

## Supporting transitions towards market-based agriculture in fragile settings

Community of Practice meeting report 6 May 2019  
Food & Business Knowledge Platform (F&BKP)



## Introduction

On May 6, 2019 twenty practitioners, researchers and policymakers joined the food security & stability Community of Practice (CoP) meeting on “Supporting transitions towards market-based agriculture in fragile settings”.

Following earlier CoP meetings on [conflict sensitivity in food security programming](#) and on [UNSC 2417 and local food systems in the humanitarian-development nexus](#) as well as a short consultation round to inform learning activities for the CoP, this meeting was organized as a way to take stock of where we stand. In the Dutch policy note “[Investing in Global Prospects](#)” a shift towards fragile and unstable regions surrounding Europe is combined with a focus on preventative action. Such a focus on prevention is described in the new [OECD-DAC recommendation on the humanitarian-development nexus](#) as “prevention always, development wherever possible, humanitarian action when necessary”. Looking into what this means for current and future development practice and identifying approaches that are effective in fragile settings is thus crucial to promote transitions towards market-based agriculture here. For this reason this CoP meeting sought to identifying currently used approaches, encountered challenges and current and future solutions.

## Presentation Rojan Bolling – F&BKP / The Broker

Introducing the meeting Rojan Bolling highlighted a number of key points to put this CoP meeting into its broader context.

- The F&BKP aims to increase the impact of Dutch projects, programmes, policies, investments and business efforts for SDG2 by brokering knowledge across professional divides.
- One way in which this is done is by facilitating joint learning in thematic networks. Knowledge activities that have eventually led to this CoP on the relation between food security and stability have been underway since 2016 ([see here for website with all activities and documents](#)).
- The goal of these activities is to disclose “know-how”, for instance by exchanging lessons and promoting the use of available knowledge. This leads to innovation for improved policy and practice.
- Two CoP meetings preceded this meeting: one on conflict sensitivity in food security programming, another on UNSC 2417 on hunger and conflict in relation food systems in the humanitarian-development nexus.
- The current meeting was organized as an outcome of a short consultation round among a number of sector organizations. A large number of learning questions were identified that can be grouped into three broad areas of interest:
  - How to effectively build resilience?
  - How to operationalize the humanitarian-development nexus?
  - How to promote market-driven agricultural development and engage the private sector in fragile settings?
- This meeting serves to take stock of where we are on various aspects related to these issues to inform further activities in the CoP.
- The F&BKP facilitates this process but the CoP exists because of active participation. Participants are therefore invited to proactively approach us to make use of this joint space for learning.
- Following this meeting you are invited to discuss the focus and relevance of future activities, including the facilitation of learning events in partner countries.

## Presentation Thea Hilhorst – ISS

To set the scene for the discussions of the day Thea Hilhorst shared research insights from the “[IS Academy on Human Security in Fragile States](#)”, DFIDs “[Secure Livelihoods Research Consortium](#)” (SLRC), and the new ISS research programme “[When disaster meets conflict](#)”. These insights were structured according to five key points:

### 1. People play a central role in fragile settings

Firstly, they define their own recovery and development trajectories. Though it may seem through the eye of interventions that much aid is being provided, for many people in fragile settings the reality is that they

do not receive any aid. Despite this, many people manage to recover from shocks one way or another. So in fact, many people in fragile settings are quite resilient through their own efforts.

Secondly, institutions consist of people as well. In fragile settings often the job is the person. It is the person in a specific position who makes the difference. This is why in one community economic recovery works, while in a comparable community it does not. The attitude and capacity of local chiefs can make a big difference as well as communities positive or negative outlook for the future.

## **2. Work with the parties that be**

This means working with the parties present, whether or not they fit into our image of what 'good actors' are. However this is difficult to put into practise. In the PhD research of Rens Twijnstra in South Sudan it was shown that the Dutch embassy wanted to support 'clean' entrepreneurs without political connections. Yet being a successful entrepreneur without these connections is very difficult, if not impossible, in this context. This is a vulnerability in the political process, political actors are very wary to work with parties that can get something done but do not look attractive due to labels of corruption, especially not in the face of critical questions from parliament.

## **3. Aid organisations become part of the politics of intervention**

Aid interventions are socially embedded, not neutral or outside of the politics of a context. When there is a prospect of recovery based on market led development there is a tendency to pick the winners. In the north of Uganda for example this has previously led to a situation where larger producers benefited, but smaller farmers were losing out. So, a trickle-down effect cannot be assumed in these situations.

## **4. The micro-politics of development matter**

Large conflict dynamics can be very different from local conflict dynamics. On the national level conflict dynamics often have to do with factions and power politics. Yet in the case of Afghanistan, local conflicts were often related to resources: land and water. These sources of conflict at the local level are not necessarily linked to conflicts at the national level.

## **5. The difference between fragile and non-fragile settings is not black and white**

There is a lot of grey area between the two. Firstly, fragile settings work like non-fragile settings in a lot of ways and vice-versa. Secondly, fragile settings are often more rationally organised than we assume. For example, it is often assumed that people at an older age such as former child soldiers are not interested in going back to school, but in fact many are. In Uganda, Teddy Atim found that local youth prefer going back to school to get a certificate over informal vocational training.

## **Presentation David Betge – ZOA International – Case: Maji Ya Amani, Democratic Republic of the Congo**

*Unfortunately the presentation by David Betge was unexpectedly cancelled as he was unable to reach The Hague since train travel there was temporarily stopped.*

The presentation was to be focused on the [Maji Ya Amani \(MYA\) project in South Kivu, DRC](#). ZOA and its partners the International Rescue Committee (IRC) and Search for Common Ground (SfCG) are currently implementing an Integrated Water Resource Management (IWRM) project in the Ruzizi plain there, in the border region with Burundi and Rwanda. The project aims to re-establish an old irrigation system, improve agricultural practices, increase production and market integration and most of all foster peaceful coexistence and cooperation in a context that is marked by violence, ethnic tensions and mistrust among different communities. Through cooperative management of land and water resources the project will contribute to peacebuilding in the area – which is why the project is called Maji Ya Amani: Water for Peace. In the same area, the World Bank in cooperation with the Congolese government is implementing the Integrated Project for Agricultural Growth in the Great Lakes (PICAGEL). This provides many opportunities to ensure the long-term impact of the MYA project through creating synergies with PICAGEL. However, the implementation of a large-scale project like PICAGEL can also be disruptive.

## Presentation Nikolaos Koufos – SPARK & Johan te Velde – Double Loop – Case: Agri-Business Creation programme, South Sudan and Burundi

Nikolaos Koufos shared key lessons learned from the five-year SPARK Agribusiness Creation Programme in South Sudan and Burundi which took a value chain approach. The programme was aimed at rapid job creation, entrepreneurship development and improvement of government legitimacy. It coached (young) entrepreneurs through training, mentoring and support of business plans. In collaboration with financial institutions, loans were then provided for the resulting start-ups. Challenges and solutions focused on the promotion of agricultural income, employment creation, increasing production and processing for human- and food security.

Lessons of the ABC programme included:

- The costs of implementing a value chain programme in these settings was higher than under normal circumstances. Both in time and money spent. This was mainly due to the impacts of conflict and the lacking institutional environment in which the programme was implemented.
- In both countries there was not enough production to provide surpluses needed to feed next activities in the processing phase, contrary to the assumption of the programme. The support to production was effective, targets in terms of jobs and business creation including agro-processing units were met, but the sustainability of the jobs and businesses created can be questioned.
- The creation of jobs and businesses did not necessarily lead to increased income of beneficiaries. Many jobs were not well paid and not sustainable. Not all business owners created jobs in the short term and some businesses did not materialize significant profit.
- To promote food security a decision had to be made on which actors in the value chain to support. Agro-processing units or farmers. For food security outcomes it was more effective to focus on production by putting farmers first.
- A market-based approach is not always inclusive. By default the business plan competition interventions of the programme excluded illiterate people, and those whose business plans were not selected. This approach was not effective to reach the most marginalized and needy.

Solutions to challenges found included:

- To improve value chain targeting, value chains with both market and employment potentials should be identified.
- To promote inclusiveness and efficiency cooperatives should be supported. This enables the transmission of knowledge and skills and brings people of different communities and backgrounds together for an economic purpose.
- To better support processing activities an incubator model to market processed products was trialed successfully.
- To better support business plan development more support for market research should be provided.
- Securing a market should be combined with access to finance, one without the other is much less effective.

Johan te Velde discussed a number of key findings from the action research/action learning he (and his colleague Anneke Maarse) conducted in the ABC programme on the relevance and effectiveness of its value chain approach in the fragile contexts of South Sudan, Burundi and Yemen.

- With hindsight, the value chain analyses conducted at the start of the project (South Sudan: ground nuts, horticulture; Burundi: sorghum, fruits) were too time-consuming. Because they were outdated soon after due to the violent conflicts that arose.
- At all project sites conflicts disrupted the value chain projects. This led to a change in the intervention area, to engaging new partners, a reduced scale and a shorter implementation time per activity.
- The cooperation with Heineken in Burundi was relatively successful (long lasting project to supply Sorghum for beer production). Heineken is a huge player in Burundi, e.g. it comprises 30% of the tax income of the government of Burundi.
- In fragile settings the symbolic value of projects forms an important impact. Besides creating value and profits. This is often overlooked. The feeling that people are not forgotten is an important effect.
- In fragile settings small misunderstandings can easily get out of hand. For instance when thinking about pricing. There is a lot of mistrust so good communication is key. Rumours and false information can spread quickly and must be actively countered. A multi-stakeholder process that is set up in the frame

of a specific value chain deals with pricing and operational issues (and knowledge transfer), but it is very important to also set up a joint communication plan.

- When an NGO works with a large company such as Heineken as a lead firm it can be more difficult to maintain its development agenda (resilience, pro-poor growth, gender transformation, peacebuilding). Particularly, when a large company has already started a value chain, it can be more difficult for an NGO to maintain (all of) its development principles.

## Q&A

A policymaker asked Thea Hilhorst for suggestions on how to deal with the problem that effective entrepreneurs in fragile settings are often perceived as tainted due to their political connections. An issue which is important not only to the Ministry of Foreign Affairs but also to NGOs working in fragile settings. Professor Hilhorst suggested that this usually could be solved by being more transparent: If you are not inclined to support entrepreneurs, do not advertise that you do. On the other hand it is very hard to communicate these realities in parliament. Take for example the cut-off rate for corruption in Somalia in the 1990s, up to 60% was accepted. In the following discussion it was suggested that a narrative was needed to communicate these issues better. Like for migration, it is said that we cannot counter it, but can work to improve youth employment.

A participant from a practitioner organization asked Johan te Velde what was meant with the importance of a joint communication plan. To which Johan explained that such communication is not about the technical aspects of the programme, but about getting all stakeholders on the same page at any given time. To prevent the smallest differences from escalating into conflicts, for instance about how pricing is done.

Finally a comment was made by another practitioner on the SPARK dilemma of choosing between agro-processors and farmers. Noting prioritizing farmers can mean that women, who are mostly working in the production chain, can lose out. Nikolaos Koufos explained that it is necessary to decide on a main objective: creating jobs or producing more food. Agri-processing units are often too small to create jobs.

## Working group discussions

Participants split up into two groups. One group took up the discussion that associated with the ZOA case, to see how humanitarian, recovery and resilience programming can more effectively look towards integration with long-term (agricultural) development programming. The other group continued the discussion with Johan te Velde and Nikolaos Koufos to discuss how agribusiness and agricultural value chain interventions can be effectively implemented in fragile settings.

Based on the experiences of the participants, both groups took stock of lessons learned, solutions applied in their programming and looked towards the future to identify key actions for policymakers, practitioners and learning questions to improve their work.

### Group 1: How can humanitarian, recovery and resilience programming more effectively work towards integration with long-term (agricultural) development programming?

When discussing current challenges for implementing nexus approaches to integrate humanitarian and development programming in agriculture participants all agreed that a **key bottleneck was the siloed approach of donors**. Funding instruments are still separated, which reflects siloed ways of working within donor institutions. Participants agreed that **policymakers should fully implement the New Way of Working** promoted by the UN **and the commitments of the Grand Bargain**. Ensuring that planning was done jointly was another key way in which programmes can implement the humanitarian-development(-peace) nexus, which could be achieved when practitioners set common goals with organizations that work in the same geographical area.

Joint analysis, and in particular starting interventions by looking at what (social, economic, etc) structures are already in place in a certain context facilitates common understanding. Which can allow development and humanitarian aid organizations to better understand each other's perspectives. Such a nexus approach is a key difference with earlier attempts at Linking Relief Rehabilitation and Development (LRRD). LRRD focused on sequencing different types of activities, which did not break the siloed approach, while a nexus approach focuses on finding the right partnerships and funding modalities. A nexus approach thus has

more attention for the implementation perspective in certain contexts, for instance allowing humanitarian programmes to work with markets or cash from the outset.

Further challenges identified by participants were:

- The short term nature of humanitarian interventions does not allow pivoting to recovery.
- A lack of coordination between actors already from the analysis stage of intervention planning.
- Humanitarian aid takes place in different geographical areas than development programmes.
- A funding gap exists for nexus programming.
- Crises are actually long-term situations.
- Organizations that need to work jointly are specialized, have different expertise.
- Contexts change during implementation.
- Governance is lacking or non-operational.
- Programming that is not flexible or adaptive is not always applicable.
- Finding the right moment to invest with relief efforts is challenging, should not be too early but also not too late.
- Changing the way aid and relief actors work requires a shift in mindset which is difficult to achieve.

Many solutions to these issues were also suggested, some of which were currently being implemented in the programmes of participants. These included:

- Continuous dialogue with local communities and using adaptive programming strategies to address context changes during programme implementation.
- Building local capacity after assessing gaps to address non-operational governance.
- Invest in resilient recovery programming when humanitarian assistance and development interventions are not implemented in the same areas.
- Invest in joint programming and joint context analysis.
- Work with markets from the onset of humanitarian programmes, for example by working through seed suppliers instead of distributing seeds, by doing market assessments, working with cash and building on the structures already in place in a context.
- Work in a conflict sensitive way.
- Fully implement the UN-promoted New Way of Working, which stands for a more context-driven response to crises.

A number of key actions for practice, policy and learning activities were also identified:

<b>Practitioners</b>	<b>Policymakers</b>	<b>Learning</b>
Invest in joint programming and context analysis	Promote broader approaches to context analysis, including links with other donors	How can we link emergency response to value chain development?
Practice the same values when operating in a consortium (like a focus on economic development)	Achieve one world of three dimensions (humanitarian, development, peace nexus)	Start by analysing what is already there in a context
Develop evidence-based adaptive models for intervening in fragility	Address funding gaps in nexus	Collect evidence through MEAL systems
Invest in proper Monitoring, Evaluation, Accountability and Learning (MEAL) systems	Link policies for humanitarian and development interventions	Share mid-term/evaluations on best practices
Develop a sense of smart working to facilitate working along the triple nexus (humanitarian, development, peace).	Step up the commitment to the Grand Bargain	Set up learning activity to think about 'operational choices' of practitioners. For example as a game.

Build capacity and expertise in implementing effective market-driven responses to protracted crises	Increase time-frames for programme funding in crises contexts beyond 6 months and 1 year cycles	Invest in testing activities that support market systems and studies to understand programme impacts beyond direct recipients and after programmes have ended
Increase quantity and quality of market analysis in (protracted) crises		How can developers think as relief aid workers and relief aid workers as developers?
		How could we reach 'one universe' of three worlds and complementary processes?

Based on these discussions the following priority actions were reported back to plenary:

- **Key action for policymakers:** To achieve a joined up approach between the worlds and objectives of development, humanitarian aid and peacebuilding (triple nexus) fully commit to the goals of the [Grand Bargain](#) and [New Way of Working](#).
- **Key action for practitioners:** In the entire programming process think about how operational choices will determine the ability of programmes to link up and integrate in the humanitarian-development nexus.
- **Key learning question/activity:** Besides collecting and sharing evidence from evaluations and MEAL systems, also monitor impacts beyond direct beneficiaries and the end of programmes, revisit and make accessible existing research, for instance to see what (humanitarian) activities can support market systems.

## Group 2: How are agribusiness and agricultural value chain interventions effectively implemented in fragile settings?

In the discussions on how to effectively implement agribusiness and value chain interventions in fragile settings a **key recommendation was to be realistic about what can be achieved** and to be wary of trying to do too much. In stable environments plans are often already very ambitious, so we should be careful with the Dutch attitude and ambitions relying on “maakbaarheid” (the ability to engineer positive change) for which there is actually limited room. This means that **policy frameworks focusing on root causes are in danger of being overly ambitious**.

This was reflected in discussion on measuring and showing impact, which all participants agreed was a struggle. In the SPARK programme contributing to peace and stability for instance was an explicit goal. This was very complicated, since there was a multitude of other goals as well. Because of this there was a tendency to focus on outcomes such as numbers of trainings, it was much harder to show the impacts on peace and stability. This process is reinforced when there is a tendency to want to reap results as soon as possible by the donor, to show impacts through their results frameworks.

How to balance this remains an important question. It takes time to find ways for measuring impacts on peace and stability. Many NGOs also work with communities at local level, where peace and stability results can be achieved but at a different level than the ambitions of the Ministry of Foreign Affairs. For this reason, focusing on one goal, such as food security, can mean programmes will be more effective. Yet when we want effects to reach scale synergies are needed as well. Building resilience in one or two communities will not get higher level support for more resources which is needed for successful scaling and long-term approaches.

To contribute to stability, besides economic programming, synergies with education, health, WASH and even creation of a sense of belonging is necessary. So an important strategic consideration is whether interventions should only take place in areas where these other types of programming are also being implemented for the sake of effectiveness. This led the discussion to integrated intervention frameworks

such as the 3D framework which coordinates Development, Defence and Diplomacy. Yet such integrated approaches can easily lead to overambition. A balance is thus needed, as is insight into what has worked.

Nikolaos Koufos explained that in the experience of SPARK the promotion of cooperatives is a good practice. This is a small-scale approach but effective, especially when using local coaches rather than external advisors. Participants agreed and noted the importance of building capacity of local people. In the experience of Cordaid it was important to build capacity of people in institutions, however in fragile settings such as South Sudan this is very difficult as positions are moved outside of projects or cannot continue after project support ends. It also takes a long time to find local people that are eligible for longer-term support, added Johan te Velde.

Linking with local people as well as investing in local staff capacity is therefore very important in these settings. Operating in a context-sensitive way that allows programmes to adjust their implementation based on local (conflict) dynamics relies partly on insight of local communities, but also 'conflict-sensitive' staff that has a broader perspective. In preparation for the SPARK programme for instance good conflict sensitive research was done that emphasized what was possible under the current political context. However, as the conflict was so dynamic this analysis was not as useful during the actual implementation of the programme. Staff that is familiar with technical aspects of value chain implementation and evaluation should therefore also be able to take into account the local political economy.

Further challenges identified by the participants were:

- Taking into account conflict dynamics.
- Low surplus levels to feed the (value) chain.
- Value chain scoping needs a good context based analysis that considers changing circumstances in fragile settings.
- How to achieve scale.
- Higher risk of fragile settings means there is less financing available.
- How to take local context, including actors, into account in designing new programmes.
- How to do private sector development that is conflict-sensitive.

A variety of lessons learned was also identified, leading to possible solutions:

- Flexibility is needed to change approaches, target groups, value chains and other factors. This can be done through adaptive management approaches.
- Good context analysis and local ownership are key.
- Interventions should build on resilience capacities that are already present among communities.
- Public support is needed in fragile settings to compensate for higher risk.
- Guidance on communication between companies and communities is needed, as well as on monitoring this.
- Policies at the national and international level should be improved to create better trading conditions.
- Interventions should take a human centered approach.
- Good business plans are crucial: identify how sustainable start-ups are without the support of projects.

Based on these discussions the following priority actions were reported back to plenary:

- **Key action for policymakers:** Try to link up with local initiatives and local people already present on the ground.
- **Key action for practitioners:** Focus support on cooperatives and build on the people and initiatives that are already present in a context.
- **Key learning question/activity:** How can we work towards resilient communities, taking into account the need for scaling and an integrated or coordinated approach?



### Participant list

John van der Walle	CARE Nederland
Louise van Schaik	Clingendael Institute
Marianne de Klerk	Consultant
Harma Rademaker	Cordaid
Margot Loof	Cordaid
Johan te Velde	Double Loop
Frans Verberne	Food & Business Knowledge Platform
Rojan Bolling	Food & Business Knowledge Platform / The Broker
Chiraz Skhiri	Hivos
Hugo Verkuyl	Hivos
Thea Hilhorst	International Institute of Social Studies
Sarah Casteran	Mercy Corps
Fia van der Klugt	Ministry of Foreign Affairs DDE
Hashi Abdullahi	Ministry of Foreign Affairs IGG
Melanne Rouw	Netherlands Enterprise Agency RVO
Charlotte Vollaard	Oxfam Novib
Annegré de Roos	Save the Children
Nikolaos Koufos	SPARK
Jacqueline Vrancken	The Broker
Tineke Morren	Woord en Daad