

## Independent Evaluation

### **Africa (Accelerated) Agribusiness and Agro industries Development Initiative (3ADI)**



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

**UNIDO EVALUATION GROUP**

**Independent Evaluation Report  
Africa (Accelerated) Agribusiness  
and Agro-industries  
Development Initiative (3ADI)**



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We hope that the findings of this evaluation will be instrumental in discussions on the results achieved so far and, particularly, on 3ADI's "way forward", not only at the level of UNIDO, but also for the dialogue among all partners who embarked on this important joint initiative in 2010.

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## Abbreviations and acronyms

3ADI	Africa (Accelerated) Agribusiness and Agro-Industries Development Initiative
3ADI-TAF	Africa (Accelerated) Agribusiness and Agro-Industries Development Initiative -Technical Assistance Facility
AACF	African Agricultural Capital Fund
AAF	African Agriculture Fund
AAF-TAF	African Agriculture Fund -Technical Assistance Facility
AAF-SME	African Agriculture Fund - sub Fund targeting SMEs
ABC	Brazilian Cooperation Agency
AECID	Spanish Agency for International Development Cooperation
AFD	French Development Cooperation Agency
AfDB	African Development Bank
AFF	Africa Finance Forum
AFIM	African Facility for Inclusive Markets
AFT	Agricultural Fast Track Facility
AGOA	African Growth and Opportunity Act
AGRA	Alliance for a Green Revolution in Africa
AGS	Agro-Industries Division
AIDA	Accelerated Industrial Development for Africa
AMC	Programme Approval and Monitoring Committee
AQUILA	Food Security Initiative (G8, Italy, 2009)
AU	African Union
AUC	African Union Commission
BDS	Business Development Services
BMGF	Bill & Melinda Gates Foundation
BMZ	German Federal Ministry for economic cooperation and development
BOAD	Banque Ouest-Africaine de Développement
BPG	Business Partnerships Group
CAADP	Comprehensive Africa Agriculture Development Programme
CAMI	Conference of African Ministers of Industry
CFC	Common Fund for Commodities
CGAP	Consultative Group to Assist the Poor
CIDA	Canadian International Development Agency
COMESA	Common Market of Eastern and Southern Africa
DANIDA	Danish International Development Agency
DBSA	Development Bank of Southern Africa
DCED	Donor Committee on Enterprise Development
DFI	Development Finance Institutions
DFID	Department for International Development (United Kingdom)
DG	Director General
EAC	East African Community
EE	Entrepreneurship Education
EBID	ECOWAS Bank for Investment and Development
EC	European Commission
ECA	UN Economic Commission for Africa
ECCAS	Economic Community of Central African States

ECOWAS	Economic Commission of West African States
EGFA	Equity and Guarantee Fund for Agribusiness in Africa
EIB	European Investment Bank
EMB	Environmental Management Branch
EMBRAPA	Brazilian Agricultural Research Corporation
EU	European Union
FAO	Food and Agriculture Organization
FAPA	Fund for African Private Sector Assistance
FARA	African Agricultural Research Forum
FDI	Foreign Direct Investment
FO	Field Office
GAIF	Global Agro-Industries Forum
GAIN	Global Alliance for Improved Nutrition
GAFFSP	Global Agriculture and Food Security Program
GC	General Conference (UNIDO)
GDI	German Development Institute
GEF	Global Environment Facility
GII	Green Industry Initiative
GIZ	German Society for International Cooperation
GSF	Global Strategic Framework for Food Security and Nutrition
HLCD-3A	High-Level Conference on the Development of Agribusiness and Agro-industries
HQ	Headquarters
IDB	Industrial Development Board (UNIDO)
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFI	International Financial Institution
ILO	International Labour Office
IMF	International Monetary Fund
ISO	International Organization for Standardization
ITC	International Trade Centre
ITU	Investment and Technology Unit
ITPO	Investment and Technology Promotion Office
LDC	Least Developed Countries
MASHAV	Development Agency of Israel
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MF4A	Making Finance Work For Africa
MoU	Memorandum of Understanding
MIP	Micro Industrial Park
NAIP	National Investment Plan (CAADP)
NBF	NEPAN Business Foundation
NEPAD	New Partnership for Africa's Development
NCP	National Cleaner Production Centres
NPCA	NEPAD Planning and Coordination Agency
PA	Preparatory Assistance
PANACC	Pan-African Agribusiness and Agro-Industries Consortium
PBC	Programme and Budget Committee (UNIDO)
PM	Project Managers
PMU	Programme Management Unit
PPD	Public-Private Dialogue

PPP	Public-Private Partnerships
PROPARCO	Development Finance Institution (affiliated to AFD)
PTC	Programme Development and Technical Cooperation (UNIDO Division)
PTC/AGR	Programme Development and Technical Cooperation, Agri-Business Development Branch
RAIF	Regional Agro-Industries Fora
REC	Regional Economic Communities
R&D	Research & Development
RECP	Resource Efficient and Cleaner Production
ReSAKS	Regional Strategic Analysis and Knowledge Support System
RtB	Removing the Barriers in Agriculture Programme
SC	Steering Committee
SCPZ	Staple Crop Processing Zones
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprises
SSA	Sub-Saharan Africa
TA	Technical Assistance
TAF	Technical Assistance Facility
TC	Technical Cooperation
TCB	Trade Capacity Building
TF	Trust Fund
TFFS	Trust Fund on Food Security through agri-business and agro-industry promotion
ToR	Terms of Reference
UB	Unutilized Balances
UEMOA	Union Economique et Monétaire Ouest Africaine (West African Economic and Monetary Union)
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UR	UNIDO Representative
USA	United States of America
USAID	United States Agency for International Development
VC	Value Chain
VCA	Value Chain Analysis
WB	World Bank
WB/IDA	World Bank/International Development Association
WDR	World Development Report
WEF	World Economic Forum
WFP	World Food Programme
WHO	World Health Organization



## Glossary of evaluation related terms

Term	Definition
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention.
Lessons learned	Generalizations based on evaluation experiences that abstract from the specific circumstances to broader situations.
Logframe (logical framework approach)	Management tool used to facilitate the planning, implementation and evaluation of an intervention. It involves identifying strategic elements (activities, outputs, outcome, impact) and their causal relationships, indicators, and assumptions that may affect success or failure. Based on RBM (results based management) principles.
Outcome	The likely or achieved (short-term and/or medium-term) effects of an intervention's outputs.
Outputs	The products, capital goods and services which result from an intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Relevance	The extent to which the objectives of an intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donor's policies.
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed.
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken.

# Executive Summary

This report constitutes the first independent evaluation of the African (Accelerated) Agribusiness and Agro-industries Development Initiative (3ADI) that was launched in March 2010 at the High-Level Conference on the Development of Agribusiness and Agro-industries for Africa (Abuja, Nigeria) and brings together UNIDO, FAO, IFAD and the AfDB as core partners. This evaluation was requested by UNIDO's Programme Approval and Monitoring Committee (AMC) and covered the 3ADI from its inception to the present. The evaluation was carried out over the period September – November 2013 by two consultants: Ms. Leny van Oyen (team leader) and Ms. Suman Lederer.

The overall aim was to review the design of the initiative and its results after 3 years of operation and to inform the future development of the programme. Findings from this evaluation will also feed into an ongoing thematic evaluation of UNIDO's Business Partnerships Programme that includes *inter alia* the 3ADI.

The evaluation was conducted in compliance with UNIDO's Evaluation Policy and its Technical Cooperation Guidelines and was guided by the Terms of Reference (ToR), attached as Annex 1. The analysis is based on the triangulation of different sources of primary and secondary information (interviews at the level of all four core partners, document review and an internet-based survey of chief counterparts of 3ADI projects and UNIDO Field Offices).

The report starts with an overview of the 3ADI, including its background, objectives, as well as a synopsis of the manner in which UNIDO operationalized the initiative, of interventions to date and of programme governance. The introduction also includes a description of the wider context of the initiative. This is followed by the assessment covering:

- (i) the design of the 3ADI in its different dimensions: 3ADI programme framework, project documents pertaining to UNIDO 3ADI core funding, and the logical framework,
- (ii) 3ADI implementation to date (programme wide and of the main pillars of the programme); this is supplemented by a portfolio review of 3ADI projects.

In essence, the main findings are that the initial 3ADI vision with respect to the development of agriculture and agri-business in developing countries was, is and remains relevant to date and in the years to come. The initiative was a timely contribution to the global development agenda's "reinvention" of the pivotal importance of agriculture and agribusiness for development at large, and thus for economic growth, poverty reduction, lessening famine, and job creation. The envisaged approach was comprehensive, based on pertinent guiding principles such as the need for combining technical cooperation and investment and for well-coordinated efforts; this was based on the recognition that only by working together in innovative ways agriculture and agribusiness related challenges could be overcome and the opportunities seized.

The 3ADI benefitted at its launching from a strong political engagement and overall commitment at various levels - African leaders, regional organizations (AU, ECA), and Heads of the agencies involved (AfDB, FAO, IFAD and UNIDO).

Some three years after its launching, the overall picture as regards the performance of the 3ADI is mixed and perceptions of stakeholders vary. On the whole, the 3ADI had some achievements and resulted in mutual synergies in several fields, but there remains scope for much more and deeper collaboration based on complementarities and potential for collective efficiencies. Notwithstanding the solid amount of work done since 2010 (in which UNIDO played an important role), the initiative lost its initial momentum and other initiatives meanwhile developed (with similar agendas) seem to have more political clout and receive at present more attention and financial support. Contrary to the strong commitment at the moment of its launching, the political and institutional anchorage during implementation is rather weak, which affects leadership, ownership as well as alignment to the wider framework to which the 3ADI was expected to be 'docked', i.e., CAADP.

UNIDO took in many ways the lead since the launching of the 3ADI and staff involved is to be given ample credit for the efforts undertaken in this search for progress in the implementation of all the good intentions decided on in Abuja in 2010. UNIDO is further ahead as regards the operationalization of the 3ADI than its core partners. In fact, after Abuja, each of the organizations took different approaches and for some the initiative was more important within their corporate strategy than for others.

There was/is no rigorous steering of this *joint* initiative and the complexities of implementing a multifaceted multi-stakeholder framework (including collaboration among different donors and agencies) were underestimated. There are indeed some but too few examples of effective joint formulation and implementation; the most active inter-agency cooperation took place with respect to the investment finance pillar and investment promotion related upstream work.

For a launching phase, the UNIDO 3ADI programme expanded rather (too) fast and, as per UNIDO's decision, went beyond the initially envisaged geographic coverage (i.e., Africa). It resulted in the current list of 25 "3ADI countries", with limited accumulation and stocktaking of experiences and lessons before expanding the scope. The approach adopted appears to be mainly HQ driven, concerning primarily the Agri-business Development Branch, with a varying degree of synergies with other UNIDO interventions in the 3ADI countries. For now, there has not been focus on regional/sub-regional approaches.

The 3ADI benefitted from core funding, inter alia through the Trust Fund on Food Security (whose establishment pre-dates the 3ADI). This fund has been an important and appreciated source of funding of preparatory assistance. However, there was and remains some ambiguity in its underlying documents on the precise purpose of the fund ("what is a food security project") and it purely has a focus on projects (with no room for funding upstream work).

The current portfolio of 3ADI projects spread over 25 countries is quite "mixed", showing both new style projects (in line with the original vision regarding 3ADI interventions), but also traditional technical assistance projects. The ambiguity with respect to the classification of projects (which ones are 3ADI projects and which ones not) relates to different interpretations and may ultimately affect the 3ADI brand image.

It is too early to assess the results and outcomes of the 3ADI on the development of agro-industries (including agribusiness) at large: whereas a number of ongoing

projects are encouraging in terms of their likely results and expected up-scaling, several projects are still in the funds mobilization and project development stages; as regards investment finance, the schemes developed are expected to be innovative, but are not yet operational (Agvance Fund) or not yet fully designed (3ADI Technical Assistance Facility). For now, there are no linkages between 3ADI projects and the African Agriculture Fund (in which UNIDO is involved through membership of the AAF Technical Assistance Facility). As regards the different partnerships, most of them are quite recent.

Despite the recognition that women play a crucial role in agriculture, rural development, agro-processing and food security at large, there was no engagement yet in concept/tool development in view of fostering gender mainstreaming in project development and implementation, unlike the case of another cross-cutting issue (environmental considerations) that was added to the approach in 2012. No clear sign was found of efforts undertaken so far to foster south-south cooperation, whereas even amongst the current “3ADI countries” - although not limited to those countries - such opportunities appear to exist.

The envisaged M&E system was not put in place, which has contributed to gaps in reporting (and in turn affected the speed of approval of the most recent budget allocation by UNIDO’s AMC). No in-house steering mechanism was put in place for this programme, notwithstanding its UNIDO-wide coverage and importance.

The above and other findings described in detail in this report are followed by recommendations that start with the need for a decision by the core partners if they want to reinvigorate and carry this initiative forward as a joint initiative or not. Another scenario is for cooperation to be less “comprehensive” and rather take place as regards certain sub-initiatives on a case-by-case manner.

Whichever the decision taken by UNIDO and its core partners, the recommendations include a list of issues that are proposed to be addressed, based on the evaluation, such as related to collaboration with newer and larger initiatives to increase chances for funding and also visibility of the 3ADI, the geographic coverage of the programme, the need for regional/sub-regional approaches, among others. A number of specific recommendations are made to UNIDO management in particular, such as regarding the fine-tuning of the definition of what is a “3ADI project” and review of the modus operandi of the Trust Fund on Food Security.

Finally and most importantly, the evaluation recommended the preparation of a new programme strategy for the next IDB (March 2014), together with an up-to-date and comprehensive report on the first three years of implementation, including effective linkages with the operationalisation of other related initiatives in which UNIDO is directly involved (in particular AIDA and the LDC Plan of Action). Looking at the evolution of the 3ADI since its launching and the divergence with respect the initial objectives, it is high time to sit down and decide which route the 3ADI in general and UNIDO’s contribution to the implementation of the 3ADI should take from here.

# 1. Introduction and background

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## 1.1. Evaluation purpose and scope

This report is a result of an independent evaluation of the African (Accelerated) Agribusiness and Agro-industries Development Initiative (3ADI). This initiative was launched in March 2010 at the High-Level Conference on the Development of Agribusiness and Agro-industries for Africa (Abuja, Nigeria) as a comprehensive programme aimed at enhancing the productivity and profitability of agribusinesses, with emphasis on value addition to food and non-food commodities along the entire supply chain. It constitutes a partnership that brings together UNIDO, FAO, IFAD and the AfDB as core partners<sup>1</sup> and provides a framework for involving a broad range of private and public sector actors that play complementary roles in driving systemic changes in agribusiness in developing countries.

This is the first evaluation of the 3ADI since its launching in 2010. The exercise was conducted by the UNIDO Evaluation Group at the request of UNIDO's Programme Approval and Monitoring Committee (AMC) and covered the 3ADI from its inception to the present. The evaluation was carried out over the period September – November 2013 by a team comprised of two consultants: Ms. Leny van Oyen (team leader) and Ms. Suman Lederer. The members of the evaluation team had not been involved in the design nor the implementation of the programme or any of its underlying sub-initiatives and projects. The Terms of Reference (ToR) are attached in Annex 1.

The evaluation has a forward-looking focus. The overall aim is to review the design of the initiative and its results after 3 years of operation and to inform the future development of the programme. The exercise is intended to be both of longer-term or strategic interest (as source of lessons guiding organization-wide and multi-stakeholder initiatives) and of short-term interest (informing UNIDO decision making on core funding beyond December 2013). It is important to seize learning opportunities with a view to optimizing the way in which the programme is expected to evolve over the coming years. Lessons from 3ADI's modus operandi are expected to be also of relevance for and guide other organization-wide and multi-stakeholder initiatives. Findings from this evaluation will feed into an ongoing thematic evaluation of UNIDO's Business Partnerships Programme (that includes *inter alia* the 3ADI).

Accordingly, the recommendations made based on the evaluation findings cover a range of suggested points for discussion and for decision making and cater in particular to UNIDO management and the core partners of the 3ADI, yet are also expected to be of interest to others, such as partner Governments, donors having

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<sup>1</sup> United Nations Industrial Development Organization (UNIDO); Food and Agriculture Organization (FAO); International Fund for Agricultural Development (IFAD); African Development Bank (AfDB)

allocated or planning to allocate financial resources to the initiative, stakeholders of technical assistance (TA) projects funded under the 3ADI initiative and other partners associated to the different components of the programme.

The evaluation focused in particular on assessing the following aspects:

- 3ADI's relevance and ownership; this also includes its positioning within the wider context of past and ongoing efforts focusing on value chain development and agri-business in developing countries;
- its efficiency and effectiveness; whereas it is considered premature to look at the impact of the 3ADI, the assessment will look for evidence of achievements of results and of the likelihood of producing sustainable outcomes;
- its management and coordination, including synergies, both internally (within UNIDO) and externally (with the core partners and other key stakeholders active in the field of agri-business support);
- the cross-cutting issues of gender equality, environmental sustainability, as well as the issue of south-south cooperation;

In addition to (a) the overall review of the 3ADI and (b) its components/sub-initiatives (covering technical cooperation, investment finance, partnerships and the promotion of resource efficient and cleaner production/RECP), the assessment covered (c) a portfolio review of the "3ADI projects" developed for "3ADI countries" that are currently in different stages of advancement (formulation, funds mobilisation, implementation).

Whereas it focused primarily on the work done by UNIDO, it also looked into synergies with the work of its core partners under the 3ADI umbrella as the programme constitutes a joint effort. The core partners have been among the key programme stakeholders interviewed by the evaluation team.

The evaluation report is structured as follows:

- This **introductory Chapter 1** summarizes the **purpose and scope** of this evaluation and describes the **methodology** followed including the limitations of this evaluation;
- **Chapter 2** provides a **descriptive overview of the initiative**, starting with its **genesis and objectives (2.1)**. Thereafter an overview is given of the **operationalization** of the 3ADI from the side of UNIDO, including its **funding strategy** and **current funding status (2.2)**, followed by a **concise description of the main activities undertaken so far** within the context of the 3ADI **(2.3)** and by a description of the programme's **governance set-up (2.4)**. The Chapter ends with a synoptic description of the **wider context of support to agriculture and agri-business** in which the 3ADI is situated **(2.5)**;
- The **assessment** is covered in Chapters 3, 4 and 5, starting with an assessment of the overall programme **design (Chapter 3)**, which is followed by a **programme-wide review** of implementation to date **(Chapter 4)**, structured in accordance with the evaluation criteria relevance, ownership, efficiency and effectiveness, with separate coverage of programme management and coordination as well as cross-cutting issues. **Chapter 5** starts with an **implementation review** of efforts

undertaken under **each of the four pillars of the UNIDO support** under the 3ADI umbrella (technical cooperation; facilitation of investment finance; development of partnerships and promotion of resource efficient and cleaner production methods in agribusiness value chains), highlighting strong points and points assessed as requiring attention. This chapter also includes a **project portfolio review** and some **project stories**.

- The **conclusions** are presented in **Chapter 6** and the report ends with **recommendations (Chapter 7)** and **lessons learned (Chapter 8)**. An **Executive Summary** is included in the beginning of the report.

## 1.2. Methodology

### Approach

The evaluation was conducted in compliance with UNIDO's Evaluation Policy and its Technical Cooperation Guidelines and was guided by the Terms of Reference (ToR), attached as Annex 1. An inception report was submitted on 10 September 2013.

The analysis is based on the triangulation of different sources of primary and secondary information obtained from:

- UNIDO HQ staff involved in coordinating the 3ADI;
- UNIDO HQ staff (project managers) involved in the design and implementation of projects under the umbrella of the 3ADI;
- UNIDO HQ staff involved in the management of the Trust Fund (TF) on food security through agribusiness and agro-industry promotion (in short "the Food Security Trust Fund"/TFFS);
- UNIDO Field Offices (FOs) in all countries with 3ADI project (Regional and Country Offices; UNIDO Desks and Focal Points);
- Chief counterparts of 3ADI projects;
- Staff of the other three core partners (AfDB, FAO and IFAD) involved in the 3ADI;
- Other associated partners.

The evaluation was guided by the evaluation questions (cf ToR) that constituted the framework for data collection and interviews. A range of data collection methods was used: (i) desk review of available documentation directly related to the 3ADI (such as project documents, progress reports, mission reports, financial status reports, evaluation reports, presentations, Memoranda of Understanding (MoU) with partners); (ii) personal interviews of UNIDO staff involved in the initiative/sub-initiatives/projects (UNIDO HQ) and of the core partners (AfDB, FAO and IFAD HQ); (iii) an internet-based survey of (a) the chief counterparts of the 3ADI projects and (b) of the UNIDO FOs concerned. In addition, project specific information was accessed through UNIDO intranet and its management information system.

These two surveys had less coverage than hoped for (see limitations, below) but it was considered important to also reach out to the field-level actors (counterparts and UNIDO office) in the countries covered so far by the initiative. Notwithstanding the limited response, the surveys provided some pertinent information on field perceptions on the 3ADI and how it was rolled out so far in the countries (cf Survey report, Annex 4).

The initial plan to contact the associated partners (i.e., public and private entities with whom UNIDO developed cooperation agreements in the context of the 3ADI) by phone was not pursued and the assessment of progress in this regard was instead based on document review and information obtained from the Project Managers (PMs). The main reason for this revised approach was the early stage of development of several of these partnerships (making it premature to discuss progress) and also gaps in contact information of the focal points for UNIDO in some of these partner organizations.

The evaluation could benefit from prior evaluations conducted by UNIDO, in particular recent UNIDO Country Programme Evaluations in the countries covered by the 3ADI (Rwanda, Nigeria) and also the Thematic Review of UNIDO's agribusiness/agro-industrial development interventions in 2010. Moreover, the evaluation could benefit from independent evaluations conducted so far of UNIDO projects grouped under the 3ADI umbrella, in particular the case of the projects in Democratic Republic of Congo (2012) and Sierra Leone (2013), within the framework of the thematic evaluation on UNIDO's Post-Crisis Interventions (2013).

The team also collected information, using different sources, to get a general overview of the wider context of support to agri-business development in developing countries. A synopsis of the main initiatives that existed at the time of 3ADI's design or were launched during 3ADI's implementation is included in Chapter 2.5. Considering the vast number of related programmes, the list does not claim to be exhaustive. Similarly and as part of the wider context of the 3ADI, a brief overview of some studies of support to VC development has been included in the analysis. While citing some studies that provide an outsider analysis of the VC field, this evaluation does not claim to cover a comprehensive overview of the literature in this regard.

Triangulation of findings from different sources (desk review, personal interviews of UNIDO PMs, of core partners, and survey of UNIDO FOs and chief counterparts of 3ADI projects) contributed to the validity and reliability of the conclusions and recommendations. Even if the coverage of the surveys turned out to be limited, the feedback from the field is considered valuable.

The list of persons met is attached as Annex 2, and Annex 3 includes the list of documents consulted. As regards the two internet surveys (covering Chief Counterparts and UNIDO Field Offices), the key survey findings are reflected in the main report and both survey reports are included in Annex 4.

Preliminary findings have been presented by the evaluation team to staff concerned in UNIDO HQ on 25 November 2013 (based on the draft report submitted to UNIDO on 5 November 2013). The team reviewed the feedback received and reflected the same in the final draft report.



## Limitations and remedial steps taken

This evaluation has a few limitations and faced a few challenges, as listed below. They were addressed to the extent possible and are considered to not have seriously affected the evaluation findings that are based on triangulation of different data sources considered valid and reliable.

These limitations and challenges were the following:

- 3ADI's project focus on the one hand and absence of field missions in the context of this evaluation to assess projects on the ground: as many of the 3ADI projects are in the formulation or funds mobilization stage, or have not reached an advanced implementation stage, field visits were not conducted to the project sites; also for cost reasons, no field missions were conducted. This was addressed by conducting an internet-based survey of chief counterparts and of UNIDO FOs, complemented by document review; information obtained through interviews and, where available, review of available evaluations. Furthermore, with a view to illustrating the work of the 3ADI at the country level, concrete examples of/illustrations from 3ADI projects (based on HQ interviews and document review) have been included in the report (cf. Chapter 5.2);
- Delays and difficulties (not understood) to get timely access to the required contact information as regards counterparts: with some insistence and persistence, yet having to decide on a "cut-off date" in order not to jeopardize overall planning of the work, the survey reached in the end counterparts in a total of 15 of 25 3ADI countries for which complete contact data were received; there was no choice but to accept this shortcoming; it was considered important to capture the opinion of the chief counterparts in any case;
- The response rate of each of the surveys: even though the feedback was relatively low (about one third for both chief counterparts and UNIDO Field Offices), such a response rate is not unusual in this type of survey; nevertheless, it was important to reach out to the field and resulted in collecting perceptions that confirmed the overall assessment based on interviews and document review; notwithstanding the low response rate, the findings are considered reliable;
- The underlying logical framework of the 3ADI having been amended during implementation but remaining in draft form (not validated by the Programme Approval and Monitoring Committee) and the scope of the 3ADI being bigger than the available subsequent logical frameworks indicates: to assess the design, the evaluators looked at three different sets of documents, namely (i) the 3ADI Programme document, (ii) the UNIDO project documents related to 3ADI's core funding and (iii) the available logical framework (initial version and its draft amendment). As the 3ADI project portfolio is highly diverse, it was considered not to be meaningful to make generalizations on the 3ADI design logic of individual projects;
- Some ambiguity, also among project managers (PMs), as regards what is a 3ADI project and what not: the approach taken was to use the list included in the ToR as "*the list*" and to address the definition issue in the

assessment part of the report; the list considered in the evaluation has been compiled and provided to the evaluation team by the Agri-Branch and includes 3ADI projects in the 25 3ADI countries which are in various stages of design/implementation;

- The non-feasibility of juxtaposing project performance/results in a “with & without the 3ADI framework” manner: it was methodologically not possible to make evidence-based observations on the effects of the 3ADI compared to a situation in which this initiative would not have been launched. Also a comparison of 3ADI projects and non-3ADI projects designed and implemented by the UNIDO Agri-Business Development Branch over the past three years was not realistic, given the observed ambiguity as regards what is a 3ADI project and what not (as explained in the analysis);
- The multi-purpose nature of the initiative, covering in particular 3ADI (i) as a vehicle to support to agribusiness and agro-industry development in a comprehensive manner, (ii) as a fundraising mechanism and (iii) as an effort aimed at seeking effective cooperation, synergies and complementarities among the core partners and with related initiatives: whereas the assessment looked at the performance of the initiative in the widest sense, the evaluation choose not to make precise statements on the results of the initiative in terms of funding leveraged. First, the initiative is relatively recent and it is recognized that the stages from project identification, project development up to funds mobilization take time (the status of many 3ADI projects is thus labelled as “under preparation” or “funds mobilization”). Secondly, a precise analysis of the “fresh funding” mobilized so far as a result of the launching of the initiative was complicated by the inclusion of some projects that were developed and secured funding prior to the start of the 3ADI;
- Factors such as absence of a full time coordinator of the initiative at this stage, the 3ADI web site not being fully up to date and rather general progress reports: these all affected the speed of access to information with a degree of detail needed to grasp 3ADI’s past and present. Thanks to the commitment of the PM currently engaged in 3ADI-wide issues on a part-time basis (albeit soon ending his assignment in UNIDO), PMs sharing information on the precise status of projects, and also the information received from the side of the core partners, it was possible to fill in most of the information gaps.

## 2. Overview of the 3ADI

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### 2.1. Background and objectives

#### Genesis of the 3ADI

The origin of the 3ADI goes back to the Global Agro-Industries Forum (GAIF) that was held in New Delhi (India) in 2008 and brought together some 500 participants from more than 100 countries. This international event (jointly organized by the Government of India, FAO, IFAD and UNIDO) aimed at (i) sharing lessons and experiences in the field of agro-industry development, (ii) fostering stronger collaboration and joint activities among multilateral organizations, (iii) clarifying the distinct roles of the public sector, multi-lateral organizations and the private sector in agro-industrial development, and (iv) engaging international organizations and financial institutions into launching initiatives at national and regional levels.<sup>2</sup>

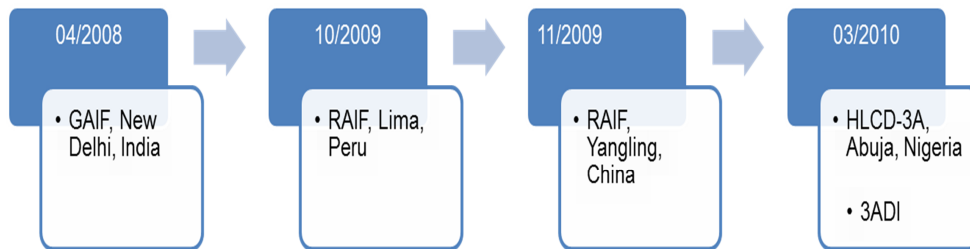
Representatives from the different regions called on the co-organizing agencies to organize follow-up events of the GAIF at the regional level. As schematized below, this resulted in a number of Regional Agro-Industries Fora (RAIF), starting with the one for Latin America that was held in Lima (Peru) in October 2009. This was followed by the one for Asia and the Pacific that was held in November 2009 in Yangling (China).<sup>3</sup>

The High-Level Conference on the Development of Agribusiness and Agro-industries (HLCD-3A) held in Abuja (Nigeria) in March 2010 constituted the follow-up of the GAIF for Africa and served as platform for deliberations on concrete actions with respect to the promotion of agribusiness and agro-industries development in Africa. The HLCD-3A brought together some 450 participants, including Heads of State, Prime Ministers, Ministers of Agriculture, Ministers of Industry from 43 African countries, as well as heads and representatives of international organizations and financial institutions.

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<sup>2</sup> Source: Carlos A. da Silva et al.(ed.), *Agro-Industries for Development*, FAO and UNIDO, May 2009 (joint publication that is the outcome of the GAIF)

<sup>3</sup> As regards the follow-up of the GAIF in other regions, a RAIF for the Middle East & North Africa was held in Lebanon in November 2011; reference was also found to a workshop on agribusiness and agro-industries development in Central and Eastern Europe co-organized by FAO with the International Food and Agribusiness Management Association in Hungary in June 2009; no indication was found to the organization of RAIF's or similar events in other (sub-) regions.



The Abuja Conference culminated in the Abuja Declaration on development of agribusiness and agro-industries in Africa dated 10 March 2010 that (i) took note of the consultations and discussions conducted and expert inputs in the course of the preparation of the African Agribusiness and Agro-industries Development Initiative (3ADI), (ii) endorsed the initiative and (iii) requested the collaborating agencies (African Union Commission/AUC, African Development Bank/AfDB, United Nations Economic Commission for Africa/UNECA) and their UN partners (UNIDO, FAO, IFAD) to work with the African Union (AU) Member States on implementing the actions contained in the Declaration.<sup>4</sup>

The Declaration referred to related commitments and frameworks (see below), urged AU Member States to take a series of actions to support agribusiness and agro-industry development and also urged the Regional Economic Communities/Commissions (RECs) and regional financial institutions to facilitate the implementation of the 3ADI.

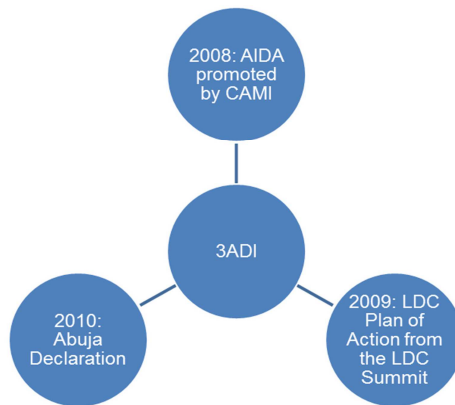
The Abuja Declaration constitutes the foundation of the 3ADI. The Programme Framework adopted in Abuja was developed by in particular FAO and UNIDO based on a series of complementary preparatory stages. These involved consultations among senior policy makers and experts, such as during a UNIDO/FAO Expert Group Meeting on Agribusiness and Agro-Industries Development in Africa that was held in Vienna (April 2009) and presentations in conjunction with the AU Summit in Sirte (Libya) in July 2009.

### **Political embedding**

The aim of the 3ADI (as defined by UNIDO in the underlying project documents) was (and is) to turn a series of rather recent key and complementary political statements that place agribusiness in the centre of development strategies in Africa and least developed countries (LDCs) into action. From the perspective of UNIDO, these are in particular:

- the 2008 Accelerated Industrial Development for Africa (AIDA) promoted by the Conference of African Ministers of Industry (CAMI);
- the LDC Plan of Action that emanated from the LDC Summit organized by UNIDO in December 2009; and
- the “Abuja Declaration” of the above-mentioned High-Level Conference held in March 2010.

<sup>4</sup> Source: Abuja Declaration on development of agribusiness and agro-industries in Africa dated 10 March 2010



From the perspective of the other 3ADI core partners and other co-organizers of the Abuja Conference, a number of other political frameworks and commitments are also relevant for and directly/indirectly related to the 3ADI, such as (in chronological order):

- the AU 2003 Mapoto Declaration on Agriculture and Food Security (including the commitment of AU Member States to allocate at least ten percent of their annual national budgets to the agricultural sector by 2015);
- the Abuja Summit on Food Security in Africa of December 2006 (focusing on the increase in intra-African trade of strategic commodities through the implementation of trade agreements adopted in the RECs, harmonization of standards within and across RECs, development of market information systems and building of trade related infrastructure);
- the AU Summit 2009 Sirte Declaration (reflecting commitments of African Heads of State and Governments to invest in agriculture for economic growth and food security);
- recommendations of the Conferences of African Agriculture Ministers (such as the one held in Addis Ababa in April 2009);
- the World Summit on Food Security (November 2009) organized by the FAO (including also preparatory fora).

### **Institutional embedding**

According to the report of the Abuja Conference and the 3ADI Programme Framework, the Comprehensive Africa Agriculture Development Programme (CAADP) was (and is) the overarching institutional framework for the 3ADI. Given its anchorage function as regards the 3ADI, a brief description of CAADP is included in Box 1 below.

In terms of overall reporting on the 3ADI, according to the Abuja Declaration the collaborating agencies (AUC, AfDB, and ECA) together with their UN partners (UNIDO, FAO, IFAD) were *to work with AU Member States on implementing the*

actions contained in the Declaration and report on progress to the Ordinary Session of the Assembly of the AU annually.

### **Box 1 Synthesis of CAADP**

CAADP is an Africa-owned and Africa-led ambitious and comprehensive initiative aimed at improving food security and nutrition and boosting agricultural productivity. It was endorsed at the AU Heads of State Summit in July 2003 and launched as the agricultural programme of the African Union's New Partnership for Africa's Development (NEPAD) to help African countries reach a higher path of economic growth through agriculture-led development. At the African Union Commission (AUC), CAADP is implemented through the Department of Rural Economy and Agriculture which was established with the objective of promoting agricultural and rural development.

CAADP encompasses four key focus areas for agricultural improvement and investment: (1) extending the area under sustainable land and reliable water control systems, (2) improving rural infrastructure and trade-related capacities for market access, (3) increasing food supply and reducing hunger, and (4) agricultural research, technology dissemination and adoption. The 3ADI has been linked to the second pillar (market access).

National and regional plans ("Compacts") that constitute an agreement between all stakeholders (public, private, and donors) are at the core of CAADP's operationalization and form the basis for national and regional investment plans. To date some 30 countries are reported to have signed national CAADP Compacts and more than 24 have formulated Investment Plans.

Regional Economic Communities (RECs) play an important role as regards CAADP, covering guidance to countries in how best to implement CAADP, providing funds to support the roll-out of CAADP in regions and countries, and also engage in the monitoring and evaluation to check progress towards CAADP targets in the region. There are CAADP Focal Points in each of the RECs. Most progress has been reported in the Common Market of Eastern and Southern Africa (COMESA) and the Economic Community of West African States (ECOWAS).

As NEPAD is the implementing agency of the AU responsible for driving economic integration in Africa, its Planning and Coordination Agency (NPCA) plays a key role in coordinating CAADP. This covers the promotion of CAADP principles, managing communication and information, facilitating and coordinating monitoring and evaluation, linking resources with programmes and harnessing key thinking and experience.

Since its launching, CAADP has received donor support, the harmonisation of which has been among the priorities. This has resulted in the CAADP Multi-donor Trust Fund, bringing together NEPAD, the RECs, the AU and a number of donors and African Governments. The Trust Fund is hosted at the World Bank and seen as major channel to support CAADP processes and investments. The Committee on World Food Security reported that since 2009, 29 countries and one REC (ECOWAS) have successfully completed CAADP Compacts, 22 have completed national agricultural investment plans and 6 have received funding from the

Global Agriculture Food Security Programme/GASFP (2013).<sup>5</sup>

Finally, it is to be mentioned that within the context of the Regional Strategic Analysis and Knowledge Support System (ReSAKS) - an Africa-wide network of regional nodes to facilitate the implementation of inter alia CAADP, funded by USAID, DFID and SIDA -, a Monitoring and Evaluation (M&E) framework has been developed as a tool to monitor progress in CAADP implementation and to assess its impact at the national, regional and continental level (2010).

Sources: [www.nepad-caadp.net](http://www.nepad-caadp.net); Regional Strategic Analysis and Knowledge Support System (ReSAKSS), Working Paper No. 6: Monitoring and Evaluation System for the CAADP, March 2010.

### **3ADI's overall goals, immediate objectives and expected results**

This evaluation was to gauge efforts undertaken by UNIDO under the umbrella of the 3ADI against the underlying vision of this initiative. Box 2 below summarizes the intervention logic as formulated in 3ADI's Programme Framework that was developed for and endorsed by the Abuja Conference.<sup>6</sup>

#### **Box 2 Snapshot overview of the 3ADI vision and its intervention logic<sup>7</sup>**

3ADI's **overall short term goal** was and is to have an agricultural sector in Africa which, by the year 2020, will be made up of highly productive and profitable agro-value-chains that:

- effectively link small and medium-size agricultural producers to markets;
- contribute effectively to increasing farmers' incomes through value-addition processes;
- supply higher-value and differentiated food, fibre, feed, and fuel products to consumers at local, regional and global markets;
- lead to retention of a higher proportion of the consumer price in the communities or countries where the primary production takes place;
- utilize natural resources in an overall sustainable manner; and
- act as an effective basis for industrialization and generation of increased and high-quality employment.

**Its medium to long term overall goals** were/are to lead to the emergence of

- efficient agribusiness and agro-industries which are profitable and competitive, provide inputs and services to smallholder farmers,

<sup>5</sup> Committee on World Food Security, Global Strategic Framework for Food Security and Nutrition (GSF), second version, 2013

<sup>6</sup> For the log frame used by UNIDO reference is made to Annex 5

<sup>7</sup> Synthesis based on the report on the High-Level Conference on Development of Agribusiness and Agro-Industries in Africa, Abuja, Nigeria, 8-10 March 2010, UNIDO, 2010, Appendix 2

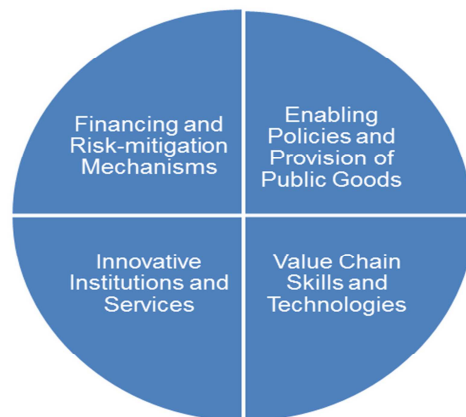
and are able to mobilize investment resources from domestic, regional and international financial institutions; and

- public sector policies and institutions which facilitate increased investments in agriculture and efficiently provide services and inputs to the sector on their own or in collaboration with the private sector.

The Framework Document lists as **immediate objective** to increase private sector investment flows to agriculture in Africa by tapping resources from domestic, regional and international financial systems, with the following three **sub-objectives**:

- leverage the current attention to agricultural development in Africa to accelerate the development of agribusiness and agro-industries that ensure value-addition in agricultural products, respond to domestic market requirements, and contribute to trade among African countries;
- enhance the governance of agribusiness and agro-industries and support a well-coordinated effort by African countries, African Regional Economic Communities, relevant UN and other international agencies, and the private sector to share knowledge and harmonize programmes in ways that generate synergies, avoid fragmented efforts, and enhance development impacts;
- support an investment programme that will significantly increase the proportion of African agricultural produce that is transformed into differentiated high-value products, so that by 2020 more than 50% of Africa's food products sold in local and national markets are in the processed form, and the proportion of Africa's agricultural exports that are processed into final consumer products more than doubles, while fully meeting food safety standards demanded by consumers in Africa and in the global market.

The Programme Framework lists as **expected results** the following **four main areas of support** schematized as follows:





These cover the following underlying focus areas:

- skills and technologies needed for the post-production segments of agricultural value chains (focus areas: producer, commodity and industry associations; value chains facilitation; producer and SME capacity building; technology development and transfer; university and vocational training);
- innovative institutions and services (focus areas: contract farming and out-grower schemes; business incubators, hubs and clusters; research, technology and agro-food parks; product labelling and certification schemes; commodity exchanges and market information);
- reinforced financing and risk mitigation mechanisms (focus areas: public-private partnerships; loan guarantees; investment funds; value chain finance; risk mitigation products); and
- enabling policies and provision of public goods (focus areas: sector strategies and plans; legal and regulatory frameworks; grades and standards; agricultural mechanization; markets and trade infrastructure; national and regional trade policies).

Finally, the Framework lists the following five **key principles**:

- embedding in the CAADP; in particular Pillar II (market access) as overarching institutional framework;
- integration into regional organizations, alliances and initiatives;
- priority to domestic and regional markets;
- promotion of public support for the engagement of the public sector; and
- fostering of synergistic and complementary financial mechanisms.

### **Overall 3ADI Funding Strategy**

According to the 3ADI Programme Framework, the funding arrangements for this comprehensive initiative were to consist of two channels: private (covering a commercial investment fund, partial guarantees and matching grants) and public (covering loans and technical assistance). The Programme Framework highlights as main features of 3ADI financing:<sup>8</sup>

- *to complement and act in synergy with existing financial facilities, bridging the known gaps and unleashing newer financial opportunities, primarily those that can be supported by the African financial system itself;*
- *(related to the above) leveraging financial resources from African banks (given the liquidity position of commercial banks in Africa);*
- *to contribute an increased willingness of private banks to lend to agro-enterprises and to increasing entrepreneurial attention to Africa's agro-food investment opportunities.*

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<sup>8</sup> Report of the Abuja Conference, pages 7 and 51-52

*The funding mechanism was planned to work across Africa but likely resort to regional implementation in order to simplify administration and expect to support and facilitate the development of enterprises of various sizes through equity, guarantee, and risk-sharing windows.*

At the time of the Abuja Conference, discussions on the financing mechanism were preliminary and options were still under development. The Abuja Declaration includes a number of statements as regards the funding dimension of the 3ADI that are quoted in Box 3 below.

**Box 3 Statements in the Abuja Declaration pertaining to the financing of 3ADI**

African Heads of State and Government of the AU:

- *underscored the importance of funding mechanisms to increase the flow of resources into agriculture*
- *noted the necessity for strong commitment from African governments and partner organizations towards the development of programmes that foster agribusiness and agro-industries in Africa including the design and operationalization of financial modalities to support programme implementation*
- *undertook to promote the establishment of appropriate financing modalities to support the implementation of 3ADI, taking into account the special needs of women farmers and entrepreneurs*
- *urged Member States to take measures to foster commercial bank financing for all segments of the agribusiness value chain and ensure that agriculture financing initiatives are enhanced through African institutions and made accessible to small and medium enterprises (SMEs)*
- *urged Member States to urge donors and partners to support the financing of agricultural programmes for emerging medium-income countries*
- *urged the RECs and regional financial institutions to facilitate the implementation of 3ADI.*

## 2.2 Operationalization of the 3ADI by UNIDO

### Initial steps

UNIDO's efforts undertaken so far with respect to the preparation and implementation of the 3ADI serve several interrelated purposes. As mentioned in the ToR, 3ADI structures the UNIDO response to the above-mentioned political statements (AIDA, LDC Plan of Action and Abuja Declaration). Moreover, it provides a platform for UNIDO's Agri-Business Development Branch (the lead branch as regards the 3ADI) to (i) articulate and communicate UNIDO's role in poverty reduction through productive activities in agriculture and agro-processing, (ii) mobilize other technical inputs from UNIDO that are relevant for agri-business development (such as, among others, private sector development, investment promotion, cleaner and resource efficient production), (iii) seek alliances with other stakeholders, in particular development finance institutions (DFIs) and (iv) facilitate funds mobilisation with a view to expanding UNIDO's technical assistance interventions in support of agri-business development.<sup>9</sup>

Immediately after the Abuja Conference and based on the Framework Document which describes the purpose, the approach, the core areas and expected results of the initiative, UNIDO's Agri-Business Development Branch took several steps, such as

- missions to FAO and IFAD in Rome to discuss and validate the approach as regards the follow-up of the Abuja Conference, including also the selection of countries;
- presentations and consultations with EC and the AU;
- internal briefings such as for UNIDO Branches, the Heads of Investment and Technology Promotion Offices (ITPOs), and communications to UNIDO FOs;
- drafting of project documents and internal notes aimed at mobilizing financial resources (see below).

For a description of the funding mobilized and the range of efforts undertaken since 2010, reference is made to the sections below.

### Funding of the 3ADI at the level of UNIDO

The implementation of the 3ADI as regards UNIDO was made possible as the result of several sources of funding, namely

- the UNIDO Trust Fund on increased food security through agribusiness and agro-industry promotion (abbreviated in this report as TFFS);<sup>10</sup>

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<sup>9</sup> See also the programme's dedicated website: [www.3adi.org](http://www.3adi.org)

<sup>10</sup> I.e., the complete title of the Trust Fund as per the proposal to the Industrial Development Board, 23-26 June 2009

- special contributions received from the Government of Finland and from the Government of the Czech Republic.

These sources constituted its **core funding**, enabling UNIDO to develop sub-initiatives and projects under the 3ADI umbrella and to cover costs related to 3ADI coordination (the programme management unit, PMU), communication (such as cost-sharing with the core partners of the development of a dedicated 3ADI web site), and promotional efforts such as participation in events of relevance for the 3ADI and presentations to stakeholders/potential donors. Moreover, funds mobilization efforts so far resulted in securing funding by UNIDO for a range of projects under the umbrella of the 3ADI (**project funding**), involving several donors.

Tables 1 and 2 below present an overview of the funding status as at September 2013, covering both core and project funding and also listing the current “3ADI countries” and different donors involved. To the extent that the Trust Fund is *de facto* based on an allocation based on unutilized balances (UB) of projects funded by a much wider range of donors, it is recognized that more donors than Finland and the Czech Republic supported and continue to support the 3ADI.<sup>11</sup> However, as the latter donor funding was “freshly mobilized” to support the 3ADI in particular and is also backed by individual 3ADI specific project documents, only these two donor funding sources are highlighted here.

As at end of April 2013, the total core budget allocated to the 3ADI programme covered a total of €1,344,495. Moreover, additional funds have been mobilized for individual projects.<sup>12</sup> The overall core funding situation and its status by sub-project are summarized in Table 2.

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<sup>11</sup> It is to be noted that these UB resources are spread over thematic Trust Funds in equal proportions (one of which being the TFFS)

<sup>12</sup> Tables 1 and 2 are based on the ToR; a more complete and annotated table is included as Annex 6.

**Table 1 Brief overview and status of 3ADI support**

<b>African countries</b>			
Country	Value chains / focus areas	Status	Note
Burkina Faso	Meat; Sesame	Fund mobilization	Project concept developed and submitted to the potential donor (the government)
Burundi	Sesame; Red meat	Preparation	Project is on hold
Comoros	Vanilla; Ylang ylang; Clover	Fund mobilization	Potential donor: EIF (joint project with PTC/Trade Capacity Branch)
Côte d'Ivoire	Cassava; Textile	Preparation	Project formulation will start in 3 <sup>rd</sup> quarter of 2013 (Textile)
DR Congo	Cassava; Palm Oil; Wood	Implementation	Project will end in September 2013. Independent evaluation conducted. Donor: Japan
Ethiopia	Cactus	Fund mobilization	Potential donor: OPEC Fund for International Development (OFID)
Ghana	Cotton	Fund mobilization	Project concept submitted to the potential donor (the government), but rejected
Guinea	Shea butter	Implementation	Donor: Japan
Liberia	Fruits & Vegetables; Rice	Fund mobilization	Fruits & Vegetable project submitted to the potential donor (European Union, EU), but rejected. Potential donor for Rice project: Sweden
Madagascar	Sugar	Fund mobilization	Potential donor: EU
Niger	Meat; cowpea	Fund mobilization	Project document submitted to the potential donor (the government)
Nigeria	Cassava; Rice; Cereals	Implementation	Donor: Nigeria. Master plan development of the Staple Crop Processing Zones (SCPZs).
Rwanda	Livestock and rural business development services (BDS) for MSEs	Implementation	Donor: One UN fund. Potential for further project development in the area of value-chain and rural entrepreneurship within the forthcoming UNDAP 2013-2017; Follow-up activities for the livestock planned out of 3ADI core fund
Sierra Leone	Vocational training	Implementation	Donor: Japan
South Sudan	Cereals, Livelihood development, Fisheries	Implementation, Fund mobilization	Livelihood development (joint project with FAO) is funded by Canada Potential donor for fisheries project: Canada
Sudan	Leather	Implementation	Donor: Italy
Tanzania	Red Meat; Cashew nuts	Implementation	Donor: One UN fund
Togo	TBD	Project formulation	To be determined

Uganda	Banana	Project formulation	VC analysis and discussion with the governments ongoing
Zambia	Cotton; Fruits & Vegetables	Preparation	VC reports with recommendations for TA will be published in 3 <sup>rd</sup> quarter of 2013
<b>Non-African countries</b>			
Country	Value chains (focus areas)	Status	Note
Afghanistan	Agro-processing	Implementation	Donor: MDG fund
Brazil	Livestock; Fisheries; Wood etc.	Fund mobilization	Project concept developed and shared with the donors (Brazil and Global Environment Facility/GEF)
Haiti	Food parks	Fund mobilization	Potential donor: EU
India	Food processing value chains	Fund mobilization	Potential donor: India
South Pacific Islands	Fisheries value chains for regional Food Security	Project formulation	Regional assessment missions concluded in May 2013. Project formulation and discussion with potential donor ongoing.

**Table 2 Funding status of the 3ADI**

Project/ Country Name	Project No.	SAP	Approved Budget revision	Total budget* in EUR	Donor Funding source
3ADI (Core budget)	TE/GLO/10/017	101120	Aug 2010	300,000	Food security trust fund
			May 2012	300,000	Food security trust fund
			Feb 2013	283,388	Food security trust fund
			Mar 2013	20,362	FAO and AfDB
	UE/GLO/10/016		Aug 2010	353,982	Finland
	US/GLO/10/018		Sep 2010	76,581	Czech Republic
	TF/GLO/12/022		Jun 2012	10,181	FAO
Subtotal				1,344,495	
DR Congo	TF/ZAI/11/001	101116	Mar 2011	882,390	Japan
	TF/ZAI/12/001	120428	Feb 2013	882,390	Japan
Guinea Conakry	TF/GUI/12/003	120220	Dec 2012	2,036,283	Japan
Nigeria	SF/NIR/13	120624	Mar 2013	1,100,115	Nigeria
Rwanda	FB/RWA/08/G01 FB/RWA/08/H01 FB/RWA/08/K01	101040	April 2011	194,672	One UN fund
Sierra Leone	TF/SIL/11/002	101108	Feb 2011	1,357,523	Japan
South Sudan	TF/SUD/11/003	101115	Dec 2010	1,977,067	Canada
Sudan	TE/SUD/12/006	110029	May 2012	262,888	Italy
Tanzania	FB/URT/11/D04	101185	Sep 2011	173,701	One UN fund
	FB/URT/11/E04	101171	Sep 2011	475,248	One UN fund
	FB/URT/11/F04	100228	Sep 2011	186,576	One UN fund
Afghanistan	FM/AFG/09/002	101048	Dec 2009	367,259	Spain MDG
India	TE/IND/12/002		Aug 2011	44,247	Food security trust fund
	UC/IND/12/001		Aug 2011	18,100	India
AAF TAF	YA/RAF/11/021		Sep 2011	72,000	UNIDO
South Sudan and Ethiopia		120554	Oct 2012	108,000	Israel Czech Republic
3ADI PPP		120113	May 2013	619,469	Japan
Subtotal				10,757,926	

\* PAD amount without the project support cost

## **Trust Fund on increased food security through agribusiness and agro-industry promotion**

Given its importance for the operationalization of the 3ADI from the side of UNIDO, the TFFS needs some further description (and is also referred to in the assessment part of this evaluation report). This Trust Fund was created in 2009 (hence pre-dates the 3ADI) following a General Conference decision to allocate unutilized balances (UB) of appropriations due to Member States to special accounts for technical cooperation. This decision encompassed in fact the creation of two Trust Funds, one dedicated to respectively increased food security through agribusiness and agro-industry promotion (the TFFS) and another one to renewable energy for productive activities (Trust Fund on Renewable Energy).<sup>13</sup> These two Trust Funds were created, based on a proposal by the UNIDO Director General on the use of the remaining balances of appropriations by end 2009 to respond to challenges related to food and energy emergencies.

As regards the TFFS (the one relevant for this evaluation), the proposal was based on an earlier comprehensive report by the Director General for the Industrial Development Board/IDB (UNIDO, 2008) covering UNIDO's response to the global food crisis (rising food prices). This report - prepared after the GAIF in India - focused on the need for UNIDO to continue its services to build up productive capacity in developing countries and to increase its cooperation with International Financial Institutions (IFIs). Recognizing that the food supply system is complex, requiring the building of partnerships, the report schematized in its Annex 2 the need for a wide range of actors to work together in the chain from pre-farming to consumption: FAO, UNIDO, IFAD, World Bank, International Finance Corporation (IFC), Regional Banks, International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD), United Nations Environment Programme (UNEP), International Organization for Standardization (ISO), International Labour Office (ILO), World Health Organization (WHO), etc.<sup>14</sup>

The TFFS was aimed to <sup>15</sup>

- be focused on the development and promotion of fundable programmes;
- provide strong leverage (resulting in programmes worth at least ten times the invested amount);
- incite further voluntary contributions by Member States.<sup>16</sup>

In terms of the TFFS' objectives, outputs and activities, the above mentioned IDB document that led to the establishment of the TF is overall clear, yet used terminology that later evoked in-house discussions on its coverage around the question: "does food security cover food only or also other (non-food) agro-based

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<sup>13</sup> UNIDO General Conference, 7 -11 December 2009, Agenda item 8, Document GC.13/INF.4, GC.13, 7/Dec.15

<sup>14</sup> UNIDO, Addressing the world food crisis, Report by the Director-General on UNIDO's response to the global food crisis, prepared in compliance with Board Decision IDB.34/Dec.6, September 2008

<sup>15</sup> IDB.36/12/Add.1, June 2009

<sup>16</sup> The same aims apply to the Trust Fund on renewable energy



commodities and related value chains?" ( issue included in the assessment part of this report). This led to the use of different titles of the Fund by different entities in the organization (sometimes referred to as "Trust fund on food security" and other times as "Trust fund for agro-industry promotion" or Agri-Trust Fund").<sup>17</sup> It is for this precise reason that the wording of the relevant sections in the TFFS is quoted in Box 4 below.

#### Box 4 Coverage of the TFFS

Relevant paragraphs of the IDB document pertaining to the establishment of the TFFS that refer to its sector coverage are the following (*note: use of italics and underlining by the evaluators*):

- the final objective is to promote sustainable food security and to insert those countries (*referring to the poorest developing countries in that same paragraph*) or regions into global trade networks as producers of food and other agro-industrial commodities;
- UNIDO will establish a portfolio of projects and programmes in selected countries to promote the production of food and value added food products;
- UNIDO will use the resources to ....lead to operations (covering) the establishment of an enabling environment for agribusiness development;
- the TF will be focused on (a) technical and economic analysis and advice focused on the potential for expansion of food value chains, (b) preparatory and programme development activities and (c) joint activities with financial institutions to identify the technical requirements for investments in measures for creating an enabling environment conducive to agribusiness development and the creation of competitive local enterprises;
- these activities are expected to lead to an increase in the level of food security in developing countries; an increase in the capacity of these countries to withstand food market instability and high prices; and an increased integration of these countries into the global trading system for agro-industrial products.

Source: IDB.36/12/Add.1, June 2009

The same IDB document assigned the management of the TFFS to the UNIDO Programme and Project Approval Committee (meanwhile renamed Programme Approval and Monitoring Committee, AMC), stating that it would be managed within the specific terms of reference and criteria for the TF, and that regular progress reports will be prepared showing the use of the Funds as well as the results in terms of projects and programmes developed and funded.

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<sup>17</sup> Purely for the sake of simplicity, this report used the acronym TFFS

## 2.3 Overview of interventions to date

### Initial approach and its evolution

As per the original intervention logic, the initiative aimed primarily at the development of a critical mass of large-scale agribusiness development programmes covering packages of public and private investments combined with technical assistance in the selected countries (initially 11, to which DR Congo was later added based on a UNIDO suggestion; cf Table 1 with the list of 3ADI countries). These initial 12 countries were decided upon together with FAO and IFAD. The plan was to develop country strategy papers for the 12 target countries based on (where possible joint) field missions (UNIDO, FAO, IFAD) to conduct value chain value chain analyses (VCA) as input for the country strategy papers.<sup>18</sup> The results were expected to be in line with the core areas defined in the 3ADI Programme Framework: enabling policies and public goods, value chain skills and technologies, post-production institutions and services and reinforced financing and risk mitigation mechanisms.

Over time and, as mentioned in periodic reporting on the 3ADI to UNIDO's Policymaking Organs, based on the experience gained during field work and following requests by several other countries to join the initiative, the programme coverage widened, both in geographic and thematic terms. At present the list of 3ADI countries has increased from the initial 12 to 25 countries, of which 5 are non-African countries. Accordingly, the 3ADI acronym has become, when used outside Africa, the Accelerated Agribusiness and Agro-Industries Development Initiative. The request for expansion of the initiative was stated to have emanated from the CAMI meeting in Algiers (2011). The thematic expansion covers in particular the promotion of resource efficient and cleaner production (RECP) methods in assessing and supporting agribusiness value chains (in collaboration with UNIDO's Environmental Management Branch) and enhancing the search for business partnerships (in collaboration with UNIDO's Business Partnership Group).

At present UNIDO interventions within the context of 3ADI are encompassing the following interrelated components schematized in the Table 3.<sup>19</sup> In the assessment (Chapters 4 and 5), the status of support under each of these pillars is analyzed using the standard evaluation criteria.

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<sup>18</sup> Source: Presentation - Enhancing Africa's competitiveness through agribusiness and agro-industries development, Agribusiness Development Branch, August 2010

<sup>19</sup> The 3ADI related interventions (and reporting thereon) do not strictly follow the structure of the four areas of support as defined in the 3ADI Programme Framework, nor that of the subsequent logical frameworks (initial version and its draft amendment). It was therefore opted to describe and assess the work done under the 3ADI based on a classification of the actual efforts into four main areas or pillars.

**Table 3 Summary of the current focus and coverage of UNIDO support under the 3ADI**

Pillar 1	Pillar 2	Pillar 3	Pillar 4
<p><b>Technical cooperation</b></p>	<p><b>Facilitation of investment finance</b></p>	<p><b>Development of partnerships</b></p>	<p><b>Promotion of resource efficient and cleaner production (RECP) methods in agribusiness VC</b></p>
<p><b>“3ADI projects” in “3ADI countries”</b></p> <ul style="list-style-type: none"> <li>▪ 25 “3ADI countries” in different regions, including 20 LDCs (of which 16 in Africa)</li> <li>▪ 9 projects under implementation, ongoing funds mobilization of 10 projects and 6 projects under preparation/formulation</li> <li>▪ projects primarily developed and managed by Agri-Business Development Branch (with exception of a project involving the Trade Capacity Branch and a project concept developed by three Branches: Agro, Energy and Environment)</li> </ul>	<ul style="list-style-type: none"> <li>▪ technical advice through participation (with <i>inter alia</i> FAO) in the Task Force for the Equity and Guarantee Fund for Agribusiness in Africa which led to the launching of the Agvance Fund by the AfDB in 2012 (not yet operational)</li> <li>▪ cost-sharing of and technical advice through participation (with <i>inter alia</i> IFAD) in the Technical Assistance Facility/ TAF of the African Agriculture Fund/AAF - operational)</li> <li>▪ concept development (with FAO and AfDB) of a public 3ADI Technical Assistance Facility (3ADI TAF); preparatory work ongoing</li> </ul>	<ul style="list-style-type: none"> <li>▪ public partnerships listed (donors): AFD; Czech Republic; Finland; MASHAV-Israel</li> <li>▪ private partnerships listed: Louis Dreyfus Commodities; QUINVITA (industrial crop technology company); Tetra Pak</li> <li>▪ other: Global Alliance for Improved Nutrition/GAIN (independent non-profit foundation)</li> <li>▪ recent partnership (Sept. 2013) with German Engineering Federation to support agribusiness value chains in developing countries and countries with</li> </ul>	<ul style="list-style-type: none"> <li>▪ development of a Sustainable Agribusiness Value Chain diagnostic assessment tool (ongoing)</li> <li>▪ tool development funded jointly by the 3ADI and the Green Industry Initiative</li> </ul>

<ul style="list-style-type: none"> <li>▪ in some countries cooperation with other agencies; no joint projects for now</li> </ul> <p><b>Capacity Development in Africa Agribusiness Investment Promotion</b></p> <ul style="list-style-type: none"> <li>▪ training manual development and testing through pilot training workshop (Tanzania)</li> <li>▪ joint effort of FAO and UNIDO's Agri-Business Development Branch and Investment and Technology Unit</li> </ul>		<p>economies in transition</p> <ul style="list-style-type: none"> <li>▪ forthcoming: search for additional business partnership opportunities (with emphasis on Japanese companies interested in agro-related investment in Africa), in cooperation with UNIDO Business Partnerships Group (Japanese funding)</li> </ul>	
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## Reporting on interventions: overview of the key messages

The establishment of the TFFS preceded the launching of 3ADI, but the two were linked as of 2011, when UNIDO reported for the first time on both the TFFS and the 3ADI to the Programme and Budget Committee and to the IDB.<sup>20</sup> The following statements made by UNIDO in the reporting are important to be highlighted:

- focus on agribusiness and agro-industries;
- concentration on Africa and LDCs (10 out of - then - 12 targeted countries);
- focus on the development and validation of concrete interventions;
- search for collaboration with stakeholders and external resources;
- emphasis on a comprehensive response, building on core competencies of UNIDO, FAO and IFAD and leveraging finance (public and private), investment, technology, expertise and scientific knowledge for agribusiness development;
- UNIDO technical assistance not being an end in itself but rather a means to catalyse larger flows of multi-stakeholder resources (that may/may not be channelled through UNIDO);
- emphasis on visibility (communication strategy);
- importance attached to the need for the M&E mechanism to capture the multiplier effects of UNIDO support, its outcomes and impact, with performance indicators including the mobilization of public development funds, private investment and technical assistance (UNIDO), as well as the start of reforms in the policy framework;
- high “return on investment” (reported being 20 times in relation to funds mobilized for UNIDO TC and no less than 45 times in relation to all funds mobilized<sup>21</sup>);
- a dedicated website launched in March 2011 aimed to serving also as a knowledge management platform that would be instrumental in fostering cooperation among FAO, IFAD and UNIDO (the platform allowing for information exchange, working together on joint publications and coordinating field missions and other events).

In a subsequent report on UNIDO activities related to agribusiness, trade and job creation prepared for the 2011 UNIDO General Conference, UNIDO informed Member States on progress of work undertaken in the field of agribusiness finance, including the UNIDO advisory services to the technical assistance facility established to support the African Agriculture Fund (AAF) and its participation in the preparation of the Equity and Guarantee Fund for Agribusiness (EGFA, later labelled Agvance Fund), led by the AfDB.

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<sup>20</sup> PBC (11-13 May 2011) and IDB (20-24 June 2011), IDB.39/10 – PBC.27/10

<sup>21</sup> Without questioning the leverage generated, it is not clear how these estimates were derived

In respectively April 2012 and February 2013, UNIDO again reported to Member States on the TFFS.<sup>22</sup> Highlights in the 2012 report were in particular: the agreement of more countries to allocate their share in the unutilized balances to the TFFS; progress on work in the initial list of “3ADI countries”; information on the request for geographic expansion of the 3ADI beyond Africa and for the strengthening of 3ADI’s regional interventions; UNIDO’s participation in the Technical Assistance Facility related to the AAF; and 3ADI’s thematic expansion to cover also environment issues and to seek synergies with National Cleaner Production Centres (NCPC). Reference was also made to new partners, in particular the Agence Française de Développement (AFD), the Development Agency of Israel (MASHAV), and cooperation being explored with the Global Alliance for Improved Nutrition (GAIN), with the Grameen Creative Lab and others.

The 2013 (and most recent) IDB-PBC report highlighted the actual funding generated and expected funding opportunities, the increase in countries covered and progress at the level of some 3ADI countries/projects. The report also provided information on progress with respect to the investment finance component (in particular work in progress as regards the development of a concept to establish a public 3ADI Technical Assistance Facility (3ADI TAF), as well as on the continuation of UNIDO’s advisory role under the umbrella of AAF TAF. It also referred to “the structured expansion of the 3ADI around four pillars: *(a) formulation of agribusiness development programmes in the new countries, following the 3ADI methodology, (b) short-term response to support co-funding with external partners in joint initiatives, (c) partnership with private corporations and funds targeting agribusiness investment, and (d) reporting, monitoring and evaluation.* It is also in this 2013 report that reference is made to 3ADI co-organizing (with AUC) a Conference on Economic Diversification and Manufacturing in Africa (2012) and its participation in a meeting organized by CAADP to bring together different initiatives and foster stronger cooperation amongst them (outcome document stated to have been endorsed by the Joint Conference of African Ministers of Agriculture and Trade in November 2012). Similarly, the report refers to a U.N. General Assembly resolution (67/225) in 2012 welcoming support provided through the 3ADI and to possible cooperation opportunities with new private entities aimed at supporting private investment in value chains supported by 3ADI. Finally, the report mentions that *a new logical framework has been introduced, which will enable a comprehensive and rigorous monitoring of and reporting on the 3ADI.* This amended logframe was reported to have been rejected by the AMC.

In the assessment chapters some observations are included on some of the above achievements as reflected in the 3ADI reporting.

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<sup>22</sup> IDB.40/6 - PBC.28/6 (April 2012) and IDB.41/10 – PBC.29/10 (February 2013)

## 2.4 Programme governance

### 3ADI in general

The deliberations in Abuja (2010) and the ensuing 3ADI Programme Framework reflected the notion of the 3ADI being *an Africa-owned initiative* and gave a central role to *the African Union Commission in providing guidance and the political framework for Africa's ownership of the initiative*. As some interviewees mentioned, whereas the global meeting in India and also the other regional follow-up meetings were primarily technical events, the Conference in Abuja was more of political nature, given its high-level participation (heads of states, ministers). It thus benefitted from a strong political commitment (and also push) to engage member states, RECs, regional financial institutions, as well as the organizing agencies in the follow-up of the Conference. In brief, the event was found to have generated a genuine momentum to move forward with the 3ADI that was considered *a long overdue initiative and as such it gained strong support from both national governments and regional groups*.<sup>23</sup> Accordingly, the lead agencies involved in the initiative were to report on progress on an annual basis to the Ordinary Session of the AU Assembly (cf. last point of the Abuja Declaration).

As CAADP was stated to provide 3ADI's institutional framework and as NEPAD's Planning and Coordination Agency (NPCA) plays a key role in coordinating CAADP, NPCA was expected to also play a coordinating role as regards the implementation of the 3ADI in general. There is however no indication so far that this role was indeed assigned to the NPCA, as later discussed in the assessment.

### The founding partners of the 3ADI

The three UN agencies (IFAD, FAO, UNIDO) and the AfDB were seen as playing (together) a key role in the follow-up of the Abuja Conference, in line with the Abuja Declaration. Accordingly, UNIDO refers to the 3ADI as a partnership, with the above organizations as core partners. With the exception of a 3ADI Steering Committee (SC) meeting held in Vienna in June 2011, there is no indication of other SC meetings held to periodically take stock of progress of the initiative as a whole and provide strategic guidance.<sup>24</sup> Information exchange and discussions on possible synergies took place on a case by case basis between the designated focal points/coordinators in each of the organizations. The cooperation with other (UNIDO) partners associated to the 3ADI (at the level of specific themes/countries) is typically formalized in one-to-one partnership agreements (Memoranda of Understanding/ MoUs) or in other forms, such as project documents.

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<sup>23</sup> Report on HLCD-3A, UNIDO, 2010, p.7

<sup>24</sup> The minutes of this SC meeting could not be traced by the evaluation team

## **The 3ADI in UNIDO**

Within UNIDO, the 3ADI has been developed and led by the Agri-Business Development Branch that included until mid-2012 a Programme Management Unit (PMU) under the supervision of the Director of the Branch. The PMU was dedicated to steering and monitoring 3ADI programme implementation, including the mobilization of expertise from other Branches and Units of the Programme Development and Technical Cooperation Division (PTC) and also including Field Offices (FOs). Initially, the PMU included several staff (3) including a coordinator. The PMU has meanwhile gradually disintegrated, as PMU staff was assigned to other duties. Since mid-2012, 3ADI's day-to-day coordination is handled by one person (a project manager dealing with the 3ADI on a part-time basis, together with other project management duties), under the guidance of the Branch Director.

For 3ADI project development and implementation, project managers were selected within UNIDO and they have been given the full responsibility for planning and implementing 3ADI projects. All but one 3ADI project managers of ongoing projects are staff of PTC/AGR. For some of the sub-initiatives under the 3ADI, cooperation has been established with other Branches/Units (Environmental Management Branch; Investment and Technology Unit; Business Partnerships Group). No in-house Steering Committee mechanism has been put in place for the 3ADI (although the initiative is in principle UNIDO-wide).

The Programme Approval and Monitoring Committee (AMC) is in charge of the management of the TFFS (that has been an important source of core funding for the 3ADI as well as for other food security related projects that were not recorded under the 3ADI). Delays incurred in 2012/13 as regards the approval of TFFS allocations to the 3ADI are discussed in the assessment.



## 2.5 The wider context of the 3ADI

### The support landscape as regards agriculture, agribusiness, agro-industries and investment finance

As reflected in the proceedings of the Abuja Conference, the 3ADI recognized the importance to adhere to and complement institutional frameworks already endorsed by African governance bodies and included also reference to the need to integrate into regional organizations (including the RECs), alliances and initiatives as one of the core guiding principles.<sup>25</sup> Accordingly, the 3ADI Programme Framework (2010) mentioned the emphasis on agribusiness and agro-industries as engines for poverty reduction reflected in CAADP and initiatives emanating from CAADP, citing in particular the Alliance for a Green Revolution in Africa (AGRA), an initiative involving inter alia the Rockefeller Foundation and the Bill and Melinda Gates Foundation (2006) that, like the 3ADI, constitutes a comprehensive approach focused on the access of smallholders to input and output markets and enabling government policies in this regard.

Against the background of the range of political statements related to agribusiness (cf. section 2.1 regarding “political embedding”), the 3ADI was seen as a very timely addition to the ongoing efforts and commitments to accelerate agriculture and rural development in Africa.<sup>26</sup> The framework highlights that it would be ensured that 3ADI benefits from and is complementary to ongoing initiatives led by regional organizations that support the strengthening of market linkages and regional trade capacities in Africa. It also states that these initiatives will not be by-passed; synergies will be built and efforts will be made to ensure strong complementarity.<sup>27</sup>

The same spirit is reflected in the project documents subsequently developed by UNIDO, as basis for receiving special purpose funding from Finland, the Czech Republic and also from the TFFS based on unutilized balances of projects, described above. These documents refer to close collaboration and consultation with the known 3ADI core partners and with other partners, such as the World Bank Group, in particular the Global Agriculture and Food Security Program (GAFSP; see below) administered by the International Finance Corporation (IFC), and other International Financial Institutions (IFIs).

Indeed, the launching of the 3ADI in 2010 coincided with an era of renewed and reinvigorated attention to the development of agriculture and agribusiness as a priority on the international development agenda. For quite some time, the theme had been rather in the margin. This is well illustrated by the following statement in the 2008 World Development Report (WDR) *Agriculture for Development*: “with the last WDR on agriculture completed 25 years ago, it is time to place agriculture afresh at the centre of the development agenda, taking account of the

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<sup>25</sup> Report on HLCD-3A, 2010, p.6; Presentation - Enhancing Africa's competitiveness through agribusiness and agro-industries development, Agribusiness Development Branch, August 2010

<sup>26</sup> 3ADI Programme Framework, 2010, p. 6

<sup>27</sup> 3ADI Programme Framework, 2010, pp. 17-18

*vastly different context of opportunities and challenges that has emerged*”<sup>28</sup> As Kofi Annan put it: the world has reawakened to the importance of agriculture in development and a common goal is emerging – to support the millions of resources poor farmers around the world and those who depend on them for food security”<sup>29</sup>.

In this section an attempt is made to give a snapshot overview of the *main* initiatives and programmes that existed at the time of 3ADI’s conception and/or those that were launched later on during 3ADI’s implementation (all focused on the same or directly related areas of support). The list thus claims to be by no means exhaustive (far from), as there is a multitude of efforts “out there”, with also new ones emerging as time goes by. In fact, be it in the field of agriculture, agribusiness or catalytic finance, there appears to be a proliferation of initiatives (a trend that is further discussed in the assessment section)

The purpose of the overview is to illustrate this trend and the list covers at least some of the major (large scale) initiatives at the pan-African or regional levels. The list certainly does not include all regional programmes (such as the sizeable EU-funding going to the RECs), nor the numerous programmes with national/sub-regional coverage, nor sub-sector/commodity related multi-donor initiatives (e.g., with respect to cashew, cassava, coffee, among others), nor numerous efforts under the umbrella *Aid for Trade* (trade capacity building, including upgrading of the quality infrastructure, nor agro-related initiatives of non-DAC donors such as China, nor research related efforts etc.

In line with the emphasis of the 3ADI on both technical cooperation and investment, the overview presented in Table 4 focused on those two dimensions. It is to be noted that the list covers Africa (thus not the other regions in which UNIDO meanwhile developed “3ADI projects”). Also, to the extent that comprehensive support to the development of agriculture in Africa following a value chain approach has a close link to areas such as trade, private sector development and investment finance at large, some of the main programmes in these fields (even if not purely focused on agriculture and agribusiness) are also listed.

In addition to the range of programmes, initiatives and alliances, is worth mentioning some of the major publications that came out on the subject matter since the 2008 WDR. Again, the following ones cited are by no means the only ones, but illustrate the (growing) attention of regional and international organizations (and also of academia) to agriculture and agribusiness:

- *Agro-industries for development (FAO and UNIDO, 2009)*
- *Agribusiness for Africa’s prosperity (UNIDO, 2011) and Agribusiness for Africa’s prosperity, country case studies (UNIDO, 2012)*
- *The roles and opportunities for the private sector in Africa’s agro-food industry (UNDP, 2012)*

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<sup>28</sup> World Bank, 2008 World Development Report, 2007, Overview, p. 1

<sup>29</sup> Kofi Annan, Global Conference on Agriculture Research for Development, Montpellier, France, March 2010

- *Seas of change – a report on scaling inclusive agri-food markets (Centre for Development Innovation, Wageningen University & Research Centre, 2012)*
- *Investing in the future of African agriculture (Grow Africa, 2013)*
- *Making the most of African commodities: industrialization for growth, jobs and economic transformation (UNECA, 2013)*
- *Leaping and learning: linking smallholders to markets (Agriculture for Impact & Overseas Development Institute, 2013)*
- *Growing Africa: unlocking the potential of agribusiness (World Bank, 2013)*
- *Global Strategic Framework for Food Security and Nutrition (Committee on World Food Security, second version, 2013)*

**Table 4 Snapshot overview of the support landscape in Africa related to agriculture, agribusiness, agro-industries and finance**

Initiatives/Programmes and year of launching <sup>30</sup>	Features
<p><b>AGRA - “Alliance for Green Revolution in Africa” – “Growing Africa’s Agriculture (2006)</b>  <a href="http://www.agra.org">www.agra.org</a></p>	<p><b>Actors:</b> Partnership of the Rockefeller Foundation and the Bill and Melinda Gates Foundation, chaired by Kofi Annan. Other partners and donors to date: Swedish Ministry of Foreign Affairs, DFID, DANIDA, USAID, Partners for Seed in Africa, International Development Research Centre, Central Bank of Nigeria, Econet Wireless Global, IFAD, Gvt of Kenya, Millennium Development Authority Ghana, New Venture Fund)  <b>Focus:</b> soil, seeds, policies and partners, market access; value chain approach also including investment finance  <b>Countries</b> so far: Ghana, Mali, Mozambique, Tanzania; also efforts in: South Africa, Malawi, Zambia, Uganda, Kenya, Ethiopia, Rwanda, Nigeria, Niger and Burkina Faso</p>
<p><b>GAFSP - Global Agriculture and Food Security Programme (2009)</b>  <a href="http://www.gafspfund.org">www.gafspfund.org</a></p>	<p><b>Actors:</b> G8+ initiative with funding from Australia, M&amp;M Gates Foundation, Canada, Ireland, Japan, Korea, Netherlands, Spain, UK, US; IFC administered; involvement of inter alia AfDB, IADB, FAO, WFP, IFC in Steering Committee (non-voting members)  <b>Focus:</b> financial intermediation (public window: support in country-led or regional programmes resulting from sector-wide country or regional consultations and planning exercises such as CAADP; private window: provision of long- and short term loans, credit guarantees, and equity to support private sector activities for agricultural development and food security)  <b>Countries</b> so far: Bangladesh, Burundi, Cambodia, Ethiopia, Gambia, Haiti, Kyrgyz Rep., Liberia, Malawi, Mongolia, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Tajikistan, Tanzania, Togo</p>
<p><b>GROW AFRICA - Investing in the future of African Agriculture (2011)</b>  <a href="http://www.growafrica.com">www.growafrica.com</a></p>	<p><b>Actors:</b> convening partners – African Union Commission, NEPAD Agency, World Economic Forum (WEF)  <b>Focus:</b> smallholders; agricultural SMEs; fostering private investments (African Enterprise Challenge Fund; Beira Agricultural Growth Corridor Catalytic Fund) multi-stakeholder partnerships, information sharing (best practices, existing initiatives); organization of annual Agricultural Investment Forum/other events to connect countries and investors, share best practice; elements in approach: leadership and alignment, strategy &amp; priorities (regions/VC’s), investment &amp; entrepreneurship, unlocking existing/raising new finance &amp; risk management, hard &amp; soft infrastructure, emphasis on delivery &amp; implementation mechanisms (incl. monitoring) to drive change at scale;</p>

<sup>30</sup> In random order and information based on web sites of the programmes/donors

Initiatives/Programmes and year of launching <sup>30</sup>	Features
	<p><b>Countries:</b> partner countries in 2012 – Burkina Faso, Ghana, Nigeria, Rwanda, Ethiopia, Kenya, Tanzania, Mozambique; important features: the technical review of a CAADP Investment Plan is among the criteria for country participation in Grow Africa, reflecting Grow Africa’ alignment to national priorities for agriculture and food security; cooperation with private sector organizations (Business Forum/West Africa in October 2013 organized with Regional Farmers’ Organisation/West Africa; cooperation with inter alia IFAD and FAO as partners regards this Forum)</p>
<p><b>AFIM - UNDP African Facility for Inclusive Markets (year)</b>  <a href="http://www.undp.org/africa/privatesector">www.undp.org/africa/privatesector</a></p>	<p><b>Actor:</b> UNDP  <b>Focus:</b> promotion of inclusive markets development (technical assistance); facilitation of strategic partnerships; value chain approach (including reference to cross-border and regional VCs); interventions at micro, meso and macro level. Note: co-organization of AgriBusiness Forum 2011 in Johannesburg including public private dialogue (PPD) which led to the Johannesburg Declaration on “Engaging the Private Sector in Furthering Africa’s Agribusiness, Food Security and Nutrition Agenda” (stated to be the first joint public and private sector declaration calling for joint action to advance Africa’s agro-food agenda (<i>included UNIDO participation</i>)). Co-organizer of Agribusiness Forum 2012 (Dakar; <i>reference to 3ADI in FAO presentation</i>); sub-regional AFIM weeks in East and West Africa with RECs (EAC and ECOWAS)  <b>Countries:</b> Africa wide</p>
<p><b>RtB - Removing the Barriers in Agriculture Programme</b></p>	<p><b>Actors:</b> NEPAD Business Foundation (NBF) and founding members (private enterprises), with initial support of USAID and Hewlett Foundation  <b>Focus:</b> different sub-initiatives/projects under RtB umbrella, such as supply chain entrepreneurship (development corridors), public-private partnership platform facilitating dialogue, project development and implementation  <b>Countries:</b> Southern Africa</p>
<p><b>PANACC - Pan-African Agribusiness and Agro-Industry Consortium (2007)</b></p>	<p><b>Actors:</b> private sector driven platform for agribusiness, partnership, trade and investment (established in 2007 under the auspices of the African Agricultural Research Forum/FARA); ongoing cooperation with AU and NEPAD  <b>Focus:</b> agribusiness and agro-industry value chains and support services; priority themes: information, technology, partnerships (national; regional), and financial resources; link to implementation of African Countries National Investment Plans (NAIPs) under CAADP  <b>Countries:</b> Africa wide</p>

Initiatives/Programmes and year of launching <sup>30</sup>	Features
<p><b>New Alliance for Food Security and Nutrition (2012)</b></p>	<p><b>Actors:</b> Commitment of G8 (2012; USA); cooperation with AU and Grow Africa  <b>Focus:</b> accelerating the implementation of country strategies under CAADP  <b>Countries:</b> first stage: Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Mozambique, Tanzania; now added: Benin, Malawi, Nigeria (precondition for participation is: rigorous country cooperation framework)</p>
<p><b>SAVE FOOD Initiative (2011)</b>  <a href="http://www.save-food.org">www.save-food.org</a></p>	<p><b>Actors:</b> joint initiative of FAO and Düsseldorf Messe at InterPack (most important trade fair/packaging); wide range of sponsors; also involvement of GIZ  <b>Focus:</b> dialogue on food losses, consumer awareness raising, support to improvements of efficiencies across value chains  <b>Countries:</b> global</p>
<p><b>AFSI - L'AQUILA Food Security Initiative (2009)</b></p>	<p><b>Actors:</b> Initiative taken at the G8 Summit in Aquila (Italy, 2009) by Heads of State, Government and international regional organizations present at the G8 Summit  <b>Focus:</b> aim to increase aid to agriculture and food security (goal of mobilizing \$20 billion over three years period); stated search for improved coordination of financing mechanisms, mobilizing of complementary resources including catalyzing additional funds around country-owned strategies (source: "L'Aquila" Joint Statement on Global Food Security/L'Aquila Food Security Initiative, July 2009; reference to FAO, IFAD, Committee on World Food Security, Consultative Group on International Agricultural Research, Global Forum on Agricultural Research, Global Partnership for Agriculture and Food Security, CAADP and similar plans regional plans in Africa, Latin America &amp; the Caribbean, and Asia.  <b>Countries:</b> global (Africa, Latin America &amp; the Caribbean, and Asia)</p>
<p><b>Scaling Seeds and other Technologies Partnership (2012)</b></p>	<p><b>Actors:</b> part of G8 (2012) commitment to food security; initiative housed at AGRA  <b>Focus:</b> strengthening of Africa's seed sector focused on increasing productivity  <b>Countries:</b> Africa-wide</p>
<p><b>Future Agricultures Consortium</b></p>	<p><b>Actors:</b> Africa-based alliance of research organizations focused on agricultural policy and practice; divided in regional hubs (West, East and Central and Southern Africa) linked to national, regional and international partners; UK funding (DFID)  <b>Focus:</b> comparative multi-country research; organization of related events; policy advice (including</p>

Initiatives/Programmes and year of launching <sup>30</sup>	Features
	<p>research and dialogue related to CAADP</p> <p><b>Countries:</b> regional coverage (West, Eastern and Southern Africa) with hubs in respectively Ghana, Kenya and South Africa</p>
<p><b>Agribusiness Indicators Programme (2009)</b>  <a href="http://www.worldbank.org">www.worldbank.org</a>  <i>(Agriculture and Rural Department/ARD)</i></p>	<p><b>Actors:</b> WB funded by Bill and Melinda Gates Foundation (three year project: 2010-2012)</p> <p><b>Focus:</b> action research aimed at developing proxy indicators to inform success factors for doing agribusiness in SSA; purpose: to inform public-private dialogue, shape policy reform, and guide both public and private investment</p> <p><b>Countries:</b> Pilot studies in Burkina Faso, Ethiopia, Ghana, Mozambique, Kenya, Tanzania and Zambia</p>
<p><b>AACF - African Agricultural Capital Fund (2011)</b></p>	<p><b>Actors:</b> USAID, B&amp; M Gates Foundation, Rockefeller Foundation, Gatsby Charitable Foundation</p> <p><b>Focus:</b> agribusiness related investment (\$25 million)</p> <p><b>Countries:</b> East Africa</p>
<p><b>AFT - Agricultural Fast Track Facility (launched in May 2013; Multi-donor Trust Fund ( mid-2013)</b></p>	<p><b>Actors:</b> AfDB (building on G8 and G20 commitments); contributions from USA and Sweden</p> <p><b>Focus:</b> project preparation facility (grant funding for project development costs, such as feasibility studies, market research, financial modelling, business plan development, and environmental and social impact studies)</p> <p><b>Countries:</b> focus on countries that are members of the <i>New Alliance for Food Security and Nutrition</i> (that have agreed with the G8 to refine their policies to improve investment opportunities and accelerate the implementation of their country-led CAADP plans on food security); initial phase includes current member of this New Alliance: Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Mozambique and Tanzania</p>
<p><b>AAF - African Agriculture Fund (2010)</b>  <b>AAF SME Fund (sub fund, 2012)</b>  <b>AAF - TAF (Technical Assistance Facility) launched in 2011</b>  <a href="http://www.phatisa.com">www.phatisa.com</a></p>	<p><b>Actors:</b></p> <ul style="list-style-type: none"> <li>(i) AAF is created by African and European development finance institutions; partner investors: (i) African DFIs: AfDB, BOAD, DBSA, EBID; (ii) European DFIs: AFD &amp; PROPARCO, AECID; other partner: IFAD; AAF is managed by Phatisa (private fund management company, based in South Africa); first closing (\$151million, 2010; target size: \$300 million; start of operations in Jan 2011)</li> <li>(ii) Support component of AAF is a Technical Assistance Facility (AAF TAF; \$ 13.3 million)</li> </ul>

Initiatives/Programmes and year of launching <sup>30</sup>	Features
<b>www.aaftaf.org</b>	<p>aimed at providing technical assistance with a view to enhancing the development impact of AAF investments (IFAD was instrumental in developing the TAF concept). Within the framework of the 3ADI UNIDO has become a co-sponsor of AAF TAF (together with EU, AGRA, Italian Cooperation); IFAD is in charge of TAF management (EU funding); TechnoServe recruited by IFAD as implementing NGO to handle the day-to-day operations of AAF TAF; AAF TAF is discussed in this report in sections X and Y</p> <p>(iii) AAF SME Fund (\$30 million) is promoted by the core partners of AAF and Phatisa; is managed as an independent sub-fund by Databank Agrifund Ltd (Ghana)</p> <p><b>Focus:</b> agri-business and food focused private equity fund, aimed to address food insecurity in SSA</p> <p><b>Countries:</b> SSA</p>
<b>FAPA, Fund for African Private Sector Assistance (2006, converted into multi-donor fund in 2010)</b>	<p><b>Actors:</b> AfDB, Austria (Government of Austria; Development Bank of Austria), Japan</p> <p><b>Focus:</b> Private Sector Development (plan: \$125 million; \$3.9 Technical Assistance; current volume: \$49 million)</p> <p><b>Countries:</b> Africa wide (including RECs, business associations, market regulatory institutions, BDS providers, business training and research institutions, public/private enterprises); current approved project portfolio includes projects in fields such as microfinance, MSME (including guarantee facilities for exporters), trade insurance, business environment; note: preparatory work for the EGFAA (now Agvance Fund) has been funded from FAPA</p>
<b>Agvance Africa (launched in May 2012; not yet operational)</b>	<p><b>Actors:</b> AfDB (target: \$500 million; AfDB commitment: 20%); initially called Equity and Guarantee Fund for Agribusiness in Africa (EGFAA). AfDB selected Credit Suisse Customized Fund Investment Group as fund manager for the Funds of Funds; Agvance Africa aimed to be the first large-scale FoF for the African agribusiness sector. Involvement of 3ADI (FAO and UNIDO) in an advisory role (participation in Task Force); role of 3ADI and status of the Fund of Funds discussed elsewhere in this report</p> <p><b>Focus:</b> equity investment; agribusiness focused fund of funds ; aimed at increasing private investment flows into the agribusiness sector in Africa</p> <p><b>Countries:</b> : Africa wide</p>
<b>OAIP - OLAM Africa Investment</b>	<b>Actors:</b> AfDB loan to OLAM Africa Investment Programme



Initiatives/Programmes and year of launching <sup>30</sup>	Features
<b>Programme - AfDB support to OAIP (2013)</b>	<p><b>Focus:</b> Loan of \$80 million to support initiatives of the OLAM Group aimed at deepening OLAM Group's agricultural value chain by investments in processing of wheat and palm oil; ultimate objective: to contribute to enhancing the regional food supply chain and to act as a catalyst to support job creation and improve the sustainability of the agribusiness sector</p> <p><b>Countries:</b> sub-projects envisaged in Cameroon, Ghana, Mozambique, Senegal</p>
<b>International Finance Corporation - investment in agribusiness in Africa</b>	<p><b>Actor:</b> IFC</p> <p><b>Focus:</b> statement that in Fiscal Yr 2012 IFC invested \$550 million in agriculture and across the value chains; stated to embark on a 5 yr programme focused on investment in agribusiness in Africa, covering some \$2 billion</p> <p><b>Countries:</b> Africa wide</p>
<b>AGOA – African Growth and Opportunity Act (for now extended until 2015)</b>	<p><b>Actor:</b> USA</p> <p><b>Focus:</b> development and promotion of trade between Africa – USA (agriculture and agro-processing being among the priory sectors covered); multifaceted, including capacity building</p> <p><b>Countries:</b> at present 43 African countries</p>
<b>Making Finance work for Africa www.mfw4a.org</b>	<p><b>Actors:</b> founding members – AfDB, Africa Finance Corporation, BMZ, CGAP, DANIDA, DFID, EIB; others involved: IMF, Netherlands, SIDA, USAID, WB; MFW4A Secretariat hosted at AfDB</p> <p><b>Focus:</b> support to financial sector development; coordination platform for financial sector development interventions (aimed at avoiding duplication and maximizing development impact); data base on financial sector projects; donor working groups on financial sector development themes); Africa Finance Forum (AFF) blog for financial sector practitioners; emphasis on country-owned financial sector initiatives, regional and Pan-African approaches and ties with country, regional and continental authorities and networks; facilitation (secretariat conveys funding and T.A request in financial sector to MFW4A donors)</p> <p><b>Countries:</b> Africa wide</p>
<b>Ecobank and African Guarantee Fund (AGF), 2013</b>	<p><b>Actors:</b> cooperation agreement between Ecobank and African Guarantee Fund/AGF (latter is owned by AfDB, DANIDA and AECID)</p> <p><b>Focus:</b> promote and support small businesses across SSA, with focus on facilitation of access to</p>

Initiatives/Programmes and year of launching <sup>30</sup>	Features
	finance (through a partial guarantee mechanism) <b>Countries:</b> Benin, Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Kenya, Nigeria
<b>Programme for Building African Capacity for Trade (PACT, Phases I and II); gender sub-programme (ACCESS) focused on women entrepreneurs (2003/4)</b>	<b>Actors:</b> ITC; funded by CIDA <b>Focus:</b> Pan-African partnerships and networking for regional trade development; support to RECs; regional trade support networks including businesswomen's networks, cross-border business linkages <b>Countries:</b> RECs (COMESA, ECOWAS, ECCAS) and 44 SSA (including 30 LDCs) countries benefitting directly or indirectly from regional and national interventions
<b>Africa-Brazil Agriculture Innovation Market Place Initiative (2010)</b> <a href="http://www.africa-brazil.org">www.africa-brazil.org</a>	<b>Actors:</b> Brazilian institutions and other donors/partners: FARA, EMBRAPA, ABC, DFID, Bill and Melinda Gates Foundation, IFAD, WB <b>Focus:</b> linking Brazilian and African experts and institutions to develop cooperation projects aimed at enhancing agricultural innovation for development (Africa) through the establishment and strengthening of partnerships <b>Countries:</b> Africa wide (with eligibility criteria for cooperation initiatives)
<b>Opportunity Africa (October 2013)</b>	<b>Actor:</b> Denmark <b>Focus:</b> support to an inclusive and green economic growth in Africa; support inter alia through regional and sub-regional African institutions <b>Countries:</b> not specified at this stage

Source: Compilation by Evaluation team

## Value chain approaches in development

Support based on a value chain (VC) approach is at the core of the 3ADI intervention logic. VC approaches gained immense popularity over the past decade amongst most donors within the context of their commitments to support private sector development, economic growth and reduction of poverty. This does not mean that prior to the use of the VC terminology, there were no comparable approaches. In his report on donor approaches to supporting pro-poor value chains, Altenburg (2007) referred to similar and sometimes overlapping concepts with different disciplinary roots that are its origin and that have tended to converge in the currently burgeoning VC field, such as: *back and forward linkages; the filière approach, subsector analysis, global commodity chains, vertical chains, (agrifood) systems, and the cluster approach.*<sup>31</sup>

Albeit 'variations to the theme' across donors and agencies engaged in VC support and possibly different terminologies, priorities and "business models" (e.g., initiatives focusing on large firms and their supply chain, initiatives that seek to foster chain linkages), the interventions typically encompass a combination of VC mapping & analysis as basis for defining priority interventions (action plan) and performance monitoring. Altenburg stressed the complexity of VC support (and the limitations of *ex ante* VC studies), stating that *value chains are complex interdependent social and economic systems, and consequently there will always be an element of uncertainty in identifying the best possible upgrading strategies.*<sup>32</sup>

There appears to be a proliferation of VC tools across bi- and multilateral donors and agencies (guides, manuals, briefs, good practice principles). As regards the UN system, a study commissioned by the ILO (2011) covered an overview of the approaches of seven UN agencies (including UNIDO) and found a range of interventions and approaches among and within agencies. The recommendations included the need for a clear and well communicated working definition at the level of each agency, including regular updating of *who does what where* according to a VC approach. Reference was made to a certain "fuzziness" as regards what is captured under the VC label (which was said to apply to bi- and multilateral cooperation at large), which was attributed to the fact that *the approach can be used in a rather broad manner; in some cases VC-related activities sometimes seem to be rather the outcome of "relabeling" former private sector development interventions or in other cases, activities that could clearly be subsumed under the value chain approach are not labelled accordingly.*<sup>33</sup> The authors could not clearly determine the unique selling position of the agencies in the field of VC development.

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<sup>31</sup> T. Altenburg, Donor approaches to supporting pro-poor value chains, Report prepared for the Donor Committee for Enterprise Development Working Group on Linkages and Value Chains, German Development Institute, July 2006 rev. 2007

<sup>32</sup> Ibidem, p. 36

<sup>33</sup> ILO, Value chain development approaches and activities by seven UN agencies and opportunities for inter-agency cooperation, A. Stamm and C. von Drachenfels (German Development Institute), 2011, p. 30

## 3 . Assessment of the design

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### 3.1 The 3ADI Programme Framework

This evaluation took the 3ADI Programme Framework document (2010) - developed by in particular FAO and UNIDO with the direct involvement of African experts and discussed and validated at the Abuja Conference - as the baseline strategy of the initiative. At the outset, a short comment on the choice of the title - African (Accelerated) Agribusiness and Agro-industries Development Initiative (3ADI) - is warranted: the current title shows some tautology in the sense that agri-business is a dimension of agro-industries and not a separate concept. Also, agriculture is not listed in the title, although constituting integral part of any agro-related value chain and thus also of support to its development.

The main observations on the framework design are summarized below, highlighting its key strengths, yet also some weak points.

#### The 3ADI conception: Programme Framework Document

main strengths	main weaknesses
Explicit reference to and consistency with important underlying political statements of different high-level fora related to agriculture, industry and trade (cf. Section 2.1; political embedding)	Underestimation of the complexity of steering such a comprehensive multifaceted framework involving multiple stakeholders (no section on “risk and risk mitigation” in the Programme Framework that would include this point among the risk factors)
Aim to support the crucial steps from grand declarations and commitments to the implementation of strategic actions discussed and validated at the highest levels during the HLCD-3A in Abuja; aspiration to be pragmatic and show quick and tangible results	Some ambiguity as regards programme ownership (high level endorsement and reference to CAADP, yet no clarity which was/were the African champion(s) expected to take ultimate ownership and leadership )
Timeliness, as it entailed the consolidation of a strategic vision and the launching of a new initiative pretty much at the beginning of an era of renewed interest in agriculture and agribusiness in Africa (i.e. towards the end of the first decade of the new millennium)	Main focus on “the what” (without prioritization among intervention areas) and limited description of the “how” and “by whom” (such as respective roles, designation of lead teams for the identified priority areas of support);

	Strategy without concrete deliverables, milestones, time frame (though crucial features when aiming at mobilizing private investment)
Comprehensiveness with respect to the identified (4) core areas of support and underlying (21) specific intervention areas, bundling macro, meso and micro level efforts	Reference to the importance of a monitoring and evaluation framework with respect to financial facilities, but no mention of such a framework for the initiative as a whole
Strategic orientation through emphasis on the need for increasing private investment flows into agriculture, agribusiness and agro-industries as well as need for increased public investment	Description of options for investment related financial facilities constituting important yet incomplete features of the (missing) overall 3ADI funding strategy
Emphasis on leveraging financial resources from African financial systems (regional; sub-regional, national)	
Recognition of the importance of synergies (benefitting from and complementing ongoing initiatives) and thus of the need for coordination at national, regional (including the RECs) and pan-African levels	Limited description of directly related past and ongoing programmes and no reference to the importance of synergies with past/ongoing efforts of the core partners of the 3ADI themselves
Emphasis on domestic and cross-border/regional markets as priority, reflecting a pragmatic focus and recognizing the need to zoom in on opportunities at these levels	Underestimation of the complexities to put good intentions as regards cooperation (sharing knowledge, harmonizing practices, avoiding fragmentation) into practice; no indication of active involvement by the 3ADI of other key programmes/actors in the design stage other than the signatory organizations
Importance attached to involving organizations representing private sector stakeholders (such as producer organizations, commodity associations, trade related federations), in line with the emphasis put on private investment along the value chains being at the	No explicit reference to guiding principles/ good practice lessons learned based on prior efforts to support agriculture, agribusiness and agro-industries (which would determine, e.g., selection of countries, prioritization of value chains and

core of the development of agribusiness and agro-industries in Africa	types/size of enterprises to support and against which conditions)
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As several of the above points are found to be also relevant to the programme documents developed by UNIDO to operationalize its role in the 3ADI, the following sections will avoid repetition of similar arguments as regards the initiative at large and focus on observations that are specific to these UNIDO documents.

### **3.2 UNIDO project documents related to 3ADI core funding<sup>34</sup>**

At the outset, the 3ADI coordination teams in the core partner agencies are to be commended for the speed in which follow-up was taken in the months following the Abuja Conference. In this regard, UNIDO was particularly active, such as in terms of developing concepts, organizing briefings and undertaking (joint) missions to important potential partners. Drafting of project documents in order to secure, as a start, core funding (discussed in this section) is among these efforts.

The core funding of UNIDO to support the development of assistance under the umbrella of the 3ADI is rooted essentially in two interrelated project documents: (i) one document that encompassed both the funding of Finland and the Unutilized Balances (UB) allocated from the TFFS and (ii) a complementary document covering support from the Czech Republic.

*i. Design of projects UE/GLO/10/016 (Finland) and TE/GLO/10/17 (UB), Support to agri-business and agro-industry development initiatives: implementing the three frameworks*

This document recaps the main elements of the 3ADI at large and shows the path initially taken by UNIDO based on the consultations between the core partners immediately after the Abuja Conference:

- focus on the development of agribusiness development strategies to articulate a combination of mutually supporting public investment, private investment and technical assistance (in line with the four main areas of support targeted by the 3ADI), based on
- field missions by IFAD, FAO, and UNIDO (jointly conducted, where possible) to a target sample of 12 countries (of which 10 in Africa and including 10 LDCs) , covering
- value chain analysis, and resulting in
- country strategy papers.

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<sup>34</sup> The evaluation team made a distinction between (i) core funding for 3ADI wide programme development and management and (ii) project-specific funding at the country level

The above 'chain' included collaboration and consultations with stakeholders and International Financial Institutions, as well as assistance to countries in funds mobilization through partners such as AfDB, World Bank (GAFSP), IFAD and other donors. As regards technical assistance components of the country strategies, the mobilization of cross-UNIDO and multidisciplinary services was envisaged, in addition to leveraging resources of other actors, listing not only core partners (IFAD, AfDB), but also the Global Environment Facility (GEF), the European Investment Fund (EIF) and the WB.<sup>35</sup> At the country level, integration into the United Nations Development Assistance Framework (UNDAF) and also One UN process was foreseen and reference was made to 3ADI's contribution to four MDGs (numbers 1, 3 7, and 8). In brief, the above shows the recognition that the design and implementation of comprehensive VC focused country programmes would require the involvement of multiple actors working in a coordinated manner. The document also mapped out the in-house coordination (PMU and its functions; delegation of 3ADI project design and implementation to appointed team leaders, and search for linkages with other branches based on a cross-participation model).

As regards the cooperation with IFAD and FAO, it was envisaged to adopt a common methodology and coordinate field visits. The countries were jointly decided on by the three agencies based on jointly-defined selection criteria, including potential for the development of agribusiness and agro-industries, LDC status, and prospects for funding. The final list of 12 countries was spread across the different sub-regions of SSA and included 2 non-African LDCs.

Special consideration was given in the document to the cross-cutting themes 'gender mainstreaming' and 'south-south cooperation'. These themes are indeed each pivotal in any effort focused on agriculture and agribusiness development, considering the role of women and gender gaps (calling for "gender mainstreaming") and also the different states of development of countries and the scope for building on and sharing available experiences and expertise through south-south cooperation.

Overall, the above approach as per the project document is considered justifiable and justified, albeit giving rise to some questioning of certain features, namely:

- in the design stage, there is no indication of involvement of public/private sector partners at the "apex level" level of African institutions (acting as champions/leaders); the search for co-ownership was mainly directed at the country level (*inter alia* through validation workshops);
- the inclusion of countries has been without preconditions related to 3ADI's wider framework: CAADP. In this respect the strategy of other large scale agriculture and agribusiness focused programmes has shown more rigour, in that they require(d) the existence of a validated country framework and progress as regards the Investment Plan within the context of CAADP;
- the geographical coverage of initially 11 and later 12 countries is considered a rather ambitious target sample in the launching phase of such a multifaceted programme that initially aimed in particular at support

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<sup>35</sup> Source: Project document UE/GLO/10/016 (Finland) and TE/GLO/10/017 (UB), version 7 August 2010

- to LDCs (where the policy and business support environment is not necessarily easiest). No phased approach to test, learn and move forward based thereon was envisaged. With hindsight, focus on less countries in a first stage of operationalization and adequate alignment to CAADP might have allowed for trying out the initial approach to develop and implement comprehensive multi-stakeholder support packages;
- there is no indication in the document to what extent and how the first steps in the value chain and context analyses could benefit from prior work undertaken by UNIDO (studies, project experiences) or other organizations. Mere illustrations of such (potential) information sources are the large-scale UNIDO executed regional programmes in the field of enterprise upgrading and quality infrastructure in West-Africa at the level of UEMOA and ECOWAS.<sup>36</sup> For example, by the time the 3ADI was launched the upgrading programme had already undertaken a diagnostic review of the agribusiness/agro-industrial sector in the 8 UEMOA countries, including also the identification of product priorities (with involvement of the Agro Branch). Also in the field of financing, this programme undertook a study of available financing mechanisms in the region. In other words, an inventory of relevant and related studies and strategies that the launching of the 3ADI could build upon would have been helpful in guiding the first steps of the initiative;<sup>37</sup>
  - the risks listed in the project document took pan-African commitment and involvement in the *implementation* of the 3ADI somehow for granted, based on high level political endorsement and commitments made at the Abuja Conference. As regards coordination among UN agencies, known challenges in this respect were found to be underemphasized or at least expected to be avoided through organizing series of missions/meetings amongst one another with a view to ensuring alignment of interest, approaches, resources and communication. The idea of a rigorous steering mechanism is not reflected in the project strategy, nor possible scenarios to avoid that agencies might each “go their own way” (such as, for example, the consideration of a *common* trust fund as common tool to take the 3ADI forward together at an agreed upon “rhythm”). The mitigation for the risk listed as most important one (funding of the programmes developed at the country level) was believed to be the involvement of the IFIs in the selection of the target countries and making sure that the investment projects formulated were part of their country strategies. Two problems occurred in this regard: the IFIs were in fact not involved in the country selection and this approach de-emphasized an earlier belief of the 3ADI team, namely the importance attached to the need to look for domestic financing.

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<sup>36</sup> Union Economique et Monétaire Ouest Africaine/West African Economic and Monetary Union (UEMOA/WAEMU) and Economic Commission of West African States (ECOWAS)

<sup>37</sup> As agriculture and VC approaches are on the agenda of most African countries and also donors/agencies for already several years (with regional and national coverage), many more examples can be found of initiatives (also at the time) that contain information and lessons on which the 3ADI could have built. An important challenge faced in most such programmes has been up scaling based on experiences (a potential entry point for new initiatives such as the 3ADI)



With respect to inputs, the contribution of Finland and the UB budget were more or less comparable (respectively €353,982 and €300,000; grand total: €653,982; all excluding support costs) and was to cover expenditures during a one year period. The TFFS contribution appears to be based on a quasi-cost-sharing principle and adapted to the total amount available or at least foreseen as regards the TFFS in that year.<sup>38</sup> In terms of budget lines, the UB budget allocation covered a higher share of international consultants, whereas the Finnish budget had a higher allotment for travel costs, covered administrative support and also the costs foreseen for M&E.

The project document is not explicit on the funding of the PMU. The budget line “international consultants” covered about 40% of the total combined budget (excluding agency support costs). It appears that PMU staffing (consultants) was funded from the project budgets, but the evaluators have no information on the precise proportion of the combined budget for international consultants that was allocated to cover the PMU staff compared to the proportion allocated to international consultants hired to take part in the value chain analyses at the level of the selected countries.

*ii. Design of project US/GLO/10/018 (Czech Republic), Support in the implementation of UNIDO’s agri-business development strategy and the 3ADI programme*

The roots of this project document lie in the Czech Republic making available in 2010 expertise to advise the then UNIDO Director General; the voluntary contribution was then channelled towards the PMU of the 3ADI. The document describes the main features of the 3ADI programme (on which observations have been already shared above). The special feature of the Czech funding concerned the services of a senior expert in agribusiness development working in the PMU for a six-month period to assist in monitoring and participate in programming missions of three countries. Reference was also made to a role for the expert in the development of a comprehensive M&E system (see below) and in the formulation of a “strategic white paper” reflecting lessons learned in the country missions to guide 3ADI programme implementation at large. The Czech budget covered essentially the senior expert (i.e., some 70% of the total budget), the remainder covering national expertise for also six months for the field work in three countries.

Both project documents discussed above refer to the establishment of a M&E system inspired by the work of the Donor Committee on Enterprise Development/DCED, in particular its Standard for Measuring Achievements in Private Sector Development: Control Points and Compliance Criteria (March 2010, version V). In this regard it is to be noted that an independent evaluation was planned after the completion of the project, i.e. towards the end of 2011; this was to be covered by the Finnish funding.

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<sup>38</sup> Total of € 443,148 as at end 2010 (excluding support costs)

### 3.3 The underlying logical framework and its evolution

The project document covering the bulk of the first round of core funding (2010) - i.e., the one combining Finnish and UB resources - included a logical framework (logframe, cf Annex 5A).

This (first) logframe followed a condensed or simplified format, presented hereafter:

**Development Goal:** contribute to sustainable reduction in poverty through the promotion of agri-business in low income countries

**Outcome** A critical mass of large-scale agribusiness development developed on a PPP basis in twelve countries

**Output** Twelve detailed strategies for agribusiness development in Africa and LDCs (featuring the deployment of public and private investment supported by technical assistance services)

As regards the above outcome-output logic, the following observations are made:

- the formulations of the outcome (1) and of the output (1) are very similar; the flaw in the causal link appears to be at the level of the formulation of the outcome, as the result of “twelve detailed strategies” cannot be “a critical mass of programmes in 12 countries”; in other words, the purpose of a programme cannot be to have further programmes but should describe the (improved) situation in the partner countries that is aspired;
- the outcome-cum-output was formulated as a rather stand-alone venture, neither referring to the involvement of IFIs in the design of the programmes (although targeted as donors), nor to envisaged linkages with related programmes in the field of agri-VCs, opportunities to build on available studies and strategies, etc.;
- the activities follow a logical sequence from validation of the approach and selection of countries up to negotiations of the country strategies with donors;
- the frame does not show how the envisaged strategies will be linked to the four support areas of the 3ADI Programme Framework nor the connection with CAADP country strategies and investment plans (no indicators in this regard);

Concerning the assumptions, it is to be noted that:

- some of the assumptions seem to have been under the control of the programme or are rather effects/impact, whereas assumptions are beyond its control;

- increased value-addition in agribusiness is likely to be inclusive, but this is not necessarily the case (this explains the need for principles of engagement when large-scale actors are involved (commercial farming; large scale processing);<sup>39</sup>
- additional production outputs do not automatically expand markets;
- the emphasis on individual and collective commitment was relevant; it would however have been appropriate to refer to both commitment in the form of requests/political statements (such as the Abuja Declaration) and active engagement in the next phase, i.e., the implementation of such endorsements and commitments;
- there is no reference among the assumptions to the country strategy and investment plan within the context of CAADP.

In the course of 2012 and within the context of in-house discussions on additional funding for the 3ADI, it had been suggested to update the logical framework, as the existing (initial) one was no longer in harmony with the taken implementation route. This resulted in the second logframe (draft revised logframe that is for now under discussion (cf. Annex 5B) that is structured around 3 outcomes and 4 outputs (summarized hereafter).

#### **Development Goal:**

Contribute to sustainable reduction in poverty through the promotion of agribusiness in low income countries:

#### **Outcomes:**

- Outcome 1** competitive agricultural products produced through the enhanced value chains and local supporting institutions
- Outcome 2** disadvantaged individuals especially rural youths, women, smallholder farmers and micro entrepreneurs trained and gained access to on- and off-farm income generating opportunities along the value chains
- Outcome 3** high impact agribusiness investment projects materialized through partnerships with private and public investors

#### **Outputs:**

- Output 1** value chain related technical assistance services formulated and implemented
- Output 2** follow-up activities for value chain related interventions conducted
- Output 3** partnerships with public and private investors promoted

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<sup>39</sup> See for example : IFAD's Private Sector Strategy – deepening IFAD's engagement with the private sector, 2012 (in particular Chapter 5, Lessons learned)

**Output 4** cross-cutting programme support services including advocacy and monitoring & evaluation provided

As regards the above outcome-output logic, the following observations are made:

Outcomes:

- **Outcome 1:** its formulation seems to cover two ideas combined into one: enhanced value chains and strengthened support institutions. Reference is made to “agricultural products” whereas 3ADI’s coverage entails the entire value chain, from pre-production to the market;
- **Outcome 2:** its formulation reflects a choice to focus on a sub-set of actors in the value chain, namely emphasis on the most disadvantaged groups; it is not clear if this is done on purpose, to distinguish the targeted actors from the ones aimed at under outcomes 1 and 2;
- **Outcome 3:** it can be argued that this outcome is an output under outcomes 1 and possibly also 2 (if focused on inclusive investment projects), which may explain why the formulation of this outcome resembles the formulation of output 3;
- the outcome structure is not linked to the areas of support defined in the 3ADI Framework Document; the harmony between the logic of 3ADI’s foundation document (the Framework) - that identified (4) core areas of support and (21) specific intervention (sub) areas, bundling macro, meso and micro level efforts – and the ensuing UNIDO project documents, is not made explicit in the latter’s logframe.

Outputs

- the outputs are not structured according to their “umbrella” outcomes;
- the outputs are formulated as activities;
- to the extent output 1 includes reference to implementation, there appears to be an overlap between outputs 1 and 2;
- output 4 is of a separate nature, in that it covers the entire programme and reflects in particular the functions of the PMU; the rationale for its inclusion could be the justification for allocating project resources to the PMU.

As regards the underlying activities, the following is observed:

- the distinction between two rounds of technical assistance activities (under respectively outputs 1 and 2) is not understood, in that the value chain development plans are in principle comprehensive and include prioritization and a phased approach as regards implementation; therefore, the need for identifying and pursuing “follow-up interventions” (activities under output 2) seems superfluous;
- the reference to independent technical assistance projects under output 3 is not explicitly linked to the ones developed under output 1; however, it is assumed that investment finance related activities were planned to be

linked to technical cooperation activities (given the aim to develop and support the implementation of comprehensive support packages);

- as mentioned, the work of the PMU is essentially described in the activities under output 4; the activities listed do not include some features of its mandate, such as guidance to PMs/country teams to ensure coherence in the approaches followed in “3ADI projects”, and encouraging internal and external collaboration and synergies.

With respect to the indicators, there are found to be some flaws and gaps, in particular:

- there are no indicators related to the enhanced capacity of support institutions (access to specialized support services across the value chain; access to finance related to agricultural production, processing, and also to trade finance);
- there are no indicators with respect to policy measures (whereas enabling policies and provision of public goods was defined to be one of the pillars of the 3ADI initiative); this relates to the missing link between 3ADI’s core support areas and the UNIDO projects’ pillars (outcomes);
- some indicators are debatable and difficult to adequately measure, such as “amount of locally produced and processed agricultural products in the local and export markets” (especially considering the size of informal sector operations in the targeted countries) and “amount of new agricultural products” (requiring some precision of what is “new” and neglecting that even enhancing the productivity and markets of *existing* products is in itself an achievement);
- the indicators related to the high impact agribusiness investment projects are overly general, in that the number of investment projects is rather an intermediate indicator. Of particular importance would be the measurement of the nature and impact of such investments (e.g., investment in what, of what size and nature, benefitting whom, with what effects on the target groups);
- similarly, the number of technical assistance projects developed and implemented, the number of trainings/workshops conducted, number of technical meetings, number of policy discussions, are, as such, not very pertinent performance indicators and would have needed some deepening at the time of project appraisal; the same observation applies to “the *number* of equipment installed”. Rather, the size of material or “hard” (and possibly also “soft”) investment is a more relevant indicator (among others) of upgrading efforts along the value chain;
- the indicators under output 4 suffer from the same “number focus”, the most striking one being “number of M&E reports produced”. One misses here the measurement of overall performance of the project, including of internal and external linkages and also features such as the measurement of client perceptions (feedback from beneficiary countries), utilisation of tools/manuals, etc.;
- gender related indicators are only mentioned at the goal/impact level.

As regards the assumptions (to the extent there are differences in this respect compared to the first logframe, already discussed above), the following observations are made:

- emphasis is put on technical assistance as key factor to produce competitive agricultural products (outcome 1); this is however just one dimension, considering the importance of parameters such as, *inter alia*, entrepreneurship, access to improved seeds, to fertilizer, to farm machinery, to finance for agriculture/agribusiness, apart from an enabling policy environment and adequate and competitive infrastructure to link produce to markets;
- there are no assumptions as regards the 4 listed outputs;
- in logframes assumptions are normally combined with risks and risk-mitigation steps; in this respect the logframe does not include reference to crucial conditions such as country buy-in, coordination among partners, securing of funding.

Finally, the draft amended logframe is expected to reflect a priori the current and envisaged focus and coverage of UNIDO support to the 3ADI and is expected to be integral part of documentation (a comprehensive programme strategy) that describes principles, past efforts, achievements and “the way ahead” as justification for future core funding. As described in Section 2.3, the UNIDO support under the 3ADI (projects and sub-initiatives) can in essence be categorized under four pillars:

- Technical cooperation
- Facilitation of investment finance
- Development of partnerships
- Promotion of resource efficient and cleaner production (RECP) methods in agribusiness VC.

Comparison with the draft amendment (lograme) discussed above shows that the new draft is not seamlessly aligned to the main pillars of the UNIDO 3ADI support (the way it evolved since 2010).

In this chapter, the design of these pillars is *not* discussed. This is justified by the fact that the specific work undertaken under each of these pillars was not explicitly formulated *ex ante* and constitutes in fact the central part of the implementation of the 3ADI by UNIDO. For a detailed assessment of these pillars, reference is therefore made to Chapters 4 and 5 below.

## 4. Assessment of implementation to date: programme-wide review

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This assessment is structured in accordance with the evaluation criteria and covers the following dimensions: 3ADI overall; technical cooperation; facilitation of investment finance; development of partnerships; and promotion of resource efficient and cleaner production (RECP) methods in agribusiness VC.

### 4.1 Relevance and ownership

Starting this section with **UNIDO** (as this is a UNIDO evaluation), the organization features the 3ADI as one of its flagship programmes, in the sense that it is innovative, strategic, catalytic, and focused and it promotes the 3ADI accordingly. As a high-profile programme to which the (former) UNIDO Director General was highly committed and in which he was actively involved<sup>40</sup>, there was a strong drive to avoid “Declaration evaporation” and to show quick results, following a route that was seen as “not business as usual”. Namely, rather than following a traditional technical assistance (TA) project approach, the 3ADI support was to look at the broader picture and involve a different way of working: not “UNIDO alone” but together with other UN agencies and with banks/development finance institutions. This was based on the underlying vision that standard TA was not enough and that investment was also needed to address the challenges at stake with respect to agricultural transformation and food security.

From the launching of the initiative and to give it a push forward, the 3ADI (or UNIDO, when compared with other core partners) could benefit from core resources made available through the TFFS (established prior to the conception of 3ADI) as well from other core funding sources (contributions received from in particular Finland and the Czech Republic, as well as some UNIDO funding). This enabled UNIDO to take a lead role in the partnership to “kick start the work”. The 3ADI strategy did not foresee the establishment of a common fund, and, with some exceptions of cost-sharing and joint activities (see below), each partner interpreted the next steps rather in its own way.

The high-profiling of the 3ADI in UNIDO went hand in hand with a branding tactic to actively use the 3ADI brand and logo to show and promote the organization’s role and service offerings in the field of agri-business/agro-industries development. This branding endeavour and enhancement of 3ADI’s visibility by UNIDO took various avenues, although it was observed that the important co-ownership dimension of the initiative was sometimes forgotten. For example,

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<sup>40</sup> Also for the current UNIDO Director General the development of agri-business is among the top priorities in industrialization efforts, as illustrated in a press release on his recent discussions with the AUC Chairperson and with the AUC Commissioner for Trade and Industry and staff at AU Headquarters early October 2013 (Source: AllAfrica, 9 October 2013).

UNIDO having taken the lead to develop the 3ADI portal, it ended up being a predominantly UNIDO website. Although it was given a neutral domain name (“3ADI.org”) and was cost-shared with other core partners, it features mainly work and a number of practical VC related tools developed by UNIDO and in particular of its Agri-Business Development Branch.<sup>41</sup> At present the site even states ‘this website is a project of UNIDO’ without referring to the other core partners. At some point in time, the AfDB was not referred to on the website as a 3ADI partner, which was said to have been rectified at the request of the AfDB. Furthermore, the 3ADI logo is also included in general UNIDO publications, such as one describing the services of the Agri-Business Development Branch. This is questionable to the extent that (i) the 3ADI is a priori a UNIDO-wide initiative (also involving other UNIDO services), and (ii) the services of the Branch go beyond its support under the 3ADI.

With respect to the field-level operations, according to the survey findings, the majority of the counterparts mentioned their involvement in the design and implementation of the 3ADI support that tended in most cases to be seen as “somewhat aligned” to the past and/or current national/regional strategies related to agriculture and agribusiness development in general. It is to be noted that in a few cases the government also made a financial contribution. Not in all cases formal validation workshops had been organized. As regards the FOs, their involvement varied, with some being very involved in 3ADI-related work, yet with a few of the FO’s not really being involved in the activities.

An important question is to what extent and how the 3ADI remained and remains relevant to the *other* 3ADI partners, considering how its environment and also the initiative itself evolved during the first three years of 3ADI’s implementation. This is addressed below, distinguishing between the political institutions at the pan-African level that were involved in the Abuja Conference and the team of 3ADI core partners of UNIDO, namely the FAO, IFAD and the AfDB.

At the **pan-African level**, the 3ADI vision was pertinent in 2010 and indeed remains very relevant to date. In many countries a large proportion of the population depends on agriculture for their survival and, despite opportunities, agriculture and agribusiness have performed feebly. The continued importance of 3ADI’s vision is illustrated in the reflexions of the African Union Commission and the NEPAD Planning and Coordination Agency at the occasion of the 10<sup>th</sup> anniversary of CAADP that highlight the importance of fostering private sector development along agricultural value chains and of creating a more enabling environment to increase the volume and quality of domestic and foreign private sector investments to achieve CAADP’s desired outcomes of agricultural transformation and increased food security.<sup>42</sup> It is also worth mentioning that 2014 will be the African Union’s year of Agriculture and Food Security, reflecting that the theme remains among AU’s top priorities.

Launched in a period of reinvigorated interest in agricultural transformation and mobilization of private sector engagement, 3ADI’s intervention logic fitted well in

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<sup>41</sup> Cf. [www.3ADI.org](http://www.3ADI.org) (value chain approach; resources)

<sup>42</sup> European Centre for Development Policy Management, blog release on a retreat organized by the WB to reflect on support to CAADP (“CAADP at 10”) in June 2013 in Maastricht, The Netherlands (source: [www.ecdpm-talkingpoints.org](http://www.ecdpm-talkingpoints.org))



the landscape of support initiatives. Since 2010, this landscape has become denser (and characterized by a proliferation of initiatives, described in Chapter 2). As an AU Discussion Paper (2012) put it: *the blossoming number of initiatives creates a confusing landscape for country-level stakeholders and for private sector partners. The initiatives are only weakly linked, with potential for inefficiency and overlaps, or even competition.*<sup>43</sup>

Being an integral part of this landscape, the 3ADI has been presented and cited over the past years at the level of important and high-level fora (such as AU Summits; UN General Assembly) and *inter alia* also in the above-mentioned AU Discussion Paper. In its implementation so far, the 3ADI has engaged in support in line with needs of and requests from a large number of countries (what UNIDO calls “3ADI countries” and “3ADI projects”), and also undertaken steps towards new approaches, such as with respect to the facilitation of investment finance.

This being said, looking at the 3ADI within the context of pan-African policy priorities, the initial political drive and commitment of African leaders and institutions with respect to the 3ADI as reflected in the Abuja Declaration appears to have somewhat faded out. The discussions with the core partners as well as the document review indicate that 3ADI’s African political and institutional embedding and backing during its implementation needs serious revamping at this stage. Some other more recent programmes are getting more attention, including also direct involvement of African institutions (such as with respect to G-8 related programme and Grow Africa). This might be due to the fact that these initiatives are possibly seen as more “heavy weight”, also in terms of resources.

Discussions and document review pointed out that the established governance structure of the 3ADI did not encompass a common secretariat or a steering mechanism in which the CAADP Secretariat could and should have played a crucial role.<sup>44</sup> As mentioned before, the 3ADI’s evolution shows that UNIDO took the lead to drive the process, with varying engagement of the other core partners in the implementation so far. However, the 3ADI was not conceived as a UNIDO nor multi-agency programme but as an Africa-owned multi-stakeholder initiative. This African embedding is not evident at present, beyond some periodic reference to the 3ADI in policy statements or reports, with limited allusion to actual achievements on which UNIDO reports, but somehow not its African (co-)owners.

The situation varies across the core partner organizations. In general and notwithstanding the visibility and engagement of all agencies at the Abuja Conference (the heads of all four agencies being present there), there was not the same top-driven engagement after the event as was the case in UNIDO. This was the perception of both UNIDO staff and of staff in these partner organizations.

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<sup>43</sup> African Union, Catalysing the private sector to boost agricultural trade: synergies and complementarities for agriculture and trade support initiatives: a Discussion Paper for the Joint Session of the Conference of African Ministers of Agriculture and Ministers of Trade, 29-30 October 2012, Addis Ababa

<sup>44</sup> The PMU established within UNIDO and funded from project resources during approximately two years is considered a coordination mechanism for UNIDO internally and not for the 3ADI at large

In the case of **FAO**, whereas its Rural Infrastructure and Agro-Industries Division (AGS) played an important role in the development of the 3ADI Programme Framework, there was no “push from above” to take it further (and thus also no incentive). Moreover, as this division has a research cum policy advice focus (emphasizing the development of regional and national strategies and knowledge products), its emphasis did not converge with UNIDO’s bottom-up focus (project development and implementation, at least under its technical cooperation pillar). FAO took *de facto* a different approach from the start of implementation, seeking to work through the RECs and help them develop their own agribusiness/agro-industries development initiative (putting emphasis on the principle that the 3ADI is conceived as an African-owned initiative). FAO started with the East African Community (EAC) based on a request that can be considered a spin-off of the Abuja Conference. To the extent it concerns support to the development of EAC’s strategy that this REC and its member states are expected to implement (and not the FAO), this EAC case comes closest to African ownership during 3ADI implementation and was also in line with emphasis on the role of RECs. Attempts by FAO to roll out the same approach at the level of ECOWAS did not succeed so far (no request yet). It is to be noted that the FAO played a lead role as regards 3ADI’s investment finance dimension, given its experience in this field (cf. section 5.1). Its engagement is also shown in joint work with UNIDO as regards tool development and testing related to investment promotion, apart from its active involvement in the development of (some) 3ADI projects (cf. Chapter 5). Overall, it became clear that for the FAO the 3ADI is one out of many programmes in which it is involved. They two *key* ones for the FAO at this stage (in which the entire organization was said to be engaged) are CAADP and Grow Africa.

At the level of **IFAD**, its involvement and engagement was different from the start. The organization is referred to as a core partner, yet is a very different agency compared to UN specialized agencies (UNIDO and FAO), and is *de facto* closer to a bank. Accordingly, IFAD was not an integral part of the drafting of the Programme Framework that, from the perspective of a banker, would have needed more precision such as in terms of its targeted deliverables and its time frame to mobilize private investment. Although represented at the highest level in the Abuja Conference and convinced of the importance of working together, the first concrete unsuccessful attempts in this regard in 2010 (case of intended yet failed cooperation in Nigeria in the context of formulating a value chain support programme) were reported to have discouraged the organization to actively pursue the initiative. Also, the 3ADI does not find reference in IFAD’s Private Sector Strategy (2012). The evaluation mission observed also that, notwithstanding its mandate and experience in the field of finance, IFAD is not part of preparatory work regarding the 3ADI TAF. UNIDO and IFAD however are each playing a role in the AAF TAF (as each is member of the Steering mechanism).

The **AfDB** has shown the importance attached to the 3ADI particularly through its efforts related to investment finance. Even though not yet operational (as fund raising was reported to have been below expectations so far), AfDB’s commitment to cover 20% of the Advance Fund shows the engagement of the organization to address gaps related to investment in the field of agriculture and agro-industrial development (cf. Section 5.1). In addition to the preparatory work as regards this Fund (involving the private sector wing of the AfDB), also the

Bank's public sector wing was involved in the 3ADI, in particular as regards the concept development of the 3ADI TAF. Based on discussions in the Bank, it was observed that this work was rather loosely embedded in the Bank, in the sense that the cooperation with UNIDO and FAO involved in particular outside expertise seconded by the German Development Cooperation (GIZ) whose secondment to the Bank and, accordingly, involvement in the 3ADI work has meanwhile ended. This implied that Bank staff is now engaged in stepping up its role as one of the partners in sharpening the concept and also co-finances the ongoing work of a consultant (jointly recruited by UNIDO, FAO and the Bank). Whereas the work done so far was perceived as being dominated by FAO and UNIDO, the Bank aims to play a more central role in decision making on the next stages (which shows the search for deepening co-ownership). In general, notwithstanding the above-mentioned engagement, there is not the impression (based on discussions, document and website review) that the 3ADI is treated as a flagship programme in the AfDB, but rather one out of several in which the organization is engaged within the context of its overall emphasis on agriculture and agro-industrial development.

## 4.2 Efficiency

UNIDO staff involved in 3ADI considers the most distinct feature of the 3ADI the speed of accessing preparatory assistance funding for project formulation work. "Doing things differently" under the 3ADI was thus associated by most of them to the existence of the 3ADI funds from the TFFS that allowed for quick responses to requests for UNIDO assistance. It meant, in particular, that for the Agribusiness Development Branch a 'seed money pot' was made available in tranches (considered "blanket approval") to cover in particular formulation work. The approval channel was shorter, essentially covering approval by the AMC of a budget proposal/revision submitted by the above Branch bundling funds needed for several sub-projects into one 3ADI request for funding. In comparison, a UNIDO-wide project formulation modality managed by the Screening and Technical Review Committee (STC) - that meets twice a month - implies the drafting of a Service Summary Sheet (SSS) which, if approved, serves as basis for allocating project preparation funding (up to €20,000), followed by project development, appraisal and final approval by the AMC. The same step-by-step process applies to the individual requests submitted to the TFFS (i.e. those not covered by the allocation in tranches to the 3ADI). Not surprisingly, the more flexible approach was preferred by the PMs, as it implied, in principle, faster approval, a budget ceiling for preparatory assistance not limited to €20,000 (as is the case of the P.A. modality managed by the STC), and the opportunity to start with preparatory assistance rather than with completing a SSS based on scanty information. To the extent the Finnish project was used for funding formulation missions, the flexibility of this project was even greater, as, once approved, it was at the discretion of the PM to use the funding.

At the start, the AMC allowed for procedural flexibility (indeed needed when launching a new approach that seeks rapid results and aims to invest in a new vision). Based on the recording of AMC's decisions, there has not been much discussion on the release of the allotments in the first two years of

implementation (€300,000 each in respectively July 2010 and March 2012). But as of mid-2012 (when soon after the second tranche an additional € 283.388 was requested by the Agri-business Development Branch), questions started to be raised by the AMC and the third allocation was ultimately only received in February 2013 (implying a delay in approval of a request for budget revision/increase of about six months). Delays incurred relate primarily to AMC not being satisfied with the reporting.

Document review and discussions lead to the following observations of the evaluators on the TFFS operation, delays in approval of the third tranche allocated to the 3ADI and efficiency- related issues in general:

- the TFFS existed prior to the start of the 3ADI and has funded a sizeable portion of (though not all) project formulation work under the 3ADI; in this regard reporting on the TFFS (that is not managed by the Agri-business Branch) should have gone beyond reporting on purely 3ADI;
- combined reporting on the TFFS and the 3ADI focused on reporting to the IDB, PBC and GC; whereas this was and is obviously important, more detailed periodic in-house reporting to a 3ADI steering group would have been a normal practice; reporting on progress requested by the AMC mid 2012 did not cover the expected degree of detail and did not put an end to questioning and led to further delays in approval of the last budget (revision) until early 2013; the request of the AMC to get a more detailed report on the results/impact of seed money funding made available is considered valid;
- according to the TFFS records, in 2010 two projects were approved under the TFFS, in 2011 none, in 2012 two and in 2013 a total of twelve; this points at a rather slow start of programming of the available funding (considering the available funding in the first two-three years of existence of the fund), with a clear acceleration in 2013;
- there is no precise information on the criteria for selection (however basis for decision making) as regards project approval against TFFS resources, neither as regards the budgets made available to the Agri-business Branch in tranches (covering a group of projects) nor as regards the individual project approvals. The AMC was nor is 3ADI's steering group and notwithstanding some questioning "why", at some point, funding for countries not on the initial 3ADI list was requested, it approved funding for such "second generation" countries; parameters such as existence of and alignment to a CAADP action plan were not looked at (though among the preconditions of other important programmes, cf Section 2.5) ;
- there was no UNIDO consensus on the definition of a 'food security' project, which, given some ambiguity in the TFFS founding documents (cf Section 2.2) should have been resolved early on in the implementation process; apparently the basic question; if a non-food related project is also part of food security, illustrates the confusion that persisted, with opposing argumentation but no evidence of a corporate decision on the definition (and therefore repeated debate on this issue);
- it remains ambiguous what is a 3ADI project and what not, as the portfolio review illustrates (cf Chapter 5), which implies that in the allocation of funding, the screening is not very rigorous to make sure that

“comprehensive projects” are pursued under the 3ADI, i.e., that combine technical assistance and investment dimensions; the argument of some PMs that project-funded equipment equates investment is considered flawed; prior agreement on 3ADI guiding principles (i.e. the basic ingredients and principles of a 3ADI project) could have contributed to more homogeneity of the 3ADI project interventions;

- similarly, not all projects appear to be VC projects *stricto sensu*; even if per definition most projects fit somewhere in the chain, the specificity of a comprehensive VC project is that it is conceived as market driven and looks at the process from farmer to market, involving different stakeholders across the VC. This implies that the selection of projects for which funding has been requested and used has not put emphasis on securing that only “pure VC projects” would be supported;
- the TFFS’ expectation as regards leverage (i.e., use of UB as seed money to catalyze more funding) created *de facto* an unhealthy incentive for project development in the launching phase of the 3ADI and explains why also some existing / older projects were counted as VC projects under the 3ADI;
- the manner in which the TFFS was operationalized led to a main focus of the 3ADI on projects with some but limited attention to upstream work (tool development; capacity building; knowledge transfer)<sup>45</sup>; combining the desire to test new approaches with focus on funds mobilization and project implementation has been counterproductive in the sense that they watered down 3ADI’s initial principles. The use of the seed money should have covered a more balanced approach, not purely on projects;<sup>46</sup>

The survey findings indicate that in most cases the counterparts assessed the UNIDO inputs in terms of quality, quantity and timeliness as somewhat adequate. There was mention by some of delays in activities due to late release of funding (which may/may not have been related to the actual availability of funding). The observations made by the FOs tended to be more critical in this regard, with an almost equal number of FOs considering the timeliness of inputs either very adequate, somewhat adequate or not adequate.

With respect to collective efficiencies among the core partners, the findings do not show much progress in terms of joint programming, joint funding, or for example a shared CTA in case of joint projects. Notwithstanding some clearly collective efforts (related to investment finance, investment promotion and project design in some countries), the core partners in fact hardly “act around one dish” (which would force the type of cooperation envisaged in the 3ADI Programme Framework). Also the survey findings (of both the counterparts and the FOs) pointed at limited or no cooperation between the core partners or at least not being aware of such cooperation, with no or limited perceived to have been pursued so far with prior/ongoing efforts of other core partners in the field of

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<sup>45</sup> Even though the TFFS was said to have funded participation in global fora and 3ADI publications, its overall emphasis has been on project funding (as shown in reporting)

<sup>46</sup> This is also related to the wider issue that UNIDO PMs are largely evaluated by the size of implementation

agriculture/agri-business development in the country. In one case however a high degree of cooperation was reported.

Another issue in this regard relates to the web site, conceived as a platform for all core partners, including even features to coordinate missions and share information, but the tool has not been used in this way. When consulting the same in September 2013, the web site was found to be (i) mainly referring to UNIDO work and tools, and (ii) not been updated in a comprehensive manner since about a year. Very recently (October 2013) some 2013 related information has been added, but they confirm the ambiguity of what is a 3ADI project: reference is made to a regional palm oil project covering Nigeria and Cameroon, funded in 2008 by the Common Fund for Commodities (CFC) and involving FAO and UNIDO. However, this project is not among the projects listed as 3ADI projects (cf. ToR, evaluation).

It is to be noted that, according to the survey findings, most FOs are aware of the 3ADI web site, but have not often consulted it. At the level of the counterparts, awareness of the existence of the web site varies (some were aware, others not), and for those knowing about the site, they have not often consulted it.

### **4.3 Effectiveness**

About three years after the launching of the 3ADI, several achievements can be highlighted as regards UNIDO's work done in the context of the 3ADI. It needs to be kept in mind that the period under review covered the first stage or phase of this ambitious initiative, during which its building blocks were further developed. In this respect, the initiative is still in its pilot phase, with the first stage seen as a testing period providing lessons to further develop a new "support model" and engage in upscaling based on experiences. This is why it is rather early to look for tangible outcomes and impact. This was also reflected in the findings of the surveys, as many counterparts and FOs considered it too early to look for visible results (especially as several projects are still in the development or funds mobilization stage). This being said, it is fully justified to look for indications of results of 3ADI as a programme even at this stage as signals about how the initiative is faring and what this implies for its further development. In this section, 3ADI's effectiveness is addressed in general. For indications of the likelihood of results so far of individual projects reference is made to Section 5.2.

It is recognized that at present several non-African countries are included in UNIDO's efforts under the 3ADI umbrella. However, as the 3ADI was initially focused on Africa, with special attention to LDCs, emphasis is put here on gaps as regards its political and institutional embedding in Africa during implementation. Elsewhere, the approach was not continent-wide but country specific, based on individual country requests to be inserted in the programme. Geographic focus (i.e., sticking to the initial list of 12 jointly selected countries), especially in the launching phase of such a comprehensive and also quite complex programme (considering the involvement of many partners and stakeholders), would have provided an opportunity to jointly test a "new model" and show the results thereof, as basis for up scaling (including geographic expansion). Also, the identity of the programme became somehow diluted, as no

more an Africa focused initiative. It was reported that African Ministers of Industry at their meeting in Algiers (CAMI, 2011) agreed to further open the 3ADI to countries outside the continent (beyond the initially included non-African LDC, i.e., Afghanistan and Haiti), yet the underlying vision of this decision is not understood.<sup>47</sup> Also, it is quite unusual that the same acronym, 3ADI, has a slightly different meaning, depending on which continent it is referred to: *A = African when it concerns this continent and A = Accelerated when involving another continent*. Finally, it is to be noted that several persons interviewed at the core partner agencies felt not really associated to (nor in agreement with) this decision to expand the geographic coverage of the 3ADI, seen as a decision taken primarily taken by UNIDO. In general, the expansion (from 12 countries to 25 countries at present) seemed driven by requests from countries to become part of the initiative, yet there is no indication of a discussion on the advantages and risks of widening the geographic scope during the initial phase nor of a concern that such quantitative increase need not necessarily be a good performance indicator.

Branding principles tell us that there is the need to ensure that the brand portfolio (i.e., the different dimensions of 3ADI support activities undertaken) reflects a strong, uniform and consistent identity, reflecting the same “tone”, in order for clients/donors/partners to recognize the brand and what it stands for. Indeed, the 3ADI was highlighted to be different from the ‘traditional technical assistance projects’. Nevertheless, the portfolio review (cf assessment in Chapter 5) showed a mix of projects, as if the methodology and criteria for selection and approval had been watered down during implementation. At the launching of such an initiative, it is understandable, as there was pressure to show results, especially in terms of leveraging resources made available. This may have encouraged to include some projects in the 3ADI basket that were more traditional technical assistance operations that did not reflect the envisaged comprehensive 3ADI approach. There is thus here and there some ambiguity as regards what is counted as a 3ADI project and what not, which may affect the ultimate success of the branding strategy.

Below the main results so far are listed, including also some observations on the challenges involved, with a view to informing the way ahead:

- The emergence of a platform dedicated to agribusiness development to articulate UNIDO’s role in this field and the aim to follow a comprehensive approach combining TA and investment (for now primarily focused on the services of the Agri-business Branch, with some exceptions);
- UNIDO taking the lead and using the 3ADI as a “brand” also to raise its visibility (however requiring strategic analysis of the positioning of the initiative in its wider context and respect of its original vision and principles, including ownership issues; evaluation findings, including to some extent the survey findings, show mixed results in terms the visibility of the 3ADI in the field);
- Alliances with other stakeholders (as one of the core principles of the initiative), notwithstanding ample scope for deepening and strengthening the cooperation among the core partners (for the other associated

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<sup>47</sup> No evidence of such decision was found in the official reporting on this CAMI meeting

- partners it is too early to assess the results of the cooperation; cf Section 5.1);
- The development and funding of numerous “3ADI projects” developed by UNIDO (leveraging the seed money made available), even though the expansion went almost too rapidly and led to a mixed portfolio (including also “traditional projects”); whereas the project stories described in Chapter 5 constitute illustrations of interesting and encouraging results and even some indications of expected upscaling, many projects are still in the project formulation or funds mobilization stage, making it too early to gauge their results;
  - The accessibility through the 3ADI portal of several practical tools developed by UNIDO pertaining to the VC approach; according to the survey of chief counterparts, a minority of the respondents stated to have used these VC tools, but most of them found these tools useful;
  - The official launching of an investment fund (The Agvance Fund) by the AfDB based on preparatory work in which UNIDO and FAO played an active role. To the extent the fund is not yet operational to date and is in fact at a critical juncture of decision making by the AfDB, its expected results and impact cannot yet be assessed at this stage.
  - Similarly, and as described in Section 5.1, it is premature to assess the actual result of UNIDO’s participation in AAF TAF for its work under the umbrella of the 3ADI, beyond the learning experience and expansion of UNIDO’s networking with actors active in the field of investment finance in Africa;
  - It is premature to assess the likely results and impact of ongoing preparatory work pertaining to the 3ADI TAF concept, notwithstanding the relevance and potential innovativeness of the concept and also the importance of the efforts undertaken so far together with the FAO and the AfDB; also the 3ADI TAF is at a critical stage of joint decision making as regards the next steps, based on forthcoming dialogue on the 3ADI business plan (under preparation).

Where UNIDO contributions would have been expected to put more emphasis so far in this launching stage relates to:

- Tool diffusion including capacity building; focus was on using existing tools and undertaking VC analysis as basis for project formulation. As a pan-African (and later wider) initiative, the option of organizing at the regional/sub-regional VC related training based on experiences and good-practice principles in the field of VC development was so far not emphasized; some of the survey responses have been affirmative with respect to the need for and interest in VC-related training;
- Other upstream work: there have been advanced discussions on an idea to issue a joint UNIDO-FAO flagship publication (periodic agro-industrial development report) but no consensus was reached so far;
- Policy level support: albeit one of the four main areas of support according to the 3ADI Programme Framework, this aspect is for now not specifically covered, beyond indirectly through some of the projects;



FAO's work with the EAC is an illustration of policy advice under the 3ADI umbrella in which FAO put emphasis on the ownership principle;

- (related to the above) Actively working with and through the RECs: whereas they were recognized to play a key role in the implementation of the 3ADI, cooperation with RECs is so far limited to presentations in meetings including representatives of RECs, with no indication of UNIDO interventions having been/being rolled out with active involvement of RECs);
- Securing political and institutional embedding (at least at the Pan-African level) and, at the country level, ensuring that projects are part of the national strategy and investment plan under the CAADP (which many donors consider important); the survey findings show some but few responses highlighting the embedding of a VC strategy/action plan developed under a UNIDO project into a related national plan;
- Search for more linkages among the four pillars, particularly between the investment finance and technical cooperation pillars, as this is at the core of the 3ADI vision.

## **4.4 Programme coordination and management**

### **Programme governance (UNIDO) and internal synergies**

Experience has shown that it is important for an ambitious initiative such as the 3ADI to have an effective in-house coordination mechanism in place (focal point or core team) and corresponding resources. The PMU established at the start played an active role in UNIDO's kicking off the initiative (such as communication including website development; periodic coordination meetings among PMs of 3ADI projects; exchange with core partners; search for associate partners; project development; concept development). Ideally, the organization designates regular staff to the coordination of its flagship programmes to ensure continuity in management and monitoring. However, the funding basis of the PMU was fragile, in that it was staffed by consultants paid from project resources. This modality was subject to increased questioning over time (PMU overhead costs) and the PMU was discontinued mid- 2012. Coordination was then pursued by one staff on a part-time basis. Given his imminent departure, the coordination function is planned to be taken up by one Unit in the Agri-business Development Branch. The question is raised if coordination by one Unit of the Agri Branch does not complicate cooperation with other Branches and with outside partners (based on the notion that the 3ADI is a wider platform that involves in principle not only UNIDO at large but also other partners including banks).

There was no intra-UNIDO Steering mechanism put in place to lead the implementation, including decision making on strategic issues such as selection criteria for and selection of 3ADI projects, country coverage, facilitating collaboration among Branches, feeding lessons from prior technical cooperation into the approaches followed and solving eventual problems such as procedural

delays. If in place, it might have even justified a corporate decision to entrust the management of the TFFS to such Steering Group or Task Force.

At the strategic level, although at its origin the 3ADI was linked within UNIDO to a wider framework (AIDA), this connection is not made explicit during implementation, perhaps related to the progress in AIDA implementation that was reported to be rather slow so far.

With respect to internal synergies at the operational level, the 3ADI is primarily identified with the Agri-business Branch and less with UNIDO as a whole (although the organization at large has a strong emphasis on agri-related support, considering the weight of this sector in developing economies, thus providing opportunities for UNIDO to reflect lessons of past support into the new initiative and for 'delivering as one'). When launching the initiative, the fact that UNIDO had ample prior and also ongoing experience in the area of VC was quite underemphasized, whereas this approach did not start with the launching of the 3ADI (albeit perhaps not as comprehensive, including investment, as initially envisaged under the 3ADI).

There are nonetheless a few other Branches and Units directly involved in 3ADI related work, namely TCB (regarding Haiti), ITP (regarding the joint work with FAO with respect to tool development and testing in the field of investment promotion), the EM branch (concerning the fourth pillar of UNIDO's support under the 3ADI, i.e. RECP) and the BP group (as regards the identification and development of new business partnerships).

With respect to M&E, consolidated reporting on results has been quite general and it took some effort to grasp what was the actual status of work undertaken under each of the UNIDO 3ADI pillars. Probably linked to the absence of a Steering Group (that would base its deliberations and decisions on periodic reporting on progress), the planned establishment of a M&E system in line with the DCED guidelines (cf Section 3.2) did not (yet) materialize and the finalization of an updated logical framework is pending (cf Section 3.3). The most recent progress report (February 2013) refers however to the introduction of a new logical framework 'which will enable a comprehensive and rigorous monitoring of and reporting on 3ADI'. It is not clear why a logical framework is equated with a monitoring and reporting system. Survey findings show that, according to the majority of respondents, M&E mechanisms are either not in place or assessed as somewhat adequate (with one exception rating the mechanism as being very adequate

Efforts to put in place a robust M&E system for the 3ADI were said to have been watered down by the UNIDO-inherent focus on individual projects, which was alleged to leave not much (if any) room for 3ADI-wide M&E in addition to project specific M&E. However, it needs to be highlighted that (i) the establishment of such M&E system was (rightly so) integral part of the design of the 3ADI and (ii) the implementation of the initiative went beyond individual projects.

It was noted that CAADP has launched a "platform" aimed at tracking progress in the implementation of CAADP called the Regional Strategic Analysis and Knowledge Support System (ReSAKSS-Africa), *inter alia* also meant for donors and agencies. Whereas the actual functioning of this "one stop shop" has not been verified, it is in principle expected to be relevant for 3ADI related monitoring or at least contain features that may facilitate access to experiences and lessons.

Conversely, it may provide a platform through which the 3ADI can also raise its visibility and diffuse its tools, analyses and lessons.

### **3ADI wide governance and external synergies**

Steering by the core partners was primarily done through exchanges, including meetings, on specific issues, yet with no indication of structured stocktaking of overall progress, of experiences and lessons as basis for steering the implementation of the 3ADI at large.

With respect to technical cooperation, collaboration in the development and implementation of projects was sought and pursued, but not systematically. In essence, the parties did not always invite one another (perhaps based on an “old feeling of competition”); sometimes, priorities varied or funding to participate in VCA or project development was lacking; sometimes funding opportunities were not seized (case of cooperation opportunity with IFAD in 2010). In the portfolio analysis (cf Chapter 5) examples are however given of cases of effective cooperation.

Most synergies were observed with respect to the investment finance component, with the FAO having a head-start in terms of experience and knowledge products on which UNIDO could build and which it could complement with its own expertise and experience.

Cooperation with other programmes/organizations active in the fields covered by the 3ADI was limited or has not resulted in effective collaboration (as was also highlighted in the surveys). The link with the WB/IFC initially envisaged (particularly the GAFSP) did not seem to materialize so far for UNIDO, although it is noted that FAO and the AfDB are included in its Steering Committee. As illustrated in Section 2.3, the support landscape has meanwhile become denser and several programmes refer to FAO, IFAD, and AfDB among the partners, but not (yet) to UNIDO. The launching of initiatives continues and some of the newer initiatives (e.g. Save Food) may start competing with the 3ADI, as covering also related support such as in the field of post-harvest losses.

Reporting refers to participating in a meeting called by CAADP in September 2012, where the importance of stronger linkages among different initiatives was highlighted. There is no indication what happened after this meeting in terms of efforts to forge effective linkages with Grow Africa and Making Finance Work for Africa. The latter initiative, the secretariat of which is hosted at the AfDB, includes donor working groups that provide a platform for more than 50 donors to exchange knowledge, facilitate dialogue and collaborate on key financial sector development issues, has linkages with FAO and IFAD but not yet with UNIDO. The findings of the FO survey pointed at the scope for better alignment to donor priorities.

As regards VC-related tools/manuals, it is encouraging to note a recently started effort for enhancing coordination in this field, driven by GIZ and in which UNIDO was said to be involved. As VC work is on the agenda of all donors and agencies and to avoid the continued proliferation of quite similar tools, the idea seems to be come up with combined/consolidated VC related tools (“tool box”).

## 4.5 Cross-cutting issues

With respect to cross-cutting issues, the evaluation findings and related assessment are as follows:

### **Gender equality**

The UNIDO 3ADI project documents made reference to gender and the logical frameworks included gender-specific indicators. The same is true for the 3ADI-wide logical framework used by UNIDO (both the initial and amended version).

As regards implementation, it is evident that several projects had a gender focus, considering the active participation of women in agriculture and agro-processing (in some VC's even predominantly, such as in the case of shea). Although women entrepreneurs are among the target beneficiaries of several 3ADI projects, there is no 3ADI-wide M&E system in place that captures and consolidates the involvement of women in 3ADI interventions and the effects of these interventions on women. There has been no particular consolidated reporting on the gender equality dimension. Also, there is no indication of undertaking or considering undertaking "upstream work" in this field, whereas this was launched in the areas of environment (see also below) and investment promotion (as described in Section 5.1).

In general, the issue of gender equality is reflected in a rather general ('lip-service') manner, without an explicit 3ADI strategy and guidance on how to reflect and address gender concerns both programme wide and at the level of projects. This is considered a weakness, considering the important role of women in agri-business.

### **Environment**

One of the intervention components of the 3ADI is the cooperation with the Environmental Management Branch (EMB) for the promotion of Resource Efficient and Cleaner Production (RECP) methods in agri-business value chains. This was initially not envisaged but became in fact a fourth pillar of UNIDO's 3ADI support. In September 2012, the Agri-business Development Branch and the EMB decided to jointly develop a Sustainable Agribusiness Value Chain diagnostic assessment tool to integrate environmental aspects into an innovative VC approach that is aimed at conserving natural resources and increasing competitiveness through value addition. It was decided to jointly fund the development of the tool by the 3ADI and another important initiative in UNIDO, namely the Green Industry Initiative (GII). The assessment of progress as regards this pillar is described in Section 5.1.

### **South-South cooperation**

The feature of south-south cooperation was not given a prominent place in the 3ADI Programme Framework nor in the 3ADI UNIDO project documents. However, considering the different state of development of the targeted countries and past/ongoing experiences as regards value chain development efforts, one would have expected to find some reflection of opportunities to learn from such experiences and to use regional expertise.

For example, whereas 3ADI's country coverage was expanded and now also includes middle income countries such as Brazil and India (that each have vast experiences to offer in this field), there is no indication so far of any plan in the context of the 3ADI to foster south-south cooperation involving these two "3ADI countries" and other countries. Reference is made in this respect to the recognition that lessons can be learned from other regions where industrialization has assisted nations to develop at a fast rate (e.g., the case of many countries in South East Asia), as discussed in the recent meeting of the UNIDO Director General with the AUC Chairperson in Addis Ababa.<sup>48</sup>

Also, there is no indication if and how representatives of the agri-business/agro-industries sector and of (sub-) regional agro-industry related research centres in Africa have been involved so far in priority setting, sharing of experiences, or facilitating the identification of regional sector expertise for the teams of consultants that have engaged in value chain mapping and related analyses.

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<sup>48</sup> Meeting between AUC Chairperson and UNIDO Director General, 9 October 2013 (source: Press Release, AllAfrica)

## **5. Assessment of implementation to date: review of the four pillars of UNIDO's 3ADI related support**

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### **5.1 Review of implementation under the four pillars**

Following the above programme-wide assessment, this section zooms in on each of the four pillars. To avoid a risk of repetition (as the programme-wide analysis is based on the review of progress under the components), this section will schematically highlight in a matrix both the strong aspects and the ones considered to require attention with respect to each of the pillars, taking into consideration that this evaluation (i) covered the first phase of the 3ADI programme and (ii) is aimed to be forward looking.

**The pillars of UNIDO's 3ADI support: assessment**

Strong points	Points requiring attention
<b>1. Technical cooperation</b>	
<p>Emphasis on the development of comprehensive VC support covering, apart from TA, private investment and public investment; recognition that TA is only part of the answer</p>	<p>Not systematically pursuing the initially envisaged comprehensive approach; several so called traditional TA projects among the 3ADI projects; no strict methodology (guidelines and guiding principles) what the 3ADI support should cover (and what not) beyond use of VCA tools and stages in project development; even if clear at the stage of 3ADI conception, the definition was not enforced during implementation; scope for refining and updating the 3ADI project portfolio to reflect the actual picture of indisputable 3ADI projects and related budgets (to avoid a gap between the 3ADI rhetoric and operational realities)</p>
<p>Demand focus (different prioritization in different countries; no one-size-fits-all approach)</p>	<p>Too quick step from country request to “3ADI country” and “3ADI project”; no preconditions related to country acceptance as “3ADI country” related to progress as regards CAADP strategy/investment plan; ease at which new countries and projects have been and are added in this first phase of the initiative (a request being sufficient) and at which projects were labelled “3ADI projects”</p>
<p>Use of preparatory assistance funding (TFFS/other source) to conduct solid assessment work as basis for formulation of full-fledged project documents</p>	<p>No “model” cases of 3ADI projects extracted and promoted at this stage that combine the basic principles of TA and investment, involve multiple partners and show how these projects make a difference; scope for more focus on model cases first, as basis for possible up scaling based on experiences</p>
<p>3ADI project preparation process appreciated by PMs for its speed and ease compared to other project preparation funding modalities</p>	<p>Advantages of 3ADI more often linked by PMs to speed and ease of the process than to the envisaged different and more comprehensive nature of such projects;</p>

	no indication of predefined procedures as regards the size of TFFS related PA funding (compared to PA funding decided on by STC)
Project development and management delegated to PMs; selection of PMs based on sector/value chain/thematic focus; opportunities for reflecting lessons from prior/related experiences of PMs	Tendency towards a HQ driven approach; no indication of seed money for UNIDO FOs to engage in development of VC project concepts in cooperation with FOs of the core partners (FAO and IFAD being decentralized as regards decision making on priorities); role of FOs in project development and implementation underestimated and underemphasized; survey findings pointing at the desire of FOs to be actively involved in the different project phases; contribution of FOs considered important (including for funds mobilisation)
Some cases of integration of the 3ADI support in the UNIDO Country Programme and of 3ADI projects funded through One UN or other multi-agency modalities (Spanish MDG Fund)	Many 3ADI projects appear to be stand-alone projects that do not explicitly show how the support builds on prior assistance by UNIDO in the field of agri-business nor how it fits in the country programme; not evident how project specific lessons are accumulated and shared across staff involved
Recognition of the need to create effective synergies with related assistance at the country/regional levels	Need for showing explicitly collaboration with related VC support, even if not in same country (sharing of lessons/experiences); e.g., between cashew VC work in Tanzania and the African Cashew Initiative; between work in the shea VC in Guinea and multi-donor/actor experiences and alliances in this field; also scope for forging cross-project synergies within UNIDO and with other actors active in this field (example: cassava VC)
Recognition that the UNIDO support plays a catalytic role and that the VC projects developed are not necessarily implemented by UNIDO	Focus so far on project development and project implementation by UNIDO; few cases of other agencies involved in project implementation/joint projects
Joint development (FAO/UNIDO) of a	Need to review the costing of the rolling out phase of the capacity development programme in the field of agribusiness investment promotion to other SSA countries (considered high and being a



<p>capacity development programme in the field of agribusiness investment promotion and first testing in Tanzania</p>	<p>possible obstacle for funds mobilization efforts to this end); scope for seeking involvement of regional investment promotion agencies (COMESA; ECOWAS)</p>
	<p>Scope for identifying more opportunities for designing and implementing capacity development programmes (VCA general; specific VCs) - possibly jointly with other actors active in these fields - that can have regional outreach (going beyond country-specific project approach)</p>
<p><b>2. Facilitation of investment finance</b></p>	
<p><b>Strong points</b></p>	<p><b>Points requiring attention</b></p>
<p><b>Participation in Task Force for the Equity and Guarantee Fund for Agribusiness in Africa (EGFAA) resulting in the Agvance Fund (2012)</b></p>	
<p>Active role of UNIDO (and FAO) in the preparatory work with respect the development of the Agvance Fund, covering: contribution to the proposal for the development and implementation of a special financial facility discussed at the Abuja conference, active participation of UNIDO in the Task Force (2010-2012).</p> <p>Work of the Task Force led to the official launching of the Agvance Fund by the AfDB in 2012; this first agribusiness-focused Fund of Funds in Africa is a direct spin-off of the Abuja Conference that covered sessions dedicated to investment finance issues.</p>	<p>UNIDO reporting on the 3ADI has not covered what happened <i>after</i> the launching of the Agvance Fund mid-2012 (also reporting on the 3ADI TAF and the AAF TAF is considered rather scanty). The evaluation findings in this regard are as follows:</p> <p>The Fund is for now not yet operational; the selected Fund Manager (Credit Suisse Customized Fund Investment Group) was “up for sale” and ultimately taken over by the Grosvenor Group; pending the outcome of this take-over process, this uncertainty appears to have generated some reluctance of investors to participate in the Agvance Fund (lower than expected interest in terms of money raised); another factor that, according to the AfDB, may have contributed to the rather disappointing interest of investors for now relates to the ‘fund of funds’ modality, as investors were stated to prefer to invest directly in funds rather than in a fund of funds. Internal discussions at the level of the AfDB as regards the “next steps” of the Agvance Fund are ongoing and are at a critical junction, including covering the relationship with the new Fund Manager (a Hedge Fund). Even if a first closing decided</p>

<p>Agvance is an equity finance scheme of the private sector wing of the AfDB with a total capital commitment of \$500 million to be invested in 12-15 “best in class private equity funds targeting portfolio companies along the agribusiness value chain across the continent”; AfDB committed in May 2012 to invest up to 20% in the Agvance Fund (equivalent to \$100 million)</p>	<p>on at the level of \$200 million (compared to aim of \$ 500 million) was envisaged, this may/may not be feasible, as this amount is not (yet) backed by firm commitments of investors. This also has an implication for the envisaged share of the AfDB that, based on prior commitments, can go up to 20% of funds actually raised. Given the above, it is premature to assess if the Agvance Fund will become operational in 2014, as earlier envisaged</p> <p>Like in the case of the other investment finance instruments discussed below, it would be important for UNIDO to see to what extent and how a link can be made between, on the one hand, the Fund of Funds (once operational) and the private equity funds in which it will invest and, on the other hand, the portfolio of current and future 3ADI projects (that will seek and need access to such schemes). Critical factors are (i) convergence as regards the types and size of agribusiness operations supported and (ii) demand and readiness for equity investment at the level of targeted investee companies.</p>
<p>Lessons learned by UNIDO from participation in the above Task Force that also covered discussions on the development of a parallel public technical assistance facility aimed at creating synergies between private and public investment schemes (cf. 3ADI TAF discussed below)</p>	<p>Search for envisaged link and coordination between the Agvance Fund and a parallel public technical assistance facility is on hold, pending (i) operationalization of the Agvance Fund and (ii) finalization of the 3ADI TAF conceptualization</p> <p>Crucial for the Agvance Fund, once operational, to consider challenges as regards many private equity schemes in Africa, i.e., tendency to focus on large scale investments and the persisting and generally recognized “missing middle” problem (see also AAF TAF, below)</p> <p>No indication of synergies with financing schemes of WB/IFC (WB was involved in Task Force in beginning but person retired and was not replaced in TF)</p>

<b>Preparatory work for the 3ADI TAF</b>	
<p>An innovative initiative emerging from deliberations during the Abuja Conference; the latter foresaw the development of a funding mechanism to support investment in agribusiness, including a private window (cf Agvance Fund, above) and a public window (i.e. the 3ADI TAF concept)</p>	<p>The targeted ceiling of €20 million for the 3ADI TAF is treated as if <i>cast in stone</i> (de facto about half of the AAF TAF); no indication that a testing phase - starting with a lower budget estimate - is foreseen; perceived problem with the targeted size is that, due to this envisaged amount, it per definition excludes AfDB grant funding, whereas the AfDB has funded several project preparation facilities; perception as if UNIDO and FAO “push” the facility whereas the AfDB is kept “on the second row”, whereas linkage to financing (public/private) is at the core of the scheme, which would imply core role for AfDB or other financial institutions <sup>49</sup></p>
<p>Active cooperation between FAO, UNIDO and AfDB (latter primarily through GIZ staff, on secondment to AfDB) to create a facility to bridge private and public investment in the field of agribusiness, aimed at covering a range of public goods/services such as: prefeasibility studies of investment opportunities, policy advice, capacity development of public institutions, value chain mapping, promotion of linkages between public and private investment projects)</p>	<p>Testing the interest of the EU/EDFI based on the concept has been an interesting but also somewhat risky approach, as EU and EDFI asked for more information, in particular the business plan (actually questioning demand for the proposed service offerings); reference to uniqueness and attractiveness of the TAF before identifying demand and its expected positioning compared to other (existing) project preparation facilities. The budget (€45,000) for the (delayed) preparation of a detailed business plan (covering the 2 w/m assignment of the consultant identified by FAO and jointly funded by the three core partners) appears rather tight, considering the scope and importance of the work at hand</p>
<p>Joint presentation of the 3ADI concept by UNIDO, FAO and AfDB to EU and the Association of European Development Finance Institutions in Brussels (September 2012) to gauge their interest in the concept</p>	<p>Indication of somewhat premature decision making as regards the possible management of the facility (UNIDO; FAO), not yet endorsed by the third partner (AfDB/public sector department); cooperation of UNIDO/FAO with AfDB in preparatory work of 3ADI TAF involved primarily GIZ staff on secondment in AfDB (meanwhile no more in AfDB); the concerned AfDB staff is now intensifying its direct</p>

<sup>49</sup> The views of the AfDB as reported by the evaluation team appear to be a surprise to UNIDO, although it recognizes that AfDB is an important partner, also as regards the 3ADI TAF

	<p>involvement in the ongoing preparatory work; importance to pursue the preparatory work in a true team spirit (joint decision making of all three parties on the next steps, to start with: review, discussion and decision on the findings of the work of the jointly-funded short term consultant) possibly during the envisaged Expert Group Meeting (envisaged as per the ToR of the business plan preparation; date not yet fixed); IFAD has not (yet) been involved by the current core partners in further developing the 3ADI TAF concept (perhaps once the Business Plan is in advanced state), notwithstanding its role and experience in finance</p>
<p>Aim of the 3ADI TAF to combine TA at different levels: public and private investors, investees companies (pre- and post-investment), capacity building of VC actors, including farmers and SMEs</p>	<p>Need to give due attention to the guiding principles/criteria for decision making as regards the type of services the TAF will cover (or not); e.g., for which types of investors will pre-investment related studies be subsidized through the TAF and based on which cost-sharing modality; how to ensure cooperation (and avoid competition) with VC related TA that also covers VC mapping, institutional capacity building etc.; how to avoid that the TA mechanism ends up with servicing mainly large scale investments and under-servicing smaller investments (related to the “financial inclusion” and “missing middle” concerns)</p>
<p>Organization of in-house (UNIDO) awareness building cum training workshop on value chain finance and investment related topics for HQ staff of different branches (conducted with FAO staff involvement in trainer role)</p>	<p>Emphasis has been put on seeking interest of DFIs abroad (that in fact tend to dominate private equity funds in Africa). In line with the spirit of the 3ADI Programme Framework, it should not be forgotten to focus on financial opportunities that can be supported by the African financial system itself (cf Section 2.1). This corresponds also to the increased emphasis on domestic resource mobilization for development in general. The possible role of the 3ADI to engage in policy advice to study to what extent the legal and regulatory environment in African countries is conducive to engage local institutional investors in private equity funding has not (yet) been mentioned in reporting</p>
<p>Envisaged plan to establishment a working group in UNIDO, bringing together PMs from different branches that engage in the development of projects with finance aspects (part of idea to mainstream access to finance issues across UNIDO projects, where appropriate) - though not yet started</p>	

<p>Side effect of 3ADI: FAO's recent funding obtained for investment finance (\$1.4m) from a Multi-donor Trust Fund (involving in particular The Netherlands and UK) for strategic projects; existence of 3ADI said to have been instrumental to get this funding</p>	<p>This funding will be used by the FAO to show its experience in the field of investment finance (in addition to its knowledge products related to rural finance/agricultural value chain) - as argumentation to convince donors as regards the 3ADI TAF; UNIDO will need to show similar efforts or counterpart funding that donors ready to engage in the 3ADI TAF may expect as precondition for their funding</p>
<p><b>Cost-sharing of and technical advice through participation in the Technical Assistance Facility of the African Agriculture Fund ( AAF -TAF).</b></p>	
<p>At the suggestion of AFD (that found out about the 3ADI through its website), UNIDO was stimulated to become a partner cum adviser in the AAF TAF (a \$10 million TA fund) that is linked to the AAF (a private equity fund that was stated to cover some \$250 million and brings together a pool of European and African funding partners); there is also a sub-fund targeting SMEs (AAF SME); AAF dates back to 2008/09 (existed prior to 3ADI launching)</p>	<p>UNIDO reporting on AAF TAF has remained silent on what membership in AAF TAF has covered and to what extent and how the UNIDO funding and staff time invested so far have generated benefits for the 3ADI (more detailed information on the work done under this sub-initiative is concentrated at the level of few UNIDIO staff and not at all reflected in reporting)</p>
<p>Remarkable effort for UNIDO to mobilize the \$100,000 required as 'entry ticket' or precondition for becoming a member of the TA committee of the AAF TAF and thus for having a voice in decision making (together with AFD, AGRA, EU, IFAD, Italy and AAF Fund Manager Phatis)</p>	<p>FAO is not a member of AAF TAF as its internal rules do not permit to use its resources to participate in such fund; the same was said to apply to IFAD, that only could participate through the EU funding (as IFAD manages the AAF TAF); in any event, UNIDO became a member through a one-time payment (eventual recurrent payment for participation would justify prior in-house discussion on expected advantages versus costs/time inputs)</p>
<p>Time invested by UNIDO staff involved (essentially two) in reviewing TA proposals submitted to the TA Committee by the manager of the AAF TAF (Technoserve) and in periodic meetings (video conferences and one actual meeting a year)</p>	<p>Hopes on the side of UNIDO that by becoming a partner in the AAF TAF, it might be able to generate and introduce some 3ADI related funding ideas to the AAF proved so far overly optimistic; according to the AAF TAF lead agency (IFAD), the AAF is still in its initial stage</p>

	<p>(although it started in 2008/09) and focused so far primarily on big agribusiness investments (\$5-20 million)<sup>50</sup>; even the SME Fund was said to cover mainly the larger end (medium to large investments, around \$ 3-4 million). De facto, the AAF TAF has no influence on the AAF's decision making on investment. At present the number of investment projects funded is limited (about 10 large ones under the AAF; some 10-20 ones under the SME AAF). Large-scale investment is certainly needed to develop VC's, but there is no indication of interest in the 'missing middle' (see also below).</p>
<p>In principle opportunity to contribute to the search for improving the development benefits (getting more development mileage) of private investments (i.e., the mandate of the AAF TAF)</p>	<p>UNIDO eventually becoming a service provider / subcontractor for the AAF TAF using its technical expertise was per definition excluded (a TAF donor cannot be at the same time a service provider using resources from the TAF for obvious reasons)</p>
<p>By taking part in and contributing to the work of the TA Committee of the AAF TAF, the UNIDO staff members got direct exposure to the way private equity schemes work (vision of private equity investors), which was said to be a good learning experience having contributed to the fine tuning of the 3ADI TAF concept</p>	<p>Underestimation of the focus of private equity investors on large scale investment which does not necessarily tally with the search for investment by many beneficiaries in 3ADI projects. So far there have been no opportunities for linking "3ADI projects" to AAF (nor to its SME-focused sub-fund) and, accordingly, not to AAF TAF that is per definition linked to the projects funded under the AAF (to illustrate with types of projects discussed and decided on by AAF TAF: TA such as related to an out-grower scheme in the palm oil sector in Sierra Leone; TA in Zambia in the soya sector; large scale farming in Cameroon; organic farming in Madagascar). As such these efforts are relevant, but not linked to 3ADI's technical cooperation, at least for now (making investment finance a rather 'stand alone' component)</p> <p>Considering the way in which the AAF works (having its own network to identify investment opportunities), the likelihood of effective linkages between AAF and 3ADI projects is considered relatively</p>

<sup>50</sup> Recent information posted on [www.privateequityafrica.com](http://www.privateequityafrica.com) states however that the AAF expects to disperse 50% of its capital by 2013 year-end; according to this same information source, Phatisa AAF has closed at \$243 million (its second and final close) - quite close to its initial goal of \$300 million - and was said to have a diverse investor base

	<p>small at this stage; there is no indication of the search for contacts with private equity funds (that UNIDO knows in the context of other programmes, including through its ITPO network) that are active in Africa and have a track record in terms of focus more on SMEs and on agribusiness, such as the Belgian Investment Company for Developing Countries (Belgium), Investors and Partners (France); Grofin (with management based in Africa)</p>
<p>Visit of the AAF TAF team to UNIDO HQ to explore cooperation opportunities with UNIDO in January 2013</p>	<p>As entrepreneurs are at the core of investment decisions, it is difficult to envisage how investment opportunities can be discussed outside entrepreneurs as core actors (the discussions with AAA TAF in Vienna focused on “projects” rather than on African investee companies seeking financial partners)</p> <p>To the extent AAF TAF seemed interested in companies in the upgrading programme (case of Cameroon), TAF could become useful for other than 3ADI UNIDO support interventions (provided the concerned enterprises would confirm interest and agree to the sharing of diagnostic reports that are in principal confidential)</p> <p>As TAF seemed interested in UNIDO’s data base of service providers, it is important to remain vigilant that TAF is and remains useful for UNIDO (versus UNIDO being useful for TAF)</p> <p>There appears scope for seeking more cooperation with the manager of the SME sub-Fund of the AAF (based in Ghana)</p>
<p><b>3. Development of partnerships</b></p>	
<p><b>Strong points</b></p>	<p><b>Points requiring attention</b></p>
<p>Recognition that partnerships are not necessarily about “money” (which may put off partners) but about resources in the vast sense, including know how; also, recognition that the institutionalization of the partnership can take different forms ( MoU, Letter of Intent; project document) and is, a priori, not a short term alliance/</p>	<p>There is no information on lessons learned from the experience of a (meanwhile discontinued) UNIDO unit mandated to develop partnerships with development banks/</p>

<p>Inclusion of ‘partnerships’ as a specific field/pillar: cooperation with UNIDO’s Business Partnership Group, providing opportunity to learn from its experience and to use its methodology and tools (e.g., due diligence on new partners) and get its support in drafting and processing of agreements (requiring involvement of UNIDO’s Financial and Legal Services).</p>	<p>Some partners are rather donors (AFD, Finland and the Czech Republic)/</p>
<p>Diverse types of partnerships developed so far:</p> <ul style="list-style-type: none"> <li>*packaging: case of Tetra Pack with whom UNIDO has an “old” partnership since 2002 (Pakistan); attempts to work together in Rwanda since 2011/</li> <li>*research related: case of Quinvita NV in the field of bio-energy - MoU signed in October 2011</li> <li>*joint development of a knowledge product: case of GAIN (no MoU; joint publication funded by GAIN);</li> <li>*agribusiness development and related capacity building: case of Mashav - MoU signed in May 2012</li> <li>*agro-commodities and related issues (from logistics to R&amp;D pertaining to agricultural inputs): case of Louis Dreyfus Commodities - MoU signed in November 2012</li> <li>*food processing related equipment: cooperation agreement signed very recently (September 2013) with the German Engineering Federation, particularly its Food Processing and Packaging Machinery Association and its Process Plan and Equipment Association.</li> </ul>	<p>As regards the evolution of the partnerships, the 3ADI reporting is not very detailed. The evaluation findings are as follows:</p> <ul style="list-style-type: none"> <li>*Tetra Pack: attempts to work together in the case of Haiti (no concretized linked to local circumstances) and Rwanda (pending decision on how the 3ADI project will evolve given questions on sustainability related issues); as such a realistic finding in that the evolution of the partnership depends on the situation on the ground</li> <li>*Quinvita: no information received on what happened in the context of this partnership (also no contact details received); this may be an indication that the envisaged joint activities did not yet take off (unless proven otherwise)</li> <li>*GAIN: joint publication on nutrition expected to come out soon; administrative hurdles (as GAIN could not pay in advance) required some acrobatic moves at the UNIDO side, but were solved</li> <li>*Mashav: so far South Sudan and Ethiopia benefitted from the support provided by Mashav through this partnership (training; travel costs)</li> <li>*Louis Dreyfus Commodities (LDC): it is considered premature to assess the results so far of this quite recent partnership (identified with the support of the ITPO/Paris, meanwhile dissolved); the evaluators were informed that there have been staff changes in LDC involving the officials with whom the partnership was concluded (including LDC’s Chief Executive Officer/CEO).</li> </ul> <p>This means that UNIDO will have to start with briefing the new CEO to discuss and decide on the first steps/priorities earlier agreed upon. No</p>



	<p>information was obtained on the efforts undertaken with LDC as regards rice VC/Côte d'Ivoire (no UNIDO PM designated to this project concept at this stage; whereas the rice VC was/is an area of interest of LDC, it was noted that the priority VC identified in the country are cassava and textile</p> <p>*Food Processing and Packaging Machinery Association and Process Plan and Equipment Association of the German Engineering Federation: too early to assess this recent partnership.</p>
<p>Efforts to develop other partnerships: cases of East End United Kingdom/UK (ethnic food/cashew nuts -Tanzania); Innocent juice UK (mango procurement - Kenya), SAP Corporation (traceability), Yunus Foundation (social business), Areva (Niger.)</p>	<p>As such it is not surprising that not all attempts to forge partnerships worked out; main issue is to ensure that lessons are learned from failed attempts and that close cooperation with those managing business partnership development in UNIDO (the BP Group) is pursued.</p>
<p>Tokyo International Conference on African Development (TICAD, Japan) related funding of a 3ADI related partnership programme obtained in August 2013.</p>	<p>The 3ADI is featured as integral part of UNIDO Business Partnership Programme (put as such on the same line as cooperation with Microsoft, Scania etc); it is however debatable to consider the 3ADI a BP programme, as (i) the focus of the 3ADI is wider, (ii) cooperation with corporations under the third pillar is more to be seen as a means than as a goal, and (iii) the partners of the 3ADI so far are both private and public sector entities.</p> <p>The development of partnership programmes, if spread across branches, risks resulting in diverging approaches, which may be good for testing but may undermine the corporate vision and harmonized modus operandi as regards partnership programmes reflected in a 2013 DG Bulletin on this theme.</p> <p>AGR staff who developed the project is leaving UNIDO imminently for another organization and the new PM of this programme is expected to work closely with the BP Group.</p>

4. Promotion of resource efficient and cleaner production (RECP) methods in agribusiness value chains	
Strong points	Points requiring attention
RECP was not in the initial 3ADI strategy (2010) but was later added (2012) and is as such as pertinent expansion of the coverage, in line with the emphasis on “green growth” (cf. AfDB Report 2012, Towards Green Growth in Africa).	Development of the new/enhanced diagnostic tool is yet to start; pause after the preparation of the discussion paper on the mapping exercise (May 2013).
Decision to start with the preparation of a discussion paper (by experts recruited by the EMB) covering the mapping of <i>existing</i> environment assessment tools (reflecting a concern to examine demand for the planned tool and avoid duplication); mapping of existing tools exercise based on pre-defined criteria.	No information on cost estimation and envisaged cost-sharing between 3ADI and the Green Industry Initiative (GII); however, indication of funding constraints on the side of the Agri-business Branch at this stage to support the next step (tool development).
Circulation of the paper (“Towards the development of a tool for diagnosing the environmental sustainability of agro value chains”) circulated among PMs (May 2013).	Need to clarify which Branch has <i>lead</i> responsibility as regards this activity: EMB through its GII or Agri-Business through the 3ADI.
Emphasis on cooperation with other key stakeholders (such as FAO, EC, National Cleaner Production Centres/NCPCs) and other end-users, from the tool development stage onwards to ensure it will correspond to the needs of targeted users and is user-friendly.	Scope for widening the use of the tool, once available, beyond 3ADI; need for a testing, diffusion and related capacity building strategy to be implemented once the tool has been developed.

## 5.2. Zooming in on “3ADI projects”: a portfolio review

In this section, focus is on work undertaken by UNIDO in terms of project development and implementation, looking at the portfolio from different perspectives, such as geographic and sector coverage, status of implementation, involvement of core partners, and donors. The section also illustrates earlier made statements regarding some ambiguity as regards the classification “3ADI project”. As this is an independent evaluation of the 3ADI and not of individual projects listed under this umbrella, this portfolio review will use evaluation findings on individual projects primarily as illustrations. Where available, findings of dedicated project evaluations and of relevant thematic evaluations are reflected in the analysis.

### Geographic coverage

As described in Chapter 2, the evaluation was given a list of 25 “3ADI countries” (i.e., the status as at early September 2013), of which 20 are African and 5 non-African countries. Of these 25 countries, the majority (20 countries) are LDCs<sup>51</sup>, of which 16 are in Sub-Saharan Africa. At the start of the programme, this distribution was similar, with 10 out of the initially selected 12 countries being LDCs of which 10 in Africa. At this point, repetition about the rapid expansion of the geographic coverage of the technical assistance component of UNIDO’s 3ADI support, including UNIDO’s decision to have two geographical tracks resulting in one 3ADI acronym with two meanings (the first A standing Africa or for Accelerated), is redundant.

It was observed that the above list has some ‘flexibility’ in that during the interviews of PMs and also based on review of the 3ADI web site, some other 3ADI-related work was detected (that is not recent, thus not missed in the project list for that reason), such as interventions in Nigeria and Cameroon in the palm oil sector/VC, involving both FAO (lead agency) and UNIDO, with Common Fund for Commodities (CFC) funding. Similarly, reference has been made to preparatory assistance in The Gambia with respect to the groundnut sector that was said to have culminated in large-scale funding (around \$22 million; donor not known to the evaluators) given to the Government of The Gambia. There may well be other cases, but the examples show that, at this stage, the precise status in terms of number of 3ADI projects and 3ADI countries is not certain. Finally, it is observed that the 3ADI web site lists only 20 out of the 25 3ADI countries, which may/may not be linked to the fact that the web site has not been updated since about one year, notwithstanding the (recent) articles on work undertaken in the course of 2013 (such as in Zambia).

There should have been regional/sub-regional projects, considering the generally accepted importance of and emphasis on regional integration. This covers not only investments in infrastructure, the harmonization of standards, tariff reduction

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<sup>51</sup> Counting a regional programme under development in the South Pacific Islands as LDC, to the extent several countries in this region are classified as LDCs.

and other types of regulatory convergence, labour mobility, the management of shared resources etc., but also the development of VCs that in many, not to say most, cases involve actions that exceed country borders. It is not understood why such regional perspective is quasi-absent in the project portfolio, especially as the underlying 3ADI Programme Framework explicitly lists the integration into regional organizations, alliances and initiatives among its core principles. Moreover, even if UNIDO's approach under the 3ADI tended to focus on national initiatives/implementation, it is to be noted that regional initiatives do not preclude concrete actions at the country level (as regional programmes implemented by UNIDO in other fields illustrate).

### **What is a 3ADI project?**

This question is related to the fact that there are different definitions, depending on the criteria used. If applying the criteria "country request", "use of preparatory assistance funding" (TFFS/other core funding" and "use of VC approach", the list may be less than 25 countries. Namely, not in all countries preparatory assistance resources were needed (some pre-3ADI projects were grouped under the 3ADI umbrella), nor, looking in more detail at the projects, do all projects follow a comprehensive value chain approach (even though, per definition, being positioned somewhere in the chain). When adding the criterion "technical cooperation cum investment" (a priori a key aspect of the comprehensive approach envisaged by the 3ADI), the length of the list further reduces. Moreover, looking at the list of projects for which preparatory assistance has been approved by the TFFS since mid-2012, all have titles that suggest they are full-fledged VC projects. Yet, notwithstanding the growing geographic coverage of the initiative, these projects are not classified under the 3ADI, i.e., covering Bolivia, Tajikistan, Kenya, Lebanon, Cuba, Malawi, Zanzibar/Pemba (Tanzania).

Box 5 below gives some illustrations of projects on the provided list of 25 countries (the basis of analysis), with some close to and others more remote from the original 3ADI concept (of which a comprehensive VC approach and the combination of technical assistance and investment finance were seen as core dimensions, at least when the 3ADI was designed). The stories highlight both the design/implementation processes, achievements to date and the likely next stages, provided known at this point.

#### **Box 5 Different faces of "3ADI projects": some illustrations**

The examples below show the routes taken and progress thereon in different "3ADI countries":

**The Democratic Republic of Congo (DRC)** was among the first generation of "3ADI countries" and was added to the initial list of countries by UNIDO. Within the context of the formulation of a new country programme, a mission was funded under the TFFS (€ 32,090). The mission identified scope for VC work covering cassava, palm oil and wood (Western provinces, Bas Congo and Bandundu) and envisaged joint formulation with IFAD to coordinate

interventions along the value chain. The implementation took a slight different turn: UNIDO focused on a segment of two value chains (cassava and fruits) in Bas Congo, given funding opportunities (Japan) within the context of its support to post-conflict situations. With an initial funding of \$1.3 million, an agro-processing centre was established at Kimpese, focusing on the processing of cassava and fruits, covering training of women and farmers on good production and good manufacturing practices, quality control and the provision of equipment (cassava processing; laboratory facilities). Among the recommendations of the 2012 evaluation was the expansion of the processing capacity of the centre (adding a fruit processing pilot demonstration facility), the need for a detailed market study and the definition/refinement of the managerial set-up to run the centre. Japan funded based thereon an extension phase covering a second tranche of \$1.3 million that was completed in September 2013.

Based on this experience, the Government of DRC requested in June 2013 UNIDO's assistance as service provider to support the establishment of food processing cum training centres in the Western part of DRC within the context of its WB/IDA funded project "Développement des poles de croissance Ouest". The UNIDO Trust Fund earmarked in September 2013 bridging funding (€59,192), covering a three months period to (i) pursue the monitoring of the second phase (Centre in Kimpese) and (ii) engage in discussions and negotiations with the Government and the WB as regards UNIDO's role in the WB/IDA project.<sup>52</sup>

In brief, compared to the initial project idea to engage in comprehensive VC work together with IFAD, UNIDO ended up focusing on a segment of two VCs in a particular region, that resulted in the desire of the counterparts to set up similar demonstration cum training centres elsewhere, with WB/IDA funding (an up scaling opportunity that is not very frequent and good for UNIDO's visibility). This is evidently a very encouraging result. It is nonetheless debatable if this can be labelled a model 3ADI project when gauged against 3ADI's original vision, in that it primarily had the features of a traditional T.A. project, with core attention on the establishment of a processing facility and related capacity building. The project investment in processing equipment and laboratory facilities of the centre is considered a partial feature of a comprehensive and holistic approach to develop/reinforce the (in this case) cassava and fruits sectors in Bas Congo. It is too early to assess to what extent such approach will be followed in the envisaged roll-out phase in the Western Region of DRC.

In **Ghana**, another first generation 3ADI country, the UNIDO support anchored to the national cotton revival initiative. VCA work including a validation workshop resulted in the development of a Cotton Programme Support Document reflecting the prioritization of support areas, such as improved seeds (Bt cotton), value adding by-products and testing facilities. 3ADI also funded a workshop on Bt cotton. Institutional changes in Ghana and apparent lack of consensus among the Ministries of Trade, Industry and Agriculture as regards which Ministry had which role as regards the cotton

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<sup>52</sup> Sources : meeting with PM, [www.3adi.org](http://www.3adi.org) and final independent evaluation report (J.M. Le Ry, Rapport d' Evaluation Final, TF/ZAI/11/001, October 2012)

sector, ‘the next steps’ remained in the air since then. Although the EU was said to be ready to fund the programme (approximately \$4.8m), UNIDO never received the official request from the Ghanaian authorities to support the implementation of the programme. Review of the programme document shows that there was an intention for involvement of different stakeholders (including also the WB, IFC and FAO). In this regard it is somewhat confusing that the programme is written as if a UNIDO project; to reflect national ownership and also the multi-stakeholder character, it might have facilitated the collaboration process to base discussions with the country and with the other partners on a common and Ghana-driven programme rather than a programme document with UNIDO as heading. Reference to IFAD on the programme document appears inaccurate, as cotton was, at least at the time, not among IFAD’s priorities as regards Ghana. In brief, the theme probably remains relevant to date, but the preparatory work ended in 2011 in a for UNIDO dissatisfactory manner. Time will tell what will be the fate of the work done; as time passed, there have been changes in the context, including stated closure of one the companies in the value chain.<sup>53</sup>

**Haïti** was also among the early starters as regards the 3ADI; work started in 2011, based on a request to UNIDO to support (i) the development of two value chains (bananas and tubers) and (ii) the strengthening of an important federation of women groups. Work was divided between FAO (that has an Office in the country) that dealt with diagnostic studies related to (i) and UNIDO focused on (ii); the work was completed in 2012. It is understood that FAO is currently engaged in activities in the cassava, milk, fruits and vegetables VCs (with EU funding); UNIDO is not involved in their support at this stage. Meanwhile, with the assistance of its national coordinator (shared between the FAO and UNIDO), opportunities for further VC related support were explored by UNIDO (fishing, fish farming, dairy), including discussion with potential partners (Tetra Pak, Grameen Creative Lab), but seem on hold for now.

However, further to a change in Government, a new request was received by UNIDO from both the national authorities and the EU (both country office and HQ in Brussels) to support the development of a Micro Industrial Parks (MIPs) focused on food processing (“food parks”), covering support to the operationalization of one MIP, the definition of a pre-investment framework for 6 other MIPs, of an overall strategy for a larger number of such MIPs (42 being targeted), as well as of MIP related investment promotion efforts. The UNIDO seed money facility under the 3ADI enabled UNIDO to very quickly respond to this request and following preparatory work (including stated consultations with FAO, IFAD and the IADB), a MIP intervention programme was submitted to the Haïtian authorities in March 2013. So far negotiations on the next step did not have encouraging results for UNIDO, as UNIDO’s intention to cover both technical assistance and the infrastructural dimensions of MIP development was not accepted by the counterparts. At this stage it is unclear if UNIDO will play a role in the next stages of the MIP programme. An unintended side-effect of the preparatory assistance regarding the MIP (that

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<sup>53</sup> Sources: meeting with PM, www.3adi.org and Programme for revitalizing the Ghanaian cotton sector (2011)

included staff from UNIDO's TCB branch) concerned the preparation and ultimate funding (EU) of the second phase of support in the field of quality infrastructure, covering the strengthening of the Standards Bureau and securing of additional funding (UN) for the construction of a metrology lab, including funding of complementary equipment by PTB (Germany). Incidentally, Haïti is one of the rare cases where other than Agro Branch staff was involved in the formulation work.

In brief, the support under the 3ADI umbrella in Haïti took different routes with, for now, mixed results for UNIDO beyond preparatory assistance efforts (with the exception of TCB related support, which however is not directly related the 3ADI). Time will tell if UNIDO will be engaged later on in interventions related to the implementation of the Food Park concept.

In **Nigeria** an initial attempt at the start of the 3ADI in 2010 (led by IFAD) to involve UNIDO in the formulation of a large scale programme did not work out (for reasons not understood, UNIDO was not able to secure its participation - through a consultant - in the formulation team, the funding of which was foreseen by IFAD). Later on, and both building on and expanding the work done in Haïti with respect to the food parks, UNIDO was requested by the Government of Nigeria to develop (with funding from Nigeria) a master plan for the development of Staple Crop Processing Zones (SCPZs) targeting the cassava or rice value chain (depending on the region) in 6 States as driver for local economic development. The Zones are expected to engage both public and private investment and land has been already allocated by the government. The master plan has been meanwhile prepared by a UNIDO subcontractor. It is understood that the WB will fund the execution and UNIDO expects to "get a piece" of the implementation.

In brief, it is expected that zones play a key role in the development of the targeted VCs of the concerned States. The fact that UNIDO is not yet sure about its role in the next stages (as in the case of Haïti) is in line with UNIDO's recognition that, at least not in all cases, its technical advisory work will result in funding for UNIDO follow-up support. It is noted that at this stage there is no cooperation yet with other UNIDO services relevant for this programme, such as the Business, Investment and Technology Branch and the Environmental Branch. There appears to be scope for reviving lessons learned in the past by UNIDO in prior projects with an at least partially similar nature (Export Processing Zones) and also for actively creating synergies with similar ongoing support elsewhere albeit not labelled 3ADI projects to ensure a harmonized approach of UNIDO in this area (such as the case of Côte d'Ivoire where UNIDO is funding preparatory work in the field of special economic zones and in Ethiopia that is also launching food parks with funding from Italy and involvement of UNIDO).

The portfolio includes a few projects that, according to their coding, existed prior to the launching of the 3ADI

In **Rwanda**, three projects funded through the One UN Fund covering respectively entrepreneurship education (EE), the livestock/leather sector and the dairy sector, started in 2008 and were integral part of the UNIDO Country Programme (2008-12) developed within the framework of the UNDAF. The EE sub-project encompassed capacity building support to the Ministry of

Education with the aim to pilot EE for secondary schools (albeit a pilot, it de facto entailed a national roll-out, combining national and One UN funding). As regards livestock/leather, it entailed the establishment of a leather processing and training centre (integrated in the Masaka Business Incubation Centre), targeting livestock farmers, leather processing enterprises (particularly micro and small and medium), and involved local government and local communities. The support covered equipment & tools, supply of materials and components, and a range of training modules. As regards this project the 2011 Country Programme evaluation drew attention to funding shortage, some delays and issues to be addressed in the exit phase to ensure sustainable outcomes. With respect to dairy, a holistic approach was envisaged, looking at the animal as a whole (meat, milk, wool, hides and skins). An assessment using the UNIDO VCA tool was conducted, in principle based on a division of labour between UNIDO and FAO (to deal with respectively milk and meat); FAO's component was said to not have taken off related to changes in priorities and also late funding. The first 3ADI intervention concerned the upgrading of a milk collection centre using available One UN funding. The planned expansion including also cheese making did not materialize as envisaged government funding was not received. Meanwhile, other donors were said to have engaged in the upgrading of collection centres (USAID, France; others) and to have benefitted from the prior UNIDO pilot experience. Since about two years a reflection is ongoing how to further support the dairy sector. Lead dairy companies expressed no interest in cooperation and possible support to a state-owned company (and linkage to a school milk programme that is government funded) are under review, particularly sustainability issues and also the question of subsidizing one single company (that is currently under privatization). As a result of this situation, envisaged cooperation with Tetra Pak (draft MoU prepared) is for now on hold. Follow-up work is expected to be funded from the TFFS.<sup>54</sup>

In brief, in Rwanda pre-3ADI projects covering traditional technical cooperation interventions were inserted in the portfolio. The VC tool was used in the case of the dairy sector, but beyond a traditional support related to the upgrading of a milk collection centre and awareness raising efforts, no comprehensive VC project is ongoing (related to the current country context as regards this sector, as explained above).

In the case of **Guinea**, whereas listed as a large scale (\$2 million) programme funded by Japan, the 3ADI support covers in fact a sub-allotment of this programme totalling some \$400,000 that is focused on shea butter and cassava; based on a needs assessment, the support covers traditional technical assistance of the nature of a typical community based rural development programme with a sector focus: the establishment of demonstration cum training centres - in this case focused on shea butter -, training (including literacy training), and market exposure through participation in a trade fair in Paris. For now there is no link with FAO/IFAD in this sub-project. The project could benefit from prior UNIDO experience in this

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<sup>54</sup> UNIDO Evaluation Group, Independent UNIDO Country Evaluation, Rwanda, August 2012



field in Mali where the shea butter VC is further developed.

With respect to **Sierra Leone**, the 2013 independent evaluation of the Japanese funded (\$1.3 million) project (that was, like the project in DRC, part of Japan's "response to the humanitarian crisis in Africa ") does not refer to the 3ADI, albeit listed among the 3ADI projects. Whereas this is as such not a drama, it gives a signal that the brand is used in UNIDO HQ communications, but not at the country level, which undermines visibility and brand recognition by its clients. Albeit having value chain features (strengthening the capacity of Growth Centres positioned as support infrastructure in agricultural VCs, including also the provision of equipment and training), it would be misleading to label this project a VC project according to the initial 3ADI approach.

**Afghanistan** is another country where an existing agro-processing project funded under the Spanish MDG Fund (approved in 2009, prior to the 3ADI launching) was listed as a 3ADI project. Wheat milling was identified end 2010 as a priority for 3ADI support in the country (due to time constraints, no information was collected by the evaluators on what happened thereafter).

Cases of approaches coming close(r) to the initial 3ADI value chain model with encouraging progress cover more recent projects in countries such as:

**Tanzania** - meat VC covering support to slaughterhouses of different size (2 small and 1 large) in 2 regions and support to primary processing of cashew. In both cases the projects cover equipment and training of different stakeholders. It is observed however that cooperation with other donors (including the core partners) is not yet developed so far;

**Ethiopia** - oil seed VC (bringing together UNIDO, FAO and ILO in a project funded by the Spanish MDG Fund in 2011 (\$ 1.1 mill); this triggered and investment of \$5 mill (S. Korea); there is no indication of this project in the 3ADI list pertaining to Ethiopia. Moreover, preparatory assistance related to the cactus VC resulted in a project document totalling \$2.5 million (of which already a portion (\$ 700,000) is secured (OPEC Fund and Israel); FAO is not involved (though active in an interregional cactus network) but has been consulted. Finally, it has been mentioned that through preparatory assistance under the 3ADI, a full-fledged project document has been developed pertaining to the establishment of integrated food parks; FAO was reported to have contributed to the design of the project; meanwhile, Italy has agreed to fund a feasibility study (€ 350,000) through UNIDO, in addition to its direct funding to the Government (stated to be €12 million).

\* **Sudan, both North and South** - efforts there seem to constitute cases of effective cooperation between UNIDO and FAO; a preparatory 3ADI mission (November 12) led to a project document funded by the Canadian International Development Agency (CIDA). As FAO is the lead agency, the collaboration with FAO has permitted UNIDO to access CIDA funding (which may have been complicated if acting alone, as Canada is not a member of UNIDO); while approved in March 2013, there is some delay due to restructuring in CIDA.

The situation in North Sudan was said to be the opposite, as UNIDO takes the lead there, with FAO being able to “piggyback” on UNIDO’s programme on the ground

**Togo** - it was reported that linkages are being forged between UNIDO and IFAD in Togo (UNIDO having an agro-component in its country programme and IFAD engaging in a programme formulation exercise that includes some opportunities for UNIDO); discussions at the field level (June 2013) resulted in IFAD funding the participation of a UNIDO staff in its first formulation mission; the UR Ghana is engaged in the follow-up with IFAD. This case illustrates the importance of field level contacts and coordination, taking into consideration the degree of decentralization of both FAO and IFAD. A UNIDO involvement in the implementation of the envisaged IFAD loan (once approved) - which involves the Ministry of Agriculture - will require inter-ministerial support / consensus between the Ministry of Agriculture and the Ministry of Industry.

### **Some other country cases**

In some countries preparatory missions were undertaken (financed from the Trust Fund resources), with no precise indication as regards the funding of the programmes formulated. Whereas it is recognized that funds mobilization takes time and that, as happened in some cases, counterpart priorities may have changed, 3ADI programme reporting does not really qualify what is meant with “funds mobilization”, especially if the time lapse since the preparatory work has become quite important (e.g., India, Burkina Faso, Côte d’Ivoire, Uganda).

In several cases it is also simply too early to assess progress, such as the case of Zambia (where UNIDO engaged in 2013 with delay in preparatory assistance due to delays in the approval of the third allocation of the TF) and in the case of Brazil (that, interestingly, involves three UNIDO branches - Energy, Agro and Environment) in concept development (meanwhile shared with the targeted donors: Brazil and GEF). With respect to Madagascar, a project document (focused on the establishment of three small sugar processing units in different regions of the country and targeting the local market) was recently approved by UNIDO’s AMC (engaging some €150,000 as UNIDO funding of the inception phase and covering some €2.2 million from the EU, including a major portion for the equipment). Whereas it is premature to assess progress, the approach followed appears atypical: at this stage a call for expression of interest has been launched to seek private sector involvement; evidently, many want it, as it involves a subsidized scheme to set up a small sugar processing plant. This situation illustrates the importance of guiding principles when engaging in this type of support (pertaining to the selection of beneficiaries, cost-sharing etc.). So far FAO and IFAD are not involved.

In other countries (case of Niger), preparatory work undertaken in the context of the 3ADI resulted in the preparation of a (multifaceted) programme document covering the upgrading of slaughterhouse capacity, the cow pea

VC, and the establishment of a vocational school focusing on agro-industry related skills (to which another VC - dairy - was later added). The programme document (\$12 million) has been signed by both the UNIDO DG and the Ministry of Mining and Industry in September 2013. Even partnership opportunities with Areva were considered. Whereas “money was not a problem” according to signals from the counterparts from the start, it is too early to say how this programme will be funded (taking into consideration a recent request from the counterparts to UNIDO to assist with fundraising). There is also the case of Comores, where UNIDO realized rather late (after having committed in 2011 sizeable UNIDO funding -\$200,000 - to support work in the vanilla VC) that the ITC is engaged in similar work within the context of the Enhanced Integrated Framework.

Time constraints implied that the evaluation team was not able to reconstruct an updated story for *each* of the 25 countries and related projects through interviews (and also the 3ADI website not being up to date). The above short ‘stories’ are included in an attempt to give a more precise picture of what actually happened so far inside the technical cooperation pillar.

In essence, the project stories show the variation in terms of approaches (some respecting the basic principles of a 3ADI project as initially envisaged; others being rather traditional projects with no clear effort to combine technical assistance and investment). Moreover, the examples also illustrate that cooperation with the core partners has been pursued in some but not all cases. None of the projects show linkage with regional initiatives.

### **Thematic coverage**

The project listing shows wide coverage across agricultural value chains, which is understandable as country priorities vary and as the VC focus as regards UNIDO 3ADI projects will have also taken into consideration the support of other donors and agencies (VC work being on the agenda of virtually all development partners). There are a few cases of converging priorities, such as with respect to cassava, livestock and meat, and fisheries. Also, the theme of dedicated facilities (food parks, specialized zones) that are expected to provide collective efficiencies, a conducive regulatory framework (incentives) and encompass also promotional efforts (investment/export related) seems to be gaining interest.

As project design and management is decentralized to the PMs, the compiling and sharing of experiences and lessons among different PMs is considered important but possibly jeopardized, especially in the absence of a focal point or core coordination team. It may result in what can be coined the “Frank Sinatra approach”: *each doing it their way* (rather than a harmonized approach that goes with branding - which seems however important for UNIDO as regards the 3ADI).

A dimension that does not come out clearly in the project portfolio relates to “the market”. This is in fact the key entry point of VC analyses that are to identify the often wide range of multifaceted bottlenecks that affect market and/or market expansion opportunities and also value-addition efforts to capture a bigger gain

from markets, be it local, sub-regional, regional, inter-regional or international/overseas. Should the 3ADI have aimed at agro-related export development (targeting international markets), one would have expected to see the involvement of global market leaders in the design and implementation of projects (cf. the case of the Metro Group in VC development work by UNIDO in Egypt). But even considering that the focus was more oriented towards domestic and regional markets (evidently depending on the VC priorities identified and retained), the market dimension is crucial, is certainly not forgotten, yet was found to have been given a somewhat hidden significance in the approach. One even sees this in the chosen titles of the projects, none of which starts with or includes (for now) the notion “market driven”. There is no indication in the projects reviewed that competitiveness analyses conducted by UNIDO in a number of countries were fed into the identification of project opportunities and subsequent design of projects.

## **Funding**

As described in Chapter 2, the TFFS constituted an important and relatively easy source of funding (seed money) that enabled the speedy organization of preparatory assistance (PA) missions and follow-up in the period 2010-2012. This was made possible thanks to the decision of several Member States to reallocate unutilized budgets to this Fund, complemented by 3ADI focused core funding of in particular Finland.

While the budget revision for the third tranche (dedicated to the 3ADI) was pending for about six months (2012/13)<sup>55</sup>, other UNIDO PA funding modalities were available and used for agro-related preparatory VC work at the country level, as illustrated by the projects approved against the TFFS in 2013 (some of which are credited against the 3ADI, but the majority not, although all covering projects of the Agri-business Branch). In some cases other funding sources could be tapped, in particular project funding (including One UN, Spanish MDG Fund, Japan, Canada, Czech Republic, Italy, Israel, or sizeable self-funding - the case of Nigeria, apart from UNIDO RB funding in some cases).

It is not evident why some preparatory work was budgeted double the size of other such preparatory work in the same region (may/may not have been related to the use of consultants rather than staff), nor why there was no standard ceiling applied (as in the case of STC managed PA resources). This would have shown harmony in terms of procedures across the organization, as, a priori, the design of, for example, an energy, environment, trade-capacity building, entrepreneurship development, cluster development, upgrading, investment or technology related programme or project is not less or more costly than the development of a agro-related VC project. Flexibility is indeed important, but so is the need for harmony of procedures.

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<sup>55</sup> Mainly due to gaps in reporting and absence of an updated programme strategy/acceptable log frame

The evaluation did not look into the actual expenditures of the PA projects, presumably mainly consisting of HQ staff travel, eventually the cost of consultants (national/international), local travel and events (stakeholder meetings; validation workshops), nor into the use of funding of the follow-up support (as this was not an evaluation of the individual sub-projects).

It is difficult (read: not possible) to make a credible statement at this stage on the precise degree of leveraging of the available seed money and other resources and on the average size of projects generated as a result thereof. This is related to the fact that some of the 3ADI projects (and thus also the corresponding budgets) are found to be not fully fitting in the list, whereas others that would fit are not/not yet included. It would appear meaningful to make statements on leveraging based on a revised and updated list of “genuine 3ADI projects” to be prepared by UNIDO. This being said, considering the volume of preparatory work undertaken so far and the active engagement of in particular HQ staff, HQ-based consultants and FOs, there are encouraging results so far in several countries, even if in many cases still preliminary (which is very normal in the launching phase of such an ambitious initiative).

However, a fundamental (and also tricky) question to be addressed is if it is indeed that pertinent to consider the continuous increase of the number of “3ADI countries” and “3ADI projects” as an indication of performance of the technical cooperation pillar of the 3ADI. Given its leveraging ambition, the TFFS was and remains certainly a very significant scheme, but its underlying purpose and modus operandi are considered to have generated a quite unhealthy incentive for the 3ADI. The initiative became more of a “project development machine” for UNIDO than a platform compiling and sharing agro-related VC knowledge, tools, experiences, good practice, engaging in regional capacity building and putting emphasis on ownership of ensuing regional and country-specific initiatives under the umbrella of the 3ADI. It is of interest to compare this trend with how FAO looks at the 3ADI: they do not maintain lists of 3ADI countries and 3ADI projects and do not seek to put the 3ADI logo on the entirety of its VC work (as this approach is organization wide and not the uniqueness of the 3ADI).

## **Status**

Considering the above observations on the list of “3ADI countries” and “3ADI projects”, an assessment of the status of the current project portfolio (list) is considered less meaningful, but is shortly given below, as the unit of analysis is indeed the list of 25 countries and the underlying 3ADI projects. The following remarks can be made with respect to the status as at early September 2013:

- in about one third (n=9) of the countries projects are ongoing (including one country with different status depending on the project, i.e., with one project ongoing and another one under funds mobilization);
- in some 40% (n=10) of countries (excluding the above country with two different project status, depending on the country), funds mobilization is ongoing; this qualification is rather general and reflects different cases; in some countries efforts have become dormant in the absence of official requests or changed priorities, whereas in other cases decision making

- on funding appears imminent or at least expected to happen rather soon; project formulation is ongoing in 3 countries, meaning that preparatory missions (VCA and related discussions with the counterparts) have taken place and a follow-up action plan/project document is under preparation and expected to be followed by a validation phase at the country level;
- three country cases are listed as “under preparation”; this situation may have changed since September 2013, as VC assessment/formulation missions may have been meanwhile conducted or are ongoing at this point in time.

Notwithstanding the points raised on the composition of the portfolio, the above status picture is considered reasonable, considering the time needed to conduct VC mapping and analysis, identify and agree on priorities with the counterparts, define and specify the building blocks of support, also taking into consideration related assistance and the need to find in a ‘niche’ in the VC support landscape that, in many countries, has become quite dense.

Finally, funds mobilization can take time and is not always easy. In this regard it is to be noted that many respondents in both surveys raised the issue of funding as a main constraint in the 3ADI.

In terms of leveraging, it is considered difficult to give a precise indication to what extent the seed money (preparatory assistance) has generated project funding. This is related to questioning by the evaluation team of the list of “3ADI projects”. Some of the listed projects put under the 3ADI umbrella are not really 3ADI projects *stricto sensu* (as they existed before and/or are traditional technical assistance); in other cases only a proportion of a stated 3ADI project/budget concerned VC work, whereas the entire budget was referred to as 3ADI project. Yet the evaluation also came across projects that are in line with the 3ADI approach although not at all featuring on the list of projects/countries. In brief, this ambiguity makes any estimate of leveraging less relevant and questionable.

## 6. Conclusions

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### 6.1 The 3ADI in general

At the out-set, it is to be emphasized that, as the 3ADI was conceived as a joint initiative, the conclusions reflected in this chapter relate to the efforts of *all* core partners involved. The current evaluation being a UNIDO evaluation, the analysis has however focused primarily on UNIDO's efforts. The conclusions are based on the work done during the first three years of the initiative and highlight both the strong points and the issues the evaluators assessed as requiring attention at this point in time. This evaluation being a forward looking exercise, emphasis is on providing guidance for strategic discussions and decisions the core partners are expected to take as regards the "road ahead" of the initiative they jointly launched in 2010. Observations of the evaluators on the performance of the initiative so far, provided subscribed to by the decision makers, are made with the intention to contribute to decision making at this critical juncture. Focus is thus on what could possibly be done differently in the next stage, based on the approach taken so far and comparing the same with the initial objectives of the initiative.

In general, the 3ADI vision as regards the multiple priorities and tracks to be taken to support the development of agriculture and agri-business in developing countries was, is and will also remain significant for the years to come. When conceived and launched in 2010, the initiative constituted a timely contribution to the global development agenda's "reinvention" of the pivotal importance of agriculture and agribusiness for development at large, and thus for economic growth, poverty reduction, lessening famine, job creation, etc.

The 3ADI benefitted at its launching from a strong political engagement and overall commitment at various levels: African leaders, regional organizations (AU, ECA), Heads of the agencies involved (AfDB, FAO, IFAD and UNIDO). It is equally important to mention the work of staff in these agencies (particularly FAO and UNIDO) to develop the 3ADI Programme Framework.

Some three years after its launching (that can be considered to be equivalent to the first phase, even though the scheme did not envisage phases as such), the overall picture is mixed and perceptions of stakeholders vary. In essence and on the whole, the 3ADI

- reflected a vision that is comprehensive and is based on principles that very much apply to date (such as, *inter alia*, the need for combining technical cooperation and investment and for well-coordinated efforts, based on the recognition that only by working together in innovative ways the agriculture and agribusiness related challenges could be overcome and the opportunities seized;
- forged more dialogue among the core partners and resulted in mutual synergies in several fields, in spite of the scope for much more and deeper collaboration based on complementarities and potential for collective efficiencies;

- put investment finance work high on its agenda, which is an important spin-off of the Abuja deliberations and decisions;
- underestimated the complexities of implementing such a multifaceted multi-stakeholder framework and lost in some way its momentum compared to the unambiguous drive at the moment of its genesis and launching, notwithstanding the solid amount of work done since 2010 (see below);
- missed so far the strong political and institutional anchorage needed during implementation to ensure leadership and ownership as well as alignment to (as regards Africa) the wider framework to which the 3ADI was expected to be 'docked', i.e., CAADP, with also no trace of active private sector stakeholder involvement (representatives of the agriculture/agro-industrial sectors) in programme-wide priority setting and steering.

In brief (as some stakeholders put it), "it ran out of steam" and operates more in the shade than its initiators' drive and aims in 2010 would have imagined. From a political perspective (gauged by the priority setting at the pan-African and also donor level), the 3ADI appears superseded by other initiatives with the same or similar agendas that tend to benefit from more political cloud and support. The proliferation of conferences, fora, declarations, action plans and support initiatives in the field of agriculture and agribusiness (and even in finance) resulted in an increasingly complex support landscape for the 3ADI (as one of the schemes) and in a sense of competition or at least potential competition, including for resources. Paradoxically, compared to the increased attention to aid effectiveness issues in general, the opposite route risks to be taken by development partners with respect to the harmonization of work in the field of agriculture and agribusiness. With value chain development being on the agenda of virtually all development partners, this increasingly called and calls for more consistency and coordination.

3ADI's attention to this (changed) context has been too frail whereas alarm bells should have rung when direct stakeholders (including the core partners) started having a perception of 3ADI's "fizzling out" in this support landscape. Initially intended cooperation with large scale programmes such as the Global Agriculture and Food Security Programme (2009) did not materialize so far, and forging collaboration with "others in the same business" has meanwhile become more challenging, as the number of related programmes that seem of direct relevance to the 3ADI at the pan-African, regional and country levels has grown. As regards investment finance (which is an important feature of the new approach), the 3ADI is not (yet) actively present in the governance bodies or working groups under the Making Finance Work for Africa initiative (a partnership of the main stakeholders and donors active in the field of financial sector development in Africa).



## 6.2. The operationalization of the 3ADI, with emphasis on UNIDO

UNIDO is recognized by all concerned to have taken in many ways the lead since the launching of the 3ADI and the organization in general and teams involved in particular are to be given ample credit for the work done in this search for progress in the implementation of all the good intentions decided on in Abuja in 2010. UNIDO is further ahead as regards the operationalization of the 3ADI than its core partners. In fact, after Abuja, each of the organizations took different approaches and for some the initiative was more important within their corporate strategy than for others. It is not the role of this evaluation to judge these different approaches, but mainly to highlight that it happened and what may have contributed to this.

To the extent it was conceived as a *joint* initiative, the absence of a rigorous steering mechanism certainly did not help, to say the least. A scheme with this ambition and geographic and thematic coverage would have needed a high-level steering group or advisory board that promotes and facilitates closer collaboration among the partners (including with other programmes), strategically steers; including issues related to political and institutional embedding, and also discusses and decides on changing priorities (such as expansion beyond its initial focus, i.e., Africa). Also, the changing support landscape and emergence of new and well supported programmes would normally be a hot agenda item for such a steering body, including decision making on what it might mean for the scheme itself in terms of its development or sustainability (or perhaps even survival) strategy.

Moreover, the absence of a common fund resulted in each organization pursuing its role in the 3ADI in its own way and to the extent funding/staff time and interest could be mobilized. “Eating out of the same 3ADI plate” would have certainly forged more cooperation.

Another factor explaining divergence is that the organizations (at least the entities in the organization that were at the core of the 3ADI design) are quite different, varying from primarily having a project focus (UNIDO) to a research cum policy advice focus (FAO), to a finance focus. Both IFAD and the AfDB are different types of organizations given their roles in finance in Africa and are different from specialized technical cooperation agencies such as UNIDO and FAO. Finally, priority setting and design & implementation decisions in both FAO and IFAD are quite decentralized compared to UNIDO that is more HQ driven. In the case of IFAD all funding is country specific (not regional).

As this evaluation focused on the UNIDO contribution to the 3ADI, the main conclusions in this regard are as follows:

- 1) UNIDO has actively used the 3ADI “brand” to promote the organization, in search of visibility, recognition of its expertise in the field of agribusiness and, evidently, also funding;
- 2) UNIDO staff involved in 3ADI management and the preparation and implementation of “3ADI projects” showed hard work and dedication in their respective roles (work covering, *inter alia*, concept development in

- different fields; VC mapping using UNIDO's VC analysis tools; project formulation; funds mobilisation; project implementation; participation in external meetings of relevance to the 3ADI; technical contributions to the Task Force that led to the Advance Fund; participation in the work of the Technical Committee of AAF TAF; promotional work including web site development; forging in-house and external cooperation including identifying and discussing new partnership opportunities);
- 3) For a *launching* phase, the programme expanded too fast in both the geographic and thematic sense, with countries being added on an *ad hoc* basis, maybe accepting countries' requests too hastily, even up to now; it resulted in the current range of countries and of projects, without solid accumulation and stocktaking of experiences and lessons before expanding the scope;
  - 4) The approach appeared mainly HQ driven and managed; there is no indication of FO leadership in VC identification and project development and/or management with guidance from HQ, which might have facilitated cooperation with the FAO and IFAD on the ground (as priority setting and decision making in these two agencies takes place at decentralized levels); in some countries the 3ADI interventions were integral part of the UNIDO country programme; in others they appear of a stand-alone type;
  - 5) Given prior UNIDO support in the fields covered, it did not appear to be a major concern to seize opportunities to build on such prior experiences and lessons (*inter alia*, reflected in project and country programme evaluations and also in the thematic review of UNIDO agri-business/agro-industry development interventions) to feed intervention approaches;
  - 6) Whereas in principle the 3ADI was conceived as a platform for UNIDO-wide efforts (as defined in the 3ADI UNIDO project documents), the service profiling and use of available funding concerned primarily the Agri-business Development Branch; there are indeed some but few inter-branch efforts so far and it is premature to assess the results thereof at this stage; it is important to note that the inter-branch cooperation as regards investment promotion and environmental issues is less project focused and targets so far primarily tool development/adaptation and related capacity building applied to agribusiness VC work;
  - 7) Combining the aspiration to test new approaches (technical cooperation cum investment implying the involvement of multiple stakeholders) with a project focus proved to be rather incompatible; the emphasis turned, not surprisingly, towards developing projects and to reporting on performance in terms of project funding leveraged (and thus also focus on project allotment documents); the *modus operandi* of the TFFS implied a somewhat unhealthy incentive towards the project route;
  - 8) There was no clear definition nor guidelines of what a 3ADI project should encompass in terms of approach and focus, that were envisaged to be different from traditional technical cooperation; nor was there rigorous screening and monitoring of project development and implementation, using a "checklist" based on such definition and principles. This implied that the portfolio of 3ADI projects ended up having a quite "mixed look", showing both new style projects (in line with the original vision regarding

3ADI interventions), but also many traditional technical assistance projects. The ambiguity with respect to the classification of projects (which ones are 3ADI projects and which ones not) relates to different interpretations and unclear differences and may ultimately affect the brand image;

- 9) It is too early to assess the results and outcomes of this initiative on the development of agro-industries (including agribusiness) at large: whereas a number of ongoing projects are encouraging in terms of their likely results and expected upscaling, several projects are still in the funds mobilization and project development stages; as regards investment finance, the schemes developed are not yet operational and there are no linkages yet between 3ADI projects and the AAF; moreover, most of the partnerships are quite recent;
- 10) Emphasis on market-driven approaches was not found to be a systematic feature in the programme, whereas considered a key entry point of VC chain support; lessons could have been learned in this regard from prior/ongoing VC projects of UNIDO and others;
- 11) Despite the recognition that women play a crucial role in agriculture, rural development, agro-processing and food security at large, there is no indication so far of putting explicit attention to supporting investment in women and in their empowerment high on the agenda of the 3ADI; in this respect, there was no engagement yet in concept and tool development in view of fostering gender mainstreaming in project development and implementation, unlike the case of another cross-cutting issue (environmental considerations) that was added to the approach in 2012 (cf. RECP-related tool development, pillar 4);
- 12) No clear sign was found of efforts undertaken so far to foster south-south cooperation (another cross-cutting issue) or of 3ADI linking up with related support that has that precise aim; even among the current “3ADI countries” - although not limited to those countries - such opportunities exist;
- 13) As in the case of the 3ADI at large (no 3ADI-wide steering mechanism involving the core partners), also in UNIDO no in-house steering mechanism was put in place for this flagship programme, involving “different parts of the house” to steer and guide the programme. Such a mechanism (steering group/task force), if operational, would however be expected to have played a key role in: forging inter-branch linkages in both design and implementation stages; agreeing on guiding principles as regards standard approaches/ingredients of 3ADI projects; insisting on the introduction of a solid M&E system possibly inspired by the DCED standard; detailed in-house reporting beyond reporting to UNIDO’s governing bodies; overseeing efforts under the investment finance pillar; addressing and quickly solving internal questioning on the definition of “food security projects” and in avoiding delays in the approval of budget allocations, etc.;
- 14) The TFFS played an important role in the scheme, in addition to core funding made available from other sources (particularly by Finland). It allowed for speedy and relatively easy access to seed money (an asset

- highlighted by most PMs); the TFFS was however set up without a very precise and agreed up definition of its selection criteria for funding; moreover, it encouraged the prime focus of the 3ADI on UNIDO projects and underemphasized the opportunities for upstream work in such a pan-African initiative (e.g., tool development and diffusion, including regional capacity building in the field of VC mapping/support, efforts to become an agro-related VC knowledge platform, ...);
- 15) After a slow period for the TFFS in 2011 and 2012 (when very little available funding was used), there appears to be an acceleration in approvals in 2013; it was noted that the different tracks for funding of agro-related preparatory assistance in UNIDO (TFFS general, TFFS via “tranches” for the 3ADI, and also the STC channel as an avenue) have created a system of different procedures for the same purpose: preparatory assistance;
  - 16) As regards the “tranches”, whereas some may consider this a “blanket approval” for the Agri-business Development Branch, it was based *de facto* on specific interventions that needed to be predefined in the budget proposal. This reduced the flexibility one may need when launching a new type of programme that intends to go beyond pure technical assistance. The tranches could have been made available in a more open/programmable manner (rather than being tied to project development work in specific countries). Provided in place, a steering group should have been given the responsibility to decide on, manage, monitor and also account for the use of such funds based on predefined criteria what the resources can and cannot be used for;
  - 17) The AMC was given in this regard a decision making and management role in lieu of an in-house steering group dedicated to the 3ADI, to which such role could have been delegated; subject to the precise terms of reference of such a steering group, well defined criteria for the TFFS and of course a UNIDO management decision, even the management of the TFFS could eventually have been entrusted to this steering group (based on the understanding that both the 3ADI and the TFFS are UNIDO-wide schemes, including evidently work of the Agri-business Development Branch and also that of other UNIDO services involved in agri VC-related support);
  - 18) Such system would require an up-to-date 3ADI programme strategy, which is missing at this stage; the framework project document of 2010 is considered to cover the launching phase and requires urgent updating at this stage (which cannot be in the form of mere budget revision/increase requests);
  - 19) Since core funding for the PMU ran out in the course of 2012, coordination of the 3ADI programme in UNIDO suffered, as there was no full time focal point/team in place anymore (considered however crucial for the programme’s day-to-day management, reporting, sharing of lessons and experiences, as well as actively maintaining of contacts with partners, etc.); this may also explain why the 3ADI website is not really up-to-date (though jointly funded, focusing on UNIDO only, and with limited reference to services and tools beyond the Agri-business

Development Branch, and without relevant information on VC-related information sources outside UNIDO);

- 20) The 3ADI being a joint initiative, there are indeed some but too few examples of effective joint formulation and implementation, giving the unfortunate impression that the joint 3ADI programme does not look very different from a UNIDO-only programme initiative; the most active inter-agency cooperation took place with respect to the investment finance pillar and investment promotion related upstream work;
- 21) Progress under the investment finance pillar is overall quite encouraging; involvement of FAO and UNIDO in the context of the Task Force engaged in the conception of a first ever agro-focused private equity Fund of Funds constituted the main tangible result of work undertaken under this pillar (i.e., the launching of the Agvance Fund by the AfDB in 2012). As the Fund is for now not yet operational, it is premature to assess its functioning and outcomes, including with respect to smaller players in Africa engaged in agriculture and agribusiness;
- 22) The 3ADI TAF concept is for now on the design table for further fine tuning, which means that it is too early to assess results and outcomes; its imminent draft business plan and discussions thereon with the other core partners so far involved (AfDB and FAO) will allow for decision making on the next steps of this proposed scheme including its management (envisaged to be linked to the Agvance Fund); such scheme will need to be positioned vis-à-vis other project development facilities that exist, *inter alia*, at the level of the AfDB);
- 23) UNIDO investment into a private equity related scheme (the AAF TAF) upon advice of the AFD implied a quite unusual step that so far provided learning and networking opportunities for some staff, but has not yet generated benefits in terms of synergies with 3ADI technical cooperation or, for that matter, other UNIDO services. The AAF, and even the AAF SME window, were recognized to focus mainly on larger equity investments. In this respect the membership in such scheme and staff time inputs (contribution to decision making on AAF related TA) indeed “looks good”; however, considering the way in which the scheme works, it is not necessarily going to generate significant effects for UNIDO at large/3ADI. UNIDO might have “put the right horse on the wrong track” by not trying to connect with equity schemes that are known to focus on agro-related SMEs. More importantly, there appears to have been so far prime focus on European DFIs and no indication of effectively linking with traditional and innovative financial institutions both at the level of 3ADI countries and (sub-)regional level (although the latter approach was part of 3ADI’s original vision);
- 24) It is too early to assess the contribution of the different partnerships forged so far with both public and private sector partners, as most of them are quite recent or, in the case of the funding recently obtained from Japan to this end, are yet to be developed; as regard the business partnerships among them, these were developed in cooperation with the UNIDO BP Group, that acts as focal point for UNIDO in this regard and plays as such a coordinating role;

25) The decision to expand the programme's coverage with RECP-related tool development/adaptation in 2012 is a good addition to the initiative, as no environment related programme features were envisaged earlier on. It is a case of cooperation between two UNIDO-wide initiatives: the 3ADI and the Green Industry Initiative (GII). Also in this field, it is too early to assess its results in terms of the use of the new tool in VCA and of related capacity building at the field level to spread its use. The work coincides with greater general attention to more inclusive and greener growth, as illustrated by the theme of the AfDB's 2012 Development Report "Towards Green Growth in Africa".

## 7. Recommendations

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This independent evaluation reviewed the 3ADI since its genesis, analyzed what happened since 2010 and, based on the findings and conclusions, arrived at the following recommendations, including explanations and precisions as regards these recommendations:

### A. For UNIDO and its 3ADI core partners

#### 1. Take a strategic decision on the future of the 3ADI based on the performance of the first three years of implementation of this joint initiative

More precisely, to the extent the 3ADI - as a joint effort - lost momentum, the evaluation team sees in essence **three scenarios** at this stage:

- i) UNIDO to call for a meeting bringing together the core partners to come up with a joint forward-looking strategy for the 3ADI (based on stock taking of what happened so far);
- ii) Phase out the 3ADI as a joint initiative, if there is no interest to jointly take the 3ADI vision forward; in this case, UNIDO could decide to continue the 3ADI as a “UNIDO-only” programme (thus de-emphasizing the initial vision that was based on cooperation and synergies);
- iii) Pursue (as in the past) cooperation among the core partners on a case-by-case basis, as and when opportunities arise and interests converge.

Clarification: in the discussions and decision making, the following is to be kept in mind: the intensification of teaming up among UN agencies with complementary mandates is likely to become more important over time in line with the focus of the post-2015 development agenda discussions on partnerships; the latter is to be seen in the widest sense, covering not only the strengthening of cooperation with the private sector but also within the UN family. Joint initiatives like the 3ADI are therefore extremely important and it would be regrettable to see a proliferation of UN joint initiatives (one after the other) with comparable objectives, as if each time involving a genuinely “new” and “pilot” cooperative effort engaging often the same agencies. In this regard the core partners are advised to consider the first one of the above scenarios.

In any event and irrespective of the scenario that will be chosen, a number of issues need to be addressed, either by UNIDO alone or jointly (if all or some of the core partners decide to continue and reinvigorate their engagement as regards the common 3ADI) based on the experience of the past three years as regards the 3ADI (see below).

## **2. Seek adequate political and institutional embedding of the implementation of the programme (ownership)**

Clarification: the lack thereof risks hampering the evolution of the programme that at the moment of its design – listed embedding as one of its key principles; in the case of SSA the AUC and the RECs are expected to remain key partners; also as regards the work undertaken within the context of the 3ADI in other regions (if such geographic outreach is further pursued), it is advisable to root the programme activities in regional institutions and their strategies.

## **3. Ensure closer collaboration with newer and larger initiatives (that also have more political cloud)**

Clarification: this is expected to increase chances for funding and also to enhance the visibility of the 3ADI; the list of related programmes being long (cf. Chapter 2.5) and institutional embedding being crucial, opportunities for new alliances should be pursued with the active involvement of its “owners” (see above)

## **4. Decide on the geographic coverage of the programme**

Clarification: the geographic expansion of the 3ADI during its launching stage and double use of the acronym was found to be not based on consent among the core partners and, if pursued, risks alienating some of the core partners; sharper geographic focus (as) is also considered more prudent than spreading the initiative widely and possibly thinly. An example of search for focus could be the recent Swiss funded initiative (launched in December 2013) that is focused on tackling food losses, brings together 3 UN agencies (FAO, IFAD and the World Food Programme) and pilots its activities in only three countries in SSA (Burkina Faso, DRC and Uganda).

## **5. Stimulate regional/sub-regional approaches**

Clarification: more emphasis on a regional approach is not only in line with the trend of priority setting of clients but also of donors; in any event, work at the regional level does not exclude actions at the country level.

## **6. Decide on the overall steering and day-to-day management**

Clarification: more robust programme coordination and monitoring is considered a necessary ingredient for such a multi-stakeholder initiative to come to fruition.

## **7. Prepare an actionable strategy for the next stage of the initiative**

Clarification: there is need for an updated strategy with deliverables, milestones, time frame, investment targets, guiding principles, including updated logframe and M&E framework.

## **8. Refine the programme strategy pertaining to investment finance**

Clarification: based on the lessons learned so far under the investment finance component of the 3ADI, decide on the precise role of the programme with respect to stimulating the availability of and access to inclusive investment finance; specify in this regard the size(s) of enterprises aimed to be targeted with investment finance related technical support (pre- and post-investment) under the



3ADI; seek to target cooperation with a wider range of financial institutions with proven record of focus on SMEs and agri-business.

**9. Operationalize already concluded partnerships (private and public) and expand their number, where appropriate**

Clarification: emphasis is expected to be put on implementing joint efforts envisaged under the partnerships concluded with a view to showing results of collective efforts.

**10. Give more attention to cross-cutting issues in the 3ADI approach**

Clarification: deepening gender mainstreaming, implementing the promotion of RECP methods in agribusiness VCs and maximizing the (sub-) regional and cross-regional sharing of expertise and experiences (south-south cooperation) are features that need to be addressed more explicitly in the next stage.

**11. Upgrade the 3ADI website**

Clarification: there is scope for developing the same into a portal for VC-related information and tools covering not only UNIDO's 3ADI work and UNIDO's VC related tools but also the work of the core partners in this field and also including effective linkages to other VC related programmes and information platforms.

**B. For UNIDO management in particular**

**12. Engage in a candid in-house discussion on the experience of the first phase of UNIDO's contribution to the operationalization of the 3ADI to determine the road ahead for this programme**

A priori the current report is expected to be of use in such an in-house discussion; the latter is expected to result in UNIDO decision making regarding the next steps; in this process, the following **"sub-recommendations"** are made:

i) Address the problem of political and institutional embedding, possibly building on the recent discussion between the AUC Chairperson and the UNIDO Director General (October 2013) regarding cooperation in the framework of the AU priorities (including AUC's 2014-2017 Strategic Plan that has agricultural production and agro-processing among its priorities); Reach consensus on the definition of a "UNIDO 3ADI project" and its minimum ingredients, and review/update against this definition the current list of "3ADI projects";

ii) Reach consensus on the definition of a "UNIDO 3ADI project" and its minimum ingredients, and review/update against this definition the current list of "3ADI projects"

iii) Review and refine the focus and modus operandi of the TFFS:

- agree on its coverage (suggested to be agro-industry at large rather than the current tautological "agribusiness and agro-industries" coverage), also to end the persisting discussions at the level of the AMC on what is a food security project;

- propose to TFFS donors the search for a balance between the use of TFFS resources as seed money for project development and more upstream activities, such as tool diffusion and related capacity building;
- propose to TFFS donors to delegate the management of the TFFS to the cross-organizational 3ADI steering group (provided put in place), subject to rules governing trust fund management, the definition of criteria for selection, and adherence to accountability principles including stringent reporting;

**iv)** Consider the streamlining of the corporate processes as regards the allocation of seed money (preparatory assistance), as they currently vary, depending on the source of the funds and on the entity managing such funds

**v)** Decide if UNIDO should continue conducting itself one-by-one VCAs at the country level or rather engage in conducting training at the (sub-) regional levels practitioners and remote coaching of stakeholders at the country level engaged in this type of work;

**vi)** Build more cross-organizational teams and seek “delivery as one” also within the context of the 3ADI;

**vii)** Refine the 3ADI country selection criteria (possibly including progress as regards the implementation of the national CAADP strategy and investment plan).

### **13. Prepare a new 3ADI programme strategy for the next IDB (March 2014)**

Clarification: this strategy is advised to be submitted together with an up-to-date and comprehensive report on the first three years of implementation; the strategy should foresee effective linkages with the operationalisation of other related initiatives in which UNIDO is directly involved (in particular AIDA and the LDC Plan of Action).

## 7. Lessons learned

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The following lessons were extracted from this review:

- A joint initiative implies joint and not unilateral decision making on the most strategic issues.
- Untied resources are important to ensure the required flexibility when investing in the research on and testing of new ideas and approaches and when being strategically involved and playing a catalytic role in activities that cannot be classified under “projects”; this does not mean that untied resources are not subject to procedures in terms of the types of activities that such resources can be spent on and also in terms of reporting (accountability).
- Speed and ease of procedures to obtain access to seed money resources for preparatory assistance is of utmost importance to demonstrate to clients/donors the efficiency of the organization’s service delivery capacity and also to be able to compete with other service providers. Harmonization of the procedures pertaining to different preparatory assistance funding windows in UNIDO would be justified to treat requests for their use in the same manner.
- Service branding requires consistency in the scope, quality and uniqueness of services and goes hand in hand with guidance to staff to ensure such consistency in brand-related communication for visibility and in service delivery. Selectivity in using the brand (3ADI label/logo) is called for, as putting the brand/logo on products/services that are not strictly speaking 3ADI may be counterproductive and weakens the brand’s meaning.
- Whereas it is recognized that UNIDO’s contribution to the 3ADI should not be reduced to the formulation and implementation of projects, and can also entail co-funding and even collaboration without any financial contribution of UNIDO or financial “gain” for UNIDO, it remains a challenge to downplay the importance of funds mobilisation through project development/implementation, as project funding constitutes a key source of the organization’s “bread and butter”.
- Review of prior UNIDO-wide initiatives with innovative and catalytic ambition, such as the UNIDO Exchange platform, may provide insights into the key factors and preconditions determining the success of such ventures.
- It is difficult for a pan-African programme not to actively work with RECs and regional institutions (such as regional investment promotion bodies and regional business fora) that are also seen as key partners by many donors.
- GC/IDB/PBC reporting on UNIDO-wide programmes should not be confounded with periodic in-house reporting on such programmes, as the

“audience” is not the same; depending on the size and profile of the programme, in-house steering requires different reporting in terms of degree of detail and periodicity.

- Setting preconditions to allow inclusion of a potential client country in a programme is a justified approach that clients will understand. It is considered to reflect a more robust selection process than receipt of an official request.
- Gender equality and access to finance face the same problem: they are not systematically mainstreamed in project design and implementation.

# Annex 1: Terms of Reference

## Independent Evaluation of the African (Accelerated) Agribusiness and Agro-industries Development Initiative (3ADI) (summary)

### 1. Background

#### Context

The independent evaluation of the African (Accelerated) Agribusiness and Agro-industries Development Initiative (3ADI) is part of the 2013 work programme of the UNIDO Evaluation Group.

Developed within the context of the Comprehensive Africa Agriculture Development Programme (CAADP)<sup>56</sup> as overarching strategic framework, 3ADI constitutes a partnership that brings together UNIDO, FAO, IFAD and the AfDB as core partners and provides a framework for involving a broad range of private and public sector actors that play complementary roles in driving systemic changes in agribusiness in developing countries. As the agricultural sector remains the backbone of economic activity, employment and livelihoods in most developing countries, agribusiness development is considered pivotal for enhancing food security, stimulating economic growth and reducing poverty.

3ADI was launched in March 2010 at the High-Level Conference on the Development of Agribusiness and Agro-industries for Africa (Abuja, Nigeria) as an initiative aimed at enhancing the productivity and profitability of agribusinesses, with emphasis on value addition to food and non-food commodities along the entire supply chain. Accordingly, focus is on assisting LDCs to address challenges such as low yields in the agricultural sector and missing linkages between farm-level production, processing and marketing.

The 3ADI initiative aims to turn a series of recent key and complementary political statements that place agribusiness in the centre of development strategies in Africa and least developed countries (LDCs) into action, namely:

- the 2008 Accelerated Industrial Development for Africa (AIDA) promoted by the Conference of African Ministers of Industry (CAMI);
- the LDC Plan of Action that emanated from the LDC Summit organized by UNIDO in December 2009; and
- the “Abuja Declaration” of the above-mentioned High-Level Conference held in March 2010.

As a response to the above-mentioned political statements, 3ADI provides a platform for UNIDO's Agri-Business Development Branch to (i) articulate and communicate UNIDO's role in poverty reduction through productive activities in agriculture and agro-processing, (ii) mobilize other technical inputs from UNIDO that are relevant for agribusiness development (such as, among others, private

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<sup>56</sup> An African Union led strategic framework within the context of NEPAD

sector development, investment promotion, cleaner and resource efficient production), (iii) seek alliances with other stakeholders, in particular development finance institutions (DFIs) and (iv) facilitate funds mobilisation with a view of expanding UNIDO's technical assistance interventions in support of agri-business development.<sup>57</sup>

Following statements emanating from the Abuja Conference, a Framework Document was formulated (2010), which describes the purpose and approach of the initiative. In essence, the expected results encompass four core areas, defined in the Framework Document as:

- *Skills and technologies for the post-production segments of agriculture value chains*
- *Innovative institutions and services*
- *Financing and risk mitigation mechanisms*
- *Enabling policies and provision of public goods*

Subsequently, UNIDO developed project documents and solicited funding from Finland and the Czech Republic. These documents and other internal notes related to the mobilization of UNIDO core funding use a logical framework (cf Annex A.1, initial logical framework). As per this original intervention logic, the initiative aimed primarily at the development of a critical mass of large-scale agribusiness development programmes covering packages of public and private investments combined with technical assistance in 12 initially selected countries. Meanwhile, based on the experience gained during field work and following requests by several other countries to join the initiative, the programme coverage widened, both in geographic and thematic terms. Accordingly, the 3ADI acronym has become, when used outside Africa, the Accelerated Agribusiness and Agro-Industries Development Initiative.

At present UNIDO interventions within the context of 3ADI encompasses the following interrelated components:

- **Technical cooperation** and related funds mobilization around selected priority sectors and following a value chain approach in a total of 25 partner countries covering different regions (of which 19 are LDCs). For a snapshot overview of the countries currently covered by the initiative and of the type of activities undertaken so far in each country by UNIDO/its partners under the umbrella of 3ADI, reference is made to Table 1<sup>58</sup>.

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<sup>57</sup> See also the programme's dedicated website: [www.3adi.org](http://www.3adi.org)

<sup>58</sup> The projects listed here are 3ADI projects which are supported by the 3ADI funds/team and used value chain approach.

**Table 1: Brief overview and status of 3ADI support**

<b>African countries</b>			
Country	Value chains / focus areas	Status	Note
Burkina Faso	Meat; Sesame	Fund mobilization	Project concept developed and submitted to the potential donor (the government)
Burundi	Sesame; Red meat	Preparation	Project is on hold
Comoros	Vanilla; Ylang ylang; Clover	Fund mobilization	Potential donor: EIF (Joint project with PTC/TCB)
Côte d'Ivoire	Cassava; Textile	Preparation	Project formulation will start in 3 <sup>rd</sup> quarter of 2013 (Textile)
DR Congo	Cassava; Palm Oil; Wood	Implementation	Project will end in September 2013. Independent evaluation conducted. Donor: Japan
Ethiopia	Cactus	Fund mobilization	Potential donor: OFID
Ghana	Cotton	Fund mobilization	Project concept submitted to the potential donor (the government), but rejected
Guinea	Shea butter	Implementation	Donor: Japan
Liberia	Fruits & Vegetables; Rice	Fund mobilization	Fruits & Vegetable project submitted to the potential donor (EU), but rejected. Potential donor for Rice project: Sweden
Madagascar	Sugar	Fund mobilization	Potential donor: EU
Niger	Meat; cowpea	Fund mobilization	Project document submitted to the potential donor (the government)
Nigeria	Cassava; Rice; Cereals	Implementation	Donor: Nigeria. Master plan development of the Staple Crop Processing Zones (SCPZs).
Rwanda	Livestock and rural business development services (BDS) for MSEs	Implementation	Donor: One UN fund. Potential for further project development in the area of value-chain and rural entrepreneurship within the forthcoming UNDAF 2013-2017; Follow-up activities for the livestock planned out of 3ADI core fund
Sierra Leone	Vocational training	Implementation	Donor: Japan
South Sudan	Cereals, Livelihood development, Fisheries	Implementation, Fund mobilization	Livelihood development (Joint project with FAO) is funded by Canada Potential donor for fisheries project: Canada
Sudan	Leather	Implementation	Donor: Italy
Tanzania	Red Meat; Cashew nuts	Implementation	Donor: One UN fund
Togo	TBD	Project formulation	TBD
Uganda	Banana	Project formulation	VC analysis and discussion with the governments ongoing

<b>African countries</b>			
Country	Value chains / focus areas	Status	Note
Zambia	Cotton; Fruits & Vegetables	Preparation	VC reports with recommendations for TA will be published in 3 <sup>rd</sup> quarter of 2013
<b>Non-African countries</b>			
Country	Value chains (focus areas)	Status	Note
Afghanistan	Agro-processing	Implementation	Donor: MDG fund
Brazil	Livestock; Fisheries; Wood etc.	Fund mobilization	Project concept developed and shared with the donors (Brazil and GEF)
Haiti	Food parks	Fund mobilization	Potential donor: EU
India	Food processing value chains	Fund mobilization	Potential donor: India
South Pacific Islands	Fisheries value chains for regional Food Security	Project formulation	Regional assessment missions concluded in May 2013. Project formulation and discussion with potential donor ongoing.



- Support to the **facilitation of investment finance** through technical advice to two new equity funds, namely the African Agriculture Fund (AAF; 2011) and the Advance Fund (2012). Box 1 describes the finance component and UNIDO's role therein.

#### **Box 1: 3ADI's Finance Component**

In addition to the technical cooperation, the 3ADI encompasses financing and risk mitigation mechanisms to support agribusiness and agro-industries development. To this end, UNIDO, FAO, AfDB, Ecobank and other partners formed a taskforce to develop a private funding mechanism in support of agribusiness investment in Africa. A series of discussions in the taskforce resulted in the Agvance Africa Fund, a US\$500m Fund of Funds, launched at the AfDB Annual Meetings in May 2012. The AfDB has already committed US\$100m as an anchor investment.

The other major outcome of the taskforce is a Technical Assistance Facility (3ADI TAF) concept jointly developed by UNIDO, FAO and AfDB. Through this innovative Facility, the three organizations intend to broker greater coordination between private investment including Agvance Africa Fund and public investment projects run by the Governments, development financial institutions and other donors.

The 3ADI TAF will be structured as a grant scheme managed by FAO, UNIDO and AfDB. Based on their expertise and existing development projects, potential investment projects will be identified and prefeasibility studies will be conducted for both private and public investors.

Upon receiving positive response from the investor(s) on specific investment opportunities, the TAF will provide various services to improve the enabling environment. The potential services include capacity development of local institutions and facilitation of better coordination in value chains related to investment opportunities. Improved enabling environment will enhance expected financial and social return of investment opportunities and ultimately trigger investment from private and/or public investors. The 3ADI TAF concept was jointly presented to the EU in September 2012 to seek financial support. In response to the feedback, a detailed business plan of the Facility will be developed in 2013.

In parallel, a similar technical assistance concept has already been implemented as a part of another private financing mechanism called the African Agriculture Fund (AAF). UNIDO participates in the Technical Assistance Facility (TAF) of the AAF as one of the main promoters and technical advisors. The AAF is a private equity fund investing in companies that implement strategies to enhance and diversify food production and distribution in Africa. The AAF TAF aims to enhance the development impact of the AAF investments by providing technical assistance and improved access to rural finance for smallholder farmers supplying AAF portfolio companies.

It also builds the capacity of the small and medium sized enterprises (SMEs) that the AAF SME Fund invests in. The TAF is funded primarily by the EU and managed by IFAD. Acknowledging the 3ADI programme, the Agence Française

de Développement (AFD), one of the major investors of the AAF, requested UNIDO's participation in the TAF AAF. Through active participation in this innovative facility in the context of 3ADI, UNIDO has successfully widened its network with the investment/finance community to further mobilize additional resources for the development of the African agribusiness sector.

- Development of **partnerships** to support the 3ADI interventions. Through communication tools including 3ADI website and active participation in conferences/workshops, UNIDO promoted 3ADI and approached over 15 potential partners. Table 2 lists the partnerships to date, their purpose and state of implementation. In addition, UNIDO developed the 3ADI Public and Private Partnership (PPP) project to further promote partnerships with private sector.

**Table 2: List of partnerships to date**

Partners	Modalities and activities conducted
AFD	<ul style="list-style-type: none"> <li>• UNIDO works closely with AFD through the AAF ATF.</li> <li>• AFD made a financial contribution to the 3ADI (Food security trust fund) in December 2011.</li> </ul>
Czech Republic	<ul style="list-style-type: none"> <li>• Czech Republic made a financial contribution to the 3ADI in September 2010</li> </ul>
Finland	<ul style="list-style-type: none"> <li>• Finland made a financial contribution to the 3ADI core fund in August 2010</li> </ul>
GAIN	<ul style="list-style-type: none"> <li>• UNIDO and GAIN are currently working on a joint publication on nutrition.</li> </ul>
Louis Dreyfus Commodities (LDC)	<ul style="list-style-type: none"> <li>• MoU signed in November 2012. Agreed to work on the rice value chain in Cote d'Ivoire.</li> </ul>
MASHAV	<ul style="list-style-type: none"> <li>• MoU signed in May 2012.</li> <li>• The Government of Israel contributed EUR60,000 to UNIDO to support agribusiness development in South Sudan and Ethiopia in October 2012.</li> <li>• 23 local stakeholders of the UNIDO technical assistance projects in Africa were invited to a MASHAV training programme in April 2013.</li> <li>• Both organizations are exploring working modalities to deploy Mashav experts to the UNIDO projects.</li> </ul>
QUINVITA	<ul style="list-style-type: none"> <li>• MoU signed in November 2011.</li> <li>• Strategic analysis of the potential of novel bio-energy crops in ECOWAS countries was jointly implemented by the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE), QUINVITA and UNIDO.</li> </ul>
Tetra Pak	<ul style="list-style-type: none"> <li>• Formulating a scope of cooperation for the UNIDO dairy project in Rwanda</li> <li>• Finalizing the MoU</li> </ul>

- Promotion of **resource efficient and cleaner production (RECP)** methods in agribusiness value chains. The status of work in progress in this regard is described in Box 2.

### Box 2: Consideration of environmental concerns in agribusiness value chains

The Agri-business Development Branch and the Environmental Management Branch (EMB) of UNIDO have been exchanging various ideas for possible collaboration since the inception of the 3ADI. In this context, the two branches agreed in September 2012 to jointly develop a Sustainable Agribusiness Value Chain diagnostic assessment tool which will fully integrate environmental aspects into an innovative value chain approach that conserves natural resources and increases economic competitiveness through value addition. In May 2013, a discussion paper was prepared based on a mapping exercise of existing environment assessment tools. Once developed, the diagnostic tool will be primarily used to assess environmental impacts across all agribusiness value chain segments from upstream production/cultivation to downstream distribution on soil, water, biodiversity and/or climate. The tool development will be funded jointly by the 3ADI and the Green Industry Initiative.

### Funding of 3ADI

3ADI is closely linked to the UNIDO Trust Fund on Food Security, created in 2009 following a General Conference decision to allocate unutilized balances of appropriations due to Member States to special accounts for technical cooperation (in this case increased food security through agribusiness and agro-industry promotion<sup>59</sup>). So far a total of €883,388 was allocated from the Trust Fund to 3ADI core budget, which was received in the form of two consecutive contributions (€300,000 in 2010 followed by €300,000 in 2012 and €283,388 in 2013). Moreover, a contribution was received from the Government of Finland (UE/GLO/10/016), €353,982 and from the Government of the Czech Republic (US/GLO/10/018, €76,581). As at end of April 2013 the total budget allocated to the 3ADI programme covered a total of €1,344,495. The overall core funding situation and its status by sub-project and by budget line are summarized in Table 3.

**Table 3: 3ADI Funding status**

Project Country Name	Project No.	SAP	Approved Budget revision	Total budget* in EUR	Donor Funding source
3ADI (Core budget)	TE/GLO/10/017	101120	Aug 2010	300,000	Food security trust fund
			May 2012	300,000	Food security trust

<sup>59</sup> UNIDO GC document GC.13/INF.4, GC.13/Dec.15

## Annex 1: Terms of reference

Project Country Name	Project No.	SAP	Approved Budget revision	Total budget* in EUR	Donor Funding source
					fund
			Feb 2013	283,388	Food security trust fund
			Mar 2013	20,362	FAO and AfDB
	UE/GLO/10/016		Aug 2010	353,982	Finland
	US/GLO/10/018		Sep 2010	76,581	Czech Republic
	TF/GLO/12/022		Jun 2012	10,181	FAO
Subtotal				1,344,495	
DR Congo	TF/ZAI/11/001	101116	Mar 2011	882,390	Japan
	TF/ZAI/12/001	120428	Feb 2013	882,390	Japan
Guinea Conakry	TF/GUI/12/003	120220	Dec 2012	2,036,283	Japan
Nigeria	SF/NIR/13	120624	Mar 2013	1,100,115	Nigeria
Rwanda	FB/RWA/08/G01 FB/RWA/08/H01 FB/RWA/08/K01	101040	April 2011	194,672	One UN fund
Sierra Leone	TF/SIL/11/002	101108	Feb 2011	1,357,523	Japan
South Sudan	TF/SUD/11/003	101115	Dec 2010	1,977,067	Canada
Sudan	TE/SUD/12/006	110029	May 2012	262,888	Italy
Tanzania	FB/URT/11/D04	101185	Sep 2011	173,701	One UN fund
	FB/URT/11/E04	101171	Sep 2011	475,248	One UN fund
	FB/URT/11/F04	100228	Sep 2011	186,576	One UN fund
Afghanistan	FM/AFG/09/002	101048	Dec 2009	367,259	Spain MDG
India	TE/IND/12/002		Aug 2011	44,247	Food security trust fund
	UC/IND/12/001		Aug 2011	18,100	India
AAF TAF	YA/RA/F11/021		Sep 2011	72,000	UNIDO

Project Country Name	Project No.	SAP	Approved Budget revision	Total budget* in EUR	Donor Funding source
					SRA
South Sudan and Ethiopia		120554	Oct 2012	108,000	Israel Czech Republic
3ADI PPP		120113	May 2013	619,469	Japan
Subtotal				10,757,926	

\* PAD amount without the project support cost

A priori candidates for field based assessment would seem to have been (based on size of budget and duration of implementation) the projects in DRC, SIL, GUI, SSD and NIR. However, based on the information below, no field visit is envisaged but rather a meta evaluation of available evaluation reports (independent and self-evaluations):

- DRC: evaluation conducted (cf final report, J.M. Le Ry, October 2012) in the context of the thematic evaluation of UNIDO's Post-Crisis interventions; its follow-up phase will be subject to self-evaluation (end 2013)
- Sierra Leone: evaluation conducted; draft report/April 2013 under review by Eval (in context of thematic evaluation of UNIDO's Post-Crisis interventions)
- Guinea: Desk review scheduled for August 2013 (in context of thematic evaluation of UNIDO's Post-Crisis interventions)
- South Sudan: Independent evaluation for the project will be conducted in 2014
- Nigeria: Project is starting in June 2013. The project is premature for the evaluation

Using the core funding allocated to 3ADI, the initiative has been able to mobilize a sizeable amount of financial resources, particularly for technical cooperation interventions in the selected countries (cf. information to this end in Table 1). At the twenty-sixth session of the Programme and Budget Committee (PBC), Member States underlined the importance of the "investment" nature of the trust fund on food security. The target is that "(the trust fund) would result in programmes worth at least ten times the originally invested amount, thus providing strong leverage"<sup>60</sup>. So far a total of about €11 million has been mobilized through 3ADI, which is expected to see a steady increase, as several new projects are under discussion with donors.

<sup>60</sup> UNIDO PBC document PBC.26/10

## **Programme governance**

The initiative is owned and governed by its founding partners, namely the three UN agencies (IFAD, FAO, UNIDO) and the AfDB, in line with decisions taken at the Abuja conference. When initiating this partnership, there has not been a formal agreement on the division of labour between the core partners (information exchange and discussions on synergies take place on a case by case basis). While the designated focal points/coordinators in each of the organizations work in a networking fashion there is no formal steering group mechanism in place bringing together the 4 core partners to periodically take stock of progress of the initiative as a whole and provide strategic guidance. The cooperation with other partners associated at the level of specific themes/countries is formalized in one-to-one partnership agreements (MoUs).

Within UNIDO, the 3ADI is developed and led by the Agri-Business Development Branch that includes a 3ADI Programme Management Unit established at UNIDO HQ to steer and monitor programme implementation, including the mobilization of expertise from other PTC branches, and field offices.

For work in each of the participating countries, project managers are selected within UNIDO who have full responsibility for planning and implementing technical cooperation projects for the country/countries he/she covers. Depending on the project focus and expertise required, the project managers are staff of PTC/AGR or of another branch.

### **1. Rationale and purpose**

This independent evaluation is the first evaluation of the 3ADI initiative since its launching in 2010. The evaluation is conducted in particular at the request of UNIDO's Approval and Monitoring Committee (AMC) and has a forward looking focus. The overall aim is to review the results of the programme after some 3 years of operation and inform the future development of the programme. More specifically, the findings of the evaluation are expected to guide the design of a new programme document including updating of the logical framework as part of necessary steps to earmark future core funding for the initiative. Considering the importance of the programme, the findings of the evaluation are expected to be available for the forthcoming UNIDO General Conference (December 2013).

The evaluation is managed by UNIDO and focus is on UNIDO specific interventions. It thus does not encompass a joint stock taking involving the other three core partners. However, as 3ADI concerns a joint initiative, these partners will be (i) among the key programme stakeholders to be interviewed by the evaluation team and requested to review and comment on (ii) the draft ToR of this evaluation and (iii) the draft evaluation report.

The evaluation will feed into a related evaluation planned for 2013, namely the Thematic Evaluation of the UNIDO Business Partnership Programme (that includes inter alia 3ADI). Moreover, the evaluation will benefit from prior evaluations conducted by UNIDO, in particular recent UNIDO Country Programme Evaluations in the countries covered by 3ADI that included an assessment of UNIDO support pertaining to agribusiness development and also

the Thematic Review of UNIDO's agribusiness/agro-industrial development interventions (2010). Moreover, the evaluation will benefit from independent evaluations conducted so far of UNIDO projects developed under the 3ADI umbrella (the case of the projects in DR Congo and Sierra Leone, within the framework of the thematic evaluation on UNIDO's Post-Crisis Interventions), as well as by self-evaluations (case of follow-up project in DR Congo and Guinea).

## 2. Scope and focus

The evaluation will cover the 3ADI from its inception to the present. It will consider all major interventions and activities undertaken within the context of the programme. Whereas it will focus primarily on the work done by UNIDO, it will also look into synergies with the work of its core partners under the 3ADI umbrella as the programme constitutes a joint effort. To the extent it concerns the start-up stage of the programme, emphasis will be on the assessment of its design, processes put in place and take stock of implementation and processes to date. The evaluation will look at the programme achievements under each of the four components listed under section 1 (technical cooperation; investment finance; PPP; and RECP) including a portfolio review of sub-projects developed for selected countries and themes.

The evaluation will address in particular the following evaluation criteria: ownership and relevance, effectiveness, and efficiency. Also cross-cutting issues will be covered, in particular gender equality and environmental sustainability. For most projects it will be premature to look at the programme's outcome and impact at this stage. However, where possible, the evaluation will look for evidence of achievement of outcomes and impact and will assess the sustainability of various components.

In general terms, UNIDO has both a short-term and a longer-term or strategic interest in this evaluation. The evaluation has a short-term purpose in that the current core funding is limited and ends in 2013. The recommendations of this evaluation are thus crucial for a continuation of the programme.

Moreover, the evaluation is of strategic and longer-term interest, as the experience gained with 3ADI will provide learning for UNIDO as regards this new organizational modality that (i) combines technical cooperation and public/private investment, (ii) involves cross-organizational teams and (iii) mobilizes multiple external partnerships. It is important to seize learning opportunities from "doing things differently" that should optimize the way in which the programme evolves over the coming years. Lessons of 3ADI's modus operandi are expected to be also of relevance for and guide other organization-wide and multi-stakeholder initiatives.

Accordingly, recommendations will need to cover short-term and longer-term actions to be pursued based on the evaluation findings and cater to different users, in particular: UNIDO management and its core partners of 3ADI, partner Governments, donors having allocated or planning to allocate financial resources to the initiative, stakeholders of technical assistance projects funded under the

3ADI initiative and other partners associated to the different components of the programme.

### **3. Key evaluation questions**

The evaluation will address the following evaluation questions and sub-questions:

#### **Design of 3ADI**

- To what extent did the design of 3ADI take into consideration existing global, regional and national strategic frameworks strategies or initiatives aimed at fostering agriculture and agribusiness development in Africa/LDCs that follow a value chain and public-private partnership (PPP) approach?
- How were target countries and sectors decided on? What are the factors that explain the decision to increase the number of countries covered by the initiative beyond 12 countries (that were primarily in Africa and mainly LDCs)?
- To what extent were the initiatives under 3ADI developed together with the other 3ADI partners? To what extent have other UNIDO services (TCB, PSD, Environment, Energy) been involved in the design of the initiatives?
- Was the initial 3ADI intervention logic clear and consistent? Are outputs likely to lead to the foreseen outcomes? To what extent was the initial logical framework amended (for now in draft form; cf Annex A.2) and what explains this change in the intervention logic? When did the change in orientation take place? Was this the result of discussions among the core partners?
- To what extent and how were gender mainstreaming and environmental sustainability addressed in the design of 3ADI and in the design and implementation of individual projects?<sup>61</sup> To what extent was south-south cooperation envisaged through 3ADI as per the design of the programme?

#### **Ownership and relevance**

- To what extent and in what form did each of the programme partners make available core funding to kick off this joint initiative? Have there been bottlenecks so far in this respect? To what extent and in what form did associated partners show co-ownership by providing contributions (cash/in-kind)?

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<sup>61</sup> The evaluation will be guided in this respect by a list of generic questions (cf. ToR template)



- To what extent and how have counterparts and local/regional stakeholders been involved and participating in the needs assessment, design and implementation of country-specific interventions under 3ADI? To what extent have counterpart contributions (cash; in kind) been allocated to the interventions under 3ADI? To what extent and how were local support institutions and consultants involved in the formulation and implementation of 3ADI interventions?
- To what extent is 3ADI relevant to key partners involved in the initiative?

#### **Efficiency of implementation**

- Were the existing UNIDO procedures for funding and implementation appropriate?
- Was the UNIDO contribution to the implementation of 3ADI adequate in terms of the quantity, quality and timeliness of inputs and technical and administrative services?
- Was the utilisation of the available core budget appropriate?
- Were the reporting, monitoring and evaluation mechanisms adequate?

#### **Effectiveness**

- Assessment of results by component:

\*Technical assistance: to what extent have outputs been produced and are there indications at this stage of the likelihood to achieve outcomes?

\*Investment finance: what is the status of the facilities to which UNIDO contributed in technical and financial terms? Have funds been used and if so for what and with which results to date?

\*Partnerships: what are the results/is the value added of the partnerships established so far?

\*RECP: what has been achieved so as regards the integration of resources and efficiency and cleaner production issues in 3ADI interventions?

- To what extent are there indications that outputs are leading to foreseen outcomes at this stage of implementation?

#### **Programme coordination and management**

- What was/is the perceived division of labour among the four core partners? How are the other core partners involved in the four different components of 3ADI? To what extent has there been joint formulation and implementation at the project level (the technical cooperation component)? Were their field offices actively involved and how? What are the lessons learned from such joint project design/implementation activities? Were fund mobilisation efforts undertaken jointly? To what extent are the projects developed and funded so far “multi-partner” (involving the active collaboration of all or some of the core partners) or

- “stand alone”, with each organization developing their own projects under 3ADI? What is the ratio “UNIDO-alone” versus “joint projects” in the current 3ADI portfolio?
- Has UNIDO senior management support to this new initiative been adequate in terms of financial resource allocation and strategic guidance? To what extent have changes in the programme’s focus/scope during implementation been discussed and documented?
  - How was the PMU staffed, how did it evolve over time and what is its current structure and staffing? How are intra-UNIDO linkages pertaining to 3ADI activities put in place and monitored? To what extent and how were the UNIDO regional and country offices involved in the 3ADI interventions so far?
  - To what extent could existing tools pertaining to value chain (VC) analysis and value chain development (UNIDO, others accessible through the DCED<sup>62</sup> inter-agency data base) be used and how were they used?
  - Was a monitoring and evaluation system put in place for the programme and for individual projects? How does it compare to the DCED standard for results measurement? Were baseline data collected prior to the start of the project interventions, to allow for measurement of results and impact?

## 1. Evaluation approach and methodology

This evaluation will be carried out in line with the principles laid down in the “UN Norms and Standards for Evaluation” and the Evaluation Policy of UNIDO <sup>63</sup> and apply the standard DAC evaluation criteria to address, as systematically and objectively as possible under the given resources and time boundaries, the evaluation issues and related questions listed above. Achievements will be assessed against the objectives and indicators set out in the initial logical framework as well as in the amended draft logical framework (cf Annex A.1 and A.2).

While maintaining independence, the evaluation will be carried out following a participatory approach, which seeks the views and assessments of all parties. Considering the partnership modality of this programme, the three core partners of UNIDO will be informed of this evaluation, invited to comment on the ToR and solicited for interviews by and for sharing documentation with the evaluation team.

The evaluation will be carried out through analysis of various sources of information and triangulation/cross-validation of data. This will encompass desk review, interviews with the 3ADI coordinators in each of the core partner organizations, interviews with relevant UNIDO staff members, including focal points/team leaders and team members of selected country specific

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<sup>62</sup> Donor Committee on Enterprise Development

<sup>63</sup> Available from [www.uneval.org](http://www.uneval.org)

interventions, associated stakeholders in partner countries, including counterparts, beneficiaries, and donor representatives, experts and consultants attached to individual projects and with private partners. For the sake of efficiency, interviews will be mainly by phone/skype, with the exception of the core partners (that will be interviewed in their respective locations). No field visit to assess individual projects developed under 3ADI is envisaged.

More specifically, the evaluation will rest on the following methodological pillars:

- Desk review: background analysis/document review (programme context; programme itself); portfolio analysis (project documents, reports and evaluations); review of approved projects, using a matrix developed for this purpose
- Interviews with UNIDO HQ staff (Coordinator PTC/AGR; team leaders and team members for the country interventions of PTC/AGR and staff of other branches involved in 3ADI; Regional Bureaux; coordinators/members of Committees involved in decision making on 3ADI, in particular AMC members, Quality Assurance Group
- In-situ interviews with all core partners (FAO, IFAD, AfDB)
- Phone interviews with other associated partners (cf. Table 3)
- Internet based survey: it is suggested to conduct a small internet based survey, in order to reach out to all chief counterparts of 3ADI, sub-projects and UNIDO offices at the level of the participating countries so far (n= 25).
- Evaluation analysis and report writing.

The evaluation team will propose a further developed methodology based on the above elements in its inception report (using the Evaluation Group format).

## 2. Time schedule and deliverables/outputs

The tentative schedule of the evaluation is as follows:

<b>Tasks</b>	<b>Tentative schedule</b>
Desk review	July - August 2013
Interviews at HQ	August/September 2013
Inception report	July 2013
Interviews with core partners and associated partners	August-September 2013
Survey	September 2013
Field visits to selected countries (to be determined)	September 2013
Drafting and validation of evaluation report	October 2013

### **3. Evaluation team composition**

The evaluation will be composed of two international evaluators – one senior team leader and one evaluation consultant. The distribution of tasks among the members of the evaluation team is defined in the attached Job Descriptions.

In terms of language, the evaluation will be conducted in English and the final report will be drafted in English. Ideally all team members are however fluent in at least English and French, as some of the documents to be reviewed and some of the field work will require French.

### **4. Governance and management of the evaluation process**

This evaluation will be jointly managed by the 3ADI coordination team and the UNIDO Evaluation Group. The Evaluation Group will be responsible for quality assurance of the inception report and of the draft and final evaluation report. The core partners of UNIDO as regards 3ADI will be asked to review and provide their comments on an advanced draft version of the evaluation report.

### **5. Quality assurance**

All UNIDO evaluations are subject to quality assessments by the UNIDO Evaluation Group. Quality control is exercised throughout the evaluation process as the above chart predicts. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality.

## Annex 2: List of persons met/consulted

Organization	Name and Position
<b>UNIDO HQ</b>	
<b>Evaluation Group</b>	Margareta de Goys, Director
	Johannes Dobinger, Evaluation Officer
	Massoud Hedeshi, Evaluation Officer
<b>Agri-Business Development Branch</b>	Philippe Scholtès, Director, PTC/AGR and Officer-in-Charge of the Programme Development and Technical Cooperation Division (PTC)
	Toshiaki Ono, Project Manager
	Aurelia Calabro-Bellamoli, Project Manager (PM) and Unit Chief
	Chakib Jenane, PM and Unit Chief
	Karl Schebesta, PM and Unit Chief
	Bassel Al Khatib, PM
	Gabi Ott, PM
	Dejene Tezera, PM
	Leopold Fabra Cadenas, PM (consultant); former member of 3ADI PMU
	Kjell Sundin, PM (consultant); former member of 3ADI PMU
<b>Trade Capacity-building Branch</b>	Bernard Bau, PM
<b>Environmental Management Branch</b>	Jean-Brice Blavignac, PM (consultant)
<b>Business, Investment and Technology Services Branch</b>	Tidiane Boye, PM
<b>Business Partnerships Group</b>	Rana Fakhoury, PM (consultant)
<b>Strategic Planning, Donor Partnerships and Quality Assurance Branch</b>	Adot Killmeyer-Oleche, Unit Chief, Quality Assurance
	Thuy Le, Quality Assurance Officer
<b>Other</b>	Tally Einav, DDG/DDG – former coordinator of 3ADI PMU
<b>FAO</b>	
<b>Rural Infrastructure and Agro-Industries Division (AGS)</b>	Calvin Miller, Senior Officer and Group Leader, Agribusiness and Finance Group
	Emilio Hernandez Hernandez, Agricultural Finance Officer, Agribusiness and Finance Group
	Divine Nganje Njie, Senior Officer, Agro-Food Industry Group

## Annex 2: List of persons met/consulted

Organization	Name and Position
	Carlos da Silva, Senior Officer, Agro-Food Industry Group
	Florence Tartanac, Senior Officer, Market Linkages and Value Chains Group
<b>Office of Evaluation</b>	Tullia Aiazzi, Senior Evaluation Officer
<b>Technical Cooperation Department</b>	Guy Evers, Deputy Director, Investment Centre
<b>Regional Offices</b>	Stephanie Gallatova, Agro-industries and Infrastructure Officer, FAO Regional Office for Africa - met in FAO HQ
	Gavin Wall, Sub-regional coordinator for the Pacific (former Director, AGS and involved in 3ADI since GAIF/India) – via skype
<b>IFAD</b>	
<b>Partnership and Resources Mobilisation</b>	Mohamed Beavogui, Director, and Senior Advisor to the President (former Director, West and Central Africa Division; involved in Abuja Conference and follow-up) - via phone
<b>Programme Management Department</b>	Abdoul Barry, Country Programme Manager (involved in Abuja Conference and follow-up)
<b>Policy and Technical Advisory Division</b>	Mylène Kherallah, Senior Technical Advisor (management of AAF TAF)
<b>AfDB</b>	
<b>Agriculture &amp; Agro-Industry Department (public sector wing)</b>	Chiji Ojukwu, Director
	Damian Ihedioha, Principal Agro-Industry Specialist
	Abdoulaye Dagamaissa, Manager, North/East Africa Division
	Josephine Mwangi, Manager, Southern and Central Africa Division
	Amadou Ibrahim, Chief, Portfolio Officer
	Benedict S. Kanu, Lead Agriculture Expert, Special Initiatives and Collaborative Programmes
<b>Industries and Services Division (private sector wing)</b>	Mouhamadou Niang, Manager, Industries and Services (via phone)
<b>Financial Sector Development Department</b>	Habib Attia, Donor Relationship Officer, Making Finance Work for Africa Programme
<b>Other</b>	
<b>GIZ, Africa Department</b>	Ulrich Boysen, Senior Adviser, Regional Cooperation Africa; contacted as formerly at AfDB (on secondment / GIZ) and acting as AfDB counterpart involved in 3ADI TAF concept development (via phone)
<b>UNIDO-Tunis</b>	Jean-Claude Plana, Representative (in conjunction with mission/AfDB)

## Annex 3: List of key documents consulted

Title	Year
<b>3ADI</b>	
UNIDO, Addressing the world food crisis, Report by the Director-General on UNIDO's response to the global food crisis, prepared in compliance with Board Decision IDB.34/Dec.6, September 2008	2008
UNIDO/FAO, Expert Group Meeting on Agribusiness and Agro-industries Development in Africa, 27-29 April 2009, <i>Accelerating Agribusiness and Agro-industries Development in Africa</i> , Resource Paper prepared by Market Matters Inc., USA	2009
FAO and UNIDO, C. da Silva et al. (ed.), <i>Agro-Industries for Development</i> (joint publication that is the outcome of the GAIF/India)	2009
FAO, Report of the Regional Agro-Industries Forum for Latin America, Lima (Peru), 5-7 October 2009	2009
FAO and UNIDO, Report of the High Level Conference on Agro-industry and Agribusiness for Africa, Abuja, Nigeria	2010
Report of the Regional Agro-Industries Forum for the Middle East and North Africa, Beirut (Lebanon), 15-18 November 2011	2012
Abuja Declaration on development of agribusiness and agro-industries in Africa, 10 March 2010	2010
3ADI Strategic Framework document	2010
UNIDO Agribusiness Development Branch, Power Point presentation - Enhancing Africa's competitiveness through agribusiness and agro-industries development	2010
Project documents TF/GLO/10/016 (Finland), TE/GLO/10/017 (UB), and Support to agribusiness and agro-industry development initiatives: implementing the Three Frameworks	2010
Periodic reporting on 3ADI (cf. Also IDB/PBC below)	2011-13
Interoffice Memoranda pertaining to 3ADI budget allocations/revisions	2012
3ADI website ( <a href="http://www.3ADI.org">www.3ADI.org</a> ), including VC related manuals posted on the website	
BTO mission reports (covering missions to client countries; core and associated partners; 3ADI related events; potential donors)	2010-2013
AMC meeting records on the 3ADI	2010-2013

## Annex 3: List of key documents consulted

Title	Year
Note on TFFS status as at Sept 2013	2013
UNIDO cooperation with FAO (investment promotion related pilot training)/concept notes, project document	
Concept notes/mission reports/presentations/TF minutes/press releases - related to the investment finance component (Agvance Fund; AAF TAF; 3ADI TAF)	2011-2013
Partnership agreements (associated partners)	
Country strategy papers/project documents (e.g., Ghana, Togo, Niger, Haiti, Burkina Faso, ...)	2011-2013
Independent Evaluation of 3ADI project in DRC - TF/ZAI/11/001 (J.M. Le Ry, 2012) and request for bridging funding	2012/2013
Independent Evaluation of 3ADI project in Sierra Leone - TF/SIR/11/002 (S. Taylor and L. Salehiravesh)	2013
3ADI Public Private partnership Platform, project document (funding/Japan mid 2013)	2012
<b>UNIDO general</b>	
UNIDO General Conference, 7-11 December 2009, Agenda item 8, Document GC.13/INF.4, GC.13, 7/Dec.15	2009
Related IDB reports (TFFS and 3ADI): IDB.36/12/Add.1; IDB 39/10; IDB 40/6; IDB 41/10	Period 2009-2013
Related PBC reports (TFFS and 3ADI): PBC 27/10; PBC 28/6; PBC 29/10	Period 2009-2013
UNIDO, Agribusiness for Africa's prosperity	2011
UNIDO, Agribusiness for Africa's prosperity, country case studies	2012
UNIDO Evaluation Group, Thematic review of UNIDO services in support of agri-business	2010
UNIDO Evaluation Group, Country Programme Evaluation, Rwanda	2012
<b>Agriculture/agribusiness/value chains/gender/general</b>	
World Bank, 2008 World Development Report	2007
K. Annan, Global Conference on Agricultural Research for Development, Montpellier, France, March 2010	2010
African Union, Catalysing the private sector to boost agricultural trade: synergies and complementarities for agriculture and trade support initiatives: a Discussion Paper for the Joint Session of the Conference of African Ministers of Agriculture and Ministers of Trade, 29-30 October 2012, Addis Ababa	2012



## Annex 3: List of key documents consulted

Title	Year
T. Altenburg, Donor approaches to supporting pro-poor value chains, Report prepared for the Donor Committee for Enterprise Development Working Group on Linkages and Value Chains, German Development Institute, July 2006 rev. 2007	2007
USAID, Implementing best practices for value chain development, micro-report nr. 167, September 2010	2010
J. Humphrey and L. Navas-Alemán, Value Chains, Donor Interventions and Poverty Reduction: a review of donor practice, Institute of Development Studies	2010
ILO, Value chain development approaches and activities by seven UN agencies and opportunities for inter-agency cooperation, A. Stamm and C. von Drachenfels (German Development Institute)	2011
IFAD, Private Sector Strategy - Deepening IFAD's engagement with the private sector	2012
UNDP, The roles and opportunities for the private sector in Africa's agro-food industry	2012
Committee on World Food Security, Global Strategic Framework for Food Security and Nutrition (GSF), second version	2013
Wageningen University & Research Centre, Centre for Development Innovation, Seas of change – a report on scaling inclusive agri-food markets ,	2012
Grow Africa, Investing in the future of African agriculture	2013
UNECA, Making the most of African commodities: industrialization for growth, jobs and economic transformation	2013
Agriculture for Impact & ODI, Leaping and learning: linking smallholders to markets	2013
World Bank, Growing Africa: unlocking the potential of agribusiness	2013
Making Finance Work for Africa - general documentation on the programme	
European Centre for Development Policy Management, blog release on a retreat organized by the WB to reflect on support to CAADP ("CAADP at 10") in June 2013 in Maastricht, The Netherlands (source: <a href="http://www.ecdpm-talkingpoints.org">www.ecdpm-talkingpoints.org</a> )	2013
ILO, A practical guide to mainstreaming gender analysis in value chain development	2007
M. Maertens and J. F.M. Swinnen, Gender and modern supply chains in developing countries, LICOS Centre for Institutions and Economic Performance, LICOS Discussion Paper Series, 231/2008	2008

Annex 3: List of key documents consulted

Title	Year
IFAD, Transforming agricultural development and production in Africa, closing gender gaps and empowering rural women in policy and practice - results of a joint programme of the Salzburg Global Seminar and IFAD, 13-17 November 2011	2011
FAO, The role of women producer organizations in agricultural value chains, practical lessons from Africa and India, A. Elbehri and M. Lee	2011
DCED Standard for Measuring Results in Private Sector Development/version 2012	2012

## Annex 4: Report of field surveys

Two survey questionnaires were prepared by the evaluation team and shared with the Evaluation Group and Agri-Branch prior to their launching: one to the chief counterparts of 3ADI projects and the other one to the FOs in the respective 3ADI countries. Both surveys were web-based using UNIDO's internet tool for online surveys.

### A. Chief Counterparts

#### Coverage

Invitations to participate in the survey were sent on 10 October 2013; one reminder was sent a week later; and the survey was closed on 24 October 2013. A total of 19 invitations were sent to chief counterparts of 3ADI projects in 15 countries.

The actual coverage was as follows:

- (a) From the initial list of 12 3ADI countries, no or incomplete contact data were received for 6 countries; the survey was sent to 7 chief counterparts in the remaining 6 initial 3ADI countries (in one country case involving two respondents). Responses were received from 1 person (one country);
- (b) From the second generation of 13 3ADI countries, no contact data were received for 4 countries; the survey was sent to 12 chief counterparts in the 9 remaining second generation 3ADI countries (in some countries involving more respondents). Responses were received from 6 persons in 4 countries

Total: 7 responses (covering 5 countries) out of a total of 19 invitations sent (about one third). Overall, given the problems faced in timely getting the right contact data, for less than one third of the 3ADI countries, the perception of counterparts was obtained through the survey.

#### Survey findings

*Q. Please indicate how/where your country learned about 3ADI or about project(s) under this initiative [Note: Multiple responses are possible].*

The majority of the respondents learned about the 3ADI project(s) either from the country's UNIDO Office, from project staff of UNIDO/FAO/IFAD/AfDB or from their staff visiting the country; in one case , information on 3ADI was received from the FAO Office in the country.

*Q. In which stages of the preparatory work of the 3ADI project(s) in your country are/were you involved? [Note: Multiple responses are possible]. Please elaborate.*

Respondents' involvement and responsibilities covered different steps, varying from preparing the request for the country to be included in the 3ADI, participation in fact finding, needs assessment, value chain mapping, to

contribution to the formulation of full-fledged project documents; limited reference was made to a role played in the facilitation of linkages/synergies with related assistance (national; donor supported) in their country and to their involvement in funds mobilization.

*Q. In which stages of preparatory work were other local organizations & local consultants involved? Please explain.*

The preparatory work - value chain diagnosis and mapping, formulation of project document(s) including discussions with government - was reported to have involved local organizations and individual consultants (recruited for this purpose).

*Q. How was/were the sector(s) / value chain(s) decided on?*

Diverse factors were mentioned as having contributed to the decision on the choice of the value chain; these covered in particular: findings of the VC diagnosis/mapping; potential of the region; decision making based established criteria list; recommendations made by consultants commissioned to prepare the report. In some cases, there was reference to joint decision making (participatory approach) based on value chain diagnosis; in other cases the decision was taken by higher authorities.

*Q. Which past and current studies and national/regional strategies related to agriculture and agribusiness development in general and specific sector/value chains did the design phase take into consideration? Please specify the strategies.*

In some cases, related studies and/or analyses were considered in the preparation of the project(s); in one case it was pointed out that national strategies were not given weight in the analysis, with rather the consultants deciding on the strategy.

*Q. In your opinion, to what extent has the design of the 3ADI support been aligned to these strategies?*

The majority of respondents mentioned that the design of the 3ADI support is somewhat aligned to the past and/or current national/regional strategies related to agriculture and agribusiness development in general.

*Q. Was a validation workshop organized at the country level to discuss and agree on (i) the result of the value chain mapping and (ii) the project document?" Please elaborate*

In some cases, the project(s) is (are) yet to begin. Some respondents stated that workshops were conducted, whereas some mentioned that no formal workshops had taken place. In one case, it was pointed out that the final project document was not shared with the counterpart.

*Q. What do you see as the main value added of the 3ADI project(s) in your country?*

The majority of the respondents saw the main value added of the 3ADI project(s) in the strengthening of the local value chains. In one case, the issue was raised whether the inputs could have been sourced within the country. This is interpreted as if the respondent felt that more local expertise could have been used in the preparatory work.

*Q. What has been/is the contribution of your Government in the 3ADI project(s) in your country? Kindly specify. [In-kind (please specify)]*

Most of the respondents stated that the Government made in-kind contributions (staff time), complemented by project staff.

*Q. What has been/is the contribution of your Government in the 3ADI project(s) in your country? Kindly specify. [Financial (please specify the amount in USD)]*

In a few cases, the government also made a financial contribution; in one case there was said to be cost-sharing of 50% of the total project budget.

*Q. What are in your view the results so far of the 3ADI project(s) developed in your country? Please elaborate.*

In most cases, project(s) is (are) not yet operational or in the initial stages of implementation; where implementation is ongoing, results were said to be achieved and in one case, it was mentioned that there is potential for the project(s) to be expanded to cover other regions as well.

*Q. How would you rate the results so far in your country? Please elaborate your response.*

In the majority of the cases, it is too early to rate results. In one case, results are higher than expected and in another case, results are below expectations. It was pointed out, by one respondent, that the funding situation is unpredictable and could affect the taking-off of the project (or dropping of the project, in case it does not work out).

*Q. In your opinion and based on implementation so far, do the 3ADI interventions as planned have a potential for impact on agri-business development in your country?*

All the respondents assess the 3ADI interventions to likely have a positive impact on agri-business development in their country.

*Q. To what extent is the UNIDO support received so far within the context of 3ADI adequate in terms of the quality of inputs?[very adequate, somewhat adequate, not adequate, don't know]*

The majority of the respondents consider the UNIDO support received so far in terms of quality of inputs to be somewhat adequate; a few respondents consider them to be very adequate.

*Q. To what extent is the UNIDO support received so far within the context of 3ADI adequate in terms of the quantity of inputs? very adequate, somewhat adequate, not adequate, don't know]*

All the respondents consider UNIDO support received so far in terms of quantity of inputs to be somewhat adequate.

*Q. To what extent is the UNIDO support received so far within the context of 3ADI adequate in terms of the timeliness of inputs? [ very adequate, somewhat adequate, not adequate, don't know]*

Almost all the respondents, with the exception of one, consider UNIDO support in terms of the timeliness of inputs to be somewhat adequate. In one case, it was mentioned to be very adequate.

In their remarks in this regard, some respondents mentioned that UNIDO itself was expected to also contribute to funding and that some activities were delayed due to the late release of funds.

*Q. In your opinion, how is the monitoring and reporting mechanism so far? Please elaborate.*

Responses were quite mixed in this respect, varying from not in place and not adequate to very adequate in one case.

*Q. Are you aware of the 3ADI web site?*

Whereas the majority was not aware of the website, some were aware of it, though not many often consulted it.

*Q. For what purpose? [to search for general information; to access tools/manuals; to search for contact details; other]*

In the cases where the website was said to be consulted, the purpose was to search for general information or to access tools/manuals.

*Q. Have you used the value chain related tools developed by UNIDO?*

The UNIDO value-chain tools have been used by a minority of the respondents, with most of these finding it very useful and, in one case, somewhat useful.

*Q. What is your perception on the cooperation between UNIDO and the other 3ADI core partners (AfDB, IFAD, FAO) as regards the 3ADI project(s) in your country? Please elaborate.*

Most of the respondents mentioned that either they do not know or there is no cooperation; in one case, reference was made to a high degree of cooperation, and to some cooperation in another case.

*Q. To what extent are there synergies of the 3ADI project(s) with other (prior/ongoing) support in the field of agriculture and agribusiness development in your country? Please elaborate.*

The responses were across the board: in some cases there are synergies; in other cases, project implementation has not begun yet (which seems to indicate that they consider it premature to look for synergies); in one case, no synergies were perceived (which may mean that either there are none feasible, or they are not pursued).

*Q. In your opinion, what are the main achievements of the 3ADI project(s) so far and which are the key factors having contributed to the results achieved so far?*

In most of the cases, the respondents perceived it as too early to show results so far; in some other cases, there was said to be indication of some results (that were however not further specified by the respondents).

*Q. In your opinion, what are the main constraints/obstacles/problems faced in the design & implementation of 3ADI project(s) in your country so far?*

Funding and staff issues (non-availability and continuity of staff) are the main constraints/obstacles mentioned by the respondents.

*Q. Kindly share your observations in terms of lessons learned and suggestions as regards the continuation/rolling out of the 3ADI in your country/other countries.*

Adequate funding, availability and continuity of project staff and need for involvement of local stakeholders at all levels have been highlighted

## **B. UNIDO Field Offices**

### **Coverage**

Invitations to participate and the survey participation were sent on 7 October 2013; 2 reminders were sent and the survey was closed on 26 October 2013. A total of 21 invitations were sent to FOs in 3ADI countries. Some FOs are responsible for more than one 3ADI country (hence 21); however, the responses focused on one selected 3ADI country.

Complete responses were received from 4 initial 3ADI countries and 4 second generation 3ADI countries (total of 8, corresponding to feedback pertaining to about one third of the countries). The following points were made in the responses from three *other* FOs: (i) FO was not aware of the project; (ii) FO started functioning after the project was well under way and felt not in a position to respond to the questionnaire, and (iii) FO did not wish to respond, as the initial questions on the identity of the person responding to the questionnaire were perceived to be not in line with the proposed anonymity. Finally, it is to be noted

that in case of one of the 8 responses, the questionnaire was not fully completed; however, as around 75% of the questionnaire was completed, this response was included.

### **Survey findings**

*Q. Please indicate how the country learned about the 3ADI initiative (Multiple responses are possible).*

In the majority of the cases, the country learned about the 3ADI initiative through the UNIDO Office. In some cases, it was through staff of UNIDO/FAO/IFAD/AfDB HQ visiting the country or through project staff of one of the cooperating partner organizations, with also a few references made to the related websites. In one case, it was not known how the country learned about the 3ADI initiative, as it started prior to the arrival of the UR in the country.

*Q. In which stages of the preparatory work of the 3ADI initiative at the country level was your office involved? [Note: Multiple responses are possible].*

About half of the FOs responded that they were involved in the fact finding/needs assessment stages. Some FOs were also involved in other preparatory activities, from facilitating the preparation of the request of the country to become a 3ADI country, fact finding/needs assessment, value chain mapping, formulation of full-fledged project document, to funds mobilization. A few of the FOs were not involved in any of the activities.

*Q. In your opinion, to what extent were local counterparts (Ministries, other public/private sector organizations, consultants) involved in the different stages of the preparatory work? Please explain.*

In particular relevant Ministries were stated to have been/be very actively involved in the various stages of the preparatory work.

*Q. How was/were the sector(s) / value chain(s) decided on?*

In more than half of the cases, the sector(s)/value chain(s) were said to have been decided upon in consultation with the counterpart(s)/stakeholders at the government level/Ministries. In one case it was indicated that the value chain was decided on based on value chain analysis work funded by UNIDO.

*Q. Which past and current studies and national/regional strategies related to agriculture and agribusiness development in general and specific sector/value chains did the design phase take into consideration? Please specify the strategies.*

In the majority of the cases past and current national strategies related to agriculture and agribusiness development in general were taken into consideration during the design phase.



*Q. In your opinion, to what extent has the design of the 3ADI support been aligned to these strategies? [strongly aligned, somewhat aligned, not aligned, don't know].*

In 50% of the cases, respondents stated that the design of the 3ADI support is strongly aligned to existing national strategies; in a few cases, it was qualified as somewhat aligned; in some, it was said to be not known.

*Q. What do you see as the main value added of the 3ADI as a new initiative (for the country, UNIDO, the other core partners of 3ADI, other)?*

The majority of the respondents sees the value added role of the 3ADI initiative in terms of its alignment with and support to government's strategies as regards agribusiness development.

However, in a few cases, the respondents do not agree that the 3ADI initiative adds value to the country. Also, the majority of the respondents stated that the 3ADI initiative presents a value added for UNIDO, as it brings the opportunity to partner with other organizations like FAO and IFAD and provides a mandate to work in agribusiness. Few respondents highlighted the importance of initiative for the other core partners.

*Q. What has been/is the contribution of the Government in the 3ADI related efforts undertaken so far in the country (in-kind, financial)?*

Most of the governments contributed in kind by, inter alia, organising meetings, providing technical expertise and/or office space as well as support in the formulation missions. In a few cases, the government also made financial contributions (the size of which was not specified).

*Q. What are in your view the results so far of the 3ADI project(s) developed in the country? Please elaborate.*

In some cases, reference was made to projects that are being/have been developed and follow-up initiatives; in other cases, results were said to be not (yet) visible.

*Q. In your opinion and based on implementation so far, do the 3ADI interventions as planned have a potential for impact on agri-business development in the country?*

All the respondents perceive the 3ADI interventions to have a positive potential for impact on agribusiness development in the country (as indicated by one case, provided funds can be mobilized). In one case, it was pointed out under this question that the involvement of the FO by UNIDO HQ in the 3ADI project(s) is wished (answer fitting under the next question).

*Q. In your opinion, to what extent is the UNIDO support received by the country so far, within the context of 3ADI, adequate in terms of the quality, quantity and timeliness of inputs? [very adequate, somewhat adequate, not adequate, do not know].*

Half of the respondents consider 3ADI support in terms of quality of inputs to be very adequate, some considering it to be somewhat adequate. In terms of quantity of inputs, almost an equal number of FOs find the 3ADI support to be either somewhat adequate or not adequate. In one case it was assessed to be very adequate. As regards the timeliness of inputs, the opinions tend to be evenly split between either assessing this dimension as very adequate, somewhat adequate or not adequate.

*Q. In your opinion, how is the monitoring and reporting mechanism so far? [ very adequate, somewhat adequate, not adequate, not in place, don't know] Please elaborate.*

Most of the respondents stated that the monitoring and reporting mechanism is either somewhat adequate or not in place (in some cases, the stated reason for this being that the project has not yet started).

*Q. Are you aware of the 3ADI web site? Have you consulted it? For what purpose?*

Most of the FOs are aware of the 3ADI website and have consulted it, though not often; if consulted it has primarily been for searching general / specific information.

*Q. In your opinion, have the value chain related tools developed by UNIDO been used in the design of 3ADI project(s) in the country? How would you rate these tools? [very useful, somewhat useful, not useful, don't know]*

According to more than half of the respondents, the value-chain related tools have been used in the design of the 3ADI project(s) in the country and were found to be somewhat useful or in one case even very useful; some FOs question if the tools were used or do not know.

*Q. What is your perception on the cooperation between UNIDO and the other 3ADI core partners (AfDB, IFAD, FAO) as regards the 3ADI project(s) in the country? Please elaborate.*

With one exception (referring to 'some cooperation'), according to all respondents there is no cooperation between UNIDO and the other 3ADI partners. Other agencies were stated to seem not aware of the 3ADI and have not considered it in their country programmes. In one case, the value chain choice decided upon in the country did not converge with the focus area(s) and priorities of the other agencies.

*Q. To what extent are there synergies with other (prior/ongoing) efforts in the field of agriculture and agri-business development of each of the following actors: Government, UNIDO, Other 3ADI core partners, Other bi/multilateral donors, Private donors, NGOs, Other*

3ADI was stated to have synergies with governmental efforts in the countries; however, less than half of the respondents see synergies with other UNIDO agri-

and/or agri-business development projects. Moreover, according to all the respondents, there are no synergies with other 3ADI core partners and less than half of the respondents see synergies with other bi-/multilateral donors. With one exception, none of the respondents see any synergies with the support programmes of private donors and none of the respondents see synergies with NGOs. In one case, cooperation with a private sector organization was mentioned (although it is not clear if this refers to a private sector counterpart - as can be expected in agribusiness development projects - or to a private donor).

*Q. In your opinion, what are the main achievements of the 3ADI project(s) so far in the country and which are the key factors having contributed to the results achieved so far?*

In this regard, different points have been mentioned by the respondents, such as its inclusion in the national strategy, the provision of expert advice to the government. It was pointed out in one case that presence and support in the field contributed to this success.

*Q. In your opinion, what are the main constraints/obstacles/problems faced in the design & implementation of 3ADI projects in the country so far?*

Diverse reasons were mentioned in this respect: national political issues, funding issues, insufficient coordination with FOs (which could be interpreted in different ways: coordination by the local stakeholders and/or by UNIDO HQ), as well as low or no coordination with other core partner agencies.

*Q. Kindly share your observations in terms of lessons learned and suggestions as regards the continuation/rolling out of the 3ADI project in the country.*

A common point raised related to emphasis on the country context/dynamics, implying the need for a country-by-country approach. In this connexion, various observations were highlighted: more involvement of FOs in *inter alia* discussions with government counterparts as regards the 3ADI, the importance of ensuring country ownership and need for more cooperation with other agencies, and the need for linking to a funding facility. Other points raised in this regard were the need for clear guidance on selection criteria (projects) and for taking donor priorities into consideration, as well as strong alignment with national priorities.

## Annex 5: Logical Framework

### A. Initial Logical Framework

	Intervention logic	Verifiable indicators	Sources of verification	Assumptions
<b>Development Objectives</b>	Contribute to sustainable reduction of poverty through the promotion of agribusinesses in low income countries	<ul style="list-style-type: none"> <li>• increase in the productivity of the agricultural sector</li> <li>• higher share of domestic processing of agricultural output</li> <li>• reduction of Below Poverty Line rural households in the targeted value chains</li> <li>• gender-specific indicators of women's empowerment such as increases in women's per capita income, self-assessment of improvements in access to services, livelihoods, workloads</li> </ul>	<ul style="list-style-type: none"> <li>• national statistics</li> <li>• Human Development reports</li> <li>• World Development Indicators</li> <li>• DevInfo</li> </ul>	<ul style="list-style-type: none"> <li>• increased value added in agribusinesses in rural areas triggers inclusive growth</li> <li>• additional output of agricultural produce and processed agro-related goods expands domestic or enters foreign markets</li> <li>• increased income in low-income households raises demand for food and other basic goods; inflationary pressures neutralized by increased domestic supply following value chain improvements</li> </ul>
<b>Outcomes Immediate Objectives</b>	A critical mass of large-scale agribusiness development programmes developed on PPP basis in twelve countries	<ul style="list-style-type: none"> <li>• a target of US\$120-150m mobilized from IFAD, AfDB, GAFSP</li> <li>• private investment supported by AFD, GAFSP\IFC, Ecobank etc</li> <li>• technical assistance by UNIDO in the order of US\$15-20m and supported by EC, IFAD (grants)</li> <li>• reforms in the policy/incentive framework</li> </ul>	<ul style="list-style-type: none"> <li>• IFAD, AfDB Annual Reports</li> <li>• internal communications with GAFSP, AFD etc</li> <li>• PAD issuance insofar as the UNIDO TC component is concerned</li> </ul>	<ul style="list-style-type: none"> <li>• willingness of stakeholders to invest in the development of the value chains: local Governments through public investment (drawing, inter alia, on AfDB/IFAD credit lines), private parties through upgrading, expansion or greenfield investment, and aid agencies through follow-up TC programmes</li> </ul>

	<b>Intervention logic</b>	<b>Verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
<b>Outputs</b>	Twelve detailed strategies for agribusiness development in Africa and LDCs. The strategies will feature a deployment of public and private investment supported by technical assistance services. They will be formulated using the appropriate templates and priorities of the targeted donors	<ul style="list-style-type: none"> <li>• twelve programmes approved by UNIDO and the target countries</li> <li>• twelve programmes endorsed by the relevant authorities of IFAD, AfDB, GAFSP</li> </ul>	<ul style="list-style-type: none"> <li>• communications from the twelve target countries</li> <li>• communications with the IFIs</li> </ul>	<ul style="list-style-type: none"> <li>• commitment of the twelve target countries confirmed at <i>individual</i> level, beyond the <i>collective</i> commitment of political statements such as the Abuja Declaration or the LDC Plan of Action</li> <li>• willingness of stakeholders (local Governments, farmers and industry association) to cooperate in the development of agri value chains</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• validation of the approach; Selection of countries/regions together with partners data collection and preliminary analysis (HQs, UR network)</li> <li>• stakeholder consultations, identification of priority value-chains and initial negotiations with potential donors (Field visits)</li> <li>• creation and briefing of country-specific teams (HQs)</li> </ul>	<ul style="list-style-type: none"> <li>• compliance with the timeline of activities (input-based)</li> <li>• steady delivery of the country strategy documents (output-based)</li> </ul>	<ul style="list-style-type: none"> <li>• regular progress reports produced by the PMU</li> </ul>	<ul style="list-style-type: none"> <li>• timely mobilization of resources: the financial resources necessary for this project, and the human resources required for its implementation</li> <li>• effective coordination and synchronization between the FAO, IFAD and UNIDO teams</li> </ul>

	<b>Intervention logic</b>	<b>Verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
	<ul style="list-style-type: none"><li>• programme design (Field visits, HQs)</li><li>• validation by stakeholders (Field visits)</li><li>• finalization of country strategies (HQs)</li><li>• final negotiations with donors</li></ul>			

## B. Draft revised logical framework

	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
<b>Development goal Impact</b>	<b>Contribute to sustainable reduction of poverty through the promotion of agri-businesses in low income countries</b>	<ul style="list-style-type: none"> <li>• Increase in the productivity of the agricultural sector</li> <li>• Higher share of domestic processing of agricultural output</li> <li>• Reduction of Below Poverty Line rural households in the targeted value chains</li> <li>• Gender-specific indicators of women's empowerment such as increases in women's per capita income, self-assessment of improvements in access to services, livelihoods, workloads</li> </ul>	<ul style="list-style-type: none"> <li>• National statistics</li> <li>• Human Development reports</li> <li>• WDI</li> <li>• DevInfo</li> </ul>	<ul style="list-style-type: none"> <li>• Increased value added in agribusinesses in rural areas triggers inclusive growth</li> <li>• Additional output of agricultural produce and processed agro-related goods expands domestic or enters foreign markets</li> <li>• Increased income in low-income households raises demand for food and other basic goods; inflationary pressures neutralized by increased domestic supply following value chain improvements</li> </ul>

	<b>Intervention logic</b>	<b>Objectively verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
<b>Outcome 1</b>	<b>Competitive agricultural products produced through the enhanced value chains and local supporting institutions</b>	<ul style="list-style-type: none"> <li>• Amount of locally produced and processed agricultural products in the local and export markets</li> <li>• Amount of import of agricultural products</li> <li>• Number of new agricultural products introduced to markets</li> </ul>	<ul style="list-style-type: none"> <li>• National statistics</li> <li>• Programme report</li> </ul>	<ul style="list-style-type: none"> <li>• Technical assistance interventions lead to production of competitive agricultural products</li> </ul>
<b>Outcome 2</b>	<b>Disadvantaged individuals especially rural youths, women, smallholder farmers and micro entrepreneurs trained and gained access to on and off farm income generating opportunities along the value chains</b>	<ul style="list-style-type: none"> <li>• # of jobs created</li> <li>• # of disadvantaged individuals gained access to on and off farm income generating opportunities</li> <li>• Quality of jobs created (salary, duration, stability etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Local business reports</li> <li>• Programme reports</li> <li>• Local government statistics</li> </ul>	<ul style="list-style-type: none"> <li>• Value chains supported by the technical assistance interventions produce employment opportunities suitable for disadvantaged individuals</li> </ul>
<b>Outcome 3</b>	<b>High impact agribusiness investment projects materialized through partnerships with private and public investors</b>	<ul style="list-style-type: none"> <li>• # of investment projects materialized</li> <li>• Amount of investment made</li> </ul>	<ul style="list-style-type: none"> <li>• Local business reports</li> <li>• Programme reports</li> <li>• Government reports</li> </ul>	<ul style="list-style-type: none"> <li>• High impact investment opportunities identified through technical assistance interventions</li> </ul>
<b>Output 1</b>	<b>Value chain related technical assistance services formulated and implemented</b>	<ul style="list-style-type: none"> <li>• # of technical assistance projects developed</li> <li>• # of technical assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Project reports</li> <li>• Programme reports</li> </ul>	



	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
		<ul style="list-style-type: none"> <li>projects implemented</li> </ul>		
<b>Activities</b>	1.1 Identify priority value chains through consultations with local stakeholders 1.2 Conduct value chain diagnostic studies 1.3 Formulate value chain development plans 1.4 Mobilize necessary funds for the value chain development plans 1.5 Implement the technical assistance activities along the plan (to be covered as independent technical assistance projects under the 3ADI programme) 1.6 Conduct evaluation and report the results to the 3ADI programme	<ul style="list-style-type: none"> <li>Amount of resources mobilized for the TA projects</li> <li># of trainings and workshops conducted</li> <li># of people trained</li> <li># of equipment installed</li> </ul>		
<b>Output 2</b>	<b>Follow-up activities for value chain related interventions conducted</b>	<ul style="list-style-type: none"> <li># of trainings and workshops conducted</li> <li># of technical meetings organized</li> <li># of policy discussions organized</li> <li># of people trained</li> <li># of equipment installed</li> </ul>	<ul style="list-style-type: none"> <li>Project reports</li> <li>Programme reports</li> </ul>	
<b>Activities</b>	2.1 Identify areas of critical follow-up interventions required to intensify impact of value chain development interventions. Potential activities supported include policy discussions with stakeholders, additional small interventions for stakeholders outside of the scope of the original project plans, information dissemination etc. 2.2 Prioritize identified activities against the programme objectives and outcomes 2.3 Conduct priority activities			
<b>Output 3</b>	<b>Partnerships with public and private investors promoted</b>	<ul style="list-style-type: none"> <li># of partnerships established</li> <li># of private and public</li> </ul>	<ul style="list-style-type: none"> <li>Project reports</li> <li>Programme reports</li> </ul>	

	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
Activities	<p>3.1 Identify potential partner investors including private investment funds, commercial banks, DFIs, private companies, local investment promotion agencies etc.</p> <p>3.2 Develop suitable working modalities with investors including PPP, technical assistance facility, knowledge sharing and capacity development etc.</p> <p>3.3 If required, mobilize additional funding to support above activities</p> <p>3.4 Implement the activities (to be covered as independent technical assistance projects under the 3ADI programme)</p> <p>3.5 Conduct evaluation and report the results to the 3ADI programme</p>	<p>investors contacted</p> <ul style="list-style-type: none"> <li>• Amount of resources mobilized</li> <li>• # of follow-up projects created and implemented</li> </ul>		
Output 4	<b>Cross-cutting programme support services including advocacy and monitoring &amp; evaluation provided</b>	<ul style="list-style-type: none"> <li>• # of visitors to the website</li> <li>• # of conferences and seminars organized/attended</li> </ul>	<ul style="list-style-type: none"> <li>• Project reports</li> <li>• Programme reports</li> </ul>	
Activities	<p>4.1 Promote 3ADI programme through website, international conferences, consultations with stakeholders, and publications etc.</p> <p>4.2 Develop programme wide monitoring &amp; evaluation framework</p> <p>4.3 Conduct monitoring &amp; evaluation</p>	<ul style="list-style-type: none"> <li>• # of monitoring and evaluations report produced</li> <li>• Programme level monitoring &amp; evaluation framework</li> </ul>		

## Annex 6: Details on 3ADI countries/projects

Initial list of countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
1. Afghanistan	LDC	Nutrition and Household Food Security in Afghanistan	Agro-processing (no further info)	Implementation	MDG Fund (Spain)	447.500	434.206	Project code FM/AFG/09/002 and approval date (Dec 2009) indicate that this project existed prior to 3ADI
2. Comoros	LDC	Support to the Enhancement of Competitiveness of the Vanilla, Ylang Ylang and Cloves Value Chains (PA)	Vanilla; Ylang ylang; Clover	Funds mobilization				Potential donor: Enhanced Integrated Framework (Joint project with PTC/TCB); concern: ITC has similar project (vanilla) in Comores; it was

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Initial list of countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
								reported that UNIDO decided to invest \$200,000 (commitment/GC-2011) in preparatory work; no further info on status
3a. DR Congo	LDC	Bringing Support to the National Reconstruction Programme of DRC for Livelihoods Recovery and Peace Building	Cassava; Fruits	Completed	Japan	1.130.130	1.078.302	Project ended in September 2012. Independent evaluation conducted (2012)
3b. DR Congo	LDC	Developing the Agro-Processing Sector for Livelihoods Recovery, Jobs Diversification and Peace-Building	Cassava; Fruits	Completed	Japan	1.150.443	969.746	Project ended in September 2013. Bridging funding (€59,192) allocated by TFFS in

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Initial list of countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
								Sept 2013 to pursue monitoring and prepare new project (with WB/IDA)
4. Ghana	non-LDC	Programme for Revitalizing the Ghanian Cotton Sector	Cotton	Funds mobilization				Fate of preparatory work unclear: EU stated to be interested in funding, but no official request received from Gvt of Ghana
5. Haiti	LDC	Programme d'Appui aux Micro-parcs (MIPs) de transformation Industrielle en Haïti (AMIH)	Food parks	Funds mobilization				Fate of preparatory work unclear; at this stage not sure if UNIDO will play part in the next stages of

## Annex 6: Details on 3ADI countries/projects

Initial list of countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
								the MIP programme
6a.Liberia	LDC	(Title not available)	Fruits & Vegetables; Rice	Funds mobilization				Fruits & Vegetable project submitted to the potential donor (EU), but rejected. No information on fate of proposal
6b. Liberia	LDC	Enhancing Livelihood Recovery and Food Security Through Sustainable Development of the Rice Value Chain in Liberia	Fruits & Vegetables; Rice	Funds mobilization				Potential donor for Rice project: Sweden; no further information available on status
7. Madagascar	LDC	Madagascar - Sugar value chain	Sugar	Fund mobilization				Potential donor: EU; note: recent approval of

## Annex 6: Details on 3ADI countries/projects

Initial list of countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
								€150,000 (UNIDO funding) to cover the inception phase
8. Nigeria	non-LDC	Supporting Nigeria's Staple Crop Processing Zones (SCPZs)	Cassava; Rice; Cereals	Implementation	Nigeria	1.234.300	745.070	Master Plan prepared; UNIDO expects to be involved in the implementation phase (WB funding)
9a. Rwanda	LDC	One UN Programme for Rwanda - Capacity Building Through Technical Assistance Programs for mainly Artisans in Leather Products Development, Component 4.1.10	Entrepreneurship Development; Leather; Dairy VC	Implementation	One UN Fund	417.450	419.108	The project codes (FB/RWA/08/G01;H01 and K01) indicate that these projects existed prior to the 3ADI; the VC

## Annex 6: Details on 3ADI countries/projects

Initial list of countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
9b. Rwanda	LDC	One UN Programme for Rwanda - Capacity Building for the PSF and MSMES Associations mainly Through Technical Assistance Programs, Component 4.2.1		Implementation	One UN Fund	288.496	272.771	project among these is the one pertaining to the dairy sector; further to some start-up activities, decision making on the next steps (including cooperation with Tetrapak) is on hold at this stage
9c.Rwanda	LDC	One UN Programme for Rwanda - Dairy Component		Implementation	One UN Fund	28.037	27.707	
10.Sierra Leone	LDC	Rehabilitation of Training-Cum-Production Centres in Vulnerable Communities of Koindu, Kpandebu and Pujehun in Sierra Leone	Vocational Training	Completed	Japan	1.167.412	1.188.059	no reference to the 3ADI in the independent evaluation (2013) of this project; given its nature, not



## Annex 6: Details on 3ADI countries/projects

Initial list of countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
								considered a 3ADI VC project
11. Sudan	LDC	Technical Assistance to Establish a Model Tannery Treatment Plant (Primary)	Leather	Implementation	Italy	277.334	55.212	It is questioned if this is a 3ADI VC project
12a. Tanzania	LDC	Country Framework of Support to UNDAP 2011-2015 - Economic Growth	Red Meat; Cashew nuts	Implementation	One UN Fund	336.706	283.775	VC projects; no indication how the projects are linked to investment finance sources/related support of other donors
12b. Tanzania	LDC			Implementation	One UN Fund	993.451	511.728	
12c. Tanzania	LDC			Implementation	One UN Fund	243.254	158.597	

## Additional Countries

Countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
13. Brazil	non-LDC	Sustainable Roraima – The Eco-State at the root of the Amazon	Livestock; Fisheries; Wood etc.	Fund mobilization				Project concept developed and shared with the targeted donors (Brazil and GEF); project involving several UNIDO branches
14. Burkina Faso	LDC	TBD	Meat; Sesame	Fund mobilization				Project concept developed and submitted to the potential donor (the government); no indication at this stage on the likelihood of funding
15. Burundi	LDC	TBD	Sesame; Red meat	Preparation				Project is on hold; no information on status/likelihood of follow-up
16. Côte d'Ivoire	non-LDC	TBD	Cassava; Textile; Rice	Preparation				Preparatory work (textiles) started end 2013 (using UNIDO funding); no information on the likely next steps as regards the other

## Annex 6: Details on 3ADI countries/projects

Countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
								VCs listed
17. Ethiopia	LDC	Establishing industrial processing and marketing of Beles-based food products for increased income in rural communities in Northern Ethiopia	Cactus	Fund mobilization (part of funding already mobilized)				Potential donor: OPEC und and Israel; note: no reference in the list of 3ADI projects/Ethiopia of ongoing projects (with FAO and ILO) in the oil seed VC, nor of a planned project (integrated food parks) for which funding has been already committed (Gvt/Italy)
18. Guinea	LDC	Supporting Job Training for Youths in Guinea	Shea butter	Implementation	Japan	2.091.521	1.044.479	Only a portion of this project (approx. \$400,000) covers VC related work; more traditional technical assistance (not new style/3ADI)

## Annex 6: Details on 3ADI countries/projects

Countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
19. India	non-LDC	Promoting Rural Micro Industries and Value Chain Development in the Food Processing Sector (in selected poor regions of India) - PA	Food processing value chains	Fund mobilization				No indication of likelihood of funding (India) at this stage
20. Niger	LDC	TBD	Meat; cowpea	Fund mobilization				Project document submitted to the potential donor (the government); however, no indication of likelihood of funding at this stage
21. South Pacific Islands	LDC	TBD	Fisheries value chains for regional Food Security	Project formulation				Regional assessment missions concluded in May 2013. Project formulation and discussion with potential donor ongoing
22a. South Sudan	LDC	Sustainable Food Security Through Community-Based Livelihood Development and Water Harvesting	Cereals, Livelihood development	Implementation	Canada	2.584.058	1.727.147	Donor: Canada; cooperation with FAO

## Annex 6: Details on 3ADI countries/projects

Countries	LDC/non-LDC	Title	Value Chain/Focus Area	Status	Donor	Funds Allocated \$ (SAP – 18 Nov.13)	Expenditure \$ (SAP – 18 Nov.2013)	Note
22b. South Sudan	LDC	Upgrading Fishery Sector in South Sudan	Fisheries	Fund mobilization				Likely donor: Canada; cooperation with FAO
23. Togo	LDC	TBD	TBD	Project formulation				Cooperation with IFAD
24. Uganda	LDC	Banana-based foods, South Western Uganda	Banana	Project formulation				VC analysis and discussion with the government ongoing; no indication on likely funding
25. Zambia	LDC	TBD	Cotton; Fruits & Vegetables	Preparation				VC reports with recommendations for TA will be published in 4th quarter of 2013