

# Commercial Agriculture Portfolio Review 2022

## Executive summary

CABI

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Commercial Agriculture for Smallholders and Agribusiness

CASA aims to drive global investment for inclusive climate-resilient agri-food systems that increase smallholder incomes.

The programme makes the case for increased agribusiness investment by demonstrating the commercial and development potential of sourcing models involving empowered smallholder producers and by tackling the information and evidence gaps holding back investment.

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## Executive Summary

This is the fourth iteration of a regular process reviewing the performance of programmes in FCDO's Commercial Agriculture Portfolio and making recommendations for improvement. This review compiles information published on FCDO's DevTracker up to June 2022, assessing programme performance against 20 general indicators (related to overall reach, productivity, improved income, enterprises, and employment) and thematic indicators related to climate change, women's economic empowerment (WEE) and nutrition.

### Some key highlights of the portfolio include:

- The portfolio currently includes 32 programmes (20 focused solely on Africa), with a combined budget of nearly £1.7bn and an average duration of 7 years. By comparison, the 2020 portfolio contained 42 live programmes, with a combined budget of £2.8bn.
- Programmes mostly focus on a combination of agribusiness investment, access to finance, value chain development, and enabling environment. The largest delivery mechanism is through grants, closely followed by provision of loans and equity.
- Overall, programmes are reaching over 24.5m smallholder farmers (83% of the target total, 40% women), working with almost 17,500 Small and Medium Sized Enterprises and stimulating half the target amount of investment of £1bn.

### General findings from the 2022 Commercial Agriculture Portfolio Review

- Most portfolio programmes are making positive efforts to ensure value for money, proactively reduce costs and improve effectiveness, with many examples of good practice that could be more broadly disseminated across FCDO.
- The portfolio has made progress in embedding FCDO thematic priorities and targets in the programme design phase – and as a result, for example, reach to women smallholder farmers (which was a major concern in the previous Review) appears to have improved. However, some programmes have struggled to deliver on these priorities and targets during implementation.
- However, self-reported information by FCDO programmes often lacks consistency and rigour. British Investment International (BII), the largest recipient of funding in the Commercial Agriculture Portfolio, does not report on most Review metrics.

### Key thematic findings

#### Climate change

- Positively, there is increased ambition to address climate change at policy level. This hasn't yet been fully reflected at programme level, with a decreased proportion of programmes receiving International Climate Finance (ICF) since the last review and ICF funded programmes having performed variably.
- Although there have been improvements in emissions reductions and leveraging private finance, integration of climate change mitigation and adaptation into programming is lower than in 2020.
- The quality of measuring and reporting on climate indicators varies across the portfolio, making aggregation and comparison across programmes challenging. Systems for reporting outcomes on nature and biodiversity are still being developed, despite FCDO having a target to spend a quarter of ICF on these issues by 2026.

#### Nutrition

- Overall, the portfolio's performance against nutrition indicators is similar to the 2020 review, with only a quarter of programmes designed to achieve nutrition outcomes, a quarter having potential, and half being nutrition blind.

- The introduction of nutrition markers in FCDO reporting in 2022 along with new training tools has the potential to further support the integration of nutrition if these are systemically used.
- Global conferences in 2021 have provided further impetus for nutrition outcomes in development, with increased awareness and tools available to mainstream nutrition. This is likely to lead to greater focus on nutrition and food security in the Commercial Agriculture Portfolio in future years.

## **Gender**

- Overall, although 61% of programmes are rated 'gender responsive' or 'gender responsive plus' and areas of good practice have been identified, the proportion of gender responsive and gender aware programmes has decreased compared to 2020, while an increasing number of programmes (particularly new programmes) are rated gender blind.
- More than half of portfolio programmes were designed to be gender inclusive, however newer programmes are less responsive to gender considerations and some programmes have not maintained a deliberate strategy to promote women's participation once they start.
- Generally, approaches and targets relating to gender could be more ambitious, both in terms of how many women are being reached but also in bringing about systemic changes to address the underlying causes of gender inequality (less than 10% programmes are doing this).

## **Key recommendations for FCDO**

1. FCDO should incentivize the mainstreaming of climate change, gender, and nutrition in programme design and, crucially, implementation; encourage programmes to set thematic objectives; and facilitate closer collaboration between technical and operational teams to support this.
2. FCDO should focus interventions on lowering the cost of credit and explore blended and concessional finance arrangements to increase uptake of climate smart agriculture among smallholder farmers and agribusinesses, and disseminate lessons learned. This is a major barrier to further programme success and impact.
3. FCDO should develop detailed guidance for programmes on best practices they can adopt to advance women's economic empowerment beyond sex disaggregated target setting and data collection. All ICF programmes in the Commercial Agriculture Portfolio should have gender action plans developed.
4. FCDO should introduce the OECD-DEC Nutrition Policy Marker to support the systematic measurement of nutrition in all FCDO commercial agriculture programmes.
5. FCDO should address the quality and availability of data, in particular the use of global standard measurement approaches for key metrics (such as jobs created or emissions mitigated), to enable aggregation and comparison across programmes.



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