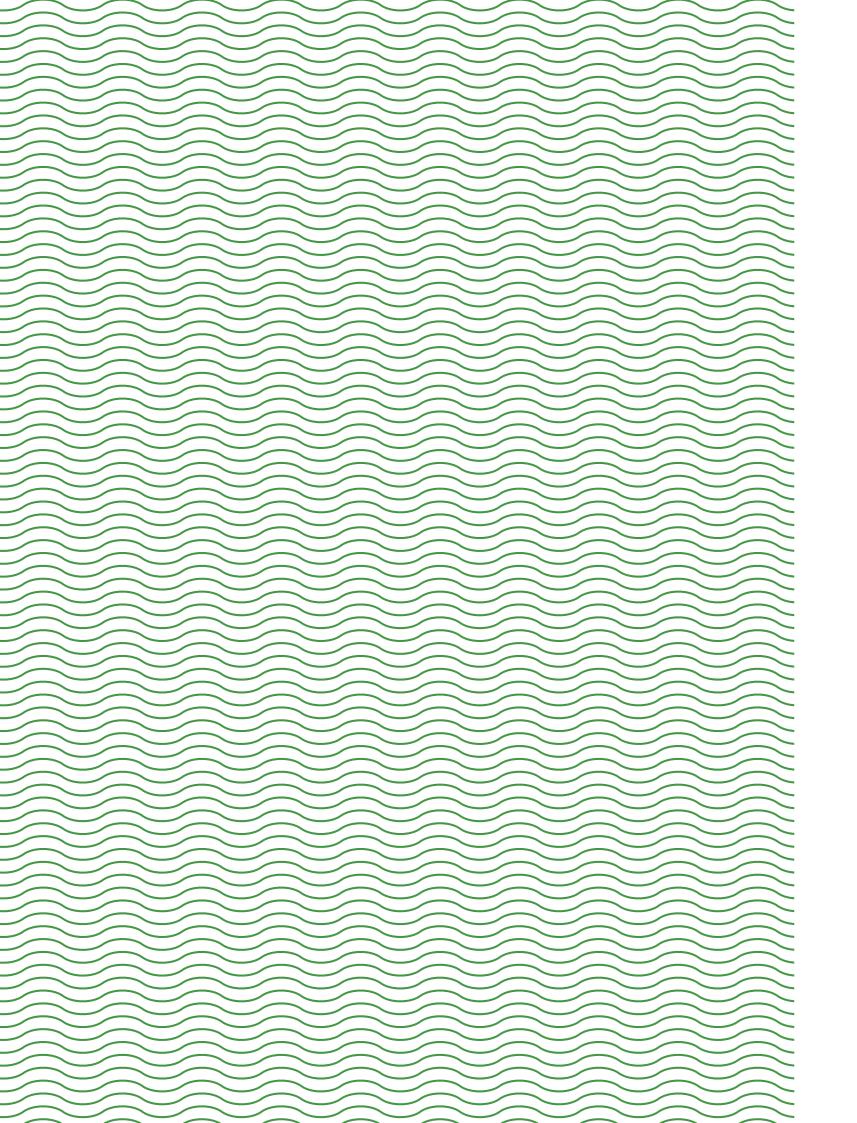


# ACE Rural Strategy 2020



# ACE Rural Strategy 2020

### Author

Paul Cronjaeger pcronjaeger@aceafrica.org

#### Co-Authors

Franz Fischer Kristian Schach Møller Abbie Morris Valeria Morua Hernandez

#### Layout and Design

Andrea Ronhaar www.andrearonhaar.nl

#### Photos Paul Cronjaeger

Anne-Cecile Delwaide Georgina Smith

#### Date of Publication September 2016



#### Agricultural Commodity Exchange for Africa (ACE)

Plot 28/ 251 P.O. Box 40139 Kanengo Light Lilongwe Malawi

www.aceafrica.org Tel. + 265 (0) 1 710 204 + 265 (0) 1 710 304 Fax + 265 (0) 1 710 258

This publication has been produced with the technical and financial support of the GIZ programme More Income and Employment in Rural Areas of Malawi (MIERA). The contents of this publication are the sole responsibility of ACE and can in no way be taken to reflect the views of GIZ.





## Contents

## Foreword

## 1. The ACE Approach: Linking Farmers to Markets

Market Information **Trade Facilitation** Warehouse Receipt System: Storage and Coll

## 2. The ACE Rural Strategy 2020

The Five Intervention Areas and Goals for 202 Where is ACE? Intervention Area 1: ACE's Tailor-ma Intervention Area 2: Training and Ou Intervention Area 3: ACE's Rural Pre Intervention Area 4: Partnerships Intervention Area 5: ACE's Organiza Project Background Implementation: Steering, Coordination and Measuring the Impact Budget

## 3. The Way Forward

## 4. ACE in numbers

Abbreviations **ACE's Partners** 

	12
ateral Financing	14

20	21
	22
de Services	24
treach	26
sence	28
	30
ional Set-up	32
	34
Progress Monitoring	34
	35
	35

36

6

8

16

38

41

44



The ACE Head Office Team

## Foreword

## By Kristian Schach Møller, Chief Executive Officer



Dear Prospective Clients, Clients and Partners of ACE,

In recent years we, the Agricultural Commodity Exchange for Africa (ACE), have grown considerably, not only in terms of scaling our rural infrastructure, but also in terms of trades facilitated and turnover. However, we are still facing a number of internal and external challenges. That is why we, as an organisation, have embarked on a process of soulsearching and change. As an organisation that is strongly committed to rural economic development - by way of offering equal access to higher value markets and structured trade opportunities to farmers and traders in Malawi – we continuously look for the best ways to translate our vision into reality and to work around the obstacles faced. This has not changed. The economic and agricultural framework conditions in Malawi are challenging, limiting the development of agricultural value chains and commodity markets and threatening the livelihoods of millions of people.

Nevertheless, due to the tireless work and the continuous support of many partners, over the last years we have achieved many successes. We have rapidly grown as an organisation as well as expanded our operations, infrastructure and portfolio of offered services. ACE is in demand! We firmly believe we are taking the right approach, offering equal access to the marketing services that farmers and small traders need to become stronger market players and hence to increase their income and improve their livelihoods. Better functioning markets will contribute strongly towards economic development and increased food security in Malawi.

Our biggest challenge, however, remains and touches upon our very core identity: **Adoption of ACE services by farmers and small rural enterprises is low in spite of the great potential benefits they offer**<sup>1</sup>.

Acknowledging this fact, we believe it is time to refocus our attention and refine our approach in order to show that our services can really work, not only for the 'big players', but especially for the farmers, to realise their potential and demonstrate sustainable and scalable impact. It was therefore timely to take a step back, take stock of what we have achieved so far and reflect on the right way forward. With the support of the GIZ MIERA Programme<sup>2</sup> we have spent almost six months analysing the problems and coming up with a strategic plan that will guide our operations: we interviewed and discussed with farmers across the country, implemented problem-finding and strategy workshops and conducted interviews with our stakeholders and staff. The process culminated in the development and formulation of the ACE Rural Strategy 2020 which will guide our programmatic planning, decision-making and our rural activities for the next five years. **Operationalised as an** ACE-internal change project, the Rural Strategy concretely spells out the strategic objectives, crosscutting issues and preliminary solutions to answering the following questions:

- 1 How can we better and more directly support farmers to deposit and trade with ACE in a way that will benefit them economically?
- 2 How can we improve the tailoring of our services to better serve the rural clients' needs, become even more innovative and learn continuously from experiences in the field?
- 3 What do we need to change about ourselves, i.e. our organisational setup in order to become more accessible, efficient and effective?

- 4 With whom do we need to partner in order to more holistically address the needs and leverage the capacities of the farmers? What is our genuine role to play as a developmentoriented organisation?
- 5 How can we, as an organisation, become more economically viable and sustainable?

These questions need to be addressed and regularly reviewed. The ACE Rural Strategy 2020 will be a point of reference and reflection, a guiding document that helps to make informed decisions and to further develop our rural approach along the lines of our own analysis and strategic priorities.

Enjoy the reading!

Kristian Schach Møller

- 1. See 'ACE in numbers' on page 38-40 for some data on ACE adoption and growth in recent years.
- More Income and Employment in Rural Areas of Malawi (MIERA) is the new bilateral programme of the German technical cooperation and the government of Malawi focusing on rural and private sector development. It is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

## **1.** THE ACE APPROACH: LINKING FARMERS TO MARKETS

ACE's three core pillars, Market Information, the Warehouse Receipt System (WRS) and Trade Facilitation, service the specific needs of farmers in accessing higher-value markets in order to realise better prices and improved livelihoods. They are highly interlinked and interdependent, and together help create a more inclusive, efficient and transparent marketing system for agricultural commodities, reduce transaction costs and risk, reduce price volatility and eventually enhance nation-wide food security.

The services offered as part of the three pillars of ACE are complemented by support services such as comprehensive training and logistics which allow farmers to deposit and trade. Recognising the importance of a holistic approach to farmer support and value chain development, ACE explores new frontiers hand in hand with its partners, through the implementation of pilot projects that offer new services such as input loans and mobile money. ACE's role in the market system is that of a service provider and facilitator with a clear objective to support inclusive economic development. ACE is neither a buyer, nor a seller - it bridges gaps and links actors. In the medium- to long-term ACE strives to become an economically viable and donor-independent organisation while still following its vision to support farmers and promote inclusive, pro-poor growth in Malawi and beyond.

9

ACE is all about linking farmers to markets, addressing key gaps in agricultural value chains that prevent farmers from becoming integrated and competitive market actors by providing essential supporting functions to the value chain.

The ACE rural vision:

To be the leaders in innovative structured trade services in Malawi that facilitate inclusive market access and trusted solutions to farmers and agribusinesses in order to achieve rural economic development. Diagram 1 / The ACE Pillars and services

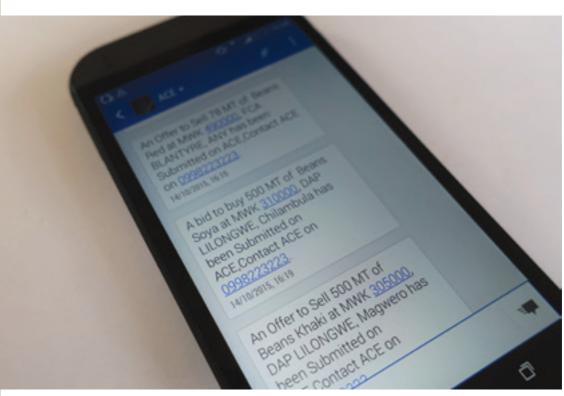


🦾 Inputs

Rural Marketing Advisors

**Market Information** 

11



ACE Market Information Messages

Market Information enables market players to make well-informed decisions and provides them with increased bargaining power. Often, farmers do not have access to adequate and reliable market information, making it difficult to know what their commodities are worth, when best to sell and how to obtain a fair price. To tackle this gap, ACE collects and disseminates weekly price information from rural and national markets for key agricultural commodities. It boasts a nation-wide network of Rural Marketing Advisors (RMAs) who support clients in marketing their commodities. In addition, ACE operates rural Market Information Points (MIPs) and an online and SMS-based Market Information System (MIS).

In order to reach scale, ACE has adopted a partnership approach to market information dissemination; any organisation, company or project working with farmers is free to register their clients or beneficiaries on the system so that they receive free price and market information. Partners can also utilise the SMS platform to send additional, specific price and market information, agricultural extension and communication messages.

## **Trade Facilitation**

ACE strives for inclusive trade and supports farmers to access higher value output markets, facilitating trades through the online trade platform where 'bids to buy' and 'offers to sell' are posted and live auctions are held. The ACE platform compiles all available bids and offers, recent contracts, available volumes on warehouse receipts and price trends. Combined, the platform increases market transparency and the integration of farmers into the formal market. The Rural Marketing Advisors support farmers to find and access the best marketing opportunities for their commodity. Additionally, ACE boasts various tools specifically designed for more inclusive marketing such as forward contracts and Bid Volume Only (BVO) reverse auctions, which, in recent years, have increased in popularity among the private sector and the development community.

A women's farmers group that has used ACE services



## Diagram 2 / Benefits of ACE services from the farmers' perspective throughout



ACE helps reduce post-harvest losses through its nation-wide network of accessible, affordable and safe rural warehouses.

STORAGE



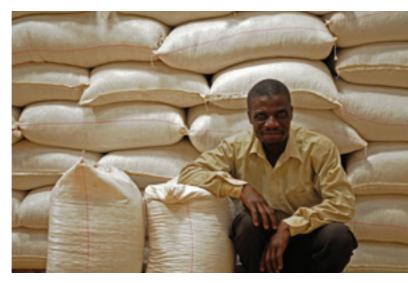
ACE's WRS enables farmers to access affordable bank loans at more competitive interest rates using the stored commodity as

ACE builds capacity and delivers services where they are needed. Throughout the agricultural year ACE field staff train, coach and support clients in accessing ACE services.

## Warehouse Receipt System

# Post-Harvest Storage and Collateral Financing

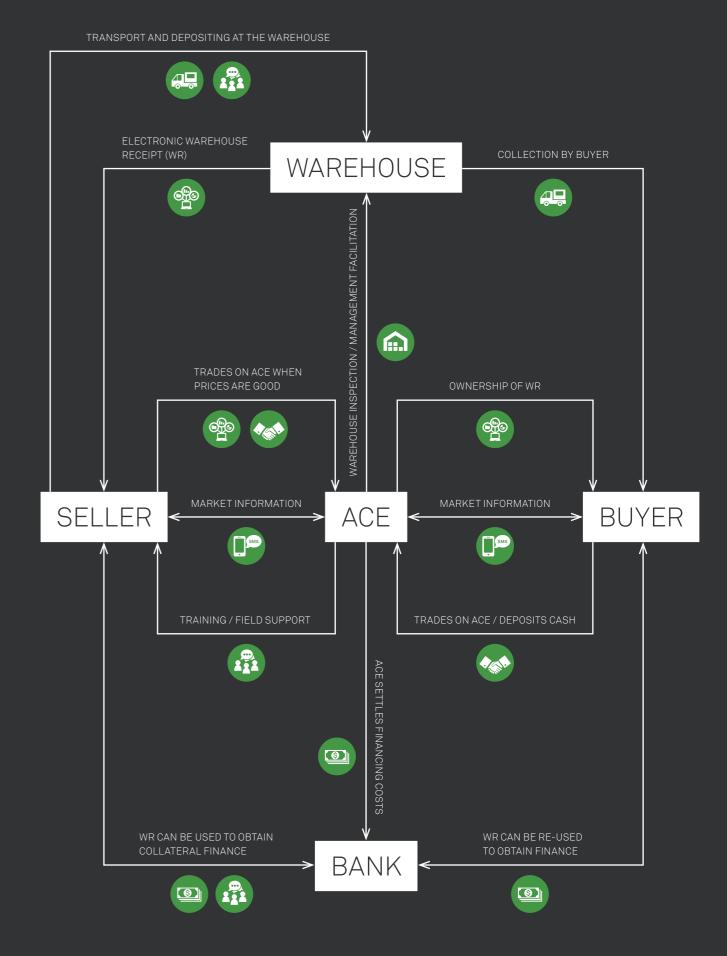
Farmers and other clients can deposit and safely store their commodity at an ACE certified warehouse. ACE has certified 53 warehouses representing 225,884 metric tonnes of storage space available for third party deposits<sup>3</sup>. From this, ACE operates a nation-wide network of 29 certified rural warehouses owned by partner farmer associations or private sector partners; cumulatively they offer depositors access to 22,900 metric tonnes of storage space. Upon deposit, the commodity is cleaned, graded, re-bagged and stacked. The warehouse operator issues a warehouse receipt to the client stating the commodity volume and quality grade. By ensuring compliance with quality standards, the WRS provides access to higher-value markets and to more affordable credit than otherwise available to farmers, using the stored commodity as collateral. This prevents farmers from having to sell at the point of harvest when supply is high and prices are low; it allows them to sell when the market is more favourable due to the seasonality of prices. In addition, multiple warehouse receipts can be aggregated and sold together which can lead to economies of scale and result in a price premium. In sum, the WRS promotes financial inclusion, the development of quality markets, and post-harvest loss reduction, as well as increased income through collective storage and marketing.



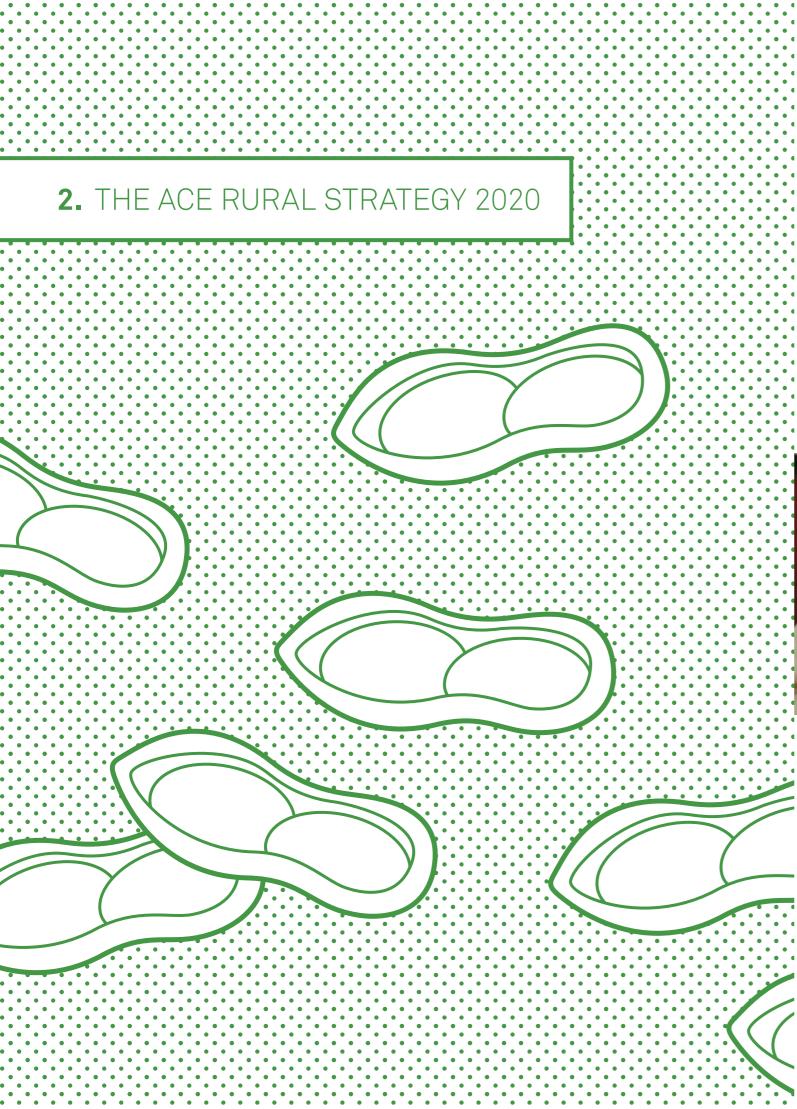
A farmer with his stock deposited at an ACE Certified Warehouse

 Data as of July 2016; 50 sites in Malawi and 3 sites in Zimbabwe and Mozambigue.

## Diagram 3 / The Warehouse Receipt System









A Commodity Received Note stating the grade and quantity of the deposited maize

As an organisation aiming to link producers to markets, ACE has always put the farmer first. Be it the creation of the WRS, the dissemination of rural market prices or offering its clients tailored trainings and support, the farmers' needs and capabilities shape ACE's services, their conditions and the mode of delivery.

> Farmers, farmer organisations and MSMEs<sup>4</sup> are therefore the focal point and thus the target groups for the ACE Rural Strategy 2020.

> The **overall objective** of the ACE Rural Strategy is to contribute to:

- better functioning and more transparent agricultural markets
- more efficient and inclusive value chains 2
- increased rural employment opportunities 3
- increased capacity of farmers and farmer 4 organisations
- 5 increased income and hence improved livelihoods of the target groups

The **project objective** of this five-year strategic plan is to:

sustainably increase the adoption of ACE services among the rural target groups, which 1) makes them stronger market actors that benefit from better marketing opportunities and prices, while reducing their post-harvest losses and 2) makes ACE a more sustainable, viable and self-governing organisation.

How is ACE going to achieve this? Having rapidly grown as an organisation, and in the number and scope of the various services offered, it was time to take a step back, take stock and review the products and the way ACE works. ACE analysed the environment in which it operates and how it collaborates with others in order to really understand the issues on the ground that keep farmer adoption rates low. It assessed the weaknesses to tackle and the strengths and opportunities to build on. The results of the rural needs assessment and problem analysis informed the strategy development process. First and foremost the assessment showed that ACE is taking the right approach as its services are needed by farmers and other potential and existing clients. The three core pillars of ACE address many of the pressing issues farmers face and have the potential to greatly contribute towards realising the aforementioned overall objectives. However, on the operational level it also showed that:

- → farmers and farmer organisations need more tailor-made and comprehensive training and closer support by capable and well-prepared field staff to be able to take advantage of ACE services;
- → ACE needs to improve its service delivery and customer service and adapt its services better to the farmers' needs;
- → ACE needs to better target its interventions and growth to the right (rather than the many) clients in high potential areas, seeking funding for its own strategic priorities;
- → ACE needs to explore innovative ways to more holistically support farmers and their organisations along the entire value chain and beyond its core business, from input supply to marketing. For this, ACE has to focus on leveraging the right partnerships that promote an appropriate division of labour within the market system;
- → ACE needs to strengthen its internal impact monitoring systems and learning culture to be able to continuously adapt, improve and scale its services, thus responding to the changing needs of its clientele.

ernal impact

ACE training and field support adapted to the clients' capabilities and needs



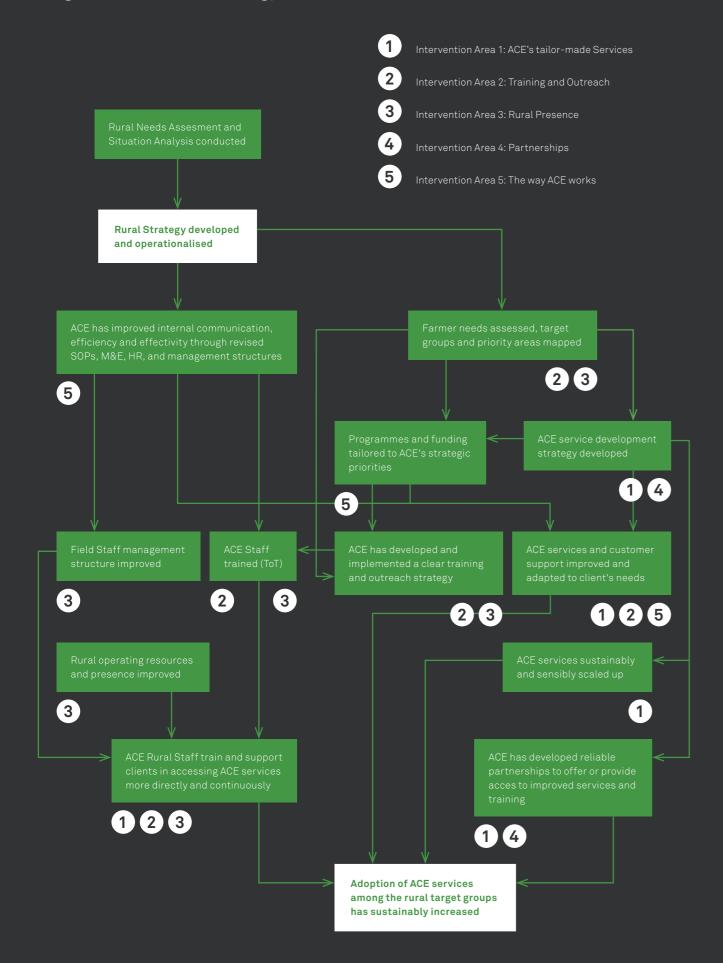
At the ACE Strategy Development Workshop

These findings led to the development of the **strategy's results model** (Diagram 1) – its theory of change - and in turn to the identification of the five operational intervention areas described below<sup>5</sup>. Based on the results model, the Rural Strategy's intervention areas detail the necessary changes and strategic and operational priorities for ACE over the next five years. Taking the rural target groups and ACE's three core pillars as a starting point, it is the guiding framework informing field activities, resource allocation, development of services and their mode of delivery, as well as rural infrastructure and organisational development. As such, ACE considers the Rural Strategy 2020 to be an internal change project that will make ACE not only a more efficient and effective service provider, but also a more sustainable and viable organisation. ACE strives to become even more innovative, learning from its experiences in the field and feedback from its clients and partners.

4. Micro, Small and Medium Enterprises

 The Problem Analysis Diagram and Briefing Paper on the needs assessment can be accessed online: www.aceafrica.org

## Diagram 4 / The Rural Strategy Results Model



## The Five Intervention Areas and Goals for 2020

21



An ACE certified Rural Warehouse

The strategy's five intervention areas have been derived from the theory of change. They should not be understood as stand-alone interventions; they are heavily interlinked and interdependent and together represent the overall enabling framework and intervention architecture for offering better services that will in turn allow ACE to realise higher adoption rates. The intervention areas highlight, in greater detail, how ACE envisages achieving the necessary changes, where strategic priorities lie and what impact ACE expects from these interventions.



Rural Marketing Advisors

ACE Certified Warehouses



Market Information Points (MIP)



## Intervention Area 1 ACE's tailor-made Services

The essence of ACE is the services it offers. Its three pillars, Trade Facilitation, the Warehouse Receipt System and Market Information, are there to serve ACE's clients to include the needs of farmers. However, for reaching the objective of increased adoption ACE needs to fine-tune its services to the target groups' needs and capabilities and make them more accessible, affordable and appropriate in terms of their complexity. ACE needs to bring them closer to the rural clients. Services also need to be strategically scaled up based on a sound analysis of potential areas of operation. The goal is to remove obstacles, find new and innovative solutions, and improve service delivery and customer support. In this, ACE will only succeed if it starts to continuously monitor its services' impact and learn from the experiences on the ground. Overall, ACE aims to offer the right services to the right clients.

In addition to its core services, ACE is considering what other services need to be offered in order to remove the current bottlenecks to adoption and a functioning inclusive market system. This could include various services such as input supply, insurance, mobile-money payments or transport. Some of these services ACE will offer itself, whereas others will be offered jointly with partners. (See also Intervention Area 4 on partnerships.)



An ACE Warehouse Manager showing grading and weighing deposited commodity



Soya deposited at an ACE Warehouse

#### Achieving the Goal<sup>6</sup>

- $\rightarrow~$  Assess farmers' service needs and conduct client evaluation of ACE services.
- $\rightarrow$  Map priority areas for further expansion.
- → Map and register farmers around ACE certified warehouses.
- → Map other service providers and potential partners around and beyond ACE certified warehouses (transport, aggregation points, traders, processors etc.).
- → Link with the Agriculture Storage Investment Facility (ASIF) to develop a comprehensive service and infrastructure development strategy.
- → Tailor ACE services to the needs of the target groups (e.g. translate market information messages into vernacular languages; integrate new commodities into the WRS; review warehouse charges and financing products).
- → Improve service delivery and customer support (e.g. faster payment; clearer communication; more direct trade support; development of clear internal standard operating procedures in order to speed up service delivery and make it more consistent).
- → Scale up ACE services where deemed appropriate (linking of partners' databases to the MIS; establishment of field offices and MIPs; construction, refurbishment and certification of warehouses; transport; financing schemes).
- → Pilot and offer new services (e.g. insurance; input-loans and buy-back schemes; mobile money).
- 6. These preliminary activities are organised according to the logical sequence in which they should be implemented over the timeframe of the Rural Strategy project. Some activities are continuous and will overlap with others.

- → ACE services are more easily accessed by rural target groups and tailored to their needs.
- → Improved customer experience and service delivery has tackled risk aversion among target groups and built their trust towards ACE as a service provider.
- → Adoption of ACE services by the target groups has increased.
- → Complementary services are readily available and affordable and tackle service gaps within the market system.

## Intervention Area 2 Training and Outreach

#### What is the Goal?

Given the inherent complexity of the services that ACE offers, the training of clients and other outreach activities that increase awareness and understanding are key to increasing adoption. In the past, trainings and sensitisations were not tailored to different rural audiences; they were often one-off activities aimed at reaching numbers rather than impact. While farmers were told the potential benefits of ACE services, sensitisations largely failed to equip potential clients with the necessary understanding on how to use them for their own benefit. In the future, ACE aims to deliver its field outreach activities based on a clear training and follow-up support strategy. The strategy will encompass appropriate training methodologies, a sequenced, but flexibly usable modular structure, appropriate content, curricula and training materials that can be adapted to different audiences' needs and seasonality covering ACE services and also basic modules on agricultural marketing, collective marketing and financial literacy. It will also include systems to monitor training success and better target beneficiaries.

In addition, the human capacity to deliver highquality training will be further developed. ACE Rural Marketing Advisors and head office training staff need to fully understand and be able to respond to audiences' needs, analysing their individual situations and coming up with relevant examples and appropriate solutions.

Lastly, ACE strives to work hand in hand with other training providers to 1) leverage their training capacities to deliver basic training on ACE's core pillars and 2) to support clients to access further training where needed (e.g. on agricultural production or cooperative management).



A group of farmers testing ACE's new training materials

#### Achieving the Goal

- → Assess farmers' training needs in terms of understanding ACE services and further technical knowledge and management skills required such as financial literacy.
- Identify target group characteristics and understand cultural and social context; identify appropriate training and outreach formats; map, analyse and better target existing and potential clients.
- Strengthen the capacity of the training department. All training staff are capacitated with the necessary training facilitation skills such as in adult education, extension methodology, and participatory methods.
  Staff are also trained on basic technical skills and knowledge needed to plan and deliver training (e.g. to conduct an on-site needs assessment, to understand agricultural production and marketing, commodity trade).
- → Review all available training materials; develop content where there are identified gaps.
- Systematise all programmes' training requirements, where possible review programme requirements and adapt existing and new donor-funded programmes to own strategic priorities and target groups' specific needs.
- ightarrow Develop follow-up and monitoring procedures and a database of trained beneficiaries (to be incorporated in the new MIS).
- Develop training methodology and tools, design curricula and modules for different audiences (e.g. farmers, extension officers).
- $\rightarrow$  Test and improve upon new trainings.
- → Implement complementary outreach activities to increase awareness of ACE such as radio shows, farmer field days.
- $\rightarrow~$  Engage with partners for training purposes.
- Monitor training activities and adapt to changing demands.

- ACE staff are capacitated to deliver high-quality and participatory trainings. They have the right tools and means to implement and monitor outreach activities that empower different audiences to fully understand and adopt ACE services.
- Targeted audiences receive appropriate trainings and demand-driven personal advice throughout the agricultural season on how to optimally use ACE services.
- The MIS incorporates new functions such as beneficiary tracking and monitoring, interactive sending of extension messages etc. to support the field outreach activities.
- → Partnerships are leveraged so that ACE clients are offered complimentary training where needed and to increase awareness of ACE among the rural population.

## Intervention Area 3 Rural Presence

#### What is the Goal?

ACE services need to be readily available and accessible to farmers. This includes service infrastructure, such as MIPs and rural warehouses as well as service delivery and customer support that is delivered by ACE's field and training staff. The (currently) 22 Rural Marketing Advisors are effectively ACE's human footprint in the districts; they create awareness, train farmers on ACE services, collect and disseminate market prices and perhaps most importantly support clients to deposit their commodities and facilitate trade. In addition, ACE has a network of rural Warehouse Managers (WMs) who also fulfil an important task to support clients in directly accessing its services at the warehouse. To date, ACE has not fully utilised the great potential of its field and training staff.

In order to be able to more directly reach the farmers, ACE's rural presence needs to be strengthened. Field staff need to receive appropriate operating resources and should be linked to other rural advisory services. Additionally, communication among field staff and between field staff and head office needs to be improved. A clear management structure with clear job descriptions, standard operating procedures, key performance indicators, monetary and promotional incentives and appraisal will also contribute to better performance.



An ACE Rural Marketing Advisor working with rural clients



A soy farmer in his Field

#### Achieving the Goal

- → Set up clear field staff management, including a dedicated manager and regional coordinators, supervising field staff and monitoring field activities.
- → Assess staff capacity and conduct periodic performance appraisals.
- → Develop standard operating procedures for all field staff, review salary and incentive structure.
- $\rightarrow$   $\,$  Improve collaboration and communication between RMAs and WMs.
- → Improve head office communication; for example, conduct semi-annual general staff meetings at the head office.
- → Equip field staff with the appropriate operating resources (e.g. training materials, airtime, transport allowances or motorbike).
- → Develop capacity of field staff to train and support clients (e.g. through Trainings of Trainers, field exchanges / peer learning, see also Intervention Area 2).
- → Introduce field staff to peers at the district level (e.g. at District Executive Committee meetings) and network with other service providers.
- → Improve utilisation of existing MIPs and open ACE Field Offices (when possible at rural warehouse sites) for delivering market information, training and local customer support.

- → ACE field support and training is easily accessed by farmers when needed, either directly at ACE Warehouses / MIPs / Field Offices or by calling an RMA for direct support.
- → All ACE field staff are capacitated, provided resources and motivated to appropriately train and further support target groups in accessing ACE Services. ACE Head Office supports its rural staff in planning, coordinating and implementing field activities.
- → Other advisory services are aware of ACE and link potential clients to ACE field staff. They support ACE field staff in targeting potential clients.

## Intervention Area 4 Partnerships

#### Achieving the Goal

- ightarrow Assess farmers' service needs.
- → Improve management of existing ACE partnerships.
- → Map actors and projects to identify possible partners for offering improved or new services on both the district and national level.
- → Better coordinate and follow-up networking and outreach activities.
- → Scope and plan with partners for improved and new complementary services and / or joint training activities.
- → Pilot projects to trial new services and subsequently scale up the improved/new services.

### What is the Goal?

ACE has developed strong partnerships, be they with development partners, farmer organisations, the private sector (banks, processors etc.), non-governmental organisations or the Government of Malawi. Successful partnerships induce efficiency; they build on each other's strengths and are key (1) to offering appropriate services, (2) for scaling up services to a national level, (3) to reaching the right clients, and (4) in building trust and long-term relationships.

Despite strong relationships, ACE knows that it needs to focus its resources on its core business. It therefore needs to understand where partners are needed to address its clients' needs and challenges and where partners can benefit from ACE's comparative advantage. In order for ACE to realise optimal benefits from its collaborative activities the management capacity needs to be improved. The goal is to approach partnerships more strategically so that they are better tailored to ACE's priorities and its clients' needs. Through the leveraging of each partners' strengths, projects at both the district and national scale will be planned more efficiently and services will be targeted more effectively. Eventually, with the right partners, ACE aims at holistically addressing the crucial service gaps within the market system to promote inclusive development.



ACE and partners' field staff working together in the field



An ACE Warehouse Manager showing a maize sample before entering the warehouse

## Expected Impacts

→ ACE clearly communicates and builds on its comparative advantage in the market system to identify, establish and strengthen the partnerships required to deliver the optimal service package to its clients.

→ Well-managed, strong and reliable partnerships offer improved and new complimentary services, which ACE alone could not offer and which more holistically address rural clients' needs and challenges.

→ Adoption of ACE services increases due to more appropriate and easier accessible services being offered to clients.

## Intervention Area 5 The way ACE works

Last but not least, the success of all interventions depends on the way ACE works on a day-to-day basis. Organisational development is the key cross-cutting issue in further developing service delivery and customer support and eventually enabling higher adoption rates. Given the limited operating resources and the broad scope of ACE's work, organisational efficiency and effectiveness needs to be worked on while also strengthening the organisational culture of communication, collaboration, innovation and initiative. During the situation analysis, ACE identified a number of challenges that it aims to tackle over the coming years: these range from improving standard operating procedures, to aligning fundraising efforts to its own strategic goals, to developing better internal Monitoring and Evaluation (M&E) systems and improving office atmosphere with social events.



ACE staff discussing new strategic priorities at an internal workshop



ACE Rural Marketing Advisors practicing new training methods at the annual ACE Training of Trainers

#### Achieving the Goal

- → Review, update and train staff on all standard operating procedures and departmental procedures.
- → Better management and overview of activities across departments.
- $\rightarrow$  Introduce general staff meetings.
- $\rightarrow$   $% \left( {{\rm{Define}}} \right)$  befine the roles of the senior management team.
- → Overhaul the human resources department, to include payroll, job roles, responsibilities and organisational structure.
- → Introduce staff capacity development guidelines.
- → Develop internal M&E systems, including key performance indicators.
- → Review and update internal file and knowledge management.
- → Develop external communication guidelines and public relations materials.

- → ACE staff capacity and morale is strengthened. Clear roles and responsibilities and departmental procedures further improve staff performance.
- → ACE successfully implements strategies, operational and managerial procedures and organisational structures to enable efficient and effective service delivery which ultimately leads to increased adoption by rural target groups.
- → Self-reflection, M&E and learning have become an integral part to the way ACE operates and continuously improves its services.
- → ACE makes better use of available data to evaluate the impact of its services.

# Steering, Coordination and Progress Monitoring

**Measuring the Impact** 

35

The five-year ACE Rural Strategy 2020 is a guiding framework for rural activity development and implementation as well as internal change. It is the result of a long process of reflection at ACE. Acknowledging its challenges, in 2015 ACE embarked on a new partnership with the MIERA programme of GIZ that aims to increase income and employment among the poor rural populations of Malawi through strengthening inclusive business and marketing models such as that of ACE. As part of the collaboration two GIZ technical advisors were seconded to ACE for an initial period of two years (2015-2017). Together, with ACE staff, they initiated and conducted the structured problem analysis that led to the formulation of the ACE Rural Strategy 2020 and its operational planning. Their mandate is to advise ACE on how to (1) improve the rural adoption rates (2) support the implementation of the Rural Strategy in its first years and (3) facilitate associated capacity development activities where needed.

ACE retains full ownership of the project; for the first phase of the project (until mid-2017) the coordination will be supported by the two GIZ technical advisors. Implementation of activities will remain the responsibility of ACE. The five intervention areas will be implemented by cross-departmental working groups, led by ACE staff. On a quarterly basis, they will report progress to the project steering group consisting of the working group leads. Important operational decisions will be discussed by the steering group and will be subsequently communicated to and approved by the ACE Senior Management Team. Not only will the team approve the proposed decisions by the steering group, it will also take all relevant budget decisions and review overall project progress. Together, with the steering group, it discusses and decides strategic and important operational changes.

The impact of the ACE Rural Strategy project on the rate of adoption of ACE services by rural target groups will be subject to the newly developed ACE internal M&E impact monitoring system. Project indicators, beyond activity milestones, are yet to be developed.

The information gathered through the M&E activities will provide a basis for ACE to learn how to improve and adapt its services to the different target groups. ACE will use participatory evaluation tools and methods to continuously assess the impact of its services.

## Budget

Implementation of the ACE Rural Strategy 2020 will be funded through ongoing and incoming income streams from donor-supported programmes and ACE commercial revenues.

As part of the project operationalisation there will be a comprehensive and annually updated operational and financial plan, indicating funding sources and fundraising needs.



From here, ACE will develop a detailed plan for implementation of the strategy. Priorities will be set and short-term activities such as identifying and forming working groups will commence.



Presentation of a new results model at the ACE strategic planning workshop

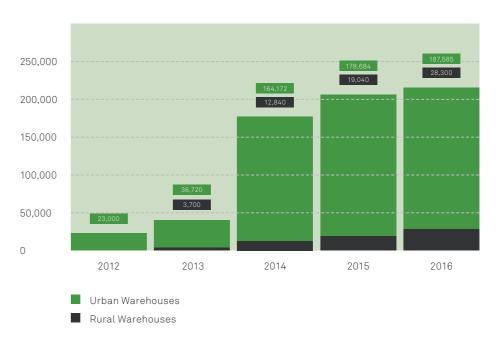
Furthermore, the Senior Management Team will kick-off some of the more strategic and longterm organisational change activities such as the development of the new comprehensive outreach strategy and the overhaul of the human resources required to fully implement ACE services in the rural areas. It is expected that ACE will make great progress in the pragmatic tasks ahead but in order for the ACE Rural Strategy to be truly successful the team will need to be mindful that achieving scalable impact, in the form of increased adoption of ACE service by rural clients, will take time. In the future it will be key to continually review and adapt the plans according to changing circumstances, monitor the results, address shortcomings and leverage upcoming opportunities. With creativity and team spirit ACE is sure to deliver on its promises, helping to create a more inclusive agricultural market system and improving the livelihoods of many rural Malawians.



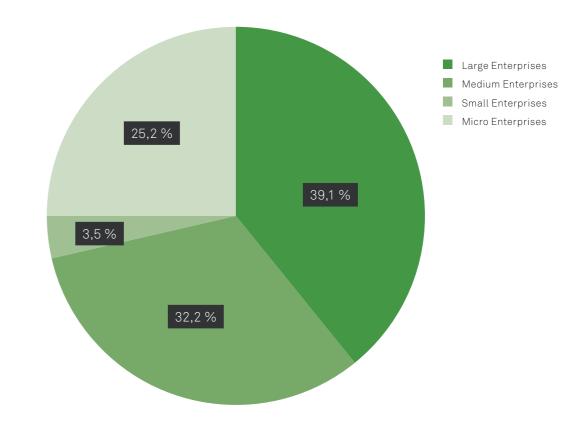
# Growth and adoption of core ACE services

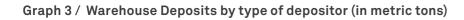
39

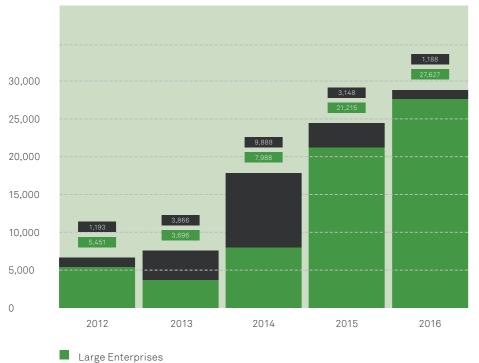
Graph 1 / Growth of ACE certified storage space (in metric tons)



Graph 2 / Overall trades on the ACE platform in 2015 disaggregated by size of seller<sup>1</sup>







Micro, Small and Medium Enterprises

 Individual farmers and farmer groups are grouped under 'micro enterprises' alongside other occupations such as traders. Their total percentage can therefore not be determined as ACE has in the past not collected disaggregated data on the primary occupation of its clients. In the new M&E framework ACE will collect more disaggregated data on its clients (e.g. occupation, gender, age, land size, trainings received)

### Abbreviations

ACE	Agricultural Commodity Exchange for
	Africa
GIZ	Deutsche Gesellschaft für Internationale
	Zusammenarbeit
M&E	Monitoring and Evaluation
MIERA	More Income and Employment in Rural
	Areas of Malawi
MIP	Market Information Point
MIS	Market Information System
MSMEs	Micro, Small and Medium Enterprises
SOPs	Standard Operating Procedures
RMAs	Rural Marketing Advisors
WMs	Warehouse Managers
WRS	Warehouse Receipt System



A fully stocked ACE Warehouse



The ACE team of Rural Marketing Advisors

ACE would especially like to thank its partners for their continued support



Government of Malawi



















