Annex 2: Key findings of the independent institutional evaluation of AGRA and AGRA's responses to the evaluation

1. Key findings of the 2015 independent institutional evaluation of AGRA

With a new AGRA leadership team in place to spearhead the strategy's implementation, as well as a transition of funding from, primarily BMGF financed, siloed programmatic grants, BMGF asked DAI to conduct an institutional evaluation of AGRA in 2015. The purpose of the evaluation was to analyse AGRA's achievements to date; determine whether AGRA's current business and operating models are effective to advance structural changes in the agriculture sector; and provide recommendations to facilitate decision making in the next phase of the partnership between BMGF and AGRA.

Its main findings tabled in the final report (Feb 2016) were:

- A lack of clarity surrounding AGRA's core value proposition and business model based on concerns over the organization's ability to manage the new programmatic integration while closing out siloed program grants and its ability to raise funds in a more complex, competitive funding environment. This was aggravated by fatigue among staff caused by too frequent, top-down strategy refreshes.
- Ambiguity over AGRA's identity, including its perception as an African institution, the characteristics of which differed depending upon each respondent's type of engagement with the institution.
- Concerns that AGRA's alignment with national government priorities and CAADP process engagement were less than optimal, with Government representatives communicating a desire for more engagement at the country level. There was, however, much goodwill toward the organization and appreciation for its role as an honest broker and for its political neutrality.
- Stakeholders noted that AGRA was making positive changes to yield a more effective operating model, but staff members still lack clarity over the rationale for these changes.
- Despite Individual program streams having generated impressive intermediate results, siloed funding drives siloed programs, and siloed programmes restrict integrated investment and delivery**.** The transformational objective remained aspirational and the results to date indicated that AGRA would need more than the next five years to achieve this goal. AGRA's donor expectations for transformational change in the short period of its existence were seen as unrealistic.
- AGRA's board emerged with a mix of positives (highly professional membership, gender distribution in line with industry standards) and areas that need improvement (reluctance to shift away from overly optimistic high-level goals, gaps in financial oversight and committee responsibility and engagement).
- While program-level M&E had improved considerably over AGRA's life, it had yet to connect to a higher-level institutional monitoring, evaluation, and learning platform, most likely due to repeated strategy shifts. In addition, although AGRA was viewed by its immediate partner universe quite positively, it had not disseminated its many successes to a wider, eager pool of interested stakeholders. Inadequate institutional communication had resulted in missed opportunities and lack of clarity about AGRA's direction.

2. AGRA's reforms and their implementation up to the end of 2017

In early 2015, AGRA presented a new integrated strategy (originally for 2015-2020) to its board for approval. The new strategy shifted the organization from layered programs that are managed separately, to integrated programming that combined key competencies into a more value chain-driven approach. The strategy was organized into three component areas:

- **Integration.** Proven solutions to increasing smallholder productivity to be applied in an integrated way to the point where the market can take over and sustain the transformation, at least doubling the yields of more than 9 million smallholder farmers.

- **Leverage.** AGRA to focus on leveraging large private and public investments with replicable models that sustain agricultural transformation and unlock value for farmers; work with countries to design private sector-based, sustainable input and output markets and policies; seek to broker private sector farmer partnerships in a public private partnership model that will encourage others to invest in farmer organizations, grain aggregation, post-harvest handling capacity, and access to finance and; aim to leverage investments that will increase the yields of millions more farmers by at least 50%
- **Innovation.** AGRA to develop capabilities to strengthen the foundation for African agricultural transformation by continuing to support innovation that would add to the range of proven solutions, capacities, and knowledge.

AGRA's final 2017-2021 strategy was signed off in 2015, including a results framework and an explanation of grant, outcome and impact monitoring. A main feature of this strategy was to establish a greater country presence across all 11 countries. The success of the new strategy was pegged on decentralizing AGRA from the Headquarters (HQ) in Nairobi to country operations. The 11 countries were organized around Geographies in 5 Geographic Service Teams (GSTs): GST 1 – Burkina/Mali; GST 2 – Nigeria/Ghana; GST 3 – Tanzania; GST 4 – Kenya/Uganda/Rwanda/Ethiopia and GST 5 - Mozambique/Malawi.

AGRA selected these countries based on AGRA's existing assets and value proposition (including existing network of local partners-grantees); government commitment to Agriculture and; potential for impact (including opportunities for private sector engagement). Delivering the strategy in these countries was based on designing support across three inter-related intervention areas or themes: Policy and State Capability; Systems Development; and Strategic Partnerships.

AGRA set out to strengthen a new organizational structure and operating model to service these new strategic priorities in three main ways:

1. Designing an optimal structure between country, regions, and headquarters (e.g. through taking a country-focused approach to get closer to the client and re-positioning technical functions in central teams to service AGRA's country-facing teams).
2. Incorporating new functions (e.g. through a diversified value proposition beyond grant-making i.e. convener, thought-leader, policy advocate, private sector partner, capability builder, and implementation support), looking to fill gaps where others were not investing, coordinating partners and strengthening data analytics and knowledge management.
3. Streamlining e.g. through a back-office that shifted all finance reporting into a single structure and shared services to cost-effectively and efficiently support delivery of the new strategy and well-organized distribution of responsibilities and empowered staff with clarified roles and hierarchy and optimal direct reports for managers.

In order to operationalize AGRA's strategy in the five GSTs, the AGRA Management set up a Change Management Taskforce which played the key role of ensuring a seamless transition from HQ to the GSTs. In addition, the Taskforce was to ensure that the people, processes, systems and infrastructure required in country were put in place for the effective implementation of the strategy. The Task force worked with different teams within AGRA to roll out the country plans over 4 – 6 months, working within existing AGRA structures. Mandated by executive management, with support from Mckinsey, the functions of the Task Force were to:

- Create and deploy task force, a strengths, weaknesses, opportunities and threats (SWOT) team and transition teams.
- Complete country planning and commence country engagement through development of templates and reframing of country plans phased across the 11 countries starting in Sept 2016.
- Establish modalities for management of legacy grants through mapping legacy grants.
- Commence full roll-out in countries (AGRA's strategy).

- Systems and process roll-out through developing new processes.
- Training of staff.
- Communication planning through developing a communication plan.

Its work covered two phases. The first phase (June-December 2016) involved overseeing five workstreams:

1. Developing Country Operational Plans to produce an externally tested and operationalized set of country plans, including an overall portfolio view across all 11 countries.
2. Synthesising all workstreams into a fully integrated $500M funding strategy for discussion with major donors, including potential new business lines AGRA can explore.
3. Designing a new organisational structure, capability, culture & change management plan to define the structure, size and required capabilities, tied to the requirements needed to execute the country strategy.
4. Revamping core processes (grant, performance and knowledge management, budgeting) to define a clear identification of the challenges in AGRA's process and newly designed processes to implement.
5. Capacity building of grantees, aligned to requirements from country plans, with an approach designed around findings from a rapid diagnostic in Tanzania.

The Second and final phase (starting in January 2017) involved closing out its efforts across the five workstreams:

- Country plans were operationalised that highlighted the on-going need for continual refinement of implementation trackers as new stakeholder mapping is completed, country engagement models were strengthened and intervention models tested as early investments were developed.
- New organisation design completed with no outstanding items.
- Revamp of core processes close out with a few outstanding items to conclude.
- Grantee Capacity Building with the Executive Committee validating the new capacity building process which will then be translated into a plan and operations.

Throughout this change management work, the Task Force and AGRA Management surfaced lessons:

1. It takes time to re-design organizational structures and working relations between new business units.
2. The change management program triggered emotional reactions including denial, negativity and outright rejection of the change in some instances.
3. On-going work by Operations and the Country delivery teams was needed to ensure effective decentralization with a primary focus on clarifying individual roles and responsibilities, recruiting where key gaps still existed and clarifying unit relationships and roles.
4. AGRA's history and culture continue to play a major role and should not be underestimated. The new *modus operandi* where power has shifted to countries needs to be continuously strengthened to attain the right balance of interaction through proper guidelines and joint planning.
5. The challenges of multi-teaming in the face of rapid change meant that the pace of roll-out, while rapid, was slower than anticipated.