

Researching Farm Africa & Self Help Africa's approaches to ensuring Economic Sustainability of interventions

About Us

Farm Africa was founded in 1985; we have a track record of implementing successful grassroots development projects and improving relevant policies on agricultural development. We currently work in Ethiopia, Kenya, Tanzania and Uganda. We work with smallholder farmers, pastoralists and forest-based communities to develop innovative approaches to make sustainable improvements to their livelihood activities through more effective and productive natural resource management. In addition, we support our beneficiaries in value addition for their products and harvests and link them to markets in order to establish viable income-generating enterprises.

Self Help Africa works with local communities to help them improve their farms and their livelihoods. Self Help Africa works with smallholder farmers and their families to make sustainable improvements in their livelihoods from both intensification and diversification of agriculture and greater integration into markets. As a result of our experience and learning we aim to influence the policies and ways of working of other actors to enable smallholder farmers in Africa to prosper. Our core values underpin our approaches: working in partnership, community-led development and integrated solutions. Self Help Africa believes that this is key to building local capacity to sustain change and scale up good practices.

Farm Africa and Self Help Africa together form a consortium for funding under the UK Department for International Development's Programme Partnerships Arrangement scheme. The scheme provides core institutional funding to both organisations, subject to a set of agreed outcomes. There are a number of characteristics that bind these two organisations together; a focus on smallholder agriculture in Africa, an emphasis on economic resilience as well as sustainable natural resource management, our community focus.

Introduction:

Farm Africa (FA) and Self Help Africa (SHA) are committed to sustainable, long-term development solutions to the challenges faced by smallholder farmers. A vital component of 'sustainability' in the context of our work is economic sustainability at the farmer level. This will not always mean that interventions become 'self-sustaining', but rather that mechanisms are in place by the end of the project to ensure project activities, systems or institutions will be continued or developed after FA/SHA exits.

As NGOs, the resources we have to deploy are generally public grant funds, which can pose a challenge in ensuring long term economic sustainability due to the finite funding periods. Over the past few years, both organisations have been developing and testing a range of innovative models for sustainable financing and consider ourselves at the cutting edge of innovation in this area. Farm Africa's MAEF model has funded some interesting work in recent years, and is currently undergoing a 'refresh' to deepen the market sustainability element. Sidai, a social enterprise operating in livestock in Kenya, has generated interesting questions around subsidy and the capacity for social enterprises to replace traditional NGO financing models. SHA's emerging TruTrade model is also looking to deploy capital in an innovative way to address market failures facing smallholders.

We have recently commissioned a separate study to examine these directly private sector-linked approaches. By reviewing our portfolio, the study has elucidated the benefits of FA/SHAs current position in the agricultural value chain and provided good feedback to develop our portfolio for inclusive engagement with the private sector. For example, FA's MAEF programme has supported SMEs through competitive 'challenge fund' financing which may benefit from permanent investment from profits. Similarly, SHA's work on the Barley value chain in Ethiopia has created a model which could greatly improve returns if given permanent investment. These innovations, both with risk and potentially high returns, represent some of our innovative financial systems as well as capacity to strategically engage with the private sector. However, we also employ a number of more conventional NGO-type interventions working with extremely poor farmers, which could benefit from a more detailed study. Learning from our more explicit market-facing interventions, to better understand financial sustainability and what works, in what circumstances and why, could be compared and contrasted with these conventional interventions to better elucidate what methods are most appropriate for each project and community.

For this reason, and to support cross-learning among the different approaches, a study is proposed to understand the various models being applied at present. The study will comprise of a broad examination of FA/SHA's current project portfolios to map out the spectrum of financing (in cash and in kind) models employed. 4-5 deep dive case studies will be conducted to further examine the effectiveness of various financing models; these case studies will be chosen by FA/SHA with guidance from the consultant. The case studies will include primary data collection to provide and the methodology and outputs of the case study will be agreed between FA/SHA and the consultant prior to the commencement of the research. This will lead to a practical guide to support staff to consider different financing models for farmer outreach, including how different approaches might be sequenced throughout an intervention's lifetime.

Purpose of the study:

The purpose of the study would be to reflect on internal experience to answer the following key research questions:

- a) What financing models are being used in different contexts to support smallholder farmers and what is the expected sustainability plan? Illustrate with case studies.
- b) What emerging evidence is there that the financing models are leading to sustainable results? What are the barriers to sustainability?
- c) What are the relative strengths and weaknesses of the different approaches?
- d) In what circumstances is each approach most likely to work/ what are the preconditions for their success?
- e) What are appropriate timeframes for each of the approaches?
- f) Which approaches show greater or less scalability and what are the risks associated with the financing models?

The key outputs of the research will be:

- (i) A report presenting the findings of the research questions highlighted above, explaining in clear terms a simple typology of approaches, how some of the more sophisticated models operate, what can be learned from our experiences to integrate into future NGO projects and recommendations.
- (ii) A diagram/infograph presenting the varying economic models employed by FA and SHA ranging from traditional NGO-style interventions (such as community self help groups) to social enterprise business ventures and highlighting the differences in target beneficiary, benefits, average return on investments and risks of models and previous projects utilising

the model. The diagram/infograph will be used by project staff to cross check relevance of approaches during project design and delivery and therefore this product must be actionable and approved by FA/SHA.

- (iii) An internal guide(s) to different models, to serve as institutional memory, to contribute to ongoing project design in a more streamlined fashion. This would summarise the key strengths and weaknesses of each approach, supporting staff to make decisions about which models are likely to work best in what contexts, sequencing requirements, or any prerequisites for success.
- (iv) As part of (iii), a 'decision tree' to accompany the internal guide. This decision tree will facilitate staff to consider the relevant factors while designing and implementing a project.

The principal audience for the study would be internal to both organisations, although lessons and best practices from the report may be shared with partner organisation and other external stakeholders.

Scope of the study

We would expect the study to assess: repayments for inputs in-kind (informal in-kind revolving schemes), Village Saving and Loans Associations (cash-based informal revolving schemes), Rural Savings and Credit Cooperatives (slightly more formalised peer loaning systems), support to MFIs and other 'base of the pyramid' financial service providers (mapping the forms of support the public subsidy might take), and other models.

The study will involve:

- Broad mapping and categorising of the forms of financing that are deployed in our projects (cash, inputs/ technology in-kind, technical assistance, Business Development Services for small-scale agribusiness, support to value chains) and indicative quantification of the scale of these subsidies relative to the turnover/incomes of the target populations.
- Mapping of models of cost recovery used in active and completed interventions, criteria for repayment and how repayment criteria are developed.
- 5 deep dive case studies of FA/SHA projects, looking at indicative cost-benefit/ cost per farmer metrics, social implications, long-term sustainability considerations, opportunities for scale, etc. (Scale of this will be determined by data availability)
- Summary of lessons learned on incentives and behaviour change for each category of subsidy, and comparison of relative impact, e.g. comparing results of providing inputs as grant vs. loan as well as context-specific applicability (location, crop, socio-economic group)
- Synthesis of experiences to draw out broad lessons-learned for the 2 organisations, and ways forward in shaping the portfolios/ achievement of our mission.

Methodology:

The consultant will conduct desk research based on available documents and data, guided by internal resources through a small technical steering committee. The committee will work in close contact with the consultant to ensure the consultant has the necessary documentation for the research and to ensure learning opportunities for FA/SHA from the research. The financial models employed by SHA/FA will be mapped by the consultant against the typology of financial approaches identified in the literature review. For the deep dive case studies, the consultant will be expected to conduct research in collaboration with project field staff to gather primary data on financial mechanisms for the projects.

The proposed approach will involve 5 key stages, as follows:

Research question	Methodology	Inputs	Outputs	Duration
(a) What financing models are being used in different contexts to support smallholder farmers and what is the expected sustainability plan? Illustrate with case studies.	Literature review of different financing models being used to support smallholders in different contexts; focus on Africa Key informant interviews	Steering group suggests key literature to get started SHA/FA staff and consultant to interview informants	Typology of financing approaches and 'current trends' and future directions in rural financing	2 weeks
(b) Which of these models are being used by FA/SHA in what contexts? What are their relative strengths and weaknesses?	Case studies - desk research of project documents and structured interviews with field staff	List of agreed case studies; all project documents (proposals, reports, evaluations etc.)	Current approaches mapped against typology developed in (a)	3-6 weeks, depending on how many case studies we identify
(c) Through research conducted on 4-5 deep dive case studies, what mechanisms does FA/SHA employ well and what mechanisms need to be strengthened?	Field research on 4-5 case studies identified by the FA/SHA steering committee with support from consultant Methodology to be proposed by consultant	Project staff expertise and time, beneficiary data, relevant non-beneficiary control group data	Individual case study reports detailing methodology, findings, recommendations and themes linking to output in (b)	8 weeks (field research times to be outlined in EoI)
(c) What emerging evidence is there that they are leading to sustainable results? What are the barriers to sustainability?	Economic analysis	M&E data from FA/SHA, data from research in (b) and (c)	Quantitative comparison	
(d) What have we learned about the relative effectiveness of different models in different circumstances?	Synthesising lit review, case studies and economic analysis to draw out key findings on when and where and for how long each approach most likely to be effective	Outputs of parts (a)-(c); steering committee workshop to reflect on emerging findings	Internal guide, with a clear and effective 'decision tree', to support future decision making about different approaches	

Expressions of Interest Guidelines

Interested firms are requested to submit:

1. An Expression of Interest detailing their interpretation of the TOR, proposed methodology including detailed sampling framework, work schedule and proposed budget;
2. A capability statement demonstrating their qualifications and competencies;
3. Copies of all relevant Curriculum Vitae (CVs). Only CVs for the specific individuals that will form the proposed evaluation team should be included;
4. A sample of an evaluation report for a similar project completed within the last 24 months (this will be treated as confidential and only used for the purposes of quality assurance);
5. Two references (from your last two clients/employers).

We expect the application to detail delivery of this study within the following timeframe and deliverables:

Monthly breakdown	Product for Submission	Week of expected completion
Month 1 deliverables	Submission of detailed proposed Methodology and Methods for conducting study	Week 1
	Inception report with short literature review and proposed approach to 'key informant research'	Week 3
	FA/SHA review submission	Week 4
Month 2 deliverables	Key Informant Interviews conducted (UK based)	Week 5 – 7
	Project Mapping from desk based review of FA/SHA project	Week 5 – 7
	FA/SHA review submission	Week 8
Month 3 – 4 deliverables	Submission and approval of reviewed research methodology alongside deep dive case study research timelines	Week 9
	Research completion and draft report submitted with case studies (overseas fieldwork)	Week 10 – 15
	Submission of 'decision tree' and internal guides for review	Week 10 - 15
	FA/SHA review submission	Week 16
Month 5	Revision and finalisation of reports	Week 17
	Final FA/SHA review	Week 18-20

Please submit your expression of interests to Josh Meek, joshm@farmafrika.org, by **COP on the 30th June**.