

Mid-term Evaluation SNV programme 2007–2015

**In-depth study of the support to the
edible oil value chains in Tanzania**

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The present report is part of a series of four in-depth studies that have been conducted under the responsibility of ACE Europe, commissioned by IOB. The four in-depth studies are part of the IOB mid-term evaluation SNV programme 2007-2015.

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Preface

I thank the SNV team sincerely, for providing us with information, for their openness in discussions, for their curiosity and for their patience at times, which enabled us to deepen out sensitive issues. The team also facilitated in a very professional way meetings with all stakeholders.

I want to thank my colleague Alvin Uronu for his persistence during the field work, in writing the report and cross-checking information. I have appreciated his perfectionism and his sense of humour.

Finally, on behalf of the evaluation team, I wish to express my gratitude for all the organizations and people in the field, in particular the leaders of CEZOSOPA and TEOSA, who spent time on this evaluation.

Hannelore Beerlandt
Belgium, August 2013

Acronyms and abbreviations

AA	Assignment Agreement
AcT	Accountability in Tanzania Programme (DFID, UK)
ANSAF	Agricultural Non-State Actors' Forum
AMCOS	Agricultural Marketing Cooperative Society
ASA	Agricultural Seed Agency
B2B	Business to Business
BEST-AC	Business Environment Strengthening in Tanzania – Advocacy Component
CD	Capacity development
CEZOSOPA	Central Zone Sunflower Processors' Association
CF	Contract farming
CRDB	Cooperative Rural Development Bank Plc, Tanzania
DALDO	District Agriculture and Livestock Development Officer
DAPS	District Agriculture Development Programme/ Strategy
DFID	Department for International Development, UK
EKN	Embassy of the Kingdom of the Netherlands
ESRF	Economic and Social Research Foundation
FAO	UN Food and Agriculture Organization
FFS	Farmer field school
FGD	Focus group discussion
FLO	Fair Trade International (Fair Trade Labelling Organization)
GA	General Assembly
GAPEX	General Agricultural Products Export Company
GIZ	Gesellschaft für Internationale Zusammenarbeit (Germany)
GPSA	Government Procurement Services Agency
HH	Household
IFAD	International Fund for Agricultural Development
IOB	Policy and Operations Evaluation Department (the Netherlands)
JICA	Japan International Cooperation Agency
LCB	Local capacity builder
LGA	Local government authority
MAI	Manyara Agricultural Initiative
MAMCU	Masai Mtwara Cooperative Union
MEOSA	Morogoro Edible Oilseed Alliance
MIT	Ministry of Industry and Trade (Tanzania)
MAFSC	Ministry of Agriculture, Food Security and Cooperatives (Tanzania)
MMA	Match Makers Associates
MSP	Multi-stakeholder platform
MUVI	Rural Micro, Small and Medium Enterprise Support Programme (IFAD)
MVIWATA	Mtandao wa Vikundi vya Wakulima Tanzania / National Network of Small-scale Farmers Groups in Tanzania
NARI	National Agricultural Research Institute
OMSF	Oilseed Multi-stakeholder Forum
ODOP	One District One Product programme (JICA)
PATA	Public Accountability Tanzania initiative
PDN	Purchase delivery note
PET	Public expenditure tracking
PETS	Public Expenditure Tracking System
PFG	Producer farmer group

PPD	Primary process days
QDS	Quality Declared Seeds
RLDC	Rural Livelihood Development Company (financed by Swiss Aid)
ROSDO	Rural Oriented Sustainable Development Organization
SAGCOT	Southern Agricultural Corridor of Tanzania
SCF	Small and Medium Enterprise Competitiveness Facility (Danida)
SEAF	Small Enterprise Assistance Funds
SEDA	Small Enterprise Development Agency
SIDO	Small Industries Development Office
TanSeed	Tanzania Seed Company
TASUPA	Tanzanian Sunflower Processors' Association
TBS	Tanzanian Board of Standards
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TEOSA	Tanzania Edible Oilseeds Alliance
TFDA	Tanzanian Food and Drugs Administration
TOT	Training of trainers
TOSCI	Tanzanian Official Seed Certification Institute
UMAMBE	Association of Edible Oil Processors in Manyara
UNIDO	UN Industrial Development Organization
VAT	Value added tax
VC	Value chain
VCD	Value chain development
WASH	Water, sanitation and hygiene
WHS	Warehouse receipt system

Value chain concepts

Contract farming

This is about agricultural production carried out according to an agreement between a buyer and farmer(s). The agreement or contract establishes conditions for the production and marketing of a farm product or products. Within the traditional way of contract farming, the farmer agrees to provide established quantities of a specific agricultural product, meeting the quality standards and delivery schedule set by the buyer. In turn, the buyer commits to purchase the product, often at a predetermined price. The contracts can be formal or informal. In some cases the buyer also commits to support the production through, for example, the supply of farm inputs (sometimes on a credit base included in the contract), land preparation, the provision of technical advice and the arrangement of transport of produce to the buyer's premises.

'Trust-based' contract farming is a type of contract farming whereby the delivery of inputs to the farmer by the buyer is determined by contract, but not the price the buyer will pay, or the quantities of products that the farmer must deliver. In general, a buyer bound by a trust-based contract does more to provide services and inputs, to win the trust of the farmer in order for the latter to sell his produce to the particular buyer. Contract farming offers producers a number of possible benefits, including assured market and minimum prices and access to support services. Indirectly, producers also gain a stronger market position, because they have a reference market channel where they can sell their produce anyhow. It is also a system of interest to buyers who are looking for assured (timely) supplies of produce of certain quality for sale or for processing. Processors are among the most important users of contracts, as they wish to assure full utilization of their plant processing capacity. The better farmers are organized (for sales) and the better the local enabling environment (roads, collection centres, coolers), the more attractive the concept is for buyers in order for them to reduce transaction costs.

In traditional contract farming there is a risk that one of the contracting parties does not respect the contract. With a trust-based contract, it is a matter of building a long-term relationship between the two parties, based on a fair distribution of benefits. In traditional contract farming, an adequate legal framework is a crucial condition. This is less the case for the trust-based contracts. Side-selling by farmers to competing buyers is perhaps the greatest problem constraining the growth of (traditional) contract farming. Also contractors may default by failing to pay agreed prices, by buying less than the pre-agreed quantities, or offering fewer services than promised. If farmers are not well organized or if there are few alternative buyers for the crop, or it is not easy to change crops, there is a danger that farmers may end up with an unfair deal. Strengthening farmers' organizations to enable them to access appropriate services such as credit, extension services and market information, and improving their contract negotiating skills can help to reduce the risk of exploitation under both traditional and trust-based contract farming.

Middlemen

Middlemen are (often local) traders who buy from farmers and sell to processors/buyers and their collectors/agents. They may be small traders who know very well the households and their financial conditions, or larger traders who buy from them. Often middlemen have their own storage facilities or have agreements with larger traders for storage, giving them a strong market position and allowing them to speculate on the market. Middlemen are known to offer very variable prices throughout the year, to temporarily increase prices when buying small parts of harvest, after which prices fall again. Often, middlemen work illegally, or are not

registered (and so do not pay tax to local government authorities, LGAs) and they might offer informal pre-harvest credit to farmers at high interest rates.

Outgrower scheme

This is a specific form of contract farming in which farmers are linked to a large farm or processing plant that supports production planning, and provides input supplies, extension advice and transport. The farmers agree to provide established quantities of a specific agricultural product that meets quality standards and delivery schedule.

Warehouse receipt system (WHS)

A warehouse receipt is a document that guarantees the existence and availability of a given quantity and quality of a stored commodity. In a warehouse receipt system (WHS) this receipt serves as collateral for farmers who wish to obtain (short-term) credit (depending on the stored commodities). In this case study, the depositors are farmers (AMCOS). Normally, a WHS is used for commodities that are subject to considerable seasonal price fluctuations. Because of access to credit, farmers are no longer obliged to sell their crops immediately at harvest when the supply of the commodity is usually highest and therefore prices tend to be low. A pilot warehouse receipt system was introduced in Tanzania in 2005 for coffee and cotton. There is a regulatory framework for WHS in Tanzania but not a specific board to monitor the WHS on sesame. Normally, cooperative or commercial banks participate in the system. Possible benefits are: mobilizing credit for agricultural activities by creating a secure collateral for the farmer, processor and trader; smoothing market prices by facilitating sales throughout the year rather than just after harvest; increasing the market power of smallholders by enabling them to choose at what point in the price cycle they sell their crops; helping to upgrade the standards and transparency of the storage industry as it requires better regulation and inspection; lowering transaction costs by guaranteeing quantity and quality, increasing quality awareness and ensuring that the quality deposited is the same as the quality withdrawn. There are some essential preconditions for the success of a WHS: fluctuating prices throughout the year for the commodity concerned, the availability of market prices, an appropriate legal environment, adequate licencing and monitoring systems, banks that have trust in the system, and a clear division of roles among the actors involved.

Quality declared seeds (QDS)

Seeds produced by registered smallholder farmers that conform to specified standards (limited QDS per area).

SNV's main clients

The Oilseed Multi-Stakeholder Forum (OMSF), which no longer exists, was a multi-stakeholder platform, mainly for sunflower, with about 25 participants, including farmers, input suppliers, buyers, processors, LGAs, regional secretariats, NGOs and civil society organizations. OSMF was based in the central corridor of Tanzania (Dodoma, Singida, Shinyanga, Morogoro and Dar es Salaam). It was in the OMSF that the need to create sector and processors' associations (TEOSA and CEZOSOPA) was identified and promoted. Once the two associations were established, the members dissolved the OMSF.

The Tanzania Edible Oilseeds Alliance (TEOSA) is a membership-based association of edible oilseed actors that deals with sunflower, sesame and other edible oilseed commodities. TEOSA was established by members of OMSF, and is currently in the process of establishing regional chapters; MEOSA already exists, Iringa and Mbeya are in the process of being established. The **Morogoro Edible Oilseed Alliance (MEOSA)**, a regional chapter of TEOSA, is a multi-stakeholder platform in Morogoro for edible oilseeds (mostly sunflower).

The Central Zone Sunflower Processors' Association (CEZOSOPA) is a registered nongovernmental, membership-based organization operating in the central corridor of Tanzania, where sunflower is grown. CEZOSOPA evolved out of the OMSF.

The Manyara Agricultural Initiative (MAI) (livestock and agriculture, including sunflower) is a multi-stakeholder forum of agricultural and livestock stakeholders working in the Manyara region (not only edible oils). Sunflower is one of the value chains being promoted. The forum is coordinated by the Manyara regional secretariat, a forum that promotes joint learning, experience sharing and the formation of strategic alliances among members with the aim of mobilizing financial resources.

The Association of Edible Oil Processors in Manyara (UMAMBE) (sunflower) is a processors' association in Manyara that evolved out of the MAI.

Songela (sunflower) is a processor in Singida, supported by SNV to introduce trust-based contract farming to more villages, to establish farmer groups and train other processors on trust-based contract farming.

Producer farmer groups (PFGs) (sunflower) established by sunflower processor(s) for contract farming.

The Masasi–Mtwara Cooperative Union (MAMCU) (sesame) is involved in sesame and cashew nuts. Members of the unions are agricultural marketing cooperative societies (AMCOs). SNV has a contract with the union, but mainly works directly with selected AMCOs. SNV is working with a limited number of union members (11 AMCOs) in the highest potential areas for sesame.

The ILULU Cooperative Union (sesame) in Lindi region (registered in 2005), whose members are 81 AMCOS. SNV has supported eight AMCOS.

	Multi-stakeholder alliances	Alliances enterprises (processors)	Farmers' organizations/ cooperatives/unions
National	TEOSA (national) – in principle represents stakeholders of various edible oil crops, but in reality focused on sunflower	TASUPA (national) – not supported by SNV but member of TEOSA	MVIWATA (national) – not supported by SNV but member of TEOSA
Regional or local	MAI (Manyara) – involved in agriculture and livestock, focused on sunflower MEOSA (Morogoro – mainly sunflower). Other regional chapters are being established in Iringa and Mbeya	CEZOSOPA (Dodoma and Singida) – sunflower UMAMBE (Manyara) – sunflower	Sunflower: PFGs (established via processors involved in contract farming) Sesame: ILULU and MAMCU unions and their members: 17 AMCOS

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1 Introduction

¹ ACE Europe has been commissioned to carry out four in-depth studies as part of the SNV programme evaluation conducted by the Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs. The subject of this report is SNV's support to edible oilseed value chains of sesame and sunflower in Tanzania: in the Central and Northern Corridor (and recently the Southern Highlands) for sunflower and in Mtwara and Lindi regions for sesame (the southeast). The efforts are currently being upscaled nationwide. The evaluation was carried out between June 2012 and May 2013.

1.1 OBJECTIVES OF THE EVALUATION

- ² The general subject of this evaluation is the subsidy provided by the Netherlands Ministry of Foreign Affairs to SNV for the implementation of its programme 2007–2015. More specifically, the evaluation looks into the subsidy provided during the period 2007–2011, since the original subsidy agreement was drastically revised as of 1 January 2012 and was replaced by an adapted agreement.
- ³ The original agreement called for an external independent evaluation in 2011, for which IOB would be responsible. The evaluation is based on SNV's original subsidy application and the way the programme unfolded in the subsequent strategic plans (2008–2009 and 2010–2012). The evaluation is expected to inform SNV's strategy and to shed light on how well the programme is being implemented, how well SNV is performing and how effective SNV's support is.
- ⁴ The evaluation has two purposes. First, to account for the subsidy received by SNV, and second, to learn from the experiences gained during the programme's implementation.
- ⁵ The evaluation examined a sample of 12 SNV programmes, selected after an evaluability study that took place in 2011, focusing on three sectors in which SNV will continue to work: agriculture, renewable energy, and water, sanitation and hygiene (WASH). Eight programmes would be assessed through a document study, and four would be subject to an in-depth study. This report presents the in-depth study of one programme, namely SNV's support to the edible oil value chains in Tanzania. The results of the four in-depth studies will contribute to the final evaluation report to be drafted by IOB.
- ⁶ According to the ToR, the in-depth studies were to shed light on SNV's **way of working** and **effectiveness**¹ in terms of: 1) capacity development of its clients, 2) the related quantitative and qualitative changes in the outputs of clients, and 3) the changes in poor people's access to services and products, and how this was affected by the outputs of SNV's clients. The evaluation also measures **efficiency** but only in terms of SNV's input–output ratio and assesses

¹ Effectiveness is not studied at the impact level (e.g. changes in the socioeconomic status of the ultimate beneficiaries) in the four in-depth studies as this would require efforts beyond the scope of the evaluation. Impact information is thus only included as far as reliable information is available from earlier evaluations of SNV's activities and relevant international research.

the costs of SNV's services in relation to the results achieved regarding its clients' capacity development and outputs.

1.2 SUBJECT OF THE EVALUATION

⁷ The subject of the evaluation is the SNV's subsidy application 2007–2015, the overall objective of which is to contribute to poverty reduction. SNV is '*dedicated to a society where all people enjoy the freedom to pursue their own sustainable development*'. The core of SNV's strategy is to develop the social capacity of actors at different levels in order for them to take measures to reduce poverty themselves. SNV defines capacity as: '*The power of a human system (be it an individual, organization, network of actors, or a sector) to perform, sustain and renew itself in the face of real-life challenges. It is about empowerment AND impacts. They go together.*'

⁸ To achieve its overall objectives, SNV's strategy for 2007–2015 included the following central elements:

- *Meso-level organizations* are SNV's core category of clients because, according to SNV, they play a key role in reducing poverty in a sustainable manner and in improving the living conditions of the poor. SNV provides its support through advisory, knowledge and facilitation services. As a rule, SNV does not provide financial support to its clients.
- SNV emphasizes *impact orientation*. This implies that SNV concentrates its capacity development services on specific sectors and subsectors. As a result, SNV's programme 2007–2015 was more concretely defined in terms of better access to basic services (BASE) for the poor and increased productivity, income and employment (PIE) for the poor.
- Another key element is *localization*. SNV is committed to providing capacity development services, but also to helping to improve the enabling environment for capacity development. This strategy is shaped through: a) subcontracting advisory work to local capacity builders (LCBs); b) creating local capacity development facilities (LCDFs) that seek to improve demand–supply–financing dynamics for local capacity development; and c) the professionalization of the LCBs through cooperation, knowledge brokering/networking, learning and training events, in order for them to improve the quality and outreach of their services.
- *Governance for empowerment* is a critical concept in all SNV's work. With this approach, SNV seeks to change power relations so that poor and marginalized people have more assets and capabilities, allowing them to participate in, negotiate with, influence, control and hold accountable the institutions, policies, values, relations and processes that affect their lives.
- SNV seeks to align its country programmes with national development strategies and agendas, and to bridge the *micro–macro divide* that often hampers development efforts. SNV encourages linkages between national, meso-level and local actors; supports the involvement of local actors in changing and shaping national development agendas; promotes the generation, analysis and sharing of information about local realities; and fosters the development of specific approaches for implementation of strategies at field level. This is all done to ensure that micro-level realities are taken into account in the

formulation of macro-level policies, and that promises made at the macro level lead to concrete local results.

- Within the range of capacity development services and products that SNV provides to clients, the facilitation of *multi-stakeholder engagement and processes* (MSPs) is often a central ingredient. It is assumed that these MSPs make other capacity development services and products effective. This service comprises various advisory roles and approaches to clients that tend to evolve and change over time during a process of facilitation. Facilitating MSPs may involve and combine a number of elements such as information brokering, deal making, convening, negotiation, conflict resolution, financial brokering, moderation, coaching and introducing innovations. SNV's facilitation is assumed to stimulate improvements in the dynamics of the multi-actor client system and as such to contribute to the production of targeted results. However, SNV never facilitates multi-stakeholder processes as if they were their own programmes, but on the basis of emerging dynamics, collaboration and consensus in the domestic system.

⁹ In its 2007 policy framework, *Managing for Results 2007–2015*, SNV set out its results chain, which is organized into three different levels: outputs (services provided by SNV), outcomes (performance of clients as a proxy for changes in their capacity and the policy environment) and impacts (changes at the level of poor people). During the evaluation process, IOB and SNV agreed on the results chain shown in Figure 1.

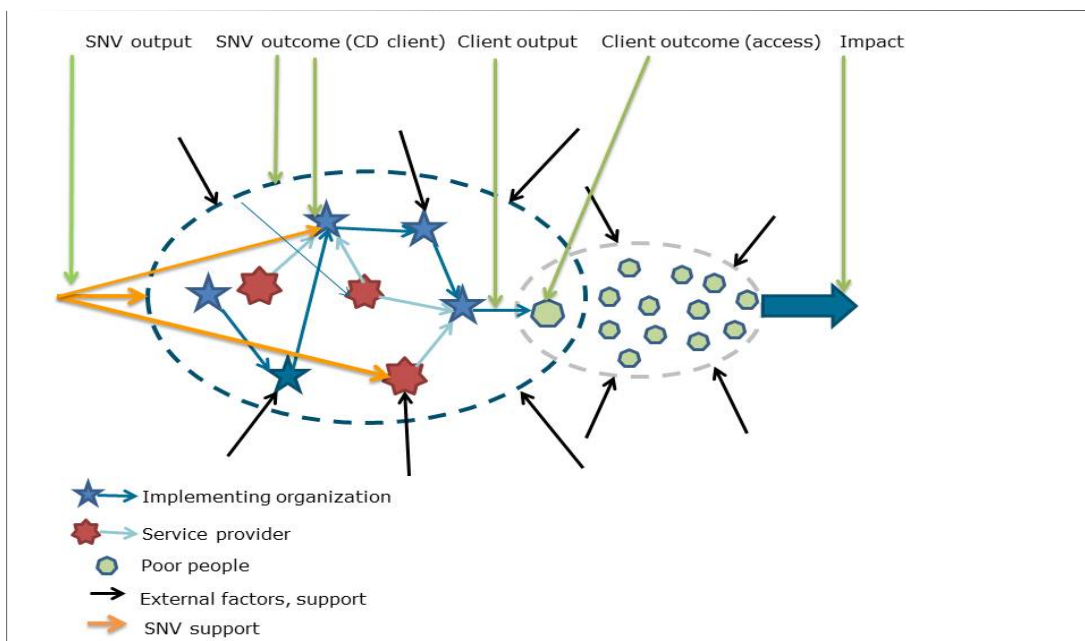


Figure 1. SNV's results chain.

¹⁰ Within the framework of capacity building, SNV chose to focus its support on two areas, organizational strengthening and institutional development. SNV aimed to provide demand-driven and client-centred services. SNV categorized its ways of working in 2007 by distinguishing four *delivery channels*:

1. advisory services;
2. knowledge brokering;

3. advocacy; and
4. 'local capacity development facilities'.

The in-depth studies assess in particular the quality, relevance and effectiveness of SNV's advisory services and knowledge brokering activities.²

1.3 STRUCTURE OF THE EVALUATION REPORT

- ¹¹ Chapter 2 provides a brief description of the SNV programme to support edible oil value chains in Tanzania. Chapters 3 and 4 then assess the effectiveness of the programme for the sesame and the sunflower value chains, respectively. These chapters first describe the (changed) capacity of SNV clients. Following the requirements in the ToR, the analytical framework of the 5 core capabilities is used where possible to describe how this changed capacity has contributed to changes in outputs (in terms of the services delivered by SNV's clients) and to what extent these outputs have resulted in improvements in the access of the final beneficiaries to these services.
- ¹² Chapter 5 presents an assessment of SNV's way of working, focusing on following topics: (i) the identification of clients, (ii) assessment of the capacity development support, (iii) description of the level of alignment and harmonization, (iv) assessment of the strategies and practices for upscaling and (v) and assessment of the strategy and practice for knowledge development.
- ¹³ Chapter 6 describes the internal and external factors that have influenced these changes, and assesses the effectiveness of SNV's approach to capacity development.
- ¹⁴ Chapter 7 deals with SNV's efficiency at three levels: (i) a quantitative analysis of the input–output ratio of the SNV intervention; (ii) a more qualitative assessment of the costs related to capacity development outputs; and (iii) the factors that had an influence on the level of efficiency. More detailed quantitative information regarding efficiency can be found in Annex 3.
- ¹⁵ Finally, Chapter 8 presents the main conclusions of the study, and Chapter 9 provides information on the approach and methodology used.

1.4 LIMITATIONS OF THE EVALUATION

- ¹⁶ In order to respond to the question about the contribution of SNV and the attribution of effects to SNV (situation with and without SNV), the evaluation used following approaches:
 - Evaluation of the direct output of SNV's efforts (inputs) in terms of its support to institutional and organizational development and knowledge development and brokering, and the efforts of other programmes and stakeholders. The evaluation also looked at the interest of the clients in SNV's support.

² Advocacy is a minor activity for SNV that is mostly conducted at the macro level. LCDFs are implemented in partnership with other local and international actors and are managed and governed outside the SNV organization itself.

- Evaluation of concrete outputs of SNV's clients in terms of their services to their members, performance in the market, changes in relationships and attitudes, concrete lobbying output/activities and the absorption capacity of members of clients (for services, to translate them into their business/farm). The evaluation studied the timelines of clients and their members in order to better understand the sequence of the changes in capacity, attitudes and performance in relation to particular events, insights, interventions, contacts and SNV's interventions. During the timeline exercise, the consultants took into account the fact that system and organizational changes are not necessarily linear processes and that elements in the context or in the organization can function as triggers or catalysts for certain attitudinal changes or initiatives.
- Evaluation of the internal (within the clients' organization) and external drivers and triggers that have influenced changes in their capacity and their decisions.

¹⁷ Sources were continuously cross-checked and triangulated, both vertically (e.g. for sunflower: between farmers, members of producer farmer groups (PFGs), PFG leaders, councillors, LGAs and district agriculture and livestock development officers (DALDOs), processors, alliances, and for sesame: between farmers, members, AMCOs, unions, councillors, district LGAs and DALDOs, LCBs) and horizontally (e.g. between several processors, alliances, members, LGAs, AMCOs, etc.).

¹⁸ The evaluation team decided not to use household surveys for sesame or sunflower, and limited the research at the household level, where only focus group discussions were organized. For sesame, the link between changes in capacity and the output of the AMCOs were found to be only indirectly linked to SNV. SNV played a role of an indirect and irregular catalyst of already strong existing trends. It is therefore very difficult to attribute possible changes in households' access to markets and services to SNV. For sunflower, the impact on households was predictable because PFGs have been established and strengthened to improve production (training and improved seeds), but the effects do not yet extend much further. This is also due to the short period of support so far. Information from a household survey would thus not add much relevant information.

¹⁹ Challenges encountered during the evaluation were the following:

- SNV applied an incremental capacity development approach whose objectives were weakly described and regularly changed. The support focused on institutional development. SNV's role included brokering and acting as a catalyst to promote changes in relations between stakeholders and in the attitudes of organizations. Organizations/institutions are, for example, triggered/confronted with new insights and are supposed to take further action themselves. Organizational capacity development was often intended to function as a trigger for institutional development and not as a goal in itself. This means that SNV has been quite invisible in the process: triggering changes, not necessarily supporting clients' capacity to act upon them. The evaluators have fully exploited the timelines, triangulation of information and analysis of factors contributing to a certain change in order to make SNV's inputs more visible.

- SNV has focused on institutional development, and to a lesser extent on organizational development. The application of the 5 core capabilities (5CC) framework, however, highlights the fact that many clients are facing organizational weaknesses.
- Ideally, the 5CC framework should have been applied for the analysis of the value chain, rather than the analysis of the capacity of client groups. However, at the moment, the interventions and actors are weakly linked within the value chain (despite improvement), and thus the 5CCs are highlighted per organization and not per value chain.
- Clients did not anticipate spending a full day's workshop on capacity analysis during the survey. Therefore, the capacity development analysis focused on the most crucial capacity changes of the clients only (still using a timeline exercise). Several clients were re-contacted to cross-check information obtained during interviews with other institutions and through focus group discussions. Some institutions and organizations were re-contacted three times (especially those involved in the sesame value chain).
- It was difficult to find all members of TEOSA and CEZOSOPA as active members were not very well known. Processors (of CEZOSOPA) were very reluctant to give commercial and financial information about their businesses. This was resolved by asking them about general business trends rather than for exact data (e.g. on the extent to which their business had expanded, etc.).
- LGAs (sunflower) were reluctant to complete questionnaires, and so these were replaced by interviews. For the processors and PFGs the evaluation team also switched to guided interviews instead of sending them questionnaires.

2 Brief description of the programme

2.1 SUNFLOWER AND SESAME VALUE CHAINS

²⁰ In 2007 sesame and sunflower were regarded as minor crops, but are now among the seven priority crops identified in Tanzania's new agricultural development strategy. The crops have high priority because of the growing demand for edible oil and oilseeds, their potential to contribute to the incomes of the poor, and their potential to reduce Tanzania's import bill for crude vegetable oil. The regulatory framework and measures to promote entrepreneurship in Tanzania are rudimentary, especially at the rural level. Moreover, the state controls or influences business and marketing in the agricultural sector, especially for export crops such as sesame. The state plays a role, for example, in setting the price of sesame and in the establishment of agricultural marketing cooperatives (AMCOS). District and village councils and unions collect taxes and levies on local transactions of sesame without several actors being fully aware of the legal framework. The accountability of local government authorities and unions to councillors and farmers regarding the revenues from and investments in the agricultural sector or commodities is weak. Councillors and farmers did not question this in the past. Finally, commodity policy making in Tanzania is highly fragmented, which does not foster democratic or coherent policy-making processes.³

²¹ Both sesame and sunflower are traditionally important cash crops for women. There are considerable differences between the sesame and sunflower value chains:

- Sunflower is the main cash crop for households in areas where maize cannot be grown, and play a major role in household food security, enabling households to buy food with the income they receive from sales of sunflower seeds. The local markets for sunflower oil and seeds are considerable. The value chain is characterized by a booming number of medium to small processors for first pressing of sunflower seeds and for oil cake. The efficiency of most of these processors is suboptimal: they usually do not use their machine(s) at full capacity or year round. There are several large vegetable oil refineries⁴ that speculate with stocks of oil and seeds; they rarely develop partnerships with small or medium processors. Farmers do not sell via the AMCOS, but as individuals. There are some (few) small farmer producer or marketing groups for sunflower.
- Most sesame is exported in unprocessed form, via five exporters in Dar es Salaam, much of it destined for the market in Japan. There is a growing demand for sesame seed and oil on the world market. In Lindi and Mtwara, 45,000 households (about 10% of the population) grow sesame and contribute to 70% of the country's sesame exports (50,000 Mt in 2010). Sesame is grown as a cash crop, alongside cashew nuts. Sesame is gaining importance as a source of income. AMCOS have been set up to market sesame and cashews in these two regions.

³ Commodity marketing policies are the responsibility of the Ministry of Industry, Trade and Marketing. Cooperatives are the responsibility of the Ministry of Agriculture, Food Security and Cooperatives. Commodity floor prices are set by statutory agricultural marketing boards where these exist (e.g. for cashew) or on an ad hoc basis by local governments where the commodity is not a priority (e.g. for sesame).

⁴ Refineries use crude oil (first pressing).

²² Apart from the institutional challenges described above, there are other, more functional challenges for the vertical integration of the edible oil value chains:

- the local vegetable oil sector cannot compete with imported crude edible oil because of the low efficiency of production and marketing. Imported oil is also favoured over locally produced oil because it is cheaper, due to low import tariffs, even though the quality is lower;
- the vegetable oil refineries have strong political links and power;⁵
- the markets for sunflower oil are unstable due to price elastic production, weather-dependent production and speculation by middlemen, all of which affect small farmers and processors;
- small and medium oil processors (mainly sunflower) do not receive steady supplies of oilseeds from farmers because (i) they do not have access to finance to purchase large amounts of oilseeds; (ii) middlemen speculate with the oilseeds, and temporarily increase prices for farmers; and (iii) the collection of oilseeds from farmers is unorganized;
- the distrust between small processors (lack of transparency);
- the distrust between processors and farmers. Traditional contract farming for sunflower is characterized by contract breaching from the side of farmers. It is only efficient for processors in the framework of contracts with big farmers or with collection centres (because small farmers are not organized and do not sell collectively).
- the inefficiency and low-quality processing by small and medium sunflower seed processors is worsened by their lack of access to spare parts and to high-quality oil processing machines, the lack of cooperation and transparency of arrangements between processors for larger consignments, insufficient access to finance (for local refineries and for machinery); and the low oil content of the seeds produced by farmers;
- low investments by local governments in extension services for sesame and sunflower growers (although this has increased for sunflower since 2006 in several districts), weakly motivated extension staff, weak oversight of the local trade in oilseeds, combined with multiple taxes and interference in price setting by the LGAs for sesame;
- a dysfunctional local marketing system run by the AMCOS for sesame with a warehouse receipt system (WHS) at the level of the union, and the absence of functional board to oversee the system. The relevance and quality of the implementation/ management of the WHS for sesame has been low. AMCOS usually take the risk (bank loans) while the unions take decisions and impose non-transparent levies; and
- the weak linkages between stakeholders for coordination of the sector, for policy making or for ensuring access to business services.

2.2 SNV'S INTERVENTION LOGIC AND APPROACH

²³ SNV has supported the edible oil value chains in Tanzania since 2005, first for sunflower and later sesame (since 2009).⁶ Between 2007 and 2011 SNV invested about EUR 1,247,000 in the

⁵ Have convinced government in the past to reduce import tax on crude vegetable oil- which is cheaper than the locally produced crude oil, but of worse quality.

⁶ While initially the intention was to invest in the sesame value chain in the central corridor, the actor analysis by OMSF showed that in the central corridor, sunflower was a priority crop for small farmers. SNV picked up the

two value chains. The approach followed to support the two value chains was different, which is in line with the differences in the institutional environments and in how the sectors function. Sesame is an export crop, while sunflower is produced for local and neighbouring markets. Agricultural marketing cooperative societies (AMCOS) and their unions are responsible for marketing sesame, while sunflower seeds are traded by individual farmers or small local producer farmer groups (PFGs). For sunflower, SNV focused on the northern and central corridor, and for sesame on the regions of Mtwara and Lindi in the south of the country.

²⁴ Although it is not clearly explained in SNV’s intervention logic, the support for both commodities was aimed at integrating farmers into markets in a more rewarding and competitive way. In the sunflower value chain small and medium processors were expected to take over the role of the large refineries and of the middlemen by buying seeds directly from farmers. In doing so, they would end speculation and stabilize the market. SNV wants to contribute to the creation of a supportive framework for these processors, to strengthen their collective access to business development services and to identify improved models of contract farming that would benefit farmers and small processors. In the sesame value chain SNV’s support to the AMCOS was key. SNV aimed to improve their members’ productivity and to strengthen their claims to the unions and local governments to participate directly in the market.

²⁵ Between 2005 and 2007, SNV’s approach was to improve ‘access to markets for the poor’ with a focus on ‘one to one’ SNV–client relations. SNV looked at the organizational development of its clients and addressed functional problems in the value chain related to the provision of inputs, production, processing and market access (mainly for sunflower). Since 2008, SNV’s interventions have shifted towards strengthening *groups* of clients (in particular producer groups), value chain finance, market intelligence and coordination of/ by actors to set priorities for support, discuss challenges, etc., as presented in Table 1 (based on the SNV framework):

Table 1. SNV’s intervention logic, 2008–2010.

Outputs	Strengthening producer groups (capacity assessment)	Edible oil actors eligible for and linked to financial services	Processors and producers acquire market information for improved business management and growth
Outcomes	Improved performance of producer groups in terms of organizing and managing members	Improved performance of alternative financial institutions in meeting the needs and expectations of value chain segments	Improved performance of oilseed producers and processors to analyze and understand information for business growth and equity
Impacts	Increased production	Increased incomes	Increased employment
	Economic growth and increased economic equity		

- Strengthening sunflower producer groups: SNV focused on strengthening these groups through capacity assessment, training on leadership, attention to membership contributions, record keeping and drafting constitutions.

sesame value chain again in 2009, at the request of the OMSF following a visit to sesame-producing areas in the southeast.

- Market intelligence: this intervention aimed to improve the performance of oilseed producers and processors by acquiring and analyzing market information for business growth. SNV's contribution was to include helping processors to access market information, strengthening their business management skills and developing sound business plans. Key in this respect was the strengthening of the Central Zone Sunflower Processors' Association (CEZOSOPA).
- Value chain financing: this intervention aimed to improve the business management performance of edible oil processors to enable them to access financial services. SNV's contributions included facilitating a mapping of alternative financial institutions, and connecting them with oilseed processors. In addition, SNV and its LCBs aimed to support financial institutions to adjust their services and products to the context of the oilseed value chains.

²⁶ Since 2010, SNV has moved away from organizational capacity development towards an approach focusing on the system of the sector and on the development of knowledge about the sector, in particular its trade aspects and political economy of trade. The intervention logic applied after 2010 was later reconstructed by SNV. For sesame in particular, the intervention logic (and goals) set by SNV have changed several times. After 2010, SNV expected to contribute to progress along two major axes (see Table 2):

- Facilitating the creation of an improved business environment for edible oilseeds by establishing sector alliances for policy advocacy (rather than for coordination only) and by supporting AMCOS to address accountability issues (sesame only). The idea behind support to the AMCOS was that organized farmers would be better able to demand better services from local governments and to participate in price setting from the unions representing them.
- Improving the performance of edible oilseed processors: SNV aimed to establish and support processor associations to enable them to access inputs and markets, and to identify and promote models linking small processors to producers (trust-based contract farming, mainly for sunflower).

Table 2. SNV's intervention logic after 2010.

Outputs	<ul style="list-style-type: none"> • Facilitate contract farming between producer groups and processors • Facilitate establishment of CEZOSOPA and UMAMBE-like enterprises in nine regions (processors) • Map alternative financial institutions and agro-dealers in Tanzania 	<ul style="list-style-type: none"> • Train and organize edible oilseed actors in a meeting/ workshop on public policy issues • Facilitate the establishment of TEOSA chapters in 9 regions • Train councillors on oversight roles and coordinate oilseed actors in the delivery of extension services
Outcomes	<ul style="list-style-type: none"> • Established win-win contract farming between producers and processors • UMAMBE and CEZOSOPA-like enterprises established in 9 regions • Database on financial institutions and agro-dealers developed and their linkages with processors 	<ul style="list-style-type: none"> • Evidence-based research in collaboration with other actors facilitated • TEOSA chapters established in 9 regions • Established mechanism for an integrated plan for the development of edible oilseed value chains

	<ul style="list-style-type: none"> • Improved knowledge and framework for contract farming among producer groups, processors/ buyers • Improved performance of edible oilseed enterprises and collective access to business development services through alliances 	<ul style="list-style-type: none"> • Improved governance of edible oilseed alliances to influence policy change • Improve oversight functions within local government authorities for developing the edible oilseed value chains
Impacts	<ul style="list-style-type: none"> • Improved performance of edible oilseed processors in Tanzania 	<ul style="list-style-type: none"> • Improved business environment for edible oilseeds in Tanzania
	<ul style="list-style-type: none"> • Increased income from oilseeds for at least 40,000 households in nine regions in 2015 	

²⁷ As illustrated in Table 2, SNV's intervention logic does not explicitly include improving farmers' access to markets or services, but is based on several implicit assumptions that have not been justified. SNV's capacity development strategy is not clearly described and building the capacity of local capacity builders was not included in the results. SNV encourages its clients to take action in the sector by providing them with information, linking them with other stakeholders, or with innovations implemented by SNV (via LCBs). SNV also facilitates training of members of producer farmer groups and AMCOS on agricultural practices and improved seeds, and small processors on business planning and accounting (via LCBs), in the expectation that this training will change both the actors and the sector. However, it is unlikely that these formulated impacts will be achieved with the outcomes as formulated/anticipated in SNV's intervention logic.

²⁸ Resources are thinly spread over clients at different levels and nationwide. SNV's main clients are either economic value chain actors (individual or associations) or alliances of actors trying to influence policy or to create an enabling environment, or both:

- *The Oilseed Multi-stakeholder Forum (OMSF, focused on sunflower in the Central Corridor)* received support to coordinate priority activities mainly for sunflower value chain development. OMSF no longer exists, but two other associations emerged from it (TEOSA and CEZOSOPA);
- *The Tanzanian Edible Oilseed Alliance (TEOSA, national)* was supported to influence policy;
- *The Central Zone Sunflower Processors' Association (CEZOSOPA)* and the *Association of Edible Oil Processors in Manyara (UMAMBE)* are regional associations supported by SNV to access finance and business development services as collectives, and to improve their economic connection with farmers through contract farming;
- *The Manyara Agricultural Initiative (MAI)* is a multi-stakeholder platform for agricultural development (including sunflower) in Manyara, received support to coordinate lobbying activities in the sunflower sector;
- *The ILULU and Masai–Mtwara Cooperative Unions (MAMCU)*, two sesame farmers' unions in Lindi and Mtwara, received support to create a local enabling environment (in which farmers participate in price setting) and to improve sesame production. In reality, SNV worked mainly through the AMCOs (members of ILULU CU) rather than the unions because of the AMCOs' weak position in relation to the unions and LGAs in the marketing system.

- *Producer farmer groups* (PFGs) for sunflower received indirect supported via facilitation of one processor (Songela) with the idea of introducing trust-based contract farming to these farmer groups.
- *Local government authorities* (LGAs) have not received direct support from SNV, but it was anticipated that their capacities would develop as they responded to the increased demands from producers, processors and sector associations.

²⁹ SNV contracted LCBs to train farmers and processors, to assess the capacity of farmer and processor associations, to facilitate multi-stakeholder platforms and to develop knowledge of the sector. SNV also organized thematic meetings for the LCBs once or twice a year.

³⁰ In 2012, the expected results of the changes after 2009–10, as described above, were more explicitly described based on ‘outcome mapping’. This had the advantage that intermediate stages of capacity development became much clearer, but also the disadvantage that the current goals are different from the former ones – the results chain has been reviewed almost yearly – and that some aspects that were previously in the results chain are now missing. In 2012, the most important goals and expected results included the following:

- to reach 20,000 producer households that derive their incomes from sesame (USD 2/day/acre; 1 acre = about 0.4 hectares) and from sunflower (USD 1.5/day/acre) in order to increase their productivity and introduce improved agricultural practices by 2015;
- to create 14,000 new jobs in the oilseed sector in Dodoma, Manyara, Lindi, Mtwara, Meya, Singida, Iringa, Morogoro, Rukwa and Ruvuma districts by 2015.

³¹ The envisaged outcomes are expected at two levels: improved performance of key actors and an improved enabling environment as a result of institutional and organizational development:

- Regional chapters of TEOSA effectively influence LGA policies regarding the levy on oilseed crops (starting with MEOSA and the Iringa sunflower platform in 2011, to include four regional chapters of TEOSA by 2012–2013);
- Oilseed processing enterprises are able to address their joint interests collectively (from two alliances to five in 2012);
- Increased capacity of oilseed processors to engage in contract arrangements with producers and an institutional framework that facilitates trust-based contract farming;
- Increased capacity of processors and producer alliances (e.g. AMCOs) to represent members’ interests (participation in price setting and sesame marketing, and lobbying on policy issues in TEOSA) (from 17 to 34 AMCOs in 2012);
- District councils (12) recognize oilseeds as a priority subsector and include it in their planning and budgeting;
- TEOSA’s regional chapters effectively influence change in the multiples taxes on edible oilseeds.

The reconstruction of the different levels of SNV’s intervention logic in the period 2007–2011 shown Annex 5 combines the initial setup in 2007 with the changes in outcomes formulated in 2012 (outcome mapping) and the information provided by SNV during the interviews conducted for this case study. The components of SNV’s support to the sesame and sunflower value chains are presented in Table 3.



Table 3. Components of SNV's support to the sunflower and sesame value chains, 2007–2011.

Intended components per commodity	Sunflower	Sesame
Component 1: productivity improvement	<ul style="list-style-type: none"> • Introduction of improved seeds to all members of established PFGs by processors • Introduction of local production of quality declared seeds (QDS) by processors • Training of all members of PFGs on good agricultural practices for sunflower by processors 	<ul style="list-style-type: none"> • Training of trainers (ToT) in AMCOs on improved seeds (incl. agricultural practices) and initial distribution of improved seeds • Linking AMCOs to research centres for improved seeds • Strengthening AMCOs to demand (via councillors) that LGAs provide better extension services
Component 2: enabling environment	<ul style="list-style-type: none"> • Establishment of a national level sector alliance and strengthening regional associations of processors and support to their lobby efforts • Establishment and strengthening of national association for the edible oilseed VC and regional chapters (nine regions) and support for their lobbying efforts to influence policies (import tariffs, VAT, quality standards) • Improve information on the sector and actors for evidence-based analysis and learning • Mapping of alternative financial institutions for processors • SNV participates in national taskforce for the edible oil sector • Improved knowledge and practices and institutional framework of contract farming • Improved access of alliance of processors to business development services 	<ul style="list-style-type: none"> • Establishment and strengthening of regional associations of processors • Establishment and strengthening of national association for the edible oilseed VC and regional chapters (nine regions) and support for their lobbying efforts; influencing policies (import tariffs, VAT, quality standards) • Improved information on sector and actors for evidence-based analysis and learning • Improved ability to demand (via councillors) that LGAs invest in extension, regulate local illegal trading and side-selling and reduce taxes • SNV participating in Ministry of Industry and Trade (MIT) subsector meeting and national budget taskforce
Component 3: market development	<ul style="list-style-type: none"> • Trust-based contract farming: more regular seed supplies by contract farmers and better seed prices for processors • Link processors to alternative sources of finance to buy seeds from farmers • Improved access to packaging and promotion for small processors 	<ul style="list-style-type: none"> • Linking unions and its AMCOs to Fair Trade Labelling Organization (FLO) for improved outlets and fair prices • Improve local marketing systems to improve prices to farmers; revise the roles of unions/AMCOs/LGAs • Stronger AMCOs to develop business and marketing
Component 4: quality improvement	<ul style="list-style-type: none"> • Introduction of improved oilseeds to PFGs by processors • Improve quality of oil produced by processors by investing in better machines and facilitating partnership with refineries • Development of diversified quality standards for crude and refined oil • Improved post-harvest material for PFGs (via contract processors) 	<ul style="list-style-type: none"> • Improved seeds with higher oil content introduced and unions/AMCOs linked to research centre • Training farmers in post-harvest handling of sesame seeds

3 Effectiveness of the sesame value chain

- ³² This chapter describes the changes in the 5 core capabilities of the AMCOS – the organizations that were the main entry point for SNV’s support to the sesame value chain – since 2009. 17 AMCOS in seven districts in Lindi and Mtwara (Kilda, Liabile, Nachingwea, Rwanga, Masasi and Nayumbu), all members of two unions (ILULU and MAMCU) have been directly involved in SNV’s interventions. The AMCOS were selected as the entry point, rather than the unions⁷ because of their weak position towards their unions and the (non-transparent) interference by unions and LGAs in sesame marketing, including price setting and multiple taxes and levies. The unions, which were formally SNV’s clients, did not receive direct support from SNV.⁸ The LGAs also did not receive direct support from SNV, but it was assumed that they would be strengthened by responding to the increased claims from AMCOS and councillors (and in future by regional associations of processors and edible oilseed actors).⁹
- ³³ Section 3.2 describes the changes in the outputs of the AMCOS linked to the changes in their capabilities and possibly in the enabling environment. Section 3.3 then examines the changes for the final beneficiaries (sesame-producing households) in terms of improved access to services, inputs and markets. The data are based on interviews with two unions, interviews and questionnaires (guided interviews) with eight of the 17 AMCOS supported by SNV, interviews with three LGAs and eight ward councillors, eight focus group discussions with farmers in the intervention areas of the interviewed AMCOS, the Rural Oriented Sustainable Development Organization (ROSDO, an LCB) and study of SNV’s client files. Several AMCOS, district directors and councillors were contacted several times during the research. The methodology is explained in Chapter 9, and the limitations of the evaluation are discussed in section 1.4.
- ³⁴ Section 3.4. identifies the external factors that have contributed to the changes in the capabilities and outputs of the AMCOS and in the enabling environment. A summary of the institutional development of the edible oil sector can be found in section 4.5. The effectiveness of SNV’s contributions to the AMCOS and the sesame value chain is analyzed in Chapter 6.

Summary

- ³⁵ AMCOS are well-established sesame and cashew marketing cooperatives with already-developed collection and purchasing systems (from their clients). Thanks to the warehouse receipt system (WHS), the AMCOS also had access to bank loans for sesame. A turning point in the capacity of the AMCOS (for sesame) was the change in the local marketing system from a warehouse receipt system to allow the AMCOS to sell directly to private buyers. Under the new system, introduced in 2011, the AMCOS can negotiate prices directly with buyers although a minimum reference price is still set by a regional taskforce. This change was introduced by

⁷ Based on several multi-stakeholder platforms and sector studies, including Match Maker Associates 2005, OMSF, 2007, Quick Scan by Rudi (Kikoka, 2008), MSP (2009).

⁸ They have been informed on the interventions with the AMCOs and were involved in the dialogue with FLO.

⁹ LGAs sometimes participated in training sessions of AMCOs, have been asked for permission by LCBs/ SNV to organize activities with AMCOs, have participated in regional multi-stakeholder platforms or dialogues/sessions and participated in the making of an SNV video on WHS and local marketing. Regional alliances of stakeholders and processors are currently being established with SNV’s support (see chapter 4).

the LGAs when their tax revenues from sesame fell dramatically as farmers preferred to sell their crop illegally to traders, rather than through the WHS with its taxes and levies. This change was also made in response to the growing complaints of AMCOS' leaders and councillors about the sesame marketing system,¹⁰ especially the high taxes and levies and the non-transparent price setting mechanism. In the absence of a formal system for making such complaints to the LGAs, the AMCOS did so during externally organized events, community meetings and field visits by district commissioners.

³⁶ Under the new marketing system, the AMCOS can negotiate prices directly with private buyers and avoid the taxes and levies set by the union, allowing them to pay the farmers more for their sesame. Consequently, the relations between AMCOS and their members, and the LGAs, have improved. Farmers have sold much more of their sesame to the AMCOS, allowing the AMCOS to experiment with price negotiations and to increase their own internal capital. Most of the changes in the capabilities of the AMCOS are linked to these dynamics. Their leaders are competent and have slowly regained the trust of their members. Leadership and governance are becoming more effective and transparent. The AMCOS are slowly improving the informal quality control of sesame delivered by their members and are expanding small credit services to attract more female members. They are not yet offering more or more diverse services to their members but the trend is positive. AMCOS are not yet managed as sesame enterprises and they do not actively explore new markets. They have not really developed their capacity to negotiate prices either but a momentum has been created. Market prices for sesame are not yet linked to the quality of the seeds.

³⁷ Some important overall changes in the capabilities of the AMCOS are presented in Table 4, although they are not necessarily linked to SNV's support. The table summarizes the findings of the evaluation that are further elaborated in section 3.2 and in the analysis of the effectiveness of SNV's support in Chapter 6. The table also indicates capability gaps, not all of which are linked to organizational development goals set by SNV or could have been covered by SNV within the timeframe of the programme (2009–2011 or 2012). Nevertheless, the evaluators find it important to highlight these gaps, because some of them have undermined the eventual outputs or sustainability of the anticipated results. It is not clear why SNV did not identify or consider these gaps in the capacity development interventions towards the AMCOS (see section 5.2 and Chapter 6 for further analysis).

A positive trend of capabilities can be clearly observed in Table 4, in particular the capabilities to relate and to achieve coherence, both of which are linked to the introduction of the new marketing system. The momentum created by these changes in capabilities have not yet resulted in further organizational development, characterized by a stronger ability to claim services, stronger ToT systems, better information about sesame markets or improved capacity to explore markets and negotiate prices.

¹⁰ Since 2007–2008 when the marketing system was run by unions, and then later, in 2010 and 2011, during the operation of the WHS system.

Table 4. Overview of changes in the 5CCs for the AMCOS, 2007–2011.

Capability	Rate of change	Main changes/ achievements	Main capacity gaps
Capability to act and commit*	+	<ul style="list-style-type: none"> • Leaders of AMCOS were already competent and committed. • Systems and procedures are in place, including for collection and purchase of sesame from members. • More active participation of members in their general assemblies • AMCOS have started reflections on how the increased revenues from sesame will be used (extension staff, member services) and have launched small credit schemes for members • AMCOS can register all local sales of sesame 	<ul style="list-style-type: none"> • AMCOS do not yet have a business plan for their sesame businesses (which starts to become important).
Capability to deliver	++	<ul style="list-style-type: none"> • AMCOS changed the marketing system from the dysfunctional warehouse receipt system (WHS) to direct sales to private buyers. • Committees (and sometimes staff) for collective sales of members are in place. • No real quality system in place (no quality standards for sesame are used), only impurities are looked for 	<ul style="list-style-type: none"> • No training of trainers (TOT) system or extension system in the AMCOS • AMCOS and members cannot assess the costs and benefits of the improved seeds.
Capability to relate	+++	<ul style="list-style-type: none"> • AMCOS can negotiate directly with private buyers and so can participate in price setting • Clearer division of roles between AMCOS and LGAs for marketing sesame. AMCOS collaborate with LGAs for registration of sesame sales. • Position of AMCOS towards LGAs has become stronger. Their complaints about the marketing system were taken seriously, strengthening their position. The LGAs' tax revenues from registered sesame sales have increased. • Under the new marketing system the AMCOS have a stronger position and are less dependent on union decisions. 	<ul style="list-style-type: none"> • Capacity of AMCOS to effectively make complaints hasn't changed. Claim making ability has not changed • Market outlets have not changed, AMCOS do not have access to market information, cannot negotiate with bigger traders and do not have the capacity to explore markets yet.
Capability to achieve coherence	+++	<ul style="list-style-type: none"> • Trust of members in the AMCOS has improved, and membership of women has increased because of the additional services they provide. • More internal discussions and complaints are made to leaders of AMCOS • Farmers' willingness (and economic interest) to sell through the AMCOS has improved. 	<ul style="list-style-type: none"> • Membership forums not in place
Capability to learn and adapt	0	<ul style="list-style-type: none"> • Records of sales were already well kept. 	<ul style="list-style-type: none"> • No learning cycle • Membership forums not in place

Scores for changes:

0 = no CD expected, no significant results,

+: reasonable results,

++: good results,

+++: significant results which can be translated sustainably in output.

* The capability to act and commit was already very well developed in the AMCOS, and is improving further under the new marketing system.

- ³⁸ SNV contributed indirectly to these changes by organizing two multi-stakeholder platforms (MSPs), sector studies and consultations with the AMCOS. During the MSPs, a series of studies (requested and facilitated by SNV), were presented and discussed, including a sector analysis, a needs analysis of producer groups and a capacity analysis of AMCOS. The marketing system and weak accountability between AMCOS and unions and the LGAs emerged as a challenge. These studies, consultations and MSPs might have encouraged the AMCOS to bring their complaints about the obviously failing marketing system to councillors and to district and regional commissioners during their field visits.¹¹
- ³⁹ SNV facilitated training/ discussions with the AMCOS on the WHS, on how to manage side-selling by farmers and on cooperative policy. The last issue was addressed by most of the 17 AMCOS once the marketing system had been changed. The attendance at these training sessions was only 30% of what was anticipated. The AMCOS' ability to claim certain things from e.g. unions or local government authorities was not strengthened. However, the training may have contributed to improving the internal accountability of AMCOS leaders to their members.
- ⁴⁰ The technical support provided by SNV to the members of 11 AMCOS (regarding production and improved seeds) and the facilitation of a link between AMCOS and a research institution for improved seeds, did not really influence the AMCOS' capabilities.

3.1 RESULTS: CHANGES IN THE CAPACITY OF SNV'S CLIENTS

3.1.1 Assessment of the capability to commit and act

- ⁴¹ The ILULU Cooperative Union has 78 members (AMCOS) and MAMCU has 60 members. The AMCOS dealing with cashew and sesame¹² each have between 400 and 750 members (2011). They are open to all farmers in their intervention area (usually one or more villages), although only 5% of farmers were members of an AMCOS, for several reasons: they generally distrusted cooperatives, the AMCOS sales system in the past was dysfunctional and the prices they offered were too low because of multiple taxes and levies. Under the new sesame marketing system, however, the number of members is increasing as a result of the higher prices paid by AMCOS. According to the eight AMCOS interviewed for the survey, their membership increased by 71% between 2008 and 2011. Female membership also increased, from 31% to 62%, following the introduction of the new small credit schemes. The ratio of female and male board members was 1 to 3.6 (sesame is a traditional women's crop), although no specific board functions have been allocated to women.

¹¹ The fact that the old sesame marketing system did not work can be explained by the incompatibility of the concept with the sector: e.g. prices of sesame do not vary much seasonally. The reason for the existence of a WHS was limited, e.g. it could have been operated at the level of the AMCOs, but adding the union as a level increased its inefficiency. This was demonstrated by the way the system was implemented with non-transparent, multiple levies imposed by unions, government interference in price setting and via unions, limited participation of AMCOs in price setting and in packaging, weighing, auctions, etc.

¹² AMCOs were established in the 1990s but did not become active until 2005–2006 when the government started to invest in the cashew value chain. According to their constitutions, AMCOs are legally obliged to market sesame through their unions.

- ⁴² AMCOS leaders are committed to delivering efficient and interesting marketing services to their members. Decision-making processes remain weak, due to the limited ownership by the members and trust issues related to the non-transparent taxes and the low/ late payments of second instalments under the former WHS system. However, all eight interviewed AMCOS have noticed improvement since 2011. General assemblies are held regularly and on time, and written financial records are presented (four of the eight AMCOs were able to show these records). Members are active participants in the assemblies and raise questions about marketing, transparency and the competency of their leaders. Members are also informed about the financial situation via notice boards. Since the marketing system changed in 2011 and the services provided by the AMCOS slightly increased, the attendance of AGM increased to 70%. There are no internal forums for members, other than community meetings and externally organized events (see section 3.1.5, coherence).
- ⁴³ All eight AMCOS interviewed have procedures and systems in place for the collection and purchase of their members' crops (sesame, cashew), with receipt books, cheque books, copies of invoices and printed income statements. The purchases and sales of sesame are well recorded and procedures for collection and records (sesame) are in place. The AMCOS of MAMCU have their own warehouses.
- ⁴⁴ The AMCOS as yet do not have a business plan for sesame in line with the new marketing system. There are no guidelines available on how to use the internally accumulated funds resulting from the extra sales revenues and levies (see section 3.1.2, deliver on objectives). The AMCO are not yet organized to deliver extension services to their members.

3.1.2 Assessment of the capability to deliver on objectives

- ⁴⁵ The AMCOS have gone through different marketing models for their sesame. First they marketed sesame through the unions, acting as collectors and receiving advance payments from the union who received a bank loan and negotiated with private buyers. There was no minimum price in place and unions were exploited by private buyers. The system was inefficient for the AMCOS because of high transport and collection costs, high and non-transparent levies to be paid to the union and late/ low payment of second instalments by the union. At that time, the AMCOS were already complaining about the marketing system at every possible occasion to councillors and district and regional commissioners. To overcome the problems of private buyers' cheating and unions losing credibility with the banks, a WHS was introduced for sesame at the level of the union (in 2011, depending on the AMCOS). The tricky aspects of the WHS lay in its concept (involving two layers, unions and AMCOS) and in the way it was implemented: the union took all the decisions (in a non-transparent way and with political interference) and the AMCOS took all the risk. The AMCOS took a loan from the bank directly for the first instalment of payments to farmers. The sesame was sold at auctions controlled by the union, private buyers and the government. A regional taskforce (influenced by political interference) set an indicative price. The system thus created many problems. First, the AMCOS could not pay the full price to farmers immediately, and second, they could only offer low prices because of the multiple taxes and levies to be paid to the union. As a result, farmers were reluctant to sell to the WHS. Further, unions and AMCOS often delayed paying

second instalments, the indicative price set was too low (or sometimes too high, discouraging potential buyers), both of which led to low prices for farmers and to low volumes of sales. Finally, the auctions were not fully transparent, the warehouses were too far away (ILULU) and the packaging by the union was too expensive. These problems led many members to side-sell their sesame to traders, leaving the AMCOS with unused bank loans, high levels of debt and very low credibility in the eyes of their members. Moreover, the LGAs lost part of the anticipated revenue because of the illegal side-selling by farmers.

- ⁴⁶ In May 2011, after one or two seasons with the WHS (depending on the LGA), and after continuous complaints by the AMCOS at every possible occasion and steep decline in LGA revenues from the AMCOS, the district directors took the initiative to abandon the system and to allow the AMCOS to sell to private buyers in Liwale, Kilwa, Nachingwea and Rwangwa (LGAs where the AMCOs of ILULU are active). These LGA's cover all 17 AMCOS involved in the SNV interventions in early 2011. These four LGAs made additional arrangements with the AMCOS to supervise local sesame market transactions and AMCOs are now collecting the council's levy on sales of sesame. It is not clear whether the regional government will accept this new system as permanent or whether it will be a temporary solution. There are no official quality standards in place for sesame seeds and the AMCOS have not developed a quality control system.
- ⁴⁷ Members and non-members can sell to the AMCOS at the same price. In most AMCOS, both also benefit from their services, including the use of tractors, credit and mills, but they are cheaper for members. These services are mostly financed by income from cashew, except for the recent credit schemes which are a result of the increased income from levies under the new marketing system.
- ⁴⁸ The staff of the AMCOS are not competent to provide extension services to members, e.g. in organic farming. They have not been trained as trainers of farmers. ILULU sells seeds to two AMCOS. None of the eight AMCOS interviewed are currently ordering improved seeds from the research centre. According to SNV, five of the ten AMCOS they have trained were linked to the Agricultural Seed Agency/ National Agricultural Research Institute (ASA/ NARI), but only two bought improved seeds and tried out organic production methods (see sections 3.2 and 3.3 for 'output' of clients and for outcome for farmers).

3.1.3 Assessment of the capability to relate

- ⁴⁹ AMCOS had and still have a loose relationship with unions and they do not receive from them either annual financial reports or services. Unions rarely visit the AMCOS. Unions used to take decisions for the AMCOS under the WHS (on packaging, price setting in auctions) while the AMCOS took the risk for the bank loans. The only 'service' that AMCOSs received from unions was through the union's role in the auction under the WHS. During the WHS era the AMCOS made repeated complaints to the unions regarding the distance to warehouses, delayed and low payments of second instalments, the presence of AMCOS at the auctions, expensive packaging, and the non-transparent system of taxes and levies. After 2010, however, the AMCOS were able to participate in the auctions (in the WHS system) whenever they want (any member can participate and not just one AMCOS representative). But the relations between the AMCOS and the unions have worsened under the new marketing system. The unions lost

their profit from levies and sales: in the WHS part of the delayed second payments were sometimes used to cover other costs. In 2013, the unions started to understand that the AMCOS do not accept them as legitimate representatives and are seeking to improve the relationship. This demonstrates that changes in marketing systems can indeed trigger changes in attitudes and in power relations.

- ⁵⁰ The position of AMCOS towards the LGAs has improved under the new marketing system. Since the existence of sesame marketing system via the union and later via the WHS system, AMCOS complained to councillors and to district and regional commissioners. The councillors contacted by the evaluators confirmed that they had transmitted the AMCOS' message at ward council and the district meetings, but that they never provided feedback to the AMCOS. There is still no mechanism to channel other complaints or to study them (collect evidence): they are expressed in an unorganized manner and during community or externally organized meetings (e.g. by ROSDO, Aga-Khan). The AMCOS did not develop a system to ensure follow-up or to monitor the responses of LGAs. Currently, the 17 AMCOS are still complaining to the LGAs about price setting: the minimum price of sesame is still set without the involvement of the AMCOS.
- ⁵¹ Two networks of four AMCOS were established during externally organized events (Lilawe and Kilwa). They shared the view that the WHS should not be continued.
- ⁵² By the end of 2013 AMCOS members were more aware of the existence of the Tanzania Edible Oilseeds Actors' Alliance (TEOSA) following a training on public expenditure tracking (PET), and AMCOS leaders are becoming interested. According to the AMCOS, TEOSA is supposed to solve the problems with the WHS and the indicative pricing.
- ⁵³ AMCOS have been temporarily linked to the Fair Trade Labelling Organization (FLO) (by SNV under the global partnership between SNV and FLO). FLO has promoted organic farming to the unions and AMCOS and suggested they could be linked to fair trade outlets, but the link was stopped abruptly, according to the AMCOS. AMCOS do not have the capacity to establish links with other fair trade or with market outlets outside their localities.

3.1.4 Assessment of the capability to adapt and self-renew

- ⁵⁴ Within the AMCOS systematic learning processes are very weak. Member meetings are event-based, organized by the LGAs or donors. AMCOS leaders do take decisions (where possible) based on their records. The AMCOS demonstrated their flexibility to adapt when 17 of them (supported by SNV) dropped the WHS for sesame in favour of direct sales of sesame to private buyers. AMCOS of ILULU have adopted a supervisory role in the local marketing system, registering all sales of sesame, collecting the council crop levy and providing purchase delivery notes (PDNs) to traders.

3.1.5 Assessment of the capability to balance diversity and achieve coherence

- ⁵⁵ Leaders of AMCO are competent, dedicated and understand cooperative governance. Between 2008 and 2011, however, they lost the trust of their members when one sesame marketing system followed another, resulting in massive side-selling. Since the abolition of the WHS,

effective leadership is improving and members are regaining trust. Side-selling has decreased, sales via the AMCOS have increased (see section 3.2.), and attendance at the general assembly has improved. In late 2012 and early 2013, following a training course on cooperative policy, eight of the 17 AMCOS (supported by SNV) organized internal meetings on side-selling and the rights of the AMCOS, unions and LGAs.

- ⁵⁶ Despite the relatively high membership of women in the AMCOS, when asked by the evaluators, farmers mentioned several challenges with regard to gender: (i) weak leadership of women in the AMCOS (in most the AMCOS interviewed); (ii) husbands discourage their wives from becoming members; and (iii) in some areas women find it difficult to find land to grow sesame, as land is used by men to grow cashew.

3.2 RESULTS: CHANGES IN THE OUTPUTS OF AMCOS AND THE ENABLING ENVIRONMENT

3.2.1. Changes in the outputs of AMCOS

Achievements in business development

Under the new marketing system, all 17 AMCOS supported by SNV now negotiate prices and sell directly to private buyers. This change involved decision of six LGAs to abandon the WHS system. AMCOS receive advanced payments from the private buyers in order to purchase sesame from members. As indicated in Table 5, based on data from eight AMCOS interviewed, it appears that AMCOS now collect 20 times more sesame for direct sale to private buyers, and there is less side-selling. They are better able to control the impurities in sesame, according to four of the eight AMCOS interviewed.¹³ Since the abolition of the WHS and multiple levies to the union have been dropped, the prices paid to the AMCOS rose from TSh 1000/kg in 2008 to TSh 1650/kg in 2012 (+65%), and the gap with the world market price decreased. Most AMCOS have settled the debts they incurred during the WHS era, increased their internal capital by 300%, and doubled their revenues from the levy on traders over the period 2008–2012.

Table 5. Changes in the internal capital and sales of sesame in eight AMCOS, 2010–2012.

	2010	2011	2012
Internal capital (TSh)	210,000	500,000	820,000
Volume of sesame sold (kg)	159,040	320,150	XXX
Revenues from the levy on local sales of sesame (TSh)	16,000,000	9,700,000	27,575,000

- ⁵⁷ The AMCOS with successful cashew businesses and those with an improved sesame marketing system have small credit schemes of TSh 20,000–50,000 or strengthened existing credit schemes. Four of the eight AMCOS participating in the focus group discussions (FGDs) have introduced credit schemes for pesticides for members and non-members, and this had helped to attract more women as members. In three of the nine AMCOS interviewed, members and leaders had discussed how the funds from the extra levies and income under the new

¹³ AMCOS can now send back impure consignments directly to their members whereas this was difficult for the unions at the time of the WHS.

marketing system could be used in the future. They may organize extension services or use the extra income to buy inputs or to build up their capital to increase access to banks. A plan is not yet available but this demonstrates that members are more motivated to work towards a common goal.

Challenges in marketing

The AMCOS are not paid a better price for better quality seeds: quality standards for sesame are not applied in Tanzania and farmers are not aware of which seeds have better oil content. The process of price setting is not fully open: the regional taskforce for sesame still determines the indicative minimum price to be used by the AMCOS in their negotiations with private buyers. They are informed about the indicative price (through the regional taskforce) but not about the prices offered by large buyers outside their area, and they have no links to these buyers. AMCOS have not gained access to new market outlets.¹⁴ AMCOS do not have marketing and sales strategies, and tend to be reactive. AMCOS do not have a role in marketing of organic produce of farmers and they do not have access to fair trade outlets. The AMCOS remain vulnerable in their relations with the private buyers (who often cheat on weights) and their price negotiating capacity is weak. The capital gained from sesame under the new marketing system is not yet sufficient to allow them to provide inputs for members or to obtain trade credit from the bank. Moreover, AMCOS do not have sound business plans and strategies for how the new business will evolve. The income of the unions has decreased as they lost the income from levies and profits from sesame sales.

Extension services and inputs to members

⁵⁸ The District Agriculture Development Programme/ Strategy (DAPS) provided training for the AMCOS on good agricultural practices (GAP) for sesame and on improved seeds. This was repeated by SNV and the Aga Khan Development Network: about 15–25 farmers per AMCOS received training for 2–3 days and received improved seeds. There was no TOT strategy in place to extend the training and competence to more farmers.¹⁵ The AMCOS are not yet playing a role in promoting organic production or in providing extension services to their members. There is no permanent link between the AMCOS, unions and research institutions in order to buy improved seeds on credit. They have not taken further the initiative on improved seeds because the price of seeds was too high: they do not have access to credit and the improved (organic) seeds do not fetch better market prices. Some AMCOS also mentioned problems such as the fact that the new varieties were not drought resistant and planting them was too labour-intensive.

Relations and accountability

⁵⁹ The AMCOS raised several complaints: first about the marketing system managed by the unions (2008, 2009), about the indicative price-setting by the regional taskforce (in 2009–2010 and 2011) and several other issues, including side-selling, the multiple levies and taxes, and the LGAs' untimely input supplies and inadequate extension services. After receiving these

¹⁴ Each AMCOS has about 2 to 3 local buyers a year with some yearly variations.

¹⁵ SNV's idea was that once farmers understood the market potential of the improved seeds they would claim better extension services from the LGAs. It should be noted that the goal/idea of the agricultural training facilitated by SNV has changed over time: first it was meant to increase productivity, then to link farmers to the Fair Trade market, and then as a way to encourage the AMCOS to claim services from the LGAs.

complaints, and in view of their own decreasing revenues, the LGAs (district commissioners) called a special forum in which all of the eight AMCOS interviewed participated. Consequently, the new sesame marketing system was introduced. The relations between the AMCOS and LGAs had been tense, but after the WHS was abolished their collaboration improved, in particular for AMCOS belonging to ILULU. Nine out of 17 AMCOS now play important roles in regulating, supervising and registering market transactions of sesame by private buyers.¹⁶ They now submit monthly overviews of all transactions in the district to the LGAs through the cooperative department officers. This new arrangement has increased the incomes of both the AMCOS and LGAs; a better registered local sesame trade means more tax revenues.

⁶⁰ Three out of nine AMCOS interviewed who participated in the training of ROSDO on cooperative policy (May–September 2011) had requested their local council to improve its extension services, or to use the district input fund to provide improved seeds and better roads. Since last year, the AMCOS have increasingly complained to their General Assembly about internal leadership problems and about the system of weighing sesame (mentioned by participants in three focus group discussions during the evaluation). These disputes were settled and members now attend weighing sessions. During the last year (2011–2012), eight of the 17 AMCOS involved in SNV’s interventions organized additional internal meetings with members on marketing (side-selling) and extension issues.

⁶¹ The small networks of AMCOS initiated by ROSDO (an LCB) do not yet have a strategy or clear objectives and have not yet received further support.

3.2.2. Changes in the enabling environment (local level)¹⁷

Summary

⁶² Important elements of a local support framework and enabling environment are presented in Table 6. The division of roles between LGAs and AMCOS in marketing has improved, as described above. Because of the new marketing system and sesame trade registration system, the LGAs’ tax revenues have increased, and their attitude to the AMCOS is changing. Some LGAs have invested in more roads, but not yet in more active/motivated extension services.¹⁸ but in Kilwa, 20% of the revenues from sesame levies are decentralized for a ward development programme.

¹⁶ For issuing PDNs, private buyers can charge a fee of 5% (of the indicative price) from *all* traders (and not just those trading with the AMCOS). With the PDN, the traders (not only the licensed ones) also have to pay the LGA levy.

¹⁷ For changes in the enabling environment at the national level, see Chapter 4 on the sunflower value chain.

¹⁸ SNV has not directly supported the LGAs, except for integrating them in a multi-stakeholder platform, monitoring visits and involving them in the making of a video (Kilwa Daldo).

Table 6. Changes in the enabling environment for the sesame value chain.

Achievements	Challenges
<ul style="list-style-type: none"> • LGAs called meetings to discuss the WHS. District commissioners often visited AMCOS to discuss the WHS in 2010–2011. One AMCOS representative is a member of the regional taskforce on price setting. • LGAs (of the 17 AMCOS involved in the SNV programme) took the initiative to change the WHS system so that AMCOS could sell directly to private buyers, because of their reduced tax revenues and complaints by AMCOS. Four LGAs for the supported ILULU members and two for the supported MAMCU members changed away from the WHS system. The changes in Masasi were more moderate; the 2 LGAs preferred to improve the WHS system rather than abolish it completely. • The coordination of AMCOS, ward LGA and LGA has improved with the initiative of LGA to change the WHS system and to give a role to the AMCOS in supervising local sesame market transactions. AMCOS and LGAs now collaborate and AMCOS earn levies of all commercial sesame transactions. There are no systematic feedback mechanisms from LGAs to AMCOS. • LGAs have improved the system for taxing private buyers, there is less illegal trade and more revenues, especially in LGAs where AMCOS provide purchase delivery notes (PDNs). In Kilwa the revenues increased from TSh 14 million in 2008 to TSh 302 million in 2012. Kilwa has an integrated (under ODOP) plan and budget for developing the sesame value chain. Some 20% of the new income from increased levies on sesame in Kilwa has been earmarked for decentralized ward development programmes. Some districts have invested in roads, or have started to train AMCOS (e.g. Masasi trained Nanyumbu AMCOS on the new trade system, attended by 200 members). • Technical knowledge of sesame and improved seeds is sufficient in the LGA extension systems. LGAs have 3 extension staff per village to cover all crops. In 2005–2006 DAPS, farmers were trained and received improved seeds and again during the SNV training. There is an input fund at district level but AMCOS have not benefited from it. Only two AMCOS interviewed had requested the LGA to access it. • Local private buyers of sesame can benefit from the new marketing arrangements (buying directly from AMCOS). Buyers can give shorter notice than under the WHS system and short-term advance payments to AMCOS. The guarantee to get better quality sesame seeds has improved (control of sesame by the AMCOS has improved and AMCOS can still send back consignments to farmers), which is also to the buyers' advantage. Competition is still limited, with only 2 or 3 other buyers in the same area. 	<ul style="list-style-type: none"> • There are no systematic procedures whereby LGA can respond to farmers' complaints (unorganized, happen during accidental meetings, no feedback mechanism). • Other than the indicative price, the LGAs do not give sector information to AMCOS. • The abolition of the WHS and the new marketing system (including PDNs by AMCOS) have not yet been officially accepted by the regional government. • External actors like SNV and Aga Khan are not coordinated by the LGA. • There are no regular field visits from extension officers (no change). Not all staff is aware of the value chain approach (no change). AMCOS are not receiving improved extension services from LGAs. AMCOS are not regularly visited by the Coop Promotion officer. • Price setting is not yet fully free, and the regional taskforce for sesame still sets an indicative minimum price that is used by the AMCOS in their negotiations with private buyers. • Quality standards for sesame seeds are not applied in Tanzania.

3.3 RESULTS: CHANGES FOR FARMERS (SESAME)

⁶³ Focus group discussions (FGDs) were held with farmers and ward councillors from the areas of eight AMCOS, and questionnaires (guided interviews) were organized with eight AMCOS. Sesame farmers effectively sell more of their sesame to the AMCOS at a higher price than under previous marketing system and that paid on the market and receive immediate

payment. Farmers are not paid according to the quality of their seeds, however. They do not have a reference for market prices, apart from the indicative price set by the regional taskforce. Farmers do not explore markets, but go for immediate payment. They have not experienced any improvement in their access to extension services and they do not use improved seeds (or they continue to reuse improved seeds). However, farmers do have better access to credit and to machine rental services via their AMCOS.

- ⁶⁴ Extension officers do not pay regular visits to sesame farmers, and the visits do not focus on sesame only. The support of district cooperative development officers (from the district/ ward) to the AMCOS is also not regular, but the officers tend to be present at the AMCOS' general assembly meetings. Very few farmers have received training on improved agricultural practices and/or received improved sesame seeds.¹⁹ The farmers who received training were supposed to train other farmers, but no TOT strategy is available at the level of the AMCOS.²⁰ Some 3–10% of AMCOS members (out of 300–700 members each) have received training, but the training results were not replicated among farmers, since the AMCOS do not have an extension system in place. They do not provide continuous supplies of improved seeds, and seed credit is not available.²¹ However, during the agricultural training, some members of AMCOS received improved seeds. Several AMCOS and focus group participants mentioned that farmers who had tried the seeds had experienced problems because the improved varieties were not drought resistant, or found that cultivating them was too labour-intensive. Farmers do not have access to credit for seeds and find the investment too risky compared with the potential benefits. Farmers have difficulty assessing the costs and benefits of improved seeds, since they are not paid according to the oil content of seeds, which limits their incentive to switch. As a result, farmers do not buy new improved seeds every year, but continue to plant traditional varieties or to reuse improved seeds for at least three years, mostly more.
- ⁶⁵ The previous WHS system was imposed on farmers by the LGAs. Farmers were not able to explain the cost structure of the WHS, since financial management system by the union was not transparent. Farmers were not satisfied with the system as they did not receive payments directly (second instalments were often paid late) and prices were lower than what they could get in the illegal local market (side-selling). Under the new system, farmers are paid directly for (legal) sales and prices are higher mainly because the imposed levies and taxes by unions are avoided. Some farmers receive up to 50% more than under the WHS. The price difference between world market price and local price decreased. Farmers now sell six times more through the AMCOS than before, and the AMCOS pay the same price for members and non-members. Farmers are not paid a better price for better quality seeds with higher oil content.
- ⁶⁶ Farmers do not really consider the margin they gain for their produce and do not understand price setting mechanisms. They do not negotiate better prices but use the indicative price as a

¹⁹ The District Agriculture Development Programme/ Strategy (DAPS, 2005–2006, training partly implemented by ROSDO), SNV and Aga Khan (2012) included organic farming techniques, identification of improved seeds and some post-harvest issues and record keeping.

²⁰ Later, SNV said that the trained farmers were not supposed to train other farmers but that the intention was to encourage them, by the training, to claim better extension services from the LGA.

²¹ During the SNV training participating members (about 25) have received improved seeds. During DAPS in 2005–2006, some farmers received improved seeds. During training of Aga Khan in 2012 about 30 trained farmers also received improved seeds. The SNV training did not introduce new varieties but suggested that each year farmers replaced the used seeds with new improved seeds.

reference. Their entrepreneurial attitude is weak. Farmers only know the buyers that visit their communities, and they do not explore markets. In three out of eight AMCOS participating in the focus groups, farmers had asked for a member to be present during weighing, which is a good sign of improved ownership and interest.

⁶⁷ Farmers, especially women, have access to credit from the AMCOS, and this has improved considerably since 2011. Farmers regard this as very important. There was no expansion of the sesame production area during the last year, despite the fact that land is available in the intervention areas. Such an expansion might be encouraged in the near future by the recent increase in the price of sesame. Although sesame is typically a women's crop, it became clear in focus group discussions that it is difficult for women to expand their area of sesame, since many find that it requires too much labour or the land is used by men to grow cashew.

3.4 FACTORS INFLUENCING THE RESULTS (SESAME)

Summary

⁶⁸ Two factors have played a major role in the recent changes of AMCOS and LGAs (sesame): (i) the AMCOS' indebtedness²² and consequently their complaints about the former market system to the LGAs, and (ii) the LGA's decreasing revenues from sesame (due to side-selling by farmers to illegal traders). On top of that, the price of sesame on world markets increased over the period, reflecting the growing demand for edible oils, although the prices paid to farmers by the AMCOS were even higher. The AMCOS repeated their complaints in multi-stakeholder platforms organized by SNV or Aga Khan and discussed them further, which might have added extra dynamics to the existing trend. External training on marketing systems and cooperative policy, facilitated by SNV, influenced these changes indirectly, but their influence on internal claims of members to leaders of AMCOS (e.g. about correct weighing) was more obvious. The training in agricultural practices has had little impact so far in terms of the number of farmers planting improved seeds, or the capacity of AMCOS to demand better extension services.

⁶⁹ **The world price of sesame** has increased since 2007 and made a considerable jump in the 2011–2012 season, at the precise moment when the AMCOS quit the WHS. The prices received by the AMCOs have increased faster than the world price. Between 2011 and 2012 the world market price of sesame by 47%, while that paid by the AMCOS jumped by 65%.

⁷⁰ **The abolition of the WHS** for sesame in May 2011 by the 17 supported AMCOS undoubtedly had a positive influence on the capabilities and performance of the AMCOS, LGAs and farmers during the last season. The fact that the WHS did not work out for AMCOS or the LGAs motivated the LGAs to abolish it. It is not clear whether this is a permanent or temporary measure, since some ward councillors and AMCOS would have preferred to introduce a system to limit side-selling, rather than adapt the WHS fundamentally.

The AMCOS were in debt because of side-selling by their members. The fact that the unions faced several organizational and institutional challenges (non-transparent use of funds, cost structure and levies) contributed to the fact that AMCOS wanted to quit the WHS system. This

²² Because of side-selling of members due to the low prices paid by AMCOS (after taxes and levies imposed by the unions) and the late payment of second installments by the unions to the AMCOS and hence by AMCOS to farmers.

was further motivated by the doubtful capacity of the regional taskforce to set indicative prices. That the sesame marketing system via the unions and later the WHS (managed by the union) was not correctly implemented was no mystery to the AMCOS: the lack of transparency, the high levies and late payments of second instalments via the WHS were obvious and directly felt by the farmers. Even without implementation problems, one can doubt the appropriateness of the concept of a WHS including the level of the union and destined to manage sales of a crop (sesame) of which the seasonality is rather limited.

The LGAs lost significant revenues because of the illegal trading (unregistered side-selling) by farmers and their lack of capacity to control it. The continuing problems with the WHS for cashews added to the pressure on the LGAs to find a solution for sesame.

- ⁷¹ The LGAs eventually decided to quit the WHS. Between January and May 2011 they met with the AMCOS to discuss ways to limit side-selling, and decided (at the initiative of the district director) in May 2011 to abolish the WHS system in favour of direct sales to private buyers. In Lilawe and Kilwa the AMCOS now collect the levy and register sales of sesame for the LGA. The new marketing system has had further impact on the AMCOS and LGAs capacity. The contribution of SNV and attribution of changes to SNV's support to the sesame sector are discussed in Chapter 6.
- ⁷² Some other initiatives/events have contributed to the improvement of internal governance of AMCOS. The training on public expenditure tracking (PET) by ROSDO (financed by FSC), implemented after the training by ROSDO, supported by SNV, increased the internal demand within the AMCOS for improved transparency and for correct weighing. This led to the organization of internal meetings in the eight AMCOS. It also increased the AMCOS' awareness of the Tanzania Edible Oilseeds Actors Alliance and the need to have a sesame or edible oilseed board. The training also contributed to the establishment of two small informal networks of AMCOS to promote a private buyer–AMCOS–LGA system to replace the WHS.
- ⁷³ The training on agricultural practices and improved seeds (DAPS, SNV, Aga KhanPHAN) was short and reached a limited number of farmers (about 20 for each session). Action Aid and other (smaller) programmes have supported some of the AMCOS to promote good agricultural practices to farmers.

4 Effectiveness of the sunflower value chain

- ⁷⁴ In this chapter, section 4.1 describes the changes in the capacity of the Tanzania Edible Oilseeds Association²³ (TEOSA) and its regional chapters, sunflower processors' associations (CEZOSOPA and UMAMBE) and producer farmer groups (PFGs) established via contract farming with sunflower processors. Local government authorities (LGAs) have not received direct support from SNV but were supposed to be strengthened in the process of responding to the increased claims of processors and PFGs. It was also expected that training provided to farmers by the LGAs (facilitated by the processors) and the introduction of quality declared seed (QDS) to some farmers would have an effect on the LGAs.²⁴
- ⁷⁵ The findings are based on secondary data (e.g. evaluation reports), interviews with SNV and LCB staff, SNV's client files, interviews with the leaders and members of the associations (TEOSA/ MEOSA, CEZOSOPA, UMAMBE), a questionnaire to 32 members of CEZOSOPA (often in the form of a guided phone interview), interviews with 10 processors (supported by SNV, Songela, the Rural Livelihood Development Company (RLDC) or not supported), four focus group discussions with PFGs, four focus group discussions with farmers in the intervention area, questionnaires to 40 PFGs, of which 30 involved in contract farming with Songela, supported by SNV and other processors, and 10 not involved in contract farming (living in wards where no contract processors are purchasing sunflower seeds). The methodology is explained in Chapter 9, and the limitations of the evaluation are presented in section 1.4. The information obtained in the field differed systematically from what could be found in SNV's monitoring reports and publications.
- ⁷⁶ Section 4.2 assesses the changes in the outputs of TEOSA, CEZOSOPA, UMAMBE and the PFGs as a result of their changed capabilities and looks at possible changes in the enabling environment. Section 4.3 then assesses the changes for the final beneficiaries (sunflower-producing households). Section 4.4 describes the factors that have contributed to the changes in the capabilities and outputs of TEOSA, CEZOSOPA and the PFGs, in the enabling environment and at the level of farmers. Based on this set of information, Chapter 6 analyzes the effectiveness of SNV's contribution to these organizations.

Summary

- ⁷⁷ SNV contributed significantly to developing and brokering of sector information by regional sector studies and a recent in-depth evaluation of the quality of sunflower oil produced by members of CEZOSOPA. SNV contributed to system development of the value chain and sector/ processors' associations by identifying the need for associations within the Oilseed Multi-stakeholder Forum (OMSF), establishing of these associations using the dynamics of OMSF, facilitating TEOSA's recognition and through lobbying activities at the national level in the taskforce of the Ministry of Agriculture and the Ministry of Trade and Industry. These activities contributed to a National Edible Oilseeds Strategy and to changes in trade policy in favour of farmers and small processors, to the release of funds from the UN Industrial

²³ TEOSA developed mainly from dynamics among sunflower stakeholders, and is therefore discussed under the 'sunflower VC', although stakeholders in other commodities (sesame) are also involved.

²⁴ SNV judged that small processors would be the best entry point to reach and trigger farmers in the value chain, and to facilitate/catalyze changes in attitude and initiatives at the level of the LGAs.

Development Organization (UNIDO)/ the Small Industries Development Office (SIDO)/ the Ministry of Industry and Trade (MIT) for refineries for small processors, and to contributions from USAID (related to introduction of edible oils fortified with vitamin A). These achievements at the system level have only been weakly translated into organizational development of the associations by SNV. This may be explained by the fact that these organizations are still young. However, SNV with the associations did not invest sufficiently in learning by doing. Moreover, SNV and other support programmes often worked directly with small processors, the regional chapters and with PFGs and farmers (via processors), thus bypassing the established associations. Since 2012, the associations have been linked with other donors/agencies to develop their organizational capacity: for TEOSA this is brokered by SNV, for CEZOSOPA and UMAMBE, this can be partly linked to brokering by SNV. The newly established PFGs (facilitated by SNV) have generally not been linked to other agencies to support their capacity development and their integration in the sunflower value chain.

⁷⁸ TEOSA, CEZOSOPA and UMAMBE have committed leaders. Leadership is strong in UMAMBE and CEZOSOPA, which is a recent change. Changes in capabilities can be noted particularly in the ‘capability to act’ (by the fact that the associations have been established and have committed leaders), the ‘capability to relate’ and the ‘capability to achieve coherence’. When assessing their output, CEZOSOPA and TEOSA have clearly achieved some successes with advocacy at the national level and UMAMBE with lobbying the LGAs and SIDO. CEZOSOPA and UMAMBE have also established links with the Cooperative Rural Development Bank (CRDB), a local commercial bank, and UMAMBE has acquired a grant for a refinery from the district via the district. CEZOSOPA is still negotiating with SIDO/UNIDO regarding funding for a refinery. Beyond these outputs, the associations offer few services to their members.

⁷⁹ The increased market demand for vegetable oils has led to improved capacity and greater efficiency for the large (medium) processors, while the capacity of small processors and the quality of their oil have shown little progress. This is problematic, since improvement of capacity is crucial for their continuation. SNV has successfully supported one processor to introduce ‘trust-based contract farming’, which now offers a complete set of services to PFGs and works closely with LGAs in training farmers. PFGs have been established and trained for sunflower production and to access improved seeds, but they have not organized collective sales and are not yet paid according to the quality of their seeds. Replication of the trust-based contract farming is not guaranteed for smaller processors for whom subsidies are not available. There is no clear commitment of LGAs to follow-up on the established PFGs in the event that the processor cannot continue the work with them.

5 core capabilities (5CCs)

⁸⁰ Some important overall changes in the capabilities of stakeholders in the sunflower value chain are summarized in Table 7, and are further elaborated in section 4.1 and in the analysis of effectiveness of SNV’s support (section 6.2). Summarizing the changes in the 5CC framework has been a challenge given that (i) SNV has played a role as value chain facilitator, paid less attention to organizational capacity development, and (ii) the coherence between the various supported/established associations (of processors and farmers) is still weak despite significant progress. The increased market demand and other programmes and agencies have had a substantial influence on the developed capabilities.

- ⁸¹ A positive trend of capabilities can be observed. First, the associations have been identified and established, whereas before, contacts between stakeholders were non-existent. Second, the associations have been recognized at the local and/or national level by government. Some associations have already had an influence on the policy making of the Ministry of Agriculture and the Ministry of Trade and Industry. Knowledge of the sector has been developed (but not necessarily steered by the associations), which has contributed to these achievements. The progress is reflected in the progress of the capability to relate and of the capability to achieve coherence, but to a lesser extent in the capability to act and commit, and the capability to deliver.
- ⁸² Table 7 also lists some important capability gaps. Not all of these gaps are linked to organizational development goals set by SNV or could have been covered by SNV within the timeframe of the programme (2009–2011 or 2012) given the infant stage of the value chain at the start of the programme. Nevertheless, the evaluators find it important to highlight these gaps because some of them have undermined the eventual outputs or the sustainability of the anticipated changes. It is not clear why SNV did not identify or consider these gaps in its capacity development interventions (see section 5.2 and chapter 6). For example, regional chapters were established without involving the associations in the process, and some leaders were involved but only because they were from the region concerned. The division of responsibilities for decision making was not clear to either the national associations or the regional chapters. Another example is the fact that SNV has played an important role in developing knowledge, but the associations have been little involved in this: these clients did not always call for knowledge development, the findings were not integrated into any kind of learning cycle within the associations, and they have not been supported in developing their own learning systems.



Table 7. Overview of changes in the 5 core capabilities of the sunflower value chain (and sector associations).

Capability	Main changes/ achievements	Main capacity gaps
Capability to act and commit	<ul style="list-style-type: none"> The associations have been identified as relevant (in OMSF dynamics) and established (TEOSA/MEOSA, CEZOSOPA, UMAMBE) The leaders of the associations are committed (at a personal level) Both CEZOSOPA and TEOSA are currently developing strategic plans (2012–2013), externally facilitated Members of CEZOSOPA and UMAMBE have increased awareness of the need and requirements to produce quality oil PFGs have the capacity to meet regularly and plan reimbursement of the seed 	<ul style="list-style-type: none"> Representation of farmer’s organizations is weak and not much questioned by TEOSA. The diversity of TEOSA members is still relatively weak. Accountability mechanisms for TEOSA and CEZOSOPA not clear/ applied Division of responsibilities for decision making between regional chapters and TEOSA are not clear. CEZOSOPA and UMAMBE do not yet have plan on how to improve the quality of the oil produced by their members PFGs do not yet have membership fee collection systems PFGs do not have/plan any collective activities, other than accessing improved seeds (7 PFGs supported by Songela are developing other activities such as saving and credit schemes)
Capability to deliver	<ul style="list-style-type: none"> PFGs have developed the capacity to improve their members’ agricultural practices, access to and use of improved seeds and to follow up the production processes PFGs have better access to pre-harvest credit via small processors 	<ul style="list-style-type: none"> TEOSA’s and CEZOSOPA’s activities are donor driven, often directly addressing their members, without developing their capacity of the associations to implement them. TEOSA and CEZOSOPA do not yet have staff or funds (even to meet with members). This is currently improved for TEOSA (with BEST-AC) for their capacity for evidence-based advocacy
Capability to relate	<ul style="list-style-type: none"> CEZOSOPA and TEOSA are recognized at the national level and are members of the taskforce of Ministry of Agriculture and Ministry of Trade and Industry. Advocacy processes have been facilitated externally but both TEOSA and CEZOSOPA have gained recognition and experience with the lobbying process TEOSA’s capacity (understanding of, elaborating strategy) for evidence-based advocacy has improved LGAs now have links with and pay more attention to small (contract) sunflower processors CEZOSOPA, UMAMBE and TEOSA now have contacts with other donors and SIDO/UNIDO and have been linked to the Tanzanian Board of Standards (TBS) for dialogue on oil quality standards CEZOSOPA and UMAMBE are discussing and testing a new credit product with CRDB, even after a first disastrous season that made loan repayment difficult. Processors have met with alternative funds and financiers at three financial fairs. PFGs are better followed up by LGAs and can count on continuous advice regarding the production of sunflower seeds 	<ul style="list-style-type: none"> Established PFGs are not related to MVIWATA or other donors/ agencies Position of PFGs in the market remains weak, and they do not understand market mechanisms Capacity of CEZOSOPA to explore new markets for its members is poor TEOSA does not have the capacity to lead and initiate the process of establishing regional chapters

<p>Capability to achieve coherence</p>	<ul style="list-style-type: none"> • The need for associations such as TEOSA and CEZOSOPA was identified in the OMSF, and the process increased coherence in the sector (previously there was no contact and no shared vision) • TEOSA has developed experience to coordinate CEZOSOPA and TASUPA for lobbying at the national level (advocacy campaigns with Ministry of Trade and Industry). • Improved coherence and active membership in UMAMBE and CEZOSOPA since their access to loans (CRDB) and grant for refinery • Trust and transparency between small processors has increased by having joint training, participating in meetings etc. • PFGs reach more poor farmers than the traditional farmer field schools organized by the government to introduce improved seeds • Participation and leadership of women is high in PFGs 	<ul style="list-style-type: none"> • Small processors are the most active members of TEOSA. TEOSA does not have the capacity to adapt or prioritize models or policy with its members • Motivation and coherence in TEOSA is still quite person based
<p>Capability to learn and adapt</p>	<ul style="list-style-type: none"> • LCBs (national level) have improved the way they analyze information and use the knowledge developed within their own organization to influence other stakeholders • Members of the associations are exposed to more information about the sector (during MSPs and externally organized meetings) • TEOSA has started to take more informed decisions based on information 	<ul style="list-style-type: none"> • The associations do not yet have a learning system. Information and tests of innovations are developed but associations are not closely involved. This is improving for TEOSA (2012–2013) • CEZOSOPA has difficulties in finding the right model to link up with refineries, cannot interpret information • CEZOSOPA does not have a system for recording the quality of the oil produced by its members, even though high quality is crucial for their further development.

4.1 RESULTS: CHANGES IN THE CAPACITY OF SNV'S CLIENTS

⁸³ Following a series of dialogues with actors (mainly sunflower), the Oilseed Multi-stakeholder Forum (OMSF²⁵) was established in Dodoma in late 2006. The forum initially had 11 members – farmers, processors, NGOs and public sector – mainly regional agriculture officers – but this later increased to 25. The main driving forces were SNV, the Rural Livelihood Development Company (RLDC, financed by Swiss Aid) and World Vision. It was the first time that stakeholders came together to reflect on priorities for producers, processors and consumers and on necessary policies for the sector. An executive committee was created, in which SNV participated. For two years, OMSF was supported to develop a strategic plan, but its implementation was difficult because OMSF also included government representatives (district and region) which eventually hampered its performance. Its activities (donor-driven) included collecting sector information (discussed during meetings of OMSF) and capacity assessments of PFGs (20), which resulted in business training for PFGs.

⁸⁴ The most important capacity of OMSF was its commitment to identify the need for a sector alliance for lobbying and advocacy, and an association to defend the interests of small and medium processors and to improve their collective access to business development services. Through a series of internal consultations and meetings of special taskforce, OMSF members contributed to the establishment of Tanzanian Edible Oilseed Association (TEOSA) in 2010, and the Central Zone Sunflower Processors Association (CEZOSOPA), which started with 10 members. In the Manyara region a similar association of processors, UMAMBE, emerged out of another multi-stakeholder platform, the Manyara Agricultural Initiative (MAI), which started with 36 members.

4.1.1 Assessment of the capability to commit and act

TEOSA – The commitment of actors in the edible oilseed value chains is strong but is undermined by the lack of clear leadership, the absence of clear strategies and vision so far, the lack of connectivity and communication between relevant stakeholders and by the weak capacity and legitimacy of the participating organizations. TEOSA finds itself in its infant stage. Leadership is yet not strong, personalized and not fully legitimate. Membership base is still weak. TEOSA currently has 24 members (based on what its current leaders say, but other sources mention more members, up to 42) but diversity of these members is still quite low, mainly focusing on sunflower (e.g. sesame is represented by two unions from the south, palm oil is not officially represented). Small and medium processors (sunflower) hold relatively more leadership positions than other stakeholders. Farmers do participate in TEOSA (represented by the National Network of Small-scale Farmers Groups in Tanzania, MVIWATA, two sesame unions from the south and one big farmer) but their capacity to do so is still weak (MVIWATA's legitimacy and internal coherence are still rather weak, being a young organization, although some of its regional structures are now gaining legitimacy). The Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) has always been actively involved (with the support of SNV). The Tanzania Seed Company (TanSeed) is one of the most active members of

²⁵ Since the OMSF no longer exists anymore, representatives were not interviewed during the evaluation. This analysis is a reconstruction based on secondary information from the client file, SNV, RLDC, CEZOSOPA and TEOSA leaders.

TEOSA and is helping to shape the association.²⁶ The alliances of processors are not officially members but their respective leaders participate on personal basis and play prominent roles in TEOSA's leadership. In fact, none of the members act as representatives of their organization/association, and the leaders do not know who are members and who are not.

TEOSA is currently elaborating a strategic plan (with BEST-AC) but it was not yet clear to all the leaders that we met during the evaluation what choices would be taken, how the association will become financially viable, etc. The common driver for investing in TEOSA by the current members was and still is the ongoing negotiations between members of parliament, refineries and other value chain stakeholders (including TCCIA) regarding import tariffs on crude edible oil, taxes on imported packaging material and machinery, and getting recognition, more strategic attention and investments from the Ministry of Agriculture.

⁸⁵ Nonetheless, TEOSA now finds itself in the process of establishing regional chapters (Morogoro, Iringa, Mbeya), initiated and facilitated with external support. There is no vision or strategy at the level of TEOSA regarding the establishment of the regional chapters. In fact, TEOSA is not closely involved in the process, but the leaders from the respective regions are well informed and active in their establishment. The organizational relationship between TEOSA and the regional chapters is not clear yet, and procedures and agreement on the division of roles and decision making still need to be developed. The regional chapters have a wider membership than TEOSA. The creation of one regional chapter, MEOSA, has not been dynamic process.

⁸⁶ **CEZOSOPA and UMAMBE** – These two processor associations are also in their infant stages (established in 2010). The focus has been on their establishment (with SNV), the development of the constitution (for CEZOSOPA with the RLDC), membership development and advocacy (other activities have been developed directly with processors/ members, not involving the associations as institutions). From the interviews, it is clear that the two associations have been able to include the 'top end' medium-sized sunflower processors (at least two machines and a capacity of at least 5 months activity) and also some very small processors (one second-hand machine).²⁷ Both associations currently have a strong leadership, for CEZOSOPA this is recent (end of 2011). Leadership in CEZOSOPA is shared between a small group of members. Members have not been very active until recently.

- For CEZOSOPA, membership increased from 13 to 43 when the new leadership facilitated access to the Cooperative Rural Development Bank (externally facilitated), but dropped again after difficulties in repaying the loans. CEZOSOPA does not really know who their members are, as membership fees are not regularly paid. The leaders estimate that there are about 30–32 active members (this is also the number of processors who responded to the questionnaire of this evaluation). In the new strategic plan (elaboration is ongoing) more services for members are foreseen.

²⁶ Public agencies, SIDO and financial institutions are not represented (and it is not clear whether all leaders are in favour of their inclusion).

²⁷ Based on the questionnaire survey and data from CEZOSOPA, the capacity of its 43 members (tonnes of sunflower seeds/day) is as follows: 19 processors: <5 tonnes/day; 8 processors, between 5 and 10 tonnes/day; 10 processors, 10–30 tonnes/day and 4 processors, >30 tonnes/day.

- For UMAMBE, membership has become more active since the association was awarded a grant from the District Agriculture Development Programme (DAPS) for a local refinery. Members have been asked to contribute financially (TSh 28 million) and 23 of the 36 members have bought shares. Since the receiving the grant, and a promise of support for capacity development by USAID, all 36 members have paid their membership fees.

⁸⁷ The associations still lack validated strategic and business plans, and have no plans to explore collective sales of oil or input supplies, in order to improve the quality of the oil produced by processors.²⁸ They also do not have yet a plan to develop the capacity of processors, a validated model for contract farming, a strategy to introduce systematically QDS, a communication and lobbying plan or a marketing plan. CEZOSOPA is currently developing a strategic plan (with USAID) and this has been a sound participatory process within the association.

⁸⁸ **Processors** – The capacity to commit and act of the small and medium processors (members of CEZOSOPA and UMAMBE) is driven by the increasing demand for sunflower oil but is hampered by the lack of applicable and specialized knowledge and skills for business planning and management with regard to small-scale processing. Records are not well kept by the majority of the interviewed processors (even if some sales data exist, they are not consolidated). Only a minority of bigger processors (with almost permanent pressing activities) keep such records. Most of them do not know, for example, how to calculate their production costs; how to conduct rapid market appraisals or analyze consumer demand or market segmentation; how to set prices for their products; or how to plan the finances of their business. Processors have not significantly improved their capacity to formulate marketing strategies, although some have started to carry out early season market research to get some idea of the level of demand. This has not been formalized and not been systematized among processors or by the processor associations. The processors interviewed have become more aware of the importance of the quality of their oil (but only a few members of CEZOSOPA and UMAMBE have sent samples to the Tanzanian Board of Standards to be tested²⁹). However, the processors have no plans for improving the quality of their oil, while the standard of Tanzania Food and Drug Administration (TFDA) under which they are working will only be valid till 2013.³⁰

⁸⁹ **Farmer producer groups PFGs** – Initially, SNV supported PFGs³¹ through small projects of the OMSF and the Manyara Agricultural Initiative (MAI) (with LCBs – capacity assessment or training). Apart from the primary data of the capacity analysis of these PFGs (focused on

²⁸ The transition period which allowed small to medium processors to have TFDA standard runs out in 2013, so that processors will need to comply with TBS standard. Today only two or three CEZOSOPA members have TBS and there is no plan to help other members to improve their quality and eventually acquire TBS.

²⁹ At the time of the evaluation, the study of the quality of oil produced by members of CEZOSOPA, requested and paid for by SNV, was still in draft form and had not been shared with members of CEZOSOPA.

³⁰ While TBS specifies strict standards for the oil produced, the TFDA standard focuses on procedures and the environment in which the oil is produced.

³¹ PFGs are locally recognized groups of farmers that do not have access to improved seed or normally cannot sell directly to processors (they normally sell to middlemen or local collectors). Seed shops are (i) difficult for them to access (certainly for women), (ii) they do not have the cash to buy seeds in the planting season, or (iii) they do not want to take the risk of paying the higher price of the improved seeds (between TSh 3500 to TSh 5000 per kg for improved seeds in the shops, compared with TSh 1000 for normal seeds).

‘hardware’), and some short training reports, there are no indications of progress in their organizational capacity. Since 2010, SNV has also supported processor(s) to engage in ‘trust-based’ contract farming, including establishing and coaching PFGs and facilitating LGAs to train farmers on improved seeds and agricultural practices (including some post-harvest issues). These PFGs, established because of the CF, are informal (but recognized and registered at village level), and were set up to distribute improved seeds and training on agricultural practices (by LGAs, facilitated by the processors). With 10–50 members each, the PFGs reach relatively more poor farmers than the farmer field schools (FFS) used by LGAs to train farmers on sunflower production, and farmers who would normally not be reached by extension services or FFS. The PFGs are committed to helping their members access improved seeds and pre-harvest credit from the processors. About half of the members are women and they participate well in leadership. From the survey of 40 PFGs, we found that those established by Songela (a processor supported by SNV for CF) have a leadership in place.³² Some of the PFGs established by other CF processors use the village leadership for the PFGs, while four had no leadership at all. Most PFGs do not have a business or marketing plan, or an operational budget and do not keep financial records. They do not have a system for collecting membership fees. The only records kept by PFGs (CF PFGs) are lists of the members that received seed on credit (from the processor) and whether the loans were repaid. PFGs plan together the amount of improved seeds needed, but do not produce written reports. There is no plan or procedures for organizing collective sales.

4.1.2 Assessment of the capability to deliver on objectives

⁹⁰ The capacity of the young sector and processors’ associations to deliver on objectives is evidently hampered by their weak capacity to act and commit. They lack sufficient human and financial resources, adequate infrastructure and sufficient knowledge. The associations/alliances (TEOSA, CEZOSOPA and UMAMBE and their regional chapters) depend on membership fees as their only source of finance but payment is not regular and not guaranteed, except recently for UMAMBE. No strategy to become financially sustainable has been developed, with exception of the potential exploitation of the refinery by UMAMBE.

⁹¹ The few activities of UMAMBE and CEZOSOPA are carried out by a small group of leaders. Most of these activities are donor initiatives (learning events, lobbying, training, etc.), although recently some of them have been taken up by the alliances (such as the coordination of TEOSA of TASUPA and CEZOSOPA for advocacy in MIT). The initiative for most of this support came from donors and was sometimes provided directly to members (processors, regional chapters), without the clear involvement of the leaders of the associations.

⁹² Activities currently implemented by the processors’ associations depend on project proposals from donors and are often directly implemented with processors, not embedded in the association’s structure/ services. For both associations, processors have been trained in business planning and management and for CEZOSOPA also some members in computerized

³² The survey included 40 PFGs – those under contract with Songela and other processors, those receiving improved seeds from processors but not under contract, and those not engaged in contract farming or with no access to improved sunflower oilseeds via processors). See Chapter 8 for the methodology.

accounting.³³ Both associations have entered into dialogue with LGAs and SIDO, on behalf of their members, to discuss the model of local refineries of/for small processors. Both associations have also been introduced to the CRDB to find ways/ systems to get access to loans without the traditional individual collateral. Members of CEZOSOPA (the initial 13 members) have been supported for development and promotion of a specific brand (TOP). Members of the associations have been linked to Tanzanian Board of Standards (TBS) to discuss the future standard of edible oil and to make them aware on the procedures for sending samples to the TBS and measures to improve quality of oil. CEZOSOPA has been supported in a fragmentary way to develop packaging, products and to obtain spare parts. Seven more collection centres have been built in Dodoma, but this number is limited compared with the number of farmers and processors.

⁹³ **Contract farming.** The focus of SNV's intervention (and of the RLDC) in the sunflower value chain is to support contract farming³⁴ (explanation of the concept of contract farming can be found on page 7 of this report see page 7). Ten processors have been subsidized to introduce trust-based contract farming. Nine of CEZOSOPA's 30 active members are currently involved. Of these, Songela, facilitated by SNV, works with about 50 PFGs; three others work with 25 PFGs, one with 10 PFGs and another with two PFGs. Two other processors cannot say (because they have loose links with the PFGs, for example, they provide improved seeds and then wait until harvest to see if they will buy the seeds from these farmers). Neither CEZOSOPA nor the processors involved have a strict definition of trust-based contract farming, since it can include several services and conditions. Two conditions found in the field are: (1) the contract does not require the processor to buy from the farmers, and (2) the farmers are trained by the LGA, and their operating costs are paid by the processors. Most processors also establish PFGs (of 10–50 farmers) or support established ones, and supply improved seeds (as demonstrations for farmers) either on credit or paid for in cash. Some processors also offer pre-harvest credit. The RLDC subsidizes CF processors on a cost sharing basis and the relative contribution of RLDC decreases each year.

⁹⁴ **Processors and contact farming** – For the processors, contact farming offers several advantages: (1) they are able to purchase seeds with a guaranteed higher oil content at the same price as other seeds, and can thus extract more oil (20–25 litres per bag of improved seeds compared with 11–14 litres of oil per bag of normal seeds); (2) they have a more predictable flow of seeds; otherwise they would have to depend on speculative middlemen; (3) they are able to pay the market price for sunflower oil directly to the farmer and thus gain the margin that would otherwise have gone to the middlemen; and (4) they gain the trust of PFGs so that they press their oil at their mills and the processor gains the oil cake.

⁹⁵ **PFGs and contract farming** – The introduction of trust-based contract farming has directly influenced the establishment of PFGs (most of them did not exist before) and has improved the capacity of the PFGs, through training, mainly on their production capacity. Through contract farming the PFGs are introduced to training on agricultural practices and to improved

³³ More than 90% of CEZOSOPA's 30 members have received training on business planning.

³⁴ Many processors in Dodoma (including the founders of CEZOSOPA) have long been involved in contract farming, where the contract specifies the volume of seeds to be delivered to the processor and the price. There are many challenges with side-selling and farmers breaking their contracts.

seeds (for details, see under 'output' of PFGs and processors). Some PFGs are also introduced to the concept of Quality Declared Seeds (QDS) by the contract processor and in several groups, one member of the group is facilitated to start QDS production (the requirements are very strict, e.g. number of QDS farmers per area etc.). The PFGs plan together how much improved seed they need to ask the processor to provide for the next season.

4.1.3 Assessment of the capability to relate

- ⁹⁶ **TEOSA** – Internal relationship building within the sector started from scratch, so the fact that several stakeholders are connected in TEOSA, MAI, UMAMBE and CEZOSOPA is a considerable improvement. Their relations are still fragile, and personality based. Relations within TEOSA and with stakeholders of other oilseed commodities (e.g. palm oil) are not systematically institutionalized, but the regional chapters will contribute to this. The relations still rely mainly on personal contacts of leaders (the same is true of the regional chapters). TEOSA has been invited to participate in taskforces of the Ministry of Agriculture and Ministry of Trade and Industry (MIT), and is collaborating with TASUPA and CEZOSOPA for advocacy in the subsector committee of the MIT. TEOSA's leaders have also been coached in how to conduct advocacy campaigns and specific success factors.
- ⁹⁷ The **sector alliance and processors' associations** are recognized by the government as representatives of the edible oilseeds sector and they are increasingly attracting more external donors. TEOSA is supported by SNV and one other donor (BEST-AC),³⁵ these linkages have been facilitated by SNV. UMAMBE and CEZOSOPA are also supported by USAID. For CEZOSOPA and UMAMBE, SNV and RLDC have contributed to the future partnership with Danida. Other donors/ institutions have taken the initiative to visit/ support the associations. SIDO and JICA visited the associations out of their own interest. They have invited TEOSA, CEZOSOPA and TASUPA to the MIT subsector meeting. UMAMBE has also developed good relations with local governments and farmers' organizations, and MAI has contributed to these achievements.
- ⁹⁸ Internally, communications between the members of the processors' associations have not systematically improved and members do not meet, except at learning events (organized by donors) or in consultations on the strategic planning of CEZOSOPA (2012, facilitated by USAID). For UMAMBE, very recently the internal communication has been very active in the framework of taking the grant and raising shares among members for the refinery, and this was facilitated by the leaders of UMAMBE themselves.
- ⁹⁹ **CEZOSOPA and UMAMBE** have not yet developed market relations (as associations) and market information systems. Linkages between them and CRDB and TBS have been facilitated externally. Members of both associations have participated in several financial fairs (one in Arusha, in which 11 processors participated, and another in Mwanza), facilitated by donors (SNV in particular).
- ¹⁰⁰ Building relations between the *processors and LGAs and between PFGs and processors* is essential in trust-based contract farming. From the field survey it is clear that these relations

³⁵ TEOSA has also been supported by Round Table Africa (RTA) for a website to underpin its advocacy activities, but the website is not active (TEOSA did not pay the subscription to the server and does not have the staff to manage the content).

have become stronger. SNV or RDLC do not have to be in the field to facilitate these contacts, but they do subsidize the process (see below). With CF, the PFGs have more contact with LGAs than before (as the LGAs are supported by the processors to train the PFGs). The capacity of the PFGs to demand support has not been systematically strengthened. PFGs are not yet linked to other PFGs or to MVIWATA; in fact they do not know MVIWATA. They are thus not linked to TEOSA.

4.1.4 Assessment of the capability to adapt and self-renew

¹⁰¹ As most of the supported organizations are still young, the capability to adapt has not received much attention, either by the organizations themselves, or by the donors supporting them. Learning takes place in (rather frequent) learning events organized by donors (mainly by RLDC for the processors associations, occasionally by SNV and by BEST-AC for TEOSA). None of the organizations have put in place procedures for learning (to evaluate new models like contract farming, to keep membership records, on the quality of the marketing of oilseeds, on the quality of the oil, etc.) although there is an open attitude to learning. TEOSA is currently improving this capacity by conducting evidence-based research for lobbying (financed and facilitated by BEST-AC). Also, SNV requested and financed a study of the quality of the oil processed by CEZOSOPA members, but only the chair of CESOSOPA could recall the study (and none of the other leaders interviewed) and the results were not integrated in a monitoring and evaluation cycle by CEZOSOPA. PFGs have not developed systems for learning, such as records, contacts with research institutions, consultation forums with members, market information systems, etc.

4.1.5 Assessment of the capability to balance diversity and achieve coherence

¹⁰² **Sector – TEOSA** – Of course important progress has been made in coherence in the sector, since the alliance made it possible for the first time for stakeholders to meet and reflect on policy priorities, and how to access funding and financiers. Still, since the dynamics are young, the capability to balance diversity and achieve coherence is still incomplete throughout the whole value chain. There is no long term-vision for the sector that has been elaborated or validated among TEOSA members. There seems to be agreement among members on general measures and orientation (e.g. the need for import tariffs, for access to local refineries for processors, to raise farmers' awareness of improved seeds, to develop a national policy and strategy on edible oilseeds), but not on specific models (there is no shared model of CF, or of local refineries – in clusters or mini-refineries – or who should own them ...). There is no common view of who needs to be a member of TEOSA (type of organization) or of the organizational relations with its regional chapters. The regional chapters themselves are not very clear about their objectives (to become a forum to implement projects, to lobby, to coordinate?). Indeed, it is not clear even to the leaders of TEOSA, one TEOSA's regional chapters, why the chapters were established. The difference in identity between TEOSA, TASUPA and CEZOSOPA is not clear yet to the members.³⁶ The identity of CEZOSOPA is not yet completely differentiated from TEOSA (also witnessed by the shared lobbying strategies of the associations at the national level) and currently leadership partly overlaps. These are typical

³⁶ TEOSA's leaders regard TASUPA as a threat because both organizations represent sunflower processors, their lobbying activities so far have been similar, and TASUPA has developed other services for its members.

features of young organizations. In its new strategic plan (draft – in progress), CEZOSOPA wants to concentrate much more on providing business services to its clients. The representation of MVIWATA is weak. The newly established farmers' groups are not linked to MVIWATA.

¹⁰³ Both CEZOSOPA and UMAMBE represent a variety of small to medium processors, and for both of them building trust among them has been very difficult. However, the learning events (organized by donors) and small-scale collective activities, and the increasing demand for oil, have brought them closer and have made them work together to deliver larger amounts of oil. This increased trust and transparency is mainly informal and still limited to small subgroups of processors. The majority are still reluctant, for example, to share financial data.

¹⁰⁴ **PFGs** – The capability to balance diversity and achieve coherence within the PFGs is weak but the cohesion among those supported by Songela seems to be stronger than that among PFGs working with other contract sunflower processors in the same area. The PFGs have been coached and guided by the processor (Songela) and systematically receive seed on credit.

4.2 RESULTS: CHANGES IN THE OUTPUTS OF THE ASSOCIATIONS AND THE ENABLING ENVIRONMENT

¹⁰⁵ Section 4.2.1 discusses the changes in performance of the various supported organizations, linked to the changes in capabilities described above. It looks at TEOSA's advocacy activities, CEZOSOPA's and UMAMBE's lobbying efforts, the progress made by processors in developing products and market linkages, and concrete measures for collective access to business development services. It also looks at possible changes in processors' access to services, finance, market and their capacity. Finally, the performance of the new and strengthened PFGs under contract farming is discussed. Section 4.2.2 then examines possible changes in the enabling environment, and whether they are linked to the performance of SNV's clients.

Summary

- TEOSA has successfully coordinated advocacy campaigns with CEZOSOPA and TASUPA targeting the sector committee of the MIT, the national budget taskforce (to lobby for import tariffs) and the taskforce of Ministry of Agriculture (to contribute to a sector strategy). TEOSA is conducting a study of the potential of local edible oil production to support its future lobbying activities (supported by BEST-AC).
- CEZOSOPA has prepared two papers and is an active participant in the lobbying campaign within the MIT (facilitated by RLDC). Members of CEZOSOPA and UMAMBE obtained credit from the CRDB but had problems repaying the loan due to unforeseen high prices set by refineries and middlemen. Despite these problems, the loans have been restructured and dialogue is ongoing. CEZOSOPA and UMAMBE will have access to refineries (via investments by UNIDO), but have not found an institutional framework (UMAMBE) or a way to link their members to refineries.
- Most small and medium processors do not have collective access to other services, and their economic efficiency and the quality of oil remain low.

- The PFGs have been able to use the improved sunflower seeds and have contributed to increased yields of members but have not developed other collective activities and continue to sell improved seeds at the same price as normal seeds.

4.2.1 Outputs of associations

¹⁰⁶ **TEOSA and CEZOSOPA** are recognized by the Ministry of Industry and Trade (MIT), the Ministry of Agriculture (MoA), and the Small Industries Development Office (SIDO).³⁷ TEOSA has participated in the MoA taskforce to elaborate a strategy for edible oilseeds (using the sector studies requested and paid for by SNV). Since 2011 they have participated in the MIT subsector meeting, to which they could invite other stakeholders (SNV and RLDC), and in the national budget taskforce. TEOSA and CEZOSOPA (chair) successfully lobbied the MIT and the taskforce to reintroduce import tariffs on crude edible oils and to reduce the tax on imported packaging and machine parts. They have prepared two papers (together with TASUPO). Although TEOSA participates well in these national meetings, the government does not participate as active in the meetings of TEOSA (for example, when TEOSA presented its draft strategic plan, the invited government representatives were not present).

¹⁰⁷ With regard to the regional chapters of TEOSA, the process in Morogoro (creation of MEOSA) has not been dynamic of late. There have been few activities apart from drafting constitutions, developing a project proposal presented to SNV/FAO, organizing two meetings of the steering committee and an exchange visit to Mbeya and Iringa by the interim secretary to explore the establishment of regional chapters in these regions.

¹⁰⁸ TEOSA is receiving support from BEST-AC (about USD 59,000) to elaborate its strategic plan and lobbying strategy (including research on the potential of the production of edible oilseeds in three regions of Tanzania) and from Round Table Africa for developing a website (not active). The establishment of the regional chapters of TEOSA is financed by FAO, but TEOSA is not aware of this (SNV is financed by FAO). It is also not aware that Irish Aid will also contribute to deepening the dynamics of regional chapters.

¹⁰⁹ **CEZOSOPA and UMAMBE** have been able to convince the Tanzanian Board of Standards to allow TFDA quality standard for crude oil to continue until 2013 for small processors, instead of introducing the more stringent TBS standard for locally produced oil.

¹¹⁰ UMAMBE is recognized by the regional and local governments and has received grants (TSh 140 million) from the District Agriculture Development Programme (DAPS) for a local refinery. The LGA supported UMAMBE in its negotiations with SIDO to build a refinery. Also CEZOSOPA will have access to a refinery via SIDO (UNIDO).

¹¹¹ Since their establishment, CEZOSOPA and UMAMBE have been supported by SNV and the RLDC. Both have been supported since 2012 by USAID for facilitation of strategic processes. Both organizations are also in negotiations with SIDO/ JICA for the plan on the refinery. Following a donor meeting (facilitated by SNV) and a visit to CEZOSOPA in 2012, Danida will also support CEZOSOPA in 2013. Both associations stated in interviews that they will not be

³⁷ SIDO mapped existing associations and initiatives on edible oil processing and came across CEZOSOPA and invited them to the meetings. CEZOSOPA and TEOSA asked MIT/SIDO to invite other stakeholders such as RLDC and SNV.

donor led in future but that support from donors will have to fit into their own strategic plans (discussions on CEZOSOPA's strategic plan are ongoing).

- ¹¹² Except for their access to the CRDB and the link with SIDO (UNIDO) to install refineries, CEZOSOPA and UMAMBE do not offer other collective services to their members or access to business development services. CEZOSOPA and UMAMBE have developed a partnership with CRDB, which has offered credit for a collateral warehouse system for sunflower seeds. Eleven processors from UMAMBE and 25 from CEZOSOPA have obtained a loan from CRDB (warehouse system, without individual collateral) – the latter for TSh 5.6 billion in 2011 to purchase 5700 tonnes of sunflower seeds (112,000 bags) for processing. The fact that medium-sized processors could obtain credit to purchase more seeds from farmers led refineries and middlemen to increase the price at the time when small processors buy seeds and reduce the price of oil when processors sell their oil. This has meant that small processors were unable to buy seeds or to repay their loans, with serious effects on the capacity of their businesses. More than half of the processors have restructured their loans or repaid them after one year (eight CEZOSOPA members) and some have taken individual loans (four CEZOSOPA members). Based on information from the questionnaire survey, 13 of CEZOSOPA's 30–32 active members currently have a loan(s). On various occasions³⁸ processors have been introduced to alternative funders (SEAF, Wood Fund, Root Change and more recently the Agricultural Enterprise Challenge Fund) but with little effect, despite the time invested by the processors on administrative procedures. Apart from the CRDB loans, one of CEZOSOPA's members has a loan from FINCA, one from the National Bank of Commerce (USD 12,000), and one from SIDO and from Root Change (a social financial lender). In Mtwara, one processor received funds from the Agricultural Enterprise Challenge Fund.
- ¹¹³ Both associations started negotiations with SIDO/ JICA on local refineries (at the initiative of SIDO/ JICA). However, for CEZOSOPA, there is no agreement on the model the alliance would like to use (small refineries or one refinery for a cluster of processors, as promoted by SIDO). The processors have little objective information on which to base their decisions, and find it difficult to agree.³⁹ In the Manyara region, however, the discussions between UMAMBE and the LGA did lead to an agreement that UMAMBE would take ownership of a refinery and use it as collateral to obtain bank loans. UMAMBE hopes to elaborate business and institutional plans for the management of the refinery in the near future (it is negotiating with donors to get funding for this process).

Processors

- ¹¹⁴ The number of *small to medium edible oil processors* in Tanzania and in the intervention areas (Manyara, Singida and Dodoma) has increased. There are no reliable data on their number, but the MIT estimates that there are about 1000, of which about 70 active members of CEZOSOPA and UMAMBE. Most of these processors, and of members of CEZOSOPA and UMAMBE, do not use updated business plans or consolidated records of their business, other than the ones that the bank made to get access to loans and despite the fact that 90% of members of CEZOSOPA

³⁸ SNV supported 11 processors to meet with financial lenders in Arusha and organized two financial fairs in Mwanza.

³⁹ The opinion of the CRDB (willing to look into financing small refineries) is opposite to the opinion of SIDO (promoting clusters linked to a refinery).

have been trained (on different occasions, by SNV, USAID, RLDC and others). Three members of CEZOSOPA are using computerized accountancy systems (10 processors were trained for this by SNV).

¹¹⁵ Nine processors of CEZOSOPA (of the official 43 members or of the 30–32 active members found in the field) are involved in *trust-based contract farming*, all have been subsidized and facilitated by RLDC and one also by SNV (Songela). For UMAMBE, trust-based contract farming is in test phase, and two processors say they are trying it out. Processors involved in trust-based contract farming have relatively higher initial capacity (more machines, more permanent activity). They deliver improved seeds to farmers and facilitate training by LGAs to these groups (see PFGs, below). They are also producing and distributing flyers (with the LGA) and support QDS farmers (to start off the production of certified seeds and to get them through the certification procedures). Compared with other CF processors, Songela (supported by SNV) provides the most complete set of services (pre-harvest credit, seeds on credit, follow-up during the growing season). As a result, the bigger processors who already had several machines (and sometimes also collection centres and financial reserves), have been able to improve their supply from quality seeds, resulting in more permanent use of their capacity, and the production of more oil. From the questionnaire survey, it appears that four of the nine CEZOSOPA members involved in trust-based CF are increasingly sourcing their sunflower seeds from PFGs under contract. Some exceptional medium processors, such as Songela, now source all their seeds from PFGs, while for other processors this varies from year to year. This is important, as other processors source from middlemen and individual farmers, both of which are unpredictable and expensive for small processors (some also pay agents or collectors). From the survey, it appears that 19 of the 32 CEZOSOPA members still source directly from individual farmers (including larger farmers) and 16 also from middlemen.

¹¹⁶ Contract processors are also increasingly involved in the introduction of QDS to farmers. Songela has supported 35 QDS farmers since 2009. In Iramba district, of the 32 QDS farmers supported in 2011, eight were supported by processors (and this contribution of processors is increasing; in 2008 processors were still only supporting four QDS farmers).

¹¹⁷ Despite the positive results of CF for processors (and also for PFGs; see below), there are some indications that this full concept of trust-based CF will not be sustainable and will not be replicated by smaller processors without additional support.

- Most CEZOSOPA members remain unconvinced about trust-based CF and find that reaching farmers, training them, following up their credit and, especially, collecting seeds from individual farmers is too expensive. Moreover, as long as the small processors do not have access to credit, they cannot purchase the amounts produced by the PFGs. The survey revealed that five out of the nine CF processors (CEZOSOPA members) do not have access to sufficient capital to continue CF at the same scale or to expand.
- Songela was paid to train other processors by SNV. Training sessions were organized, but four of the five processors dropped out and would not accept CF unless they were subsidized.⁴⁰ One trainee continued but is applying a very light form of CF, not including

⁴⁰ Based on information from interviews with Songela and other processors, and group interviews with processors in Singida.

payment for training of PFGs by LGA , or providing credit for seeds to PFGs, because it is too expensive.

- The subsidies that the processors, especially Songela, receive from SNV, are high.⁴¹ It is doubtful that they can follow up the same number of PFGs without extra subsidies. All other processors that were interviewed during the evaluation (supported by RLDC) indeed say that they will scale down once subsidies come to an end and will not engage with all producer groups they have established (they will continue with about one third of them).⁴²
- CEZOSOPA, the RLDC and the Ministry of Agriculture regard trust-based CF as an efficient but temporary way to distribute improved seeds to farmers, which of course benefits the processors (the improved seeds have higher oil content). But it is not yet regarded as a permanent link in the supply chain from farmers to processors in a stable relationship. Other measures would be necessary to promote stable links between farmers and processors (such as collection centres and collective sales of farmers, access/ partnerships between small processors and refineries).
- Processors in Iringa claim that sunflower production is too limited to introduce trust-based contract farming in the district. The market is so competitive that middlemen and refineries will immediately increase their prices to farmers in order to prevent them selling their seed to CF processors.

¹¹⁸ For processors, there has been no improvement in the supplies of spare parts, although this is expected to change in 2013, as a result of the lobbying efforts of TEOSA and CEZOSOPA to reduce the tax on imported parts. Processors will continue to face problems in finding spare parts. There are few local workshops making food processing equipment in Tanzania. Most of the machinery and spare parts have to be imported and are available from dealers in Dar es Salaam where processors do not have much choice, but have to buy what is available. Most of the equipment for oil pressing is made in China and is often poor quality. The lack of spare parts contributes to production halts and damages processors' financial situation. It is also hard to find technicians who can handle the spare parts.

¹¹⁹ CEZOSOPA has taken few significant organized or specific steps to support marketing of the processors but UMAMBE recently received a grant for a refinery, which will give them access to more rewarding markets for refined oil.). The demand for edible oils on local and international markets has increased and more buyers are around.

- Few small-scale sunflower oil processors have access to information about the markets in which they operate. Their information mainly comes from other processors or directly from buyers.
- These small-scale processors offer a limited range of processed products, and have so far failed to recognize opportunities for diversification. However, a small number of well-established medium processors have invested in advertisements and branding (TOP brand, with RLDC).

⁴¹ Songela, supported first by RLDC for 10 PFGs and then by SNV to establish another 50 PFGs, received from SNV a fee of TSh 350,000 per day for 50 days, which is comparable to the fee paid to consultants. SNV also pays two staff members for this but it is not clear from the reports on how the money is spent.

⁴² Based on interviews with members and leaders of CEZOSOPA and individual processors.

- Most sunflower oil processors market their products locally. Few have market outlets in Dar es Salaam, in other regions or outside the country (about five CEZOSOPA members were reluctant to disclose such information during the survey). These are mainly well-established processors (still medium-sized) that have increased their markets. Small processors do not have a marketing strategy for crude oil, their sales are reactive.
- Most farmers and processors do not have access to collection centres, and there are too few collection centres to cope with the number of processors and farmers, and the volume of seeds. Well established medium processors (Songela, Ringo) have started to install their own collection centres, but these are exceptions.
- There is a tendency for two or three processors to work together to meet the increasing market demand in a flexible way (the processors have not provided exact data in the questionnaire). The associations have not played a significant role in this but the fact that donors have organized training and learning events with some of these processors (groups) may have contributed.

¹²⁰ One positive point is that small processors are increasingly aware of the importance of the quality of their oil. In particular, they are aware of the requirements for TBS and TFDA standards. However, CEZOSOPA and UMAMBE members have not taken significant measures to improve the quality of their oil and those interviewed have only a vague idea of how to reach those standards, except for replacing their machinery (but they do not have access to investment credit) or linking up with a refinery (but they do not have a concrete pathway, except for processors of UMAMBE who will become the owners of a refinery). According to the questionnaire survey (IOB evaluation) two CEZOSOPA members have achieved TBS quality standard, which is currently required for export and will become the required quality for all crude edible oil produced in Tanzania.⁴³ Other processors have acquired TFDA standard, but this will expire for edible oil in 2013. Researchers at Sokoine University have studied the quality of the oil produced by CEZOSOPA members (a study requested and paid for by SNV, draft report, 2012) and conclude that the oil has potential, but the quality of machinery and facilities need to be improved and the oil needs second pressing to reach TBS standard.⁴⁴

¹²¹ Processing by small processors continues to be irregular and seasonal in nature, stopping when seed supplies are finished. They rarely have developed alternative products for the off-season or sufficient storage or purchasing capacity. Only some of the contract processors have increased the number of months during which they use their machines (four CEZOSOPA members responding to the questionnaire). Small size processors still use their machines (most have only one) for three or four months of the year (draft report, Sokoine University, 2012), but medium size processors (there are very few processors of medium size) used their machines for five or six months and have increased to eight months or even permanent activity of more machines (e.g. Three Sisters mill, Songela). This positive change for medium size processors has been interrupted for those medium processors that received credit from

⁴³ 20 processors in Tanzania have reached the TBS standard, of which seven are large mills.

⁴⁴ 45% of processors have good or fair quality and safety of the factory; 59% have good or fair quality operating practices and production requirements; 21% have good or fair quality of factory processing and hygiene; and 76% have a good or fair standard of storage. All oil samples contained more than TBS recommended amounts of free fatty acids such as oleic acid, which is not accepted for quality oil. In 55% of the samples the level of iodine was good, and 100% had an acceptable level of contaminants.

the CRDB. Some have had to fire staff and limit purchases of oilseeds and consequently scale down their activities again.

- ¹²² The market power of the refineries and middlemen has not been broken yet (see also the experience with the credit at the CRDB), although (1) they have clearly felt threatened by the small processors' access to loans from CRDB, and (2) one can see that with contract farming, the more established medium processors can convince farmers to sell to them even when middlemen temporarily increase the price (see below).

PFGs

- ¹²³ Because of trust-based CF (supported by RLDC and SNV), the number of sunflower PFGs in Dodoma and Singida has increased to about 300, each with 10–50 members. They currently function as channels for the supply and training on improved seeds, and are able to reach poorer farmers better than the farmer field schools. PFGs under CF perform better than other sunflower PFGs. Based on the survey results, the PFGs established by Songela (supported by SNV) all hold regular meetings (quarterly outside the season, monthly or weekly during planting and harvest). In the sample, three of the PFGs not involved in CF never hold meetings and 16 hold occasional meetings (not planned). PFGs supported with improved seeds from processors (under contract or not) have increased their membership compared with other PFGs.⁴⁵
- ¹²⁴ Some PFGs with trust-based CF have access to seed credit via processors (about 6000 farmers in Singida and Dodoma) and to pre-harvest credit (about 4000 farmers in Singida and Dodoma). Of the 40 PFGs surveyed, 15 received seed on credit from the processor and 16 paid for seed in cash. They are aware of the importance of the improved seed and its characteristics. The PFGs under CF have received more training (via LGAs, facilitated by the processors) than other PFGs, and those working with Songela have even received several follow-up sessions after the training.
- ¹²⁵ The PFGs effectively distribute the improved seeds to their members. At the level of the PFGs, they have adopted the new agricultural practices and the use of improved seed, despite the fact that the seeds are softer and thus are more often eaten by birds (and require more effort to chase them away). The PFGs are aware that the improved seeds can only be used for one season, but still some of the members re-use them. This is better for the Songela-supported PFGs than the others (more regular follow-up of the production process, and more motivated farmers because of pre-harvest credit). PFGs also phone Songela regularly during the growing season to ask additional questions. PFGs hold meetings to collect the same amount of improved seeds after harvest from members, and all of those surveyed had succeeded in paying back the processor.
- ¹²⁶ The majority of PFGs do not have any other activities together, other than receiving improved seeds and training. They have not organized collective sales of seeds (even to the contract processor, other than the reimbursement of the amount of seeds they initially received). They have no access to storage facilities. The PFGs do not assist their members to negotiate prices with the processor when they sell their oilseeds (individually). The majority of PFGs are

⁴⁵ The PFGs with Songela were compared with those from Ringo Consolidated, Hongoa and Three Sisters' Mill.

therefore not very different from the farmer fields schools organized by the LGAs for training and distributing improved seeds. However, seven PFGs working with Songela (of the 18 interviewed PFGs supported with Songela), have launched additional activities such as credit and savings schemes, unlike the other PFGs interviewed.⁴⁶ This can be attributed to Songela's more regular follow-up, more intensive facilitation of collective initiatives (follow-up of training, pre-harvest credit), and better information about development opportunities (via LGAs and processor).

¹²⁷ Farmers from 10 of the 15 PFGs that were under trust-based CF (including seed on credit) eventually sold their produce to the processor by whom they have been contracted. This is a very high level given that they have no contractual obligation to do so, and that the processor does not offer more than the market price. On the contrary, from the focus group discussions it appears that the processors regularly offer a lower price than the local middlemen (who temporarily increase their price). This is because processors have created goodwill among the PFGs by providing with credit (for seeds and pre-harvest). Also, they convince PFGs to sell to them (processors) by indicating that middlemen will only give a high price temporarily and for a small part of their produce and will then drop the price. Finally, the evaluators found that PFGs cannot really make a cost-benefit analysis of the services offered by the processor against the eventual price and the final benefits they receive.

¹²⁸ CF PFGs are also more frequently followed up by the LGAs than other groups (except for the farmer field schools). PFGs are not proactive in their contacts with the LGAs but wait for them (again, this passive attitude is more prominent among the PFGs of the RLDC-supported processors who implement a less complete concept of CF than those supported by Songela). The contacts between LGA and the PFGs who also provide extension services are thus more regular but still the quality of the relationship is poor. PFGs do not really make demands on the LGAs and prefer to contact the processor first when problems arise.

4.2.2 Enabling environment and development of the edible oilseed sector

¹²⁹ Important progress has been made in improving the national and local supporting framework, and edible oilseeds are now one of the seven priority crops in the new (draft) agricultural strategy. National and local governments are increasing their investments in the sector, but policy development remains slow.

- The availability of knowledge about the sector is improving. SNV was the first to introduce information on the political economy of the sector. Currently, TEOSA is studying the potential of edible oilseed production in Tanzania and SNV is including policy benchmarking in its knowledge development, which is used for policy making by TEOSA, LCBs, SNV and other donors.
- The representation of the edible oilseeds alliance and processors in policy making has improved; but that of farmers in particular remains weak (as does their organization in general). TEOSA has contributed to the MoA taskforce to shape the new agricultural strategy and the strategy on edible oilseeds. The government has promised to reintroduce tariffs on imported edible oils and to drop taxes on imported packaging and spare parts for

⁴⁶ The PFGs with Songela were compared with PFGs from Ringo Consolidated, Hongoa, Three Sisters' Mill.

oil processing machines. The national government is investing (with UNIDO) in local refineries to be used by small processors and to subsidize prices of improved seeds.

- The CRDB has introduced a credit product for small sunflower processors.
- Since 2006, LGAs in the high-potential areas have started to invest in sunflower, in response to the increasing demand, and have gained confidence because of the investment of some donors in the sector. District LGAs in these areas have prioritized sunflower for extension and have taken the lead in training farmers (FFS) and in introducing QDS.⁴⁷ The increase in budget spent on sunflower extension and support is still considerably lower than LGAs increase in revenues from sunflower. There are enough improved seeds available but the districts claim that their budgets are too small to allow them to buy more seeds for farmers (see Table 8).
- The relationship between LGAs and processors has improved. LGAs provide more services to PFGs who are contracted by processors and district agriculture and livestock development officers meet more regularly with processors. Processors buy improved seeds via the LGA to distribute to farmers. The LGAs (regions, districts) have developed excellent contacts with UMAMBE, resulting in the identification of a plot for the refinery of UMAMBE, in a grant for constructing the refinery and in the allocation of ownership of the refinery to UMAMBE. The LGAs' distribution of improved seeds to farmers has increased thanks to their own increased budget for sunflower and the support of processors. The LGAs still take the lead in the distribution of improved seeds but processors are catching up.⁴⁸ Shared record keeping between LGA and processors on QDS.
- The market and market prices are developing in line with the increased demand for sunflower oil, but remain unstable and also undifferentiated for quality seeds. Farmers remain price takers and have a weak understanding of market mechanisms. They are not paid according to the oil content of the seeds they sell.
- The number of small and medium processors is increasing (exact data are not available). Access of processors to trade credit, collection centres, to contract farmers, to refineries and business services remain in test phase. There is no agreement on the best model of contact farming, and trust-based CF is popular among processors if it is subsidized. Small and medium processors have been allowed to use the TFDA standard in a transition phase, rather than to move directly to the TBS standard.
- Since 2011, donor investments in the sector have increased: USAID (2012), Danida (2013), FAO (2011), Irish Aid (2012), IFAD (Rural Micro, Small and Medium Enterprise Support Programme, MUVI, 2007), Swiss Aid (RLDC, 2005), the UK (Accountability in Tanzania Programme, AcT, 2011), Sweden and the Netherlands Embassy (BEST-AC).

⁴⁷ With the increased market prices, other districts are becoming interested, but sunflower or sesame would not become the main cash crop.

⁴⁸ The supply of QDS in Iramba (where sunflower is a priority) increased from 3.5 tonnes in 2007 to 24 tonnes in 2011. LGAs have strengthened their own seed farms for QDS and have promoted QDS among farmers. LGAs clearly take the lead in the distribution of QDS seeds but processors are increasingly adding to the introduction of QDS farmers. In Bahi, where sunflower has potential but is not a priority crop for the LGA, only 0.2 tonnes of QDS are produced.



Table 8. Enabling environment and sector development for the sunflower value chain.

	Achievements	Challenges
Enabling environment at the national level	<ul style="list-style-type: none"> • Edible oilseed are among seven priority crops in the new (draft) agricultural strategy (2012), contract farming is promoted by the MoA. • Draft strategy for edible oilseeds exists. • Favourable changes at policy level: reduction in VAT on locally produced sunflower oil (2007), seed subsidy (on improved seeds via LGA) of 50% (since 2007), reintroduction of import tariff on crude edible oil to 10% (2013), tax exemption for imports of packaging materials and machinery for local sunflower oil production (2012). • MIT has recently become interested in the sector. MIT subsector meeting on edible oilseeds active and involves the most important stakeholders (since 2012). • MIT has elaborated a strategy on local refineries for edible oilseeds with SIDO and invests in refineries (with UNIDO). • TBS and TFDA well integrated in the sector. Transition period allowed for quality standard for sunflower oil (TFDA instead of TBS) until 2013 (since 2010), zero cost for certification of sunflower oil. TBS is collaborating with MIT and SIDO to raise awareness of the need to improve quality of oil among small processors. • The Tanzania Official Seed Certification Institute (TOSCI) has a policy on QDS seeds, but has delegated control to LGAs. • Increasing donor investments in the sector (since 2011): USAID (2012), Danida (2013), FAO (2011), Irish Aid (2012), IFAD (MUVI, 2007), Swiss Aid (RLDC, 2005), UK (AcT 2011), Sweden and the Netherlands Embassy (BEST-AC). 	<ul style="list-style-type: none"> • Draft strategy for edible oilseeds exists, but not yet turned into policy. • The trade policies on sunflower have improved but are not to be considered as acquired. The battle between refineries and small and medium processors is ongoing. • TOSCI has a policy on the QDS seeds but is weakly present at the local level. • Weak shared vision on where the market should move to, how much oil is needed for the local market and for export, how much refinery capacity is needed. • The contract farming model promoted by MoA is not 'trust-based'. Common understanding of trust-based contract farming is still weak. • MVIWATA weakly presented and known in the rural areas of Singida and Dodoma.
Enabling environment at the local level	<ul style="list-style-type: none"> • Since 2006, LGAs in high-potential areas have invested more in sunflower, and sunflower is a priority for extension. Increased budget for sunflower (extension FFS, improved seeds and QDS) and improved revenues from sunflower. • Extensive network of extension workers. LGAs have their own manuals for sunflower production and also use improved manuals from RLDC, LGA, Mwenge. • LGAs' distribution of improved seeds to farmers has improved thanks to their increased budgets and the support of processors. LGAs still take the lead in distributing improved seeds but processors are catching up. • Extension services have become more effective to other farmers thanks to 10 contract processors in Singida/Dodoma who facilitate extension by LGAs for about 6000 farmers. • Steep increase in introduction of QDS by LGAs and proportionally increasing support from processors to QDS farmers. Shared record keeping between LGAs and processors on QDS. • The LGAs (regions, districts) have developed excellent contacts with UMAMBE, resulting in identification of a plot for the refinery of UMAMBE, in a grant for the refinery and in the allocation of ownership of the refinery to UMAMBE. 	<ul style="list-style-type: none"> • The growth in LGAs budgets for extension is relatively smaller than the growth in income from sunflower. • Weak motivation of extension workers. • Only FFS are trained and followed up for sunflower by LGAs, about 10% of farmers. • Local extension services have not been strengthened organizationally. • TOSCI delegated control of QDS to the LGAs in 2007, but they have had difficulty implementing this. Certification of seeds and recognition of QDS seed by farmers is messy. • No institutional plan for management of refineries (SIDO) or the exact division of roles in Dodoma and Manyara. • There is no specific forum where LGAs can meet processors. • Soil quality is not followed up by the LGAs, so possible effects of more intensive use of improved sunflower seeds on soil quality is not known.

Knowledge in sector	<ul style="list-style-type: none"> • Actor mapping (per region) and more specialized studies on the sector and policy benchmarking have been carried out (comparison with sector in Ethiopia, political economy of the sector etc.). • TEOSA is currently compiling an inventory of oilseed potential in three regions. • Information in the sector is shared in national and local learning events. • Knowledge of improved inputs and agricultural practices • Improved practices and seeds are known by research centres and extension services (since 2006) • Research institutions are linked to the SNV programme and are involved in the sector (universities and research centres seeds). • Knowledge of improved machinery and mini-refineries for small processors has improved with an exchange visit of CEZOSOPA leaders to India and China 	<ul style="list-style-type: none"> • There are many sets of statistics on edible oil and oilseeds in Tanzania, but they do not match. • Specific conditions, assumptions or models (contract farming, refineries, etc.) are not yet differentiated/ adapted to specific situations in the learning events/ reflections.
Market development	<ul style="list-style-type: none"> • Awareness of health aspects of sunflower oil has increased since 2006. Local and international demand for sunflower and sesame oil is increasing. • More processors (small and medium) and buyers are investing in the sector (but no exact records exist). • Between 2007 and 2011, the price to the farmer for sunflower oilseeds increased by 180%, the price of crude sunflower oil by 250% and the price for oil cake by 300%. • Processors have a good market position for sunflower oil cake. 	<ul style="list-style-type: none"> • Market of sunflower is still unstable, with important price variations determined by speculation by refineries and middlemen and by weather conditions. • No market information system on oil for processors and on oilseeds for farmers. • Most farmers and processors do not have access to collection centres. • PFGs are not a market actor (yet?), with weak internal capacity and no access to trade credit and collection centres • Most small processors do not yet have access to refineries. • Farmers are not paid according to quality of their seeds. • No quality standards applied for oilseeds.

* For example, in Iramba, which has prioritized sunflower for extension, revenues increased from TSh 189 million in 2009/2010, to TSh 329,586 million in 2011/2012. The extension budget increased by 70% between 2007 and 2009, but not in relation to increased revenues (4.7% of revenues are spent on extension for sunflower).

4.3 RESULTS: IMPROVED ACCESS OF FINAL BENEFICIARIES (SUNFLOWER)

¹³⁰ Focus group discussions (FGDs) were held in areas where sunflower has been a priority for LGA extension services and in other LGAs. Four FGDs were held with PFGs (leaders and members), and four with farmers, both members and non-members, and with and without contract farming arrangements. Farmers involved in contract farming were involved in either traditional or in trust-based CF. For trust-based contract farming, some PFGs were supported by Songela (supported by SNV), and others by other processors (supported by the RLDC). The results are also based on a questionnaire survey of 40 PFGs engaged in contract farming and others. The methodology is discussed in Chapter 9, and the constraints of the evaluation are explained in section 1.4.

¹³¹ **Summary** – More PFGs have been established and they reach farmers that are not normally reached by LGA extension services and do not work under contract with processors. These farmers have received agricultural and post-harvest training, improved seeds (for some farmers on credit) and interest-free pre-harvest credit from some processors. The skills gained through the training and the improved seeds are effectively applied/ used by these farmers who now have higher yields and produce more seeds. Farmers sell their harvests individually. Although there is no obligation to sell to the contract processor, the majority of farmers do so, not necessarily for more than the market price. Farmers are not paid according to the oil content of the seeds.

4.3.1 Access to inputs and knowledge

¹³² **Training** – More farmers have been trained in sunflower cultivation and post-harvest practices, particularly in areas where sunflower is a priority and in those wards where contract processors are active. Normally, the LGA extension services offer training at farmer field schools (FFS) and provide farmers with improved seed. So far, they have reached about 10% of the population with the FFS (estimate based on information from LGAs interviewed in Singida). In the framework of contract farming arrangements, training was provided by the LGAs and facilitated by the processors for at least 6000 additional farmers in Dodoma and Singida (supported by the RLDC and SNV). The additional farmers received more regular follow-up from extension officers but the intensity depends on the processor involved.

¹³³ **Availability of and access to improved seeds** – More improved sunflower seed is available in the villages. The fact that improved seeds were mainly available in town centres was an obstacle, particularly for women. The fact that the seeds in town centres were expensive – TSh3500–5000 compared with TSh1000 for normal seed – was another obstacle for small-scale farmers. Since 2007, improved seeds have been made available through credit schemes (or cash) organized by contract processors⁴⁹ under trust-based contract farming. Generally, there

⁴⁹ Not all contract processors sell seed on credit. Some just provide improved seed for demonstration, some sell seed, while others do not provide seed at all.

is more QDS locally available. The seeds from processors and QDS farmers are cheaper than those from the shops in towns (TSh 1500 and about TSh 3000/kg, respectively).⁵⁰

- ¹³⁴ Contract farmers have better access to improved seed on credit, but this depends on the goodwill of the processor – not all of them have provided seed on credit. Songela, supported by SNV, systematically provided seed on credit to the contracted PFGs. Farmers also have better access to other interest-free pre-harvest credit schemes through some CF processors (systematically with Songela), and this has convinced farmers to engage in contract farming. Under both types of credit the farmers are not formally bound to sell their crop to the processor, although of course they are obliged to reimburse the amount of seeds originally received from the processor.
- ¹³⁵ The demand for and the use of improved sunflower seeds among farmers are increasing, and there is a clear trend not to reuse improved seeds for more than one year.⁵¹ *For poorer farmers and women, this is limited to those who received grants or subsidized credit for seeds (or cheap seeds) from processors,⁵² while other poor farmers reuse the improved seeds and thus their productivity falls.* It is not clear whether it is only the grant or the credit that convinced the farmers to use the improved seeds. There are some indications that knowing the source of the seed (when delivered by the processor) also influences the farmers' decision to use them. Knowing the source allows them complain if the seed is poor quality, so it is in the processor's interest to provide good quality seed.
- ¹³⁶ Not all trained farmers are convinced that the use of improved seeds provides added value: generally, the seeds are softer and more often eaten by birds. Some mistrust the QDS seeds because they are not certified for their quality. However, the farmers connected to Songela (supported by SNV to promote trust-based CF) all used the improved seeds, repaid the credit and are willing to do so again. Farmers who received training and seeds (via the FFS and processors) and who apply/use the seeds and skills have higher yields: farmers and districts reported increased yields, from 3–4 bags to 6–8 bags per acre. However, participants in the focus group discussions mentioned cases of farmers that used the improved seeds and only had very moderate results. They also pointed to the fact that these seeds might be less drought resistant. This finding was not confirmed by the PFG survey: the data suggest that the harvest was up to expectations for almost all PFGs who received improved seeds from trust-based CF processors.
- ¹³⁷ **Number of sunflower farmers and production** – In high-potential areas, the number of farmers involved in sunflower production has increased and includes 80–90% of the population in high-potential districts of Dodoma and Singida. From the focus group discussions we learn that both men and women have increased their production. The data collected in Iramba (where sunflower is a priority), suggest that sunflower production increased by 288% between

⁵⁰ The availability of QDS seeds in Iramba, for example, increased between 2009–10 and 2010–11 (from 6 to 74 farmers, from 8 to 103.5 acres) and increased from 3.5 tonnes in 2007 to 24 tonnes in 2011, good for 105,904 tonnes of sunflower (compared with 39,826 tonnes in 2007).

⁵¹ In Iramba (where sunflower is a priority), we find that farmers bought (directly from the LGA seed farm) 1 tonne of QDS seed in 2007 and 8 tonnes in 2011. Farmers can also buy from QDS farmers and from processors who deliver seeds to the villages.

⁵² It is estimated that this concerns at least 6000 farmers in Singida and Dodoma because not all contract processors deliver improved seeds. Songela has systematically provided seed on credit.

2007 and 2011.⁵³ For LGAs where sunflower is not priority, production increased by only 166% during the same period (Bahi). From the data collected by the LGAs it seems that traditional food crops have not been systematically replaced by sunflower. Depending on the area, new land was opened for sunflower production; sunflower was intercropped; or the first harvest was limited to food crops while the second harvest was entirely sunflower. Cotton has been replaced by sunflower.

¹³⁸ **Production planning** – The production of sunflower was better planned for the farmers under contract farming, which is positive as sunflower production has always been a reactive activity (applied when the rains are late, for example that has limited specialization and value chain development (unstable supplies and markets)). Members of the PFGs do plan the amount of seeds they need, but this remains an informal process. For other farmers, the decision to plant sunflower is largely motivated by the price they received for their last crop and on the weather; if the rains are late, sunflower is preferred to maize.⁵⁴

4.3.2 Sales and marketing

¹³⁹ The prices of sunflower seed have generally increased, but with fluctuations from year to year and within one year. The prices of oilseeds were high in 2010, which resulted in a considerable production increase between 2010 and 2011 (e.g. in Iramba district).⁵⁵ Since 2005, the number of buyers and processors has increased, in line with the rising demand for seed and oil,⁵⁶ which is beneficial to farmers.

¹⁴⁰ *Farmers under trust-based contract farming continue to sell individually.* The PFGs do not yet sell collectively and have not developed a vision on this. Although farmers do not have to sell their crop to a contract processor, the majority of the members of the PFGs eventually do so. More farmers are also processing their sunflower seeds at the contract processors' mills. From the evaluation, the reason for this is not clear. There may be several explanations: they may do so because they mistrust the middlemen, because they feel they owe it to the processor, because they still have informal credit running with the processor, because they can obtain credit to buy guaranteed quality seeds, or because they really understand the long-term negative effects of speculative middlemen and refineries. From the interviews it was clear that farmers are unable to assess the costs and benefits and have little understanding of their own market position.

¹⁴¹ The prices paid to the farmers under contract farming are no higher than those paid to any others, implying that the farmers are not paid for improved quality seeds (higher oil content). This means that they have to rely on higher yields to cover the cost of the more expensive seeds. It also means that the contract processors do not pay higher prices than middlemen or

⁵³ Production increases, e.g. in Iramba: in 2009–10: 39.826 tonnes, 2011–12: 105.940 tonnes.

⁵⁴ In Iramba district, for example, the evaluators found that after a year of high oilseed prices (2009–10) production in 2010–11 increased by 33% (source: production statistics of Iramba). Iramba has made sunflower a top priority and records of sunflower production are of good quality.

⁵⁵ The increase in the prices of oil and oil cake is more important, however. Between 2007 and 2011, the price paid to farmers increased by 180%, while the price of oil rose by 250% and that of oil cake by 300%. This explains why CF processors find it so important that farmers come and press at their mills: they can avoid the cost of collection and the margin for sunflower cake is increasing faster than for crude oil.

⁵⁶ In Iramba, an LGA where sunflower is a priority, the number of processing machines rose from 19 to 43 between 2007 and 2011.

collectors.⁵⁷ Although contracted farmers are targeted by any buyer that comes along (their seeds are visibly of better quality because they are softer), the farmers do not sell at higher prices.

¹⁴² There are always buyers for seeds in the villages, but farmers are generally price takers and middlemen can increase and drop the price at any time. Farmers sell small quantities of sunflower seed at a time to cover immediate expenses because they lack access to credit. This, and the fact that they do not have access to collection centres or storage facilities, makes them vulnerable. This situation has not changed, even though the RLDC, for example, has constructed seven collection centres in its intervention area. Farmers and PFGs do not have marketing strategies or marketing plans. Farmers do not have systematic access to price information but contract farmers do phone their processor to ask what price they are offering. This 'prevailing' market price is not officially fixed and is negotiable. The fact that farmers phone the processor and have at least a reference price slightly strengthens their position during price negotiations with other buyers.

4.4 FACTORS INFLUENCING THE RESULTS

¹⁴³ This section describes the various factors that have influenced the changes in the capabilities of SNV's clients, in their outputs, and in the enabling environment.

4.4.1 Market and production trends

- The number of private actors on the Tanzanian market has increased slowly since 2000, but more rapidly since 2006 with the transition from public market regulation to private market, and the fact that the General Agricultural Products Export Company (GAPEX) went bankrupt.
- The increased demand for edible oilseeds has had a positive impact on the commitment of SNV's clients and farmers. Several factors have contributed to increased demand for edible oil, including government campaigns to promote 'healthy oil' since 2005; increased income levels in Tanzania, and consequently increased demand for oil and oil cake (for livestock); increased regional and international demand for edible oils and oilseeds (food crisis, production of bioethanol, increased edible oil consumption worldwide); new refineries (e.g. Mount Meru in Singida) that have stimulated the local demand for oilseeds and crude oil; and the collapse of cotton production in areas suitable for growing sunflowers. Increased drought and variable weather patterns have also encouraged more farmers plant sunflower rather than maize or peas.
- The prices of edible oilseeds have increased but fluctuate throughout the year. In 2009, for example, prices rose from TSh 286/kg in July to TSh 428/kg in December, and in 2010 from TSh 276/kg in May to TSh 800/kg in December.
- The continuous pressure of the larger refineries on the national government to reduce import tariffs. In 2011–2012 (after import tariffs were reduced to 0%), the government realized that the import bill for edible oil (crude oil) had become very high (second highest

⁵⁷ Implying that it is the contract processors who receive the margin that usually goes to the middlemen.

of all imported products), providing an incentive for it to pay more attention to the local production of edible oilseeds and to consider the reintroduction of import tariffs.

- Contract farming for sunflower has long involved traditional contracts, including sales arrangements and sale price agreements between processors and farmers. Under traditional contract farming, many farmers were side selling to middlemen or collectors who temporarily increased their prices. This side-selling created mistrust between small processors and farmers.

4.4.2 Investments and interest in the sector by local institutions/ actors

- Research programmes to develop improved sunflower seeds have been ongoing since 2000, increasing towards 2006. The increased demand for sunflower and the low yields of traditional varieties prompted the LGAs to invest in sunflower in 2005–2006. Farmer field schools (FFS) – supported by the LGAs – have functioned as demonstrations to other farmers in order to raise awareness of the added value of improved seeds. Increased prices, and increased investments by donors in the sector gave farmers the confidence they needed to invest in sunflower.
- The processors' demand for larger volumes/ consignments of edible oil has stimulated them to work together to ensure deliveries of crude oil.
- The District Agriculture Development Programme (DADPs) of the Ministry of Industry and Trade (with UNIDO) is investing in local refineries and provided a grant to UMAMBE for a refinery (UMAMBE has to contribute). The process has been facilitated by the District Agriculture and Livestock Development Office (DALDO).

4.4.3 Capacity development support by the RLDC

¹⁴⁴ The RLDC has contributed significantly to the capacity development of the OMSF, TEOSA and especially of UMAMBE and CEZOSOPA. In particular, the RLDC supported the establishment of the OMSF, facilitated the elaboration of a constitution for CEZOSOPA and the establishment of TASUPA. In 2008 the RLDC introduced trust-based contract farming (CF) in Dodoma (CEZOSOPA) for nine processors, one of which was Songela (later also supported by SNV). It organized regular learning events for processors (also on CF) in which 19 members participated. RLDC trained members of CEZOSOPA on packaging, provided a purifier and training, provided seven collection centres, introduced branding for locally produced crude oil (TOP brand, although very few CEZOSOPA members are using it), facilitated a visit of eight processors to India and China in order for them to learn about good quality machines for small refineries. The RLDC organized meetings between UMAMBE and CEZOSOPA and the Tanzanian Board of Standards (TBS), and arranged for CEZOSOPA to participate in MIT meetings and to present two papers to support its lobbying for the reintroduction of import tariffs. It facilitated the link between processors of CEZOSOPA and UMAMBE and the CRDB. The RLDC and World Vision have supported LGAs in the distribution of improved seeds.

¹⁴⁵ The relations between SNV and RLDC were positive at the time the OMSF became operational but became very loose afterwards. Both organizations have tried to avoid duplication (but sometimes only after activities had taken off) but they have not developed a plan to complement each other in the support they provide to CEZOSOPA and UMAMBE.

4.4.4 Capacity development support by other donors/agencies

¹⁴⁶ Other donors are increasingly interested in the edible oil sector. The FAO is financing and monitoring SNV for the establishment of four regional chapters of TEOSA and two of CEZOSOPA. The Agricultural Non-State Actors' Forum (ANSAF) and SNV co-organized a learning event on good practices in the edible oil value chains. BEST-AC is supporting TEOSA to elaborate their strategic planning, for evidence-based lobbying (and research) and has facilitated training on lobbying and advocacy for TEOSA leaders. Round Table Africa has financed a website for TEOSA, although it is not active. MUVI (IFAD-SIDO) is supporting the sector in Iringa, has contributed (with SNV) to a manual on good agricultural practices and is a partner in establishing regional chapters of TEOSA and CEZOSOPA. USAID is supporting CEZOSOPA to elaborate its strategic planning and has trained some processors on business planning, and will also assist UMAMBE in drawing up a business plan for the refinery. JICA is supporting MIT-SIDO to establish local refineries and clusters. In Dodoma and Singida, many other actors are supporting farmers' groups and LGAs with improved seeds and agricultural practices, including Care, World Vision, INADES (a Spanish NGO), the Small Enterprise Development Agency (SEDA) and STRAD (a fumigation company). Other agencies are coaching processors (the Small and Medium Enterprise Competitiveness Facility, SCF, funded by Danida) or supporting them (the Government Procurement Services Agency, GPSA) to participate in trade and financial fairs. The CRDB has trained (or assisted) eight members of CEZOSOPA to develop a business plan.

4.5 INSTITUTIONAL DEVELOPMENT OF THE OF EDIBLE OILSEED SECTOR

¹⁴⁷ The institutional development of the sector for both sunflower and sesame involves (i) sector coordination, regulation and the enabling environment, as well as (ii) economic linkages in the value chains.

4.5.1 Sector coordination, regulation and the enabling environment

¹⁴⁸ First, the connections between stakeholders in the sector have improved: sunflower and sesame farmers, small processors, seed regulation bodies and seed companies are linked via established processor associations and sector alliances. Thanks to the participation of these associations and alliances in policy making processes, the connections with government and large refineries have improved. The representation of sunflower stakeholders in the sector coordination is stronger, they have been supported specifically by SNV and the RLDC to that end. The commitment of stakeholders to participate in the sector alliance is strong but the alliances and their dynamics are still young. The activities of the alliances and associations still depend on external support. Not all stakeholders participate; small processors and external resource persons linked to the sunflower value chain are most closely involved for the time being. Palm oil stakeholders have been contacted but are not yet active participants. The capacity of farmers' organizations to actively participate is limited. Two regional chapters of sector alliances are in the process of being established so their activities and legitimacy are limited. The established processors' associations and national sector alliance are recognized at the national level by taskforces in the Ministry of Agriculture and Ministry of Trade and

Industry. They have achieved results in national lobbying campaigns with the support of SNV and RLDC, and are currently developing strategic plans with support of other donors such as USAID and RLDC. The participation of small processors in national policy making has improved whereas this used to be dominated by big refineries. Consequently, the government has promised to reintroduce tariffs on imported edible oil and to eliminate the taxes on imported packaging and spare parts for oil processing machines. Small and medium processors have also been allowed to use the Tanzanian Food and drugs Administration (TFDA) standard for locally produced oil; they are not obliged to move directly to the more stringent Tanzanian Board of Standards (TBS) standard.

¹⁴⁹ Trade in sesame has benefited from the improved division of roles and collaboration between the LGAs and AMCOS at the local level. For sunflower, processors and LGAs collaborate more frequently to train farmers and to provide them with improved seeds. The LGAs have also supported processors' associations to establish local refineries.

¹⁵⁰ Second, knowledge on the edible oil sector is being developed, brokered and used for sesame as well as for sunflower. SNV was the first to introduce information about trade, trade relations, political economy, and has strengthened local organizations in that respect. Information and analysis are used for policy making by TEOSA, local organizations, SNV and other donors. However, there is no evidence of a coherent understanding of trust-based contract farming among stakeholders.

¹⁵¹ Third, several stakeholders have been motivated to invest in the sector. The national government has invested in local refineries for small processors and now subsidizes improved seeds. LGAs in high-potential areas have prioritized sunflower for their extension services and have taken the lead in training farmers and in introducing quality declared seeds since 2006. However, the budgets LGAs make available are considerably lower than the higher taxes they collect from the sunflower and sesame trade, and their extension services remain ineffective in serving all farmers. More donors have invested in the sector since 2011.

¹⁵² Despite these changes, concrete policy development for the sector remains limited, and policies that respond to the needs of farmers even more so. The large refineries still have political influence and have maintained their economic power over small processors and farmers, despite their increased participation in strategy and policy making and the support to small processors.

4.5.2 Economic linkages

¹⁵³ The linkages between the various value chain actors that could contribute to economic efficiency and improved margins for farmers are at infant stage but have potential. For both value chains, farmers' incomes have already increased because of these new economic linkages. However, to optimize the market linkages between PFGs and processors for sunflower and between AMCOS and new sesame markets/ traders, these linkages need to be stronger.

¹⁵⁴ For *sunflower*, sunflower processors and farmers are now (2013) better organized. More than 6000 farmers are organized in newly established farmer groups via trust-based contract

farming. All members of these groups have received technical training and at least 2500 of them have received improved seed on credit. However, the farmers' groups have not organized collective sales, have not developed a stronger marketing position and do not demonstrate a better understanding of market mechanisms. They have not been linked to MVIWATA to defend their interests.

¹⁵⁵ The number of small and medium sunflower processors is increasing. Associations of small processors have influenced general trade policies. They have not been able to change processors' access to trade credit or to collection centres to improve the reliability of supplies from farmers. Access to refineries and business services remain in a test phase and are available only to the strongest processors. Processors' associations were only recently boosted thanks to tests with a credit system provided by CRDB (facilitated by RLDC) and to grants from SIDO and UNIDO to establish their own refineries. The associations do not have the capacity to manage these credit schemes or refineries. Trust-based contract farming is only replicated among processors when they are subsidized and involve only a limited number of farmers. This is due to these processors' limited access to finance in order to buy seed from contracted farmers and the high costs of collecting seed from individual farmers. Small processors have not developed new products to take advantage of different markets. Most of them cannot compete with the speculation and market power of the large refineries and middlemen.

¹⁵⁶ **Sesame** – The changes in the sesame marketing mechanism has benefited the AMCOS since the introduction of the new marketing system. The AMCOS can now directly act on the market and can avoid the taxes and levies set by the unions. As a result, they pay higher prices for sesame to their members and farmers have sold much more of their sesame seed to them. The AMCOS' access to extension services remains limited, but they have started to build up their own internal capital and have established small credit services for their members, which is attracting more female members. The members' trust in their AMCOS is slowly rebuilding. The AMCOS are not managed as enterprises for sesame and they do not have the capacity to actively explore markets or to negotiate prices. The quality of sesame seeds does not play a role in the price setting. The AMCOS do not offer much more or more diverse services to their members.

5 SNV's way of working

¹⁵⁷ This chapter assesses SNV's way of working. Section 5.1 looks at how SNV identifies its clients, while section 5.2 examines its capacity development approach and section 5.3 analyzes SNV's alignment and harmonization approach. Section 5.5 addresses the poverty focus of SNV's support ('governance for empowerment') and section 5.4 focuses on SNV's strategic positioning to support the sector. SNV's strategy for up-scaling is studied in section 5.6. Section 5.7 looks at SNV's knowledge development and at SNV as a learning organization for edible oil value chains in Tanzania. The assessment is based on interviews with SNV staff and clients, a document review (including client files) and the results of the analysis of effectiveness and efficiency in chapters 3 and 7.

¹⁵⁸ **Summary** – There does not exist a present group of clients or interventions, except that SNV is currently establishing new regional chapters of alliances as planned. SNV is working at a level in the value chain that guarantees positive results in terms of attitudes and institutional changes in favour of farmers or small processors. It means that SNV assesses opportunities to change power relations in the value chain and to find economic win-win situations for farmers and small processors. In the client setting, it is not clear why farmers' participation in addressing specific constraints or issues in value chain development has not been strengthened.

¹⁵⁹ SNV has adopted an incremental capacity development approach, but its goals were implicit and the outcomes and choices have not been well monitored or documented. System development and connections between stakeholders have not been systematically translated into organizational development, and this has sometimes put further system development at risk. In 2011–2012 SNV identified partners that could take up part of the organizational development of its clients, but the contacts with these partners are rarely consolidated in agreements and there is not yet a plan for how to optimize complementarities. The AMCOS and PFGs have not been systematically linked to other programmes for their organizational development. Although some meetings with Aga Khan and VECO, a Belgian NGO, have taken place, this is not systematically the case for all PFGs and AMCOS and complementarities are weakly monitored. The link between the system development and organizational development of farmers is therefore not entirely guaranteed.

5.1 IDENTIFICATION OF CLIENTS

Why SNV is involved in the sector?

¹⁶⁰ SNV's involvement is part of the agricultural and value chain strategy developed at the corporate level. The value chain approach has also been promoted by the Tanzanian government in the framework of its ambitions to improve farmers' access to markets and promote private sector development. Despite these intentions, the development of policies to promote individual entrepreneurship was not high on the government's agenda. For farmers, cooperatives and small and medium processors, the lack of access to finance has been a major obstacle to value chain development. The political influence of and market speculation by powerful oil refineries disadvantage small processors and contribute to unstable markets for farmers.

¹⁶¹ SNV's approach in Tanzania after 2005 was based on a combination of conducting sector studies and multi-stakeholder consultations⁵⁸ but, as noted in Chapter 2, since 2010 it has focused more on accountability and on institutional aspects of the value chain. This is relevant given the lack of policies, the power imbalances, government interference (at the local level) in the market for sesame, the weak organization of farmers, the weak links, priorities and coordination among stakeholders, the lack of access to financial institutions, the poor quality (and quality control) of inputs, the weakly motivated extension services and the weak knowledge base for taking informed decisions by stakeholders and policy makers.

SNV's rationale for the choice of clients

¹⁶² According to SNV, the selection of clients is unpredictable and part of an evolving process, given that the approach (i) involves triggering/ catalyzing actors to take the initiative and to seize opportunities; (ii) is impact oriented, moving where the 'energy' is, i.e. entering the value chain at a level that offers the best chance of influencing power relations, attitudes or connections in favour of farmers or small processors,⁵⁹ or where the potential for direct impact on farmers or small processors is greatest; and (iii) can include all types of actors. As a result, SNV has not elaborated a strategy for developing its client portfolio, or a priority list of clients to be involved. Different criteria are used and choices are taken by SNV in an implicit manner. This process is weakly documented and shared. SNV did not always have a free choice in the selection of clients, e.g. in Lindi and Mtwara, but had to move via the unions in order to strengthen the AMCOS.

¹⁶³ This approach implies that SNV supports those actors and processors that show intrinsic dynamics (mainly for institutional development). It guarantees that endogenous dynamics are stimulated, which is a strong point. On the other hand, less dynamic institutions could also have been considered as they might also play a role in the value chain (e.g. in replicating the approach, defending the approach at other levels, upscaling, etc.). Clearly, triggering the less dynamic organizations or exposing them to innovations was not sufficient; they also needed organizational capacity development support. Moreover, by investing systematically in institutions that demonstrated a certain dynamic, there were few opportunities for them to learn by doing.

¹⁶⁴ SNV supports seven main clients at the meso or national levels, most of which at that time were indeed the missing links in the development of a value chain and were needed to coordinate and influence policy making. In practice, SNV also intervenes at the micro level,;

⁵⁸ After secondary data collection by SNV, SNV engaged Match Makers Associates (MMA) to facilitate a multi-stakeholder process to identify SNV's niche and added value in the VC (2005). Cattle, edible oilseeds, and fruits and vegetables satisfied SNV's key criteria: (i) their importance for the poor (and women), their potential to reach many producers, producers in low potential areas, and the potential to increase their incomes. Sunflower and sesame are traditional cash crops for women. (ii) Loose economic connections and information between players in the sector, the gaps in knowledge and know-how, and the non-existence of sector organizations. (iii) Support for these crops was limited at that time. MMA was further engaged to carry out a study and analysis of the sunflower and sesame subsectors (MMA, 2005), from which it became clear that more farmers in the Central Corridor were involved in the sunflower sector than in sesame production. In late 2008, SNV commissioned a quick scan to identify opportunities to replicate sunflower experiences in the process of improving sesame production in Lindi and Mtwara (Kikoka, 2008). In response to the findings, in March 2009, SNV and FLO co-organized and facilitated a multi-stakeholder dialogue in order to identify constraints.

⁵⁹ For example, the AMCOS was chosen as entry point for sesame, rather than the union, because SNV wanted to increase transparency at the level of the union towards the AMCOS and the participation of AMCOS in the unions.

SNV involves clients at the national (TEOSA) and local levels (AMCOS and PFGs and directly farmers and small processors). However, the support at the micro level is only loosely connected with the clients at the meso level who are only weakly involved in the identification of clients at micro level or in the capacity development activities and who are not systematically informed about the progress as an organization. This was the case with the unions MAMCU and ILULU and their involvement in SNV's support to the AMCOS, and with CEZOSOPA and the supported processors. SNV claims to act at the micro level in order to test innovations that might in turn encourage organizations at the meso level to take the initiative. However, the evaluators found that SNV often upscales 'innovations' before they even have been clearly defined, validated or adapted to different field situations, e.g. by the associations at the meso level.

¹⁶⁵ Good analyses of the added value of some clients in reducing poverty are sometimes lacking. When SNV decided to support small processors, this was not based on a micro-economic analysis of the possible distribution of benefits among small processors and farmers. Only in a general way, it was clear that small processors could play a role in stabilizing the market for farmers. Today, it is not clear why SNV is not more pro-actively looking for other actors to provide complementary support to the PFGs, or why some clients *do not* appear in the client constellation. Just a few examples to illustrate this: meso/ macro farmers' organizations for sunflower were not involved but could participate in policy making/ strategies on specific issues of interest to them (e.g. payment of farmers according to quality of seeds); the non-involvement of TASUPA; LGAs in the intervention areas for sesame and sunflower were not involved in the planning of extension services; and TOSCI was not involved in addressing seed quality control mechanisms for QDS with local districts.

5.2 CAPACITY DEVELOPMENT SUPPORT

¹⁶⁶ SNV's capacity development support has focused on:

- knowledge development and brokering information about the sector, actors, regulations and policy;
- linking different types of actors in multi-stakeholder platforms, establishing associations or through specific functional models for economic cooperation; and
- training of members of associations (processors, farmers) on business management or on agricultural practices and improved seeds with a higher oil content.

¹⁶⁷ The primary roles played by SNV were those of a value chain facilitator that connects stakeholders, of a knowledge developer/ broker and a facilitator of training.

¹⁶⁸ According to SNV, and clarified during the reconstruction of its invention logic, it understands that much of its capacity development support (knowledge development, linking actors, training) was eventually meant to achieve three goals: (i) to elicit stakeholders' insights on institutional relations; (ii) to contribute to or test new institutional relations between value chain actors (existing relations were indeed not optimal or transparent, leading to unfair distribution of profits, etc.); and (iii) to enable stakeholders to influence policy making processes (policies that were indeed lacking or distorted the market).

169 Most of SNV's support for *organizational and human resources development* was intended to influence/trigger system development; organizational development clearly was not a goal in itself. The training for farmers on improved seeds was intended to improve their market position, the business management training for processors was intended to enable them to improved their linkages with financial institutions, linking PFGs to processors for contract farming was, amongst others, supposed to strengthen the market position of PFGs and to encourage them to demand extension services at the level of the LGAs.

170 This capacity development strategy is illustrated in Figure 2. SNV directly supports system development (establishes associations and develops knowledge to influence policy making, etc.). It also engages in organizational development, often to trigger or catalyze further system development and relations between actors, whether individual members of associations (as is often the case) or with associations.

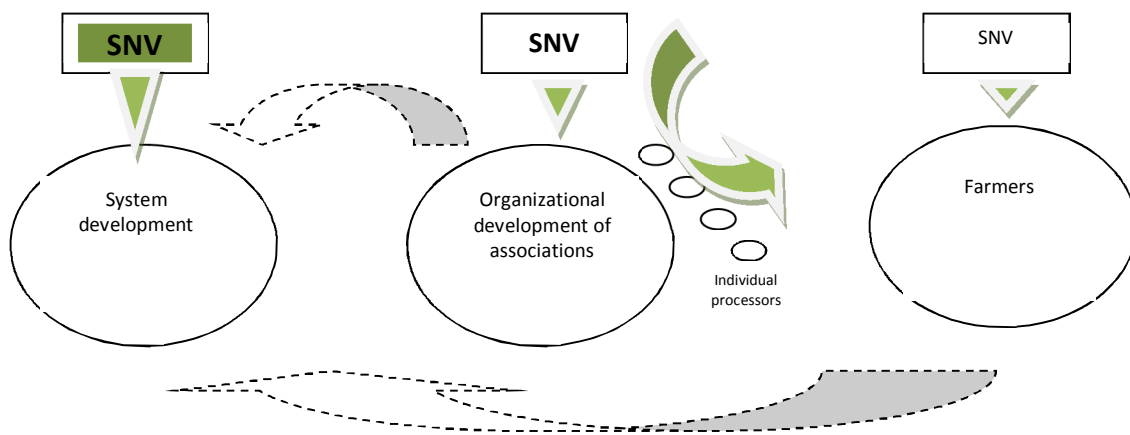


Figure 2. SNV's capacity development strategy

171 SNV effectively contributed to system development, especially in the overall edible oilseed sector and in the decentralized sunflower value chain. There is less evidence, however, that allows us to state that the organizational development led to new insights and changes, or contributed to system development. As an illustration, the training for AMCOS members on improved seeds did not really trigger much insight into their relations with other stakeholders or with the market. Moreover, there was no follow-up to check or ensure that such insight would eventually emerge.

172 System development was weakly linked with further deepening of organizational development. For example, the AMCOS would be encouraged to question their relations with the LGAs and to demand better extension services. However, their capacity to do this was not strengthened. In another example, TEOSA was established as a relevant organization but it had clear organizational gaps that were not addressed by SNV. And in a third example, contract farming is supported by SNV via processors, but the PFGs as such were not strengthened to improve their market position and the contract farming model as such was not evaluated/adapted or brought to the policy level. Generally, the approach has been very

hands-off: SNV did not provide the associations with a lot of coaching or learning by doing. This is highlighted in Figure 3, which shows the gaps identified in SNV's capacity development strategy.

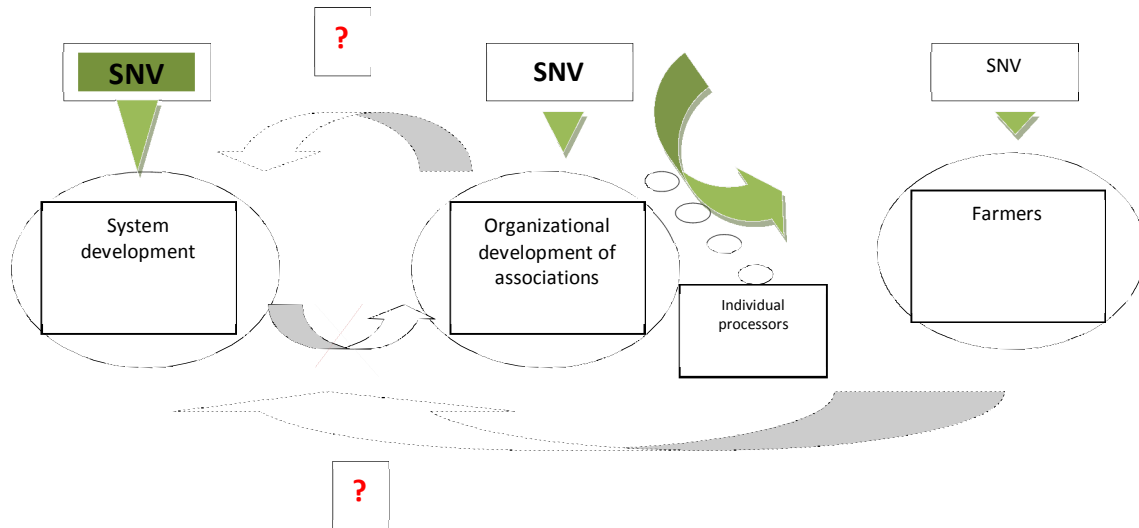


Figure 3. Observed gaps in SNV's capacity development strategy

¹⁷³ Apart from the focus on system development, SNV seems to have adopted an incremental capacity development strategy. In such an approach, normally, the objectives are clear but the strategy is not. The strategy is developed gradually, leading to more adapted and effective capacity development.⁶⁰ This approach is justified in the context of supporting sector and value chain development, which requires flexible responses to opportunities, the momentum achieved, changing relations in the value chain and shifting economic opportunities. However, from the two case studies, it appears that the objective of the capacity development support was not clear and that on several occasions the objective was reconstructed later. Second, an incremental approach requires close monitoring of the initiatives taken along the way in order for them to be substantially grounded. This did not happen. The process was weakly monitored and the justifications for specific capacity development activities along the way were not clearly documented.

¹⁷⁴ The fact that organizational development was instrumental to system development, and the fact that the approach was incremental but did not receive proper follow-up, resulted in a fragmented organizational development practice. Moreover, support was often provided at the level of processors, PFGs, AMCOS or farmers, and was not necessarily linked to their associations or coupled with a 'learning by doing' process at that level. The capacity development was not differentiated properly according to the specific needs of each client or according to the specifications of the different regions. SNV's support to the AMCOS and unions did not take into account their different levels of capacity, which explains why the organizational development efforts were only weakly absorbed by the clients.

⁶⁰ Such a strategy leaves room for making adjustments and experimenting with different methodologies or models in order to learn what might work under certain conditions.

¹⁷⁵ Finally, several assumptions that were not sufficiently addressed or justified appear in the results chain of capacity development:

- SNV assumed that training small sunflower processors on business management and planning and exposing processors to some alternative financial institutions (including an institutional mapping of alternative financial institutions), would encourage them to develop and use a business plan, would improve their access to finance and would enable them to repay the loans. But the processors did not receive appropriate follow-up, the financial institutions were not supported, the interactions between processors' access to finance and the price setting mechanisms in the value chain (and of the larger refineries in particular) was studied ex-ante.
- It was assumed that sunflower farmers, because of their trust relation with processors in contract farming, would also get a better price or margin for their seed, would sell collectively to traders or would be better informed about market prices and would thus have a stronger market position. This has not been the case.
- It was assumed that the LGAs would continue to provide training and follow-up for farmers even when the processors were no longer paying them. It was also assumed that one training course for farmers on their rights would result in them claiming better services from the LGAs. This is not happening in reality (sunflower).
- It was assumed that subsidized sunflower processors would continue contract farming at the same level after the subsidies were discontinued, while most of them do not have the financial or operational capacity even to buy all the seed produced by the contracted farmers. It was also assumed that other processors, including smaller ones, would copy the trust-based contract farming model without the subsidies. However, reality has shown that the processors have found this model too expensive as long as farmers are not organized and they do not have access to collection centres or to credit to purchase the harvest of the contracted farmers. It was also assumed that the contract farming model could be replicated in regions where less sunflower is produced: several stakeholders have contradicted this by pointing to the higher competition with middlemen and refineries.
- For sesame, it was assumed that farmers would train other farmers, would find credit for improved seed, and would be able to recoup the higher price and labour required to grow them through higher yields and sale price. It was further assumed that training for the AMCOS on their rights and responsibilities would improve their capacity to claim more extension services from the LGAs which would result in a greater capacity of the LGAs to deliver them.

¹⁷⁶ SNV faces several challenges in balancing organizational and system development in a sector-wide approach. The sustainability of system development is not guaranteed because of the low levels of organizational development. The set of objectives/outcomes defined by SNV (see Chapter 2) cannot be achieved in a sustainable way without organizational development. Without providing further organizational development support to farmers' groups/associations, the distribution of benefits to farmers is not guaranteed. SNV claims to broker organizational support from other donors for its clients. Some cases confirm this – e.g. BEST-AC for TEOSA, and Danida for CEZOSOPA. However, (i) this brokering is very recent and often happens at the request of other programmes/donors; (ii) there are no agreements yet between SNV and these other donors and they do not meet regularly to follow up on progress

in institutional and organizational development and to optimize complementarities; (iii) there is no systematic approach to support farmer groups/AMCOS (iv) the organizational support provided by other donors is often focused on just one aspect of capacity; and (v) concrete plans at the clients' level for developing other aspects of capacity and for identifying financial resources in doing so, are not readily available.

5.2.1 Exogenous/ endogenous capacity development for sesame and sunflower

¹⁷⁷ SNV's capacity development support shows characteristics of both endogenous and exogenous approaches. The *system development* support shows some characteristics of endogenous capacity development: existing trends for changes/ connections/ relations have been strengthened, clients' awareness of specific positions or relations in the value chain has been triggered, knowledge has been added to the sector and better informed decisions are being taken by the actors themselves. But still, some factors weaken the endogenous character of system development: (i) the way the processes are triggered or the type of information/ knowledge that will be developed is decided by SNV; and (ii) if clients do not sufficiently assume responsibility after they have been catalyzed, SNV sometimes takes over implementation. This has been the case with contract farming: CEZOSOPA still has doubts about its feasibility, but SNV is directly supporting a processor to replicate the model; and (iii) sometimes SNV is not sufficiently informed about the exact stage of system development and fails to adapt its support in an appropriate way (e.g. the AMCOS' marketing system).

¹⁷⁸ SNV's *organizational* capacity development support shows more characteristics of an exogenous approach. There is limited space and support for a process of organizational CD and system CD is not necessarily supported to interact with further organizational CD. Often the choice of organizational CD is made by SNV, fitting in its own wider plan to trigger system development. Finally, SNV could have given more effort to enabling the associations/alliances to 'learn by doing' in order to integrate organizational or institutional capacity development processes at their level.

¹⁷⁹ Other evidence of an exogenous organizational capacity development approach includes:

- The choice of organizational CD interventions by SNV is often not in line with the priorities of the associations. For them, for example, training for processors on business planning was not a priority. The fact that they failed to mention these interventions during the timeline exercise with the evaluators confirms that the training was not perceived as fully relevant to their own development processes. Another example concerns sesame, the organizational capacity development interventions did not address the priorities of the AMCOs and unions, such as exploring more important market outlets. As a consequence, the attendance at the training meetings was low.⁶¹
- The associations are not systematically informed about the choices and support that SNV provides to processors or regional chapters; sometimes only the chair or one of the leaders is informed. The support services to the processors are not embedded in CEZOSOPA, as such not strengthening the capacity of CEZOSOPA through a learning-by-doing approach. The unions (sesame) did not actively participate in the choice of LCB, the

⁶¹ For the training on the WHS and cooperative policy, more than half of the meetings attracted fewer than 30% of those invited (the target was 100 members for each of the 17 AMCOS). See ROSDO progress report, October 2011.

selection of AMCOs or in the selection of priority interventions. They did not receive reports on the progress of the interventions or their outcomes.

- CEZOSOPA says that it does not have the capacity to implement what it learned during the training or their interactions with SNV.

5.2.2 Capacity development by LCBs

LCBs are contracted by SNV to perform certain roles or to execute certain tasks determined by SNV (sometimes by MSPs).⁶² Songela is regarded as an LCB by SNV, as it is paid to train other processors and farmers. It is not seen as a client that should be strengthened in its relations with PFGs and with other processors, nor in its capacity for contract farming. SNV scanned LCBs in Tanzania and found few that were addressing agriculture, and then ranked them according to their strengths. 'Top end' LCBs are often based in Dar es Salaam, Dodoma or Morogoro and are engaged in knowledge development, sector analysis and strategy formulation. 'Lower end' LCBs are local organizations that operate in rural areas and are directly involved with farmers' organizations or processors.

¹⁸⁰ The results of SNV's capacity development support to the LCBs vary. The well-established organizations that specialize in knowledge development have been well guided and supported (e.g. the Economic and Social Research Foundation, Sokoine University). With these organizations, SNV discovered new pathways and opportunities for knowledge development and brokering. These organizations also increasingly use the information in their own networks for policy making, learning events, writing articles or discussion forums. Local, rural, and often weaker advisors (LCB's) are contracted to conduct training or to execute organizational capacity assessments of farmer groups. SNV monitors the execution of their contracts. The system of tendering, with clear ToR drafted by SNV and a proposed capacity development strategy for farmer groups or processors, limits the room for the LCBs to question the ToR or the proposed approach. Some LCBs have made changes during implementation – for example, the Rural Oriented Sustainable Development Organization (ROSDO) worked on listing problems with the WHS rather than training; Songela reaches more farmers, distributes flyers, gives more services to farmers than foreseen, etc. – but they cannot fundamentally change the capacity development approach. Genuine follow-up by SNV in order to assess the relevance and quality of their work and the results is not systematic. Nevertheless, the LCBs have gained experience: they get to know the local organizations and learn how to adapt their training to the capacity/interests of local actors. SNV also organizes thematic meetings for LCBs once or twice a year.⁶³ SNV does not support them significantly to develop this capacity development expertise further. One explanation is the fact that SNV-Tanzania's staff have good knowledge of the value chain approach, are focused on institutional development and on their role of value chain facilitator and knowledge broker, but pay less attention to organizational capacity development processes.

⁶² LCBs have been contracted for training (e.g. for training AMCOs, Computer Promotions for training processors), for sector studies or information mapping (of the VC, VC quick scan and actor constellations, mapping of alternative financial institutions, capacity analysis of actors, policies and regulations), to develop communication materials (e.g. videos by Mayadeo), and increasingly to facilitate multi-stakeholder platforms and establish regional chapters of associations (e.g. Phedea in Chunya and Mbeya), Tagrode in Iringa), Faida (Mai and UMAMBE).

⁶³ LCBs and clients reflection on value chain development: 2010; LCB round table meeting 'SNV Way' (December 2011); LCB insights sharing on the implications of being an LCB (AGM, 2010).

¹⁸¹ One example is ROSDO, an LCB contracted by SNV to assess the capacity and provide training for the AMCOS – issues that ‘they were used to doing’, but were not directly based on the needs for capacity development at the level of the clients. SNV has monitored ROSDO but did not coach them during the process with the AMCOS. The results chain of the contracts is not clear. When it became clear that ROSDO was not able to implement the contract as foreseen (e.g. there were fewer participants than expected, the WHS had already been abolished when the training on WHS was planned), SNV did not intervene. When new opportunities arose, such as working with the AMCOS networks, SNV did not provide extra support to deepen these dynamics. ROSDO did gain experience through the training provided to the AMCOS on WHS and cooperative policy, gained the recognition and trust of the AMCOS and intensified the course on cooperative policy successfully (within the framework of another programme to develop the Public Expenditure Tracking System, PETS).

5.3 ALIGNMENT AND HARMONIZATION

5.3.1 Alignment with national strategies, learning

¹⁸² SNV’s strategies are aligned with national agricultural strategies and priorities, as described in Chapter 2: strengthening private sector development, introducing contract farming and strengthening sector associations and sector alliances to contribute to policy making. SNV’s intervention contributed to the implementation of the Public Accountability Tanzania (PATA) initiative as it supported farmers in their efforts to demand more transparency, better services and an improved division of roles between LGAs and unions. In this way, SNV also tested models and encouraged actors to change the institutional framework for value chain development. SNV develops and brokers knowledge to confront actors with realities and to allow informed policy making. SNV participates in policy discussions and in the taskforces at national level. SNV is recognized among donors for its contribution to the sector, for pioneering sector associations/ alliances, for its knowledge development, and for catalyzing changes in the relations between the private sector, farmers and LGAs for sesame. These initiatives have contributed to the increased attention to the sector, and edible oilseeds are among the seven priority crops being promoted by the Ministry of Agriculture.

¹⁸³ SNV participates in learning events with other actors. The most prominent has been the organization of the ANSAF learning event in 2010 on good practices in the edible oilseed sector. This event was mentioned and appreciated by all other partners during the evaluation. SNV also holds monthly meetings with the FAO on the progress in the sesame interventions financed by FAO. The partners met during the evaluation found that SNV could be more proactive in sharing information, especially because they find SNV is very resourceful regarding the value chain approach.

5.3.2 Cooperation with other donors/ programmes

¹⁸⁴ Other donors are currently investing in SNV’s clients (BEST-AC for TEOSA, Danida and USAID, UNIDO/JICA for CEZOSOPA,) or they finance SNV to establish regional chapters (FAO for regional chapters in the Southern Agricultural Growth Corridor of Tanzania, SAGCOT) or to intensify their efforts (Irish Aid). Still other donors work as partners with SNV to establish other

regional or chapters of associations (MUVI (IFAD), VECO).⁶⁴ Except for the partnerships, all the linkages with donors were only established in 2011 or in 2012.

¹⁸⁵ It is only recently (2012) that SNV started to act more pro-actively as a broker and has linked up with other donors to support the organizational development of established associations (e.g. donor meetings were held in 2012 to coordinate future support to TEOSA and CEZOSOPA and with Aga Khan in 2012). This is not yet translated into real partnerships including regular evaluations of complementarities or institutional and organizational development of clients. The same counts for the RLDC, which supports CEZOSOPA and UMAMBE. The RLDC and SNV sometimes meet (although not for some time), but there is no written agreement on who supports what aspects of the capacity development of the associations and there is no shared follow-up of CEZOSOPA and UMAMBE.

¹⁸⁶ Despite the successful (recent) linkages with donors, SNV has been less active in forming successful partnerships that are able to complement their efforts for institutional capacity development with organizational development of the PFGs and AMCOS. Coordination and cooperation with Aga Khan (sesame) or with RLDC (sunflower – CEZOSOPA) are not very intensive and for the AMCOS Aga Khan is not able to cover essential capacity development. SNV has succeeded in preventing duplication but not in elaborating long-term strategic partnerships.⁶⁵

5.4 POSITIONING OF SNV

¹⁸⁷ The government regards SNV as a reliable partner that is well aligned with national strategies and questions the roles and positions of stakeholders in the value chain in a very diplomatic way (e.g. the role of LGAs in the marketing of sesame). Some of the choices have been relevant and innovative, like supporting MSPs and establishing sector associations or supporting Songela to establish and train farmer groups. Other strategic choices made by SNV regarding the type of clients, strategies, role of SNV, etc., were seen as less relevant, based on a lot of unjustified assumptions, and it ignored necessary accompanying measures for farmers and processors to access services, inputs and markets more effectively. In particular, after the initial system analysis, SNV did not re-examine some basic conditions and continuous knowledge development on the sector. Some identified constraints that faded away in SNV's strategy once a certain pathway was chosen. Interventions were increasingly implemented and replicated without fully understanding the realities on the ground. This is a concern given that SNV is considered to be a promoter of the sector, and fact that its resources are already thinly spread over many clients and regions. The right priorities should be set and reset with view to improving the position of farmers in a sector that is constantly changing and evolving. The

⁶⁴ The OMSF and MAI have always been initiatives supported by different donors. The RLDC has supported CEZOSOPA from the start, and UMAMBE. Round Table Africa (RTA)/ IFAD assisted with the publication on agricultural practices. Several other organizations have supported OMSF to implement targeted activities.

⁶⁵ SNV partners with VECO to support farmer groups in Chunya but there is no partner agreement and SNV cannot recall much on the progress of the support to farmer groups by VECO. SNV also works with the MUVI programme to establish the Iringa chapter of TEOSA, but SNV is not aware of MUVI's strategies to strengthen farmers.

challenges concern in particular SNV's choices regarding the capacity development approach, the client portfolio and the anticipated results chain, as explained below.

¹⁸⁸ *Capacity development approach* – (i) SNV's decision to pay limited attention to organizational development of its clients has already been highlighted. The sustainability of the system development, however, is not guaranteed with low levels of organizational development. If SNV finds that organizational development of its clients should be addressed by other donors, then it is not clear why it did not develop a proactive strategy to ensure that those donors actually did so. (ii) The fact that SNV is not linking its interventions at the micro level (e.g. training of processors, members of AMCOS and PFGs, and establishing regional chapters) with meso- or national-level interventions (with CEZOSOPA and UMAMBE, AMCOS and unions, TEOSA) is a weakness. (iii) Despite the prominent role played by SNV in developing and brokering sector knowledge in a relevant way, evidence-based knowledge about local models supported by SNV is often lacking. Despite the sector knowledge development, concrete market information (for processors and farmers) is still not regularly available, even though farmers see this as a priority.

¹⁸⁹ *Selection of clients* – As explained above, the added value of some clients for their potential impact on poverty or other motivation to include them, has sometimes not been well analyzed. It is not clear why some clients *do not* appear in the client constellation. For example, it is not clear why SNV has not supported sunflower farmers to participate in discussions of issues that are important to them, or the LGAs to improve their extension services. SNV assumes too quickly that 'triggering' clients and raising awareness is sufficient for them to change their approaches.

¹⁹⁰ *Results chain* – Several assumptions appear in the capacity development results chain, as explained in section 5.2. Necessary accompanying measures or adaptations to the approach were not included in the strategy.

5.5 GOVERNANCE FOR EMPOWERMENT

5.5.1 Pro-poor strategy

¹⁹¹ Both sesame and sunflower can be regarded as pro-poor crops. This is most obvious for sunflower, with its drought resistance, low labour requirements and the low potential for other cash crops in the areas concerned. Poverty criteria played a role in the selection of the value chains, but were only partly translated into the intervention logic and in the identification of clients. For example, SNV has supported the PFGs to improve their agricultural knowledge but not to strengthen their participation in discussions on specific constraints in the value chain, and the AMCOS to question the marketing system but not to overcome functional challenges in the market. An analysis of the possible distribution of benefits between sunflower farmers and small processors, and of the conditions necessary to guarantee benefits for farmers was not available when introducing the trust-based contract farming. SNV did not ensure a follow-up of the effects on poverty. It did not check in the field whether accompanying measures were needed, while numerous assumptions were made in the intervention logic.

¹⁹² The direct results in the two value chains do not exclude the poor but include poor households. The PFGs include even more poor than the numbers that are included in the traditional extension services or in traditional contract farming. They also offer access to improved seeds for poor households. The AMCOS are able to reach poorer households with their (limited) services, mainly as non-members. However, from a strategic point of view, the poor are not sufficiently supported to ensure their inclusion. Support to strengthen their market position, to ensure they actively participate in policy-making platforms for the sector, needs to be complemented with accompanying measures and other types of stakeholders/clients need to be included to that end.

5.5.2 Gender

¹⁹³ Gender has been a point of attention for SNV during the identification of the value chains. Both sesame and sunflower are typical women's crops and this was one of the reasons why they have been selected by stakeholders. A specific gender strategy was not formulated. There has been some attention to ensuring the participation of women in some of the training facilitated by SNV (e.g. for training of PFGs by Songela, training of AMCOS on improved sesame seeds and on cooperative policy), but this has not been embedded within a capacity development strategy. The outputs of SNV's clients to improve women's access have been weakly followed up by SNV.

¹⁹⁴ The results for gender are quite positive, even though SNV did not ensure a follow-up or did not steer on gender. For both crops, women continue to play an important role in production and commercialization decisions. For sunflower, women are well represented in the PFGs and in their leadership. For the AMCOS, however, few women hold leadership positions, although female membership is increasing since the introduction of small credit schemes (thanks to increased profit realized through the new marketing system for sesame). However, SNV appears not to have taken into account issues such as: (i) for both crops, improved varieties are more labour intensive for women; (ii) it is often difficult for women to expand their area to grow sesame as it requires too much labour or because the land is used by men to grow cashews; and (iii) it is difficult for women in particular to assess the costs and benefit of improved seeds and to understand market mechanisms.

5.6 STRATEGIES AND PRACTICE FOR SCALING UP

¹⁹⁵ SNV did not formulate an ex-ante or an explicit strategy for scaling up or for replication.⁶⁶ Ex-post, elements of upscaling and replication promoted by SNV include the following: (i) upscaling via facilitation of policy advocacy and policy shaping ; (ii) upscaling by establishing new levels of associations that could influence policy and coordinate sector issues (TEOSA, regional chapters) or by strengthening the associations at lower levels (AMCOS) to ensure they have a wider local impact; (iii) developing/ triggering new models of interaction that include an

⁶⁶ Replication: when certain models or activities are multiplied by SNV or other donors. Upscaling: when interventions or support services (initially provided by SNV, its LCB partners or others) are in demand at a larger scale and are paid for from alternative (more or less sustainable/structural) sources, or when solutions or approaches are officially adopted and are embedded in/enabled by/promoted by formal policies, regulations and other broader development programmes.

economic win-win situation and thus will be upscaled by the stakeholders themselves (LGAs – AMCOS, processors – PFGs); and (iv) financing the replication of models to include more farmers and areas (or identifying other donors to finance them).

¹⁹⁶ Common features in SNV's efforts for upscaling or replication include the following:

- There is no roadmap available that clarifies how the upscaling or replication will happen (as the capacity development approach is incremental), with clear objectives or goals.
- Usually, initiatives for replication and for upscaling were taken by SNV. SNV did not make much effort to embed the process in the associations or to translate the upscaling into the organizational development of the associations for them to take the process further (e.g. the regional chapters of TEOSA, contract farming with CEZOSOPA).
- Most promoted models have not yet been evaluated with farmers or processors, but their replication is already being promoted.
- The associations themselves do not yet have the capacity to guarantee the replication of innovations among their members. For example, TEOSA cannot guarantee the capacity development of the regional chapters, and the unions cannot support the AMCOS to develop an extension system. In some cases the associations cannot really be interested in the innovations. CEZOSOPA leaders are not convinced of the sustainability (profitability) of trust-based contract farming for small processors if collection centres and improved access to credit are not guaranteed.
- For most of the associations and models that have been established under the heading of upscaling/replication, support for organizational capacity development is needed to ensure their sustainability or to ensure that they will be upscaled by the organization/system. It is not clear who would be responsible to support the associations to do this, (e.g. the regional chapters of TEOSA, PFGs in contract farming, LGAs in contract farming, AMCOS).

¹⁹⁷ Changes have been introduced but need more time to be consolidated and to be fully owned by the clients. Continuous follow-up, monitoring and adaptation of these innovations with the associations is necessary but this has not been sufficient; for example, MEOSA has already been replicated in Iringa and Mbeya, while MEOSA's own process of establishment is still incomplete, e.g. trust-based contract farming is already replicated to other processors without evaluating the concept with the processors previously trained (who dropped out). Replication of new models or processes has been based on many assumptions that are not monitored or studied.

5.7 STRATEGY AND PRACTICE FOR KNOWLEDGE DEVELOPMENT AND LEARNING CAPACITY

5.7.1 Knowledge development

¹⁹⁸ Knowledge development and brokering are important elements of SNV's capacity development approach. A strong point of knowledge development is that often (and increasingly) the analysis concerns the political economy of the value chain.⁶⁷ The SNV sector

⁶⁷ SNV develops or brokers knowledge on (i) *sector studies* (mapping of stakeholders and quick scans in Lindi, Mtwara and Iringa, value chain mapping in Morogoro, Ruvuma and Rukwa, comparison of policies on edible

studies of edible oil value chains carried out between 2005 and 2009 can be considered as quite unique. It is only since 2010 that other agencies have also invested in value chain analysis of edible oilseeds (VECO, Irish Aid, Danida). Meanwhile, SNV started to focus on more specialized studies, like regional sector studies, and a comparison of the Tanzanian and Ethiopian policies for sesame (2012). The quality of the information produced depends a lot on the initial capacity of the LCBs: the local sector studies are often of poor quality, such as an analysis of the capacity of AMCOS, an evaluation of capacity development of CEZOSOPA, and the mapping of alternative financial institutions.

¹⁹⁹ SNV adapts its knowledge *products* to the 'audience', discusses the information with the MSPs and associations (not always with CEZOSOPA), supports learning events like the one organized by ANSAF and Match Maker Associates on good practices in the edible oilseed value chains (2010), writes articles, and has produced a documentary film on the warehouse system for sesame for evidence-based advocacy.

²⁰⁰ SNV uses the sector information to strengthen the capacity of the associations/alliances to take informed decisions on the coordination of and advocacy for the sector. SNV also uses knowledge and analysis to confront its clients with certain situations, for them to gain insight (and to react to it). SNV also uses the information in national policy taskforces. Other donors use the information to design programmes. These other partners want SNV to share even more of the information and analyses. The stronger LCBs have used the information to develop their methodologies and insights, to gain recognition and to inform their networks (also for policy making, e.g. ESRF, 2012).

²⁰¹ Despite SNV's prominent role in developing and brokering relevant sector knowledge, evidence-based knowledge about the local models supported by SNV is often lacking, and the models are not evaluated in depth. Despite the sector knowledge, little market information is made available to processors and farmers, even though this is a priority for them.

5.7.2 Learning organization

²⁰² Learning on strategies and basic assumptions remains a challenge for SNV. Basic assumptions and external constraints are not re-examined, so that SNV continues to promote the same 'solutions'. One explanation for this is the absence of appropriate evaluations of the outcomes and impacts of its support. SNV holds annual internal sector meetings and regional thematic meetings but the organization seems to focus on strategic planning rather than on assessing outputs, outcomes and impacts. For example, it is not clear to SNV whether processors (CEZOSOPA) have better access to banks and what the success rate is for individual farmers, whether trained processors (Songela) now interact more effectively with the PFGs, whether farmers are now using improved seeds, etc. Consequently, assumptions are maintained and necessary additional or accompanying measures or appropriate partnerships are often not identified, models are not adapted to the specific conditions of certain areas or actors (e.g. the scale of contract farming for each processor/ area). Since 2012, SNV has used outcome

oilseeds in Tanzania and Ethiopia); (ii) information on legal and regulatory issues, policy benchmarking (sesame policy and practice benchmarking for six councils, 2012); and (iii) capacity analysis of stakeholders or VC (e.g. CEZOSOPA in 2012, of AMCOs in 2009). The sector studies, conducted at the initiative of SNV, are presented in MSPs or to the associations, to encourage stakeholders to take action.

mapping, which can certainly improve the capacity for learning about change. Whether this will actually be the case will depend on the attitudes to learning and on the formulation of clearer goals for capacity development, also at the level of farmer groups. It will also depend on SNV's capacity to link these goals with anticipated changes in the enabling environment and for impact.

²⁰³ The question is to what extent SNV has the capacity to question its position and strategy – in terms of finance, time and competences – and to what extent it can afford to do so, given that it needs to promote its approach in order to attract external finances. Finally, SNV's attitude regarding learning from other donors and programmes is not convincing: the organization promotes itself as an innovator, but it is not always open to learning from other donors and stakeholders and to adapt its interventions accordingly.

6 Analysis of the effectiveness of SNV's support

6.1 THE EFFECTIVENESS OF SNV'S SUPPORT FOR SESAME

²⁰⁴ **Summary** – SNV's contributions to strengthening of the capacity of AMCOS and farmers and to creating an enabling environment have been mainly indirect. Only the participation of the sesame unions in TEOSA and the development of knowledge about the sector can be attributed to SNV. The sector study of policy benchmarking of sesame by the Economic and Social Research Foundation (ESRF) has been used at the national level in policy taskforces (by ESRF, TEOSA and SNV). It is possible that SNV influenced the changes in the sesame marketing system for the AMCOS through a series of multi-stakeholder platforms, dialogues, consultations and training of AMCOS: these interventions might have influenced relations between the AMCOS and LGAs and inspired the discussions on changing the system. SNV's support might have contributed to the increased confidence of the AMCOS in making complaints to councillors and district and regional commissioners about the marketing system. However, SNV mainly strengthened existing views and complaints of AMCOS and of some councillors regarding the (obviously) inefficiency of the marketing system,⁶⁸ meaning that the added value of SNV's intervention was limited. SNV does not agree with this finding of the evaluators; it feels that to a large extent the LGAs' decision to change the sesame marketing system can be attributed to SNV.

²⁰⁵ The evaluators witnessed a better understanding of accountability issues (between members and leaders) within the AMCOS, which can be partly attributed to SNV's support but certainly also to the increased ownership and motivation of the AMCOS' members resulting from the changes in the marketing system. Finally, the LCB that was engaged by SNV gained experience in accountability aspects in the value chain (whereas before it focused on organizational development and agricultural practices only), and obtained closer contact with the AMCOS.

²⁰⁶ The technical training facilitated by SNV, the link to the research centre for improved seeds (adapted to market demand) and the link facilitated by SNV with the Fair Trade Labelling Organization (FLO), has influenced the level of knowledge about production for 7% of the members of the 11 participating AMCOS. However, the training did not significantly improve the capacity of the AMCOS. SNV continuously changed the goals of this support,⁶⁹ but none of them were achieved. A training of trainers (ToT) system was not put in place within the AMCOS, there is no permanent link with AMCOS/union/ research centre, the training did not trigger AMCOS to claim better extension services, the farmers are not using the improved seeds or are not applying the improved agricultural practices because they do not have access to better market outlets that pay according to the quality/oil content of their seeds.

⁶⁸ The marketing system was managed and implemented in a non-transparent way by the unions which allowed rent-seeking and confirmed state interference in marketing and price setting – all this has been accentuated by the limited knowledge of AMCOS and councillors of the legal framework and of the rights and responsibilities of the stakeholders involved. The union took decisions while the AMCOS carried the risks and the costs.

⁶⁹ Based on SNV documents and client files, and interviews with SNV, ROSDO, the unions and AMCOS. The goals included (i) improving productivity of farmers by training some AMCO members who were supposed to train other farmers (to offer seeds to the market in a more competitive way); (ii) by improving productivity and encouraging the AMCOS to think about the marketing systems; (iii) identifying seeds that are demanded in the market (but not necessarily at a better price); (iv) to link farmers to Fair Trade markets (and thus to guarantee good agricultural and organic production methods); and (v) to encourage farmers to demand better extension services from the LGAs.

207 Apart from SNV's indirect contributions to changes in the attitude of AMCOS and to changes in the WHS, the evaluators identified some missed opportunities: the AMCOS and LGAs have been catalyzed (not necessarily by SNV) but the momentum for change was not translated into organizational development processes. For example, the AMCOS are now playing a more important role in marketing the farmers' sesame and their priority is to strengthen their capacity to explore new markets and to negotiate, but this was not taken up by SNV. While the AMCOS were encouraged to continue to complain to councillors and LGAs about the marketing system and their extension services, their capacity to do so was not strengthened.

208 Section 6.1.1 presents the results chains for SNV's technical support (and the link to FLO) and for the marketing and the role of AMCOS and LGAs, while section 6.1.2 presents a general analysis of the SNV's effectiveness. For an overview of the effectiveness of SNV's support to the sesame value chain see Table 11.

6.1.1 Results chains for SNV's support

The results chain for SNV's support to improved agricultural practices, improved seeds and the link to Fair Trade markets are specified in Table 9.

Table 9. Results chain for SNV's support to improved agricultural practices – sesame.

Input SNV	<ul style="list-style-type: none"> • Training (2–3 days) of 25–30 members of 11 AMCOS on improved seeds (and not to reuse improved seeds) and (organic) agricultural practices for sesame. • Linking AMCOS to research institutions to improve their knowledge of sesame seeds demanded in the market and to access to improved seeds. • Linking union to FLO to access Fair Trade market outlets.
Capacity changes of the client	<ul style="list-style-type: none"> • SNV's interventions have contributed to the knowledge of some AMCOS members on the use of improved seeds and agricultural practices (training for about 7% of their members), but there was no TOT strategy in place and the training was not integrated into the organizational development of AMCOS, and union or AMCOS staff were not involved. • The training did not lead the AMCOS to claim better extension services. • Five AMCOS have been linked to research institutions. • SNV linked ILULU to FLO with the intention to link them to Fair Trade markets.
Changes in output of the client	<ul style="list-style-type: none"> • Knowledge of improved agricultural practices and improved seeds did not spread to other farmers or AMCOS leaders. Only two of the 5 AMCOS were linked to research institutions and tried out the improved seeds but gave up after application problems and absence of market that would pay according to oil content of the improved seeds (organically produced) and there was no credit available for seed (also not via the research centre). • FLO attended meetings with ILULU but pulled out because 'the capacity of the unions was too weak'. Unions or AMCOS have not been linked with Fair trade outlets. AMCO have not been informed.
Changes in the local supporting framework	<ul style="list-style-type: none"> • No effect – weak links with research institutions for seeds, no improvement in extension services, no fair trade market outlet, no quality standards for sesame.
Changes for farmers	<ul style="list-style-type: none"> • 20–30 farmers per AMCOS (for 11 AMCOS: about 220 farmers) have been trained on improved seeds (to identify seeds with better oil content, to prevent reuse of improved seeds) but do not use them because of lack of access to credit and rewarding markets.
Changes in knowledge in the sector	<ul style="list-style-type: none"> • The improved seeds were already known in the sector and farmers had been trained on them before. SNV supported MUVI (IFAD) to prepare and distribute a manual on good agricultural practices, but this was not being used by the LGAs contacted during the evaluation (they use the manual of Aga Khan).
Link with priorities of AMCOS	<ul style="list-style-type: none"> • One of the AMCOS' current priorities is to strengthen their capacity to explore new markets and to negotiate with larger traders. SNV will start to provide leadership training to AMCOS in 2013.

209 **Attribution SNV** – The results chain of this support was not clear and the goal of the support has changed over time. The support did not lead to organizational capacity development and did not function as a trigger for further system development.

210 The results chain for SNV’s support to the AMCOS to participate in price setting is specified in Table 10.

Table 10. Results chain for SNV’s support to the AMCOS to participate in price setting

Input SNV	<ul style="list-style-type: none"> • SNV organized a series of dialogues with sesame actors (in the form of studies and consultations, multi-stakeholder platforms and training with discussion sessions) • In 2008 SNV facilitated a quick scan of the sesame sector (requested by OMSF; Kikoka, 2008), the results were presented in a MSP in 2009. At that time, the problems with the sesame marketing system were already seen as a challenge (the unions and LGAs took decisions while the AMCOS carried the risks and costs). • Another MSP in 2010 was based on the capacity assessment of 17 AMCOS (ROSDO, 2010), which focused on ‘hardware’ (internal capital, staff) rather than organizational and institutional capabilities.⁷⁰ For the capacity analysis, each AMCOS was consulted. During this consultation, the AMCOS explained (again) that the WHS was ruining the financial viability, credibility and legitimacy of members. • Between April and November 2011, SNV engaged ROSDO to give a series of training to 17 AMCOS on cooperative policy, the WHS and the way a WHS should ideally be implemented. These training sessions integrated discussions on the WHS. One or two councillors participated in some sessions. Most of the training sessions took place between July and October 2012.⁷¹ The participation in the training was much lower than expected – on average 30% of the expected participants.⁷² • SNV engaged an expert to produce a documentary film to raise the concerns of producers, AMCOs and other actors about the marketing system, and to help them make a case for change. Leaders and members of AMCOS and LGAs participated in the making of the video, which was shown at a number of forums in 2012 and 2013 (after the WHS had already been abolished by the LGAs and AMCOS). • In 2011 SNV contributed to a MSP organized by Aga Khan (SNV made sure AMCOS were invited and presented the video on the sesame marketing system and the challenges of the WHS). • SNV engaged and guided ESRF in 2012 to carry out a policy benchmarking study of the sesame sector (a comparison with the policy in Ethiopia). The study enabled ESRF to deepen the content and to make it more useful for policy making in Tanzania.
Capacity changes of clients	<ul style="list-style-type: none"> • The series of studies, AMCOS consultations, MSPs, training and dialogues with AMCOS, strengthened the existing views on the shortcomings and inefficiencies of the sesame marketing system. The consequences were directly felt by AMCOS as they became indebted and lost credibility with their members due to low prices offered to members and due to late second or third instalments. The consultation, MSP and discussions may have contributed to the confidence of AMCOS to continue to complain to the LGAs and unions about the marketing system and to the capacity to specify the claims. • One sesame processor (Frasal) has been facilitated by SNV to gain access to finance and been introduced to trust-based contract farming.
Changes in output of clients	<ul style="list-style-type: none"> • During the training/meeting on cooperative policy with 17 AMCOS, some formulated their ‘claims’ (or complaints) to ask the councillors for better extension services (to bring the message to the district council – 4 of the 9 interviewed AMCOS). This was done by the councillors but was not followed up. • AMCOs have continued to complain to the unions and LGAs about the inefficient sesame marketing system of. (AMCOS had made already claims to the LGAs long before the training sessions on the WHS). • 8 of the 17 trained AMCOS organized additional sessions with members on the topics discussed during the training on WHS (especially side-selling). Also, more members have made claims to

⁷⁰ The analysis explained that leaders and leadership of AMCOS are rather weak, while AMCOS have had committed and competent leaders throughout the process.

⁷¹ ROSDO first prepared the training and contacted AMCOS during the first months of the contract.

⁷² ROSDO Progress report, October 2011. This document reports on the data, subject and participation level (fourth column, ‘performance gap’) for each training session.

	<p>their leaders (but this is probably linked to the fact that they now have an economic interest in the functioning of the AMCOS, rather than to the training of some members).</p> <ul style="list-style-type: none"> • The increased membership of women in the AMCOS (which SNV believes is linked to the training) is mainly linked to the small credit schemes of AMCOS (to which the new marketing system has contributed). • Frasal has started contract farming with 1870 farmers, but their experience has not been smooth. They had to quit the concept when the WHS was introduced. After the abolition of the system they picked up contract farming again but could not deliver seeds on time to AMCOS after having trained them. Frasal explained to the evaluators that it is uncertain whether they will continue with contract farming as it is too costly for them to train farmers to deliver seeds and to pay the local levies and margins too small).
Changes in the local support framework	<ul style="list-style-type: none"> • LGAs moved from being supporters of the WHS to abolishing it. LGA have changed the sesame marketing system and have redefined their role in it. The increased income they earn from sesame has already been invested in roads to sesame-producing areas and in training to AMCOS on marketing. • The changes in the local support framework were mainly the result of existing local financial trends (reduced revenues of LGAs and AMCOS) and the continuous (unorganized) complaints of farmers to LGAs about the marketing system. The dialogues and reflections facilitated by SNV may have contributed to the confidence of AMCOS to make more specific complaints to LGAs, and to the openness of the LGAs to these complaints.
Changes for farmers	<ul style="list-style-type: none"> • Farmers sell more via AMCOS, and receive a higher price (because union taxes and levies are avoided), and are paid immediately • 1870 farmers have received training and improved seeds (credit) and sold sesame to Frasal (under contract farming, at market price).
Changes in knowledge in the sector	<ul style="list-style-type: none"> • SNV requested and financed several sector studies (quick scan by a local service provider and policy benchmarking by ESRF, including a comparison with Ethiopian policy and price setting mechanisms). These unique studies have been important: (i) for the AMCOS and LGAs to share ideas on issues in the sector; (ii) for ESRF, which is using the information in policy taskforces; and (iii) for SNV and TEOSA, which are using the information to shape priorities and to participate in taskforces.
Link with priorities of AMCOS	<ul style="list-style-type: none"> • One of the current priorities as expressed by AMCOS is to strengthen their capacity to explore new export markets and to link up with big traders, and to negotiate prices. SNV will start with leadership training for the AMCOS in 2013.

Attribution SNV – SNV’s training on the WHS may have contributed to meetings organized by the AMCOS on the new marketing system and the issue of side-selling, and to stronger complaints by members to their leaders (about weighing). SNV’s support has contributed to improved knowledge and skills of ROSDO and ESRF on accountability issues in the sesame value chain. ESRF can apply this knowledge in national policy taskforces. ROSDO is now recognized by the AMCOS and other donors. SNV’s training sessions did contribute to some concrete complaints expressed by AMCOS about the extension services but this was not followed-up by SNV, ROSDO or the AMCOS, and the councillors did not provide feedback to the AMCOS. Other changes in capabilities of the AMCOS and LGAs (improved leadership, services to members, financial situation, investments in the sector) can be mainly attributed to the increased economic performance of AMCOS and LGAs in the sesame sector after the sesame marketing system was changed (as explained in the above).

²¹¹ The question is whether changes in the marketing system and in the relations between AMCOS and LGAs can be attributed to SNV’s support. The consultations and dialogues with AMCOS and councillors/ LGAs facilitated by SNV might have strengthened the existing trend indirectly and the motivation of AMCOS and later the LGAs to change the marketing system. In particular, SNV might have contributed to the self-confidence of the AMCOS to continue to complain to the unions and LGAs, it might have refined their complaints and might have contributed to

increased openness of LGAs to the complaints. Still, SNV's support was not the main catalyst for these complaints, or for increased LGAs openness or the eventual change of the marketing system. SNV and the IOB evaluation do not agree on this point, SNV feels that the changes can be attributed to (and were triggered by) SNV. The IOB evaluation team finds that this is not the case, for the following reasons:

- The occasions on which SNV organized consultations/ facilitated dialogue of AMCOS were limited in number and were not part of a continuous process. None of the local actors (LGAs, councillors, AMCOS or farmers) mentioned the MSPs, consultations or training in their timelines or explained changes in certain attitudes, decisions or initiatives.
- The MSPs, consultations and training concerned only a limited number of AMCOS members and councillors.⁷³ AMCOS have weak internal communication systems and it cannot be assumed that the AMCOS themselves disseminated the results of the discussion/ training/ dialogue among their members. Councillors do not have a system to provide feedback to the AMCOS.
- At the time of the MSPs and training by SNV, AMCOS were already complaining to councillors and district commissioners about the local sesame marketing system, the involvement of the unions and the levies imposed by unions). Throughout the process, the complaints of the AMCOS were expressed in an unorganized way, at community meetings or external events, and this did not change. SNV did not include in-depth training on effective ways to formulate complaints or demands. The eventual change of the marketing system did not take the shape demanded by the ward councillors and AMCOS who were mainly looking for ways to limit side-selling by members. The LGAs came up with the idea of abolishing the WHS system and to give AMCOS responsibility for direct sales and for registering local sales of sesame, on which basis the LGAs would be able to collect taxes from sesame traders.
- Most of the training provided to AMCOS (and councillors) on the WHS, facilitated by SNV, took place after the LGAs had abolished the WHS for sesame.⁷⁴ The intended results chain of the training is not clear. It is true, however, that the AMCOS are more aware of some issues (not strictly related to the WHS) such as their role in minimizing side-selling and in discussing indicative prices.
- Both the AMCOS and the LGAs had a strong incentive to change the sesame marketing system because both of them saw their revenues decreasing (steeply) under the WHS system. The side-selling by farmers was caused by the low prices paid by AMCOS who had to pay taxes and levies on the profit of the sales of sesame to the unions.

²¹² SNV does not agree with this argument. It claims that the multi-stakeholder platforms, consultations and training increased the AMCOS' awareness of the challenges of the WHS and intensified the dialogue between LGAs and AMCOS on the marketing system. This, according to SNV, was one of the main reasons why the LGAs eventually changed the marketing system.

⁷³ Based on interviews with ROSDO, AMCOS and councillors, and on the ROSDO progress report, October 2011, fourth column, performance gap.

⁷⁴ Based on interviews with ROSDO, AMCOS, councillors and on ROSDO progress report, October 2011, first column, dates of training.

Capacity development of LCBs

- ²¹³ ROSDO, the local capacity builder who implemented the capacity assessment of AMCOS, provided training on good agricultural practices and improved seeds, and trained AMCOS on the WHS and cooperative policy, was used to providing capacity development training, and so was contracted by SNV to implement activities that were familiar to them. ROSDO was monitored by SNV but was not really coached to improve its capacity development approach towards AMCOS. However, ROSDO did gain insight into possible accountability aspects of the sesame value chain, through its repeated interactions with the AMCOS and throughout the different stages of the process, first working on production issues, then on cooperative policy and marketing systems. ROSDO was able to improve its contacts with the AMCOS, gain their trust and recognition for its work. SNV contributed to this indirectly by awarding ROSDO consecutive training contracts on several topics. ROSDO was contacted again to implement another course on the internal governance of AMCOS financed by the Public Expenditure Tracking System (PETS). This training has had a positive effect on the willingness of AMCOS' members to complain to their leaders and raised awareness of the role of TEOSA. The AMCOS started two networks to discuss the WHS with other AMCOS.⁷⁵
- ²¹⁴ The Economic and Social Research Foundation (ESRF), based in Dar es Salaam, has been involved as an LCB to carry out several studies of the edible oilseed sector, facilitated by SNV. In particular, SNV guided them through a process of policy benchmarking of the sesame sector (and a comparison of policies in Tanzania and Ethiopia). The data collected and analysis were regularly discussed with SNV and consequently the strategy was adapted. ESRF, TEOSA and SNV are using the information in articles and in national policy taskforces.
- ### **6.1.2 General analysis**
- ²¹⁵ The effects of the development and sharing of knowledge of the sesame sector can be attributed to SNV. The information is used at the local level in MSPs and in policy making taskforces at the national level (by ESRF, SNV and TEOSA). ROSDO, an LCB that works directly with AMCOS, gained experience on accountability issues in the value chain, the recognition and trust of the AMCOS through the implementation of contracts with SNV, and is using this capacity in further training of AMCOS financed by other actors/ programmes.
- ²¹⁶ The discussion on this developed information about the sector/actor (facilitated by SNV), in MSPs or in training provided to and in discussions with local actors (as with AMCOS, councillors and LGAs), might have contributed indirectly to an already existing trend and motivation at the level of AMCOS, LGAs and councillors to improve the implementation of the sesame WHS and to decentralize sesame marketing to the AMCOS. SNV's support might have strengthened the confidence of AMCOS to complain to the LGAs. The later changes in the marketing system cannot be attributed to SNV (SNV does not agree on this point).
- ²¹⁷ The change in the marketing system created a momentum for the AMCOS to increase their legitimacy, economic activities and services to members and for the LGAs to define their role in marketing of sesame and towards the AMCOS.

⁷⁵ The AMCOs participating in the networks were unable to give the objective of the network and they have not met again and have not been further supported.

²¹⁸ SNV did not bring about further changes in the organizational capacity or the human resources development of AMCOS. The training on improved seeds to farmers did not spread among AMCOS members, did not lead to sustainable contacts with research institutions, or to the creation of market outlets that would pay according to oil content of the sesame seeds. Accompanying measures like credit (for seeds) were lacking. The training of AMCOS on the WHS and cooperative policy was not accompanied by measures to strengthen their confidence to complain and therefore did not influence their performance regarding advocacy. An overview of the effectiveness of SNV's support is presented in Table 11.

The result chains⁷⁶ as explained by SNV (several times before and during the evaluation) have not been confirmed in the field. Other, more obvious factors can explain the results or choices that stakeholders have made.

⁷⁶ Identification of improved seeds relevant for marketing (desired by buyers), training on agricultural practices and the distribution of improved seeds would lead to (1) the adoption of improved seeds by farmers and a permanent link between AMCOS/unions and research institutions; (2) increased interest in efficient marketing (triggered to market more efficiently because of using improved seeds). Also, it was expected that the training on WHS would lead farmers to question the management of the WHS and the involvement of the AMCOS (especially in price setting and taxes/ levies). Because of the training, farmers would make increasing claims on councillors and LGAs and their unions and therefore their position in the market and participation in price setting would become stronger.



Table 11. Overview of the effectiveness of SNV's support to the sesame sector.

SNV's inputs	Results	17 AMCOs' capacity	17 AMCOs output	2 Unions	Local support framework	Knowledge in the sector	Farmers' access	CD LCBs local ('low end' LCBs)	CD LCBs national ('high end' LCBs)
Agricultural training/ improved seeds/ link research institution and fair trade market (10 AMCOs)		■	■	■	■	■	■	■	0
	Limited number of farmers trained, no TOT strategy, not embedded in organizational or institutional development of AMCOs			Linked with FLO and research institution but did not last	No lasting link between research institutions or FLO and AMCO	Improved seeds (adapted to market demand) were already known in the sector and farmers been trained before.			(research institution was linked to unions but this link did not last)
Training on WHS and cooperative policy	++	■	■	■	■	■	0	++	0
	Better understanding of possible pros and cons of marketing system for future reference. Improved confidence to make complaints to LGA. Better understanding of internal accountability issues. No training on how to make better, evidence-based claims or on advocacy strategy	Improved internal claims to AMCOs leaders Indirect effects:* continuous claims of farmers (not necessarily via AMCOs) to LGAs on the sesame marketing system AMCOs now have a more efficient marketing system but are still not linked to better market outlets or paid for better quality	No direct effect on unions via SNV's contribution	Few councillors were involved in the training and their complaints to LGAs have not been followed up by AMCOs. AMCOs already made complaints before the trainings. The fact that LGAs invest more in the sector (roads, training) is more linked their gained economic interest in the sector after the marketing system changed, indirectly linked with training of SNV to AMCOs	AMCOs already knew of the challenges with the WHS and its management, which is why most of them gave up the WHS before they received the training.**	The new marketing system has effect on farmers access to market (better prices paid by AMCOs) but was very indirectly influenced by SNV	ROSDO knows the local situation better now and has consolidated its contacts with the AMCOs but has changed its capacity development approach yet		
Sector studies and MSPs	++	++	■	■	++	+++	++	0	+++
	Improved confidence to make complaints to LGAs (the capacity of AMCOs was assessed as being weak).	Dialogue of 17 AMCOs with 6 LGAs on price setting of sesame.*			Sector studies, capacity assessment of AMCOs, MSPs and policy benchmarking brought actors together to reflect first time on VC and to reflect on future options	Sector scan and policy benchmarking studies have been unique and are used by other actors (video on WHS will also be used at the national level)	Farmers have benefited indirectly from the changes in the marketing system and from the dialogues between AMCOs and LGAs		ESRF is using the information analysis in taskforces to influence policy making

■ No/few results; ++ Reasonable results; +++ Sustainable results; ++++ Sustainable results upscaled; 0 Not applicable, no results planned.

* The AMCOs made complaints since long and especially their financial situation and the decreasing revenues of the LGAs have catalyzed this dialogue.

** Most of the training for AMCOs was given between July and September 2011, while the system was changed in May 2011. ROSDO report, October 2011.

6.2 THE EFFECTIVENESS OF SNV'S SUPPORT FOR SUNFLOWER

This section presents a brief overview and analysis of the results chain for SNV's support to capacity changes and outputs of its clients – TEOSA, UMAMBE and CEZOSOPA, and the PFGs – and a general analysis of the effectiveness of SNV's support. An overview is presented in Table 15.

Table 12. Results chain for SNV's support to TEOSA.

Capacity changes	<ul style="list-style-type: none"> • TEOSA has been established and recognized by stakeholders and government at the national level, and has committed leaders • Was linked to BEST-AC by SNV (at the request of BEST-AC) • Elaboration of strategic plan with BEST-AC (facilitated by SNV) • Improved capacity to lobby in a systematic way (training facilitated by BEST-AC)
Output client	<ul style="list-style-type: none"> • Coordinated lobby trajectory with CEZOSOPA and TESOPA to MIT and budget taskforce (successful). • Implementing evidence-based research with BEST-AC • Regional chapters being established by SNV (not by TEOSA itself)
Effects for enabling environment	<ul style="list-style-type: none"> • Parliament has promised to reintroduce import tariffs and to drop tax on imports of spare parts and packaging for edible oil produced in Tanzania. • The MoA has drafted a strategy for the edible oilseed sector (but not yet a policy)
Knowledge in the sector	<ul style="list-style-type: none"> • Several sector studies, requested and facilitated by SNV, are used by TEOSA internally and in their relations, as well as by SNV and other stakeholders. Other donors find SNV should still more actively share this sector information • Organization of learning event by SNV with ANSAF has contributed to wider recognition of SNV's and TEOSA's and CEZOSOPA's approach by other relevant actors and donors.
What did not result in output	<ul style="list-style-type: none"> • Establishment of regional chapters by SNV has not resulted in TEOSA taking the lead or developing capacity to take the lead or renew its institutional framework (institutional relations with the regional chapters)
Remaining gaps	<ul style="list-style-type: none"> • Several organization gaps, young organization: weak diversity of members, weak leadership and accountability, weak identity development. No staff and weak working capital. Learning system is improving recently with training on advocacy and evidence-based lobbying. Weak capacity to relate to other donors (brokering is done by SNV).

* *Italics* indicate aspects that are facilitated by a donor/agency other than SNV, or implemented by SNV itself, without the involvement of the client/association.

6.2.1 Main outputs and changes in performance linked to SNV's support

TEOSA

²¹⁹ SNV was successful in facilitating reflection within the OMSF (with the RLDC and World Vision). As a result, OMSF identified the need for a sector alliance and this led to the establishment of the Tanzania Edible Oilseeds Association. SNV then linked TEOSA to BEST-AC, which is currently facilitating TEOSA's capacity development for advocacy. TEOSA is still facing important organizational capacity gaps, which is normal for a young organization. SNV did not address these gaps, for example, through a learning-by-doing strategy.

²²⁰ SNV contributed directly to knowledge development in the sector but not through TEOSA. This knowledge development was appreciated as useful and unique by several stakeholders. TEOSA has started to use this information in order to make decisions or for lobbying purposes. SNV created the regional chapters of TEOSA, which could be seen as a necessary step to increase TEOSA's legitimacy, although TEOSA has not been closely involved in the process so far.

221 TEOSA has coordinated the efforts of CEZOSOPA, TASUPA and TEOSA to lobby parliament (budget taskforce, MIT), and participates in the taskforce of the Ministry of Agriculture which developed a draft strategy for the edible oilseed sector. The achievements have been positively influenced by the momentum in Tanzania and the fact that government understood and wished to take steps to reduce the cost of importing crude edible oil.

CEZOSOPA AND UMAMBE

222 The results chain for SNV's support to CEZOSOPA and UMAMBE is presented in Table 13.

223 Following a reflection within the OMSF and the Manyara Agricultural Initiative (MAI), facilitated by SNV, the clients identified the need for processors' association. CEZOSOPA and UMAMBE were established and SNV linked them to TEOSA and recently to other donors. SNV contributed to increased awareness about the importance of quality standards and quality gaps of oil of small processors. This was done by facilitating contacts between processors and TBS (together with the RLDC).

224 SNV's efforts to improve the processors' access to credit have included training on improved business management and support to record keeping of 13 processors and review of business plans of six processors, and a mapping exercise of alternative financial institutions. These efforts were not very successful, however, and have not been embedded in the services provided by CEZOSOPA. SNV organized three financial fairs in which processors participated but the results have been limited so far: only four processors have access to alternative sources of funding.

225 SNV has been more successful in enabling Songela (a processor contracted by SNV) to replicate trust-based contract farming for more PFGs, although its replication to other processors (without access to subsidies) or embedding the model of trust-based contact farming within CEZOSOPA has not worked so far.

226 The establishment of CEZOSOPA was a success given the high level of distrust among processors. This success can be attributed to SNV. Apart from that, CEZOSOPA as an organization did not develop much. SNV did not address its organizational development in depth, and its direct support was not accompanied by a strategy to coach CEZOSOPA or to involve the organization in learning by doing. SNV requested and paid for an evaluation of the capacity changes of CEZOSOPA (2011), but this evaluation was not integrated into any kind of organizational learning cycle. SNV also requested and paid for an analysis of the quality of the oil produced by CEZOSOPA members, which was a relevant initiative, but the results of analysis have not yet been embedded in the association's internal system of record keeping or in a learning/planning system aimed at improving the quality of oil.

Table 13. Results chain for SNV's support to CEZOSOPA and UMAMBE.

Capacity changes	<ul style="list-style-type: none"> • Associations established and recognized by government at the national level, committed leaders (recent new leadership) • <i>Elaboration of strategic plans with USAID</i> • <i>Improved capacity to lobby in a systematic way (with support from RLDC)</i> • Improved capacity to relate (without (much) external support) to LGAs (UMAMBE), and to SIDO • The associations have gained experience in lobbying at the national level • Processors are more aware of oil quality standards and of the quality gaps in the oil they produce • <i>Contact with CRDB facilitated by RLDC</i>
Output client	<ul style="list-style-type: none"> • Dialogue with SIDO on refineries (no management framework yet) • UMAMBE received a grant from LGA/ SIDO for a refinery (and members contributed financially) • <i>Credit under WHS from CRDB (problems with reimbursement but the loan is being restructured), facilitated by RLDC.</i> • <i>Lobbying campaign (with TEOSA and TASUPA) in MIT subsector committee and budget taskforce on import tariffs, facilitated by RLDC</i> • Few members have access to credit via social funders • Improved trust between processors and more collective sales of processors (informal) not facilitated by CEZOSOPA or UMAMBE) • <i>Several capacity support activities for processors were implemented by RLDC and SNV without embedding them in CEZOSOPA and UMAMBE as associations. SNV has contributed to the establishment of 50 PFGs by Songela via 'trust-based' contract farming, involving the LGA to provide seeds and train the PFGs. Songela has also contributed to the introduction of QDS production to PFG members, enabling Songela to obtain continuous supplies of oilseeds with high oil content, avoid middlemen (and thus pay lower price for the oil), to get more farmers processing their oil in its mills (and obtain the oil cake) and to increase its business.</i>
Effects for enabling environment	<ul style="list-style-type: none"> • <i>Parliament promised to reintroduce import tariffs and to eliminate the tax on imports of spare parts and packaging for edible oil produced in Tanzania (CEZOSOPA, facilitated by RLDC)</i> • <i>Development of a credit product for sunflower processors by CRDB (test phase), (facilitated by RLDC)</i> • LGAs seek contact with contract processors and lobby for processors' associations interest (grant UMAMBE) • The TFDA standard for sunflower oil is allowed for a transition period (instead of TBS) • Some LGAs (high-potential areas) are investing in sunflower extension (but much less than their increased revenues from sunflower trade) (SNV may have contributed via CF processors, MAI and OMSF) • More QDS produced in the high-potential sunflower areas (SNV may have contributed via contract processors and MAI)
Knowledge in the sector	<ul style="list-style-type: none"> • Improved knowledge in the sector about the quality of oil produced by members of CEZOSOPA (2012, study requested by SNV) • Joint reflection on lessons learnt from SNV's support to the sector during ANSAF learning event on the edible oilseed sector (2010), facilitated by SNV.
Farmers	<ul style="list-style-type: none"> • Farmers, member of PFGs under contract farming have been established and have improved access to improved seeds and to knowledge on improved seeds and agricultural practices. Those who have applied the new techniques and inputs have higher yields. They do not organize collective sales and lack the capacity to explore new markets. They are not paid according to the oil content of the seeds.



What did not result in output	<ul style="list-style-type: none">• The financial mapping (requested and facilitated by SNV) has not really been used by stakeholders• Business training and assistance with business plans (facilitated by SNV) for processors and training on computerized accounting has not resulted in active use of business plans (except by three bigger processors) and was not the reason why processors received a loan from the CRDB. The training has not been embedded in CEZOSOPA as a service to members.• Trust-based contract farming is not well defined and is difficult to replicate for processors who are not subsidized (as tried by training by Songela to other processors) and to other regions as long as access to credit, collection centres and the organization of farmers does not improve. The models has not been evaluated or adapted to other scales/ processors/ regions. No change in institutional framework for contract farming, not adapted by CEZOSOPA.
Remaining gaps	<ul style="list-style-type: none">• Several organizational gaps of CEZOSOPA/UMAMBE: weak development of services for members, weak active membership, weak accountability. No staff and little working capital. Absence of learning system in CEZOSOPA (events and knowledge are developed externally).• Access of small and medium processors to business development services and to collection centres remains limited. Only initially stronger processors have captured benefits of increased demand for edible oil and have increased their capacity. Almost all processors produce TFDA quality oil, while the TBS standard will soon be obligatory. Access to markets has improved only for the small processors who already had a better starting position.

* *Italics* indicate aspects that are facilitated by a donor/agency other than SNV, or implemented by SNV itself, without the involvement of the client/association.

- 227 The RLDC contributed more to the organizational development of the two associations than SNV did. It supported CEZOSOPA and UMAMBE from the start. Support by SNV and RLDC was not embedded in a partnership in which the match between complementarities was optimized, although this started to improve following meetings by the end of 2012. Recently USAID has also contributed to the organizational development of the associations.
- 228 CEZOSOPA is elaborating a strategic plan (with USAID), is testing a credit product with CRDB (facilitated by RLDC) and is in dialogue with SIDO/ LGA about refineries. These outputs cannot be directly attributed to SNV.
- 229 Finally, CEZOSOPA not yet offering services to its members. Only the stronger processors have benefited from the increased demand for edible oil and have increased their capacity. Almost all processors produce TFDA quality oil, while TBS standards will be obligatory.

PFGs

- 230 The results chain for SNV's support to the PFGs is presented in Table 14.

Table 14. Results chain for SNV's support to the PFGs.

Capacity changes	<ul style="list-style-type: none"> • 50 new PFGs have been established by Songela. They are linked to the processor to obtain improved seed on credit (in their village) on yearly basis. The PFGs reach farmers that normally do not participate in Farmer Field Schools or in trust-based contract farming. • PFGs have strengthened their knowledge and skills on agricultural practices and improved seeds. • QDS farmers are facilitated by Songela to start up (with support by LGA) • <i>200-400 other PFGs have been established for trust-based contract farming by processors supported by RLDC. They offer a less complete set of services than Songela.</i>
Output client	<ul style="list-style-type: none"> • PFG members have access to improved seeds, use them and have higher yields. • PFG members have improved access to interest-free pre-harvest credit via Songela. • A few PFGs have started to develop other activities, mainly small internal credit schemes (or are members of existing savings and credit cooperative societies or village community banking systems)
Effects on the enabling environment	<ul style="list-style-type: none"> • PFGs are more closely followed up by the LGA than other farmers. • Local manuals and flyers are available (manual developed by MUVI and SNV, flyers by RLDC), distributed by Songela (paid for by SNV). • More QDS seeds available in rural areas (so locally available and cheaper than seeds from shop), but farmers do not completely trust the quality of the QDS seed • SNV has not been proactive in establishing partnerships with other programmes to strengthen the organizational capacity of the PFGs.
Knowledge in the sector	<ul style="list-style-type: none"> • The promoted trust-based contract farming has not been evaluated, especially not its scale (whether processors continue CF on the same scale without subsidies), its sustainability (whether farmers continue to use improved seeds if processors do not provide them on credit) and its adaptability to other regions.
What did not work	<ul style="list-style-type: none"> • Replication of trust-based contract farming to other processors by Songela (paid for by SNV) has not been very successful so far.
Remaining gaps	<ul style="list-style-type: none"> • The PFGs remain organizationally weak; they do not organize collective sales. They do not know how to weigh the costs and benefit of contract farming against the higher prices paid by middlemen. • The PFGs are not paid according to the quality of their seed. They only benefit from higher yields. • Quality control of improved seeds and QDS is weak at the local level, farmers distrust QDS.

* *Italics* indicate aspects that are facilitated by a donor/agency other than SNV, or implemented by SNV itself, without the involvement of the client/association.

- ²³¹ Through the facilitation executed by Songela, SNV contributed to the establishment of 50 PFGs, each with 50 members. Songela linked these PFGs to LGA extension services for agricultural and post-harvest training on sunflower and provided them with improved seeds (on credit or to pay for in cash). Songela also introduced QDS to some members of the PFGs. The result is that these PFGs are committed to use the improved seeds, have increased areas and yields of sunflower, are better followed up by the LGAs (as long as this is facilitated by the processor). Apart from these achievements, PFG members' understanding of price setting mechanisms of sunflower seeds is weak, they do not have improved access to market information (other than that provided by the processor and trader) or to storage facilities. The PFGs do not engage in collective sales. Most sell to Songela; they are not paid according to the quality and receive a market price. The PFGs are not linked to other programmes/ agencies to support their organizational development.
- ²³² The RLDC also contributed to the introduction of trust-based contract farming (eight other processors and initially also Songela) and QDS production, but Songela reaches more groups (50) than the other processors and offers more integrated services to PFGs. The LGAs also have their own seed farms for improved seeds.

6.2.2 General analysis

- ²³³ The edible oilseed sector has become economically attractive: private sector actors in particular are investing in the sector and the government has made it a strategic priority to establish value chains, but few concrete supportive policies are in place. SNV is contributing to policy making via its support to sector alliances/associations and knowledge development and brokering. Today, less powerful stakeholders in the sunflower value chain (less powerful than the refineries) are also recognized as relevant stakeholders and are represented in policy-making processes. This is thanks to the sector associations, the information they have about the potential of the sector and multiple stakeholders. The increased investment, representation and information are not yet reflected in a stronger market position of small and medium processors versus the refineries, except for some larger processors. The dynamics for vertical integration initiated in the value chain have potential but are not yet sustainable. For example, increased awareness amongst processors about quality requirements for oil is a reality, and discussions with SIDO/ LGAs on the establishment of local clusters or mini-refineries for small processors are ongoing. The cooperation between LGAs and small processors is improving. Improved connections between UMAMBE and LGAs, via MAI, have already resulted in a grant for UMAMBE to establish a refinery. Farmers are increasingly involved in sunflower production, especially in drought-prone areas. More farmers are using improved seeds and are obtaining higher yields, but they are not yet organized for collective sales and are still not being paid according to the quality of their seeds.
- ²³⁴ Many factors have contributed to this evolution, in particular the increased market demand, the high cost to the government of importing crude edible oil and support of other donors to organizational development of the associations. The changes that can be attributed to SNV include the following: (i) the development and sharing of knowledge about the sector between stakeholders, in particular about the role of small and medium processors and inviting donors to become involved in the sector; (ii) pioneering sector and processors alliances/ associations

(including regional chapters) that brought together stakeholders for the first time to discuss the challenges facing the sector. Before stakeholders used to interact and meet as well but distrust existed amongst them. These associations have been able already and to influence policies at the national level and relations at the local level; (iii) TEOSA has coordinated a campaign, with TASUPA and CEZOSOPA, to lobby MIT and the national taskforce; (iv) the distribution of improved seeds to poor farmers and women via a contract processor and indirectly by providing farmers with pre-harvest credit; (iv) strengthening the relations between small and medium processors and local governments; and (v) raising awareness of the quality of oil and facilitating transparency and trust between processors.

²³⁵ SNV's support for improving access to finance for processors, and for improving quality of oil of small processors was not successful. Only some processors were linked to social funds, access to CRDB was facilitated by RLDC, SNV's business management training did not make a difference and was weakly followed up. SNV did not invest much effort in improving the marketing of the processors or the PFGs, which are still marketing individually, and their understanding of market mechanisms is weak.

²³⁶ SNV's contribution to organizational capacity development of the associations/ alliances has been minimal and this undermines future system development or development of market relations of the associations and their members, as illustrated in Tables 12–14 (under 'remaining gaps'). SNV's efforts to develop their organizational capacity were often limited to direct inputs at the level of processors or regional chapters and were only weakly linked to/or embedded in the organizational development of the associations/ alliances, so there was little learning by doing. SNV explains that organizational development had never been a goal and that system development was given priority. In that case, it is not clear how the anticipated goals of SNV's programme were supposed to be reached without much organizational support. SNV explains that its support for organizational development was meant to trigger the clients to take further action themselves, develop their own opportunities, etc. However, the organizational development facilitated by SNV (like the business training for processors, and the training for PFGs on improved seeds), clearly did not function as a trigger, and they did not contribute to a better understanding nor to organizational changes. SNV also did not ensure follow-up. If these interventions were supposed to function as a test or as a trigger, the evaluators find that SNV could have done more effort to validate/ adopt these models with the associations before replicating them, or could have developed the monitoring and learning systems of the associations. Recently SNV brokered contacts between its clients and other donors in order for the latter to invest in the organizational development of the associations, but progress and complementarities have not yet been closely monitored. Such partnerships have not been developed for organizational capacity development of the established PFGs.

Local capacity builders (knowledge institutions) have been strengthened and are recognized for their involvement in the sector. The LCBs involved in training processors or in facilitating regional alliances have gained experience, and have adapted the approach of on-the-job training, but they did not develop a process approach for organizational development. While knowledge development about the sector was a strong point of SNV's interventions, evidence-based knowledge development related to tested models (in the field), such as contract farming and the creation of regional chapters of TEOSA, was less well developed.



Table 15. Overview of effectiveness of SNV's support to the sunflower value chain and edible oilseed sector.

Results SNV's inputs	TEOSA	Processor associations	Processors	PFGs	Knowledge of the sector	Enabling environment	Farmers' access	CD LCBs local ('low end' LCBs)	CD LCBs national ('high end' LCBs)
Institutional capacity development	+++	++	++	+	0	++++	++	0	++
	Replication of regional chapters by SNV but loose involvement of TEOSA	RLDC contributed	Processors have gained trust between each other thanks to meetings/ trainings	Linked to processor and LGA but link to market remains weak		Improved linkages and participation in policy making or price setting at different levels, Improved link between LGA and processors for sunflower			Better recognized in the sector as knowledge centre and use information for policy making
Organizational capacity development	+	+	+	++	0	+	0	++	0
	Improving now with BEST-AC, linked to TEOSA by SNV	Improving now with USAID and RLDC (link to CRDB)		Mainly established, trained to produce, no collective sales, weak understanding of market mechanisms		LGAs, research institutions, TOSCI not strengthened		Adapt services better to capacity of the client, more on the job training	
Knowledge development and brokering	+++	+	+	0	++++	++++	0	0	+++
	Donors find SNV should share this information more. Price setting mechanisms for sunflower were not included	Contact farming model not elaborated or promoted	Have gained awareness of quality of oil						Sokoine University and ESRF gained and uses knowledge of the sector

■ No/few results;

■++ Reasonable results;

■+++ Sustainable results;

■++++ Sustainable results upscaled; 0 Not applicable, no results planned.

* The explanation under the scores should not be considered as complete, but points to some less obvious elements explaining why the score is not lower or higher.

7 Efficiency

- ²³⁷ This chapter presents an assessment of the input–output–outcome ratio of SNV’s support to the edible oilseed value chains in Tanzania. This is based on information received from SNV related to the budget and the primary process days (PPDs) provided for several clients (see also Annex 3). These data have been discussed with SNV for better understanding. The assessment is also based on the analysis of effectiveness described in the previous chapters. Section 7.1 discusses the input–output ratio, section 7.2 examines inputs versus results for capacity development and the outputs of clients, and section 7.3 looks at some factors that explain the level of efficiency.
- ²³⁸ **Summary** – SNV’s efficiency is difficult to track down because: (i) its capacity development approach is incremental, and the objectives and intermediate results were not set out systematically; (ii) positive results have been achieved for system development, knowledge development and enabling environment, but the outreach and depth of these effects are difficult to measure; and (iii) SNV’s system for recording PPDs does not allow a straightforward analysis of efficiency and SNV has not focused on efficiency. Prior to 2012, SNV registered PPDs per client rather than per assignment agreement. Often this included direct support to organizations at the local level, which was not necessarily linked to the client under which the PPDs were recorded. Since 2012, SNV has recorded its PPDs per assignment agreement and uses outcome mapping, which is already contributing to a better awareness of costs within SNV.
- ²³⁹ In Tanzania, most of SNV’s budget goes to seven main clients. A good part of the support was spent on institutional capacity development. Inefficiencies are caused by weak attention to and a weak process approach for organizational capacity development, in combination with the weak absorption capacity of clients. Organizational development has not always been among the priorities of the clients, causing further inefficient absorption of the support. The evaluation notes that the budget would be very thinly spread if it were to cover the organizational capacity development of the clients.

7.1 ASSESSMENT OF SNV’S INPUT–OUTPUT RATIO

7.1.1 PPDs

- ²⁴⁰ Between 2007 and 2011 SNV spent a budget of about EUR 1,247,702 on the edible oil value chains in Tanzania, involving 23 clients. The number of PPDs is comparable with similar SNV agricultural capacity development projects, although with more clients and more levels of clients and approaches (enabling environment, knowledge development and brokering, productivity, market development, quality). The costs are mainly invested as PPDs (4112 PPDs in total), and only 2% as other costs. About 96% of the budget is core funding.⁷⁷ About 80% of the budget for PPDs has been used for seven main clients. A detailed listing of PPDs provided per client is presented in Annex 3. These clients are the processor and multi-stakeholder

⁷⁷ Since 2011, SNV has received funding from DFID for the sesame unions related to ‘accountability’ and from FAO for the regional chapters of TEOSA in the SAGCOT regions.

associations established by SNV (with support from partners): OMSF, CEZOSOPA, TEOSA, UMAMBE, MAI and the unions ILULU and MAMCU (sesame). The PPDs for the two unions are not differentiated and are presented as belonging to one client 'union'. Of the other 16 clients, the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA, grouped from several regions) is the most important, taking up 201 PPDs, although relatively more were provided at the beginning of the evaluated period.⁷⁸ A further 15 clients received small budgets of which some can be considered as tests (although not designed as such), such as the support to the Mount Meru Millers in 2009, which SNV soon discovered conflicted with the interests of the small and medium processors of CEZOSOPA and UMAMBE.

²⁴¹ The table of PPDs per client (Annex 3) does not support the evaluators' finding that a considerable number of PPDs was spent directly on decentralized groups of processors and producers and was not channelled through the alliances/ associations. This is the case for the support to contract farming directly via processors, business training for processors and the support to AMCOS for sesame. Also, some of the PPDs are used by SNV *for* but not necessarily *with* a specific client and were related to activities taken at SNV's initiative, and were not demand driven, and with loose follow-up of the client. This is particularly the case for knowledge development and for the establishment of regional chapters of TEOSA.

²⁴² Of SNV's seven main clients, the OMSF received the highest number of PPDs (resulting in the identification and establishment of TEOSA and CEZOSOPA), followed closely by CEZOSOPA. UMAMBE received fewer PPDs but was established at a later stage (it emerged from MAI). The two sesame unions have only been supported since 2009. Table 16 illustrates the percentage of PPDs provided for SNV's seven main clients between 2007 and 2011.

Table 16. Percentage of PPDs provided for SNV's seven main clients in the edible oil value chains, 2007–2011.

Client	Period	% of PPDs
OMSF (no longer existing)	2007–2009	18%
CEZOSOPA	2008–2011	17%
TEOSA	2009–2011	14%
MAI	2007–2011	10%
ILULU	2009–2011	7%
MAMCU	2009–2011	7%
UMAMBE	2009–2011	5%

LCBs

²⁴³ LCBs and consultants delivered 20% of SNV's PPDs between 2007 and 2011. As illustrated in Table 17, this percentage increased between 2007 and 2009 but then dropped to a minimum in 2010, when SNV came in with general facilitation of processes (the learning event with ANSAF, the establishment of TEOSA). The LCBs' engagement peaked again (at 30%) in 2011 due to their involvement in contracts related to the development of a new programme (specific evaluations, assessment, sector studies, etc.). The evaluators note that Songela, a

⁷⁸ Supported by SNV to enhance capacities of leaders to become more responsive to and effective in meeting private sector needs, to engage in lobbying for private public dialogue and partnerships for local economic development, support in strategic planning and reporting.

private processor, is seen as an LCB by SNV with the task of introducing trust-based contract farming to PFGs and other processors.

Table 17. PPDs provided by SNV and LCBs for the edible oil value chain, 2007–2011.

	No. of PPDs provided					Average rate/day over the period
	2007	2008	2009	2010	2011	
SNV advisors	417.4	510.7	964.1	717.8	671.1	EUR 342.23/day
LCBs	39.3	60.0	176.5	95.0	297.0	EUR 140.34/day
Consultants	71.8	71.7	–	–	–	EUR 339.54/day
Total	528.5	642.4	1140.6	812.8	988.1	

²⁴⁴ The cost of the PPDs provided by the LCBs averaged 40% of those the SNV advisors. The average rate of the SNV advisors decreased because fewer international advisors were employed during the last two years. The average cost per PPD of SNV advisors is about the same as that of local consultants.

7.1.2 Management of efficiency by SNV

²⁴⁵ SNV does not organize strict time management or supervision of the outreach and results of its interventions. From the client files we learn that the implementation of contracts and processes systematically take longer than planned. Contracts are extended, without specific questioning from the side of SNV. SNV in fact does not follow up on the direct outputs of its support, e.g. processors ordered and paid a deposit on PCs for computerized accounting, but some were never delivered. Even if the outreach of an LCB is lower than expected, the LCB still gets a new contract with the same content to cover other groups/areas. SNV is not well aware of the eventual results of its support. For example, SNV is not aware of the process and risks that the processors encountered before they eventually obtained a bank loan from CRDB, or of the fact that the processors trained by Songela are not implementing trust-based contract farming. Although it is not well informed, SNV still writes in its reports and articles about some of the fragile ongoing processes as being achieved.

²⁴⁶ SNV advisors used timetables to record the PPDs per client on a weekly basis. The level of detail is limited: SNV calculated the exact costs (budget) of the programme only for its seven main clients. All SNV's efforts for processors are noted under CEZOSOPA while not institutionalized at the CEZOSOPA level. The percentages of PPDs for MAMCU and ILULU are presented in Table 16. Clients are not aware of the number of PPDs spent, etc. The number of PPDs are used in annual monitoring meetings when SNV advisors and SNV line managers discuss the results, but they are not used in discussions with clients.

²⁴⁷ Because of the weak system of recording outputs and outcomes, and of PPDs, SNV has not been able to steer on efficiency. The PPD system functioned more as an administrative system. Since 2012, SNV has recorded the PPDs per assignment agreement (AA) and now uses outcome mapping, which has increased the cost awareness within the organization.

7.2 ASSESSMENT OF THE COSTS RELATED TO OUTPUTS

²⁴⁸ SNV's efficiency in terms of the outputs of its clients is difficult to track because: (i) its capacity development approach is incremental and clear CD objectives and intermediate results are not set out systematically; (ii) positive results have been achieved for system development, knowledge development and an enabling environment, but the outreach and depth of these effects are difficult to measure and are not documented; and (iii) in the past, SNV registered PPDs per client (not per assignment agreement) and not per output.

²⁴⁹ A good part of the SNV's capacity development efforts was devoted to system development. More attention to organizational development in addition to attention for system development would have increased efficiency. The evaluators note that the budget would be very thinly spread if it should also cover organizational development for all the clients involved. The efficiency of the support to its main clients varies. Table 18 compares the number of PPDs provided with the outputs achieved.

Table 18. Main areas of support and comments on the efficiency of SNV's support for its main clients in the edible oilseed value chain, 2007–2011.

Name of client	PPDs – LCBs/ SNV	Main areas and type of SNV support	Comments on efficiency	Efficiency
OMSF	729	<ul style="list-style-type: none"> Facilitating series of multi-stakeholder meetings for actors to coordinate value chain development Facilitating OMSF members in a process of developing strategic plan for sunflower value chain development (several meetings over 2 years, involving Sokoine University); Facilitating multi-actor processes with OMSF to identification of the need for and establishment of CEZOSOPA first and then of TEOSA (4 meetings). 	<ul style="list-style-type: none"> OMSF no longer exists but has been the basis on which several other organizations have been identified and emerged (CEZOSOPA 2008, TEOSA 2009) and it supported training of PFGs (business development, marketing). It is not convincing that all the other steps and stages of OMSF were necessary to come to establishment of CEZOSOPA and TEOSA. It is possible that some general coordination costs of SNV were put under OMSF. The process was characterized by very diverse membership and therefore dispersed visions between the various stakeholder groups. OMSF realized there was a need for sector associations for advocacy and to facilitate access to business development services for small processors. 	++
TEOSA	588	<ul style="list-style-type: none"> Facilitating processes for TEOSA to draw up a constitution and for TEOSA registration Establishment of regional chapters (since 2011) Facilitating process for TEOSA to engage in public policy dialogue with the MIT (and to coordinate CEZOSOPA and TASUPA). Giving feedback on the process of strategic planning (supported by BEST-AC) SNV co-organized a learning event of ANSAF on the edible oil VC (good practices). SNV carried out several sector studies (actor mapping) and more specialized studies (comparison of edible oilseed policies in Ethiopia and Tanzania and the political economy of the sector (ongoing). 	<ul style="list-style-type: none"> Includes sector studies initiated by SNV, which have been relevant and helped some stakeholders to make more informed decisions. TEOSA's results in terms of efficiency have been mixed. TEOSA took off in a short time and has been successful in lobbying at the national level, assisted by the momentum for change. TEOSA is currently also financed by BEST-AC for advocacy. On the other hand, TEOSA is a young organization is characterized by organizational capacity gaps (e.g. the links with the regional chapters are very loose; the diversity of members is poor and identity not clearly distinguished from CEZOSOPA). SNV has not sufficiently elaborated a strategy of 'learning by doing' for capacity development with TEOSA. Regional chapters are in infant stage (started in 2011): MEOSA is established, exchange visit from MEOSA to Iringa and Mbeya. This is initiated by SNV, not well integrated yet at the organizational level of TEOSA. 	++
CEZOSOPA	706	<ul style="list-style-type: none"> Process to establish CEZOSOPA, broker linkages among processors, SWOT and priority setting. Training of processors (13 original members) in strategic planning for business development in 2008. Technical advice related to computerized book-keeping in 2009 (10). Facilitation of elaboration of business plan of 6 processors. SNV stimulated processors to get in touch with and take samples to TBS Facilitated members to attend a financial fair in 2011 to interact with social investors, retailers, traders. Mapping of alternative sources of finance. Linking to social investors (WLF, SEAF, FINCA, ROOT Change, MSK). Support to Songela to expand trust-based contract farming and knowledge brokering in contract farming 	<ul style="list-style-type: none"> 300 PPDs were spent during 2011, while CEZOSOPA (several leaders) claim that they hardly met SNV and did not receive support from SNV in 2011. This can be partly explained by the fact that the support to Songela (and thus indirectly to PFGs) is recorded under 'CEZOSOPA'. Also, the evaluation of the effectiveness of SNV's capacity development support to CEZOSOPA is counted under these days, but the new CEZOSOPA leadership was not intensively involved in the evaluation. The quality of the evaluation report was rather weak. SNV's efforts spent on CEZOSOPA have had positive effects on its institutional development, but organizational development interventions were often limited to training, and the support for some processors was not organizationally embedded. CEZOSOPA is already recognized at the national level and for results of its advocacy (largely facilitated by RLDC). CEZOSOPA gained access for some members to CRDB (via facilitation by RLDC) and is elaborating a strategic plan under a new leadership and with other donors (SNV 	+



		<p>arrangement to 50 PFGs and training for 7 processors and other processors in Mbeya, Iringa and Manyara via exchange visits (one only).</p> <ul style="list-style-type: none"> • Evaluation of capacity of CEZOSOPA and of quality of oil of processors • SNV contributed to the manual on agricultural practices for sesame and sunflower with MUVI, which was used by RLDC and Songela to make flyers 	<p>brokered linkages with some of the donors).</p> <ul style="list-style-type: none"> • The effects via Songela have been efficient, especially the training and distribution of improved seeds to 50 farmer groups, including the introduction of QDS production. Songela and farmers have also been able to activate local LGA extension staff. The sustainability of this level of contract farming (with a large number of farmer groups and intensive services to the PFGs) is not guaranteed without a subsidy, nor is replication by other processors without subsidy, collection centre, access to trade credit and collective sales by farmers. Of the processors trained by Songela, not one is implementing the CF in a 'trust-based' way like Songela. Also, the capacity of the PFGs is very fragile, but those supported by Songela are stronger than those linked to other contract processors. 	
UMAMBE	201	<ul style="list-style-type: none"> • Brokering relations among processors • Training on business plan development for accessing finance • Training on leadership • Exchange visit with Songela on contract farming 	<ul style="list-style-type: none"> • UMAMBE emerged from MAI (2008), facilitated by SNV and other partners. UMAMBE is a young organization and thus shows organizational capacity gaps. SNV's strategy of 'learning by doing' was not very intensive or well elaborated to overcome the first stages of organizational development. • UMAMBE has recently known a positive organizational dynamic when gaining access to CRDB and being granted a refinery by DAPS but this was not directly facilitated by SNV. UMAMBE has good relations with LGAs and local farmer organizations (also via MAI). UMAMBE has not yet developed a strategic or business plan for the new refinery or an institutional framework. UMAMBE's members are linked to TBS by RLDC. UMAMBE is now also supported by USAID. 	+++
ILULU and MAMCU Cooperative Unions	592	<ul style="list-style-type: none"> • Training of 17 AMCOS on cooperative policy and warehouse receipt system • Training in sesame agricultural practices to 10 AMCOS, links to seed providers for 5 AMCOS, link to FLO • Knowledge brokering on the practice of warehouse receipt system (video) 	<ul style="list-style-type: none"> • Changes in the capacity of ILULU and MAMCU have been limited. PPDs spent on capacity development of AMCOS, not of unions. The one training on improved seeds and agricultural practices was for a few members only and leaders. There was no TOT strategy in place for the AMCOS. Farmers have not applied to use improved seeds. AMCOS did not claim extension services because of SNV's intervention, and they are not linked to fair trade markets. • The capacity of the supported AMCOS has increased, mainly their capacity to relate, to market directly to private buyers and to register sales for the LGA. This contributes to their internal capital. These changes can only indirectly be attributed to SNV. SNV has strengthened an endogenous trend but the change would have happened without SNV because of the strong economic interest for change by AMCOS and LGAs. The internal accountability of the AMCOS has improved, to which SNV has contributed. No other changes in market information or outlets, and farmers and AMCOS are not paid according to the oil content of their seeds. 	0 +
Manyara Agricultural Initiative (MAI)	415	<ul style="list-style-type: none"> • Facilitated stakeholders in Manyara to opt for sunflower as a major pro-poor value chain in 6 districts in line with the 'one district one product' policy (ODOP) • Knowledge brokering on the availability of improved sunflower varieties (Record, Jupiter, Serena) 	<p>Strong involvement of LGA and local farmer organizations. The LGA has supported UMAMBE to establish a refinery (DAPS- SIDO).</p>	++

0: not efficient at all; +: some aspects are efficient but the lack organizational capacity development limits absorption by client; ++: acceptable level of efficiency with stronger aspect of institutional development; +++: efficient, good mixture of institutional and organizational capacity development; ++++: very efficient.

7.3 FACTORS EXPLAINING THE LEVEL OF EFFICIENCY

- ²⁵⁰ As explained in the above, inefficiencies are caused because system development was not systematically connected to the organizational development of these newly established alliances/ associations. Operational inefficiencies and organizational capacity gaps are inherent to these fledgling organizations. However, SNV did not really deepen its strategy for organizational capacity development of these associations and its support remained limited to providing training for processors and lately also to creating linkages with other donors (but at the request/ initiative of these donors). A more intensive 'learning by doing' strategy by SNV could have been expected.
- ²⁵¹ TEOSA was established at an important moment in the sector development and this supported its rapid recognition by stakeholders at the national level.⁷⁹
- ²⁵² There was a lot of mistrust between processors. The efficiency of CEZOSOPA in its early years was negatively influenced by this competition and the lack of transparency between processors. The establishment of CEZOSOPA and support to processors (by SNV and others) has contributed to increased trust, but ensuring its sustainability will require a long process.
- ²⁵³ The activities of Songela have been efficient because it created a win-win situation in the value chain. Songela has invested more efforts in the PFGs than other contract processors and also more effort than planned (and then paid for) by SNV.

Results management by SNV

- ²⁵⁴ SNV's expected impacts (targets) were unrealistic in terms of scale and the anticipated improvement in incomes. The targets relied on the assumption that activities and outcomes could be automatically replicated for other actors or farmers (see also under 'strategies for upscaling'), and have already been downscaled. The various intervention strategies (for farmers, processors, associations, sector information) are not well integrated: sector information does not always support the activities of the associations, the support to processors is not systematically embedded in their associations, and the supported processors are not necessarily members of the associations, the supported PFGs are not members of MVIWATA and are thus not linked to TEOSA. Assignment agreements are input oriented and lack a precise definition of deliverables, especially at the level of outcomes and capacity development.

Capacity of SNV

- ²⁵⁵ Although SNV advisors are competent in value chain issues, understand well the actor constellations, and are competent and experienced to facilitate system development of the value chain, they have paid little attention to organizational capacity development. The number of advisors on edible oilseeds has also been very limited, with two advisors on the value chain and one on the sector (agriculture and food security), especially when considering the number of clients that would need facilitation for their organizational development. There are other SNV advisors who can be mobilized by some value chain actors, such as the advisor

⁷⁹ In 2009–10 the government dropped the 10% import tariff for edible oils (crude oil) in favour of refineries, the international edible oil prices increased considerable in 2010 and the government realised that edible oil (crude oil) came second on the import bill of the government.

on impact investment, the senior advisor on value chains, and a new monitoring and evaluation officer. However, the time of these advisors is dispersed over many programmes and SNV approaches. SNV Tanzania lacks an organizational capacity development specialist who could support all capacity development initiatives in a specific value chain, executed by SNV advisors, LCBs and even other donors. Better management of capacity development would enhance the relevance and quality of SNV's organizational capacity development support. An advisor on pro-active brokering of contacts and complementarities with other donors for the value chains (especially regarding organizational development) could also contribute to a more in-depth and systematic organizational development approach.

8 Overall conclusions

SNV's inputs

- ²⁵⁶ SNV has supported the edible oilseed value chains in Tanzania since 2005, first sunflower and later sesame (since 2009). Between 2007 and 2011, SNV invested a budget of about EUR 1,247,000 in the two value chains, and local capacity builders delivered 20% of the PPDs. In 2010 SNV moved away from organizational capacity development towards system and knowledge development of the sector (especially regarding trade issues and the political economy of trade). Developing the capacity of the LCBs was not included in the expected results in SNV's intervention logic. SNV's capacity development strategy is not clearly described. SNV encourages its clients to take action in the sector by providing them with information, linking them with other stakeholders and innovations implemented by SNV (with LCBs). SNV also facilitates training for members of farmer groups and AMCOS on agricultural practices and small processors on business planning and accounting (via LCBs), without closely involving the associations.
- ²⁵⁷ SNV's intervention logic does not include an outcome or impact level regarding farmers' access to markets or services, but it does make many assumptions. For both sunflower and sesame, although not clearly explained in the intervention logic, support was aimed at integrating farmers into markets in a more rewarding and competitive way. The approaches for the two value chains have differed, in line with the differences in the institutional and functional issues. In the sesame value chain SNV's support to the AMCOS has been central in improving their members' productivity and in their demands to unions and local governments for AMCOS to participate directly in the market. For the sunflower value chain, SNV focused on two aspects: (i) establishing and facilitating alliances and associations to influence national trade policy; and (ii) strengthening of small sunflower processors. These processors were expected to take over the role of industrial refineries and middlemen to buy seeds from farmers and in doing so end speculation and stabilize the market for farmers.
- ²⁵⁸ SNV's resources for the sector are thinly spread over clients at various levels and nationwide. There is no preset group of clients or interventions. SNV enters at the level in the value chain where there is best guarantee for success. SNV's seven main clients are both economic value chain actors (individual or associations) and alliances of actors to influence policy setting and/or create an enabling environment; some clients are involved in both. SNV contracted LCBs to train farmers and processors, to assess the capacity of farmers' and processors' associations, to facilitate multi-stakeholder platforms and develop knowledge. SNV also organized thematic meetings for LCBs but did not invest in other capacity development programmes.

Institutional development of the sector

- ²⁵⁹ Institutional development of the sector for both sunflower and sesame focused on (i) sector coordination, regulation and an enabling environment as well as on (ii) economic linkages in the value chains.

Sector coordination, regulation and enabling environment

- ²⁶⁰ First, the connections between stakeholders in the sector have improved. Sunflower and sesame farmers, small processors, seed regulation bodies and seed companies are linked via established processor associations and sector alliances. Thanks to participation of these associations and alliances in policy-making processes, the connections with government and large refineries have further improved. The representation of *sunflower* stakeholders in sector coordination is stronger than for the other commodities, and they have been supported specifically by SNV and the RLDC to that extent. The commitment of stakeholders to participate in the sector alliance is strong, but the alliance and its dynamics are young. The activities of the alliances and associations depend on external support. Not all stakeholders participate; small sunflower processors and external resource persons linked to the sunflower value chain are most closely involved at the moment. Palm oil stakeholders have been contacted but are not yet active participants. The capacity of farmers' organizations to participate in TEOSA is limited. Two regional chapters of sector alliances are in the process of being established, but their activities and legitimacy are limited.
- ²⁶¹ The alliances and associations have achieved results in national lobbying campaigns with the support of SNV and the RLDC, and are currently developing strategic plans with the support of other donors (USAID, RLDC). The participation of small processors in national policy making, which used to be dominated by large refineries, has thus improved. Consequently, the government has promised to re-introduce tariffs on imports of crude edible oil and to drop the taxes on imported packaging and spare parts for oil processing machines. Small and medium processors have also been allowed to use the standard of the Tanzanian Food and Drugs Administration (TFDA) for locally produced oil in a transition phase instead of moving directly to the more stringent standard of the Tanzanian Board of Standards (TBS). For the moment, all of these measures are more relevant for the sunflower than for the sesame value chain.
- ²⁶² The trade in sesame has benefited from improved division of roles and collaboration between LGAs and AMCOS at the local level. For sunflower, processors and LGAs collaborate now more frequently to train farmers and to provide them with improved seeds. The LGAs are also supporting the processors' associations to establish their own local refineries (sunflower).
- ²⁶³ Second, more knowledge has been developed (for sesame as well as sunflower), brokered and used in the edible oil sector. SNV was the first to introduce information about trade, trade relations, political economy and has strengthened local organizations in that respect. Information and analysis are used for policy making by TEOSA, local organizations, SNV and other donors. However, there does not exist yet a coherent understanding of trust-based contract farming among stakeholders, while this was a specific result anticipated by SNV. The knowledge institutions involved have also further developed their capacity for analysis of aspects of political economy or technical issues in the value chains.
- ²⁶⁴ Third, several stakeholders have been motivated to invest in the sector. The national government (with UNIDO) is investing in local refineries for small processors and is also subsidizing improved seeds. LGAs in high-potential areas have prioritized sunflower for extension and in 2006 took the lead in training farmers and introducing quality declared seeds. However, the budgets LGAs make available are considerably lower than the increased taxes

they collect from the sunflower and sesame trade. The extension services remain ineffective in serving all farmers. More donors have also invested in the sector since 2011.

²⁶⁵ Despite these institutional developments, concrete policy development for the sectors remains limited. Policy that responds to the needs of farmers is even more limited. The large refineries have retained political power and their economic power over small processors and farmers, despite the participation of stakeholders in strategy and policy making and despite the support to small processors.

Economic linkages

²⁶⁶ Linkages between different value chain actors that are important for economic efficiency and improving margins for farmers are at infant stage but have potential. For both value chains, farmers' incomes have already increased because of changed economic links between actors. However, for both value chains, deepening is needed to optimize farmers' market margins.

²⁶⁷ **Sunflower** – The present situation (2013) is characterized by better organized sunflower processors and farmers. The 6000 sunflower farmers are organized in newly established farmer groups via trust-based contract farming with small processors. All members of these groups have received technical training and at least 2500 have obtained improved seed on credit. However, the farmer groups have not organized collective sales, have not yet developed a stronger marketing position, or a better understanding of marketing mechanisms, and have not been linked to MVIWATA to defend their interests.

²⁶⁸ The number of small and medium sunflower processors is increasing. Associations of small processors have influenced general trade policies, but they have not been able to improve their access to trade credit, collection centres or to more reliable supplies from farmers. Access to refineries and business services remain in test phase and are available only to the strongest processors. Processors' associations were boosted recently following tests of a credit system with CRDB (facilitated by RLDC) and by grants to establish their own refineries from SIDO and UNIDO. Associations of small sunflower processors do not yet have the capacity to manage these credit schemes or refineries. Trust-based contract farming is only replicated among processors when they are subsidized and with a limited number of contract farmers because of their own limited access to finance purchases of seeds and because of the high costs of collecting seeds from individual farmers. Small processors have not developed new products or differentiated their markets much. Most of them cannot oppose the speculation and market power of large refineries and middlemen.

²⁶⁹ **Sesame** –The introduction of the new sesame marketing system has benefited the AMCOS. They can now participate directly in the market and avoid the taxes and levies set by the unions. As a result, the AMCOS pay higher prices for sesame to their members and farmers sell much more of their sesame to them. The AMCOS' access to extension services remains limited. The AMCOS have started to build internal capital and offer small credit services to their members, and this is attracting more female members. The trust of members is slowly being regained. The AMCOS are not managed as enterprises, they do not actively explore markets and have not really developed their capacity to negotiate prices. They are not paid according to the quality of their seed. AMCOS do not offer much more or diverse services to members.

Farmers' access to technical services and planting material

²⁷⁰ **Sunflower** – More sunflower farmers have been trained in good agricultural practices and have access to improved seeds as a result of the LGAs' increased attention to extension services and their investments in the sector and via trust-based contract farming. Processors applying trust-based contract farming contribute increasingly to training of farmers (about 6000) and are able to reach more poor farmers than the traditional extension system. SNV has contributed to training of about 2500 farmers (of the 6000) by sharing the cost of training of farmer groups with one contract farming processor (Songela), which has also systematically provided improved seed on credit to farmer groups. The credit does not formally bind the farmers to sell their seed to the processor. Yields of improved sunflower have doubled and the seeds have double the oil content. The increased production of sunflower does not adversely affect the cultivation of traditional food crops. The established farmer groups are not engaged yet in collective sales and they do not receive higher prices from contract processors or for the improved oil content of the seeds. The majority of farmers from contracted PFGs sell their sunflower seeds to the contract processors, despite the fact that they are paid the same prices as for traditional seeds. Farmers cannot assess the costs and benefits of using the improved seeds, and they have little insight in their own market position. They remain price takers and middlemen can increase and drop the price at any time.

²⁷¹ **Sesame** – Farmers have not yet experienced better extension services and they do not use or continue to re-use improved seeds. About 10% of the members of AMCOS have been trained on agricultural practices and improved seeds on various occasions (the 11 supported by SNV have a total of about 550 members). Training has not spread between farmers because the AMCOS have no extension system in place. Some farmers who tried out the new seeds have had problems because seeds are not drought resistant, and some find the additional labour required too much. Farmers do not have access to credit for seeds and find the required investment too risky compared with the possible benefits. Farmers sell six times more of their sesame to the AMCOS and for a higher price than under the old marketing system. They are now paid immediately, but not according to the quality of their seeds and they do not have access to market information.

Factors influencing the results

²⁷² Five external factors have contributed to these positive effects: (i) the increased market for sesame oil; (ii) the government's strategic interest in local production to replace imports of crude edible oil; (iii) the government's strategic interest in the potential of drought-resistant sunflower as crop for poverty reduction; (iv) the interest of local governments in recouping their reduced tax income from the sesame trade; and (v) the considerable organizational and institutional support from RLDC (Swiss Aid) to the sunflower processors' associations CEZOSOPA and UMAMBE.

²⁷³ Some conditions have limited development, however. (i) Oil refineries and middlemen speculate with oilseeds and oil and have a strong influence on prices. There is also continuous political pressure from oil refineries to import cheap crude oil; (ii) MVIWATA, the national farmers' organization, represents weakly sunflower and sesame farmers (except for sunflower farmers in Manyara and Chunya, which are supported by other NGOs); (iii) the staff of the LGAs' agricultural extension services are weakly motivated, since they receive little

compensation for operating costs and their services are poorly planned; and (iv) the system of quality control of locally produced 'quality declared seeds' (sunflower) by the Tanzanian Official Seed Certification Institute (TOSCI) is rather weak.

SNV's contribution and attribution of effects to SNV

²⁷⁴ SNV has contributed the edible oil sector by connecting stakeholders in the sunflower and sesame value chains, enabling stakeholders to participate in strategy and policy making (especially for sunflower), developing knowledge on trade and political economy of the sector and strengthening LCBs in that respect. It has increased the attention to sector by national and local governments, other donors and farmers, and to small processors and 'trust-based' contract farming in the two value chains (especially sunflower). Indirectly, SNV has contributed to the participation of AMCOS in the market. Apart from facilitating meetings and joint reflections of stakeholders, establishing associations and developing and brokering knowledge, SNV has provided advisory days (via LCBs) for training decentralized groups of processors and producers. SNV has supported the establishment of regional chapters of TEOSA, but without closely involving TEOSA's leaders. Local capacity builders (knowledge institutions) have been strengthened and are recognized for their involvement in the sector. The LCBs involved in training processors, assessing capacity of farmer groups or facilitating regional alliances have gained experience and on-the-job training, but have not developed a process approach for organizational development.

²⁷⁵ **For sunflower**, the following results can be attributed to SNV:

- The establishment of TEOSA and in its two regional chapters, and the small and medium processors' associations CEZOSOPA and UMAMBE. Connecting stakeholders in these associations has been a unique step in development of the sector, and the attention for small processors has been innovative.
- TEOSA's coordination of its most active members (CEZOSOPA and TASUPA) to influence national trade policies regarding edible oilseeds.
- New knowledge of the sector developed by Tanzanian knowledge institutions, mainly on trade, political economy and technical issues, which has found its way to stakeholders and policy makers.

²⁷⁶ SNV has also contributed to:

- The knowledge and availability of improved seeds among 50 new farmer groups established through trust-based contract farming with Songela.
- Improved connections and relations between local governments, producer groups and small processors at the local level via its support to Songela.
- Improved access of UMAMBE and CEZOSOPA to credit (CRDB, facilitated by RLDC) and to UMAMBE's own refinery (with SIDO, UNIDO).

²⁷⁷ However, SNV did not address or was not successful in changing:

- The organizational development of TEOSA, CEZOSOPA and UMAMBE, where important organizational gaps remain, and are only very recently being addressed by other donors.
- The voice of sunflower farmers is not strong and is not well represented in the sector associations. The position of farmers in the market remains weak.

- Business development of CEZOSOPA's members remains weak. Few have drawn up a business plan, have computerized accounting, or have been able to obtain credit from alternative financial institutions.
- Small processors still suffer from power imbalances in the market, in particular the political and market power of the large refineries and middlemen.
- Trust-based contract farming has not evolved beyond its experimental phase.

²⁷⁸ For sesame, the following results can be attributed to SNV:

- The unions involved in sesame are represented in TEOSA.
- The new knowledge of the sector that was developed by Tanzanian knowledge institutions, mainly on trade and political economy issues, which has found its way to stakeholders and policy makers.

²⁷⁹ SNV has contributed to:

- The increased awareness of the AMCOS on the weakness of the existing marketing system, and of their own weak position within it. This probably strengthened the AMCOS confidence to continue to complain to the LGAs about the need to change the marketing system.
- Changes in the marketing system, whereby farmers have been able to sell more sesame via their AMCOS. The AMCOS have started to build their own internal capital and to offer credit services to their members, and this is attracting more female members.

²⁸⁰ However, SNV did not address or was not successful in changing:

- Farmers do not have improved access to training or to improved sesame seed.
- The AMCOS do not have access to new or more rewarding market outlets. The potential of the momentum of the new marketing system has not been deepened to improve the AMCOS' capacity to explore and enter new markets, or to negotiate prices.
- The capacity of the AMCOS to claim better extension services from the LGAs has not been strengthened.

Analysis of effectiveness

²⁸¹ The level of attribution of effects to SNV is more significant for the sunflower than for the sesame value chain. For the moment, the achieved policy changes are also more relevant for the sunflower than for the sesame value chain. Apart from the achievements described above, some important gaps in the organizational development of the stakeholders remain. Clients are weakly involved in identifying clients at the micro level, or in the capacity development activities for processors, farmers or regional chapters, they are not systematically informed on progress, and some initial constraints have not been removed or addressed.

²⁸² The effectiveness of institutional development that would benefit small farmers has been limited by SNV's capacity development approach. SNV-Tanzania has adopted a so-called incremental capacity development approach, but this has not been result oriented. Several times the goal was reconstructed afterwards – goal setting was not based on regular assessments of the full set of capabilities of clients and of the situation on the ground. Neither monitoring nor documentation of the justification for SNV's support has been sufficient.

Positive changes among stakeholders and their associations have not been systematically accompanied by organizational development, which may have put further deepening of system development at risk. SNV's support also has not been embedded in the organizational processes of the sector associations, for example, and SNV's approach has been very hands-off. SNV has not provided much coaching or learning by doing. SNV has recently (2011–2012) found partners to take up part of the organizational development of its clients, but this is rarely consolidated in agreements and there is no plan to maximize the complementarities between system and organizational development of those clients. Organized farmers (in the AMCOS and PFGs) have not been systematically linked with other programmes to support their organizational development.

²⁸³ **LCBs** – The results of SNV's capacity development support to the LCBs have been variable. The well-established organizations specializing in knowledge development are guided and supported by SNV, and together they are discovering new pathways and opportunities for knowledge development and brokering. These organizations are also increasingly using the information in their own networks for policy making, learning events, articles or in forums. Local, rural and often weaker advisors are contracted to provide training or carry out organizational capacity assessments of farmer groups or to train processors. SNV monitors the execution of their contracts, but genuine follow-up by SNV to ensure the relevance and quality of their work and results has not taken place systematically, and the capacity of these LCBs has not developed beyond being better connected to the local stakeholders they have trained.

²⁸⁴ **Poverty** criteria played a role in the selection of the value chains, but they were only partially included in the intervention logic and client identification. As a direct result the two value chains do not exclude the poor but include poor households. However, from a strategic point of view poor are not supported sufficiently to benefit fully from this inclusion.

- Farmers are not supported on all necessary issues. For example, the PFGs are supported for agricultural training but not to strengthen their participation in discussions on constraints in the value chain. The AMCOS were strengthened to question the marketing system but not to overcome functional challenges in the market.
- Sound analyses of the added value of some clients for their impact on poverty or the motivation for including them are sometimes lacking. When SNV decided to support small processors, there was no microeconomic analysis of the possible distribution of benefits between farmers and processors or of the conditions needed to guarantee benefits for farmers.
- SNV also did not follow up on the impacts on poverty. SNV did not check in the field whether accompanying measures were needed for farmers, while the intervention logic included numerous assumptions.

²⁸⁵ **Strategic positioning** – Despite an initial system analysis and continuous knowledge development on the sector, SNV did not re-question its initial basic conditions. Once a pathway had been chosen, some identified limiting conditions of SNV's strategy faded away. The need for accompanying measures for processors and farmers to help them understand markets, negotiate prices or access seeds was not continuously questioned. Interventions are increasingly being implemented and replicated without full knowledge of the realities on the

ground. This is a concern given that SNV is regarded as a promoter of the sector and that its resources are already thinly spread over many clients and regions. The right priorities should be set and reset to improve position of farmers. A combination of diverse factors explain SNV's failure to reconsider its strategic position:

- SNV does not assess in depth the outcomes of its capacity development efforts, and thus avoids being confronted with the real effects for farmers and limitations. 'Second-order learning' is not taking place (asking the question: 'are we doing the right things').
- Many strategic decisions have been made by SNV advisors. But they are also burdened with many operational issues and cannot have a continuous strategic overview of all value chains and all actors nationwide.
- SNV is not proactive in learning from other donors (rather the opposite, SNV assumes that other donors need to learn from them as innovators). Further, the fact that SNV concentrates on system development at the national level demands a lot of its energy and finances, which does not allow it to re-question actors and issues.
- In its search for programme funding, SNV has tended to speed up the replication of processes without questioning the approach in depth. Remarkably, this situation has recently been reversed by Irish Aid (which will support SNV in the edible oilseed sector), preferring that SNV deepen its approach before replicating it at the national level.

Analysis of sustainability

²⁸⁶ SNV has created the basis for value chain development by connecting stakeholders, setting joint priorities and influencing policies. SNV has facilitated the replication of some of these changes: more regional chapters are being established, more PFGs are being formed and trained by contract processor(s) and more farmers/AMCO are being trained. However, most of these activities are taking place before the results of the model have been evaluated at farmer level or have been validated by the associations. The fact that related associations/ alliances have not been closely involved in the replication process (e.g. using a 'learning by doing' approach), the ownership and integration within these institutions are limited. However, some of the changes have been upscaled by local institutions: (i) national and local governments are investing in the sector and have improved their relations with small-scale processors; and (ii) the new sesame marketing system is well implemented. Other factors and actors have also contributed at least as much as SNV to these upscaling efforts.

Further elaboration of organizational development strategies of the established associations and alliances is needed to guarantee sustainability. Organizational and institutional capacity development support is ongoing by other donors but there is not a shared systematic approach. Also, important initial constraints continue to undermine sustainability and are not always questioned by the alliances or SNV. Finally, SNV trained processors and farmers directly (with LCBs) and established regional chapters without the close involvement of the associations/ alliances, which limits their sustainability. It must also be noted that the duration of the programme has been too short to achieve a full transformation of the sector and that the budget is too limited to deepen the organizational development of the stakeholders involved.

9 Approach and methodology

²⁸⁷ **General approach** – The collection of data has been done separately for sesame and sunflower but similar approaches and methodology have been used. The approach consisted, first, of a study of secondary information sources at SNV (all the client files of the studied clients and LCBs, SNV's annual reports, sector studies and evaluations of their clients, and publications). Before and after each field visit of international consultant(s) (August 2012, December 2012, January 2013) discussions were held with SNV in the form of semi-structured interviews based on the information collected. SNV also completed a questionnaire (tables) on efficiency and upscaling. SNV-Tanzania participated in a feedback meeting in May 2013.

²⁸⁸ Overall, the availability of reliable and objective data on outputs, outcomes and impacts was very limited. Also factual information from stakeholders was difficult to find. The result chains had to be completely reconstructed. Both SNV and the evaluation team had to invest a lot of time in this. Moreover, it was difficult to convince the stakeholders to spend entire days in workshops in the evaluation. This is partly due to the character of the multi-stakeholder approach, in which all stakeholders are beneficiaries, rather than individual stakeholders.

²⁸⁹ The field research involved different levels of the value chain, directly or indirectly supported or involved in SNV's interventions:

- actor associations;
- processors' associations;
- processors (sunflower and one for sesame);
- AMCOS and two unions (sesame);
- producer farmer groups (PFGs);
- farmers (members of AMCOS, PFGs and some non-members); and
- partners of SNV at national and local levels and national public agencies closely involved in the value chain were also interviewed.

²⁹⁰ In January 2013, after the first results of the qualitative research, it was decided not to conduct a household survey because the effects on farmer households were indirect and the effects on the performance of the AMCOS could not be attributed to SNV.

²⁹¹ **Methods:** *Workshops* were supposed to be held with selected clients, based on a timeline exercise and self-evaluation. Due to the clients' time constraints (and also because their involvement in SNV's interventions was not direct or intensive), most of these workshops took 3–6 hours, and not a full day as planned. The results of the workshops were analyzed using the 5CC framework of ECPDM. For processors of sunflower seeds, part of the workshops was replaced by individual interviews because they were reluctant to share information in groups.

²⁹² For the AMCOS, PFGs, processors and LGAs in the central corridor, the workshops with the clients were complemented with *guided interviews*. The intention was to use electronic or written questionnaires, but they proved difficult to implement. With written questionnaires it was too difficult to cross check the information from farmers, AMCOS/PFGs and LGAs systematically in one place. Therefore the electronic questionnaires were replaced by guided interviews (with a checklist). For the processors, some of these interviews were conducted by

phone. For all of them, it was very difficult to recall quantitative data as their record systems are non-existent or poorly organized (except for LGAs with priority extension services for sunflower growers).

²⁹³ Focus groups discussions were held with beneficiaries from the PFGs and from AMCOs, both men and women (usually together in one group but for some PFGs they were split). Where initially the discussions were quite unstructured, but the following discussion centred on specific topics, such as the inclusion of poor people, access to and use of inputs, access to training and extension services, use of improved agricultural itineraries, marketing strategies and understanding of markets, the participation in the PFGs/AMCOs .

²⁹⁴ Partners of SNV at the local and international levels and LCBs were involved via *semi structured interviews*.

²⁹⁵ Some of the LCBs, LGAs and processors were contacted several times in order to cross-check data from other sources.

²⁹⁶ **Sample** – The stakeholders selected to be included in the evaluation are shown in Table 19.

Table 19. Overview of stakeholders and methodologies used to assess SNV's edible oil value chain programme in Tanzania

Stakeholders	Methodology	Selection of stakeholders
TEOSA and one regional chapter (MEOSA)	Semi-structured interviews (workshop of 6 h with TEOSA leaders)	TEOSA is the only national multi-actor association supported by SNV. MEOSA was the first regional chapter to be established (draft constitution only)
Alliances of processors sunflower: CEZOSOPA and UMAMBE	Semi-structured interviews (workshop of 6h with leaders and members CEZOSOPA, phone interview with the leader of UMAMBE)	CEZOSOPA and UMAMBE were the first processor alliances supported by SNV
Processors – sunflower	<ul style="list-style-type: none"> • Guided interviews with 24 active members of CEZOSOPA • 2 workshops with 4 groups of processors • 4 interviews with individual processors supported by SNV, RLDC and Songela • Semi-structured interview with Songela 	<ul style="list-style-type: none"> • Active members of CEZOSOPA • Founders of CEZOSOPA and processors involved in contract farming with Songela via RLDC
Producer farmer groups – sunflower	Guided interviews with 40 PFGs, 6 sessions with 6 PFGs (leaders and members, about 15 participants)	<ul style="list-style-type: none"> • 40 PFGs: 15 contract PFGs (at random from the 45 groups of Songela and other processors, based on list of DALDO), 16 PFGs that bought seed on credit (Songela and others) and 9 PFGs without contract farming and from another ward. • Sessions with PFGs: PFGs Songela, PFG processors with RLDC, PFGs from remote areas without contract processor.
Small-scale farmers sunflower	Focus group discussions (4 for sunflower, 10 participants, both men and women)	2 FGDs in wards with contract farming (Songela and RLDC) and 2 in wards without contract farming
LGA – Singida/ Dodoma district agricultural and cooperative department, district agriculture extension officer, local government treasurer and planning officer (12 districts)	Group interviews in 2 districts Guided interview electronic questionnaire for the heads of agriculture departments in 12 LGAs	It was planned to administer six LGA questionnaires – two LGAs with SNV influence through processors (Iramba and Babati) and four with less/no SNV influence (Bahi, Kiteto, Kongwa and Chamwino). Iramba and Bahi LGAs responded, while Babati and Chamwino Kiteto and Kongwa did not. Singida and Chamwino LGAs were interviewed on 7 and 9 February 2012 respectively. The results of the survey combine interview session – Singida and Chamwino and questionnaires from Iramba and Bahi LGA.



Sesame unions	Semi-structured interviews with 2 unions	2 unions supported by SNV: MAMCU and ILULU
Sesame actors (sesame)	<ul style="list-style-type: none"> • Interviews with leaders of 8 AMCOs • Guided interviews with 8 AMCOs • 8 focus group discussions with members of these AMCOs • Interviews with 7 councillors linked to the AMCOs • Interviews with DALDO's Masasi, Kilwa, Liwale and district director Kilwa • Frasal (processor) 	AMCOs members of ILULU or MAMCU, having received support (random selection)
LCBs	Semi-structured interviews and study of reports	ROSDO, Mayadeo, Rudi, GCC
Other stakeholders: Ministry of Agriculture, Ministry of Trade and Industry and JICA, SIDO/MUVI, TBS, CRDB, BEST-AC, ANSAF, FAO, RLDC, AcT-DFID, Netherlands Embassy in Dar es Salaam	Semi-structured interviews	Most important partners of SNV

Annex 1: Documents consulted

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- Economic and Rural Development Community Initiative, *Mapping of Alternative Financial Services*, 2009.
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- Mbuvi, J. and Schulz, A. *Unlocking Sesame Actors Potential for Fair Trade in Southern Tanzania*, SNV, 2009.
- Moshindono, O. and Kherzik, P. *Benchmarking Agriculture and Agriculture Trade Policies to improve Sesame Industry, Competition in Tanzania in Comparison with Ethiopia* (for SNV), 2012.
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- RLDC, Annual Report, 2011.
- ROSDO-SNV Contracts and Reports, 2009–2011.
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SNV Tanzania, Power point presentation VC approach and VC edible oilseed approach in Tanzania, July 2012.

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SNV Tanzania, Client files (AA, MOUs, TOR and contracts, reports, outcome reviews and monitoring) of CEZOSOPA, MAI, SSI (South Sesame initiatives), ILULU, MAMCU, UMAMBE, MUVI, MAI, OMSF, CEZOSOPA, TEOSA, Songela, MEIOSA, 2007–2012.

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Annex 2: Individuals and organizations consulted (interviews, workshop, focus group discussions)

Institution	Name	Other information
SNV	Hans Heijdra: country director Julie Atkins: governance advisor Kjimbwa Monsiapile: sector lead Anastaia Kondowe: advisor VC oilseeds Apollo Mbazirra: senior VCD advisor Manga Sebastien: advisor VC oilseeds	
Partners of SNV (national and local level)		
Dutch Embassy	Rachel Forster, Mrs Willems	
Ministry of Agriculture Food Security and Cooperatives (MAFSC)	Mr. Ayo Said Mpombo Beatus Malema	0717 554607 0784 309105 0754 608806
Small Industries Development Organization (SIDO)	Mr. Mwenemilao	0754 487797
TBS	Lazaro Msasalaga	0784683080
Ministry of Industry & Trade	Gaitain Mbrimi, Principal economist Stella Lugongo, Trade officer Yoshiyasu Mizuno , advisor on industrial development (payroll, JICA) Julius Mwambeso, trade officer	0754654247
RLDC	Braisson Slisali, business analyst Godfrey Bwana, monitoring, communication and capitalization manager Daudi Mwasantaja, assistant business analyst	255 782 166 558 255 689 292 083 255 767 900 600
ANSAF	Audax Rukonge, coordinator Regina Mongi, Secretary General	0787374666
BEST-AC	Haika Kihunrwa Hans Determeyer	0785-931413 022 260 11 68
ACT	Kate Dyer, project coordinator	
	KPMG, Michael Ward, director development Advisory Services	
FAO	Michael Winklmaier	
LCBs		
ROSDO	John Julius	
GCC	Michael Onesmo	0754-267355
RUDI	Lameck Kikoka	0755950202
Mwayodeo	Venance Mlally	0754310762
ESRF	Patrick Kihenzile, assistant research fellow Oswald Mashindano, senior research associate	0222760260
CLIENTS		
CEZOSOPA	Ringo Iringo, chair Rashid A. Mamu, vice chair Umi aane Ngedede, member Theogen Bana, advisor CEZOSOPA Amina Majena, member Meeting with founding members of CEZOSOPA	0754488866 0767014906 0784414951 0754483864 0752228222
TEOSA	Rashid Mamu, Chair TEOSA Eliya Hangali, Board member	0254488866, nyemo525@yahoo.com 0765631488

	Enock Ndongole, Board member Rinco Ringo, Board member	0754310270 0767014906
	Meeting with leader of TEOSA (Morogoro), Suleman Nasorro	0712089133
UMAMBE	Chairperson: Mr. Mchana Assistant Chair: Mr. Kololi	0784773320 07884472947
MEOSA (TEOSA Chapter Morogoro)	Haule G, chair Hassan Mheto – secretary	0716122993 0758181847
ILULU MAMCU AMCO- Kingoli – Workshop	GM- Hamza Mkungula GM –Omega Mnali Musa Abdalah – Board member Asia Sili – member Asha Gongo – Board member – 0688389970 Abdalla Kitundu – member Hamad Harun – Secretary – 0783593723 Ali Makele – member Mohamed Yusuf – member 0784475542	0713-846911 0652-667444 0787408472
AMCO- Nanjilinj – Workshop	Juma M. Kingu – Chair Bakari M. Kiamba – Secretary – 0756045870 Hamis B. Mkweli – Board member Said A. Kinyonga – Board Member Ashura Mopa – Board member Asia Ngakola – Member Roza Nampota – Member Mudhiili Mkolowine – Member Jemi Mangarinda – Member	
AMCO- Chiungutwa	Mrope – Secretary	0787588432
AMCO-Mumbaka	Hamis Mikwanya – Chair Assistant Secretary	0782411458 0684581140
AMCO-Nangano	Malombe – Chair Kitumbi – Secretary	0714582671 0712342790
AMCO- Kiangara	Abbas Ipote – ag Chair Karim – Secretary	0782216350 0786876828
AMCO Chikundi	Hawa Mkata – Chair Amos Ndanganile – Assistant Secretary Mathias Mnali – Board member	
AMCO Mikangaula	Isomail Chipembe – Chair Elizabeth Litundi – Secretary	0784194990
AMCO – Nanyindwa	Ali Mlola – Board member Mikidadi Mkulia – VEO Mataula Yusuf – secretary	0782223160 0782687040
Processors (direct or indirect clients)		
Songela Investment Co.	Rosemarina Jima, Director	
Processors Singida (contract farming)	Mkulima, Ulemo Oil Mill, Mamba Oil Mill, Songela, Mwenge Sunflower Oil Mill	
Processor Dodoma	Myriam S. Majengo, managing director of 3 Sisters Company Ltd (Dodoma)	0756311446
Processor of Iringa (member of board of TEOSA)	Enock Ndongole	0754310270
Processor Lindi	Frasal	Joan Subago, Joah Imirei, programme officer
Processor Iramba District	Zbdiel Rauwo	Present in workshop evaluation team in Morogoro, July 2012
Processor Singida District	Loveness Sakwera – Mwenge Sunflower Oil Mill Co. Ltd. Rosemarina Jime – Songela Sunflower Said Issa – Ulemo Oil Mills	0752 878 866 0767 611 422 0764 619 068

	Zabidiel Lauwo- Mamba Oil Mills	0752 576 333
	Justin Mubi – Mkulima Sunflower Oil Mills Co. Ltd	0754 756 962
Local governments		
LGA – Kilwa	Zakia Kimbanga – Tingi councillor	
	Abdala Matoba – Councillor	
	Ismail Nalinga – Mandawa councillor	
	Vicent Mhengilolo – Ag. district coop officer	0766676199
	Kyakahisho – District agriculture development officer	
LGA- Liwale	Mkolela – Agriculture extension officer	0713 749404
	Severin Mganga – District Coop Officer	0719 598881
	Mustapha Magembe – District Agriculture Development Officer	0713667542
LGA – Masasi	Tamba Winfred – agriculture extension officer	0784330219
	Raniel Duwe – officer responsible for crops	
	Adam Kalombola – cooperative officer	0719774113
	Zimba Ulanga – Councillor	
LGA – Singida	Rashid Mtingala – Councillor	
	Mtili Mbaya – Agr Officer	0784603884 Richarddavi2010@yahoo.com
LGA Iramba	Msafiri Joseph – Agri Officer	0754776661
	Lameck Mshia – DALDO	
	Helena M. Kitila – Councilor – Ilunda	
	Husna Seif – Councilor – Kinyangiri	
	Zeina Lyochi – Councilor – Iguguno	
	Elibariki Leonard – district extension officer	
	Seleman Mshunga – district extension officer	
	Ziwa Rhogers – district extension officer	0754085332
Mr. Mosi, Ag. district community development officer	0784-440166	
Councillors		
Chiungutwa Ward Councillor	Juma Mohamed	0786878600
Mumbaka ward Councillor	Hamis Mikwanya	0782411458
Chiwale ward Councillor	Zimba Ulanga	0784982209
Chikundi Ward Councillor	Damiani Mgalagasi	0784260711
Nangano Ward Councillor	Abassi Matulilo	0714582671
Kiangara ward Councillor	Mustafa Chitapa	0685269421
Mandawa Ward Councilor	Ismail Nalinga	0782239898
Chiungutwa Ward Councillor	Juma Mohamed	0786878600
PFG sunflower		
PFG Ulemo: contract farming Songela	PFG Ulemo: contract farming Songela	
PFG Ulemo: without contract farming	PFG Ulemo: without contract farming	
PFG (contract farming 3 Sisters Company Kondo)	Chairmen of 7 PFGs of in Haneti	
PFG (contract farming 3 Sisters Company, Kondo)	Guarakkaz in In Kelema	
Focus group discussions		
FGD sesame – Nanyindwa Farmers/AMCO members – Masasi	Jafari Said – farmer, Rose Makumba – member, Mikidadi Mkulia – farmer/VEO = 0782223160, Sueda Rashid – member, Hamis Musa – member, Ali Mlola – member, Stamil Stanley – member – 07860833037, Godwin Chenga – member, Fatuma Makumba – farmer, Jafari Dikwete – farmer,	
FGD sesame – Mumbaka Farmers/AMCO members – Masasi	Hashim Hassan -0782411458, Mwanabibi Said, Mariam Kangale, Habiba Issa, Rose Diwani, Hadja Saidi, Kassim Lugomba, Mwajuma Hamis, Ismail Mwasamba	

FGD sesame Mikangaula Farmers/AMCO members - Masasi	Mustapha Mnole Mwanapha Mchopa Hadija Chitamile Said Bakuli Mwandingo Mwaria Omari Milanzi Merisho Mchopa Chokata Hemedi Yasin Kisabuni Rashid Rabana Issa Namasengaa Abdu Faki	Member Farmer Member Farmer Farmer Farmer Farmer member member Farmer Farmer Member	
FGD sesame – Chiungutwa Farmers/AMCO members – Masasi	Jacob Raphael – Chair Julius Mrope – Secretary – 0787588432 Yusuf Mrope –member Athuman Mohamed – Board Member Rajab Hassan –member Asia Chikolola – Member Roza Nampota – Member Charles Hayeu – Member Peter Mkapa – Member Jacob Masokola – Branch Secretary		
FGD sesame Chikundi – Farmers/AMCO members – Masasi	Hamis Omar – Member (0789808629), Kassim Omar – Farmer, Mahamood Chikuta – Member, Said Linga – Farmer, Elizabeth Mnali – farmer, Yovina Iginas – Farmer, Merisho Mchopa – Farmer, Mathias Mnali – member, Athman Chilomba – member		
FGD sesame – Nangano Farmers/AMCO members – Liwale	Omar Kassim – member, Malombe Amina – member – 0714582671, Twaha Mbunda – farmer, Yanini Mchemwo – farmer 0719773466 Tatu Hassani – farmer, Laude Magambo – member, Mikidadi Mneno – member -0718170458, Ali Mchumbo – member 0714582698; Mwajuma Mnecho – farmer – 0717936364, Change Magambo – member 0657471070		
FGD sunflower – non CF ward – Msiu – Iramba	Imani Manyungu – member, Mohamed Ahmed – member, Abasi Ipote – member (0782163500), Kassim Said – farmer, Kassim Hondo – farmer, Abdala Mwanja – farmer, Pasnal Ngulajje – member, Said Mbite – member, Miraji Salimu – farmer 0782681119		
FGD sunflower – non CF ward – Mwando – Iramba	Eliwaza Wilson Suzana Elisha c/p Katherine Zablou 0786901295 Magreth Dizu Gloria Zakaria Rose Stephen Sara Petro 0784733746 Rose Loti Rebeca Loisi		
Focus group discussion farmers (from village non-contract) Chalinze men	See list of participants		
Focus group discussion from village non-contract farming women	See list of participants		

AMCOs: questionnaire respondents

AMCO- Kingoli	Musa Abdalah - Board member Asha Gongo -Board member Hamad Harun - Secretary	0787408472 0688389970 0783593723
AMCO Mikangaula	Isomail Chipembe – Chair Elizabeth Litundi – Secretary	0784194990
AMCO-Mumbaka	Mr. Hamis Mikwanya -Chair Assist Secretary	0782411458 0684581140
AMCO-Nangano	Malombe – Chair Kitumbi – Secretary	0714582671 0712342790
AMCO- Kiangara	Abbas Ipite – ag Chair Karim – Secretary	0782216350 0786876828
AMCO – Nanyindwa	Ali Mlola – Board member Mikidadi Mkulia – VEO Mataula Yusuf – secretary	0782223160 0782687040
AMCO Chikundi	Hawa Mkata – Chair Amos Ndanganile – Assistant Secretary Mathias Mnali – Board member	

Farmer producer groups: questionnaire respondents

No	Group	Village/ward	Participants
1	Mapambano		Joseph James Eliwampela Nathaniel
2	Nguvukazi – Senene		Ellaza Shaban – M/kiti Pili Mohamed – Katibu
3	Umoja		Ukande Mathias Joshua Paulo Veronica Gabriel Petro Kazzi
4	Jikombe-Ntondo		John Mwani – M/kiti Hamisi Shabani – Mjumbe
5	Songambe		Asha Rose Steven Zablon Issa Yohana Kijanga
6	Ushirika A Ulemo		Miriton Nazeri – Mjumbe Herta Frank – Mjumbe
7	Amani-Kinampanda		George N. Mtinda – Member Jane T Shole – Accountant
8	Kichawaboakye		Debora Julius – Katibu Joyce Kilulu – K/M/kiti
9	Upendo-Iguguno		
10	Amani		Lazaro Mustapha Amina Said
11	Mwanzo mgumu		Josephina Mkwega Athumani Nkundu
12	Imani		Stephen Elisha – M/kiti Faida Shiila – Katibu
13	Juhudi Kinyangiri		Sadekiele Shauri Veronica Gabriel
14	Mipilo village		Aron Joseph (VEO) 0752-608903
15	Nzalilyambuuke		Rhoda Mkali Solomon Paulo
16	Umoja		
17	Ukombozi		Fausta Elishakt
18	Maarifa		
19	Mjindami		Juma Ramadhani

			Rashid Senge
20	Tujikomboe		Munyani Kiseke Amina Juma
21	Faraja maendeleo endelevu		Merysiana Daniel Janeth Nkango
22	Tundakwalilye		Zaibabu Hamisi Msuta
23	Mapendo		Said Mohamed Hamisi Allan Ali Msaghaa
24	Pevuka group Msiu village		Penina Mkumbo Hamidu Ali Shufaa Ali
25	Kilalu Hamlet 1 sub-village		Daudison Makala Edy Biseko
26	Maarifa Group		Zablon Magreth Eliufoo Eliufoo Stephano Juma Msaghaa
27	Ikugha Mashariki Mamlet Merya		Raymond Yona Mnyani Kiseke
28	Twaramba		Joram Stephan Ramadhan Makala
29	Songambebe		Jerome Mkumbo Maswi Harold
30	Amani Group		Eliwaza Wilson Catherine Zablon
31	Mwando Group		Zablon M Josephine Paulo Marco Janson
32	Msiu Group		Antony Juma Emanuel Philipo
33	Ushirikiano C		John Enock Mkali
34	Village Farmers group 1		Magdalena Msasu Waida Joseph
35	Village Farmers group 2		Yasin Waziri Abdalah Mohamed
36	Mkombozi		Rajab Mohamed Amina Wawa
37	Village hamlet Masuka 2		Wadaa Mtaturu
38	Village Hamlet Masuka		Wilson Mlatu 0753-022392
39	Kiloki 2 sub-village		Hamis Maatu 0754-081074
40	Kilalu Hamlet 3		Hamis Nyalanduu
41	Kilalu Hamlet 1		Mohamed Ng'ene 0764-699891

Processors: questionnaire respondents

Processors responded	Count of Na.
Abdallah Marusu	1
Abeid Msangi	1
Amina Majengo	1
Amiri Salumu	1
Amran Iddy	1
David Lyimo	1
Flap Sunflower Oil Ltd	1
Florian Mushi	1
Frank Mrisha	1
Fumbuka Kazungu	1
Jacquiline Tamanda	1
Jakson Massawe	1
Jesca Perida Bikombo	1
Joseph Luoga	1
Majani Mikina	1
Masoud Muyinga	1
Michael Kitulizo	1
Mjata Beula	1
Mohamed Kanabi	1
Onesmo Ngowi	1
Peter Maeda	1
Petro Elisante	1
Ramadhan Ally	1
Ramadhan S. Kimolo	1
Rashid Mamu	1
Rosemaerian Jima	1
Sabrina Masilu	1
Salehe Hongoa	1
Selina Kuziganika	1
Theogen Bana	1
Tumsifu Steveni	1
Yahaya Msalali	1
Grand Total	32



Annex 3: Original efficiency tables (from SNV)

Client/group of clients/ multi-stakeholder platform	Main areas and type of support (max. 4)	Total no of PPDs provided by LCB or SNV, (2007–2011)	Period client has been supported	Total cost of PPDs	Total cost of financing (operations or innovations of this client)	Total cost	Amount of DGIS funds (SNV core funding) or %	Amount of other budgets (EKN, other donors) or %
OMSF	<p><i>Areas of support:</i> organizational strengthening, value chain development and pro-poor policy improvement, which included facilitating:</p> <ul style="list-style-type: none"> • a series of multi-stakeholder meetings for actors to coordinate value chain development, • OMSF members in developing a strategic plan for sunflower value chain development; • multi-actor processes with OMSF towards establishment of TEOSA. 	729.3	15 months (2007–2009)	219,661.1	14,718.0	234,379.1	€ 234,379.1	0%
TEOSA	<p><i>Areas of support:</i> organizational strengthening, pro-poor policy improvement and value chain development, which included facilitating processes:</p> <ul style="list-style-type: none"> • for TEOSA to draw up a constitution • for TEOSA registration • for TEOSA to establish regional chapters • for TEOSA to engage in public policy dialogue with the MIT. 	588.4	12.3 months (2009–2011)	177,193.4	2,087.0	179,280.4	€ 174,527.4	€ 4,753.0
CEZOSOPA (Central Zone Sunflower Processors Association)	<p><i>Areas of support:</i> organizational strengthening, value chain development, knowledge hubs and inclusive business, including:</p> <ul style="list-style-type: none"> • Training in strategic planning for business development in 2008 • Technical advice related to computerized 	706.5	14.7 months (2008–2011)	212,790.2	3,785.9	216,576.2	€ 206,595.0	€ 9,981.1

	<p>book-keeping in 2009.</p> <ul style="list-style-type: none"> • Facilitating knowledge networking of CEZOSOPA members to attend a financial fair to interact with social investors (2011) • Knowledge brokering in contract farming arrangements. 							
UMAMBE	<p><i>Areas of support:</i> Multi-actor processes, value chain development and impact investment advisory services, including:</p> <ul style="list-style-type: none"> • Brokering relations among processors • Business plan development for accessing finance • Brokering finance to financial institutions e.g. CRDB. 	201.4	8.4 months (2009–2011)	60,652.0	–	60,652.0	€ 60,652.0	€ 0.0
ILULU and MAMCU Cooperative Unions	<p><i>Areas of support:</i> Organizational strengthening, multi-actor processes, value chain development and pro-poor policy improvement, including:</p> <ul style="list-style-type: none"> • Training 17 AMCOs in leadership to represent members' interests in sesame marketing • Training in sesame agricultural practices • Knowledge brokering on the practice of warehouse receipt system 	592	12.3 months (2009–2011)	178,304.1	3,171.0	181,475.1	€ 161,382.9	€ 20,092.2
Manyara Agricultural Initiative (MAI)	<p><i>Areas of support:</i> Multi-actor processes and value chain development, including:</p> <ul style="list-style-type: none"> • Facilitating stakeholders in Manyara to opt for sunflower as a pro-poor value chain in 6 districts in line with the 'one district one product' policy (ODOP) • Knowledge brokering on the availability of high performing sunflower varieties (Record, Jupiter, Serena) 	415	11.5 months (2007–2011)	125,106.5	234.0	125,340.5	€ 125,340.5	€ 0.0
TOTAL				973.706	23.996	997.702	962.875	34.826
					2%			4%



SUMMARY OF KEY CLIENTS SELECTED FOR EVALUATION BASED ON THEIR NUMBER OF PPDs									
	NOTES ON PPDs PER CLIENT/PARTNER	ASSIGNMENT	PRIMARY PROCESS DAYS (PPDs)					REMARKS	
			2007	2008	2009	2010	2011		Total
1	African Enterprise Challenge Fund	Impact Investment Advisory services					65,1	65,1	A partner to finance clients
2	Agriculture Non-state Actors Forum	Knowledge sharing				5,5		5,5	SNV is member to ANSAF
3	Agriculture markt Dev. Sys. Programme	Policy dialogue and Advocacy-AMSDP	97,2	44,2				141,4	A partner in policy dialogues
4	CEZOSOPA	Organizational Development		16,9	193,5	195,5	300,6	706,5	SNV client
5	FAIDA MALI	Strategic planning	21,8	30,2	2,1			54,1	SNV client
6	Fair Trade Labelling Organization	Value Chain Development -Sesame			95,5	11		106,5	SNV Partner for market link
7	Farm Africa	Market Access Facilitation	18,6	4,6				23,2	SNV Partner for market link
8	Ilulu Cooperative Union	AMCOS strengthening		119,8	149		97,6	366,4	SNV client
9	Lay Volunteer International Association	Organizational Development		14,3	25,2	5		44,5	SNV Partner for VCD
10	Manyara Agricultural Initiative	Value chain development	39,5	107,3	152,7	73,7	34,3	407,5	SNV client
12	MAMCU	AMCOS organizational strengthening				95,5	130,1	225,6	SNV client
13	Mount Meru Millers	Value Chain Development			122,7	10		132,7	SNV client
14	MVIWATA-Morogoro	Subsector partnership	20					20	SNV partner in VCD
15	OMSF	Value Chain Development	196,3	344,5	213,8			754,6	SNV client
16	Stoas Africa Foundation	Value chain Development			24		2	26	SNV partner in VCD
17	Tanzania Agriculture Partnership	Diagnosis and Learning			19,9			19,9	SNV partner in VCD
18	TEOSA	Organizational Development			140,2	142,6	305,5	588,3	SNV client
19	TCCIA-Dodoma	Organizational Development	54,9					54,9	SNV Client
20	TCCIA-Kagera	Business planning		7,5				7,5	SNV Client
21	TCCIA-Kahama	Organizational Development	32,4	72,7				105,1	SNV Client
22	TCCIA-Morogoro	Organizational Development	33,9					33,9	SNV Client
23	UMAMBE	Value chain Development			47,6	101	52,9	201,5	SNV Client
			514,6	762	1.186	639,8	988,1	4.091	
								834,00	side clients
	NOTES							3250,4	main clients
									248240,1
									967481,6

Annex 4: LCBs and assignments and partners of SNV (provided by SNV)

	LCB	Assignment
1	Promoter of Health and Education Association (PHEDEA)	Capacity strengthening of sunflower Commercial Farmers Groups (CFGs) and facilitate MSPs for establishing alliances of sunflower actors and enterprises in Chunya district, Mbeya Region, 2011
2	Songela Investment Co. Ltd	Facilitating knowledge development and institutional framework for contract farming between 2,500 sunflower producers and processors in Singida Region, 2011 and 2012
3	Rural Oriented Sustainable Development Organization (ROSDO)	Capacity strengthening of sesame Agricultural Marketing Cooperatives (AMCO) and facilitate MSPs for influencing policies and regulations on marketing of sesame in Lindi and Mtwara Regions, 2010–2011. Mapping of Sesame Actors, 2012
4	Mafiga Women & Youth Development Organization (MWAYODEO)	To facilitate sunflower chain mapping in Morogoro region focusing on Morogoro, Mvomero, Ulanga and Kilosa districts, 2011. Sunflower Video documentation on prospects and implications of sunflower for poverty reduction, 2011. Sesame Video documentary Film –Lindi and Mtwara
5	Economic and Rural Development Community Initiative	Mapping of Alternative Financial Services
6	Institute of Rural Development Planning (IRDP)	Evaluation of capacity strengthening of CEZOSOPA, 2011. Mapping of sunflower actors in Ruvuma and Rukwa regions
7	FAIDA Mali	Capacity Strengthening of Manyara Agriculture Initiatives and UMAMBE, 2010.
8	Group Consulting Company	Capacity strengthening of CEZOSOPA members in business planning and conducting quick scan for upscaling sunflower value chain in Iringa, 2010.
9	Computer Promotions	Capacity Strengthening of CEZOSOPA in record keeping, 2009.
10	Economic and Social Research Foundation (ESRF)	Sesame policy benchmarking in Lindi and Mtwara, 2012
11	Tanzania Grassroots Oriented Development (TAGRODE)	Facilitate establishment of TEOSA chapter and CEZOSOPA model in Iringa.



SNV's partners

Name of Partner	Strategic relevance	Relationship with SNV
Round Table Africa	Research and information dissemination on sunflower and sesame issues.	RTA and SNV collaboratively funded the publication of the sunflower and sesame good agricultural practices.
FAO	Collaborating in the design of upscaling sunflower value chain development in the SACGOT regions in line with the Southern Highlands Food System Project.	FAO has agreed to provide funding to SNV to expand the Central Corridor experiences and knowledge to the SACGOT regions.
BEST-AC	Funding to civil society organization engaged in business policy dialogue.	BEST-AC has provided funding to TEOSA through RTA for researching sunflower as part of evidence based advocacy.
VECO-Tanzania	Collaborating in developing sunflower commercial farmer groups in Chunya district	Joint facilitation of multi-stakeholder meetings in 2010. Bilateral strategy reflections.
ANSAF	Forum where members share experiences and information on matters related to agriculture development.	SNV is an active member. Reflection on value chain development in sunflower in 2010.
MUVI Programme	Implementing sunflower value chain development in Iringa and Njombe.	Joint sunflower value chain development in Iringa; regional TEOSA branch (alliance of actors); establish alliance of enterprises (CEZOSOPA model).
FLO	Developing knowledge on fair trade arrangements	Jointly facilitating sesame producers in Lindi and Mtwara to produce organically certified sesame.
STOAS/LVIA	Collaborative sharing of information and experiences to enrich one another on issues of edible oilseeds	Jointly developing knowledge and institutional framework for contract farming.
AcT	Collaborate in developing capacity of advisors on how to apply Outcome Mapping as a tool for tracking progress in systems approach.	ACT has also agreed to provide funding to support what we do in sesame value chain development in the southern regions.
IFAD	Knowledge development in multi-stakeholder facilitation	Funding initiatives related to Strengthening Capacity for Enhanced Market Access and Knowledge Management (SCAPEMA)

Annex 5: Reconstruction of SNV's intervention logic for sunflower and sesame, 2007–2009

IMPACTS	Income and employment of farmer households (sunflower) in 9 regions of Tanzania							
	Increased farm produce and predictable market prices for farmers		Stable supplies of high-quality oilseeds to processors				Increased demand for locally produced vegetable oil	
OUTCOMES	Increased access to extension services and improved seeds for farmers			Direct sales from farmers to processors (without speculation by middlemen)		Increased efficiency and activity of local processors		Improved business and trade environment at the national level
	Establishment of PFGs and local seed producers (QDS)	PFGs trained by LGA on production and improved seeds with support of processors	PFGs and processors have increased their claims on the LGAs for extension services and on the use of the budget for oilseeds		Improved access of processors to financial and business development services and to improved seeds	Improved institutional knowledge and framework on contract farming	Improved strategic planning and priority setting between stakeholders and improved transparency between processors	Improved claiming and advocacy and policy proposals by associations/ multi-stakeholder platforms
OUTPUTS	Promotion of trust-based contract farming between processors and farmers		Processors: training on business management, mapping of alternative financiers, linkage to alternative finance for processors		Establishment of multi-stakeholder or processor platforms/ associations		Evidence based sector research and exchange; discussed in MSP	Sector and stakeholder mapping and organizational analysis discussed in MSP

Table x: Reconstructed intervention logic, sunflower,

Source: IOB evaluation of SNV, 2012.



IMPACT	Income and employment of farmer households (sesame)							
	Improved produce and less chemical inputs			Improved price to AMCO (via AMCO)			Improved competitiveness of the sector	
OUTCOME	Established fair trade outlet	Use of improved seeds by farmers	Less side selling (AMCO)	Change of marketing systems to direct sales (and price negotiation) of AMCOs to the private sector	Improved LGA services for oilseed	More favourable taxation income and market regulation of oilseed trade at the local level and improved budget management for oilseed by LGA		Improved business and trade environment at the national level, including feasible quality standard regulation
				Increased claims to unions	Increased claims to LGAs for extension and market regulation	Improved strategic planning and priority setting between stakeholders		Improved claiming and advocacy and policy proposals by associations/ multi-stakeholder platforms
OUTPUT	agricultur	AMCOs trained on improved agricultural practices and new improved seeds	Linking AMCOs to research institution for improved seeds	Training of AMCOs on mechanism of warehouse receipt system and cooperative policy	Contract farming between Processors and farmers (1 processor)	Establishment of multi-stakeholder or processor platforms/ associations	Evidence-based sector research and exchange in MSP	Sector and stakeholder mapping and organizational analysis

Table X: Reconstructed intervention logic, sesame

Source: IOB evaluation of SNV, 2012.