Graduation with Resilience to Achieve Sustainable Development

GRAD is a five-year USAID-funded project designed to help the Government of Ethiopia find sustainable solutions to chronic food insecurity. The project supports households currently enrolled in the government's Productive Safety Net Program (PSNP) so that they may access microfinance, improve on and off-farm productivity, and improve links to markets. In addition, GRAD improves household and community resilience by: increasing women's empowerment; improving nutritional practices; and introducing local climate change adaptation mechanisms. CARE Ethiopia leads a consortium that includes REST, ORDA, CRS, Agri Service Ethiopia, and SNV. The project works in 16 districts in Amhara, Tigray, Oromia and SNNPR.

GRAD Learning Brief #5	**Multi stakeholder platforms for value chain development**

Background and Need

Successful value chain development depends on productive relationships among value chain actors and other stakeholders such as private input suppliers, processors, traders, cooperatives and unions, and farmers, as well as relevant government offices and other service providers. These stakeholders need each other, but because they typically operate with different objectives and circumstances, they can have different perspectives on the value chain, which can sometimes lead to mistrust and unhealthy competition. Multi-stakeholder platforms (MSPs) bring these multiple actors together around a common goal—in GRAD's case, to strengthen the competitiveness and inclusiveness of the value chains in which GRAD households participate. MSPs provide a forum for value chain actors to discuss sector-specific challenges; identify common opportunities; share knowledge and experience; and, more generally, build relationships that foster trust and transparency.

GRAD's work with MSPs

Advisors from GRAD's technical partner SNV facilitated the formation of MSPs in each of its operational regions, with typically one MSP for each of the selected value chains: livestock, pulses, honey, vegetables (potato, red pepper, tomato and onion), and malt barley. In some instances, the MSPs were organized in collaboration with other projects with similar interests. For instance, honey MSPs have been jointly managed by GRAD and the Agricultural Growth Program-Agricultural Market Development (AGP-AMDe) project, which is working to strengthen the honey value chain. In other cases, GRAD has joined hands with private sector partners to lead the MSP process.

A precursor to setting-up an MSP involves in-depth research into the existing value chain through subsector analysis, value chain mapping, and identification of key actors and their relationships. Actors who are identified through these processes were then convened for a dialogue to identify opportunities and constraints, and to develop strategies to address challenges along the value chain. GRAD then facilitated regular MSP meetings by first preparing terms of reference, identifying resource persons according to the objectives of each meeting, and subsequently disseminating a summary of proceedings to participants after the meeting.

Costs and cost recovery

Human, material, and financial resources are required to set up, facilitate, and maintain MSPs. Expenses include costs for stationary, transport, accommodation of participants and presenters, venue, and refreshments. In addition, facilitators need a distinct set of skills that encompass organizational/logistical skills as well as facilitation skills. An exact price tag cannot be estimated given highly variable participant costs. What is critical however is that some participants, market actors for instance, will have expectations about new revenues through increased production/sales, while non-commercial participants (e.g. government officials or researchers), would have a non-financial incentive and are therefore less likely to make a financial contribution to the MSP.

The Outcomes

The success or usefulness of GRAD's MSPs has differed from region to region and by value chain. In most cases, the groups made at least moderate contributions to regional value chain development. Some specific highlights of positive outcomes are cited below:

- Helped create and support a decentralized input supply system with agro-dealers and model farmers
- Created opportunities for private companies to introduce their products and services and to raise awareness on quality requirements of major output markets
- Enabled sharing and discussion of policy and regulatory issues, such as livestock marketing regulations, and regulations concerning the use of agro-chemicals and its impact on apiculture
- Inspired the Gondar Malt Factory and the Ethiopian Apiculture Board (EAB) to take a lead role in coordinating the malt barley and honey MSPs, respectively, including contributions to costs/resources required
- Attracted like-minded development organizations (such as Oxfam GB and Facilitator for Change Ethiopia in Amhara, and World Vision and GIZ/SLM in Tigray) to get involved in organizing and facilitating the MSPs.

Challenges

Some stakeholders were more willing MSP participants than others. In particular, it was difficult to attract many private buyers to join MSPs and send representatives to serve as regular, consistent participants in MSP meetings. This points to inadequate promotion of the concept, as these market actors have much to gain by MSP achievements. In addition, follow-up of tasks and assignments taken by participants in MSP action plans has also proven challenging.

GRAD LEARNING

MSP benefits for poor households: Many MSP discussions and recommendations focused on access to improved inputs and technologies, extension and advisory services, and market information. These issues are directly relevant to poor and food insecure households, and the discussions fostering inclusive value chains.

MSP sustainability and scalability: GRAD believes that value chain-based MSPs are crucial for productive collaboration of market actors. The MSPs supported by GRAD have an important function beyond the life and scope of the project, including in larger-scale government programs. Scalability and sustainability go hand-in-hand, and can take multiple forms depending on the reality on the ground:

- **Handover to the private sector**: Private sector lead firms often have a high stake in having efficient value chains in terms of profitability and, therefore, can be a driving force for the continued operation of an MSP after a program has ended. As an example, GRAD transferred coordination of the malt barley MSP in South Gondar to the Gondar Malt Factory.
- **Handover to sector associations:** Associations represent a variety of stakeholders within a sector, which can make them ideal candidates to serve as MSP facilitators. The potential of the EAB to continue leadership of the honey MSP was noted above.
- **Handover to the government**: Supporting smallholder farmers and sector development in general is the responsibility of the Government of Ethiopia (GOE). Thus, the government is appropriate take the lead in some of the MSPs, making modifications as per resource constraints. The GOE's current focus on Agricultural Commercialization Clusters, which are based around specific value chains, is a similar model and can be seen as a scaling-up of an MSP-type entity.
- **Cost sharing by participants:** Value chain stakeholders all benefit from the MSP in some way, whether by accessing market information, learning about new practices and technologies, or developing new business-to-business relationships. Hence it seems reasonable that these actors should share costs or at least cover their own expenses when participating in the meetings. However, stakeholders such as farmers and cooperatives, in particular, may not be able to cover their own costs in the short run.

Future Prospects: For each of these options, it seems unlikely that MSPs will continue to be facilitated in the same way that was done by GRAD, due to financial constraints. Nevertheless, it should be possible for MSPs to adopt new modes of working in order to continue providing much-needed services to their members.