

# MID-TERM REVIEW OF 2SCALE

2019-2023

FINAL REPORT

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# Executive Summary

**2SCALE (Toward Sustainable Clusters in Agribusiness through Learning and Entrepreneurship) is an incubator and accelerator programme in agricultural food sectors in Africa.** 2SCALE brings together smallholder farmers, processors, input suppliers, distributors including very small-scale resellers, and related stakeholders such as financiers and technical advisors, this way creating agribusiness clusters and generating business opportunities for all. The main purpose of the Mid-Term Review (MTR) was to make recommendations for programme adjustments, this to help increase the probability of success over the remainder of 2SCALE Phase 2.

**2SCALE made a good start with its second phase.** The MTR concludes that 2SCALE through its hands-on approach made strong progress in the first two years of Phase 2, in spite of the operational challenges caused by the COVID-19 pandemic. A lot of work was done with farmers, agri-business clusters, processors, distributors, as well as women and youth. Nevertheless, the MTR also revealed a number of constraints as listed below.

**2SCALE PPPs pursue too many goals.** 2SCALE's Public Private Partnerships (PPPs) have too many components, and pursue too many goals and targets simultaneously, this to satisfy a large number of Food and Nutrition Security (FNS) and Private Sector Development (PSD) impact goals at programme level. While Business Champions (BCs) typically approach 2SCALE with fairly straightforward questions related to product sourcing, product sales, or access to finance, 2SCALE itself tends to add many other components in an effort to satisfy its own programmatic goals.

**Pursuing too many goals may hamper a PPP's efficiency, effectiveness, impact, and sustainability, and even its relevance.** The MTR therefore recommends to let 2SCALE focus on one main top-level Universal Impact Indicator (UII), namely the current UII 1: 'Base-of-the-pyramid consumers have improved access to nutritious food - target 1 million'. Focussing on this overarching target would give 2SCALE a stronger sense of purpose as an FNS programme (as opposed to a PSD programme). 2SCALE would still need to collect and report data on all the other indicators, but having one overarching target would reduce the pressure on 2SCALE staff and consequently on PPPs to steer the programme in many directions simultaneously just to meet all targets. In addition to UII 1, PPPs could still be asked to pursue one or two other key targets that reflect the priorities of the specific PPP, but not every PPP would need to focus on all targets.

**Nutrition awareness among 2SCALE staff and BCs could be improved.** Access to nutritious foods by BoP consumers is a key aim of 2SCALE, and BoP marketing is therefore included in many PPPs. However, at present neither 2SCALE staff nor BCs have much insight in the ultimate impact on access to nutritious food by BoP consumers. With the help of BoPInc, various actions are being undertaken to enhance the nutrition awareness of BCs and investigate nutrition impact. 2SCALE, however, still has much work to do in this respect.

**The FNS relevance of 2SCALE could be further improved by focusing on countries (and regions) with the highest food security gaps.** In this regard, the selection of South Sudan as a new 2SCALE country is highly relevant. For Egypt, the argument is made that the country is a massive food importer, although not necessarily food insecure.

**Inclusion objectives are best pursued at the stage of country and sector selection.** Rather than requiring each PPP to reach out to all vulnerable or 'excluded' groups (such as the BoP, women, or youth), steer the other inclusion goals primarily through the selection of 2SCALE countries and sectors. Once the most relevant countries and sectors (from the point of view of inclusion gaps and potential to reduce those gaps) have been selected, 2SCALE could

then let PPP partners focus on their partnership and business goals, while making a best effort to ensure inclusion where it makes business sense.

**Thus far, Phase 2 PPPs have focused mostly on supply-side activities.** Many PPPs started their activities at farmer level: conducting farmer training, upgrading production systems, improving access to inputs, and contributing to ABC formation. Several case studies, however, revealed constraints in offtake, leaving farmers disappointed and unable to discharge their (increased) production. While 2SCALE follows a holistic Food Systems Approach (FSA), in practice 2SCALE staff tends to gravitate back to old 'pre-FSA' supply-side practices, focused mostly on increasing production. While most BCs (which pay at least half the cost of the PPP) do indeed expect 2SCALE to help them secure their input supply, more attention is needed for the demand side, including enhancing access to nutritious foods.

**Most PPPs are replications to some extent.** Most PPPs share similar approaches, essentially bringing together food-chain actors and strengthening them where needed. The specific interventions undertaken are also similar. While 2SCALE only categorises about a quarter of PPPs as 'replication' workstream, the MTR found that virtually all PPPs are 'replications' to the extent that they incorporate lessons learned from earlier 2SCALE PPPs, including from Phase 1. However, the MTR revealed very little spontaneous replication without support from 2SCALE, as partners are so different in their socio-economic realities and mind-set, hence difficult to bring together.

**2SCALE is not well structured to initiate sub-sector transformation (workstream 3).** 2SCALE, by principle, works with private sector actors in selected partnerships, and 2SCALE declines to support transformation projects that are not requested and driven by such partnerships. The MTR team deems this unnecessarily restrictive, and found that 2SCALE could engage with national level sector representatives or government to remedy sub-sector constraints.

**2SCALE's efficiency is criticised by stakeholders, with no obvious solutions for improvement.** Due to the large number of partners and many intervention themes, 2SCALE PPPs are challenging to prepare, implement and manage. Although Partnership Facilitators are reported to be overworked, the MTR would find it hard to recommend increasing their numbers as already more than half the 2SCALE budget goes to its own staff and overhead cost. Cutting the preparation process is also unadvisable as this would likely increase the failure rate of PPPs (currently 10%). However, reducing the number of intervention themes and a step-wise approach might improve efficiency.

**PPPs in 2SCALE Phase 2 are too early in their development to make a reliable prediction of their future resilience.** However, based on the performance of Phase 1 PPPs, it is expected that over half of PPPs will do well into the foreseeable future. Sustainability of the PPP depends on the extent to which partners' interests are aligned. The case studies revealed this not always to be so, for example in cases where the BC was unable to purchase (all) produce from farmers, or due to disagreements on price. There were also unequal power relations, leading to feelings of mistrust hence threatening sustainability.

**2SCALE should not hasten its disengagement.** No great attention has been paid to defining a 2SCALE exit strategy, other than that partners are meant to be in charge right from the start. Few partnerships have secured funding for continuing to train producers, develop products, share technology, build out markets, etc. Since replication and upscaling do not easily take place unassisted, 2SCALE would do well to remain associated with the PPPs for a longer period, even if its actions will be minimal for most of the time. Thus, in order to enhance the scope for upscaling, 2SCALE could append to PPPs a period of low-intensity support and monitoring, allowing 2SCALE to reengage if suitable upscaling opportunities present themselves.

# Acronyms

2SCALE	Toward Sustainable Clusters in Agribusiness through Learning and Entrepreneurship
BC	Business Champion
BoP	Base-of-the-Pyramid
BopInc	BoP Innovation Centre (in charge of the BoP marketing component of 2SCALE)
CFYE	Challenge Fund for Youth Employment
DDE	Sustainable Economic Development department at Dutch Ministry of Foreign Affairs
DGGF	Dutch Good Growth Fund
FSA	Food Systems Approach
FNS	Food and Nutrition Security
GAfSP	Global Agriculture and Food Security Programme
G4AW	Geodata for Agriculture and Water
IDH	The Sustainable Trade Initiative
IFDC	International Fertiliser Development Centre (main consortium partner implementing 2SCALE)
IGG	Inclusive Green Growth department at Dutch Ministry of Foreign Affairs
MFA	Dutch Ministry of Foreign Affairs
MFI	Microfinance Institution
(M)SME	(Micro) Small and medium-sized enterprises
MTR	Mid-Term Review
M&E	Monitoring and Evaluation
PPP	Public-Private partnerships
PRC	Partnership Resource Centre (a strategic partner that executes the Monitoring and Evaluation of 2SCALE)
PSD	Private Sector Development
RVO	The Netherlands Enterprise Agency
SDGP	Sustainable Development Goals Partnership
SHF	Smallholder Farmer
SNV	Dutch: Stichting Nederlandse Vrijwilligers English: SNV Netherlands Development Organisation (main consortium partner implementing 2SCALE)
ToC	Theory of Change
ToR	Terms of Reference
UII	Universal Impact Indicator
VSLA	Village Savings and Loan Association

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# 1 Introduction

The introduction starts with a description of 2SCALE and is followed by information about this Mid-Term Review (including purpose and methodology).

## 1.1 Description of 2SCALE

**2SCALE (Toward Sustainable Clusters in Agribusiness through Learning and Entrepreneurship) is an incubator and accelerator programme in agricultural food sectors in Africa.** 2SCALE brings together smallholder farmers, processors, input suppliers, distributors including very small-scale resellers, and related stakeholders such as financiers and technical advisors, this way creating agribusiness clusters and generating business opportunities for all. The main novelty of 2SCALE is that it brings about sector collaboration and integration for the sake of food and nutrition. Such integration has long been normal in cash and export crops, not in food crops in Africa. Consequently, it is not uncommon for African Base-of-the-Pyramid (BoP) consumers to have to rely on narrow and unsafe diets, which are often expensive as well due to aggravated inefficiencies in the food chain.

**2SCALE Phase 2 started in January 2019 and ends in December 2023.** In its first phase (2012-2019) 2SCALE developed a portfolio of 58 partnerships. For Phase 2, 2SCALE intends to develop 60 partnerships – a number that has already been exceeded. This mid-term review (MTR) looks at Phase 2, but for some questions (e.g. sustainability) the MTR refers back to 2SCALE Phase 1 experiences.

**2SCALE aims to contribute to food and nutrition security, sustainable and inclusive economic growth, and stability in Africa, by way of Public-Private partnerships (PPPs), incubating and accelerating inclusive business models in the agricultural sector.**<sup>1</sup> It aims to improve access to nutritious food for BoP consumers, improve agricultural productivity for smallholder farmers (SHF), make rural communities more climate resilient, develop SMEs and MSMEs, create employment, drive innovation, and enhance access to finance for all of these.

**2SCALE combines MFA's development priorities in Food and Nutrition Security (FNS) and Private Sector Development (PSD).** 2SCALE reports to the Inclusive Green Growth department (IGG), which focusses on FNS, while the Sustainable Economic Development department (DDE), which focusses on PSD, follows 2SCALE from some distance. Whereas 2SCALE Phase 1 was funded by DDE, Phase 2 is included in the IGG portfolio.

**2SCALE projects are designated PPP as they combine efforts and contributions from both the public sector (Dutch government), the private sector (PPP partners), and financial institutions.** Each of these parties (Dutch government, private sector partners, and financiers) are expected to contribute € 50 million to 2SCALE's Phase 2 (2019-2023), hence € 150 m in total. The contributions of 2SCALE consist of technical advisory, training, bringing together PPP partners, and general project management. 2SCALE does not provide grants for e.g., equipment or farm inputs.

**2SCALE Phase 2 works in nine countries in West and East Africa<sup>2</sup> and covers four commodity groups (staples, oilseeds, fresh fruits and vegetables, and animal products).** 2SCALE pays special attention to women and youth-

<sup>1</sup> 2SCALE proposal 2019-2023, IFDC, Oct 2018

<sup>2</sup> Burkina Faso, Cote d'Ivoire, Ethiopia, Ghana, Kenya, Mali, Niger, Nigeria, and South Sudan being a new addition.



led enterprises and farms. The specific attention to providing nutritious food to BoP consumers sets 2SCALE apart from traditional agricultural development and value chain programmes, as these tend to focus on production systems, not consumers. The focus on improved access to nutritious food (both quantity and quality) for BoP consumers is also an add-on compared to the Phase 1 partnerships, where this was not a specific objective and such effects were not systematically measured.

**What sets 2SCALE Phase 2 further apart from Phase 1 is a greater attention to replication of successful business models, as well as inspiring wider ‘sub-sector change’.** In Phase 2 2SCALE aims to replicate successful business models in other PPPs in the same or another country. In addition, 2SCALE aims to facilitate policy alignment and systemic change at the (sub-)sector level. Although some replications have taken place, efforts to bring about sub-sector change are still in their infancy. Phase 2 is also distinguished from Phase 1 by a stronger focus on improving the ecological status of farm lands as well as climate change mitigation. Indeed, this is now an established feature of the PPPs in (semi-) arid regions.

**2SCALE is led by a consortium of IFDC, SNV and BopInc.** The main consortium partners implementing 2SCALE are IFDC and SNV, each leveraging their existing field offices and staff. 2SCALE Kenya is led by IFDC while 2SCALE Ghana and Burkina Faso are hosted by SNV.<sup>3</sup> BopInc is in charge of the BoP marketing component, and has resident staff in all 2SCALE offices. The Partnership Resource Centre (PRC), a strategic partner to 2SCALE, executes the Monitoring and Evaluation (M&E) of 2SCALE.

## 1.2 Purpose of the Mid-Term Review

**The Dutch Ministry of Foreign Affairs (MFA) commissioned SEO Amsterdam Economics and MDF Training and Consultancy to carry out the Mid-Term Review (MTR) of the second phase of 2SCALE (2019-2023).** This review was carried out between March and June 2021, and was based on the programme’s initial achievements in 2019 and 2020. The MTR includes an assessment of 2SCALE’s relevance, coherence, efficiency, effectiveness, impact, and sustainability. This report provides the findings and conclusions of interviews with 2SCALE partners, document review, a survey among stakeholders, a portfolio review and case studies in programme countries.

**The main objective of this MTR is *learning rather than accountability*.** The main purpose of the MTR is to make recommendations for programme adjustments, to help increase the probability of success over the remainder of 2SCALE Phase 2. Given that the MTR mostly has a learning objective, it does not have contractual implications for the consortium implementing 2SCALE.

**The MTR also aims to provide lessons for MFA beyond the current 2SCALE programme.** Firstly, it aims to help MFA validate 2SCALE’s approach, which is important as it is being considered for replication in other countries – the MENA region in particular – by 2SCALE or others.<sup>4</sup> Secondly, the MTR aims to provide lessons to MFA regarding its wider role in diplomacy and national-level food system transformations.

<sup>3</sup> IFDC hosts Cote d’Ivoire, Ethiopia, Kenya, Mali, Nigeria, and South Sudan. SNV hosts Burkina Faso, Ghana, and Niger 2SCALE offices.

<sup>4</sup> Some of which were already visited and scoped by the 2SCALE team

## 1.3 Methodology of the Mid-Term Review

**The MTR team used a variety of research methods.** The key information sources used in this MTR were the following:

1. **Desk review of 2SCALE documents:** analysis of available programme-, partnership- and strategy documents, annual reports, and previous evaluations of 2SCALE, and policy documents from MFA (related to FNS and PSD). The desk review also included (policy) documents in the case study countries, analysed by the local consultants.<sup>5</sup>
2. **Portfolio analysis:**
  - a. Analysis of portfolio and M&E data obtained from 2SCALE, including PPP descriptions
  - b. Assessment of the archetypical intervention strategies of partnerships (ToCs)
  - c. Secondary data analysis for benchmarking outcomes (average country/sector statistics)
3. **2SCALE Stakeholder surveys:**
  - a. Survey among 2SCALE Phase 2 stakeholders: The MTR team conducted a stakeholder survey among all 2SCALE (Phase 2) partnerships. Respondents included Business Champions, key PPP partners, 2SCALE staff, Dutch government staff (MFA, Dutch Embassies, RVO's PSD coaches), and other relevant stakeholders. The survey was a way to gather insights into the workings of the partnerships, as a supplement to the portfolio analysis. The survey also included questions regarding 2SCALE's relevance, coherence, efficiency, effectiveness and expected sustainability (see Section 4.1 and Appendix A).
  - b. PrC survey among 2SCALE Phase 1 stakeholders: Given that the partnerships of 2SCALE Phase 2 are relatively recent (dating from mid-2019 at the earliest), it was recognised that not much could be said about sustainability. However, the MTR team was able to add a number of sustainability related questions to a survey conducted by 2SCALE's Partnership Resource Centre (PrC) among Phase 1 2SCALE partnerships (Business Champions), nearly all of which 2SCALE had already exited from (see Section 4.2).
4. **Interviews:** conducted by the MTR team with 2SCALE management and field office staff, as well as MFA (IGG, DDE, IOB).
5. **Case studies:** fieldwork and in-depth analysis of the workings of 6 partnerships in three different countries – Burkina Faso, Ghana, and Kenya. For each case study the partnership-specific documents were analysed, interviews conducted with the PPP partners including farmers and their sector/farmer associations, a competitor/supplier of the lead firm, the involved 2SCALE senior experts, local government and research institutes, and local independent sector experts. The Netherlands' embassies were visited as well. The MTR team analysed contribution cases, and validated the findings internally and with the 2SCALE team.

The findings from these various sources of information were triangulated for confirmation and better understanding. Additionally, the team examined the contribution of the 2SCALE programme by applying contribution analysis to selected causal questions in the case studies.

**The MTR team consisted of a team in the Netherlands and three field researchers.** The local consultants were not limited to undertake the case studies at PPP-level, but also conducted interviews in-country with key stakeholders, Dutch embassy, local government, and knowledge partners, as well as local document review.

<sup>5</sup> See Appendix B for a list of documents



## 1.4 Structure of this report

**This report is structured as follows.** Chapter 2 provides a short description of 2SCALE's ToC and related M&E systems. Chapters 3, 4 and 5 present the outcomes of the portfolio review, the surveys among the Phase 1 and Phase 2 2SCALE partners and stakeholders, and the case studies. These chapters are intended to be factual rather than analytical and conclusive, that part being reserved for chapter 6. Conclusions and recommendations are presented in chapter 7. The appendixes include detailed survey results (Appendix A), a list of documents consulted (Appendix B), 2SCALE's Theory of Change (Appendix C) and an overview of the 2SCALE Universal Impact Indicators (UIIs) and M&E Framework (Appendix D). The case studies are presented in a separate case study reports.

## 2 2SCALE: ToC, M&E, and processes

Chapter 2 includes a description of 2SCALE's Theory of Change (Section 2.1), the M&E framework at partnership level (Section 2.2), and an analysis of the process flow (Section 2.3).

### 2.1 2SCALE Theory of Change and M&E framework

**This section presents the 2SCALE Theory of Change (ToC) and its M&E framework.** The ToC as developed by 2SCALE was the starting point for the MTR, while the M&E system provided data for the portfolio review. The ToC of 2SCALE phase 2, which is substantially different from phase 1, was developed by 2SCALE with support of the PrC. It incorporates strategic adjustments after the programme's transfer from DDE to IGG. While this section provides a description of the 2SCALE ToC and M&E framework, their operationalisation and efficiency are assessed in Section 6.5. A copy of the 2SCALE ToC is provided in Appendix C.

**2SCALE's phase 2 programme-level ToC has three impact pathways, which reflect the preferred sequence of events over time.** These interrelated impact pathways link activities and outputs to immediate, intermediate, and ultimate outcomes. While intermediate outcomes are still largely under the sphere of influence of the 2SCALE programme, ultimate outcomes require more time to materialise and are dependent on other actors and conditions not immediately affected by 2SCALE's supported interventions.<sup>6</sup> The three impact pathways are as follows:

- **Impact pathway 1: *Incubating*** inclusive agribusiness by engaging with business champions, building partnerships for bottom-up co-creation of inclusive business models (also targeting BoP consumers).
- **Impact pathway 2: *Replicating*** inclusive agribusiness through cross-learning (including business-to-business) and by constructing networks for sharing and adopting inclusive business practices.
- **Impact pathway 3: *Facilitating*** (sub)sector system changes beyond individual partnerships, such as adjustments in national policies and regulation.

**At the programme level, all three impact pathways contribute to the same eight Universal Impact Domains.**

As Table 2.1 shows, the first three of these universal impact domains are related to Food & Nutrition Security (FNS) while the remaining five are related to Private Sector Development (PSD). For each impact domain there is a specific target at programme level. These targets were derived from MFA's overall result framework for FNS and PSD and can be aggregated by MFA in its reporting to Parliament and the general public.

<sup>6</sup> See 2SCALE Programme-level ToC, Sept 2020

Table 2.1 2SCALE universal impact domains with goals (targets)<sup>7</sup>

Area	Universal Impact Domains	2SCALE goal (target-UII)
Food and Nutrition Security (FNS)	1. BoP consumers have improved access to nutritious foods	1 million
	2. Smallholder farmers have improved agricultural productivity levels and have better terms of inclusion	750,000 (50% women, 40% youth)
	3. Rural communities are resilient to the implications of climate change	375,000 ha under eco-efficient practices
Private Sector Development (PSD)	4. SMEs drive inclusive business in target industries and develop leadership in industry platforms	250 SMEs (50% women-led)
	5. Remunerative additional non-farming employment created in targeted value chains	20,000 FTEs (50% women, 40% youth)
	6. Economically attractive and viable opportunities are developed for Micro Small- and Medium Enterprises (MSMEs)	5,000 MSMEs (40% women-led, 20% youth)
	7. Innovative capacity of MSMEs are strengthened	50 non-farming innovations
	8. Smallholder farmers and MSMEs have improved access to financial services	250,00 SHF 2,000 MSMEs, 125 SMEs (50% w)

Source: 2SCALE Theory of Change, Sept 2020

**2SCALE monitors its impact both at the programme level and at the partnership level.** The MTR also acts at these two levels, namely a review of progress in the overall programme portfolio (Chapter 3) and an in-depth review of a number of individual partnerships through case studies (see separate case study reports).

**At the programme level, the entire 2SCALE partnership portfolio is monitored using a 'programme theory of change' with eight 'universal impact indicators' (UII)** that each partnership is asked to monitor, and which are aggregated at portfolio level to see if programme targets are met. A second level of aggregation takes place by MFA, namely an aggregation of results achieved by all FNS programmes financed by the Netherlands. Thus, all Dutch-funded FNS programmes and projects need to use the same result monitoring framework. The same is true for the PSD components of 2SCALE.<sup>8</sup>

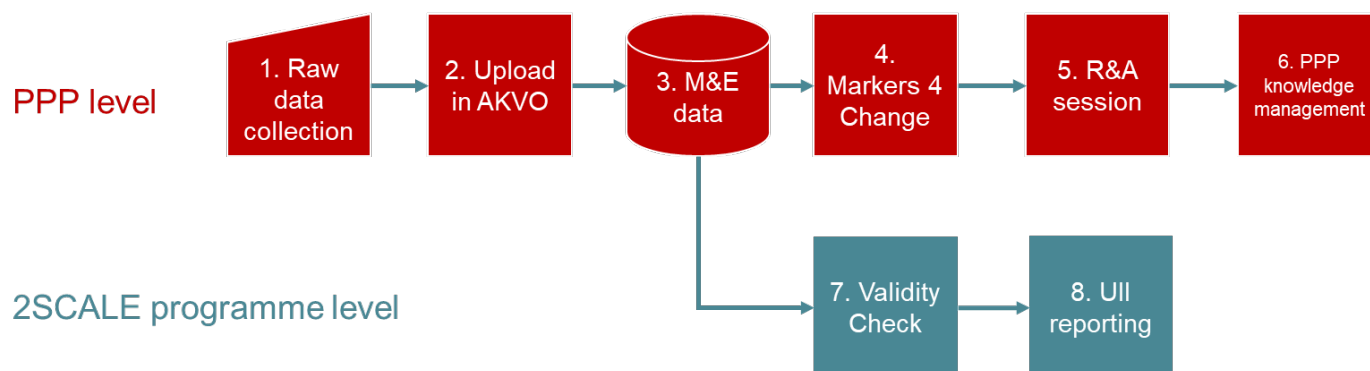
**At the partnership level, each partnership develops a partnership-specific ToC through impact pathways, but eventually reporting on the above-mentioned UII.** This is done in cooperation with the PrC<sup>9</sup>, which provides training and guidance in M&E. Partnership Facilitators (PF) in the programme countries upload all M&E data into a central system (AKVO), which is subsequently reviewed, cleaned, and processed by PrC. The information resulting from the monitoring process is fed back to 2SCALE to facilitate adaptive management of both the programme and individual PPPs. For this purpose 2SCALE conducts 'Reflect and Adapt' workshops with the partners in ongoing PPPs. Figure 2.1 shows the data collection process which includes sequential steps where data are collected, checked, and validated. Some of the validity checks include 'random checks', and 'mapping' of external stakeholders.

<sup>7</sup> A detailed list of UII with M&E indicators is provided in Appendix D.

<sup>8</sup> See [www.dutchdevelopmentresults.nl/](http://www.dutchdevelopmentresults.nl/)

<sup>9</sup> PrC is a collaboration of WUR (Wageningen) and Rotterdam School of Management

Figure 2.1 The process of data collection and reporting involves various stages and checks



Source: Presentation PrC, March 2021

**2SCALE targets are set at three levels.** As can be seen from the above, the UII are central to the 2SCALE M&E. In its proposal (in 2018), 2SCALE, in agreement with MFA, set 'programme targets' in terms of its UIIs (see Table 2.1 above). These UII were derived from the MFA programmatic ToC in FNS and PSD (see also Section 6.1.1).<sup>10</sup> Programme targets were then distributed to different 2SCALE countries, following the countries' perceived potential as identified by the 2SCALE scoping studies. This was done in 2019. Finally, targets were established at individual PPP level, i.e. 'PPP targets'. The last two steps, namely programme to country targets and country to PPP targets follow a top-down logic to a large extent, this notwithstanding the country scoping and subsequent validation at PPP level during the D&D sessions.

**The programme-level ToC and related M&E framework was designed to foster learning and the ability to adapt the programme if and where necessary.** The programme has conceptualised this in a learning framework, in which information collected on and in the programme serves multiple purposes: learning, steering, profiling, sharing, and reporting.

## 2.2 Partnership level M&E framework

**The partnership-specific impact pathways are developed in 'Diagnostic & Design' (D&D) workshops.** During the D&D, which is the final step in the fairly long PPP preparation process (see PPP Protocol and Section 2.3 below), selected stakeholders, organised by 2SCALE's partnership facilitator in consultation with the business champion, develop a joint partnership-level Theory of Change (ToC) consisting of PPP-level impact pathways, agree on a partnership structure, strategy, priority interventions, budget, and resources (including cost-sharing arrangements). A special D&D manual is used to this effect. The relevance to this MTR is that all PPP stakeholders, and for sure its business champion, are supposed to be fully aware and indeed in agreement, with the PPP ToC and its result indicators.

**Based on the partnership ToC, each PPP subsequently collects and monitors the following information:**

- **Universal impact indicators**, which are the same as mentioned above (to be aggregated at programme level), see Table 2.1 and Appendix D.

<sup>10</sup> The MFA programmatic targets for FNS and PSD are defined in the respective letters to Parliament and FNS and PSD ToC (2018). The 2SCALE targets take part of that, which is more or less in line with 2SCALE's perceived capacity to deliver, and in proportion to the budget allocated to it. The 2SCALE target setting, however, was no exact science and much a guestimate of what 2SCALE could do.

- **Markers for change** ('M4C'), which measure changes at every step of the partnership-specific impact pathways.
- **Additional customised indicators** for specific information needs ('customised performance measurement').
- **Qualitative information** that tells the story of how and why changes are occurring.

**The structure of the ToC at partnership level slightly differs from the programme level.** Whereas the 2SCALE programme ToC is structured Activities/Outputs => Immediate Outcomes => Intermediate Outcomes => Ultimate Outcomes => Goals / Impacts, the partnership ToC includes the 'Reach and Reaction' level. This reflects the target audiences reached, and their reactions to activities undertaken by the PPP.

## 2.3 Process flow

**As mentioned in the previous section, the preparatory process leading to a functioning PPP is lengthy.** This process includes multiple steps and reviews, many documents, as well as stakeholder meetings and consultations. This process may be summarised (and simplified) as follows:

Table 2.2 2SCALE process flow (in bold the key documents produced)

Step	Title	Content
1	Idea mobilisation	<ul style="list-style-type: none"> <li>• Search agri-business champions and ideas, or be contacted by them through references or calls for proposals</li> <li>• <b>Inclusive business application form</b>, written by business champion or partners</li> </ul>
2	Screening	<ul style="list-style-type: none"> <li>• Data collection, follow-up meetings with candidates</li> <li>• <b>Screening form</b>, rapid assessment by the 2SCALE field team</li> <li>• Check contribution to the UII</li> <li>• CSR guidelines - <b>checklist</b></li> <li>• Environmental guidelines - <b>checklist</b></li> <li>• Discuss with Dutch Embassy (alignment, no duplication, synergy)</li> <li>• Review by 2SCALE PMT (business case, food chain)</li> </ul>
3	Development	<ul style="list-style-type: none"> <li>• Appraisal session with BC, fine-tune, Business Model Canvas</li> <li>• <b>Partnership brief</b>, written by 2SCALE</li> <li>• <b>Video pitch</b>, by Business Champion</li> </ul>
4	Selection	<ul style="list-style-type: none"> <li>• First review by selection committee, scoring, and go/no-go. <b>Report</b></li> <li>• Special attention for additionality</li> </ul>
5	Formalisation	<ul style="list-style-type: none"> <li>• Diagnostic &amp; Design workshop with partners and stakeholders and further meetings and consultations. <b>D &amp; D report</b></li> <li>• <b>Partnership description, including budget</b>, written by 2SCALE</li> <li>• Second review by selection committee, quality assessment. <b>Report</b></li> <li>• <b>Partnership agreement</b></li> </ul>
6	Implementation	<ul style="list-style-type: none"> <li>• <b>Action plans</b> (annual, or crop cycle)</li> <li>• Activities, recruit BSS</li> <li>• Reflect &amp; Adapt workshops. <b>Report</b></li> </ul>
7	Exit	<ul style="list-style-type: none"> <li>• <b>Phasing out plan</b></li> <li>• <b>B2B long-term plan</b></li> </ul>

Source: 2SCALE PPP Protocol (phase 2), September 2020. Table compiled by MTR team

**The process leading to an agreed partnership (step 1-5) takes at least six months, and involves preparing many working documents.** Indeed, 2SCALE has a dozen standard document templates, manuals, and guidelines available to facilitate the process. The extent to which this process is adequate, i.e. it leads to better partnerships in terms of effectiveness and efficiency, and whether this justifies the ample effort and means expended, was explicitly dealt with during the interviews, case studies and partner surveys (next chapters), and will be reported on under 'efficiency' in chapter 6.

**Each partnership uses an adaptive management process to regularly review the impact pathways and indicators, and to modify strategy and activities on the basis of monitoring.** As mentioned above, impact pathways are partnership specific. Peer reviews between the different partnerships will further enhance learning within the programme. Furthermore, the collection, validation, and analysis of data within the partnerships should lead to a review of reach, progress, and direction, and ultimately to the revision of the original impact pathways, and this has already happened in some partnerships. In Section (6.5) the extent to which the M&E framework is incorporated in the programme, and how the application of the M&E framework of 2SCALE led to instances of learning and adaptive management on programme and partnership levels, is assessed.



## 3 Portfolio overview

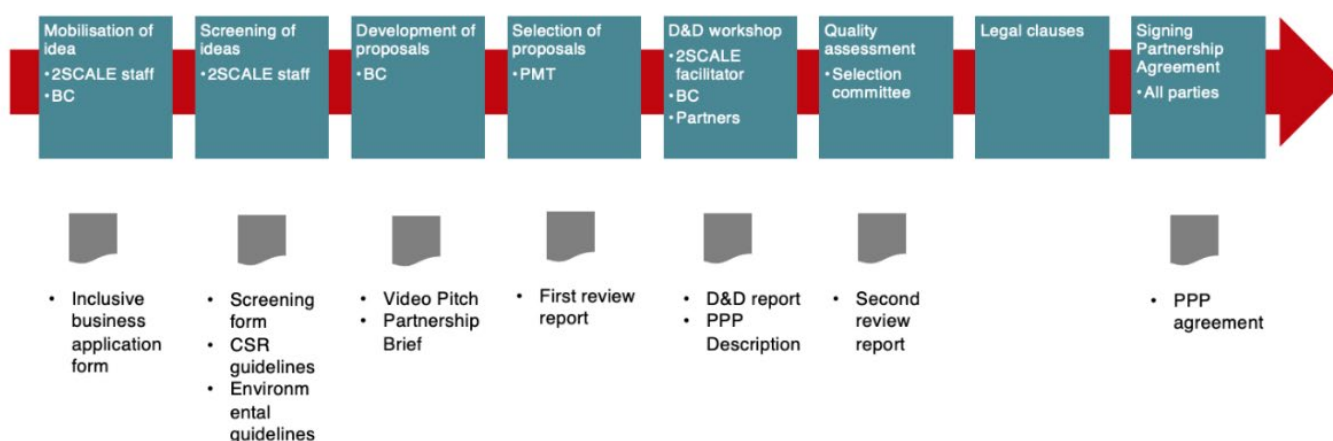
Chapter 3 gives an overview of 2SCALE's Phase 2 portfolio and the contribution to the global targets. Additionally, Section 3.1 describes the selection of partnerships.

### 3.1 Selection of partnerships

**As shown in the previous chapter, the 2SCALE selection process involves various stages in which the PPP idea is screened, developed, and agreed upon by stakeholders.** Candidate partners and 2SCALE staff parties have to prepare a large number of documents prior to and after selection of PPPs.

Figure 3.1 2SCALE selection process involves several stages and engages with various parties

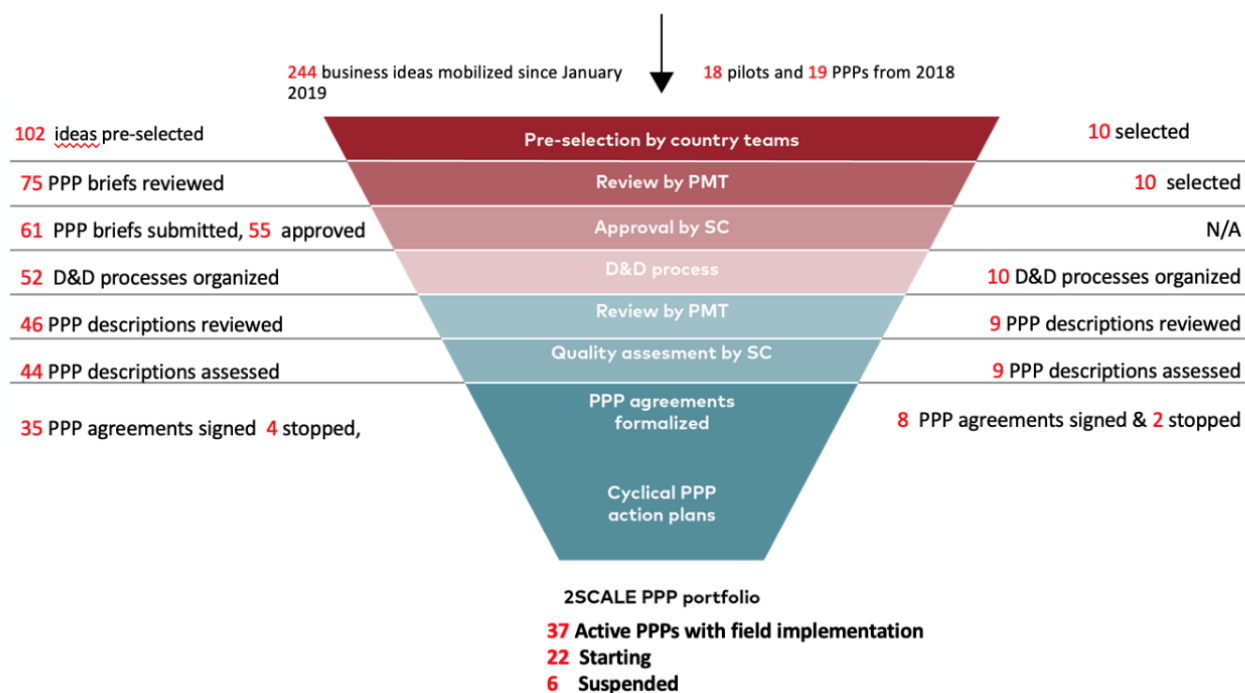
#### PPP protocol



Source: SEO Amsterdam Economics, based on PPP Protocol document (version 2020).

**As of end-2020, 2SCALE had approved over half of preselected ideas and pilots (65 out of 112).** As may be seen from the below funnel, 2SCALE received 244 business ideas during Phase 2, while there were also some ideas left over from Phase 1. In total, 112 of these were pre-selected by the country teams, and 65 approved by the Selection Committee at partnership brief stage (the approval process in Phase 1 was a bit different from Phase 2). By the end of 2020, 42 of these had been formalised through a partnership agreement, while the others were just before or just after the partnership description stage. From the 65 approved PPPs, 10 were carried forward from 2SCALE Phase 1, while 55 were identified and formulated in 2019 and 2020. This means that nearly 70 percent of the ideas pre-selected by country teams were submitted to the selection committee for first review (partnership brief), and just over 50 percent of pre-selected ideas were eventually approved—after going through the D&D Workshop, establishing partnership agreements among possible partners, and having been reviewed by the PMT and SC.

Figure 3.2 By end-2020, 2SCALE had approved 65 new partnerships, out of 112 preselected ideas and pilots



Source: 2SCALE, December 2020

**Out of the 65 approved PPPs, six PPPs (nearly 10 percent) had been suspended by end-2020.<sup>11</sup>** All except one of the suspended partnerships were Lead Firm PPPs; one each in Burkina Faso, Ethiopia, Ivory Coast, Nigeria, Mali, and Niger. The most common reason for suspension was lack of capacity or commitment by the Business Champion (3x). NG11, for example, was stopped as the Business Champion was unwilling to co-invest, this in spite of the Partnership Agreement having been drafted. The lead firm apparently had lost interest. In another case, ET25, the lead firm business champion was found to have insufficient capacity to play its leadership role. This partnership is now being reformulated, with a cooperative society potentially taking up the leadership role (hence it would become a grassroots PPP). Two PPPs were suspended for security reasons, including one in Ethiopia which is in a warzone now, inaccessible to 2SCALE staff and consultants. These examples suggest that the partnership is highly dependent on the Business Champion, and if this one is lacking leadership, capacity or just loses interest, the entire collaboration falls apart.

**Excluding those suspended, the effective Phase 2 portfolio as of end-2020 consisted of 59 PPPs—still over half of preselected ideas and pilots.** From these, 37 were in active implementation, while 22 were starting or awaiting signature of the partnership agreement. It is conceivable that some of the newest 22 PPPs may stop before full implementation, considering that all of the six suspended PPPs did so in the early stages of implementation.

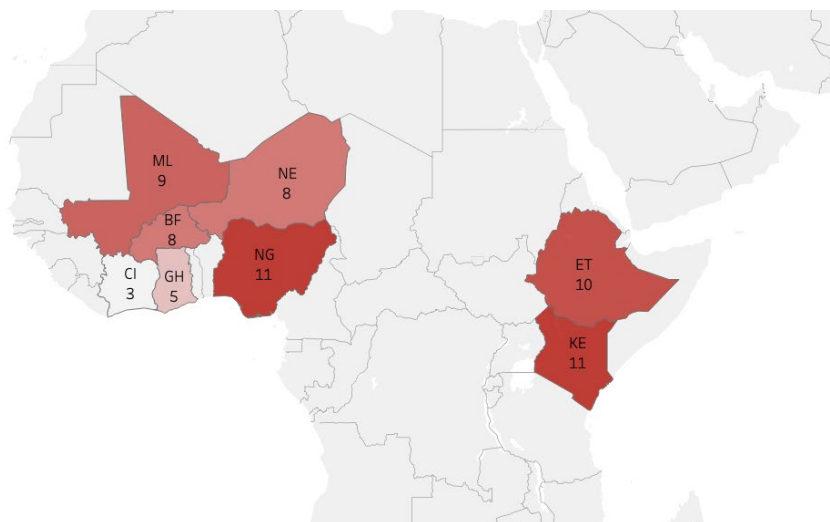
## 3.2 Portfolio analysis

**The 65 approved PPPs (end-2020) were spread across 8 countries, with the largest numbers in Nigeria, Kenya, and Ethiopia.** 43 percent of approved PPPs (by number) were in Francophone West Africa, 32 percent in

<sup>11</sup> 2SCALE annual report 2020 and related annexes

East Africa, and 25 percent in Anglophone West Africa. Most (approved) PPPs are in the former Phase 1 countries (Nigeria, Ethiopia, Kenya, and Mali), which is logical, as 2SCALE had been building up networks and experience there for multiple years. In the ‘new countries’ (Burkina Faso, and Niger), a decent number of PPPs were formed, but many were still starting up at the time of the MTR.

Figure 3.3 Thus far, the approved 2SCALE Phase 2 partnerships are spread across 8 countries



Source: Phase 2 2SCALE portfolio as of end-2020

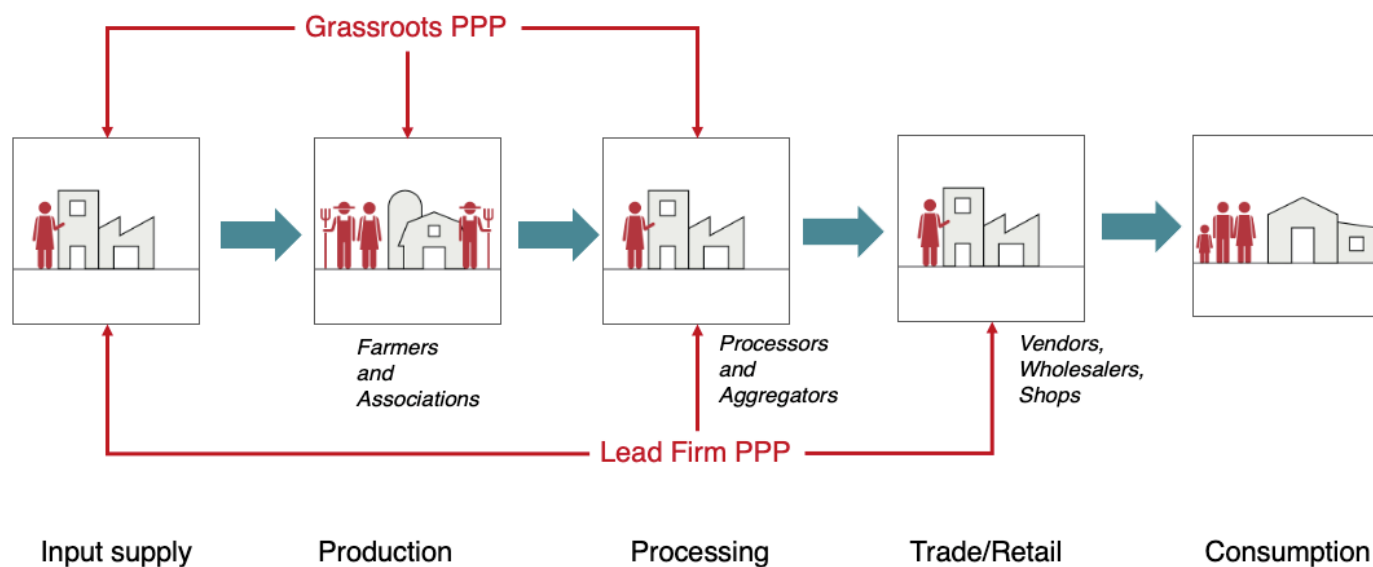
**The 2SCALE partnerships are categorised into ‘Lead firm PPPs’ and ‘Grassroots PPPs,’ depending on the type of Business Champion they are led by.** As the name suggests, the first type is led by a ‘lead firm’ while the second type is led by a ‘grassroots organisation’. These are defined as follows:

- **Lead firms** are established private businesses, generally input suppliers, aggregators, processors, or vendors of produce (Figure 3.4). The lead firm sources from smallholder farmers (or intends to do so), sells inputs to smallholder farmers, or targets BoP consumers. It is not geographically located at the grassroots (i.e. where the farmers and the agribusiness clusters are located).
- **Grassroots organisations** are associations of small suppliers, producers, or aggregators. These are geographically located at the area where the Agribusiness Cluster (ABC) is formed, and together form an association to realise their business idea. In a Grassroots PPP, the partnership is initiated by one or several grassroots enterprises (i.e., farmers’ organisations, local processors, aggregators, or retailers) at the ABC level. Grassroots PPPs are co-developed by the local business champions, in collaboration with 2SCALE and with other local actors that participate in the ABC.

**Most partnerships are classified as Lead Firm PPPs** (Figure 3.5). However, the portfolio review shows that the distinction is not always black and white, as some Lead Firms are in fact linked with local farmer organisations (e.g., Faranaya in Ghana – GH09).

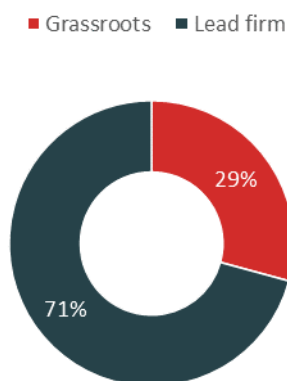
Figure 3.4 2SCALE PPPs are led by 'lead firms' or 'grassroots organisations'.

## Typical 2SCALE Value Chain



Source: SEO based on "PPP protocol"

Figure 3.5 Most partnerships are Lead firm PPPs



Source: 2SCALE partnership descriptions and public information

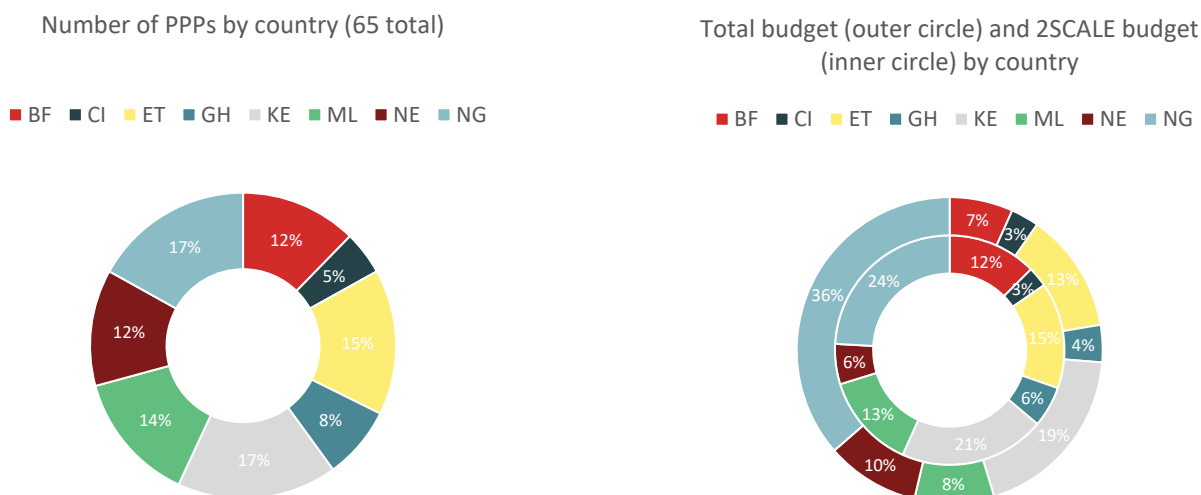
**The 2SCALE portfolio as of end-2020 was fairly balanced across countries by number of PPPs, but Nigeria was overrepresented in terms of budget.** The overall 2SCALE activity budget across the 65 approved partnerships was above EUR 13 million (approximately EUR 300,000 on average).<sup>12</sup> The largest share of the 2SCALE budget was assigned to PPPs in Nigeria (24 percent). This focus on Nigeria is even stronger (36 percent) when considering the total combined budget (2SCALE and private co-financing). The smallest 2SCALE budget was allocated to PPPs in Côte d'Ivoire (3 percent). Niger and Ghana also received small allocations (6 and 4 percent).<sup>13</sup>

<sup>12</sup> For fourteen partnerships the 2SCALE budget was not yet determined.

<sup>13</sup> Côte d'Ivoire and Ghana are not priority countries to 2SCALE

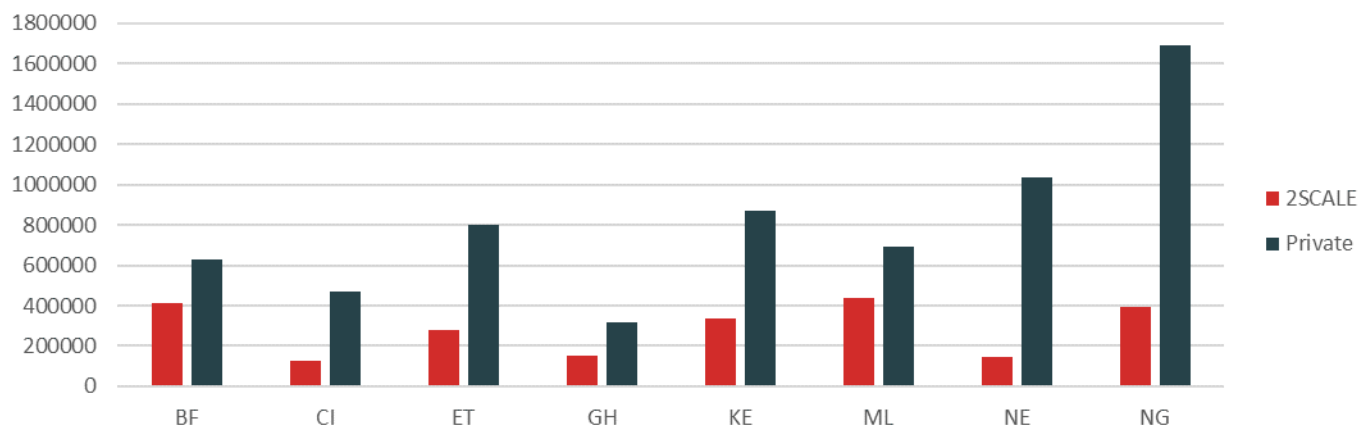
**2SCALE has indicated that by end-2020 the portfolio was nearly complete.** It was noted that between five and ten PPPs may be added, which also depends on ongoing PPPs stopping prematurely (thereby freeing up budget and capacity).

Figure 3.6 The largest share (24%) of the 2SCALE budget is assigned to partnerships in Nigeria



Source: 2SCALE Phase 2 portfolio as of end-2020

**The budget concentration on Nigeria is partly due to the high number of PPPs, but Nigerian PPPs also expect higher private co-financing on average.** The small allocations to Cote d'Ivoire and Niger are no surprise as these are new 2SCALE countries, still in the process of building up their programmes. Still, Nigeria stands out in the overall 2SCALE portfolio with 24 percent of the 2SCALE budget, and 36 percent of the total including co-financing. The difference in total budget is explained by higher (expected) private contributions. This difference is not related to the specific commodities grown in the country: Nigeria does not have a higher than average participation of Dairy, Onions, or Other oils. By contrast, the high budgets for Nigeria are mainly due to four specific PPPs having very large private budgets: Friesland-Campina, Nestlé, Okomu, and Tays Foods (see Figure 3.77). Having such large PPPs with strong business champions is probably a consequence of the relatively advanced nature of the Nigerian economy, as well as the long history of 2SCALE in Nigeria and strong government support for 2SCALE's work.

Figure 3.7 PPPs in Nigeria had the highest private contribution as of end-2020<sup>14</sup>

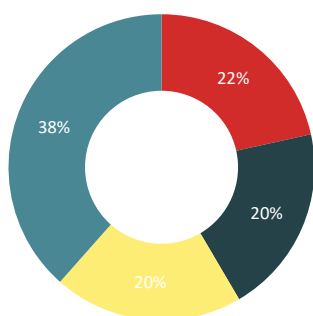
Source: Phase 2 2SCALE portfolio as of end-2020

**In terms of commodity groups, 2SCALE has a concentration on staples (25x), followed by oil seeds, fruits and vegetables and animal products (all 13x or 14x).** Within these, one sees a focus on basic foods maize, sorghum, cassava, and rice (each 5x), dairy (7x), poultry (6x), soybeans (6x), groundnuts (5x), and PPPs in a wide variety of fresh fruits and vegetables (11x). The partnerships in Ghana and Burkina Faso have a focus on staples and oilseeds, respectively, while the other countries are more diversified (see further below).

Figure 3.8 While most PPPs are focused on staples; the budget is more evenly spread

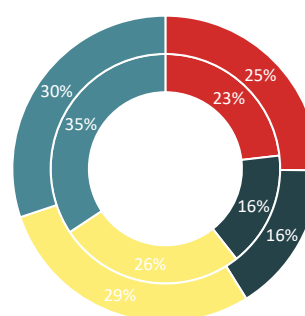
Number of PPPs by commodity group

■ Animal ■ Fresh ■ Oilseeds ■ Staples



Total budget (outer circle) and 2SCALE budget (inner circle) by commodity

■ Animal ■ Fresh ■ Oilseeds ■ Staples



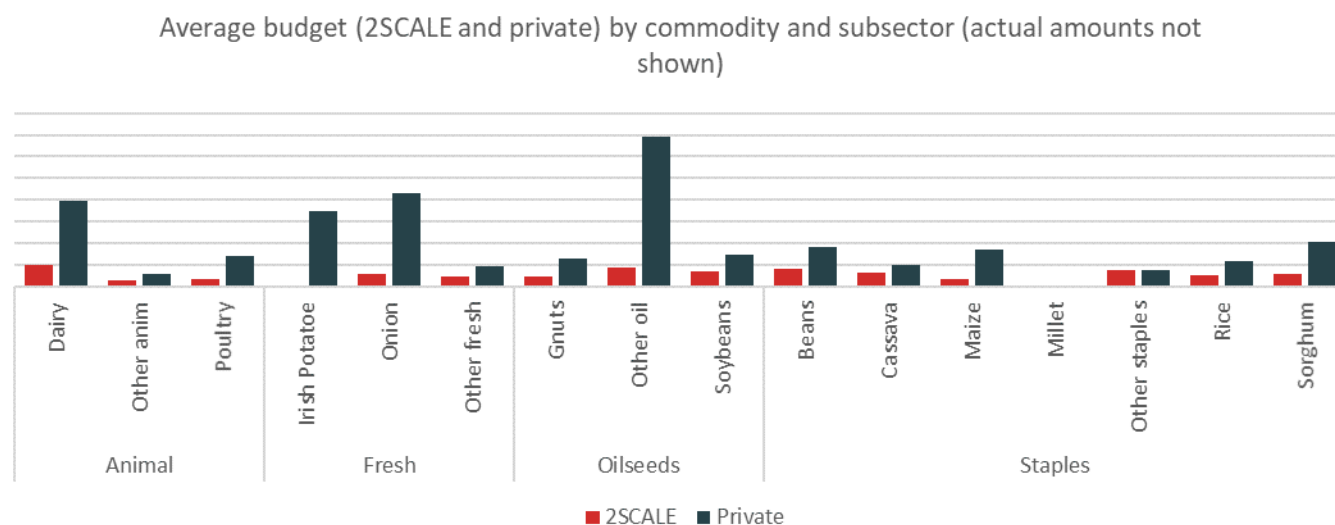
Source: Phase 2 2SCALE portfolio as of end-2020

**PPPs in Dairy, Oils and Onions have the highest average total budget per PPP.** This is mainly due to the private co-financing these partnerships are expected to leverage. For dairy products and oils this reflects the relative capital intensive and large-scale processing of commodities with substantial value addition, hence a large and powerful Business Champion able to co-finance.

<sup>14</sup> Note that the 2SCALE budget only includes cash contributions, whereas the private budget includes both in cash and kind contributions.



Figure 3.9 PPPs in Dairy, Oils and Onions have the highest average total budget



Source: Phase 2 2SCALE portfolio as of end-2020

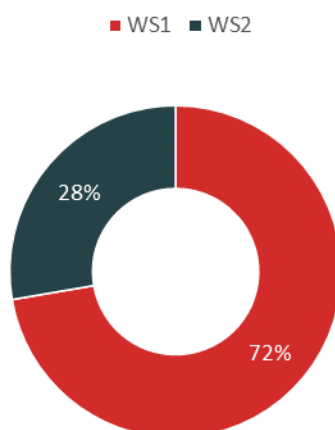
**The observations above point to a higher capacity to leverage private contributions in specific countries, for specific commodities, and with specific lead firms.** While 2SCALE's own budget is only lightly concentrated on countries where PPPs have operated for longer (Nigeria, Ethiopia, Kenya, and Mali), this focus is stronger after considering the expected private contributions from PPP partners. Since the achievement of impact targets likely depends on the total budget mobilised (2SCALE and private), this could imply that achieving those impact targets is dependent on particular countries/commodities/lead firms. In other words, in some countries and sectors 2SCALE gets more 'bang for the buck' than in others.

### 3.3 Partnerships in the 2SCALE ToC

**2SCALE partnerships are classified into two different 'workstreams' (WS).** The classification depends on which 2SCALE impact pathway the partnerships correspond to: incubation or replication (see Section 2.2 above). Among approved PPPs, 47 were classified as workstream 1 (incubation) and 18 as workstream 2 (replication).

Figure 3.10 Most partnerships are categorised by 2SCALE as workstream 1 (72%): 'Incubation' in the 2SCALE impact pathways

Distribution of partnerships by workstream



Source: Phase 2 2SCALE portfolio as of end-2020

### 2SCALE distinguishes various components in its intervention strategy, or 'thematic intervention strategies.'

As mentioned in Section 2.2, for each individual PPP, the strategy is finalised during the D&D process, as the PPP partners determine the PPP-specific ToC and impact pathways. The agreements reached during this process are put in writing, initially in the Partnership Description, and subsequently in the Partnership Agreement.

**2SCALE distinguishes eight 'thematic intervention areas'.** These partly overlap with and resemble the Universal Impact Domains, but are not identical. The eight areas are:

1. **BOP marketing.** Generally, this area includes marketing campaigns as well as product development and distribution aimed at reaching more BOP consumers.
2. **PSD and entrepreneurship.** This component generally includes business support, training, capacity building, and other PSD activities, often related to product distribution by MSMEs.
3. **ABC formation.** This includes a combination of various intervention strategies, particularly supporting links between different agricultural stakeholders, so as to establish agri-business clusters (ABCs) in particular commodities.
4. **Inclusive green innovations.** Introducing sustainable innovations in terms of equipment and processes. This is done through service providers, input suppliers, and knowledge organisations.
5. **Supply chain coordination.** Interventions in this area aim to 'build trust and connectedness along core value chains, to strengthen mutual loyalty and coordination.'<sup>15</sup>
6. **Gender equality and women economic empowerment.** Interventions in this theme specifically attempt to engage women in economic activities, so as to 'support women's agency and access to resources for improved inclusion in ABCs and target value chains, as well as a fair share of and control over benefits.'<sup>16</sup> This does not correspond with any Impact Domain, but women inclusion is measured as a sub-indicator in various UII.

<sup>15</sup> 2SCALE annual report 2019 p.10

<sup>16</sup> Idem

7. **Youth inclusion.** Similarly, some PPPs specifically attempt to engage youth in their activities, to 'Uncover and support opportunities for youth employment and inclusion in target value chains.'<sup>17</sup> This does not correspond with any Impact Domain, but youth inclusion is measured as a sub-indicator in various UII.
8. **Financial inclusion.** 2SCALE supports organisations and individuals in accessing various forms of credit.

**The MTR team reviewed all Partnership Descriptions and Partnership Agreements, and marked their focal thematic intervention areas.** The team did this only for (56) PPPs that had finished their impact pathways in the PPP Partnership Descriptions/Agreements, or 2SCALE partnership profiles document. The team excluded the suspended PPPs (see Figure 3.11).

**Most PPPs cover the same themes.** Nearly all 56 PPPs reviewed included PSD and Entrepreneurship, which usually took the form of support for businesses in distribution, processing or in the supply chain. Financial Inclusion was found in nearly all PPPs, the ones for Nigeria excepted, including linking farmers and MSMEs to banks and MFIs, and setting up VSLAs. The PPPs also included technical support to farmers or animal breeders, which was scored (by the MTR team) as Inclusive Green Innovations. ABC formation and Supply Chain Coordination were less systematically mentioned, although these were probably implicit in many partnerships.

**While many partnerships were described as having a BoP, gender, or youth 'theme', this focus was not always convincing:**

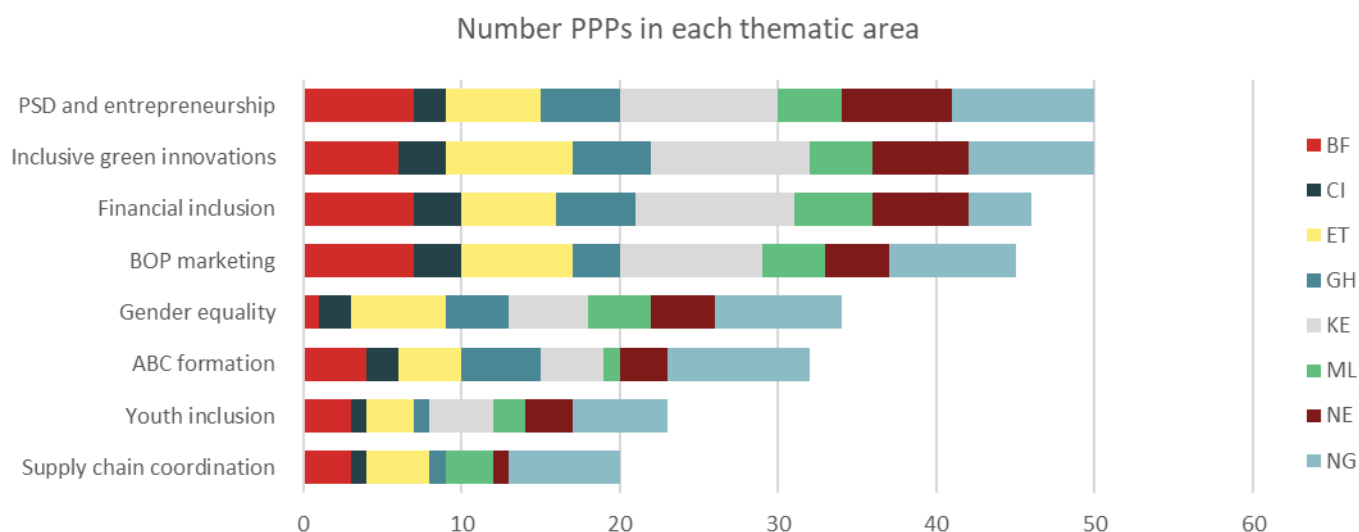
- First, while **BoP marketing** was listed as a main domain of intervention in nearly all PPPs, the BoP orientation was not equally convincing in all cases.<sup>18</sup>
- Second, while many PPPs claimed to have a **gender component**, in some cases this did not imply any specific action by the partnership (e.g. in cases where a certain share of farmers just happened to be female, see the case studies).
- Third, **youth inclusion** is rarely a cornerstone of the partnership. When it was mentioned, however, it was sometimes little more than training on life and business skills called 'Opportunities for Youth Employment'.

**The above analysis shows that 2SCALE interventions are broadly similar in their intervention model.** The core of 2SCALE's strategy—as formalised by nearly all PPPs—lies in improving Agricultural technology, Entrepreneurship development, Access to Finance, and BOP marketing. The other intervention strategies are often included in the PPP strategies, but rarely become central. Furthermore, not all claims to include women and youth are equally persuasive, and one sometimes cannot help but wonder if these were added as a 'must have'.

<sup>17</sup> 2SCALE annual report 2019 p.10

<sup>18</sup> For example in NG11 Spar/Evergreen or in ML22.

Figure 3.11 Most PPP intervention models focus on PSD, agricultural technology, access to finance and BOP marketing



Source: Phase 2 2SCALE portfolio (as of end-2020), Partnership Description and Agreement documents (as of April 2021).

### 3.4 Partnership contribution to programme targets

**The M&E system collects data on target achievement that can subsequently be aggregated at country and programme level, and can be compared with the programme ToC and targets.** However, given that most PPPs had just started by the time of this MTR, the MTR team concentrated the portfolio analysis on planned rather than actual achievements. The analysis below shows what part of 2SCALE's programme targets have already been planned and agreed upon at PPP level, and how these are distributed among countries.

**An analysis of partnership documents shows that 2SCALE saw most PPPs as broadly relevant to all Universal Impact Domains.** During its initial scoping studies, 2SCALE assessed how relevant each sector in each country would be for its global (UII) targets. The goal of the scoping studies was to identify potential sectors, locations, and businesses with high potential to form a 2SCALE PPP and contribute to 2SCALE programmatic goals. This helped 2SCALE direct its outreach activities.

**The example in Figure 3.12 below shows how 2SCALE scored the relevance of potential PPPs in sub-sectors within the Staples group to the eight Universal Impact Domains.** This reveals that the 2SCALE selection of PPPs is not 'segmented', i.e., different PPPs are not expected to contribute to only a certain focused impact area. Rather, the example suggests that all PPPs are expected to contribute to all or many impact goals broadly.

Figure 3.12 During early scoping studies, 2SCALE scored the relevance of potential PPPs against the global impact domains.

## II. Sub-sectors with high potential

### A. Staples:

Annex 4 Impact Domains	Relevance/Opportunities			
	Project impacts	Sorghum/ millet	Rice	Sweet potato (orange fleshed)
1	Projects Impact Improve access to nutritious food in 40 BoP markets, and for at least 1 million BoP consumers, through inclusion in value chains and local end markets.	Relevance: Yes	Relevance: Yes	Relevance: Yes
		++	+	+
2	Empowered farmers with increased productivity Empower, improve productivity and net incomes of 750,000 farmers (50% women, 40% youth) through inclusion in agribusiness clusters and (regional) value chains.	Relevance: Yes	Relevance: Yes	Relevance: Yes
		++	+	+
3	Adoption of eco-efficient production practice Ensure the adoption of eco-efficient production practices for target commodities on 375,000 ha.	Relevance: Yes	Relevance: Yes	Relevance: Yes
		++	+/-	+
4	SME's sustain inclusive business activities & Industry leadership Support 250 small- and medium sized enterprises (SMEs, of which at least 125 female-led) to improve their inclusive business activities; and to develop leadership in industry platforms/ networks.	Relevance: Yes	Relevance: Yes	Relevance: Yes
		++	+	+/-
5	Economically viable micro enterprises capture business opportunities Strengthen capacity of 5,000 micro-, small-, and medium-sized enterprises (MSMEs, of which at least 2,500 female-headed and 1,000 young entrepreneurs) through inclusion in value chains.	Relevance: Yes	Relevance: Yes	Relevance: Yes
		+	+ women, +/- youth	+/-
6	Additional non farming jobs created Create 20,000 additional non-farming jobs (of which at least 10,000 for women and 8,000 for youth).	Relevance: Yes	Relevance: Yes	Relevance: Yes
		+	+	+/-
7	Innovative capacity of SMEs/MSMEs strengthened	Relevance: Yes	Relevance: Yes	Relevance: Yes
		++	+/-	+
8	Support the adoption of 50 innovations in non-farming segments of target value chain systems Improve access to financial services for 250,000 smallholder farmers, 2,000 MSMEs and 125 SMEs. The target total value of additional financial services equals € 50 million.	Relevance: Yes	Relevance: Yes	Relevance: Yes
		+/-	+	+/-
9	Develop a portfolio of 60 partnerships, successfully implementing inclusive business models along target agri-food value chains. Develop a portfolio of 60 partnerships, successfully implementing inclusive business models along target agri-food value chains.	Relevance: Yes	Relevance: Yes	Relevance: Yes
		-/+	-/+	-/+
10		Relevance: Yes	Relevance: Yes	Relevance: Yes

Source: 2SCALE Scoping report 2019

The above can also be seen in the even distribution of PPP targets across countries (see Table 3.1). Exceptions are Ghana and Ivory Coast—2SCALE countries with fewer PPPs (both of which are non-priority countries). Furthermore, this broad focus can be seen at the individual PPP level as well. By looking at 2SCALE's Indicators Targets Sheet (as of Feb. 2021), most PPPs are expected to contribute to most UIIs.

Table 3.1 2SCALE targets by country

UII	BF	CI	ET	GH	KE	ML	NE	NG	Total
UII1	100k	50k	200k	50k	150k	150k	100k	200k	1 mln
UII2	95k	50k	140k	50k	100k	110k	95k	110k	750k
UII3	52k	25k	53k	30k	54k	54k	52k	55k	375k
UII4	30	20	20	20	45	30	30	55	250
UII5	2,500	1,500	3,000	1,500	3,200	2,800	2,500	3,000	20k
UII6	600	400	700	400	800	700	600	750	4,950
UII7	5	3	8	3	9	7	5	10	50
UII8 (in mln)	3.9	2.2	8.9	6.2	8.1	3.2	2.0	8.0	42.5 mln

Source: Phase 2 2SCALE portfolio (as of end-2020).

**Aggregated PPP targets (end-of 2020) are not yet sufficient to reach all 2SCALE programme targets (see Table 3.2).** The UIIs where the total target has not yet been reached are UII1 (BoP consumers), UII2 (Smallholder

farmers), UII3 (eco-efficient farming) and UII8 (financial services). There is also a gap in reaching female smallholder farmers - some 41 thousand young women would still need to be reached by PPPs to meet the group-specific goal (a gap of nearly 25 percent).

Table 3.2 As of end-2020, the planning of some 2SCALE PPPs targets still lacked behind the global targets.

UII	Group	Planned at PPP level	Global targets	Difference
UII: BoP consumers reached	Total	923.000	1.000.000	-77.000
	YF <sup>19</sup>	114.041	155.580	-41.539
	YM	152.136	150.420	1.716
UII2: smallholder farmers reached	SF	197.100	216.430	-19.330
	SM	245.253	227.570	17.683
	Total	708.530	750.000	-41.470
UII3: Ha. under eco-efficient practices	Total	305.630	375.000	-69.370
	F	508	125	383
UII4: SMEs reached	M	572	125	447
	Total	1.080	250	830
	YF	5.590	3.982	1.608
	YM	6.261	4.018	2.243
UII5: Non-farming employment	SF	5.777	5.968	-191
	SM	3.829	6.032	-2.203
	Total	21.457	20.000	1.457
	YF	2.333	493	1.840
	YM	2.157	507	1.650
UII6: Economically attractive and viable opportunities are developed for micro small- and medium Enterprises (MSMEs)	SF	3.416	2.000	1.416
	SM	1.343	1.950	-607
	Total	9.249	4.950	4.299
UII7: Number of green innovations	NA	132	50	82
UII8: Value of financial services accessed by MSMEs and farmers	NA	34.012.243	42.525.534	-8.513.291

Source: Phase 2 2SCALE portfolio (as of end-2020) and Target Indicators Sheet (Feb. 2021).

**According to 2SCALE's latest portfolio review and annual report 2020, these gaps can be addressed by the following actions.**

1. Looking into additional interventions in existing PPPs (e.g. overdeliver compared to plan, or replicate proven practices with a clear focus on SHF, women and eco-friendly production)
2. Develop new PPPs (8 were approved to fill these gaps), including 2 in South Sudan and 2 in Egypt
3. Further leveraging supportive partnerships (e.g. providers of financial or digital services)

**If either strategy 1 or 2 were implemented, this would need to focus on PPPs that can increase specifically those UIIs that are lagging behind.** Although the UII targets are evenly distributed among countries, the expected contributions to UII by commodity are more diverse. Based on past experience, 2SCALE could select certain commodity groups to close the gaps:

<sup>19</sup> YF= young female. YM= young male. SF= senior female. SM= senior male. <35 years of age is 'young'.



- A higher average number of BoP consumers (**UII1**) is expected to be reached in **Potato** and **Other Oils** PPPs (Figure 3.13); this is also where the largest private sector contributions are expected (Figure 3.9 above).
- Women smallholder farmers (**UII2**) are best reached by PPPs in **millet, dairy, and sorghum**; sectors like **rice, beans, and poultry** are significant for younger women. These sectors have relatively lower expected private sector contributions (Figure 3.9 above).
- A higher number of eco-efficient hectares (**UII3**) is expected in **Onion** PPPs—also where expected private sector contributions are relatively high.
- The access to finance indicator (**UII8**) is expected to be higher in **oilseeds** and **staples**; with only the second group having relatively larger budgets.

Figure 3.13 Average PPP contributions to UII are not distributed evenly across commodities.



Source: Phase 2 2SCALE portfolio (as of end-2020) and Target Indicators Sheet (Feb. 2021).

## 4 2SCALE Stakeholder surveys (Phase 1 and 2)

The MTR team designed, programmed, and sent a survey to relevant Phase 2 2SCALE stakeholders. Simultaneously, PrC conducted a survey among Phase 1 stakeholders.

### 4.1 Survey among 2SCALE Phase 2 stakeholders

**The response rate to the 2SCALE Phase 2 survey was very good.** The MTR team sent out 249 online survey requests to partners in the partnerships, 2SCALE staff, and representatives of the Dutch government (embassies and MFA), as well as PSD coaches from RVO. The overall response rate was 68 percent (168 surveys). The survey included questions relating to relevance, coherence, efficiency, effectiveness, sustainability, and the M&E system.<sup>20</sup> As partnerships in 2SCALE Phase 2 have only been ongoing since mid-2019 the earliest, it was recognised that progress toward effectiveness is still in the early stages, while sustainability is still a long way and not much on the minds of respondents yet. The detailed survey results are included in Appendix A.

**The survey shows appreciation of 2SCALE.** The overall tendency in survey responses is upbeat, with little difference among countries and types of respondents. Few have a negative image of 2SCALE – most are modest to very positive. The survey, however, just captures opinions and the MTR has not engaged in direct interviews with respondents to make sure they have fully understood the questions and answered these accordingly.

#### A high level summary of main survey outcomes by OECD-DAC criteria is as follows:

- **Relevance:** Most survey respondents agreed that 2SCALE addresses key nutritional and economic needs of local populations, local government priorities, bottlenecks in value chains, and needs of local businesses. Most respondents saw potential for replication of 2SCALE partnerships.
- **Efficiency:** More than half of the survey respondents saw room for efficiency improvements in the quality, implementation, and design of 2SCALE partnerships. PPP partners saw more room for this than 2SCALE staff. 2SCALE's skills and capacity to execute the workplan adequately and their understanding of the local context were positively regarded.
- **Effectiveness:** There was satisfaction with progress made toward agreed targets, but PPP partners were less positive than 2SCALE staff. Respondents also confirmed that PPPs had incorporated lessons learned from other 2SCALE partnerships, as well as from non-2SCALE interventions.
- **Coherence:** Stakeholders saw synergies and added value of 2SCALE relative to other programmes financed by the Dutch government or by other donors.
- **M&E system:** Half of 2SCALE respondents and a quarter of PPP partners indicated that it takes much time to collect and report M&E data. However, 2SCALE staff and PPP partners agreed that the data were useful, and had helped the PPP make significant adjustments after the Reflect & Adapt workshop.
- **Sustainability:** Most respondents saw potential for replication of 2SCALE PPPs, and were upbeat on the sustainability potential of the partnership. However, few partnerships had secured internal or external funding for continuing actions after 2SCALE's exit.

<sup>20</sup> The ToR questions relating to 'impact,' were in fact about the M&E system.

**Apart from closed survey questions, respondents were given the opportunity to provide narrative comments.** These were integrated in the next chapter 6 with MTR findings.

## 4.2 Survey among 2SCALE Phase 1 stakeholders

**In parallel to the MTR, the PrC conducted a survey among 2SCALE Phase 1 partnerships, in the form of telephone interviews.** In the context of this MTR, the team only used the survey results pertaining to the sustainability question.

**A high-level summary of the findings is as follows:**

- Out of 58 BCs, 56 were still in operation at the time of the interviews (May 2021), and 2 companies were not. PrC assumes that the two partnerships led by these BCs stopped as well.
- 26 BCs had been contacted by external parties to provide information regarding a possible replication of the partnership.
- 46 partnerships (79 percent of the original number of 58) were still in operation.
- Out of these 46 partnerships:

Finding	Equivalent % of the original 58 partnerships
• 34 (74%) had admitted new farmer organisations	59%
• 29 (63%) had expanded to new sourcing areas	50%
• 28 (61%) had both admitted new farmer organisations and expanded to new sourcing areas	48%
• 28 (61%) were still sharing knowledge and technologies	48%
• 20 (43%) had admitted new farmer organisations, and expanded to new sourcing areas, and were sharing knowledge and technologies	34%
• 14 (30%) developed BoP consumer products (this was not an explicit programme objective under 2SCALE Phase 1, but experimented with in some PPPs)	24%
• In 7 cases (15%) there was no evidence of the partnership having admitted new farmer organisations, expanding to new sourcing areas, or sharing knowledge and technologies <sup>21</sup>	12%

Source: calculations by the MTR team based on survey data provided by PrC

**Two and a half years after the end of 2SCALE Phase 1, eighty percent of partnerships are still active, and most of these are thriving.** From 46 partnerships still in activity, most had deepened or widened their collaboration. Only a handful had not added farmer groups, and/or sourcing areas, and/or were still sharing knowledge and technology, so were unable to develop beyond the initial 2SCALE achievements.

<sup>21</sup> However, nearly all of these were cases where the PrC team had not satisfactorily completed its research at the time of this MTR report.

## 5 Case studies

**As part of the MTR, the team reviewed six case study partnerships in three countries.** The sample selection criteria were the following:

- Equal coverage of all three regions (East Africa, Anglophone West Africa, Francophone West Africa).
- One country per region, with two cases per country (in order to compare cases across countries).
- Ensure that all four commodity groups are represented, and match the portfolio distribution across groups.
- At least two workstream-2 partnerships (replication).
- Include both Lead firm PPPs and Grassroots PPPs.
- Cover all intervention themes, and avoid cases that nearly duplicate each other.
- Logistically feasible (being able to visit the PPPs at reasonable cost and within COVID-19 restrictions).

**The team reviewed six case study partnerships in three countries.** In Burkina Faso, both cases were in the oil seeds commodity group, namely soya and ground nuts. In Ghana, both were in cereals, namely sorghum and rice. In Kenya, the MTR selected a partnership in vegetables and one in animal products (poultry). It so happens that this vegetables partnership has also given rise to a workstream 3 project. It is also worthwhile to mention that the Burkina Faso team is new, and it is interesting to see how easily they integrate in their new work.

Table 5.1 Case study selection

Country	Project number	Lead Partner	WS	Sector	Reason for selection
Burkina Faso	BF22	Siatol	WS1	Oil seeds	These PPPs are good examples of supply chain development and developing BoP consumption products.
	BF24	Innofaso	WS1	Oil seeds	
Ghana	GH09	Faranaya	WS2	Staples	Both PPPs are good examples of market and product development, while Faranaya PPP is a replication.
	GH22	Tamanaa	WS1	Staples	
Kenya	KE23	Freshmart	WS1	Fresh products	This PPP empowers both SHF and MSMEs (distribution), about half are women, and helps the company manage these networks.
	KE25	Homerange	WS2	Animal products	This PPP is strongly focussed on outgrower development (women, youth) and BoP marketing, and is a replication.

**A summary of the case studies and high level findings is presented below.** The detailed case studies are included in separate case study reports. It is to be noted that, at the time of the MTR, all partnerships were still relatively new, having started implementation in 2019 or 2020, hence were only just starting to generate results. The MTR observations, therefore, relate to the situation at the time of the case studies (May 2021), and any points of criticism may yet be corrected.

**BF22 - Siatol.** This company produces soya oil for human consumption and by-products for animal (chicken) feed. The PPP seeks to strengthen forward and backward linkages. Siatol aims to source 10,000 tons of soybeans annually from 5,000 SHFs, as well as create 25 distribution points that are employing women and youth. The 2SCALE interventions include organisation of the soy sector (ABC formation), access to finance (for producers and MSMEs), and (BoP) product development. The PPP is also introducing soya breeds that are resistant to disease, while there is

also an important BoP nutrition aspect. As of May 2021, the PPP had made progress on all components mentioned, but volumes were held back as Siatol was yet to complete the construction of its new factory, and as the company has disappointed in its ability to access seasonal harvest credit. ABC formation had been a challenge, with many actors lacking in professionalism and willingness/solidarity to work together.

**BF24 - Innofaso.** This is an agro-food SME producing food supplements aimed at malnourished children, chiefly sold to the humanitarian sector (e.g. UNICEF). This partnership's ultimate aim is to replace its imports of Argentinian peanuts with local varieties, processed into nutritious and therapeutic pasta-type products targeting low-income consumers, and in so doing involve at least 10,000 SHF (70 percent women, 40 percent youth). Like the previous, this PPP seeks to strengthen forward and backward linkages. The 2SCALE interventions include developing the (G-nut) supply chain and organising producers and input suppliers (ABC formation), better agricultural practices of SHF (quality and quantity), product development, and market diversification. The PPP has made progress on all components mentioned, but so far no transactions between the Innofaso and producers have taken place as partners are not in agreement on critical contract terms, including the price.

**GH 09 - Faranaya.** The company is a commercial sorghum aggregator, eager to reduce its dependence on sales to Guinness brewery, which is currently the main client, and to diversify its markets including BoP consumption products, while raising sales. Faranaya has been held back by lack of sorghum, both in quantity and quality. The PPP supports farmers in its supply chain, as well as small-scale processors and distributors of sorghum-based nutritional food. Farmers receive agronomic advisory, good inputs, credit facilities, and secure product markets, which has already helped them raise production and productivity. ABC formation, product development, and access to finance are other elements of the partnership. The PPP has a high participation of women and youth as farmers, input distributors, service providers (e.g. bullock ploughing), processors, and BoP distributors. The partnership is located in the arid North East of Ghana, traditionally an underdeveloped and poor region, source of continuous migration for lack of other options.

**GH 22 - Tamanaa.** The company is an aggregator of paddy rice, also processing parboil and rice blends (soya-rice flour) for the Ghanaian market. Raw materials (paddy rice) mainly come from smallholder women farmers who are organised into groups. Tamanaa, which currently supplies sixty percent of its rice to a government-run school feeding programme, aims to diversify its clientele away from the institutional market and decrease its dependence on government supply contracts. The Tamanaa-2SCALE PPP seeks to create the needed forward and backward integration processes to improve the marketing of quality rice and blends towards low income markets in Ghana. Women and youth are involved in parboiled rice processing, marketing, and distribution, to ultimately reach BoP consumers. The 2SCALE interventions include market and product development, ABC formation, good agricultural practices, and access to finance (to banks and VLSAs). This partnership is also located in the arid North East of Ghana.

**KE 23 - Neighbourhood Freshmart Ltd (NFL).** At the outset of the partnership, NFL was already in the business of sourcing vegetables, including tomatoes and onions, selling to supermarkets, restaurants, institutions and small scale traders in Nairobi. The PPP intended to link NFL to new groups of producers, who would be trained, and direct part of the production to BoP consumers in Nairobi through small-scale sales women 'Mama Mbogas'. Farmers were indeed trained and sales women enlisted, but the NFL proved unable by far to absorb the quantities produced by all farmers trained, leading to post-harvest losses. There were also disagreements on grade and price, with the farmers having alternative well-paid sales alternatives in Mombasa and Tanzania, and NFL having other purchase options. Hence, loyalty in the partnership is severely lacking. Furthermore, NFL is reluctant to serve the BoP segment as transactions are small and resellers unreliable. 2SCALE has now responded by enlisting three more off-takers

(under a workstream 3 project), in parallel to NFL, in order to ensure farmers can offload all or most of their produce and the BoP component is maintained.

**KE 25 - Homerange Poultry Kenya (HPK).** The company follows an outgrower model, providing producers with day-old chicks, feed, and training (by HPK as BSS), as well as improved breed layers, while offering a guaranteed market/buy-back for 30 percent of their production (meat and eggs) at an agreed minimum price. The buy-back is conditional on outgrower conditions: producers must buy chicks, feeds and get extension services from HPK. The PPP was set up to scale activities by mobilising and training SHFs (including youth and women) in commercial production of indigenous chickens, facilitating linkages with financial institutions and other input providers, and assisting in the development and marketing of poultry products to BoP markets. This PPP replicates the Novas Horizontes model from Mozambique. The partnership is ongoing, and HPK has started to develop and offer BoP products. The company now has a product offering chicken parts instead of the whole bird, and smaller bags of chicken feeds for small scale farmers. Access to finance for producers remains a constraint, to be addressed by the partnership through VSLAs in 2021. Also, some producers find the outgrower model too rigid as HPK offers a 'one-size-fits-all' solution, while not all outgrowers have the same conditions, capacities and needs (e.g. some have brooders, so need fertilised eggs instead of one-day chicks).



## 6 Analysis and MTR questions

### 6.1 Relevance

#### Evaluation questions and main findings:

<p>1.1 How relevant are the chosen impact pathways on partnership level for the business champions and the programme?</p> <p><i>Section 6.1.5</i></p>	<ul style="list-style-type: none"> <li>• Impact pathways generally address the core constraints faced by PPP partners.</li> <li>• However, 2SCALE PPPs typically have more components and impact pathways than business champions and partners asked for, because 2SCALE recommends adding some of its own developmental priorities. The most common additions related to BoP marketing, gender, and youth inclusion. These are not always priorities for PPP partners.</li> <li>• The implicit assumption that partners' interests are aligned is not always true.</li> </ul>
<p>1.2 To what extent does 2SCALE address the main constraints of a particular subsector, in a particular country?</p> <p><i>Section 6.1.4</i></p>	<ul style="list-style-type: none"> <li>• Most PPPs address the main constraints faced by the sub-sector, and the PPP partners in particular. Such constraints are broadly similar for most companies in a given country, and even abroad.</li> <li>• However, the MTR also found that some constraints exist that 2SCALE cannot address, for example access to finance in some cases.</li> <li>• Furthermore, 2SCALE may through PPPs address constraints that the BC and partners never identified but which 2SCALE insisted upon.</li> <li>• 2SCALE does not focus on the African countries with the highest food security gaps or highest youth unemployment rates.</li> </ul>
<p>1.3 To what extent does the national country policy / strategy / programme influence the programme of 2SCALE, and vice versa?</p> <p><i>Section 6.1.3</i></p>	<ul style="list-style-type: none"> <li>• Although 2SCALE's operations typically match national policy priorities for agriculture and food security, 2SCALE PPPs, being private sector driven, are not directly based on national government priorities and not programmed with government.</li> <li>• In reverse, 2SCALE was not found to directly influence national government priorities in any of the 2SCALE countries, with relatively few interactions and no joint programming of workstream 3 interventions for example.</li> </ul>
<p>1.4 Under which conditions is the 2SCALE approach replicable in other countries?</p> <p><i>Section 6.1.6</i></p>	<ul style="list-style-type: none"> <li>• 2SCALE brings together and strengthens agri-partners that otherwise may not have so easily have come together, and uses a set of support tools to do so. This can be replicated, and indeed has been, as all 2SCALE PPPs follow the same logic and are built from the same building blocks.</li> <li>• However, such replication does not take place easily unassisted, due to the diversity of partners in their levels of development, understanding, and expectations.</li> <li>• Replication is contingent on a suitable business champion.</li> <li>• Some replications of BoP marketing have already taken place.</li> </ul>

#### 6.1.1 2SCALE in the overall Dutch FNS and PSD framework

**2SCALE contributes to both the Dutch FNS and PSD policy aims.** For the review of relevance and coherence (Section 6.3) it is important to reflect on the contribution of 2SCALE to the wider Dutch-funded FNS and PSD policies, both of which are at the core of 2SCALE's intervention model.<sup>22</sup> The Dutch policies relating to FNS were formulated in successive letters to Parliament, in 2008, 2011, 2014 and 2019, as well as the FNS ToC of 2018. These policies are coherent, focussing on nutrition, agricultural productivity, and ecology, although these policies have evolved over time. The Dutch policies relating to PSD were not formulated with similar clarity, and the MTR team did not come across a policy document with an overview of all PSD goals with quantitative indicators at programme level. The PSD ToC of 2018 also does not include a clear and concise set of (numerical) PSD targets. However, MFA policy

<sup>22</sup> 2SCALE phase 1 was funded from the DDE budget, phase 2 from the IGG budget.

document 'Investing in Global Prospects, For the World, For the Netherlands' (2018), provides a target for job creation (180,000) and SMEs to be supported (2,500). Other PSD policy documents and [www.dutchdevelopmentresults.nl/](http://www.dutchdevelopmentresults.nl/) confirm that the Dutch PSD programme has a broad set of goals, mostly related to business creation and jobs. Indeed, the core result indicators in PSD programmes have always been employment, sales, and profit.

**The (eight) 2SCALE Universal Impact Domains were formulated in a manner to link with MFA's FNS and PSD result indicators.** This was done in order to allow 2SCALE's results to be aggregated with overall Dutch development results, annually reported to Parliament and the wider public.<sup>23</sup> In case of FNS, the link is direct and simple, as there are only three FNS goals. In case of PSD the link is less clear, for lack of a similarly concise and numerical PSD result framework, while 2SCALE does not contribute to all PSD goals (e.g. not to infrastructure and economic governance). It is noted that when 2SCALE was formulated, the above-mentioned 'Investing in Global Prospects, For the World, For the Netherlands' (2018) was the source document for 2SCALE's policy-alignment, both for FNS and PSD. However, involved MFA staff were certainly aware of the other policy documents referred to above.

**A comparison of FNS and PSD result targets with the 2SCALE UII is presented below.**<sup>24</sup> UII 1-3 relate to FNS targets, while UII 4-8 refer to PSD targets.

Table 6.1 2SCALE Universal Impact Domains and targets, versus FNS / PSD goals and targets

UII	2SCALE 2019-2013 (ToC Sept 2020)	Dutch FNS / PSD goals (ToC 2018)
1	Base-of-the-pyramid (BoP) consumers have improved access to nutritious foods (target 1 million)	<b>End hunger and malnutrition</b> (SDGs 2.1 and 2.2), with the Netherlands aiming for a sustainable improvement in the nutritional status of 32 million <b>young children</b> over the period 2016-2030
2	Smallholder farmers (SHF) have improved agricultural productivity levels and have better terms of inclusion (target 750,000 - 50% women, 40% youth)	Promote inclusive and sustainable growth in the agricultural sector (SDG 2.3), with the Netherlands aiming for a sustainable increase in productivity and income for eight million small-scale food producers over the period 2016-2030
3	Rural communities are resilient to the implications of climate change (target 375,000 ha under eco-efficient practices)	Achieve <b>ecologically sustainable food production</b> systems (SDGs 2.4 and 2.5), with the Netherlands aiming for the ecologically sustainable use of eight million hectares of agricultural land over the period 2016-2030
4	SMEs drive inclusive business in target industries and develop leadership in industry platforms (250 - 50% women-led)	Business development in low- and middle-income countries (2,500 businesses - 2018 to 2020)
5	Remunerative additional non-farming employment created in targeted value chains (20,000 FTEs - 50% women, 40% youth)	Create employment (180,000 jobs - 2018 to 2020)
6	Economically attractive and viable opportunities are developed for micro-small-and medium enterprises (MSMEs) (5,000 - 40% women-led, 20% youth)	Sustainable production and trade
7	Innovative capacities of MSMEs are strengthened (50 non-farming innovations)	Innovation in non-farming segments
8	SHFs and MSMEs have improved access to financial services (250,000 SHF, 2,000 MSMEs, 125 SMEs (50% w), €50 m finance mobilised)	Financial sector development (improve access to finance)

Source: Compiled by SEO Amsterdam Economics from various 2SCALE and MFA documents

<sup>23</sup> See <https://www.dutchdevelopmentresults.nl/>

<sup>24</sup> Source for UII: 2SCALE ToC Sept 2020. Source for FNS goals: letter to Parliament on FNS 2019 (the ToC 2018 is nearly the same). Source for PSD goals: 2SCALE proposal, this for want of an official resource document, and validated on [www.dutchdevelopmentresults.nl/](http://www.dutchdevelopmentresults.nl/).

**The above shows that 2SCALE's Impact Domains broadly match Dutch FNS and PSD goals.** The most obvious difference is UII 1. While 2SCALE aspires to make available nutritious foods to poor people, the Minister has promised Parliament that by the year 2030 32 m young children will no longer be malnourished, presumably compared to a hypothetical baseline and a 'without' scenario.<sup>25</sup> The nutrition goals of 2SCALE and the Minister are clearly not the same.<sup>26</sup> Although 2SCALE does in fact have several partnerships that explicitly target malnourished children<sup>27</sup>, this is not part of the 2SCALE ToC. Consequently, the 2SCALE M&E system does not attempt to capture nutritional effects on children. Were the Minister to report to Parliament on achievements in its (three) FNS goals, (s)he would not be able to count-in the BoP nutrition impacts achieved by 2SCALE.

**Nutrition effects are hard to measure.** It must be acknowledged that of the above eight Impact Domains, nutrition effects are probably the most difficult to measure and report on. This was already found during 2SCALE Phase 1, as some attempts were made to measure such impacts. In its M&E framework 2SCALE (phase 2) has dealt with this by making a few simplifying assumptions, namely that to report BoP nutrition under UII (1) food must be:

1. At least as nutritious as a commonly used alternative;
2. Cheaper; and
3. Distributed through a channel likely to reach BoP consumers (e.g. not through a supermarket).

If this is so, food produced by 2SCALE partners is assumed to contribute to BoP nutrition.

**2SCALE is now undertaking case studies to confirm nutrition impacts.** To complement this information, BoPInc is now starting 'consumer deep dives' to confirm and enhance knowledge of consumer and nutrition impacts. BoPInc is also helping Business Champions to undertake Consumer Insight studies at the start of the partnership, as well Nutrition Assessments to enhance understanding and sensitivity to nutritional aspects of the product being offered and marketed. Indeed, the MTR team found that both BCs and 2SCALE staff do not always have nutritional impacts on top of their minds – it often is business development that is their key interest.

**Agricultural development does not always equate better nutrition.** It is noteworthy that the IOB evaluation of Netherlands FNS programmes over 2012-2016 found that Dutch-funded agricultural development programmes had only had limited impact on reducing malnutrition, in particular for food insecure populations, as this was never explicit part of programme design. In some programmes, the implicit but false assumption may have been that more food would always equate better nutrition. For impoverished smallholder farmers, higher agricultural productivity probably means more opportunities to consume or procure food. For marginalised slum dwellers, however, food is an expense, so they only benefit from agricultural development if food prices drop and/or availability increases as a result. Furthermore, it was found that many people have a poor understanding of nutrition, not being able to recognise their children having qualitative food deficiencies for example. People worldwide increasingly being obese is another example of nutrition unawareness. It is therefore concluded that 2SCALE still has work to do to encourage nutrition understanding among its staff, partners, and perhaps the general population as part of its workstream three. Furthermore, more in-depth studies of what is really going on with the targeted BoP (e.g. overall quantity and quality of the diet and 2SCALE's role in this) would be welcome to reveal the extent to which 2SCALE is contributing to the Minister's objectives.

<sup>25</sup> This is in recognition of the importance of quality food during the first 1,000 days of a child's live.

<sup>26</sup> It has been explained by the Ministry that the intended message was to reach young children "in particular", and not exclusively (see FNS ToC 2018). The note 'Investing in Global Prospects, For the World, For the Netherlands' (2018) did not mention children at all, just 20 million people.

<sup>27</sup> Such as CI11, BF24, ET22, NG26, MI22, and to a lesser extent GH22, NE23 and BF21

**This does not mean that each and every 2SCALE PPP needs to be a BoP nutrition programme, or indeed tick each and every one of the eight UII boxes.** Rather UII targets need to be met at the portfolio level. The MTR team did notice, however, that most PPPs try to contribute to many if not all UIIs simultaneously (see portfolio analysis and case studies).

**Some PPPs contribute to other Dutch policy themes.** The two case-study partnerships in North-East Ghana work with communities (women, youth) that have a traditional propensity to migrate, this because of so few local economic opportunities. Migration is a priority theme in Dutch development cooperation, although not explicitly incorporated in IGG or PSD goals. Youth employment, however, is a PSD theme.

### 6.1.2 2SCALE's choice of countries

**This section reviews to what extent the chosen 2SCALE countries offer the best potential to contribute to FNS and PSD objectives.** This is done through a benchmarking exercise. The 2SCALE country selection follows from the MFA's country strategies, yet within these lists 2SCALE and MFA could have selected those with the most urgent food security or employment challenges.

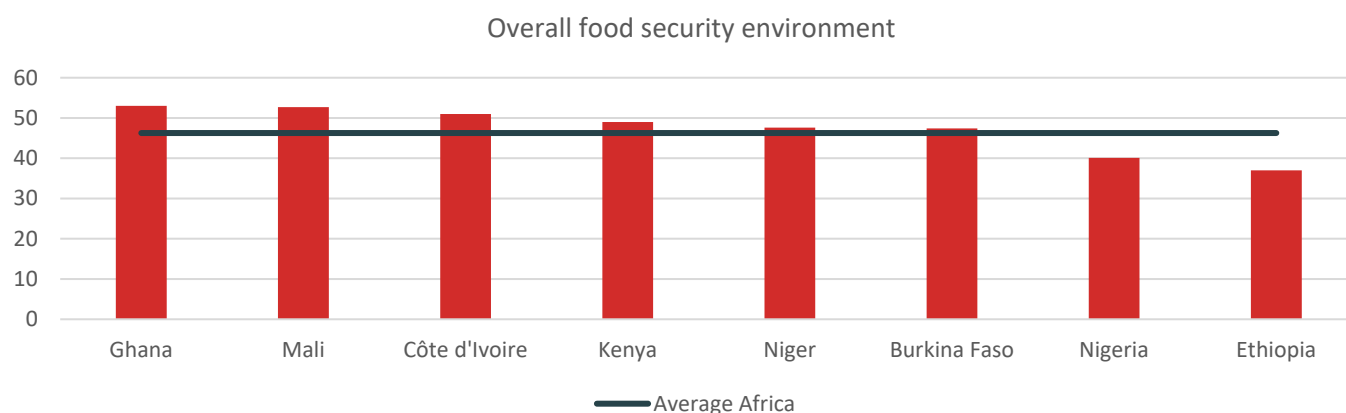
**While Africa scores lower on food security indicators than the world average, the specific 2SCALE countries in Africa are not the countries with the highest food security gaps.** As Table 6.2 shows, 2SCALE countries (just as Africa in general) significantly lagged behind world averages in food security, especially regarding the affordability, quality and safety of food. However, 2SCALE countries scored just above the African averages in 2020. 2SCALE therefore does not specifically focus on African countries with the lowest food security scores.

Table 6.2 2SCALE countries score below world averages but above African averages regarding food security

	World average score	African average score	Average score of 2SCALE countries
Overall food security environment	60.4	46.3	47.2
Affordability	65.9	43.8	44.8
Availability	57.3	47.4	49.1
Quality and safety	67.6	49.9	50.3
Natural resources & resilience	49.1	45.1	45.2

Source: Global Food Security Index (GFSI), 2020. [Global Food Security Index \(GFSI\) \(eiu.com\)](https://www.eiu.com) Scores are normalised on a scale of 0-100, where 100 denotes the most favorable food security environment.

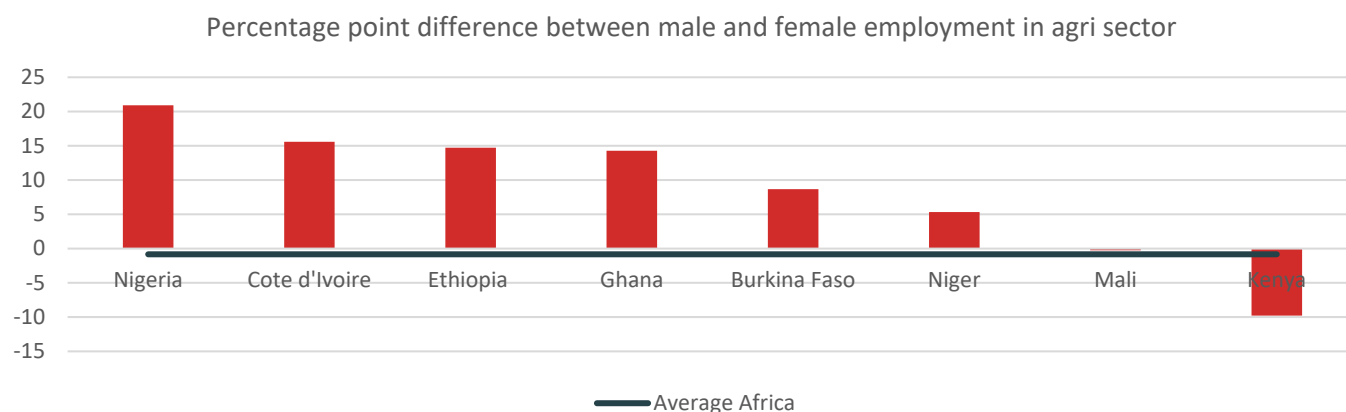
Figure 6.1 Only Nigeria and Ethiopia score lower on the overall food security environment than the African average



Source: Global Food Security Index (GFSI), 2020. [Global Food Security Index \(GFSI\) \(eiu.com\)](https://www.eiu.com) Scores are normalised on a scale of 0-100, where 100 denotes the most favorable food security environment.

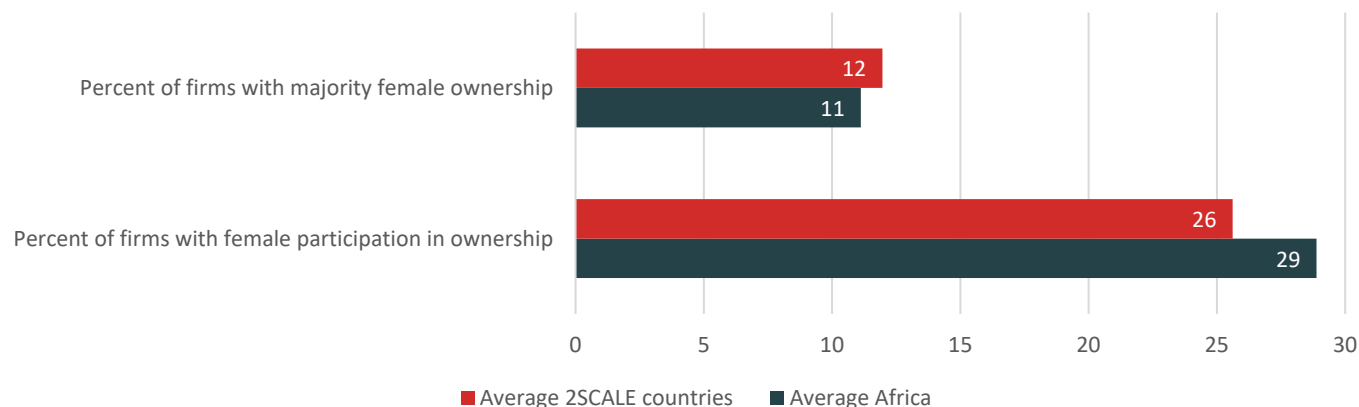
**2SCALE mainly operates in countries where female participation in the agricultural sector was lower than male participation.** On average, the male and female participation rate in the agricultural sector were equal in African countries (see Figure 6.2), and women were about equally represented in entrepreneurship as well (see Figure 6.3). In 6 of the 8 2SCALE countries, however, female participation in agriculture was lower than male participation, which may present opportunities for 2SCALE to engage and empower women. Some of these countries (Nigeria, Niger, Ethiopia, Ghana) already have relatively more PPPs with an explicit intervention area on gender (Figure 3.11). Others (Burkina Faso, Ivory Coast) have fewer PPPs with a gender focus.

Figure 6.2 2SCALE operates in countries where women are unrepresented in the agri sector



Source: World Bank (data modeled ILO estimate), 2019. [Employment in agriculture, female \(% of female employment\) \(modelled ILO estimate\) | Data \(worldbank.org\)](https://data.worldbank.org) and [Employment in agriculture, male \(% of male employment\) \(modelled ILO estimate\) | Data \(worldbank.org\)](https://data.worldbank.org)

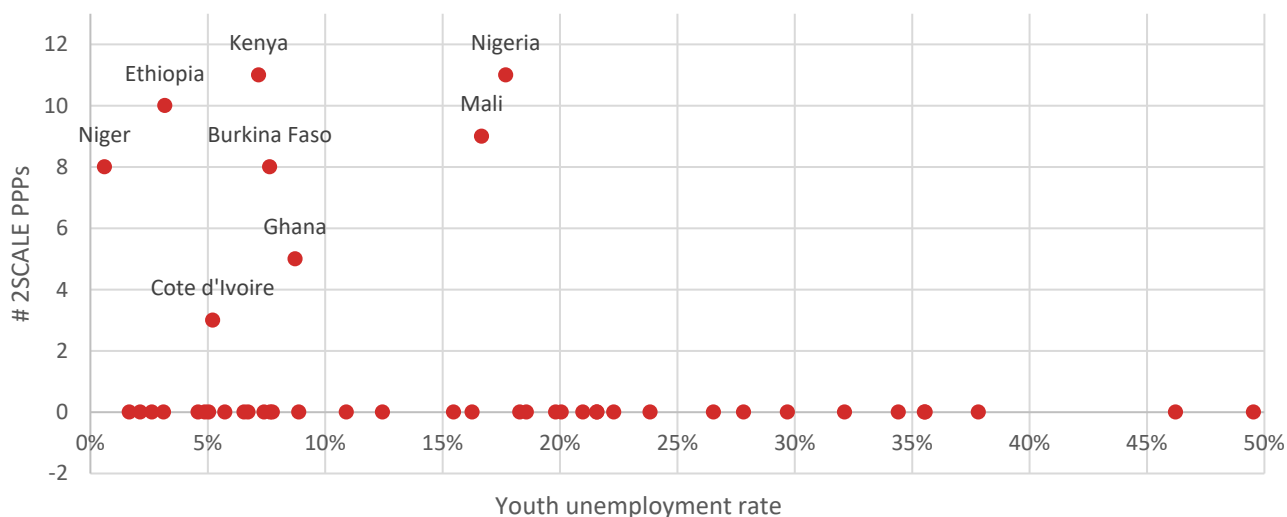
Figure 6.3 The level of female ownership in 2SCALE countries is comparable to the African average



Source: Enterprise Surveys (<http://www.enterprisesurveys.org>), The World Bank. Note that for each country, only the latest available year of survey data is used in this computation (2010-2020).

**2SCALE mainly operates in countries with relatively low youth unemployment rates.** In 2019, the International Labour Organisation (ILO) estimated that the average youth unemployment rate in Africa was 16 percent against 8 percent on average in 2SCALE countries. Only in Mali and Nigeria the average (estimated) youth employment rate was close to the African average of 16 percent. Figure 6.4 also shows that, the youth unemployment rate of all African countries varied between 1 and 50 percent (see red dots along the x-axis) whereas the maximum unemployment rate of a 2SCALE country was 18 percent. Countries with lower youth unemployment rates would allow for fewer opportunities to 2SCALE to pursue its youth inclusion sub-goals.

Figure 6.4 Compared to other African countries, 2SCALE countries have relatively low youth unemployment rates



Source: World Bank (data modeled ILO estimate), 2019. [Unemployment, youth total \(% of total labour force ages 15-24\) \(modelled ILO estimate\) | Data \(worldbank.org\)](https://data.worldbank.org)  
Note that each red dot represent one African country and that only the countries with 2SCALE partnerships are labeled.

**2SCALE has not selected the most deserving countries.** As can be seen from the above benchmarking exercise, 2SCALE could have selected countries with more pressing needs in terms of food security, women, and youth

inclusion. It is to be noted, however, that the countries with the most pressing food security needs are also those with the weakest private sectors. As 2SCALE works with and through the private sector, it would be challenged to work in those countries where food security is especially dire. South Sudan, a new country to 2SCALE, is likely to prove this.<sup>28</sup>

### 6.1.3 2SCALE and national policy (EQ1.3)

**2SCALE broadly supports national policies in agricultural development and food security.** At the outset in 2019, 2SCALE conducted scoping studies in all 2SCALE countries to identify potential sectors, locations, and businesses with high potential to form a 2SCALE PPP and contribute to 2SCALE programmatic goals. Approximately 90 percent of survey respondents agreed that 2SCALE matches the priorities of national government in agricultural development, addresses key agricultural bottlenecks, addresses key nutritional needs of the local population, as well as key economic needs of the local population and local businesses.<sup>29</sup> The case studies in Burkina Faso, Ghana and Kenya provided additional evidence that 2SCALE operates in line with government policy priorities regarding agriculture and food security.<sup>30</sup> The scoping phase as well as the participatory planning process whereby sectoral constraints are identified and remedies sought have ensured such alignment.

**2SCALE's attention to BoP marketing, and women and youth inclusion is also consistent with the priorities of many governments in 2SCALE countries.** For example, the Kenyan Vision 2030 does have a focus on 'gender, youth and vulnerable groups' and its social pillar includes goals for 'equity and poverty elimination'.<sup>31</sup> Likewise, in 2015 Ghana launched a national gender policy: "It is our belief that continuing to reduce poverty levels, improving health and living standards in Ghana is contingent upon the formulation of effective policies that promote gender equality, equity and women's empowerment at all levels and sectors." Burkina Faso adopted a national gender policy too, and prioritises gender issues through its Ministry of Women, National Solidarity and Family. Nevertheless, it is recognised that women and girls in all three countries (indeed all 2SCALE countries) still face discrimination when it comes to social, economic, and political opportunities. Early marriage is common in many communities, unpaid work normal, and access to productive assets (land!) much constrained.

**2SCALE is not, however, directly following priorities from national development plans and food security strategy.** The case studies and interviews revealed that, while 2SCALE is broadly consistent with national policy

<sup>28</sup> Other suggestions could have been Rwanda, Burundi, and Chad.

<sup>29</sup> The survey did not show a strong difference in this regard between 2SCALE staff and PPP partners, although representatives of the Dutch government (Netherlands embassies and PSD coaches) were a bit more critical. There were also no great differences between the countries of survey respondents. See survey findings in Appendix A, Figure A.3.

<sup>30</sup> Some of the priorities of **Kenya's** Ministry of Agriculture, Livestock, Fisheries and Cooperatives are to create an enabling environment for agricultural development, increase productivity in the sector, improve food and nutrition security, improve market access and trade, strengthen institutional capacity, increase youth, women, and vulnerable groups' participation in agricultural value chains, and enhance leadership and integrity in the sector (Strategic plan 2018-2022).

**Ghana's** Food and Agriculture Sector Development Policy (FASDEP II) emphasises the sustainable utilization of resources with market-driven growth in mind; food security and income diversification, (especially of resource poor farmers); productivity of the commodity value chain through the application of science and technology. The vision of the Ministry of Food and Agriculture (MoFA) is to modernise agriculture culminating in a structurally transformed economy, evidenced through food security, employment opportunities and reduced poverty. The flagship program 'one district one factory' is in line with 2SCALE's setup in a rural area to provide jobs. Tamanaa PPP and Faranaya PPP are aligned with the government policy to stop the importation of rice and sorghum, and promote local production in Ghana.

Nutrition in **Burkina Faso** is particularly dire, with half of the rural and 13% of urbans malnourished (household survey (EHCVM)). The Plan National de Développement Economique et Social (PNDES) focusses on market-oriented farming, aiming to transform 15-25% of agricultural produce. The sectors chosen by the case studies in Burkina, g-nuts, and soya, are explicitly identified as priorities in the stratégie de développement des filières agricoles (SDFA).

<sup>31</sup> <http://e-promis.treasury.go.ke/portal/development-strategy/vision-2030/pillars/>



priorities, 2SCALE staff do not often sit down with national ministries of agriculture to programme interventions or coordinate actions. This is due to the 2SCALE methodology, which is grounded in the collaboration among private sector partners. The priorities of these PPP partners are the main factors driving the design of PPPs, rather than any priority the government may have. PPPs partners do, however, work closely with local government, using extension workers and knowledge resources, and generally keeping each other informed (see Section 6.3 on coherence). This concerns the operational level, not national policy, or strategy.

**Neither is their evidence of 2SCALE influencing national policy making.** Although 2SCALE does conduct some learning events to which government is invited, the MTR team found little evidence of 2SCALE directly influencing national government priorities in any of the 2SCALE countries, with relatively few interactions and no joint programming of workstream 3 interventions for example.

#### 6.1.4 2SCALE and sector constraints (EQ1.2)

**2SCALE addresses key sector constraints, but not all.** As mentioned above, the survey and case studies confirmed that 2SCALE addresses key agricultural bottlenecks, many of which were identified during the scoping studies.<sup>32</sup> In summary, many African farmers work at extremely low levels of technology, are not integrated in markets, and do not operate as a business. Organisation among smallholder farmers tends to be very weak, and access to finance is a constraint too. 2SCALE through its business-centred approach aims to correct this. The survey also revealed, however, that a substantial number of respondents felt that there are barriers or risks in the PPP that 2SCALE does not address.<sup>33</sup> A case in point is the soya partnership in Burkina Faso (BF22), which is held back by lack of access to finance by the Business Champion, which apparently goes beyond 2SCALE's influence.

**2SCALE responds to socio-economic changes in society.** Apart from constraints in the agricultural economy, in all 2SCALE countries there are changes of a social, economic, and demographic nature that add to the challenges of food production. The rise in population, urbanization, increasing incomes and busy work schedules in urban areas have led to a shift in food needs. Urban households depend on purchased food in various sales outlets, this in contrast to rural communities that mostly grow their own. Furthermore, the urban middle and upper classes are adopting healthy diets, shifting from starchy-based meals to diets richer in animal and plant-based protein complemented by vegetables and fruits. Much of this is imported. These market shifts are providing new opportunities as well as challenges for agriculture and agribusiness, especially farmers and processors, which 2SCALE responds to. For the urban poor, however, affordability of food (its price) is the most important purchase consideration. Through the BoP marketing component 2SCALE aims to give poor consumers the benefit of healthy food too.

<sup>32</sup> Specific challenges identified in **Kenya** include low adoption of modern technology and innovation, pest and diseases, climate change, non-adherence and inadequate quality control systems, limited capital and access to affordable credit for farmers, inadequate market access and marketing information, expensive and low quality inputs, and gender inequalities. These challenges were further emphasised in the Youth Agribusiness Strategy (2018) which also identified limited participation of youth.

Challenges in agriculture in **Ghana** are similar to Kenya, and include low agricultural productivity resulting from small farm size, low technology levels, limited access to mechanisation, climate variability and droughts, economic stressors such as high cost of purchased inputs, lack of access to credit, high post-harvest losses and lack of market information on the value of their crop. Access to and proper use of inputs such as fertilizer and pesticides in Ghana are among the lowest in the world.

The constraints to agriculture in **Burkina Faso**, specifically for the soya and g-nut value chains, include very small production units with extremely poor organisation of producers and sector integration, lack of suitable inputs and support, lack of access to finance, artisanal transformation, and resulting low productivity and quality (e.g. aflatoxin contamination), hence lack of competitiveness compared to imported products. However, both soya and g-nuts are in principle very suitable for the Burkinabe climate, also having high potential for nutrition improvement.

<sup>33</sup> See survey findings in Appendix A, Figure A.3

**The 2SCALE methodology may have adverse effects on some businesses.** It was mentioned by survey respondents that 2SCALE may sometimes distort the market by working with selected Business Champions and not others, but this is not a strong objection as those others may apply for a replication project under workstream 2 or 3. Indeed, all PSD-type interventions that involve directly working with (selected) businesses have a risk that somebody's gains is somebody's loss. The MTR and case studies in particular do not suggest this to be a pressing problem in 2SCALE.

**Apart from sector constraints, 2SCALE also programmes its support to advance its own agenda.** The portfolio review and case studies have shown that 2SCALE selects sectors and PPPs to match its eight universal impact domains. For example, the poultry and vegetables partnerships in Kenya (see case studies) were expected to offer opportunity to create income for women and youth, as well as an opportunity to adopt innovations in farming and pest management and farming methods. Poultry and vegetables also have the advantage of frequency of returns and requiring only small pieces of land, suitable for women, and both partnerships were to have a significant BoP marketing component. Thus, the selection of PPPs is not just based on analysed sector constraints, but also on their potential to further 2SCALE's own impact agenda. Some respondents in the survey mentioned that 2SCALE's focus, including attention to disadvantaged groups, women, and youth, as well as climate smart production, is not necessarily aligned with the Business Champion's priorities, and this was clear from the Kenya vegetables partnership (KE23) for example.

### 6.1.5 Relevance of the impact pathways (EQ1.1)

**The PPP impact pathways broadly address the key constraints the partnership is faced with.** As mentioned in Section 2.2, partners sit down during the D&D and work out the PPPs' intervention model, impact pathways, and related performance indicators. The PPP stakeholders responding in the survey confirmed in overwhelming majority that they had been involved, and that the specific impact pathways are valuable to guide the implementation of the partnership.<sup>34</sup> Nevertheless, the case studies reveal a somewhat different picture, as 2SCALE sometimes pushes the BC to accept and incorporate certain thematic elements to 2SCALE's interest, chiefly BoP marketing, women, and youth inclusion, or perhaps climate smart practices. In the Kenya poultry partnership (KE25), the BC saw the logic and business opportunity of selling chicken parts to BoP consumers (instead of expensive whole chickens), and happily went along. The company also started to sell chicken feed in small packages, for BoP producers. However, in the Kenya vegetables partnership (KE23), the BC considers the inclusion of 'Mama Mbogas', to sell vegetables to BoP consumers, as inefficient (small quantities) and unreliable (the Mama's come and go unpredictably), and not aligned with its business strategy. In the two Ghana case studies the impact pathways were broadly judged relevant in light of the specific needs of the businesses and communities involved. In the Burkina Faso case studies the impact pathways are also broadly relevant, but do not fully reflect operational and commercial realities on the ground.

**If it were up to the BC, they would probably settle for fewer impact pathways.** BCs that approach 2SCALE typically do this in order to 1) source inputs (most of the case studies), 2) to access new markets including BoP markets, 3) access finance including for the producers in their supply chain. If 2SCALE held a truly open and disinterested D&D it is likely just one or two impact pathways would result. Upon recommendation of 2SCALE, however, additional impact pathways and sub-targets are added as mentioned above. Although this expanded project set-up may yet be proven effective, and more so than a less comprehensively structured project would, one cannot help but feel that 2SCALE staff (in particular PFs) sometimes push a bit too hard to include certain components because they feel the need to tick all 2SCALE boxes.

<sup>34</sup> See survey findings in Appendix A, Figure A.17

**Many PPPs assume the partners interests to be aligned, which may not be true.** In most partnerships it was assumed that producers and BC would happily work together and had their interests aligned, but practice has shown otherwise. In both the Burkina Faso G-nut partnership (BF24) and Kenya vegetables (KE23) it was found that producers and BC did not have the same price expectations, and both producers and BC are sometimes able to exploit more advantageous alternatives. Producers in Kenya vegetables (KE23) are also deeply disappointed by the BC's unwillingness to offtake all produce, it only wants the best graded products – this on top of its general failure to generate the volumes initially hoped for.

### 6.1.6 Replicability (EQ1.4)

**2SCALE PPPs are replicable.** Over 80 percent of respondents in the survey indicated their expectation that approaches of 2SCALE can be replicated within or outside the country.<sup>35</sup> The issues of local sourcing challenges, lack of access to markets for smallholder farmers, and limited trust between value chain actors are almost universal in agriculture in Africa. These are the issues that 2SCALE tackles in the PPPs, which can be replicated based on a good understanding of the specific context. Indeed, the portfolio review revealed great similarity of approaches among 2SCALE PPPs, indicating continuous replication of both the core 2SCALE model and the specific interventions. The 2SCALE replicability is not limited to replication within countries and sectors. Obviously, replicating partnerships across regions and sectors requires adaptation to the specificities of the business environment and partners. Thus, some level of finetuning will always be required.

**Replication will not easily take place unassisted.** The core of the 2SCALE approach is that it brings together and strengthens agri-partners that would not otherwise so easily have come together, this because of the very different characteristics, business scale, educational attainment, and mind-set of such partners. Producers are typically family-farms, often not aware of optimum production technology and input use, and often much oblivious of market realities (and opportunities). Aggregators and processors may insist on standards they find hard to meet, or even comprehend. Intermediary farmer representative organisations are often nascent and weak. This 2SCALE facilitation, bringing together input suppliers, farmers, processors, and distributors, has been shown to be far from easy, and indeed if it were so, the private sector would have taken care of this long time ago. Nevertheless, with some outside help, partnerships can be established, and the 2SCALE business model has been shown to be replicable, although 2SCALE only classifies about a quarter as workstream 2 replication projects. To this 2SCALE has added BoP marketing, women, and youth inclusion, as well as climate-resilient farming, which are replicable innovations.

**The Business Champion is core to replicability.** A weakness and risk to replicability is that all partnerships strongly depend on the Business Champion, and in the absence of such will not come to fruition. Those PPPs that failed, from 2SCALE Phase 1 and 2, often did so because the BC lost interest or was unable to lead the partnership. PPPs are only replicable as far as suitable BCs can be found.

**The BoP marketing concept is replicable to some extent.** New to 2SCALE Phase 2 is the BoP marketing part, which includes BoP sourcing, development of BoP products and packaging, and BoP distribution. 2SCALE is demonstrating to businesses that BoP markets may be worthwhile value propositions, and some replications of BoP marketing have already taken place (e.g. in Ethiopia).<sup>36</sup>

<sup>35</sup> See survey findings in Appendix A, Figure A.4.

<sup>36</sup> See 2SCALE replication brief: BoP targeted branded and dedicated sales points for optimizing distribution and sales in BoP communities (Ethiopia), 2021.

## 6.2 Effectiveness

### Evaluation questions and main findings:

<p>2.1 Will the current partnership portfolio be able to deliver the programme result and how to strengthen this? (with specific attention to gender and ecology)</p> <p><i>Section 6.2.1</i></p>	<ul style="list-style-type: none"> <li>• Many PPPs underachieved and face delays due to COVID-19, optimistic planning, or sometimes flaws in the business case.</li> <li>• Nevertheless, a lot of work has been done, farmers were trained, products developed, businesses created.</li> <li>• Case studies revealed difficulties in access to finance.</li> <li>• BoP consumers are targeted, but effects in terms of nutrition are mostly unknown.</li> <li>• There is little evidence of youth inclusion.</li> </ul>
<p>2.2 How does the programme incorporate its learning and adaptive management?</p> <p><i>Section 6.2.2</i></p>	<ul style="list-style-type: none"> <li>• 2SCALE adjusts PPP strategy given reality on the ground. Reflect and Adapt workshops play a key role.</li> <li>• Operational changes are made as well.</li> <li>• 2SCALE cannot solve all problems, but may seek others who can.</li> </ul>
<p>2.3 How effective is 2SCALE along the 3 pathways incubation, replication, and transformation? What were reasons for the levels of success?</p> <p><i>Section 6.2.3</i></p>	<ul style="list-style-type: none"> <li>• Whereas most 2SCALE PPPs are classified as incubation, the MTR team observes that PPPs show great similarities, and replications are ubiquitous.</li> <li>• Phase 1 has also shown that, given time, many partnerships auto-replicate and scale up by adding new farmers, new areas, or new technologies.</li> <li>• 2SCALE has not been effective in sub-sector transformation as it intervenes only when partners so demand <u>and</u> take ownership of such transformations. 2SCALE does not take the initiative.</li> </ul>
<p>2.4 How effective is 2SCALE with the food systems approach and what are the factors that enhance this approach?</p> <p><i>Section 6.2.4</i></p>	<ul style="list-style-type: none"> <li>• At first sight, 2SCALE follows an FSA approach, taking a holistic view of all steps from 'farm to fork', not omitting environmental and social impacts.</li> <li>• In practice, 2SCALE staff tend to gravitate back to 'old' practices, focussing on production and often unaware of nutrition outcomes.</li> <li>• Furthermore, 2SCALE partners being private businesses have a much narrower vision and interest, chiefly their own bottom-line.</li> </ul>

### 6.2.1 Progress to date (EQ2.1)

**Effectiveness is reviewed at programme and partnership levels.** The effectiveness question as stated in the ToR for the MTR relates to the extent to which at the programme level the numerical targets of the UII are met, and whether at the PPP level the stated goals of the impact pathways are reached. Recall that these targets are ultimately derived from the Ministry's overall result frameworks for FNS and PSD.

**Early results are visible, but many delays as well.** At the programme level, it is too early to draw any conclusions as to the achievement of programme goals. However, the portfolio review (Section 3.4 above) revealed that for some result indicators the planned total still does not add up to the overall 2SCALE goals. At the partnership level, the case studies show that many PPPs are delayed in their implementation and result achievement. To a large extent this is related to the COVID-19 pandemic. The 2SCALE 2020 annual report reports the following results on the first three UIIs:

UII	Achieved 2020	Target 2023
UII 1: # of BoP consumers with improved access to food products	413,876	1,000,000
UII 2: # of SHF with improved productivity and access to markets	113,341	750,000
UII 3: ha under eco-efficient production ( <i>provisional data</i> ) <sup>37</sup>	10,497	375,000

Source: 2SCALE annual report 2020. The MTR team does not express an opinion on the veracity of these data

**Stakeholders are optimistic.** In the survey, 86 percent of 2SCALE staff and 73 percent of partners stated that the PPP is on track to deliver its targets.<sup>38</sup> Based on the review of the six case-studies the MTR team holds this to be highly optimistic. It is true that the case studies reveal that in a short period a lot of work has been done. Farmers were trained and raised their production, products were developed and distribution channels built. Nevertheless, all cases were facing delays and constraints, and some may be flawed in their core business model. In the Kenya vegetable partnership (KE23) the farmers raised their production substantially, but the BC does only accept about a quarter of the volume anticipated. The situation is similar in the Burkina Faso soya partnership (BF22), while the g-nut partnership (BF24) did not generate any transactions at all. The other three case studies fare better, with progress made in the Kenya poultry partnership (KE25) and results being achieved in both cereals projects in Ghana (GH09 and GH22).

**Most visible effects are in farmer outreach.** In all case studies, farmer production and productivity had been raised by training, technology demonstration, input supply (on credit in some cases) and service provision. However, in three case studies (BF22, BF24, KE23) the planned off-take by the BC is lacking, suggesting that the PPP may have its priorities or order of working wrong. It makes little sense to encourage the farmers to increase their production without first having put in place the conditions that allow them to monetise their work. Several factors, and Covid in particular, have resulted in BCs not developing the distribution as fast as they thought they would. Also, BCs often press 2SCALE to work on their input supply before they embark on investment in processing capacity and sales.

**Access to finance is a result area in nearly all PPPs, but with mixed results.** According to 2SCALE data, only ten PPPs have so far mobilised the amounts of external finance planned. In the Ghana sorghum partnership (GH09) 2SCALE helped farmers gain access to credit through VSLAs, while the BC attracted finance from banks and Root Capital. Producers were able to receive inputs on credit terms. The amounts were as planned at the D&D stage. In the Burkina Faso soya partnership (BF22) external finance was also accessed, both for the BC and farmer cooperatives, but not in sufficient amounts, which held back the quantities procured by the BC.<sup>39</sup> The peanut partnership (BF24) is also hurt by lack of credit to producers and intermediary aggregators. In the two Kenya partnerships lack of access to finance for producers has also been a constraint on their development, with very little finance mobilised.

**In several partnerships effects on BoP consumers are visible.** The two Ghana partnerships, rice and sorghum (GH09/22), do have a major component of nutritious food provision for BoP consumers, and the case studies showed evidence of progress in this respect. The same is true for the poultry case study in Kenya (KE25). All three adjusted the product, packaging, and distribution strategy to effectively reach BoP consumers. However, detailed quantitative and qualitative information on nutrition impact on households is lacking. In the two Burkina Faso cases (BF22/24) BoP consumers, including children, are targeted but little progress has been made so far.

<sup>37</sup> The data for UII (3) are not yet fully captured by 2SCALE

<sup>38</sup> See survey findings in Appendix A, Figure A.16.

<sup>39</sup> This company has also attracted capital from an impact investor, one of the I&P funds.

**Many PPPs include an entrepreneurship component, often in services or distribution.** This is most visible in Ghana, with women processing and distributing rice and sorghum-based products, and youth providing services in bullock ploughing and spraying. Sales through women-led informal markets had also been intended in the Kenya vegetables partnership (KE23), but the BC is not eager to use this distribution channel since it prefers the formal markets for its perceived reliability and sustainability.

**ABC formation is central to all PPPs.** Indeed, the core of all partnerships is that actors up- and downstream in the agricultural chain are linked, and draw mutually beneficial advantages from this. This has been successful in the two Ghana partnerships as well as the Kenya poultry partnership, in all of which the BC assists producers in acquiring suitable inputs. However, ABC formation is not easy as shown by the other three examples, as the level of professionalism, understanding, willingness and ability to working together is not always the same among the various ABC actors. As soon as interests diverge, partnership loyalty tends to evaporate.

**The potential for ABC formation, hence 2SCALE PPPs, depends on location.** The two case studies in Ghana (GH09/22) are located in the neglected Northeast part of the country, offering producers few alternatives but migration, hence adding to the benefits of collaboration among actors. In the other partnerships, the interests of producers and BC may not be sufficiently aligned, as both producers and BC have viable alternatives to working with each other. Indeed, several case studies showed the interests of SHF and BC to diverge, particularly on price. In the Burkina Faso peanut partnership (BF24) no transactions have taken place as the BC can import G-nuts more cheaply from Argentina, while producers can sell locally at better prices. In the Kenya vegetables partnership (KE23) producers trained by 2SCALE have alternative and attractive sales outlets to traders from Tanzania and Mombasa, while the BC can source cheaply from other areas.

**Inclusion of women is achieved in several PPPs.** In 2SCALE, inclusion of women is not an objective in itself, but integrated in many UII through sub-indicators. In UII (4) – SMEs, for example, the target is 250 SMEs supported of which half women-led. In this respect the MTR team discovered several variants of the theme:

- Working with partners or a BC which happen to be woman-owned, so do not constitute deliberate women empowerment actions from the side of 2SCALE, yet do count toward the UII sub-indicators on gender inclusion.
- Working in sectors that were ex ante known to include many women, so which selection would be a deliberate 2SCALE strategy even though no specific women empowerment actions take place. This argument was made in both Kenyan PPPs, poultry, and vegetables. Also, both vegetables and poultry do not require a lot of land - a resource that women often lack the rights to.
- Explicitly reaching out to women, such as in the two Ghana PPPs that undertake a deliberate set of actions by including women in production, processing, distribution, and female-led VSLAs. The inclusion of market women in vegetables distribution in Kenya, which *is* a deliberate strategy, has so far disappointed due to BC's preference for (male-led) formal markets.

**Youth inclusion is achieved in several PPPs.** Like for women, 2SCALE has sub-targets for youth inclusion at UII level, but few PPPs undertake specific, substantial, and deliberate actions to include youth. In many PPPs youth outreach is coincidental (e.g. poultry producers who happen to be young), and in some PPPs actions are limited to training in the standard OYE life and business skills. The Ghana sorghum partnership (GH09) is one of the few examples with a deliberate and significant set of youth actions, involving them in bullock ploughing, spraying and veterinarian services. The soya partnership in Burkina Faso (BF22) aims to involve youth in product distribution, and other partnerships also have such components, but the effects remain modest at best.



**Climate resilience and ecology are seen in some PPPs.** All 2SCALE PPPs have a farming technology component, and as far as this leads to more efficient resource use it could be stated that the environment is served. Nevertheless, the PPPs operating in arid environments are most likely to have climate resilience and ecology related topics explicitly incorporated into their project design. The two Ghana case studies are an example of this. The Burkina Faso partnerships also invested in improved agricultural practices and climate-adapted seed varieties.

**The BC can be both a strength and a weakness.** All case studies, the survey and portfolio analysis, showed that the BC is central to the partnership, and partners depend on its leadership. In the absence of the BC, the partnership quickly disbands, as has already happened to several PPPs. Furthermore, power relations tend to favour the BC, and trust between farmers and BC is not always optimal. In the Kenya poultry partnership (KE25) farmers complain that the outgrower agreement obliges them to source one-day chicks, feed, and advisory services from the BC, while some producer groups dispose of hatching or feed milling capabilities, so would only need fertilised eggs and feed concentrates. They find the outgrower contract too rigid. In addition, the BC only guarantees offtake of 30 percent of their production (at an agreed minimum price). In the Kenya vegetables partnership (KE23) as well as the Burkina Faso soya partnership (BF22) the BC has been unable to buy the farmers' produce (for lack of market and lack of working capital respectively), leaving producers deeply disappointed while compelling them to sell elsewhere.

## 6.2.2 Learning and adaptation (EQ2.2)

**Substantial strategic readjustment has taken place in many PPPs.** Just over half of survey respondents agreed that the partnerships have had to make significant adjustments after the Reflect and Adapt workshops, indicating something was amiss from the start.<sup>40</sup> The case studies certainly gave evidence of 2SCALE being able to adapt strategy given reality on the ground. In the Kenya vegetables partnership (KE23) the programme added additional off-takers, other than the BC, when it was found that the BC could only absorb a small portion of the vegetables produced by aligned SHF, and made little effort to reach BoP consumers. The two Burkina Faso cases are also likely to require major strategy adjustment.

**2SCALE cannot solve all problems.** Half of survey respondents agreed that the partnership is facing barriers or risks that the PPP does not address, showing the limitations of what 2SCALE can do. On the positive side, two-third of internal PPP stakeholders confirmed that 2SCALE had put them into contact with external actors who may help overcome such barriers.

**2SCALE is also sufficiently flexible to allow for operational adjustments.** In the Kenya poultry partnership (KE25), for example, poultry health service provision was added to the partnership when it was found that poultry diseases were a key threat to trained farmers.

## 6.2.3 Incubation, replication, and transformation (EQ2.3)

**Most 2SCALE PPPs are classified as incubation.** As mentioned in Section 2.1, 2SCALE was set up with three impact pathways (or workstreams): 1) incubating inclusive agribusiness practices, 2) replication of these, and 3) eventually facilitating sub-sector transformation. All three impact pathways contribute to the same (8) ULLs. As noted in Section 3.3, 2SCALE has classified 47 PPPs as workstream 1 (incubation) and 18 as workstream 2 (replication).

<sup>40</sup> See survey findings in Appendix A, Figure A.15.



**2SCALE uses a narrow definition to classify a PPP as a workstream 2 partnership.**<sup>41</sup> To be eligible under workstream 2 a replicable practice must improve:

1. Terms of inclusion of vulnerable individuals and groups, which relate to: a. Ownership, b. Voice, c. Risks, d. Rewards  
and/or
2. Terms of access to food for BoP consumers, which relate to: a. Availability, b. Affordability, c. Appropriateness, d. Acceptability

Therefore replicable practices that do not clearly stimulate terms of inclusion or access to food are not taken into account here, but can be part of the incubation pathway to improve the competitiveness of private businesses. 2SCALE staff are encouraged to document their respective practices (in the above fields) and share these with colleagues.

**On a portfolio level, the MTR team concludes that nearly the entire 2SCALE portfolio contains elements of replication, yet are classified as workstream 1.** As mentioned in Sections 3.4 and 6.1, upon reading the 65 partnership briefs the MTR team has concluded that PPPs are nearly always constituted from the same building blocks with a very high use of lessons learned on prior PPPs in 2SCALE phase 1 or 2. Indeed, a vast majority of survey respondents also observed that their PPP had incorporated lessons from other 2SCALE partnerships. Furthermore, nearly as many survey respondents noted that the PPP had incorporated lessons from non-2SCALE partnerships, which ever those may be.<sup>42</sup> In the observation of the MTR team, the 2SCALE toolbox consists of a rather limited set of tools that are repeatedly used, albeit not always in the same configuration and order (see portfolio review, Section 3.3). The MTR only came across few PPPs that are truly unique and innovative. In a way this is logical as agribusiness companies and farmers within and even across the 2SCALE countries are likely to encounter very similar challenges. The high number of replicated practices is also positive, effective, and efficient – why change a winning formula.

**Replication is also visible in individual PPPs.** All 2SCALE PPPs, in particular the workstream 1 ‘incubations’, have the objective of crowding in other groups of producers and MSMEs, and ultimately inspiring sub-sector changes. Thus, each and every 2SCALE PPP should be at the basis of such multiplier effects. Ideally, a workstream 1 project would give rise to workstream 2 and even workstream 3 projects, assisted by 2SCALE, or better still this would happen unassisted by 2SCALE. Most PPPs being quite new, this is hard to observe right now. The sorghum partnership in Ghana (GH09), however, reported being approached by producer groups that also want to join. The Kenya vegetables partnership (KE23) has been followed by a workstream 3 intervention in order to enlist three more off-takers, although the MTR team deems this questionable as a ‘sub-sector transformation’. Multiplier effects have been particularly evident, however, in 2SCALE phase 1 as evidenced by the survey undertaken by PrC (see Section 4.2). More than sixty percent of partnerships had deepened and/or widened their collaboration, and it would be fair to expect the same to happen in phase 2 given enough time.

**2SCALE has been far less effective in sub-sector transformation.** At the request of the BCs, 2SCALE has started a dozen projects to modify the regulatory environment or make other changes that would have a bearing on all companies in the sector. Examples are sub-sector interventions to improve the quality of seeds, establish quality standards for products (milk, vegetables), quality of animal feed, or pricing systems. The Kenya project to engage off-takers in the vegetables project was already mentioned. All of these workstream 3 projects are in the early stages.

<sup>41</sup> See 2SCALE Replicating Inclusive Agribusiness List of replicable practices, 2020

<sup>42</sup> See survey findings in Appendix A, Figure A.14.

**2SCALE is not well structured to initiate sub-sector transformation.** The core working methodology and entry point to 2SCALE is the individual business or ABC. These companies and ABC are not linked among each other and with other 2SCALE interventions. Therefore, the 2SCALE approach does not naturally gravitate toward actions that go beyond the partnership. 2SCALE, however, has also not been trying and has not, for example, approached national level sector associations to try to scale up replications across the (sub-)sector or alleviate issues that 2SCALE knows to affect all. The core limitation here is that 2SCALE, by principle, works with individual partnerships in selected partnerships, and 2SCALE declines to support transformation projects that are not requested and driven by such partnerships. The MTR team deems this unnecessarily restrictive, and believes that 2SCALE could have been more actively engaging with national level sector representatives or government to address sub-sector constraints.

## 6.2.4 Food systems approach (EQ2.4)

**The Food Systems Approach (FSA) finds its origins in persistent food insecurity.** The Food Systems Approach has gained traction over the past decade, and even before, as it was realised that the world produces enough food for all humanity to eat, yet nearly a billion people were found to be food insecure. The traditional approach to food security, based on just producing more food, was clearly not adequate. The FSA has also received a push from increased attention to the environment and climate change, given that agriculture is both contributing to and affected by it.

**The FSA has been incorporated in FNS thinking by development practitioners, including MFA.** The Food System includes the related resources, the inputs, production, transport, processing and manufacturing industries, retailing, and consumption of food as well as its impacts on environment, health, and society. An FSA considers the food system in its totality, taking into account all the elements, their relationships, and related effects. There is an accelerating momentum worldwide to adopt the FSA, both in developing and developed countries, considering that quantitative and qualitative nutrition deficiencies are found in all countries. An increasing body of research is available on the subject. MFA (IGG) has adopted the FSA, and 2SCALE is meant to do the same.

**The FSA considers many dimensions of food security.** On the food system side, FSA considers 1) Production (farmers, input suppliers, land ownership, etc), 2) Processing and packaging (transformation, standard setting, etc), 3) Retailing and distribution (the many actors involved in e.g. transport, delivery and warehousing operations, advertising, trading, and supermarkets), 4) Consumption (including market regulators). On the food security side, the key elements are 1) Food Availability (how much and which types, how food is made available, how it is exchanged), 2) Access to food (purchasing power relative to price of food, where and how food can be accessed, and match with social, religious, or cultural norms and values), 3) Food Utilisation (Nutritional value, Social value, Food safety).<sup>43</sup> It goes without saying the FSA is a highly complex and holistic approach.

**2SCALE incorporates the FSA to a large extent.** As can be seen from the various 2SCALE documents, scoping studies, and even individual partnership descriptions, 2SCALE follows a holistic FSA-type approach. Thus, 2SCALE follows the 'Farm to Fork' (or 'Plough to Plate') approach and tries to work both at the beginning (the ABC) and the end of the value chain, in order to ensure distribution of nutritious food to food-insecure communities.

**Implementation of FSA by 2SCALE is less convincing.** When it comes to implementation of the FSA, numerous obstacles stand in its way:

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<sup>43</sup> Summarised from 'A food systems approach to researching food security and its interactions with global environmental change', John Ingram, Oxford University, 2011

- The case studies revealed that 2SCALE generally starts its work in PPPs with farmer training, even though in some cases the farmers' offtake had not yet been secured, and food was left to be spoiled. So 2SCALE staff tend to gravitate back to old 'pre-FSA' practices of just increasing production.
- As noted in previous sections, nutrition awareness among 2SCALE staff is not the best either. Many just want to get things done, and may not take the time to reflect on the 'big picture'. Knowledge of final nutrition outcomes is highly incomplete.
- 2SCALE being a private sector led programme takes much of its inspiration from the BC (which must at least pay half of the cost) and other partners, which may or may not have an FSA mind-set, and in any case will take most of their motivation from their own (commercial and financial) bottom-line.
- 2SCALE also has a whole array of PSD objectives to satisfy (UII 4-8), and time and effort spent on supporting entrepreneurship and creating jobs (for women and youth) may go at the expense of attention for FSA, or at least withdraw resources from it.

## 6.3 Coherence

### Evaluation questions and main findings:

<p>3.1 Considering the dual approach of MFA (DDE &amp; IGG) in food and nutrition security and private sector development: what roles are taken by (a) 2SCALE, (b) other Dutch funded activities, and (c) Dutch diplomacy efforts?</p> <p><i>Sections 6.3.1 and 6.3.2</i></p>	<ul style="list-style-type: none"> <li>• 2SCALE is in essence a PSD programme aiming to achieve FNS goals. Whereas FNS goals take precedence over PSD goals, the instruments are straight from the PSD toolbox.</li> <li>• Compared to other Dutch-funded FNS and PSD activities, 2SCALE places more emphasis on SMEs in agricultural food chains. Other (global) programmes tend to focus on larger companies including export commodities, while embassy and NGO programmes typically target the most vulnerable (rural) communities.</li> <li>• Synergies with Dutch or other development programmes are generally limited to a few (Horti, G4AW), nor does 2SCALE seek those.</li> <li>• The MTR did not find evident examples of overlap.</li> </ul>
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#### Following the OECD-DAC definition the MTR distinguishes between two types of coherence:

- Internal coherence addresses the synergies and interlinkages between 2SCALE's activities and other FNS/PSD activities supported by the same institution/government, i.e., the Dutch Ministry of Foreign Affairs.
- External coherence looks at the consistency of 2SCALE's interventions with other (non-Dutch) interventions on FNS/PSD in the same context (country, sector, institutions), while avoiding overlap.

### 6.3.1 Internal coherence with Dutch FNS and PSD programmes (EQ3.1)

**Given that 2SCALE falls under IGG, 2SCALE is leaning toward FNS aims, but it uses PSD tools to achieve these aims.** 2SCALE is currently managed by the MFA Inclusive Growth Department (IGG), and included in its budget. The overriding aims of 2SCALE are UII 1-3 (FNS aims), and the 2SCALE annual report 2020 only provided numerical achievements for these three.<sup>44</sup> 2SCALE also has PSD related impact domains, namely UII 4-8, but the 2SCALE annual report 2020 did not show numerical progress on these indicators, neither do 2SCALE programme and partnership documents emphasise these as much as UII 1-3 are. Nevertheless, many of the 2SCALE actions relate to business development, coming straight from the DDE toolbox, while 2SCALE partners may seek (follow-up) financing from the various instruments and funds that are part of the PSD programme. One might say that 2SCALE is a PSD programme aiming to achieve FNS goals.

<sup>44</sup> 2SCALE annual report 2020, Annex 03: Detailed report per partnership for UII 1, 2, 3

**The Netherlands' FNS programme consists of both ministry and embassy programmes.** MFA manages or finances several food-related programmes that work on a regional or even world-wide basis – 2SCALE is one of them. Other examples are G4AW, IDH and FDOV/SDGP. MFA also supports agro-interventions by international organisations, such as the global GASFP programme (World Bank and IFC), FNS-REPRO in the horn of Africa (FAO), or programmes by IFAD, WFP, and AGRA. A lot of FNS work, however, takes place in embassies. These are national programmes, and often focus on specific value chains or on vulnerable rural communities. Examples of this are FSABSS in South Sudan or PADAB in Burundi. SNV executes countless FNS programmes for embassies, and so does IFDC. The Netherlands also supports FNS programmes through Dutch NGOs – ICCO and Cordaid are particularly active in this respect.

**The Dutch PSD programme consists of a large assortment of financing tools.** The PSD instruments are clustered as 'trade and investment', 'employment and income', 'infrastructure', and 'climate and energy'. The instruments most relevant in the context of 2SCALE are DGGF (all three tracks), CFYE and SDGP. DGGF in particular has financed agribusiness companies in 2SCALE countries, including Ethiopia and Kenya. In embassies one also finds PSD actions. The above-mentioned FSABSS in South Sudan has an important PSD component attached to it, which is often the case in FNS programmes.

**Compared to other Dutch-funded FNS and PSD activities, 2SCALE places more emphasis on SMEs in agricultural food chains.** Some of the characteristics that set 2SCALE apart from other Dutch-funded actions are the following:

- The 2SCALE partners are typically small and medium-sized enterprises, connecting upstream with farmers (indirectly creating extension services) and downstream with distributors (creating MSMEs and jobs)
- These are working in agricultural food chains
- The partnerships are firmly grounded in the local business environment (ABC), and programmed through a bottom-up logic where such businesses take centre stage
- 2SCALE also contributes to an agenda on women empowerment, youth employment, and climate-resilience

Thus, 2SCALE works with smaller and more localised partners than FDOV/SDGP, DGGF (track 1 and 3), or IDH (larger firms and export commodities).<sup>45</sup> GAFSP is also more of a 'big business' programme. On the other hand, 2SCALE is not a rural development programme focussed on the poorest segments of rural society, which is where many Embassy programmes are found, as well as work by SNV, IFAD and Dutch NGOs. Therefore, 2SCALE has a distinct market niche, generally complementing other Dutch-funded actions.

**2SCALE as a centrally-managed programme is not directly monitored by the Dutch Embassies.** Although the Embassies are meant to be consulted during step 2 of the PPP preparation stage (see Section 2.3), coordination and information between 2SCALE, Embassies, and other Dutch-funded programmes is not systematic. Embassies do, however, function as a point of contact between 2SCALE and other programmes in the country, by organizing thematic events, and by informing new projects of previously existing initiatives.

**Synergies and overlap are limited.** The survey among stakeholders contained questions on the synergies, overlap and value added of 2SCALE relative to (other) Dutch-funded programmes in the fields of FNS and PSD, as well as

<sup>45</sup> Source: authors' prior work and MFA website. Of particular interest is the comparison with FDOV/SDGP, managed by RVO, which shares many similarities with 2SCALE (e.g. FNS and PSD but also water, PPP model, overlapping countries and sectors), as well as differences (selection through call for proposals and grant model, generally larger companies which fully manage the partnership, less emphasis on inclusiveness).

those from other development partners.<sup>46</sup> Two-thirds of respondents confirmed such synergies, i.e. that Dutch-funded programmes and 2SCALE are coordinated, which enhances their effectiveness, while very few thought it did not. 2SCALE was also thought to add value to Dutch PSD programmes, although some detected overlaps. The answers were not much different by type of respondent, nor by country. The same questions were asked for 2SCALE compared to programmes funded by others than the Netherlands, with similar results. The document research revealed that 2SCALE has some collaboration with Horti, Agriterro and G4AW, as supportive partners. The case studies, however, detected no synergies between 2SCALE and Dutch-funded or non-Dutch-funded programmes, at least not of an explicit kind.

**Synergies with Embassy programmes depend on the country involved.** In Burkina Faso, the Embassy pursues the themes youth employment and durable development, but not food security explicitly. Synergies and overlap will only be light. In South Sudan, by contrast, food security is a key theme for the embassy with extensive actions in staple foods in particular, hence scope for both synergies and overlap with 2SCALE. In Kenya, the embassy is starting up new FNS programmes, but on different locations than 2SCALE.

### 6.3.2 External coherence with other development actors

**Coordination of 2SCALE with other development actors primarily takes place locally.** Based on interviews and field work the MTR team did not find that 2SCALE is strongly coordinating with other development programmes, whether Dutch-funded or not. Where 2SCALE is hosted by SNV, coordination with the ongoing SNV programme, much of which is Dutch-funded and in private sector and agriculture, easily takes place. Outside of this, the various interviews and survey revealed that 2SCALE staff are much occupied by their daily operational work, and not much attention goes out to coordinating (and enhancing synergies) with other development programmes, whether Dutch-funded or not, or those by the national governments.

**Where collaboration takes place, it is focussed on the operational level.** Thus, there is collaboration with district level government (e.g. using extension services, event organisation), research institutes (e.g. for product development, combatting aflatoxin), and development partners to ensure that 2SCALE does not train farmers and work with BCs that are already the recipients of some other assistance – much of the support and training by 2SCALE is provided by other actors as well. Overall, 2SCALE tends to coordinate and work with local (district) government and development partners as they are found in the area of the ABC, not much at the national level. Nevertheless, the case studies (e.g. Ghana) found that in communities where 2SCALE operates, sometimes other development partners and NGOs operate without much coordination among each other.

**2SCALE does not strongly contribute to sub-sector interventions and approaches.** As mentioned in the previous Section 6.2, there is not yet in 2SCALE a strong push to link forces with other development partners and/or national government to develop coordinated sector-wide actions at the national or regional level. Indeed, in many of the 2SCALE countries the number of actors is very large, making such coordination hard, while the 2SCALE business model, centred around the BC and specific partnership, also would not favour such approach. It is nevertheless regretted that in such countries as Kenya for example nobody, not even the Kenyan government, seems to have an overview of what is going on in FNS, and how synergies can be built for better effectiveness and sustainability.<sup>47</sup> The MTR team believes that 2SCALE by more regularly interacting with national level government as well as sector

<sup>46</sup> See survey findings in Appendix A, Figures A.10, A.11, A.12 and A.13.

<sup>47</sup> In some countries the Embassy participates in donor coordination, e.g. in Burkina Faso through a national focus group for agriculture.

representatives could encourage good business practices as well as influence policy-making targeted at sector constraints that 2SCALE will have encountered in its work, and support this through workstream 3 projects if needed.

## 6.4 Efficiency

### Evaluation questions and main findings:

<p>4.1 Are the thematic areas rightly staffed and organized to deliver an incorporated approach in the partnerships and how to strengthen this?</p> <p><i>Section 6.4.1</i></p>	<ul style="list-style-type: none"> <li>• The PPP preparatory phase is long and heavy on documents, but given the large number and variety of partners, and given a fairly large PPP failure rate, the MTR would not advise reducing the process.</li> <li>• Implementation of 2SCALE PPPs is generally efficient, although frictions in both 2SCALE and BSS capacity are found. Work is not always timely.</li> <li>• More focussed PPPs (fewer aims and types of actions) may speed up PPP formulation and simplify implementation.</li> <li>• Also, a stepwise approach may increase the PPPs' relevance and efficiency, while allowing 2SCALE to walk away at an early stage if needed.</li> </ul>
<p>4.2 Is the foreseen private sector contribution well divided between private sector partners and 2SCALE and over the partnerships?</p> <p><i>Section 6.4.2</i></p>	<ul style="list-style-type: none"> <li>• Private sector contributions have been strong, although large BCs have tended to contribute much more than small ones.</li> <li>• The private sector contribution is chiefly generated by the BC, other partners are merely benefitting. This is not always fair.</li> <li>• Also, sometimes the BC makes valuable investments that 2SCALE may have counted toward co-financing, and does not.</li> <li>• Finance leveraged from financial institutions has disappointed.</li> </ul>

### 6.4.1 Operational efficiency (EQ4.1)

**2SCALE partnerships are often complex, involving numerous stakeholders.** PPPs are typically made up of a business champion (lead firm or grassroots organisation), processors, aggregators, smallholder farmers, input suppliers, service providers, small-scale distributors, and the Business Services Support (BSS) provider. 2SCALE's job is to bring them together and make sure the agreed upon partnership actions are executed, in full and on time.

**Most 2SCALE staff are directly working on partnerships.** SCALE has about 89 staff, not including support staff and Supervisory Board.<sup>48</sup> Of these, 54 are in country offices, 16 in Programme Management Units in Ghana or Kenya, 7 in BopInc, and 3 in PRC. Out of 54 staff in country offices, 42 are partnership facilitators (so 1-2 partnerships per PF). The others are thematic specialists, such as financial inclusion experts, youth inclusion experts, M&E specialists, and action researchers, who typically cover more than one country office. BoP marketing specialists (employed by BopInc) usually double as partnership facilitators. In the two PMUs (Accra and Nairobi) all kinds of specialised staff are found, such as M&E database specialist, soil fertility expert, digital innovation officer, etc.

**PFs have a heavy workload.** During the survey and interviews it was often stated (by 2SCALE staff) that partnership facilitators are overworked, while about everybody complains about the heavy documentary burden and long time to set up a partnership, not to speak of the M&E burden afterwards. However, whether these allegations are correct depends on the extent to which PFs do work that really needs doing, and whether the same results could be achieved with less effort and in a shorter time-frame. PFs certainly had to work hard during the pipeline building years 2019/20, as some 244 business ideas had to be reviewed, structured, documented, and appraised.<sup>49</sup> During

<sup>48</sup> Source: 2SCALE staff list

<sup>49</sup> See funnel in Section 3.1 (Figure 3.1).



implementation, PFs primarily coordinate the work, and do not themselves train or guide farmers for example – all of this is done by BSS and sometimes the BC. Still, PFs spend a lot of time preparing various reports and documents, preparing contracts for BSS, and chasing them down so that they really work (on time), while PFs reputedly spend a full day per week compiling M&E data and entering such into the AKVO system. PFs also take the lead in various governance structures of PPPs (typically at two levels). As to the 2SCALE thematic experts, these often do the technical work that BSS are unable to do. All 2SCALE staff also spend a lot of time on the road. As more than half of the 2SCALE budget goes to the consortium's staff costs, indirect and overhead expenses,<sup>50</sup> so not direct programme costs, the MTR team would find it hard to recommend raising this any further, but neither are there any obvious ways of reducing workload.

**The characteristics of the 2SCALE programme lead to lengthy preparation processes.** As to the time and effort to prepare for a partnership, it was shown in Section 2.3 that PPP formation takes at least six months (and often much longer) and involves five major steps with about a dozen major documents prepared. Everybody, 2SCALE staff included, complains about this.<sup>51</sup> This, however, does not necessarily imply it could or should be lightened and shortened. Agri-business clusters and partnerships are often made up of many partners with very different backgrounds and understanding. Many prospective partners have limited levels of education, and some are used to live from day to day, earning today what they eat tonight, strangers to the concept of planning and collaboration. It takes time to 'unfreeze' participants from established practices, make them understand the benefits of working together, and do so differently as before, while trusting each other and respecting commitments. This time-consuming work much engages the PF, and sometimes the PF can only go as fast as the partners can – for them taking part in a meeting may mean a day no income earned. On the other hand, it cannot be denied that PFs have the tendency to add to partnerships programmatic elements that were not initially asked by the Business Champion, but can be characterised as '2SCALE desirables', notably BoP marketing, gender, and youth inclusion, adding to the complexity of the partnership hence preparation effort and time.<sup>52</sup>

**In spite of long preparation, there is a fairly high failure rate.** Another argument to counter the wish to process at more speed is that in spite of all efforts, there are still partnerships that fail due to apparent oversights or misunderstanding at the formulation stage. So far, six partnerships have been prematurely stopped or suspended, mostly due to the Business Champion not playing the role required (one stoppage was due to external – war – events), which the preparatory process notwithstanding its length had not detected. In the Burkina Faso g-nut case (BF24) the MTR team found flaws in the business case, essentially centred on import substitution of (much cheaper) g-nuts from Argentina. In the Kenya vegetables case (KE23) and Burkina Faso soya case (BF22) the offtakers' capacity to absorb the (increased) production had not been properly estimated.

**Speeding up the PPP formation is unlikely to improve its quality, but a step-wise approach might.** In the comments to the survey it has been suggested that 2SCALE could adopt a more gradual, incremental approach. Thus, instead of starting with a fully defined PPP as validated by the D&D, it could be considered to start with just one single element (e.g. ABC formation or farmer training), and gradually build out the partnership as it evolves. This would allow 2SCALE to walk away from non-performing partnerships at an early stage and at no great cost, but this would obviously much complicate its programmatic planning as 2SCALE would not know where it will be leading.

**More focussed PPPs could also speed up things and simplify implementation.** As shown in the portfolio analysis and case studies, 2SCALE PPPs have a tendency of doing 'everything', contributing to most or all ULLs, reaching out

<sup>50</sup> Source 2SCALE proposal and annual workplan 2021

<sup>51</sup> See survey findings in Appendix A, Figure A.5.

<sup>52</sup> See portfolio analysis, Section 3.3. This was also brought up in the comments to the survey.

to BoP consumers, women, youth, and much more. More narrowly defined PPPs would reduce their complexity, and perhaps increase effectiveness and sustainability as well. However, this would make it less likely that 2SCALE can reach some of its targets such as gender and youth inclusion, given that few Business Champions would want to make this the core to their partnership model.

**Implementation by BSS is generally satisfactory.** As to the implementation of partnerships, the case studies and interviews have revealed that much of it is done by BSS providers. 2SCALE staff play a supervisory and support role. The survey and case studies revealed some level of dissatisfaction by PPP partners and even by 2SCALE staff with the quality and timeliness of implementation.<sup>53</sup> Unsurprisingly, not all BSS perform equally well, as they may fail to keep commitments or lack certain skills (e.g. on financial planning, on marketing). Finding good BSS in remote areas is hard sometimes. This leads to PFs intervening in their work, or thematic experts taking over, which some BSS resent. In the Burkina Faso cases, both the BSS and 2SCALE were found to have moved slowly, this way missing the 2020 harvest season. The BSS in the Kenya vegetable PPP decided to work with farmers it already knew, which was not optimal for the BC as these farmers already had profitable sales opportunities. In such cases 2SCALE supervision has been lacking, although the COVID-19 crisis certainly hampered 2SCALE's capacity to offer suitable guidance to the BSS on the ground. Nevertheless, the survey revealed that only a small minority of respondents had apprehensions regarding the competence levels and local knowledge of both 2SCALE staff and BSS providers, although about a third of respondents found them too few in numbers.<sup>54</sup> It can also not be denied that 2SCALE and BSS have done a lot of work in the first two years of 2SCALE phase 2.

**The background of the BSS may make a difference to efficiency.** In the Kenya poultry partnership the BC is also BSS provider under its outgrower model, while in the Ghana sorghum partnership this role is played by the Presbyterian Agriculture Services, which is co-owner of the BC. These service providers have an immediate interest in the success of their work, and were efficient and effective. BSS that are independent service providers are supposed to work in the exclusive interest of the PPP, but may in fact have ulterior motives. The BSS in Kenya vegetables production, for example, opted to train farmers in an area where it was active already, not the best choice for the BC. In the Burkina Faso cases the BSS were local NGOs with variable capacities. Farmers also misunderstood their roles, expecting them to purchase their products.

## 6.4.2 Cost-sharing (EQ4.2)

**2SCALE contributes through staff and activities.** The 2SCALE programme is not a classical grant programme, and PPP partners do not receive money, equipment, or products, all of which is supposed to be co-financed by themselves. The 2SCALE programme is set up to leverage private sector contributions as well as external finance in a ratio € 50 m each from 2SCALE, partners, and financiers (hence € 150 m in total). 2SCALE typically contributes through its staff and BSS providers, while partners contribute through staff-time as well as cash for purchase of goods and services.<sup>55</sup>

**Not all partners contribute equally.** The portfolio review (Section 3.2) revealed that all Business Champions contribute, but some of the large international businesses do so in much larger amounts than most of the smaller ones. It may be stated that 2SCALE when working with large BCs, able to co-finance a lot, is getting more 'bang for the buck'. Some of the PPPs have stopped as BCs were unable or unwilling to contribute as had been agreed. A quarter

<sup>53</sup> See survey findings in Appendix A, Figure A.5.

<sup>54</sup> See survey findings in Appendix A, Figure A.7.

<sup>55</sup> There are strict rules for counting costs as co-financing, including that these must be incurred specifically in relation to the PPP, necessary and reasonable, as well as verifiable from the partner's records.



of the respondents in the survey stated that their contribution exceeds the expected benefits from the partnership, but not all may have fully understood the question.<sup>56</sup> It was also noted, during the portfolio review and case studies, that the partner co-financing is overwhelmingly made by the Business Champion, other partners generally not contributing – just benefitting. This is perhaps not always fair.

**External finance mobilised has disappointed.** According to 2SCALE, the amount of finance mobilised from financial institutions stood at EUR 8.2 m as of Dec 2020, which was underwhelming.<sup>57</sup> The case studies also suggest it has been disappointing, and lack of access to finance was a severe bottleneck in both the Burkina and Kenyan PPPs. The case studies also show that 2SCALE tries but does not always succeed in tapping such finance. It has been reported that the Covid crisis has much affected banks' risk appetite and capacity to lend, which is not likely to change soon.

**2SCALE could be more flexible in its calculation of co-financing.** Some respondents to the survey, including 2SCALE staff, are complaining that the purchase of raw materials or investments are not counted toward the PPP cost, which they deem unfair. In this, 2SCALE is reasoning that co-financing should consist of developmental costs, e.g. farmer training or product development, costs that would not have occurred in the absence of the PPP. Some respondents, however, claim that their investments evidently benefit the partners, and which might have been considered a contribution to the PPP.

**COVID-19 has upended budget allocations.** In many partnerships the costs turned out higher than expected due to COVID-related business and partnership adjustments. Both BC and 2SCALE have exceeded budgets.

## 6.5 Impact (M&E system)

### Evaluation questions and main findings:

<p>5.1 How is the M&amp;E system embedded in the implementation of the programme and how well is ownership of the data of the indicators organized?</p> <p><i>Section 6.5.2</i></p>	<ul style="list-style-type: none"> <li>• M&amp;E data are collected by BCs and BSS providers, and processed by 2SCALE. Most find this a burden, and not all who collect data are well qualified to do so, leading to errors.</li> <li>• Nevertheless, the utility of data in guiding and adjusting the PPPs is recognised.</li> </ul>
<p>5.2 How realistic is target setting in partnership descriptions, and how to adapt this on a partnership level during the implementation?</p> <p><i>Section 6.5.1</i></p>	<ul style="list-style-type: none"> <li>• The process of target setting has been insufficiently participatory, and should be more bottom-up and realistic.</li> <li>• To a large extent it is a top-down process, apportioning programme level targets to countries and PPPs.</li> <li>• 2SCALE programmatic priorities are often 'added on', and not always in line with the BCs' wishes.</li> </ul>

**The MTR questions relating to impact do in fact deal with the M&E system only.** As mentioned in Section 2.1, M&E is led by the PrC, which has attempted to translate the eight UII in data formats to be collected at the PPP level. This has been a laborious job, as the corresponding indicators at MFA level (to which the UII are aggregated) were

<sup>56</sup> See survey findings in Appendix A, Figure A.6.

<sup>57</sup> Source 2SCALE. Just ten PPPs had mobilised external funding of (about) the planned amount, most nothing at all.

not always well defined, and 2SCALE had to make some simplifications in order not to burden partners and staff with too much data collection work.<sup>58</sup> The M&E framework is presented in Appendix D.

### 6.5.1 Target setting (EQ5.2)

**Partners take part in target setting and data collection.** The survey among 2SCALE stakeholders included questions on the M&E system.<sup>59</sup> As was explained in Section 2.3, all PPPs have developed a ToC in the form of typically three impact pathways and a set of monitoring indicators and targets. The survey confirmed that internal PPP stakeholders, by means of the D&D, take part in the development of both the impact pathways and targets. The case studies, however, created a somewhat different picture with 2SCALE clearly having the upper hand in this process and PPP partners sometimes just going along with what is being proposed. A case in point is the vegetables case in Kenya (KE23) where the BC does not consider the BoP marketing component in line with its business strategy and interests, but had itself convinced by 2SCALE. BCs and 2SCALE may also have diverging interests, with BCs keen on showing a high target for agricultural commodities to source, and 2SCALE keen on showing inclusion of women and youth for example.

**Target setting at programme level has influenced the 2SCALE portfolio.** Regarding the process of target setting, recall (from Sections 3.4 and 6.1) that 2SCALE's targets were inspired by the MFA result framework pertaining to FNS and PSD in place in 2018, with 2SCALE agreeing to take a part of these – more or less in line with the MFA budget assigned to it. Following the scoping research, these aggregated 2SCALE targets were subsequently apportioned to countries based on their perceived potential to achieve results, this while at that time no PPPs had yet been identified and selected. This process of target selection and distribution put pressure on the country teams to find suitable PPPs (to meet targets). This is still the case today, and 2SCALE now tries to find PPPs to fill in the missing targets (see portfolio analysis, Section 3.4). Thus, although 2SCALE is supposed to follow a bottom-up identification and formulation logic, in fact a prior process of top-down target setting strongly influences the choices made in structuring and selecting PPPs.

**Target setting is not always realistic.** As to the targets at PPP level, all case studies suggest that many of the targets agreed at D&D were optimistic, and likely not to be achieved. Several reasons for target inflation were given in the case studies.

- Many BCs (and their partners) were primarily interested in the indicators relating to their own business goals (e.g. getting access to farmer produce). They were less interested in the indicators beyond their immediate scope (e.g. those suggested by 2SCALE), hence tended to go along with the PFs' proposals. The long duration of the PPP preparation also led them to accept and speed up.
- In some cases BCs did in fact contribute to target inflation, proposing quantities purchased, transformed, and sold by themselves that 2SCALE knew to be optimistic.
- 2SCALE also contributed to target optimism. As mentioned, 2SCALE goals having been translated into country goals, PFs had country-level targets to reach, and sometimes felt obliged to promote certain thematic components to make the numbers on some UII. In Ghana, the MTR even found a number of partnerships with exactly the same numerical targets, set simply by equally dividing the country targets over the respective PPPs.<sup>60</sup>
- It has also been commented (by 2SCALE staff) that there is a link between the available budget and target setting, possible leading to target inflation as otherwise the PPP budget may have been cut.

<sup>58</sup> There were many discussions within 2SCALE and also with MFA (IGG and IOB) on definitions, for example of how to measure BoP nutrition, income, employment, etc. This was not clear at the start, and still presents challenges.

<sup>59</sup> See survey findings in Appendix A, Figure A.17.

<sup>60</sup> According to 2SCALE staff

**The MTR team concludes that the process of target setting has been insufficiently participatory, bottom-up and realistic.**

## 6.5.2 M&E system (EQ5.1)

**The 2SCALE M&E system was designed to be simple, but is not.** 2SCALE has attempted to reduce the number of indicators and data points compared to phase 1, focussing on eight UII. Many of these UII, however, are subdivided into women/men and youth/non-youth, so in the end there are 18 UII data points, plus markers for change, plus PPP expenditure information per partner. Many of these data are assembled / calculated from a variety of sub-indicators, hence dozens of data are collected per each PPP. This is perceived to be a lot by all involved. It is pertinent to note that the fact that 2SCALE collects both FNS and PSD data is one of the reasons for the large number of UII. MFA has also not always well defined its indicators, challenging those who must collect such data.

**M&E data, although tiresome to collect, have found their uses.** The M&E data are collected by BCs and BSS providers, and checked by PFs. 2SCALE staff and partners agreed that indicators, including markers for change, can be observed and measured, that such indicators are used to adjust the PPP, and that specific impact pathways are a valuable tool to guide the implementation of the partnership. Nevertheless, a quarter of internal stakeholders in the survey and half of 2SCALE staff found data collection a burden.<sup>61</sup> Those collecting the primary data are not always sure about definitions and not used to this kind of work anyway, so a lot of correcting needs to take place afterwards by PFs, M&E officers and PrC. Indeed, the MTR was told (by 2SCALE) that PFs may spend a full day per week compiling, validating and correcting M&E data, and entering these into the AKVO system – time they cannot use for other tasks in the field. BCs are initially unsure on the utility of this burdensome work, but many appreciate the data collection effort at the first Reflect and Adapt workshop, at which point the indicators show their utility and where targets are often adjusted.

**The M&E system may underreport certain effects.** It has been noted in the surveys and case studies that farmers who receive assistance may sell not just to the BC but to others as well. For example, in the Kenya poultry partnership (KE25) the BC is committed to purchase just 30 percent of the farmers' produce. Consequently, if farmers, due to 2SCALE, manage to increase sales outside of the partnership, such positive effects may not be fully picked up by the 2SCALE M&E.

**There is a disconnect between some data and the BCs' reality.** The PPPs are essentially establishing mutually fruitful business relations, and producing and selling is their core motivation. Thus, it is relatively easy for partners to collect such data as production volumes and sales. However, it becomes progressively more complicated when one moves to FNS-type data, most importantly related to BoP marketing and nutrition. BCs, being private businesses, tend to understand PSD-type indicators better than FNS-type indicators.<sup>62</sup>

<sup>61</sup> See survey findings in Appendix A, Figure A.17.

<sup>62</sup> Some of the PSD targets, however, also pose challenges. As appendix D reveals, UII 5 (employment), asks for checks related to the ILO Decent work agenda. Some BCs (and BSS) may find this odd, and it adds to their workload. UII 6 (MSMEs) asks for a gender sensitivity analysis. This again may lead to puzzlement, and adds to the data collection work.

## 6.6 Sustainability

### Evaluation questions and main findings:

<p>6.1 How sustainable are the partnerships; will they lead to longer term engagement between private sector partners (companies and SMEs at local level) and producer groups?</p> <p><i>Section 6.6.1</i></p>	<ul style="list-style-type: none"> <li>• PPPs that fail often do so in the first year. Based on the 2SCALE phase 1 survey, it may be expected that a majority will continue into the future, and that most of these will increase the width and depth of collaboration.</li> <li>• Sustainability depends on the extent to which partners' interests are aligned, which was not always so in the case studies.</li> <li>• Also, power asymmetries (to the BC) may hamper trust in the partnership, which in turn could negatively affect loyalty and sustainability.</li> </ul>
<p>6.2 How to strengthen the exit strategy in partnerships and when ideally to exit as a programme?</p> <p><i>Section 6.6.2</i></p>	<ul style="list-style-type: none"> <li>• The current Phase 2 PPPs have not yet planned well for their continuation after 2SCALE's intervention will have ended, and not secured funding for future training and development.</li> <li>• If 2SCALE wishes to be well-positioned for supporting replication and upscaling, it should not exit early, instead be allowed to maintain a 'light touch' support for some time.</li> </ul>

#### 6.6.1 Expectations of sustainability (EQ6.1)

**The MTR questions relating to sustainability ask whether the PPPs lead to longer-term engagement between private sector partners (beyond 2SCALE), and how to strengthen exit strategies.** One can distinguish various levels of sustainability:

- The partnership has ended after the exit of 2SCALE (and hence is not sustainable ex post).
- The partnership persists, but unchanged (no upscaling, no deepening).
- The collaboration is gradually expanding (e.g. farmers produce more).
- The collaboration is gradually deepening (e.g. partners invest in each other, technology is transferred, credit is delivered through the value chain for input supply, etc).
- The model of collaboration is widened (e.g. new farmer groups are added).
- The model is replicated and upscaled outside of its original geographical area.

**PPPs in 2SCALE Phase 2 are too early in their development to make a reliable prediction of their durability.**

However, 6 PPPs have been suspended or stopped, and are likely to fall under the first category. The most important research instrument to assess sustainability has been the 'inventory study' executed by PrC, focussed on the older Phase 1 partnerships of which 2SCALE has exited, and which results were shown in Section 4.2 above. It was shown that of the original 58 PPPs, eighty percent were still in operation. Three quarters of these (so more than half of the original number) were thriving in the sense that new farmers were added, and/or new areas entered, and/or knowledge and technology was shared. If this can be taken as a predictor of 2SCALE phase 2, it may be expected that some 35-40 PPPs will do well into the foreseeable future.

**The survey and case studies identified *expectations of sustainability*.** The Phase 2 survey found that nearly all PPP stakeholders and 2SCALE staff expected the partnership to continue beyond the 2SCALE assistance.<sup>63</sup> Also, the great majority expected that new groups of smallholder farmers and SMEs would be entering the collaboration, while new forms of cooperation would ensue, hence the partnership would expand in both width and depth. The case studies, however, reveal a less optimistic picture. Partnerships will only be sustainable if all value chain partners stand to gain from the 2SCALE solution. In several of the case studies this is questionable, with no immediate

<sup>63</sup> See survey findings in Appendix A, Figure A.18.

improvement in sight. Farmers in the Kenya vegetables (KE23) and Burkina Faso soya and g-nuts partnerships (BF22/24) are much disappointed in the BCs' capacity to buy their products in quantities at reasonable prices. This break-down of trust has a direct impact on the PPPs' sustainability potential. In none of these partnerships the partners have a great incentive to be loyal to each other.

**Power asymmetries threaten sustainability.** The MTR also found some power asymmetries, with the BC generally in control of the process. In the Kenya poultry partnership (KE25) this resulted in some feelings of mistrust toward the BC, which does not enhance the sustainability of the cooperation model.

**Sustainability of the partnerships is expected to grow in time.** It was commented (in the survey) that partners often make a lot of investments in the partnership, and will not just walk away. Indeed, where a partnership has been in existence for long(er), money and goodwill will have been invested, cementing the relationship, to which may be added that partners get to know hence appreciate each other better. The PPPs that failed, did so in an early stage. Consequently, for those that have survived their first year, sustainability prospects will be increasingly bright. In the above-mentioned cases in Kenya and Burkina Faso that is not yet the case. Also, where a partnership functions well, outsiders will apply to join, making it grow hence make it even more sustainable, or perhaps such outsiders will aspire to set up their own.

**Partnerships may also have wider socio-economic effects, strengthening the basis for sustainability.** In the two Ghana partnerships it is expected that the PPPs will reduce migration pressures, hence leave more (young) people behind to enhance the partnerships. Migration has indeed had an adverse effect on those PPPs, for example as it proved hard to find youth for the youth-inclusion actions. So the more opportunities for youth the PPP provides, the fewer will migrate, and the better the PPP can develop.

**Some elements of PPPs may not be retained after 2SCALE's support has ended.** As was repeatedly noted in this report, 2SCALE has the tendency to add to PPPs some of its own priorities, chiefly women and youth inclusion, and BoP marketing. Although there are certainly BCs who have such goals or see commercial benefits in it, most probably do not. Thus, such components may be discarded once 2SCALE withdraws, the Kenyan 'Mama Mbogas' being an example of this. In a more general sense, the artificial addition of programmatic aims that do not coincide with the partners' immediate business priorities may distract partners hence indirectly weaken the PPP's effectiveness and sustainability.

## 6.6.2 Exit strategies (EQ6.2)

**Exit strategies for 2SCALE assistance are not well-developed.** The review of partnership agreements revealed that no great attention has been paid to defining a strategy for 2SCALE to disengage and transfer all responsibilities to local partners, other than that partners are meant to be in charge right from the start. In the survey, over half of PPPs stated they were already planning for after 2SCALE's exit, although only a minority had secured internal funding, and few had external funding for this.<sup>64</sup> In the case studies it was found that nobody was yet thinking much of the 2SCALE exit, which is understandable given the fact that all partnerships were in existence just for a year or so. Although one may assume that partners, once connected, will continue to be so, there may still be a need to train producers, develop products, share technology, build out markets, etc. Most of the BCs will find it hard to take on this responsibility, but neither is it clear who then would and how this will be paid. The two BC that double as BSS (KE25 and GH09) clearly have a head-start.

<sup>64</sup> See survey findings in Appendix A, Figure A.19.

**2SCALE should not exit too rapidly if it wishes to encourage replication and upscaling.** For MFA it is important that 2SCALE contributes to replication and upscaling of the PPP models. This, however, does not easily take place unassisted. Therefore, 2SCALE would do well to remain associated with the PPPs for a relatively long period, even if its actions will be minimal for most of the time. Keeping the link in place would allow 2SCALE to act as and when replication or upscaling opportunities present themselves.

## 7 Findings and recommendations

### 7.1 Findings

**2SCALE phase 2 made a good start.** The Mid-Term Review (MTR) of 2SCALE used a multitude of research methods, namely 1) document research, 2) interviews, 3) analysis of the 2SCALE portfolio, 4) survey among programme beneficiaries and stakeholders, and 5) six case studies in three countries. These methods allowed the MTR team to look at the MTR questions from different angles and cross-validate (or contradict) findings. The overall conclusion is that 2SCALE's Phase 2 through its hands-on approach made strong progress in its first two years, in spite of the operational challenges caused by the COVID-19 pandemic. A lot of work was done with farmers, agri-business clusters (ABC), processors, input suppliers, distributors, as well as women and youth. The 2SCALE portfolio is nearly complete, and well-balanced across countries and sectors. Nevertheless, the MTR also revealed some constraints that have a bearing on the programme's efficiency, effectiveness, and sustainability.

**2SCALE PPPs tend to be complex.** The MTR, through various research methods, revealed that 2SCALE PPPs are invariably composed of many components. One nearly always finds interventions in agricultural technology, entrepreneurship, access to finance, and BoP marketing. ABC formation and supply coordination are often implicit, while most PPPs also promote gender and youth inclusion. Consequently, the design of PPPs tends to be complicated, and their preparation is laborious too. The MTR also revealed that Business Champions (BCs) typically approach 2SCALE with fairly straightforward questions. They either want help in 1) sourcing agricultural produce directly from producers, or 2) accessing markets (including BoP markets), or 3) access to finance, including for the farmers in their supply chain. So it is 2SCALE that adds all those other components, eager to satisfy its own programmatic goals. The MTR revealed that BCs may or may not see the benefit of this, and for those who do not, being saddled with '2SCALE desirables' may hamper the PPPs' efficiency, effectiveness, impact, sustainability, even relevance.

**2SCALE uses PSD tools to pursue FNS goals.** The above complexity is explained by 2SCALE's position straddling the MFA FNS and PSD programmes. The FNS policies are essentially to ensure access to proper nutrition, both in quantity and quality, while PSD aims at inclusive business and jobs. Following the transfer of 2SCALE to the MFA IGG department, the FNS goals have gained in importance. Still, 2SCALE pursues a wide range of impact domains with objectives taken from both FNS and PSD, with high-level targets attached to them. 2SCALE staff feel compelled to pursue all of these goals, and therefore encourage PPP partners to cover all impact domains, even when those are less important to them. Many BCs recognise the value of consumer nutrition, as well as women and youth inclusion, and indeed wish to contribute to this, but in the end BCs and other partners seek out 2SCALE to further their business interests rather than wider societal benefits. In the basis, 2SCALE is a PSD-type programme, strongly embedded in the private sector and using tools from the PSD assortment mainly, yet pursuing FNS goals.

**Target setting has been top-down.** The above-mentioned 2SCALE goals were derived from the MFA programmatic ToC in FNS and PSD (2018). Numerical programme targets were then distributed to different 2SCALE countries, following the countries' perceived potential as identified by the 2SCALE scoping studies. Finally, targets were established at individual PPP level. The last two steps, namely programme to country targets and country to PPP targets have followed a top-down logic to a large extent, this notwithstanding the country scoping and subsequent validation at PPP level during the D&D sessions. As mentioned above, there is strong evidence that 2SCALE staff have integrated in PPPs components motivated by the desire to meet their (country) targets. BCs are not always in full support, nor are the targets realistic in all cases.



**2SCALE is generally relevant to national government priorities.** While it does not engage directly with governments in setting its priorities, 2SCALE broadly addresses constraints in (national level) agricultural development and food security that are also national government priorities. At the sector level 2SCALE also addresses key bottlenecks, although there may be issues to tackle that go beyond 2SCALE. Finally, 2SCALE's attention to inclusion of vulnerable groups (BoP, women, and youth) is also consistent with the priorities of governments in 2SCALE countries.

**2SCALE's emphasis on inclusion is not always relevant to PPP partners.** While the impact pathways at PPP level are typically relevant to BCs and partners, the tendency of 2SCALE to insert its own programmatic priorities may result in impact pathways or sub-targets that BCs do not see as a priority. Putting too much pressure on partners to meet certain targets regarding inclusion of e.g. women and youth or reach out to BoP consumers may distract from building sustainable and commercially viable partnerships. So, although it is 2SCALE's role to open the partners' eyes to new ways of doing things, and inclusion in particular, sometimes this burdens the PPP and with no evident benefits.

**2SCALE is coherent with Dutch policies.** 2SCALE takes a specific place in the Dutch-funded FNS and PSD portfolio. The 2SCALE partners are typically small and medium scale enterprises working in agricultural food chains, with partnerships firmly grounded in the local business environment. So 2SCALE works with smaller and more localised partners than FDOV/SDGP, DGGF (track 1 and 3), IDH, or GAFSP. It targets local value chains while others may work on export crops. On the other hand, 2SCALE is not a rural development programme for the poorest segments of rural society, which is where many Embassy programmes are found, as well as those by SNV, IFAD and Dutch NGOs. Therefore, 2SCALE has a distinct market niche, complementing other Dutch-funded actions. Although this finding does not exclude the possibility of programmatic synergies, nor exclude occasional overlaps, such were not discovered by the MTR.

**Early results were achieved in farmer training and ABC formation.** The MTR revealed that many PPPs have started their activities at the farmer level, upgrading production systems, access to inputs, and ABC formation. Several of the case studies, however, showed constraints in offtake, leaving farmers disappointed and unable to sell their (increased) production. Access to finance remains a challenge in many PPPs.

**The potential for ABC formation hence 2SCALE PPPs depends on location.** The MTR team visited two cases in a neglected part of Ghana where the PPPs offered an alternative to the usual route to self-development, which is migration. In some other partnerships, the interests of producers and BC may not be sufficiently aligned, as both producers and BC have viable alternatives to working with each other. Indeed, several case studies showed the interests of SHF and BC to substantially diverge, particularly on price.

**Women and youth inclusion is achieved in several PPPs.** In 2SCALE, women inclusion is not an objective in itself, but integrated in many impact goals with sub-indicators. Many PPPs have a component that targets women, although not always equally convincing (e.g. working with farmers who happen to be female, hence no deliberate set of actions apart from their selection). The results on the ground are mixed, with some PPPs showing compelling evidence of positive impact on women, and others less so. Similar conclusions can be drawn for youth inclusion. It is to be noted that none of the PPPs was developed with gender or youth as the main component of the intervention logic – it is always a by-product.

**Nutrition awareness is a blind spot in 2SCALE.** Although access to nutritious foods by BoP consumers is a key (and the first) aim of 2SCALE, and BoP marketing is included in many PPPs, in truth neither the BCs nor 2SCALE have much insight in the nutrition impact of their work. With the help of BoPInc, various actions are undertaken to enhance



nutrition awareness of BCs and investigate access to nutritious food impacts. 2SCALE, however, still has work to do in this respect.

**2SCALE PPPs are replicable.** The MTR revealed that PPPs share similar approaches, essentially bringing together food-chain actors and strengthening them where needed. The specific support offered to PPPs was also similar. While 2SCALE only categorises about a quarter of PPPs as 'replication' workstream, the MTR concludes that each and every one of them has incorporated lessons learned in earlier 2SCALE PPPs, including from phase 1. Replication, however, does not easily take place spontaneously, without external support, as partners are so different in their socio-economic realities and mind-set. The phase 1 survey among exited PPPs showed that about half of these had deepened or widened their collaboration, but there is little evidence of external replication of partnerships having come about unaided. The MTR also revealed that the Business Champion is core to replicability, all partners depending on its leadership, and in the absence of such no partnership will come to fruition.

**2SCALE is not well structured to initiate sub-sector transformation (workstream 3).** 2SCALE, by principle, works with private sector actors in selected partnerships. 2SCALE declines to support transformation projects that are not requested and driven by such partnerships. The MTR team deems this unnecessarily restrictive, and finds that 2SCALE could more actively engage with national level sector representatives or government to remedy sub-sector constraints.

**2SCALE incorporates the Food Systems Approach (FSA) to a large extent.** 2SCALE follows a holistic FSA-type approach. Thus, 2SCALE tries to work both at the beginning (the ABC) and the end of the value chain, this to ensure distribution of nutritious food to food-insecure communities. In practice, however, 2SCALE staff tend to gravitate back to old 'pre-FSA' practices of just increasing production. As mentioned above, nutrition awareness among 2SCALE staff is not the best either. Furthermore, 2SCALE being a private sector led programme takes much of its inspiration from the BCs (which pay at least half the cost of the PPP) and other partners, which may or may not have an FSA mind-set, and in any case will have their own (commercial and financial) priorities. 2SCALE also has a whole array of PSD objectives to satisfy (UII 4-8), which may go at the expense of attention for FSA.

**Efficiency of 2SCALE is criticised by stakeholders, with no obvious solutions for improvement.** Due to the large number of partners and many intervention themes, 2SCALE PPPs are difficult to implement and manage. This has repercussions on both the preparatory process (long, many steps, many documents) and implementation (large coordination burden on Partnership Facilitators, M&E data collection, reporting). Although Partnership Facilitators are reported to be overworked, the MTR would find it hard to recommend increasing their numbers as already more than half the 2SCALE budget goes to its own staff, indirect and consortium overhead cost. Cutting the preparation process is also questionable as this would probably increase the failure rate of PPPs (currently 10%). However, reducing the number of intervention themes and a step-wise approach might add to efficiency.

**The 2SCALE M&E was designed to be simple, but is not.** 2SCALE has eight Universal Impact Domains, each with a numerical target. However, many of these are subdivided into sub-indicators (gender, youth), so in the end there are 18 top-level (UII) data points, plus markers for change, plus PPP expenditure information per partner. Many of these data are assembled / calculated from a variety of sub-indicators, hence dozens of data are collected per each PPP. The fact that 2SCALE collects both FNS and PSD data is one of the reasons for the large number of data points. The M&E data are collected by BCs and BSS providers, and checked by PFs. BCs are initially unsure on the utility of this burdensome work, but many appreciate the data collection effort at the first Reflect and Adapt workshop, at which point the indicators show their utility and when targets are often rectified.

**PPPs in 2SCALE Phase 2 are too early in their development to make a reliable prediction of their future resilience.** However, based on the performance of Phase 1 PPPs, it may be expected that some 35-40 PPPs will do well into the foreseeable future. Sustainability of the PPPs depends in large measure on the extent to which partners' interests are aligned. The case studies revealed this not always to be so, for example as the BC was unable to purchase (all) produce from farmers, or due to disagreements on price. There were also unequal power relations, leading to feelings of mistrust hence threatening sustainability.

**Exit strategies for 2SCALE assistance were not generally well-developed.** No great attention has been paid to defining a strategy for 2SCALE to disengage and transfer all responsibilities to local partners, other than that partners are meant to be in charge right from the start. Few partnerships have planned for 'life after 2SCALE' and few have secured funding for continuing to train producers, develop products, share technology, build out markets, etc.

## 7.2 Recommendations

**Recommendation 1 (OVERALL, to MFA and 2SCALE):** It is recommended to continue 2SCALE with just one key/overriding top-level impact target, for which the current UII (1) is suggested: (Base-of-the-pyramid consumers have improved access to nutritious food - target 1 million).

- This would give the programme a stronger sense of purpose as an FNS programme, and avoid 2SCALE staff trying to pursue far too many aims at the same time. 2SCALE would still collect data on all the other UIIs, and report on these, but not feel compelled to steer the programme in many directions simultaneously just to make the numbers.
- A direct consequence of this recommendation would be a far greater attention to access to nutritious food as an ultimate impact among 2SCALE staff. As another consequence, PPPs that do not have a strong expected impact on access to nutritious food would not be selected.
- Essentially, the recommendation is to make the 2SCALE ToC less flat (it now has eight impact domains at the same level), so to reconstruct it to have more hierarchy between outcomes, goals and ultimate impacts. It also requires clarification of the positioning of 2SCALE in the FNS and PSD policies, which is a recommendation to MFA in particular.
- As to the other (current) 2SCALE impact goals, the programme would still be expected to favour gender and youth inclusion (e.g. work with young female farmers if it can), or at least to meet minimum standards and not engage in actions that would be adverse to such goals. 2SCALE would also promote climate-resilient farming and ecology, in particular in arid regions. However, 2SCALE would no longer quasi-compulsory include many such components in all PPPs with quasi-mandatory targets attached. Instead, all PPPs would pursue UII (1) and perhaps one or two others that reflect the priorities of the partnership.

**Recommendation 2 (RELEVANCE AND EFFECTIVENESS, to 2SCALE):** The private sector should continue to be in the lead, and programming flexible.

- The above (first) recommendation is not to say that 2SCALE should abandon its current approach as a private sector led programme (e.g. just provide food aid...), but that 2SCALE will select and guide PPPs with one single purpose in mind. The suggested UII (1) should be seen as a top-level impact target, and there may be many ways to achieve this. Freeing 2SCALE from the numerical restraints of UII 2-8 would leave more scope for creative and innovative PPPs, this where current PPPs tend to fall back on the same standard solutions.

**Recommendation 3 (RELEVANCE FOR INCLUSION, to 2SCALE):** Although all PPPs need to have an impact on access to nutritious food for BoP consumers (see recommendation 1), steer the other inclusion goals (women, or youth) primarily through the selection of 2SCALE countries and sectors.

- Once countries and sectors have been selected that are thought to offer opportunities for women and youth inclusion, let PPP partners focus on their own business goals and structure PPPs accordingly, while doing a best effort to ensure inclusion.
- This still leaves space for specific actions to engage women and youth where this makes business sense.

**Recommendation 4 (RELEVANCE FOR FNS, to MFA):** 2SCALE being first and foremost a food security programme, it could improve its relevance by focusing on countries (and regions) with the highest food security gaps.

- So the selection of South Sudan as a new country is highly relevant. Other suggestions could be Burundi, Rwanda and Chad.
- None of the MENA countries now being considered by 2SCALE face similar food insecurity, but the fact that they are all massive food importers may also be a reason for their selection.

**Recommendation 5 (RELEVANCE FOR FNS, to 2SCALE):** Increase efforts to research the true impact of 2SCALE in improving access to nutritious foods.

- Right now, 2SCALE has very little knowledge of the true food security and nutrition impacts of its work. BoPInc has started to research this through case studies, which should be scaled up.

**Recommendation 6 (EFFICIENCY, to 2SCALE):** In order to increase 2SCALE's efficiency, the MTR recommends:

1. More focussed PPPs, including fewer components, hence reducing their complexity
2. A step-wise approach, not planning all actions upfront, but building out the PPPs over time (and walking away early if needed)
3. Pay more attention to the marketing side of PPPs as an early activity, so that farmers have offtake ensured once they managed to raise their production

**Recommendation 7 (SUSTAINABILITY, to MFA and 2SCALE):** 2SCALE should not rush its exit from PPPs if it wishes to encourage replication and upscaling.

- Since replication and upscaling do not easily take place unassisted, 2SCALE would do well to remain associated with the PPPs for a longer period, even if its actions will be minimal for most of the time. Thus, in order to enhance the scope for upscaling, 2SCALE could append to PPPs a period of low-intensity support and monitoring, allowing 2SCALE to reengage if suitable upscaling opportunities present themselves.
- Such support would be based on the principle of declining concessionally over time (more self-finance, less grant funding).
- 2SCALE could also help PPPs find the way to other Dutch instruments by way of 'graduation', such as DGGF equity or debt finance, or any of the other blended financing instruments by bilateral or multilateral development partners.

**Recommendation 8 (RELEVANCE, COHERENCE and EFFECTIVENESS, to 2SCALE):** In order to improve its relevance to national or local governments, 2SCALE could more pro-actively engage with central or local government and sector apex bodies.

- This would both contribute to greater coherence with other development actions, and bring opportunities for workstream 3 sub-sector transformation projects.
- Engage the Embassies in this effort, as well as EU, World bank, etc.

**Recommendation 9 (M&E, to 2SCALE):** In order for targets to be more meaningful and achievable, 2SCALE should make the process of target setting for individual PPPs more participatory and bottom-up.

- Rather than spreading out targets equally over PPPs, those PPPs can be selected that are likely to fulfil certain targets (but maybe not others) due to their original focus and objective. This will ensure better alignment with the underlying logic and rationale of the PPPs, and keep the targets realistic and achievable.

## Appendix A Stakeholder Survey Phase 2

### General information about the survey

- The 2SCALE Stakeholder Survey surveyed a wide range of stakeholders about their experiences and views on Phase 2 (since 2019) 2SCALE partnerships.
- The MTR team designed and programmed the survey in close collaboration with 2SCALE and MFA.
- The MTR team sent the invites to the English version of the survey on 28 April 2021 and to the French version on 29 April 2021.
- On 7 May 2021, the MTR team sent a reminder to all remaining respondents that did not (fully) complete the survey yet. The survey was closed on 24 May 2021.
- This Appendix shows the survey results as of 24 May 2021.

### Characteristics of survey respondents

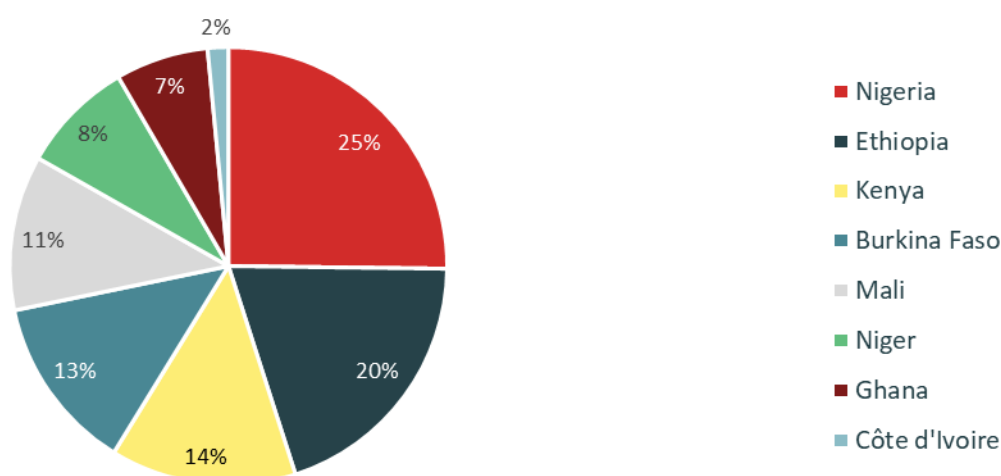
- **The overall response rate was 68 percent, with the highest response rate among Dutch government representatives.**

Group	Invited	Responded	Response rate	% of total responses
2SCALE staff	86	64	74%	38%
PPP partners (including business champions)	145	65	45%	39%
Dutch government (MFA, embassies, PSD coaches)	18	15	83%	9%
Other	-	24	-	14%
TOTAL	249	168	68%	-

- **Two thirds (66 percent) of respondents completed the English version of the survey whereas on third (34 percent) completed the survey in French.** This was in line with the portfolio distribution across regions.<sup>65</sup>
- **Three quarters (75 percent) of Business Champions responding to the survey represented a lead firm partnership.** The remaining 25 percent represented a grassroots partnership. This is representative of the 2SCALE portfolio.
- Sector distribution among 2SCALE PPP business champion respondents: **39 percent fresh produce, 29 percent staples, 16 animal production and 16 percent oilseeds.** This is representative of the 2SCALE portfolio.
- Of the respondents that indicated the 2SCALE country that they had been most involved with, the distribution is as follows:

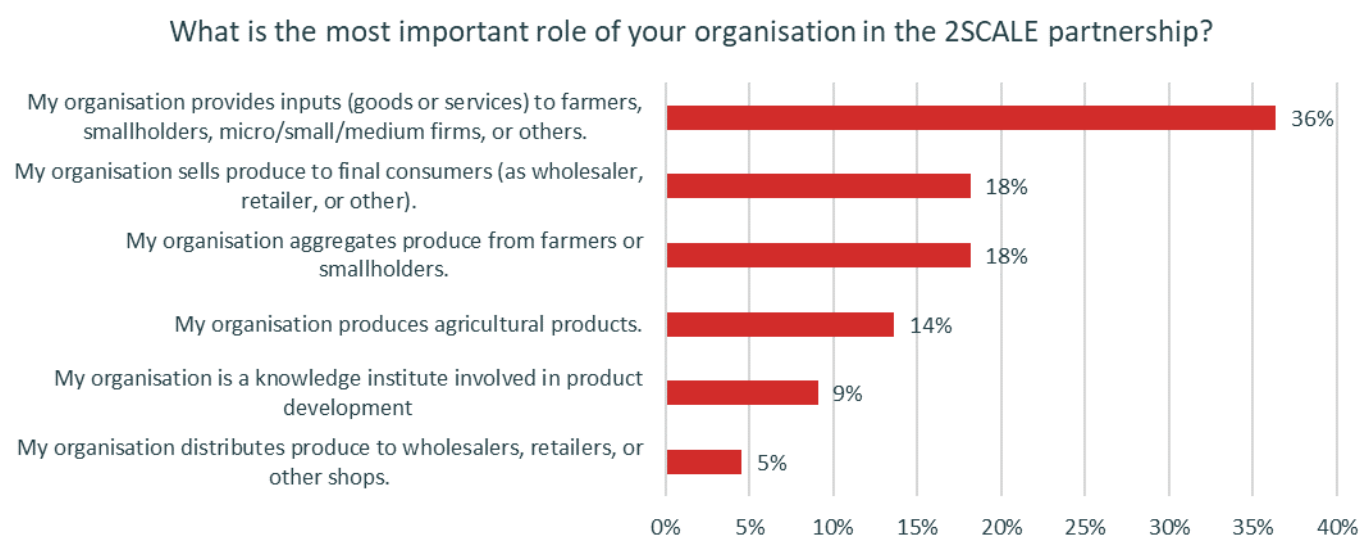
<sup>65</sup> Forty-three percent of 2SCALE partnerships were in Francophone West Africa, 32 percent in East Africa and 25 percent in Anglophone West Africa.

Figure A.1 The country distribution of respondents is similar to the portfolio distribution with a slight overrepresentation of respondents familiar with Nigeria



Source: 2SCALE Stakeholder survey Phase 2, 2021 (n=131)

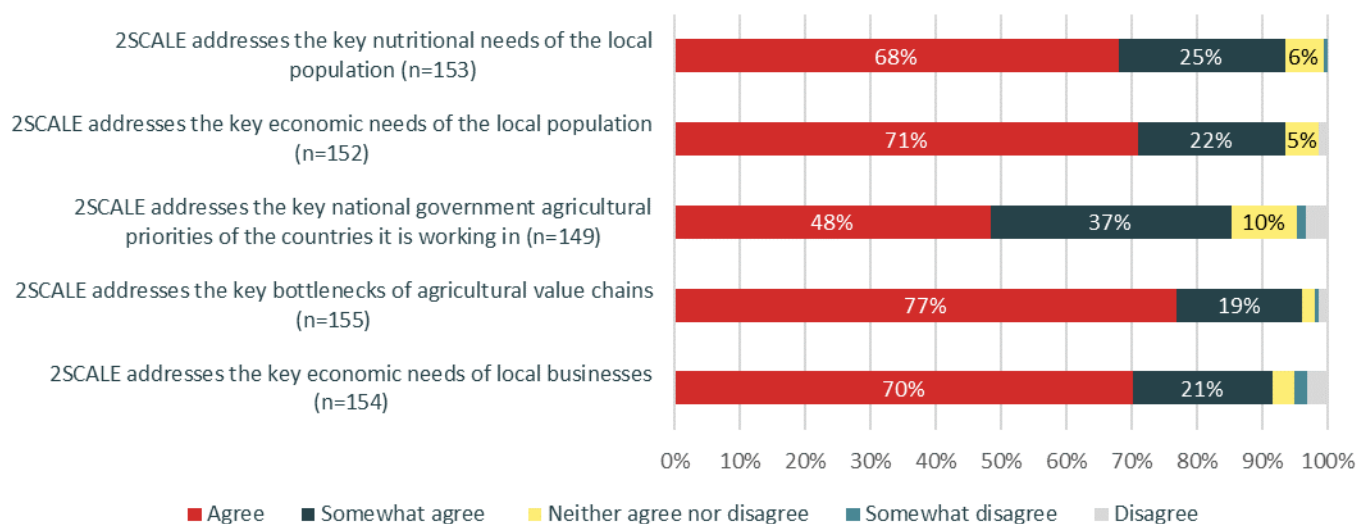
Figure A.2 36% of PPP partners saw their most important role as providing inputs



Source: 2SCALE Stakeholder survey Phase 2, 2021 (n=22)  
Note: Question was only asked to PPP partners

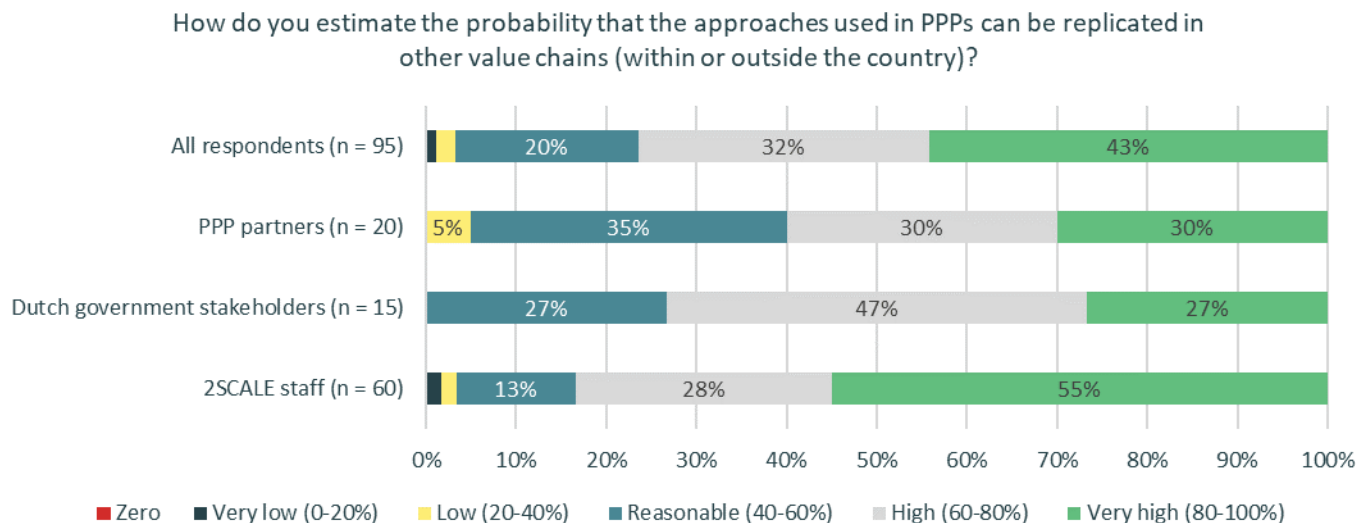
## All survey results <sup>66</sup>

Figure A.3 Stakeholders largely saw 2SCALE as relevant for the local population and local businesses, but less so for national government agricultural priorities



Source: 2SCALE Stakeholder survey Phase 2, 2021

Figure A.4 2SCALE staff respondents were most optimistic about 2SCALE's replicability



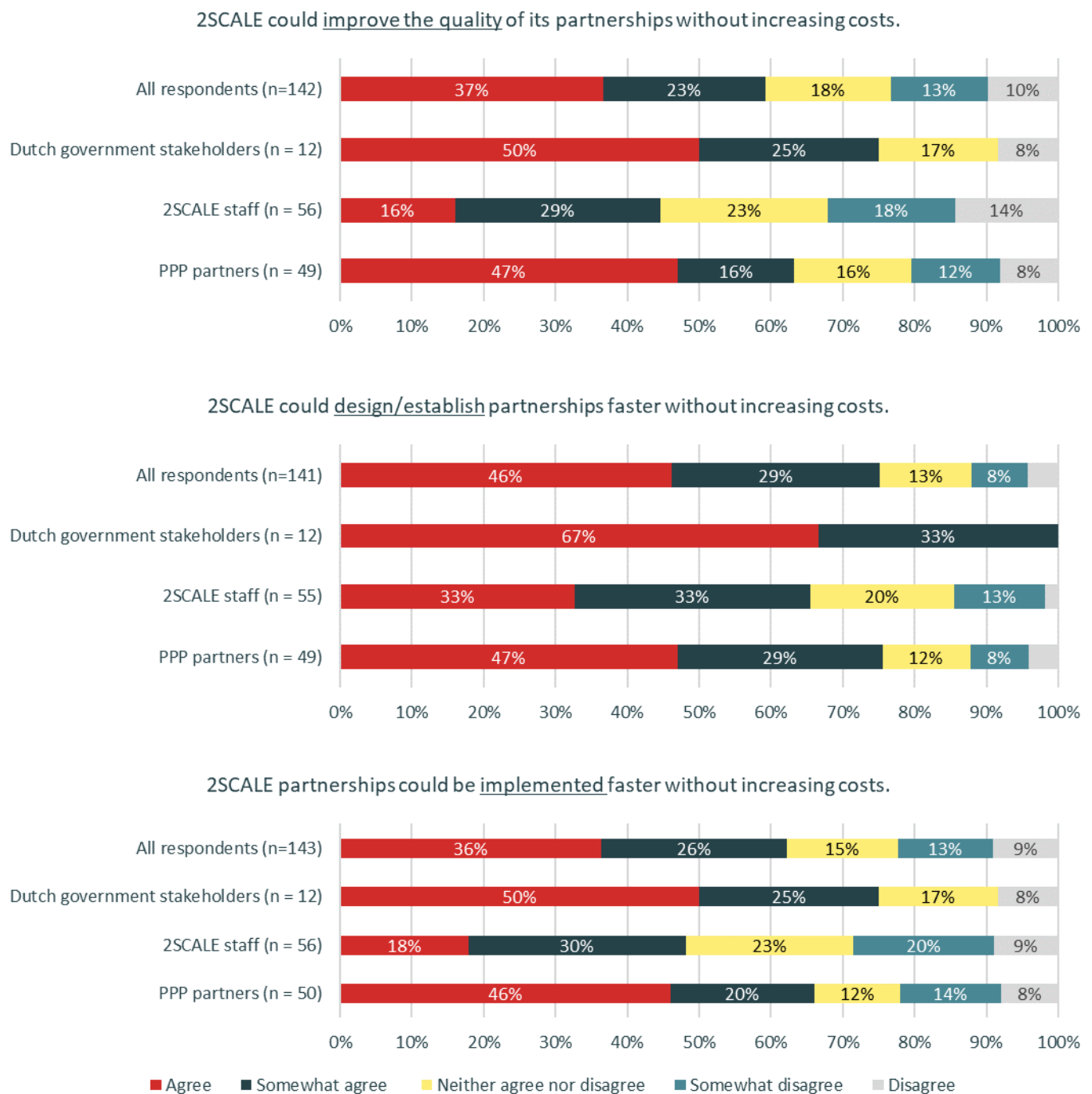
Source: 2SCALE Stakeholder survey Phase 2, 2021

Note: 17% of respondents from the Dutch government answered 'I do not have sufficient information to answer this question'.

<sup>66</sup> Note that tables only show the disintegrated survey results (e.g. per stakeholder group) if the results are significantly different, while responses like 'unable to answer' were excluded from the analysis.

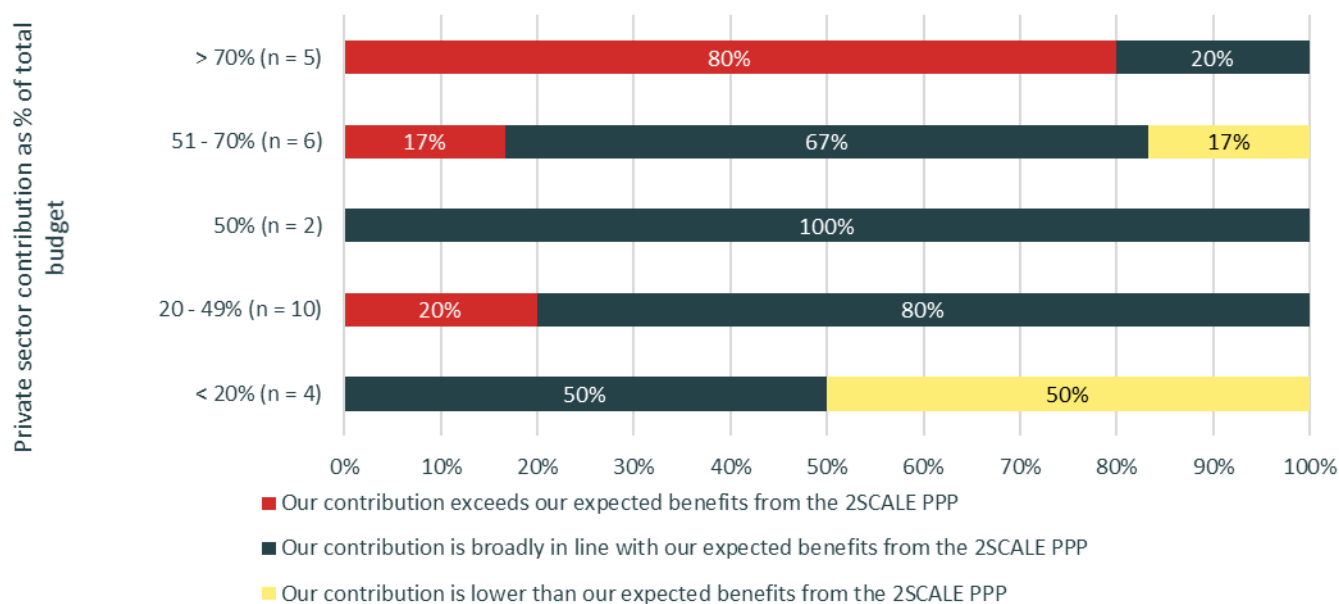


Figure A.5 Most survey respondents saw room for efficiency improvements in the quality, implementation, and design of partnerships (but 2SCALE staff saw less room)



Source: 2SCALE Stakeholder survey Phase 2, 2021

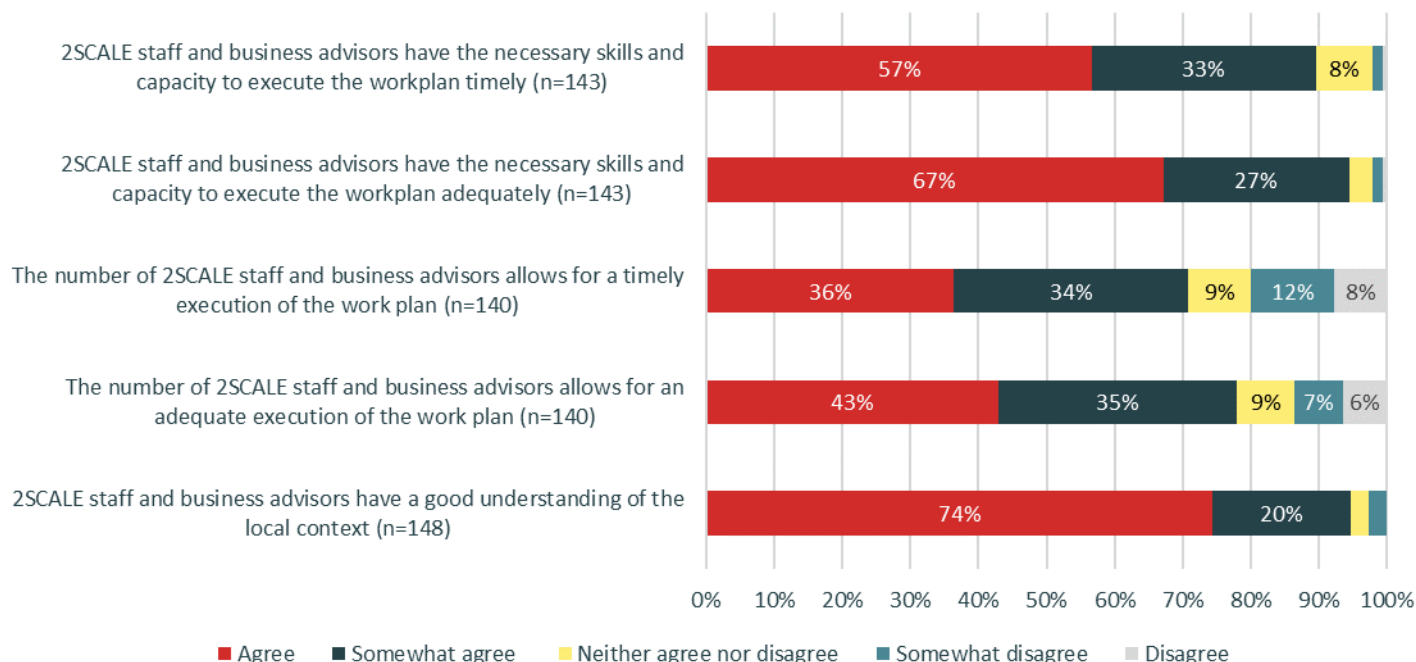
Figure A.6 Survey respondents expected that their contribution would exceed the benefits from the PPP when their contribution was more than 70% of the total budget



Source: 2SCALE Stakeholder survey Phase 2, 2021

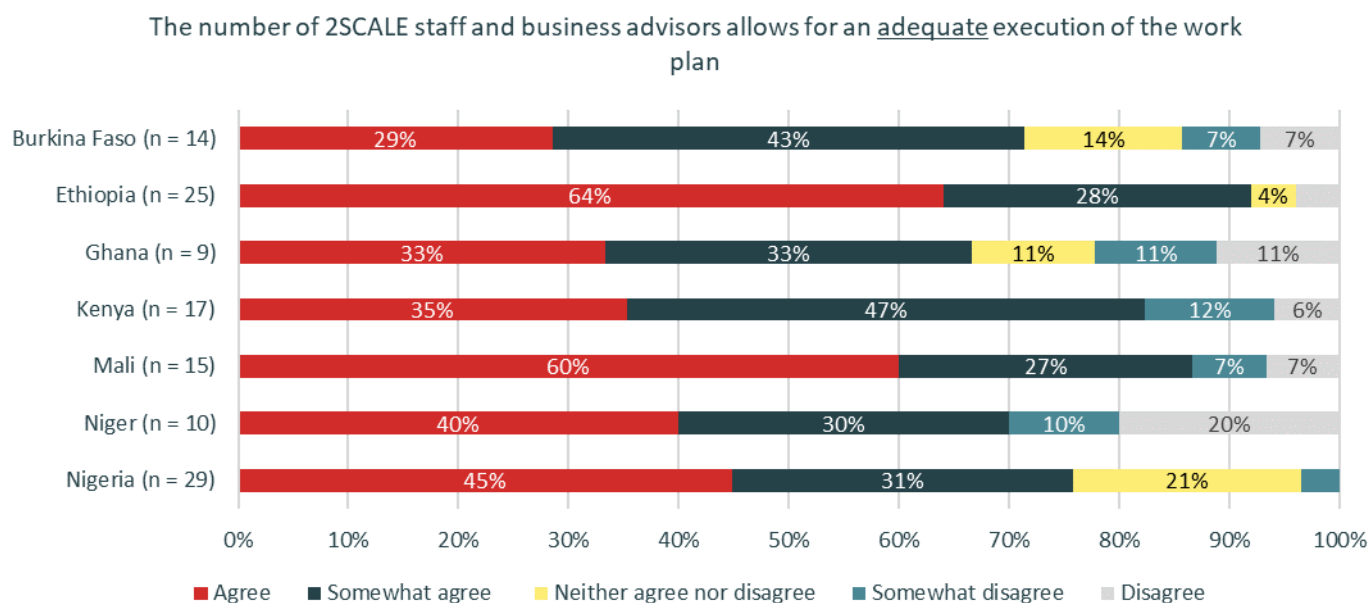
Note: Question was only asked to 2SCALE business champions

Figure A.7 Survey respondents were positive about 2SCALE's skills and capacity to execute the workplan adequately and their understanding of the local context



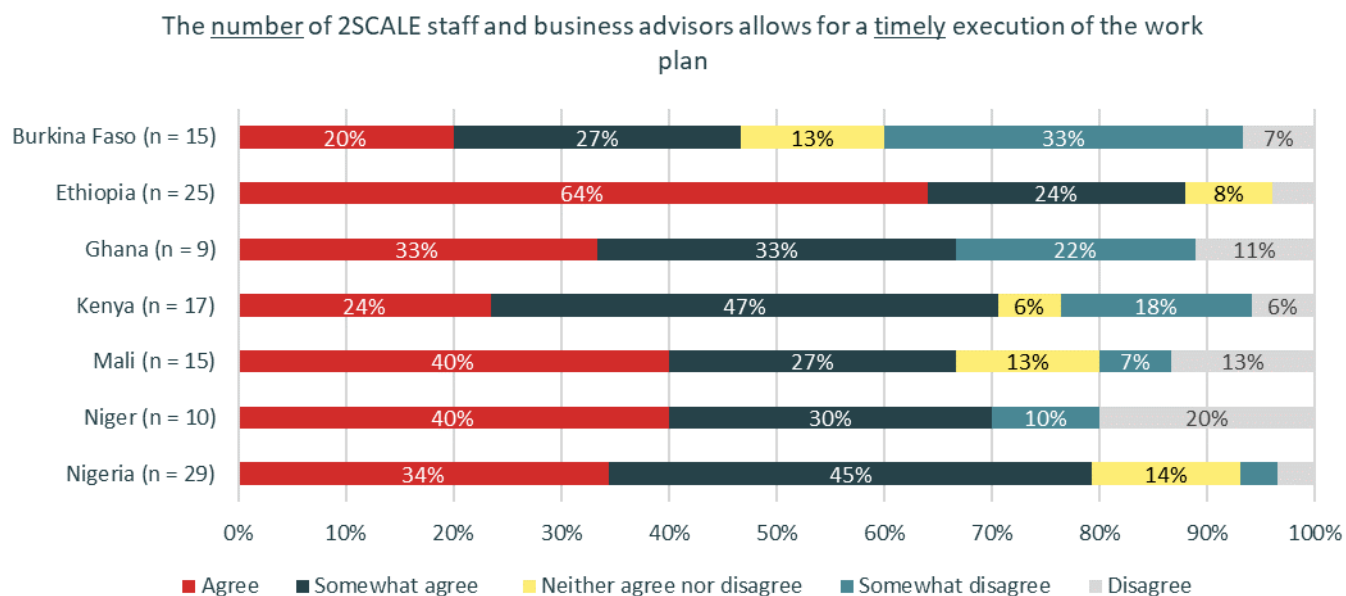
Source: 2SCALE Stakeholder survey Phase 2, 2021

Figure A.8 Especially respondents from Ethiopia and Mali agreed that the number of 2SCALE staff and business advisors allows for an adequate execution of the work plan



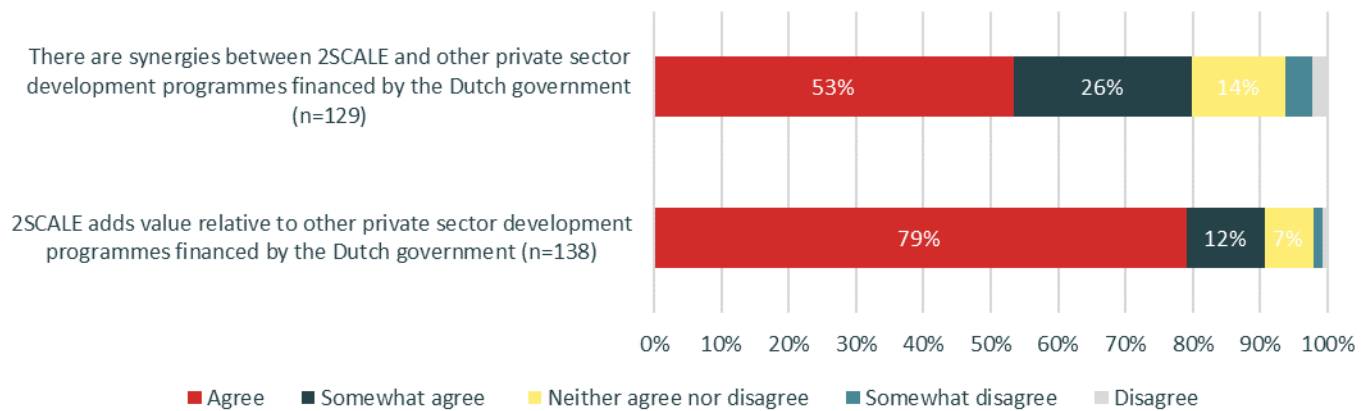
Source: 2SCALE Stakeholder survey Phase 2, 2021

Figure A.9 40% of the respondents from Burkina Faso viewed the number of 2SCALE staff and advisors as insufficient to timely execute the work plan



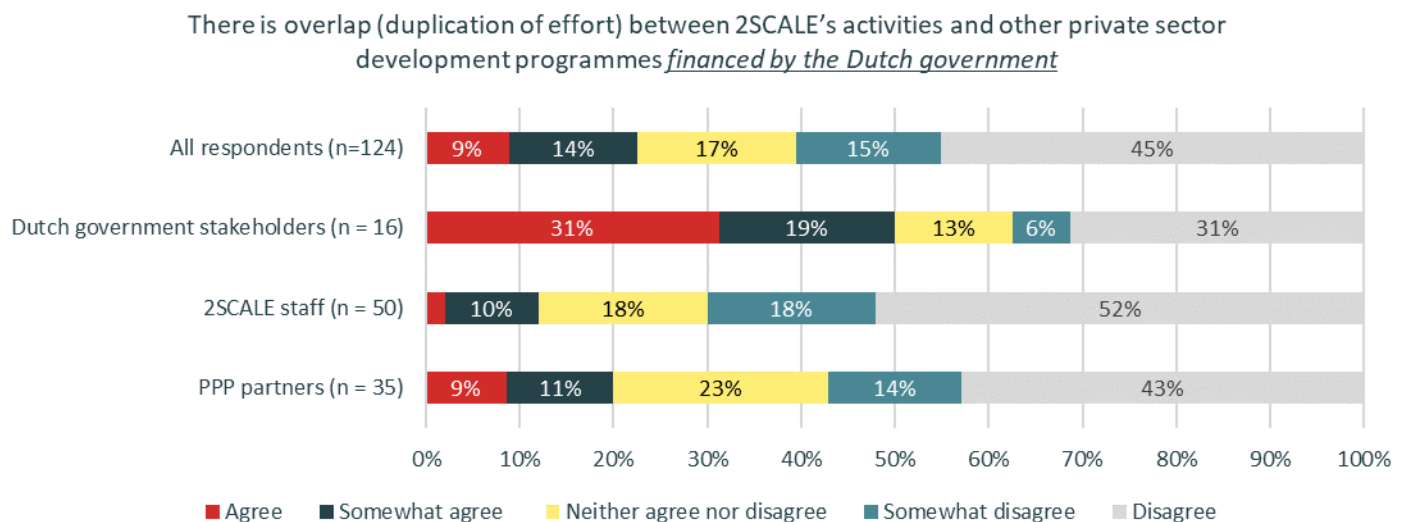
Source: 2SCALE Stakeholder survey Phase 2, 2021

Figure A.10 Stakeholders saw synergies and added value of 2SCALE relative to other PSD programmes financed by the Dutch government



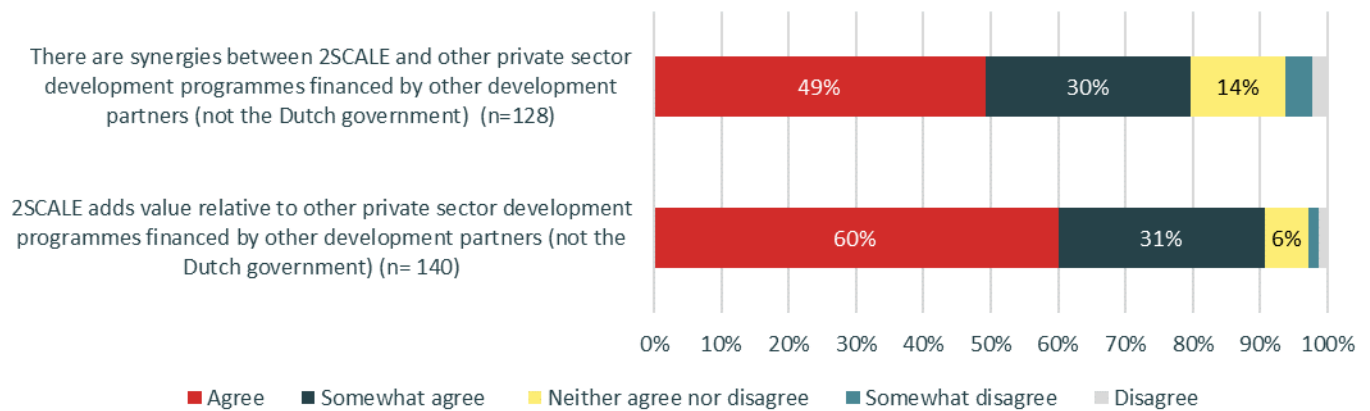
Source: 2SCALE Stakeholder survey Phase 2, 2021

Figure A.11 50% of Dutch government stakeholders (somewhat) agreed that there is overlap between 2SCALE's activities and other PSD programmes financed by the Dutch government



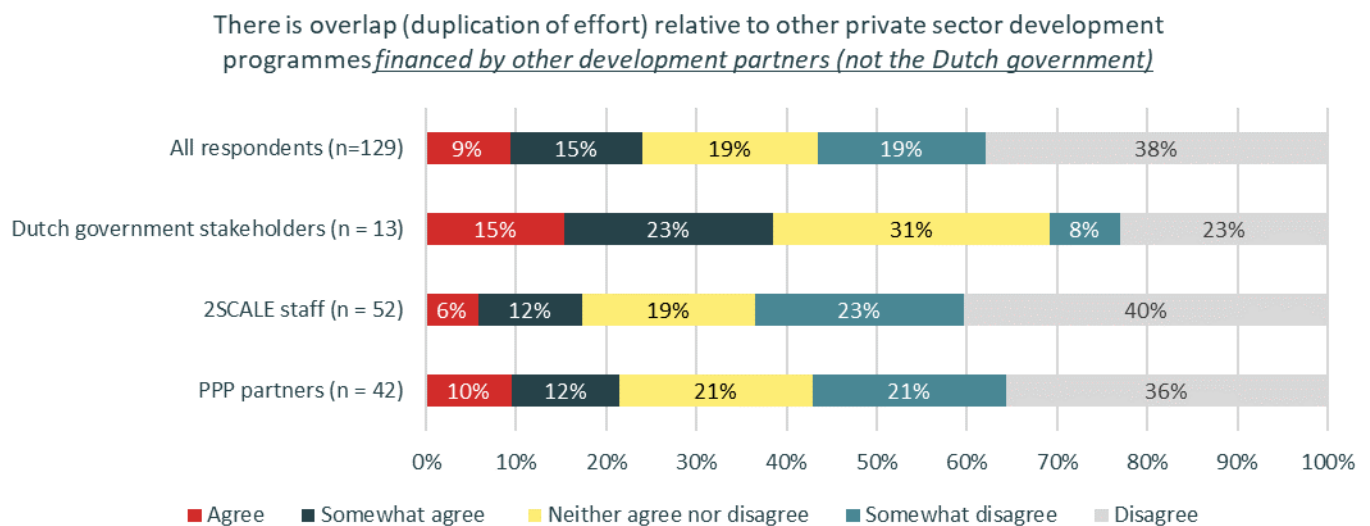
Source: 2SCALE Stakeholder survey Phase 2, 2021

Figure A.12 Stakeholders saw synergies and added value of 2SCALE relative to other PSD programmes that are not financed by the Dutch government



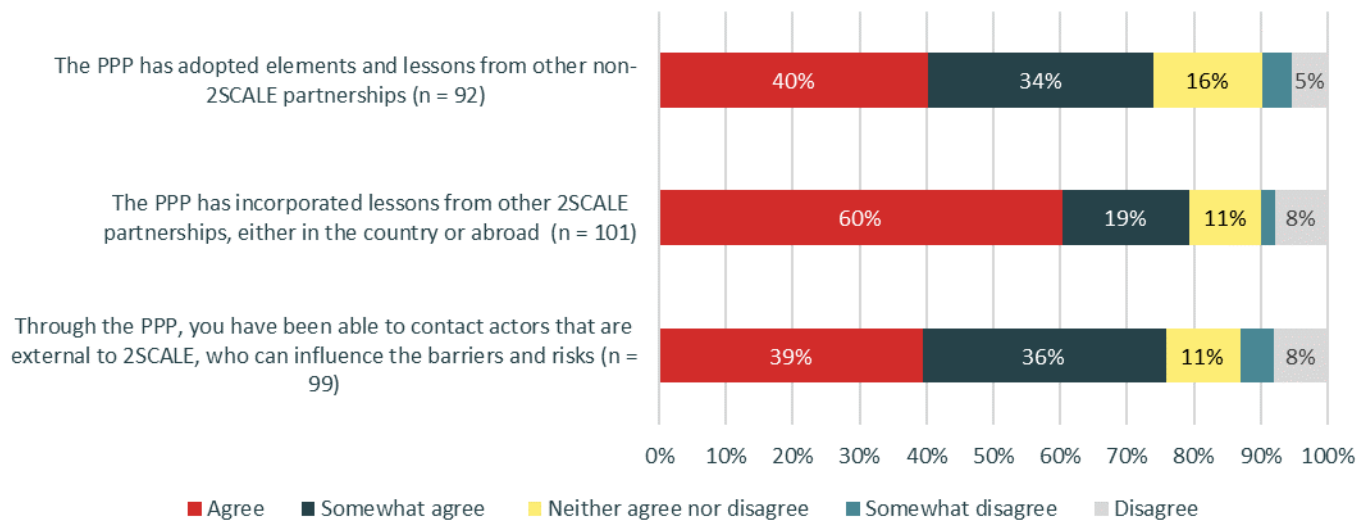
Source: 2SCALE Stakeholder survey Phase 2, 2021

Figure A.13 More than 1/3 of Dutch government stakeholders (somewhat) agreed that there is overlap between 2SCALE's activities and other PSD programmes that are not financed by the Dutch government



Source: 2SCALE Stakeholder survey Phase 2, 2021

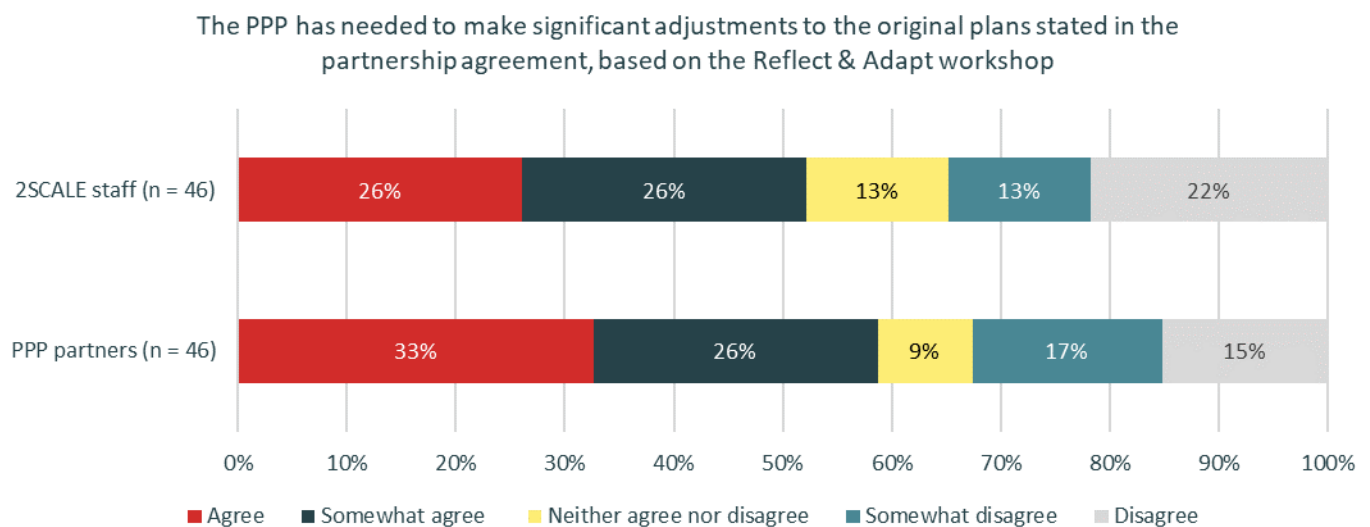
Figure A.14 Respondents agreed that 2SCALE adopted lessons learned. Furthermore, respondents indicated that the PPP was beneficial to their network



Source: 2SCALE Stakeholder survey Phase 2, 2021

Note: Question was only asked to 2SCALE staff and PPP partners

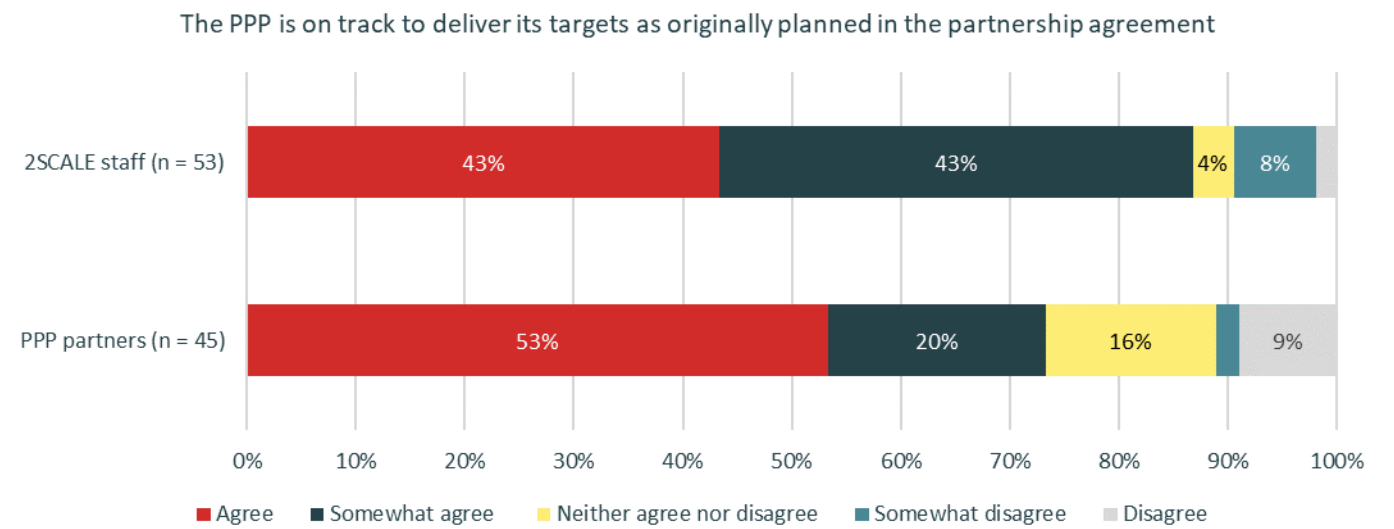
Figure A.15 2SCALE staff and PPP partners agreed that the PPP had needed to make significant adjustments after the Reflect & Adapt workshop



Source: 2SCALE Stakeholder survey Phase 2, 2021

Note: Question was only asked to 2SCALE staff and PPP partners

Figure A.16 PPP partners were slightly less positive about the progress on the targets than the 2SCALE staff



Source: 2SCALE Stakeholder survey Phase 2, 2021  
Note: Question was only asked to 2SCALE staff and PPP partners



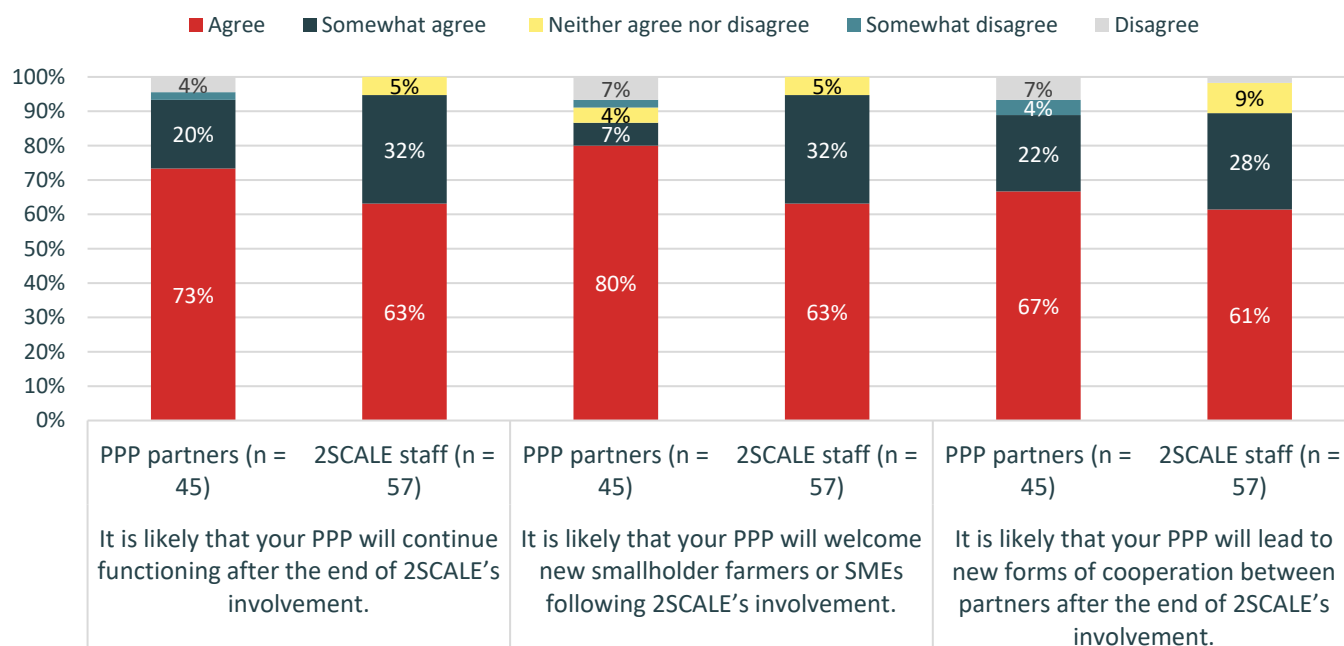
Figure A.17 55% of 2SCALE staff respondents indicated that it takes much time to collect and report M&E data, against 26% from the PPP partners. On other M&E statements 2SCALE staff and PPP partners had similar views.



Source: 2SCALE Stakeholder survey Phase 2, 2021

Note: Question was only asked to 2SCALE staff and PPP partners

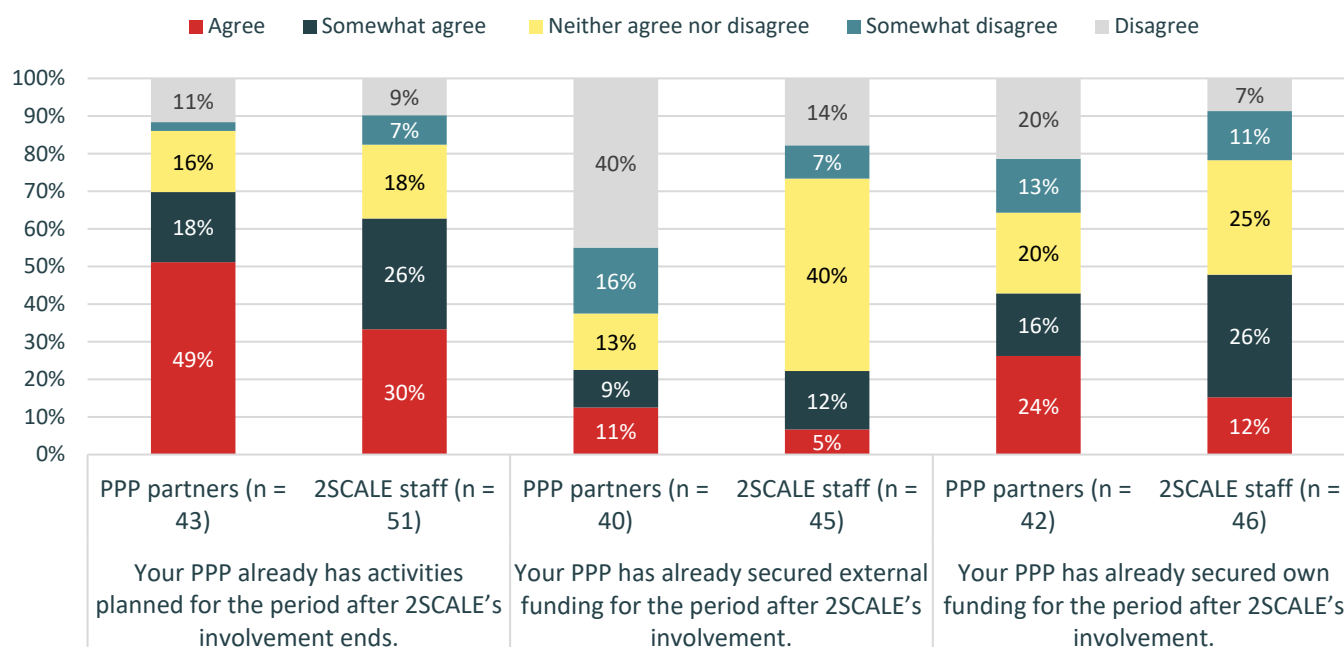
Figure A.18 PPP partners were slightly more positive about 2SCALE's sustainability than the 2SCALE staff respondents



Source: 2SCALE Stakeholder survey Phase 2, 2021

Note: Question was only asked to 2SCALE staff and PPP partners

Figure A.19 2SCALE staff respondents were too optimistic about external funding for the period after 2SCALE's exit



Source: 2SCALE Stakeholder survey Phase 2, 2021

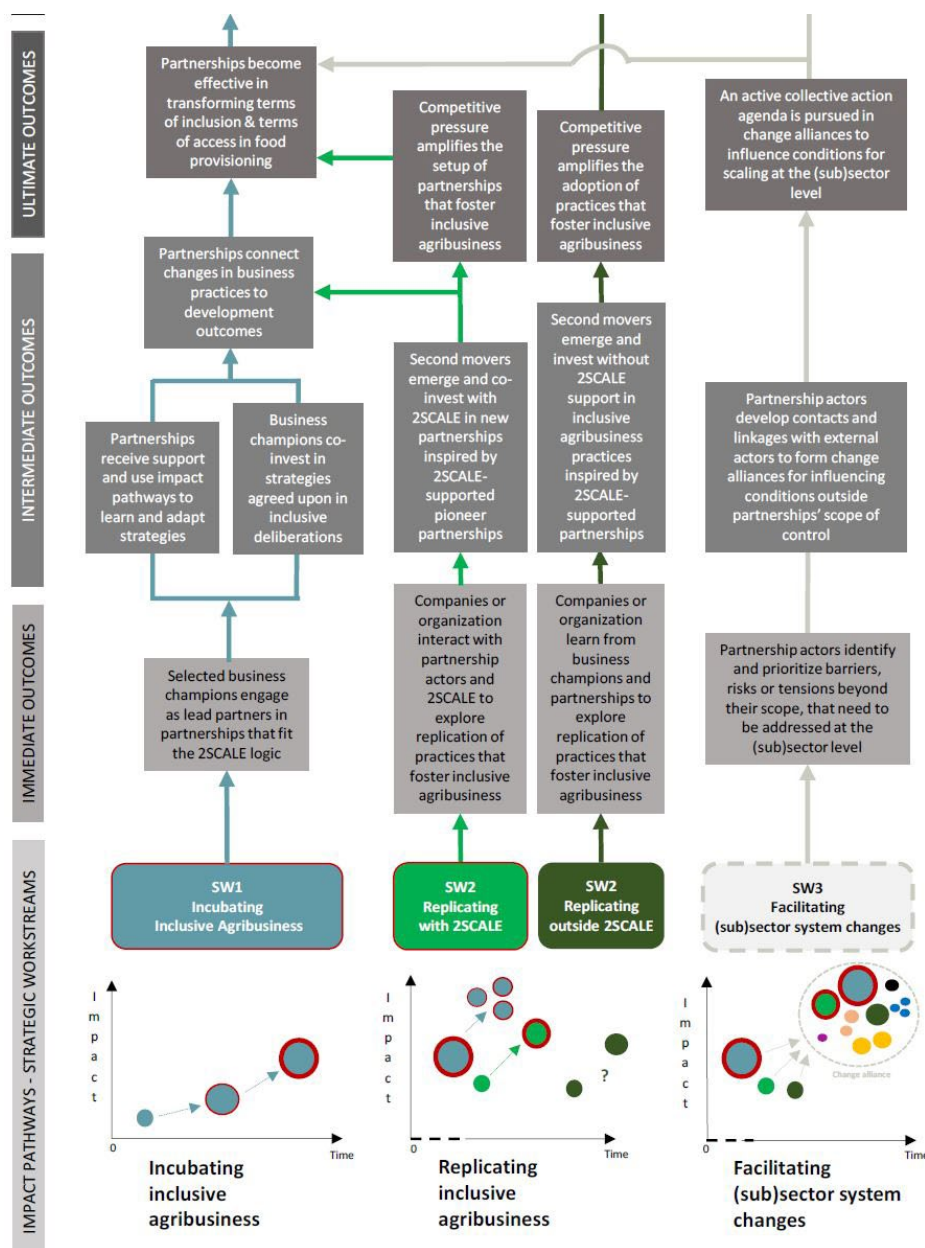
Note: Question was only asked to 2SCALE staff and PPP partners

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- 2SCALE replication brief: BoP targeted branded and dedicated sales points for optimising distribution and sales in BoP communities (Ethiopia).
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- A food systems approach to researching food security and its interactions with global environmental change, John Ingram, Oxford University, 2011

# Appendix C 2SCALE ToC

IMPACT	Universal impact domains:	Food & Nutrition Security			Private Sector Development				
		Base-of-the-pyramid (BoP) consumers have improved access to nutritious foods	Smallholder farmers (SHF) have improved agricultural productivity levels and have better terms of inclusion	Rural communities are resilient to the implications of climate change	Small and medium enterprises (SMEs) drive inclusive business in target industries and develop leadership in industry platforms	Remunerative additional non-farming employment are created in targeted value chains	Economically attractive and viable opportunities are developed for micro-small- and medium enterprises (MSMEs)	Innovative capacities of MSMEs are strengthened	SHFs and MSMEs have improved access to financial services
GOALS	Goals (targets) of 2SCALE:	1 million	750,000 (50% women, 40% youth)	375,000 ha under eco-efficient practices	250 (50% women-led)	20,000 FTEs (50% women, 40% youth)	5,000 (40% women-led, 20% youth)	50 non-farming innovations	250,000 SHF 2,000 µE 125 SME (50% w) €50 m



## Appendix D 2SCALE UII and M&E Framework

Area	Impact Domain	UII Indicator	Target	Primary Measurement	Calculations and Validity Checks
	1. BoP consumers have improved access to nutritious foods	UII1: # of BOP consumers who have improved access to nutritious food	1 million	Volumes (in tonnes) of the product(s) (that the partnership focuses on) commercially sold.	<ul style="list-style-type: none"> <li>Volumes translated into number of people reached (estimated individual consumption)</li> <li>Number of people who qualify as BOP</li> <li>Channels that reach BOP</li> <li>Product more affordable than competition</li> <li>Product more nutritious than competition</li> </ul>
Food and Nutrition Security (FNS)	2. Smallholder farmers have improved agricultural productivity levels and have better terms of inclusion	UII2: # smallholder farmers who increased yields or incomes	750,000 (50% women, 40% youth)	Volume of produce sourced or aggregated by business champion or its commercial partners AND/OR Volume of input commercially sold by the business champion or its commercial partners	<ul style="list-style-type: none"> <li>Volumes translated into individual farmers transacting with BC as suppliers or buyers</li> <li>Number of farmers who qualify as smallholders</li> <li>BC has arrangements to engage smallholder farmers</li> <li>BC pricing of materials is competitive</li> <li>Checking whether changes in production are due to external factors (random checks)</li> </ul>
	3. Rural communities are resilient to the implications of climate change	UII3: # hectares with eco-efficient or climate-smart farming practices	375,000 ha.	Number of farmers accessing services or procuring inputs related to eco-efficient or climate-smart technologies; this can be measured by counting farmers transacting with service provider or by converting volumes of inputs sold to numbers of farmers	<ul style="list-style-type: none"> <li>Number of farmers translated into number of ha.</li> <li>Assess whether type of practice can be related to adoption measured in terms of hectares</li> <li>Check if service provision channels check smallholder farmers</li> <li>Check whether related practice has effect on eco-efficient and climate-smart land use (random checks)</li> </ul>
Private Sector Development (PSD)	4. SMEs drive inclusive business in target industries and develop leadership in industry platforms	UII4: # of SMEs making in-kind or cash investments in the activities agreed upon by the partnership	250 (50% women-led)	Direct measurement of indicator	<ul style="list-style-type: none"> <li>Quantify # women-led/owned SMEs</li> <li>Investment is considered private sector contribution</li> <li>The SME contributes to creating economically opportunities for micro-entrepreneurs and</li> <li>The SME contributes to industry platforms or participate in network of advocacy</li> </ul>

5. Remunerative additional non-farming employment created in targeted value chains	UII5: # new non-farming jobs (FTEs) in targeted agribusiness clusters and value chains	20,000 FTEs (50% women, 40% youth)	Number of newly recruited workers with permanent or temporary employment contracts directly employed in the business operations of the business champion and other businesses directly related to the partnership	<ul style="list-style-type: none"> <li>Add estimate of number of temporary jobs without contract (TB) in specified tasks connected to business operations</li> <li>Remuneration of workers with employment contract is equal or above wages for similar type of tasks in the area or country</li> <li>Check deliberate actions for fair and inclusive labour conditions: Qualitative description of targeted activities that show evidence of, for example, no disparity of employees based on gender and the role/responsibility type, fair recruitment process, fair remuneration for similar task for men and women, positive discrimination by reserving roles for women and youth.</li> </ul>
6. Economically attractive and viable opportunities are developed for micro small- and medium Enterprises (MSMEs)	UII6: # of MSMEs affiliated with the BC and partners	5,000 (40% women-led, 20% youth)	The number and geographical location of economic activities external to the span of control of the BC or other business partners but connected to the inclusive agribusiness (The PF organises participatory mapping of the economic activities during the D&D workshop and the annual R&C workshops, The maps with date and a list of participants in the mapping exercise are registered in AKVO).	<ul style="list-style-type: none"> <li>Number of economic activities translated to number of micro- entrepreneurs or SMEs</li> <li>Check if activities are attractive for women: Description of purposeful actions to influence conditions under which women link their business -&gt; Estimation of number of women-led or women-owned enterprises per mapped economic activity</li> <li>Check if activities are attractive for youth: Description of purposeful actions to influence conditions under which young entrepreneurs link their business -&gt; Estimation of number of young entrepreneurs per mapped economic activity</li> </ul>
7. Innovative capacity of MSMEs are strengthened	UII7: # non-farming and green innovations adopted	50 non-farming innovations	<ul style="list-style-type: none"> <li>Actual investments by the technical service provider in developing and commercialising the innovative product, practice or service</li> <li>Sales of the innovative product, practice or service introduced to and/or adopted by SMEs, micro- entrepreneurs or farmers affiliated to the business champion</li> </ul>	<ul style="list-style-type: none"> <li>Service provision channels reach the specified target groups</li> <li>Test of effectiveness of practice under conditions specific for target groups (random checks)</li> </ul>
8. Smallholder farmers and MSMEs have improved access to financial services	UII8: # of SHF, micro-entrepreneurs, and SMEs who are included And # total value of financial services	250,00 SHF 2,000 M.E. 125 SME (50% w)  EUR 50 million	<ul style="list-style-type: none"> <li>The number of newly added clients of specified target groups (SHFs, micro-entrepreneurs and SMEs) making use of specified financial services with specified date when count was done</li> <li>The total value of financial services in local currency at a particular date</li> </ul>	<ul style="list-style-type: none"> <li>Financial services accessed by specific target group</li> <li>Check service provision channels target specific group</li> <li>Check of conditions to access are met for specific group</li> </ul>





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