



Investing in rural people

Aide memoire

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

Southern African Confederation of Agricultural Unions – SACAU

Supervision mission: 18 – 26 October 2017, South Africa and Swaziland

A. Introduction¹

1. The fourth IFAD supervision mission of the SFOAP main phase to the Southern African region, which took place from the 18th to the 26th October 2017, follows the third supervision mission and the Mid-Term Review undertaken respectively in 2016 and 2015. The current mission focused on: (i) programme activities and achievements; (ii) sustainability of programme activities; (iii) review of the implementation strategy of component 3, (iv) M&E activities; and (v) overall financial management.
2. The mission spent 3 days in Swaziland and held consultations with the technical staff and leaders from the Agricultural Council of Tanzania (ACT), the Coalition Paysanne de Madagascar (CPM), the Lesotho National Farmers' Union (LENAFU), the Seychelles Farmers' Association (SEYFA) and the Swaziland National Agricultural Union (SNAU), who all came to Swaziland to meet the mission and present their SFOAP activities. In Swaziland, the mission also met with SwaziBank and the Swaziland Water and Agricultural Development Enterprise, and visited the Shiselweni cooperative.
3. The mission then spent 6 days in South Africa, where consultations were held with the SACAU Secretariat. A wrap-up meeting was held on the 26th October, in South Africa with SACAU. The mission would like to express its gratitude to the ACT, CPM, LENAFAU, SeyFA, SNAU and SACAU for their contributions, as well as SwaziBank and SWADE for their time and insights.

B. Overall assessment of programme implementation

4. As of the 31st August 2017, SACAU has spent about 32% of the 2017 annual budget and has reached a cumulative expenditure rate of 64%. The breakdown of the expenditure rates by component shows that the implementation of component 3 is still lagging, with the cumulative expenditure rate for component 3 standing at 42%, against 73% for component 2 and 74% for component 1.
5. On the other hand, SACAU and its members have made efforts in 2017 to expedite the implementation of activities under component 3. In fact, it is the component with the highest expenditure in 2017, with EUR 184,000 spent from January to August 2017, against EUR 163,529 for component 1 and EUR 15,885 for component 2. These figures translate into annual expenditure rates of 37% for component 1, 15% for component 2 and 32% for component 3.
6. Nevertheless, with 16 months of implementation left before the completion of the programme, there is an urgent need to expedite the implementation of activities of component 3, given that with the current rate of expenditure, SACAU may not be able to attain a 100% overall financial expenditure rate by December 2018. The SACAU Secretariat is fully aware of this situation, and in fact has begun devising an implementation strategy for 2018 that should allow for the absorption of the funds.
7. The figures on physical achievement however paint a slightly different picture. In fact, estimates show that SACAU and its national members have executed approximately 50% of their annual activities and reached a cumulative physical achievement² rate of 92%. The cumulative rate remains slightly skewed by Component 2, whereas 120% of the cumulative targets have been achieved. This high achievement rate is due to the fact that NFOs have participated in a much higher number of policy consultations than was initially anticipated. Physical achievement for component 1 is on track, standing

¹ Mission composition: Mr Nicolas Syed, SFOAP Programme Analyst and mission leader, and Ms Antonella Cianciotta, long-term Financial Management Consultant. Mr Benito Eliasi, SACAU Capacity Development Advisor, accompanied the mission in Swaziland.

² Physical achievement refers to the rate of completion of the activities

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at 67% of the annual targets and 85% of the cumulative targets, while the physical achievement for component 3 is in line with the low expenditure rates, with an estimated 43% of the annual targets achieved, and 37% of the cumulative physical targets.

8. The mission notes that SACAU has implemented approximately 65% of the 2016 recommendations. In fact, the KM workshop was not yet organised, as SACAU is planning to hold it during the last quarter of 2017. Furthermore, SACAU have not intensified the backstopping missions, as in 2016 SACAU had undertaken 6 missions by June, while in 2017 they have undertaken 5 by August. In terms of the fiduciary aspects, only one of the 4 recommendations were not implemented, namely the tender committee has not yet been appointed.

9. To note that the sub-agreement with SeyFA (Seychelles) has suspended due to management issues identified by SACAU in 2016. Although these issues have now been resolved, only a few selected activities will be financed by SFOAP and will be directly paid by SACAU.

C. Outputs, outcomes and implementation progress.

10. **Component 1 - Strengthening of FOs institutional capacities.** The budget of component 1 represents 40% of the AWPB and 58% of the overall regional budget. As of August 2017, SACAU has spent 37% of the annual budget and reached a cumulative expenditure rate of 74% for the component. Annual physical achievement has reached approximately 67%.

11. One notable achievement of the support provided under component 1 can be highlighted as the continuous improvements of the quality and timeliness of the reports submitted by NFOs. In fact, while in 2013 SACAU only received 5 reports on time and of satisfactory quality, as of 2017 all 6 NFOs involved in SFOAP were producing timely and quality reports. Similarly, the NFOs are now holding regular statutory meetings, which was not always the case in the past, and reflects major improvements in governance. In fact, in 2013, the 6 participating NFOs held only 5 statutory meetings, while between 2014 and 2017 an average of 23 meetings per year were held.

12. Contribution to core staff salaries. At regional level, SFOAP is co-financing staff of the SACAU Secretariat namely the CEO, accountant, administration officer, capacity development advisor (SFOAP focal point), book keeper and office assistant. In respect of the principal of decreasing contributions, the expenditures on regional level salaries in 2017 is of EUR 29,719, against EUR 90,642 in 2016. At national level, SFOAP supports the salary costs of 16 staff in 4 of the 6 recipient NFO's. As such, for 2 NFOs, SNAU (Swaziland) and LENAUFU (Lesotho), 3 of their core staff are fully financed by SFOAP, while for CPM (Madagascar) SFOAP fully covers 5 staff. In the case of ACT (Tanzania), one staff is fully financed by SFOAP, while 4 others are co-financed.

13. Technical backstopping missions. Of the 12 missions planned in the 2017 AWPB, the SACAU Capacity Development Advisor undertook 5 missions during the course of the year, including: (i) a mission to LENAUFU (Lesotho) on the 4 of January; (ii) a mission to NNFU from the 7 to 10 June, in relation to a new EUR 20 million project, financed by the EU, for which NNFU has been selected as an implementing partner; (iii) a mission to ACT from the 20 to the 25 August, to support the organisation of the SACAU Women's Forum which brought together 39 women from 11 countries of the regions; (iv) a project review mission to CPM from the 25 September to the 1 October; and (v) a project review mission to SNAU (Swaziland) from the 12 to 15 October. Additional technical backstopping missions have been undertaken, but financed from other sources.

14. Statutory meetings and Audits. In 2017, 13 of 16 planned statutory meetings took place. At regional level, SFOAP financed a board meeting and allowed for the participations of young *agripreneurs* to the SACAU annual General Meeting that was held in South Africa. LENAUFU organised 4 board meetings. CPM had initially planned 2 board meetings, but following the recommendation of an institutional audit, they increased the number of participants at the board meeting – from 9 to 22 – and therefore SFOAP could only cover 1 meeting. Finally, SNAU has undertaken 5 board meetings and an AGM. In 2017 SFOAP also financed 4 audits, for SACAU, CPM, LENAUFU and SNAU, all of which were all unqualified. ACT and NNFU conducted their audits but with financial support from other sources.

15. Resource mobilisation. Resource mobilization is an area that continues to be a challenge for the majority of the participating NFOs. In this context, SNAU has developed a resource mobilization plan that was validated by the board in February 2017. The main thrust of the strategy is to establish a consistent and sustainable commercial wing that will finance the core functions of the organization.