



# EVALUATION OF DANIDA SUPPORT TO VALUE CHAIN DEVELOPMENT

## Burkina Faso Country Study

**EVALUATION**

March 2016





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## List of Abbreviations

CRA	Regional Agricultural Chambers
DRD	Decentralised Rural Development
MASA	Ministry of Agriculture and Food Security
MP	Micro Projects
OH	Overhead
PADAB	Programme to Support the Development of Agriculture in Burkina Faso
PADDAB	Danish Programme to Support the Development of Agriculture in BF
PCESA	Rural Growth and Employment in Burkina Faso
SME	Small- and Medium-sized Enterprise
ToC	Theory of Change
VC	Value Chain
VCD	Value Chain Development

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# 1 Background/Introduction

## 1.1 The evaluation

Danida has supported Value Chain Development (VCD) in different forms since 2002. In order to assess Danida VCD support in this period and to provide recommendations for the future, Danida's evaluation department (EVAL) has commissioned Orbicon A/S and the Centre for Development Innovation (CDI), Wageningen UR to undertake an external evaluation.

The purpose of the evaluation is to contribute to improving the design and implementation of Danida's bilateral programme cooperation under inclusive green growth and employment by documenting results and experience and providing recommendations for future support to value chain development. The evaluation will hence primarily focus on the learning aspects, thereby providing an opportunity to enhance Danida's capability in the area of VCD support. The evaluation will aim at the following outcomes:

- An enhanced understanding in Danida in regard to what value chain approach can contribute with and how VCD interventions should be designed in order to contribute to inclusive economic development and green growth.
- A better understanding of the context in which a value chain approach would be most appropriate in future Danida programs.
- Guidance to Danida with respect to future policy and program implementation in this area.

The evaluation focuses on the last finished programs with a Danida VCD intervention within 11 countries: Burkina Faso, Ghana, Kenya, Mozambique, Tanzania, Uganda, Zimbabwe, Central America (covering Honduras and Nicaragua), Albania, Serbia and Ukraine. These countries have been selected from originally 24 identified countries with VCD interventions in order to include a more limited and diversified portfolio which reflects the geographic balance of the overall portfolio. The evaluation involves desk work in relation to the VCD interventions in all these 11 countries as well as fieldwork in selected case countries.

Three countries have been selected as primary case countries for the evaluation:

1. Serbia
2. Uganda
3. Burkina Faso

Two countries have been selected as secondary case countries for the evaluation:

4. Ukraine
5. Kenya

This report contains the evaluation country study for **Burkina Faso**.

It should be emphasized that this evaluation is not carried out as a traditional program evaluation but is particularly focusing on the value chain development perspective.

### 1.2 VCD intervention studied

PADAB2 (Programme to Support the Development of Agriculture in Burkina Faso) is a continuation of PADDAB1 (Danish Programme to Support the Development of Agriculture in Burkina Faso) which ran from 2000 to 2006. From 2013 a next programme implemented, PCESA (Rural Growth and Employment in Burkina Faso) from 2013 to 2018.

PADAB2 was originally designed to last from 2006 to 2011 but ran till mid-2013. The programme has three components of which the second component is called Decentralised Rural Development (DRD). This component is considered to have a value chain approach as its objective is to increase income of operators up and down agricultural chains by developing promising chains, sustainable production systems and capacity building. Annex 5 of the original programme document explains the approach further. Programme consultant's reports feature a value chain analyses and propose value chain interventions, up and downstream the value chains. The DRD component was budgeted to receive 63% of the programme's funds, while the Institutional Support (Component 1) and Support to the Micro Finance sector (Component 3) were to receive 13% each of the DKK 285 Million total programme budget. The programme was implemented in the three eastern regions of the country (Sahel, East and Central-East), out of the country's 12 regions in total. This is an area about twice the size of Denmark.

The PADAB2 programme objective was to contribute to the achievement of the objectives of the country's rural strategy concerning economic growth, the improvement of incomes in the rural sector and food security. Indicators on PADAB2 programme level were:

- 3% annual growth in income of rural population
- Self-sufficiency in cereal production more than 100%
- 5% annual growth in cereal production and 15% in other crops
- 3% annual growth in sustainable fuel wood production
- Improved access to credit and savings

The DRD component had five objectives:

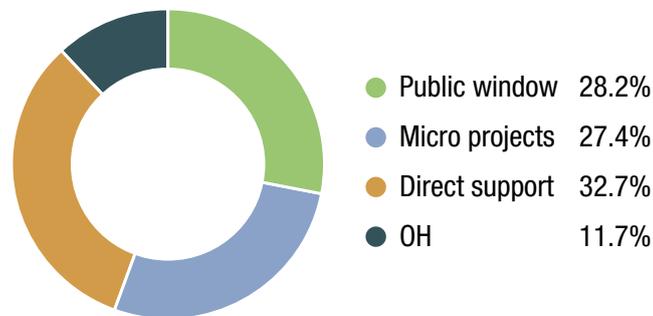
1. Building capacities and revenues of the stakeholders (communities and local authorities), enabling them to fully perform their tasks in the local development.
2. Improve, in a sustainable manner, the agricultural production systems.
3. Promote sectors according to the regional potential and market opportunities.
4. Improve capacities and incomes of private operators upstream and downstream in the chains.

5. Strengthen the planning capabilities, management, M&E and learning processes in the Ministry of Agriculture and Food Security MASA<sup>1</sup> and partner services, and promote an alignment of regional action principles and standards.

The first four objectives were financed by Danida; the fifth objective was financed by the Burkinabe government. Within this component there was support to the public sector to improve infrastructure to facilitate agri-business. For this *public window*, PADAB2 invited communities to develop and implement proposals to improve infrastructure like making natural resource management and communal development plans, and building vaccination corrals, slaughterhouses, public market structures, (small) dams and irrigation infrastructure. PADAB2 supported 197 public projects.

The DRD component furthermore included support to finance Micro Project (MP) proposals from operators who normally would not have access to finances, to propel them out of poverty (private window). This was done through a grant scheme with a minor own contribution. These beneficiaries, individual or groups of farmers and usually groups of (women) processors received funds to improve production, processing and marketing. PADAB2 supported 3,911 MPs.

It should be taken into consideration that the component was called *Decentralised Rural Development*. It was about setting up regional Ministry of Agriculture structures, building their organisational and technical capacity to implement rural development projects, testing this within Component 2. International consultants were contracted to build the capacities of governmental services and those of the Regional Agricultural Chambers (CRA) and they in their turn build the capacities of the communal and private operators. The third activity was called **direct support**.



A fourth activity was programme management or “Overhead” (OH). As an example, the distribution in spending is given for the Central-East region.

It took some time to get the programme started. Grants were provided before guidelines were ready/approved, value chains analysed and priority value chains chosen. The 2008 Annual Review concluded that the MPs were not limited to the priority value chains nor were they targeting the bottlenecks in the value chains. Following the subsequent

<sup>1</sup> In this report, the latest abbreviation used for the Ministry of Agriculture and Food Security (MASA) is applied.

Mid-Term Review, it was decided that each region should have four priority value chains (a choice between: beef, poultry, fish, cowpea, shea, gum Arabica or firewood. After the Mid-Term Review, relatively few new grants were approved.

In the programme documentation there is little or no discussion of value chain matters, which makes it difficult to study the use of the value chain approach in the component.

### 1.3 Evaluation process/methodology

The evaluation has been based on the following main activities:

- Desk review of documents provided, search for additional documents.
- Key stakeholder interviews.
- Visit to prepare for an impact survey with first stakeholder interviews (see below).
- Second visit to kick off impact study, limited stakeholder interviews due to coup d'état.

### 1.4 The impact study

This impact study is a qualitative study, using focus groups discussions and individual interviews with beneficiaries and non-beneficiaries, to assess the impact of the intervention. The impact study has focused on the Central-East and Eastern regions as the Sahel region was not considered safe for travel, was far away and had a limited number of MPs. It was a priority to include a balanced mix of production, processing and marketing beneficiaries, as well as both male and female beneficiaries. The impact study focused on five value chains, four of which were priority chains (beef, poultry, fish and cowpea) and peanuts. These five chains had attracted 68% of the MP funding. Care was taken to include a value chain in which women had a dominating role.

**Table 1. Division in value chain segment and gender**

	Prod.	Proc.	Market	Total MPs	Male	♂ Female	♀	Mixed	♂♀	
<b>Beef</b>	961	10	50	1021	715	70%	227	22%	79	8%
<b>Poultry</b>	217	3	6	226	153	68%	64	28%	9	4%
<b>Fish</b>	42	53	58	153	60	39%	87	57%	6	4%
<b>Cow pea</b>	368	45	209	622	291	47%	298	48%	33	5%
<b>Peanut</b>	80	242	111	433	73	17%	351	81%	9	2%

The impact study was conducted in five different locations, a spread between urban and rural settings. Each value chain was covered within at least two different locations. In total, 23 focus group discussions were conducted with beneficiaries and non-beneficiaries, in total 161 persons. The intent was to involve around 250 persons, 10% of the beneficiaries in the chains. However, in the towns only a limited number of those invited for the FGDs showed up. This was partly due to the coup d'état that took place just at the time for launching of the impact study. Other beneficiaries had moved to Ouagadougou,

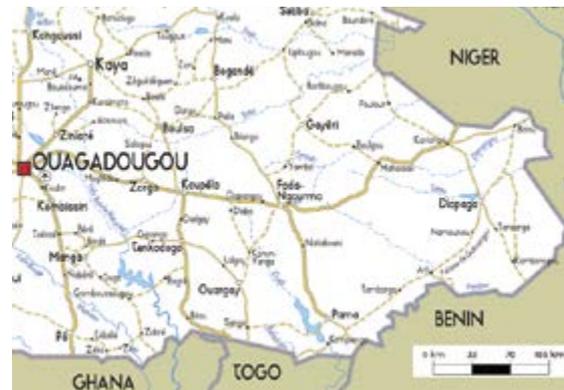
were travelling, in the field, could not leave home, or did not want to attend. MASA staff and other resource persons were not always available for the key informant interviews. Therefore, only seven of the scheduled 13 key informant interviews could be conducted. Despite these limitations, the evaluation is of the opinion that the impact study present a balanced view of the results obtained through the programme support. The responses of value chain beneficiaries of different locations were quite coherent.



Stable in Tenkodogo, no money for buying animals

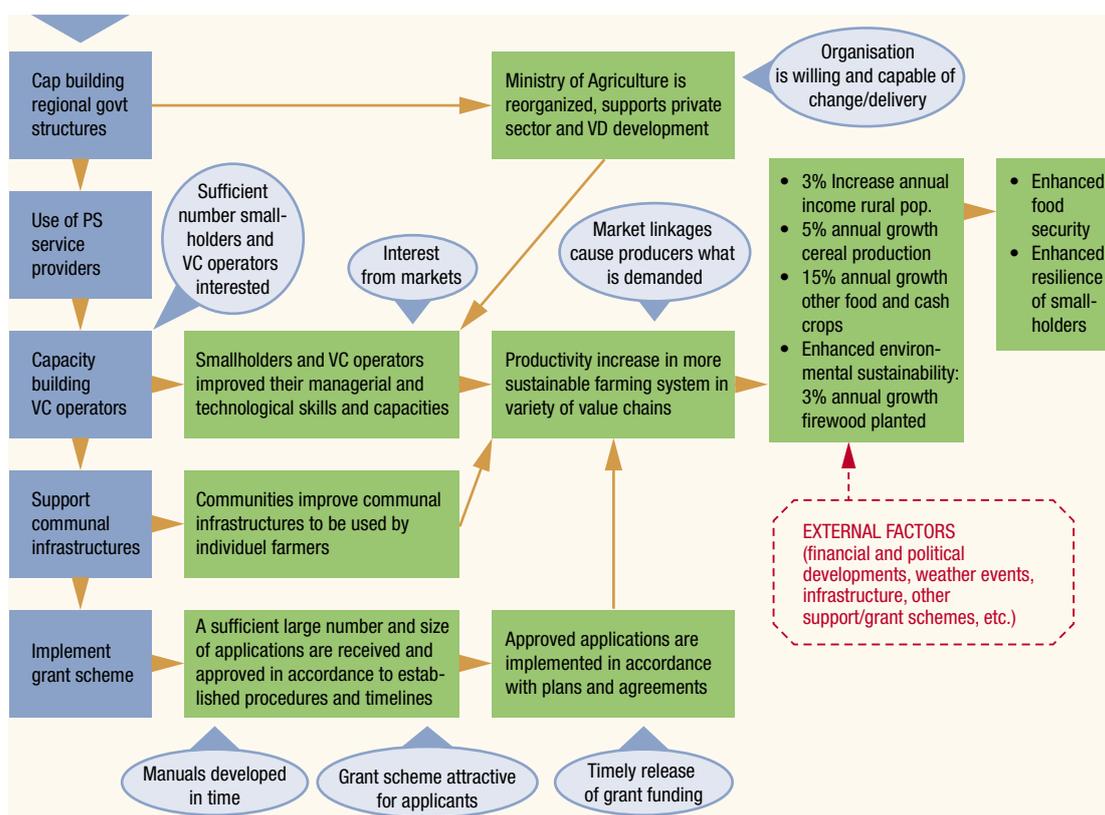


Poultry beneficiary



## 2 Theory of Change, Value Chain Map and Maturity of Market

Below the Theory of Change that the evaluation reconstructed from the four page Logical Framework Approach in the component description (with objectives, results, indicators, means of verification).



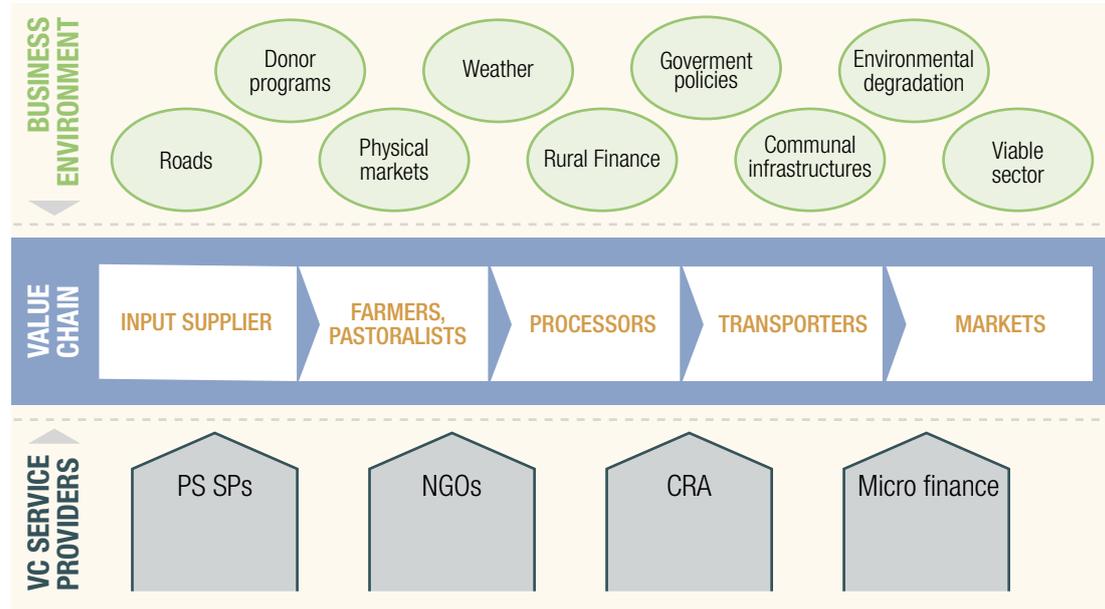
### 2.1 Theory of Change validation

The change is set in motion from the left through inputs, results, outputs, outcomes to impacts. From the right, the desired impacts, like enhanced food security and resilience, were not or only to a limited extent achieved, because the outcomes (e.g. 15% annual growth) did not materialize. This was partly due to external factors like the vagaries of weather and possibly the absence of roads. The outcomes of the interventions were not achieved, mainly because most beneficiaries did not make the investment in infrastructure to work and therefore did not significantly increase productivity.

From the left, even when there were challenges, like delays and manuals not being ready in time, the majority of the MPs were implemented. Likewise, the communal infrastructures are in place but they are not used to any large extent. The MASA was supportive. There are good functioning markets but producers or processors have not been connected/connecting with them and do not supply. The market pull does not work. The main reason is that the capacity of the smallholders and value chain operators was not build (e.g. on how to increase production with the infrastructure provided, how to address markets and how to manage their business).

## 2.2 Value chain map & context

### Value Chain map – Burkina Faso



The value chain map assists in identifying which issue or actor assists or obstructs VCD, which needs to be addressed in the intervention. The value chain map shows the main issues at stake in the business environment (the context in the top layer). At the bottom are the service providers who support the value chain.

The component worked with primary producers, some of whom were also processors (like the women groups processing the cowpea and peanut). The farmers and the women groups were often doing the (local) marketing. There was little support to lead firms in market towns to pull the market through demand, together with transporters or warehousing. The programme did not work on inputs, except in the case of improved cowpea seed and some actors supplying equipment to the fishermen.

Aligning the programme with the policies of the government, or developing new policies happened in a different component of PADAB2, the Institutional Support Component. There is no evidence that bottlenecks experienced by the value chain actors have been fed into the policymaking process. There was limited cooperation with other donor programmes working on VCD. No unusual weather situations were reported during the implementation period.

The road network is deficient and limits access to better paying markets. There are not enough markets and places for producers and buyers to meet. Communal infrastructure like vaccination corrals has improved.

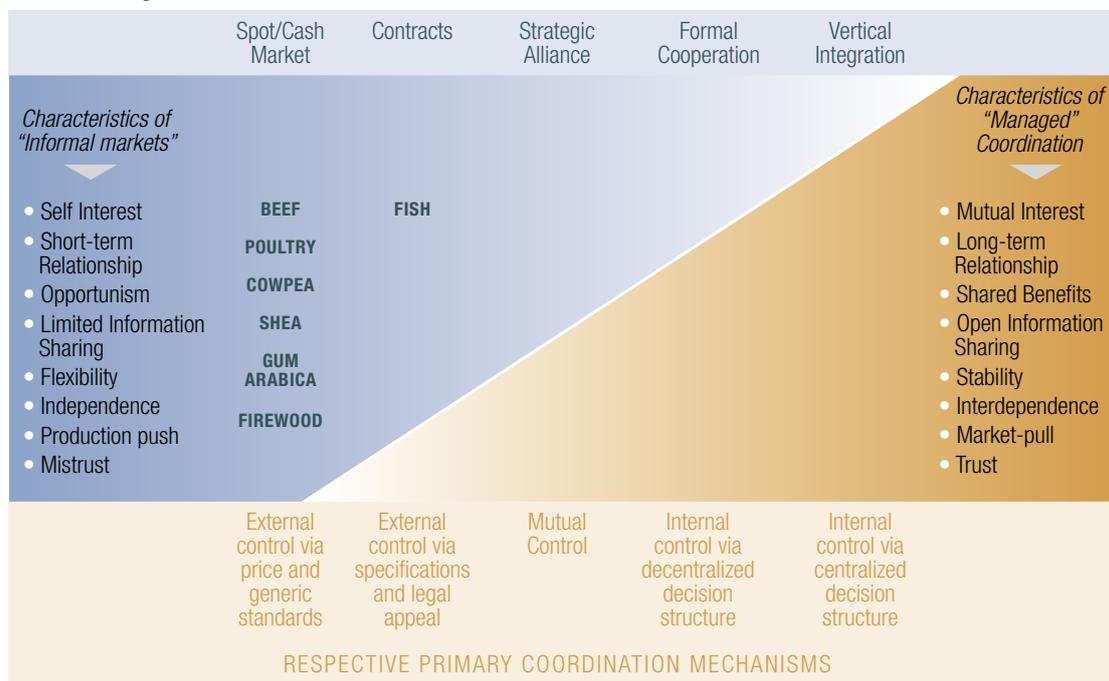
There are very limited formal and informal financial institutions. Except for (Ghanaian) cattle buyers that try to get trailer loads of cattle together for export, there are very few bigger players buying wholesale volumes in the countryside. There are a huge amount of middlemen and small operators around bringing the volumes together. There are few buyers who want to do direct business with producer groups or farming communities, who can supply a truckload at an agreed time (for a better price).

Service providers and NGOs are around but the interventions did not provide enough support for them to operate in the field. The same can be concluded in relation to the agents of the CRAs. Micro-finance did not become more accessible during the implementation period.

### 2.3 Maturity of market

The figure below illustrates where the evaluation would locate the market development in Burkina Faso for the value chains studies. When the producer, processors and their buyers move more towards the right, there are different bottlenecks, requiring different, higher level interventions.

#### Maturity of Market



Most value chains operate in the column Spot/Cash Market. The fish smoking women gave loans to the fishermen so they could purchase fishing gear and directly supply the women with fish in exchange. This is regarded as a contract. The other value chains did not make deals with buyers; they tried to sell when the product was ready. That is usually a situation where product quality is of no or little importance. There can be oversupply at the time of harvest where producers are price takers; there can be a shortage later, where both producer and buyer speculate/take risks. Taking risks is usually associated with higher margins for the buyer and a lower price for the seller. By reducing risks, the net price can be better for both. Quality and export markets but also supermarkets require a move to the right where there is coordination and the producer does not only supply a product but also a service.



Fish smoking; less wood, less smoke



The refrigerator with good size fish



Women with their peanut huller

### 2.4 Assessment of the value chain design and approach

One of the international consultancies identified 13 different types of producers, processors and buyers. The intervention addresses mainly individual primary producers and groups of women collectors-processors who normally do not have access to finance or grants, are often illiterate and have limited business skills as its target group. It was not possible for the evaluation to find out on what basis that decision was made.

Another international consultancy studied the bottlenecks in the seven priority value chains (cattle, poultry, fish, cowpea, shea, gum Arabica, fuelwood) using Food Commodities Analyses software. This included a quantitative, technical, financial and qualitative analysis. The reports per value chain provided interesting data on the revenues made

at the different steps in the value chains, presenting interesting graphs on price-building in the value chains. It calculated the value added per link in the chain and the number of persons employed. In addition, it listed the constraints in each part of the value chains and the actions to address these. These studies were finalised halfway through the component's implementation.

The programme document contains a very good sample process of step-by-step chain interventions. However, there is no evidence that this, or the interventions recommended by the international consultants, were ever implemented. It is therefore difficult to detect a particular design/approach for the interventions. There is no focus on particular sector challenges that need to be removed for the value chains to better develop, except for communal infrastructure, which was already addressed. There was no focus on interventions with the highest potential economic impact. Bottlenecks like deficient road network and lack of transportation to markets were not addressed. Access to towns/markets is still insufficient at the end of the programme. Market opportunities have not been addressed even when consultant's reports suggest certain locations with better market demand like along renovated trade corridors (like Gorom-Gorom-Dori to Ouagadougou) and the transborder (cattle and cereal) markets. MASA has failed to address the absence of capacity building of beneficiaries, which should have been done together with applications for grants, executing the project and developing of the business.

Programme management was late in reducing the number of priority chains down to four per region. Even though the majority of the grants had already been disbursed, the last two years of implementation could have been used to make the improved production capacity work.

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## 3 Achievements

The following specific observations are based on the impact survey where the focus group discussion was structured around CATIEs 5Capitals Framework.

### **Natural capital**

Zero grazing has led to an intense harvesting in the surroundings of the villages causing degradation of the vegetation. On the other hand, zero grazing has allowed manure to be collected, for farming or as income. Better fish smoking practices has led to less deforestation because of more efficient fuel wood use. There is concern regarding overfishing and increased cowpea production increases the pressure on land. There is less fallow.

### **Human capital**

The intervention did not lead to a significant increase of technical, managerial or financial skills. The fish smoking women received training in financial management. Other beneficiaries complained that they had not received any training in making the investment work or on how to improve their business.

### **Social capital**

There was no building of producer groups but the component supported existing groups of women to smoke fish and process cowpea or peanut. There was a minimum of improvement in producer or processor' relations with service providers or the CRAs. There was very limited development of business relations, except for the fish smoking women who gave loans to fishermen to be repaid by directly supply of fish.

### **Physical capital**

Cowpea producers received double layered plastic bags for cowpea storage but no funds to store these bags. In many cases, buildings have not been finished, or optimally used, and are sometimes used for other purposes.



Beef tethered to trees, chicken house used for feed storage

### 3 ACHIEVEMENTS

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#### **Financial capital**

The fish smoking women had been able to establish a business, based on a clear business model with collective financial management. The cattle keepers tended to reinvest their money in new animals, also in smaller ruminants or in building houses. In many cases, they do not have more animals than before. The poultry farmers show little progress, they have the same number of chickens as before. The cowpea and peanut women earn a little extra for their households. There has not been a change in access to capital.



FGD in Diabo

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## 4 Engagement of the Public Sector

The programme was implemented by the MASA that was in a process of decentralisation and reorganisation. The programme involved the ministry at all kinds of levels. From developing policies to implementation processes to monitoring. Supporting all these functions in the programme absorbed quite some resources. The ministry was to use the private sector to build the capacity of the beneficiaries. It contracted 'support offices' in 2007 which were abandoned in 2009.

The component description (2005) has a listing of 20-30 existing service providers in the three regions. They are all local, no foreign NGOs are listed. The private service sector indicated it was keen to improve its competences and employ more staff. There are structures emerging providing business development services with different subsidy/cost sharing arrangements. It was confirmed during interviews, that at the start of the programme enough qualified private sector service providers were available. It was also confirmed that there is insufficient availability of agriculture extension and advisory service and a weak link between primary production and market demand. The public sector is not used to work with NGOs or the commercial private sector (consultancy reports remarked that dialogue between private service providers and government is non-existent). In 2008, one of the consultancies proposed how the MASA should involve the private sector in PADAB2. It was recommended that the state should work with the private sector to develop new competences. The Annual Review of 2007 recommended that PADAB2 could cooperate with other donor programmes working on VCD in the same regions. However, none of these potential linkages were used.

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## 5 Green Growth and Gender

Zero grazing beef fattening has led to de-vegetation and degradation in the immediate surroundings of the villages. Farmers have difficulty buying feed and fodder as there is no market for these. They have to collect the feed themselves. During the impact survey some farmers observed that there is less vegetation for their animals also because the increased use of herbicides. The better business with processing cowpea has led to increased cowpea production, to increased land pressure, shorter fallow periods and soil degradation. The farmers observed that cowpea is more drought resistant than maize, and as it is a nitrogen fixing crop its frequent cultivation may lead to slower soil degradation. Particularly the zero-grazed cattle produced manure that can be collected and used as a fertilizer in agriculture, adding organic matter to the soil, slowing down soil degradation.

The fish smoking business uses fuel efficient furnaces to reduce the threat of deforestation. They also produce less smoke, which is better for the health of the women who operate them. The evaluation did not look into the fuelwood value chains in the East and Sahel region as there were very little monitoring data from these areas. The evaluation did not look into the shea nut value chain. Here women are often both the collectors and the processors, producing body lotion for the local and regional market as well as for export markets. For years, a company like the Body Shop has been buying shea oil from women groups in Burkina. In the organic area, Burkina Faso is actually known as a major producer of organic cotton, cashew, mango and French beans. It used to be the main supplier of organic sesame seeds for oil until salmonella was detected (due to roaming chickens). As these are considerable volumes, these are no longer niche markets. Organic and fair trade are markets that require a high level of cooperation in the value chain. This opportunity has not been considered in this programme.

The programme intended to have a substantial impact on women. Some of the priority value chains were dominated by women. It was acknowledged during the focus group discussions that the VCD intervention had been good for empowering women.

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## 6 Key Evaluation Findings

- The public window (mainly community infrastructures like vaccination corrals, cattle loading ramps, market structures, some small dams and irrigation schemes) has provided some lasting impact. These activities are cornerstones for VCD since these structures facilitate better production and business for value chain operators.
- The programme contributed to increased capacity of decentralised government structures. However, many of those who were trained have moved on. A semi-public structure was built (the CRA), which was financed by agribusiness tax income. The CRA's were to act as the liaison between the MASA and the private sector value chain operators. Already during the implementation of the interventions, there were indications that the CRA's were under-resourced and after the completion of the programme very few staff stayed with the institutions. The sustainability of the CRA's is therefore questioned by the evaluation.
- The intervention failed in engaging sufficient public, semi-public and private service providers to provide training to the beneficiaries on how to use their increased production and processing capacity, and how to improve their business.
- Almost all beneficiaries requested training to make their investment work. They recognized the potential of their business and were frustrated that they could not achieve it.
- Only the fish smoking and cowpea processing women had improved their business and feel more food secure.
- Beef, poultry and peanut production has been stagnating among the beneficiaries. Beef and chicken keepers reported an increase in agriculture production because they were now collecting manure.
- The interventions did not build chains as it was intended in the programme document; it only supported segments. It hardly worked on linking producers with input suppliers, did not work on linking producers with processors and those in their turn with markets.
- The programme did not use the international consultants' reports, which provided good analyses and recommendations for interventions to develop the chains.
- Given that DKK 44 million grants were handed out to close to 4,000 beneficiaries the impact is far below the potential.
- Income is often used for the household, sometimes diverted to other sources of income (small ruminants) or housing, only to a limited extent used for the farm business that is supported.
- Road access was undervalued as a precondition for doing business. Even during the evaluation, towns along trunk roads were inaccessible due to rain. One cannot expect local prices and local production to increase, efficiencies to be made in the

## 6 KEY EVALUATION FINDINGS

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links between producer and consumer, without all year all weather roads. Chickens are still sold per piece in the village as it is too much trouble to bring 10 chickens to a grill restaurant in the nearest town.

- There is not always drinking water available for the beef and chicken.
- In three of the five value chains studied the (limited) increase of production has contributed to a (limited) environmental degradation. There is vegetation clearing/ deforestation due to zero grazing cattle. There continue to be reports of overfishing in the dams, the expansion of cowpea leads to reduction of non-cultivated lands/ fallow periods. At the same time, zero grazing results in manure that can be sold or used to fertilise the fields. Despite the involvement of government institutions, the negative effect of the intervention on the environment has not been managed.
- Beneficiaries complained about delays in the payment regime. Quite a few are still expecting a second payment and have not yet finished their buildings. In additions, some beneficiaries did not really know their project (illiteracy, lack of file or record keeping).
- There is no evidence that the CRAs coordinated efforts with various other initiatives working on VCD in the same regions, which for example could have assisted in capacity building of the beneficiaries.



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