

USAID - ANGOLA

**RURAL GROUP ENTERPRISES AND
AGRICULTURAL MARKETING IN
ANGOLA (RGE/AMOA)**

Mid-Term Evaluation Report

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**Submitted by:
Elsa Mapilele
Gomes Cambuta
Jerry Brown**

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Executive Summary

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Acronyms

CS	Service Centers
CLUSA	Cooperative League of the United States of America
IDA	Agriculture Development institute
IITA	International Institute of Tropical Agriculture
MINADER	Ministry of Agriculture and Rural Development
NGO	Non-governmental organization
RGE	Rural Group Enterprise, also referred to as a farmers' association
RGE/AMOA	Rural Group Enterprises and Agricultural Marketing in Angola (the name of CLUSA's program in Angola)
UCANA	National Farmers Union
USAID	United States Agency for International Development

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1. Background

Context:

The almost three decades of civil war in Angola destroyed the agriculture sector, disrupted the production systems, credit schemes and market network. As such, farmers were left with no productive assets to support production. Such a trend created three smallholder agricultural sectors:

- One that was and is still relief dependent;
- One that is stable but primarily oriented toward subsistence production; and
- One that has a traditional orientation toward commercial markets, but lost the share of market it had gained in the past.

Therefore, this project was developed to address production and marketing concerns in selected locations that were relatively secure or conflict free during war time.

Since in spite of poor infrastructure, Angola has the potential to create a much more efficient and productive agricultural sector that can provide benefits to smallholders as well as urban and peri-urban poor, an important feature of the project was to create more economic opportunities to the rural farming families by assisting them to improve access to markets both for the purchase of inputs and the selling of their produce.

Project objectives:

The overall objective of this project was and is still to improve food security and increase incomes of small-scale farmers in targeted communities. In order to accomplish this objective, the project concentrates on activities that contribute to increasing effectiveness of agricultural production and marketing.

Project proposed components:

This project encompasses three principal components as described below:

1) Producer Organization Development and Training

The starting point for breaking the vicious cycle affecting most small producers is the development of reliable markets. To sell into these markets, the producers must become dependable suppliers, capable of meeting the quality, volume, and timeliness requirements in a cost-effective manner. Producer associations are the key to this type of effective supply. By grouping individual small farmers together, critical mass and economies of scale can be achieved in input distribution and crop marketing.

Effective member screening and improved loan recovery minimizes risk, increasing access to production and investment credit. Producer organizations also provide the framework for a cost-effective system for introducing new technology.

2) Agricultural technology transfer

This component focuses on transfer of agricultural technology to small-scale producers. CLUSA uses a market driven, hands on, small farmer oriented, learn-by-doing approach to technology transfer. Although the project still emphasizes the production of vegetable crops which are perceived to be high value crops, great emphasis was expected to be put on off-season production support services as a means to take advantage of high demand for vegetables at the time of scarcity. Such a scheme was regarded to offer greater

opportunity for profitability. There was also an attempted to introduce conservation farming practices in Huila as part of the technical assistance component.

(3) Market linkages and establishment of service centers

This component focuses on collection and dissemination of market information, facilitation of access to credit, establishment of service centers, identification of market opportunities and negotiation of contracts, development of production/business plans. The aim of this component of the project is to assist producers to achieve more surplus production for the market, revitalize rural economy and improve their capacity to capture a larger share of the Angolan market.

Expected results:

This project anticipated the following set of results:

- Increased food security and farmer's incomes
- Improved farmer organization
- Increased business opportunities and services for small-scale producers

Skill enhancement

2. Evaluation Objectives

The evaluation has two main objectives which are stated as follows:

- a) assess project compliance with the original project design, particularly in relation to geographic focus, project components, proposed activities and expected results.
- b) assess progress and make pertinent recommendations for the remaining period of the life of project.

3. Evaluation Methodology

This evaluation was conducted using the following methodology:

- a) field visits;
- b) interviews with groups of farmers/producers getting assistance from the project
- c) literature review; and
- d) interviews with CLUSA field staff, core team, and partners.

4. Project Implementation Approach

The CLUSA Angola program, Rural Group Enterprises and Agricultural Marketing in Angola (RGE/AMOA), started operating in September 26, 2001. However the first six months were for establishment and identification of opportunities. Therefore the effective project operation activities only started in April 2002, when the implementation plan was designed. The project will end in December 2005.

CLUSA Angola proposed itself to use basically a three tier strategy to reach out smallholder farmers and build their capacity to ensure that the groups of farmers participate in and benefit from competitive high value markets. The first strategy, capacity building, is the foundation of all sustainable smallholder participation in

competitive markets and consists of establishing and or strengthening existing network of democratic producer-owned and controlled rural group enterprises [and or cooperatives – strategy to copy with the problem of legalizing associations] and provides them with necessary tools to be able to identify potential markets. The second strategy, improve the quality of existing crops through facilitation of access to inputs and technologies. The third strategy consists of identifying and facilitating linkages between smallholder farmer producers and buyers and agribusinesses required for smallholders to be able to sell their product(s) in reliable and high value markets.

4.1. Geographic focus

i) Mission recommended geographic focus

Intermediate Result 5.2; “High Value Crops Produced and Marketed More Effectively”, is the focus of this project. USAID/Angola envisioned this IR to be implemented in the relatively secure and developmentally accessible areas such as Cabinda, Luanda, Benguela, and Kwanza Sul and in western Huila province. These stable areas have offered better access conditions into the rural areas, safer movement and available transportation of goods and people, larger land holdings per family allowing for production of fruit and plantation crops, increased irrigation availability and increased production of non-staple food. The IR 5.2 focuses on more developmentally oriented activities primarily in the field of improved marketing and farmer association development while maintaining the overall emphasis on the small holder producers rather than the large commercial farms.

ii) CLUSA selected geographic focus

CLUSA carried out a detailed study of the potential target areas, leading to the identification of Humpata, Chibia, Riovale, Palanca, Tchvinguiro and Neves. in Huila Province and Dungo, Boa Esperança and Cabiri-Mabuia.

in Bengo Province as the most suitable areas for the start-up of the CLUSA activity.

The study conducted by CLUSA revealed the following important characteristics which together with the agriculture potential contributed for the selection of those locations:

- Both provinces have always been secure and would allow for a wide intervention of the program.
- Both provinces have a strong tradition of small scale agricultural production for emerging markets and have a number of operating producer organizations;
- It was assumed that each of the provinces had a good road network and a reasonable processing and institutional agriculture support infrastructure;

In addition, the selection of Bengo, part of Luanda's green belt, was seen as a key strategy for CLUSA and the farmer organizations to get to know better the Luanda market and identify reliable buyers for small scale agriculture production. This was going to be critical for the expansion of the program to Benguela and Kwanza Sul in year 2.

iii) Current status

The project has been implemented in the above mentioned CLUSA selected locations. However, while implementation was initiated in Bengo and Huila and is currently being

gradually expanded into Benguela and Kwanza Sul provinces, it has also been expanded into Northern municipalities of Kalukembe and Caconda. Those two municipalities offer great potential for rain-fed production of maize and beans. The expansion into Northern municipalities was supported with the establishment of two in-kind rotating credit schemes; one for maize and bean seed and another one for provision of animal traction and plows. Despite the fact that reliance on rains for agriculture production has proved to be inefficient to promote food security and rural poverty alleviation, the provision of cattle for animal traction will enable farmers expand their areas under cultivation, which, if complemented with appropriate packages such as input supply, modern agriculture techniques and strong rural based community organizations, this intervention is likely to offset the disadvantages of reliance on rains. To accomplish this result there has to be a strong emphasis on market information, commodity grading so that farmers are guided by viable commercially oriented systems

While the production support services are proving to serve the purpose of increasing production levels, thereby generating production surplus and stimulating the market, there is still an enormous challenge to be addressed, in relation to the effectiveness of informal vs. formal markets to purchase local production and pay a competitive price.

Although the agriculture potential of selected locations is high, spreading resources thinly across too many locations is proving difficult for CLUSA to consolidate presence, have a stronger program and meet targets.

4.2. Project beneficiaries

The project targeted mainly three groups of beneficiaries: small scale producers organized into existing associations, cooperatives or producer groups; medium-scale farmers who are currently producing high value crops but have difficulties accessing the market; and private enterprises (traders, processors and agribusinesses) that purchases commodities from rural group enterprises. For the later group, only the ones who are willing to provide technical assistance to producers complementary to the services provided by CLUSA and demonstrated a willingness to deal with farmers should be assisted.

The criteria used for selection of beneficiaries were: the producers must be located in landmine free and secure areas, a minimum of ten farmers in the existing group or cluster of farmers, have at least two years of experience growing that specific crop, have land under cultivation and water available, and reasonable assurance that a market exists for the crops of the producer group or association.

The evaluation team met with the two main groups of beneficiaries: smallholder farmers and the medium sized commercial farmer. Overall, the producers feel that the CLUSA project has brought to them several benefits including: access to high productivity inputs and technologies, access to credit, and training activities. One of the farmers mentioned that with CLUSA support he was able to purchase a bicycle that facilitates his contacts with other farmers. Another one mentioned that with CLUSA support he was able to

build a new concrete house. The increase in income generated by activities promoted by CLUSA has allowed farmers to purchase cattle, bicycles, cabritos, carroca and to build houses.

According to the Cooperative Agreement between USAID and CLUSA, it was estimated that by the end of the project period CLUSA activities will benefit directly 9,000 producers and 47,600 indirect beneficiaries (see table below).

	No.	Direct Beneficiaries	Family members	Total Beneficiaries
Existing associations	10	300	5	1,500
New Groups/ associations	300 groups/ 30 assoc.	9,000	5	45,000
Medium size farmers	20	220*		220
Total		9,520		47,600

* An average of 10 workers per medium size farm, excluding the seasonal labor.

4.3. Gender Considerations

In Angola women represent 51% of the total population of which 68% live in rural areas (population census 1996). It is estimated that about 75% of them are engaged in agricultural production. In terms of household economic activities, subsistence agriculture or food crops tend to be an activity for which women are responsible especially for family consumption, while men tend to be responsible for cash crops production, industry and services. The surplus food crop production is sometimes sold in the local markets. Women also represent a major group of informal traders. CLUSA program proposed to overcome the constraints faced by women in rural areas, namely lack of access to land, credit, and technologies, by encouraging and supporting their participation in economic activities.

Boa Esperanca was the only one location that the evaluation team visited where of the number of producers assisted; few of them were women which are also engaged in credit activities. In general women in those areas have smaller land and mainly produce under rain-fed conditions. They also mentioned about a group of 17 women, with approximately one hectare each, who are just getting started to produce horticulture. They have approached the service center to obtain training in horticulture production, credit management and marketing.

In general, technologies that are introduced to reduce the workload of agricultural production tend to favor men. For example, women's access to price information is limited; agricultural credit or irrigation investments, when available, also targets cash crops for which men are typically responsible. Therefore, CLUSA should source technologies that also reduce the women workload.

4.4. Statement of project results

The sort of activities carried out by CLUSA in Angola supports the Mission Strategic Objective number 5, *Enhanced Household Food Security in targeted Communities*, specifically the Intermediate Results number one and two respectively, *Vulnerable Households become Self-reliant and High Value Crops Produced and marketed Effectively*.

To achieve the above mentioned results, CLUSA should report on the following main indicators:

- 30 % increase in total amount of high value crops that farmers' association members sell or transport under contract by end of project.
- 30 % increase in number of agricultural commodities processed by producer associations.
- Gross sales by program assisted clients
- Number of producer groups, associations and members assisted per year
- Volume of credit reaching producers and repayment rates
- Number of companies and other enterprises doing business with producer groups.

The project proposed that by the end of the project period, 9,000 producers, representing at least 300 producer groups would be directly assisted by CLUSA.

The table below summarizes the achievements of CLUSA project as of June 2004:

Indicators	EOP Goal	Level of Yr2 Achievement	%
Number of farmers accessing improved production technologies	9,000	5,967	66.3
Increased business opportunities and services for small scale producers	3000	3310	110.3
Amount of group sales facilitated to formal market	30%	158,669 kg	N/A
Gross sales by program assisted clients (\$)	30%	\$57,898.12	N/A
Number of producer-owned organizations created and assisted	300	382	127.3
Volume of credit reaching producers and repayment rates	N/A	\$467,411.87	N/A
Repayment rates on credit (%)	N/A	\$0.95	N/A
# companies and other enterprises doing business with producer groups	20	28	140.0

Source: CLUSA

Based on the results of the market study, the CLUSA implementation plan proposed to adopt the following strategy:

- *Strengthen existing producer organizations and groups and support the creation of new producer groups capable of producing high quality products for pre identified markets;*
- *Improve the quality of existing crops;*
- *Identify and facilitate linkages with reliable buyers and agribusiness.*

The results achieved will be therefore reported according to these three main categories:

- (1) *Strengthen existing producer organizations and groups and support the creation of new producer groups capable of producing high quality products for pre identified markets*

Over the past 26 months since data has been accurately collected and compiled, smallholder associations have learned to track their members' sales and reported making profits from selling high value agricultural commodities like potatoes, carrots, onions, tomato, cabbage, maize, etc. The project target of assisting 300 producer organizations/ solidarity groups by end of project (EOP) has been achieved and exceeded by 127% (382 groups). CLUSA has managed to assist 6,650 direct beneficiaries has been achieved number of 5,967 (66.3%) and it is anticipated that the target of 9,000 be achieved in advance of the project's completion date. Six cooperatives and associations have been created, of which two in Mabuia have been legalized and the one in Bengo and the three in Humpata are in process of being legalized. The Angolan cooperative law states that associations are not for profit organizations therefore, should not report revenues. However, cooperatives are for profit organizations.

The assistance provided to these farmer groups are mainly provided through the service centers. CLUSA has managed to successfully start 13 service centers in four provinces: Bengo (4), Huila (8), and Kwanza Sul (1). Service centers serve as suppliers of inputs to small-scale farmers, assess credit needs and repayment capacity, provide training and extension messages to producers, and serve as the main point for farmers to have access to market price information.

In partnership with MINADER, CLUSA has managed to have a weekly 15 minutes air time to disseminate market price information on a local radio with national coverage. They also produce a monthly leaflet that provides information about supply and demand for agricultural products, prices of products and respective transportation costs, sources, modalities and requirements for agricultural credit and other relevant information of marketing of agricultural commodities. The service centers represent the main mechanism to disseminate the information. The target groups for this information are producer organizations or groups and associations, governmental and non-governmental organizations, agribusiness companies, etc.

- (2) *Improve the quality of existing crops*

Through promotion of high value crop production, usage of improved technologies, CLUSA assisted farmers are benefiting from increases in the income with the increase in productivity and quality of the products marketed. Most of the producers have managed to increase their surplus production through the usage of high quality inputs like improved seeds, fertilizers and pesticides and access to technologies: irrigation pumps and pipes, spraying tanks, etc.

CLUSA smallholder farmers' associations are also engaging in producing more lucrative off-season vegetables on a constant mode throughout the year to increase their income. This effort includes support credit from Banco Sol. For example, CLUSA managed to leverage half a million dollars worth of credit with a commercial bank, Banco Sol, by providing a loan guarantee of \$25,000 USD, representing 50% risk sharing on the approximately 10% of the non recovered loans.

At the service centers, producers explained to the evaluation team that most of the credit that they receive is basically from three sources: Institute for Development Agriculture (IDA), from Ministry of Agriculture and Rural Development, which is channeled to them through CLUSA at 10% interest rates for four months period. The second source of financing is Banco Sol which provides input credit as well as credit for irrigation equipment also at 10% interest yearly to be repaid in six months period. The third source of financing was through an input supplier, Agroinsumos, which provided credit on a pilot basis to a Lubango association to be repaid in three months time. For the period

Assisted farmers have mentioned that with the extra income that was generated by using good production inputs and technologies, they were able to extend their production areas, acquire more production equipment, build new houses, acquire transportation means, and support their families.

(3) Identify and facilitate linkages with reliable buyers and agribusiness

CLUSA strategy for reaching out this objective is to work with existing agribusinesses and processors to ensure that market exists for small-scale producers.

The evaluation team found out that for the first two years of project activities CLUSA assisted RGE only realized \$57,898 in sales. This amount means that out of the total surplus production that producers managed to have only the ones that the farmers had contracts with a buyer and/or processor was recorded.

It was also found out that producers do prefer to sell their production on their own because, according to them, they can sell in the informal market which is not very selective and pays higher prices than the formal market.

CLUSA assistance is concentrated in promotion of vegetables and fresh fruits, which are highly perishable goods, the joint marketing activities through the service centers is very weak. One of the reasons given was that the centers do not have the required facility to store fresh produce. However, even in the rain fed areas, marketing activities are almost non-existent.

4.5. Other activities:

Under the policy scenario, CLUSA has initiated discussions with IDA, Agriculture Development Institute and CDP, Project Development Cooperative, issues related to legalization of farmers associations and cooperatives. One example on legalization of a cooperative is with Dungo Cooperative that has been taking over six months now and they have spent approximately \$5,000 USD for the process. The second area of concern is trying to strengthen the partnership with the Government to ensure that farmers' market access roads become also government's priorities.

CLUSA has undergone some partnership relationships with the private enterprises, local and international NGOs, local government, and financial institutions. These partnerships are further discussed in the section six below. Some examples of existing organization partnerships include:

1. IDA – provided credit (Agriculture Development Support Fund – FADA) to the service centers for land preparation and establishment of the centers and provision of inputs (fertilizers) that were capitalized by the centers for rehabilitation activities.
2. WVI – provision of maize and bean seeds to farmers groups as in-kind credit. The reimbursement served as incentives for the animators.

3. CRS – CLUSA to train four technicians of CRS in association development, marketing and credit management.
4. CARE and Save the Children – rehabilitation of irrigation infrastructures and warehouses and seed multiplication.
5. ADRA – will work in partnership with CLUSA to joint implement a EU funded food security project (production and marketing).

Coordination with DAPs:

ACTIVITIES	MONTH	A	M	J	J	A	S	O	N	D	J	F	M
Sign MOU with interested DAPs			■	■	■								
TA and Monitor visits to DAP areas				■			■			■			■
Assessment of areas for expansion of the program - Benguela and Kwanza Sul								■	■				
Discussion of findings with mission, DAPs and partners											■		
Final decision on expansion discussed with the mission, DAPs and other partners												■	

Training activities

CLUSA has trained 2,002 people in different training subjects and

CLUSA Training modules and number of beneficiaries			
	Training module	No. events	No. Beneficiaries
Association Development	Association Development/ Marketing	15	372 producers, 76 animators, staff and service center managers
	Service Center Management	7	90 service center managers, partners, staff, producers
Production	Safe pesticide usage	4	11 staff and partners, 20 producers
	Production and Multiplication of cassava	1	50 producers
	Cassava stake selection for multiplication	1	5 producers
	Conservation farming	1	34 service center managers
	Preparation of production business plans	1	60 producers (10 groups)
Marketing	Marketing of agricultural products	2	351 producers
Credit	Credit Management	10	933 service center managers, partners, staff, producers

4.6. Summary of strengths and weaknesses of the CLUSA project

A summary of the three key strengths of the CLUSA project is as follows:

- There are clear evidences from the field visits that assisted farmers are managing to increase income through high quality products as well as increase in productivity due to the usage of improved inputs and technologies.
- Credit management is another area where CLUSA has been achieving good results with repayment rates above 95%. The credit is sourced for purchase of inputs and equipments through a well established local commercial bank. Other credit schemes were also utilized. For example, in-kind credit through a rotating seed scheme (maize and beans); land preparation credit in partnership with IDA. Profits generate through agricultural activity are one of the direct benefits of credit. The second benefit is the seed that can be stored to plant in the next season.

This allows farmers to generate more income in the second year without having to pay for more credits.

- The establishment of 13 Service Centers in the targeted communities. These centers serve as the main sources of input supply and technology transfer to small-scale farmers, facilitate linkages with buyers, negotiate contracts, serve as location for group meetings, training, and dissemination of market price information, analyze credit needs and repayments, provide TA to farmers. They also provide farmers with basic information on governance and democracy as well as generate employment.

A summary of the three key weaknesses of the CLUSA project is as follows:

- The baseline survey was never finalized and therefore it is almost impossible to realize any progress that CLUSA is making since we do not have the premises. The collection of data as well as the processing of the existing ones was not finalized.
- The project is not emphasizing the long term needs of the service centers. Most of the sourcing for buyers, as well as financing are done through CLUSA central office with very little involvement from the service center managers and/or producers.
- The criteria used by the project to decide on geographic areas coverage and crops to be promoted is not clearly defined and the roles of each staff member at the central level is also not clearly defined and keeps changing over time.

4.7. Implementation Strategy

CLUSA's implementation strategy has undergone some changes in this first two years of operations resulting mainly from the different socio-economics trends that the project did not anticipate. These were:

- Realized that the majority of the assistance is focused in increase production and productivity in order to ensure that there is enough surplus production to be marketed.
- The marketing of fresh vegetables and fruits requires that the service center have a cold storage facility to ensure that production reaches the market in fresh conditions. Since these centers do not have those facilities, and because the centers do not want to bare the risk of carrying such highly perishable goods, most of the marketing activities are done through informal trade. In the few cases where there is a signed contract, then the trade is done through the formal markets, who according to the producers, are very selective and pay less than the informal market. Informal markets pay more than the formal ones and are less careful about quality and selection of the products which is a non incentive to promote quality. However, if long term relationships are to be built between farmers and

buyers, then formal market transactions have to be promoted.

- The program proposes to work basically in two provinces, Bengo and Huila, for the first year and expand to other two, Benguela and Kwanza Sul, later on during the project implementation. However, the project has expanded into Quenguela, where there is a processing plant. CLUSA is assisting farmers with the production technologies to provide raw material to the plant.
- In the Chibia region, CLUSA proposed to work in the livestock sector by promoting joint marketing of farmers' associations' cattle. The project realized that cattle marketing were not a good intervention area since producers do not sell them, rather they exchange for other products that they may need.
- Value added processing market linkages – activities should include development of value-added processing capacities and building linkages between small and medium scale producer organizations and buyers/processors. All the activities in this area were only concentrated in linking farmers with processors. For example, maize production for processing in Lubango, cassava production in Quenguela in partnership with IITA for cassava development and low quality fruits for alcoholic processing in Lubango.

These implementation changes produced mixed results. (Which results?)

4.8 Project Cost Effectiveness

CLUSA's Cooperative Agreement with USAID was for an amount not in excess \$3,998,000 million of federal funds for activities to be carried out from September 2001 through December 2005. The amount of funds obligated up to date is \$2,997,044. According to the financial budget, by the end of year three CLUSA should have spent a cumulative total of \$ 2,948,744. The total expenditures till March 04 was \$2,469,262.27 which means that until December 2004, CLUSA has only \$ 479,482. Considering an average burn rate of \$73,000 per month, then we can conclude that CLUSA is overspending. The project is considering reducing the monthly burn rate to an amount not in excess of \$40,000. However this strategy may have severe implications in the achievement of CLUSA's results: reducing the geographical coverage, reduce field level advisers, etc.

CLUSA agreed to raise another \$1,201,500 million in non-federal funds. The program has already leveraged \$762,000 (63.4%) in matching funds till June 2004, namely \$600,000 (OFDA), \$100,000 (IFAD), and 62,000 (EU/PMA) and has additional non-federal funds commitments, from BP, IITA, ESSO, Chevron that may result in the program's achieving and/or exceeding its match requirement.

5. Partnerships

5.1 Partnerships, alliance building and networking demonstrate new approaches to development the Agency has promoted over the last eight years. These approaches underpin participatory development strategies and projects contributing to “the new way of doing business” at USAID.

5.2 Five categories of alliances, at least for this evaluation, directly contribute to agriculture enterprise and agriculture sector development. These categories serve as criteria to determine the breadth of partnership CLUSA has developed over the last two years in Angola. The categories are:

- **Scientific research and technology transfer partnerships**
Usually developed between International Agriculture Research Centers, universities, non government organizations (NGO), this type emphasizes moving technologies and knowledge across geographic areas to address off farm development relief and small scale commercial production in order to introduce, for the most part, new seeds, improved nutrition, low input cultural practices, and locally produced equipment. When the private sector joins this alliance, small scale commercial farmers increase their productivity permitting them to compete in areas of quality assurance, price and consistence of supply on local, regional and extra-regional markets. Examples: Seeds of Freedom, Southern Africa Roots and Tuber Network
- **Public and Private Sector Alliances in support to agriculture enterprise development.** This category takes many forms and directions. The most frequently proposed in Africa provides access to formal markets to small scale commercial producers. While private industry may subcontract to small enterprises (farmers, food processors, transporters, etc), more often than not, larger firms will commit technical assistance, mentoring, agricultural inputs, funding or in-kind contributions. Example: Cabinda Agribusiness Development Alliance
- **Partnering to Strengthen Civil Society Maturity.** This category may include NGOs, international donors and producer groups and other participants. NGOs assist international donors and government to strengthen producer groups to manage finances, improve governance, deliver demand driven services and formalize communication linkages – all necessary for organizational development and maturity. Example: National Farmers Association of Malawi. Zambia National Farmers Union
- **Private Foundations, Scientific Research/Technology Institutions and private industry alliances to strengthen emerging sub-sectors.** This category of alliances provides innovative and cost effective approaches to empowering a broad segment of the agriculture sector. Fostering scientific based agriculture enterprise development approaches, small, medium and large scale food and agriculture producers benefit not only from strategically placed resources, but also from new concepts, information networks and technologies. Examples: Agribusiness in Sustainable Natural African Plant Products, Seed Development Program

- Information Networking. This category is broad, rich among alliance builders and endless value to well established and embryonic organizations. Examples: Environmental Information Network, CropNetwork.

5.3 CLUSA should be heralded for fully embracing the partnership approach to agriculture and agriculture enterprise development in Angola. With over 50 partnerships in at least four out of the five above criteria, CLUSA demonstrates that alliance building is not a slogan but the way it does business. The section sets out to describe the types and contributions partnerships provide to CLUSA utilizing the five aforementioned categories. More specifically, the aim is to identify how CLUSA beneficiaries, collaborators and staff benefit from alliance building. In some cases, it is possible to quantify how CLUSA leverages its financial resources and clout to benefit small scale farmers, private industry and other partners. (See CLUSA Partnership Table attached)

5.4 The Information Age forges the greatest number of alliances to the Program of Rural Group Enterprise and Agricultural Marketing in Angola. Moving from the largest to the smallest potential impact the biweekly radio program “Voices of the Field” disseminates market prices and general agricultural information through the Angolan National Radio. The outreach provided by this alliance permits regular exchanges about technical assistance, training, agriculture policy dialogue and socio-cultural information among organizations like the Institute for Agronomic Research, MAVICO, ADRA/Angola, Norwegian Popular Aid, Africare and ZOA (Dutch NGO). Conventional information sharing is not overlooked. CLUSA promotes the collection and dissemination of market information through monthly bulletins, Relampago.

Table 1 Information Partnerships

Institutions	Type of Partnership*	Partner Activities
Angolan National Radio	I	Biweekly radio program 'Voice of the Field' for disseminating market prices and agricultural information
Office of Food Security (GSA) /MINADER (The Ministry of Agricultural and Rural Development), Luanda	I	Sharing market information and air time at Angolan National Radio
Provincial and local services of IDA/MINADER in all intervention areas	I,	Identifying intervention areas, securing lands for small farmers, collecting and disseminate market information and CLUSA intervention models
Municipal and local administrative and traditional authorities	I	Sharing information on intervention areas and methodologies
World Vision International (WVI)	I,T,E	Sharing information and training opportunities in marketing, credit, producer organizations and conservation farming; seed supply and multiplication
Save of Children Federation (US)	I,T	Information and experience sharing in Gabela, Kwanza Sul; Construction of irrigations dams and channels; Technical assistance to production
Africare	I	Collaboration on procuring and using agribusiness volunteers through Land O Lakes; Sharing information and experience on training and TA
Angolan ADRA	I	Discussion on strategic partnership for policy reforms related to land tenure, legalization of cooperatives and agricultural credit; Sharing market information and training opportunities; Anticipated joint intervention under a food security project proposal submitted to EU in Ganda municipality, Benguela
AICF – International Association Against the Hunger, North of Huila	I,T	Exchange of information and experience and willingness to design and implement joint project on food security with funds from EU and USAID
MAFICO – Lubango, Huila	I	Information and experience sharing
CARITAS- North of Huila	I,T	Participation in the literacy program in the North of Huila; Information and experience sharing in organizing in kind credits (seeds and animals for traction) and marketing activities
ACCORD, Lubango	I	Information sharing in Lubango, Huila

Source: Interviews with CLUSA Staff; I – (?), T – (?), E – (?)

5.5 While not as explosive as the fall out from the Information Age, alliances emanating from the private sector is respectful with potential long term impact and relationships. CLUSA/Angola orchestrates direct contact, in many cases for the first time, between small scale farmers and the formal business sector. And, as important, all parties engaged in the alliance benefit. For example, Ligalu, a small scale seed and agricultural inputs company benefits from its informal alliance with CLUSA gaining new small holder customers and providing access to small volume, affordable products. Small volume input providers are not common place in sub-Saharan Africa, therefore, Ligalu and companies like it, benefit from NGOs who organize small farmers to buy inputs in moderate volumes. This is obviously a “win- win” situation for CLUSA, small scale farmers and the input supplier. The same is true for all the input suppliers (AGRINSUMOS, NAVAROS, etc) partnering with CLUSA farmer associations.

CLUSA’s agriculture enterprise partnerships are numerous and have already begun to rack up financial, technical and household level intermediate results. Through verbal alliances and gentlemen’s agreement between CLUSA, Shop-Rite Supermarket, Sodispal and Rulal (supermarkets) and farmer associations, representatives from latter in Gabela/Kwanza Sul , Neves/Huila (1.5 tons in 2003), Humpata/Huila sell tons of potatoes, carrots and onion. Supermarkets foster the entrance of farmer association products into formal markets, therefore, facilitating price, quality and consistency in supply competition with suppliers from South Africa, France and elsewhere. In addition to diversifying their market base, the farmer associations, for the first time, focus on production costs and greater efficiency and productivity.

5.6 Nevertheless the agriculture enterprise/market linkages partnership pale by comparison to the credit/financial services alliance building, the centerpiece of both production support services and market support services of the project. CLUSA skillfully manages the relationship between Banco Sol and 424 farmer associations in four provinces. Credit provision for land preparation, seeds, pesticides and fertilizer positions small scale farmers with as little as .10 hectares, through solidarity group lending schemes, clear as much as \$700 per growing season from Irish potato production. And it is duly noted, that farmers in Huila Province cultivate three crops annually.

Table 2 Rack up of Leveraged Funds

Organization	Type of Partnership	Funds leveraged
International Food and Agriculture Development	Enterprise Development/ Credit	\$100,000
International Institute for Tropical Agriculture	Agriculture Enterprise Development	\$50,000
European Union	Technology Transfer	\$62,000
Banco Sol	Enterprise Development/ Credit	\$500,000
Banco Keve	Enterprise Development	\$246,000
Office of Foreign Disaster Assistance	Technology Transfer	\$600,000
BP	Enterprise Development	\$145,000
Government of Angola	Enterprise Development/ Credit	

Source: CLUSA Staff Interviews

5.7 CLUSA leverages project funds to create credit for its farmer associations. After negotiating with Banco Sol on the conditions for credit, CLUSA leveraged \$25,000 to create \$500,000 available for loans. To date, solidarity groups have tapped credit totaling approximately \$450,000. And most recently, a similar scheme negotiated with Banco Keve makes available a credit \$246,000 to CLUSA farmer associations.

6.8 Civil society strengthening through collaboration with farmer associations, national government and other stakeholders is CLUSA's trademark. While the model for building civil society alliances differs from country to country and project to project, the components of the model are the same. The models underline the importance of small groups of farmers working together towards a common goal. The common goal is researched and developed properly to allow the farmer groups to understand approaches and resources to obtain their goals and objectives. Business planning is an important step towards laying the building blocks of productivity and profit.

The CLUSA/Angola farmer association portfolio is irregular. Not only because the associations differ in size, management, resources and affiliation, but also it appears, they also differ in purpose and results. Here are some observations:

- 1) The Program of Rural Group Enterprise and Agricultural Marketing have three strategic foci: to generate and strengthen farmer associations; to assist farmers to access inputs and technology and finally, to secure market linkages. However, it is clear that CLUSA field staff spend as much if not more time providing production support services (identifying seeds, pesticides and fertilizer, providing extension services, and doing whatever it takes to improve yields). The emphasis on production support services diverts human and financial resources from the project's strategic focus and stretches already thin project funding.

- 2) Marketing efforts are limited to high value crops (HVC). HVC, however, are not defined, at least not along economic or market driven data. Therefore, carrots, potatoes, onions appear to be the primary high value crops. Very little market data was provided to support the selection of these crops. Therefore, it will be difficult to determine if the results, intermediate or final, obtained by the farmer associations are, or will be based on the best possible information.
- 3) New farmer association identification, collaboration and strengthening emerge from ad hoc processes. Farmers in Quenguela, for example, were identified as collaboration through casual conversation. No assessment was done to determine the needs or intended results from working with farmers in this area.

6. Project Management and Staff

The CLUSA project only started project activities six months after the signature of the CA because an assessment of the agriculture and marketing potential needed to be conducted. In the following six months, however, the addition of most of the project personnel took place and has facilitated better relationships with existing NGOs, local government, producer groups, private sector actors and other development organizations working in the country.

There were some complaints by project staff about a lack of management focus, lack of participatory planning, and poor management of deliverables. Observations included a lack of regular staff meetings, management's tendency to change priorities midstream, and the frequent interruption of meetings by routine project management issues. Staff is also called upon to be present at key strategic planning sessions with no preparation time. The CLUSA project certainly has some creative, qualified individuals on staff that would benefit from more focused project management.

CLUSA project staff need more training and technical capacity building themselves in order to realize project objectives and fulfill demands from the associations for business training, technical assistance and marketing. It will be a challenge to invest in and build project staff capacity in the last year of the project; yet some level of staff training – particularly around the skills needed to improve association marketing activities and market linkages – will be essential in order to complete these project goals within the time frame remaining.

Were the project not in its final year of implementation, the evaluation team would recommend that CLUSA project revise its hiring methodology, have clear TORs and job description for each personnel.

There should be more focus by the project on achieving results. Any changes and or modifications to the original implementation plans should only be done after an assessment has been conducted and following a CA amendment.

7. Lessons Learned

8. Recommendations

- (1) Scientific based enterprise development alliances are innovative and provide long term benefits. CLUSA should investigate, at least in Huila and Luanda, opportunities to work with national agriculture research stations and schools of agriculture. Linking technology development and transfer with research centers accompanied by modest financial and human resources will improve opportunities for small scale farmers to access technologies and information necessary for improved farm level quality control and improved productivity. Finally, private foundations have begun to discern the value of funding research institutions. In Southern Africa, Rockefeller Foundation and Ford Foundation are working with national research systems to improve linkages between research and small scale producers. Such linkages would complement well the professionalization of farmer associations undertaken by CLUSA.
- (2) Program of Rural Group Enterprise and Agriculture Marketing should develop a comprehensive alliance building strategy indicating benchmarks and types of partnerships. The purpose of this strategy is to set the stage for a farmers' federation that will attract human, institutional and financial resources beyond the most support provided by AID/Angola. As the creation of a farmers federations falls within the medium term CLUSA planning, leveraged resources sets the tone and commitment from a variety of sources to build the federation. The CLUSA alliance building strategy in Angola is to include: a) linking production and marketing project interventions to regional scientific research and technology transfer activities SARRNET, INIHAB, Regional Seed Systems Development Project, European Union Agriculture Research Competitive Grant Fund, World Fish Center's Zambezi River Basin Project and MSU/Partnership for Food Industry Development Project; b) initiate dialogue with Angolan based private companies desiring to assist in reestablishing rural based economies in Angola. In addition to Chevron Texaco, which is frankly over solicited, companies like EssoMobil, SONANGOL, British Petroleum, Coca Cola, Seaboard Inc, etc. In fact, CLUSA may wish to take advantage of the Internal Revenue Service Tax Code that obliges all U.S. companies that net more than one million dollars annually to contribute one percent of their earning to philanthropic activities. Therefore, it would be useful for CLUSA to include targeting all U.S. companies in its alliance building strategy. c) Private foundations fund, in many cases agriculture enterprise development activities relevant to what CLUSA does in Angola. A few examples include: Seed Development Project is funded by Rockefeller and promotes medium size seed companies in East and Southern Africa, who desire to service small scale commercial farmers. IDEA/Ford Foundation, focusing on Southern Africa, targets small scale farmers desiring to produce for formal and informal markets. Rockefeller Foundation and

AID/EGAT/AG have initiatives to improve the capacity of universities to product agriculture technical expertise in Africa.

The idea is to invest in a comprehensive strategy and then make the strategy an integral part of accomplishing medium and long term project goals.

- (3) CLUSA needs to return to basic economic research and analysis to make production and market oriented decisions. It is difficult to determine CLUSA progress in increasing crop yields, increasing small farmers market share of targeted high value crops (HVC), to understand how HVC were selected, to understand the rationale for entering new geographic areas in Angola, or to understand how new crops and markets will be selected. First, CLUSA is requested to complete its crops and markets baseline study. Second, CLUSA needs to research and analyze the logic of working where it currently does and determine if the organization should continue to service these six geographic areas or move to new one. Huila and Luanda/Bengo clearly make sense. However, data needs to back up what looks obvious at first sight. Regarding the other provinces and sites, it is difficult to understand why they work at the sites and what level of effort is required to properly support the farmer associations.
- (4) Further to the point of support to farmer associations, CLUSA should go back to the mission, in writing, and make clear how it supports farmer associations, why it supports farmers associations beyond the intent and parameters of the project and the additional costs involved to deliver the services, especially the production support services not found in the project design. This point has serious financial management and project cost over run implications.
- (5) AID/Angola management has a responsibility to adhere to the cooperative agreement governing the Rural Group Enterprises and Agricultural Marketing Project. In a cooperative agreement, as the mission knows well, missions may provide input into three areas: selection of key personnel (chief of party, chief of operations for example, approval of the annual work plan and lastly, performance management plan. When the mission management desires to amend the project design and implementation plan, it is recommended that an economic assessment, first, be completed. The economic assessment would, therefore, permit the mission and CLUSA to determine financial, human and administrative expenses necessary to change project sites, add crops, decline to allow CLUSA to enter new geographic areas, etc. In fact, no change in the implementation plan should be made due to verbal recommendations. Mission management, in collaboration with CLUSA, should provide written justification to the contract officer and collectively decide follow the process for amending project direction.
- (6) Strengthen the role of Service Centers, in taking on the marketing support functions currently provided by CLUSA. In many respects, CLUSA is still the negotiator in identifying and establishing relationships with major buyers of agricultural commodities and input suppliers on behalf of RGE members. This role has to be gradually transferred to the centers.

- (7) On the gender aspect, it is clear that CLUSA assisted enterprises have very little participation of women. There was no specific targets set for gender; however, the evaluation team recommends that CLUSA should have an increased emphasis on increasing participation of women's in business activities through promoting women participation in the decision making process within the assisted groups, promote women only groups, etc.
- (8) The primary conclusion of the report is that CLUSA's Rural Group Enterprise and Agricultural Marketing Program continue to provide effective marketing services to producers in the five provinces assisted from August 2004 through December 2005, assuming that the recommendations provided above are implemented. The continuation of the program beyond 2005 is dependent on the levels of CLUSA achievements till then, to be assessed at the end of the project period.
- (9)

9. References

- 1. CLUSA Proposal for Rural Group Enterprises and Agricultural Marketing in Angola. August 2001.**
- 2. Implementation plan for Rural Group Enterprises and Agricultural Marketing in Angola. April 2002.**
- 3. CLUSA Angola Business Plan. Huila Produce Company.**
- 4. Formal Market Access Strategy and Process. CLUSA Angola.**
- 5. A Framework for transitioning to Rural Economic Growth in Angola. Final report. Dec 2003.**

10. Appendixes

- Annex A. Scope of Work: Rural Group Businesses**
Annex B. Contacts, Field Visits and Key Documents