



Investing in rural people

Aide memoire

Support to Farmers' Organizations in Africa Programme – SFOAP Main Phase

Eastern African Farmers' Federation - EAFF

Supervision mission: July 2017, Uganda, Burundi and Kenya.

A. Introduction¹

1. The fourth IFAD supervision mission of the SFOAP main phase to East Africa region, which took place from the 4th to the 15th July 2017, is the last supervision mission before the completion of activities scheduled for December 2017. The mission focused in particular on (i) programme activities and achievements; (ii) sustainability of programme activities; (iii) planning for the completion of activities by December 2017; (iv) overall financial management and procedures for closing of the grant by April 2018; (v) explore opportunities for collaboration with IFAD Country Programmes.

2. The mission spent 5 days in Kenya, where consultations were held with EAFF. The mission also spent 3 days in Uganda, where working sessions were held with the Uganda Cooperative Alliance (UCA) and the Uganda National Farmers Federation (UNFFE). In addition, the mission spent 3 days in Burundi, where the team visited SFOAP activities being implemented by the *Confédération des Associations des Producteurs Agricoles pour le Développement* (CAPAD).

3. Furthermore, the supervision team and EAFF held consultations with the EU delegations in Uganda and Burundi, as well as with the SDC offices in Burundi and Kenya, and with the IFAD Country Offices in the three countries. The meetings with IFAD also referred to the FO-IFAD Country Action Plans that were developed during the Eastern and Southern Africa Regional Farmers' Forum (ESA-FAFO) that was held in Uganda on the 20-23 May 2017.

4. Two debriefing meetings were held with the NFOs, one on the 7th in Uganda and one on the 10th in Burundi, while the mission wrap-up meeting was held on the 15th July with EAFF. The mission would like to express its gratitude to EAFF, UCA, UNFFE, CAPAD as well as the EU, SDC and IFAD Country Offices for their support and cooperation during the mission. The discussions have been fruitful and potentially far reaching in terms of collaboration with SFOAP supported FOs.

5. The mission would like to note that the technical and financial progress reports that should have been prepared prior to the mission were submitted to the mission members only once the mission had already started.

B. Overall assessment of programme implementation and Programme Closing procedures.

6. As of the 14th July 2017, EAFF has spent about 62% of the annual budget. On a programme cumulative basis, EAFF has spent 91% of the overall grant amount. However, approximately EUR 182,722 are yet to be justified by the NFOs, and when considering these funds, the cumulative expenditure rate increases to 95%. Physical achievement is also on track, as EAFF and its national members have executed approximately 55% of their annual activities, which is expected to reach 70% by August. As such the NFOs are on track to complete activities by October 2017, so that EAFF can ensure that all activities are completed by the 21st December 2017. The final and technical reports are expected to be submitted to IFAD by the 31st of April, as per the Grant Agreement.

7. All of the 2016 technical recommendations have been or are being implemented by EAFF and the NFOs. In fact, the ESA FAFO was successfully organised by EAFF with support from IFAD, and the 2017 SFOAP activities have clearly focussed on ensuring medium to long term sustainability. NFOs have focussed on organising Business to Business meetings, trainings on business

¹ Mission composition: Nicolas Syed, SFOAP Programme Analyst, Mission Team Leader; Antonella Cianciotta, SFOAP Long-term Financial Management Consultant. Mr Norbert Tuyishime, EAFF Programme Officer, accompanied the mission members throughout the mission, while Mr Philip Kiriro, EAFF President and Mrs Joyce Wanjiru EAFF Finance Officer also joined the field visit in Burundi. Mr Stephen Muchiri, CEO of EAFF took part in the final consultations in Kenya.

management, the development of business plans and linkages with financial institutions and market actors, while three KM workshops have been planned for the second half of 2017. Furthermore, the questionnaires for the 2017 satisfaction surveys have been developed in a way to allow for gender disaggregated data, however the surveys have not yet been finalised and it was not possible to check if indeed the data collected has been effectively disaggregated. Finally, EAFF and NFOs have organised follow up meetings with the IFAD country offices in Uganda, Kenya and Rwanda.

8. However, in terms of the financial recommendations, the mission is disappointed to note that the e-filing system has not been set-up as had been recommended. Furthermore, the 2016 annual audit has not yet been submitted although the deadline was the 30th June 2017, nonetheless it is expected to be submitted soon. In addition, discrepancies have been noted in the overall AWPB submitted to IFAD and the amounts provided to the NFOs with regards to the policy studies. In fact the AWPB includes a budget of EUR 32,773 for national policy studies, but the contracts between NFOs and EAFF amount to EUR 45,150.

9. In this context, and in view of the closing activities, the mission recommends EAFF to develop a detailed workplan and budget for national and regional activities from August to April, thus including activities and budgets for the closing activities planned between December 2017 and April 2018.

10. **SFOAP closing procedures.** Currently, the agreements between EAFF and the NFOs are scheduled to end by August 2017. In this context, those NFO who will spend their allocation by August will be able to ask for small additional financing for activities in September and October, upon signature of a new agreement. On the other hand, any amounts unspent by NFOs will be collected by EAFF to use exclusively for the closing activities.

11. As such, the mission recommends EAFF to ensure that the eligible NFOs prepare detailed implementation plans for activities in September and October, and submit them to EAFF by the end of July 2017. Furthermore, NFOs should complete all activities by October 2017, in order to provide the final technical and financial reports to EAFF by the December 2017. In this way, EAFF can consolidate the reports and submit to IFAD their final technical and financial report, including the final audit, by the closing date of the Grant Agreement, which is the 30th April 2018. The mission therefore recommends EAFF to provide backstopping support to NFOs to comply with the closing conditions outlined above.

12. In this context, for the remaining 5.5 months of implementation in 2017, the mission recommends EAFF to continue monitoring closely the NFOs to ensure that all their activities are completed by October 2017. Furthermore, EAFF should support the NFOs in collecting the relevant impact data, such as increases in membership numbers, increases in production, sales and incomes, and other indicators as per the SFOAP logframe, in preparation for the project completion mission that will be fielded by IFAD in early 2018. This can be done via a final survey to be carried out between October and December. In addition, the KM and closing workshops will be important in ensuring that the knowledge generated during the project lifetime is shared amongst all the relevant stakeholders.

13. In summary, NFOs should complete activities by October 2017, launch their final audit by November and submit all reports to EAFF by December 2017. EAFF should complete all project activities by December 2017. The completion mission and closing workshop should take place by early March 2018, in order to launch the final audit by mid-March 2018 and finalise it by early April 2018. The final completion technical and financial reports, including the final audit, should be submitted to IFAD by end of April 2018.

Agreed action	Responsibility	Agreed date
Ensure NFO prepare implementation plan for activities for September to October 2017	EAFF and NFOs	July 2017
Closely monitor NFO activities to ensure completion of national activities by October 2017	EAFF and NFOs	July – Oct 2017
NFOs submit final technical and financial reports (including final project audits) by December 2017	NFO	Dec 2017
Undertake impact survey in preparation of project completion mission and for the project completion report	EAFF and NFO	Dec 2017
Develop and submit to IFAD new workplan and budget for national and regional activities from August to April, including closing activities planned between December 2017 and April 2018	EAFF	End of July 2017
Complete all regional activities by December 2017	EAFF	Dec 2017

C. Outputs, outcomes and implementation progress

14. Analysis of the implementation rate has been organized considering first component 3 on economic service delivery since most actions under the other two components are derived from those implemented under component 3.

15. **Component 3 – Economic Service Delivery.** Component 3, is the most prominent component for EAFF, with 42% of the 2017 AWPB and 51% of the overall budget and is implemented by all 12 NFOs² supported by SFOAP Main Phase. In order to generate a critical mass of experiences at the national level and facilitate exchanges and knowledge management, the component is focusing on three target value chains of regional interest: cassava, Irish potatoes and livestock (dairy). As of June 2017, EAFF has spent 76% of the annual budget and has reached 92% cumulative expenditure for the component³, and is expected to reach 105% by the end of project. Physical achievement for 2016 for component 3 is estimated at approximately 65%, considering that most trainings and meetings have been completed, while the 3 national KM workshops, and the regional end-of-project workshop as well as the EAFF congress are yet to be organised. Furthermore, 3 documentaries on the VC activities were planned in 2016 and carried over to the second half of 2017.

16. *Regional Level activities.* The regional level activities planned under the 2017 AWPB included, (i) one annual planning workshop, (ii) one end-of-project workshop, (iii) 10 backstopping missions (iv) 3 KM workshops and (iv) the KM and B2B sessions of the EAFF Congress.

17. Annual Review and Planning Workshop and End of Project workshop. The first activity undertaken under component 3 at regional level was the Annual Review and Planning Workshop, which was held from the 30th January to the 1st of February 2017. The workshop was attended by 25 representatives from the 12 NFOs, and focussed on the preparation of the 2017 AWPB and value chain actions plans. The final output of this workshop was thus the 2016 EAFF Annual report and the 2017 EAFF AWPB. The end of project KM workshop is planned to take place between December 2017 and January 2018.

18. Backstopping and support missions. In addition to the workshop, EAFF also fielded 3 technical backstopping and support missions, following a capacity assessment of EAFF members undertaken in late 2016 as a result of a recommendation of the 2016 supervision mission. These included 2 technical backstopping missions undertaken by an EAFF SFOAP Coordinator, one to Djibouti (DAPA) from 7th to 11th January 2017 and one to Uganda (UCA and UNFFE) from 26th to 30th March 2017.

19. The main objective of the technical backstopping mission to DAPA was to assess the status of the goat breeding programme and to support DAPA in finalising their annual work plan. The overall

² Confédération des Associations des Producteurs Agricoles pour le Développement (CAPAD, Burundi), Fédération des Organisations des Producteurs Agricole du Congo – Sud Kivu (FOPAC SK, Democratic Republic of Congo), Syndicat de Défense des Intérêts Paysans (SYDIP, Democratic Republic of Congo), Djibouti Agro-Pastoralists Association (DAPA, Djibouti), Cooperative Alliance of Kenya (CAK, Kenya), Kenya National Farmers' Federation (KENAFF, Kenya), Rwanda Farmers' Federation IMBARAGA (Rwanda), Syndicat Rwandais des Agriculteurs et Eleveurs (INGABO, Rwanda), Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA, Tanzania), Tanzania Federation of Cooperatives (TFC, Tanzania), Uganda Cooperative Alliance (UCA, Uganda) and Uganda National Farmers' Federation (UNFFE, Uganda)

³ Financial percentage does not include the transfers to NFOs, but comprises only effective expenditures.

assessment of the breeding programme was positive, as the goats imported in mid-2016 had successfully survived and bred 28 goat kids, thus raising the total number of animals to 68. In Uganda, the SFOAP coordinator visited 3 of the 11 districts where SFOAP activities are implemented. Following positive results in terms of productivity and production increases, EAFF recommended to UCA and UNFFE to focus more on the Business to Business meetings and linkages with other market actors in order to strengthen the commercialisation of the cassava produced. An additional recommendation was for the two NFOs to collect and analyse the demand for the new cassava varieties, in order to better understand how many cuttings they need to produce to satisfy this demand.

20. In addition to the backstopping missions, the SFOAP coordinator also took part in this supervision mission and in the GAFSP design mission which took place across Uganda, Rwanda, Tanzania, and Kenya. In fact, this GAFSP mission was financed through the regional support facility planned under SFOAP, as the GAFSP project intends to scale-up EAFF's E-Granary system within the region, which in turn is expected to enhance the NFOs access to credit, crop insurance, extension and markets, and therefore ensure the sustainability of SFOAP activities.

21. Commodity and KM Workshops. The 2017 AWPB planned for 3 KM workshops organised around the 3 commodities identified for SFOAP. The livestock-dairy workshop took place in Kenya from the 29th June to the 1st July 2017, was organised in partnership with CAK and drew its participants from Kenya, Tanzania and Djibouti. The workshop included presentations on the SFOAP activities and discussions on the impact and sustainability of these activities. In addition, a Q&A session took place with representatives of the Muki cooperative, a successful dairy cooperative which had already supported the Kirinyaga and Borabu cooperatives under SFOAP in 2016. The cassava workshop will take place in Burundi from the 18th to the 20th July, and the potato workshop will take place in Tanzania from the 19th to the 21st July.

22. EAFF 2017 Congress. SFOAP will finance the regional KM and B2B sessions that will take place during the 2017 EAFF Congress which will be held in Uganda on the 14th and 15th September 2017.

23. *National level activities.* In 2017, the activities in component 3 at national level focussed mainly on Business to Business meetings and post-harvest and marketing trainings. 3 documentaries on the VC action plans and focussing on the 3 commodities were planned in 2016 but have been carried forward to the second half of 2017. The documentaries will be commissioned by CAPAD in Burundi, SYDIP in DRC and TFC in Tanzania.

24. In Tanzania, 2 trainings were organised by TFC on post-harvest management skills to improve on-going value addition initiatives, bringing together 50 farmers. The topics covered included how to test and control the quality of milk, application of approved practices, standards and regulations concerning milk products. In addition 4 B2B meetings were organised, which resulted in the signature of new agreements, including a purchase agreement for high quality feed for livestock. Similarly, in DRC SYDIP organised 3 B2B meetings in April, May and June. The main outcomes were 3 new sales contracts, signed between cooperatives and potato buyers for the purchase of 5 tons of potatoes per month.

25. In Rwanda, IMBARAGA held 3 B2B meetings, which gathered 62 potato producers and other market actors such as the Head of Quality control of the Hollanda Fair Foods Ltd. During these meetings the IMBARAGA potato producers learnt about the requirements of the potato processors, specifically in terms of post-harvest handling and packaging. In addition two backstopping trainings were conducted in Rubavu and Nyabihu districts to equip 43 potato seed producers with relevant skills and knowledge to produce higher quality potato seeds.

26. In Uganda, UCA organised 3 trainings, of which one was held on the 4th and 5th April on Business Management, Marketing/Market Linkages and Business Negotiations. This training involved 50 leaders from the five participating ACEs and private sector actors. The training ultimately led to the signature of a contract between the ACEs and M/S Alwak Trade Links and other agro-processing companies for the supply of cassava. The other two trainings were 2-day trainings focussing on strategic business planning, of which one was held in Nebbi from the 5th to 7th June 2017 and one in the Lira region from the 8th to the 10th June. In addition to the trainings, in May 2017 UCA organised B2B meetings, one in Nebbi, attended by 53 participants, and one in Lira with 30 participants.

27. **Component 2 – Policy Engagement**, represents 31% of the AWPB and 15% of the overall budget. As of June 2017, EAFF has reached 44% expenditure against the AWPB and a cumulative

expenditure of 63%, while it is expected to reach 79% by the end of the project. Physical achievement as of July 2017 is estimated at 48%, considering that 25% of the consultations have taken place, and that approximately 60% of the planned policy studies have been completed, while work on the policy briefs has not started. Nonetheless, the overall component physical achievement is expected to reach nearly 68% by the end of August, as 4 additional consultations will take place and all the studies should be finished by then.

28. *Regional level activities.* In terms of component 2 regional activities, the 2017 AWPB planned for (i) one regional study on policy bottlenecks on Irish potato cross border trade in Rwanda, DRC and Uganda, (ii) one regional policy meeting to discuss the progress towards the implementation of the findings of previous policy studies and to discuss the progress of the EAC Cooperatives Act, (iii) the publication of policy briefs, and (iv) the participation in approximately 24 regional and international policy meetings.

29. Regional policy study on Irish potato, policy meeting and publication of policy briefs. As of July 2017, the regional policy study is ongoing. The main objective of the study is to assess the different regulations on certified seeds the three countries and how these differences are hindering cross border trade. The consultant is currently collecting data in DRC and will subsequently head to Rwanda and Uganda and is expected to finish the data collection by July. The report should be completed by mid-August. The regional policy meeting has not yet been organised, as discussions will focus on the regional policy study as well as 3 national policy studies which have not yet been finalised. It is expected to be held in September 2017. Similarly, the policy briefs will be published once the policy studies are completed.

30. Regional and international meetings. As of July 2017, members of the EAFF Secretariat have taken part in 6 meetings, with an additional 4 meetings already scheduled between mid-July and August 2017. The meetings that have already taken place include: (i) a meeting with the FAO Regional Office in Ghana, which also saw the participation of the 4 other networks and PAFO, (ii) In June 2017 the EAFF President attended a CAADP meeting held in Tanzania, where he updated the EAC Secretariat on the progress of the EAC Cooperative Bill and signed the EAC CAADP Compact; (iii) 5 members of the EAFF Board and Secretariat attended the ESA Regional FAFO, held in Uganda from the 20th to the 23rd May, (iv) 3 meetings took place in Uganda, Burundi and Rwanda, where EAFF and NFO representatives met Agriculture and EAC Ministers in order to discuss policy issues. The objective it is to try and have the Cooperative bill signed in November 2017 during the EAC Heads of State Summit.

31. *At National level,* the 2017 AWPB included 3 policy studies and validation workshops to be undertaken by MVIWATA in Tanzania, CAPAD in Burundi and IMBARAGA in Rwanda. In addition, 2 workshops to validated 2016 studies are also planned. The study by MVIWATA is meant to assess the factors that are hindering the use of proper packaging in the potato value chain. The draft report was discussed during a policy meeting in June where the 60 participants from the government, cooperatives, market actors and the civil society also discussed the implementation of the standardization of the weight of a bag of potatoes. The final report is expected to be submitted by end of July.

32. In Burundi, CAPAD undertook a comparative analysis of Cooperative Laws in Burundi, Uganda, Tanzania and Kenya, following the development of a new Cooperative law in Burundi which was not deemed acceptable by CAPAD. The study was completed in March 2017, and was validated during a workshop which saw 60 participants from local and national FOs, civil society, government and other stakeholders. Taking inspiration from the findings of the study, the workshop also provided an opportunity for CAPAD to collect suggestions from these stakeholders and ultimately proposed amendments to the new law. The results were positive, as the government finally included these suggestions in the law that was finally passed on the 26th June 2017. This is a major milestone for CAPAD members who had started processing cassava but were not legally allowed to commercialise their product. In Rwanda, IMBARAGA have recently finalised the ToRs for a study on the strategic positioning of IMBARAGA in the marketing of quality potato seeds in Rwanda, and are currently evaluating the CV's of consultants who have expressed an interest in carrying out the study. The consultant is expected to undertake the study from the end of July to the end of August.

33. In addition, in Tanzania, TFC organized a policy workshop on June 28, 2017 in Dar es Salaam to validate the dairy policy paper developed in 2016. In DRC, SYDIP also organized a meeting between producers, cooperatives, potato traders and the government to negotiate the reduction of taxes imposed on producers. These two activities, were not included in the AWPB but are included in

the contracts with the NFOs. EAFF should review the AWPB and ensure that the expenditures on these activities will not exceed the budget allocations.

34. **Component 1 – Institutional Strengthening**, represents 27% of the AWPB and 35% of the overall budget. EAFF has spent 61% of the annual budget, but have already reached a cumulative disbursement rate of 100%, thus implying that by the end of the year the expenditures on component 1 will reach 104% of the allocated budget. Annual physical achievement has reached approximately 65%, with 100% of the regional salary and training, 100% of IMBARAGA salary, 75% of the national salaries, but none of the AGMs, and 80% of the annual SFOAP audit, which is expected to be submitted by the end of July.

35. *At Regional level*, the 2017 AWPB included provisions for support to two EAFF staff for a total amount of EUR 32,197, in respect of the principle of decreasing contributions to regional staff. In addition, EAFF planned to undertake 2 trainings for EAFF staff, 1 annual audit and 1 project audit. SFOAP would also finance the translation costs for documents to be shared with the EAFF Congress.

36. Contribution to salary for regional staff and EAFF staff training. As of July 2017, EAFF have spent EUR 32,197 on the two staff, namely the finance officer and the CEO. Furthermore EAFF have organized a staff retreat and training from the 10th to the 12th May 2017. The training was organized around in thematic areas, geared towards strengthening team spirit, trust and collaboration among staff. All EAFF staff attended the training and EAFF has subsequently introduced a weekly staff meeting to improve communication and collaboration between the different units.

37. *At National level*, the activities planned under the 2017 AWPB included 6 month contributions to the salary of the IMBARAGA policy officer and 8 months contribution to the DAPA CEO, in addition to contributions to the AGMs of 3 NFOs. As of July 2017, 6 months salaries have been paid to both staff members, while the AGMs of CAK, SYDIP, and MVIWATA are planned between September and October 2017.

38. **Some SFOAP Achievements**. In addition to the policy achievements, such as the promulgation of the Cooperative law in Burundi, one of the main achievements noted at national level are the increases in membership numbers. For example, the UCA ACEs involved in SFOAP have seen their membership increase by 39% (1,266 additional members) between 2015 and 2017, while the UNFFE DFAs have seen a similar increase of 34% (6,334 additional members) between 2015 and 2016. In Tanzania, the Tanga Dairy Cooperative Union, a member of TFC, has seen its membership increase by 2000 members, or approximately 41%, since 2013.

39. Furthermore, following the introduction of the new cassava varieties, the members of the UCA ACEs that adopted these new varieties saw their productivity increase on average by 80%, going from an average of 6,800 KG per acre in 2015, to about 12,300 KG per acre in 2017. This increase productivity has translated into greater volumes sold, with increases ranging from 171% for the Nebbi ACE (140 tons in 2015 to 380 tons in 2016) to 300% in the Panyimur-Dei ACE (90 to 360 tons). In addition, on average, the farmers of the three ACEs in the Nebbi district have seen their incomes increase by 300% to 400%. In addition, the ACEs have also been able to sell cuttings of the new cassava varieties to other farmers and development partners, earning an additional income ranging from UGX 46 million (USD 12,935) to UGX 50.3 million (USD 14,159).

40. In addition, the NFOs have been able to mobilise a large sum of funds from different sources to pursue their processing and commercialisation activities. In Burundi, for example, different CAPAD members have mobilised cumulative more than USD 240,000, from UNDP, commercial banks and savings cooperatives, most of which have been used for establishing cassava processing plants. CAPAD has also established a cooperative company called SOCOPA that collects the cassava, processes it in the aforementioned plants, and markets the cassava flour under the MARAME brand. SOCOPA also sells maize flour and 2 types of rice under the same brand.

41. **Component 4 – PAFO**. EAFF have reiterated the importance of PAFO, as a unique institution that can support farmers in Africa. Nonetheless, EAFF have also highlighted that the Regional networks which form PAFO have not been able to harness the full potential of the institution due to internal disagreements, and that these disagreements need to be settled in order to ensure that PAFO becomes a leading institution in support of the African farmers community. In this context, SACAU and ROPPA are working together to develop a fundraising plan for PAFO, while the PROPAC President is now representing PAFO on the Forum for Agricultural Research in Africa (FARA) board. Similarly EAFF represents PAFO on the board of the Partnership for Aflatoxin Control in Africa

(PACA). In addition, the participation of the regional networks and PAFO in a meeting with FAO in Ghana is an example of such collaboration. During this meeting FAO and PAFO signed an MoU which outlines FAO's intentions to support PAFO. A TCP project is being negotiated, but the delays in the establishment of the PAFO Secretariat in Ethiopia has effectively put the signature of the TCP agreement on hold.

D. Fiduciary aspects

42. Financial management. The financial management performance is rated moderately satisfactory. Financial management systems and internal controls are adequate. They are well described in EAFF's administration and financial procedures manual, in SFOAP manual of procedures and in EAFF's procurement manual. The segregation of duties is satisfactory: authorization, custody, and record keeping roles are given to different people to prevent fraud or error. The finance officer and the accountant are conversant with reporting formats compliant with IFAD requirements. Nevertheless, the mission remarks some shortcomings in the SFOAP financial management:

- a) the accounting system used for recording financial transactions, QuickBooks, is not offering proper functionalities to automatically generate Withdrawal Applications and Financial Reports by project categories and components as per grant agreement. In order to be compliant with SFOAP reporting requirements, EAFF therefore uses Excel sheets for the elaboration of reports, which is extremely error prone. EAFF should consider upgrading to a system that can efficiently and automatically respond to donors' reporting requirements.
- b) EAFF have not implemented the 2016 recommendation of setting-up the e-filing system. The agreed deadline and methodology were not respected. As per discussion with EAFF staff, the option of recruiting an external service provider for the implementation of the system was not suitable because of the risk of displacing original copies of documents. The mission reiterates the recommendation to implement and finalize the electronic archiving system of supporting documentation. The system should now include the supporting documentation for all expenditures incurred between 2013 and April 2018. The compliance to this recommendation will be a mandatory requirement for the closing of the grant.

43. Disbursement and overall expenditure. The disbursement rate is assessed as satisfactory. So far, EAFF received four disbursements totalling EUR 3.5 million corresponding to 96% of total Grant amount of EUR 3.7 million. The effective expenditures⁴ as of 30 of June 2017 amount to EUR 3.3 million representing 90% of total Grant. The 2017 withdrawal application hasn't been submitted yet, although it was expected by April 2017, immediately after the approval of the Steering Committee. The mission recommends EAFF to follow up on the justification of expenditures with the NFOs in order to submit the 2017 WA as soon as possible.

44. Audit. EAFF have not yet submitted the 2016 audit report and have therefore not respected the deadline of 30th June 2017. The mission strongly recommends EAFF to submit the annual audit report including institutional audit, the specific opinion on SFOAP and audited financial statements at the latest by the end of July 2017. The last two fiscal years' audit reports are available and the quality of audit was satisfactory. Nevertheless, the 2015 management letter provides several recommendations concerning the internal controls. The mission underlines the need to follow up on the implementation of these recommendations.

45. Spot checks of the expenditures and SOEs. The mission carried out spot checks on the statement of expenditures submitted with the 2016 WA. The amount double-checked corresponds to 30% of the amount received by EAFF. The supporting documents are retrievable but some expenditures are not consistently supported by complete documents. Invitation letters and back to office reports in case of travel allowances should be consistently attached to the payment vouchers as well as the countersigned contracts should be attached to the voucher payment for consultancies. The analysis on the detailed SOEs revealed some weaknesses to be addressed: i) the expenditures items under category viii "programme management and coordination" should be better detailed in the SOEs providing clear information about the cost sharing, ii) the SOEs don't include the expenditures in local currency and the exchange rate. The mission recommends EAFF to revise the cumulative SOEs by including the mentioned missing information. The cumulative and complete detailed SOEs shall be submitted together with the completion documents.

⁴ Effective expenditures is considered when justified by supporting documentation.

Agreed action	Responsibility	Agreed date
EAFF to implement the e-filing system of supporting documentation covering the total amount spent for SFOAP and the original copies/ files—kept under lock and key	Finance Officer CEO	April 2018
Backstopping support to NFOS for closing procedures	Finance Officer	By October 2017
Revise SOEs to include local currency, exchange rates used, and detailed expenditures on programme management.	Finance Officer accountant	December 2017
Submission of 2016 Audit Report including specific opinion on SFOAP and audited financial statements	Finance Officer	By 31 July 2017
Submission of the 2017 WA	Finance Officer	31 July 2017
TORs of final audit at NFOs and EAFF level shared for IFAD non-objection	Finance Officer	15 th August 2017
The following documents shall be submitted to IFAD: i) the final project audit report and its audit opinion on the financial statements, including comparison of budget vs actual expenditures, by project components and categories provided in the financial statements, ii) the Project Completion Report. iii) the cumulative general and detailed SOEs, iv) the final WA for reimbursement of expenditures pre-financed by the EAFF.	EAFF	April 2018

E. Sustainability

46. Following the supervision mission of 2016, EAFF has continued the development of the E-Granary system. In 2016 19,500 farmers registered, today 25,000 in Kenya, of which 2,400 have received USD 140,000 worth of in-kind loans, through the provision of certified seeds for their agricultural activities. Following the harvests, the produce will be aggregated and sold by EAFF who will keep a commission between 2% and 4% for the services provided. With the GAFSP project, EAFF will scale-up the e-granary registrations to Uganda, Rwanda and Tanzania. The expansion of the e-granary system within the region will therefore generate additional income for EAFF, and also for its members through the bulk selling of their produce.

47. At national level, the field visits in Uganda and Burundi have shown the strong sustainability of activities. In Uganda and Burundi, the data shows that farmers have been able to generate increased revenue by producing and selling more and better quality cassava. The FOs in Uganda have also been able to increase the number of buyers with whom they have signed agreements, thus ensuring regular sales and incomes. Furthermore the model of creating business oriented cooperatives or companies has been catching on, for example CAPAD in Burundi have established a private company, SOCOPA, that has set-up a cassava processing plant and now sells high-quality cassava flour, thus providing additional income for the NFO and its members. Furthermore, the FOs in Uganda and Burundi have been able to mobilise additional funds from private and public sources for the financing of these processing plants. Similarly, DAPA in Djibouti have been able to increase the incomes of its members by providing more productive goats following the launching of the goat breeding programme, and today non-member farmers have shown interest in buying such goats from DAPA. The Government of Djibouti has appointed DAPA as the manager of the National Dairy Breeding Programme which receives financing from the EU and the government, and is supported by FAO.

F. Other

48. **Monitoring and Evaluation.** The reporting on SFOAP activities is done on the basis of the SFOAP logframe. During or before the annual planning and monitoring workshop, EAFF submits once a year the logframe to the NFOs for them to compile the data. Data for some indicators is tracked earlier through annual satisfaction surveys, and are expected to be completed by the end of August 2017. The 2016 mission had recommended that at least the satisfaction surveys should include gender disaggregated data, and while the reports have not yet been submitted, the questionnaires developed for the 2017 exercise had indeed included a system to collect gender disaggregated data.

An analysis of the logframe however, shows that not all NFOs collect data for all indicators, and only very few collect gender and age disaggregated data.

49. Furthermore, EAFF should support the NFOs in collecting the relevant impact data, such as increases in membership numbers, increases in production, sales and incomes, and other indicators as per the SFOAP logframe, in preparation for the project completion mission that will be fielded by IFAD in early 2018. This can be done via a final survey to be carried between August and December.

50. **Collaboration with IFAD Country Programmes and other partners.** *Partnership with IFAD and follow up on Country Action plans.* In Uganda the partnership between FOs and IFAD is strong. In fact, UCA has been working with the IFAD country programme on the Vegetable Oil Development Project (VODP) Furthermore, as per the partnership action plan developed during the ESA regional FAFO in May 2017, UCA have recently signed an agreement to be implementing partners in the palm-oil project VODP2. Following the successful partnership under these two projects, UCA should be selected as the preferred partner for the implementation of a new IFAD project, currently under design, which will scale up the palm-oil activities in other regions of Uganda.

51. The CPM highlighted that the NFO partnerships with the projects have been ad-hoc, and that there is a need to think strategically on how to mainstream collaboration and align the geographic and commodity priorities. Furthermore, given that the IFAD portfolio in Uganda also focuses on value chain development and the integration of FOs in specific value chains, discussions also pertained to the business orientations of the ACEs and the District Farmers' Associations (DFA). In this context, the FOs and IFAD agreed to hold a meeting before the end of the year in order to discuss what could be the most suitable organisational model for more business oriented activities.

52. In Burundi, a meeting was held with the Project Directors of the IFAD portfolio in Burundi, as well as with the CPO and CAPAD representatives. The meeting highlighted how CAPAD is already a strong partners of IFAD financed projects, mainly supporting them in the process of structuring grassroots level FOs and cooperatives that engage in IFAD supported activities. With regards to the action plans, during the discussions it was agreed that the IFAD ICO would take the lead in calling a another meeting between CAPAD, it's relevant members and the IFAD projects to further define who will be responsible for coordinating the various activities defined in the action plan.

53. In Kenya, EAFF members are yet to finalise the mapping of FOs in the country, which will soon be shared with IFAD. On the basis of this mapping, a meeting will be held between EAFF, NFOs, the ICO and the IFAD funded project to see where the NFO and IFAD projects overlap geographically and to discuss the potential synergies in those regions.

54. *Partnerships with European Delegation.* A meeting was held in Uganda with the Head of the Sustainable Development on the 7th July. The Head of Section highlighted that the EU's agricultural programme in Uganda focussed mainly on value chain development, similarly to IFAD. In this context, he explained that the EU was launching a new rural development project of EUR 150 million in Northern Uganda. that would include an agricultural development component. He urged the FOs to participate in the tender to implement project activities, and agreed to hold another meeting with FO representatives to explore further potential synergies.

55. With regards to the meeting in Burundi, held on the 10th July with the Programme Manager of the Rural Development and Nutrition Programme, CAPAD and the mission were informed about a new EU programme which will include an envelope of approximately EUR 30 million for rural development activities, also focussing on the development of value chains. As such, CAPAD was invited to take part in the call for proposal, which is to be published shortly, to complement the existing partnership between CAPAD and the EU. In fact the EU is already supporting CAPAD, namely through a youth employment project which has financed trainings for some of the SOCOPA staff that work in the processing plants.

56. *Meeting with SDC.* The meeting with SDC in Burundi highlighted some potential partnership opportunities, especially in terms of supporting the structuring of cooperatives at grassroots level. The meeting in Kenya highlighted potential partnerships in Kenya and Djibouti in relation to support to pastoralists in the region. EAFF and SDC have agreed to organise a meeting with the Kenya Livestock Producers Association (KLPA), and to contact the SDC office in Ethiopia, that is also responsible for Djibouti, to discuss potential synergies with DAPA. In addition the SDC Senior Regional Food Security Advisor praised the efforts made on the sustainability of SFOAP activities, but also recommended to continue support to FOs in terms of their integration in the value chains in order to guarantee long term sustainability.

G. Conclusion

57. In conclusion, following the field visits, consultations with farmers' groups, NFOs and the EAFF senior management, the mission is pleased to highlight that the implementation of SFOAP activities is satisfactory and on track to complete activities by December 2017. The mission would like to congratulate EAFF for the solid approach adopted for the implementation of SFOAP activities and the efforts made in 2017 to improve the long-term sustainability of activities. The activities have proven to be relevant, are responding to the needs of the NFOs, local FOs and have had a positive impact on farmers and their organisations.

58. The challenge now is to ensure that the NFOs continue with their efforts in marketing and commercialisation, and identify most suitable operational model to do so. Furthermore the implementation of the country action plans need to be closely monitored, and interactions with IFAD country programmes need to be maintained. Furthermore EAFF and NFOs need to carefully plan their final activities and ensure that the reporting deadlines are met.

59. IFAD and the EAFF endorse the findings of the supervision mission.

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15 July 2017

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15 July 2017