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I work for TechnoServe, which is an international NGO. We are partners with AGRA and a number of projects. We work in 30 developing countries in Latin America, Africa and India. I cover West and Southern Africa, so I am a lot more familiar with what we are doing in Ghana, Nigeria, Cote d'Ivoire, Zimbabwe, Zambia, Mozambique and South Africa; those are the areas I am most focused on, and our mission is to work with enterprising men and women in the developing world to build competitive farms, businesses and industries. We really work at multiple levels; when we work with farms, it is the smallholder reality we have discussed here. We also work at the firm level, for example with agro-processors, potentially to give them technical assistance or allow them to develop more nutritious products. We also work at the industry level; for example, we are running a project to develop the West African cashew processing industry, and that is one of the programmes we are operating in Burkina Faso.

All of our work is market-based, so fundamentally we are there to capacitate and strengthen local actors or local businesses such that they are able to become more competitive, and through that drive development impact, so that should result in increased incomes, improved food security, or strengthened household resilience, whatever the particular goals are. We manage ourselves in a very rigorous and transparent way against our impacts, so every year we track our breadth, that is, how many farmers we work with and how many businesses we support. We worked with 570,000 farmers and 1,500 businesses. We also track the breadth of our impact; we created 9,300 jobs, and also drove 70 million in incremental financial benefits to the farmers and businesses we work with, so we are very measurement oriented.

Thinking about agricultural competitiveness, there were a number of discussions about technology and finance; the two tools we use most are investment, the new money coming into the system we are able to partner or work with in order to drive improvements in agriculture, and productivity, because that is ultimately the driver of the competitiveness of these farms. We have seen a recent increase in investment in agriculture that is very promising and exciting; the vast majority of it is private, at 85%, with 11% from government, 4% ODA, multilateral or foundations. Looking at the big picture of who we can partner with to drive the greatest impact, the private sector is a very important source, but of course close coordination with governments and donors is very important.

The challenge, because we have a commercial orientation, is how to make sure that it is actually inclusive, reaching vulnerable populations. There are a lot of ways to do agriculture and have agricultural growth but not necessarily benefit smallholders or drive improvements in food security. That is our agenda, to try to find the opportunity to work with businesses when there is overlap with social goals and objectives, so we are working in partnership with donors to drive that. There are two main areas, linkages to smallholder farmers as producers where they receive benefits in terms of agricultural inputs or access to stable markets, and how we can drive those linkages so they can produce; and linkages to smallholder producers as customers, where they can buy agricultural inputs, where they can new nutritious food products and be customers. That is where we specialise, working with firms to develop very local solutions such that we are able to engage smallholder producers to benefit in terms of incomes and food security. Our role in that system is to operate as a catalyst, to be involved in setting up a system, and once that is in motion, step away, have no ongoing role and allow that to continue on a commercial basis.

That is a little abstract; let me walk through a specific example. I wanted to take an example of a cash crop to illustrate the spill-over effect into staple crops, so I will talk about a programme we executed in Cote d'Ivoire and Ghana on behalf of the Bill and Melinda Gates Foundation. Two-thirds of global cocoa production comes from West Africa, and almost 100% of that is smallholder production, so it is not a question of which producers will benefit. These are poor households with incomes of less than USD2 a day, and their nutrition status is complex; they have adequate caloric content throughout the year, but in many cases, depending on the age of the population, they have micronutrient or protein deficiencies, so it is more about the nutrient content. This is a part of Africa where you have easy staple production, so it is less about caloric content throughout the year.

Cocoa is a cash engine into the household, where cocoa sales happen once or twice a year, and they are able to provide much-needed cash to cover school fees, any type of medical needs or health investments. Our project was to work with the input industry, fertiliser distributors, local businesses or crop protection businesses to have them engage directly with smallholders. They had previously been working with brick-and-mortar operations and were not really able to sell to smallholders, so we were going to set up a last-mile distribution system where they have fertiliser agents who also do training and ensure that the inputs are used properly.

The challenge here was credit; cocoa inputs are very expensive, often over USD500 per household, and clearly that money was not available, so we developed a model that used credit. Because of the complexities, the track record in cocoa credit is very poor, with less than 30% repayment, so it is viewed as non-viable. We started very small, with 300 farmers in Ghana and 200 in Cote d'Ivoire, and four years later we are working with over 10,000 customers of the product. The impacts have been very solid; this led to a tripling of cocoa production, an increase in household incomes of USD900 per year, which is quite substantial. Smallholder credit is quite often surprisingly reliable; we had 98% repayment over the last five years, including the election crisis in Cote d'Ivoire, where we felt we might lose the entire year. This was also an opportunity for these households to set up their first ever savings accounts, so it was a way for them to use savings to spread some of the cocoa income throughout the year.

This had substantial spill-over effects in terms of staples; we were able to measure increased investment in staple production, increases in staple production, as well as increases in food production, so we know there were food security benefits. That was the best we were able to determine in this time frame.

Two important intangibles emerged from this project: more youth came in, which really changed the demographics of who was engaged in agriculture, because it is an attractive business comparable to a job, so many young farmers came in; other copycat programmes came up, where people saw what we were doing with the Gates Foundation, and other input businesses began to extend lending in cocoa, because they felt that was now a viable business model. Therefore, it is great to see other actors coming in without any subsidy. We are at a turning point here, working with approximately 10,000 producers, and clearly there is an opportunity to continue growing, but we hope our role diminishes as the private sector sees this is a viable pathway and continues to drive it forward.

Therefore, in this overall space we are largely focused on trying to tie to partnerships where we have private investment coming in, which is an impetus to growth, and then working very closely with donors or governments. We mentioned the linkage between NGOs and governments; when we operate in a country, our work with the government is often high-level, so we have to drill down and figure out what is happening in a more granular sense, but there is an effort to coordinate with the government. The problem I see is a lack of coordination across NGOs themselves; we often have NGOs that are giving away inputs such as seed and fertiliser, and on the other hand NGOs that are trying to develop those as markets, and those are incompatible approaches. Everyone in countries, whether governments or donors, needs to align on how much we are trying to subsidise versus how much we are trying to drive market development.

There is a major opportunity to partner and develop on-the-ground solutions that are very local, that are able to leverage private sector investment and work in close coordination with government to improve incomes, increase production, help supply and demand, increase nutrition and increase household resilience.