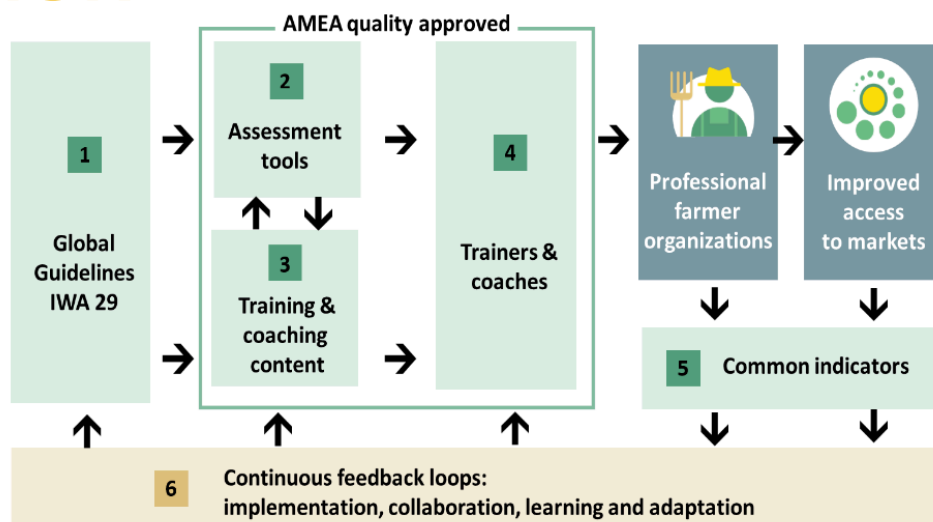




ANNUAL LEARNING REPORT 2020

INTRODUCTION

As a network of more than 25 member organizations, [AMEA](#) has been working for the past five years to promote a system-driven approach to accelerating the development of professional farmer organisations. AMEA's concept of a system is shown here by the AMEA Framework.



AMEA's assessment, training and coaching tools have been used to train farmer organisations, reaching over 2 million farmers ¹. There is, therefore, a rich and growing body of knowledge which can be drawn on to generate the feedback loops indicated in the AMEA Framework. With this in mind, AMEA is commissioning case studies every year to dive deep into member/partner initiatives that can provide insights for future improvements.

This report is AMEA's first Annual Learning Report and synthesises the learning from case studies undertaken in 2020. It begins by outlining the purpose of this report and providing a short overview of the case studies and their outcomes. The report then discusses the lessons learned and ends with a learning agenda for 2021.

PURPOSE OF THIS REPORT

- Develop awareness of the AMEA Framework and the potential for use at scale
- Encourage the design of new projects with the features recommended
- Promote discussion on the future direction of the AMEA Working Groups and Local Networks (which areas of learning and improvement that require most focus?)

AMEA'S CASE STUDIES 2020

The AMEA Toolbox Working Group selected the following projects that had used AMEA tools ² to be reviewed in order to develop Case Studies in 2020:

PROJECT	COUNTRIES OF IMPLEMENTATION	IMPLEMENTERS	TOOLS USED
Private sector-led models for professionalising farmers and their organisations in Cameroon and Côte d'Ivoire	Cameroon and Côte d'Ivoire	IFC, Cargill, Olam, Telcar	ALP and SCOPE Basic
Strengthening Local Malt Barley Supply Chains in Ethiopia	Ethiopia	IFC, Heineken, Precise Consult, EUCORD	ALP and SCOPE Basic
Blended learning using AMEA Tools	Kenya	Africa Turnaround	ALP, SCOPE Basic and SCOPE Pro

These case studies are available on the [AMEA Resources webpage](#) and the findings in this Annual Learning Report are based upon them. It should be noted that AMEA has a range of 11 tools in its Toolbox (see our [AMEA Toolbox Guide 2021](#)). In 2020 the focus was on SCOPEinsight and ALP tools as the selected projects were reaching the end of (at least) their first phase of work and had insightful results for discussion. In future years AMEA will be generating case studies from other tools.

¹ AMEA 2019 Annual Data Report

² Refer to our latest AMEA Toolbox Guide for detailed information on the tools

OUTCOMES

THE PROJECTS ACHIEVED SOME IMPRESSIVE EFFECTS SUCH AS:

- Heineken yield increases, with positive effects for meeting local malt barley demand and for contributing to local food security
- Access to finance in the West Africa cases linked to completion of the training and lead to addressing critical transport bottlenecks
- Africa Turnaround's launch of an online platform helping organize the market ecosystem for smallholders.

HOWEVER THE PROJECTS DID NOT ACHIEVE EVERYTHING THEY HAD HOPED FOR, SUCH AS:

- Malt barley import substitution in Ethiopia: competitiveness of local malt barley on the international market has yet to be achieved
- Organizing farmers in cocoa-producing regions in Cameroon: limitations in organizing farmers in areas affected by violent separatist insurgency
- Project continuity as planned: changing donor priorities leading to phase 2 of Africa Turnaround's work not yet being funded

LESSON LEARNED

The following lessons learned are framed around key questions that arose during the case study process.

WHAT IS THE VALUE OF REGULAR, STANDARDIZED ASSESSMENTS OF FARMER ORGANISATIONS?

In all three case studies, the use of a standard assessment tool was included and SCOPEinsight tools were chosen as they fitted well with the IFC ALP curricula and there was a quality assurance process. The first assessments were done for two purposes (although this was not consistent across the case studies):

- enable the off-taker or financial service provider to decide on which Farmer Organisations to partner with
- enable the targeting of support, serving as a first step in a structured capacity development process, helping inform the precise nature of the capacity development and providing a baseline for evaluative purposes.

In all cases the curricula were adapted and modules were selected based on the assessment scores and business needs.



The re-assessments were undertaken after the training/coaching had been delivered, as well as the completion of other project activities. The re-assessment was done for three purposes:

- Provide evidence of progression in professional capacities and reflect on the quality and impact of training/coaching. There is evidence of this leading to changes in the training/coaching approach as a result of this reflection process

Based on feedback from all users of the tools, there is overwhelming evidence that there is value in the assessment process and using standardized tools which enable tracking and analysis.
- Enable the Farmer Organisation to understand how it was progressing and decide on future areas for training/coaching

The key question raised by the users was the cost of the assessment process which should be measured in terms of the cost of the service as well as the time spent by assessors, Farmer Organisations and business partners in the process. AMEA has invested in Tool Improvement Facility projects for 2021 which aim to address these constraints to large scale uptake of assessment tools and welcomes new partnerships to realize the potential that lies in the large scale use of assessment tools.
- Contribute to how financial partners viewed the Farmer Organisation (from a risk assessment standpoint)

WHICH CAPACITIES WERE CHOSEN/DEVELOPED AND HOW QUICKLY CAN WE IMPROVE THEM?

In the IFC-led projects in West Africa and Ethiopia, the choice of which capacities were to be developed appears to have been a joint decision between the curriculum developers and the off-takers based on their understanding of farmer organisation capacity. In the Africa Turnaround case in Kenya, Farmer Organisation participants were given the choice to select from a limited menu of digitized ALP modules.

If we use the IWA29 categorisation of capacities, as shown below, then it appears that in all cases Governance, Business Management and Financial Management capacities were prioritised. This includes recruiting qualified staff (particularly accountants), developing business plans, establishing organisational premises, improving record-keeping, holding regular meetings, being more transparent (sharing information with members), and holding elections. These changes, described by some in West Africa as a transformation, give members more confidence in their FOs and promote stronger participation and inclusion.



Based on the case studies with reassessment data available, on average more than 75% of FOs trained improved their scores – with increases in scores of 19% to 36% (West Africa) and 11% (Ethiopia). Average scores were 3.6 to 4 (out of 5 total points) indicating that the FOs were maturing towards “basic” professionalism. In Kenya, re-assessments were scheduled for the end of 2021.

It is therefore clear that Farmer Organizations became more professional as defined by IWA29. However, we can see from the results above that in some cases the improvement was modest. In the case studies reports, we also see that some of the more significant gains are from the combination with other project trainings (e.g. agronomy training in Ethiopia). So, what does the evidence show us about the impact of increasing professionalism?

HOW DOES IMPROVED PROFESSIONALISM LEAD TO IMPROVED OUTCOMES IN THE VALUE CHAIN?

AMEA’s Toolbox Working Group (WG) developed a recommended list of indicators by which to measure success as shown below.

AMEA measures the outputs annually through a member survey and the outcomes are assessed through case studies. We hope to gather outcome level data from the 2020 member survey.

OUTPUTS	ASSESS FOs	1. # of assessors trained 2. # of assessments carried out
	TRAIN FOs	3. # trainings given
	COACH FOs	4. # of FOs accompanied
OUTCOMES	PROFESSIONAL FOs	5. FO assessment score 6. Operating Profit Margin
	BUYERS	7. # MT commercialized by FOs 8. % of total production commercialized
	FINANCIAL INSTITUTIONS	9. Total value of new credit/loads obtained 10. % of total credit needs met 11. Loan repayment ratio
REACH		12. # of farmers reached

In terms of the case study work, operating profit margin remains challenging to collect. Main reasons for this include difficulties in obtaining reliable data due to various issues that deter full transparency on income/profits. The case studies therefore focused on the other indicators such as access to markets and finance. AMEA argues that these can be good proxies for success as farmers will only continue to serve these markets and take credit risk if it is profitable for them to do so. In the case studies we find the following:

ACCESS TO MARKETS: In the IFC led projects it could be argued that the Farmer Organisations did not access a new market as the relationship with the off-taker was already established. However, the volume of trade to Heineken handled by the Farmer Organisation or Model Farmers/Aggregators certainly increased significantly e.g. in Ethiopia the trade increased by 380% in 2018/19 and 300% in 2019/20, when compared to baseline (2017). These volumes also include only a fraction of the total production (~10-13%). The bulk of Farmer Organisations’ production went to local markets and significantly contributed to food security.

ACCESS TO FINANCE:

The ALP improves Farmer Organisations' financial management capacities and as a result their ability to access finance. In Ethiopia over 29,000 farmers accessed USD1.8 million in agricultural input financing from MFIs. In West Africa, the three IFC projects enabled 62 FOs (serving an estimated 60,000 members) to access USD 4 million in asset financing. As part of the ALP process, the FOs learn what to expect from a loan application process, how to manage loans (including member input credit) and what information a bank will require to assess their creditworthiness.

This can also enable FO members to access finance as FOs often are asked for a reference or to provide a repayment guarantee. The Ethiopia and West African case studies also provide examples of digital payment systems which have the potential to extend financial inclusion to individual farmers and to date have had almost no defaults and reduced side-selling practices.



The Africa Turnaround Case study is the exception to this rule and one of the most important factors is the absence of a committed off-taker. Instead, ATL partnered with a Financial Services Provider (FSP) and targeted Farmer Organisations and farmers which had the potential to become “bankable”. The results were clearly appreciated by ATL’s partners in the program but as training/coaching was only completed in May 2020 we do not expect to see results on access to markets and finance until 2021. Re-assessments are planned for later in 2021 and the case study focused more on the learning from ATL’s approach to delivering training/coaching.

WHAT WERE THE OTHER FACTORS THAT AFFECTED OUTCOMES?

It is clear that delivering the best training and coaching based on analysis from a robust assessment process to motivated Farmer Organisation staff and members is often not sufficient to deliver outcomes such as access to finance and access to markets. This is why the **AMEA approach must be embedded in an integrated programme** that delivers changes in various parts of the food system / market system / value chain.

The need for an integrated programme also means there is a need for a strong multi-stakeholder partnership, which AMEA tools encourage, and is in evidence in these case studies. For example IFC led programs work at various points in the value chain to deliver asset financing, input financing and agronomy training. This was possible due to the strong partnership with the off-taker (client) and was a critical factor for success achieved to date. However we know that finding a strong, committed off-taker is not possible in all projects.

ATL’s initiative potentially shows a way to achieve success in a more fluid market system where working in partnership with an off-taker is not an option. ATL’s approach showed the value of working with a Financial Institution from the very beginning. We still await some results from this initiative but it does appear this partnership led to better targeting of trainees and the rapid development of a digitised, demand-led approach. This allowed individual trainees to select what they wanted to learn and it appears this increased motivation to learn. This was a pilot designed before COVID-19 hit,

however in this new context it appears that this could be an approach that has significant potential.

In all cases the role of the Farmer Organisation remains critical to generating value chain efficiencies and lowering risks. This is demonstrated by the commitment of large off-takers and financial institutions to continue experimenting with new approaches with Farmer Organisations. However, we should be examining how advances in technology will change this situation. Financial services are now often able to reach farmers directly and this enables off-takers and financial institutions to by-pass the Farmer Organisation to some extent. The question is therefore how will future Farmer Organisation business models deliver value to its members?

Interestingly, a factor that does not appear as important is the cost of finance. In many cases interest rates were above 20% but this did not deter many Farmer Organisations and farmers from taking loans from Financial Institutions.

HOW WAS INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) USED AND HOW DO WE EXPECT ICT TO BE USED IN THE FUTURE?

The growing importance and use of ICT in the case studies is clear. Off-takers are investing in ICT platforms to service their certification and traceability requirements, into which they incorporate extension messaging (via the FOs) and other features (e.g. digital payments).

In addition, the ATL case study provided an example of a blended learning approach and the key lessons from that experience were that:

Farmer Organizations are still not ready for 100% e-Learning experience. A blended approach combining e-training with coaching (either face-to-face or over the phone), based on a rapport between the coach and the learner is still necessary. Coaches who dedicate their time to organize follow up sessions over the phone or in-person increase the chances of trainees concluding their training. Coaches also decrease frustrations of learners who are not used to remote training technology and mindset.

Selection of participating FOs must take into account learners' access to technology and internet services. While it provides opportunities for inclusion of FOs and certain members, it can also present challenges for the inclusion of more marginal groups.

A self-managed learning approach provides a clearer indication of what learners want to learn. In addition, learners are able to choose the most convenient time to invest in learning, often doing this in the evening and at weekends.

AMEA'S AGENDA 2021

AMEA will continue to invest in case studies and based on the above the following priority areas for learning/development are proposed:

1

HOW CAN WE DEMONSTRATE THE EFFECTIVENESS OF THE AMEA APPROACH?

There are many reasons why the private sector, financial sector and farmers do not want to share business data. This was a significant constraint for the AMEA 2020 case studies. AMEA will work with its members and their partners to improve the gathering of outcome level data that can enable a clearer assessment of the effectiveness of the tools to build professional capacities of Farmer Organisations. The AMEA Annual Survey will be the first opportunity and then the next set of AMEA case studies, which includes the Tool Improvement Facility projects (listed below).

One important aspect that AMEA members and users of the tools will have to consider is the evidence base that is gathered to show the outcomes at farmer level. In some of the case studies the farmer level data remained relatively weak beyond data on agricultural yields. It is of course possible that the Farmer Organisation becomes a successful business but the distributional effects are weak (i.e. there is an unequal distribution and a concentration of benefits).

2

HOW CAN THE AMEA APPROACH BECOME MORE AFFORDABLE?

The case studies present reasonable evidence that the AMEA approach is being delivered at scale and at a reasonable cost. For example, IFC's projects reach hundreds of thousands of farmers at a cost between \$12-\$42 per farmer. However, many potential users of AMEA tools feel constrained by the lack of budget available for assessment, training and coaching. There is an argument that perhaps there remains an under-appreciation of the how much is needed to invest to deliver a sustainable change in business performance, which is the case which the FAO Investment Centre and IFPRI are reviewing in their research which features the AMEA West Africa case study³.

ATL's pilot to deliver training/coaching through a blended approach also has potential to reduce these costs dramatically and enable a more demand led approach. We also see significant investment by the AMEA Tool Owners in developing a digitized approach, spurred on by the COVID-19 challenges, which should reduce costs and enable scaling.

³ <https://www.cgiar.org/news-events/event/investing-in-farmers-results-and-key-lessons-of-the-agriculture-human-capital-investment-study/>

However cost can also be reduced, and uptake increased, by the following:

Improving the assessment

tools to ensure FOs at all levels of development can be supported in a cost effective way that is scalable. The AMEA Tool Improvement Facility has recently provided grants to Rikolto and NCBA CLUSA to do this and AMEA continues to engage with others who are developing Farmer Organisation tools (e.g. ILO and SOCODEVI).

Development of more in-country expertise

to support uptake of AMEA tools as the cost of internationals is unsustainable. The case studies provide a rich variety of approaches, but also some important trade-offs to consider such as: the speed of roll-out, the continuity of the training/coaching support and the development of a market driven service. The development of this expertise is likely to require a multi-pronged strategy where master trainers are in place in the public sector, private sector (off-takers and business development service providers) and NGOs (although perhaps this should be a temporary strategy).

Developing an inter-operable package of services.

AMEA clearly aims to address the fragmentation and duplication in the field of services provided to Farmer Organisations. These case studies show how an integrated delivery of services can be provided. However there is still significant work to be done to design integrated packages which cover all aspects of IWA29. This is particularly evident in ALP where various curricula/modules have been developed and are now being synthesized into one set of modules for the digitization initiative. There is also work required to develop services together with the Financial Services sector, as ATL were doing and SCOPEinsight is taking forward with their [new initiative](#) with MIX.

3

HOW CAN THE AMEA APPROACH BE DELIVERED AT SCALE?

There is a growing demand for the AMEA approach. The West Africa case study (written by an external consultant) also concluded that the approach can be considered successful based on the following outcomes and characteristics:

- it is capable of reaching large numbers of small-scale producers and their organisations
- It focuses on capacities that have widespread application as a foundation for on-going development (business development skills, engaging members, accessing services) and are aligned with the IWA 29.
- It attracts private funding to rural capacity development
- It contributes to deeper engagement by small-scale farmers in global value chains (e.g. in access and roles, in the technology used and potentially via independent business initiatives)
- The ALP is modular with standardised core content and additional optional content, so it can be customised to different needs, and is potentially cost-effective and widely relevant
- Its use in numerous contexts (25 projects to date and a further 12 in the pipeline) suggests it is scalable and replicable across multiple commodities, countries and types of agribusiness
- It depends on support (in implementation and funding) from off-takers, but that market link provides the incentive for FOs to make investments of time and money
- Although anchored in a business partnership usually focused on a single commodity, it addresses wider socio-economic development and empowerment within rural communities, and
- It potentially addresses power within the value chain – empowering both FOs (who are mostly not contractually tied to the off-takers) and their members.

However we can also argue that the AMEA approach is being scaled too slowly. Cost is a significant issue that affects uptake and scaling, however there are also other issues that are raised in the case studies. The West Africa Case Study raises this clearly when it asks what happens when there is no off-taker to partner with, as often is the case with projects that target poor and marginalised farmers. AMEA members are beginning to provide the answer through their adaptations of the AMEA tools. The 2021 AMEA Toolbox now includes these adaptations:

- Nuru International's adaptation of ALP for delivery through the Kenya TVET system and therefore tailored for trainees who may have low levels of literacy
- Africa Turnaround Limited's digitized ALP modules which they aim to deliver through a one-stop training and trading platform - <http://www.twalisha.com/>.
- NCBA CLUSA's adaptation of selected ALP content into Swahili, French, and Malagasy and to expansion of the content related to capitalization and member equity



AMEA's Tool Improvement Facility Investments will also support the development of the tools to be used in new contexts which could expand their use. These investments include:

PROPOSAL	PARTNERS	OBJECTIVES
A Systemic Approach to Economic Growth	Rikolto, SCOPEinsight, Agriterro, NAAC, MTIC	To pilot a rapid assessment tool within Government to enable improved selection and targeted capacity building.
Blended learning adaptation of ALP curriculum to reach semi-literate farmers	Nuru Kenya	To develop and test new blended learning methods. Piloting takes place in the TVET system with the aim for national accreditation of the curricula.
Adapting LINK methodology for multi market / multi channel contexts	Rikolto Latin America, CIAT	Develop an adaptation of LINK to enable inclusive business models to be developed within both formal and informal value chains. The adaptation will also consider synergies with other AMEA tools.
Improvement of OCATHC and CPA Tools	NCBA CLUSA	Improve and pilot two assessment tools with high potential for the AMEA Toolbox. CPA could be a better option for users aiming for a quicker, FO led process. OCATHC will enable improved analysis of services offered to cooperatives that are their members.

FINAL REMARKS

AMEA's tools benefited over 2 million farmers in 2019 and this reach continues to expand, but this is significantly less than the farmers in any of the countries where AMEA members have established Local Networks, such as Uganda, Kenya, Ethiopia, Honduras and Côte d'Ivoire. This means AMEA needs to look beyond current project portfolios to reach a credible scale. AMEA has therefore been reaching out to large scale, multi-donor investments in agricultural development and we expect to yield results in 2021.

We look forward to working with all our members and partners on this ambitious strategy and continue generating knowledge that will enhance the way AMEA members and partners accelerate the professionalization of farmer organizations around the world.

