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Sida Decentralised Evaluation

George Gray
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Mid-Term Review of Sida's regional core support (2014–2019) to the Eastern African Grain Council promoting grain trade in the East African region "Strengthening Regional Grain Markets II"

Final Report

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Final Report
July 2018

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The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

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Abbreviations and Acronyms

2017 IAR	EAGC 2017 Impact Assessment Report
aBi	Agricultural Business Initiative
AGM	Annual General Meeting
AMDT	Agricultural Markets Development Trust
ASDSP	Agricultural Sector Development Support Programme
EAGC	Eastern Africa Grain Council
EAGI	Eastern Africa Grain Institute
ET	Evaluation Team
G-Soko	Grain Marketing Software via SMS
GIZ	(Deutsche) Gesellschaft für Internationale Zusammenarbeit
HR	Human Resource
ICT	Information and Communication Technology
M&E	Monitoring and Evaluation
MIS	Market Information System
MLND	Maize Lethal Necrosis Disease
MTR	Mid-Term Review
MVIWATA	Mtandao wa Vikundi vya Wakulima Tanzania
NGO	Non Government Organisation
OECD/DAC	Organisation for Economic Cooperation and Development/Development Assistance Committee
PPDP	Public Private Development Partnership
PSD	Private Sector Development
RATIN	Regional Agricultural Trade Information Network
RUDI	Rural Urban Development Initiative
SHARED	Smallholder Agricultural Reform through Enterprise Development
Sida	Swedish International Development Cooperation Agency
SME	Small Medium Sized Enterprise
SMS	Short Message Service
TAHA	Tanzania Horticultural Association
ToC	Theory of Change
TOR	Terms of Reference
USAID	U.S. Agency for International Development
VAC	Village Aggregation Centre
WB	World Bank
WRS	Warehouse Receipt System

Preface

This evaluation was contracted by the Swedish International Development Cooperation Agency (Sida) through the Framework Agreement for Evaluation Services, and conducted by FCG Sweden.

The Evaluation Team consisted of Sarah Gray and George Gray. This Draft Final Report was quality assured by Laurence G Sewell whose work is independent of the team. He was responsible for reviewing the quality of the evaluation process and the evaluation deliverables to ensure that they comply with the OECD/DAC standards.

The authors would like to acknowledge the assistance and support given in conducting this evaluation. We are grateful to the staff of the EAGC, all the EAGC partners and other interlocutors that gave freely of their time to discuss their work and share opinions with the team and their beneficial participation during interviews and focus group sessions. Special thanks go to the Country Programme Managers who assisted with providing documentation and hosting meetings etc. However, in accordance with normal practice, any errors in this report remain the authors' responsibility.

Executive Summary

This report details the findings, conclusions and recommendations of the team that undertook the Mid Term Review of Sida's regional core support (2014-2019) to the Eastern African Grain Council promoting grain trade in the East African region "Strengthening Regional Grain Markets II". The stated Goal of that programme is: *"To contribute to poverty reduction and enhanced food security by stimulating agricultural trade and growth, particularly in the ESA smallholder grain sector"*. The programme goal is to be achieved through the attainment of five objectives: 1) Integration of smallholders in grain value chain, 2) Establishment of and support to national and regional market information systems, 3) Facilitation of capacity building and awareness creation on various aspects of grain marketing in the region, 4) Contribute to the improvement of trading environment by providing a forum through which stakeholders in the value chain can engage and dialogue, and 5) Support EAGC Institutional Development

Cross cutting elements of promoting gender equity and facilitating resilience to environmental change are also characteristics of the programme.

The review was undertaken through a preliminary desk study of annual and biannual reports and other programme documents, followed by a field mission undertaken from the 17th to the 26th April 2018, covering Kenya, Tanzania and Uganda, during the course of which stakeholders and EAGC staff were interviewed. Findings were then analysed and compiled in this report. The review exercise faced some constraints, mainly in terms of the time and resources required to cover a programme of such considerable geographic and thematic extent, but the repetition of basic themes by a majority of respondents has suggested that findings are realistic.

The EAGC is active in 10 countries. It has a significant presence in five: Kenya, Tanzania, Uganda, Malawi and Rwanda, and single country representatives in three: Burundi, South Sudan and Zambia. Activities in the Democratic Republic of Congo and Ethiopia are as yet undertaken by external staff members. In 2014, EAGC listed the following as key elements of their strategic thrust: 1) Regional coverage, 2) Investment in market infrastructure and support institutions, 3) Access to market information, 4) Value chain stakeholders' capacity, 5) Improved policy and regulatory environment, and 6) Strengthening EAGC's institutional capacity to deliver on her mandate.

The alignment between these activities and Sida's five programme objectives has meant that the Sida Support programme is relevant to almost all of EAGC's activities on the ground. This report is structured on the basis of the five programme objectives listed above. Findings, conclusions and recommendations are presented for the results achieved and impacts of the various activities related to the programme goal and to each objective, as listed in the revised programme log-frame. These are summarised below:

Programme Goal: Contribution to poverty reduction and enhanced food security

While this evaluation lacked the resources to assess direct progress towards the programme goal, the causal chain linking EAGC-mediated interventions to this overall programme goal appears fairly robust, especially for those smallholders who regularly produce a commercial surplus. For them integration into a well-functioning market was reported to increase market access, and prices received and to reduce market risk, thereby justifying increasingly commercial production practices. This in turn can be expected to enhance food security. The causal chain is less obvious for the poorest households who lack the resources (especially land) to produce enough to feed themselves and must therefore depend upon other sources of income to generate the cash required to buy food from markets. Such households may arguably benefit from enhanced national and community-level food security, and in the long term, will benefit from increased income generation opportunities as a result of income growth in the farming community. Nevertheless, even those benefits would be unavailable without the development achieved under the objectives listed below. To this extent, the programme goal is indeed being met.

Objective 1: Integration of smallholders in grain value chain

EAGC interventions to promote smallholder integration have been based on the development of market linkages. Linking smallholders with buyers is not a single event, but a continuous and often slow process that does not progress uniformly. Nevertheless, the overall trend in linkage development taken across all three countries visited and related by both traders and smallholders alike was definitely positive. This is despite the inherent resistance that has often been encountered amongst smallholders to relinquishing control over the storage and marketing of their individual production. Such success suggests that the EAGC and its partners on the ground have developed an approach to the development of smallholder grain marketing that is inherently effective. This is a significant advantage for an institution such as the EAGC seeking to become a preferred implementing partner for any international development agency looking to promote smallholder development within the region.

The trainings provided by the EAGC to smallholders relate primarily to aspects of production, post-harvest handling and grain quality as well as to group formation,

governance, and the fundamental aspects of grain marketing. Training provides smallholders with skills that strengthen their capacity to complement rather than compete with grain traders. In this respect, the EAGC approach to smallholder development contrasts quite markedly with the more common approach, according to which the trader is seen as an exploitative middleman, to be usurped by farmer groups who should undertake their own marketing. Such an approach of drawing the smallholder into the marketplace as a replacement for the trader is clearly different to the EAGC approach to smallholder integration into value chains, whereby the smallholder and trader are both encouraged to engage in complementary specialisation, to the advantage of both parties.

The network of Warehouses and VACs is important to smallholder/trader linkage development since it forms the fundamental basis of the structured grain trading system that EAGC has been developing. The network of certified warehouses creates the basis for a Warehouse Receipt System which then allows grain to be traded remotely, (including on-line) through the sale and purchase of warehouse receipts. Through the development of the VAC/warehouse network EAGC is not only integrating smallholders in grain value chains, but also upgrading the nature of the trading system into which those smallholders are being linked.

The introduction of post-harvest technologies may prove effective, but a longer timeframe will be required before either positive or negative conclusions can be drawn in with any degree of certainty.

Significant progress has been made towards the achievement of the first objective of the programme. The overwhelming majority of smallholders, traders and partners on the ground were strongly supportive of the interventions. The positive responses from Government officials were particularly valuable and suggests that Government respondents appreciate the EAGC approach to smallholder development to be more successful than conventional extension methods.

The willingness of EAGC to partner with other agencies who may have already developed well established linkages with rural communities has been an effective approach that has promoted the efficient use of available resources. Cooperation with experienced partners has allowed EAGC to concentrate on the aspects of training and development in which it excels. The interventions have almost certainly been more effectively implemented as a result.

The positive nature of the results achieved under this objective suggest that the core principles and practices of the EAGC approach to smallholder integration in value chains are correct and should be continued without significant alteration.

Objective 2: Establishment of and support to national and regional market information systems

Agricultural market information systems are of declining utility. The majority of traders now find domestic prices by using mobile phones to contact brokers in different locations. Even smallholders can access this technology to find out recent prices in nearby markets from traders, friends or relatives. A key exception to this observation is RATIN. The regional nature of the data collected and its almost immediate accessibility on the internet provides a service that no domestic traders, international merchants or even governments or regional authorities can match from their own resources. Findings indicate that RATIN is a valuable internet service to traders and not-for-profit agencies alike. It raises the profile of the EAGC and its continuation should be regarded as a priority. By contrast, although the RATIN SMS platform appears to have been efficiently operated, smallholders appear unwilling to pay for the market information provided by this SMS platform.

Information provided by RATIN has in the past been regarded as a public good. This has undermined the sustainability of the MIS. From a commercial perspective, the most valuable market information is that which is still relevant, i.e. the prices prevailing over the course of the last week. This is information that can be used to make profitable business decisions, to access which traders are most likely to be willing to pay and, since the data will need to be constantly updated, to keep paying.

Findings suggest that the Regional Balance Sheet is a relevant tool that is referred to by national governments and has played a role in advocacy for regional trade facilitation. Such a service would justify government/donor agency support as a public good, but such support could only be justified if the product were consistently reliable.

Market watch Bulletins are not rated highly by members. The causal chain linking the development of Market Watch bulletins to the overall programme goal is weak. Farmers and traders do not appear to appreciate the product and it does not influence their decision-making. Unless external stakeholders can be demonstrated to take definitive actions on the basis of the bulletins, it is unlikely that they will significantly affect the programme outcome. As such, the products have little impact and might well be discontinued.

While it is important to ensure the continued operation of the web-based RATIN, the SMS component could be discontinued without significant loss to the agricultural community. Similarly, while an accurate Regional Food Balance sheet will be an important public good, the same cannot be said of the Market Watch Bulletins, whose utility might also be carefully assessed before continuing further. Although some revenue might be raised from subscriptions, the sustainability of RATIN and the

Regional Food Balance Sheet will depend upon donor/government intervention (since both parties are key beneficiaries). A lobbying campaign should be prepared to achieve this.

Objective 3: Facilitation of capacity building and awareness creation on various aspects of grain marketing in the region

EAGI training was observed to be both relevant and effective. The importance of training to the integration of smallholders into structured trade was well noted. Findings suggested that traders and participants further along the value chains were equally impressed by the training that they or their staff had received, and that they considered it to have been a good investment of their time and resources. It was noted that the training also increased the overall capacity of the value chains by contributing to the development of professionalism and trustworthiness.

Training is directly contributing towards the achievement of Objective 3. Consideration should be given to expanding the activities under EAGI on an increasingly commercial basis. Course material should be developed exclusively by the EAGC in order to ensure that the commercial approach is consistently maintained.

The G-Soko platform has yet to achieve its full potential. Nevertheless, those who had used the system considered it to be a useful EAGC product, and the overall conclusion was that subject to the satisfactory resolution of issues of commission and of ease of use, the platform would most probably achieve a greater level of success almost any of the other agricultural commodity exchanges operating in Sub-Saharan Africa.

It was also evident that G-Soko could not be considered to be a stand-alone intervention. Rather it is embedded within the framework of supporting interventions, including smallholder group formation, training in quality and post-harvest handling and storage, training in grain and warehouse management, and the trading of warehouse receipts. The G-Soko platform is only practicable as a result of the combined impacts of these different EAGC interventions, and as such represents considerably more than a software-based trading platform.

It will be necessary to solicit feedback from users on a regular basis to ensure that the platform can maintain an advantage over whatever competition might arise. Despite the innovative aspect of the internet platform, it is the surrounding framework of certification, financial validation, and security that is at the heart of the service being offered. These are the areas in which expansion and increased efficiency will be most critical to future success. Sustainability will also be reinforced if an overwhelming majority of traders can be persuaded to use the platform so that it becomes the majority's default market of choice.

From the members' perspective, business linkage development (B2B) is clearly a fundamental benefit of EAGC membership. Without the agency of the EAGC, valued business linkages could not have been developed. B2B meetings are considered to be good value for money and in more than one instance have been the reason for new members to join the EAGC.

It is evident that a business linkage development service has previously been missing from grain value chains and that the EAGC is meeting a significant need. In doing so it is increasing the efficiency of trade by contributing towards reduced levels of default and increased professionalism amongst traders.

Objective 4: Contribute to the improvement of trading environment by providing a forum through which stakeholders in the value chain can engage and dialogue

Consistent responses of different stakeholders indicate that the EAGC is well respected by governments as an effective advocacy institution. Such close cooperation provides the EAGC with an advantage over other institutions in terms of advocacy. It was mentioned more than once that the EAGC was considered the apex body for not only traders, but all stakeholders in the grain value chains. Members also noted the importance and effectiveness of EAGC advocacy, including especially their capacity to intervene with officials at all levels. This hands on approach has provided EAGC with practical experience of the issues on which the EAGC is advocating.

The EAGC's promotion of regional standards for maize, has been a major advocacy success leading eventually to their introduction by the EAC last year. The initiative was well supported by members who had understood its potential benefits and actively supported the introduction and use of new standards. The development and introduction of similar standards for other grains will bring benefits to both producers and traders.

Overall, the EAGC is fulfilling its mission to advocate for the facilitation of the grain trade in the East African Region, both effectively and efficiently. Nevertheless, potentially contentious issues (such as input subsidies) might be subject to a wider debate, or survey of members before any position should be established. If this is not done (and expert advice solicited instead) the EAGC may lack any real mandate to take a position forward.

Objective 5: Support EAGC Institutional Development

The EAGC appears to have been particularly successful in forming alliances. Success in partnerships on the ground has led to increased coverage, reduced times to gain smallholders' confidence and the more efficient use of resources through specialisation. Success in partnerships for advocacy has also generated efficiency and

effectiveness allowing the EAGC to utilise limited resources to achieve significant impact.

Policy documents are for the most part well written and comprehensive. This aspect of EAGC development had been adequately addressed. Notwithstanding the above, it was observed that the M&E framework does not provide the more fundamental information required to inform ongoing and future programme decisions. The Manual and indeed the overall framework would be strengthened if it were to include reference to smaller and more detailed surveys designed to understand the factors underlying the results.

It is evident that considerable demand exists for EAGI services and, that based on experience to date, these can be developed into an income stream subject to the completion of a viable and robust business plan. The business plan for the Trade Finance Fund, while technically sound, lacks the breadth of information necessary to assess the potential volume of income that could be generated by the Fund. On the basis of the document provided, it is difficult to evaluate the potential viability of this proposed commercial development. Similar criticism can be made of the G-Soko business plan, albeit to a lesser extent. Robust business plans that can be used to inform investment decisions would require more detailed assessment of the financial implications of different future scenarios in each case.

National Policy Agendas are generally well conceived and for the most part client-focused, but policy agendas provide little sense of how individual issues might be addressed. If the EAGC is able to maintain a high level of awareness of members' needs and opinions, it will keep an edge of realism to EAGC advocacy and enhances its effectiveness. It was evident that the national agendas were made up of active and pressing issues and that in working on these issues, the country programme managers were developing solid relationships with their members.

The EAGC Strategic Plan currently emphasises the provision of commercial services to members. This is at odds with EAGC management's recognition that it will continue to provide a service to development agencies. Such an approach to sustainability appears entirely valid. Advocacy is generally not a cost effective service. There is no reason why the EAGC should not develop an income stream dependent upon the marketing of its expertise as a preferred partner in the development of agricultural sectors across the region. In particular, the Strategic Plan should be more explicit regarding the positioning of the EAGC as a preferred partner of international development agencies. An explanation of the process and resources required to achieve such a preferred position are required if the Strategic Plan is to recognise the potential for a sustainable income stream that its development experience now presents. If that role of preferred partner can be achieved, EAGC will be in a stronger and more sustainable position to address its other roles as an

advocacy agency and as a facilitator of increased and equitable grain trade throughout the region.

The activities of the EAGC appear to be largely tangential to the promotion of women's involvement in the grain trade. Women are well represented in farmer groups although less so at the highest level and it appeared that the proportion of female members of the EAGC was higher than that of the overall Regional population of traders. Where possible EAGC promote women who are taking an initiative in any particular area of trade or agriculture but they do not promote involvement of those not already engaged. With regard to the Environment, EAGC have promoted conservation agriculture through training of smallholder groups. They have effectively partnered with Local Government extension officers and various NGOs. Training in proper use of chemicals is provided and agricultural input stores established by cooperatives and farmer groups are able to reinforce this training. The use of hermetically sealed bags for household storage of grain has been widely promoted and these were frequently referenced by the smallholder groups interviewed. These bags negate the need for chemicals to be applied to grain stored within the household, which is beneficial to human health and the wider environment.

Synergies with bilateral programmes

Some synergies might be derived from alliances between the EAGC and other Sida-funded bilateral programmes. Limitations of the desk analysis conducted as part of this evaluation necessitates further assessment, especially in Zambia, Uganda, Tanzania and Kenya. The Kenyan Public-Private Development Programme (PPDP) in particular appears well suited for EAGC participation and merits further investigation.

1 Introduction

1.1 BACKGROUND AND PURPOSE

The Eastern Africa Grain Council (EAGC) was established in 2006 as a membership organization of the grain value chain stakeholders in Eastern Africa. The core members include farmers, traders and processors. The Institution spans ten countries including Kenya, Uganda, Tanzania, Burundi, Rwanda, Ethiopia, South Sudan, Malawi, Zambia and DRC. EAGC's vision is to be the leading Voice of the grain value chain stakeholders in Africa. Its mission is to facilitate and advocate for a structured grain trading system for the benefit of the Industry players. To achieve this, EAGC's strategic thrust was stated in 2014¹ to be based around:

- Regional coverage,
- Investment in market infrastructure and support institutions,
- Access to market information,
- Value chain stakeholders' capacity,
- Improved policy and regulatory environment,
- Strengthening EAGC's institutional capacity to deliver on her mandate.

The EAGC is made up of a number of elements. It comprises teams in five countries (Kenya, Tanzania, Uganda, Malawi and Rwanda) and a Regional team responsible for overall management. The country offices and Regional team serve as contact points for the provision of services and also represent Members' interests to national and regional authorities. EAGC's activities fall into four main thematic pillars of a) Policy and advocacy b) Capacity building, c) Marketing information systems, and d) Structured trade. The regional and country offices engage in policy and advocacy work and are supported in their work in the other three areas by three specialist divisions based in Nairobi, i.e. the East African Grain Institute (EAGI), which focuses

¹ The strategy has been revised as of April 2018.

on training, the Market Information division, including the web-based Regional Agricultural Trade Information Network (RATIN), and a structured trade network incorporating the G-Soko grain marketing platform.

The development-focused mission agenda has resulted in the EAGC becoming a partner of a number of development agencies, including Sida. The first four objectives of the Sida Support Programme reviewed in this document align closely with the EAGC's own agenda, while the fifth objective of the programme is to support the development of the EAGC itself.

Further details of EAGC structure and activities are provided in Annex 5.

Sida has been supporting the development of *regional grain markets* since 2008. Recent support through the EAGC has a relatively complex high-level goal, i.e. "increased formal trade, reduced transaction costs, increased competitiveness of regional grains, lower consumer prices and increased income for households as well as enhanced availability of food and increased food security". The achievement of such a goal has resulted in a broad spectrum of interventions ranging from support to smallholders to advocacy for specific regional policies. It is debatable whether or not such a broad range of interventions is within the capacity of a single institution and whether or not that high-level goal is necessarily congruent with improved livelihoods for the majority of smallholders within the region. The rationale behind the assignment is that ongoing support to regional grain market development should be based upon achievable interventions that contribute to the high level goal in a sustainable manner. An assessment of past achievements in the context of the regional political and economic environment, as well as of the institutional capacity to achieve ongoing results in the future, can provide a reasonable basis for the refinement of Sida's support strategy going forward. It can also inform the future programme design.

The objective of this evaluation is to make a mid-term evaluation to assess the effectiveness and potential sustainability of the implementation of Strengthening Regional Grain Markets, phase II. In particular, a key purpose of the assignment is to provide stakeholders with the information necessary to answer the question: "going forward, what should be the strategy of the EAGC to meet the high-level goal defined in the programme proposal?" Within that context, the TOR places particular emphasis on the "poverty focus" and upon the achievement of a sustainable EAGC. That information includes:

a) An objective compilation of achievements to date, showing which interventions have been most effective in contributing towards the programme goal and which have been either unsuccessful, or successful, but incidental to the programme goal.

- b) A review of the causal pathway(s) underlying the logical framework that has determined recent interventions.
- c) An assessment of the environment in which that logical framework is now embedded including the on-going validity and relevance of key assumptions, as well as opportunities to leverage parallel or similar interventions in other programmes supported bilaterally by Sida.
- d) Finally, it is necessary to determine the capacity of the EAGC to implement the refined strategy both now and in the future.

The assignment has four main objects:

- 1) the portfolio of EAGC interventions,
- 2) the logical framework (available in Annex 2) and consequent strategy underlying the interventions,
- 3) the environment (including parallel programmes) within which EAGC interventions have been implemented, and
- 4) the EAGC itself as an institution, in particular its capacity, sustainability and suitability to act as a vehicle to achieve poverty alleviation of smallholders through regional grain market development.

1.2 EVALUATION OBJECT AND SCOPE

The scope of the assignment is both geographically and thematically broad. The EAGC's stated vision is to be the leading voice of the grain value chain stakeholders in Africa. This reflects a primary purpose of advocacy, but the mission statement is broader, i.e. "To facilitate and advocate for a structured Grain Trading System for the benefit of the Industry players", implying an additional mandate for "facilitation" on behalf of unspecified "Industry players". That broader mandate has been well adopted by the EAGC and a number of donor agencies including Sida have supported it, focusing in particular upon the benefits that EAGC interventions might bring to smallholders.

Geographically, the EAGC covers 10 countries. Its interventions have been made predominantly in Kenya, Uganda, and Tanzania and to a lesser extent in Rwanda and Zambia. Ethiopia, South Sudan, Burundi, Malawi and the Democratic Republic of Congo are also within the EAGC zone of influence, but interventions in these countries have been more occasional. While this evaluation considered the complete geographic extent of the EAGC interventions, field activities were restricted to

Kenya, Uganda and Tanzania and secondary data was used to inform the evaluation of interventions elsewhere.

Thematically, EAGC interventions have supported the introduction of smallholder production technologies, farmers' group formation, improved post-harvest technologies, creation of market awareness amongst smallholders and traders, development of grain aggregation infrastructure, warehouse certification, market information system development, market institution and system development, development of grain standards, enhanced financial inclusion for smallholders and traders, and national and regional policy development, as well as the cross cutting issues of gender equity and environmental conservation. A comprehensive evaluation should assess the impacts of interventions in each of these areas across all the countries in which they have been implemented. In particular, the evaluation assessed the extent to which each of the many different interventions have contributed to the high level programme goal of poverty alleviation and enhanced smallholder food security.

For the purpose of this review, it is useful to define the terms “smallholders”, “traders” and “merchants” since all are key stakeholders of the EAGC programme. “Smallholders” are defined as those who have access to a smallholding (generally of between 1 and 5 ha) from which they may derive some of their food and from which they may produce a surplus for sale. This definition does not assume that smallholders always produce a commercial surplus, or that their production represents more than 50% of their own consumption. It relates predominantly to the scale of production and they may be living under the poverty threshold. “Traders” are defined as those using their own resources, who purchase grain for resale. (Use of their own resources distinguishes traders from both brokers and from buying agents of companies.) Traders generally operate warehouses and aggregate grain, and may store it to take advantage of temporal arbitrage, but do not necessarily do so. Traders normally buy from smallholders or assemblers who aggregate volumes of grain from limited numbers of smallholders. Traders sell to local retailers and to other traders in remote areas, often using the services of brokers. “Merchants” are deemed to be those who trade larger volumes of grain, obtaining contracts for sale before they have taken delivery of grain, or in some cases before they have even purchased it. They normally purchase grain from traders and sell to large agencies including WFP and other development agencies.

In addition to the above, the scope of the evaluation included parallel bilaterally supported programme interventions that might in future be leveraged to achieve the overall goal. While these were not assessed in depth, they were enumerated and understood to the degree necessary to determine their relevance to the EAGC strategy and high-level goal.

The cross cutting issues of gender and the environment although increasingly relevant to some trade agreements (e.g. the current NAFTA negotiations) are less likely to impact the higher level EAGC interventions (such as advocacy for enhanced regional trade policies). Nevertheless, they are directly relevant to the grass roots interventions, especially those related to new technologies, farmers' associations and financial inclusion, and these issues remain firmly within the scope of the evaluation. Conflict remains a constraint to the implementation of some EAGC interventions, especially in parts of South Sudan and the DRC and the evaluation took this into account.

An additional aspect to the scope of this evaluation was the request to include a focus on the sustainability of the EAGC going forward and to inform the revision of a strategy designed to achieve future sustainability.

1.3 EVALUATION QUESTIONS

The evaluation team applied the agreed DAC evaluation criteria to assess the EAGC programme in the following ways:

Relevance

The relevance of the EAGC programme was assessed through a critical review of the logical framework underlying the EAGC programme. It is evident that each step in the EAGC programme framework could be the result of the preceding output or outcome, but it is not always evident that this is necessarily so. The possibility that programme impacts may be diminished or completely negated by “killer” assumptions, hidden factors or other risks is a key aspect of log-frame development and well reflected in the EAGC log-frame. Nevertheless, it is difficult for this part of log-frame development to be comprehensive or to foresee untoward developments that might in fact occur. Within the context of this evaluation, particular areas of focus are:

- a) How relevant is a high level focus on regional grain trade to poverty reduction and enhanced food security at the smallholder level?
- b) How beneficial can the integration of smallholders into value chains be if value chains are subject to distortion (e.g. by government policies)?
- c) Is smallholder food security best served through the development of the EAGC or should other agencies assume some responsibility for such development?
- d) If the majority of smallholders are net buyers from the grain market, can a focus on enhanced profitability within grain market value chains actually increase overall food security?

- e) Given the ubiquity of mobile phones and text messaging, who do market information systems now serve?
- f) Is increased smallholder involvement in grain marketing inherently beneficial, or does it involve increased risk that must be weighed against those benefits?
- g) Is the development of market infrastructure in the long-term interests of smallholders or does it promote the dominance of selected traders/processors within geographic areas?

These are issues of relevance related to the linkages between the programme goal and the main objectives. Each was assessed both from a review of available literature and from field observations. Each objective is similarly linked to outcomes and the subsidiary objective-outcome linkages was assessed in a similar manner to determine the extent to which interventions and outputs are relevant to objectives and the programme goal.

Efficiency

The efficiency of a multifaceted institution such as the EAGC can be assessed at a number of levels, but relates primarily to the quality of management and the capability (i.e. skills) and capacity (resources) of the staff. These aspects will be reflected in the achievement of performance indicators. The evaluation considered:

- a) How realistic are the targets that were set and to what extent have they been achieved?
- b) What internal and external reasons lie behind the levels of performance recorded?
- c) At the level of individual interventions, how do investments in resources compare with the benefits achieved?
- d) How do individual interventions compare with each other in terms of cost-efficiency?

Effectiveness

The effectiveness of the different interventions have been assessed for each of the EAGC programme objectives:

Integration of smallholders into grain value chains:

- a) To what extent have the development of VACs, certified warehouses, and grain marketing systems reduced the costs of marketing or increased profitability for smallholders and other participants in the value chain?
- b) To what extent have the opportunities associated with the introduction of warehouse receipts been taken up by smallholders and other stakeholders?

- c) Are the reductions in costs/opportunities for increased profit derived from EAGC investments in grain marketing infrastructure and institutions sufficient to stimulate more than opportunistic smallholder participation in value chains?
- d) What other barriers are there to enhanced integration?

Development of market information systems:

- a) To what extent have the market information systems supported by EAGC resulted in higher prices, or reduced marketing costs for farmers and other stakeholders (including not only domestic, but regional grain trade)?

Facilitation of capacity building and awareness creation relating to grain marketing:

- a) To what extent do smallholders benefit from training and sensitisation programmes (as compared with other investments designed to enhance integration into markets)?
- b) Are these necessary and/or sufficient to overcome barriers to adoption of improved marketing practices?
- c) What are the barriers to adoption and have they been correctly identified and addressed by programme initiatives?

Advocacy for policies and regulations to enhance the regional grain trade:

- a) Has the EAGC correctly identified the policy constraints perceived by smallholders and other stakeholders?
- b) Are the solutions that it has advocated adequate to facilitate substantive change in levels of profitability? And if so, how have the benefits been distributed amongst the different stakeholders along the value chain?

Development of EAGC:

- a) Has the EAGC developed a resilient internal structure that could withstand shocks such as loss of finance, loss of personnel or loss of data? Which aspects of the EAGC programme are most vulnerable with regard to these different types of shock?
- b) Have robust M&E systems been developed to ensure efficiency of operation, accountability, and the accurate analysis of collected data?
- c) Are the activities of the EAGC conceptualized and initiated primarily by the members, the executive, or by other parties (including donors)?

Impact

Issues of attribution tend to confound the assessment of overall programme impact. Nevertheless, it is possible to assess the contribution of the EAGC's programme towards each of the five key objectives separately:

Integration of smallholders into grain value chains:

- a) Has the EAGC programme reduced post-harvest losses/improved the quality of smallholders' grain?
- b) Has the programme enabled smallholders to adopt stronger negotiating positions?

Development of market information systems:

- a) Are the MIS's that have been developed well respected and regularly consulted?
- b) What is the information used for?

Facilitation of capacity building and awareness creation relating to grain marketing:

This objective differs only marginally from the first objective (of improved smaller integration into grain value chains). The difference appears to be a greater emphasis here upon the “software” i.e. training farmers how to use the institutional and infrastructural “hardware” supported under the first objective. The same questions posed for the first programme objective are also relevant here.

Advocacy for policies and regulations to enhance the regional grain trade:

- a) Which of the interventions that the EAGC has championed over the last five years have been the most successful?
- b) How are the advocacy initiatives perceived by EAGC members?
- c) How is the EAGC perceived by counterparts in national and regional authorities?

Development of EAGC:

- a) How has the EAGC developed over the last five years in terms of capacity, geographic scope and the range of different aspects of grain trade in which it (the EAGC) invests significant resources?

Sustainability

Sustainability was assessed from three different perspectives:

- a) How sustainable are the results of individual interventions conducted at different levels (e.g. introduction of improved grain storage technologies, development of the G-Soko marketing system, introduction of regional grain standards, maintenance of a regional market information system, etc.)

- b) How sustainable is the overall impact of the EAGC in strengthening trade? Can whatever positive developments in domestic and regional trade that have occurred be considered permanent or will they require continual reinforcement in order to be sustained?
- c) How sustainable is the EAGC as an entity itself? Can it cover its costs on the basis of service provision? What sort of changes might be required to achieve self-sustainability?

In addition, the evaluation specifically assesses the two mainstreaming issues of gender and the environment.

- 1) Gender is a key consideration. The prevalence of women trading small volumes of grain in domestic markets as compared with the dearth of women trading wholesale volumes suggests that barriers to the entry of women into the apex of the subsector are real and effective. To what degree are gender perspectives integrated when analysing stakeholders' needs and priorities? What EAGC initiatives (especially those in the field of finance) are facilitating greater inclusion of women in the grain trade? To what extent are these initiatives being taken up by women? What are the main barriers preventing women from being more involved in the grain trade and how can these be addressed? What has been the impact so far of women's participation in the programme?
- 2) Environmental considerations relate primarily to the influence of soil degradation and climate change on crop production. EAGC programme elements do include these areas of focus, but they are not central to the grain trade itself. The fundamental question is: Have EAGC interventions resulted in any positive or negative impacts on the environment and climate change, foreseen or unforeseen?

2 Methodology

2.1 OVERALL APPROACH

The theory-based approach is rooted in the "Theory of Change" (ToC) underlying the programme strategy and design. In this case, the ToC has been developed through logical framework analysis, and it is the programme log-frame that is the initial focus of the theory-based approach. The process involves an assessment of the strength of selected critical 'causal linkages' that contribute to the programme's ToC (as defined in the log-frame as set out in Annex 2) in order to determine the programme's contribution in different areas of focus (including production, market systems, trade and ultimately poverty alleviation).

The investigation of each causal linkage is a process that is both conceptual and observational. Conceptually, the linkage can be analysed in the abstract (considering such issues as: is the intended impact the logical result of the intervention? In what other ways could the observed results have been achieved? What other factors might impact the achievement of the results? Given the potential number of factors that might contribute to the result, how important, overall, is the intervention?). Such questions create the abstract framework for an analysis that can be made more concrete through the addition of real observations.

Observations can include both data collected from secondary sources (including quantitative data, interviews and case studies), as well as primary data derived from interviews with key stakeholders and focus groups of beneficiaries undertaken during the course of the evaluation.

The overall approach to the evaluation was to scrutinise the logical framework underpinning the ToC and select critical causal linkages for investigation. These were those that were deemed most relevant to the overall programme purpose of regional market development and the goal of enhanced smallholder livelihoods. These were assessed in the light of actual circumstances and secondary and/or primary data requirements were determined. The fieldwork plan was drawn up to allow for the collection of those primary and secondary datasets as well as for the collection of performance indicators and indicators relevant to specific cross cutting issues.

The evaluation was oriented towards a participatory approach with methods focusing on both the learning and improvements parts of the evaluation process to maximize utilisation. Stakeholders were involved and provided feedback on preliminary

findings, conclusions and recommendations. To the extent possible, face to face feedback was also given to the ultimate target group in the projects selected for more in-depth assessments.

2.2 SELECTION AND APPLICATION OF EVALUATION CRITERIA

The evaluation team applied the agreed DAC evaluation criteria to assess the EAGC programme in the following ways:

Efficiency - is directly related to the capacity of the institution in terms of its quality of management and the calibre of its personnel. An efficient institution can be expected to implement interventions in a timely and effective manner, to obtain the maximum benefits from available resources and to capitalise on potential synergies. The evaluation team assessed the extent to which the capacity of the EAGC is sufficient to achieve these ends, recognising that such capacity is dependent upon not only the staff themselves, but also the validity and robustness of the institutional framework of procedures and responsibilities within which staff interact, as well as the morale of the organisation overall.

Relevance - the EAGC programme includes a wide range of interventions. The theory-based approach, combining a review of the causal pathways that underlie the programme with the assessment of specific activities on the ground provided an assessment of the relevance of each intervention to the achievement of the desired impacts and goal.

Effectiveness - while a theory of change may link an activity to a specific outcome and eventual impact, the linkage alone may not be sufficient to justify continued support for that activity if its actual contribution is small or weak. Inevitable resource limitations require that only those activities that are most effective in achieving the desired outcomes and impacts should be continued. The evaluation placed particular emphasis on the identification of those interventions that have been most effective in contributing towards the overall goal.

Impact - the logical framework supporting the EAGC proposal places poverty reduction and food security as the apex objective. This is entirely reasonable, but the linkage between these objectives and enhanced regional trade is not always direct or consistent. Circumstances may influence the manner in which programme outcomes (arising directly from an improved trading environment) might influence final impacts, relating to livelihoods and food security. The evaluation assessed the extent to which real impact has been achieved through the selected causal pathway (in this case, the EAGC programme). In doing so, it also took into account the extent to

which assumptions made during programme design have been justified. Political and economic circumstances, as well as drought and disease are particularly relevant and will undoubtedly affect the achievement of impact. Reduced impact as a result of inaccurate assumptions need not negate the causal pathway underlying the programme if the disruptive circumstances are short-term in nature or can be mitigated in future. The evaluation was sensitive to the socio-economic dynamics of the region in its interpretation of impacts achieved by the programme.

Sustainability - the evaluation assessed the sustainability of both the institutional framework that has been established as the EAGC, (including its financial requirements and potential sources of funding) as well as the sustainability of impacts. In both cases, the results of each assessment are projections that are vulnerable to changing circumstances. Nevertheless, the evaluation team made a realistic evaluation of the likelihood of financial sustainability and of the sustainability of impacts, based upon best-case, worst case and most likely future scenarios.

2.3 INSTRUMENTS FOR DATA COLLECTION

The evaluation includes four different areas of investigation, each requiring specific sets of data in order to reach useful conclusions. These are described briefly below:

Evaluation of programme outcomes and impacts require both primary and secondary data that can describe and/or measure the changes brought about by the EAGC interventions to date. Primary data collection was almost entirely qualitative, drawn from key informant interviews and focus group discussions. Key informants were selected from associations and institutions that represent as wide a cross section of those affected by the programme interventions as possible, while focus group discussions with traders and especially smallholders are regarded as essential to inform discussions on poverty alleviation at the smallholder level. Secondary data was particularly relevant when assessing contribution towards impacts. The evaluation team reviewed regional and national developments in the areas of food security, trade and economics during the programme period in order to understand the context within which results were or were not achieved. Such data was drawn from EAGC annual reports, government survey data and relevant incidental papers where possible.

Evaluation of performance - including the efficiency with which available resources have been used and the extent to which EAGC management was able to adapt and respond in a timely manner to changing circumstances were assessed primarily through quarterly and annual reports including financial data, as well as through interviews with collaborating stakeholders, EAGC members and government officers.

Evaluation of potentially synergistic bilateral programmes were based upon programme literature for all appropriate bilateral interventions funded by Sida.

Cross-cutting issues of gender and environmental impact were assessed through specific questions in interviews and focus group discussions. Environmental impacts of the programme (as opposed to programme responses to environmental change) are harder to assess. It might be argued that the recent spread of both the *fall army worm* and *lethal maize necrosis virus* within the region can be attributed to the increased commercialisation of cereal production, but such analysis is beyond the scope of this evaluation. More locally, the promotion of conservation farming techniques may serve to reduce soil degradation.

A review of the literature indicates that EAGC data is disaggregated by gender, where possible. In the case of primary data, care was taken to include both male and female respondents in key informant interviews.

In an evaluation designed to inform the development of a revised strategy, it is important to determine the relative contributions of different interventions towards the ultimate impacts and goal. This requires careful and objective assessment of the qualitative responses collected by the evaluation team. Since the amount of primary data that can be collected during the field visits is limited, the information collected from all interviews and focus groups was summarised and analysed from the perspectives of majority viewpoints, critical disagreements (noting in particular if these might be held by specific groups) and the strength with which these points of view are held in each case. EAGC's M&E collects data on many indicators and reference should be made to their own reports for more details on these indicators.

2.4 PROCESS OF ANALYSIS AND DEVELOPING CONCLUSIONS

The purpose of the implementation phase has been to continue collecting information through interviews in Kenya, Tanzania and Uganda and move towards the analytical and evaluative process. The desk study also continued during this phase. The features of what has been mapped in the inception phase needed to be assessed. Several methods for data and information collection were used:

- a) A desk review of proposals and annual reports, policy documents, government survey data and other relevant documents was carried out. The information obtained was structured, based on the questions in the ToR, to get an overview and facilitate comparison.

- b) Interviews (face to face or telephonic) with representatives of EAGC, and any other key informants recommended to the evaluation.
- c) Field level interviews with traders and smallholders and any other relevant stakeholder were conducted. These interviews were individual or small focus group discussions.

The interviews were semi-structured with open-ended questions and room for follow-up in accordance with the answers provided. Interview guides were developed before the interviews in order to facilitate overview, comparison and quality assurance.

At the end of the implementation phase a virtual debriefing conference was held with the immediate stakeholders (Sida and the EAGC). This was immediately followed by the reporting phase which consisted of synthesising all findings and observations and preparing the draft and final report. Preliminary conclusions and recommendations were discussed both at debriefings after field work and in the debriefing virtual conference.

2.5 ETHICS AND PARTICIPATION

The evaluation adopted the widely recognised and tested OECD/DAC quality standards for development evaluation and was planned and implemented in a transparent and participatory manner respecting stakeholders' views while ensuring the independence of the evaluation consultants. A step-by-step participation serves multiple purposes: to have a shared understanding of the evaluation approaches and methods, to verify the accuracy of collected data, to understand criteria and logic order/coherence of key findings and conclusions, and usefulness of concrete recommendations.

Recognised research methods in social science were applied throughout the contextual analysis, such as standard data collection tools and data analysis strategies. Standard ethical research criteria were applied, (honesty, objectivity, informed consent, respect for anonymity/ confidentiality, non-discrimination), combined with the do-no-harm guidelines.

2.6 LIMITATIONS

While the EAGC is active in 10 countries, the limited time available restricted field visits to only three (Kenya, Tanzania and Uganda. This meant that performance in other countries could only be assessed from reports. (Although in general these provided a considerable volume of information). Within the three countries, field visits covered a broad spectrum of stakeholders, including smallholders, traders, partners and government representatives. Nevertheless, these were not selected at random. This was almost inevitable if the visits were to be at all efficient. A random

selection of interviewees or farmer groups would almost certainly have resulted in a significant proportion of “no-shows”. As it was, a number of smallholder representatives and traders were not interviewed, despite prior scheduling, although this is inevitable in the course of rural appraisal work and was unavoidable given the very tight travel schedule. Nevertheless, the selection and arrangement of appointments by the Country Programme Managers will inevitably have introduced some positive bias.

If the potential for positive bias is recognised, it is possible to minimise distortion in three ways. First, by interviewing a control group. Secondly through probing questions, designed to expose contradictions that bias will inevitably produce (e.g. a farmer group may extoll the benefits of group marketing but if group membership levels are declining, their response may contain an element of bias). Thirdly, by interviewing stakeholders with a broader responsibility than that encompassed by the programme alone, who are therefore able to assess progress objectively against the results of other interventions. In this instance, it was not possible to interview control groups, but the use of probing questions did indeed highlight inconsistencies leading to a more objective understanding of progress and benefits, while interviews with objective stakeholders, especially those in government, provided a robust and objective assessment that allowed inherent bias to be recognised and largely discounted.

The limited available time meant that quantitative data collection was not possible. In practice, this was not a major limitation since an extensive quantitative impact assessment was undertaken in 2017. This review has relied largely upon the secondary data drawn from that EAGC 2017 Impact Assessment Report, (2017 IAR) as well as other documents listed in Annex 3.

Perhaps most significantly, the review team spent proportionately more time observing at the country rather than the regional level. This provided a good perspective on grass-root activities and results, which are a key focus of Sida support, but it limited coverage of the regional aspects of the work and the activities of the regional staff. The balance between regional and country level resources will become increasingly pertinent to the sustainability of the EAGC. A more detailed assessment of the organisational structure may be required in the future.

3 Findings

Findings are reported below for each objective in the programme log-frame using the OECD/DAC criteria, followed by findings related to the cross-cutting issues of gender and the environment together with observations on potential synergies with Sida's bilateral programmes within the region. Findings related to the overall Programme Goal conclude the section.

Objective 1: Integration of smallholders in grain value chain

The activities conducted by the EAGC under objective 1 comprise group formation and mentoring, including the development of linkages with buyers. This set of activities is based upon the assumption that the aggregation of grain can improve returns to producers through better prices received from buyers. The validity of the assumption holds as long as there is some competition between buyers for the aggregated grain. Otherwise, the linkage between volume and price can become moot. Indeed, there may be an argument against the aggregation of grain in remote areas that large trucks are unable to access, as opposed to disaggregated volumes by the roadside. (One warehouse visited at Katurukila near Kilombero in Tanzania was sited in an area subject to flooding roughly 3 km from the nearest road. Although the warehouse could hold 600 MT, it was hard to envisage any trucks larger than 5 MT capacity being able to access the site regularly. The Farmers' Association members reported that they had wanted to build the warehouse nearer the road, but were not able to obtain rights to the land, visits by Fuso trucks to the warehouse had been "too rare").

For the most part however, it is true that the aggregation of grain by groups of smallholders has the potential to improve prices, provided there is a market. In this regard the linkage of such farmer groups with buyers is particularly important. The representative for the Rural Urban Development Institute (RUDI) who were supporting the farmers' group and were partnering with EAGC on the ground noted *"for 10 years we have been supporting farmer groups to increase production, improve quality and aggregate their produce, but the challenge was always finding buyers. EAGC has helped us to resolve this."*

While it might appear simple to aggregate grain, especially if a suitable warehouse is available, it has nevertheless required considerable intervention on the part of both the agency on the ground (RUDI) and the EAGC, to overcome the reluctance of individual smallholders to commit their grains to group storage. Even when grain is

stored in one warehouse, the individual ownership of each bag is preserved. The establishment of trust among smallholders has been achieved through the development of farmer groups that are transparently managed in a democratic fashion. Group members had to be trained in governance and procedures and, once established, groups received regular mentoring to ensure that the basic principles were being respected.

These processes are not new. They have been applied many times over the last forty years as farmers' groups, associations and cooperatives have been established; only to collapse when it became clear that the benefits they provided to members could not justify the effort involved. In this instance, the EAGC is looking to provide a stronger incentive for sustainability through the provision of market linkages. Access to a market, removes one layer of uncertainty from the risk facing smallholder producers, encouraging them to produce more and better quality grain and to participate in efforts to reach out to buyers themselves.

The interventions of EAGC partners on the ground are not limited to grain marketing alone, but also include the introduction of improved agricultural techniques as well as conventional extension. The partners reported that the adoption of such techniques was increased as a result of improved access to markets. This was true of all aspects of production - reaching from improved post-harvest handling, through improved grain quality standards to improved production per se, driven in each case by the increased certainty of a market.

It was evident that the interventions of the EAGC at the farmer group level were relevant to the generation of increased income by individual smallholders², and that the emphasis upon market linkages was particularly effective in this regard, while the use of partners to mobilise farmers on the ground was an efficient way in which to implement this aspect of the EAGC programme. The sustainability of the intervention will be dependent upon continued access to markets. In the Katurukila farmer group, where few buyers had been willing to engage, membership had fallen by more than 50%, while the Mangula Farmers' Association nearby, which had direct access to a buyer (who owned a mill and provided the association with office space) was more positive and was actually rejecting farmers who could not meet their standards.

² The 2017 IAR noted that 85.8% of the Kenyan beneficiaries, 69% of the Tanzanian beneficiaries and 75.9% of the Ugandan beneficiaries had increased their trading tonnage in the past two years.

In addition to group formation and market linkage development, the EAGC provides training to smallholders in post-harvest grain handling, as well as quality standards and the need for aflatoxin assessment. Such training is also underpinned by market linkages, including the involvement of traders to demonstrate the quality of grain that they require. The creation of awareness has been demonstrated by the improvement of grain quality reported by traders, and in the instance of this evaluation, by repeated requests from farmers' groups for improved access to aflatoxin testing facilities to allow them to monitor their own production more effectively.

The introduction of post-harvest technologies (maize shellers and hermetic grain bags) serve to increase the marketability of farmers' grains as well as to reduce post-harvest losses so that smallholders have a larger commercial surplus for sale. In both cases, technologies such as these have been introduced to smallholders before, but despite initial interest, ultimate adoption rates have been low. Current reports by both partners on the ground and smallholders themselves suggest that interest remains high, and that greater sustainability of these interventions can be expected as a result of the stronger incentives derived from enhanced market linkages.

The extension work promoted by the EAGC has been recognised not only by the beneficiaries, but also by some Government officials. It was noted in both Tanzania and Uganda that EAGC was implementing effective smallholder training programmes and in both instances, it was suggested that these should be extended to cover both more subjects and wider geographic areas. Such positive responses suggest that the impacts of EAGC smallholder development work have been sufficient to be noticeable and to merit further support.

Finally, EAGC has promoted the upgrading and construction of warehouses and Village Aggregation Centres (VACs). Such physical infrastructure is an essential component of the programme to strengthen market linkages. Much initial work was undertaken by the USAID Market Linkages Initiative (MLI) programme that ended in 2012, and the EAGC has supported the maintenance of warehouses and VACS originally constructed under that programme. Constructions initiated by other agencies, including the World Food Programme and USAID have been similarly supported. At present, it would appear that the EAGC is primarily involved in warehouse and VAC upgrading and maintenance so that facilities can be certified, allowing smallholders to take advantage of both G-Soko and inventory credit, based upon warehouse receipts. It can be expected that as more smallholders are reached by EAGC and its partners on the ground, so the network of warehouses and VACs will grow throughout the region. Currently however, the emphasis was observed to be more upon consolidation than expansion.

The introduction of warehouse receipt systems (WRS) was not reported by smallholders to be a significant benefit of the EAGC. This may be due to the limited

scope of the intervention so far. Equally, it is possible that this intervention may ultimately be more relevant to the activities of traders who have the knowledge required to use such instruments most effectively.

Overall, it was evident that while some producers and producer groups are EAGC members, the majority of smallholders are not direct clients of the EAGC in that they make little or no contribution to the EAGC for the benefits that they receive. Nevertheless, EAGC's provision of support to smallholders is very relevant to two aspects of the programme. First, the integration of smallholders into the grain value chains provides increasing and more reliable volumes of grain to traders and strengthens the value chains accordingly. Secondly, the use of market linkage development to underpin more conventional extension messages to smallholders appears to promote increased interest, adoption and sustainability. This provides the EAGC with the opportunity to promote a relatively unique approach to smallholder development that may well be inherently more successful than previous approaches.

Objective 2: Establishment of and support to national and regional market information systems

The EAGC has developed an extensive network of market monitors throughout the Region. They communicate market data on a range of grains to the EAGC market information manager in Nairobi on a regular basis (in some cases, prices are updated daily). This has allowed the EAGC to generate a number of different products. Initially these were limited to price-based market information systems, but have more recently been expanded to include Regional Food Balance Sheets and monthly Regional Market Watch bulletins. Each product is assessed below.

RATIN: The RATIN market information system provides regular wholesale prices for a variety of grains in different markets throughout the East African Region. Originally developed under the USAID RATES program. It was handed over in 2009 to the EAGC, who have maintained it ever since. Data is collected by a network of market monitors, is centrally collated and displayed on the internet in both graphical and tabular format and in a common (and selectable) currency. Historical data is also available, although recently, the availability of data more than six months old has been restricted in an attempt to cover part of the costs of the system.

RATIN is directly relevant to Objective 2 of the programme. It is reportedly most effective in stimulating remote trade initiatives, especially regional trades. The use of a common currency allows opportunities for profitable trade to be readily discerned and the fact that data is regularly updated (on a daily basis for most markets) provides users with a good sense of market variability and trends. Most traders reported accessing RATIN on a regular basis and considered it to be a useful service. As an MIS, RATIN appears to be efficient, operating without excessive costs by using market monitors on a part time basis, who send in data by email/SMS. There

have been some issues of questionable data, most notably with regard to maize prices in May-August 2017, although the preponderance of evidence suggests that RATIN prices were more accurate than those quoted by the Kenyan Government. Prices are rapidly updated and the platform is consistently current.

Despite such efficiency, the sustainability of RATIN is not assured. The MIS was originally developed as a free good for public access and has largely remained so. Although access to historical data has been commercialised, that has provided only limited revenue and it is unlikely that this will develop into a robust income stream. Paradoxically, the most commercially valuable data (i.e. the most recent prices) is freely available. In other fora, such data would command the highest prices, but such a major change in the character of the MIS has not yet been countenanced for RATIN, which continues to depend upon EAGC income from other sources for its continued operation.

RATIN SMS: While RATIN is widely perceived to be an internet-based service, the EAGC also disseminates RATIN data by SMS, transmitting prices by SMS in response to SMS enquiries. This is also directly relevant to Objective 2, but users reported that it was far less effective. The system's primary target group appears to be smallholders and small traders without internet access. Nevertheless, both users and EAGC staff reported that the system was too expensive and somewhat cumbersome (e.g. to compare prices in five different markets requires five SMS messages to be sent and received). It was noted that a more comprehensive assessment of markets could be made by phoning relations, colleagues, traders or brokers.

The market information unit within EAGC generates two other products, namely the Regional Food Balance Sheet and, more recently, market intelligence reports. The Regional Food Balance Sheet is potentially a useful product that can support both Objective 2 as well as Objective 4 (Advocacy in support of Regional Trade facilitation). The EAGC is uniquely placed to develop such a product. Professional traders are often considered to be well aware of the opportunities to be derived from spatial arbitrage, but they frequently perceive the "bigger picture" to be an area of rumour and uncertainty. Few traders have access to the information necessary to develop a regional perspective. Moreover, trading into remote places is generally considered to be riskier than trading locally, and given limited access to working capital, many traders will ignore short-term opportunities created by regional trade imbalances, in favour of less profitable, but more certain trade with regular partners. At the same time, Governments may conduct their own national crop assessments, but rarely have the capacity to develop complete national food balance sheets that take into account, not only production, but also post-harvest losses, imports, exports and changing domestic stock levels. Fewer still are able to integrate the data from different countries to create an overall regional balance.

The Regional Balance Sheet produced by the EAGC has the potential to be useful from both a commercial and a political perspective; but to do so, it must be accurate. Such accuracy requires a considerable level of effort beyond the compilation of official figures. While official production and trade data may be realistic, a food balance can be critically affected by other factors, including changes in domestic stocks, informal trade and post-harvest losses, all of which can vary from year to year. The effectiveness of the Regional Food Balance Sheet is demonstrated by two recent events. On the one hand, it was used in support of advocacy to curtail the maize export ban out of Tanzania, while on the other, it was used to promote the export of cereals (especially maize) out of Ethiopia. In the former case, an accurate assessment of local surplus resulted in improved trade and benefits to both producers and consumers. In the latter case, an over-assessment (by the Ethiopian Government) of the 2016 harvest, and an under-assessment (by EAGC) of domestic maize consumption, resulted in export trade that tripled the domestic maize price causing widespread hardship to food deficit households throughout the country.

Enhanced effectiveness may impact efficiency. A limited Regional Food Balance Sheet based upon approximate data can be easily collected using available EAGC resources, but considerably greater effort will be required to collect accurate data to produce a “gold-standard” product that will be respected by business leaders and governments alike. The law of diminishing returns may limit the efficiency of this activity. This concern is amplified when sustainability is also considered. The Regional balance sheet is generally treated as a public-good that will require continued support from sources external to the activity itself, if it is to be sustainable.

The Market Watch Bulletins are produced monthly and feature an overview of market developments in Kenya, Rwanda, Uganda, Tanzania and Burundi, together with more specific data on key grain markets in each country. Wholesale price information is clearly displayed in tables, although the narrative can sometimes include both farm gate and retail prices as well without explanation. Information on volumes is more confusing. It is not clear whether references to cross-border trade include both formal and informal trade volumes. (The reported volumes suggest that formal trade is generally ignored). This means that potential opportunities can only be interpreted in terms of price, which limits the bulletins’ effectiveness.

The market data is interpreted largely in terms of local supply (seasonality, nature of harvest etc.) and demand (farmers’ seasonal cash needs, impact of export bans, presence or absence of competing product in the market), with little reference to broader monetary issues such as inflation and exchange rate movements that can fundamentally affect Regional trade. As such, the reports provide insights into some local markets, but are less effective in generating a Regional overview.

The individual commodity sections under each country heading generally conclude by using historical trends and seasonal developments to anticipate price movements over the next month. A comparison of two successive reports found that of 16 such predictions, four were correct, nine incorrect, and three open to interpretation. That result may have been due to a period of unusual volatility, but it suggests that such forward-looking statements based upon rational expectations add little value.

Overall, it was noted that none of the respondents interviewed referred to the Market Watch reports amongst their lists of most useful EAGC products or services. The reports provide recent price trends and the background information with which to interpret price movements. Nevertheless, many traders are already aware of the local price movements and their immediate causes. The Market Watch product may well be relevant to Objective 2 of the programme, but does not appear to be effective insofar as EAGC members are concerned. From such a perspective, the efficiency and sustainability of the intervention are moot points. If they are to be addressed, it must be from the perspective of the Market Watch as a public good.

Objective 3: Facilitation of capacity building and awareness creation on various aspects of grain marketing in the region

The interpretation of this objective is broad. It includes the training of different stakeholders on a range of subjects, together with the development and implementation of the G-Soko platform, and the associated assessment and certification of warehouses, as well as a range of interventions designed to facilitate business linkages. Each of these different areas is assessed below.

Training of stakeholders

Training courses and materials are developed by the Eastern Africa Grain Institute (EAGI), and implemented either directly or in conjunction with partners on the ground. Training covers such diverse subjects as:

- warehouse management,
- fumigation,
- grain quality,
- post-harvest grain handling,
- farmer group formation and governance,
- grain trading.

Members almost universally reported that the training that they or their staff had received on subjects such as fumigation, warehouse management and grain trading had been of direct and immediate benefit, often resulting in substantial savings³, as well as enhanced performance. A number of traders commented on the commercial value of the training and its potential as an income stream for the EAGC. They noted that such training was impossible to obtain anywhere else and considered it to be one of the most important benefits of EAGC membership.

Smallholders also reported the training on grain quality, post-harvest handling and group formation to have been useful. The validity of such statements was well demonstrated by subsequent responses to requests for suggestions for further support from the EAGC, to which the most common reply was "more training"!

Clearly both traders and producers considered training to be relevant to their livelihoods. Equally clearly, the training was considered effective. Its commercial sustainability is considered in more detail in the section on potential income streams.

G-Soko

The G-Soko platform is a comprehensive grain marketing system that comprises a virtual market place supported by guaranteed volumes of grain of specific grades bulked in certified warehouses and transacted against verified funds through a bank transfer arrangement that provides security to both parties. The system, which is owned and operated by EAGC incorporates a high level of cybersecurity to minimize the risk of piracy or fraud. Transactions are subject to a 1% commission levied on both buyer (0.5%) and seller (0.5%). G-Soko began operations in 2016 when 62,981 MT of grain was sold through the system, earning EAGC commission of US\$3,024. In 2017 G-Soko revenues increased to US\$17,481.

G-Soko can facilitate the sale of smallholders' grain and as such is directly relevant to Objective 1. Prices paid on the G-Soko platform could be stripped from the system to feed directly into a real-time MIS. This would support Objective 2, but is not yet done. G-Soko also creates a secure environment for trade and encourages the application of common grain standards in support of Objective 3. Such broad relevance suggests that while it is currently still in its early stages of development, G-Soko might become a central component of the EAGC programme.

³ One trader noted that after training, they reduced use of fumigation chemicals by 70%. Another reported significant reduction in spoilage after adopting improved storage practices.

The usefulness of a virtual trading platform to smallholders depends upon its ability to reach out to larger markets than might be available through conventional means. This increases the number of potential buyers, enhancing the negotiating advantage of smallholders and increasing the possibility of higher prices than might be obtained locally, especially in conditions of local excess. This is particularly relevant to smallholders in Uganda who are generally faced with weak local markets for grain and look to export markets in South Sudan, Kenya and Rwanda to provide the greatest profitability. In Tanzania, where grain is more widely consumed, local demand has been buoyant over the last 15 months. As a result, the reserve prices asked on G-Soko in Tanzania (underpinned by local demand) have not been met and the platform has been largely ineffective in that country. The bulk of the G-Soko trade to date has been within Kenya, where it continues to generate interest amongst smallholders. These mixed results are to be expected of any such trading system in the short term and do not reflect the overall effectiveness of the platform. It is quite possible that weaker local demand might increase the use of G-Soko in Tanzania in the future. The effectiveness of G-Soko as a catalyst for integration is also dependent upon telecommunication network coverage. While this is quite adequate in Kenya, it is not everywhere present in either Tanzania or Uganda, limiting the effectiveness of the system in those countries. It is also dependent upon the IT capabilities of the users, some of whom reported that they lacked the necessary computer skills to use the system comfortably.

The effectiveness of G-Soko as a source of data for an MIS is dependent upon the extent of its use and coverage. It is quite possible that G-Soko might provide useful MIS input in Kenya, but its application in Uganda and Tanzania would be more limited. Initial studies indicate that 80% of all transaction on G-Soko involved Kenyan traders, while only 20% involved Tanzanians trading exclusively with each other and 30% Ugandan exports to Kenya (2017 IAR). Beyond Kenya, price data from G-Soko can be expected to be sporadic.

G-Soko has been carefully designed to be a secure trading platform that minimizes risk to both seller and buyer. It also reduces transaction costs, especially the buyer's cost of finding grain. As such it should be a highly effective instrument for the development of structured grain trades. Nevertheless, it was reported that the 1% commission was not well received by some buyers, who, given the limited number of warehouses currently registered on G-Soko, were able to identify the ownership of lots available for trade and to set up transactions outside the system. (This has been a common problem faced by many nascent commodity exchanges in Africa). Conversely, some buyers and sellers who already knew each other considered the trading platform irrelevant, but wished to use the secure transaction component of G-Soko on its own. Traders' perceptions clearly vary and it would be premature to judge

the effectiveness of G-Soko on the behaviour of the limited sample of traders interviewed for this evaluation.

As a marketing platform G-Soko is technically efficient, and cost effective when considered from the perspective of running costs. As an intervention to integrate smallholders into grain markets, it is also generally efficient in those situations where it is effective.

The G-Soko system and its immediate outcomes appear to be technically and financially sustainable (in marked contrast to some other commodity exchange platforms), but practical sustainability will depend upon the presence or absence of competing systems in the market place, and their advantages and disadvantages relative to G-Soko. The East African Exchange (EAX) in Rwanda has been in operation since 2014 and in 2017 declared its interest in expanding into the trading of certified warehouse receipts in Rwanda, Tanzania and Uganda. To date however, it appears to have had little impact on grain trading outside Rwanda. The Tanzanian government has also stated that it will shortly open a commodity exchange, but if the approach followed is similar to that of other government-led exchanges, it is unlikely that it will prove of interest to either smallholders or the small and medium sized traders currently using G-Soko. In the absence of competing virtual or real exchanges, G-Soko appears to be sustainable for the foreseeable future.

It is notable that EAGC management report that G-Soko is still in a state of development. If the system is to be sustainable, that state can be expected to be more or less continuous. Users reported that the platform was not as intuitive as it could be. This not only constrains adoption of the system, but also raises the possibility of competition from another agency developing a more user-friendly system. Sustainability will also be reinforced if an overwhelming majority of traders can be persuaded to use the platform so that it becomes the majority's default market of choice.

Facilitation of Business Linkages

The facilitation of business linkages between traders might appear to be a diffuse concept, but almost without exception, the EAGC members canvassed as part of this evaluation considered this to be the most important benefit of EAGC membership. They reported that the "B2B" meetings were an effective way to meet other parties who were actively looking to buy or sell goods or services. Similarly, Expos, trade fairs and other fora organised by EAGC were all valued by members as providing similar business linkage benefits. These not only reduced their search costs, but the contacts made at such fora were considered to be of greater value than those made in other ways. This was explained by traders in two ways. Firstly, contacts made at fora organised by EAGC were considered to carry the EAGC imprimatur that informally

guaranteed EAGC oversight and arbitration in the event of dispute. Secondly, members expect that other members attending an EAGC forum will be of a similar mind-set and could be relied upon to behave with the benefits of the trading community at heart. One member commented on B2B contacts that “I know they are serious about business”. Contacts made through EAGC linkage development interventions are thus considered less risky than those made independently.

This aspect of the EAGC is but one of the many activities listed under the programme, but it is a major component of the day-to-day activities of the country offices. Staff are constantly receiving and researching enquiries from members as to the status and trustworthiness of potential business contacts and they are able to provide a valuable service as a result not only of their own in-country knowledge, but also of their ability to draw upon the experience of EAGC staff (and/or members) in other countries. This allows the EAGC to provide an effective and efficient linkage service across an extensive network.

It is quite evident that the EAGC provides its members with a valuable service in linking them together within a trustworthy framework. That trust is in part derived from a sense of collegiality amongst the members themselves and more importantly from the professionalism and experience of EAGC staff. The service is central to the members' perception of the EAGC. Its sustainability should be relatively certain, but it has in the past been subsidised from subscriptions and other sources of income, so that the full costs (including travel and accommodation) have not been borne by all members. It is reasonable to expect that membership should offer certain benefits to members, but if the B2B fora are to become an effective source of income, then the extent of subsidies may need to be reduced.

The evaluation team heard that not only traders, but farmer group representatives also valued the B2B meetings highly. Representatives reported that they made useful contacts at such meetings that sometimes resulted in subsequent business. B2B activities appear to be an effective mechanism for the integration of producers into commercial value chains.

Objective 4: Contribute to the improvement of trading environment by providing a forum through which stakeholders in the value chain can engage and dialogue

Advocacy for Trade facilitation

This activity is central to the EAGC mission, which focuses on advocacy to facilitate regional and domestic trade. Advocacy activities tend to be difficult to evaluate objectively. Although the result can be clear-cut (i.e. either change was achieved, or it was not), the process of change is not simple or linear, and progress can be made without direct evidence. Equally, some advocacy activities can be deemed successful, only to be overturned as a result of a change in government policy, or of competing

advocacy from a counter-party. Finally, it is rarely possible to attribute policy changes to advocacy alone. Instead, advocacy is commonly one amongst a number of factors that influence the process of change. Consequently, it is necessary to adopt a holistic perspective to assess advocacy initiatives.

From such a perspective it is first evident that the EAGC advocacy activities at both Regional and domestic levels are wholly relevant to programme objective 4. In terms of effectiveness, the activities demonstrate mixed success to date, although the Tanzanian Private Sector Foundation noted the EAGC's role in the removal of the ban on exports of maize by the Tanzanian Government, while the Addis Ababa Chamber of Commerce reported that the removal of the similar export ban by the Ethiopian Government was also due to at least in part to the forum instigated by the EAGC. Moreover, the Kenyan Director of Agriculture noted the relevance of the EAGC Food Balance Sheet to the removal of the import tariff on maize by the Kenyan government. All of the above can all be considered to be at least partly due to successful advocacy by the EAGC.

Irrespective of success or failure in bringing about change, it is evident that the EAGC commands the necessary respect of the appropriate government agencies to allow it to represent its members effectively. In Tanzania, Uganda and Kenya, government representatives all reported good working relationships with the EAGC, as did staff at the EAC in Arusha. Officials commented positively on EAGC staff knowledge and experience, and noted that in some cases, the EAGC had been proactively requested to state its members' position on key issues. In Kenya, the EAGC is participating in the national Agricultural Transformation Programme and the Executive Director is a board member of the national Strategic Food Reserve Trust Fund. In Tanzania, the Country Manager was reported to have played a major role in that country's Trade Delegation to India. In Uganda, both the Director of Agriculture and the Ministry of East African Community Affairs reported that EAGC had provided positive support to Government activities, especially in such areas as the Regional Food Balance, development of standards, and Regional market information. Overall, the level of cooperation between the Regional and national EAGC offices and counterparts in governments was observed to be good.

Such close cooperation provides the EAGC with an advantage over other institutions in terms of advocacy. It was mentioned more than once that the EAGC was considered the apex body for not only traders, but all stakeholders in the grain value chains. In both Tanzania and Uganda, they are considered to stand almost alone in this regard, while in Kenya, EAGC lobbying is balanced by the government with lobbying by other institutions such as the Cereal Millers Association, the Cereal Growers Association and Kenya National Farmers Federation.

Different governments view the EAGC's area of expertise in different ways. In Kenya, the EAGC is considered to be most expert in the area of post-harvest handling and the aggregation of grain, including in particular the development of market linkages. In Uganda, the Ministry of Agriculture values the way in which the institution had been able to work with smallholders despite the challenges inherent in such an approach. In Tanzania, the EAGC is seen to represent primarily traders, although its activities in support of smallholders are also recognised.

The effectiveness of EAGC's advocacy activities was also noted by its members. In all the countries visited, the fact that EAGC had good access to Ministries of Trade and Agriculture was considered to be an important aspect of membership. In Tanzania, traders reported that there are too many barriers to trade - *"courage is not enough, you need help - the EAGC can talk with Government at any time"*; while in Uganda it was reported that EAGC advocacy had been instrumental in freeing up shipments that were stuck at the border; and in Kenya, traders noted that the EAGC's ability to reach out to both their own government and to governments in neighbouring countries was critical to their business development.

It was notable however, that from the members' perspective, the most important aspect of EAGC advocacy was the institution's capacity to resolve immediate (and generally domestic) issues. Advocacy in support of the "bigger picture" of enhanced Regional trade, was of less concern to the majority of members, with the possible exception of some Kenyan traders and regionally focused institutions such as the International Trade Centre and the East African Trade Hub. The willingness of the EAGC to take up immediate issues on behalf of members in a direct and "hands on" manner was not only clearly important to members, but also meant that the institution could speak with direct experience about the problems faced up and down the grain value chains. This contributes to the effectiveness of EAGC advocacy. It creates a robust link between members and the EAGC that contributes to the authenticity and effectiveness of their advocacy. As one government officer said *"they really know what they are talking about"*.

Advocacy can often be slow and time consuming, so that even if expenditures are low, the costs in terms of level of effort can be considerable. The EAGC has contained costs and increased the efficiency of its advocacy by judicious partnering with complementary institutions. Such partnerships have included the Kenyan Agricultural Council and the Cereal Growers' Association, the Tanzania Private Sector Foundation, Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA), the Uganda National Farmers Federation and the East Africa Business Council. No instances of competitive lobbying were reported and the general sentiment expressed both by the institutions involved and by the government agencies being lobbied was that the EAGC took a lead position in the areas in which it had the greatest experience, but otherwise contributed usefully to the positions being brought forward.

The sustainability of advocacy is generally problematic for representative associations the world over. Stakeholders in the grain value chains recognise that they will reap the benefits of most advocacy initiatives whether or not they contribute membership subscriptions to the EAGC. This is less true of local domestic issues that might be relevant to only a small number of stakeholders who would therefore be sure to become members of the EAGC so that they could benefit from the institution's capacity to lobby for their relief. At a Regional scale however, it requires either an exceptionally strong identification with the issue at stake, or a certain degree of altruism for stakeholders to be willing to finance advocacy. In the case of the EAGC, there are sufficient domestic issues to be resolved to sustain the interest of a substantial proportion of the members. This appears to be most true of Tanzania, but interviews with members in other countries indicated the same. Nevertheless, it is evident that if the EAGC were to advocate solely for Regional trade facilitation, it would derive less support than it has at present and the sustainability of its advocacy would be less. Moreover, it was evident that the promotion of regional trade was not entirely supported by all members. While traders and processors in Kenya appeared to welcome opportunities for expanded markets, and grain producers and traders in Uganda considered access to external markets to be essential to their business success, stakeholders in Tanzania were more ambivalent. Some of these noted the need to create opportunities for the employment of young people through the development of value addition within Tanzania. They feared that grains produced in Tanzania would be exported to Kenya and the processed products sold back to the Tanzanian public. This was not a dominant view, but it was expressed on more than one occasion.

Development and Promotion of Regional Grain Standards

One area in which the EAGC has been particularly active over the past two years has been in the development and promotion of Regional standards for maize. These are fundamental to regional trade facilitation. Producers in some areas (notably Uganda) have been disadvantaged by traders from other countries who have disparaged the maize they produced as “chicken feed” offering low prices accordingly, while traders have similarly been prevented from obtaining the real market value for the maize that they wished to export. The introduction of common regional standards prevents such abuse and helps producers to become more integrated into export markets. At the same time, buyers are able to bid with confidence on lots of grain advertised on G-Soko in the knowledge that they will receive grain of a known standard, irrespective of the location of the certified warehouse in which it is stored, while prices quoted on RATIN can be interpreted against a common basis, allowing opportunities for spatial arbitrage to be properly recognised and addressed. The activity has thus been directly relevant to Objectives 1, 3, and 4 of the Sida-supported programme.

The effectiveness of the initiative to introduce common grain standards will become increasingly evident as volumes of cross-border trade increase. This is currently most relevant grain moving between Uganda and Kenya. The majority of Tanzanian grain is currently traded domestically, and the impact of a common grain standard has yet to be fully realised there.

The fact that the EAGC represents a significant proportion of the most active small and medium-sized grain traders throughout the Region has increased the efficiency of this initiative. It was well supported by members who had understood its potential benefits and actively supported the introduction and use of new standards. As a result, it can also be expected to be a sustainable intervention that will be continued by virtue of its own momentum - i.e. once the standards have become the accepted norm amongst the majority of grain producers and traders, it will become increasingly difficult for any alternatives to gain a footing in the market.

There is always the risk that standards that do not reflect the needs of the end user may not be sustainable and that smallholder households may be willing to accept grain of a lower quality for their own consumption, thus undercutting the new Regional standard. In fact, it is quite possible that local trade between producers and village retailers and consumers will not adhere to the regional standards, but this market is somewhat distinct from the commercial trade between parties in different countries. In the latter case, there is a clear benefit to be derived from the new regional standards, and little risk that this intervention will not be sustainable amongst commercially traded maize.

Objective 5: Support EAGC Institutional Development

A number of activities are anticipated under the programme to support the objective of EAGC institutional development. The most critical of these were considered to be:

- Formation of alliances to support advocacy and development agendas.
- Development of management policies and guidelines (Human Resources, Financial management, procurement, travel).
- Development and implementation of a Monitoring and Evaluation Plan.
- Identification and evaluation of potential income streams.
- Development of National Policy agendas and Regional Strategic plan.

Formation of Alliances

The EAGC has been extremely active in partnering with different agencies to achieve its ends. This has occurred at all points along the value chains. Alliances with development agencies such as Sida, AGRA, and others have provided the means to undertake development at the smallholder level, while alliances with NGOs such as MVWATA, RUDI and Briten have facilitated that development. Similarly, alliances

with other advocating agencies including the Tanzanian Private Sector Foundation, the Kenyan Millers' Association and the Ugandan National Farmers' Federation have all strengthened the effectiveness of EAGC advocacy, whether the EAGC has taken a leading or a supporting role in putting forward policy positions. The dominant role played by the EAGC in policy development (as deduced from the responses of government representatives) is clear evidence of the relevance and effectiveness of these alliances. They also represent an efficient use of resources whereby partnerships with those who are best placed to effect change (especially at the grass roots level) have allowed the EAGC to reach a large number of smallholders using limited resources.

The on-going sustainability of these alliances is a function of staff motivation and expertise. The role of the Executive Director in seeking out and attracting potential partnerships is clear, but similar outreach occurs at country level on an on-going basis. It was reported that the regional nature of the EAGC might sometimes preclude partnerships at the country level, especially when a bilateral agency might wish to provide support in one country only, but such instances did not appear to be common. Overall, it would appear that all of the EAGC representatives work consistently to create and sustain the alliances that are characteristic of the EAGC.

Development of Management Policies and Guidelines

This aspect of the Review was conducted by reviewing the written policy documents. Four policies were scrutinised as part of this evaluation relating to:

- Finance and Accounting.
- Human Resource (HR) Management.
- Procurement.
- Travel.

In each case, the policies appeared comprehensive. They each covered a wide range of eventualities with clear directives in almost all cases. If they are effectively and impartially implemented, then members of the EAGC can be confident that their staff are working to the highest standards. Three areas of concern were noted, first that while intangible assets make up a very substantial proportion of the EAGC balance sheet, the Finance and Accounting policy is silent on the treatment of such assets. Under normal circumstances, this would be of little importance, but since the G-Soko platform is considered to be of significant value and as likely to remain as an intangible asset on the EAGC balance sheet for the foreseeable future, then its treatment should be clearly defined and approved (if necessary under the EAGC constitution) by the Board.

The issue of intangible assets is also appropriate to the second area of concern, namely the Human Resource policy document and its treatment of intellectual property rights. In the case of G-Soko, these rights underpin the value of the intangible asset, rights to which are vested in EAGC. Nevertheless, the HR policy provides only weak protection of EAGC's intellectual property rights. The matter is referred to obliquely under the Confidentiality Agreement (which includes a very limited protection of copyright) and under the Separation and Lease Agreement, which refers to trade secrets. The term "intellectual property" is not found within the HR policy document or any of its annexes. This renders the EAGC vulnerable to the loss of its exclusive hold over a valuable asset.

Thirdly, while the HR policy refers to (and appears compliant with) Kenyan Law, there do not appear to be parallel documents for staff working in other countries. In each case it might be expected that similar references would be made, to the national employment regulations of each specific country. Such documents do not yet appear to have been drawn up.

Development and Implementation of M&E Plan

Limitations of time prevented Programme M&E from being assessed in detail. Nevertheless, the overall direction of the M&E is reflected in two documents, i.e. the M&E Plan, and the 2017 Impact Assessment Report.

The M&E Plan is detailed in the M&E manual, which is for the most part generic. The first 25 pages describe standard M&E procedures and it is only in the last eight pages that describe the system as it relates to the EAGC. Those last pages do contain sections on reporting as well as the programme log frame and a table of indicators specific to the programme. Nevertheless, the indicators are largely performance rather than impact based, and do not always lend themselves to in-depth analysis. As an example, the measurement of changes in knowledge or attitude (specifically relevant to sections 1,2,5,6,11,16,17,20 & 21 of the Results Measurement Plan) can be assessed on a quantitative basis as proposed, but such assessment provides little insight or basis for improved programme direction. The indicators used do not measure the extent to which training and other interventions have actually changed the way in which stakeholders think and behave in terms of trading practices.

Thus, while the M&E Plan is being properly implemented on a timely basis, it provides only the basic measurement of performance. The limited opportunity that this allows for in-depth analysis is exemplified by the fact that the 2017 IAR was written by an external agency who conducted their own independent surveys in order to understand the changes that had occurred.

It may be argued that such an approach to M&E (the use of external consultants to assess impacts) reduces the cost of maintaining an in-house M&E team, who might otherwise have been able to produce the 2017 IAR from their own resources. Nevertheless, that approach provides only intermittent feedback and denies management the opportunity to make programme changes on an ongoing basis.

Finally, one key aspect of the EAGC programme is the manner in which it integrates smallholders into grain value chains through an emphasis on trade, which can create the motivation amongst smallholders to increase production and reduce losses in a way that almost forty years of conventional extension alone has not. Nevertheless, the M&E system reflects these changes only indirectly. Although it does monitor the increased use of credit for production and increased grain sales, it does not provide the analytical basis required to fully explain and attribute observed increases in production and profitability to the appropriate causes.

Identification and Evaluation of Potential Income Streams

The evaluation team was informed of three potential income streams derived from: the training activities of EAGI, the proposed Trade Finance Fund (designed to facilitate trade through the provision of short-term structured finance), and the G-Soko platform. The extent to which these opportunities had been adequately described and presented was assessed from each activity's business plan as summarised below.

EAGI: The EAGI business plan was still in preparation at the time of this evaluation and has not been critically assessed. Nevertheless, EAGI is already recognised as an income stream that in 2017 generated approximately twice the revenue of G-Soko. It was a common theme from traders in particular, that EAGI services provided direct commercial benefits in the form of savings and/or business opportunities. (e.g. training in fumigation had resulted in one business using less than one quarter of the fumigation tablets that it had hitherto applied, while another business had used the training to start a fumigation service). Trader respondents noted that they would be willing to pay for further training and a number suggested that EAGI could be developed further to provide a consistently increased income stream.

This approach appears feasible in the light of the unique experience that EAGC has already developed (more than one trader noted that EAGI training was available nowhere else, or if it was available elsewhere was generally inaccessible or rarely conducted). It was also evident that members and non-members, (including local NGOs) were regularly making enquiries about the possibilities of signing on for EAGI training sessions. Country Managers noted that some commercial members were pushing to have their staff trained as quickly as possible and that they were

under pressure to hold small and unprofitable training sessions to meet members' needs.

Despite the lack of a completed business plan, it is evident that considerable demand exists for EAGI services and that based on experience to date, these can be developed into an income stream. The high level of enquiries suggests that EAGI services would be in demand by both commercial and non-commercial clients. This is clearly an avenue worth pursuing further.

Trade Finance Fund: The business model report for the EAGC Trade Finance Fund describes four different trade finance systems currently operating in Sub-Saharan Africa, before outlining the fundamental principles of the EAGC Trade Financing Fund. As the report mentions, the concept of structured trade finance is not new to Africa. ABSA, Standard Bank and Nedbank have all operated structured trade finance desks for many years, but have not provided such finance to the grain trade outside of South Africa. In this particular case, the provision of finance is structured around the security provided by the warehouse receipt system operated by the EAGC, which allows the lender (EAGC) to advance money to a trader against grain stored in EAGC-certified warehouses. EAGC then holds title to the grain, which it releases upon receipt of payment from the buyer to whom the trader sells the grain. That payment is then passed to the trader, less the principal amount together with interest and administrative charges. The finance is thus “self-liquidating” unless the grain is lost or damaged, or payment is not made.

The report follows the conceptual model with a more detailed description of risks, procedures and governance and operational structures.

The report is silent on the financial details of the Trade Finance Fund. It does not specify the minimum volume of capital to be held, or required to cover operational costs. It contains no indications of the extent to which finance might be taken up, and while it does indicate that interest on finance will be charged at 5%, and procedural costs at 1%, it makes no reference to the term of the finance or to any other fees. The model is based upon the G-Soko platform and associated certified warehouse network that is already under development. As such, there can be expected to be considerable synergies between those systems and the Trade Finance Fund, which might substantially reduce the operating costs of the latter. Nevertheless, these costs are not identified or estimated. Overall, the business model makes no reference to either investment or working capital requirements, cash flow projections, or expected rates of return.

One central aspect of the Trade Finance Fund, is its apparent willingness to lend up to 100% of the value of any warehouse receipt that it might hold. In other countries (e.g. Ethiopia), bank lending against warehouse receipts advance no more than 60% of the

receipt value thereby avoiding any risk due to a collapse in market prices during the period that the bank holds the receipt.

G-Soko: The G-Soko business plan includes a detailed description of the platform. This is necessary to ensure that the novel concept is well understood before the business projections can be properly considered. The plan itself is broad in outline, including an assessment of risks and mitigation strategies (albeit without any sense of prioritisation), branding and market strategies and potential partners. The business case is built on a series of broad assumptions regarding smallholder production, storage capacity and the proportion of grains that might be traded on the G-Soko platform. These are used together with a proposed fee structure, and estimated costs to generate a projected five-year income and expenditure statement which suggests that the project would breakeven in early 2020. The projected statement lacks any form of sensitivity analysis and can only be considered as one amongst a multiplicity of possible outcomes. It could not be considered as an adequate basis for investment.

In fact, the initial level of investment that might be required to develop G-Soko is not immediately obvious. It is recognised that the software platform has already been developed and that many warehouses are already certified and operational, so that the level of additional investment may be relatively small (although amortization costs of over \$1 million are shown in the first year of the projected expenditure plan). Indeed, this aspect of G-Soko - how it will be developed in practice - is described by the business plan, but the description does not conform to current reality. The plan itself calls for a fully staffed stand-alone unit dedicated to the operation and growth of G-Soko. Such an approach would require significant up-front investment. The more practical approach employed to date has been to grow the G-Soko platform using the existing capacity of EAGC, with minimal investment. Incremental growth can then be proportional to the actual growth in revenue achieved by the platform.

The validity of such a conservative approach is borne out by the actual revenues received in 2017 (\$17,000) and expected for 2018 (\$15,000). The fact that these levels are somewhat lower than projected would have significant negative implications for a cash flow based upon the theoretical growth and associated expenditure envisaged in the business plan. The more conservative approach appears appropriate for an innovative product that may take time to penetrate the market.

Overall, it appears that the EAGC has been able to identify two potential income streams in the Trade Finance Fund and G-Soko platform, but it has not been able to evaluate either of them to the point where projected levels of income or costs can be identified with any degree of certainty. It is inevitable that reality will differ from any projections that can be made, but in both cases, the business models would benefit from the inclusion of more detailed estimates of costs and projected revenues, modelled to allow sensitivity analyses to be made to account for changes in volume,

price and market penetration. As they stand, it is difficult to see how an investor, or indeed the EAGC board, could approve investment in such projects on the basis of the information provided in either of these two plans.

Development of National Policy Agendas and Regional Strategy

The evaluation team looked at the five “Developing Policy Advocacy Agendas” for Rwanda, Malawi, Tanzania, Uganda and Kenya. These short documents each include a brief rationale, followed by a one or two page summary of challenges in the overarching policy environment. The main challenges facing the grain sector are then listed (usually in a tabular format) together with proposed courses of action.

The documents clearly identify consistent challenges across a number of countries, including a lack of coordination in government policy (Tanzania, Uganda and Malawi), issues with Food quality standards (Kenya, Tanzania, Rwanda, Malawi and Uganda), inappropriate taxation (Kenya, Tanzania, Rwanda), government intervention in both production and marketing (Kenya, Tanzania, Rwanda, Malawi), warehouse receipts (Kenya and Rwanda), taxes on post-harvest handling equipment (Uganda, Kenya, Tanzania) lack of appropriate finance (Kenya, Tanzania, Malawi) and inappropriate input policies (Tanzania, Malawi, Uganda).

The proposed responses to such challenges are generally consistent, advocating for reduced levels of taxation, reduced government involvement in agricultural production, reduced government intervention in trade (but increased regulation of standards and performance), and increased regulatory efficiency amongst local authorities. In some cases, responses are ambivalent (a proposed course of action by the Kenya and Tanzania Country Teams to advocate either for or against input subsidies, depending upon the results of a university study suggests a desire by management to assume a position on a potentially contentious issue, but without reference to the wishes of EAGC members). Some are unlikely to be successful (especially those relating to changes in financial policies) and some are predominantly production-focused and have limited relevance to the majority of EAGC members (especially those relating to agricultural finance, input costs and crop insurance). Nevertheless, overall the country agendas when taken together provide the basis for a coherent Regional Strategy.

The Strategic Plan presented at the AGM held in Dar e Salaam on 18 April 2018 does contain the elements described above, but they are included under the more general headings of:

- Supporting favourable policies and regulations
- Promote the development, harmonization and adoption of harmonized standards
- Explore and facilitate commercialisation of grain sector technologies

- Increase volume and value of quality grain traded through strengthening linkages to farm production, storage and finance
- Support increased commercial investment in the grain sector
- Enhance EAGC's presence and impact at regional and country level.

(The last point regarding the EAGC itself, can be interpreted in three different ways. It can relate not only to the increased scope and scale of the institution as it spreads into ten different countries, but also to its increased effectiveness in providing services to its members, as well as its goal to become the preferred partner of development agencies).

These headings, while appropriate to a general strategy document which covers both internal development as well as external interventions, do not provide the degree of detail required to manage a coherent regional advocacy position. It would be difficult for EAGC board members to decide if any proposed course of action might be consistent with EAGC's regional strategy or not, on the basis of the Strategic Plan as it stands.

The EAGC Strategic Plan for 2018-22 presents not only the strategy insofar as regional grain trade facilitation is concerned, but also the strategy for the ongoing development of the EAGC itself. That strategy envisages a dual approach in which the institution is divided into two sections, EAGC Investment, responsible for the commercial operation of the G-Soko platform, laboratory testing facilities (Interfield Laboratory) and the Trade Finance Fund, and EAGC Development, responsible for policy, structured trading systems, research and market information systems and EAGI training and business development. The areas covered by EAGC development are more related to public goods, although it is possible that both MIS and EAGI training may generate income for the institution. Nevertheless, the primary source of income anticipated according to the emphasis within the Strategic Plan as currently written will be EAGC Investment.

The Strategic Plan is largely silent on a third income stream, which has in fact sustained EAGC development to date and which can be expected to be of substantial importance for the foreseeable future. The first line of the Combined Financial Performance statement shows that in 2017, grants made up 84% of the revenues received by all EAGC entities. Nevertheless, the Strategic Plan, while it does list development agencies among "additional stakeholders", notes only obliquely that EAGC is uniquely positioned as a sector development partner and that EAGC's envisioned success will include its role as the "Preferred partner by international development agencies and regional governments in developing the grain sector".

It was indeed noted by one member at the AGM that the EAGC accounts appeared to show a strong reliance upon donor funding to cover the institution's costs. Such

dependence might be considered to be grounds for concern, but that perspective is not necessarily correct. If a donor provides grant funding to the EAGC to implement an agreed programme of development, it expects the monies received to be used for specific purposes, (most of which will directly benefit smallholders or traders), while the EAGC itself will be expected to use a specified proportion to cover the overhead costs directly related to the agreed programme. Such restricted finance contributes nothing to the growth or sustainability of the EAGC, which is providing the donor with the benefit of its administrative network, experience and regional infrastructure. These are the benefits that the donor is seeking to exploit to achieve development efficiently and effectively and it is therefore quite reasonable for the EAGC to look for additional payment to cover the indirect costs of maintaining the infrastructure that provides those benefits. This approach differs but little from that used by commercial development companies who tender to win development contracts which all parties know will include some margin to cover the indirect costs of the company, including the need to return a profit to shareholders. EAGC negotiates with development agencies for payment to cover such indirect costs for all of the donor programmes that it implements, and can be expected to continue to do so.

While this implies a reliance upon engagement with international development agencies and regional governments that some might consider unsustainable, it is unlikely that in practice such agencies will vacate the region within the next twenty years. Indeed, the business model that is dependent upon such donor largesse is one that has sustained such companies as Chemonics, Crown Agents, and Booze Allen for a considerable period, and shows little sign of unsustainability at present.

Gender: Promote the involvement of women at all levels in the grain trade

The activities of the EAGC appear to be largely tangential to the promotion of women's involvement in the grain trade. At the farmer level, women appear to be well represented in associations, groups and cooperatives, where they were frequently found to be acting as Treasurers and Vice Chairs, although less often in the role of Chair. This did not appear to be influenced by EAGC one way or the other. Women were also common as trader members of the EAGC and comprised more than 50% of trader interviewees. It appeared that the proportion of female members of the EAGC was higher than that of the overall Regional population of traders. Where possible EAGC promote women who are taking an initiative in any particular area of trade or agriculture but they do not promote involvement of those not already engaged. They support some female smallholder groups who self-formed and they reportedly give special attention to women-led warehouses and trading groups, but this is on an ad hoc basis. The EAGI training manager stated that they aim to maintain a gender balanced pool of trainers who are also group members.

Environment: Assist stakeholders to increase resilience to environmental impacts

EAGC have promoted conservation agriculture through training of smallholder groups. They have effectively partnered with Local Government extension officers and various NGOs. Another partner, The Canadian Grain Bank have been working with EAGC to introduce seeds adapted to specific areas. In collaboration with a leasing company and John Deere, EAGC have introduced equipment suitable for no-till cultivation. EAGC use their Agri-Business Expositions to demonstrate this technology. The value chains that they are promoting are selected to ensure that crops are suited to the local area, for example they promote green grams and other pulses in drought prone Eastern Kenya where maize is difficult to cultivate. Soil testing is encouraged and they reported that some fertilisers have been supplied specifically for individual farmer's soil types. They also discourage the use of chemicals when other means such as sun drying of stored grain can be used.

Training in proper use of chemicals is provided and agricultural input stores established by cooperatives and farmer groups are able to reinforce this training. The use of hermetically sealed bags for household storage of grain have been widely promoted and these were frequently referenced by the groups interviewed. These bags negate the need for any chemicals to be applied to grain stored in the household which is beneficial to human health and the wider environment. EAGC are currently developing standards for the production of these bags.

Potential Synergies with Bilateral Interventions

A desk-survey of Sida's bilateral interventions in Kenya, Tanzania, Uganda, Ethiopia, Zambia showed the scope for synergistic interaction with the EAGC Support Programme. Individual programmes are discussed below:

Zambia: Musika. Musika has the same private sector development focus as the EAGC and its smallholder constituency is almost identical (those producing a regular surplus for sale). In most aspects, there would appear to be the potential for duplication rather than synergy if the two institutions were to pursue their objectives in parallel. Nevertheless, EAGC can add value through its B2B activities and it is probable that Musika clients might become members of the EAGC for that service alone. At the same time, Musika could have the potential to be an effective extension partner on the ground (in the way that RUDI has done in Tanzania), although this would require confirmation.

Zambia: Smallholder Agricultural Reform through Enterprise Development (SHARED) - This programme also has the potential to partner with the EAGC through the provision of extension services. Its target group is the same constituency of more productive smallholders and its commercial focus to rural development is well aligned with the EAGC activities.

Ethiopia: Market Driven Climate Smart Agriculture - this programme's focus on high value crops may restrict the extent of potential collaboration with EAGC. Nevertheless, its development of linkages with smallholders provides an opportunity to work as a partner with the EAGC in reaching out to smallholders to facilitate market integration, while EAGC can provide the business linkages that this programme seeks to develop. At this stage however, EAGC lacks a strong Ethiopian presence and its capacity to provide a market linkage service is limited.

Uganda: aBi Trust - The Trust supports Farmer Organisations, NGOs and SMEs in interventions that promote agribusiness development to improve the competitiveness and the productivity of the commodity sectors. There is some overlap between aBi interventions and those of the EAGC. It is likely that most aBi beneficiaries would benefit from the business linkages to be derived from membership of the EAGC. It is possible that the EAGC might utilise aBi development capacity, but this would require further investigation.

Tanzania: Agriculture Market Development Trust - The Trust targets productive smallholders and its development model is built upon the twin pillars of strategic advice and market facilitation. In these aspects it is very similar to the EAGC. Potential for synergies would come from the B2B linkages that membership of the EAGC would provide to beneficiaries, as well as the advantages of EAGC's structured market development approach. Benefits to the EAGC (other than increased membership) are less obvious.

Tanzania: Tanzania Horticulture Association, - The Association has a similar membership structure and objectives to those of the EAGC, but operates exclusively within the horticultural sector. As such, the scope for synergy may be limited except in the pursuit of specific shared advocacy objectives, when partnership would undoubtedly be beneficial.

Kenya: Agriculture Sector Development Support Programme, ASDSP - According to the Mid-Term Review, this programme is perceived as an initiative working towards commercialisation of the agricultural sector through facilitation of coordination of the stakeholders towards equitable and environmental resilient value chain development. This rather cumbersome definition seems to epitomise the programme, which has struggled to achieve results. A particular criticism was that "areas such as business and market orientation and particularly the ability to engage the private sector, needs strengthening". From that perspective, the ASDSP might gain much from the involvement of the EAGC as a catalyst for private sector-led business development, but it is less obvious what the EAGC might gain from the ASDSP.

Kenya: Public-Private Development Partnerships, PPDP - Public-private partnerships are typically created when a government wishes to meet a perceived obligation to the general public, but lacks the financial or technical capacity to do so itself. Under such circumstances it can enter into a partnership with private sector stakeholders who will provide the required service in exchange for revenue charged either directly to the public or received from the public purse. In this case, the obligation is that of agricultural market development. From a theoretical perspective, the goals of the PPDP and the EAGC are well aligned and the formation of a public-private partnership according to which the EAGC would be paid from the public purse for undertaking specific market development activities (such as laboratory testing of grains, warehouse certification, or training of fumigation agents and warehouse managers) could well enhance the sustainability of the EAGC. The actual extent of such partnerships will very much depend upon the details in each case. Nevertheless, it would appear that the opportunity for partnerships warrants further investigation.

Programme Goal: Contribute to poverty reduction and enhanced food security

It might be expected that a programme focused predominantly upon trade might only impact poverty and food security indirectly. In practice, the findings above showed that interventions undertaken in support of Objectives 1 and 3 had considerable potential to affect the poverty and food security levels of smallholders. The attainment of Objectives 2 and 4 might also be of some benefit, albeit more indirect and less readily attributable. In this regard, it was observed that benefits accrue more directly to those smallholders whose production exceeds their own household demand. For these smallholders, EAGC interventions offer increased access to markets, increased opportunities for equitable negotiation and ultimately, reduced market risk, thus justifying increased investment in production in the future.

4 Conclusions

Objective 1: Integration of smallholders into grain value chains.

Circumstances do not always favour the formation of smallholder groups, aggregation of grain and development of linkages with buyers. In particular, buyers may not always prefer grain aggregated in remote warehouses as opposed to smaller lots easily accessible from the roadside. At the same time, when local prices are high, producers may be quite content to sell to their neighbours and into the markets that they themselves can access, thus cutting out the trader. The added value of group formation, aggregation and linkage development is that it removes the element of uncertainty for both parties. On the one hand, the smallholders know that they will have a market for their produce, while on the other, the trader knows that he/she will be able to access useful volumes of grain. The key element of the relationship that provides this certainty is its consistency, which takes time to develop. The linking of smallholders with buyers is thus not a single event, but a continuous process. In some years, it may progress slowly; while in others, strong relationships may be forged quickly. It is therefore difficult to judge the efficacy of EAGC's activities under this objective on the basis of a limited number of smallholder groups visited during the same season.

Nevertheless, the overall trend taken across all three countries visited and related by both traders and smallholders alike was definitely positive. The tendency amongst smallholders in different countries to market their grain independently, despite apparent advantages of cooperative contracts has been well documented by the WFP⁴. It has always been difficult to persuade producers to give up direct control over their grain and to store it centrally, while a slight increase in the price offered can be all that is required to turn a producer away from a trusted buyer, and towards a new party. Hence it is to be expected that progress in helping smallholders first to work together to develop group grain storage and subsequently to invest in more than cursory relationships with one or more traders will be intermittent and variable. **The positive trends suggest that the EAGC and its partners on the ground have developed an approach to the development of smallholder grain marketing that**

⁴ AMANI, S., 2014. Smallholder Farmers' Marketing Choices. World Food Programme.

is inherently effective. From this perspective, the EAGC is well positioned to become a preferred implementing partner for any international development agency looking to promote smallholder development within the region.

It is significant that the trainings provided by the EAGC to smallholders relate primarily to aspects of production, post-harvest handling and grain quality that are directly under the control of the smallholder. Training in group formation and governance, as well as training in the fundamental aspects of grain marketing are also provided. In each case, it was noticed that the training provides smallholders with skills that strengthen their capacity to complement rather than compete with grain traders. The focus appears to be upon developing win/win situations as opposed to dominating in a zero-sum game. In this respect, the EAGC approach to smallholder development contrasts quite markedly with the more common approach, according to which the trader is seen as an exploitative middleman, who provides no service, adds no value and should be usurped by farmer groups who should undertake their own marketing of that which they have produced. While that characterisation of traders may be extreme, it is by no means unusual and has frequently led to smallholders being persuaded to adopt roles for which they are not well suited. Based upon the (often erroneous) expectation that the value of grain aggregated and stored during the course of the season will inevitably increase faster than the cost of money, many smallholders have been assisted to set up cooperatives and similar associations designed to “cut out the middleman”, only to find that grain trading is a risky business, prices can go down as well as up, and that it requires constant attention to market trends that smallholders are ill-positioned to provide, in order to make a profit. **Such an approach of drawing the smallholder into the marketplace as a replacement for the trader is clearly different to the EAGC approach to smallholder integration into value chains, whereby the smallholder and trader are both encouraged to engage in complementary specialisation, to the advantage of both parties.**

The network of Warehouses and VACs is important to smallholder/trader linkage development not only for the reasons noted above, but also because it forms the fundamental basis of the structured grain trading system that EAGC has been developing. The network of certified warehouses creates the basis for a Warehouse Receipt System which then allows grain to be traded remotely, (including on-line) through the sale and purchase of warehouse receipts. Thus, **through the development of the VAC/warehouse network EAGC is not only integrating smallholders in grain value chains, but also upgrading the nature of the trading system into which those smallholders are being linked.**

The introduction of post-harvest technologies may prove effective, but a longer timeframe will be required before either positive or negative conclusions can be drawn with any degree of certainty.

Overall, it was evident that significant progress has been made towards the achievement of the first objective of the programme. The fact that not all respondents were universally positive in their assessment of progress provided an element of realism to this aspect of the evaluation, since the overwhelming majority of smallholders, traders and partners on the ground were strongly supportive of the interventions. The positive responses from Government officials were particularly valuable in that such stakeholders tend to have a long-term perspective. The fact that they were interested to see EAGC increase its support to smallholders suggests that **Government respondents appreciate that the EAGC approach to smallholder development is more successful than conventional extension methods.**

Finally, with regard to the implementation of these activities, the willingness of EAGC to partner with other agencies who may have already developed well established linkages with rural communities has been an effective approach that has promoted the efficient use of available resources. While a "go it alone" approach would have enabled EAGC to retain a larger proportion of available finance, **cooperation with experienced partners has allowed EAGC to concentrate on the aspects of training and development in which it excels.** The interventions have almost certainly been more effectively implemented as a result.

Objective 2: Establishment of and support to national and regional market information systems

In an era of rapid technical change, the causal pathway linking the development of market information systems to the overall programme goal of poverty reduction and enhanced food security through agricultural trade and growth must necessarily be rigorously examined. The widespread availability of mobile phones as well as smart phone technology providing ready access to the internet throughout much of the region has changed the way in which traders are able to access prices and other market information. As a result, market information systems that twenty years ago were considered to be an essential public service to be provided by Ministries of Agriculture, Statistical Bureaux, or similar agencies (and which were often duly funded by donor agencies) are now of substantially reduced utility. The majority of traders now find domestic prices by using mobile phones to contact brokers in different locations. Even smallholders can access this technology to find out recent prices in nearby markets from traders, friends or relatives. Market information systems are still relevant as sources of data for policy analysis by government and international development agencies, but most are of little relevance to traders. A key exception to this observation is RATIN. The regional nature of the data collected from key markets in a number of different countries and its almost immediate accessibility on the internet provides a service that no domestic traders, international merchants or even governments or regional authorities can match from their own resources. As a result, RATIN continues to be an EAGC service that is highly valued by any trader looking to engage with markets beyond national borders. The MIS

provides the initial price information required to identify potential markets or sources of supply, and while further enquiries are always required to determine other essential details, including available volumes and costs of transport, **traders quoted RATIN as providing the initial impetus from which their enquires and eventual trades developed.**

There is no other MIS of comparable scope or longevity in Africa. The logistics of developing a parallel system are daunting and as a result, RATIN is uniquely valuable. Nevertheless, as a result of its development under the umbrella of an international development agency, the information provided by RATIN has always been regarded as a public good. This has undermined the sustainability of the MIS, which has therefore needed to be subsidised or funded from sources other than the sale of the market information it generates.

EAGC is looking to change this situation by charging for access to historical information (more than 6 months old). The probability of generating significant revenue from such an approach is limited. Firstly, historical data has a "one-time" value. Indeed, once sold to one party, there is a risk that it could be resold at a subsidised price to third parties, thereby undercutting the value of the original product. Secondly, historical data has a limited market - few traders are interested in prices prevailing six months ago. The main users of such data will be government policy makers, development agents and academics, most of whom would be using such data on a not-for-profit basis, (and for whom the concept of price data as a public good would in fact be most appropriate) and many of these will be candidates for free access

From a commercial perspective, the most valuable market information is that which is still relevant, i.e. the prices prevailing over the course of the last week. This is information that can be used to make profitable business decisions, access to which traders are most likely to be willing to pay for and, since the data will need to be constantly updated, to keep paying for.

Overall, it is evident from findings that RATIN is a valuable internet service to traders and not-for-profit agencies alike. It raises the profile of the EAGC and its continuation should be regarded as a priority. By contrast, although the RATIN SMS platform appears to have been efficiently operated, its lack of effectiveness suggests that it is unlikely to prove sustainable without continued subsidy. Smallholders appear unwilling to pay for the market information provided by this SMS platform.

Findings suggest that the Regional Balance Sheet is a relevant tool that is referred to by national governments and has played a role in advocacy for regional trade facilitation. These are strong grounds to consider the continued development of this

EAGC service. Nevertheless, the development of a reliable product that can be well respected by all stakeholders will require considerable resources, including the development of an extensive network beyond that which is currently supporting the RATIN and Market Watch projects. In particular, it should be able to account for post-harvest losses and household stocks, as well as the more frequently assessed levels of consumption, production, formal and informal trade and commercial/government stocks. **If such a service can be practically developed, then it would justify government/donor agency support as a public good, but such support could only be justified if the product were consistently reliable.**

Market watch Bulletins: These bulletins are not rated highly by members, but may be more appreciated by external stakeholders (government policy makers and development agencies). From this perspective they can be considered to be more of a public good than a commercial service. Accordingly, the sustainability of the product is minimal unless it can be guaranteed support from external stakeholders.

The causal chain linking the development of Market Watch bulletins to the overall programme goal is weak. Farmers and traders do not appear to appreciate the product and it does not influence their decision-making. Unless external stakeholders can be demonstrated to take definitive actions on the basis of the bulletins, it is unlikely that they will significantly affect the programme outcome. **As such, the products have little impact and might well be discontinued.**

Objective 3: Facilitation of capacity building and awareness creation on various aspects of grain marketing in the region

Training

Overall, EAGC training was observed to be both relevant and effective. The importance of training to the integration of smallholders into structured trade was well noted. Findings suggested that **traders and participants further along the value chains were equally impressed by the training that they or their staff had received, and that they considered it to have been a good investment of their time and resources.**

While stakeholders noted these direct benefits, the evaluators noted another less obvious, but important benefit - in line with Objective 3 itself, namely that the training received increased the overall capacity of the value chains by contributing to the development of professionalism and trustworthiness. These may seem intangible, but directly underpin the concepts of certification and standards upon which structured grain trading systems depend. Without such training, it would be impossible to move forward with systems such as G-Soko, or indeed any form of remote transaction, which rely upon professionalism and standards to create the trust that encourages traders' participation.

The contribution of training to change, in an area such as this is difficult to quantify, especially from limited field observation, but it was quite evident that those trading businesses that had received training were operating well-managed stores and had the capacity to participate as reliable suppliers in structured trade. This is in marked contrast to many trading operations seen elsewhere in the region during the course of other evaluations over the last ten years.

The enthusiasm expressed by stakeholders for the training received, together with their apparent willingness to pay for further training suggests that **the EAGI component of EAGC activities is effective in contributing towards the overall Objective 3 and is being well implemented. Consideration should be given to expanding the activities under EAGI on an increasingly commercial basis.**

G-Soko

The findings on G-Soko indicate a system that has yet to achieve its full potential. This was partly as a result of market conditions (some smallholders and traders reported that it was not relevant when readily accessible local markets were stronger than remote ones that required internet connectivity) as well as greater effort (in terms of quality and aggregation) to access through G-Soko. It was also partly as a result of limitations in ease of use and finally as a result of the concept of commission, which although accepted in normal trade, is nonetheless considered by some as worth avoiding when it is imposed through the G-Soko platform. Nevertheless, **those who had used the system considered it to be a useful EAGC product, and the overall conclusion was that, subject to the three factors mentioned above, the platform would most probably achieve a greater level of success (with the exception of SAFEX) than any of the other agricultural commodity exchanges operating in Sub-Saharan Africa.**

It was also evident that G-Soko could not be considered to be a stand-alone intervention. Rather it is embedded within the framework of supporting interventions, beginning with smallholder group formation and training in quality and post-harvest handling and storage, moving to the training of traders and their agents in grain and warehouse management and subsequently including further training in the trading of warehouse receipts and the G-Soko platform itself, as well as the provision of escrow account management and (eventually) the use of structured trade finance to facilitate the overall process. **The G-Soko platform is only practicable as a result of the combined impacts of these different EAGC interventions, and as such represents considerably more than a software-based trading platform.**

Business linkage development

From the members' perspective, this B2B activity is clearly a fundamental benefit of EAGC membership. Paradoxically however, the most important benefits appear to be derived from the members themselves. It was noted by members on a number of occasions that the benefit of forming linkages with EAGC members was that they were of broadly similar mind-sets and their behaviour was both more professional and predictable. The fact that the linkages were formed under the umbrella of the EAGC was of secondary importance. Nevertheless, without the agency of the EAGC, the valued business linkages could not have been developed. Network benefits due to the credibility offered by the originating agency have been similarly seen with 'AECF Connect', the B2B arm of the Africa Enterprise Challenge Fund⁵.

B2B linkage fora can be held at specific B2B functions, or in the margins of other EAGC gatherings, including AGMs, agricultural expositions and other meetings. The meetings are considered to be good value for money and in more than one instance have been the reason for new members to join the EAGC. It is clear that the EAGC has developed experience and expertise at holding B2B fora. That experience, together with the positive responses of members suggest that business linkage formation could be developed as a possible source of revenue. The administration and supervision of B2B fora could be applied to a broader range of businesses than are found in the grain value chains, suggesting that there might be a substantial market for such services.

Overall, it is evident that a business linkage development service has previously been missing from grain value chains and that the EAGC is meeting a significant need. In doing so it is increasing the efficiency of trade by contributing towards reduced levels of default and increased professionalism amongst traders.

Objective 4: Contribute to the improvement of trading environment by providing a forum through which stakeholders in the value chain can engage and dialogue

Advocacy for Trade Facilitation

It can be concluded from the consistent responses of different stakeholders that the institution is well respected by governments and members alike as an effective

⁵ AECF. Investing for change. Nairobi, Kenya: AECF (2017).

advocacy institution. Government agents consider the EAGC to be properly representative of its members, and the members consider the EAGC to be effective in first presenting their issues to government agents.

Advocacy is an incremental and unending activity. New issues may arise and old issues may resurface as governments or their policies change. Progress is thus difficult to quantify, but the general consensus amongst all parties is that both at national and at regional levels the EAGC is performing well as an advocating agency.

One major advocacy success has been the EAGC's promotion of regional standards for maize, leading to the harmonization of standards for other grains and enactment of 11 standards by the EAC last year. This has directly benefitted producers in Uganda, who had previously suffered as their maize was spuriously denigrated as "chicken feed" and priced accordingly, but who can now negotiate for the (higher) price appropriate to its grade. The same applies to the other grains which can now be trade across the border under similar standards eliminating the standards related barriers to trade. The EAGC has spearheaded this process.

Overall, it can be concluded that the EAGC is fulfilling its mission to advocate for the facilitation of the grain trade in the East African Region, both effectively and efficiently.

Objective 5: Support EAGC Institutional Development

Formation of Alliances

Findings have clearly shown the value of forming alliances both at the grass roots level (e.g. with RUDI in Tanzania) and at the level of national and regional advocacy. The EAGC appears to have been particularly successful in this process and can boast numerous part and full time alliances. Success in partnerships on the ground has led to increased coverage, reduced times to gain smallholders' confidence and the more efficient use of resources through specialisation. Success in partnerships for advocacy appears to be due to a pragmatic approach that does not insist upon taking the lead position, but is willing to do so when justified either by experience, or by being appropriately connected. In both cases, efficiency and effectiveness have been increased. The validity of these observations is borne out by the very large footprint that the EAGC is perceived to have both on the ground and in terms of policy development, despite the fact that country teams are limited to no more than nine people each (including office staff and drivers).

Development of EAGC internal policy documents

These are for the most part well written and comprehensive, but it was not determined whether they were valid under legal environments prevailing outside Kenya. **It was**

concluded that in general, this aspect of EAGC development had been adequately addressed. Recommendations addressing the few outstanding issues are made in the following chapter.

Notwithstanding the above, it was observed that the M&E framework while collecting data on key indicators, does not provide the more fundamental information required to inform ongoing and future programme decisions. The (largely quantitative) data collected can describe what happened, but not why. This is useful for impact analysis and to determine programme performance, but it misses the opportunities for learning that a comprehensive M&E framework should provide. In fact, the narrative within the M&E Manual does cover these points, but the indicators and actual practice do not. **The Manual and indeed the overall framework would be strengthened if it were to include reference to smaller and more detailed surveys designed to understand the factors underlying the results.** Knowledge, Attitude and Practices (KAP) surveys and barrier analyses are two simple monitoring techniques that can be used to achieve this without excessive levels of effort.

The limited analytical approach is unfortunate since one of the most important developmental aspects of the EAGC programme, namely the use of trade linkages as a driver of behavioural change amongst producers - is largely obscured by all the other quantitative data collected. This is all the more important in the light of the new EAGC strategy, which places considerable emphasis upon the developmental capacity of the institution. Such emphasis would appear to be justified (especially given the results achieved under Objective 1), but that capacity, and the efficacy of the trade-driven approach is not adequately showcased by the current M&E framework.

Identification and Evaluation of Income Streams

EAGI: Despite the lack of a completed business plan, it is evident that considerable demand exists for EAGI services and, that based on experience to date, these can be developed into an income stream. The high level of enquiries suggests that EAGI services would be in demand by both commercial and non-commercial clients. This is clearly an avenue worth pursuing further. EAGI services complement the overall development expertise of the EAGC. **The development of EAGI as a preferred training institute for the grain trade, including all stakeholders in the value chains (smallholders, traders and merchants) should be considered as a matter of priority since it will underpin EAGC's overall position as a preferred partner in agricultural development.**

Trade Finance Fund: The business plan for the Trade Finance Fund, while technically sound, and detailed in principle, is not financially robust. It lacks the breadth of information necessary to assess the potential volume of income that could

be generated by the Fund. The limited information available is not put into perspective by reasonably assessing the probabilities with which the specified targets might be achieved. As a result, it reads more as a technical document than a financial prospectus. A potential investor would be taking much on trust if they decided to invest in the Trade Finance Fund on the basis of this document alone.

On the basis of the document provided, it is difficult to evaluate the potential viability of this proposed commercial development. It is possible that it might be well taken up, become regarded as a viable investment opportunity, and generate a substantial cash flow that could contribute to the operational costs of the EAGC. It might also fail to generate adequate trader or investor interest and remain largely moribund. The information available provides insufficient detail to decide with confidence on either outcome.

Accordingly, it has to be concluded that in this case, **a potential income stream has indeed been identified but not yet adequately evaluated. More detail will be required from the business plan before this activity could be considered complete.**

G-Soko: The criticism made above could also be made of the G-Soko business plan, albeit to a lesser extent. The plan is technically detailed (this is entirely appropriate given the innovative nature of the platform), and does provide illustrative financial data. Nevertheless, the financial data are not placed in the context of an uncertain world. There is no sensitivity analysis and hence no real understanding of the inherent strengths and weaknesses of the system. Moreover, a comparison of the business plan with the 2017 Financial Performance Report shows considerable difference between planned and actual progress. From both of these perspectives it has to be concluded that **whereas the potential of G-Soko as an income stream has been correctly identified, it remains to be realistically evaluated.**

This conclusion, although simplistic, implies the need to identify the reasons for the difference between planned and actual development. The identification and correction of the factors that have led to that difference are as much part of a forward-looking business plan as the concept, projected structure and financial details.

Development of National Policy Agendas and Regional Strategy

National Policy Agendas: These are generally well conceived and for the most part client-focused. In some cases, the list of issues reads more like a "wish list" than a series of prioritised issues to be supported by EAGC. Prioritisation in particular is key. Resources always limit the number of issues that can be addressed effectively

and the creation of a prioritised agenda that limits the number of issues is essential to good advocacy⁶. The policy agendas provide little sense of how individual issues might be addressed, (i.e. by the EAGC alone, or in partnership with other agencies), which institutions would be targeted to effect change, or what tactics might be used. The agendas would be more effective if these aspects were included.

The inclusion of one issue (subsidised inputs) in two national agendas is problematic, without being able to indicate whether the EAGC supports or condemns it. It suggests that the EAGC is willing to take a position on the basis of an academic assessment, rather than according to the wishes of its members. This in turn implies the assumption of an "elite bias" according to which the EAGC advocates on the basis of "how the executive considers things should be" rather than of "what our members want". It is very easy to adopt such bias, but in doing so, the agency loses touch with its membership and ultimately becomes divorced from the issues that members consider most pressing. One interviewee from another advocacy agency noted how this had happened in the case of their own agency, and how the EAGC had to date successfully resisted that trend. By doing so, the EAGC is able to maintain a high level of awareness of members' needs and opinions, which adds an edge of realism to EAGC advocacy and enhances its effectiveness.

It was evident that **the national agendas were made up of active and pressing issues and that in working on these issues, the country programme managers were developing solid relationships with their members**. This has the potential to alienate the Regional EAGC office, but in fact, members repeatedly reported that this was not the case, indicating that Regional EAGC office staff were regularly present in each member country and that relationships between members and the Regional office were also strong.

Strategic Plan: The Strategic Plan appears to suggest that the commercial sustainability of EAGC will be derived from the provision of services to clients. This is correct if it is recognised that there are two groups of clients of the EAGC. Those engaged in commercial trade (generally the members) who pay for services either directly or through membership subscriptions, and the development agencies, who pay for the EAGC to implement development programmes. Smallholders are not clients (except for a few subscribed members), although they are very definitely beneficiaries of EAGC development activities. The current emphasis within the

⁶ Jansson B. (2013) *Becoming an Effective Policy Advocate* Brooks/Cole Empowerment Series, Nelson Education 2013, ISBN: 1285531787, 9781285531786

EAGC Strategic Plan is upon the provision of commercial services to members. This is at odds with reality according to which EAGC management recognises that it will continue to provide a service to development agencies. Interviews with EAGC staff indicated that a portfolio of programmes is in the process of being secured that will provide significant indirect funding to cover future operational costs.

Such an approach to sustainability appears entirely valid. Although the primary mission of the EAGC is stated to be advocacy, it is well recognised that this is generally not a cost effective service. Different advocacy agencies have found different solutions to this problem. The most sustainable agencies are those that benefit from one or more parallel income streams. The Swedish Farmers' Federation (LRF) operates a consultancy service as well as a newspaper publishing business and an insurance company, while the British National Farmers Union (NFU) operates the NFU Mutual Insurance scheme. There is no reason why the EAGC should not develop an income stream based upon its professionalism in agricultural development. The viability of that income stream will depend upon the extent to which the EAGC can market its expertise as a preferred partner in the development of agricultural sectors across the region. To do so will require a more overt recognition of that goal than is currently provided by the Strategic Plan. **This would include making the "preferred partner in development" goal a key aspect of board discussions, prioritising partnerships and strategizing as to the most effective way in which development skills could be leveraged in the future.**

Potential Synergies with bilateral interventions

Findings under this aspect of the review are necessarily limited in nature and further investigation would be required before definitive conclusions could be drawn. Nevertheless, there appears to be considerable scope for partnership and the development of synergies with a number of programmes. It is notable that many share the same target group of productive smallholders (as opposed to the poorest of the poor, who generally lack the means to produce a commercial surplus) so that objectives are well aligned from the outset. This is especially true of Musika and SHARED in Zambia, the aBi in Uganda and the AMDT in Tanzania. It may also be true, but is less evident for the Market Driven Climate Smart agriculture programme in Ethiopia or the ASDSP in Kenya. Despite a uniform approach to development, there appears to be little scope for direct synergy between the EAGC and TAHA, although there will always be the possibility of learning from each other.

Overall, it would appear that commercial stakeholders in most of the programs above, especially Musika, SHARED, aBi, AMDT and even ASDSP, would benefit from the services that are provided by the EAGC, especially B2B, as well as the other aspects of structured market development. In some cases, EAGC might also benefit through the counterpart institution's on-the-ground extension capacity (of e.g. Musika, SHARED, AMDT and aBi), but this would need further assessment.

Most notably however, there appears to be potential for the EAGC to partner within the PPDP in providing services to support structured market development in a way that would both support the development objectives of the EAGC and contributing to its income stream.

Summary

A cursory assessment of EAGC's activities would suggest that the coverage is too broad to be effective. How can an agency of regional scope be involved in the minutiae of training smallholders? Closer scrutiny reveals two things. First, that EAGC smallholder activities are made possible through the judicious formation of partnerships with other agencies on the ground, and secondly that the work with smallholders, small and medium sized traders, and national and regional authorities is necessary as part of an holistic programme that is designed to elevate grain marketing throughout each value chain. It is impractical to attempt to introduce improved grain standards if smallholders are unaware of them or their benefits, or to introduce a virtual commodity exchange if warehouse receipts have not gained acceptance, or to introduce warehouse receipts without warehouse certification - itself dependent upon the effective training of warehouse operators on the one hand, and the construction of appropriate warehouses on the other. The various components of the EAGC programme, especially those under Objectives 1 and 3, are interlinked. If implemented in isolation they would be largely irrelevant and almost certainly less successful.

In fact, the overall conclusion with regard to these two programme objectives (1 & 3) is that they are being effectively implemented and that the effectiveness is in part due to the integrated nature of an EAGC approach to agricultural market development that is fundamentally trade based. Using the smallholder/trader linkage as an incentive to smallholders to upgrade their grain production and quality is not a traditional development concept, but appears to have significant advantages over approaches that either attempt to develop smallholders in isolation, or to assist them to assume the role of traders themselves. The slogan "the trader should trade and the producer should produce" was first voiced at an EAGC meeting in Uganda a number of years ago, and amongst EAGC members, its resonance has only increased.

The inherent synergies between activities under Objectives 1 and 3 embodied in EAGC's trader-focused approach to development have not yet been fully exploited. This is particularly relevant to Objective 5, which includes both the development of the Strategic Plan, and the identification of viable income streams. As the Strategic Plan notes (almost in passing), the EAGC is well positioned to be a preferred partner for development. That statement is justified by EAGC's experience in the sector, but the EAGC has more to offer than experience alone. Rather it has the demonstrated impact of its trader-focused approach to agricultural development, which, by

removing one element of uncertainty from smallholders, encourages greater adoption of new technologies and processes resulting ultimately in improved livelihoods.

The receipt of donor finance does not occur by chance nor as a matter of largesse, but as a result of careful management and the demonstration of excellence by the implementing agency in the areas of interest. The EAGC is well positioned to become an important partner with development agencies in the region, but makes little obvious reference to any strategy that might be developed to do so. Viewed from a commercial perspective, each acquisition of donor funding represents a significant achievement by the EAGC that should be regarded as a successful sale of a valuable product (EAGC's development expertise) rather than a cause for concern.

If that role of preferred partner can be achieved, EAGC will be in a stronger and more sustainable position to address its other roles as an advocacy agency and as a facilitator of increased and equitable grain trade throughout the region.

Overall, findings suggest that the activities undertaken under the five objectives do indeed contribute to poverty reduction and enhanced food security. Amongst those households that regularly produce a commercial surplus, the impacts are direct and self-evident. For those households that do not produce enough to meet their needs, the increased local prices that often accompany improved market infrastructure may actually be detrimental, although EAGC interventions do provide offsetting benefits in the form of improved post-harvest technologies. Nevertheless, in the long-term the successful integration of smallholders into markets will promote the increased production necessary to enhance the food security of the community as a whole, while the increased profitability of commercial smallholder production will provide opportunities for income generation amongst those who lack the land required to produce a regular surplus. In this context, the developments facilitated by EAGC interventions are essential to comprehensive rural development.

5 Recommendations

Objective 1: Integration of smallholders in grain value chain

Given the overall relevance, effectiveness and efficiency of EAGC's activities in support of Objective 1, it is scarcely appropriate to make recommendations other than to continue to apply the model that has been developed and to continue the activities that are being implemented. Neither stakeholders nor the staff on the ground were able to articulate any changes other than that more resources were needed to expand the programme.

Nevertheless, it is worth noting the common dilemma of many development programmes - namely that they are often under continual pressure from stakeholders to widen the nature and geographic scope of their interventions. This often results in the dilution of impact to the point where the development model is perceived to be only minimally effective, at which point any incentive for replication becomes lost. Accordingly, it is recommended that EAGC should resist any pressure to increase the scope or scale of its smallholder development without additional comprehensive support, sufficient to maintain the level of excellence that they are currently bringing to bear to the smallholder development activities.

While smallholders have been introduced to a number of different post-harvest technologies, the success of the interventions in this area have yet to be determined. Many attempts have been made over the last two decades to reduce levels of post-harvest losses, which can be a major determinant of smallholder income generation. It will be important that the M&E unit can monitor and evaluate the advantages, disadvantages, and extent of adoption of these technologies.

With regard to the sustainability of smallholder interventions, it is evident that smallholders, as beneficiaries rather than clients of EAGC will not be able to cover the costs of these activities. That responsibility will always rest with the development agents. Accordingly, it is recommended that greater emphasis be placed upon the development of a donor-funded income stream. This is considered in greater detail under Objective 5.

Objective 2: Establishment of and support to national and regional market information systems

RATIN: Since RATIN provides a valuable service to both commercial and not-for-profit agencies, further consideration should be given to an appropriate fee structure

that could ensure its sustainability. Based on the Public/Private Partnership (PPP) principle⁷, two potential options are considered to be used either alone or in combination. First, the users of data might be charged directly. EAGC has already begun to do this, but is unlikely to prove adequate and it is recommended that in addition to (or possibly instead of) the charge for historical data, access to any market data less than 10 days old should be restricted to subscribed clients. Subscription would be for a minimum 6-month period and would be open to any party, but would be subsidised (or free) for EAGC members. Alternatively, access to RATIN data might continue to be free, but governments of those countries supported by RATIN should be asked to contribute to the financing of the operation. Finally, a combination of the two might be possible, using government finances to subsidise the provision of data to clients who would nevertheless be charged a fee less than cost recovery.

As a completely separate alternative, donor agencies engaged in agricultural market development and who might wish to access data either directly or indirectly through contractors, might each subscribe annually to receive access. Individual agency offices in each country would each be asked to subscribe and data would be made available on the basis of passwords for each agency that would be changed monthly. A maximum limit might be placed on data requests made each month so as to prevent the downloading of the entire data set.

RATIN SMS: Findings suggest that RATIN SMS is a product that has outlived its usefulness. It may be possible to validate this conclusion from the frequency of daily price requests (if these are collected) or from short KAP surveys conducted in each country where the system is available. If as expected, these show limited and/or declining use the product should be discontinued.

Regional Food Balance Sheet: It is recommended that further resources be applied to the regular development of a regional balance sheet, including a comprehensive survey of potential sources of data together with an assessment of appropriate methods of coordination and standardisation. It is very unlikely that such a project could be developed in any way other than with donor agency support. Accordingly, a project proposal should be prepared for the upgrading of the Regional Balance Sheet

⁷ *Public/Private Partnerships are commonly invoked in areas where government is deemed responsible to provide a service which it lacks either the technical or financial capacity to provide. To provide the service the government partners with a private entity that does have the necessary capacity, such services can then be financed either by the government directly, or by providing the private entity with the legal authority to charge for the services, or by a combination of the two whereby part of the cost is charged directly to users and part is subsidised from government revenue.*

Service, with the goal of producing a fully reliable product that can be used to inform regional and national trade policies. Once prepared, the proposal can be shared with donor agencies and governments to solicit their support.

Market Watch Bulletins: The case for the continuation of these bulletins is weak. Since they are primarily of interest to policy makers and the development community, a rapid Knowledge, Attitude and Practices (KAP) survey should be undertaken to determine: a) the extent to which those stakeholders use the service, b) base their decision-making upon its content, and c) are willing to finance its continued support. Given sufficient interest, a business plan could be developed based upon a subscription paid annually by governments and the development community. Without such support, serious consideration should be given to discontinuing the Market Watch product and utilising Market Watch resources to support more effective products, especially RATIN and the Regional Food Balance Sheet.

Objective 3: Facilitation of capacity building and awareness creation on various aspects of grain marketing in the region

Training

Training of both smallholders and traders has proved generally successful, resulting in increasing demand. Capacity to meet the increasing demand should be developed within EAGI if possible, or by co-opting external trainers as necessary. In either case, the advantages of the EAGC approach to training lie in the commercial foundation of the course material. This should be reflected in each training syllabus, which should be developed exclusively by the EAGC in order to ensure that the commercial approach is consistently maintained.

G-Soko

The G-Soko platform is recognised to be under continuous development. It will be necessary to solicit feedback from users on a regular basis to ensure that the platform can maintain an advantage over whatever competition might arise. It is nevertheless important to recognise that the electronic platform is of itself of very limited value⁸ and that it is the surrounding framework of certification, financial validation, and

⁸ The "Robin Hood" virtual currency trading platform, which operates without commission, has demonstrated the ease with which virtual trading can be accomplished in a secure environment, and by implication, the limited value of the platform itself..

security that is at the heart of the service being offered. These are the areas in which expansion and increased efficiency will be most critical to future success.

Sustainability will also be reinforced if an overwhelming majority of traders can be persuaded to use the platform so that it becomes the majority's default market of choice. To this end, the development of a significant advertising campaign might be considered.

Business linkage development.

EAGC has considerable experience in the successful promotion of business linkage development. That experience is applicable to many business sectors beyond the grain trade, who it can be assumed would be as appreciative of the B2B experience and its benefits as EAGC members have been. Consideration should be given to the assessment of business linkage promotion as a potential income stream. The EAGC has sufficient experience to develop an accurate business plan, and can be expected to have the reputation necessary to attract sufficient business interest.

Objective 4: Contribute to the improvement of trading environment by providing a forum through which stakeholders in the value chain can engage and dialogue

The EAGC is consistently achieving this objective at both national and regional levels. Nevertheless, the lack of apparent prioritising of issues in each national agenda suggests that the process through which issues are raised within each national forum might need to be regularised. In particular, contentious issues (such as input subsidies) might be subject to a wider debate, or survey of members, before a position is established. If this is not done, the forum serves little purpose with regard to the issue at hand, and the EAGC could lack any real mandate to take a position forward.

Objective 5: Support EAGC Institutional Development

Formation of Alliances

The process of alliance formation (as opposed to client development⁹) appears to have been well managed in terms of both forming partnerships to integrate smallholders into grain value chains and developing alliances for advocacy. No recommendations are appropriate under this heading.

⁹ It is contended throughout this evaluation that international development agencies are potential clients of EAGC rather than partners in development.

Development of EAGC internal policy documents:

All policy documents should be scrutinised to ensure that they are applicable in the countries other than Kenya where EAGC is operating.

The treatment of intangible assets should be specifically addressed in the Finance and Accounting Policy and Procedures Manual. A section adopting the accounting practice most appropriate to the specific circumstances of EAGC and the G-Soko platform should be developed and approved by the Board for inclusion in the Manual.

Strong protection for EAGC's intellectual property rights should be included in the HR Policies and Procedures Manual, especially in the Contract of Employment, the Conflict of Interest documents, the Disciplinary Code and in the Separation and Release Agreement. It is recommended that legal advice be sought on the appropriate wording and that this be introduced into all relevant documents at the earliest opportunity.

The M&E policy document focuses mainly upon the recording of results. This allows performance evaluation, but that is but one of the purposes of M&E. Two other key aspects are first: to generate information designed to assist management and the Board to direct the activities of EAGC most successfully. In particular, the increased use of smaller surveys to understand why developments have or have not occurred is strongly recommended. Such surveys are appropriate not only amongst smallholders but amongst traders and other stakeholders. They can provide data to support not only M&E but also advocacy. Secondly, M&E can be a useful learning tool to understand why both positive and negative outcomes have occurred. The clear presentation of results can help others, both within and outside the programme to build upon EAGC experience. In particular, the potential for the M&E system to showcase EAGC's unique approach to development is currently not fully realised. The results obtained on the ground are important to EAGC's growth to become the preferred partner for international development agents. This does not mean that the analysis of results should be in any way skewed, rather that the impacts of a trade focused approach upon the decision making of smallholders should be well assessed, analysed, and presented to demonstrate EAGC's particular capacity in this area. One possible example of this would be the introduction of post-harvest technologies (grain shellers and hermetic storage bags). These technologies have been introduced in many parts of the world with limited long-term success. If EAGC can demonstrate sustainable uptake and if that uptake can be attributed to EAGC's emphasis upon market linkages, then the results should be carefully documented and showcased as a success of the EAGC approach (where others' attempts in the past have failed).

Identification and Evaluation of Income Streams

EAGI: Given the high level of interest in EAGI, its commercialisation should be regarded as a matter of priority. The immediate requirement is for the finalisation of the business plan, which should reflect the level of interest shown by both commercial stakeholders and NGOs in different training needs. Other EAGC business plans appear largely silent on such issues as initial capital investment sensitivity analyses, rates of return and cash flow. It would be helpful to decision-makers if the EAGI business plan were to reflect all of these aspects of the potential business.

Current EAGI training programmes appeared to be undertaken on an ad hoc basis. Despite the demands for immediate training coming from some members, efficiencies for both EAGI and clients would be increased if training were more rigorously scheduled. An annual training calendar does exist, but some businesses noted that its implementation is not yet timely enough to allow them to plan ahead of time when they might release staff members for training.

Trade Finance Fund: The current business plan needs to be developed in greater detail if it is to become a sound basis for decision-making and planning in the future. In particular, the following details need to be included:

- An indication of potential demand based not upon average statistics, but upon stakeholders' responses to a rapid appraisal (possibly an email survey).
- An indication of the anticipated value of the fund, both from the aspect of profitability (minimum size needed to cover costs) and of actual amounts available, including where possible, potential sources of finance (venture capital, long-term bank loan backed by a credit guarantee etc.) and expected rates.
- Sensitivity analysis based upon varying interest rates, levels of uptake, levels of default and cost of finance (if appropriate).

It would also be prudent to assess the level of risk involved in lending up to 100 percent of the value of any warehouse receipt deposited with the Fund.

G-Soko: The business plan for G-Soko would benefit from revision from two perspectives. First, it would be helpful to prepare sensitivity analyses showing how financial projections would be affected by volumes transacted, levels of non-performance and different numbers of participating warehouses. Such projections would provide a sounder basis for future planning and investment. Secondly, the current development path of G-Soko is, even in its first year, substantially more conservative than that projected by the business plan. The observed process of organic development within the existing EAGC structure can be expected to be significantly less expensive and inherently less risky than the more expansive G-Soko

development process envisaged in the business plan. It would be appropriate to recast the expected business structure, including the number of staff, office infrastructure and associated costs to reflect the actual path being followed. The plan should be reconsidered and adjusted to reflect the realities of the development path. The plan should take cognisance of these realities and explain the activities that will be undertaken over the coming months to achieve the projected goals.

Development of National Policy Agendas and Regional Strategy

The national policy agendas are comprehensive in terms of the issues covered, but lack prioritisation and the detail necessary to formulate actual advocacy campaigns for the issues listed. It will be necessary to determine and include details of the proposed target institution(s), activities and partners before the agendas can form a real basis for action.

The lack of detail in the Regional Strategic Plan may be deliberate in that it provides management with the freedom to manoeuvre around contentious political issues. Nevertheless, it might be beneficial to develop a more detailed and coherent regional agenda for internal purposes of prioritisation and performance management. In particular, the Strategic Plan should be more explicit regarding the positioning of the EAGC as a preferred partner of international development agencies. This is currently the most effective way in which the institution can sustain itself and many of its activities. Nevertheless, details of the steps necessary to achieve such a preferred position are missing. The process is essentially a marketing exercise and the Strategic Plan would benefit from an annex outlining the nature of the anticipated marketing campaign, including the designation of funds for the purpose.

Potential Synergies with bilateral interventions

Potential synergies may be derived between the EAGC and a number of Sida-funded programmes, including Musika, SHARED, aBi and AMDT. While EAGC membership will probably provide real benefits for beneficiaries of these programmes, the benefits for the EAGC are less obvious, but may also exist and require further investigation. There appears to be considerable potential for synergy derived from EAGC participation in the PPDP which should also be investigated further.

Annex 1 – Terms of Reference

Terms of Reference for the Mid-Term Review (MTR) of Sida's regional core support (2014-2019) to the Eastern African Grain Council (EAGC) promoting grain trade in the East African region "Strengthening Regional Grain Markets II"

Date: 16 October 2017

1. Purpose of the evaluation

The purpose or intended use of the evaluation is to provide evidence-based input to allow for a strategic discussion between Sweden (Sida HQ and the Embassy in Addis Ababa) and the EAGC on the ongoing support, and beyond, with a specific focus on:

- (i) potential adjustments and fine tuning of targets and priorities for the second half of the ongoing project to fulfil the main objectives and poverty focus. The evaluation should give recommendations to EAGC and Sida on appropriate revisions of programme design, methodology in order to achieve set goals
- (ii) considering possible synergies with Sida's bilateral support in the region
- (iii) contribution to the new EAGC strategy that is being developed during the fall 2017
- (iv) the effectiveness and capacity of the EAGC in terms of implementing activities, including its role in the region.
- (v) the capacity and possible capacity building needs towards sustainability and
- (vi) analysing EAGC financial sustainability over time.

The primary intended users of the evaluation are inter alia:

- the project management team both regional and country offices and the Board of the EAGC
- the project management team of Sida's regional trade portfolio and other donors to the project
- the Swedish Embassy in Addis Ababa and Sida's Africa Department in Stockholm and other relevant Embassies in Eastern Africa

Other stakeholders that should be kept informed by the embassy about the evaluation include other relevant donors such as inter alia DFID-funded Food Trade East and Southern Africa (FTESA), Alliance for Green Revolution in Africa (AGRA), Global Communities and Agribusiness Investments for Market Stimulations (AIMS).

The evaluation is to be designed, conducted and reported to meet the needs of the intended users and tenderers shall elaborate on how this will be ensured during the evaluation process.

2. Evaluation object and scope

The evaluation object is the programme Strengthening Regional Grain Markets, phase II, 2014-2019 (see project proposal attached).

Sida has been supporting the EAGC since 2008. The first phase “Strengthened Structured Grain Trading Systems”, provided support for the implementation period 2008-2013 (SEK 18.5 million). (See final evaluation attached). A second phase was approved to support the implementation of the EAGC strategic plan 2013-2017 for the period 2014-2019 (SEK 36.5 million). The purpose of the current intervention is to address key areas responsible for markets failure in the region, namely; storage and collateral systems, coordination and information systems, services for domestic and cross- border trade in staple food and other issues related to market access.

The ongoing Swedish support focuses on the following four objectives: (1) Support the integration of smallholder farmers in the grain value chain (2) Establish and support the development of national and regional market information systems (3) Facilitate capacity building at various levels and awareness creation on various aspects of related to grain marketing in the region (4) Contribute to the improvement of trading environment by providing a forum through which stakeholders in the value chain can engage and dialogue.

These objectives are expected to lead to the higher goal of increased formal trade, reduced transaction costs, increased competitiveness of regional grains, lower consumer prices and increased income for households as well as enhanced availability of food and increased food security. The key benefits for smallholder farmers should be long-term stabilization of market prices by crop surplus exports, storage facilitation and receipt system.

EAGC has partnered with the Alliance for Green Revolution in Africa (AGRA), the Dfid-funded programme Food Trade Eastern and Southern Africa (FTESA), the EU-funded Technical Centre for Rural Cooperation (CTA) and Global Communities Agribusiness Investment for Market Stimulation program (AIMS) funded by US Department for Agriculture, USDA to bridge the financial gap. Other partners are inter alia USAID, GIZ, ITC, World Bank and FAO.

By the end of the program (2019) EAGC countries should have the following results:

- Reduced business risks as a result of improved storage, markets intelligence and standards
- More structured and volume traded at national and regional level
- Improved product quality
- Financial institutions engaged in structured trading systems
- Stakeholders (farmers, traders, processors) use structured trading system
- Both public and private sector decision makers have access to market information on a timely basis

The scope of the evaluation is limited to a mid term review (for the time period 2014-2017) of the second phase of the project.

3. Evaluation objective and questions

The objective of this evaluation is to make a mid-term evaluation to assess the effectiveness and potential sustainability of the implementation of Strengthening Regional Grain Markets, phase II.

The specific evaluation questions are:

Effectiveness

- How well has the various activities transformed the available resources into the intended results in terms of quantity, quality and timeliness?
- How does the institutional capacity affect institutional performance? What are the overall strengths and weaknesses of the institutional capacity? What are the opportunities and threats to the organisation?

Sustainability (likely continuation of achieved results)

- Is it likely that the benefits of the project are sustainable even after external funding ends? The MTR should make an assessment of the prospects of sustainability of benefits on the basis of the following issues: ownership of achievements, policy support and the responsibility of beneficiary institutions,

institutional capacity, adequacy of budgets for purpose of phasing out prospects and financial sustainability.

Questions are expected to be developed in the tender by the tenderer and further developed during the inception phase of the evaluation.

The evaluation shall also make an assessment of the following mainstreaming questions:

- Has the project had any positive or negative effects on gender equality? Could gender mainstreaming have been improved in planning, implementation or follow up?
- Has the project had any positive or negative effects on the environment? Could environment considerations have been improved in planning, implementation or follow up?

4. Methodology and methods for data collection and analysis

It is expected that the evaluator describes and justifies an appropriate methodology and methods for data collection in the tender. The evaluation design, methodology and methods for data collection and analysis are expected to be fully presented in the inception report. Sida's approach to evaluation is utilization-focused which means the evaluator should facilitate the entire evaluation process with careful consideration of how everything that is done will affect the use of the evaluation. It is therefore expected that the evaluators, in their tender, present i) how intended users are to participate in and contribute to the evaluation process and ii) methodology and methods for data collection that create space for reflection, discussion and learning between the intended users of the evaluation.

Evaluators should take into consideration appropriate measures for collecting data in cases where sensitive or confidential issues are addressed, and avoid presenting information that may be harmful to some stakeholder groups.

5. Organisation of evaluation management

This Mid-term review is commissioned by the Swedish Embassy in Addis Abeba. The intended user(s) is/are Sida staff at both HQ and the Embassy in Addis as well as the EAGC. The intended users of the evaluation form a steering group which has contributed to and agreed on the ToR for this evaluation. The role of the steering group is to evaluate tenders and approve the inception report and the final report of the evaluation. The steering group will be participating in the start-up meeting of the evaluation as well as in the debriefing workshop where preliminary findings and conclusions are discussed.

6. Evaluation quality

All Sida's evaluations shall conform to OECD/DAC's Quality Standards for Development Evaluation. The evaluators shall use the Sida OECD/DAC Glossary of Key Terms in Evaluation. The evaluators shall specify how quality assurance will be handled by them during the evaluation process.

7. Time schedule and deliverables

It is expected that a time and work plan is presented in the tender and further detailed in the inception report. The evaluation shall be carried out from November 2017. The timing of any field visits, surveys and interviews need to be settled by the evaluator in dialogue with the main stakeholders during the inception phase.

The table below lists key deliverables with tentative dates, for the evaluation process.

Deliverables	Participants	Deadlines
1. Start-up meeting (to discuss the proposal) in Stockholm at Sida HQ or virtual	Consultants, Swedish Embassy in Addis, Sida and EAGC	January/February 2018 (directly after the contract has been signed)
2. Draft inception report	Consultant develop the method and work plan for the MTR process	February 2018
3. Inception meeting in Stockholm at Sida HQ or virtual meeting.	Consultants, Swedish Embassy in Addis and Sida staff including EAGC	March 2018
4. Final inception report		
5. Field work		
6. Debriefing workshop	Consultants, Swedish Embassy in Addis and Sida staff as well as EAGC	May 2018
7. Draft evaluation report		1 June 2018 (exact date tbc after debriefing workshop)
8. Comments from intended users to evaluators		7 June 2018

9. Final evaluation report		15 June 2018
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The inception report will form the basis for the continued evaluation process and shall be approved by Sida before the evaluation proceeds to implementation. The inception report should be written in English and cover evaluability issues and interpretations of evaluation questions, present the methodology, methods for data collection and analysis as well as the full evaluation design. A specific time and work plan for the remainder of the evaluation should be presented which also cater for the need to create space for reflection and learning between the intended users of the evaluation.

The final report shall be written in English and be professionally proof read. The final report should have clear structure and follow the report format in the Sida Decentralised Evaluation Report Template for decentralised evaluations (see Annex C). The methodology used shall be described and explained, and all limitations shall be made explicit and the consequences of these limitations discussed. Recommendations should be specific, directed to relevant stakeholders and categorised as a short-term, medium-term and long-term. The report should be no more than max 35 pages excluding annexes. In addition, it shall contain an executive summary of maximum 5 pages. The evaluator shall adhere to the Sida OECD/DAC Glossary of Key Terms in Evaluation³.

The evaluator shall, upon approval of the final report, insert the report into the Sida Decentralised Evaluation Report for decentralised evaluations and submit it to Citrus (in pdf-format) for publication and release in the Sida publication data base. The order is placed by sending the approved report to sida@citrus.com, always with a copy to the Sida Programme Officer as well as Sida's evaluation unit

8. Evaluation Team Qualification

The evaluation team should include the following competencies: evaluation expertise, relevant academic background with experience from work in market development issues such as international trade, private sector development, trade and agriculture or similar, English language skills.

It is important that the competencies of the individual team members are complimentary. It is highly recommended that local consultants are included in the team.

The evaluators must be independent from the evaluation object and evaluated activities, and have no stake in the outcome of the evaluation.

9. Resources

The maximum budget amount available for the evaluation is SEK 500 000.

The Program Officer/contact person at the Swedish Embassy in Addis Ababa is Mr. Ulf Ekdahl, ulf.ekdahl@gov.se. The contact person should be consulted if any problems arise during the evaluation process.

Relevant Sida documentation will be provided by the EAGC contact person executive director Mr. Gerald Masila, gmasil@eagc.org.

Contact details to intended users (cooperation partners, Swedish Embassies, other donors etc.) will be provided by the EAGC and the embassy.

The consultant will be required to arrange the logistics with assistance from EAGC.

Annex 2 - EAGC Programme Log-Frame

Summary	Performance Indicators/ Objectively Verifiable Indicators (OVI)	Means of Verification (MoV)	Assumption and Risks
Goal: To contribute to poverty reduction and enhanced food security by stimulating agricultural trade and growth, particularly in the ESA smallholder grain sector	- Positive change in the Global Hunger Index rating of target countries - Level of access of basic needs by program beneficiaries - Reduced incidences of hunger and malnutrition in target countries - Welfare improvement of program beneficiaries	- Regional trade reports - Regional poverty reports - Annual Global Hunger Index report	- The ESA region sustains a stable macroeconomic environment in the next five years - Prevailing regional grain market prices increased or sustained
Purpose: Systems that promote structured grain trade along the grain value chain developed and strengthened with inclusion of smallholder farmers	15% increase in incomes of project beneficiaries from sales of selected commodities disaggregated by gender 10% of sampled business report reduced transaction costs 5% annual increase in volumes of grain traded across borders by participating enterprises 20% annual increase in volume of grain traded in structured trading systems (STS) initiatives. 30% of program beneficiaries are either gender 40% of the smallholders participating in commodity bulking initiatives are either gender	- Quarterly Performance Reports - Impact Evaluation/ assessment reports - Annual performance reports	- The national government and RECs remain supportive to regional markets integration agenda - a) Public and private sector are willing and have the resources to invest in appropriate market infrastructure - The program has neutral environment impact
Objective 1: Support the integration of smallholders in grain value chain			
Outcome 1 Increased volume of grains traded in structured grain trading systems sourced from smallholder farmers	50% of the grain traded through structured trading systems at national and cross border markets sources from smallholder farmers by the end of the program	- Quarterly Performance Reports - Impact Evaluation/ assessment reports - Annual performance reports	Public and private sector cooperate and work together in synergy to reinforce program interventions
Intermediate Outcome 1.1	50,000 smallholder farmers participating a		

ANNEX 2 – EAGC PROGRAMME LOG-FRAME

Increased participation of smallholder farmers in grain aggregation centres, WRS and trading platforms	10% annual increase of smallholder farmers in grain aggregation centres (sensitization and members), WRS and trade platforms		
Intermediate Outcome 1.2 Increased access to suitable storage infrastructure	40% of EAGC participating farmers have access to an approved storage facility		
Intermediate outcomes 1.3 Increased access to credit by value chain stakeholders	20% annual increase in value of loans issued through structured trading systems		
Outputs for objective 1			
	- Operational WRS in Kenya, Tanzania, Uganda and Rwanda - Grain warehouses operational - Operational Bulking centres in Kenya; Tanzania; Uganda and; Rwanda - FBOs identified, profiled mobilized to participate in commodity value chains - Financial institutions provide suitable financial products to the grain sector	- Monthly field reports - Quarterly reports - Annual reports	Public and private sector cooperate and work together in synergy to reinforce program interventions
Objective 2: National and regional market information systems established and supported			
Outcome 2 Farmers, traders, processors and policy makers utilize market information systems for trade and policy decisions	20% annual increase in number accessing RATIN website and SMS queries 50% sampled enterprises report utilizing market information in a marketing decision by the end of program	- Quarterly Performance Reports - Impact Evaluation/ assessment reports - Annual performance reports	Existing ICT infrastructure able to support timely and efficient information transmission
Intermediate outcome 2.1 Increased availability of MIS information in EAGC supported systems	20% of program beneficiaries access MIS - Number of borders and markets for which market information is collected and disseminated - Number of briefs/ papers generated and presented to stakeholders for consideration.		
Intermediate Outcome 2.2 Increased availability of MIS information in print and electronic media	Number of articles on market information released in print or electronic media (target 1 per quarter)		

Outputs for objective 2			
	- Number of national MIS systems contributing data into RATIN - Number of new apps in RATIN systems g) Number of subscribers/ users of ICT based marketing services: G-Soko	- Monthly field reports - Quarterly reports - Annual reports	
• Objective 3: Facilitate capacity building and awareness creation on various aspects of grain marketing in the region			
Outcome 3 FBOs are self-sustaining and delivering services to members	350 offering tangible services to members (include storage, marketing, access to loans, information by end of program)	- Quarterly Performance Reports - Impact Evaluation/ assessment reports - Annual performance reports	Value chain stakeholders find EAGC training valuable to their businesses
Intermediate Outcome 3.1 Increased utilization of systems established by the project- MIS, trade platforms, WRS, contracts etc.	30% annual of stakeholders utilize program supported systems		
Intermediate Outcome 3.2 Adoption of proper post-harvest management techniques by project beneficiaries	10% of smallholder adopt proper post-harvest management		
Intermediate Outcomes 3.3 Farmers and businesses apply regionally harmonised grain standards	10% farmers and businesses adopt regionally harmonised grain standards		
Outputs for objective 3			
	- Training curriculum and training materials in place and published within 18 months - FBOs training benefit over 100,000 beneficiaries by end of program - Number grains standards awareness materials developed	- Monthly field reports - Quarterly reports - Annual reports	
• Objective 4: Contribute to the improvement of trading environment by providing a forum through which stakeholders in the value chain can engage and dialogue			
Outcome 4	50% advocacy issues / changes recommended by grain sector	Quarterly Performance	> National government willingness to

ANNEX 2 – EAGC PROGRAMME LOG-FRAME

Governments in participating countries implement policies and regulatory frameworks that facilitate structured regional grain trade	stakeholders addressed by relevant institutions at national and regional level by end of program	- Reports - Impact Evaluation/ assessment reports - Annual performance reports	establish legal and regulatory frameworks that promote smallholder participation in grain value chains ➤ National governments, EAC and COMESA accept the private sector policy proposals
Intermediate Outcome 4.1 Advocacy issues / changes recommended by grain sector stakeholders to national and regional government	10 advocacy issues / changes recommended by grain sector stakeholders to national and regional government by end of program		
Intermediate Outcome 4.2 Increased involvement of private sector in policy dialogues	- Number of public-private dialogue forums facilitated at national level with private sector inclusion - Number of alliances created for policy advocacy		
Intermediate Outcome 4.3 Regionally harmonised grain standards adopted at national level	Number of national governments that adopt the regionally harmonised standards		
Outputs for objective 4			
	- Number of countries that finalize legal and regulatory frameworks for WRS within the project period - Two biennial grain trade summits held by 2017 - Number of organizations that EAGC forms alliances on policy related issues - Number of articles/ policy briefs and advocacy materials shared with stakeholders for consideration.	- Monthly field reports - Quarterly reports - Annual reports	
Objective 5: Support EAGC Institutional Development			
Outcome 5 Improved service delivery to stakeholders	60% of EAGC members express satisfaction with quality and usefulness of services provided	- Quarterly Performance Reports - Impact Evaluation/ assessment reports - Annual performance reports	
Intermediate Outcome 5.1 Growth in membership	20% annual growth in EAGC membership		
Intermediate Outcome 5.2: Improved sustainability of EAGC	10% of operational costs covered by internally generated revenue		

ANNEX 2 – EAGC PROGRAMME LOG-FRAME

Intermediate Outcome 5.3: Improved efficiency and effectiveness in the implementation of program activities	• 10% annual increase in EAGC overall income • 10% of operational cost covered by internally generated revenue		
Output for objective 5			
	• 80% of the work plan activities achieved within plan timeframes and budget • Timely production and submission of technical and financial reports • Policy guidelines/ Standard Operation Procedures for all program components in place • Robust financial Management and M&E system in place	• Monthly field reports • Quarterly reports • Annual reports	

Annex 3 – Documentation

Author/ Organisation	Title	Date of Publication
EAGC	Agenda for regional meeting of grain stakeholders in the EA Region	13/03/2018
Sida /EAGC	Agreement on core support to Eastern Africa Grain Council, 5 years	September 2014
E.O.W ASSOCIATES	An Evaluation of Sida-Funded Program on the Promotion of Structured Grain Trading System in Eastern and Southern Africa, 2008-2013: Final Report	February 2013
EAGC	Business Model for EAGC Trade Finance Fund	
EAGC	Consolidated Results Framework	13/04/2015
EAGC	Data Sources – Indicator Performance Tracking - Spreadsheet	08/09/2017
EAGC	Developing Policy Advocacy Agenda for EAGC in Kenya	02/2017
EAGC	Developing Policy Advocacy Agenda for EAGC in Malawi	03/2017
EAGC	Developing Policy Advocacy Agenda for EAGC in Rwanda	06/2017
EAGC	Developing Policy Advocacy Agenda for EAGC in Tanzania	01/2017
EAGC	Developing Policy Advocacy Agenda for EAGC in Uganda	12/2016
EAGC	EAGC @10Publication	13/12/2016
EAGC	EAGC 2013-2017 Strategic Final	08/04/2013
EAGC	EAGC 2017 Annual Report and Financial Statements	18/04/2018
EAGC	EAGC 2017 Impact assessment	26/05/2017
EAGC	EAGC Annual report 2015	17/05/2016
EAGC	EAGC annual report 2016	29/01/2017
EAGC	EAGC annual report 2017	15/02/2018
EAGC	EAGC Financial and Accounting Policy and Procedures Manual	08/2015
EAGC	EAGC Grant Proposal	20/09/2013
EAGC	EAGC Human Resources Policies and Procedures Manual	02/2015
EAGC	EAGC key data 2007-2017	31/12/2017
EAGC	EAGC Monitoring & Evaluation Manual	08/2015
EAGC	EAGC Semi-annual report	August 2017
EAGC	EAGC Sida Cooperation Results Framework (Original)- submitted in the grant proposal	06/06/2014
EAGC	EAGC Sida project inception report	17/03/2015
EAGC	EAGC Travel Policy	12/2015
EAGC	Final Baseline survey	08/05/2015
EAGC	Final Baseline survey	08/05/2015
Sida	Financial Management and Control Review (light) of eastern Africa Grain Council	April 2017
EAGC	G-Soko Business Plan	03/2017
EAGC	Procurement Policy and Procedure	03/2015
EAGC	Results Framework- 2nd Revision	08/07/2016

EAGC	Results Measurement Plan- 1st revision	20/09/2015
EAGC M&E	Strategic Business Plan Progress Report	December 2016
EAGC	Strategic Plan (2018-2022)	18/04/2018
Sida	Strategy for Sweden's regional development cooperation in Sub-Saharan Africa 2016–2021	2016
EAGC	Strengthening Food Grains Market in Eastern and Southern Africa Annual Report 2016	April 2017
EAGC	Support integration of smallholder farmers in the grain value chain – Indicators: docs 1 and 2	2016
EAGC	VAC warehouse linkage data as at 31/12/2017	31/12/2017
EAGC M&E	VAC Warehouse Linkage Data as at June 2017 - spreadsheet	June 2017

Annex 4 – List of interviewees

Name	Position	Organisation	Date of interview
Bernard Kawemera	Director	Agrovet Farmers Ltd. Uganda	Apr 24 2018
Clessy Nuwagaba	Program Officer STS	EAGC Uganda	Apr 23 2018
Davine Minayo	Country Program Manager	EAGC Kenya	Various
Dr. Johnson Irungu	Director	Ministry of Agriculture, Kenya	Apr 17 2018
Dr. Rose Omaria	Director, Marketing	Soroti Grain Millers, Uganda	Apr 25 2018
Geoffrey Onyong	Field Agent	Acwec Omio Farmers' Cooperative, Uganda	Apr 24 2018
Gerald Masila	Executive Director	EAGC	Various
Gili Teri	Director of Policy Advocacy, Research and Lobbying	Tanzania Private Sector Foundation	Apr 19 2018
Haidari Hassan	Owner	Isamila Enterprises	Apr 21 2018
Hamisse Msigwa	Owner	Young Masitus, Tanzania	Apr 18 2018
Ibrahim Ibata	Owner	2-Hour General Supplies	Apr 21 2018
Ikunda Terry	Country Program Manager	EAGC Tanzania	
Jean Baptist	Deputy Secretary General Office	East Africa Community, Arusha, Tanzania	April 19 2018
Joel Chenza	Director	Unyija	Apr 18 2018
John Macharia	Country Manager	AGRA.	Apr 17 2018
Joseph Etomet	Principle Integration Officer	Ministry of East African Community Affairs	Apr 23 2018
Joseph Senga Senga	Morogoro Agent	MVWATA, Tanzania	Apr 21 2018
Josephine Miingi Kaiza	Founder And CEO	Briten, Tanzania	Apr 19 2018
Julius Nyabicha	Manager	Atoz Textile Mills Ltd. Tanzania	April 18 2018
Julius Wambura	Owner	Frabho Industries, Tanzania	Apr 18 2018
Julius Wamburz	Chief Operating Officer	Frablio Enterprises, Tnazania	April 18 2018
Juma Bruno Ngomuo	National Coordinator	International Trade Centre	Apr 18 2018
Juma Dikwe	Owner	Dikwe General Suppliers, Tanzania	Apr 18 2018
Kiiza Kizito	Country Program Manager	EAGC Uganda	Apr 23 2018
Lameck Kikoka	Executive Director	Rural Urban Development Initiatives (RUDI) Tanzania	Apr 19 2018
Lilian Awinja	Executive Director	East African Business Council	April 19 2018
Maria Aleto	Manager	Katine Farmers Cooperative	Apr 25 2018
Mark Blackett	Regional Director in Arusha	Rikolto (previously VACO)	April 19 2018
Martin Okello	Extension Officer	Nyamahase F.A. (Mutunda Community Grain Store)	Apr 24 2018

ANNEX 4 – LIST OF INTERVIEWEES

Martin Silayo	Owner	Union Stores	Apr 18 2018
Mathew A. Ngwahi	Chairman and Managing Director	Litenga (Tanzania)	Apr 19 2018
Mays Mkwember	Managing Director	Mameco Ltd. Tanzania	Apr 21 2018
Michael Adubango	Manager	Nyamahase F.A. (Mutunda Community Grain Store)	Apr 24 2018
Michael Iwumbwi	General Manager	Upland Rice (Uganda)	Apr 26 2018
Mugambi Michabu	Standards Officer	Kenya Bureau of Standards	April 24 2018
Nick Brown	Business Development Manager	A2Z Textiles	Apr 18 2018
Otim Tom Otile	Director	Totco Uganda Ltd, Grains and Seeds	Apr 24 2018
Paul Ochuko	Financial Director	EAGC Regional Office	Apr 27 2018
Paul Ochuna	Ag. Regional Finance Manager	EAGC	April 27 2018
Penina Gichuru	Head of Monitoring and Evaluation	EAGC	Various
Peter Abong	Assistant Commissioner	Ministry of Agriculture (Uganda)	Apr 23 2018
Philip Maritim (Kenya)	Owner	Philse Millers	April 23 2018
Priscilla Karobia	Managing Director	Outassurance	Apr 19 2018
Professor Fausten Lehuli (Tanzania)	Executive Director	International Tanfeeds	Apr 19 2018
Prudence Gerald	Program Officer	EAGC Tanzania	Apr 20 2018
Rama Ngatoluwa (Tanzania)	Research Coordinator	Selian Agri. Research Institute	April 19 2018
Rose Mutuku (Kenya)	Owner	SMART Logistics	Apr 18 2018
Saumu Almas (Uganda)	Coordination Manager	M N Commodities	Apr 26 2018
Sebastian Abdulla Msola (Tanzania)	Miller and Grain Trader	Kibaigwa Flour Supplies	Apr 19 2018
Shahil Thomas	Director - Africa	Eximpro	Apr 18 2018
Smallholders (Tanzania)	Chairman, Vice Chairman, Treasurer plus 6 members, 5 female, 4 male.	Katurukila Farmers Association	Apr 21 2018
Smallholders (Tanzania)	Chairman, Vice Chairperson and Treasurer	Mangula Farmers Apex Association	Apr 21 2018
Smallholders (Kenya)	Chairman and 3 committee members	Muungano Nguvu Yetu - CBO	April 20 2018
Smallholders (Kenya)	Chairman and 3 committee 2 members	Kibwezi East Farmers Coop	April 20 2018
Smallholders (Kenya)	Desmond Kisilu Chairman, committee and member reps	Kitengi Commercial Village CBO	April 20 2018
Smallholders (Uganda)	Benjamin Terer Chairman, committee and member reps	Chomoza Coop	April 21 2018
Smallholders (Uganda)	Winifred Karithi and Sophia Materu	Nglarud Cereals and Produce Coop	April 21 2018
Smallholders (Kenya)	Joyce Ndiritu, Chairwoman, plus secretary and 1 member	Majani Self Help Group	April 21 2018
Smallholders (Kenya)	Chairman, Treasurer and 2 members	Laikipia Maize Value Chain Development Network	April 21 2018

ANNEX 4 – LIST OF INTERVIEWEES

Smallholders (Kenya)	Justice – Vice Secretary	Kagumo Youth Group	April 21 2018
Smallholders (Uganda)	John Wamwaki, Chairman and Committee and member reps.	Wamuini Soko Huru CBO	April 23 2018
Smallholders (Kenya)	Dr Joel Tenai (EAGC Board member) Chairman, and Committee and member reps	Mateeny Soy Coop.	April 23 2018
Smallholders (Uganda)	Stephen Chelngat, Chairman and Committee and member reps.	Kuona Mbele Investment Coop	April 23 2018
Sophie Anyenya (Uganda)	Chair	Nyamahase F.A. (Mutunda Community Grain Store)	Apr 24 2018
Yohannes Assefa	Director, Agriculture and Agribusiness	East Africa Trade and Investment Hub	Apr 17 2018

Annex 5 – EAGC Structure and Functions

The East African Grain Council is a membership based not-for profit institution, serving ten countries (Kenya, Tanzania, Uganda, Malawi, Rwanda, Burundi, South Sudan, Democratic Republic of Congo, Zambia and Ethiopia). It currently lists 334 subscribing members including farmers, traders, processors and service providers (including input suppliers, banks and insurance companies). Other institutions, including development agencies are engaged as associate members.

The EAGC has country programmes managed by teams in Kenya, Tanzania, Uganda, Rwanda, and Malawi. Burundi, Zambia and South Sudan are supported by individual country programme managers. Management is based in Nairobi and includes a senior management team as well as a monitoring and evaluation team, and finance, and administration teams.

Senior management team is directed by a Board of 12 Directors elected from the different countries in which the EAGC is active. Senior management oversees the operations of the EAGC in each country and provides specific services through three divisions addressing market information, structured grain trading and training, as outlined below. In addition, both senior management and country programme teams work to advance the Vision of the EAGC to be the leading voice for the grain industry in Africa. This is to be achieved through the development, and promotion of a structured grain trading system in the Eastern Africa region with defined rules and regulations, as well as the improvement of the policy and trading environment in the regional grain trade, strengthened market linkages and reduced constraints along the grain value chain. The mission statement of the EAGC is therefore to advocate for enabling environment and promote structured grain trade for optimum stakeholder benefits.

While the mission appears to be primarily focused upon advocacy, the portfolio of activities undertaken by the EAGC is wide ranging, including extensive training of producers and traders as well as the development of grain aggregation systems, certification of warehouses and development of a structured grain trading platform. Advocacy for the facilitation of the grain trade is one key component of this portfolio. The developmental focus of these activities has resulted in a number of partnerships between the EAGC and various development agencies, including Sida, DFID, Agra and USAID. The development programmes financed by these agencies are an integral part of the EAGC's vision and contribute to the growth of the EAGC itself, while benefitting smallholders and EAGC members.

The core activities of the EAGC thus including both advocacy and a developmental focus are augmented through the provision of key services to members through the three divisions noted above, which are accessible to all members in the region. These are described in more detail below.

Market Information – RATIN

The EAGC RATIN System allows farmers, traders and processors to access regional market information using mobile phones or computers. RATIN was developed to provide members and stakeholders with improved early warning marketing and trade information, leading to more efficient and competitive transactions in food trade between surplus and deficit regions.

RATIN provides real time, relevant and accurate information with regional coverage in five countries including Kenya, Uganda, Tanzania, Burundi and Rwanda. Information is provided on a regularly updated series of web-pages as well as being accessible by SMS.

In addition to the RATIN service, the EAGC market information unit develops and publishes a Regional Food Balance Sheet and Monthly Market Watch bulletins describing recent market developments.

Structured Grain Trading - G-Soko

The G-Soko Platform has been established by the EAGC to facilitate regional and national trade in grains. G-Soko comprises a network of village aggregation/grain bulking centers (VACs) linked to certified warehouses installed with a software automating the grain intake and grain warehousing and management process, connected to a virtual trading platform with a clearing and settlement process. The overall platform is regulated and administered by EAGC, under the law of contract and operates under defined set of protocols, procedures, rules and regulations.

Training and Capacity Development – EAGI

The Eastern Africa Grain Institute (EAGI) was established in 2012 as a division of EAGC to provide specialized training, capacity building and consultancy services to grain value chain stakeholders for purposes of reducing transaction costs. EAGI's mandate is to develop, promote and implement capacity building programmes for grain value chain stakeholders. These include farmers, input suppliers, traders and processors and value chain facilitators. EAGI offers a wide variety of courses to suit the needs of different stakeholders. These courses include Structured Commodity Trade Finance, Grain Quality Management Standards, Warehouse Operations and Management, Agribusiness Finance and Web 2.0 & Social Media. The Institute operates on a virtual basis offering courses across all ten countries within EAGC's mandate.



Mid-Term Review of Sida's regional core support (2014–2019) to the Eastern African Grain Council promoting grain trade in the East African region "Strengthening Regional Grain Markets II"

This report details the findings, conclusions and recommendations of the team that undertook the Mid Term Review of Sida's regional core support (2014–2019) to the Eastern African Grain Council (EAGC) promoting grain trade in the East African region "Strengthening Regional Grain Markets II".

The stated Goal of that programme is: "To contribute to poverty reduction and enhanced food security by stimulating agricultural trade and growth, particularly in the ESA smallholder grain sector". The review was undertaken through a preliminary desk study of annual and biannual reports and other programme documents, followed by a field mission undertaken from the 17th to the 26th April 2018, covering Kenya, Tanzania and Uganda.

The report concludes that the activities undertaken by the EAGC under the five objectives do indeed contribute to poverty reduction and enhanced food security. However, some services provided have not fulfilled its purpose, and may well be discontinued. The report presents several recommendations for improvement, especially within the support for institutional development of the EAGC.

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