Smallholder Safety Net Upscaling Programme (SSNUP) - Evaluation of the First Phase of the Programme (2021-2024)

Final Evaluation Report

May 2024

M-Pensa Impact & Development Services GmbH - Konradstrasse 14, 8005 Zurich, Switzerland

Table of Contents

Contents

Acronyms

ADA	Appui au Développement Autonome
AVC	Agricultural Value Chain
AuM	Assets under Management
CoP	Community of Practice
CSAF	Council on Smallholder Agricultural Finance
EDA	Eidgenössisches Departement für auswärtige Angelegenheiten (Federal Department of Foreign Affairs)
EM	Evaluation Matrix
FAO	Food and Agricultural Organization of the United Nations
HNWI	High-net-worth individual
IFAD	International Fund for Agricultural Development
IISD	International Institute for Sustainable Development
IL	Intervention Logic
LED	Liechtensteinischer Entwicklungsdienst
KPI	Key Performance Indicator
MFA	Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade
ODA	Official Development Assistance
OECD-DAC	Organisation for Economic Cooperation and Development – Development Assistance Committee
PARM	Platform for Agricultural Risk Management
RFA	Rainforest Alliance
RFI	Rural Financial Intermediary
RAI	Principles for Responsible Investment in Agricultural and Food Systems
SC	Steering Committee
SDC	Swiss Agency for Development and Cooperation
SH	Smallholder Household
SME	Small and Medium Enterprise
SSNUP	Smallholder Safety Net Upscaling Programme
TA	Technical Assistance
TAC	Technical Assistance Facility Selection Committee
TAF	Technical Assistance Facility
ToC	Theory of Change
ToR	Terms of Reference

Executive Summary

The purpose of evaluation is to provide insights and recommendations to guide the ongoing Phase I of SSNUP (2021-2024) and inform strategic decisions for the Phase II (2025-2028). Since the Programme's launch in 2020 with a limited number of completed Technical Assistance (TA) projects, the focus of the evaluation is on assessing the overall intervention strategy and on considering the outcomes of the completed projects. The specific objectives include evaluating the Programme based on the OECD/DAC criteria of relevance, coherence, effectiveness, efficiency, impact, and sustainability and extracting lessons to guide the design of Phase II. The evaluation is intended for the SSNUP Coordinator and funders to shape the second phase, addressing objectives, scope, intervention strategy, partnerships, and funding.

Commissioned in October 2023, the mid-term evaluation was conducted between November 2023 and April 2024, following the requirements outlined in the Terms of Reference (ToR). The evaluation was structured around the ToC and the Evaluation Matrix (EM) which addressed a series of Evaluation Questions (EQs). The exercise draws upon a mixed methods approach with both quantitative and qualitative data collection and analysis from various sources of information and a number of stakeholders.

Programme Implementation Status

The first phase of the SSNUP Programme, which started in July 2020, faced initial challenges due to the COVID-19 pandemic. In addition, impact investors were initially focused on managing their portfolios, which led to delays in project submission. After three years, there has been significant progress, with investors improving their capacity and efficiency in designing and developing proposals.

In terms of implementation status, 75 out of 88 TA proposals had been approved by December 2023. These projects cover various areas such as internal management, financial services, non-financial services and market-building solutions, and benefit a wide range of organisations in 29 countries, particularly in sub-Saharan Africa. Several projects involved more than one beneficiary organisation, reaching a total of 180, i.e. 120% of the target. One of the key objectives of the Programme was to reach 3 million smallholder farmers (SHs), with a particular focus on women. As of June 2023, the number of SHs stood at 115,944, representing just under 4% of the target (as of June 2023).

Knowledge management is an integral component of the Programme, facilitated through collaboration with external consultants and partners such as CSAF and IISD. Various knowledge products have been developed and disseminated, including thematic studies, beneficiary surveys and knowledge-sharing workshops, although the component has only partially achieved its objectives to date.

Programme Financial Status

The total estimated budget for SSNUP, as a ten-year programme, is EUR 55 million, with Phase 1 budgeted at EUR 18 million. Initial funding commitments came from SDC (CHF 9.5 million) and MFEA (EUR 3 million). Additional funding was attracted from LED, contributing EUR 1.5 million. Beneficiary organisations also exceeded targeted contributions, reaching EUR 5.3 million.

As of December 2023, the Programme effectively spent EUR 8.7 million, 58% of the total budget. Notably, the budget for TA projects reached EUR 7 million, with EUR 4 million remaining unutilized.

The initial implementation strategy relied on grant allocation envelopes to TAFs, ranging between EUR 500,000 to EUR 1.5 million based on TA project pipelines provided by investors. However, as of December 2023, only 72% of the total allocated budget had been approved, with varying rates of utilization among investors between 22% to 118% of the allocated envelope.

Evaluation Findings: Relevance

The relevance of SSNUP's intervention strategy lies in its alignment with beneficiaries' needs and priorities, aiming to stimulate agricultural investment while addressing specific challenges faced by SHs and agricultural value chain (AVC) actors.

- SSNUP's intervention strategy strategically targets the lack of TA funding for AVC actors in developing countries. By focusing on non-financial services, market-building solutions, and financial services, SSNUP aims to comprehensively meet the diverse needs of beneficiary organisations.
- Leveraging the partnership with impact investors, SSNUP promotes the integration of TA as a systematic complement to investment activities. Despite representing a fraction of total needs, SSNUP plays a crucial role in addressing sector demands.
- The establishment of a community of investors and funders within SSNUP holds significant potential to become a prominent entity in the agricultural investment space. Leveraging existing portfolios can drive investment growth, address challenges in AVCs, and contribute to SH integration, productivity, and resilience.
- SSNUP's focus on collaboration and co-design with investees enables the identification and prioritisation of pressing needs, ensuring that interventions align closely with the requirements of SHs and AVC actors. However, certain cases reveal challenges in prioritising needs and ensuring long-term sustainability, highlighting the importance of ongoing learning and improvement.
- While SSNUP's intervention strategy primarily focuses on TA, its impact on increasing investment in the sector may be limited. Complementary mechanisms beyond TA may be necessary to encourage investment in riskier actors or environments.
- The geographical scope of SSNUP, covering 92 countries, offers flexibility. The predominant focus on SSA may overlook other regions with equally relevant agricultural value chains and pressing needs.

Evaluation Findings: Coherence

SSNUP demonstrates strong internal coherence by aligning its objectives with stakeholder strategies, yet some concerns persist about the tangible benefits to SHs. Diverging incentives between public funders and impact investors highlight the need for coordination to maintain stakeholder support and enhance impact.

- The Programme's objectives closely align with the broader goals of its funders, which emphasize innovative inclusive finance, agriculture investment, sustainable food systems and agriculture, with a particular focus on small-scale farmers and value chains, and climate resilience.
- Stakeholders view SSNUP as valuable for driving private sector engagement and advancing development agendas, but concerns exist regarding the actual capacity to reach SHs as end beneficiaries.
- There is a divergence in incentives between public funders prioritizing productive outcomes from the use of public funds and impact investors seeking a positive bottom line, underscoring the importance of establishing a common understanding to collaborate effectively.
- Managing stakeholder expectations requires active coordination from the Programme Coordinator to harmonize investments and development goals, enhancing impact and stakeholder support.
- The Programme originated from a strategic dialogue between SDC and ADA. Involving various stakeholders since the early stages ensured coherence in SSNUP's objectives and strategies, facilitating a robust and inclusive design process.
- Coordination with other programmes is essential to prevent duplication of efforts and resources, highlighting the importance of communication and knowledge sharing to maximize impact and minimize redundancy.

Evaluation Findings: Effectiveness

While SSNUP has demonstrated effectiveness in achieving its objectives, challenges persist in areas such as stakeholder communication and knowledge dissemination. Despite these challenges, the Programme has made significant progress in fostering innovation, strengthening AVC’s internal capacities, and supporting sustainable agricultural practices. The following points highlight key areas where SSNUP has excelled and areas where improvement is needed:

- SSNUP's approach to innovation encompasses both new technological solutions and creative approaches to TA projects. By tailoring existing technologies to local needs, adopting simple but transformative tools, and implementing pilot projects that can be scaled, SSNUP promotes advancements in sustainable AVCs.
- SSNUP's impact investors maintain minimum ESG standards to ensure that financed organisations meet environmental and social criteria. Some TA projects focus on environmental sustainability, though there is room for improvement in gender-relevant solutions.
- Internal capacity building is seen as a positive outcome, suggesting that AVC actors are being equipped to play a significant role in their value chains. A key assumption is that SH aggregators are committed and receptive to TA interventions, as strong internal capacities are essential for implementing sustainable agricultural practices and attracting further investment.
- Post-investment TA enhances repayment capacity and addresses risks identified during due diligence and investment process. Pre-investment TA focuses on supporting organisations to become "investment ready" and may require additional measures beyond TA alone.
- The Knowledge Management component has made progress in promoting learning and knowledge sharing among stakeholders. However, some objectives have only been partially achieved. The challenge is to engage stakeholders effectively and avoid overlooked materials, suggesting a need for more effective communication strategies.
- The Programme faces challenges in effectively communicating with external stakeholders, with a potential impact on its broader influence. Addressing these communication challenges and refining engagement strategies are crucial for SSNUP's success.

Evaluation findings: Efficiency

SSNUP's efficiency in delivering results has been influenced by several factors, both internal and external. A summary of key findings on efficiency from various aspects of the Programme:

- The Programme's process for pre-identifying and selecting impact investors relies on thorough eligibility criteria. However, the selection has primarily occurred through direct outreach rather than an open application process, leading to concerns about transparency and the risk of missing out on potentially suitable candidates.

- The design and proposal drafting process has improved over time thanks to increased collaboration among investors and valuable guidance from the Coordinator. Delays in project approval are sometimes caused by complex proposals or unclear guidelines, suggesting the need for streamlined processes and clearer communication.

- The TAC plays a crucial role in project oversight but faces inefficiencies in proposal review due to multiple meetings, discussions, and lack of standardisation. The absence of fixed weekly TA committee meetings (in place only since beginning of 2024) and project pipelines exacerbate these challenges. As the number of projects increases, the dedicated time to proposal assessment may become unsustainable, suggesting a need for additional staffing or alternative measures to enhance efficiency.

- Significant disparities in budget utilisation among investors reveal capacity issues. The shift from fixed budget allocations to a first-come, first-served basis aimed to improve efficiency. The ongoing call for projects targets new impact investors, encouraging them to submit proposals and use remaining funds effectively.

- Delays in reporting due to slower investor compliance pose challenges to efficient Programme management. While the processes are lean, improving reporting timelines and compliance is crucial for effective monitoring and tracking progress.

- ADA manages resources efficiently and flexibly, focusing on operations and knowledge management. Though staffing levels are generally adequate, some team members may be reaching their capacity limits, prompting ADA to plan for additional recruitment and internal personnel relocation. This adaptive approach, complemented by a new check management tool to streamline processes, reflects ADA's commitment to operational efficiency.
- SSNUP's progress in reaching its targets is mixed. SSNUP reached 115,944 SHs (as of June 2023) which falls significantly below the target of three million SHs. Contributing factors include overambitious target-setting during the Programme design phase. The number of TA projects stands at 50% of the expected goal while the number of beneficiary organisations exceeded target by 120%. Despite not meeting all targets, the Programme has gained momentum, indicating potential for improvement as it moves forward.
- Phase II Considerations: Future expansion of the Programme should balance introducing new impact investors with avoiding dilution of resources. By focusing on partnerships with existing investors, SSNUP maintains the collaborative essence of the Programme. However, additional measures may be needed to ensure sustained efficiency and engagement.

Evaluation Findings: Impact

Based on insights from funders and the Coordinator, SSNUP is poised to become a key player in the sustainable finance sector, promoting agricultural investment with a focus on sustainable AVCs and SHs resilience.

The Programme's momentum has increased since 2023, with a growing number of TA projects. Knowledge management and dissemination activities are strengthened, both through insights from TA projects and new knowledge products.

The Coordinator is fostering relationships with stakeholders and sector players, leading to potential partnerships and cascading effects. This collaboration could result in additional funding, knowledge sharing, or the replication of SSNUP activities by other actors.

Although there is a positive trajectory, challenges remain, particularly in building and maintaining collaboration with other sector players and interventions to ensure effective dialogue and avoid duplication of efforts. While no concrete changes have yet been directly attributed to SSNUP, the growing interest from external actors indicates the Programme's potential to exert influence beyond its direct beneficiaries.

To measure the Programme's impact more comprehensively, SSNUP could consider various approaches, such as client perception surveys, qualitative data collection, rigorous impact evaluations, and collaborations with research institutions. These methods could provide a deeper understanding of the Programme's impact and guide further development.

Evaluation Findings: Sustainability

SSNUP's intervention strategy offers a unique approach that supports long-term sustainability by engaging impact investors and promoting collaboration. The following points illustrate the Programme's potential for lasting positive effects and the risks it may face:

- Effective Collaboration: SSNUP leverages a network of impact investors who have experience in providing TA. These investors are committed to their investees, maintaining long-term relationships and ensuring continuous support beyond individual TA projects. This ongoing engagement contributes to the sustainability of TA project outputs and outcomes.
- Expanding the Universe of Investable Partners: While limitations in the number of "investment-ready" organisations exist, SSNUP's collaborative approach to TA can expand the pool of eligible investees. This can lead to a spillover effect, where organisations with strengthened capacities can attract further investment and potentially influence other stakeholders.

- Knowledge Management and Dissemination: SSNUP's knowledge management component plays a crucial role in promoting sustainability by capturing and sharing best practices and insights. This ongoing learning fosters a culture of improvement, informing future interventions.
- Risks of Complexity and Fragmentation: With SSNUP's growing funding base and evolving strategy, there are risks of increased complexity in governance, diverse objectives among funders, and potential fragmentation of the Programme's impact.
- Efforts to Secure Additional Funding: SSNUP has successfully obtained commitments from existing funders and is actively seeking new potential funders. However, integrating new donors may introduce additional challenges, such as the risk of funder influence on the Programme's direction or the need to manage more complex compliance and reporting requirements.
- Opportunities to Strengthen Partnerships: SSNUP's collaborative approach with impact investors provides a robust framework for building long-term partnerships. However, there is potential to broaden these partnerships beyond impact investors, engaging with other stakeholders in the financial inclusion agriculture sectors to amplify SSNUP's influence.

Lessons Learned

A multi-stakeholder Public-Private Partnership with impact investors demonstrates the value of leveraging existing networks, expertise, and resources to meet the needs of SHs through TA.

The SSNUP Programme's partnership model with impact investors provides a framework that allows for a collaborative approach to TA projects, drawing on the knowledge and networks of diverse stakeholders. Leveraging existing networks ensures that TA reaches a broader range of SHs through established channels, fostering trust and enabling effective implementation. By tapping into the expertise of impact investors, SSNUP can design TA projects that are not only contextually relevant but also grounded in industry best practices.

The partnership model also encourages the sharing of resources among stakeholders. Impact investors, with their extensive connections in agricultural and rural finance, can support TA projects in a way that promotes scalability and replication.

TA can play a crucial role in providing support and capacity building for SHs and AVC actors. Nevertheless, TA alone may not be enough to significantly de-risk investments in agriculture, especially in volatile or high-risk environments.

While TA is a valuable tool in building capacity and supporting AVC actors, it may not be enough to fully de-risk investments. The broader risks that affect agricultural investments require additional financial instruments and risk mitigation strategies.

This lesson underscores the importance of a comprehensive approach to de-risking, one that combines TA with additional instruments to create a more stable investment environment.

A flexible approach building on existing structures is a powerful tool in programme implementation that needs clear guidelines for consistency and efficiency.

A flexible approach can be a powerful tool for improving efficiency and adaptability in programme implementation. By building on existing structures and processes, a programme like SSNUP can quickly adapt to changing circumstances and emerging needs. This approach fosters innovation, encourages stakeholder buy-in, and allows the programme to capitalise on existing expertise and networks.

Nevertheless, flexibility without clear guidelines can lead to inconsistencies and operational inefficiencies.

Innovative approaches to TA do not always need to be technologically driven but can focus on simple and fundamental project designs that address fundamental needs, laying the groundwork for additional TA.

Innovation is often associated with advanced technologies or complex systems. However, innovative approaches to TA can also emerge from simple project design focused on addressing basic needs. By grounding projects in fundamental aspects, SSNUP can create a strong foundation for additional TA projects and ultimately foster a more robust impact.

In the SSNUP Programme, knowledge management plays a crucial role in enhancing the impact of TA projects. By focusing on capturing, sharing, and institutionalising lessons learned, SSNUP can foster a culture of continuous learning and improvement, benefiting a broad range of stakeholders.

Knowledge management in SSNUP involves capturing, sharing, and institutionalising lessons from TA projects to drive broader impact and encourage successful replication. Through its knowledge management strategy, SSNUP aims to harness insights from TA interventions and translate them into actionable guidance for stakeholders, ensuring that the value derived from TA is not lost but leveraged to multiply impact.

Sharing this knowledge is critical to SSNUP's success. While SSNUP has taken steps to disseminate its findings, there is still room for improvement. Effective sharing requires not only providing access to information but also engaging stakeholders in ways that encourage them to apply these insights in their own contexts.

Broadening Dissemination Strategies to Reach Stakeholders

SSNUP's experience highlights the importance of using diverse channels for disseminating information to engage stakeholders effectively. While traditional methods play a role in communication, relying solely on them may limit reach and engagement.

Recommendations

1. Conclude Phase I and begin Phase II with focus on Programme consolidation and strengthening of impact investors base.

   Rationale: SSNUP faced challenges related to inconsistent investor engagement and productivity, highlighting the need for a more structured approach to selection, evaluation, and monitoring. By consolidating and refining these processes, SSNUP can build on existing strengths, focus on consolidating a solid investor base, and enhance collaboration among stakeholders.

   Actions: Review investors eligibility criteria, launch an open call for new investors, add conditions for permanence in the programme and create a system of incentives, and reassess existing impact investors for compliance with programme objectives.

2. Improve Programme Efficiency

   Rationale: While collaboration among investors and guidance from the Coordinator have enhanced the design of proposals, delays in project approval persist, underscoring the need for streamlined processes and clearer guidelines. Additionally, the TAC faces inefficiencies, attributed to multiple meetings, discussions, lack of standardisation, fixed weekly TA committee meetings and project pipelines.

   Actions: Review guidelines on a dynamic basis and ensure dissemination, streamline approval process, review eligibility costs, create project bundles with ta providers.

3. Develop Clear Strategy for Phase II.
   a. Define Objectives for Phase II - Number of SHs

      Rationale: While several factors contributed to the low SH outreach, the most relevant aspect is likely related to setting an over ambitious target based on “wrong” assumptions made during the design phase. The objective should be reassessed for Phase II based on the type of beneficiary organisations and projects approved during Phase I and on the actual capacity of investors.

      Actions: Consider the type of beneficiary organisation and calculate the SHs objective based on the number of investors, the expected number of projects per year and the average number of SHs per beneficiary organisation using Phase I figures.

   b. Establish Formal and Regular Forum for Strategic Decision-Making

      Rationale: With the role of the SC diluted and strategic decision-making occurring mainly during workshops, it is recommended to establish an official forum for strategic discussion.

      Action: Establish a formal forum that includes investors and funders for strategic discussions and decision-making on investment strategies and risk management.

   c. Begin Discussion and Planning to Expand Programme Scope beyond TA and Improve Investment De-Risking.

Rationale: As TA alone may not sufficiently address the challenges related to stimulating agricultural investment, it is recommended to explore additional tools and mechanisms beyond TA to increase investment opportunities and mitigate risks effectively.

Action: Create complementary mechanisms that support risk reduction for investors and promote investment, particularly relevant to incentive long term investment and incentive investment in riskier organisations and local value chains.

4. Track Increase in Investment in Individual Investees

   Rationale: As an increase in investment portfolio cannot be directly attributed to TA, it is recommended to find alternative measures that can serve as an indication of the contribution of TA.

   Actions: Track investment portfolio based on existing investees that receive TA and new investees that receive TA pre- or post investment.

5. Improve TA Project Design

   Rationale: While TA project design has evolved over time, it is important that the process continues evolving to ensure that funders' objectives are met, SHs' and AVCs' actor needs adequately addressed and identified and that environmental and gender issues are consistently addressed.

   Actions: Strengthen TAFs through workshops and trainings on specific topics and ensure project design identifies needs in collaboration with AVC actors.

6. Enhance Knowledge Management and Dissemination.

   Rationale: The evaluation identified KM as a critical component of the Programme which needs to be enhanced through targeted products and channels to ensure effectiveness in engaging stakeholders and disseminating knowledge generated by the Programme.

   Actions: The approach to knowledge management and dissemination should be continuously refined specifically with new channels and tools.

7. Enhance Engagement with External Stakeholders Involved in Agriculture Investment and TA Support.

   Rationale: As one of the strengths of SSNUP lies in the creation of a community of investors and funders, the Programme should enhance its potential to become a prominent entity in the agricultural investment space that can contribute to investment growth while addressing challenges and weaknesses in AVCs.

   Actions: Develop a strategy and implementation plan to strengthen SSNUP's engagement with key external stakeholders involved in agricultural investment and technical assistance support. This strategy will outline clear objectives, target stakeholders, communication channels, and activities.

8. Conduct an Analysis on ESG standards and RAI Principle.

   Rationale: The rationale for conducting an analysis on ESG standards and RAI principles stems from the need to ensure that SSNUP's investments align with responsible agricultural practices. Despite existing ESG standards, there may be gaps in coverage or alignment with funders' objectives. Additionally, the limited results from the collaboration with IISD underscores the importance of a pragmatic approach to incorporating RAI principles into investment decision-making processes.

   Action: Conduct a pragmatic exercise based on IISD case studies and leverage support from CERISE to assess which criteria from RAI Principles are required so that investors can have a quick checklist to use during their investment analysis.

Purpose and Scope of the Evaluation

The purpose of the evaluation is to provide pertinent information and recommendations to facilitate evidence-based programme management for the ongoing First Phase of SSNUP spanning from 2021 to 2024 and inform a broader strategic decision-making process for the design of the forthcoming Second Phase, scheduled to commence in January 2025 and extend until 2030.

Since its launch in 2020, the first phase of the Programme has been underway for only three years, resulting in a relatively limited number of completed Technical Assistance (TA) projects. As a result, the evaluation primarily focuses on assessing the overall intervention strategy and considers the outcomes of the projects that have been completed.

The specific objectives of the evaluation include:

- assess the relevance, coherence, effectiveness, efficiency, and likely impact and sustainability of the Programme;
- assess the influence of the Programme on stakeholders and non-partners to capture the cascading effect envisioned in the Theory of Change (ToC) (addressed in EQ 3.7 and EQ 6.4);
- extract lessons from the intervention to guide the design of Phase II.

In particular, the consulting team focused on:

- Programme design, strategy and approach;
- governance and management structure;
- processes and procedures;
- adequacy of resources and capacity to deliver results in a cost efficient and timely manner;
- within the constraints of the relatively short implementation period, providing insights on the likely impact and prospects for sustainability;
- drawing lessons learnt and providing recommendations to guide the design of the Phase II.

The evaluation is intended for the SSNUP coordinator and funders to guide the design of the Second Phase of the Programme, including its objectives, scope, intervention strategy, partnerships, and funding.

Evaluation Approach and Methodology

The mid-term evaluation was commissioned in October 2024 and was conducted between November 2024 and April 2025. The approach and methodology sought to meet the requirements of the SSNUP coordinator and funders as outlined in the Terms of Reference (ToR). The process was structured around the ToC and the Evaluation Matrix (EM) (Table I) which includes a series of Evaluation Questions (EQs), framed by the OECD/DAC six evaluation criteria of relevance, coherence, efficiency, effectiveness, impact, and sustainability[1]. The exercise draws upon a mixed methods approach with both quantitative and qualitative data collection and analysis from various sources of information and a number of stakeholders.

Based on the ToC and underlying assumption, the Consultant formulated the following Hypothesis which was tested throughout the evaluation:

[1] https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

Evaluation Hypothesis

The sustained application of a systemic market development approach, coupled with tailored TA interventions targeting SH aggregators, will lead to a measurable improvement in the resilience, productivity, and overall socio-economic well-being of smallholder farmers within AVCs. The positive effects observed in the initial markets, as evidenced by the adoption and enhancement of risk reduction and transfer instruments by SH aggregators, will create a cascading impact. This impact will extend to other SH aggregators in targeted AVC markets, fostering swift and sustainable growth. The subsequent replication of these tools by global market actors and development organisations in Southern countries will contribute to the broader agenda of social protection for SH, benefiting over three million farmers and their households.

Taking into account the ToC and the Evaluation Hypothesis, the Consultant directed the evaluation towards the first four criteria: relevance, coherence, effectiveness, and efficiency. Addressing impact and sustainability presented additional challenges given the Programme's relatively brief implementation period. Particularly, the potential scalability and cascading effect outlined in the ToC can only be inferred through assumptions drawn from insights gathered during the evaluation process.

Following the Evaluation Matrix, the Consultant developed a data collection toolkit, which includes a comprehensive set of instruments and guidelines. The toolkit facilitated the evaluation team in gathering and analysing data and information effectively. The data collection process and toolkit comprises:

- **Document Review**: desk review of Programme documents as well as other relevant documentation.
- **Stakeholder Interviews**: interviews with all relevant stakeholders involved in the Programme (36 stakeholders from 15 entities, Table II), based on semi-structured interview guidelines.
- **Field Visit**: field mission in Rwanda including 7 beneficiary organisations which received TA support from three impact investors, 2 TA providers and 1 focus groups with SHs (Table II).
- **TA Projects Deep-Dives**: selected 11 TA projects to conduct in-depth analysis reviewing related documentation to evaluate project identification, proposal design, approval process, implementation, monitoring and reporting (Table III).
- **Workshop**: actively engaged in a workshop conducted on 18-19 March in Luxembourg, with all relevant stakeholders. The objective of the workshop was to present initial key findings and preliminary recommendations and serve as a platform for stakeholders to engage in discussions regarding their expectations, requirements, and potential opportunities.

Challenges and Limitations

- One challenge encountered in preparing the evaluation report was the presence of repetitive questions, some of which were redundant or directly asked for recommendations. To address this, the report includes cross-references to the relevant EQs or specific numbered recommendations.
- A limitation arose from a lack of response from other programmes contacted for interviews, except ABC Fund. To mitigate this, the evaluation used publicly available information to compensate for the absence of direct input. Although this strategy provided some insight, it may not have covered the full range or detail that direct interviews could offer, which could affect the evaluation's ability to benchmark accurately or make comprehensive comparisons.

Ethical Considerations

The evaluation adhered to key ethical principles, including informed consent, confidentiality, and impartiality. Participants were fully informed about the evaluation's purpose, methods, and potential outcome, and their consent was obtained before data collection. Data collected during the evaluation were kept confidential and used solely for evaluation purposes, with all personal identifiers anonymized to safeguard participants' privacy. Throughout the process, the evaluation maintained objectivity and avoided biases, ensuring that the findings were accurate and fairly represented all perspectives. A full list of interviewees is provided in Table II, with the option to exclude specific individuals upon request.

Programme Overview

Programme Description

SSNUP is a ten-year multi-donor Programme co-financed by the Swiss Agency for Development and Cooperation (SDC), the Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade (MFA) of Luxembourg and the Liechtensteinischer Entwicklungsdienst (LED).

The Programme seeks to leverage the knowledge and networks of the Technical Assistance Facilities (TAFs) belonging to selected impact investors engaged in agriculture and rural finance to fund TA projects that support AVC aggregators[2], who are either current or potential investees. The objective is to develop, test, and scale tailor-made agricultural financial and non-financial farm risk mitigation and extension services, ultimately enhancing the safety nets for SHs. While the focus is on Sub-Saharan Africa (SSA), the scope extends to 92 countries in Asia, Latin America & Caribbean (LAC), and North Africa & Middle East (MENA).

The Programme implementation strategy hinges on a set of key elements to ensure the realisation of the ToC and expected outputs and outcomes:

- **Private-Public Partnership**: The SSNUP Programme established a Private-Public Partnership with impact investors which operate TAFs. The goal is to enhance the safety nets of SHs and incentivize investors to explore investment opportunities in different regions. Through this collaboration, SSNUP is positioned to fund TA projects efficiently and mitigate investment risks.
- **Governance and Management Framework**: The governance and management framework of the SSNUP Programme includes core funders, impact investors, and other funders and is ensured through the following setup:
    - the Steering Committee (SC) is the highest decision-making body composed of the core funders, impact investors and other funders.
    - the Technical Assistance Facility Selection Committee (TAC) includes representatives of the core funders, i.e. a designated representative for SDC, LuxDev for MFEA and a representative of LED, and other funders if relevant. The TAC is responsible for reviewing and approving or rejecting TA proposals within a 10-day period from submission.
    - the Programme Coordinator, ADA, is integrated by a team of four members and is responsible for overall Programme coordination, monitoring and reporting, and managing knowledge management.
- **Implementation Process**: SSNUP operates with an agile structure for day-to-day operations. The process begins with impact investors submitting TA projects to the Programme Coordinator for review. The TAF Committee allocates funds, and the TAFs implement the projects, reporting on their progress to the Coordinator and Committee.
- **Monitoring and Reporting**: Monitoring and reporting is conducted through KPIs and a structured reporting process to track progress and measure impact, with impact investors required to submit TA projects completion report and semi-annual reports.
- **Knowledge Management and Dissemination**: The SSNUP Programme emphasises leveraging knowledge from TA projects, with the Programme Coordinator focusing on capturing, creating, and disseminating insights through activities like monitoring and reporting on TA projects, conducting perception surveys, developing knowledge management tools, and organising workshops to share best practices, while disseminating this knowledge via a dedicated webpage, relevant networks, and conference participation.

Programme Implementation Status

The SSNUP Programme Phase 1 started in July 2020 and was originally scheduled for completion by 31 December 2023. This timeframe was later extended until December 2024. Phase 2 is planned to begin in January 2025 for an additional five years.

Launched during the onset of the COVID-19 pandemic, the Programme faced immediate challenges as impact investors were preoccupied with pressing priorities, mainly centred around managing their portfolios. This focus

[2] AVC actors which purchase from, or sell to, many SHs, including input producers and suppliers, off-takers of agricultural produce, processors or wholesale/export traders with large distribution/sourcing networks, farmer co-operatives, groups, associations, and apex organisations, and agricultural/rural financial intermediaries.

led to delays in the submission of TA project proposals, resulting in a slow start for the Programme and difficulties in gaining early traction. In addition, the initial years (2020-2021) were dedicated to building momentum, as investors familiarised themselves with procedures, refined their collaboration with the coordinator, and enhanced their capacity to submit project proposals. After three years, the Programme has witnessed a notable shift in dynamics, with TAFs increasingly improving capacity and gaining efficiency.

In terms of implementation status, the Programme is meeting its targets for certain indicators, but experiencing delays with others. Additionally, some indicators are not measurable due to lack of consolidated data and analysis.

The key Programme indicators and their level of accomplishment as of 31/12/2023 are presented in Table IV.

Impact Investors

The Programme operates in collaboration with impact investors, fostering a strategic partnership to advance its objectives. Initially, five investors were onboarded, and, as the Programme evolved, four additional investors joined during the implementation of Phase 1, in the acknowledgment of the necessity to broaden partnerships to enhance implementation capabilities (Table V).

TA Projects

As illustrated in Table V, during the first three years, the Programme received a total of 88 TA project proposals, with 75 approved as of December 2023, i.e. 50% of the Phase 1 objective. Out of the total projects approved, 46 (58%) are currently ongoing. The table also shows the evolution of the Programme from the slow onset (1 project approval in 2020) to the gradual increase in participation from investors (34 in 2023). **Several projects involved more than one beneficiary organisation, reaching a total of 180, i.e. 120% of the objective**.

The "aggregators" are selected by impact investors on the basis of specific criteria related to the targeted AVC and include farmer organisations and cooperatives, SMEs and financial intermediaries.
The Programme supports four broad categories of TA interventions (Table VI): internal management, financial services (including insurance), non-financial services, and market-building solutions. Each TA project may involve one or more of these areas resulting in 151 beneficiary organisations benefitting from internal management, 109 non-financial services, 94 market-building solutions and 30 financial services.

The number of organisations reached may also be used as an indicator for the number of organisations which received support from the Programme through training or development of a new service.

In terms of geographical distribution, TA projects were implemented in 29 countries as of December 2023 with a clear focus on SSA (145 projects which represent 81% of the total, Table VII).

Smallholder Households

With regards to the number of SHs, the Programme set a target of 3 million, based on an estimated average of 10,000 SHs per TA project, or 15,000 SHs for agricultural insurance pilots, to ensure sufficient scale and commercial viability. As of June 2023, the Programme reached a total of 115,944, which represents just below 4% of the objective. Out of the total number of SH, 40.55% are represented by women.

Knowledge Management

The Knowledge Management component is implemented through the collaboration with external consultants for studies and workshops and framework agreements with two knowledge management partners, the Council on Smallholder Agricultural Finance (CSAF) and the International Institute for Sustainable Development (IISD). In addition, SSNUP set out to establish a collaboration with the Microinsurance Network (MiN).

Based on the Programme Document, the target is to develop and disseminate 10 KM tools which include: thematic studies, case studies, beneficiary's surveys, and knowledge sharing workshops. At the time of the evaluation, the following products have been produced and published:

- Thematic Study: State of the Market - Technical Assistance provided by Impact Investors to Agricultural Value Chain Actors, December 2023.
- Beneficiary Survey - Farmers Voice: Improving the living conditions of cashew nut producers in Burkina Faso, June 2023. The survey is based on the TA project implemented by Incofin.
- 5 Knowledge Sharing Workshops.
- 7 public project results documents.

The component has partially achieved its objectives with the production of seven documents and/or products, when the workshops are also taken into account.

Programme Financial Status

The Programme Document outlined a total estimated budget for SSNUP, as a ten-year programme, of EUR 55 million, with a total for Phase 1 of EUR 18 million. The Programme started with a funding commitment from SDC with CHF 9.5 million and from MFEA with EUR 3 million. During implementation, SSNUP attracted additional funding from LED which contributed EUR 1.5 million, while an additional contribution was expected from beneficiary organisations (Table VIII).

As illustrated in Table IX, the effective participation from beneficiary organisations exceeded the targeted amount and reached EUR 5.3 million (168%), which, with funding from other sources like EIB, contributed to a total EUR 14.8 million approved TA budget.

In terms of implementation, the Programme effectively spent EUR 8.7 million, 58% of the total budget, as of December 2023 (Table X). Notably, the budget for TA projects reached EUR 7 million (61%) with EUR 4 million unutilised funds.

The initial implementation strategy was based on grant allocation envelopes to TAFs (Table XI). The envelopes ranged between EUR 500.000 to EUR 1.5 million based on TA projects pipelines provided by investors. As of December 2023, the total amount of approved projects represents 72% of the total allocated budget. The rate of utilisation varied widely among investors between 22% to 118% of the allocated envelope.

Evaluation Findings

Relevance

The extent to which the objectives and design of the intervention respond to beneficiaries' needs and priorities and the extent to which they will continue to do so, if circumstances change.

EQ1.1	To what extent does the SSNUP intervention strategy address the lack of TA funding for AVC actors in developing countries?

SSNUP strategically addresses the lack of TA funding for AVC actors, aiming to increase agriculture investment while supporting the needs of SHs and strengthening AVCs. Leveraging partnerships with impact investors, SSNUP promotes the integration of TA as a systematic complement to investment activities. Despite representing a fraction of total needs, SSNUP plays a crucial role in addressing sector demands.

SSNUP's intervention strategy is strategically designed to tackle the lack of TA funding for AVC actors in developing countries with the overarching objective to stimulate agriculture investment while addressing the specific needs of AVC actors and SHs. As stated in the Programme Document, SSNUP recognizes the significant challenges faced by SHs, including low productivity and vulnerability to climate change and aims to strengthen AVCs by investing in aggregators and integrating SHs into value chains.

SSNUP's strategy focuses on the partnership with impact investors already engaged in agriculture investment, leveraging their networks and expertise to address a critical need for TA to support AVC actors already financed by investors and to promote the integration of TA activities as a natural complement to their investment activities recognizing the benefits to both financial institutions, SMEs and farmers organisations.

"I'm reflecting on our projects, and I can't recall any where we didn't rely on a TA facility. Thus, I see TA as a highly complementary instrument to our more standard investment approach. Therefore, I believe it's a beneficial addition to our strategy." Funder

The agriculture sector suffers from severe undercapitalization, with financing needs estimated at up to USD 450 billion[3]. While SSNUP impact investors' portfolios represents only a tiny fraction of the total need, the Programme plays a vital role in addressing the sector's pressing demands. The increasing number and variety of TA projects, as well as the growing number of beneficiary organisations, demonstrate the relevance and effectiveness of the Programme's approach. Similarly, discussions with impact investors further affirm the Programme's importance as a complementary initiative to address the needs of investees.

EQ1.2	To what extent is this intervention strategy and the instruments used by SSNUP appropriate to meet the 3 main objectives of the Programme, e.g.: • addresses the needs of SHs to enhance their productivity and/or resilience? (are SHs at the core of TA?) • strengthens AVCs? • increases investments (from SSNUP investors or others) in AVCs that comply with the RAI principles?

As questions 1.2, 1.3 and 1.4 are redundant. Main answer in 1.2.

SSNUP's intervention strategy effectively addresses the needs of SHs and strengthens AVCs through TA and collaborative design with impact investors. The approach is fitting and project design has gone through a positive evolution. Nevertheless, attention should be paid to continue on the same trend, highlighting the need for ongoing improvement and alignment with SHs' needs. With regards to increased investments, the Programme should consider incorporating additional instruments and pragmatic efforts undertaken to promote RAI Principles.

Address needs of SHs and Strengthen AVCs

Based on the type of projects approved, the SSNUP intervention strategy and instrument (i.e. TA) effectively address the needs of SHs and contribute to strengthen AVCs. By focusing on non-financial services, market building solutions, and financial services, SSNUP ensures a comprehensive approach to meet the diverse needs of beneficiary organisations. The emphasis on collaboration and co-design with investees enables the identification and prioritisation of pressing needs, ensuring that interventions align closely with the requirements of SHs and AVC actors.

"We believe in empowering our partners by putting them in the lead role, especially when it comes to project proposals. Encouraging investees to take ownership of the proposal process results in more thorough and practical outcomes, rooted in their expertise and needs. While there are exceptions, our approach is largely bottom-up, emphasising collaboration and practicality." Impact Investor

While the approach is appropriate and project design has witnessed a positive evolution, it is important to note that certain cases, i.e. projects visited in Rwanda, reveal that identified needs may not always be prioritised or adequately consider long-term sustainability, in some cases due to pressures to allocate available TA funds.

For example, certification projects in Rwanda raise concerns about long term sustainability due to their cost and the capacity of AVC actors to maintain them in the absence of TA. This type of project is useful and easily implemented but does not necessarily address the most pressing needs of SHs or the aggregator.

"The TA has an impact because through the certification we reconnected with farmers: rehearsing good practices in coffee and strengthening the relationship with farmers. [...] asked us what type of TA we wanted, provided the range of TA possible, the amount available, etc. Today we would not ask for the certification but for different things." SME

Similarly, projects like the PRM Training, while with ample benefits, may require follow-up phases to ensure lasting impact and knowledge retention among cooperative members.

[3] Catalyzing Smallholder Agricultural Finance. Dalberg. 2012.

"We learnt how to better communicate with buyers, negotiate about prices, discuss the contract, what is the right position for signing the contract: open and fixed contract, how to improve business: calculate production cost, use the cost to negotiate price, how the coffee value chain works, etc. 8 people received the training and they spread information to farmers through group leaders. However, training was too short: 3 times in a year, with 2 days of training (classroom training). It should be longer and done more often to make sure we learn. We appreciate the visit to different cooperatives, but it was done only once." Cooperative

To further enhance the impact and effectiveness of interventions, ongoing learning and improvement are essential. Project design should evolve based on feedback and lessons learned from implementation to better address the needs of final beneficiaries. (Recommendation 5)

Increases investments in AVCs that comply with the RAI Principles

Embedded in SSNUP's intervention strategy, impact investors have a clear commitment to comply with ESG standards and agree to provide TA to beneficiary organisations that comply with the ESG criteria[4]. Nevertheless, there is a need to strengthen the promotion of RAI principles, as some investors may not be familiar with or systematically verify them. While efforts with organisations like IISD intended to support this effort, integrating RAI principles into the existing ESG framework is relevant to further ensure investees meet these minimum standards. (Recommendation 8)

Regarding increasing investments in AVCs, while the TA provided by SSNUP contributes to this goal, attributing investment solely to TA is challenging without further evidence. Therefore, the Programme should consider incorporating additional instruments to increase investment in the sector. This strategic approach aligns with the Programme's overarching objectives and ensures a comprehensive strategy to enhance agricultural investment and support AVC actors effectively. (see also EQ 3.4 and Recommendations 3 and 4).

EQ1.3	Is the SSNUP intervention strategy more appropriate to reach one of these 3 objectives?

SSNUP's intervention strategy, primarily TA, is generally suitable for strengthening AVCs and addressing SHs needs but may have limited impact on overall investment increase.

The SSNUP intervention strategy is generally appropriate for all three objectives, with some considerations specific to each. Providing TA support is particularly suitable for strengthening AVCs as it directly engages with beneficiary organisations and addresses identified gaps. TA can also effectively address the needs of SHs when tailored to their specific requirements and accompanied by robust follow-up mechanisms to ensure sustainability. However, while TA may contribute to investment, its impact on increasing overall investment in the sector may be limited, as it primarily supports investees already targeted by investors. To maximise investment impact, other complementary mechanisms beyond TA may be necessary to encourage investment in riskier actors or environments. (Recommendation 3).

EQ1.4	Should SSNUP intervention strategy and instruments used by SSNUP be revised or enlarged to reach these objectives?

See Recommendation 3, 4 and 5.

[4] ESG Principles – CSAF

EQ1.5	To what extent is the scope of SSNUP (AVCs, from production to trade) appropriate to meet the 3 main objectives of the Programme? Should the scope be on food systems in general, including consumption?

The current scope of SSNUP aligns with its objectives, but expanding to include consumption within food systems could offer additional benefits. Supporting local value chains faces challenges related to higher risk, suggesting the need for an expanded programme strategy. In developed markets, focusing on improving consumption patterns presents an opportunity to promote responsible behaviour and sustainability.

The current scope of SSNUP adequately aligns with the Programme's objectives. However, expanding the scope to include consumption within food systems could offer additional benefits.

The challenges involved in supporting local value chains from an investment perspective relate to the higher risk involved in terms of currency (revenue stream in local currency rather than hard currency) and collateral (lack of contracts to use as guarantee), among others. Therefore, reinforcing this type of intervention can be achieved through an expanded strategy of the Programme (Recommendation 3).

In developed markets, focusing on improving consumption patterns may be an opportunity to promote more responsible behaviour among consumers, including efforts to reduce food waste, promote sustainable sourcing, and raise awareness of environmental impacts, all of which contribute to building a more conscientious consumer base. An opportunity arises to influence consumption patterns by leveraging partnerships with traders, who can serve as valuable allies in implementing TA and promoting sustainable practices among consumers. For instance, initiatives like the Happy Hazelnut program in Switzerland (https://www.happyhazelnut.ch/) and partnerships showcased on https://www.isiktarim.com/our-projects.php demonstrate successful collaborations between buyers and producers. In these partnerships, impact investors could potentially play a role in co-financing TA, leading to cost-sharing benefits, improved identification of needs, and increased investment opportunities.

EQ1.6	To what extent is the geographical focus of SSNUP (92 countries) appropriate to meet the 3 main objectives of the Programme?

SSNUP's broad geographical scope offers flexibility, yet its predominant focus on SSA poses limitations for impact investors seeking diversification. While SSA remains a priority due to its significance, concentrating TA projects in this region may overlook equally relevant regions with pressing agricultural needs.

Overall, the large geographical scope of SSNUP, covering 92 countries, offers considerable flexibility. Nevertheless, the predominant focus on SSA, driven largely by funders, poses limitations for impact investors seeking to diversify their TA interventions across regions. AgDevCo operates exclusively in SSA, others like Bamboo Capital Partners and SIDI allocate a significant portion of their investments to the region, while the rest display varying geographical preferences among stakeholders.

The concentration of TA projects in SSA, with 29 countries benefiting from approved projects, underscores the region's significance. However, this emphasis may inadvertently overlook other regions with equally relevant agricultural value chains and pressing needs. Additionally, the focus on SSA may restrict opportunities for cross-regional learning and collaboration. Despite these considerations, it is recognized that SSA remains a priority for funders.

“It's relatively straightforward to secure funding for Africa in terms of TA. However, Asia presents a bit more complexity, so it's valuable that we can collaborate with our partners in that region. What's lacking on our end is support for Central Asia and the Balkans, where we also have several partners. It's something we truly hope to address and secure funding for in those countries." Impact Investor

"In terms of our total portfolio, currently Africa represents about 40%. This demonstrates our commitment to the region as a significant portion of our portfolio, which we don't intend to decrease. However, with SSNUP, we now

have the opportunity to explore equally promising opportunities to fund partners in Latin America and Asia." Impact Investor.

Though the regional focus is not deemed a major constraint, it is important to note that many countries in SSA are high-risk, which limits opportunities for investors who ultimately all operate in a limited number of markets. This again underscores the necessity to broaden the programme's scope through various instruments (Recommendation 3).

EQ1.7	What value does SSNUP add to the inclusive AVC development and resilient smallholder production as part of sustainable food systems?

Addressed with EQ 1.8

EQ1.8	What is the uniqueness or key comparative advantages of SSNUP in the public-private impact investment space?

SSNUP's value lies in its establishment of a strong investor and funder community, with potential to drive agricultural investment growth and address AVC challenges. Its role as a knowledge hub enhances its ability to replicate successful initiatives, while fostering collaboration in the impact investment space.

The value SSNUP brings to inclusive AVC development and resilient smallholder production lies in the establishment of a robust community of investors and funders. This collective has significant potential to become a prominent entity in the agricultural investment space. By leveraging their portfolios, they can strategically drive investment growth, address challenges and weaknesses in AVCs, and facilitate the integration of smallholders into AVCs while enhancing productivity and resilience.

Moreover, SSNUP has the opportunity to become a focal point for knowledge dissemination within the sector. By identifying and sharing best practices, it can contribute to the replication of successful initiatives. Although the needs within the sector are substantial, SSNUP's contribution in absolute terms may remain limited. However, its potential to catalyse replication and scale impactful interventions is significant, thus further enhancing its value proposition.

In the public-private impact investment space, SSNUP's uniqueness and key comparative advantage lie in its ability to foster collaboration between diverse stakeholders. By bringing together funders and investors from the public and private sectors, SSNUP creates a platform for collective action and innovation. This collaborative approach enables SSNUP to leverage the expertise, resources, and networks of its members to address complex challenges and drive sustainable impact at scale. Additionally, SSNUP's focus on knowledge sharing and best practices dissemination further enhances its comparative advantage, positioning it as a source of insights and guidance in the agriculture investment landscape.

Coherence

The compatibility of the intervention with other interventions in a country, sector or institution

EQ2.1	Internal coherence: Is SSNUP (main objectives, selection criteria, processes) aligned with the strategies of its various stakeholders (funders, private impact investors, coordinator)?

SSNUP demonstrates strong internal coherence by aligning its objectives with stakeholder strategies, yet concerns arise about the tangible benefits to smallholders. Diverging incentives between public funders and impact investors highlight the need for coordination to maintain stakeholder support and enhance program impact.

SSNUP demonstrates robust internal coherence by aligning its main objectives, selection criteria, and processes with the strategies of its stakeholders, including funders, private impact investors, and the Coordinator. The Programme's objectives, such as stimulating agricultural investment and addressing the specific needs of AVC actors and SH, are closely aligned with the broader goals of its funders, which revolve around innovative inclusive finance, agriculture investment, sustainable food systems, and sustainable agriculture, with a particular focus on small-scale farmers and value chains, and climate resilience.

Acknowledging the significance of SSNUP in achieving their respective goals, funders collectively view SSNUP as a valuable vehicle for driving private sector engagement and advancing their development agendas. However, some stakeholders express concerns about the actual capacity in reaching smallholders as end beneficiaries.

"So, the activities that we are financing for the smallholders often feel quite remote, involving relying on numerous assumptions to ensure they benefit the majority of small-scale farmers. This can make it challenging to connect the dots between our actions and the desired outcomes. While we understand the broader goals and intentions behind these activities, the direct impact can sometimes feel distant and abstract" Funder.

Moreover, there exists a divergence in the incentives driving public funders and impact investors. While public funders prioritise productive outcomes from the use of public funds, impact investors seek a positive bottom line and financial returns for their investors. This divergence in incentives underscores the importance of establishing a common understanding of motivations and priorities to effectively collaborate and achieve shared objectives.

Managing expectations of the different stakeholders presents some complexity, requiring active coordination from the Programme Coordinator to harmonise investments and development goals effectively. By addressing any discrepancies and managing expectations, the Programme can enhance its impact and maintain stakeholder support for inclusive and resilient agricultural development.

EQ2.2	Internal coherence: To what extent have the various stakeholders contributed to the definition of the Programme?

The Programme stemmed from a strategic dialogue between SDC and ADA aimed at fostering agricultural investments. The joint initiative brought together diverse stakeholders who shaped the Programme's framework. Early stakeholder engagement ensured coherence in SSNUP's objectives and strategies, enhancing its overall effectiveness.

The Programme's genesis lies in a strategic dialogue between SDC and ADA, drawing from their previous collaboration dating back 15 years to the Rating Fund initiative. The discussion, initiated in 2019, revolved around the shared goal of fostering agricultural investments and the possibility of initiating a joint initiative rather than engaging with individual investors or entities. Drawing parallels from previous experiences, akin to the process undertaken with rating agencies and investment funds in the establishment of the Rating Fund, stakeholders sought to replicate a similar collaborative model. This inclusive and synergistic approach aimed to bring together a diverse group of actors to explore avenues for facilitating investments.

Subsequent to these discussions, a broader stakeholders group convened in Switzerland, including investors like Oikocredit, Incofin, Symbiotics, and the insurance program of GIZ to reflect on their collective experiences in combining TA with investment in agriculture. This effort culminated in the proposal to coordinate TA efforts among stakeholders and integrate a knowledge management component, an idea embraced by all participating stakeholders.

Importantly, the Programme's conceptualization did not end with this initial meeting but continued through multiple iterations, involving various stakeholders, ensuring a robust and inclusive design process. This collaborative approach was not only atypical but also highly effective, as it drew upon the practical experiences and insights of stakeholders, ultimately shaping the Programme's framework. SSNUP's overarching objectives and strategies show coherence thanks to the early engagement of players from the onset of the Programme.

EQ2.3	Internal coherence: To what extent are donor priorities actually being adopted (e.g. agroecology, just transformation)?

SSNUP's funders prioritise sustainable food systems, climate adaptation, sustainable agricultural practices, particularly targeting smallholder farmers, and innovative inclusive finance. Concerns remain regarding the alignment of TA interventions with their priorities. To address this, the Programme enforces ESG criteria and defines smallholders to exclude intensive agriculture. Yet, there is room for improvement in aligning projects with funders' goals.

The dynamics within SSNUP's funders reveal ongoing discussions regarding the alignment of their priorities with the interventions implemented by impact investors. Notably, SDC and MFEA, as main donors, consistently prioritise climate change adaptation, financial inclusion, innovative finance, and sustainable food systems, reflecting the comprehensive nature of their international cooperation activities. Liechtenstein's focus on agroecology complements Switzerland's and Luxembourg's efforts toward sustainable food systems and smallholder resilience, establishing a cohesive approach within SSNUP's objectives.

As indicated in EQ 2.1, funders express some concern on whether the TA projects actually address their priorities for instance in terms of actual benefits to SH or of the type of agriculture that is being supported:

"That aligns more closely with our strategy, it would entail a stronger emphasis on sustainable agriculture, rather than merely mentioning ESG criteria or referencing the FAO climate-smart agriculture website. Because during presentations of projects, it became evident that we lack a clear understanding of the actual agricultural practices being implemented on the ground. We often make assumptions based solely on proposal documents, which are eloquently written but may not reflect the reality of intensive agriculture practices in certain areas, contradicting our strategy for sustainable agricultural practices." Funder

While elements of this question are touched upon in EQ 1.2, EQ 3.2, and E.Q 3.3, it is important to note that the Programme upholds minimum standards by enforcing ESG criteria across all investments. Additionally, criteria like defining SH as farm activities below 5 hectares serve to exclude intensive agriculture from intervention scopes. There is room for further improvement by considering additional criteria or project requirements, always mindful of balancing the objectives of reaching SH, promoting sustainable agricultural practices, and strengthening AVC actors. Recommendation 2.

EQ2.4	External coherence: Does SSNUP complement other TA or grant funding programmes (including other TAFs) for AVC actors in developing countries? If so, how?

Despite the limited scope of the assessment, publicly available information suggests that SSNUP's emphasis on smallholder resilience adds value and aligns with the objectives of similar initiatives. Moving forward, proactive engagement with these programmes could foster valuable exchanges, paving the way for enhanced cooperation and synergy.

As mentioned in the limitations, the Consultant was unable to arrange interviews with other TA or grant funding programmes due to a lack of response. As such, the only meeting was held with IFAD in relation to the Agri-Business Capital Fund (ABC Fund). The financing mechanism was launched about two years before SSNUP with the objective to raise and leverage a blend of public and private sector capital to finance rural and agricultural value chains in developing countries to stimulate growth, foster new markets and preserve and create job opportunities for the rural youth and women. Like SSNUP, the ABC Funds aims at maximising development impact through its grant funded TAF as well as maintaining financial profitability of its investor Bamboo Capital Partners.

Based on the outcome of the conversation, SSNUP complements ABC Fund's TAF's activity through the particular focus on addressing SH vulnerability and scaling risk mitigation initiatives.

To compensate for the lack of interviews, the Consultant assessed the following blended finance facilities and grant funding programmes through information publicly available: Global Agriculture and Food Security Program (GAFSP), Commercial Agriculture for Smallholders and Agribusiness (CASA) Programme, TechnoServe Coalition for Smallholder Sourcing, Nutritious Foods Financing Facility, Africa Agriculture and Trade Investment (AATIF) and Aceli Africa.

The key finding is that the focus on SH addressing resilience and scaling up their safety nets constitutes an added value of SSNUP making it attractive to external stakeholders as it is potentially complementing their activity. The analysis does not include an analysis of strengths, weaknesses and risks of these programmes. However, it is important that SSNUP play a more proactive role in approaching these facilities to exchange experiences and to further develop areas for cooperation such as:

- Building FIs capacity in investing and building their community, including first loss cover across their portfolios (Aceli Africa)
- Gender strategies to de-risk and deepen the ESG outcomes of investments by private impact investors (all programmes)
- Financing conducive ecosystems, including infrastructure investments, climate adaptation, and conflict and violence mitigation (GAFSP, CASA, Nutritious Foods Financing Facility)
- KM functions and R&D with a focus on innovative solutions for SHs (GAFSP, CASA, Technoserve, AATIF)

It is important to highlight two key considerations regarding the complementarity and value addition of SSNUP with respect to other programmes:

- SSNUP's strategy, developed in partnership with a group of investors, stands out as a notable strength, facilitating a cohesive approach towards shared objectives and fostering synergies among stakeholders. This collaborative model prevents the fragmentation that can occur with programmes working in silos, promoting efficiency and effectiveness.
- Given that many programmes target the same organisations, it is imperative to prevent duplication of efforts and resources. Communication and coordination among programmes is essential to avoid inefficiencies. Sharing information and conducting thorough analyses of beneficiary organisations can help identify overlaps and opportunities for synergy. By enhancing knowledge sharing with existing programmes, SSNUP can maximise its impact while minimising redundancy and resource misallocation.

See Table XII for examples of other relevant TA or grant funding programmes for AVC actors in developing countries.

EQ2.5	External coherence: Does SSNUP complement other private-public partnerships or blended finance mechanisms dedicated to AVC actors? If so, how?

See EQ 2.4.

EQ2.6	External coherence: How well is the public-private partnership set up to ensure depth, diversity and scalability at beneficiary organization level: RFIs, agribusiness SMEs, AVC Impact Funds, farmer organizations and cooperatives??

SSNUP engages diverse beneficiary organizations and implements varied projects, emphasizing coordination to prevent dilution of outcomes. To assess project depth and scalability, it is important to consider scalability within the current context and replicability in different contexts, alongside addressing organisational needs, integration, staff and beneficiary involvement, and long-term sustainability. Projects in Rwanda show diversity, with potential

for high impact, scalability, and replication, highlighting SSNUP's strategic setup and potential for expansion.

SSNUP engages with a diverse range of beneficiary organisations, including MFIs, SMEs, cooperatives, and farmer organisations, and implements a wide range of projects targeting. While this approach ensures diversity in the intervention strategy, it's essential to coordinate efforts effectively to prevent overly scattered projects that may dilute outcomes.

To evaluate the depth and scalability of projects, SSNUP should consider two crucial questions: First, is the project scalable within its current context to reach additional SHs or other AVC actors? And, is it replicable in different contexts to multiply its impact? Second, the assessment considers how well the project addresses the needs of an organisation, its integration into operational processes, the extent to which staff and beneficiaries have absorbed the learnings, and its potential sustainability over time. This will provide insights into the effectiveness, sustainability, and potential for replication of SSNUP's interventions.

Based on the projects visited in Rwanda, some considerations can be made that point to the strategic set up of SSNUP:

<table>
<tr><th>Project</th><th>Diversity</th><th>Depth</th><th>Scalability</th></tr>
<tr><td>Price Risk Management</td><td rowspan="3">The three projects in Rwanda exemplify the diversity in the type of TA projects</td><td>High impact potential: if methodology is fully integrated in organisations and if learnings adequately conveyed to end beneficiaries. Additional phases needed to reach this objective as one intervention has limited impact.</td><td>High potential for scalability within the Rwandan context and for duplication in other countries.</td></tr>
<tr><td>ESMS</td><td>High impact potential: for the beneficiary organisation because the system is implemented over time, involves training of staff and requires consistent monitoring over time.</td><td>Potential for scalability in Rwanda in other types of SMEs and high potential for duplication in other countries.</td></tr>
<tr><td>Certification</td><td>High impact potential: methods and learnings need to be fully integrated in the organisation and by SHs to maintain certification over time. Additional phases are needed to achieve the objective as a one-off payment of a certification will have limited impact and may actually have a negative effect if the organisation cannot afford to sustain the costs of certification in subsequent years.</td><td>High potential for scalability and duplication in Rwanda, across different AVCs and in other countries, also with a potential to build relationships with service providers that can enhance efficiency by reducing cost (Recommendation 2).</td></tr>
</table>

Effectiveness

The extent to which the intervention achieved, or is expected to achieve, its objectives and results

EQ3.1	Have TA projects financed by SSNUP contributed to the development of innovative financial & non-financial services, market building solutions for SHs and/or other AVC actors?

Based on the findings and insights derived from project proposals and interviews with stakeholders, the Programme reveals an ample range of innovative approaches and solutions.

For the evaluation, the concept of innovation is understood as technological advancements as well as novel approaches to the design and implementation of TA projects. The clarification is essential because, while products and services that use digital technology are recognized as significant tools to enhance financial inclusion and improve SHs' productivity and resilience, many are no longer groundbreaking innovations.

Additionally, meeting the real needs of targeted organisations is key to design and implement solutions that support them in their efforts to grow and to bring the benefits of their growth to an increasing number of SHs[5].

When looking at TA projects from this perspective, SSNUP reveals a series of innovative approaches.

- **Adaptation and customization of existing technology**: Adaptation and customization of existing products and services to meet the specific needs of beneficiary organisations. The project 'Improvement of traceability and sustainability of the cocoa value chain through the polygon mapping and implementation of the RFA certification' with ATW in Uganda (Alterfin), tailors an existing technology to the needs of the organisation. The intervention demonstrates the added value in offering customised solutions that effectively address the challenges encountered by AVC actors. "*Despite having a standard product available in the market, it doesn't necessarily mean that it perfectly aligns with any organisation's requirement. Each MFI or agricultural company has its own unique characteristics and needs. Therefore, it's essential to adapt the product to suit these specific requirements. Whether it involves credit scoring or onboarding clients, customization is crucial to accommodate the differences and needs*." Impact investor
- **Adoption of "transformative" basic technology**: Not all technological advancements qualify as innovations but can impact AVC actors by enhancing operational efficiency and minimising human error. A case in point is the implementation of an Enterprise Resource Planning (ERP) system for Beni Ghreb in Tunisia (SIDI). While not technically innovative, the adoption of a simple tool enables a substantial improvement in operations.
- **Cross fertilisation between countries and regions**: SSNUP fosters innovation through cross-regional learning and adaptation of successful practices to different contexts. In Kenya, efforts to deepen financial inclusion in rural areas were undertaken through the introduction of a value chain financing model, Agrihubs, successfully implemented in Latin America and transferred to the Kenyan context with the MFI Unitus (Oikocredit). The engagement of a local consultant was pivotal to bridge the gap between foreign expertise and local context.
- **One TA project - Multiple beneficiary organisations**: Novel approaches include the development of projects that target multiple beneficiary organisations simultaneously, addressing common issues that affect actors within an AVC. The Price Risk Management project in Rwanda (Oikocredit) aimed at enhancing the price risk management of SHs aggregators in the coffee value chain. The methodology used in Latin America was

[5] Among these needs, without being exhaustive, the following have been identified through KIIs. For AVC actors: Sustainability: Enhance sustainable agricultural practices to improve climate resilience and ensure compliance with regulations (e.g. EU) to meet international standards; Traceability: Improve traceability measures to track sourcing from SHs, aligning with certification standards such as Fairtrade or organic; Access to markets: Establish linkages with new buyers in Europe and other markets to improve diversification, increase sales and negotiate higher prices; Financial planning and management: Enhance financial planning capacity to mitigate risks and ensure financial stability; Processes: Introduce basic technological tools to enhance supply chain management. For MFIs: Digitalization: Implement digital tools and IT support to facilitate expansion into rural areas, introduce/improve credit scoring, and/or streamline loan approval processes.

adapted to the specific realities of the coffee sector in Rwanda, showcasing an innovative adaptation and problem-solving approach, which benefited 8 SMEs and cooperatives.

- Pilot projects to test innovation: An innovative pilot project developed by responsAbility aimed to assist an SME in converting cocoa husks into biochar, subsequently utilised as input for farmers. This initiative exemplifies the Programme's flexibility and receptiveness to testing solutions with potential to scale, directly benefiting smallholders.

EQ3.2	To what extent does SSNUP enable the development of gender-relevant and/or environmentally friendly services or solutions, aspects which are part of TA project selection criteria?

In alignment with ESG standards, SSNUP addresses environmental and social concerns through its TA interventions, with efforts evident in project design and objectives. A clear opportunity exists to address gender disparities through more specifically designed projects.

Environmental and social concerns are systematically addressed to varying degrees and through different frameworks by all impact investors, who inherently adhere to minimum ESG standards. Consequently, the organisations they finance must meet a minimum set of criteria to ensure compliance. This alignment is critical as asset managers are accountable to their investors and/or members, and any oversight in evaluating these criteria during the investment process may pose significant reputational risks.

Within SSNUP TA interventions, environmental concerns are often taken into account in design and objectives, with efforts to incorporate environmentally friendly solutions evident in several projects:

- "Accessing new markets through certification for coffee producers" in Rwanda, implemented by Alterfin, promote improved environmental practices through certifications and represent one avenue through which environmental considerations can be integrated into project design and improve agricultural practices at the investee and farmers levels;
- "To contribute to the climate resilience of smallholder farmers and rural communities by restoring ecosystem services and developing alternative income sources through innovative reforestation and agroforestry initiatives", implemented by Incofin, is expected to assess the potential of high Andean native forest species for reforestation and carbon sequestration and to establish a baseline for reforestation through agroforestry in SHs' farms.

Regarding gender-relevant solutions, there is room for improvement in addressing the gender dimension within SSNUP initiatives. While gender-disaggregated data is collected, revealing that women make up around 40% of end beneficiaries, there is a gap in terms of proactive measures that promote gender equality and women empowerment, i.e. gender-sensitive financial products and services that aim to strengthen gender parity, assessments and accompanying measures for gender equality within SMEs, capacity-building initiatives for women in leadership roles, and specialised training programs designed for women farmers, financial education with a gender perspective within MFis, etc. Currently, a limited number of projects explicitly prioritise gender considerations, indicating an opportunity to effectively address disparities and maximise the impact of gender-responsive interventions (Recommendation 5). that prioritize the development of

"Systematically integrating gender considerations and addressing climate change are crucial aspects that should be strengthened in Phase II. It would be beneficial to have clearer guidelines and increased exchange on these topics, with a focus on encouraging impact investors to invest more in gender and climate-related initiatives." Funder

Finally, youth engagement is worth mentioning given its relevance in emerging markets where a considerable proportion of the population is under 18 years old (i.e. Rwanda: 45% of the population). While designing TA interventions specifically targeting youth can be challenging, due to lack of data, among other factors, this segment should not be overlooked. On the positive side, TA projects may inherently involve a substantial number of young people due to population demographics in most countries included in SSNUP.

EQ3.3	Do TA projects financed by SSNUP strengthen the internal capacities of AVC actors?

Internal capacity building, though less glamorous than other interventions, lays the foundations of investment readiness and long term impact, in turn facilitating sustainable agricultural practices and enhancing the resilience of value chains.

Based on SSNUP data, out of 180 beneficiary organisations, 151 (84%) received internal management support. A key assumption to the realisation of the ToC "SH aggregators are committed and receptive to the TA interventions, able to integrate and implement the knowledge and tools transferred through the TA interventions" refers to AVC actors taking ownership and internalising the learnings and instruments provided through TA. Strengthening internal capacities goes hand in hand with this assumption because an organisation with solid management, good governance, effective financial planning, and strong internal processes will be better equipped to implement otherTA projects focused on sustainable agricultural practices, such as agroforestry and agroecology. In other words, a strong AVC actor is more likely to play a role within their value chain and for the SHs they work with.

The fact that a high percentage of TA projects focus on strengthening internal capacities of beneficiary organisations is a positive outcome and should encourage funders to continue supporting similar interventions. "*That [internal capacities] is an aspect that SSNUP has incorporated. There are numerous projects focused on strengthening internal capacities. And indeed, that's where the risk of a donor-driven approach emerges, as donors may find it more challenging to endorse TA projects focused on internal management strengthening compared to, for instance, capacity building initiatives for producers. Ensuring the enhancement of the internal capacities of SMEs can have a greater impact on producers.*" Programme Coordinator

While the goal is to promote sustainable agricultural practices, it is important to balance broader sustainability objectives with the practical challenges faced by AVC actors. By strengthening internal capacities, organisations become more attractive to investors and are better equipped for other types of projects.

EQ3.4	Do TA projects financed by SSNUP enable to de-risk and/or leverage additional private investments into AVC actors?

While TA projects play a role in addressing risks in both pre-investment and post-investment scenarios, TA alone may not effectively de-risk investments, especially in the pre-investment stage where external factors like political instability and macroeconomic risks can significantly impact investment outcomes.

Considerations regarding the potential of TA projects to de-risk and/or attract additional investment differentiate between pre-investment TA and post-investment TA.

Pre-investment TA involves strengthening potential investees perceived as high-risk, i.e. organisations that are not financially sustainable (and/or unlikely to be) or have core weaknesses which limit their repayment capacity. In these cases, TA needs to address the risks that undermine profitability and/or long-term sustainability to make sure that the organisation can become "investment ready". TA projects that cover the cost of an organic or Fairtrade certification will not directly reduce risk, whereas an intervention that addresses key issues such as strengthening management and governance practices or improving market access through have the potential to enhance investment readiness.

Pre-investment TA may also be considered to incentivize investment in high-risk countries or regions. However, in these cases, TA would play a limited role as several external factors such as political instability, conflict and civil and social unrest, climate change risks , or economic instability may impact the prospects of the investee to reach and/or maintain financial sustainability. Particularly when considering this type of de-risking, TA alone cannot play a sufficient role. Additional measures may be necessary to address the broader range of risks associated with investing in these environments. (Recommendation 3).

Post-investment TA addresses risks identified during due diligence and throughout the investment process, to enhance the investee's repayment capacity. However, it is important to note that, in these cases, the investee has already undergone due diligence and is deemed "investment ready" by the investors, i.e. the organisation's risk level is deemed acceptable for the investor's portfolio and aligns with their risk appetite.

"*I believe the connection to de-risking is most evident in projects focused on core business functions, such as those addressing Environmental and Social Management Systems (ESMS) or financial systems improvements. These initiatives lead to enhancements in financial reporting and ESG risk management, resulting in a direct reduction of investment risk. By accessing better information and experiencing fewer ESG-related incidents, the overall investment risk is mitigated.*" Impact investor

In both pre and post-investment scenarios, TA projects that enhance the capabilities of AVC actors have the potential to promote continued investment and attract additional private capital. Within the impact investor community, co-investment in the same organisation is not uncommon and contributes to risk-sharing and collaborative monitoring.

Overall, it is difficult to measure the direct impact of TA on reducing investment risk due to various external factors that can influence investment outcomes beyond the scope of TA. Factors like favourable weather conditions, government policies, and broader economic trends can greatly affect investment performance, making it challenging to attribute specific outcomes solely to TA. Although tangible indicators such as the number of farmers reached or the adoption of risk-mitigation practices offer some insight into TA effectiveness, isolating the precise contribution of TA to investment outcomes remains unclear (Recommendation 4).

EQ3.5	Does the knowledge generated on farm risk mitigation and agricultural finance by SSNUP respond to stakeholder needs and has it effectively been used?

The Knowledge Management component has made significant progress in promoting learning and knowledge sharing. Several objectives have only been partially or not achieved, suggesting the need for continuous efforts to develop innovative tools for effective knowledge dissemination.

The Knowledge Management component has made significant progress. While several objectives were only partially or not achieved, the Programme remains fully committed and dedicated to developing and enhancing a culture of learning and knowledge sharing among stakeholders with ongoing and continuous efforts to find innovative and practical tools to ensure knowledge building and sharing. The Coordinator is very open to adapt its work to the needs of stakeholders to ensure that tools are effectively used. It is important to note the importance of producing documents that provide actionable insights to enable investors to enhance their use of TA. The challenge is to find tools that are effective in conveying information, efficient and appealing to investors and other users. In a time of overload of information, the KM component has an important task ahead to become effective and efficient without falling into the banal and obvious and to produce documents that may be overlooked.

Thematic Studies

The Programme successfully completed one thematic study, focusing on TA projects. The study aimed to offer a comprehensive overview, contributing to the professionalization of the sector and enhancing stakeholder alignment. However, due to limited project outcomes available during the time of the study, its scope remained limited. While the study's objective is well-defined, initial feedback from impact investors suggests some reservations about its usefulness. The Consultant's assessment notes that the study may lack depth of analysis, remaining somewhat superficial and generic in its approach.

Beneficiary Survey

The survey conducted as part of the Farmers Voice series offers valuable insights into the perceptions of beneficiary SHs regarding the benefits of the services they have received. This qualitative tool provides rich and compelling information about specific project interventions, offering a closer look at the realities experienced by end beneficiaries. As a result, the study is widely regarded as highly relevant and engaging, resonating with a broad audience interested in understanding the impact of agricultural initiatives on farmers.

Case Studies

The case studies were conceived as an output following the development and testing of the RAI Scoring Tool commissioned to IISD. Although there was initial anticipation surrounding the potential relevance of an adapted scoring tool, investors' interest has been somewhat limited thus far. The studies were intended to serve multiple objectives, including testing the effectiveness of the scoring tool and shedding light on responsible agricultural practices. However, the reporting on the tool and the associated case studies has yet to materialise. IISD's prolonged timeline for tool development, testing on five SMEs, and case study production has raised concerns. While there is recognition of the importance of creating material beneficial to the sector, there are reservations about the practicality of lengthy documents that may go unread due to time constraints. Despite the strategic decision to prioritise concise case study documents to enhance readability and dissemination, these have not yet been published, prompting questions about the effectiveness of the partnership with IISD.

Longitudinal Studies

The aim of the longitudinal studies is to monitor indicators over time, though SSNUP's database structure presented challenges in conducting these analyses. Furthermore, the limited number of implemented TA projects until recently has restricted the feasibility of such studies. Efforts are underway to reorganise the database to facilitate longitudinal analysis and track project progress. With an increasing number of projects reaching completion, there is optimism that these analyses will soon be viable, offering valuable insights to programme stakeholders and non-partners alike. The development of such a product is deemed particularly relevant, not only for tracking progress but also for providing valuable information to internal stakeholders and external non-partners. This serves as a means to disseminate information and engage others in the programme through tangible results.

The **partnership model** adopted by SSNUP yielded mixed results, prompting reflection on the efficacy of long-term agreements and the optimal allocation of financial resources. Notably, the collaboration with CSAF, formalised through ADA's membership, proved fruitful in facilitating participation and disseminating project outcomes. This partnership developed organically, driven by the shared goal of sharing project findings through CSAF's network. It fostered flexible and natural engagement, capitalising on opportunities such as workshops and conferences to convey SSNUP's experiences and insights.

Conversely, the partnership with IISD did not meet expectations underscoring the importance of carefully assessing potential partners and ensuring alignment of objectives.

In general, despite concerted efforts to disseminate documents through various channels such as the Steering Committee, newsletters, and the website, there is still a prevalent trend of stakeholders overlooking published materials. This reality prompts reflection on the effectiveness of traditional dissemination methods and highlights the challenge of effectively engaging stakeholders. Notably, significant time and effort are invested in document synthesis and design, yet the readership and awareness among stakeholders remain limited. This observation underscores the need to explore alternative dissemination strategies that have the potential to reach stakeholders more effectively, thereby enhancing engagement and retention of key findings.

EQ3.6	What have been the success and failure factors of SSNUP?

The main success factors of SSNUP emphasise its effective partnership model and flexibility in supporting innovative projects.

The partnership with a group of selected investors is an effective strategy to enhance and improve the integration of TA in the activity of impact investors providing an opportunity to reach a large number of beneficiary organisations and, in turn, SH.

The concept of the Programme to design an initiative to facilitate investment in agriculture that involves a group of investors, rather than a single investor as is the case in other programmes or funds with TA, lies at the core of the success of SSNUP. This approach responds to the underlying objective of SSNUP of promoting the integration of TA as a systematic component of the investment activity of impact investors. Through the support of the

Programme, investors have, albeit to a different degree, responded by enhancing, or even creating, their TAFs and TA activities.

"While the focus has been on responding to partner organisations' priorities, plans are underway to adopt a more strategic approach to TA, particularly in areas such as gender equality and climate resilience. Despite the absence of a dedicated agricultural program, SSNUP has emerged as the primary funding source for such initiatives, underscoring its pivotal role in empowering impact investors to engage in TA activities." Impact investor.

SSNUP's flexibility and openness to innovative projects set it apart from other programmes.

SSNUP demonstrates a remarkable level of flexibility and openness when it comes to designing and supporting innovative projects. The Programme is receptive to new ideas and initiatives, actively listening to proposals and considering innovative approaches that other donors might overlook due to rigid eligibility criteria. This flexibility and willingness to adapt to the needs of beneficiary organisations set SSNUP apart, making it a valuable partner for impact investors seeking to implement innovative solutions to address agricultural challenges.

"*We found that SSNUP is highly flexible and accommodating when discussing projects.* ***Unlike other donors, SSNUP doesn't outright reject ideas; instead, they listen attentively and are open to supporting innovative projects*** *that others may overlook. This level of support for innovative approaches is not common among donors, many of whom have stricter guidelines for eligible costs*." Impact investor

SSNUP's collaborative model cultivates networking effects, amplifying impact and fostering innovation, while leveraging synergies for scalability and sustainability.

SSNUP adopts a collaborative model involving multiple investors, which cultivates networking effects, amplifying the impact of individual efforts over time. Unlike conventional bilateral donor approaches, SSNUP distinguishes itself by fostering collaboration and networking among its participants. While the full realisation of this networking potential is ongoing, it underscores SSNUP's commitment to promoting innovation and collaboration among stakeholders. Moreover, through this collaborative effort, SSNUP leverages synergies and exchanges among investors to develop and execute comprehensive interventions addressing the diverse challenges faced by AVC actors and SHs. This collective approach enhances the potential for scalability and sustainability, ensuring sustainable positive outcomes for the Programme.

The added value of SSNUP's knowledge management component has the potential to drive continuous learning, innovation and positive change.

SSNUP's knowledge management component is an added value to the Programme which serves as a repository of information for insights, lessons learned, and best practices gathered from projects, facilitating continuous learning and improvement. Additionally, knowledge management fosters collaboration and knowledge sharing among stakeholders, promoting synergy and innovation and contributing to drive positive change beyond its scope within the sector.

The evaluation did not identify any important failures but underlines some areas for Improvement.

The Programme's ambitious cascading effect requires a longer implementation period than envisaged to bear meaningful results.

The ambitious cascading effect outlined in the ToC of the Programme may initially appear as broad and ambitious, though it holds promise for realisation over the long term. Considering the slow inception, the Programme is now gathering momentum and beginning to yield tangible results in terms of knowledge generation and dissemination. Nevertheless, achieving this broad impact will undoubtedly require an extended implementation period, potentially exceeding the originally envisioned 10-year timeframe, and a concerted effort in knowledge dissemination to ensure that insights, lessons learned, and best practices are effectively shared and applied across relevant sectors.

The Programme's potential for fostering collaboration among investors in joint TA projects remains under exploited.

While SSNUP possesses the potential to cultivate collaboration among investors for the implementation of joint TA projects, thereby enhancing synergies, the Programme's role in fostering such collaboration has remained limited thus far. Investors have taken the initiative to collaborate independently, recognizing the benefits of shared efforts in identifying and addressing needs, as well as co-designing TA projects with broader scope and outreach. However, there is a notable opportunity for SSNUP to play a more proactive role in facilitating community-building among investors. This limited involvement can be attributed in part to the Programme's slow inception that prevented the coordinator to actively engage in fostering collaboration and the inherent administrative and organisational issues related to joint project design and implementation.

"There's always a trade-off between obtaining more funds for a project and having a coordinated approach, along with the time it takes to align all actors and develop specific legal requirements so that everyone is on board. While we think it's interesting, it's also more challenging than when we develop standalone projects and ADA has mentioned that SSNUP is not yet structured in a way that would allow multi-investor projects." Impact investor

SSNUP's formal structuring into phases may pose challenges for project design and continuity beyond each phase

Despite its long-term nature, SSNUP's formal structuring into phases may pose challenges for project design. This structure can restrict planning and execution of initiatives spanning multiple years, lacking assurance for continuity beyond each phase. Uncertainty arises regarding future funding availability as each phase nears completion, impeding the development of truly long-term programs, particularly for addressing issues like climate resilience requiring decade-long planning. Although there is confidence in ongoing funding, the inability to commit to extended programmes due to uncertain future phases is a notable weakness.

"*SSNUP is structured as a longer-term program, but formally it's subdivided into phases. So, that can be limiting in terms of program design. If you aim for long-term impact and change, you need planning security for the funding, which means it doesn't end when a phase ends*." Impact investor

The selection of projects for funding may overlook the fundamental need for TA beneficiary organisations to strengthen their basic internal capacities.

The selection of projects for funding is at times influenced by the preferences of funders and their priorities, often overlooking the fundamental need for TA beneficiary organisations to strengthen their basic internal capacities, highlighting a divergence between what funders may find appealing versus the practical needs of project partners. This misalignment can result in proposals being overlooked or deemed less attractive, despite their relevance for AVC actors day-to-day operations and growth.

"*While donors may favour certain topics considered "sexy" or trendy, such as gender initiatives, partners often prioritise more fundamental needs like basic business planning or improving Excel skills*." Impact investor

Light and agile processes and procedures for project design need adjustment for larger and more complex projects

An important consideration for the Programme implementation strategy was efficiency with the objective of streamlining the process, avoiding the creation of complex processes that would burden impact investors with lengthy documents. However, as the Programme anticipated numerous smaller-scale projects, as project proposals increased in budget and complexity, it became more difficult to approve them with limited information becoming problematic, leading to requests for additional details and ensuing back-and-forth discussions to meet the requirements for approval.

EQ3.7	To what extent has SSNUP been effective in learning, communicating, and influencing its stakeholders and others?

The Programme Coordinator has made significant progress in enhancing SSNUP's influence. While the Programme has gained the trust of its funders and successfully developed tailored TA projects, it still faces challenges in effectively communicating with stakeholders, impacting its broader influence on external parties. The Programme Coordinator has a proactive approach to learning, communicating and influencing stakeholders through comprehensive assessments of TA projects and summarized project documentation.

Over the past year, the Programme Coordinator has taken significant steps to increase its influence within the Steering Committee and through events designed to affect stakeholders' decision-making processes. These efforts include meticulous data preparation, evidence-based presentations, and a willingness to suggest new directions and operational adjustments. The results of these efforts are visible in how impact investors are implementing changes that align with SSNUP's objectives.

"Due to the collaborative efforts and by our influence on negotiating about a project, the impact investor has really implemented something that was not there before or not in this country". SSNUP Coordinator

While SSNUP has built trust among its funders and contributed to develop a range of tailored TA projects, its broader influence on external stakeholders is not yet fully established. The success of SSNUP's strategy for learning, communication, and influencing stakeholders may depend on its ability to refine and expand its engagement methods to ensure the Programme's impact extends beyond its immediate stakeholders. By building on its existing strengths and addressing communication challenges, SSNUP can play a pivotal role in guiding the design and implementation of TA projects in the future.

"I've had conversations with numerous individuals, including former colleagues involved in similar initiatives funded by other donors. What surprised me was the lack of communication and collaboration between these projects. Despite their differences, there was little to no exchange of experiences or opportunities to learn from one another. This sense of isolation within the sector highlights an area where improvement is needed." Funder

Efficiency

The extent to which the intervention delivers, or likely to deliver, results in an economic and timely manner

EQ4.1	Are SSNUP processes appropriate to reach the Programme objectives? SSSNUP processes: • Pre-identification and selection of impact investors and their TAFs • Allocation of an indicative budget envelope per TAF for SSNUP first phase, to be used for TA projects to be implemented • TA project design and proposal by TAFs • TA project selection by TAC committee • TA project implementation and follow-up by TAFs of impact investors • Overall Programme budget management and results consolidation by SSNUP coordinator • Overall Programme governance by the Steering Committee

Pre-identification and selection of impact investors and TAFs

The pre-identification and selection process of impact investors and their TAFs is guided by a comprehensive set of eligibility criteria which include compliance with ESG standards, promotion of RAI Principles, a proven track record in implementing TA, and a transparent separation of TAF activities from investment operations.

While the criteria are thorough and cover all pertinent aspects to select investors, throughout implementation, the selection process has taken place through pre-identification and direct outreach initiated by the Coordinator, rather than through an open and competitive application process as would have been expected. This does not imply that any of the current impact investors are unsuitable candidates for the Programme but reveals that one hand some investors did not meet criteria, i.e. either lacked prior experience with TAFs or TA implementation, initiated these activities with SSNUP's support, or did not have a significant agriculture or rural portfolio, and on the other a need for improved transparency.

"We didn't have a dedicated TA facility prior to SSNUP. The TA function was set up at the end of 2021 when we developed procedures and started operating at the end of 2022… Our core mission is to work in rural areas and

improve SHs livelihoods. That's what SSNUP aims to achieve. So I think that this was the key parameter as we are working in the segment where SSNUP wants to have an impact. And we have the relevant portfolio size. We are complementary to the other investors because we work with smaller partners, which is what SSNUP wanted to achieve." Impact investor

It is worth noting that all current investors are prominent specialised impact investors in Europe, each bringing diverse strategies, portfolio structures, and types of investees, enriching the range of TA interventions proposed for approval. However, one potential downside of this selection approach is the risk of excluding investors who may have met all criteria and had the capacity to identify and implement a significant number of projects.

Envelope allocation

The Programme initially allocated a budget envelope to each investor based on a pipeline of TA projects. As implementation progressed, investors exhibited varying levels of engagement utilising their allocated budgets to different extents, ranging from 22% to 118%. The underutilization of allocated budgets resulted in a EUR 3.5 million funds not contracted and can be attributed to diverse reasons, including human resource constraints during the early stages of the Programme, staff turnover within TAFs, and the use of SSNUP only as supplementary TA funding when projects did not align with criteria of other TA funds.

To address this issue, a shift was made from a fixed envelope allocation to a first-come, first-served basis, aiming to enhance efficiency and incentivize investors to submit project proposals promptly. This adjustment fosters a more dynamic and responsive funding process.

An additional recent initiative is an open call for projects targeting impact investors not affiliated with the Programme. Firstly, the initiative aims to focus on specific topics offering less flexibility but a more direct approach to project selection. Secondly, it acts as a testing ground for this methodology, with potential future iterations targeting other topics. Finally, the objective is to improve efficiency and deploy unused funds, which must be returned to funders if unspent by the end of 2024. The call has a budget of EUR 500,000, with individual project funding capped at EUR 50,000. Despite initial concerns raised by impact investors about reallocating funds, the initiative aims to ensure these resources are used effectively.

Project Design and Proposal Drafting by TAFs

Project design and proposal drafting have been evaluated on the basis of the 11 project deep dives, the insights obtained during the field visit in Rwanda and the KIIs with stakeholders, mainly TAC members and coordinator.

Over time, there has been significant improvement in project design and proposal drafting, including the identification of needs and the development of intervention strategies. This can be attributed to the growing know-how and experience gained by individual TAFs, as well as the valuable feedback and guidance provided by the Coordinator and TAC members. Additionally, there is evidence of increasing collaboration and knowledge exchange among investors, albeit at a cautious pace, contributing to the refinement of project identification, customization, and design. These insights underscore the effectiveness of the partnership envisioned by SSNUP, fostering a synergistic environment conducive to knowledge sharing and capacity building.

The Coordinator plays a pivotal role in supporting TAFs in developing proposals that adhere to the Programme's standards and guidelines before their submission to the TAC. Effective communication between the TAFs and the Coordinator ensures prompt responses to queries and thorough discussions of project ideas and proposals. Longer communication cycles have occurred for more complex projects, due to additional questions arising during the process. These complexities sometimes result in delays, presenting challenges for beneficiary organisations eager to implement their project. However, these delays are considered reasonable, particularly when they contribute to knowledge building. For instance, a complex project may necessitate multiple rounds of communication and a longer design process, but it will yield valuable insights for future similar interventions and to complement guidelines.

Despite these occasional delays, the overall communication efficiency within the SSNUP framework is considered excellent by all TAFs. The team consistently addresses queries and provides support throughout the proposal review process.

Investors have highlighted some issues that are worth mentioning:

- When discussing initial project ideas, investors consult with the Coordinator. There have been instances when the Coordinator gave the green light on the project concept. However, when it was presented to the

TAC, it was rejected suggesting that there may be a potential misalignment in the understanding of SSNUP's guidelines and priorities, as the project technically met the requirements and eligibility criteria. Concretely, a project with an inputs company, which provides, among others, agrochemicals to both industrial companies and smallholder farmers, and training on the safe use of these products to promote good agricultural practices. However, a specific product they sell contains glyphosate, a commonly used herbicide worldwide but subject to controversy due to health and environmental concerns. Despite glyphosate not being banned, the TAC expressed discomfort with its inclusion, preferring a focus on organic alternatives or complete phasing out of glyphosate. This posed challenges as transitioning entirely to organic within the project's two-year timeframe was deemed unrealistic. While the inputs company was aware of the risks associated with glyphosate misuse and aimed to ensure phasing out over time, the TAC decided that the project proposal should not be submitted for approval. The project highlighted the **need for clearer guidelines** and underscored **questions about decision-making responsibility**.

- In the context of TA support, especially on climate change adaptation in specific value chains, some investors have voiced the necessity to expand the range of expenses that can be covered by the Programme. Particularly concerning the implementation of climate-smart agricultural practices, projects should encompass the potential to finance assets for piloting various initiatives, such as equipment or machinery for demonstrating the advantages of new techniques to farmers via model farms, seedlings, etc. These concerns underscore the importance of evaluating the **array of eligible expenses under SSNUP** to determine the merit of expanding the scope.

Project Selection by TAC

Based on the data available, 41% of projects are approved within 10 days according to procedures and an additional 28% between 10 and 20 days. Nevertheless, it is to be noted that a significant portion experience lengthy processes, with approval times exceeding 50 days in 16% of cases. Finally, 33 out of the 79 projects, nearly 42%, were approved without a formal TAC meeting via email.

These approval times can be attributed to factors such as insufficient clarity and detail in proposals, excessive budgets, and concerns regarding the eligibility of certain TA projects. Ultimately, these issues seem to stem from the need of clearer guidelines and increased standardisation, which should adapt to the evolving nature of the Programme and the inherent complexities of the projects.

The TAC serves as a valuable mechanism for project oversight, offering insights into project details. However, it faces inefficiencies, notably in the review process for project proposals. Contributing factors include the need for multiple meetings, discussions, and exchanges between TAC members, the Coordinator, and impact investors (mostly linked to a lack of standardisation). Additionally, the absence of fixed weekly TA committee meetings, akin to a credit committee, for discussing proposals, and the lack of pipelines of expected projects from investors exacerbate these challenges. The considerable time spent in meetings and discussions may become unsustainable, especially if the project pipeline expands significantly. This raises questions about the necessity of additional staff at the TAC level to manage the potential workload or implementing alternative measures to enhance efficiency. (Recommendation 2)

"I find the process lacks efficiency. It's challenging because we're often unsure about the pipeline contents until we receive proposals. ... It's not always clear whether we should have a meeting, the three of us to discuss the proposal and then send our comments or send our comments and then have a meeting with the impact investor that really depends from proposal to proposal." Funder

Project Implementation and Follow Up

The main concerns surrounding project follow-up primarily revolve around monitoring and reporting, which have consistently experienced delays attributable to impact investors. Although KPIs are established collaboratively with the Coordinator during project design and approval, persistent delays in acquiring project data hinder the Programme's capacity to track progress in a timely manner. The challenge may stem from the complexity of gathering data from beneficiary organisations, although the exact bottleneck remains unclear.

Programme Budget Management and Allocation

The expense allocation is detailed in the table below:

In general, expense allocation is considered adequate with some concerns related to budget utilisation. The majority of the budget for SSNUP is allocated to TA Projects and to TAF Management Fees. This part of the budget has not been deployed efficiently as the amount disbursed for TA remains below the allocated amount, caused mainly by the initial slow start of the Programme and the difference in participation from investors. The change of modality for budget allocation and the call for proposals from investors outside SSNUP are justified measures that aim to increase efficiency in the allocation of the TA budget.
The TAF management fee at 11% is fair and within the range of other facilities based on the information gathered through KIIs. While some investors consider that the fee should be higher, others agree that is aligned with market practices also in consideration of the fact that, even if the fee was higher, the TAFs are normally not able to become self-sufficient and are cross-subsidised internally by the impact investors.
The budget for the KM component at 4.6% is also considered adequate although during Phase 1 it may not have been used efficiently due to issues arising from lack of delivery from at least one KM partner.
The cost assigned for programme coordination corresponds to 5.6% of the total and approx. EUR 350,000 per year. Taking into account the staff dedicated to the Programme, the budget is deemed adequate and efficiently allocated.

TA Cost Efficiency

The average cost per SH for the Programme EUR 61.42, with some investors demonstrating the ability to reach a large number of SHs through their projects and attain a high cost-efficiency ratio (as low as EUR 15 per capita) (Table XIII). This efficiency is attained through various approaches, such as executing projects involving multiple beneficiary organisations, thereby reaching a significantly higher number of SHs with the same intervention or targeting aggregators that serve a substantial number of smallholders. Naturally, this cost efficiency ratio does not measure impact and cost should always be compared against the type and impact of the TA intervention.
It is important to underline that in some instances, small-scale projects, which only reach a few hundred end beneficiaries, operate on relatively modest budgets, underscoring the significance of efficiency ratios beyond outreach. These modest interventions may impact a limited number of farmers but yield significant results in terms of impact with a low expenditure per capita.
"In response to concerns raised about the scale of our projects and their outreach, I highlighted the impact of our efforts, citing an example where nearly 800 smallholder farmers were positively impacted at a cost of less than 10,000 EUR. This shows a remarkable ratio of outreach to expenditure." Impact Investor

Governance by Steering Committee

When the programme was designed, the Steering Committee was envisioned as responsible for strategic decision-making and high-level discussions on agriculture investment priorities. The intention was to exclude TAFs, opting instead to include senior investment staff. Initially, the committee comprised mostly senior investors, but gradually, they began to withdraw, and their roles were assumed by TA managers. This transition reflects a natural evolution of the Programme, with no particular intentionality behind it. Nevertheless, particularly from the Coordinator's perspective, over time the Steering Committee has converted into a platform for operational information sharing, providing updates on the Programme's progress, rather than a forum for strategic discussions regarding investment strategies and risk mitigation. Higher level discussions seem to occur during workshops and it may be beneficial to formalise a forum where strategic topics should be defined and discussed. This should then be formalized so that funders and investors (not TA managers) can discuss strategic topics) Compounded by the constraints of the COVID-19 pandemic, with meetings conducted online, the format often involved a large number of participants, making it difficult to facilitate strategic conversations, especially with investors and donors present at the same time.

EQ4.2	Are the resources mobilized (human, technical and financial) sufficient to achieve the Programme's outcomes?

Resources demonstrate high flexibility and strategic allocation, ensuring that operational and knowledge management needs are met. While staffing levels are generally adequate, plans for recruitment and internal relocations show a proactive approach to address capacity limitations. The team's broad expertise aligns well with the diverse project topics.

EQ 4.2 focuses on human and technical resources to avoid duplication of information with respect to EQ 41.

At the coordinator level, ADA has demonstrated a high degree of flexibility in managing resources for the Programme. Leveraging its extensive experience, ADA allocates resources to ensure effective management of SSNUP. Currently, the SSNUP team consists of four members, with two dedicated to operations management and two focused on knowledge management. While the evaluation revealed that the staffing levels are generally adequate, there are some indications that certain team members may be reaching their capacity limits. However, ADA has plans to address this by recruiting additional staff and has the capability to temporarily relocate personnel internally to support specific activities, such as the ongoing call for TA projects. This adaptive approach highlights ADA's ability to leverage team members with diverse skills and experiences to address evolving needs, although it is crucial to maintain a balance and prevent overburdening the team.

Regarding technical resources, the Coordinator provides sufficient expertise. While the team's experience is broad and general, it aligns well with the diverse topics addressed by various TA projects, including climate-smart agriculture, agri-insurance, financial products and services, and digital financial services. Integrating such varied expertise within the team would be unrealistic, but specific knowledge needs can be easily supplemented through ad-hoc collaboration with subject matter experts.

Finally, in addition to human resources, ADA is actively working to streamline processes and reduce administrative burdens through the implementation of a check management tool. This tool aims to improve reporting efficiency by automating repetitive tasks, ultimately saving time and enhancing overall productivity.

EQ4.3	Have the various risks identified by SSNUP been well managed?

SSNUP has identified some risks for the implementation of the Programme which have generally been well managed through the Programme implementation strategy.

Identifying mature AVC companies and cooperatives with good ESG standards and market potential to expand their business with SHs.

The partnership with impact investors provides assurances that beneficiary organisations are selected based on their compliance with ESG standards aligned with their internal procedures. In addition, based on the criteria defined by SSNUP, investors will propose projects with organisations who work with SHs and have the potential to increase the number of SH targeted and reached.

Governance challenges with local market partners may constrain the effectiveness of the intended 'Win-Win'. It could lead to reputation risks for the SSNUP funders and impact investors.

Also for this identified risk, the partnership with impact investors is key. As part of the investment process, investors assess the governance structure of potential investees as they also face a reputation risk in case of overlooking potential risks related to governance as well as environmental or social issues.

Absorption capacity of the TAFs

The large differences among TAFs capacity to allocate TA budget reveal that their capacity should have been better assessed, based on track record rather than potential pipeline. Nevertheless, with the Programme gaining traction, the investors' group is also improving their capacity to implement an increasing number of projects. The expectation is that all investors involved should increase their pipeline of projects or leave room for other asset managers with heightened capacity to allocate funds.

Global macro-economic uncertainties and potential fall out

Through their investment process, investors analyse macroeconomic risks that may prevent them from investing in particularly risky contexts, thereby focusing on countries that have an acceptable risk profile and relatively stable political and economic settings.

Also, considering the focus of the Programme on the agriculture sector, it is unlikely that the need for TA intervention in this sector will dwindle even under worsening global macroeconomic conditions. The main risk may be on the aggregators and SHs which would be affected from price fluctuations or changes in demand patterns that may affect their capacity to grow leading to potentially increased needs in terms of TA.

EQ4.4	Have the results attained to date been achieved within the intended timeframe?

As outlined in the Project Implementation Status section, the Programme has achieved targeted results with respect to some indicators while others remain below target.

Three Million SHs

The analysis excludes outlier projects, such as the "AI application to improve the quality evaluation of the grains/crops sold by the farmers in India," which alone has the potential to reach 5 million SHs.

The total number of SHs reached stands at 115,944 as of June 2023 with an average per project of 1,546 SH. The total number of SHs falls significantly below the objective of 3 million as well as the indicative benchmark of 10,000 SHs per project.

While several factors contributed to the result in terms of outreach, the most relevant aspect is having set an over ambitious target based the assumptions made during the design phase, i.e. expected number of projects developing insurance products which did not materialise, expected average number of SH per project linked to the expectation of a higher number of projects with financial intermediaries. The objective should be thoroughly reassessed for Phase II in light of the type of projects that were approved during Phase I and of the actual capacity of investors. Other factors include the Programme's initial slow progress and the impact of the COVID-19 pandemic though it is unlikely that the objective would have been achieved in their absence (Recommendation 3).

The benchmark of 10,000 aligns with the characteristics of targeted beneficiary organisations, though the reality of approved projects indicates that investors targeted entities with a lower average number of SHs, i.e. ACPC Pichanaki in Peru with 300 smallholders or Beni Ghreb in Tunisia with 121, which contribute to lowering the average outreach.

Investment in Agricultural and Rural Microfinance

The sector has attracted EUR 86 million in additional investment, surpassing the expected EUR 44 million. Although the investors' portfolio has expanded, it is complex to attribute this outcome to the implemented TA projects due to various factors influencing investment dynamics and it is not recommended to use this indicator as a measure of TA effectiveness (Recommendation 4).

Number of Impact Investors

The number of impact investors involved in the Programme started at five, with a plan to onboard three more, totaling eight by the end of Phase I. The current count exceeds initial expectations, with a total of nine impact investors actively participating, indicating a positive and promising trend in investor engagement and commitment to the Programme.

Number of TA Projects

The number of TA projects currently falls significantly below the target, having achieved only 50% of the intended goal. Initial delays were experienced due to the impact of COVID-19, coupled with a lack of productivity from investors in submitting proposals. However, notable progress has been observed, especially since 2023, attributed to the overall momentum gained by the Programme. Investors have become more acquainted with the process and have enhanced their capacity to engage. Furthermore, the recent launch of the call for project proposals in 2024 may offer an additional boost, potentially aiding the Programme in reaching its objectives. Finally, while the number of projects is below target, the number of organisations (see below) exceeded expectations which is ultimately the most relevant objective.

Beneficiary Organisations

The number of beneficiary organisations benefiting from TA projects has exceeded the initial target, reaching a total of 180 organisations as of December 2023 compared to the planned 150, representing a remarkable achievement of 120%. This success can be attributed to the strategic approach, particularly from some investors, of providing tailored TA to groups of organisations following analysis and identification of sector or AVC-related issues. By addressing common challenges within specific sectors or value chains, this approach demonstrates great potential for reaching and supporting a larger number of organisations effectively.

EQ4.5	What good practices in terms of TAF management have been used by TAFs involved in SSNUP?

Several good practices have been observed among the TAFs involved in the Programme which reflect a commitment to collaboration, innovation, and knowledge sharing, and are essential for the success of TAFs within SSNUP:

- Project Clustering: Some investors have adopted a strategy of designing projects that involve multiple partner organisations, including in some cases potential, rather than existing, investees. This approach facilitates resource pooling and expertise sharing, resulting in a more efficient approach.
- Collaboration Among Investors: Several impact investors have proactively engaged in collaborative efforts with each other. This collaborative approach promotes knowledge exchange and has the potential to enhance the effectiveness of their TA projects through shared insights and experiences.
- Knowledge Transfer between Countries: In one instance, an investor designed a project that allowed the transfer of a specific tool applied in one country to another in a completely different context. Through this approach, they contribute to the development of innovative solutions applicable in different settings.
- Internal Processes and Procedures: Investors often develop internal procedures for the TA activity and establish a committee responsible for reviewing and approving proposals. By adhering to established procedures and involving relevant stakeholders in the decision-making process, investors can enhance the quality and impact of their TA efforts.

EQ4.6	How can SSNUP implementation strategy be executed more efficiently? In particular: • Should impact investors and their TAFs be pre-identified to take part in the Programme or should the Programme be open to TA project proposals coming from any impact investor? • Should the TA projects be designed/implemented/monitored only by impact investors, or could the design/implementation/monitored be outsourced to other actors after a first need assessment by impact investors? • Are SSNUP monitoring and reporting processes efficient? How could they be optimized? • Is SSNUP more or less efficient than other TAFs?

Should impact investors and their TAFs be pre-identified to take part in the Programme or should the Programme be open to TA project proposals coming from any impact investor?

Pre-identifying impact investors and their TAFs helps to streamline the process and to ensure alignment with the Programme's objectives. It allows for better coordination and synergies among stakeholders, as they gain familiarity with the Programme's requirements and expectations. However, keeping the Programme open to proposals from any impact investor promotes inclusivity and diversity in project ideas and approaches. It encourages innovation and allows for the exploration of new partnerships and opportunities.

Looking ahead to Phase II, the intention is to increase the number of investors, albeit with caution to avoid diluting the funding pool. While new investors can bring valuable contributions, each addition requires administrative work and a period of familiarisation with the program's operations. Therefore, expansion must be balanced to ensure sustained engagement and efficient resource management.

Based on the evaluation results, establishing a partnership with a group of investors lays the foundation for the Programme to become a significant player in the field of agricultural investment and TA. The investors have demonstrated strong commitment and interest in expanding and consolidating their activities, as well as increasing collaboration within the group. Opening the Programme to external investors would significantly dilute these aspects and risk losing the added value they bring. While the option of inviting external investors may be used ad-hoc to attract proposals on specific topics or enhance budget utilisation when necessary, it should not be considered as a strategic choice for the Programme.

Should the TA projects be designed/implemented/monitored only by impact investors, or could the design/implementation/monitored be outsourced to other actors after a first need assessment by impact investors?

An important consideration is maintaining the dynamics of the partnership model with impact investors. Delegating the entire project process to third-party actors risks diluting the collaborative essence of the Programme, potentially transforming the initiative into a more conventional funding model, i.e. a fund managed by an asset manager and a TA facility implemented by a third party. Furthermore, retaining oversight within the investors group ensures a sense of ownership and commitment to project outcomes. While it is important to acknowledge the potential need for flexibility in certain circumstances, such as specialised expertise needs or capacity constraints that may require the involvement of external entities to ensure project success, the internal management by impact investors is the preferred option.

Are SSNUP monitoring and reporting processes efficient? How could they be optimised?

The efficiency of SSNUP's monitoring and reporting processes appears to be hindered by delays in reporting from investors. While the processes themselves are deemed to be lean and straightforward by the investors, the issue lies in ensuring timely compliance with reporting requirements.

Is SSNUP more or less efficient than other TAFs?

Comparing SSNUP's efficiency with other TAFs is challenging due to the lack of information on other programmes. However, insights obtained from the interview with ABC Fund suggest that SSNUP's approach, which involves collaboration among a group of investors, may yield greater efficiency in its TAF operations. Though it took some time for SSNUP's operations to gain traction, momentum has steadily increased. The Consultant anticipates that SSNUP will demonstrate greater efficiency in terms of project numbers and fund utilisation moving forward.

Impact

The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects

EQ5.1	What insights exist on whether SSNUP can position itself to maximise impact on inclusive AVCs development and SH safety nets in the future?

Based on the interviews conducted with funders and the coordinator, SSNUP is well positioned to become a significant player within the sustainable finance sector with the capacity to promote agriculture investment with an impact on sustainable AVCs and SHs resilience.

The statement is based on the following assumptions:

1. As the Programme gained momentum mainly as of 2023, the number of TA projects continues to increase both in quantity and diversity to reach an increasing number of AVC actors and SHs.
2. The knowledge management and dissemination activities are enhanced both through insights and learnings from TA projects as well as with the development of knowledge products.
3. The coordinator, in collaboration with stakeholders, is actively fostering relationships with key sector players, potentially leading to their involvement in the Programme through funding, knowledge sharing, or replicating SSNUP activities (cascading effect).

Considering the expected outcomes of the Programme in enhancing SH productivity and resilience, strengthening agricultural AVCs, and increasing investments in the sector, SSNUP addresses a pressing need that requires extensive and concerted effort over the long term. Particularly in relation to the third assumption, an important challenge is to ensure dialogue and collaboration with other sector players and other interventions within the sector. While no concrete changes have yet occurred attributable to the Programme, there is evidence that other actors are increasingly showing interest in the activities of SSNUP confirming the potential to extend its impact beyond the direct beneficiaries.

EQ5.2	What are the most adapted tools or methodologies available for SSNUP management to measure impact?

SSNUP could consider various tools and methodologies to measure impact. While current KPI reporting and tracking are fundamental for tracking progress, they do not capture the full extent of impact.

To measure impact more comprehensively, SSNUP could continue or explore the following approaches:

- Client Perception Surveys: These surveys can provide valuable insights into the perceptions and experiences of beneficiaries. They offer a cost-efficient way to gather feedback and understand the outcomes of interventions from the perspective of those directly affected.
- Other Qualitative Data Collection Exercises: Conducting qualitative studies, such as interviews or focus group discussions with farmers and other stakeholders, can offer deeper insights into the changes brought about by SSNUP interventions.
- Impact Evaluation on Individual Projects: For selected projects, SSNUP could conduct more rigorous impact evaluations, including randomised control trials (RCTs). While these methods are resource-intensive, they provide robust evidence of causal impact by comparing outcomes between treatment and control groups.
- Collaborative Research with Partners: SSNUP can collaborate with research institutions or academic partners to conduct impact studies using advanced methodologies. This approach can enhance the credibility of impact assessments while leveraging external expertise.

Sustainability

The extent to which the net benefits of the intervention will continue or are likely to continue

EQ6.1	Is SSNUP intervention strategy (using TA to leverage private investments in partnership with private impact investors) more or less likely to ensure TA projects outputs and outcomes sustainability compared to other TA or grant funding programmes of public development agencies and INGOs?

The SSNUP intervention strategy holds considerable promise for ensuring the sustainability of TA project outputs and outcomes. By leveraging private investment, fostering collaboration among impact investors, prioritising knowledge creation and dissemination, and embracing a multi-stakeholder partnership model, SSNUP lays the foundation for long term sustainability beyond Programme implementation.

SSNUP intervention strategy presents a unique approach which holds the promise for long term sustainability of TA project outputs and outcomes. The approach is effective in identifying and implementing projects, as it brings together various stakeholders and taps into the extensive network of impact investors in the field.

One key factor that is likely to contribute to sustainability is that the TA activity is inherent to impact investors' operations, i.e. many impact investors have been providing TA long before the inception of SSNUP, indicating a pre-existing dedication to supporting their investees. Moreover, the investment activity based on long term relationships with their investees ensures ongoing engagement beyond the duration of individual TA projects. The partnership with SSNUP further solidifies and strengthens this activity, providing a framework for continued collaboration and support.

While acknowledging limitations in the universe of "investment ready" organisations and the risk of "flooding" some organisations with TA funding from different investors (potentially duplicating efforts and diluting impact), TA is also a means to expand the universe of eligible investees through targeted support and spillover effects.

The collaborative nature of SSNUP's approach is also expected to foster partnerships, synergies, and a community of practice among impact investors. Through regular interactions, knowledge sharing, and joint initiatives, investors can leverage each other's expertise, resources, and networks to maximise the effectiveness of their interventions. This collaborative ecosystem creates a supportive environment conducive to innovation, learning, and continuous improvement.

Furthermore, SSNUP's knowledge management component is foreseen to play a crucial role in enhancing sustainability. By capturing lessons learned, best practices, and successful strategies, SSNUP facilitates knowledge building and sharing within the network of stakeholders. This knowledge exchange not only benefits current projects but also informs future interventions, ensuring ongoing improvement and adaptation.

Finally, the multi-stakeholder partnership model employed by SSNUP offers distinct advantages over traditional facilities with a single fund manager and/or TA manager. By bringing together diverse perspectives, expertise, and resources, SSNUP builds a robust network where good practices can be shared, disseminated, and replicated more easily. This collaborative approach amplifies the impact of TA interventions and strengthens the foundation for long-term sustainability.

EQ6.2	Does SSNUP enable the leveraging of additional TA or public funding, including from other TAFs, for TA projects co-financed by SSNUP or for the Programme in general? To what extent will this contribute to the sustainability of the Programme? How does this compare with conceptually similar projects from other sectors?

For Phase II, the Programme has successfully obtained funding commitments from existing funders, although there may be some variation in the percentage contribution from each funder. Additionally, active efforts are being made to identify new potential funders, including bilateral agencies. However, a significant challenge lies in persuading these potential donors to contribute to the Programme's unified pool of funds, rather than earmarking their contributions for specific regions or topics. Balancing these strategic considerations and managing the associated administrative complexities will be crucial in securing additional funding. Despite these challenges, ongoing discussions and efforts are in progress to explore various fundraising strategies for the future. These strategies may include thematic, geographic, or window-based approaches, although implementing them may introduce added complexity to program management. Nonetheless, these efforts indicate that the Programme is garnering interest from diverse types of donors who recognize its high relevance in addressing pressing global issues, thus aligning with their own agendas.

EQ6.3	What would be the opportunities and risks of integrating more funders (public and/or private) in the Programme?

While integrating more funders into the SSNUP Programme presents opportunities for expansion and innovation, it also poses challenges related to coordination, alignment, and governance. Effectively managing these risks would be essential to maximising the benefits of increased funding diversity and ensuring the Programme's long-term sustainability and impact.

The integration of additional funders into the SSNUP Programme presents both opportunities and risks. By expanding its funding base, SSNUP may enhance its capacity to deliver more TA projects and extend its impact on AVCs and SHs. However, this integration also brings risks and challenges that could potentially undermine programme effectiveness and coherence.

Opportunities:

- Expansion and Extension of the Programme: Naturally, integrating more funders can provide additional financial resources, allowing the Programme to expand its reach and potentially extend its impact. This in turn would enable the implementation of an increasing number and broader range of TA projects.
- Access to Philanthropic Capital: Integrating funders from the private sector, including philanthropic organisations, may offer flexibility and innovation in funding approaches, supporting initiatives that may not be feasible through current mechanisms.
- Diverse Perspectives: Additional funders may bring different perspectives, priorities, and expertise to the Programme which can enrich the Programme.
- Enhanced Visibility: Partnering with a broader range of funders may enhance SSNUP's visibility, attracting other stakeholders and facilitating knowledge dissemination and project duplication in other AVCs or countries. A diverse portfolio of funders would further strengthen SSNUP's reputation as a trusted and effective partner.

Risks:

- **Diverse Strategies and objectives:** Strategies and objectives of a broader group of funders may not always align, leading to challenges in finding common ground and establishing a coherent and cohesive strategy for the Programme. This could result in conflicting priorities and difficulties in meeting the expectations or requirements of each funder, potentially complicating decision-making processes. Conflicting agendas among funders could undermine programme coherence, effectiveness, and impact, requiring careful negotiation and management.
- Fragmentation of Programme Impact: Diverse funding sources may result in fragmented programme impact, where different funders prioritise specific topics or geographic areas, leading to uneven distribution of resources and outcomes across SSNUP's target regions or beneficiaries.
- Increased Complexity in Governance and Decision-Making: With multiple funders, SSNUP may face challenges in governance structures and decision-making processes. Diverse funding sources may require complex coordination mechanisms, potentially leading to delays, or inefficiencies in decision-making, resource allocation, and programme implementation.
- Donor Influence on Programme Direction: The presence of additional funders may exert varying degrees of influence on SSNUP's programme direction, strategies, and priorities.This is particularly relevant in the case of funders with substantial financial contributions, who may seek greater control or influence over decision-making processes.
- Absorption Capacity: Increasing funding may require a corresponding increase in the capacity of impact investors to deploy funds effectively. Insufficient capacity could lead to delays in project implementation, or inefficient use of resources.
- Compliance and Reporting: Working with multiple funders may introduce additional compliance and reporting requirements, as each funder may have its own set of regulations, reporting frameworks, and monitoring mechanisms.

EQ6.4	How well is SSNUP set up to ensure that stakeholders and non-partners continue to take forward the work/lessons of SSNUP?

While SSNUP holds promise for stakeholders and non-partners to continue its work and incorporate its lessons, addressing inherent challenges will be critical to ensuring sustainable replication and impact beyond programme's duration.

The Programme is especially successful at reaching the participating impact investors and their beneficiary organizations and finally the SHs. Engaging SSNUP's stakeholders as learning partners is an effective way of supporting development of financial services, non-financial services, adopting market building approaches for sustainable and resilient AVCs, and supporting internal management capacity of beneficiary organizations.
Over time, SSNUP is building credibility and reputation as an agenda-setting actor within the sector. No information is available about the extent to which SSNUP is effective in influencing capacity-building and service provider organizations, which can serve as intermediaries in reaching other partners.
to date, SSNUP's approach to partnerships beyond impact investors has been limited, focused on project-specific objectives, rather than broader programme objectives. There is scope to further amplify SSNUP's influence by better leveraging relationships with existing and new partners in the financial inclusion, rural and agricultural markets, and sustainable food and nutrition space.

Lessons Learnt and Recommendations

Lessons Learnt

A multi-stakeholder Public-Private Partnership with impact investors demonstrates the value of leveraging existing networks, expertise, and resources to meet the needs of SHs through TA.

The SSNUP Programme's partnership model with impact investors provides a framework that allows for a collaborative approach to TA projects, drawing on the knowledge and networks of diverse stakeholders.

Leveraging existing networks ensures that TA reaches a broader range of SHs through established channels, fostering trust and enabling effective implementation. By tapping into the expertise of impact investors, SSNUP can design TA projects that are not only contextually relevant but also grounded in industry best practices. This approach maximises the impact by focusing on projects with the potential for significant and sustainable outcomes.

The partnership model also encourages the sharing of resources among stakeholders. Impact investors, with their extensive connections in agricultural and rural finance, can support TA projects in a way that promotes scalability and replication. This synergy can lead to more efficient use of resources, as it facilitates the pooling of knowledge, skills, and financial support. Ultimately, this multi-stakeholder approach reinforces the importance of collaboration in achieving programmatic goals, particularly in addressing the complex needs of SHs. By combining the strengths of various partners, SSNUP can better address the broader issues facing AVCs,

See Recommendations 1, 3, 5 and 6.

TA can play a crucial role in providing support and capacity building for SHs and AVC actors. Nevertheless, TA alone may not be enough to significantly de-risk investments in agriculture, especially in volatile or high-risk environments.

While TA is a valuable tool in building capacity and supporting AVC actors, it may not be enough to fully de-risk investments. The broader risks that affect agricultural investments—such as market fluctuations, currency exchange rate volatility, climate risks, and political instability—often require additional financial instruments and risk mitigation strategies. For example, credit guarantees can offer investors a safety net against the risk of loan default, encouraging them to extend credit to SHs and smaller agricultural businesses that would otherwise struggle to secure funding. Similarly, FX facilities can help manage the risk associated with currency fluctuations, a significant concern for emerging markets. These tools, when used alongside TA, create a more robust risk management framework that addresses both internal and external risks.

This lesson underscores the importance of a comprehensive approach to de-risking, one that combines TA with additional instruments to create a more stable investment environment. For SSNUP, this means not only providing TA but also advocating for and developing broader risk management tools. This approach can encourage more investment in the agricultural sector, knowing that risks are mitigated through a combination of TA and financial instruments.

See Recommendation 3.

A flexible approach building on existing structures is a powerful tool in programme implementation that needs clear guidelines for consistency and efficiency.

A flexible approach can be a powerful tool for improving efficiency and adaptability in programme implementation. By building on existing structures and processes, a programme like SSNUP can quickly adapt to changing circumstances and emerging needs. This approach fosters innovation, encourages stakeholder buy-in, and allows the programme to capitalise on existing expertise and networks.

Nevertheless, flexibility without clear guidelines can lead to inconsistencies and operational inefficiencies. In the context of SSNUP, this could mean delays in project approval and variability in project quality. The experience of SSNUP demonstrates that while flexibility allows for tailored and innovative approaches to project design and implementation, it is crucial to establish, maintain and consistently update guidelines that provide a framework for all stakeholders.

See Recommendations 1 and 2.

Innovative approaches to TA do not always need to be technologically driven but can focus on simple and fundamental project designs that address fundamental needs laying the groundwork for additional TA.

Innovation is often associated with advanced technologies or complex systems. However, innovative approaches to TA can also emerge from simple project designs focused on addressing basic needs. By grounding projects in fundamental aspects, SSNUP can create a strong foundation for additional TA projects and ultimately foster a more robust impact.

Simple project design prioritises practical solutions to immediate challenges. This can include basic infrastructure improvements, straightforward training programs, or fundamental operational enhancements that can lead to significant changes in productivity and sustainability. These simple yet effective interventions can form the basis for more complex projects down the line. By building a solid foundation through simple project designs, SSNUP can create a cascading effect, where additional TA projects can build on this initial success and lead to broader development.

See recommendation 2 and 5.

In the SSNUP Programme, knowledge management plays a crucial role in enhancing the impact of TA projects. By focusing on capturing, sharing, and institutionalising lessons learned, SSNUP can foster a culture of continuous learning and improvement, benefiting a broad range of stakeholders.

Knowledge management in SSNUP involves capturing, sharing, and institutionalising lessons from TA projects to drive broader impact and encourage successful replication. Through its knowledge management strategy, SSNUP aims to harness insights from TA interventions and translate them into actionable guidance for stakeholders, ensuring that the value derived from TA is not lost but leveraged for greater impact.

By documenting best practices, successful interventions, and challenges, SSNUP creates a repository of knowledge that can be accessed and used by impact investors, funders, and other stakeholders to inform their decisions and improve future project design.

Sharing this knowledge is critical to SSNUP's success. While SSNUP has taken steps to disseminate its findings, there is still room for improvement. Effective sharing requires not only providing access to information but also engaging stakeholders in ways that encourage them to apply these insights in their own contexts. SSNUP must ensure that stakeholders find the shared knowledge accessible, relevant, and applicable to their needs.

Institutionalising knowledge is another crucial aspect. This involves embedding successful approaches, lessons learned, and best practices into SSNUP's ongoing operations and ensuring that this knowledge is retained within the organisation and among stakeholders. While SSNUP has started to build a repository of knowledge, there are challenges in making this institutional memory robust and adaptable to evolving project landscapes.

See Recommendation 7 and 8.

Broadening Dissemination Strategies to Reach Stakeholders

SSNUP's experience highlights the importance of using diverse channels for disseminating information to engage stakeholders effectively. While traditional methods play a role in communication, relying solely on them may limit reach and engagement.

To capture a wider audience and ensure the Programme's insights are recognized, a multi-channel dissemination approach is essential. A multi-channel strategy encompasses a combination of traditional and digital methods, offering stakeholders varied ways to access Programme-related information. This approach can help foster broader interaction with the Programme, encouraging knowledge sharing and increased stakeholder involvement. It can include components such as email campaigns, websites with readily available resources, social media for interactive engagement, and events like workshops and conferences that promote direct interaction.

The flexibility and adaptability inherent in a multi-channel approach are key to reaching diverse stakeholders. It also aligns with SSNUP's broader goals by enabling more inclusive communication and facilitating the sharing of best practices within the Programme's scope.

Recommendations

1. Conclude Phase I and begin Phase II with focus on Programme consolidation and strengthening of impact investors base

Rationale: SSNUP faced challenges related to inconsistent investor engagement and productivity, highlighting the need for a more structured approach to selection, evaluation, and monitoring. By consolidating and refining these processes, SSNUP can build on existing strengths, focus on consolidating a solid investor base, and enhance collaboration among stakeholders.

Actions:

Review Investors Eligibility Criteria and include additional requirements for TAFs management and conditions for permanence in the Programme. The reviewed criteria will guide the selection of new investors and the evaluation of existing ones.

Specifically:

- Demonstrate track record in managing TAF through a list of **projects implemented over the previous 3 years and project documents**, such as proposals, monitoring reports, final reports, etc.
- At the very least **1.5 FTE per TAF** to manage a good pipeline of projects.
- Simple but clear strategy document with objectives and procedures.
- Assess how separation of TAF and investment is implemented to avoid potential conflicts of interest.
- Eliminate: The ‘triple-bottom’ line asset manager is committed to cooperate with the International Institute for Sustainable Development (www.iisd.org/).

Implementation: ADA

Timeline: Q3 2024

Launch an Open Call for New Investors

The addition of a limited number of impact investors, i.e. to reach max 12, could be beneficial to integrate the current group. It is recommended to select investors based on an open and transparent application and due diligence process. It is recommended not to extend beyond 12 to ensure that the Programme builds on the relationship and cohesiveness between investors.

Through the open call, establish a roster of impact investors to replace those failing to meet Programme's requirements and to boost the number of projects when unused funds are available or for specific topics.

Implementation: ADA

Timeline: Q3 2025

Add Conditions for Permanence in the Programme and Create System of Incentives

Establish conditions for permanence in the Programme to enhance productivity and include:

- Minimum number of approved projects per year, i.e. 5,
- Minimum amount of projects approved, i.e. EUR 600,000, and
- Timely submission of project monitoring and reporting

Failure to comply may lead to exclusion from the programme if investors do not meet requirements within a period of time, i.e. one year.

Assuming a max of 12 impact investors, the Programme would reach 60 projects and EUR 7,2 million per year.

Build a system of incentives:

- Retain up to 20% of management fee till project completion and submission of reporting.

Implementation: ADA

Timeline: Q4 2024

Reassess Existing Impact Investors for Compliance with Programme Objectives:

Conduct an internal evaluation of existing impact investors to ensure they meet updated eligibility criteria. Require each investor to conduct an internal assessment on their current capacity, needs and opportunities and to submit a strategy document and plan. This evaluation should identify current investors who may require a trial period to improve performance or those who do not meet programme standards.

Work with non-compliant investors to develop a plan aimed at resolving any issue that prevents them to meet requirements. Track progress bi-annually through individual assessments to understand challenges and ensure that solutions are found in collaboration.

Implementation: ADA, Impact Investors

Timeline: Q4 2024

2. Improve Programme Efficiency

Rationale: While collaboration among investors and guidance from the Coordinator have enhanced the design of proposals, delays in project approval persist, underscoring the need for streamlined processes and clearer guidelines. Additionally, the TAC faces inefficiencies, attributed to multiple meetings, discussions, and lack of standardisation, and project pipelines.

Actions:

Review Guidelines on a Dynamic Basis and Ensure Dissemination

- Review guidelines to include all instances that have been experienced during Phase I and ensure that the document is consistently and regularly updated when new cases are brought to the Committee. Ensure that updates are effectively disseminated among investors.
- Guidelines should also include a section on recommendations for investors on other themes, i.e. gender or climate change mainstreaming, with a clear distinction between mandatory requirements and recommendations, with recommendations serving the purpose of improving TA design without being a requirement.
- Develop a SSNUP exclusion list beyond the IFC exclusion list on agrochemicals to meet specific requirements from funders, i.e. glyphosate should be on the exclusion list irrespective of phasing out plans. The glyphosate is just one example but the Programme should develop a clear **exclusion list**. Also develop a **list of high-risk activities** that can be financed only under certain circumstances where the investee needs to meet a set of criteria within an established timeframe, i.e. examples may include palm oil, cut flowers, alcohol, etc.)
- Develop a comprehensive glossary of definitions under the umbrella of sustainable agriculture to guide investors on the topics they should focus on and the kind of agricultural practices that the Programme aims to support, beyond ESG standards and RAI Principles. Include clear definitions of concepts such as agroforestry, agroecology, crop rotation, conservation tillage, organic farming, permaculture, biodynamic farming and regenerative agriculture. Also add relevant definitions regarding food security and nutrition. Organise a workshop to disseminate this knowledge.
- Develop a **manual on how to develop and frame new projects** and develop **e-learning tools** on guidelines to ensure that investors are always updated and that new investors have easy access to information for quick learning.

Implementation: ADA, Funders

Timeline: Q4 2024 and ongoing, except for the manual and e-learning tools for Q2 2025

Streamline Approval Process

Implement measures inspired by the practices of credit committees in financial institutions and based on the concept of fiduciary duties for investment funds.

- Effectively implement a TA Committee to be held on a fixed day each week. If there are no proposals to be discussed the Committee can be cancelled. If there are proposals from different investors, the Committee can be organized with individual slots per investor or, if all parties agree, they could all participate to enhance the learning process.
- Establish approval levels and roles for the TA Committee:
  - First level: Coordinator with one or two external independent members
  - Second level: Funders (max two, no need to have all funders present)
  - Higher level for specific cases where broader consensus is deemed necessary and all funders need to be present.
- Formalise approval levels based on project amount and topic (table below indicative):

	Coordinator + Independent Members	Two Funders	All funders
Amount / Repeat Topic	Up to EUR 50,000	EUR 50,000 - 200,000	Above EUR 200,000
New Topic			Pre-Screening

- Introduce a **compulsory and formal pre-screening** step for **new or undefined topics** through a simple one-pager that serves to provide green/red light on whether or not to proceed further. Ensure that this step meets the expectations of funders to avoid unnecessary engagement in proposal preparation.

Implementation: ADA, Funders

Timeline: Q3 2024

Other suggestions:

Review Eligibility Costs

- Maintain restriction on fixed assets but include exception for pilot farms, i.e. equipment that is used for learning purposes and to demonstrate effectiveness of sustainable agricultural practices.
- Include cost of seedlings if particularly relevant to facilitate rejuvenation of plantations, i.e. coffee, and if in conjunction with a broader intervention.

Implementation: ADA, Funders

Timeline: Q4 2024

Create Project Bundles with TA Providers

For certain projects that offer opportunities for scalability, particularly if concentrated in the same region, create project bundles with a single service provider, i.e. if certifications are identified as an important intervention in the same country or region, launch RFPs for a number of certifications, a service provider is selected for a period of time allowing to improve efficiency and potentially reduce costs.

Implementation: ADA

Timeline: not a priority

3. Develop Clear Strategy for Phase II

Define Objectives for Phase II - Number of SHs

Rationale: While several factors contributed to the low SH outreach, the most relevant aspect is likely related to setting an over ambitious target based on “wrong” assumptions made during the design phase. The objective should be reassessed for Phase II based on the type of beneficiary organisations and projects approved during Phase I and on the actual capacity of investors.

Actions:

- Take into account the type of beneficiary, i.e. MFIs tend to reach a higher number of SHs, while SMEs and cooperatives work closely with farmers and hold potential for higher impact.

  On the assumption that the Programme includes 12 impact investors which will implement each 5 projects per year, the total number of projects will be 60 per year:

Type of Organisation	Expected Minimum N. of SH	N. of Projects and % over Total	N. of SH
MFI	5,000	24 - 40%	120,000
SMEs and cooperatives	1,500[6]	36 - 60%	54,000
Total per Year			174,000

The total over 5 years would be 870,000 SHs.

Implementation: all stakeholders

Timeline: Q3 2024

Establish Formal and Regular Forum for Strategic Decision-Making

Rationale: With the role of the SC diluted and strategic decision-making occurring mainly during workshops, it is recommended to establish an official forum for strategic discussion.

Action:

Establish a formal forum that includes investors and funders for strategic discussions and decision-making on investment strategies and risk management. The Committee includes senior investment personnel from impact investors, should meet twice a year, and should focus on strategic areas that provide guidance and direction to TAFs. The forum should also engage in higher level discussions on how to expand the scope of the Programme.

The forum should also be used to enhance communication on the content of approved projects to the funders to ensure that they have in-depth knowledge and understanding of Programme's activities, progress, results, etc. This is particularly relevant if the approval process is partially transferred to ADA

Implementation: all stakeholders

Timeline: Q3 2024

Begin Discussion and Planning to Expand Programme Scope beyond TA and improve investment de-risking

Rationale: As TA alone may not sufficiently address the challenges related to stimulating agricultural investment, it is recommended to explore additional tools and mechanisms beyond TA to enhance investment opportunities and mitigate risks effectively.

Actions:

Create complementary mechanisms that support risk reduction for investors and promote investment, particularly relevant to incentive long term investment and incentive investment in riskier organisations and local value chains. Options include:

- Guarantees, including first loss
- Longer term TA with milestone-based financing, i.e. the beneficiary organisation received additional financing upon achieving established milestones.
- FX hedging instrument

Implementation: all stakeholders, Funders major role

Timeline: Q4 2025, at least with one of the tools

[6] Based on average in Phase I

4. Track Increase in Investment in Individual Investees

Rationale: As an increase in investment portfolio cannot be directly attributed to TA, it is recommended to find alternative measures that can serve as an indication of the contribution of TA.

Actions:

Track investment portfolios based on the following:

- Existing investees that receive TA: is investment renewed? Is investment increased? Are other investors co-investing to complement/increase amounts? Report number and % of investees where investment was renewed, number and % of investees where investment increased over time, number and % of investees where new investors complemented investment.
- New investees: track number of investees that received TA and a subsequent investment.
- New investees: track number of investees added to portfolio and then received TA.

Also focus on value chains (new or existing), countries (new or existing).

Tracking these indicators will provide a measure to isolate the effect of TA.

Implementation: ADA with Impact Investors contributing with data

Timeline: Q1 2025

5. Improve TA Project Design

Rationale: While TA project design has evolved over time, it is important that the process continues evolving to ensure that funders' objectives are met, SHs' and AVCs' actor needs adequately addressed and identified and that environmental and gender issues are consistently addressed.

Actions:

- **Strengthen TAFs through Workshops and Trainings on Specific Topics**

  Provide support to TAFs through training and workshops with subject matter experts to equip them with the necessary skills to design projects that address specific topics such as gender, digitalisation, agrochemicals, sustainable agricultural practices, agricultural insurance for SHs, etc.

- Strengthen peer-to-peer learning between TAFs

  Encourage pee-to-peer learning through experience-sharing working sessions to improve TA project design before submission to the TAC.

Implementation: ADA

Timeline: Q2 2025 with first training

Ensure Project Design Identifies Needs in Collaboration with AVC Actors

More than a recommendation, a reminder that the involvement of AVC actors should become systematic. Though already implemented to a good extent, investors need to engage with their investees with sufficient time and depth to identify and address pressing and relevant needs. Particularly, avoid last minute TA projects that target fund allocation.

Implementation: Impact Investors, ADA

Timeline: immediate

6. Enhance Knowledge Management and Dissemination

Rationale: The evaluation identified KM as a critical component of the Programme which needs to be enhanced through targeted products and channels to ensure effectiveness in engaging stakeholders and disseminating knowledge generated by the Programme.

Actions:

The approach to knowledge management and dissemination should be continuously reassessed and refined to ensure that it:

- Clarifies stakeholders needs so that knowledge generated aligns closely with their requirements, engaging regularly with them to understand evolving priorities and challenges.
- Proactively fosters closer collaboration among stakeholders, particularly impact investors.

- Avoids or carefully assesses partnership agreements with external organisations, especially if they involve use of financial resources, and focuses on ad-hoc collaborations that can evolve to longer term engagements.
- Identifies and creates knowledge products that are appealing to the reader, innovative and to the point.
- Provides useful and hands-on information to investors that they apply in the TA operations through workshops, training, information "pills", mini-webinars on specific TA projects, etc.

Specifically, in terms of channels and tools:

- Use multimedia content, i.e. infographics and videos, to convey complex information in a visually appealing manner that could be shared on social media platforms.
- Organise interactive webinars or online workshops where stakeholders can discuss key findings and share feedback.
- Use storytelling and case studies demonstrating the impact of projects and engage investors in producing and sharing content related to projects.
- Organise podcasts and/or audio content that can engage users while on the go, potentially increasing reach.
- Create an interactive platform or community where stakeholders can discuss topics, share resources and experiences.
- Organise events where stakeholders can meet, exchange ideas, and learn from each other.

Implementation: ADA, with Impact Investors

Timeline: immediate and ongoing

7. Enhance Engagement with External Stakeholders Involved in Agriculture Investment and TA Support

Rationale: As one of the strengths of SSNUP lies in the creation of a robust community of investors and funders, the Programme should enhance its potential to become a prominent entity in the agricultural investment space that can contribute to investment growth while addressing challenges and weaknesses in AVCs.

Actions: Develop a strategy and implementation plan to strengthen SSNUP's engagement with key external stakeholders involved in agricultural investment and technical assistance support. This strategy will outline clear objectives, target stakeholders, communication channels, and activities.

Implementation: ADA mainly, all stakeholders

Timeline: Q4 2024, ongoing process

8. Conduct an Analysis on ESG standards and RAI Principle

Rationale: The rationale for conducting an analysis on ESG standards and RAI principles stems from the need to ensure that SSNUP's investments align with responsible agricultural practices. Despite existing ESG standards, there may be gaps in coverage or alignment with funders' objectives. Additionally, the limited results from the collaboration with IISD underscores the importance of a pragmatic approach to incorporating RAI principles into investment decision-making processes.

Action: Conduct a pragmatic exercise based on IISD case studies and leverage support from CERISE to assess which criteria from RAI Principles are required so that investors can have a quick checklist to use during their investment analysis.

Implementation: ADA

Timeline: Q4 2024

Tables

Table I: Evaluation Matrix

Evaluation Criteria	Criteria Description	Evaluation Questions (from ToR, to be reviewed)

Relevance	Is the intervention doing the right things?
	The extent to which the intervention's objectives and design respond to beneficiaries' global, country and partner/institution needs, policies and priorities, and continue to do so if circumstances change.
		• To what extent does the SSNUP intervention strategy address the lack of TA funding for AVC actors in developing countries?
		• To what extent is this intervention strategy and the instruments used by SSNUP appropriate to meet the 3 main objectives of the Programme, e.g.:
		  ○ address the needs of SHs to enhance their productivity and/or resilience? (are SHs at the core of TA?)
		  ○ strengthen AVCs?
		  ○ increase investments (from SSNUP investors or others) in AVCs that comply with the responsible agricultural investment (RAI) principles?
		• Is the SSNUP intervention strategy more appropriate to reach one of these 3 objectives?
		• Should SSNUP intervention strategy and instruments used by SSNUP be revised or enlarged to reach these objectives?
		• To what extent is the scope of SSNUP (AVCs, from production to trade) appropriate to meet the 3 main objectives of the Programme? Should the scope be on food systems in general, including consumption?
		• To what extent is the geographical focus of SSNUP (92 countries) appropriate to meet the 3 main objectives of the Programme?

Coherence	How well does the intervention fit? The compatibility of the intervention with other interventions in a country, sector or institution.	**Internal coherence:** • Is SSNUP (main objectives, selection criteria, processes) aligned with the strategies of its various stakeholders (funders, private impact investors, coordinator)? • To what extent have the various stakeholders contributed to the definition of the Programme? • To what extent are donor priorities actually being adopted (e.g. agroecology, just transformation)? **External coherence:** • Does SSNUP complement other TA or grant funding programmes (including other TAFs) for AVC actors in developing countries? If so, how?

		• Does SSNUP complement other private-public partnerships or blended finance mechanisms dedicated to AVC actors? If so, how?
Effectiveness	Is the intervention achieving its objectives? The extent to which the intervention achieved, or is expected to achieve, its objectives and its results, including any differential results across groups.	• Have projects financed by SSNUP contributed to the development of innovative financial & non-financial services, market building solutions for SHs and/or other AVC actors? • To what extent does SSNUP enable to support the development of gender-relevant and/or environmentally friendly services or solutions, aspects which are part of project selection criteria? • Do projects financed by SSNUP strengthen the internal capacities of AVC actors? • Do projects financed by SSNUP enable to de-risk and/or leverage additional private investments into AVC actors? • Does the knowledge generated on farm risk mitigation and agricultural finance by SSNUP respond to stakeholder needs and has it effectively been used? • What have been the success and failure factors of SSNUP?

Efficiency	How well are resources being used? The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.	• Are SSNUP processes appropriate to reach the Programme objectives? **SSNUP processes:** • Pre-identification and selection of impact investors and their TAFs • Allocation of an indicative budget envelope per TAF for SSNUP first phase, to be used for TA projects to be implemented • TA project design and proposal by TAFs • TA project selection by TA committee • TA project implementation and follow-up by TAFs of impact investors • Overall Programme budget management and results consolidation by SSNUP coordinator • Overall Programme governance by the Steering Committee composed by funders and impact investors • Are the resources mobilised (human, technical and financial) sufficient to achieve the Programme's outcomes? • Have the various risks identified by SSNUP been well managed? • Have the results attained to date been achieved within the intended timeframe? • What good practices in terms of TAF management have been used by TAFs involved in SSNUP ? • How can SSNUP implementation strategy be executed more efficiently? In particular: ○ Should impact investors and their TAFs be pre-identified to take part in the Programme or should the Programme be open to TA project proposals coming from any impact investor? ○ Should the TA projects be designed/implemented/monitored only by impact investors, or could the design/implementation/monitored be outsourced to other actors after a first need assessment by impact investors? ○ Are SSNUP monitoring and reporting processes efficient? How could they be optimised? ○ Is SSNUP more or less efficient than other TAFs?
Impact	What difference does the intervention make? The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.	• What are the recommendations about the type of impact to measure? • What are the most adapted tools or methodologies to do it?

Sustainability	Will the benefits last? The extent to which the multi-institutional set-up benefits of the intervention continue or are likely to continue.	• Is SSNUP intervention strategy (using TA to leverage private investments in partnership with private impact investors) more or less likely to ensure TA projects outputs and outcomes sustainability compared to other TA or grant funding programmes of public development agencies and INGOs? • Does SSNUP enable the leveraging of additional TA or public funding, including from other TAFs, for TA projects co-financed by SSNUP or for the Programme in general? To what extent will this contribute to the sustainability of the Programme? How does this compare with conceptually similar projects from other sectors? • What would be the opportunities and risks of integrating more funders (public and/or private) in the Programme?

Table II: List of stakeholders Interviewed or met during the Data Collection Phase

The table below is completed with the information currently available to the evaluation team and should be complemented with input from ADA.

	Name	Surname	Organization	Position	Role in SSNUP	Contact Email	Interview Mode
1	Mathilde	Bauwin	ADA	Head of Knowledge Management	Programme Coordinator	m.bauwin@ada-microfinance.lu	Remote and in person
2	Matthew	Genazzini	ADA	Head of programmes in agriculture and forestry value chains / SSNUP coordinator	Programme Coordinator	m.genazzini@ada-microfinance.lu	Remote and in person
3	Caroline	Morilhat	ADA	Programme officer	Programme Coordinator	c.morilhat@ada-microfinance.lu	Remote and in person
4	Thu Hien	Dao	ADA	Knowledge Management officer	Programme Coordinator	t.dao@ada-microfinance.lu	Remote and in person
5	Axel	De Ville	ADA	Strategy & innovation director	Programme Coordinator	a.deville@ada-microfinance.lu	Remote and in person
6	Paul	Weber	Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade (MFA)		Core Funder SC	Paul.Weber@mae.etat.lu	Remote
7	Francesca	Randazzo	Lux-Development		TAC	francesca.randazzo@luxdev.lu	Remote
8	Paolo	Cervino	Lux-Development				

9	Bruce	Campbell	Swiss Agency for Development and Cooperation (SDC)	Senior Policy Advisor for Food Systems and Security	Core Funder SC	bruce.campbell@eda.admin.ch	Remote
10	Hans	Ramm	Independent Consultant	Member	TAC	hans@ramm-consulting.com	Remote
11	Andreas	Sicks	Liechtenstein Development Service (LED)	CEO	Core Funder SC	andreas.sicks@led.li	Remote
12	Marion	Reichenbach	Liechtenstein Development Service (LED)	Project manager	TAC	marion.reichenbach@led.li	Remote
13	Jasmin	Hidanovic	AgDevCo Limited	Senior Manager, Technical Assistance	TAF	jhidanovic@agdevco.com	Remote
14	Dmytro	Nikolaiev	Alterfin	TA Officer	TAF	Dmytro.Nikolaiev@alterfin.be	In person
15	Jennifer	Schnaufer	Alterfin		TAF	Jennifer.Schnaufer@alterfin.be	In person
16	Marie	PUAUX	Bamboo Capital Partners		TAF	marie@bamboocp.com	
17	Philippe	Guichandut	Grameen Crédit Agricole Foundation	Head of Technical Assistance and Partnerships	TAF	philippe.guichandut@credit-agricole-sa.fr	In person
18	Viktoria	Popova	Incofin	Head of TA	TAF	viktoria.popova@incofin.com	In person / remote

19	Magdalena	Arbelaez	Incofin	TA Officer	TAF	magdalena.arbelaez@incofin.com	Remote
20	Barbara	Rademaker	Oikocredit	Capacity Building Manager	TAF	brademaker@oikocredit.org	Remote
21	Carlijn	Speelman	Oikocredit		TAF	cspeelman@oikocredit.org	Remote
22	Eva	Tschannen	responsAbility Investments AG	Head of TA	TAF	eva.tschannen@responsability.com	In person (TBD)
23	Ipsita	Uppal	responsAbility Investments AG	Project manager	TAF	ipsita.uppal@responsability.com	
24	Julie	Szantyr-Torres	Solidarité pour le développement et l'investissement (SIDI)		TAF	j.szantyr@sidi.fr	
25	Hafiz	Mirza	International Institute for Sustainable Development (IISD)		Knowledge Management Partner	hmirza@iisd.org	Remote
26	Andrea	Zinn	Council on Smallholder Agricultural Finance (CSAF)	Director (former director)	Knowledge Management Partner	azinn@csaf.org	
27			Uzima Chicken Limited	Director of Special Projects and Sales	TA Project Rwanda (AgDevCo)		In person

28	Agnes	Wekesa	Uzima Chicken Limited	ESG Staff Member	TA Project Rwanda (AgDevCo)		In person
29	Jean Marie	Irakabaho	Posada	Consultant	TAF	jmirakabaho@gmail.com	In person
30	Willy	Gihozo Rukemamunzi	Mahembe		TA Project Rwanda (Alterfin)	willy@mahembecoffee.com	In person
31	Chris		Tropic Coffee Company Ltd		TA Project Rwanda (Alterfin)	chris@tropiccoffeeltd.com	In person
32	Janet	Maundu	AfriCert	Country Manager Rwanda	TA Provider Rwanda (Alterfin)	jmaundu@africertlimited.co.ke	Remote
33	Samuel	Muhirwa	Bufcoffee	Managing Director	TA Project Rwanda (Oikocredit)	sam@bufcoffee.com	In person
34			Impexcor Limited	Owner and Managing Director	TA Project Rwanda (Oikocredit)		In person
35	Xavier	Niyokwizera	Twongerekawa Coko Cooperative	Managing Director	TA Project Rwanda (Oikocredit)	koperatwongerekawa@yahoo.com	In person

36	Emmanuel	Maniraguha	Twongere Umusaruro Wa Kawa (TUK) Cooperative	CWS Manager	TA Project Rwanda (Oikocredit)	tukcooperative@gmail.com	In person

Table III: Project Deep Dives

Project Deep Dive – Buff Coffee Ltd., Rwanda

Project number	13-OIK-2021
Name	Price risk management Rwanda; Buff Coffee Ltd. is part of a larger project, including 2 SMEs and 8 cooperatives
Type	Market building and internal management
Country	Rwanda
Budget	€ 113,650 Total Budget of the TA project € 78,814 SSNUP contribution € 23,036 Other funders contribution € 11,800 Investees contribution to the TA project
Impact Investor	Oikocredit
Implementation Status	Completed 2022
Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	The project was part of a programme aimed at improving the price risk management of SH aggregators in the coffee value chain in East Africa. The material and methodology from the above mentioned PRM programmes were adapted to the reality of the coffee sector in the country. The project aimed to make SH aggregators more resilient to price volatility by strengthening their price risk management capacity, and to improve the value chain by strengthening Oikocredit's current investees (2 agri-SMEs), while also working with potential investees (8 cooperatives) that could be considered for investment after strengthening.

Outputs	• Baseline assessment of 11 SHs aggregators (9 cooperatives and 2 agri SMEs) in order to adapt the training and the material to the knowledge level of the organizations involved; • Sector and Market Analysis of Rwanda to adapt the training and the material to the reality of the organizations involved; • Basic Training in Price Risk Management, • A one-to-one visit of the consultants to the 11 organizations to assure that the knowledge; • Evaluation and lessons learned of this first phase.
Outcomes	The project provides marketing solutions designed to reduce risk and meet stakeholder needs. Benefits for smallholder coffee producers include increased income through farmers' improved ability to understand when to sell, and consequently higher prices when selling their produce.
Effectiveness	The criteria for the selected agricultural value chain have been met. Even if it did not contribute directly to food security, the reduction in income volatility for cooperatives and SHs will contribute to more stable incomes and ensure that smallholder farmers have the resources to buy food.
Efficiency	The team experienced some changes in roles and responsibilities. The change of consultants caused a delay of more than 2 months. In addition, the project was highly dependent on the skills and expertise of the consultants. The project evaluation and approval process took less than 2 months.
Relevance	The relevance of the coffee value chain to food security is more indirect. In terms of its outreach to a larger number of smallholder coffee producers (some 3,000 farmers only by Buff Coffee Ltd.), the project is highly relevant.
Impact	The project aimed to make smallholder aggregators more resilient to price volatility by strengthening their capacity to manage price risk, ultimately benefiting more than 10,000 farmers.
Sustainability	This project is highly beneficial in the long term. However, it is important to conduct follow-up and additional training phases.

Project Deep Dive – Access Bank, Zambia (ABZ

Project number	08-SYM-2021
Name	Digital small scale farmer finance initiative
Type	Financial and non-financial services; market building
Country	Zambia

Budget	€ 400,230 Total Budget of the TA project € 136,195 SSNUP contribution € 264,035 investees contribution to the TA project € 26 872,00 € allocated for a perception survey
Impact Investor	Symbiotics
Implementation Status	Completed June 2023
Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	The objective of the project is to support ABZ in addressing the challenges of access to finance in rural Zambia through its "Digital Rural Finance Initiative". Special attention is given to women, who are further excluded from financial life due to cultural or historical biases. Zambia has one of the highest proportions of female entrepreneurs in Africa, but the financial gap remains wide, with women 10% less financially included than men. In addition, remote and rural populations tend to lack financial education and business skills, which the project aims to address by providing financial education as part of the bank's rural expansion strategy. ABZ's Digital Rural Finance Initiative consists of the following multi-faceted product offering using the bank's operational mobile wallet platform, eTumba: • Savings product for specific goals (education, healthcare, productive investment). • Village banking and women's savings group to support women in rural areas. • Digital loans to farmers and rural entrepreneurs to support investments in rural activities. • Rural Business Management App that supports MSME in urban and rural areas plus small-scale farmers in managing their business efficiently and receiving appropriate financial education. In addition to the above-mentioned objectives, ABZ had aimed to open 10 satellite branches in rural areas across Zambia and sign two partnerships with agro dealers. The digital solution will support women's savings groups located in rural areas and based on the experience and projection, ABZ assumed that most of the clients will be women (55%).

Outputs	Achieved outputs are remarkable but remaining beyond the ambitious objectives of the project. In detail: • ABZ has deployed crop cards to conduct automated loan assessments for 5 types of agricultural activities i.e. livestock (poultry and crops), soybeans, sunflower, groundnuts, onions and maize. • 3 satellite branches were opened, but ABZ expects to launch more satellite branches after project completion. • 2 partnership agreements with agri-stakeholders were signed with Comaco and Widenergy. • Frankfurt School conducted a market assessment and screening exercise of the rural apps available in Zambian and similar markets that could be adopted by ABZ to deploy business management services to small scale farmers. However, it seems as though ABZ did not have the capability to apply new apps. Instead, ABZ plans to go for physical training, radio campaign and/or hybrid training (complementing in-person training with digital means). • 4 financial literacy trainings to strengthen the business management skills of farmers were implemented and broadcasted live on Breexe FM Zambia from 17th to 26th July 2023. • An agricultural insurance analysis was conducted to provide ABZ with insights on the state of agricultural insurance in Zambia and on the various products being offered to inform their selection of an insurance service provider.
Outcomes	• 5,127 clients were able to access “eTumba” services (savings and loans); 56% were female clients. • successfully implemented a tailored value proposition for ABZ to digitize their lending operations (by developing crop cards for five crops as well as by supporting the bank’s first branch outside of Lusaka and its vicinity and by scouting additional satellite branch locations), to develop partnerships with other value chain stakeholders and by strengthening business management skills and financial literacy of smallholder farmers. • The level of formal credit and other financial services made available to smallholder farmers by improving the capacity of AB Bank Zambia to profitably and sustainably serve this market segment.
Effectiveness	There are shifts in staff perceptions and understanding of how to service rural clients more effectively. The success of the mobile wallet platform has already been proven for urban customers and has now partially been adapted to the needs of the rural population and the smallholder farmers. In addition, the bank trained more staff and partners with agri-dealers and relevant AVC market actors.
Efficiency	Project evaluation and approval was efficient, but project implementation started half a year later only. Despite the delays, management handled the process quite efficiently and remained flexible in adjusting implementation activities.

Relevance	The objectives of the project are in line with almost all SSNUP priorities, combining multiple categories of interventions, including financial and non-financial services, internal management, and market building. The specific intervention covered aspects more related to business expansion and management, digitalisation, designing small scale financial products, and market building (partnering with agri-businesses). Considering that the project targeted a variety of crops and value chains, it can be assumed that several of them are relevant to food security. To roll out digital multifaceted financial services with multiple distribution channels, new satellite branches, to expand rural outreach to farmers and rural MSMEs, while ensuring that women and low-income rural populations are reached responsibly has made this project most relevant.
Impact	The satellite branches combined with the mobile wallet and application is an efficient and effective way of serving rural and remote clients. However, the "Digital Rural Finance Initiative" of ABZ is only at the beginning of a longer process.
Sustainability	Over three years, ABZ' estimate was to reach more than 15% or 745,000 remote or rural customers, of which a large share would be new to the financial system. The foundation is laid by this TA project with some indication for its sustainability.

Project Deep Dive – Uzima Chicken Ltd., Rwanda

Project number	28-AGD-2022
Name	Improving environmental and social management systems (ESMS) in Africa; Uzima Chicken Ltd (H&W Poultry Ltd.), as an extension to the work done at Uzima Uganda, is one of 11 agri SMEs that are participating in this project
Type	Internal management
Country	Rwanda, but the wider project is implemented in Uganda, Kenya, Tanzania, Mozambique, and Zambia
Budget	€ 177,100 Total Budget of the TA project € 101,400 SSNUP contribution € 58,000 Other funders contribution € 17,700 Investees contribution to the TA project
Impact Investor	AgDevCo
Implementation Status	Ongoing May 2022- April 2024 (Uzima Chicken Ltd. is supposed to be completed (January-June 2023)

Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	An ESMS is the core foundation element of AgDevCo's ESG requirements for its investees and is a key requirement for companies to become ESG bankable and to attract further DFI-aligned investment capital. The ESMS consists of capacity building activities and it acts as a platform for wider good practice management and impact creation across matters such as gender equality, climate risk, food safety, and animal welfare. Uzima Chicken Ltd. should be enabled to transition from national legal compliance to alignment with good international industry practice.
Outputs	The expected outputs of this project were the following ones: no Uzima Chicken Ltd. specific results are reported yet. • 20+ people with management responsibility (2+ per investee) are trained on ESG and ESMS, with 50% being women • 100+ core processes (10+ core processes per investee) are improved and implemented at 11 investees
Outcomes	The expected outcomes of this project were the following ones: • Improved ESG performance for 11 investees, with over 100 core processes implemented and incorporated in the core business function. • Improved ESG capacity for around 20 people, of which 50% are women, with management responsibilities. • Improved transparency across value chains, including through improved procurement processes.
Effectiveness	Project only indirectly supports the SHs, but that is the nature of these types of projects.
Efficiency	Project proposal submission, evaluation and approval was done within less than one month. From a KM perspective, the project is able to provide a considerable amount of learnings and lessons in terms of how ESG improvement can have an impact on investment attractiveness, improving efficiency and profitability, gender equality, etc. The ability to compare and contrast the results across the investees could be of great value to the sector and future projects.
Relevance	The project is in line with the objectives of SSNUP. The topic of ESG improvement was one that has not been addressed in such a manner before in SSNUP and the fact that it is be done across multiple investees is an opportunity to scale up such support.
Impact	The project improves linkages between procurement and supply chains which will support the ability to improve production efficiency, quality and minimize post-harvest losses in the AVC, thereby strengthening the value chains.
Sustainability	This project is expected to de-risk and catalyze further investment in the agriculture sector, which in turn will help these companies to provide market linkages to more SHs, within a framework that puts environmental and social considerations at the forefront.

Project Deep Dive – Tropic Coffee Ltd.

Name	Supply chain development and improvement of access to new markets through Rainforest Alliance (RFA) certification

Type	Non-financial services
Country	Rwanda
Project	48-ALT-2022
Budget	€ 20,00 Total Budget of the TA project € 16,00 SSNUP contribution € 4,000 Investees contribution to the TA project
Impact Investor	Alterfin
Implementation Status	Completed (implementation planned during January and August 2023)
Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	The project aimed to support Tropic Coffee Ltd. to implement the new standards of RFA certification. The certification should help to sell coffee at a higher price and increase the demand from existing buyers as well as identify opportunities in finding new potential customers and accessing new markets.
Outputs	No outputs have been reported yet; the intention was to achieve the following KPIs: • 174 women smallholder farmers (≤5ha) informed about the certification under the TA project • 661 smallholder farmers (≤5ha) trained on certification due to the TA project • 174 women smallholder farmers (≤5ha) trained on certification due to the TA project • 10 staff trained on certification under the TA project • 4 women staff trained on certification under the TA project
Outcomes	According to the project proposal, the main expected outcomes were: • Increase the price by 7.5% for certified coffee from the farmers. • Grow sales volume by 12.3% for TROPIC. • Increase revenue by 16.4% for TROPIC. At the Farmer's level: • Growth of volume supplied by 1.5% after certification implementation • Change of 7.5% in amounts paid to farmers in local currency • 7.5% increase in the price by TROPIC to farmers

Effectiveness	A focus group discussion held on the spot of Tropic Coffee Ltd. confirms the effectiveness of the project both at beneficiary organization and SHs levels
Efficiency	The process from project proposed, evaluated to approved was efficient (less than one month); it is not clear what caused the delay in implementing the certification, respectively reporting of results
Relevance	The coffee sector in Rwanda is of great importance and has the potential to have an impact on the revenue of a large number of SHs, including women as producers and employees.
Impact	Additional debt cannot be attributed to the effect of the project. The focus group discussion with about a dozen farmers of all ages (women and men) has provided some evidence of the positive impact of the RFA certification on business stability. The investee has the potential to grow and increase the number of producers, increasing prices and demand from existing buyers, as well as new opportunities to find new potential customers and access new markets.
Sustainability	Certifications must be renewed and maintained over time through recertification and payment. On top, Tropic Coffee Ltd. has implemented the MIS software for traceability of organic certified coffee by the European Union as a long-term market opportunity.

Project Deep Dive - Huimin, China

Project number	02-INC-202O
Name	Enhancing the financial inclusion of female smallholder farmers in rural China
Type	Financial and non-financial services; capacity building
Country	China
Budget	€ 149,880 Total Budget of the TA Project € 76,407 SSNUP contribution € 50,992 Other funders contribution € 22,482 Investees contribution to TA project
Impact Investor	Incofin Investment Management
Implementation Status	The project is supposed to be completed (effective implementation period 27 months, February 2021- May 2023); delay of implementation was mainly due to the C-19 pandemic

Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	The objectives were twofold. On the level of the MFI's clients, it should Increase financial inclusion of female smallholder farmers in rural China and at the institutional level Huimin's internal capabilities should be reinforced and its strategic and financial performance enhanced. With respect to the latter, the focus should be on: • Financial and strategic performance – to strengthen Huimin's investment readiness, treasury and financial management and build its leadership and staff capacity. • Social, environmental performance and good governance practices (ESG) – to enhance Huimin's corporate governance and decision-making. • Risk management and mitigation measures – to strengthen Huimin's risk management and internal audit processes and policies.
Output	Completion report is not available yet. Expected outputs by 2023 were • Training/coaching of management, mid-level managers, loan officers and other staff members • Loan officers provide agricultural practices, marketing etc. to clients • 12,069 farmers trained, mostly women, in sustainable farming practices, productivity improvement, agricultural marketing and communication skills • 20,668 additional farmers financially included
Outcomes	According to the June 2023 annual report by Incofin, Yixing Caizhi Management Consulting elaborated a diagnostic report including a training strategy and plan with key areas of improvement identified based on Huimin's loan officers and clients' needs. On-site trainings both at the branches and headquarters' levels were provided (June 2023: 167 training sessions, 112 staff and 9,566 clients (including 8.114 farmers) trained. In June 2023, EY had shared a diagnostic report with Huimin management for decision-making based re corporate structuring options. The study is based on reviews of local policies related to microfinance as well as the industry policy and interviews with Huimin's shareholders, BoD and management about the MFI's operations and potential challenges.
Effectiveness	MFI staff and clients were trained, but there is no report that would provide information to base our judgement on the effectiveness of content and delivery.
Efficiency	The connection between improving the institution's efficiency and providing additional funding, and how this will directly benefit smallholder farmers, is not clear. This is particularly evident as new products and services, such as individual agricultural loan products, agri SME products, financing cooperatives, and improvements in digitalization and delivery channels, are planned in a follow-up project once the improved efficiency and increased funding are available. The primary obstacle was operational in nature. Clients departed due to delays in the disbursement process. Project evaluation and approval process was efficient.

Relevance	The objectives are in line with that of SSNUP: the link with increasing investments in the agriculture sector and women in Ningxia province is highly relevant.
Impact	It is too early for clear evidence, whether Huimin has achieved to grow its portfolio to US$ 175 million, increased the number of customers to 38,000 and reached a market share of 17.5% by the end of 2024. €3 million debt financing in 2023 can be attributed to the effectiveness of the project due to the completion of the debt fundraising / treasury management component
Sustainability	The ambitious objectives of the project for a small MFI will require a second phase for the implementation of specific activities with regard to the growth of its portfolio and market share, to put more focus on the environment in the ESG component, and to ensure the quality of services.

Project Deep Dive - Norandino, Peru

Project number	63-INC-2023
Name	Climate resilience of smallholder farmers and rural communities by restoring ecosystem services and developing alternative income sources through innovative reforestation and agroforestry initiatives
Type	Market building and internal management
Country	Peru
Budget	€ 96,865 Total Budget of the TA Project € 83,193 SSNUP contribution € 13,672 Investees contribution to TA project
Impact Investor	Incofin Investment Management
Implementation Status	ongoing (implementation period 18 months, September 2023 – March 2025)

Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	This TA project seeks to support Norandino, a second level union of 12 cooperatives, in expanding the scope and impact of their reforestation activities. First, the project aims to increase the ecosystem services provided by (future) reforested trees in the Sierra by supporting research on native species' potential for carbon sequestration and forest management. This will allow the cooperative to enhance the environmental impact of its flagship carbon credit program. Secondly, the project would support Norandino to develop a baseline and a couple of demonstrative plots, to identify and train producers to implement agroforestry practices. This pilot would be a separate initiative from the Sierra reforestation one, but Norandino is also considering using carbon credits to finance and encourage the adoption of agroforestry practices by producers. Finally, a digitalization component would aim at implementing digital tools for better monitoring of reforestation activities and optimizing its management.
Outputs	• Assessment of potential of high Andean native forest species for reforestation and carbon sequestration projects • Assessment of a baseline for reforestation through agroforestry systems in members' farms and development of 200 demonstration plots to test potential models • Development of agro-forestry strategy based on the baseline report • Implementation of digital tools to monitor Norandino's reforestation and agroforestry interventions • Training of Norandino's staff on the correct use of purchased equipment and the app. • Organization of a learning workshop and publication to learn about key issues around the development of carbon projects by producer organizations.
Outcomes	Expected outcomes by 2025: • Expand the scope and impact of Norandino's reforestation projects through improved decision-making based on applied research • Maximize reforestation projects' impact by ensuring an efficient and timely monitoring of activities and tree growth • Enhance smallholder producer organizations' capacity to access carbon finance to implement projects for climate adaptation and mitigation
Effectiveness	Norandino serves more than 6,500 smallholders as cooperative members (average <1.5ha) throughout northern Peru, organized in 12 cooperatives. In addition, the cooperatives purchase from over 25,000 non-members too. The union could reach scale with its potential outreach. Particularly, the KM component is of strength as it illustrates the cooperatives' willingness to share for the benefit of the sector. It would be interesting to see how the other Peru-based investees of other SSNUP investors could also benefit from the learnings and event.
Efficiency	SSNUP usually doesn't finance research as the results at the SH level are of long-term nature. The proposal had to be revised and resubmitted for approval. Hence, the process was stretched over five months. It was strongly recommended that in the future the TAC needs to be consulted on such a project at the idea stage to make sure it is fully aligned with SSNUP.

Relevance	The criteria for the selected coffee and cacao value chains had been met. The comprehensive TA package seeks to support Norandino in expanding the scope and impact of this reforestation project by supporting research on native species and agroforestry potential and implementing digital tools for better monitoring activities and optimising its management.
Impact	The potential project impact is to contribute to the climate resilience of smallholder farmers and rural communities by restoring ecosystem services and developing alternative income sources through innovative reforestation and agroforestry initiatives.
Sustainability	Only at the end of this long-term initiative with concrete results at the smallholder level by 2025 one would be able to assess the sustainability of the intervention.

Project Deep Dive - Advans Group, Ivory Coast

Project number	17-GRA-2021
Name	Supporting cocoa cooperatives in improving the repayment rate of member producers
Type	Financial and non-financial services, capacity development
Country	Ivory Coast
Budget	€ 64, 725 Total Budget of the TA project € 34,762 SSNUP contribution € 29,962 Investees contribution to TA project
Impact Investor	Grameen Crédit Agricole Foundation
Implementation Status	ongoing (significantly delayed implementation process, February 2022 - January 2023)
Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	The project aimed to support cocoa cooperatives and their members in improving the level of arears at Advans Côte d'Ivoire. The objective of this project was to develop and strengthen existing training programmes by: • Developing financial education modules specifically focused on credit management and repayment for smallholder cocoa farmers. • Developing management and monitoring tools for input credits for cooperatives and training them in the proper use of these tools. It was proposed to increase the number of women borrowers of input credit as it was considered still low.

Outputs	At the end of June 2023, the project semi-annual progress report informed about the following: • A diagnosis identifying the concrete difficulties encountered by cooperatives in obtaining repayment of loans by their members was carried out and shared with Advans Côte d'Ivoire. • Concrete recommendations, formalized in an action plan identifying priority activities based on their cost and ease of implementation, were developed. • A modular training course in financial education for mainly illiterate customers was developed • Member producers of the cooperatives were introduced to savings products • Input credit management tool was proposed by the consultants to facilitate the monitoring of credit performance of cooperatives with inputs by Advans to make the tool more user-friendly Banking agents, managers of agricultural customer services and their supervisors were not yet trained in utilizing credit monitoring-management tools. And no financial education courses had been implemented at that point in time
Outcomes	The expected outcomes of this project were: • 4,000 producers trained in financial education, including 200 women • 20 cooperatives use the credit management and monitoring tools • The repayment rate of the producers' input credit to the cooperative is 70% as compared to 60% declared in the previous season
Effectiveness	The proposed solutions by the consultants were not corresponding to Advans' expectations, also in terms of innovation, and required several amendments and detours to approval of the modular training tool by the ADVANS project team.
Efficiency	The Advans team will have to find new and more convincing approaches that will allow cooperatives to adopt these proposals. Therefore, the project implementation is significantly delayed after a smooth validation and approval process in 2021.
Relevance	Cooperatives play a key role in the cocoa value chain, which is one of the most structured in the country. Cooperatives financed by Advans develop diversification and certification programmes. They aim to grow other food and horticultural crops to improve food security (maize, rice, tomatoes, eggplants) and diversify sources of income. The project is in line with the objectives of SSNUP and its components are relevant to strengthen the resilience of the farmers through tailored solutions, savings mobilisation and an adapted distribution channel to strengthen the performance of the investee through a comprehensive risk management framework.
Impact	Ultimately, these investments can have both a positive impact on agricultural yields and the income of smallholder producers and their livelihoods, but also at community level since better cash management by cooperatives will strengthen their social actions.
Sustainability	The sustainability of the project may be questioned as there is little information on how the knowledge will be sustained within the institution.

Project Deep Dive - Afrikamart (AgTech), Senegal

Project number	38-BAM-2022
Name	Strengthening a digital platform to facilitate the trading of fresh fruits and vegetable is Senegal
Type	Market building and internal management
Country	Senegal
Budget	€ 407,756 Total Budget of the TA Project Phase 2 € 110,000 SSNUP contribution € 297,756 Investees contribution to TA project
Impact Investor	Bamboo Capital Partners (BLOC Smart Africa - Tech for Impact Fund)
Implementation Status	Ongoing due to significant delays during submission of project proposal (July 2022), evaluation, redesign, resubmission and approval (November 2022)
Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	The TA intervention is to strengthen the Afrikamart's digital tools for data capture, data management, pricing, transaction, stock management, transportation, logistics and financial risk management with a view to allow the scalable and sustainable growth of its SH farmers and small retailers beneficiaries, across multiple markets (14 fresh produce types, all agricultural regions of Senegal and beyond, key consumption markets). This project should enable Afrikamart to trade at scale and consider expansion in West Africa. Gender equality is most relevant on the demand side as 80% of the customers are female.

Outputs	This project should be based on the results gained by Afrikamart by the end of 2022 and an evaluation of the outputs to update the details of the project in phase 2 for co-funding by SSNUP. The focus should be on: • ERP integration: ERP integration for purchase orders, order fulfilment, invoicing, delivery monitoring, fraud detection, stock management (coordination between physical and digital stock monitoring covering product collection in collection centers, transportation, order preparations to customer deliveries) • Automated dispatching: Definition and optimization of product routes according to criteria (customer's needs, margin analysis per selling area, etc.). This includes transit coordination inter centers and volume dispatching per center • Automated pricing: Definition and synchronisation of purchase and selling price definition based on/adjusted for produce type, seasonality, source, destination, logistics costs, this includes rules engine and automatic arbitration. • CRM: Interaction with smallholder farmers and clients via simple communication channels, smallholder farmers and clients' behaviour analysis to drive commercial decisions, margin analysis per product, per zone, and financial optimization, purchase forecast in advance to match clients' orders
Outcomes	By the end of 2023 (Senegal only) planned • Onboard more than 9,000 smallholder farmers on Afrikamart's platform (baseline 1,920 smallholders) • Purchase 6,000 tons of vegetables (average 21 tons per day by end of 2023), generating above €120 in monthly income per producer completing at least one transaction. • Helping close to 9,500 small retailers (80% of whom are women) in Senegal to save valuable productive time every day by ordering their products on the app and having it delivered. • Increase the number of produce types offered on the platform to the 14 essential locally produced vegetables in the Senegalese diet – contributing to food security in the country. • Reduce waste under 10% of the volume purchased By the end of 2025 (Senegal only) planned • Onboard above 39,000 smallholder farmers on Afrikamart's platform • Purchase 49,305 tons of vegetables (average 171 tons per day by end of 2025) • Helping 30,000 small retailers (80% of whom are women) in Senegal to save valuable productive time every day • Maintain the produce types offered on the platform to the 14 essential locally produced vegetables in the Senegalese diet. • Reduce waste under 5% of the volume purchased • Enter at least 1 additional market outside of Senegal

	However, the IT system of the current trading platform had not been upscaled by mid 2023. From the narrative description of the semi-annual report 2023, the project's activities were not yet rolled out, respectively could not yet show any results.
Effectiveness	In accordance with latest project monitoring information provided by ADA, the ambitious project has not yet demonstrated its potential effectiveness. Activities outlined in the report are not the same as the activities planned in the proposal with a significant delay in harnessing innovative digital solutions.
Efficiency	From submission of the proposed project proposal to approval of the project took more than 4 months due to missing information required by the TAC, mainly regarding the budget details, but not only.
Relevance	The proposed project is in line with the objectives of SSNUP. In the range of Afrikamart's operations, 80% of the food consumed comes from smallholder farmers and more than 90% of the food consumed comes from small retailers. The project may contribute to reduce fragmentation of the food supply and the retail market as one of the main threats for food security.
Impact	Ultimately, upscaling the IT platform will enable Afrikamart to properly scale its operations and therefore provide access to market to an increased number of smallholder farmers, as well as efficiently delivered fresh produce to small retailers. Once the operational risk will be under control, Afrikamart could be able to grow its revenue and create the momentum to raise its rating for additional financing to further expand its reach to other markets. This would enable further impact to be achieved by diversifying its business in West Africa for the benefit of tens of thousands of smallholders and retailers.
Sustainability	Long term sustainability is in the reach of this project as it focuses on strengthening and scaling up the existing digital platform to facilitate access from the smallholder farmers to the local consumers in Senegal and potential scale in West Africa.

Project Deep Dive - Agricultural Insurance, Ecuador and Bolivia

Project number	16-INC-2021
Name	Enhance climate resilience and financial inclusion of smallholder farmers in Ecuador and Bolivia by implementing parametric agricultural insurance solutions as a tool for climate risk management for four MFIs
Type	Financial services
Country	Ecuador and Bolivia
Budget	€ 90,955 Total Budget of the TA project - phase 1 € 66,415 SSNUP contribution € 17,161 Other funders contribution € 7,379 Investees contribution to the TA project
Impact Investor	Incofin
Implementation Status	Completed (implementation of phase 1 was from November 2021 to June 2022)
Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	The TA project to enhance climate resilience and financial inclusion of smallholder farmers in Ecuador and Bolivia had to be divided into 2 phases based on the TAC decision: • Phase 1 focused on conducting a strategic analysis to study the risk exposure, institutional capacity, market demand, and phenological needs of crops to be insured for four microfinance institutions. The goal of the strategic analysis was to fully understand the exposure to climate risk and the insurance needs for each institution, as well as the local regulatory landscape and market demand for insurance products. • Phase 2, which would be approved based on verification from the insurance company AXA, included the product design and piloting as well as some knowledge sharing and exchange between the investees. • SSNUP had doubted that the insurance products need to be completely different for each MFI, as insurers usually develop prototype products which are then customized to specific client needs. The product design should not be organized as four stand-alone operations, but rather gain synergies and enable peer learning if some steps of client research and design phases are rather done together.

Outputs	• The first phase of this TA project focused on conducting a strategic analysis to study the risk exposure, institutional capacity, market demand and phenological needs of crops to be insured for each of the four MFIs. • Gaining full understanding of the exposure to climate risk and the insurance needs for each institution, as well as the local regulatory landscape and market demand for insurance products. • Creating geo-localization matrix to delimit the MFI's zones of influence; decoding climate satellite data for the last 30 years with emphasis on the last 10 years in the areas of influence of the MFIs, • Delineating climatically homogeneous micro-zones and determine the most reliable satellite data source for the design and implementation of the insurance product; • Conducting focus groups and an institutional capacity assessment for each institution, to collect qualitative information directly from farmers and preliminary interviews with insurers; • Calculating the quantitative exposure of the agricultural portfolio to medium and catastrophic weather events using a methodology based on the Basel III principles; • Drawing up phenological sheets by predominant crops to determine the correlation of the percentages of affectation of a crop according to water deficit or other climatic risks; • Presenting the results to the institutions to discuss the characteristics of the products to be implemented in Phase 2.
Outcomes	Out of the four MFIs, only one (CIDRE) decided to continue with the next phase of the project, while the others had given less priority to the development of an agro-insurance scheme. CIDRE, on the other hand, recognized the potential of the agro-insurance product for mitigating climate risk and protecting farmer borrowers against the impact of climate events and provided an official confirmation and request to continue with the next phases of the project.
Effectiveness	There was a lack of clarity about the two phases, the budget and the timetable. Finally, this phase of the project was effective in exclusively focusing on the investees level, considering it was a preliminary step before working on the development of agricultural insurance products.
Efficiency	The verification and approval of the proposed project had led to partial redesign and cutting the project into two (phases).
Relevance	The work undertaken during the project phase 1, had become relevant for one of the MFIs (CIDRE) as an environmental strategy had been developed for the institution, which includes a strategic activity related to the transfer of the institutional risk of the agricultural portfolio to a third party due to the high climatic variability in the country. The Board of Directors approved the strategy in August 2022, including necessary HR development activities.
Impact	Ultimately, the project could have a high impact through the support of developing innovative agricultural insurance schemes that specifically address the risk exposure of the participating MFIs' portfolios. This project may contribute to increasing the financial inclusion of the smallholder agricultural population in Ecuador and Bolivia.

Sustainability	Two additional loans were approved for CIDRE with the beginning of the TA project, reassuring that the development and acquisition of the agricultural insurance product is an important longer-term investment. The phased approach is relevant as it allowed the MFI to better understand what the product development would entail. CIDRE has a true possibility of acquiring the insurance product as a next stage.

Project Deep Dive - Arya, India

Project number	23-RES-2022
Name	Improving access to financial services through an application for farmers in India
Type	Financial and non-financial services and market building
Country	India
Budget	€ 172,500 Total Budget of the TA project € 136,400 SSNUP contribution € 36,100 investees contribution to the TA project
Impact Investor	responsAbility
Implementation Status	Completed (implementation period July 2022 – May 2023)
Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	Support Arya Collateral Warehousing Services (ARYA), an AVC market integrator SME, in developing its training programme for Farmer Producer Organizations (FPO). It applies a train-the-trainer approach to train 50,000 smallholder farmers. The training builds the awareness of smallholder farmers on the offerings and use of the digital platform for scaling access to improved warehouse services, to adapted financial services and finally, to the market more efficiently. 100% of all affected by capacity building activities are women.

Outputs	The outputs reported in June 2023 are the following ones: • 16,854 smallholder farmers informed about the new service • 40 AVC actors having used the new service implemented for the first time • 16,854 smallholder farmers having used the new service • 16,584 smallholder farmers having received financial literacy trainings • 16,584 smallholder farmers having received technical support (post-harvest intervention services) • 16,584 female smallholder farmers having received technical support on climate smart practices • 16,584 certified smallholder farmers having received technical support • 90 FPOs across 9 states in India have been selected for profiling, baseline information and onboarding on ARYA's digital platform, respectively digital medium • 500 community resource persons/trainers have been identified and onboarded
Outcomes	The outcomes reported are the following ones: • Transaction of approximately 3,000 metric tons of produce from 50 FPOs facilitated by the technology platform from ARYA through warehouse receipt financing and market linkages • Completed transactions of approximately 6,500 metric tons from 26 FPOs to facilitate storage • Reduction of food wastage and sustainable AVCs through scientific post-harvest practices and environment-friendly storage practices through hermetic storage • Proof of concept of the digital platform's impact as a basis for replication of such training by ARYA in other regions
Effectiveness	According to the progress reports, the reported achievements are attributed to the effectiveness of the TA project.
Efficiency	The project approval process was efficient. Certain aspects of the budget appeared to be quite expensive, and it was unclear why certain activities were taking so long.
Relevance	The proposed project is in line with the objectives of SSNUP. The criteria for the selected AVCs have been met. The AVCs targeted by the investee/project include rice, wheat, maize, and legumes, all of which are in high demand locally and contribute considerably to the growing national market for cereal and legume food grains in India.
Impact	The project has some ambitious objectives with 500 trainers trained to reach 50,000 smallholder farmers, but this seems to be achievable over time. The outcomes of the training and onboarding should also result in an increase in the usage of ARYA's services including warehouse receipt financing and market linkages.

Sustainability	ARYA appears to be a very similar business to Incofin's investee Sohan, who is also an agri-business that manages warehouses in India benefiting from SSNUP. It is unclear whether there is a relationship between these organizations or whether they are competitors in the same market. For both might be a sufficiently big market demand.

Project Deep Dive – Vahatra MFI, Madagascar

Project number	24-SID-2022
Name	Improving the management information system (MIS) of a financial institution in Madagascar
Type	Financial and non-financial services; internal management
Country	Madagascar
Budget	€ 62,405 Total Budget of the TA project € 22,466 SSNUP contribution (36%) € 22,466 other funders contribution, i.e. ADA's LMDF TA project(36%) € 17,473 investees contribution to TA project, incl. consultant fees and in-kind contributions (28%)
Impact Investor	SIDI
Implementation Status	completed 2022
Objectives, Deliverables, KPIs, SHs Reached, Priority Areas (gender, innovation etc.)	The main objective of the project was to support Vahatra in the development of an IT department adapted to its future institutional transformation into a regulated credit institution (IMF de Crédit de type Société Anonyme). By improving efficiency of its MIS, the project aimed to increase the penetration of financial services to serve an additional 10,000 clients by 2025, of which at least 75% are in rural areas and 66% are women.
Outputs	Outputs as of December 2022: • The MIS was implemented with the support of the World Bank Financial Inclusion Project in Madagascar, divided into 5 phases, with the start date April 2022; • Collection of data complying with central bank's regulations; • Overcome previous constraints due to the malfunction of the old MIS; • Adjust MIS functional flows and adequacy to the specific business processes, incl. change management and Vahatra's integrated support projects across its network of 38 branch offices;

	• Interfaces (API) for national payment switch, CRM and mobile money agents, electronic payment (i.e. ATM etc.) were not part the new system[1]
Outcomes	Outcomes as of December 2022: • Total number of active clients, both individual borrowers and – if applicable – institutional borrowers, in the agricultural sector by the end of the period is 13,013.
Effectiveness	In terms of socio-economic development, the MFI as such and the TA intervention are considered very effective. Vahatra has 10,580 active borrowers (72% women, more than 60% agricultural/20% rural income generating activity related working capital loans, uncollateralized) holding 5,614 mutual health insurance policies (information provided on https://www.vahatra.org/). The project, overall, can be rated effective (classical improvement of the MIS of an institution). This is also due to the equipment that was provided under the linked World Bank project, incl. 38 laptops, 41 tablets, 23 cash register printers, 12 scanners, etc.
Efficiency	The project approval process was efficient. The TAC considered the proposal and project rationale as clear and eligible for co-funding by SSNUP as expressed by email within less than one month from submission of the documents by SIDI. There is no detailed completion report available. Hence, the information accessible for the evaluation team on results achieved and lessons learnt is extremely limited. However, we have evidence of significant technical and organizational difficulties that Vahatra encountered in the process of setting up the MIS by the World Bank consultants. Another problem faced by Vahatra was the complexity of the multi-stakeholder governance for the installation of GIS, leading to considerable delays in the installation schedule of the new MIS.
Relevance	This registered MFI was transformed from an NGO to a regulated tier I credit institution that provides loans to the poor and poorest segments of the society (clients, who live on less than US$ 2 per day). Insurance coverage can help improve the overall performance of agricultural loans. Agricultural insurance represents an effective risk management tool which can be instrumental for the MFIs to expand their agricultural portfolio in terms of crops and exposure/outreach.
Impact	To make the project more impactful, a 2nd phase had been recommended by the TAC, which is commendable. The evaluation team agrees that follow-up TA would be necessary to further facilitate and enable the improvement of services to SHs.

Sustainability	Nevertheless, taking into account the MFI's social and agricultural focus, as well as the difficult context in which it operates, this is a good first step in responding to the institution's weaknesses and focus on professionalising its activities. However, it looks as if it is work in progress (see Outputs) mainly with respect to expected ongoing support under the World Bank project. Its operational self-sufficiency is above 100%, but it requires SIDI's guarantee backup and grant funding support to become financially viable and institutionally sustainable.

Table VI: Key programme indicators

KPI	Target (end Phase 1)	Actual	%	Status
Number of SHs benefiting from/using a new/improved insurance, financial or non-financial product or service, by type of product/service	3 million SH	115,944 (June 2023)	3.9	
Number of SHs having enhanced their production, farming area or yield (with average increase rate), and/or perceiving an improvement in their resilience	2 million SH	Limited number of completed projects to draw estimates		
Total number of permanent jobs created, by gender	300 (30% women)	Data to be consolidated and analysed		
Number of AVC actors having increased their turnover	30	Data to be consolidated and analysed		
Number of AVC actors having improved their ESG practices	30	Data to be consolidated and analysed		
Annual variation (amount and growth rate) in the outstanding agricultural and rural microfinance investment portfolio of the SSNUP investors and number of new investees, by AVC	+15% of total agricultural and rural microfinance portfolio compared to end 2019 and +4 investees per year per investor	EUR 86 mln additional investment compared to EUR 44 planned	195%	
Compliance score of the agricultural investments of the partner impact investors with the CFS-RAI	70% for each investment	3 RAI case studies to be used as illustration		

Number and type of new/improved insurance, financial and non-financial products and services available in the market/offered to smallholder households	20 financial services 3 insurance products 50 technical support/ certification packages	Data to be consolidated and analysed		
Number and type of agricultural value chain actors strengthened through trainings or development of a new service, by AVC	50 AVC actors supported	180 beneficiary organisations as proxy	370%	
Number of case studies or other knowledge management tools on innovative farm risk mitigation solutions published and set-up on a web base resource centre	10 knowledge management tools disseminated:	7: a Thematic Study; a Beneficiary Survey; 5 Knowledge Sharing Workshops and public project documents.	70%	
Number of impact investors part of SSNUP	8 impact investors	9	150%	
Number of TA projects funded by SSNUP	150 TA projects	75	50%	
Number and type of investees supported, by area of intervention	150 investees supported with TA	180	120%	
Amount of funding disbursed (total and average by project and investee)	EUR 11,3 million disbursed for TA projects	EUR 7.1 million average by project: 93,359 average by beneficiary organisation: EUR 78,986	63%	

Table IV : Impact Investors

Investor	Description	Geographic Area (%)
AgDevCo	Develops commercial agribusinesses that impact employees and SHF, supporting them beyond patient capital through TA support. It also invests in both growth and venture capital	Sub-Saharan Africa: 100%
Alterfin	mobilises capital for investment in developing countries through microfinance institutions and producer associations linked to fair trade	Africa: 35-40% Asia: 20-25% Latin America: 35-40%
Bamboo Capital Partners	Provides innovative financing solutions to businesses in emerging markets that serve the needs of low- and middle-income populations. It offers a range of financing options, from debt to equity, either unilaterally or through strategic partnerships	Africa: 60% Latin America: 21% Asia:17% Others: 2%
FGCA	Supports partners in their climate and digital transformation through a global offering of financial services. It develops technical assistance and focuses its activities in regions particularly affected by climate change and digital challenges	Sub-Saharan Africa: 26% South and South-East Asia: 32% Eastern Europe and Central Asia: 32% Western Europe: 4% Middle East and North Africa: 2%
Incofin	Provides impact investment and technical assistance and manages funds in emerging markets. It has deep expertise in gender, climate and biodiversity issues	Eastern Europe and Central Asia: 30% Latin America: 31% Southeast Asia: 30% Sub-Saharan Africa: 9%
Oikocredit	Promotes sustainable development by providing loans, investments and capacity building in financial inclusion, agriculture and renewable energy	Latin America: 60% Africa: 39% Southeast Asia: 1%
responsAbility	Provides sustainable impact investments in the areas of climate change and agriculture in emerging markets, focusing on growth companies	South Asia, South- East Asia Central Asia Central and South America Sub- Saharan Africa Middle East and North Africa
SIDI	Provides microfinance services and invests in the development of local investment companies capable of directly supporting local entrepreneurs	Sub-Saharan Africa: 60% Latin America: 25% Middle East and North Africa: 15%

Symbiotics	Provides investment, asset management and capacity building services through a market access platform for impact investing dedicated to private markets in emerging and frontier economies	Latin America and Caribbean: 30.8% Southeast Asia: 28.4% Eastern Europe, Central Asia and Middle East and North Africa: 23.8% Sub-Saharan Africa: 13.5%,

Table V: Number of TA Projects and Beneficiary Organizations

Indicator	2020	2021	2022	2023
Projects	0	50	100	150
Beneficiary Organisations	0	50	100	150
Actual Projects	1	15	41	75
%	**-**	**30%**	**41%**	**50%**
Per year	1	14	26	34
Actual Beneficiary Organisations				180
%				**120%**

Table VI: Categories of TA Interventions

Type	Description	N. Beneficiary Organizations (31/12/2023)
Internal management	Business development and planning, digitalization, financial and risk management, ESG performance, and resource management.	151
Non-financial services	Adoption of sustainable farm practices, certification, financial literacy training.	109
Market building	Enhancement of market linkages between AVC actors, Digitalization of access to information, communication, and business transactions between AVC actors.	94
Financial services (including insurance)	Agri-insurance feasibility study with dry runs, development of client-centric agri-insurance and other financial products, distribution of client-centric financial products.	30

Table VII: TA Projects Geographical Distribution

Region	N. of Organizations	%
Sub-Saharan Africa	149	81
Latin America and the Caribbean	24	13
East Asia and Pacific	5	3

South Asia	4	2
Middle East and North Africa	2	1

Table VIII: Funding Source

Funding source	Planned
SDC	CHF 9.5 million (approx. EUR 9 mln equivalent)
MFEA	EUR 3 million
LED	EUR 1.5 million
Other direct donor	EUR 1.7 million
Investees	EUR 2.8 million
Other indirect donors - indirect funding for TA projects	-
Total	EUR 18 million

Table IX: TA Budget

Indicator	Target 2020-2024	Approved (31/12/2023) *	Actual vs. Targeted (%)
Total TA Budget (EUR)	**14,130,000**	**14,779,689**	**95%**
Co-funding SSNUP (EUR)	11,304,000	7,062,237	56%
Co-funding beneficiary organisations (EUR)	2,826,000	5,335,286	168%
Co-funding other donors (EUR)**	-	2,382,166	-
Ave. Budget per organisation (EUR)	75,360	39,235	54%

Table X: Budget Implementation

	Budget (EUR)	% over total	Expenditure (EUR)	Expenditure (%)	Budget 2024 (EUR)

TA projects	11,547,000	80.5	7,062,237	61	4,031,945
TAF Management Fees	1,270,170	7.1	246,813	19	
Knowledge Management & dissemination	903,905	4.6	419,865	46	911,116
Evaluation and financial audit	183,500	0.4	117,373	64	72,143
Programme coordination	969,415	5.8	758,063	78	264,973
LuxDev support to lead donor	300,000	1.7	95,329	32	-
Total	**15,174,000**		**8,699,680**	**58**	**5,596,774**

Table XI: Grant Allocation Envelopes

Investor	Budget Allocation (EUR)	Budget Approved (31/12/2023)*	%
AgDevCo	1,500,000	1,078,344	72
Alterfin	500,000	588,575	118
Bamboo Capital Partners	750,000	168,701	22
FGCA	1,000,000	975,113	98
Incofin	1,500,000	1,093,248	73
Oikocredit	1,500,000	1,328,339	89
responsAbility	1,000,000	544,218	54
SIDI	500,000	536,469	107
Symbiotics	1,000,000	333,266	33
Total	**9,250,000**	**6,646,273**	**72**

Table XII: Examples of other relevant TA or grant funding programmes for AVC actors in developing countries

GAFSP, a multilateral financing platform to build sustainable and resilient agriculture and food systems provides financial and technical resources (investment grants, TA, concessional finance, advisory services) to demand driven projects along AVCs. The platform has three major instruments: (a) grants to low-income countries to support national agriculture and food security investment plans, (b) direct support to smallholder farmers and producer organizations through small-scale grants for projects supported by an implementing agency partner of choice, and (c) private sector companies support with innovative products and blended concessional finance solutions aiming to promote inclusive business models and projects that improve the livelihoods of smallholder farmers. The evaluation has found that the thematic areas are somehow similar to SSNUP, help agribusinesses to proactively adapt to changing environments and build long-term resilience to climate threats, increasing food and nutrition security, empowering female farmers and strengthen women's resilience to crises, create employment and increase incomes by raising agricultural productivity, linking farmers to markets, and improving non-farm rural livelihoods. The differences between GAFSP and SSNUP are that the global platform grants government programmes and physical infrastructure, 100% of funded projects address climate, and mitigates conflicts and violence. GAFSP leverages public and private sector funds to accelerate the transformation of food systems and channels grants and concessional financing through multilateral development banks and UN agencies. GAFSP also plays the role of a knowledge hub similar to SSNUP.

The **CASA** programme funded by UKAID is implemented by Swisscontact, NIRAS, CABI, and TechnoServe. It "… aims to drive global investment into inclusive climate-resilient agri-food systems that increase smallholder incomes." The mission statement shows similarities with SSNUP, particularly as CASA acts as a connector of donors, investors, and agribusinesses. However, it also serves governments and regulatory authorities as clients for research on green and impactful investment policies that favor small-scale farmers as an added value. Market systems development for agri-food SMEs to grow their smallholder supply chains and its TAF that works alongside investors to deploy inclusive TA to strengthen AVCs and promote returns, development impact and resilience, and research, learning and dissemination are activities, which are comparable to SSNUP.

Since 2015, the TechnoServe **Coalition for Smallholder Sourcing** generates "… evidence on innovations in smallholder sourcing that improve outcomes for farmers and companies, as well as promoting broad-based adoption of effective innovations." The evaluation team believes that the Coalition is more of a think tank that potentially could complement the TAF of SSNUP on e.g. supporting regenerative transformation of AVCs, gender equality and women's economic empowerment through media, financial services, distribution and management tools and information, etc.

AATIF, another public-private partnership that is dedicated to uplift Africa's agricultural potential for the benefit of the poor. "The Fund aims at improving food security and providing additional employment and income to farmers, entrepreneurs and labourers alike by investing patiently and responsibly in efficient local value chains." The fund is registered in Luxembourg and was initiated by KfW on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Parallel to the fund, grant resources are made available through a TAF that supports AATIF investments to enhance their developmental potential. Additionally, the TAF pursues research and development activities to promote agricultural finance in Africa. The assessment has found an interesting governance structure of the TAF. The TAF is managed by an intergovernmental financial institution established within the framework of the United Nations (UN), specialized in development projects for the global agricultural commodity sector. The TAF manager is supervised by the TAF committee, comprised of TAF donors and fund sponsors, in order to ensure that all TA directly supports the mission of the fund. In addition, an independent compliance advisor, the International Labor Organization (ILO) supported by the United Nations Environment Programme (UNEP, assesses the investment compliance with the fund's Social & Environmental Safeguard Guidelines.

Aceli Africa, a multistakeholder blended finance facility, including UKAID, USAID, Council on Smallholder Agricultural Finance (CSAF), Dalberg, etc. Aceli is transitioning international funding to national investment into the "missing middle" agricultural SMEs in sub-Saharan Africa. It provides 2% to 8% of the loan amount (US$25,000 to US$1.5 million), aligned with gender inclusion, food security, nutrition, and climate resilience goals, into a reserve account, which can be drawn on to cover first losses of any qualifying loans across the local lender's portfolio. A second incentive mechanism is the reduction of the cost of loanable funds serving rural and agricultural SME loans. And the third incentive is a US$10 million

TAF for business and finance standard and customized training to agricultural SMEs at pre- and post-investment stages in partnership with local service providers and based on a cost-share model with each SME. In addition to mobilizing capital and generating direct impact on livelihoods for farmers and workers, creating opportunities for women and youth, strengthening food security and nutrition, and promoting sustainable environmental practices, Aceli Africa generates knowledge to inform how similar approaches can be improved and scaled elsewhere.

The **Nutritious Foods Financing Facility** is an innovative up-and-coming blended finance nutrition initiative, where the Global Alliance for Improved Nutrition facilitates more enabling environments for nutritious food and Incofin offers funding and technical assistance for businesses that support the supply of nutritious, safe food for domestic, low-income markets in SSA. It aims at four priorities: (1) increased access to nutritious food through wider distribution, improved affordability, variety, and desirability; (2) increased supply of nutrients and reduced harmful elements through improved reformulation; (3) increased food safety and reduced contamination during production; and (4) decreased food loss during production.

Table XIII: TA Cost efficiency

Investor	N. Projects approved	N. Beneficiary Organisations	N. SHs reached (June 2023)	Cost per SH on total SSNUP contribution (31/12/2023)
AgDevCo	4	16	3,896	276.78
Alterfin	13	12	797	515.31
Bamboo Capital Partners	3	3	n/a	n/a
FGCA	10	10	1,501	626.36
Incofin	11	15	2,756	371.21
Oikocredit	11	12	88,122	15.07
responsAbility	8	9	17,311	60.27
SIDI	11	12	n/a	n/a
Symbiotics	45	43	1,561	387.28
Total	**75**	**180**	**115,944**	**61.42 (average)**