



# Evaluation synthesis report on smallholder access to markets

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Investing in rural people

# IFAD investment for smallholder farmers' access to markets

- IFAD financing between 2006 and 2015:
  - ✓ 14% (over US\$1 billion out of US\$7.7 billion) - in the area of marketing, post-harvest and rural enterprises
  - ✓ 13% related to rural financial services

*(Source: IFAD database and IOE analysis)*
- Some form of value chain approach included in 71% of the projects approved 2012-2014 (61 out of 86 projects)

*(IFAD study)*

# Evaluation synthesis - methodology

- Desk review, mainly IOE evaluations conducted 2005-2015, complemented by interviews and external literature
- 39 evaluated projects/programmes reviewed in detail
- Key questions – developed based on IFAD strategic objectives and related literature:
  - ✓ Targeting: for whom market access has been achieved?
  - ✓ Partnership, institutions and policy: how do these affect access to markets?
  - ✓ Infrastructure: how does infrastructure impact access to markets?
  - ✓ Finance: how has the financial sector responded to meet the financial needs of the rural poor's for better access to markets?
  - ✓ Food security: how does the nature and type of product affect access to markets? How is better market access translated to improved food security and nutrition?

# Main findings (1/5)

## Targeting

- Rural poor – generally expressed as “economically active poor” but inclusive of those disadvantaged (e.g. women, unemployed youth)
- Often geographical targeting (approx 60% of projects reviewed) - combined with specific products
- Targeting using value chain approach – better outcomes than those mainly focused on production/ productivity of specific products

## Partnerships, institutions

- Effective partnership with “market-oriented” (private sector) actors - better prospect for sustainability
- “Facilitation” by public sector partners rather than “control” – key

# Main findings (2/5)

## **Infrastructure** (e.g. roads, bridges, market place, storage)

- Investments in infrastructure – chances of high relevance and impact when:
  - ✓ Other supporting interventions are based on sound socio-economic analysis and responsive to local contexts and smallholder needs
  - ✓ Combined with other smallholder capacity building support
- Sustainability of infrastructure – challenges at times, due to lack of planning, resource and capacity for future O&M

# Main findings (3/5)

## Finance

- Support to the financial sector – progressively shifted to more market-based service delivery mechanisms
- In general, programmes with established and market-oriented financial institutions – chances of better performance than public sector-driven interventions

# Main findings (4/5)

## Food security and nutrition

- Smallholder participation in markets - implications on their production systems and *how* food security can be enhanced
- Potential risk altering smallholders' economic strategies often not carefully considered in projects
- Almost all programmes with food security/nutrition objectives, but unclear how these were to be measured

# Main findings (5/5)

## Gender issues

- Women's specific constraints and needs – not always adequately analyzed and incorporated into design/planning
- However, high relevance and good performance on gender equality and women's empowerment, for example, where:
  - ✓ Programmes focus on microenterprise development
  - ✓ Member-based financial institutions or non-bank financial institutions are responsive to gender-differentiated needs



# Lessons learned

- Different market dynamics and smallholder risks need to be identified and mitigated
- “Facilitation” and empowering smallholders to interact with markets – key for sustainable outcomes
- Need to be in “synch” with evolving markets → importance of monitoring project/partners performance and market conditions, with right sequencing

# Conclusions

- IFAD support for smallholder farmers' access to markets: evolved and enhanced over time
- Investment in smallholders capacity development, their access to information and knowledge – crucial for sustainable benefits
- Specific activities, processes or resources to address gender issues in market access – not sufficiently or explicitly provided for
- Impact pathways to frequently used objective “improved food security” - not always thought through
- Limited careful reflection on risks faced by smallholders and mitigating strategies

# Recommendations

## **Recommendation 1:** Invest in improving programme designs:

- Sound and timely understanding of market dynamics, market trends, market-knowledgeable partners
- Role of public sector partners - facilitate enabling environment to promote equitable market participation of different actors
- Appropriate sequencing of activities

# Recommendations (cont.d)

**Recommendation 2:** Develop programme activities tailored to specific groups

- Assessment of the needs of smallholder farmers and other stakeholders, as well as their the risks they face
- Specific barriers to access to markets faced by women to be addressed
- Flexibility to allow “localized” programme inputs as markets and opportunities evolve

**Recommendation 3:** Programme M&E systems to have well-defined indicators on food security and nutrition, as well as market access with attention to gender