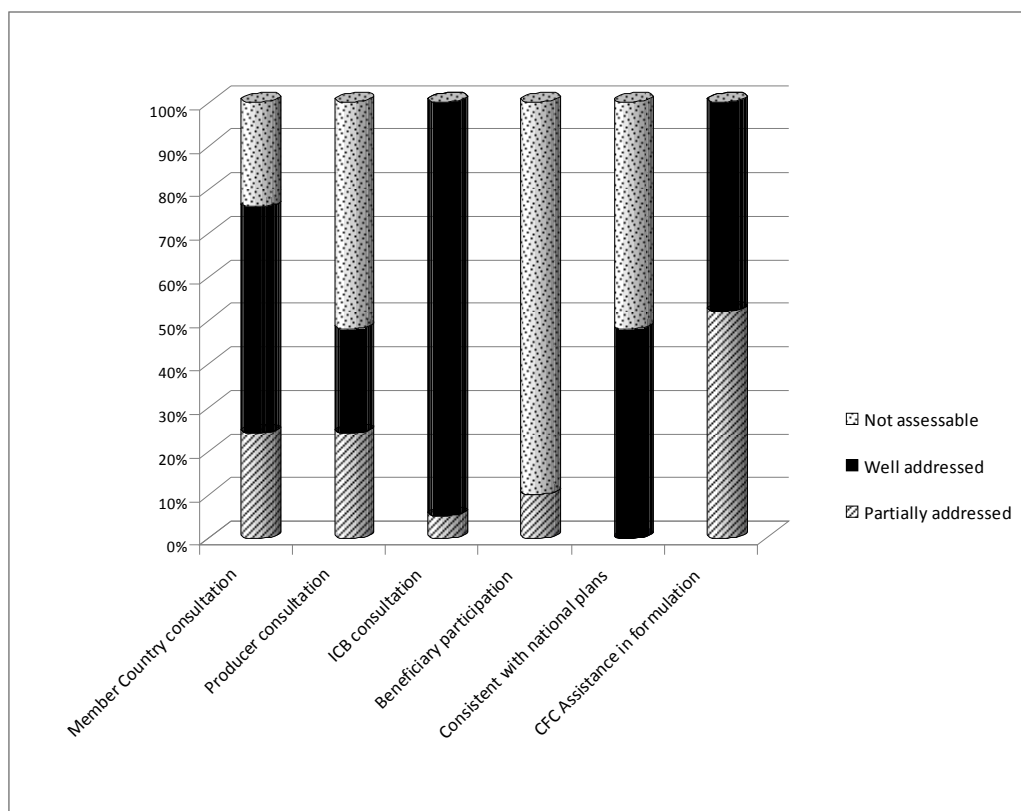
Stakeholders' participation in project development:

See figure 2. Most of the project appraisals reviewed were not explicitly clear on stakeholder participation. For example, producer, beneficiary and country consultation as well as consistency of a project with national plans were not being explicitly addressed in most project documents. It has therefore been difficult to

establish clearly on stakeholders' participation in project development on the basis of the documents presented. In the absence of clear information, assumptions have been made in this analysis, such as Governments' contribution in kind or cash to an intervention as being a proxy indicator for a project to be considered as consistent to national plans or development targets of a given country. Similar assumptions have also been made with regards to 'country member consultation'. However, it is considered as partially achieving the requirement, as this issue was not explicit in the project documentation²³.

In principle the ICBs have to ensure that projects are designed consistent with national policies and plans, as they have generally the experience and knowledge of commodities in the countries and regions concerned. So, it is assumed that the projects designed relate or fit with national policies and interests. In addition, one would assume that the Consultative Committee has taken into consideration this aspect during the appraisal stage, given that 'fit with national policies' being not only one of the features required, but also one of the criteria for the prioritisation of the approved projects for funding. However, this has to be made more explicit in project design and project appraisal documents.

Figure 2: Participation in Project Preparation



²³ It is worth noting that in the Tanzanian case where interviews were held with stakeholders and beneficiaries during the Round Table and individual meetings, the projects are demand driven from stakeholders. However, this cannot be extrapolated to other projects regionally and globally.

One of the criteria under the operational policies of the current CFC plan is project ownership by beneficiaries. Participation or consultation during the design process is a first step of ownership. However, it was difficult to ascertain the level of participation or consultation of producers and other beneficiaries of the projects, as there was insufficient information in the project documents. This should be addressed during the design for greater clarity in the future, on how the project is conceived and the level of involvement of the key beneficiaries.

Active role of the CFC in project development is another criterion under the operational policies of the CFC. There has been clear improvement in this area. The CFCs technical assistance in the formulation and development of a project has increased considerably in this current FYAP compared to the previous plan: 58% against 35% of projects respectively received full support from the CFC. The parameters used here for full support is if there is greater CFC engagement through using the PPF and/or extensive comments from the CC and/or the secretariat including using PAC screening during the project design phase.

With regards to the ICBs consultation, this does exist in principle as project proposals are submitted by them, it is assumed there is sufficient consultation and involvement. However, the key question which needs to be asked is the extent to which they are involved during the process of project preparation and design. It is difficult to answer this based on the project documents. However, the interviews undertaken with the CFC staff and the case studies reveal that this is dependent on various factors.

Project Targets:

According to the FYAP, *"The Agreement Establishing the Common Fund for Commodities stipulates that due emphasis shall be given to the Least Developed Countries (LDCs) and to small producers-exporters and to the commodities of interest to these groups"*²⁴. The analysis undertaken confirms the commitment made by the FYAP. As demonstrated in figure 3 (on the distribution of projects according to target beneficiaries), while 24% of projects are implemented only in Least Developing Countries (LDCs), there are another 28% implemented in LDCs as well as in Other Developing Countries (ODCs), and 38% are implemented only in ODCs, focusing on small producers-exporters.

It has to be noted that there are more projects implemented in ODCs than in LDCs during the current FYAP (2008-2009). However, the percentage of smallholder farmers targeted in general (in LDC as well as in ODC countries) is quite high (81%) against (33%) for the Small and Medium Enterprises (SME). The focus of beneficiary target for CFCs funded projects remains therefore smallholder producers-exporters, and this has implications and challenges.

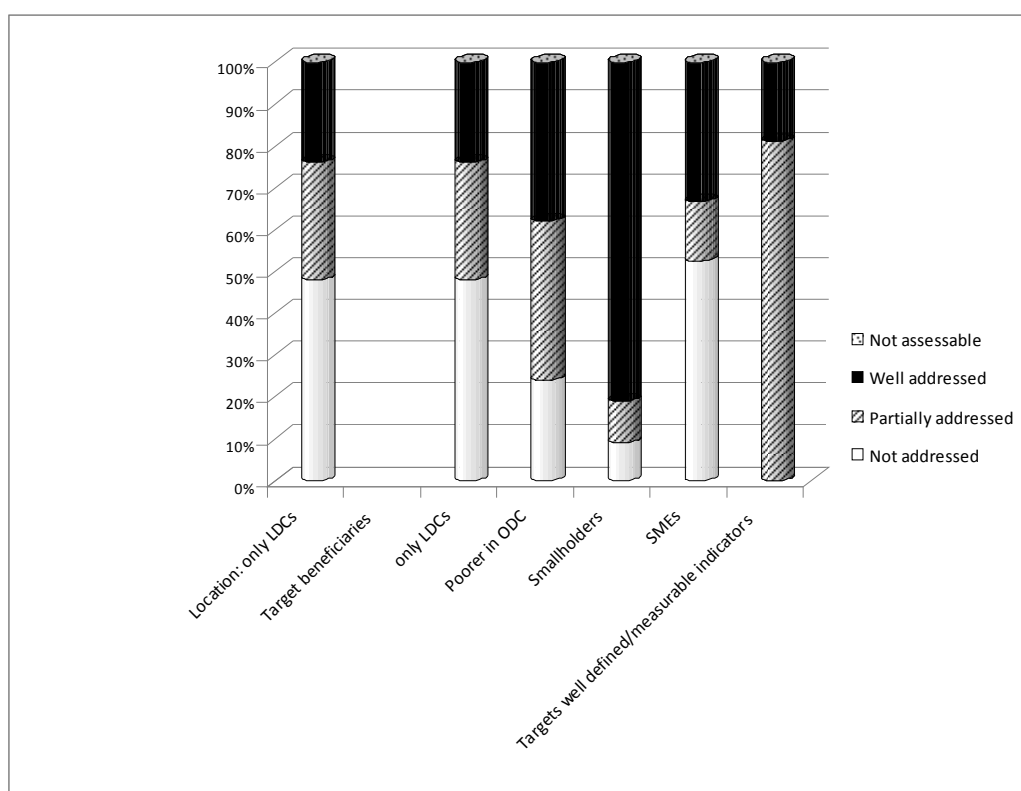
The projects are expected to have measurable targets in the design which will help monitor progress on achievement of results. All projects are required to submit a logical framework which should contain measurable quantitative and qualitative indicators. All projects have presented logical framework, but only 19% of the projects presented a strong and coherent logical framework and have properly

²⁴ The Third Five Year Action Plan (FYAP) 2008 to 2012, as recommended by the Executive Board; 22 October 2007 (CFC/GC/19/3).

fulfilled this requirement (a slight improvement compared to the last FYAP which recorded 15%). Further improvements are required in this area in order to ensure projects have clear objectives, targets and indicators, and that the logical linkages between various elements are well established. More support is necessary using PPF or other existing mechanisms within the CFC to strengthen project design, as this is a crucial phase.

The current FYAP requires that all projects have baseline indicators to provide the basis for comparison and impact evaluation, but only one project has explicitly mentioned this. It is believed that the ICBs have production and marketing data on respective commodities in the countries in which the project is being implemented. However, there is no indication from the documentation reviewed whether this information will be provided or will be used by the projects and will serve as a baseline, or whether projects are required to have additional specific baseline data.

Figure 3: Project Targets



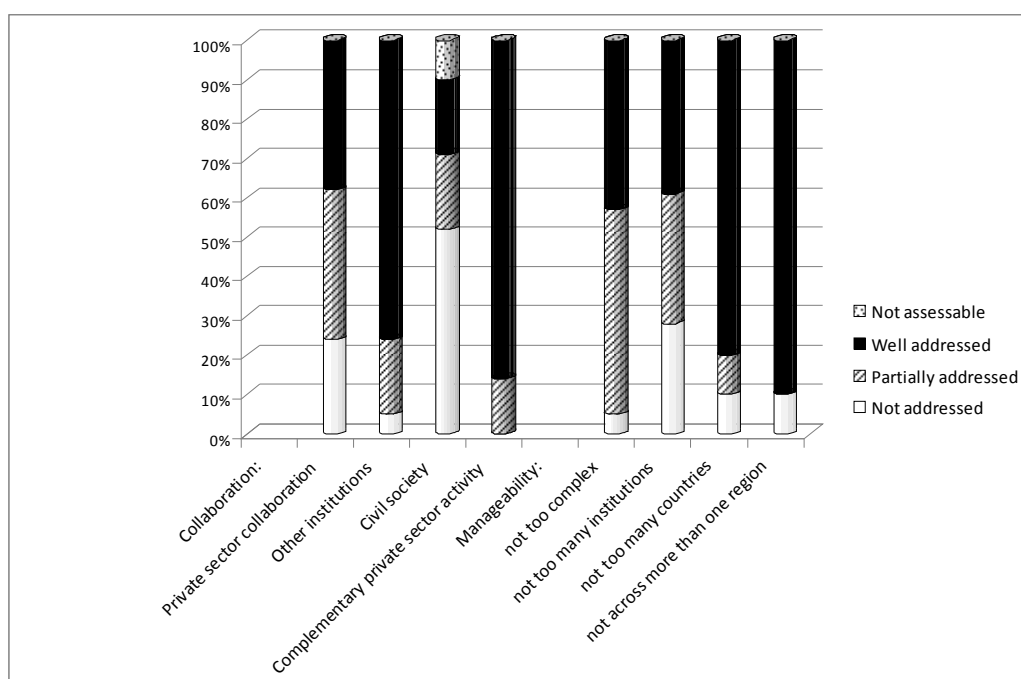
Collaboration and Manageability:

The requirement with regards to ‘collaboration with key stakeholders’ in project design somewhat mixed as illustrated in figure 4. While collaborations between the project and various institutions, generally research institutions or parastatal agencies are high (76%), collaboration with the private sector remains adequate (38%). It is particularly engagement with civil society which remains low (19%), although there has been a net improvement in recent years compared to the previous plan. The recent trend to work with NGOs, as implementing partners (PIAs) of a few projects (e.g. FIGOOF/27 Sesame Production & Processing Project), needs to be encouraged,

in particular given the challenges and the limitations in working with government institutions. According to one senior CFC staff; NGOs, such as Oxfam and LWF have started to work on value chain issues and are keener to work with the private sector. Therefore, there is greater scope for collaboration with these types of institutions in the future.

Overall the manageability requirement is being addressed, with the exception of a few projects (5%) which seem too complex in terms of the number of countries and the partners involved. However the “complexity” criterion alone may not make a project less manageable. There are other factors which come into play, i.e. the experience of the executing agency, the supervisory body, the local context, the smallholders’ abilities/skills, and the interaction or linkages between producers and traders/processors etc.

Figure 4: Collaboration & Manageability



Other project design features:

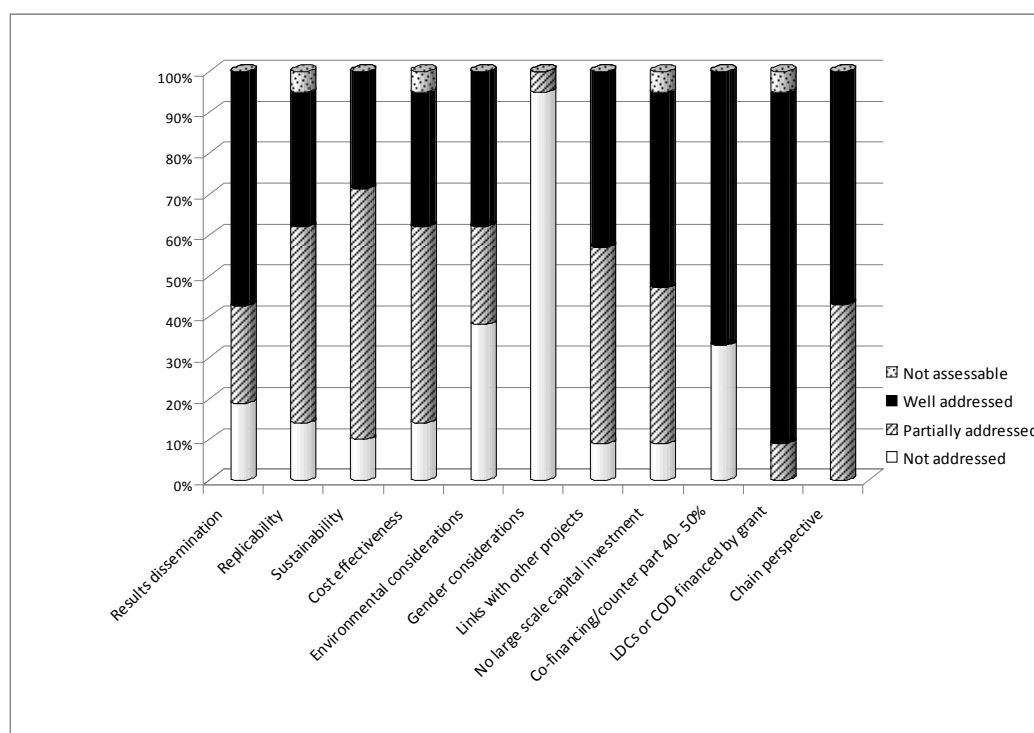
Other design requirements, such as sustainability, replicability, dissemination, gender etc., are also taken into consideration in the FYAP (figure 5). Disseminating results of the projects is one of the major aspects in the current FYAP, and this seems to have been well considered in the design; many project proposals (58%) have clearly demonstrated how they will disseminate and share results and only 19% of projects did not demonstrate explicitly whether they will disseminate results or not.

This is unsurprising, as every project is expected to disseminate the results of their evaluation. Once evaluations are undertaken, dissemination workshops are generally organised to share lessons with various stakeholders. However, it is unclear to what extent evaluations are encouraged; as not many evaluations seem to have taken place, and the CFC seems to be keener in mid-term evaluations than end of project

evaluations. Moreover, whether dissemination is happening in a focused manner versus general dissemination is difficult to establish from the documentation reviewed.

Some projects have dissemination as one of their objectives. For example, in one of the case studies selected for this review, dissemination has been one of the results planned during the pilot Cassava project; and “dissemination of project outputs or results” for the first phase of the intervention scored 90% by the evaluation team²⁵ (see Annex 6: Case Study 2 on the Cassava project for more detail).

Figure 5: Other Design Features



In most cases, replicability, cost effectiveness and to some extent environmental considerations have only partially been taken into account in the design. Sustainability is also addressed only partially in the design of projects. In most projects, there is not a clear strategy of how a project’s activities or outcomes would be sustained once the pilot interventions supported by the CFC are completed; sustainability is not built into the design. How the PIAs or other institutions will be in a position to continue supporting the smallholder farmers and processors and other beneficiaries, and up-scale the intervention for greater impact remains generally unclear. In a few cases (10%), the design properly integrates the sustainability dimension. However, in most cases there is mention of it without sufficient arguments to corroborate how it will be achieved.

²⁵ Terminal Evaluation of the CFC/FAO/IITA project: “Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Eastern Africa”, Phase I (CFC/FIGG/12), Acc Business Creation BV; S-Hertogenbosch, May 2007.

The nature of CFC funded projects, which are generally pilot interventions, makes sustainability critical, hence the importance of a clear exit strategy from the CFC being built into the project design. This is one of the weakest areas in CFC funded projects, and needs to be highlighted. Unless projects have possibilities for scaling up and becoming sustainable, the likelihood of generating meaningful impact seems uncertain.

Gender considerations have not been addressed at all and only one project mentioned this aspect without further development of how this will be dealt with. Although many of the producers and/or processors for some commodities are mainly women (e.g. cassava, jute), there is a complete lack of gender dimension in project documentation.

The analysis reveals that all projects have taken account of the value chain perspective in their design, and more than half have clearly integrated it well. This is clearly an achievement, as in the past the CFC has funded more research projects and the chain perspective has not always been highlighted. The CFCs value chain approach has been well praised by the stakeholders interviewed during the visit in Tanzania.

On the question of how well the CFC has leveraged the funding of projects through support from cost sharing by project beneficiaries and other development partners, the portfolio analysis reveals some important findings. The ceiling for co-financing and/or counterpart contribution was set at 50% or more. There is clearly more co-financing and counterpart funds: the majority of projects (67%) have co-financing and/or counterpart contribution between 40-50%. This has been one of the current FYAP objectives, and so far this is being achieved. There is an increase from the last FYAP in which only 40% of projects had contributions.

As seen in figure 5, the overwhelming number of projects are financed by grants. Only 3 out of 21 projects have a loan component (among projects approved in 2008-2009). However, from the analysis made on the loan disbursement in chapter 4 (figure 3), loan disbursement has increased during the current FYAP (i.e. 39% of the total loans disbursed since 1998 has occurred during the current FYAP, and constitute nearly 10% of the total funds disbursed including grants and loans for the current FYAP). The streamlining of the loan policy could be the reason for the greater disbursal rate of loans. However, according to the interviews held with the CFC staff, it does appear that the loan component has not been as effective as it should be.

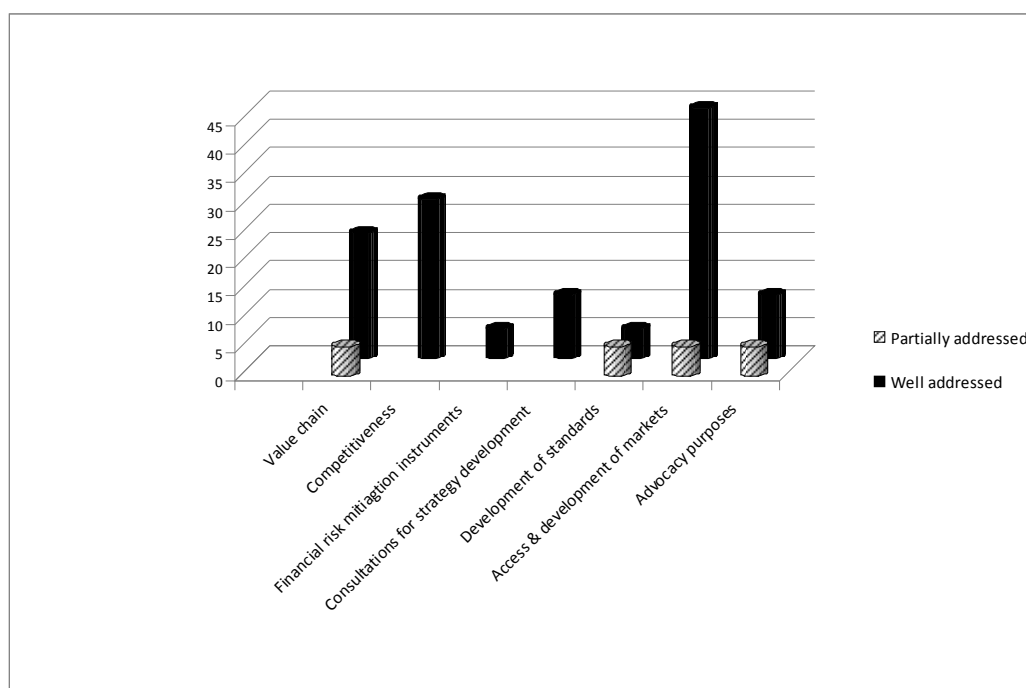
Fast Track Projects

As with the regular projects, this analysis is also based on the design of the project proposals. Under the current FYAP, 18 Fast Track Projects (FTPs) have been approved so far: 11 in 2008, 5 in 2009, and 2 in early 2010. Currently, there are several FTPs on the pipeline seeking comments from the Consultative Committee. Of the 18 Fast Track project documents reviewed, 51% of them are about workshops, symposiums, forums and meetings, 33% are about studies, 11% pilot interventions, and 5 % events.

Objectives Addressed by Fast Track Projects:

Fast track projects are generally meant to disseminate and share knowledge and lessons learnt about commodities and/or are complementary to the work the partner institutions undertake with regular projects. Moreover, some are used by the CFC and ICBs for the promotion of their activities, i.e. for advocacy or awareness raising on commodity issues. About 67% of fast track projects reviewed have links with other projects - either CFC or others and are complementary. In one case, it is about a study which will feed directly into the regular project which has been recently approved (FIGOOF/27).

Figure 6: Broad Objectives identified from the Fast Track projects



Broad objectives have been identified from the FTP appraisal documents reviewed as illustrated in figure 6, and these objectives tie with the specific objectives of the FYAP that projects are required to address. 'Market access/development of markets objective' is the most popular objective addressed by the fast track projects. This could be in the form of a feasibility study or workshops/symposium organised to examine problems/opportunities of market access.

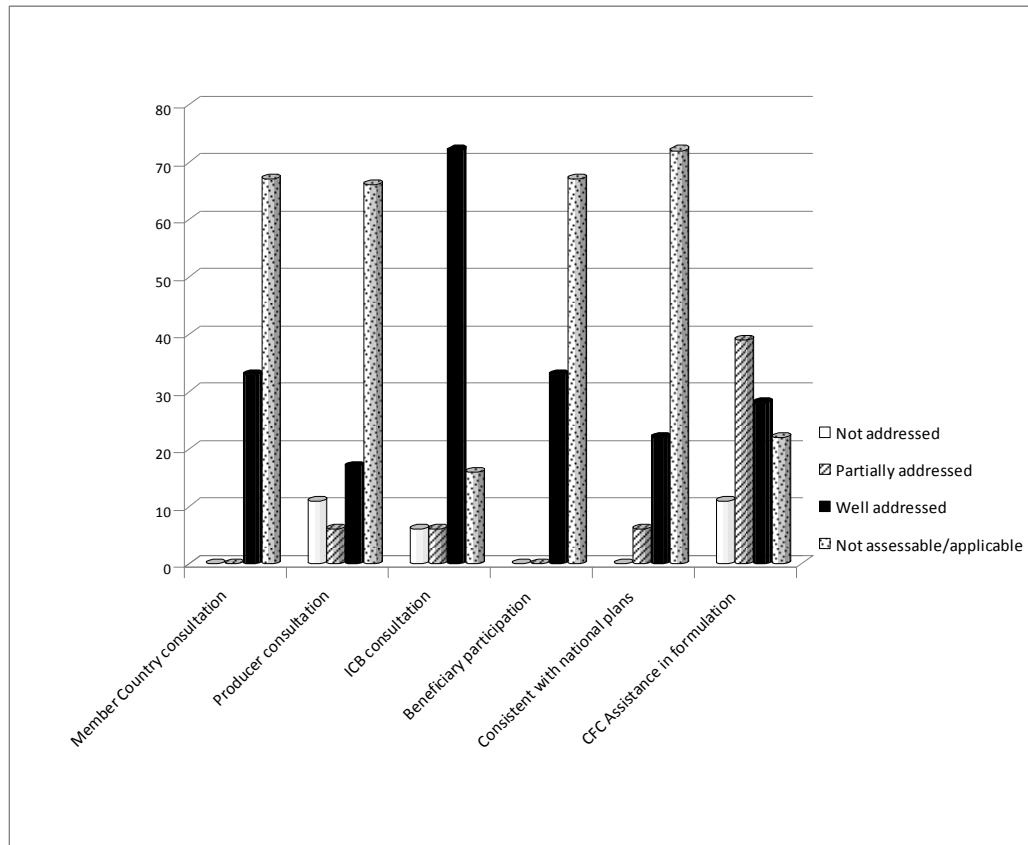
It has to be noted there is an overlap on the objectives identified, although some projects may focus on a particular objective. For example, the study on micro finance in the cotton sector in Mozambique will focus on evaluating the feasibility of financial risk mitigation instruments in order to reduce the vulnerability of traditional agricultural commodity households to the weather risk and volatility of commodity prices. Although this is its main objective, other objectives, such as value addition, access to markets are also being addressed.

Other Design Features for Fast Track Projects:

As with regular projects, several features are required for Fast Track projects. With regards to stakeholder consultation, ICBs consultation is generally high (figure 7)

during the design as they are the ones which generally initiate and submit the project document. Moreover, their engagement in FTPs particularly those that are related to organising symposiums, workshops and undertaking studies seems to be greater than with regular projects. This may be due to their natural role; they generally undertake studies and would therefore engage more easily in organising meetings, workshops and symposiums to share findings and lessons learned on a particular commodity.

Figure 7: Consultation of stakeholders

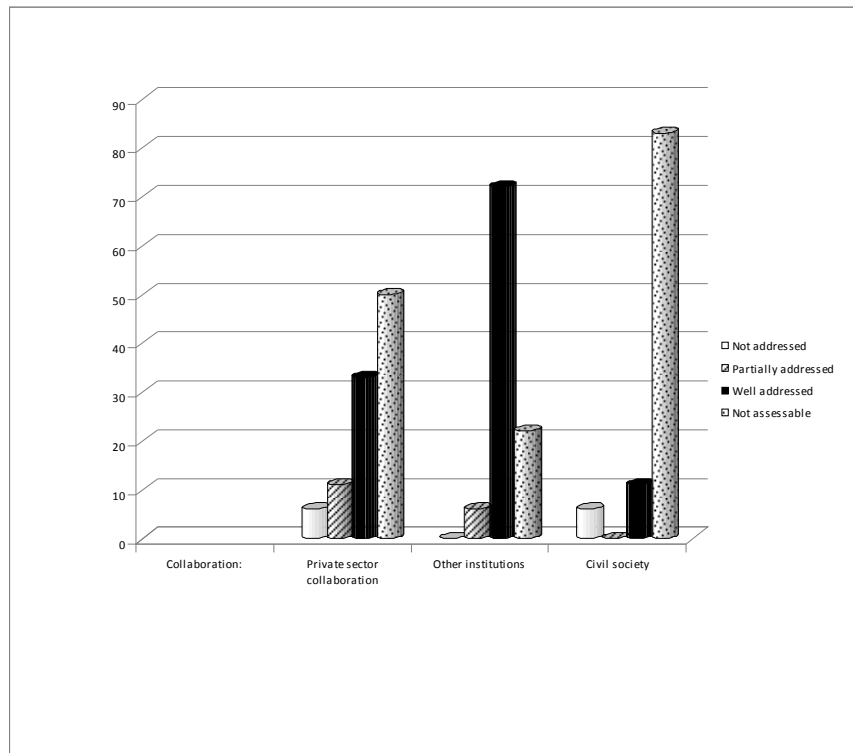


Member country consultation seems also to be significant considering that FTPs are more about workshops and studies. A few projects seem to have been initiated by member countries (e.g. LZSG/18/FT on establishing used lead acid battery collection and recycling, and ICAC/42/FT a collaborative initiative between the ACP and EU as a continuation of the first workshop on the cotton sector).

The CFC secretariat involvement seems to vary from project to project. However overall, there is a low level of input provided for FTPs does seem little (looking at project documents), as these do not require a PPF. Nevertheless, it is reported by the CFC Senior staff that the Consultative Committee discusses these project proposals more than the regular projects and provides comments and recommendations for approval by the Managing Director.

As seen in Figure 11, almost the same pattern is observed with regards to collaboration between FTPs and other stakeholders as is the case with regular projects. Collaboration with the private sector is adequate (33%) in the design. Collaboration is highest with other institutions (72%), while engagement with civil society lags behind.

Figure 11: Collaboration with stakeholders



Most of the fast track projects have been completed or concluded as they are generally for short periods (from workshops of 2 days to pilot interventions of 1 or 2 years). However, there is a gap in documenting the results or outcomes of these projects. It is crucial that assessment of their implementation, what has been achieved, and the challenges encountered be well documented. The CFC has in the past published articles and reports that may have been the results of some fast track activities. To what extent the results have been collated and disseminated and used for advocacy purposes, and what their effects have been, needs to be documented and assessed, as many of them look interesting projects.

Individual fast projects: review sheet FYAP08-12

	Fast track projects numbers														Frequency of								
	LZS01/FT	IC04/FT	IC000/FT	FI04/FT	FI03/FT	ZI01/FT	ZI02/FT	NI04/FT	IC000/FT	FI04/FT	FI03/FT	LZS01/FT	IC04/FT	ZI01/FT	FI04/FT	ZI02/FT	FI03/FT	1	2	3	4	9	
OBJECTIVES																							
Expand processing & move producers up the value chain	1	3	3			2				3		3						0	1	1	4	9	0
Improve competitiveness & enhance cost effectiveness	3	3	3												3		3	0	0	0	5	0	0
Introduce financial risk mitigation instruments																		0	0	0	1	0	0
Consultations for strategy development															3	3		0	0	2	0	0	0
Development of standards												3	2					0	1	1	0	0	0
Improve access to markets & market development	3	3	3				2	3	2	3	3							0	1	8	0	0	0
Advocacy purposes														3				0	1	2	0	0	0
CHARACTERISTICS/FEATURES																							
Project Preparation Processes																							
Member Country consultation	9	3	9	9	9	9	3	9	9	3	9	3	3	9	9	9	9	0	0	6	12		
Producer consultation	9	1	1	9							2	3	3	3	3			2	1	3	2		
ICB consultation	3	3	3	3	3		1	3		3	3	3	3	3	2	3	3	1	1	13	0		
Beneficiary participation on project development	9	3	9	9			3				3	3	3	3	3	3		0	0	6	3		
Consistent with national plans / development targets	9	3	9	9							3	3	3	3	2	2		0	1	4	3		
CFC Assistance in formulation	1	2	9	9	1		2	3		2	3	3	3	2	2	3	2	2	7	5	2		
Project Design																							
Target location																		0	0	0	0		
- Least Developed Countries (LDCs)	3	3	3	9	9	2	1	1		1	2	3	3	3		1	3	4	2	7	2		
Target beneficiaries																		0	0	0	0		
- Least Developed Countries (LDCs)	3	2	2			2	1				3		3		3	3		1	3	5	0		
- Poorer strata in other developing countries	1	2	2			2												1	3	0	0		
- Smallholders	1	3	3			2	2				3		3		3	3		1	2	6	0		
- SMEs	1	1	2			9	2											2	2	0	1		
- public	3	1	1			9				2		3						2	1	2	1		
- policy makers						3					2		3	3				0	1	4	0		
Project targets well defined and expected outcomes and impact clearly set out with measurable indicators	9	9	9	9	9	9	9	9	9	3	9	9	3	2	9	9	2	3	3	3	12		
Private sector collaboration	3	1	3	9	9	9	9	9	9	3	2	9	3	9	9	3	2	3	1	2	6	9	
Collaboration with other institutions	3	9	3	9	9	3	2	3	3	3	3	3	3	3	3	3	3	0	1	13	4		
Collaboration with civil society	1	9	3	9	9	9	9	9	9	9	9	9	9	9	9	9	3	1	0	2	15		
Complementary private sector activity - not duplicating, not crowding out other activity	3	3	3	9	9	9	9	9	3	3	9	9	3	3	9	9	3	0	0	10	8		
Manageability																		0	0	0	0		
- not too complex	2	3	3	9	9	9	9	9	9	3	9	9	3	3	9	9	3	0	1	8	9		
- not too many institutions involved	3	3	3	9	9	9	9	9	9	3	9	9	3	3	9	9	3	0	0	9	9		
- not too many countries	3	3	3	9	9	9	9	9	9	9	9	3	3	3	9	9	3	0	0	8	10		
- across more than one region or continent	3	3	3	9	9	9	9	9	9	9	9	3	3	3	9	9	3	0	0	8	10		
Chain perspective employed in design	2	3	3	9	9	9	9	9	9	2	9	3	9	3	9	9	3	0	2	6	10		
Co-financing percentage 50% or more	3	3	1	3	1	1	3	1	3	1	1	1	3	3	1	1	3	10	0	8	0		
LDCs, or poorer strata in other developing countries, financed by grant	3	3	3	3	3	3	3	3	3	3	3	3	3	3	9	9	3	0	0	16	2		
Links with other projects - either CFC or others that shows a logical progression/complementarities	1	3	3			3	3	1	3	3	3	3	1	3	3	3	3	3	0	12	0		
Replicability considered in the design	2	9	9	9	9	9	9	9	9	9	9	3	9	9	9	3	9	0	1	2	15		
Sustainability considered in the design	2	9	9	9	9	9	9	9	9	2	9	2	9	9	9	9	9	0	4	0	14		
Dissemination of project results included in the design	3	3	3										3	3				0	0	5	0		
Environmental considerations	3												3					0	0	2	0		
Project implementation																							
Implementation matching the objectives																							
Good progress against work-plan																							
Continuous monitoring against targets																							
Regular ICB reports																							
No undue delays																							
Manageability is proven in practice																							
IMMEDIATE RESULTS																							
Have objectives been met																							
1 = not addressed																							
2 = partially addressed																							
3 = well addressed																							
9 = not able to assess																							

Annex 4: Performance Assessment of the FYAP based on the Logframe

Goal	Indicators	Comments on Progress of indicators	Remarks on indicators
To fulfil the expectations of the Member Countries in directing the Fund to address the specific development assistance needs of Commodity Dependent Developing Countries	<ul style="list-style-type: none"> - Progress in the approval and implementation of Regular and Fast Track Projects - Implementation of Advocacy and Communication Strategy - Baseline indicators should be established for all projects to provide the basis for comparison and impact evaluation 	<p>There is real progress as the process has been streamlined</p> <p>There is no clear advocacy or communication strategy</p> <p>Baseline has been undertaken only on one project – low achievement</p>	<p>This should have been an indicator of outputs or efficiency and not the goal</p> <p>This should also have been an indicator of outputs or efficiency and not the goal</p>
Specific objectives	Indicators	Comments on Progress of indicators	Remarks on indicators
<p>1.To finance commodity development projects within the agreed priority areas:</p> <ul style="list-style-type: none"> - improving competitiveness of commodity producers; - supporting sustainable operation of the commodity value chains; - addressing vulnerability of export commodity producers and increasing their share in end-product value <p>2. To promote international cooperation, exchange of experience and knowledge sharing</p>	<p>Approval and operationalisation of programmed projects. Average commitment rate of USD20mln per year</p> <p>Disbursement rate of at least USD20mln per year</p> <p>Reduced start-up delays: 80% of projects launch no later than 12 months after approval</p> <p>Annual consultation with ICBs. Regular communication with PEAs in all active projects. Organisation of RTMs on commodity problems</p> <p>Performance Evaluation at Mid Term and at completion of Plan</p>	<p>Commitment rate during the years 2008, 2009 have been USD 14.5 mln and 22.6 mln respectively – slightly under achieved in 2008, but passed the target in 2009.</p> <p>Disbursal rate during years 2008, and 2009 has been USD 15.6mln and 18.7 mln – slightly under achieved</p> <p>There is generally reduced start up delays – on average about 11 months. However, by the time of this review only 4 projects (out of 21 approved in years 2008 and 2009) have been launched – partially achieved</p> <p>There is regular communication, and also annual consultations are being held with ICBs. It is unclear how often RTMs are being organised.</p> <p>This review is a mid term performance evaluation – target achieved.</p>	<p>It has to be noted that the disbursal rate for year 2008 was higher than the commitment.</p> <p>There is a lot of scope for improvement to launch projects no later than 12 months after approval</p> <p>The indicator established is broad and not SMART. It looks like an activity rather than an indicator</p> <p>It is unclear to which specific objective this indicator refers to although it is relevant</p>

<p>in commodity related development issues</p> <p>3. To raise the profile of commodity problematique and, specifically, concerns of commodity producers in the international development community</p>	<p>Publication of project results and other relevant information on the Internet and via other appropriate means</p> <p>Commissioning and publication of at least one expert study per year on fundamental commodity issues.</p> <p>Publication of information about the work of the CFC in the international press</p>	<p>During this current FYAP, one publication on bio-fuels in cooperation with IIED has been accomplished. There have also been articles in an Italian press on the work of the CFC. These publications seem minimal- not achieved</p>	<p>These indicators are not specific enough. There have not been clear targets in terms of number of publication</p> <p>The CFC has not been pro-active in raising the profile of commodity issues – more needs to be done in this area</p>
<p>Operational policies</p> <ul style="list-style-type: none"> - Commodity focus - Financing via Grants and Loans - Catalytic role of the Fund - Programme Approach to project assessment - Collaboration with commodity chain stakeholders - Beneficiary focus and impact - Sustainable commodity production - Active role in project development using PPF - Project ownership - Operational efficiency, objective project monitoring and evaluation - Information dissemination - Advocacy of commodity problems - Cooperation and partnership 	<p>Indicators</p> <p>Implementation of at least one project per programme priority areas within the Plan period</p> <p>Average project size of USD2 mln for regular projects, 100,000 for Fast Track projects</p> <p>Co-financing and/or counterpart contributions ratio no less than 40% on average across portfolio</p> <p>Projects approved with a measurable set of performance benchmarks and indicators</p> <p>CFC Secretariat actively participating in project identification and formulation</p>	<p>Comments on Progress of indicators</p> <p>There are so many programme areas, and they look more like project ideas</p> <p>CFC contribution: USD 1.8 mln on average for regular project, and 99,500 for a Fast track project – target almost fully achieved</p> <p>This is being achieved – 67% of projects have between 40-50% contributions from these sources</p> <p>Only 19% of regular projects presented strong and coherent logical framework – partially achieved</p> <p>This seems to happen more and more. More than half of the projects (58%) received active support from the CFC Secretariat – well achieved.</p>	<p>Remarks on indicators</p> <p>There is no clear definition of 'programme' at CFC, as this relates rather to the broad areas of work of the ICBs. More clarity is required to define 'Programme'. This indicator does not look relevant</p> <p>If the total cost of project considered average size is USD 3.1 mln for regular and 188,000 for Fast Track</p> <p>More needs to be done in this area to improve design</p> <p>The criteria used here is slightly arbitrary – use of PPF in project design, extensive comments of Consultative Committee and PAC (internal screening</p>

	<p>All projects subjected to mid-term review and final evaluation.</p> <p>Positive results of every completed project made accessible to the interested parties either by publication or by placing results in the public domain</p> <p>Timely implementation of the advocacy and information dissemination programme</p>	<p>All projects undertake mid term review; however not all projects carry final evaluation – partially achieved</p> <p>This seems to be dependent from project to project. There are some which share their results with others even beyond continents, the CFC serving as a facilitator in exchange of experiences and knowledge. However, this does not seem to be systematised within the organisation – partially achieved.</p> <p>There is not a clear programme of advocacy and dissemination. Work seems to have been done on ad hoc basis. Not achieved.</p>	<p>committee) during project design. The criteria could be refined.</p> <p>It is not clear the criteria for the selection of projects which should be evaluated, and why all projects do not carry final evaluation.</p> <p>The indicator is too broad, and should be made more specific. There is also a need for a systematised way of information and knowledge sharing – the need for knowledge management in the organisation is critical</p> <p>As pointed earlier, the need for clear engagement strategy which encapsulates advocacy, communication and dissemination should be sought.</p>
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In summary, the three specific objectives appear relevant. However, objective 1 needs to be better phrased. More importantly, the indicators of the three specific objectives need to be refined or changed to properly be able to measure the defined objectives. The goal as it is formulated needs to be revised to better reflect the CFCs mandate. The suggested Goal is: *"To fulfil the expectations of the Member Countries in directing the Fund to address the vulnerability of commodity Dependent Developing Countries"*. Moreover, appropriate indicators which reflect the Goal need to be identified, as the existing ones are input or output related indicators, and cannot measure achievement at the goal level.

Annex 5: Overall Contribution of the FYAP 2008-2012

**Table 4: Overall Contribution of the FYAP 2008-2012 in US \$
(Regular projects)**

Year	No of projects (regular)	Total Project cost	Co-financing		Counterpart contribution	CFC funding	
			Grant	Loan		Grant	Loan
2008	8	18,249,679	617,350		5,805,969	11,826,360	
2009	13	47,188,649	8,468,539	1,473,025	11,256,183	22,993,515	1,473,025
Total	21	65,438,328	9,085,889	1,473,025	17,062,152	34,819,875	1,473,025

**Table 5: Overall Contribution of the FYAP 2008-2012 in US \$
(Fast Track projects)**

Year	No of projects (fast track)	Total Project cost	Co-financing		Counterpart contribution	CFC funding	
			Grant	Loan		Grant	Loan
2008	9*	1,604,400	12,500		757,400	835,500	
2009	4	790,555	92,000		273,652	424,903	
Total	13	2,394,955	104,500		1,031,052	1,260,403	

* There are 2 additional fast track projects funded during that year which are not included in this table.

Annex 6: Case Studies – Sisal, Cassava and Coffee

The consultants undertook a site visit to Tanzania during the period 4-12 May 2010 and visited two projects and held discussions with the stakeholders of a third project. The purpose of the site visits was to consider the broader issues of:

- Whether the projects were consistent with, and supporting national government policies;
- Whether the projects fell within the CFC mandate and fitted the FYAP; and
- What the challenges of the projects are in meeting their objectives.

In addition, a Round Table meeting was organised involving the key stakeholders concerned with projects funded by the CFC.

1 CASE STUDY – Sisal

Aim of study

The two sisal projects (details below) from previous FYAPs were selected in order to assess the achievements of CFC pilot projects and examine the issues of the benefits of follow-on funding and a long-term commitment to a key commodity sector for the country. It was also an opportunity to discuss issues of scaling-up pilot interventions and the impact and sustainability of the projects themselves.

Project Title: Product and Market Development of Sisal and Henequen

Reference: FIGHF/07

Countries Involved	Kenya and Tanzania
Year of Project Approval	1996
Starting Date:	January 1997
Completion Date:	December 2003
Submitting ICB	FAO (Intergovernmental Group on Hard Fibres)
Project Executing Agency	UNIDO
Project Cost	USD 5,387,785
Common Fund Financing	USD 3,819,823
Co-Financing (IFAD, Belgium, UNIDO)	USD 1,232,762
Counterpart Contributions	USD 335,200
Institutions Involved in the Project	Katani Ltd (main counterpart of the PEA (UNIDO) Tanzania Sisal Board Kenya Sisal Board

Project Title: Cleaner Integral Utilization of Sisal Waste for Biogas & Bio-fertilizers

Reference: FIGHF/13

Countries Involved	Tanzania
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Year of Project Approval	2002
Starting Date:	2005
Completion Date:	-
Submitting ICB	FAO (Intergovernmental Group on Hard Fibres)
Project Executing Agency	UNIDO
Project Cost	USD 1,100,600
Common Fund Financing	USD 731,500
Co-Financing	USD 171,600
Counterpart Contributions	USD 197,500
Institutions Involved in the Project	Katani Ltd (main counterpart of the PEA (UNIDO) Tanzania Sisal Board

1. Project purpose:

The **first** project had multiple objectives linked to improvements in production through research-into-use and the examination of uses of sisal waste:

- (i) To develop improved planting materials for both traditional and new products particularly pulp and introduce improved management practices to reduce cost of fibre
- (ii) Valorisation of sisal waste to add value to the sisal plant
- (iii) To establish the technical and financial feasibility of pulpable sisal fibre production through hammer mills and crushing and produce enough fibres and pulp for market trials
- (iv) To establish the demand for sisal pulp in different paper applications and carry out market trials to identify potential buyers of products

The **second** project goal was to improve the economic viability of the sisal industry by providing cheaper energy from the sisal waste produced by the fibre production process. The main objective of the project was to establish a pilot biogas demonstration plant, providing technical, economic and financial data to prove the feasibility of biogas production and electricity generation from sisal waste. The Project thus aimed at reducing environmental pollution and degradation of the ecosystems, increasing energy generation, and improving soil fertility by using the biogas process by-products as bio fertilisers.

2. Relevance

Support to the sisal industry has been deemed as highly relevant to national government policies and realisation of economic opportunities. Sisal had been the mainstay of the Tanzanian economy and its decline due to synthetic substitutes and changes in technology has been of major concern to the country (production of sisal fibre declined from 240,000 tons in 1964 to 20,485 tons in 2000). Following privatisation initiatives in 1997, the Government wanted to revive the industry to improve its contribution to the economy and employment. The project has been in line with the Government policies in agriculture, markets and industry. It addresses the country's needs and contributes to the Tanzania Vision 2025 and the National Strategy for Growth and Reduction of Poverty (NSGRP) – MKUKUTA and 'Kilimo Kwanza'.

Alternative fuels and renewable energy generation to supplement electricity production are key parts of the Tanzania National Energy Strategy. This has included the establishment by Government of the Energy Water Utilities Regulatory Authority (EWURA) to regulate the energy sector and establish standard power purchase agreements and power purchase tariffs for small power producers, and the Rural Energy Agency (REA) to address the rural energy problem. By proving the viability of biogas production from sisal waste the project can not only demonstrate its environmental credentials by using sisal waste for electricity production which can be used for the sisal processes itself in the production and drying of sisal, but has the potential to provide power to the national grid and further the production of organic fertiliser.

Given that the five Katani Ltd estates operate as out-grower schemes there has also been a poverty reduction benefit to some 1,300 farmers in the scheme through improved income and rural employment opportunities.

3. Stakeholder Involvement and Building Partnerships

There exist strong linkages within the industry based on its recent historical context as a nationalised industry and so there has been close cooperation and involvement of the Tanzania Sisal Board (TSB) and its predecessor the Authority, as the regulatory body for the industry, and the Sisal Association of Tanzania (SAT) representing sisal growers, processors and marketing agencies

The projects have demonstrated good co-ordination amongst the key stakeholders in the sisal sector and integrated the interests of both small farmers and the estates. A strong Project Coordinating Committee was established chaired by the TSB Director General with representatives from CFC, FAO, UNIDO, TSB, Katani Limited and SAT. The role of Tanzania Sisal Board and private sisal companies in promoting sisal farming has been crucial to the success of the project.

In relation to the biogas project, the success of the demonstration effect will be dependent on negotiating power purchasing agreements if the economics of the investment are to be realised, as well as meeting the objectives of the Tanzania National Energy Strategy. Relationships have been established with EWURA, REA, and TANESCO with a view to concluding appropriate arrangements for the possible future supply of power to the grid.

UNIDO was the PEA and has also taken further steps as a partner in the project in supporting the potential of the sector in realising wider opportunities, not just for biogas, but prospects for ethanol production and in pharmaceutical uses as well. An additional UNIDO consultancy is foreseen to examine reduction of water use in the sisal production process which would also benefit efficiency of the biogas production process.

4. Key Achievements

Among the major issues embodied in Government policies include improved crop varieties, markets, food security, crop diversification by farmers, improved farming systems and improved production technologies. The first CFC project addressed all

these issues through variety trials, meristematic tissue culture (MTC), new fibre extraction technologies and new products, market studies and utilization of sisal waste.

The project demonstrated increased planting densities and improved varieties (hybrid 11648) yielding up to 2 tons/hectare and that MTC plants that can produce up to 4 tons/hectare. These increased productivity approaches need to be fully commercialised to realise the full benefits for farmers. 4 representatives of smallholder farmers at Hale that were met by the consultant confirmed that the project had made a real difference in their livelihoods.

There are presently over 1,300 smallholder farmers in the scheme who have been allocated around 20,000 hectares. The area under smallholder sisal has increased from 32 hectares in 1999 to 5,152 hectares by December 2009. Based on evidence from this project, Oxfam GB is initiating similar smallholder sisal development in Shinyanga involving 16,500 farmers. Further replication of the approach to other regions of Tanzania is envisaged.

Examining the business case for sisal led to the focus on fibre rather than sisal for pulping in the first project. Added value to sisal crop has been demonstrated and new markets for sisal products (short fibres, production of specialist papers, composites) have been identified from market studies.

A 150 kW biogas plant was completed in 2007 and two generators have been installed (only one originally planned). The bio-energy component was not implemented in the first five years of the project because it was initially envisaged to obtain commercial finance from financial institutions and DANIDA, but without a pilot plant no-one was willing to finance the component.

5. Realising Impact

i) Impact of the project on the commodity

The project has contributed to arresting the decline of the sisal industry by improving planting and production technologies, developing market prospects for new products, and enhanced utilisation of sisal waste offering both commercial opportunities and environmental benefits.

Despite the long gestation of these two projects, the sisal industry has benefitted from knowledge on improving production and raising yields to the benefit of smallholders and estate growers, and importantly learnt that there are opportunities and strong economic prospects from the utilisation of sisal waste for bio-gas and bio-fertiliser production. This is a win-win situation; it alleviates the environmental concerns and costs of dumping sisal waste at the same time as offering additional uses and income for sisal production.

ii) Prospects for replication

A number of companies and financial institutions have shown interest in financing replication of the biogas project. To this end, Katani Limited has signed joint venture

agreements with a number of firms and has had expressions of interest from both national and international business. More than 4 sisal companies have expressed interest in investing in sisal biogas plants and interest has also been expressed in using the technology for abattoir, municipal waste and other crop wastes. Oxfam GB which is developing the sisal smallholder growing scheme in Shinyanga Region is keenly interested in developing community based biogas plants. This will lead to increase in employment opportunities in the rural areas.

The project has a potential to develop as a Clean Development Mechanism (CDM) under the United Nations Framework Convention for Climate Change (UNFCCC) by displacing some of the fossil fuel operated electricity generators in the national grid which constitute a large portion of the energy generation capacity in Tanzania. Support to enable the project to be registered as a CDM project has also been extended by UNEP Risoe and the Swedish Energy Agency through capacity building for local experts.

6. Key issues

Whilst these two projects have clearly achieved their purpose and have been well received by key stakeholders involved in the sisal industry, the mission visit and discussions identified a number of issues that need to be addressed if real and wider impact from these projects is to be achieved. Some of these issues are specific to sisal, but others have a wider significance for deriving more sustainable benefits from CFC projects. It is also recognised that some issues (e.g. items i, ii, ix, and x) are in principle external factors to the project which nevertheless have an important impact on overall project success.

Meeting smallholder farmer needs

- i. Farmers require title to their land. It is planned that the current certificates of occupancy on the estate are turned into sub-leases which will be allowable as collateral.
- ii. Accessing affordable credits for farm development and transporting sisal to factories.

Overcoming technological issues

- iii. Further applied research work on tissue culture and adoption of improved planting needs to be realised. Investigation into Korogwe Leaf Spot as the only disease seriously affecting the economic well-being of the sisal industry needs to be co-ordinated regionally and internationally.
- iv. Further development required in optimising the short fibre extraction process so that the traditional decorticator waste can be used with ease in the biogas process. Comparing using a decorticator with a hammer mill has highlighted some wider issues that need to be addressed for improving processes so that the long fibre production can be maintained (provided by the decorticator), whilst reducing water usage and residues (which is achieved by the hammer mill).

- v. Thus, there are a number of issues for the industry in either obtaining technologies which crush the sisal waste to make it go into hydrolysis without hitches and utilise higher solid content sisal waste up to 12% instead of the present 6% total solid content design parameters, or redesigning the traditional decortication technology to suit biogas production.
- vi. For the biogas plant, the industry needs technologies that reduce the tank requirements so as to reduce investment costs. It is reported that initial discussions with investors involved in renewable energy have pointed to the fact that the cost per kWh must go down below USD 3,000 per kWh to about USD 2,000 per kWh if investors are to be attracted.
- vii. The pilot plant used steel in the tanks. Steel tanks are subject to rusting and have therefore a high cost of maintenance. There is a need to evaluate the cost of concrete tanks instead of steel tanks. Discussions with UNIDO are in progress to engage a consultant to look at the feasibility of this course of action.
- viii. The industry has gained invaluable knowledge from the pilot bio energy plant, but is looking for further answers in areas still to be explored, such as the use of biogas for tractors and vehicles, the bottling of biogas for household use, the reduction of the bulkiness of the fertiliser, and the utilisation of the remaining 50% of the sisal plant which is the sisal bole for ethanol and chemical production.

Access to finance

- ix. There appears to be keen interest in replicating the technology and many SAT members were investigating building their own biogas plants, but found the investment cost and financing to be the prohibiting factors - *"the project has demonstrated to the industry the viability of using waste and there is now a proven technology that we can replicate as long as affordable finance is available"*.
- x. Access to affordable finance in order to implement the biogas technology is a prerequisite. Commercial lending through the banks is prohibitive (15-24%) and the interested sisal businesses are attempting to identify other sources of finance and investment partners; it was noted that discussions with German and Chinese companies are underway.
- xi. Demonstrating additional economic viability through the development of agreements on supplying power to the national grid.

It is expected that many of these points will be addressed in the final feasibility study/report of the biogas project and the improved decortications sub-project. This report (a joint output of UNIDO and the local counterpart staff from Katani Ltd) should provide full technical and financial details on the construction and operating costs of the facility, including recommended adjustments (in later designs) to increase the performance of the biogas production unit. This will include the outcome of Katani consultations/negotiations with the national electricity company regarding the possibility of selling excess electricity to the regional/national grid, as this will form an additional source of revenue for commercial operations.

2 CASE STUDY – Cassava

1. Aim of study

The two Cassava projects, the pilot project from the previous FYAP and the second phase project from the current FYAP were selected in order to assess the design of the current project and whether the lessons learned during the pilot phase have been integrated into the new design. The study also looked at the challenges ahead in achieving the objectives of the current project. The second phase is also funded by the OPEC Fund, so examining their funding was one of the objectives of this MTR.

Project Title: Cassava Processing, Southern and Eastern Africa, Phase I

Reference: FIGG/12

Countries Involved	Madagascar, Tanzania, Zambia, Mozambique, Uganda
Year of Project Approval	2000
Starting Date:	February 2004
Completion Date:	June 2007
Submitting ICB	FAO (Intergovernmental Group on Grains – FIGGS)
Project Executing Agency	International Institute for Tropical Agriculture (IITA)
Project Cost	USD 4,111,817
Common Fund Financing	i) USD 1,150,944 Grant ii) USD 100,000 Loan
Co-Financing & Counterpart Contributions	USD 2,860,873
Institutions Involved in the Project	Southern African Root crop Research Network (SARRNET) Eastern African Root crop Research Network (EARRNET) Postharvest and Marketing Network for Eastern and Central Africa (FOODNET) Natural Resources Institute (NRI) – UK <u>National Institutions</u> Tanzania Food and Nutrition Centre (TFNC) Centre National de Recherche Appliquées au Développement (FOFIFA), Madagascar Instituto Nacional de Investigacao Agropecuaria in Mozambique Department of Research and Specialist Services, Food Conservation Unit, Zambia Kawanda Agricultural Research Institute, Uganda

Project Title: Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Eastern Africa – Phase II

Reference: FIGG/43

Countries Involved	Madagascar, Tanzania, Zambia
Year of Project Approval	2009
Starting Date:	2010
Completion Date:	Planned end of 2013
Submitting ICB	FAO (Intergovernmental Group on Grains – FIGGS)
Project Executing Agency	International Institute for Tropical Agriculture (IITA)
Project Cost	USD 4,561,153
Common Fund Financing	USD 2,298,370
Co-Financing & Counterpart Contributions	USD 2,262,783
Institutions Involved in the Project	Tanzania Food and Nutrition Centre (TFNC) Centre National de Recherche Appliquées au Développement (FOFIFA), Madagascar Department of Research and Specialist Services, Food Conservation Unit, Zambia

2. Project Purpose

The **pilot** project’s objectives were to develop the income-generating potential of cassava as a cash crop in Southern and Eastern Africa, especially in the five countries, by:

- i) providing simple market-oriented technologies to smallholder farmers and farmer co-operatives, allowing them to transform highly perishable fresh cassava into stable market-grade intermediate products like chips or flour; and
- ii) improving the quality of intermediate cassava products and encourage the take-up of cassava as input by a variety of end-users.

The **current** project goal is to develop the income generating potential of cassava by capitalising on the existing, but unexploited, and profitable market opportunities for cassava derivative products in cassava growing communities as identified by Phase I of the project. This will be achieved through:

- i) broader application of market-oriented and profitable cassava production methods,
- ii) dissemination of appropriate and more efficient higher-scale processing techniques for High Quality Cassava Flour production, and
- iii) vigorous market expansion approaches.

3. Relevance

The project is consistent with programme area 16.2 of the current CFC Five Year Action Plan (Development of New Markets for Industrial Use and Improving Small Scale Processing and Supply Chain Management) by targeting a commodity that

addresses the need of the small scale producers with a strong focus on value addition and the supply chain for the development of the commodity. The three participating countries are Least Developing Countries.

Cassava is an important crop for food security and a substitute for cereals in the project countries; it is the second most important crop after rice in Madagascar and after maize in Tanzania and Zambia. Moreover, the objectives of the project are in line with the governments' agricultural policies in the three countries. In Tanzania, the Agricultural Sector Development Strategy (2006) linked with the National Strategy for Growth and Reduction of Poverty (MKUKUTA) focuses on objectives geared towards increasing farm profitability and incomes through access to better technology, advice and markets, and increasing private sector investment in agriculture. End users are interested in consumption of HQCF while manufacturers are interested in production. Private sector investors are interested to enter the HQCF production in Tanzania (biscuit-making manufacturers and supermarkets), Madagascar (bakeries) and in Zambia (paper industry and bakeries). The project has the potential to provide economic benefits to key stakeholders involved in the production, processing and marketing of HQCF and contribute to cereal substitution.

4. Stakeholder Involvement and Building Partnerships

The key beneficiaries of the project are all stakeholders along the cassava value chain, i.e. smallholder producers, processors, traders, HQCF factory, HQCF distributors, industries using cassava derivative products as raw material, end users and governments of the respective countries. The pilot project involved 5 countries, but the current project is only concentrated in 3 countries: Tanzania, Madagascar and Zambia. As PEA, IITA is responsible for the overall technical, operational, administrative and financial management of the project. A Regional Project Coordinator is assigned from IITA (partly funded by CFC), and is assisted by National Project Coordinators selected by the national collaborating institutions in the project countries.

The project seems to have been well coordinated during the pilot intervention at a regional level with a Regional Steering Committee composed of various stakeholders, including the ICB, and collaboration has been developed with clear roles for the national implementing agencies and other regional bodies such as SARRNET, EARRNET, and FOODNET. Regional meetings are also organised by the Regional Coordinator between the National Coordinators to develop workplans and share lessons amongst the countries.

The role of the private sector during the pilot phase has been visible. The project has been able to develop relationships with end users (bakeries, biscuit manufacturers, and supermarkets), technology manufacturers and farmer groups. Further strengthening of relationships and collaborations will be required during the current phase.

In Tanzania, the project is implemented by the Tanzania Food and Nutrition Centre (TFNC, the PIA) supported primarily by IITA and other local collaborating institutions, such as the Ministry of Agriculture, Food Security and Cooperatives, Tanzania Bureau of Standards, Intermech Engineering and SARRNET-Tanzania. The relationships

between the PEA and the national bodies in Tanzania seem to be well developed, as the Regional Coordinator is based in IITA Regional Office in Dar es Salaam and works in tandem with TFNC and other agencies, such as the Ministry of Agriculture, Food and Co-operatives²⁶. The Project Regional Coordinator also travels often to Zambia and Madagascar to coordinate the activities and also organise regional meetings between the national coordinators during the preparation of workplans and lesson sharing. IITA feels that they get good advice from FAO, the supervisory body, both during the project design on some of the technical issues. FAO is also represented in the Regional Steering Committee which is chaired by a representative from the respective country. The Regional Coordinator is the Secretary of the Committee

With regards to links with the CFC, the IITA feels there was generally a good support from the CFC during the implementation of the pilot project, and they have received the usual visits from the CFC Project Officers in the past. However, there is an expectation of more visits and interaction during the implementation of the current project.

5. Key Achievements of the pilot phase

Appropriate and tested technology: The Phase I had no commercial objective. The project was focused on testing the technology for the production of HQCF and other cassava derivative products. The project has proved that the technology can improve the marketability of cassava flour through the development of an appropriate cassava processing technology. While IITA has developed the HQCF processing technology in 1995, this has been adapted in collaboration with Intermech Engineering Ltd in Tanzania. The project has assisted this local company in Tanzania to improve the quality of its cassava processing machinery. The "Cassava Grater and a Press" has been developed, tested and disseminated to all pilot processing farmer groups, except in Madagascar. The technology has since been disseminated beyond the project area in different parts of the country, as Intermech Engineering has been making and adapting or improving these machines on a commercial scale within Tanzania, but also to some extent in Zambia.

Potential Markets for HQCF: The project in its pilot phase has been able to identify some potential markets for HQCF in the three countries. The pilot phase has tested the marketability of cassava HQCF and other derivative products, and end-users have been involved in the project and have tested the HQCF in their industries or supermarkets. However, although some end-users have tested HQCF and there is a keen interest, as yet the industry has not started to use it on a regular basis and the supply was also low and irregular. It is expected that further strengthening of the cooperation with end-users will improve the market position of HQCF and other cassava by-products.

²⁶. It appears that the Ministry has requested the Project Coordinator to be part of a team to develop a policy document on cassava sector development for a presidential initiative. This demonstrates the kind of relationships which are being established between IITA (PEA) and the other local collaborating institutions.

Dissemination: “dissemination of project outputs” from the first phase of the intervention scored 90% by an independent evaluation team²⁷. According to the evaluation, the project has organised an increased number of workshops, seminars, meetings and exhibitions, especially in Tanzania and Madagascar and a good quality of publications, video’s and other materials have been produced. The role of the Regional Project Co-ordinator has been key in organising and stimulating these exchanges.

6. Planned Activities for the Current Project (second phase)

The project was approved in November 2009. The implementation of activities is due to start end of May 2010. The project is composed of 5 major components:

- i) Supply of fresh cassava roots
- ii) Intermediate processing of fresh cassava to semi-dry cassava grits
- iii) Final processing and supply of HQCF to end-users
- iv) Improving technical usability of HQCF in industries
- v) Information, Dissemination, Monitoring and Impact Assessment

7. Key Issues or Challenges on Project Effectiveness

The current project is built upon the lessons learned and the recommendations made by the evaluation for the pilot intervention. The current project has successfully integrated into the design a two-step supply chain for commercial production of HQCF that involves the producing farmers, intermediate processors, final product processors and end-users which will use the HQCF. The project activities will deal from improvement of the quality of cassava which will be produced and processed through the supply or marketing of HQCF to end-users involving a comprehensive set of activities. Overall, it is a coherent and well thought design. However, the field visits and discussions held with the key stakeholders identified a number of issues that need to be addressed in order to achieve its objectives and effect impact on smallholder producers as well as on the commodity sector. Some of these issues are specific and relevant to the project alone, but others have wider implications.

Economic benefits for smallholder producers & processors, and potential business investors

The wider objective of the project refers to improving the economic welfare of the involved stakeholders, particularly the small-scale farmers and processors. However, the economic benefits need to be established at several levels:

- i) at the level of the **smallholder producers of fresh cassava**, there is no indicative price in the proposal to show the importance for the farmers

²⁷ Terminal Evaluation of the CFC/FAO/IITA project: “*Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Eastern Africa*”, Phase I (CFC/FIGG/12), Acc Business Creation BV; S-Hertogenbosch, May 2007.

introducing improved techniques on their farms and selling them to processing units versus selling fresh cassava in the markets. It is unclear what the incentive will be for cassava producers to increase their production in order to supply sufficient quantities to the processing plants.

- ii) at the level of **small holder producers/processors**: although a general cost and benefit analysis has been undertaken by the project on the profitability of processed cassava, the market for HQCF does not seem sufficiently attractive in generating economic benefits. For example in Tanzania, there is a market demand for HQCF by biscuit-making factories and supermarkets who mentioned irregular supply being a problem; but the prices proposed to the processor farmers is unattractive, according to the smallholder processors interviewed. Only the smallholder processing unit in Bungu appears to have made good profits from cassava processing, and this by selling dried chips rather than producing and selling HQCF²⁸. The price for HQCF is not competitive enough to stimulate an increase in production as well as in processing, and unless there is sufficient demand on cassava chips, farmer processors might not continue processing their cassava (intermediate processing).
- iii) If the price of HQCF (offered to processors) remains as low as it is now (i.e. Tsh 400 per kg), it is unclear how profitable it could be for **potential business investors in final processing** even if their costs would be lowered by the volume of produced cassava. This implies there will be sufficient fresh cassava and processed cassava in grits from smallholder producers/processors. Unless the latter two categories are satisfied with the prices offered, the supply may not be regular.

From what is presented in the project documents, improvement of techniques of production and processing of cassava could improve saleability and prices for the end-users but it is difficult to see how and to what extent the smallholder producer farmers and processors, in particular the primary producers, will benefit. There is a need to undertake a **study on economic benefits** at each level of the chain: a) the producer farmers of fresh cassava who constitute the majority, b) the intermediate processors who will produce and sell cassava chips, c) the final processors who will produce and sell HQCF to end users, and d) the end-users, such as biscuit manufacturers, bakers, supermarkets, consumers, and other industries etc.

The rate of return should be well understood at each level of the supply chain before any agreements are made between the project and the potential investors in processing plants.

Access to finance for investment in cassava processing

²⁸ For example, the prices for processed cassava flour sold by the farmers to the biscuit manufacturers were Tsh 400-450/kg, against Tsh 600/kg for cassava chips sold to Power Foods Ltd for final processing while a kilo of cassava flour is sold in the supermarkets to individual customers at Tsh 1,600/kg. Also processors have to pay for transport to Dar es Salaam to sell their produce, and this makes the price proposed by biscuit manufacturers not profitable for the farmer processors, but also more so for potential final processors who would have greater investment and costs (as the latter would have power dryer equipments etc).

There is an assumption in the proposal that the private sector will invest within the first year of the project using accessible commercial loans in setting up cassava processing plants²⁹. It is reported that there was a loan component in the project proposal that was developed and elaborated together with the CFC Secretariat even for phase I. The loan component, however, did not find favour in the Consultative Committee which recommended its exclusion. The interviews undertaken reveal that there is lack of access to finance at two levels:

- i) **potential investors in the final processing of cassava:** some entrepreneurs are keen to invest in cassava processing, however, they are being constrained due to lack of affordable loans. For example in Tanzania, although some entrepreneurs are interested to invest some of their capital in cassava processing, the investment required for final processing plants is higher than what they can afford (between US \$ 100,00-150,000); the interest rate at which the banks provide loans in Tanzania is not affordable for the potential investors interviewed. The bank rate is between 18-24% p.a. from commercial banks³⁰. The situation in the other two countries, Zambia and Madagascar seems to be not very different to that of Tanzania.
- ii) **farmer groups interested to invest in intermediate cassava processing:** although the capital required is lower for intermediate processing units (as they do not require power dryers etc.) than for the final processing plants, the capital required is still high compared to what smallholders can afford. During the pilot phase, the project provided some equipment to a few farmer groups, but additional groups or individual investors will be required, as not all the previous groups would be part of the current project. Affordable loans are therefore required for the new groups or individuals who are interested to engage in processing cassava with the new technologies. However, for example, the microfinance institutions in Tanzania charge an interest of 16% p.a. together with some form of collateral, which according to the interviews conducted many smallholders may not be able to afford.

Unless the CFC introduces a loan component in the project with an affordable interest rate, it is unclear how the private sector will be able to make the necessary investment level for cassava processing on a commercial basis.

PIAs Capacities and Resources

The current management and implementation arrangement is suitable from the point of view of local ownership and coordination. However, whether the PIAs have the necessary resources in terms of staffing to allocate to the CFC funded projects is not sufficiently clear. It is worth noting that in Phase II, IITA will assign a full-time assistant to each national Project Coordinator to ensure efficient implementation of

²⁹ 12 viable commercial intermediate cassava processing enterprises as well as 3 final product processing units are planned to be established within the life of the project in the three project countries; this means 4 intermediate and 1 final processing plants in each country.

³⁰ The two potential investors interviewed in final processing of cassava flour (Power Foods Industries Ltd, Tanzania Brush Products Ltd) have expressed their interest and commitment to put some of the capital required for establishing final processing plants, but on the condition that they find a loan with an affordable interest (the banks charges are 18 -24% p.a. whereas they mentioned as being feasible 12% p.a.).

the project. This will certainly help, but it may not solve the whole capacity issue. The national coordinators are assigned by the implementing institutions; 10-20% of the National Coordinators' time is allocated to this project³¹, as they have other on-going responsibilities within their ministries or research institutions. This type of arrangement may not always be appropriate, in light of the level of coordination required and implementation of the complex array of activities planned within the countries.

The local implementing agencies (PIAs) might need to strengthen their inputs in collaboration with other agencies, in particular in terms of extension in improved agricultural techniques, safety standards during cassava processing, and building leadership and entrepreneurship skills of farmer processors (intermediate processing) etc. If the latter are going to be able to process good quality cassava chips for final processing plants, and manage their enterprises on commercial basis and improve their economic welfare, *on-going capacity building measures or activities need to be planned and implemented in addition to the training sessions which are to be organised*³². Training has been provided during the pilot phase to build the capacity of the farmer producer processors in several areas. However, further strengthening of capacities will be crucial if the producer small-scale processors are going to espouse entrepreneurship skills to be able to manage their processing centres on a commercial basis. *Building the capacity of the intermediate processors (the existing and the new ones) will be one of the greatest challenges for the project.*

Delay in implementation

About 3 years have passed since the pilot intervention was finalised (in June 2007), involving evaluation of the first phase, development and design for the second phase, and appraisal and approval of the project proposal. The project proposal for the new phase was officially approved in November 2009, and it has taken about 6 months for project agreements and other requirements to be finalised between the various parties concerned. It is only now that the project will effectively start. Given the long transition between the pilot intervention and the current phase, the project may have lost some of its momentum.

However, the interest of most of those visited in Tanzania seems to have been somewhat maintained, partly through the fact that IITA has been engaged in another cassava project with Gates & Melinda Foundation funding, in which consultations with similar stakeholders have been undertaken, and hence they have been in the loop. However, it is not clear what the situation is with the stakeholders in Madagascar and Zambia. The project will need to do some sensitisation of the stakeholders to re-dynamise their engagement and strengthen cooperation in all the three countries, but in particular in Madagascar and Zambia. This is an issue which the CFC needs to

³¹. For example, in Tanzania, the person who coordinates the implementation of this project nationally is the Director of Food and Science department of the TFNC, in addition to providing an oversight to this project and another additional 2 projects funded by other donors. One therefore wonders how much the coordinator can do in terms of implementation.

³². The level of knowledge and capacity of the farmer groups visited who are able to manage their processing centres on commercial basis to generate profit is very low, on the exception of the Sululu group who seems to have an entrepreneurial spirit and have shown some successes.

consider in the future when there is transition between pilot and second phase intervention to ensure that project momentum is not lost.

8. Other design issues

Target for increase in income: in the project proposal, it is expected that at least 20,000 farmers will be integrated to the HQCF value chains and each farmer having at least 200% increase in income through cassava sales. As it currently stands, the value addition appears to be for a few smallholders who will undertake processing³³, and even then it is unclear on what basis this figure was provided as there is no indicative price of cassava and its derivative products at different levels in the chain. It would be useful that the project revisits the percentage provided once profitability analysis is being undertaken as suggested earlier.

Number of processing units planned: it is expected that 12 intermediate processing plants (4 in each country) and 3 final processing plants (1 in each country) are established within the life of the project. The number for intermediate processing plants seems to be ambitious, given the difficulties of the private sector to invest in cassava processing plants mainly due to lack of loans, and the capacity-building issues related to smallholder processors, as discussed earlier. These numbers may perhaps need to be revisited in each context taking into account the inputs and resources of the project, in particular the capacities of the national counterparts.

Productivity target: it is expected that productivity of cassava will increase to 20 tonnes/ha (project target) from the current 9-10 tonnes/ha. This target looks overambitious in particular given the constraints and that the project has no budget for agricultural extension. It is assumed that agricultural extension will be the responsibility of national counterpart agencies. For example in Tanzania, the local government authorities are responsible for the district agricultural development plans and agricultural extension services, and the extension agents are expected to make monthly visits to farmers. However, it is not sufficiently clear what the smallholder cassava farmers are getting, or will get, in terms of extension, how farmers are expected to increase their productivity, and when and how the improved varieties will be introduced.

9. Conclusion

The project clearly fits into the current FYAP as it is multi-country, implemented in LDCs, targeting a sector that addresses low income producers and processors, aiming to add value, addressing the supply chain problem with a potential to contribute to wheat/maize substitution and economic welfare of the key stakeholders. Although this is not a performance assessment, it is important to point out the commitment of the PEA, in the person of the Regional Coordinator of the project. The process the

³³. Farmers who will be involved in processing will be a small number, as a group is generally composed of between 7-25 farmers, i.e. 28 to 100 farmers in total in Tanzania as the project plans to organise and work with 4 farmer groups. The majority of the farmers will therefore be simple producers and suppliers of fresh cassava.

project has engaged in to collaborate with various institutions, in particular the private sector, is commendable.

However, its success within the present concept of the project could be under threat, given that the private sector can only invest if affordable loans are available for processing and production of HQCF, and if the market for processed cassava is competitive for all those involved in the supply chain in the three countries. An improvement in processing and drying techniques would bring better quality products which would result in good returns for traders and end-users. However, it is not sufficiently clear what the improved returns to the majority of cassava producers, and to some extent to the processors of HQCF will be if the price of HQCF remains uncompetitive. A study on economic benefits at various levels of the chain needs to be updated.

3 CASE STUDY – Coffee

1. Aim of study

The Coffee Certification and Verification Project has been selected as a case study in order to assess the design of this complex intervention, which is part of the current FYAP. The study also looked at the challenges ahead in achieving the objectives of the project. An added reason, is that the project is being funded partly by OPEC Funds which is a further aspect the MTR is examining.

Project Title: Building Capacity for Coffee Certification and Verification for Coffee Speciality Farmers in Eastern Africa

Reference: (ICO/45)

Countries Involved	Burundi, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, Tanzania, Uganda, Zambia, and Zimbabwe
Year of Project Approval	2009
Starting Date:	2010
Completion Date:	2014

Submitting ICB	International Coffee Organisation (ICO)
Project Executing Agency	Eastern African Fine Coffees Association (EAFCA)
Project Cost	USD 4,495,725
Common Fund Financing	USD 2,000,000
Co-Financing & Counterpart Contributions	USD 995,725 +
Institutions Involved in the Project	<p>Eastern African Fine Coffees Association (EAFCA) based in Nairobi DCDM – Advisory Services Ltd (The Fund Manager based in Kampala)</p> <p><u>Tanzania institutions:</u> Tanzania Coffee Board Tanzania Coffee Research Institute</p> <p>Various national coffee related institutions in the other 9 countries Other collaborating national and international organisations in each country</p>

2. Project Purpose

The project's objectives are to improve the skills of the farmers to meet certification standards through building capacity within Eastern Africa and beyond, for good agricultural and sustainability practices for **socially acceptable, environmentally friendly and economically successful coffee production** (the three pillars of sustainable coffee development) among producers. This will lead to an increase in quality coffee production and market access, thereby improving the livelihoods of coffee growers, their families and other stakeholders. This will be achieved through:

- iii) training of farmers to meet certification and verification standards,
- iv) building certification/verification training capacity at National Coffee Institutions, (through training of staff from these institutions as Master Trainers), and
- v) building capacity of professional certifiers/verifiers.

3. Relevance

The project is consistent with programme area 3.2 of the current CFC FYAP (Coffee Quality Improvement) by targeting a commodity that plays a crucial role in the economic development of many developing countries in sub-Saharan Africa, through using a commodity strategy based on the three pillars of sustainable coffee development: *economic, social and environmental*. The project is in line with the International Coffee Organisation's policy on "sustainable coffee economy" in which it was recommended amongst other issues, the development of certification/verification capacity in Eastern African region.

The project is designed by the ICO, fits with national agricultural policies on coffee, and is supported by governments. Coffee is an important crop to African economies

in terms of its contribution to GDP, foreign exchange earning and employment. Some of the countries targeted (Burundi, Ethiopia, Rwanda and Uganda) depend for a large proportion of their export earnings on coffee (over 50%) and is a source of income and livelihoods for several millions of coffee producers (growers), farm workers and other stakeholders involved in the chain. The project responds to the gap in market demand on “branded” sustainable coffee in Eastern Africa.

4. Stakeholder Involvement and Building Partnerships

The key beneficiaries of the project are the coffee growers, their families, national coffee institutions, the certifiers/verifiers, and other stakeholders who will be involved in training and certification, and the governments of the respective countries.

The project will involve 9 countries, all of which are the members of the EAFCA. The latter is the project executing agency (**PEA**), and will be responsible for the overall technical, operational, administrative and financial management of the project. However, it has delegated its responsibilities for planning and fund management to **DCDM Advisory Services Ltd**, a chartered accounting firm based in Kampala. DCDM is therefore the **Fund Manager** mandated to prepare the budget, audit accounts and prepare the initial workplan. Based on the assessment undertaken in each country, DCDM has prepared a project planning document (an inception report) which was to be discussed among all the stakeholders (including the CFC, ICO, EAFCA and the various national implementing agencies) in June in Nairobi. This will then be finalised by the end of June and handed over to EAFCA. After such time, its role will be limited to Fund Management, while EAFCA will be coordinating the implementation of the project’s activities. A Project Coordinator has been hired by EAFCA to coordinate activities between the various national implementing institutions in coordination with DCDM. In addition, EAFCA will use various project monitors on a consultancy basis to monitor project activities during the implementation period.

DCDM feels that they have got good advice and technical input from the ICO as well as from the CFC during the project planning phase, and that their inputs have been invaluable; they have received a couple of visits from both, and in particular the CFC Project Officer’s inputs have shaped the project. The representatives from both organisations are expected to participate in the June meeting for the finalisation of the work plan.

It appears there is good collaboration between the various parties: the ICO is well engaged and the CFCs engagement and input has been fundamental and is much appreciated by DCDM. The latter seems to be managing well during the planning stage, visiting each country and undertaking consultations with the various national implementing public institutions and involving them in the whole planning process. However, DCDM feels that whilst its partnerships with EAFCA as well as ICO/CFC are good, the partnerships between private and public institutions, i.e. the national implementing agencies might be challenging, as public institutions could be prone to inefficiencies and misappropriation of funds. It is putting systems in place in order to reduce or alleviate such potential problems.

5. Planned Activities for the Current Project

The project was approved in November 2009. The project has just been launched. The Inception Report outlining the implementation modalities in each country will be discussed in early June with key stakeholders. The project is composed of 3 major components:

- i. Build certification/verification training capacity within national coffee institutions
- ii. Training of farmers to meet certification and verification standards
- iii. Building Capacity of professional certifiers /verifiers

6. Key Issues or Challenges on Project Effectiveness

Certification costs being higher than the expected returns

The project document has identified the major risk as being certification costs offsetting the economic benefits expected by the farmers, resulting in the growers steering away from efforts to certify their coffee. For example, in Tanzania certification costs are reported to be higher than expected monetary returns. Nevertheless, the PIA representative in Tanzania is still keen to take part in this project, saying "*we cannot afford to be behind our neighbours who will certify their coffees; the coffee market is competitive, and we have therefore to certify our coffee*". The main argument is therefore access to markets and not necessarily greater or increased prices for certified coffee. This relates to the argument made by the EAFCA for the justification of the project that certification/verification adds value for the farmer in terms of increased market options, improved farming methods, and by relation improved quality, and not necessarily in terms of better price. Also, given the market demand for certified coffee with increasing global social awareness by consumers in the West, the importance of certification/verification is justified as key for *Market Access*, as well as also for other social and environmental benefits.

Limitation of finance/funding

According to the stakeholders interviewed, the project will operate with limited funds. The budget is on the low side: about US \$ 3.5 million for 9 countries over 5 years. Given the broad objectives of the project and what it aims to implement, the stakeholders interviewed feel this is going to be very tight, and will affect what can be achieved.

Identifying high calibre certifiers/verifiers

The project plans to train 78 professionals to build their knowledge in certification. There are already a few certifiers/verifiers who exist in some target countries, but the project has to identify more certifier/verifier individuals to be trained. This is one of the greatest challenges due to: *i) the high cost involved in the whole process in order to obtain internationally recognised accreditation, and ii) availability of high calibre individuals who could be trained.*

Human resources allocated to the project

The project has hired only one employee, the Project Coordinator who will work under the EAFCA, whose task will be to coordinate the various activities implemented

by the PIAs in the 9 countries. The PIAs get an allowance for the implementation of certain activities. They therefore assign people within their institutions or other government institutions to implement activities. For example, those who will train the farmers will be civil servants working in public institutions. This will be in addition to their normal workload to provide training. There is therefore a risk that the planned training will not be given sufficient time and attention. Training being the core part of this project, this may affect the project's effectiveness.

Support in good agricultural practice

One of the key factors for the farmers to certify their coffee is the adoption of improved agricultural practices. The level of knowledge in good agricultural practices differs from one country to another. For example, in Kenya certification is way ahead as the farmers have been well exposed to good agricultural practices compared to other participating countries. There is no uniform expectation in the adoption of agricultural practices, and the project has customised what could be achieved in each particular context. However, certain minimum standards are required enabling the farmers to certify their coffee. In order that farmers implement good agricultural practices, it will require *on-going capacity- building support and measures and this will need to be planned and implemented in addition to the training sessions*. The role of the national public institutions (PIAs) is key in this area so that farmers are able to adopt and adapt improved techniques to certify their coffee.

7. Conclusion

The project clearly fits into the current FYAP as it is multi-country, implemented mostly in LDCs, targeting a commodity that addresses low income producers and processors, aiming to add value, addressing the supply chain problem (market access), as well as the three pillars of sustainable coffee development: social, economic and environmental.

However, given its broad objective and the number of countries involved, the project looks to be operating with restricted funding. Its success within the present budget may therefore be limited. Other challenges include i) the problem with the availability of high calibre certifiers/verifiers who could be trained, ii) the high cost involved in training and accreditation of certifiers/verifiers according to international standards, iii) the overall cost of certification offsetting the returns to the farmers, iv) the implementation arrangements in the 9 countries with the high dependence on civil servants, and v) the risk that some farmers may not get sufficient support in the implementation of improved agricultural practices. In spite of these concerns, the project stakeholders interviewed seem to be aware of the potential limitations and challenges, and appeared keen to achieve the project's objectives.

Annex 7: List of Documents

Document Title	Author	Date
CFC Review/Assessment Reports		
Agreement Establishing the Common Fund for Commodities Schedule C	CFC	27 th June 1980
Draft Third Five Year Action Plan (FYAP) 2008 to 2012, as Recommended by the Executive Board, Item 7 of the Provisional Agenda, Nineteenth Annual Meeting of the Governing Council, 27-28 November, (CFC/GC/19/3)	CFC	22 nd October 2007
The Future Role and Mandate of the Common Fund for Commodities and its Long-Term Financial Sustainability, Item 3 of the Provisional Agenda, Forty-Seventh Meeting of the Executive Board, 7-8 April 2009 (CFC/EB/47/2)	CFC	9 th March 2009
The Future Role and Mandate of the Common Fund for Commodities and its Long-Term Financial Sustainability (A Background Paper) Item 3 of the Provisional Agenda, Forty-Sixth Meeting of the Executive Board, 7-8 October 2008 (CFC/EB/46/CRP.1/Add.1)	CFC – prepared by Peter Gibbons and Sam Jones	4 th September 2008
The Future Role and Mandate of the Common Fund for Commodities and its Long-Term Financial Sustainability - The Way Forward, Item 3 of the Provisional Agenda, Forty-Seventh Meeting of the Executive Board, 19-21 October 2009 (CFC/EB/48/2)	CFC	11 th September 2009
The Future Role and Mandate of the Common Fund for Commodities and its Long-Term Sustainability - Financial Simulations Item 3.1 of the Provisional Agenda, Forty-Eighth Meeting of the Executive Board, 19-21 October 2009 (CFC/EB/48/2/Add.1)	CFC	11 th September 2009
The Future Role and Mandate of the Common Fund for Commodities and its Long-Term Financial Sustainability - Legal Aspects Relating to Utilization of the Resources of the First Account, Item 3.2 of the Provisional Agenda, Forty-Eighth Meeting of the Executive Board, 19-21 October 2009 (CFC/EB/48/2/Add.2)	CFC	14 th September 2009
The Future Role and Mandate of the CFC and its Long-Term Financial Sustainability – Revisited Item 3.3 of the Provisional Agenda, Forty-Eighth Meeting of the Executive Board, 19-21 October 2009 (CFC/EB/48/2/Add.3)	CFC	17 th September 2009
Study on the Functioning and Future Role of the Common Fund for Commodities, Item 4 of the Provisional Agenda, Twenty-First Meeting of the Executive Board, 21-23 October 1996	CFC- prepared Dr James Fry of LMC International Ltd.	5 th November 1996
Proceedings of The International Seminar - CFC 20 th	CFC	14 th December 2009

Document Title	Author	Date
Anniversary Programme – International Seminar: The Role of Commodities in Development, Monday 14 December 2009, World Forum, the Hague, Speeches delivered by various stakeholders.		
CFC other Documents/meeting minutes		
The Framework of Financial Support from the OPEC Fund to the Common Fund for Commodities	OPEC Fund for International Development	7 th February 2005
List of Projects with Financial Support from the OPEC Fund – prepared by the Secretariat for the MTR	CFC	2010
Involvement of Least Developed Countries in CFC Financed Projects – Note by the Managing Director – Forty Eighth Meeting of the Executive Board Amsterdam, 19 to 21 October 2009 (CFC/EB/48/29)	CFC	15 September 2009
Implementation of Loan-Financed Projects – Report by the Managing Director – Forty-Eighth Meeting of the Executive Board, Amsterdam 19 and 21 October 2009 (CFC/EB/48/28)	CFC	7 th September 2009
Sixteenth Meeting (2009) with ICBS: Final Report – 19 to 21 October 2009 – Item 14.2 of the Provisional Agenda. Forty-Eighth Meeting of the Executive Board. (CFC/EB/48/25)	CFC	11 th September 2009
CFC-ICBs Joint Communications Strategy: Draft Proposal – January 2010	CFC	January 2010
Information on Project Delays, Item 9.4 of the Provisional Agenda, Forty-Seventh Meeting of the Executive Board, 7-8 April 2009 (CFC/EB/47/18)	CFC	6 th March 2009
Information on Project Delays, Item 7.4 of the Provisional Agenda, Forty-Seventh Meeting of the Executive Board, 7-8 April 2009 (CFC/EB/47/18)	CFC	7 th April 2008
Report on Progress of Projects under Implementation, Item 9.1 of the Provisional Agenda, Forty-Seventh Meeting of the Executive Board, 7-8 April 2009 (CFC/EB/47/15)	CFC	4 th March 2009
Manual for the Preparation and Management of Projects to be Financed by the Common Fund for Commodities, Shortened version: Criteria for Project Approval, 5 th Edition 2 nd Revision, Amsterdam, May 2004	CFC	May 2004
Screening Criteria and Checklist of Key Indicators for Project Selection – 9 to 11 Oct 2009 – Item 3.4 of the Provisional Agenda – Note by the Secretariat. (CFC/EB/42/5)	CFC	5 th September 2006
Review of the Consultative Committee Guidelines for	CFC	4th March 2009

Document Title	Author	Date
Prioritisation of Projects Recommended for Approval Under the Second Account – 7-8 April 2009 – Item 5 of the Provisional Agenda – Note by the Managing Director. (CFC/EB/47/4)		
Report on the Forty-Fourth Meeting of the Consultative Committee – 19 to 21 October 2009 – Item 7 of the Provisional Agenda. (CFC/EB/48/6)	CFC	11 th September 2009
Report of the Forty-First Meeting of the Consultative Committee – 21 to 26 January. (CFC/CC/41/2)	CFC	4 th February 2008
Report of the Forty-Third Meeting of the Consultative Committee – 19 to 24 January – Item 2 of the Provisional Agenda. (CFC/CC/43/2)	CFC	23 rd January 2009
Information on Fast Track Projects Approved by the Managing Director Since the 45 th Meeting of the Executive Board – 7-8 April 2009 – Item 8 of the Provisional Agenda – Note by the Managing Director. (CFC/EB/47/14)	CFC	26 th February 2009
Information on Fast Track Projects Approved by the Managing Director Since the 47 th Meeting of the Executive Board – 19 to 21 Oct 09 – Item 13.1 of the Provisional Agenda – Note by the Managing Director. (CFC/EB/48/23)	CFC	4 th September 2009
Application of Fast Track Procedure for Approval of Projects Under the Loans Policy - 8 to 9 April 2008 - Item 9.2 of the Provisional Agenda - Note by the Secretariat. (CFC/EB/45/17)	CFC	7 th March 2008
Minutes of the Third Meeting of the Ad hoc Working Group - 13 April 2010. (CFC/Ad-hocWG/3/3)	CFC	15 th April 2010
Review of Activities under the Second Account, note by the Managing Director, Item 7 of the Provisional Agenda, Twentieth Annual Meeting of the Governing Council, Zanzibar, 25-26 November 2008 (CFC/GC/20/3)	CFC	26 October 2008
Review of Activities under the Second Account, note by the Managing Director, Item 8 of the Provisional Agenda, Twenty First Annual Meeting of the Governing Council, Hague 15-16 December 2009 (CFC/GC/21/4/Rev.1)	CFC	7 th December 2009
Review of Activities under the First Account Net Earnings Programme, Item 6 of the Provisional Agenda, Twentieth Annual Meeting of the Governing Council, Zanzibar, 25-26 November 2008 (CFC/GC/20.2)	CFC	28 th October 2008
Net Earnings Programme of the First Account (Decision I/VII/1995) Item 8.1 of the Provisional Agenda, Eighth Annual Meeting of the Governing Council, 1-4 December 1996 , Palais de Congres, Marrakech, Morocco (CFC/GC/8/4)	CFC	31 st October 1996
Revised Draft Report - Five Year Action Plan 2003-	CFC	4 th August 2005

Document Title	Author	Date
2007		
Report of the Executive Board on the Mid-term Review of the Five-Year Action Plan 2003 to 2007, Note by the Managing Director, Seventeenth Annual Meeting of the Governing Council, 29-30 November 2005. (CFC/GC/17/4)	CFC	25 th October 2005
Five Year Action Plan 2003-2007, Mid-Term Review, Revised Draft Report.	Triple Line and LMC International	4 th August 2005
Report of the Executive Board on the Mid Term Review of the Five Year Action Plan 2003-2007, and the decision of the 17 th Governing Council on the Report. (CFC/CC/37/5)	CFC	2005
Outcomes of the International Seminar on Biofuels: Policy Choices Facing Developing Countries – 8-9 April 2008 – Item 10 of the Provisional Agenda – Note by the Secretariat. (CFC/EB/45/18)	CFC	19 th February 2008
Common Fund for Commodities Annual Report 2008	CFC	October 2009
Common Fund for Commodities at Twenty Prepared for the 20 th CFC Anniversary	CFC	December 2009
Project Documents from Current FYAP		
REGULAR PROJECTS		
Improving the Competitiveness of Small Scale Oil Palm Farmers and Production in Latin America and the Caribbean: Bridging the Yield Gap (Colombia, Ecuador, Venezuela) – 7-8 October 2008 – Item 9.3 of the Provisional Agenda - Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGOOF/30)	CFC	1 st September 2008
Programme for the Development and Dissemination of Sustainable Irrigation Management in Olive Growing – 7-8 October 2008 – Item 9.2 of the Provisional Agenda - Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/IOOC/06)	CFC	31 st August 2008
Capacity Building and Rejuvenation of Tea Smallholdings by Adopting Eco-Friendly Management Practices and Strengthening Marketing Links for Enhanced Income Generation of Poor Farming Communities in Indonesia and Bangladesh. – 7-8 October 2008 – Item 9.1 of the Provisional Agenda - Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGT/05)	CFC	29 th August 2008
Increased Production Efficiency in Small-holder Kenaf Production Systems for Specific Industrial Applications. . – 7-8 October 2008 – Item 9.4 of the Provisional Agenda - Appraisal and Recommendation of the Managing Director to the Executive Board.	CFC	1 st September 2008

Document Title	Author	Date
(CFC/IJSG/25)		
Development and Commoditization of the Pre-fabricated Modular Bamboo Housing in Asia and Africa. – 7-8 April 2009 – Item 5.4 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/INBAR/07)	CFC	27 February 2008
Enhancing Market Access of Amazonian Aquaculture and Fisheries Products – 7-8 April 2009 – Item 7.1 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FSCFT/28)	CFC	1 st march 2009
Small Scale Cassava Processing and Vertical Integration of the Cassava Subsector in Southern and Eastern Africa - Phase II – 7-8 April 2009 – Item 7.4 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGG/43)	CFC	4 th March 2009
Development and Application of Potentially Important Jute Geo-Textiles – 7-8 April 2009 – Item 7.5 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/IJSG/21)	CFC	27 th February 2009
Building Capacity in Coffee Certification and Verification for Speciality Coffee Farmers in Eastern Africa – 7-8 April 2009 – Item 7.6 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/ICO/42)	CFC	3 rd March 2009
Increased Production of Vegetables and Herbs through the Use of Protected Agriculture in the Caribbean, Haiti, Jamaica, Trinidad and Tobago – 7-8 April 2009 – Item 7.8 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGTF/26)	CFC	27 th March 2009
Production of Certified Fruits and Vegetables in the Greater Mekong sub-Region – 8-9 April 2008 – Item 5.1 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGTF/24/FA)	CFC	7 th April 2008
Enhanced Livelihood Opportunities of Smallholders in Asia Sweet Sorghum farmers with the Bio Ethanol Industry – 7-8 April 09 – Item 7.2 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGG/41)	CFC	2 nd March 2009
Development of Export-Oriented Sesame Production and Processing in Burkina Faso and Mali – 7-8 April 09 – Item 7.3 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the	CFC	2 nd March 2009

Document Title	Author	Date
Executive Board. (CFC/FIGOOF/27)		
Increased Production of Roots and Tubers in Caribbean through the Introduction of Improved Marketing and Production Technology – 7-8 April 09 – Item 7.7 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGG/44)	CFC	3 rd March 2009
Transformation of Upland to Irrigated Rice through Use of Water Harvesting in Costa Rica, Mexico and Nicaragua – 8-9 April 08 – Item 5.2 of the provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGR/15)	CFC	28 th February 2008
Promoting Development of Economically Viable Rubber Smallholding in West Africa – 8-9 April 08 – Item 5.3 of the Provisional Agenda – Appraisal and recommendation of the Managing Director to the Executive Board. (CFC/IRSG/21)	CFC	26 th February 2008
Competitive Coffee Enterprises Programme Guatemala and Jamaica – 19 to 21 October 09 – Item 8.2 of the Provisional Agenda – Appraisal and Recommendation of the managing Director to the Executive Board. (CFC/ICO/46)	CFC	10 th September 2009
Pilot Project on Production of Fruit and Vegetable Chips Using Vacuum Oil-bath Dehydration Technology – 19 to 21 October 2009 – Item 8.3 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/FIGTF/25)	CFC	11 th September 2009
Prevention of Seed Cotton Contamination in West Africa (Burkina Faso, Cote d'Ivoire and Mali) – 19 to 21 October 09 – Item 8.5 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the Executive Board. (CFC/ICAC/38).	CFC	6 th October 2009
Improving Cotton Production Efficiency in Small-scale Farming Systems in East Africa (Kenya and Mozambique) through Better Vertical Integration of the Supply Chain – 19 to 21 Oct 09 – Item 9.1 of the Provisional Agenda – Appraisal and Recommendation of the managing Director to the Executive Board. (CFC/ICAC/37)	CFC	31 st August 2009
Development of Sugarcane Variety Improvement and Seed Multiplication Programme for Nigeria and Cote d'Ivoire – 19 to 21 October – Item 8.4 of the Provisional Agenda – Appraisal and Recommendation of the Managing Director to the executive Board. (CFC/ISO/32)	CFC	2 nd September 2009
FAST TRACK PROJECTS		
Zinc Air Fuel Cells in Southern Africa, Note by the	CFC	21 st May 2008

Document Title	Author	Date
Secretariat, Forty-Second Meeting of the Consultative Committee, 14-19 July 2008 (CFC/CC/42/LZSG/16FT/Comm.)		
Enhancing Competitiveness of the African Coffee Sector , note by the Secretariat, Forty-First Meeting of the Consultative Committee, 21-26 January 2008 (CFC/ICO/43 FT)	CFC	7 December 2007
Feasibility Study on Opportunities in Organic Cocoa Production in West African Countries, Note by the Secretariat, Forty-First Meeting of the Consultative Committee. 21-26 January 2008 (CFC/CC/41/ICCO/30/FT/Comm.)	CFC	30 th November 2007
Fast Track project for Symposium on Natural Fibers, (a lead up activity to the International Year of Natural Fibres), Note by the Secretariat, Forty-First Meeting of the Consultative Committee. 21-26 January 2008 (CFC/FIGHF/28FT)	CFC	3 rd December 2007
Workshop on Strengthening the Potato Value Chain, Note by the Secretariat, Forty-First Meeting of the Consultative Committee. 21-26 January 2008 (CFC/CC/41/FIGG/40FT/Comm.)	CFC	26 th November 2007
Workshop on Small-Scale Mining in Africa: A case for Sustainable Livelihood, Note by the Secretariat, Forty-Second Meeting of the Consultative Committee. 14 – 19 July 2008 (CFC/CC/42/CFC/23/FA/FT/Comm.)	CFC	20 th May 2008
International Expert Meeting on Reduction of Transport costs for Commodities in Africa, Note by the Secretariat, Forty-First Meeting of the Consultative Committee. 21- 26 January 2008 (CFC/CC/41/CFC/21/FT/FA/Comm.)	CFC	6 th December 2007
Enhancing Opportunities for Market-Led Bamboo-Based development in West and Central Africa, Note by the Secretariat, Forty-First Meeting of the Consultative Committee. 21-26 January 2008 (CFC/INBAR/06/FT)	CFC	5 th December 2007
Cocoa of Excellence: Unravelling and Celebrating Diverse Flavour Qualities of Cocos to Promote Market Differentiation, Note by the Secretariat, Forty-Third Meeting of the Consultative Committee. 19 – 24 January 2009 (CFC/CC/43/ICCO/42/FT/Comm.)	CFC	4 th December 2008
Preliminary Feasibility Evaluation for Utilization of Sisal Liquid Waste (juice) for the Production of Pesticides and Veterinary Drugs, Note by the Secretariat, Forty-Fourth Meeting of the Consultative Committee. 6- 9 July 2009 (CFC/CC/44/FIGHF/30/FT/Comm.)	CFC	27 th May 2009
Regional Dissemination Workshop for Value-added Leather Products Designs: Promoting the "CFC-COMESA Collection", Note by the Secretariat, Forty-Third Meeting of the Consultative Committee. 19 – 24 January 2009, (CFC/CC/43/FIGHS/13/FT/Comm.)	CFC	15 th December 2008
Feasibility Study and Business Plan Preparation for Sesame Processing in Mali and Burkina Faso, Note by	CFC	2 nd December 2009

Document Title	Author	Date
the Secretariat, Forty-Fifth Meeting of the Consultative Committee. 25-30 January 2010 (CFC/CC/45/FIGOOF/27/FT/Comm.)		
Senegal Used Lead Acid Battery (ULAB) Collection and Recycling Project, Forty-Third Meeting of the Consultative Committee. 19 – 24 January 2009 (CFC/CC/43/LZSG/18/FT/Comm.)	CFC	10 th December 2008
“Journées de la Qualité de Cotton Africaine”, Request for Collaboration in Organizing the Second Edition of the African Cotton « Quality Workshop ». Note by the Secretariat, Forty-Fifth Meeting of the Consultative Committee. 25-30 January 2010 (CFC/ICA/42FT)	CFC	11 th January 2010
Global Commodity Forum, Note by the Secretariat, Forty-Fifth Meeting of the Consultative Committee. 25-30 January 2010, (CFC/CC/45/CFC/26/FT/FA/Comm.)	CFC	22 nd December 2009
Growing Together: Future Forum 2020 – A Supply Chain Collaboration of the Hard Fibres Group (Abaca, Coir, Jute, Kenaf and Sisal), Note by the Secretariat, Forty-Fifth Meeting of the Consultative Committee. 25-30 January 2010. (CFC/FIGHF/31FT)	CFC	7 th December 2009
Development of Risk Management Strategies for Cotton Producers in Mozambique, Note by the Secretariat, Forty-Fifth Meeting of the Consultative Committee. 25-30 January 2010.(CFC/CC/45/CFC/27/FT/FA/Comm.)	CFC	22 nd December 2009
Establishment of Market Driven Mechanisms for Poverty Alleviation Among Gum Arabic Farmers. Note by the Secretariat, Forty-Fifth Meeting of the Consultative Committee. 25-30 January 2010 (CFC/CC/45/FIGTF/28/FT/Comm.)	CFC	10 th December 2009
Project Reports from Previous FYAPs		
Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Southern Africa – Phase I, Draft Appraisal Report (CFC/FIGG/12/MDA)	CFC	27 th March 2002
Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Southern Africa – Phase I, Project Completion Report (CFC/FIGG/12)	CFC	February 2007
Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Southern Africa – Phase I, Full Narrative Report (CFC/FIGG/12)	CFC	July 2004
Mid-term Review of Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Southern Africa – Phase I, by Andrey Kuleshov	CFC	undated
Other various internal working documents related to Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Southern Africa – Phase I (CFC/FIGG/12)	CFC/IITA	Undated,
Mid Term Evaluation Report : Product and Market Development of Sisal & Henequen Products,	CFC – prepared by Werner	15 th October 1999

Document Title	Author	Date
(FC/RAF/96/001), (US/RAF/96/060 (XA/RAF/96/613)	Lamade, Jacques, Lahaussais, Dr Robert Theiler	
Utilisation of Sisal Waste for Biogas & Bio-fertilizers, Appraisal Report (CFC/FIGHF/13)	CFC	2002
Evaluation Reports		
Small Scale Cassava Processing and Vertical Integration of the Cassava Sub-Sector in Southern and Southern Africa – Phase I, Terminal Evaluation of the CFC/FAO/IITA Project (CFC/FIGG/12)	Acc Business Creation BV – s.Hertogenbosch	May 2007
The Use of Molecular Biology Techniques in Search for Varieties Resistant to Witches' Broom Disease of Cocoa. Evaluation Report (CFC/ICCO/04)	Inter-American Institute for Cooperation on Agriculture (IICA), San Jose, Costa Rica	30 th October 2007
Bridging the Yield Gap in Irrigated Rice in Brazil and Venezuela, Evaluation Report (CFC/FIGR/09)	Inter-American Institute for Cooperation on Agriculture (IICA), San Jose, Costa Rica	October 2007
Impact Evaluation of a Cluster of CFC Funded Jute Projects: i) Technical Specification and Market Study of the Potentially Important Jute Geo-textile Products (IJO/09), and ii) Biotechnological Application of Enzymes for Making Paper Pulp from Green Jute/Kenaf (Whole Jute Plant) (IJO/14)	STADD Development Consulting Pvt. Ltd.	April 2009
Impact Evaluation of CFC-Financed Projects Groundnuts Seed Systems In West Africa (Phases I and II) (CFC/EB/47/19)	Triple Line Consulting – Amadou Beye and Mario Margiotta	November 2008

Annex 8: Interviews Conducted

Given Names	Family Name	Institution	Role
Common Fund for Commodities			
Parvindar	Singh	CFC	Chief Policy, Programme Management & Evaluation Unit
Guy	Sneyers	CFC	Chief Operations Officer
Andrey	Kuleshov	CFC	Senior Project Manager
Sietse	Van der Werff	CFC	Senior Project Manager
Charles	Jama	CFC	Communications Officer
Eltha	Brown	CFC	First Project Manager
Caleb	Dengu	CFC	Project Manager
Stakeholders in Tanzania			
Shaaban R.	Mwinjaka Dr	Ministry of Industry, Trade and Marketing	Deputy Permanent Secretary
Odilo	Majengo	Ministry of Industry, Trade and Marketing	Director – Trade Promotions and Marketing
Alfred	Mapunda	Ministry of Industry, Trade and Marketing	Assistant Director – Marketing Research
Chibole	Manumbu	Ministry of Industry, Trade and Marketing	Principal Economist
Jesica	Nzeyimana	Ministry of Industry, Trade and Marketing	Senior Trade Officer
Elizabeth	Kimambo	Tanzania Warehouse Licensing Board	Managing Director
Nicolaus	Kaserwa	Tanzania Warehouse Licensing Board	Credit Specialist
Martin	Malifedha	Cashewnut Board of Tanzania	Branch Manager
Mohamed	Hanga	Cashewnut Board of Tanzania	Director of Marketing & MIS
Emmanuel	Kalenzi	UNIDO	Representative
Cassava Project Stakeholders			
PEA			
Victor	Manyong Dr	IITA Tanzania	Director – Research for Development
Adebayo	Abass Dr	IITA Tanzania	Coordinator – Cassava Value Chain
PIA			
Godwin	Ndossi Dr	Tanzania Food and Nutrition Centre	Managing Director
Nicholas	Mlingi Dr	Tanzania Food and Nutrition Centre	Director- Food Science & Nutrition
Private Sector			
Anna	Temu	Power Foods Industries	Managing Director
Surendra	Kumar	Azam Bakeries	Manager
Sakyanarayama	Pittala	Bake Food International Ltd	Chairman
Shabbir A	Zavery	Tanzania Bush Products Ltd	Director

David	Chisawillo	Intermech Engineering Ltd	Assistant Director
		Imalesko Supermarket	Vendor
District Administration			
Jumanne	Yahaya Kilonga	Bungu A (sub-district)	Chairman
Farmers			
Sululu Farmer Group (group meeting)			
Musa	Omar	Farmer – Bungu area	Chairperson
Mama Sharifa	Mashudi	”	Treasurer
Juma	Mteta	”	Secretary
Hadija	Hamidu	”	Member
Hamade	Ukunda	”	Member
Radhia	Hali	”	Member
Hadija	Juma	”	Member
Bungu A (village meeting) +			
Jama	Salum Nteta	New Mvinjeni Centre Grain Flour Mills & Cassava Processing	Ex. Member of Sululu group and owner of a new processing plant in Bungu A
Jahudi Farmer Group (group meeting)			
Sophia	Anthony Tebe	Farmer - ZogoWale – Kibaha District	Chairperson
Agnes	Kilongola	”	Treasurer
Other 5 members		”	Members
Patrick	Issa Douma	A collaborator from nearby village who uses Jahudi processing centre	Entrepreneur
Mwaga Farmer Group (group meeting)	3 full time workers (members)	Mwaga Grain Flour Mills & Cassava Processing – around Bungu Area	A group supported by the District Council
Coffee Project Stakeholders			
PEA - Fund Manager			
David	Wakanene	DCEM Advisory Services Ltd (Fund Manager on behalf of EAFC)	Project Manager
PIA			
Leslie	Omari	Tanzania Coffee Board	Managing Director
Sisal Project Stakeholders			
PIA			
Gilead	Kissaka	Hale Sisal Estate	General Manager
The Round Table Meeting Held in Tanga on 08 May, 2010			
Frank	Maro	Sat Katani Ltd	Sat – Chief Executive Director
Eliud	Kikota	Amboni Plantations	Sat-Vice Chairman General Manager
B. S	Mamik	Segera Estates Ltd	Group General Manager & CEO
Shabani	Hamisi	Ari Mlingano	Ag. Director Ari Mlingano
Abdallah I.	Madenge	Sat Katani	Sat Accountant Chief Internal Auditor
Deo D.	Ruhinda	TSB	B&B Senior Planning Officer

Francis	Nkuba	Katani/Mima	Npo/Npc Biogas
Yunus	Mssika	TSB	TSB, Senior Qual. Ass. Officer
Gilead	Kissaka	MES	General Manager
Hale Sisal Farmers			
Yusuf	Nkondo	Sisal Farmer	Secretary of Society
Mary	Richard	Sisal Farmers	
Andrew	Kaduma	Sisal Farmer	
Mohadedi	Abdallah	Sisal Farmer	

The Round Table Meeting held in Dar es Salaam on 6 May, 2010

Names	Organisation
Shoa Asfaha	Triple Line Consulting
Laurence G. Sewell	Triple Line Consulting.
Undole P.M	Ministry of Industry, Trade and Marketing (MITM)
Ally A. Tembele	MITM
Joseph Mwasota	MITM
Ester Mkenda	MITM
C.S Nassari	MITM
K.R Msogoti	MITM
Natasha N.	MITM
A.R. Mapunda	MITM
Suzana M. Mwita	MITM
Magret R. Ikongwe	MITM
Patrick Simkoko	MITM
Jane A. Lyatunu	MITM
Chibole Manumbu	MITM
Primi Mmasi	MITM
N.J. Dyegula	MITM
E. Kimambo	Tanzania Warehouse Licensing Board
N. Mlingi	Tanzania Food Nutrition Centre
Frank Nyarusi	Tanzania Coffee Board
Baruani I.S	MAFC
Mwakibuga A.	MRDF
Nelson Chilongozi	MRDF