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# STAPLES VALUE CHAIN NAFAKA ACTIVITY

**TASK ORDER NO. AID-621-TO-11-05000**

**SUSTAINABILITY STRATEGY SESSION CONSULTANCY REPORT**



**March 14, 2014**

This publication was produced for review by the United States Agency for International Development. It was prepared by ACDI/VOCA in compliance with the terms and conditions of Task Order No. AID-621-TO-11-05000.

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## **DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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# List of Acronyms

FIPS—Farm Input Promotions

IFDC—International Fertilizer Development Corporation

QDS—Quality Declared Seed

USAID—United States Agency of International Development

VBAA—Village Based Agricultural Agent

# I. Executive Summary

This trip report provides the updated framework for the productivity component developed during the two-day sustainability strategy session held on February 27<sup>th</sup> & 28<sup>th</sup> at the NAFKA office in Dar es Salaam.

Over the two-day strategy session, participants finalized the following, which are explained in further detail below:

1. Implementation framework, including timeframe, for the wholesale input supplier pilot grants
2. Expansion of the Quality Declared Seed (QDS) program to incorporate VBAs as producers
3. Additional required STTA for these activities.

During the 2014/2015 production season, the majority of project reach will still be through the GAP demonstration plot-based training program. However, the pilot grants will be the foundation for continuing promotion of NAFKA GAP practices after the end of project, as well as increased access to inputs, through a sustainable, market-led framework.

In addition to an overview on the pilot grant program strategy, we have included status tables for the scopes of work for the agricultural technical specialist and the strategy session participants.

## **Recommendations & Next Steps**

1. Implement below plan and framework in time for the sales networks and QDS producers to operate for the 2014/2015 production season.

## **A. Sustainability Strategy**

### **1.1.3 Agrodealer Network Development/Wholesale Input Supplier (VBAA—VBASA) Grant**

Over the past two seasons, the project has stimulated demand for improved inputs in project implementation areas and tested pilots on improving input delivery systems with various partners. A common result of these pilots is that the lack of availability of these inputs still remains a major constraint preventing their adoption. However, several models have shown promise for sustainability and scale.

NAFAKA's strategy for improving input availability at the village level in a way that will continue expanding scale at the end of the project is through grants to develop incentive mechanisms for some of the successful pilots to link promising NAFAKA VBAs to existing and potential input suppliers as outreach sales and knowledge representatives. The project is targeting 12-15 total grants to be disbursed, in the range of \$20,000--\$40,000 each. Each sales network will most likely consist of 3-5 sales agents per wholesaler in initial stages to mitigate risk of failure, dependent on geographic spread and perceived demand in target communities.

There are 8 phases to this strategy:

- I. Release of rolling application Enterprise Development Grant – estimated target completion date – March 30
- II. FIPs and IFDC will conduct a ranking and geographic distribution assessment of all current VBAs and network of agrodealers receiving training under the Agrodealer Network component. Those VBAs and agrodealers who show the greatest interest and potential for the pilot program will be encouraged to apply through the enterprise development grant RFA. Estimated completion date of March 30.
- III. Grantees apply (assisted by FIPS and IFDC) and are shortlisted by the independent grant committee. Estimated completion date of April 25.
- IV. Shortlisted grantees will go through a rigorous business plan development exercise led by a team of local (and, if necessary, regional) STTA business development officers. Based on the capacity gaps identified in the business planning exercise, individual grants will be custom tailored to each grantee.
- V. Grant packages will be finalized and necessary training and material capacity gaps will be delivered to both the wholesale input suppliers and their network of VBAA sales reps. Actual content of these training plans will depend on the needs identified in the business planning process, but will most likely include: inventory & distribution logistics management; employee/personnel management; product knowledge & input dealer negotiating; etc. Grants to be issued by June 15.
- VI. Each grantee will be linked with a long-term business development officer (two under FIPS and one under IFDC) to intensively facilitate their roll out of the sales rep network

during the 2015/2016 growing season input sales period (from roughly August 2014—January 2015).

- VII. At the end of the 2014/2015 production season, the grantees will be assessed. NAFKA anticipates that a certain percentage of grantees will not succeed in securing a profit from the activity, and will elect to no longer participate. The project will conduct a detailed lessons-learned activity with those grantees to refine the grant process moving forward.
- VIII. For those grantees which are successful, the project will conduct a rigorous assessment of how best to facilitate their scale-up of their network for the following production season.

### **1.2.1 Quality Declared Seed (QDS) Seed Network**

The success of the VBAA sales representative network depends on their ability to offer a diverse range of products and services to rural producers. Profit margins on commercial seed sales, while critical to achieving the project's objective of increasing farmer yields, will not alone generate sufficient returns to make the VBAA business model self-sustaining.

QDS seed production will provide another, potentially higher-earning, income stream for VBAAAs. Towards this end, the project is developing a framework to scale up the existing network of 27 QDS seed producers to include all VBAAAs who meet the eligibility criteria and have expressed interest for producing QDS this coming season. Additionally, in the most arid maize production areas, the project will particularly focus on VBAA production of QDS for alternative crops (sunflower, cowpea, and sorghum). IFDC needs to expand this program in coordination with FIPS – we can focus on range of crops as long as one of the crops promoted is maize or rice.

## B. List of Proposed STTA Assignments for Sustainability Strategy

Assignment Title	LoE	Estimated Timeframe	Description	Organization
Agricultural Support Specialist	40 Days	3 trips, intermittent, May—Dec, 2014	<p>Provide support to the productivity team, with focus on the technical content of required training programs for new input suppliers, VBAs, and ToTs for internal project staff.</p> <p>Continue overseeing development of FIPs, Danya, and ACDI/VOCA staff development of core GAP training modules for implementation with Demonstration Plot training program for 2013/2014 season.</p> <p>Participate in and contribute to workplanning session for FY2015 later this year.</p> <p>Provide on-the-ground technical support to the rollout of the wholesale input supplier pilot grants in Oct—Nov 2014.</p>	ACDI/VOCA
Public/Private Partnership Specialist	40 days	3 trips, intermittent, May—Dec, 2014	<p>Oversight for partnership MoUs with private sector seed, fertilizer, and agrochemical input suppliers to support pilot grants.</p> <p>Technical oversight of business plan assessments and recommendations for potential grantees, and translation of assessments into technical scopes for grants.</p> <p>Provide on-the-ground technical support to the rollout of the wholesale input supplier pilot grants in Oct—Nov 2014.</p>	ACDI/VOCA
Agrodealer Assessment Specialist	15 days	1 trip, Mar—Apr, 2014	Develop framework for and lead implementation of the assessment of current agrodealers participating in the	IFDC

			Agrodealer network training program to develop shortlist for pilot grant program.	
Wholesale Input Supplier Business Development Specialists (X3)	30 days	Apr—May, 2014	[Tanzanian (2) and Tanzanian or or Regional (1)]  Team of business development specialists to work with shortlisted grant applicants to assess their current businesses, identify gaps in capacity, and develop business plans for VBAA sales rep network.	IFDC
VBAA Sales Rep Development Specialist	90 days	Intermittent, May—Dec, 2014	Develop, in conjunction with FIPs team on the ground, a formalized program for private sector actors to develop VBAA networks as input promotion conduits, and a pathway for eventual development of VBAA as a sales network.  Intensively assist in the application of the VBAA agent trainings throughout the grant implementation timeframe.	FIPs
QDS Training Program Development Specialist	10 days	May, 2014	In conjunction with the current IFDC QDS specialist, develop a scale-up plan and formalized methodology for creating sustainable QDS producers, with a focus on VBAA.	IFDC

### C. Agricultural Technical Specialist SoW Status

Activity	Status
<p>Follow up with the productivity team on tasks and implementing plans developed and initiated during previous assignment, including current demonstration plots and training programs and curriculum development.</p>	<p>Complete—met with [redacted] and [redacted] on the status of all current productivity activities and necessary next steps.</p> <p>Clarified the training material update and development protocol for the program and will be finalizing all productivity training materials within the next 4 weeks.</p>
<p>Contribute to drafting and release RFAs for grants for funding input industry and building sustainability models for supporting input sales agents on the ground.</p>	<p>Strategy framework complete—see section A. and B. above. The umbrella enterprise development grant mechanism will be used as the RFA mechanism for these grants, and individual scopes of work will be developed based on the capacity assessments and business plans developed under the strategy outlined in Section A.</p>
<p>Plan and facilitate the Sustainability Strategy Session, a work planning session for expansion and realignment for the productivity component.</p>	<p>Complete—see Section A. above.</p>
<p>On-board new long-term productivity component lead manager.</p>	<p>Complete—spent 2 days going through the year 2 work plan with Silvano Mwakinyali, giving background, current status, priority activities, and next steps across the board.</p> <p>Will continue following up with Silvano via phone and email on a weekly basis moving forward.</p>

## D. Sustainability Strategy Session Participants SoW Status

<b>Activity</b>	<b>Status</b>
Participate, facilitate, and implement the 2-day expansion and realignment strategy session.	Complete—See above section A. and B.
Contribute to detailed work plan development for the new grants, and revise subcontract technical and individual staff Scopes of Work, and draft budgets accordingly to ensure maximum complementarity in activities and avoid duplication of effort.	Initiated at strategy session. Workplan is finalized (see section A. above). Subcontract revisions, staff Scopes of Work, and budgets are in process and should be finalized by the end of March.
Adapt and incorporate best practices and lessons learned from the region to the NAFKA project.	Complete as part of strategy session—See above section A. and B.

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