GROW Year 5 Annual Report & Year 6 Annual Business Plan

February 2019

Contents

Summary of Results

GROW significantly grew activity in 2018, expanding support to a large number and range of partners – including agro-dealers, inputs distributors, cocoa cooperatives, exporters, agro-processors, and brokers. Many of the innovations tested improved the performance of partners and their capacity to engage other market actors in trade, training, and investment. This in turn created economic opportunities and increased incomes of smallholder farmers across Liberia.

As a result, GROW achieved the following results:

- **Market actors:** GROW and its private sector partners have engaged with total of 162 different markets actors (231% of the target for 2018)
- **Innovations:** GROW has supported a total of 69 business innovations (133% of the target)
- **Investment:** GROW's private and public sector partners have invested a total of USD 1.7m in Liberia (63% of the target)
- **Beneficiaries with access to new opportunities**: 25,700 households had access to new opportunities (107% of the target).
- **Beneficiaries adapting these opportunities:** 23,200 households had adopted to new opportunities (124% of the target).
- **Jobs created:** 700 full time equivalent (FTE) jobs created (146% of the target).
- **Beneficiaries experiencing increased income:** A total of 17,000 farming households have benefitted through increased net profit margins (106 % of the target) an average of USD 260 per beneficiary.
- **Total income earned:** GROW has contributed to total net attributable income change of USD 4.4m by the end of 2018 (87% of the target).

Overview
The following report offers a detailed synapsis of GROW's 2018 results and activity, including detailed breakdown of the program's achievement, challenges, adaptations, and learning. It also outlines 2019 plans. A brief introduction and overview:

Within the **cocoa sector**, GROW scaled up the farmer training and cocoa aggregation and payment model first piloted with AVL. In partnership with eight cooperatives, GROW adapted and tested the approach combined with a performance improvement plan that addressed business and financial management gaps and employed an incentive system. It proved successful at increasing the quality and quality of cocoa farmers produced and generating better income. It also proved insufficient; more work is needed to align information and payments within supply chains. To begin to address this in 2018, GROW collaborated with AYA, the largest exporter in Liberia. Largely due the increased volume of cocoa managed by AYA, the limited management and operational capacity of the firm, and the cooperative's comparatively little cocoa produced, the partnership did not manifest as expected. However, it did yield interest and traction with Theobroma (AYA's buyer and the dominant buyer in Liberia) and a number of other exporters that believe the model will help them to source better and more cocoa. It is with these partners that GROW has or is launching supplier development programs and units currently. These are employing the same approach GROW led with cooperatives (farmer engagement, cocoa aggregation and payment, business and operational improvements) as an integral buying strategy led by units housed within the exporters' businesses. The incentives exporters offer include forward financing and grade differentiated pricing. Establishing these units, aligning payment, linking in cooperative partners, expanding the approach to additional cooperatives, and documenting all key information in guides is a part of GROW's exit strategy in 2019.

Within the **vegetables sector**, GROW focused activity to two primary agro-inputs workstreams: 1) improving agro-dealer performance; and 2) attracting distributers into Liberia. At the end of the year, GROW had built a network of 28 high performing agro-dealers (8 of which are female) that had grown their client bases to an average of 365 vegetable farmers each. Of those clients that purchased inputs, 81% used inputs properly and employed good agricultural practices – as taught or instructed by agro-dealers. A strong network of agro-dealers is also attractive for distributors, who are looking for low-cost pathways to move products to farmers. GROW collaborated with one, TJAL Enterprises, to expand operations into Liberia in 2018. It was a difficult process, largely hindered by rent-seeking practices associated with registration and product import. Accordingly, it was a proud day for GROW when TJAL officially launched its new shop in December and with agro-dealers, National Agro-Dealer Association of Liberia, and government officials in attendance. Much of GROW's focus in 2019 is to see agro-dealers continue to grow, add additional agro-dealers and sub-dealers to the network, and ensure that TJAL and other current and new distributor partners have established their businesses in Liberia and with farmers upcountry. In addition, GROW is codifying training materials used for the agro-dealer program into documents, guides, videos and housing them with agro-dealers, distributors, the Association, social media platforms, and government offices. GROW is also collaborating with TJAL to launch their first agro-dealer program in Liberia – essentially taking forward much of GROW's engagement with agro-dealers as a commercial strategy.

Within **rubber sector**, GROW continued to work on RSS processor set-up in 2018. Equipment arrived significantly behind schedule, in November. Recognizing the delays, GROW focused activity to supporting the completion of the first "proof of concept" facilities while at the same time documenting the business and investment case alongside detailed set-up guidance with the goal of attracting and easing replication of facilities for investors in the future. Recognizing GROW's limited timeframe against the long facility set-up timeline, the project closed further program-backed financing for additional facilities. The investment case for RSS is a relatively attractive one; 2019 will be focused on encouraging replication among those commercial farmers and investors interested and capable of bringing finance to bear for RSS. In addition to RSS, GROW piloted several tapper training models with limited success and continued to collaborate with TVETs regarding integration of RSS curriculum.

Within the **agro-processing sector**, GROW piloted two supplier development programs with agro-processors interested in expanding and improving their supply. GROW also held networking events, packaging events, social media-based business series, and trade fairs in 2018. For such a small and yet fragmented industry, these programs and events proved valuable – linking businesses together for trade and information exchange that helped businesses to learn from their peers and to trade with one another. One of the biggest challenges for GROW within agro-processing activity is the size of the players in the market; there are no "big" agro-processors to collaborate with. Accordingly, GROW has had to develop strategies to work with many, smaller businesses while keeping costs and resourcing low. Fortunately, businesses clustered in this industry are also more social media savvy and this has been a major element of our work accordingly. Still, given the sizes of the industry, agro-processors, and the Liberian market, impact should be expected to be small relative to other industries in which GROW invests. As we progress into 2019, GROW will continue our efforts to codify information relevant for actors and to push this information through networks that we are also aiming to make sustainable – for example, the networking events and trade fairs will be hosted by a local venue for which the events support their commercial objective. We are also aiming to sync partners and other market actors as well as information and guides developed by GROW in other sectors into these platforms – bridging wider agricultural collaboration.

Managing Closure

With limited time remaining, GROW is focused on exit in 2019. GROW's primary objective is now the commercial viability and sustainability of models, innovations, and investments that have gained traction and demonstrated return to date. For example, GROW is working to build a resource base of documents, guides, and videos that ensure training content, business guidance, and databases are accessible to target GROW audiences and easily available after the program finishes via key repositories such as government agencies, business partners, and social media. For another example, GROW is focusing activities to central supply chain partners, helping them to build out business units and strategies that take ongoing guidance and support to agro-dealers, cooperatives, farmers ahead with a commercial underpinning carrying forward GROW's advisory.

In addition to a responsible and sound exit, GROW's secondary objective is to spur replication and scale of business innovations and investments in these last few months of delivery. Here, the program aims to showcase successful business innovations to peer businesses and government agencies positioned to take them up. GROW will also support greater industry connectivity and information exchange, helping to bridge fragmented networks that slow information exchange and innovation. Intensive and strategic stakeholder engagement at all levels of the government will support this effort.

Cocoa

The Context

The cocoa sector in Liberia has about 30,000 smallholder cocoa farmers. It is a sector that has high growth potential based on the global trends as demand from newly middle income countries increases. Despite this potential, the Liberia cocoa sector faces numerous challenges. The current yields in the sector are much lower than the neighboring cocoa producing countries. The average Liberia farmer for example yields 60-70 kg per acre against Ghana where yield per acre is about 165Kg. The Liberian cocoa quality is also low attracting an automatic penalty on its price at the world market. With the government having a very low capacity to address these problems with policy and regulation, the result has been cut throat competition and unscrupulous business practices that has led to a lot of mistrust between market actors.

Key Results Indicators for 2018

Levels		GROW Logframe Indicators	Disaggregation	Planned 2018	Achieved 2018	% Achieved	Planned Jun-19	Planned Dec-19
Impact	3.3	Aggregated Total Net Attributable Income Change (NAIC) (in USD) amongst women, men and small firms.	**Total**	**3,497,000**	**2,060,000**	**59%**	**2,646,000**	**4,988,000**
			Female	1,504,000	959,000	64%	1,232,000	2,322,000
			Youth	1,749,000	753,000	43%	967,000	1,823,000
	3.2	Total number of women, men and small firms with positive Net Attributable Income Change (NAIC)	**Total**	**11,700**	**11,220**	**96%**	**11,900**	**14,500**
			Female	5,030	4,680	93%	5,000	6,200
			Youth	5,850	3,590	61%	4,300	7,300
	3.1	Total number of full-time equivalent (FTE) jobs created	**Total**	**290**	**370**	**128%**	**410**	**560**
			Female	130	60	46%	70	90
			Youth	150	170	113%	190	260
Outcome	2.2	Total number of men, women and small firms adopting to new opportunities	**Total**	**13,000**	**15,070**	**116%**	**15,000**	**16,000**
			Female	5,590	6,500	116%	7,000	7,000
			Youth	6,500	4,690	72%	5,000	8,000
	2.1	Total number of men, women and small firms with access to new opportunities	**Total**	**16,250**	**15,340**	**94%**	**16,000**	**20,000**
			Female	6,990	6,630	95%	7,000	9,000
			Youth	8,130	4,770	59%	6,000	10,000
Output	1.3	Private & Public Sector Investment Leveraged		449,000	321,000	**71%**	257,000	-
	1.2	Total No. of Business Innovations		**15**	**16**	**107%**	**17**	**20**
	1.1	Total No. of Market Actors		**20**	**23**	**115%**	**24**	**30**

GROW's cocoa sector activities contributed to 66% of GROW's total impact. In cocoa sector GROW has worked with AVL and eight cooperatives. GROW's engagement with AVL dates back to 2016, when close to 3,000 cocoa farmers were trained on GAP and completed the UTZ certification process. A further 2,500 cocoa farmers were trained in 2017. GROW began engagement with eight cooperatives in 2018 who had total network of ~9,000 cocoa farmers to build on the work with AVL. By end of 2018 it was found that about 3,420 AVL farmers and 6,260 cooperative farmers benefited through increased cocoa yield and increased net profit.

AVL cocoa farmers who had been practicing GAP since 2016/2017 on average increased their yields to 132kg per acre in 2018 from 62 kg per acre in 2017. Cooperative farmers noticed an increased yield of 112 kg per acre in 2018 when compared to 74 kg per acre in the 2017 cocoa season. The yield of control farmers also slightly increased in 2018 (from 50kg to 62kg per acre). Increased yield per acre attributable to GROW was found to be 32kg for AVL farmers and 25 kg for cooperative farmers.

Total increased income per beneficiary household in 2018 was found to be around USD 180.

Sector spend for 2018 and budget for 2019

Sector	Total Revised Y5 Budget	Y5 Actuals	% of IF Budget	Y5 Variance
Cocoa	**2,232,038**	**2,245,499**	**101%**	**-13,461**

GROW spent what it budgeted in Year 5 in the cocoa sector.

Sector	Q1 Budget	Q2 Budget	Q3 Budget	Q4 Budget	Total Year 6 Budget
Cocoa	**SEK 646,312**	**SEK 899,448**	**SEK 918,017**	**0.00**	**SEK 2,463,777**

GROW spend in Year 6 is budgeted to be a little bit higher than in Year 5 reflecting the good return on investment in the cocoa sector.

What is GROW's vision for the sector this year?

- IF buyers invest in services (including gender responsive GAP training) a*nd traceability and transparency systems* that support farmers to achieve better quality and yields for cocoa, and
- *If the market rewards higher quality with higher prices throughout the value chain, and*
- IF traders have adequate access to finance to purchase sufficient volumes of cocoa to provide farmers with a secure market, and
- *If there Liberian policy and regulation promote cocoa and attract investment,*
- THEN farmers will begin to improve their incomes from cocoa, and
- THEN buyers will have an incentive to continue offering or expanding services due to the profit potential, and
- THEN other market actors will begin to take note of changes, and other buyers will become interested in operating similar business models.

GROW's engagement in the cocoa sector continued to build on gains made and learning from the farmer engagement and cocoa aggregation and payment system that was tested with AVL. In 2018, the approach was adapted and grown through partnerships with eight cooperatives, an exporter, and AVL/Palava Hut. In 2019, GROW aims to formalize the supplier development program approach in partnership with exporters and buyers who are positioned to engage cooperatives and farmer groups ongoing, offering training as well as grade differentiated pricing and forward financing that help and incentivize cooperatives and farmers to improve the quality and quantity of cocoa produced. This approach – which has gained traction with exporters – further supports GROW's responsible exit from the industry, enabling gains to continue in our absence in 2020.

Intervention # 1: Higher Quality and Quantity of Cocoa Production

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end of December 2018:

- AVL performance improvement plan, addressing management, operational, and financial gaps, in place as part of a next phase of partnership.
- AVL secures operational and purchase capital. AVL fulfills purchase contract.
- GROW partners with at least 5 other cooperatives or traders toward facilitating farmer engagement/training and cocoa aggregation and purchase model. GAP strongly integrated.

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: AVL performance improvement plan, addressing management, operational, and financial gaps, in place as part of a next phase of partnership; AVL secures operational and purchase capital. AVL fulfills purchase contract.*

AVL: 2018 Performance Highlights

- Purchase and aggregation system tested in 48 villages with AVL
- UTZ certification (2017-2018)
- GAP training for 3,000 farmers led to increased farmer yields
- AVL farmers produced high quality cocoa and they were offered a price premium
- AVL received finance from Palava Hut (buyer) ~$75k - leveraging returnable grant performance

With support from GROW, AVL developed an improvement plan aimed at strengthening its financial and operational performance – ultimately helping the company to attract financing as well as to grow efficiently to source more cocoa from more farmers. This served as the basis for a next phase of partnership between AVL and GROW; this was also signed and launched in the latter half of 2018.

Performance improvement activity was underway in 2018, including addressing human resource gaps such as hiring an operational manager, establishing job descriptions with performance targets for all staff, as well as an updated organizational chart to guide management. Further, operational changes were also underway, including establishing an activity tracing tool aimed at improving efficiency of cocoa aggregation and movement from village to the warehouse. However, a number of performance improvement activities are still outstanding, like updated financial management system and business strategy and financial planning – and raise issues with respect to AVL's capacity and willingness to improve its commercial performance.

With support from GROW, AVL also attracted an investor, Palava Hut, for the 2018-2019 season who provided USD 75,000 capital injection to support cocoa purchase and basic operational requirements. This is a commercial, profit-sharing agreement.

AVL also signed a contract with a buyer who offered a higher price for AVL's certified cocoa. AVL did not fulfil the contract, however. The initial agreement was for rolling cocoa shipments; the buyer amended the agreement, requesting a minimum shipment of 100MT. The significantly higher volume of cocoa could not be met by AVL due to liquidity constraints. AVL and Palava Hut have explored a number of local and international buyer alternatives. At the time of writing, they had not yet agreed to an alternative contract.

- *ANNUAL PLANNED TARGET: GROW partners with at least 5 other cooperatives or traders toward facilitating farmer engagement/training and cocoa aggregation and purchase model. GAP strongly integrated*

GROW partnered with five cooperatives based in Lofa and three cooperatives based in Nimba in 2018, with 9,802 cocoa farmer members between them. The objective of partnerships was replicating the farmer engagement, training and payment model successfully piloted with AVL.

With each cooperative, GROW completed capacity assessments and developed phased performance improvement plans aimed at improving business, financial, and operational management – including Good Agricultural Practices training for farmer members. Each plan offered incentives for achievement and established decision gates for partnership continuation or closure based on performance.

As part of the operational improvement, each cooperative launched a farmer engagement and cocoa aggregation and payment model similar to AVLs. Additionally, each participated in an extension GAP training activity aimed at improving the quality and quantity of cocoa delivered by farmer membership.

As of January 2019:

- 5 cooperatives engaged in Lofa and 3 in Nimba
- Needs and capacity assessments performed as well as performance improvement plans developed with each
- “Building blocks” completed towards certification:
    - Replicated AVL purchase and aggregation system & GAP training
    - Business strengthening, traceability and transparency systems integrated
- All cooperatives linked with buyers for pre-finance arrangement
- Competitions employed to drive performance (66 community solar dryers set-up, and Good Agricultural Practice training and application)
- 6 cooperatives reduced costs due to better business practice, like recordkeeping and budgeting (variable costs were reduced by at least 30%)

GROW’s 2018 impact assessment showed an average increase in yield from 74kg per acre prior to the training to 112 kg per acre from the farmers affiliated with GROW cooperative partners.

What challenges emerged and how did GROW adapt?

- During the 2018/2019 buying season, GROW was only able to motivate one buyer to test the supplier development activity and to offer pre-finance to cooperative partners – the largest exporter by far in Liberia, AYA Group. However, shifting purchase practices from an established, decentralized, extractive trade model to one that encouraged cooperatives and invested in long-term engagement was a bigger challenge and, ultimately, did not come to fruition during the season. Rather, only a few farmers sold their cocoa through the cooperatives to the buyer while the majority of the farmers sold through the parallel system. And, though they benefited from cooperative support such as training, the ongoing availability of this support is contingent upon a commercial return offered through cocoa trade. Addressing this failure will be critical to a shift in the purchase behaviour of exporters over the long-term.

  GROW is attacking this problem from a multitude of angles, including: 1) working to collaborate with Theobroma, the largest cocoa buyer in Liberia, to leverage its dominant market position to pressure change among exporters; 2) working with many exporters, in particular those interested in niche markets that are also willing to launch more concerted investments immediately; 3) developing a “supplier development unit” within exporter businesses and that learns from successful models employed by exporters in neighbouring countries (growing the appeal).
- Although in the setting up of the aggregation and purchase systems with AVL, a credit system had worked for AVL farmers, it did not work for the farmers linked to the cooperatives. This meant that the cooperatives had to have cash to be able to get cocoa from the farmers. With the cooperatives having limited finance, they could

only purchase from a few of the farmers. The program is working to modify this and give options within the supplier development program on ways that farmers can be engaged in the aggregation and purchase model. The program also intends to weave in pre-financing as an option for engagement with the cooperatives to ensure they have adequate finance for purchase and operations.

- In aiming to target females in the sector the program tested recruitment of female village coordinators who would take lead in training farmers on GAP and post-harvest handling at the village levels. This had mixed success largely because the Village Coordinator position is a commercial position that required prior established trade relationships with the cooperatives as well as farmers. Whereas women could be recruited as trainers, their ability to serve as village coordinators requires building relationships within communities to fulfil trading functions. To support this transition, GROW aims to showcase successful female VCs alongside other promotional activity.

A gender study conducted in the cocoa sector in 2018 revealed that fermentation and drying are primarily female led responsibilities. Recognizing the importance of females in this role – as well as the importance that fermentation and drying play in toward the overall quality of cocoa - GROW worked with GAP trainers and cooperatives to adapt training to appropriately include and target women.

- *Recruiting for female participation:* The program separated the GAP training into two components – GAP with respect to farm management and that with respect to post-harvest handling practices with a focus on fermentation and drying. Participant targeting reflected the gendered breakdown of farmers.
- *Showcasing female performance:* The training on post-harvest handling was delivered in video form (as well as in-person training). Videos featured females. In this way the program considered the low literacy levels among women, challenged perceptions of female responsibility, and used visuals to illustrate the right skills on fermentation and drying.
- *Reinforcing female engagement*: As mentioned above, the program used competition to accelerate uptake of good agricultural practices as well as post-harvest handling. The awards for these competitions were designed to recognize the entire household efforts, hence promoting female participation.

What does GROW plan to achieve in 2019?

In line with the above and in support of our exit focus, GROW has set the following target for the first half of 2019:

- All (9) GROW cooperative and trade partners have 2019-2020 season business strategy and are linked to buyers and/or buyers' supplier development programs.
- At least three additional cooperatives launch performance improvement plans, including expanded GAP training, as part of a supplier development initiative.
- Good Agricultural Practices Guide updated, disseminated, and housed within supplier development programs.

GROW's impact in the words of beneficiaries: Cocoa Farmer

I've been farming cocoa for 40 years. I have 13 children so I am supporting 15 people, including myself and my wife, through the cocoa plantation. Sometimes when I get up in the morning there is no food, and I have to work the whole day with nothing. I get very weak. Two years ago I received training in good agricultural practices. Before the training my under-brushing techniques were no good and I was losing a lot of crops to pests. And I wasn't following the best fermentation practices either; I was doing it in bags. The training taught me how to correctly ferment the cocoa in a box. Now my cocoa is grade one quality. It's much better than before and I can sell it for more. And where before I was losing 45% of my crop to disease, now it's more like 15%. My yield is much bigger now, 50 percent more!

August Gomune, Cocoa Farmer, Nimba County

Intervention # 2: Better Selling & Financing Terms

What did GROW plan to achieve?

GROW established the following annual targets for cocoa as part of the program's 2018 semi-annual business plan.

- GROW establishes a partnership with a buyer toward structuring trade and relationships within cocoa supply chain – including with GROW cooperative/trader partners.
- Working capital needs for AVL and cooperatives/traders addressed through bank, investor, or buyer. The use of the GROW facility should be a tactic of last resort.
- Review financing options, providing a guide for industry players, including requirements of financiers and how to meet them.

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: GROW establishes a partnership with a buyer toward structuring trade and relationships within cocoa supply chain – including with GROW cooperative/trader partners.*

GROW partnered with AYA, the biggest exporter in Liberia, in 2018. AYA purchased 44MT from 5 out of the 8 cooperatives but to mixed results. For example, although AYA was able to somewhat differentiate price based on quality, it was done on an ad-hoc basis without adherence to a designed underlying system. Additionally, even though AYA was able to sign purchase agreements and offer pre-finance to cooperatives, a designed purchase schedule was not adhered to. This meant that AYA did not purchase as much cocoa from cooperatives as they could have, and cooperative farmers were forced to sell some of their cocoa to middle buyers.

As mentioned above, AYA's business grew rapidly in 2018 season which was due to the exit of several large cocoa buyers, allowing AYA to fill the market gap. The volume of growth challenged AYA's management and staffing structure, leaving the company short on resources to fully support the partnership objectives.

In Q3 and Q4 2018, GROW reassessed the buyer landscape and new potential engagements were explored. GROW and 3 additional buyers, including Theobroma, the largest international purchaser of cocoa from Liberia, have begun collaborating on the design of partnerships based on supplier development and sustainable supply chain model that will formally begin in early 2019.

- *ANNUAL PLANNED TARGET: Working capital needs for AVL and cooperatives/traders addressed through bank, investor, or buyer. Use of the GROW facility a tactic of last resort.*

As mentioned above, working capital requirements for AVL were secured through an investor – Palava Hut who through a written agreement which was moderated by GROW committed to invest up to USD $75,000 as purchasing and operational capital in their partnership with AVL.

AYA, a major exporter, offered pre-finance of USD $15,000 to three out of five cooperative partners. The pre finance was designed as a phased offer, tied to performance and cocoa aggregation volumes. Accordingly, three out of five cooperatives benefited from an initial USD $5,000 each. These cooperatives then sold cocoa to AYA on a rolling basis throughout the season and by the end of the year they had sold a total of 44 MT to AYA.

- *ANNUAL PLANNED TARGET: Review financing options, providing a guide for industry players, including requirements of financiers and how to meet them.*

Drawing from lessons from the engagement with Afriland Bank during the setting up and the administration of the refundable grant, the program learnt valuable lessons on challenges of accessing finance in the cocoa sector from formal channels like banks. The businesses for example are required to present income statements which in most cases the businesses that the program was dealing with like cooperatives did not have. The cooperatives lacked even basic records of their day to day interactions.

The program focused efforts to supporting cooperatives to understand and to prepare for formal financial requirements while pursuing softer capital. GROW worked with cooperatives to improve their recordkeeping, to reduce expenditures, and to forecast financial requirements. At the same time, GROW fostered engagement with AYA to offer forward financing as part of the negotiated trade agreements. Each cooperative had the opportunity for pre-finance accordingly.

As we look to scale the supplier development program with other buyers, this similar offer is an important component of it – helping to address financial shortfalls with great flexibility and potential than Liberia's banks.

What challenges emerged and how did GROW adapt?

GROW established a partnership with AYA because of the exporter's buying position and strong initial interest in collaboration. However, over time, AYA's capacity and willingness to take the project ahead - particularly at the risk of losing cocoa or angering entrenched trader partners – proved difficult. For example, AYA continued to offer the same price for all cocoa to the cooperatives despite an agreement to pay against quality.

GROW has expanded engagements with other exporters this season. The traction gained through cooperative and AYA engagement helped the program to gain traction with more dynamic and capable partners, such as LCC and Cocoa Plus, as well as bigger buyers, such as Theobroma. The program is poised to launch stronger supplier development programs featuring grade differentiated pricing and pre-financing at the start of this year.

What does GROW plan to achieve in 2019?

GROW is focused on two approaches that will improve selling terms for farmers this season:

Forward Financing: With a transparent supplier performance management system in place, suppliers are more comfortable offering forward financing to cooperatives and traders that meet performance standards. Well financed cooperatives are able to purchase cocoa from farmer membership as well as to support farmers to produce more and better cocoa.

Quality Differentiated Pricing: Better cocoa quality – combined with stronger traceability and transparency systems – yields better price. An organized supply chain can support price differentiation at all supply and aggregation levels.

GROW envisions syncing these approaches with an expanded, formalized Supplier Development Program initiative: A structured approach for buyers to develop their network of suppliers (cooperatives and farmers), allowing many of the activities (e.g. GAP training) that are key to quality improvements and certification to continue on a commercial basis.

In line with the above, GROW has set the following target for the first half of 2019:

- At least three buying partners offer forward financing to cooperative supply partners-
- At least one buying partner offers quality differentiated pricing to their supply partners who in turn offer the same to their farmer suppliers (integrated within the Supplier Development Program) -
- At least two buyers co-develop and implement the Supplier Development Program as a core offering
- Supplier Development Program Guide completed. Self-Assessment Guide completed.

Intervention # 3: A More Attractive Market (Addressing Cocoa Governance Shortcomings)

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end of December 2018:

- LACRA price dissemination underway. Larger engagement pursued.
- Industry roundtable completed

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: LACRA price dissemination underway. Larger engagement pursued; Industry roundtable completed.*

The program had planned to work with LACRA on price dissemination for cocoa. In July 2018 the program worked with LACRA to conduct an assessment on the best way to structure the price dissemination for greater outreach. The key outcome of the assessment was that it provided information on which radio stations were most listened to within the cocoa producing counties and the most preferred times for listening. With this information GROW planned with LACRA to engage in another period of price dissemination for the 2018/2019 cocoa season under a cost share arrangement. Unfortunately, LACRA was unable to secure a budget to fund their part of the cost share in the arrangement. This provided further insight to GROW on LACRA's lack of capacity to execute its mandate unless it has a revenue generation mechanism. GROW is currently contributing to conducting a gap analysis for LACRA that will entail revenue generation mechanisms among other components to help LACRA execute it mandate.

With the engagement with several new actors in the cocoa sector and testing new innovations with farmer cooperatives, buyers and several government bodies like the Cooperative Development Agency (CDA), LACRA and other development partners in the cocoa sector, the program needed to generate evidence on what motivates various actors and build a common vision for the sector to facilitate round table discussions. Besides this there were also other emerging programs like developing an online engagement platform that is being developed by IDH. GROW still plans to facilitate the Round table discussions but intends to synergize efforts with all actors in the sector to maximise the outcomes from the industry round table discussions.

What challenges emerged and how did GROW adapt?

- Within the course of engagement with LACRA the program recognised the need to support LACRA to have a revenue generation mechanism. This stemmed from the background that LACRA has in the past depended on development programs to fund their activities, leading to over reliance on such programs. The program will be supporting LACRA to undertake a comprehensive gap analysis that will include recommendations for revenue generation mechanisms.
- With the various activities that the program has undertaken in the cocoa sector and the various innovations that have been tested, the program has generated resource materials ranging from training materials to various directories of buyers, suppliers and various tools and equipment. This information needs to be housed and easily accessed by all the players in the sector. The program is currently exploring working with the Cooperative Development Agency to be a repository for the generated information and explore ways of accessibly sharing this information with all actors within the sector.

What does GROW plan to achieve in 2019?

- Cooperative Development Agency (CDA) and/or other GoL institutions promote GAP and the supplier development program.
- Guidance for improving Liberia's cocoa industry governance and international positioning developed.
- Liberian cocoa market profile established.
- Codification and dissemination of cocoa market guides and information

Vegetables

The Context

Limited access to quality inputs (seeds, fertilizer, chemicals and farming tools) as well as the information on proper input use and modern agricultural practices hinders vegetable production and farmer income.

Important challenges to the industry include:

- High tax on imported agriculture inputs results in expensive agro-inputs that are not attractive to farmers nor competitive with prices of products in neighboring countries.
- Few large importers of agro-inputs. Those here are focused on GOL and NGO contracts and rarely keep stock in country. These importers/traders do not see agro-dealers and small farmers as their core customers.
- Agro dealers do value small farmers as their core customers. However, they lack the capacity to service them well – including: 1) the capital and ready access required to stock inputs; 2) agronomical knowledge to provide strong advisory; 3) limited capacity to run and to grow their business.
- Agro dealers travel to neighboring countries such as Guinea and Ivory Coast to source agricultural supply - resulting in periodic shortages, limited product ranges of variable quality, and advice written in a language Liberian farmers do not understand (French).
- Weak, fragmented trading relationships between farmers, traders and large buyers. Limited information exchange.

Key Results Indicators for 2018

Levels		GROW Logframe Indicators	Disaggregation	Planned 2018	Achieved 2018	% Achieved	Planned Jun-19	Planned Dec-19
Impact	3.3	Aggregated Total Net Attributable Income Change (NAIC) (in USD) amongst women, men and small firms.	**Total**	**421,000**	**1,372,000**	**326%**	**2,899,000**	**4,427,000**
			Female	172,000	738,000	429%	1,560,000	2,381,000
			Youth	223,000	613,000	275%	1,295,000	1,978,000
	3.2	Total number of women, men and small firms with positive Net Attributable Income Change (NAIC)	**Total**	**1,890**	**5,030**	**266%**	**6,500**	**8,000**
			Female	770	2,700	351%	3,500	4,300
			Youth	1,000	2,330	233%	3,000	3,700
	3.1	Total number of full-time equivalent (FTE) jobs created	**Total**	**60**	**250**	**417%**	**350**	**450**
			Female	30	110	367%	150	200
			Youth	30	130	433%	180	230
Outcome	2.2	Total number of men, women and small firms adopting to new opportunities	**Total**	**2,520**	**7,270**	**288%**	**9,000**	**12,000**
			Female	1,030	3,930	382%	5,000	6,000
			Youth	1,330	3,350	252%	4,000	5,000
	2.1	Total number of men, women and small firms with access to new opportunities	**Total**	**3,680**	**8,870**	**241%**	**11,000**	**14,000**
			Female	1,510	4,810	319%	6,000	8,000
			Youth	1,950	4,080	209%	5,000	6,000
Output	1.3	Private & Public Sector Investment Leveraged		979,000	707,000	**72%**	1,237,000	1,768,000
	1.2	Total No. of Business Innovations		**15**	**23**	**153%**	**27**	**30**
	1.1	Total No. of Market Actors		**20**	**75**	**375%**	**80**	**85**

GROW has significantly overachieved all of its impact targets in the vegetable sector. The sector contributed to a total of 31% of GROW's total program impact, largely due to intensive work in agro-inputs.

GROW worked closely with 28 agro-dealers who were part of the agro-dealer development initiative (agro-dealer development program). These agro-dealers on average increased their sales by 70% and their network of smallholder farmers from 250 to 365 vegetable farmers. From a network of over 10,000 vegetable farmers, it was found that 86% (8,362) of farmers actually bought agro-inputs and received agronomic advisory services about proper input use and good agricultural practices. A further 81% of those farmers used inputs properly and practiced good agricultural practices.

A total of 4,519 (67%) of farmers were estimated to have benefitted financially by the end of 2018. The vegetables sector also created an additional 235 FTE jobs in 2018 which was shared amongst 500 farm laborers. Average income per beneficiary was found to be USD 272 by the end of 2018. This is expected to further increase to USD 450 in 2019 if GROW is able to count benefit from two cropping seasons instead of just one in 2019 (depending on the program end).

Sector spend for 2018 and budget for 2019

Sector	Total Revised Y5 Budget	Y5 Actual Spend	% of IF Budget	Y5 Variance
Vegetables	**SEK 2,498,449**	**SEK 2,692,902**	**108%**	**-194,453**

We have spent a little more than initially budgeted for the Vegetable sector. However this has translated into overachieving all of the impact targets and presented a good return on investment. We are anticipating the return part of the funds under the loan guarantee, held by Afriland Bank. As this activity has been extended until April 2019, the funds will be returned to GROW after its close. The GROW Y6 budget projects for that return.

Sector	Q1 Budget	Q2 Budget	Q3 Budget	Q4 Budget	Total Year 6 Budget
Vegetables	**SEK 827,902**	**SEK 865,135**	**SEK 438,173**	**0.00**	**SEK 2,131,210**

In 2019 spend in the Vegetable sector will be roughly in line with spend the year before, reflecting the sector strategy.

What is GROW's vision for the sector this year?

- IF the agro-inputs industry can profitably target smallholders as a core customer segment, with efficient last-mile distribution, and
- IF agro-inputs businesses can embed key services such as information and extension, and
- IF buyers target sourcing from Liberian farmers to service the domestic market with high-quality vegetables,
- THEN the demand for domestic produce will grow, and
- THEN smallholder farmers will continuously improve the quality, quantity, and consistency of vegetables supply, and
- THEN smallholder farmers, many of whom are female, will increase their incomes and employment in vegetable farming.

GROW is primarily focused on the sustainability and continued growth of our activity in vegetables in 2019 with the end of the progam in mind. This includes the continuation and growth of our distribution and agro-dealer partners and the models they are employing to service Liberian farmers.

It also includes the ease of access to and replication of information and training offered through GROW. Specifically, GROW is codifying agro-dealer training and Good Agricultural Practices (GAP) information and market information into more easily shared and replicable content that can live on with partners and be shared within networks – including with our distributor partners. This will ensure that the benefits of GROW's activities continue after the program closes.

Intervention # 1: Inputs – Distributors

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end of 2018:

- At least two distributors adapt distribution to target the small farmer market

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: At least two distributors adapt distribution to target small farmer market*

In the latter half of 2018, GROW collaborated with three agro-inputs distributors, TJAL Enterprises, Organic Matters and Abu Agro Business Center, to launch agro-input resale operations and distribution that targeted small farmers. Our work with agro-distributors aimed to shift the status quo in the agro-input market for distributors to value and target small farmers.

TJAL Enterprises

TJAL is an agro-inputs distributor with operations in Guinea, Sierra Leone, and now Liberia. TJAL is the first distributor in Liberia to target agro-dealers and farmers as its primary customer base – an approach the company successfully employs in its other countries of operation and launched in Liberia at the end of 2018. Their launch was challenged, and delayed, by the tough business enabling environment (including severe delays to the business registration).

In 2018, GROW collaborated with TJAL to launch operations in Liberia, including:

- Scoping the Liberia opportunity
- Developing an expansion strategy and plan
- Completing business registration
- Launching a Monrovia-based retail and warehouse location, including renovation
- Establishing relationships with agro-dealers and key industry stakeholders
- Launching marketing and sales

TJAL officially launched its business in Liberia in December 2018 and has recorded total sales of US$9,000 to date. TJAL currently has 3 employees and has established business relationships with over 50 agro dealers, working with farmers across 5 counties.

- Hiring agronomist and sales/marketing agent

As a result of TJAL's market entry into Liberia:

- Sales of agro-inputs to farmers through agro-dealer network is underway in Liberia; This is a big shift compared to before where agro-input distributors focused on NGO/GOL contracts while agro-dealers purchased product through small-scale (and expensive) cross-border trade
- Agricultural advisory extension on benefits of using inputs, proper inputs use and good agricultural practices is being offered to agro-dealers and farmers

In 2019, GROW will continue to collaborate with TJAL to increase agro-dealer engagement and sales, to expand advisory and training offered to farmers, and to import inputs to Liberia directly (lowering product costs and increasing availability).

Organic Matters

Organic Matters is a Liberian-owned company that produces organic inputs made from local compost and waste products in Liberia. Over time, the use of organic fertilizer (which costs half the price than the conventional NPK 15-15-15 fertilizer most commonly used by farmers) improves soil fertility. Through this partnership, Organic Matters aims to introduce accessible and affordable organic products – coupled with the information required to employ them – in order to increase farmer yield and to achieve environmental benefit.

After operating as a small on-site organic fertilizer producer for a little over 3 years, OM officially opened its first shop in November 2018. The company now operates a production site, alongside its retail location, with the help of 5

In 2018, GROW collaborated with Organic Matters to launch operations in Liberia, including:

- Developing an expansion strategy and plan
- Developing marketing material and brand designed to target small farmers
- Establishing a retail sales point in Mount Barclay;
- Establishing new demo sites to demonstrate the value and return associated with Organic Matters' products as well as to train area farmers and agro-dealers.
- Growing production to be able to meet growing product demand for compost
- Improving business management capacity, including hiring an accountant, marketing and sales agent, communications associated, and program manager as well as establishing strong financial and customer accounts.
- Improving advisory capacity by hiring an agronomist.

As a result of Organic Matters business improvement and farmer targeting:

- 1.5 tonnes of compost produced per month beginning June in 2018
- Projected total of five tonnes of Vermi-compost sales per month projected for 2019
- Close to 1,000 farmers expected to benefit through use of organic fertilizers sold by 'Organic Matters'

"Having GROW work with us was like having lots of additional staff who pushed us to grow as a business"
Ivar Hennes, Managing Director, Organic Matters

In 2019, GROW will continue to collaborate with Organic Matters to expand its engagement with agro-dealers, concessions, and large commercial farmers to facilitate the sale of organic products.

Abu Agro Business Center

With GROW's support, Abu Agro Business Center developed lead farmers into formalized sales agents – helping to expand sales and farmer engagement into more rural areas. At the same time, Abu – who had no record system or brand – developed both.

As a result of GROW's intervention, Abu now has a brand identity and marketing collateral that are attracting new customers. Abu has also hired a shop assistant and a business and financial management system that support growth.

The lead farmer-cum-sales agent model is a distribution and expansion approach that offers potential for agro-dealers. Requiring limited capital and leveraging farmer relationships, the model is a low-cost strategy for developing formalized distribution and growing sales.

What challenges emerged and how did GROW adapt?

For the most part, agro-inputs importers/distributors with a presence in Monrovia are better described as traders. None hold notable volumes of inputs, choosing to import exact volumes only with a contract from the GoL or an NGO in place – showing no interest nor seriousness in reaching smallholders in upcountry markets. GROW continues to engage these actors, offering them updated information and data on agro-dealers and farmers upcountry.

However, to address the shortcoming of local interest and capacity, GROW adapted our approach to look regionally for potential investees. For example, GROW co-invested with TJAL to set up an agro input business in Liberia, offering support for business registration, launch a Liberian country office and brand, and establish relationships with upcountry agro-dealers to ensure small holder farmers access quality and affordable production inputs. Building on this success, GROW is also targeting a second agro-distribution and supply entrant from Sierra Leone that has expressed interest in the Liberian market.

What does GROW plan to achieve in 2019?

GROW is primarily focused on the sustainability and continued growth of our distributor partners and the models they are employing to service Liberian farmers. Ensuring an attractive commercial return for TJAL, Organic Matters, and Abu Trading by boosting overall clients, improving operational efficiency, and reducing product import tariffs is a focus for GROW in 2019. Simultaneously, GROW aims to attract at least one additional distributor to Liberia – helping to stimulate competition and to ensure there are options for agro-dealers and farmers.

At the same time, GROW is codifying agro-dealer training and Good Agricultural Practices information into more easily shared and replicable content that can live on with partners and be shared within networks – including with our distributor partners.

In line with the above, GROW has set the following target for the first half of 2019:

- At least two distributors increase product and information availability to smallholder farmers through local agro-dealers, sales agents, and/or retail locations;
- At least one additional distributor targets farmers (new Liberian market entrants and/or change in practice among current distributors based in Liberia).

Intervention # 2: Inputs – Agro-Dealers

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end-December 2018:

- At least 15 agro-dealers demonstrate new business and financial management practices, stronger product and farming practice knowledge, increased intra-regional presence, and increased clients

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET At least 15 agro-dealers demonstrate new business and financial management practices, stronger product and farming practice knowledge, increased intra-regional presence, and increased clients*

GROW collaborated with 28 agro-dealers (20 males, 8 females) – those that had performed well and demonstrated interest in growing their agro-inputs businesses during the first phase of the agro-dealer program – to increase sales, to target new clients, and to offer agronomic advisory to current and potential smallholder clients in the latter half of 2018.

On average, agro-dealers reported 70% increase in sales (from $1,000 to $1,700 per month) and a 46% increase in total customer base (from 250 to 365) across the last 6 months of 2018.

Major activities included:

- Branding & Marketing: For those agro-dealers that progressed through "get fit" business health training by demonstrating ongoing use of tools (eg: customer and sales records), GROW supported branding (signage, flyers, etc.) and marketing (market days promotions, jingles and radio promotions etc.) activity tailored to each agro-dealer and with the objective of growing farmer clients, particularly in rural communities.
- Sales Expansion: GROW provided business advisory to agro-dealers to adopt the use of lead farmers/sales ambassadors to increase sales of inputs to farmers in rural communities.
- Agronomic Advisory: GROW provided agronomical support through an experienced regional agronomist to train agro-dealers and their farmers (in shop, on-farm and through demo plot set up) on safer inputs use and Good Agricultural Practices (GAP)

What challenges emerged and how did GROW adapt?

Investing to grow customer reach – particularly so when the customers are rural, at times remote, farmers – can be an expensive and time-consuming activity. Accordingly, expansion and marketing activity such as market days, demo plot set-up, and GAP training drew some pause from agro-dealers. To motivate outreach and to help to overcome reservations as well as to mitigate for some of the risk associated with the costs and opportunity costs tied to this investment, GROW launched an agro-dealer competition. The competition focused on % increased customers and overall sales and encouraged GAP training, market day promotions, radio talk shows, use of road signs, flyers to attract more customers and overall sales. The competition will be completed in February 2019 (following a major inputs sales season); so far, the approach seems promising.

What does GROW plan to achieve in 2019?

In line with the above, GROW has set the following target for the first half of 2019:

- 15- 20 top performing agro-dealers report increased sales and farmer clients due to:
  - Increased training and guidance offered to farmer clients through the use of instructional videos and guides, field training, or demo plot set up.
  - Expanded client base resulting from new marketing initiatives or new sales agents

- 5 – 10 new agro-dealers report new customers and increased sales due to business model changes supported by GROW

Our impact in the words of beneficiaries – Agro-Dealer Gertrude Gboko and her customers

The most important thing that GROW has taught me is effective use of the chemicals. Before I just sold the chemicals and I couldn't explain how to use them. But now I can explain the products' uses to my customers. At first we weren't offering that service but now when they forget the application method they can call us and we help them.
GROW has taught us how to improve the relationship with our customers. I never used to track customers or visit their farms. That's been an important change because we can now easily give assistance since we already have their contact and location. We're closer to our customers and farmers can reach us quickly and carry on with their job. They don't have to pay their way to come here to seek information.

I've got more customers now than before GROW's coaching and promotional activities. When I started this place there was just one small shelf [of stock]. Now more people are calling and ordering. My husband is travelling to Cote d'Ivoire every week to replenish our stock. Even the empty bags for transporting agricultural produce, we used to sell just one or two bags. Now it's 10 or 15. And thanks to the coaching, I now understand the need for ventilation in the shop given our stock of chemicals. Before I just thought of how much extra electricity the fan would cost us.

Every citizen of Liberia should be able to produce food without needing to depend on the government. We want to help people around here and with the help of GROW I think we are gradually achieving our goal

Gertrude Gboko, Owner, Agricultural General Supply Store in Ganta, Nimba County

Our input supplier Gertrude has been here with us, training us, telling us how to identify the best area to make a nursery, the kind of soil you need and how to plant on it. She's also teaching us how best to use fertiliser so that our plants can grow well. We farm more land now and produce more using a system we didn't know about before

Anderson Nehwon, Vegetable Farmer, Tondin Town, Nimba County

Intervention #3: Inputs – Policy

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end-December 2018:

- Pathway established for addressing regressive inputs tariffs

What did GROW achieve in the second half of Year 5?

In the second half of 2018, GROW pursued regulatory changes to address the unclear and high tax regime faced by the agro-input industry. With 30% + taxes faced (without consistency) by companies importing inputs through the port, there is little inducement to invest. The absence of a viable and keen distributor (hindered by a challenging tax environment) limits the potential to formalize and to upgrade the performance of the agro-input industry, including product language labels, package sizes, varieties appropriate for Liberia, etc. This results in Liberia having one of the highest retail prices of fertilizer in West Africa, harming the growth of the agricultural sector and incomes of farmers.

"…our Pro-Poor Agenda for Prosperity and Development can only be sustainably achieved through agriculture. We will craft new practical and realistic agriculture policies, incentivize the sector by providing access to credit, reducing tariffs on agriculture implements, and provide small machines, modern seeds and fertilizers" – excerpt from annual message speech given by President George Weah in January 2019

As a result of GROW's engagement with relevant stakeholders, the President in his annual message expressed his government’s commitment in addressing the high tariffs on agricultural inputs.

- *ANNUAL PLANNED TARGET: Pathway established for addressing regressive inputs tariffs*

GROW completed an assessment of the regulatory policy, including reviewing current regulations, mapping the application process, outlining private sector priorities, and defining advocacy priorities. GROW also completed an engagement strategy and has begun to build support for change, including:

- NAIDAL agreed to lead advocacy initiative on the reissuance of the Executive Order #81
- Ministry of Agriculture (MOA) slated serve as the lead on the technical working group ensuring that the issue of reducing high inputs tariffs was placed on the president’s agenda
- Ministry of Finance and Development Planning (MFDP) – expressed commitment in supporting the MOA in analyzing the impact of the executive order once issued by the president
- Liberia Revenue Authority (LRA) – Provided tax data on previous executive orders for analysis

What challenges emerged and how did GROW adapt?

Limited coordination and information dissemination among various players, including the GOL and the private sector at large, was a risk for improving the policy environment for inputs.

GROW launched a technical working group that meets twice a month to foster coordination, information dissemination and advocacy among previously fragmented advocates that were coordinating and communicating poorly. This has improved the consistency and volume of support for an executive order.

The GoL has indicated that advocacy for agro-input tariff change must be pushed by the National Agro-Input Dealers Association (NAIDAL). NAIDAL is a nascent organization, formed with a multitude of varying objectives and with limited capacity. To accommodate the request, GROW has provided advisory support (and only this) to NAIDAL in leading advocacy initiatives – simultaneously conducting meetings/discussions with major stakeholders as part of coaching and mentorship. To date, NAIDAL is gaining traction and with a clearer and more compelling message.

What does GROW plan to achieve in 2019?

GROW has made good headway with the executive order. The program’s top priority is to see it signed. As GROW is working towards this, concurrently, the program is outlining the hurdles to implementation and advocating for more efficient access. A policy is one battle; operationalizing it is another battle altogether. By working in advance of passage, the aim is to speed up effective operationalization.

In line with the above, GROW has set the following target for the first half of 2019:

- Executive Order on agriculture inputs import tariff re-issued, lowering the import tariff for agro-inputs offered for resale.
- Advocacy for a long-term tariff reduction for agro-inputs underway.

GROW’s stakeholder engagement in the agro-inputs sector

In 2016, the former government had an executive order to reduce the import taxes on agriculture inputs and equipment. LRA struggled to determine the true beneficiaries and did not have a process in place to determine if it was successful. For example, LRA did have the means to determine if a truck purchased and imported on the program would be used for construction or agriculture.
The Executive order expired, and stakeholders have been working through the GoL’s push back to renew the order.
In 2018, GROW worked with the GoL, through the MoA, MoFDP, and LRA, the importers, National Agro-dealer Association and LADA, a USAID-funded program to understand the GoL’s reluctance to renew the tax waiver. During those consultative meeting, GROW and LADA convinced the stakeholders and GoL that the process required two separate approaches. It was agreed that GROW will work on working with NADAL and GoL to renew the tax waiver, while LADA continues to work with GoL on the long term policies. GROW and the GoL determined the key items that will fall under the waiver, and developing a clearer application process and qualification for beneficiaries.

The key challenge is that the GoL struggles to meet its budgetary obligations and eventually put a halt to most waivers. The tax waiver for agriculture products is not included but the risk is a purposeful delay within GoL until the end of the budget period in June 2019. The new waiver should ensure that the items are well defined, the process is accessible only to local stakeholders (and not concessions) and a process can be developed to measure its success.

Intervention # 4: Buying & Aggregation

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end-December 2018:

- Assess Afriland bank loan performance. Offer recommendations.
- Adapted LVSA pilot underway. At least 1 other buying program launched.

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: Assess Afriland bank loan performance. Offer recommendations.*

All loans were disbursed through the Trader Growth Programme in 2017. Accordingly, activity with respect to the Trader Growth Programme (TGP) has been focused to monitoring loan repayment and performance. An in-house assessment was carried out with traders and farmers to find out the effectiveness of loans disbursed under the Trader Growth programme. It was found that payback continues to lag across both waves of traders. It became clear that repayment would not transpire in the period allocated. In response, traders negotiated for an extension with Afriland First Bank, who has agreed to restructure loan terms.

What challenges emerged and how did GROW adapt?

GROW completed an assessment in 2018. Insights include:

- Pre-financing production inputs for farmers increased farmers' access to inputs that would have been difficult for them to obtain by themselves. It also increased farmers' level of production and ensured increased supply of fresh vegetables to the market through traders.
- There is a sharp contradiction between traders and farmers as to why traders have not been able to pay the bank loan. Traders (69%) blamed farmers' failure to repay for pre-financed inputs as a factor for them (traders) not been able to repay the banks. However, over 80% of farmers indicated that they have repaid traders fully for inputs received.
- Some of the traders did not use the loan for the intended purpose; 24% of L$ loan and 34% US$ loan amounts were never invested in vegetable purchasing and selling – despite significant training and performance based allocation. The majority of the traders have paid back some amount of the loan. However, the current economic crisis compounded with poor financial planning could be another reason for failure in repayment.

With poor repayment rates ongoing, GROW has elected to monitor change in repayment following renegotiation between the traders and the bank.

- *ANNUAL PLANNED TARGET: Adapted LVSA pilot underway. At least 1 other buying program launched.*

GROW launched its Buying Program intervention in 2018 aimed at addressing supply gaps, such as transparent pricing and quality, consistent supply. GROW initially developed and launched a pilot with LVSA Produce Buying Program in which 13 contracts were signed between LVSA and commercial farmers or farming groups. GROW aimed to scale the initiative with LVSA before the close of 2018.

Though the activity did achieve good initial results, continued performance required a strong and transparent management structure that was lacking in LVSA, a loose association of vegetable traders with some trust and transparency issues.

In addition to the program piloted through LVSA, GROW also explored “Green Grocer” models and partners. Ultimately, the costs associated with establishing a strong, centralized business outweighed the market potential – Liberia’s vegetable market is still small. GROW also aimed to facilitate trade relationships between farmers and traders, offering each contact lists and facilitating engagements. However, out of a random sample of 30 traders that were interviewed on the application of the database shared, only one trader was able to buy a total of US $290 worth of commodities from 11 farmers that contacted him.

Vegetable trade in Liberia is fragmented, with many small traders, farmers, aggregators, and buyers operating in ad hoc ways. There may be activities that can shift normative trade practices toward more invested, trusted, predictable relationships. But, because the market is small – and unlikely to grow too much given the current economic climate and overall market size – these efforts will always be somewhat piecemeal. GROW is working to support low-cost coordination activity, such as networking and information exchange. It won’t substantially change the industry, but it will create new opportunities for entrepreneurial farmers and traders. This is a sound strategy in absence of a functional and centralized intermediary (which LVSA is not).

What does GROW plan to achieve in 2019?

In line with the above, GROW has set the following target for the first half of 2019:

- Continue to monitor performance and, pending performance, consider Afriland project closeout.
- Link farmers, traders, agro-dealers, agro-processors through Ganta-based trade fair (monthly)

Rubber

The Context

Rubber is an important sector for Liberia, accounting for 16% of all exports as the 3rd most valuable export commodity in Liberia. Further, with 55% of all latex production derived from smallholder farmers, it is also an important cash crop. Liberia's rubber industry is also dominated by one large, historic concession. Lack of competitive alternatives have disincentivized diversity and investment - limiting market options for producers.

Moreover, reliance on one type of latex processing popular with concessions makes the Liberian rubber sector vulnerable to changes in the world price (which is currently on the decline). Most rubber trees are aged with very low productivity (average 18%); mass replanting and improved tapping practices will be required to increase productivity and return.

What is GROW's vision for the sector this year?

- IF processors, farmers, and tappers (both within and beyond RSS) have the right skills and inputs to produce a high-value product at optimum productivity;
- *IF a critical mass of processors establishes RSS as an alternative method of value addition;*
- *THEN RSS processors can offer a higher-value market alternative to smallholders alongside selling TSR to concessions*
- THEN smallholder farmers are incentivized to invest in their farms
- THEN smallholder rubber farmers, tappers and farm labourers can improve their incomes, and
- THEN other market actors will crowd in around the opportunities in RSS and rubber generally, including in processing, skills development, and finance.

As GROW moves into the final year of delivery, our primary focus is on ensuring the sustainability of major activities, such as TVET courses, as well as fostering scale, such as shopping the RSS investment case to high potential, local investors as well as connecting rubber investors and RSS processors to more buyers.

Key Results Indicators for 2018

Levels		GROW Logframe Indicators	Disaggregation	Planned 2018	Achieved 2018	% Achieved	Planned Jun-19	Planned Dec-19
Impact	3.3	Aggregated Total Net Attributable Income Change (NAIC) (in USD) amongst women, men and small firms.	**Total**	**1,089,000**	**964,000**	**89%**	**1,643,000**	**2,322,000**
			Female	468,000	329,000	70%	561,000	792,000
			Youth	544,000	185,000	34%	315,000	446,000
	3.2	Total number of women, men and small firms with positive Net Attributable Income Change (NAIC)	**Total**	**2,170**	**710**	**33%**	**900**	**1,000**
			Female	930	150	16%	300	400
			Youth	1,090	250	23%	400	500
	3.1	Total number of full-time equivalent (FTE) jobs created	**Total**	**110**	**70**	**64%**	**80**	**80**
			Female	50	10	20%	10	10

			Youth	50	30	60%	30	30
Outcome	2.2	Total number of men, women and small firms adopting to new opportunities	**Total**	**2,790**	**730**	**26%**	**1,000**	**1,000**
			Female	1,200	150	13%	-	1,000
			Youth	1,400	250	18%	-	1,000
	2.1	Total number of men, women and small firms with access to new opportunities	**Total**	**3,600**	**1,430**	**40%**	**2,000**	**2,000**
			Female	1,550	400	26%	1,000	1,000
			Youth	1,800	390	22%	1,000	1,000
Output	1.3	Private & Public Sector Investment Leveraged		1,118,000	644,000	**58%**	805,000	966,000
	1.2	Total No. of Business Innovations		**15**	**24**	**160%**	**25**	**26**
	1.1	Total No. of Market Actors		**20**	**16**	**80%**	**18**	**20**

Within GROW's rubber activity, 710 rubber farmers and tappers have benefited through increased income in 2018. Throughout 2018, 1,700 rubber farmers and tappers were trained on good agricultural practices with key focus on proper tapping techniques - with 56% of these farmers and tappers seeing increased income last year. GROW's impact assessment revealed that some farmers were trained near to the close of 2018; it was too early to see impact. Additionally, however, there were also a number of farmers who had stopped tapping due low and declining world market prices that rendered their production unprofitable.

On average, rubber farmers have seven acres of land under rubber farming. The average net profit per beneficiary was found to be close to USD 1,350, which is highest amongst GROW's sectors.

Sector spend for 2018 and budget for 2019

Sector	Total Revised Y5 Intervention Fund Budget	Y5 Actual Spend	% Actual Spend of IF Budget	Y5 Variance
Rubber	**SEK 4,724,708**	**SEK 1,713,319**	**36%**	**SEK 3,011,389**

The total spend for the Rubber sector is only a third of what was budgeted for 2019 a year ago. This is due to the return of part of the loan guarantee held with LBDI. It was requested based on a strategic decision to not proceed with setting up additional RSS facilities given the timeframe of the program and to allocate those resources to other sectors with more impact per SEK spent. The refund, in the amount of 2,257,318 SEK, was transferred to GROW in December 2018.

Sector	Q1 Budget	Q2 Budget	Q3 Budget	Q4 Budget	Total Year 6 Budget
Rubber	**SEK 1,037,529**	**SEK 355,595**	**SEK 261,047**	**0.00**	**SEK 1,654,172**

GROW has budgeted considerably less for 2019 for rubber than it did for 2018. The budget for 2019 is predicted to be similar to the spend for 2018 reflecting the continuation of less capital intensive activities. GROW will discuss with the

Embassy where to place the return of the rubber loan guarantee facility once repayments are underway after the close of GROW.

Intervention # 1: RSS Processing

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end of 2018:

- 3 RSS Processors are fully functional and purchasing latex from their network of farmers
- Guidance for RSS processing businesses and investors developed, including RSS business model including 1&2 tons facility design, government requirements for facility set up, financing options and requirements, financial projections and world price trends, farmer sourcing and supply chain management, equipment supplier directory, and others.

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: 3 RSS Processors are fully functional and purchasing latex from their network of farmers*

Throughout 2018, GROW continued to collaborate with RSS processing partners, MRE and ARI, to manage equipment delivery and facility construction - aiming to add two additional RSS processing facilities to the fully operational COR (Bright Farm) facility. Following significant manufacturer delays, the RSS equipment arrived in November and was cleared shortly after for dispatch to the factory sites, where construction was ongoing. With equipment arriving in country, partners refocused cash and time to construction. Currently, MRE and ARI are nearing, though have not completed, the facility construction and machine set-up.

With all three facilities in operation this year, Liberia will reach 1,500+ MT of RSS production per annum.


INVEST IN LIBERIA

INVESTMENT OPPORTUNITY: RIBBED SMOKED SHEETS

What is RSS?

Ribbed Smoked Sheets, or RSS, is an intermediary rubber product used to manufacture a range of finished goods from tyres, to medical supplies, hoses and footwear. Although not as common as TSR, it is preferred for its quality and durability, attracting a price premium on international markets.

Sheets are classified into one of 5 grades based on quality, which determines their manufacturing use and price.

Why RSS?

Ribbed Smoked Sheets opens up the market to independent processors by offering a less capital intensive alternative to the production of Technically Specified Rubber.

An RSS processing facility has operated in Margibi County since 2015 and as of early 2019, two further facilities are expected to begin operating along Liberia's rubber farming belt. RSS production in Liberia is expected to exceed 1,500 tonnes per year by 2020. At these volumes, local skills development and established supplier relationships should ease the investment climate for new processors. Liberia will also become a viable new supplier for international buyers looking to expand their sourcing networks.

Example Investment Case: 2 Tonne Facility
RSS Grade 3, FOB Selling Price of USD 1413
Operating at 95% productive capacity

Start Up Capital—USD 380,000
Includes Construction, Machinery + 2.5 months of Operating Expenses
Revenue (Annual): USD 966,000
Operating Expenses (Annual): USD 804,000
Gross Profit (Annual): USD 162,000

Return on Investment (5 Year): 78%
Breakeven Point: 3 Years

- *ANNUAL PLANNED TARGET: Guidance for RSS processing businesses and investors developed, including RSS business model including 1&2 tons facility design, government requirements for facility set up, financing options and requirements, financial projections and world price trends, farmer sourcing and supply chain management, equipment supplier directory, and others.*

Throughout the set-up process, from manufacturer selection to bank engagement to facility construction and running costs, GROW has documented the process, key considerations, and recommendations. GROW completed an initial investment guide in 2018 incorporating this guidance - alongside a business and investment case for RSS and an overview of the Liberia rubber market opportunity.

Further, GROW plans to build on the guide in 2019 to ensure that all information is readily available for upcoming RSS investors and that relevant parties are aware and supporting the approach by employing the guide as a tool for wider government, investor, industry association, and buyer engagement. This activity is already underway with one-on-one discussions and will include National Investment Commission (NIC), Rubber Planters Association of Liberia (RPAL), Rubber Development Fund (RDF), Ministry of Agriculture, Financial institutions like LBDI, UBA and Afriland, IFC and at least 5 potential investors.

To date, at least one RSS investor has taken steps to set up an RSS facility. So far a GROW STTA has given him a sketch of a 6MT smokehouse. He is currently engaged with a private-owned farm on how he can offset the debt of the farm and acquire 3,000 acres planted rubber farm as well as a TSR factory that he intends to convert into an RSS facility. Although this development has been ongoing for a while, the program remains optimistic that his entry will provide a good opportunity to the upcoming RSS facilities as well as other small scale investors since he plans to bulk RSS locally and compress for export.

What challenges emerged and how is GROW adapting?

The program continued to experience the growing pains of introducing new technology to the context of Liberia. Although the RSS equipment eventually arrived and was cleared in good time at the port, the contractor who was leading the construction work for MRE made several mistakes that would have had negative implications on the operational efficiency of the facility. Correcting these mistakes has not only been costly to MRE (due to the need to demolish some components and rebuild) but has also led to further delays.

Throughout the project, GROW has had to play a heavy supporting role, including recommending change of contractor and monitoring updated construction. Complex, new technology like RSS facilities likely need either considerable institutional support (as was offered by Southeast Asian countries to investors there) or it requires an external expert to monitor the project and provide hands on training to Liberian contractors (who bring now technical expertise in RSS facility set-up). In the case of Liberia, the latter is more likely. To support this, GROW continues to expand on directories of support services as part of the guide, now including local contractors with the experience of establishing RSS facilities professionally. This will be beneficial for future investors.

The process of developing the guides highlighted the lack of transparency and accurate information in the rubber sector - at times purposefully so. Information from farmers, brokers, buyers and industry bodies is often non-existent or contradictory, making it difficult to quantify true market opportunities for Liberian rubber in general, and to diagnose and overcome issues. The program had to not only cross reference many sources of information (Central Bank Reports, FAOSTAT, interviews, NGO reports), but has also reopened dialogue with major industry players like Firestone to get a top down view of the challenges and opportunities and encourage more openness.

Within the course of the year, the program established contacts with a potential buyer who has expressed interest in purchasing 500 tonnes of Liberian RSS per annum. This presents less than half of operational capacity of the upcoming facilities once they are fully operational. Conversations are still on going with the buyer with no contracts yet signed.

What does GROW plan to achieve in 2019?

GROW's primary focus is to see MRE and ARI construction to a close and for trading to launch. At the same time, GROW aims to attract additional RSS investors into the market by targeting high potential investors with the appropriate financial capacity and risk appetite, making it easier to get started by completing the guides and showcasing facilities in operation. Additionally, GROW is supporting buyer outreach and with the goal of getting Liberian RSS better known and connected with international markets.

In line with the above, GROW has set the following targets for the RSS Processing intervention for 2019, the last year of the programme:

- RSS facilities (MRE and ARI) are fully operational.
- High potential RSS investors are pitched (characterized as mid-sized, Liberian commercial farms with up to USD 400,000 to invest).
- RSS investment case and guide presented to potential investors, financial institutions, RPAL, MoA and NIC. At least two institutional actors agree to host the document.
- At least 2 additional buyers demonstrate interest in Liberian RSS by requesting RSS samples for testing.

Intervention # 2: Access to Finance

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end of 2018:

- RSS loan product review, developed based on the three facilities launched to date
- RSS financing alternatives assessment, including DFI potential engagement.

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: RSS loan product review, developed based on the three facilities launched to date; RSS financing alternatives assessment, including DFI potential engagement.*

As part of GROW's RSS investment guide development, the program reviewed loan products and potential financing alternatives. Commercial banks have a low appetite for agricultural and start-up lending. Accordingly, it is highly unlikely that they would consider additional lending for similar facilities without continued third party risk mitigation. Further, GROW's resources will not be enough; a significantly larger facility would be required to help an inclusive, critical mass of RSS processors to launch and to operate. GROW undertook initial discussions with DFIs which are continuing.

What challenges emerged and how did GROW adapt?

Commercial banks are not the only pathway to financing. As part of GROW's investment guide, the program established an attractive ROI and minimum investment that could be achieved by commercial farmers already in operation in Liberia and likely with some outside investment. GROW is targeting these actors in 2019.

GROW also continued to support MRE and ARI to collaborate with LBDI to adapt loan terms to accommodate the unforeseen challenges with respect to equipment arrival timing. Within the last half of the year, the bank undertook an assessment of the ongoing construction works for the disbursement of the second tranche of loan which was going towards the continuation of the construction work. There is still a third tranche that will be disbursed upon completion of the facilities to cover working capital.

In the last quarter of the year the program withdrew the outstanding resources that had been put in the bank to facilitate additional loans to the sector. This decision was made arising from the lengthy approval processes and lengthy machine production and shipping times against the program time frames for the program delivery.

What does GROW plan to achieve in 2019?

GROW will ensure that the learning we have developed over the course of RSS engagement is documented and shared. This includes introduction to the RSS opportunity and recommendations for bank lending products.

In line with the above, GROW has set the following targets for the Access to Finance intervention in 2019:

- 1 page overview of LBDI loan product shared with all major banks and DFIs
- At least 3 major banks and DFIs aware of RSS opportunity and opportunities to finance in the rubber sector

Intervention # 3: Skills Development

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end of 2018:

- At least three TVETs run the RSS production course for the September 2018 semester
- At least three partners pilot the tapper training course

What did GROW achieve in the second half of Year 5?

- Annual Planned Target: At least three TVETs run the RSS production course for the September 2018 semester.

All four GROW TVET partners continued to rollout the RSS course in 2018. In addition, GROW support included:

- In response to slow RSS facility arrival, the approach was tweaked slightly: 1) students first learned a general rubber agronomic practical before focusing on RSS processing, and; 2) school laboratories were also used to expose students to the chemical principles of RSS processing.
    - Hand mills, a low cost RSS processing option, as well as smoking chambers were introduced to students through the TVET course.
    - GROW led an impact assessment whose objective was to assess the success of the course and to identify gaps and make recommendations to be incorporated in the curriculum for the national adoption to be done in 2019. Views were sought from students who undertook the course, instructors who taught the course, and the various school administrators. Findings include:
        - The course had a 96% retention rate.
        - Students in general found the course interesting and resourceful but asked for the course to be more practical. Nursery set up and management, farm management, and improved tapping will be introduced through course in response.
        - Out of the four institutions that piloted the course, three expressed interest in continuing to offer the course.

- Annual Planned Target: At least 3 partners pilot the tapper training course

Within the course of the year, five partners (two brokers, two cooperatives and one concession) piloted the tapper training course. GROW assessments illuminated a nuanced picture of performance and incentives: the master tapper training improved tapping performance, something widely acknowledged as an important performance gap. However, tapping training alone would not be enough to address poor performance - incentives also needed to change. Following assessments of the tapper training, insights include:

- Strong understanding of the training concepts among trained farmers and tappers. Master tappers as well as farmers and tappers demonstrated retention of knowledge and skills gained from the training.
- Trainees, especially tappers, are cognizant of the fact that they have not been using good tapping practices and tools. They believe that the training has improved their skills immensely.
- The majority of farmers and tappers that were interviewed had not started applying their new skill on their farms or in their job as the farms are not yet tapped. Farmers and tappers lack tools and other inputs (cups, sprouts, and wires) to open new farms.
- Farmers depend on brokers who in turn depend on concessions to provide utensils for the opening of new farms.
- As prices continued to plummet, the sale of rubber had been slow - dissuading concessions from providing utensils on credit.

By the end of the year a total of 1,700 tappers and farmers linked to the various businesses had undertaken the training.

Within the course of the year, GROW undertook a comprehensive gender study with respect to the Rubber sector. Outcomes from the study indicated that women are clustered in key farm management areas, including nursery, planting, under brushing and fertilizing – with few tappers.

Learning from this, GROW tested specific targeting and recruitment tactics with respect to attracting females into master tapper training programs. At one of the concessions, Nimba Rubber Incorporated (NRI), five out of 15 female tappers were trained as master tappers. The females were involved in training tappers within the concession where each female was assigned to train 10 tappers each. Within this period the women were able to demonstrate corrective tapping within the areas they were allocated at a speed and to a quantity consistent with male master tapper performance.

GROW has featured females as skilled tappers in marketing materials aimed at and encouraging more farm owners to recognize the skilfulness in females as tappers as well as the value of master tapper training.

What challenges emerged and how did GROW adapt?

- The TVET course was designed to create expertise for RSS processing. Currently, however, the job market for RSS is still small. The curriculum was adapted to address a wider number of relevant rubber industry skills. In addition, GROW is recommending that the course be introduced as an elective.
- The pace of TVET training programs did not meet GROW expectations. In most cases, GROW had to adapt our expectations or to approach programming creatively to address delays while ensuring that the curriculum transpired well. For example:
  - Although all the schools went through the internship program, the concessions which were the most ideal to provide opportunities for students based on their existing facilities turned out to be very bureaucratic and the TVETs could not easily get opportunities to place students. This led to delays for some of the schools in accomplishing the internship. For example Grand Bassa Community College could only send 17 students last year for an internship at LAC while the other 13 are yet to complete the internship. Despite LAC being a member of the institution's board, it expected the institution to do several formal requests which could only be reviewed during specific meetings which did not work in the favour of GBCC as an institution considering their school calendar. GROW encouraged the institution to seek a long term commitment through the school's for internship opportunities with the concession.
  - Administrative changes within the schools also affected the pace of implementation of the curriculum in some schools. Nimba County Community College that was the first to complete the agronomy internship had a change in leadership and this affected the delivery of the processing component of the course. Although the course was completed some students had to incur additional expenses in accommodation awaiting the completion.
- Tapper training did not scale as fast as GROW expected, due to competing priorities of brokers, smaller than expected buyer networks and global price issues that dampened farmer willingness to invest in improving yields - even as they recognized the importance of doing so. The program has since sought to understand the buyer pressures and to establish a strong investment case for tapper training. However, it may be that the underlying challenges against the time remaining on the GROW program, mean that the tapper training cannot be taken ahead at this time.

What does GROW plan to achieve in 2019?

In line with the above, GROW has set the following target for the Skills Development intervention in 2019:

- Update and finalize the RSS curriculum, disseminating it to all 7 of those TVETs that offer the rubber course.

GROW's impact in the words of beneficiaries: Rubber Tappers

"Tapping is a good way to earn money so that my children can survive. I do it well – throughout my whole tapping career nobody talked to me about low performance. I'm now a master tapper and train others. Anyone who wants to tap can learn quickly. One young girl asked me the other day to teach her. When I showed her she went and practiced and she's now tapping well. Women take care of the rubbers tree in the same way we take care of our homes. We can tap as well as any man, and we're more careful"

Martha Giaway, Master Tapper, Nimba Rubber Incorporated

"Overall the women who tap are our best employees – they're highly skillful and do not wound the trees as the male tappers do. The male tappers just want to do it quickly to go home. But women take pride in their job. They have very good attendance levels, with tappers such as Martha working up to 28 or 29 days in one month. You see a lot of women earning bonuses as a result of this but most men do not care for these things. We're planning to open new farms and as soon as they're ready we will advertise for female tappers. What men can do women can also do, and often better"

Austin Yeanay, Estates Manager, Nimba Rubber Incorporated

Agro-Processing

The Context

Liberia’s agro-processing industry has the potential to serve as a large buyer of domestically produced agricultural outputs and, accordingly, offers a growth pathway for increased farmer income. The industry is small – with only 60 “branded” firms. It is also challenged by inconsistent and expensive raw materials, as well as packaging. Moreover, lack of specialization within the industry means that each agro-processor must build expertise in all areas of production, from sourcing to distribution. For actors that are limited in capacity and capital, these challenges are often too difficult to overcome – particularly as collaboration and interaction between agro-processors is also limited.

Key Results Indicators

Levels		GROW Logframe Indicators	Disaggregation	Planned 2018	Achieved 2018	% Achieved	Planned Jun-19	Planned Dec-19
Impact	3.3	Aggregated Total Net Attributable Income Change (NAIC) (in USD) amongst women, men and small firms.	**Total**	**63,000**	**9,000**	14%	**65,000**	**122,000**
			Female	26,000	5,000	19%	36,000	68,000
			Youth	33,000	4,000	12%	29,000	54,000
	3.2	Total number of women, men and small firms with positive Net Attributable Income Change (NAIC)	**Total**	**280**	**40**	14%	**300**	**500**
			Female	120	30	25%	100	200
			Youth	150	20	13%	100	300
	3.1	Total number of full-time equivalent (FTE) jobs created	**Total**	**10**	**-**		**10**	**20**
			Female	10	-		10	10
			Youth	10	-		10	10
Outcome	2.2	Total number of men, women and small firms adopting to new opportunities	**Total**	**380**	**80**	21%	**-**	**1,000**
			Female	150	60	40%	-	-
			Youth	200	40	20%	-	-
	2.1	Total number of men, women and small firms with access to new opportunities	**Total**	**500**	**80**	16%	**-**	**1,000**
			Female	210	60	29%	-	-
			Youth	270	40	15%	-	-
Output	1.3	Private & Public Sector Investment Leveraged		195,000	51,000	**26%**	102,000	153,000
	1.2	Total No. of Business Innovations		**7**	**6**	**86%**	**8**	**10**
	1.1	Total No. of Market Actors		**10**	**48**	**480%**	**57**	**65**

GROW launched its agro-processing activity well into 2018. In the second half of the year, GROW conducted four networking events, two supplier development programs with different partners, and two trade fairs. Whilst it’s still too early to see any actual impact from this sector, there were 43 businesses (mostly small agro-processors) who had benefited through increased sales during the trade fairs.

It’s worth noting that GROW is not expecting a large number of beneficiaries from agro-processing sector as the industry is primarily comprised of small agro-processors. Projected increased income per beneficiary is expected to be higher for this sector when compared to other GROW sectors, however.

Business Incubation

Total of 15 participants completed the business incubation conducted by J-Palms and Kawadah farms and 100% of them agreed that they have new skills. New skills include; (1) Customer relationship management; (2)

Quality management f products; (3) Supply chain management; (4) Inventory control and (5) Marketing. Half of the participants rate the business incubation training as very good whilst the remaining rated it as good. Its unfortunate that none of them had done any sales to either J-Palm of Kawadah farms. However, 50% of participants have already established contacts with new buyers and during the time of assessment were working on meeting those orders. This benefit will be captured and reported in 2019 annual report.

Networking Events

There were 80 unique businesses who attended networking events supported by GROW of which 34 business have been also taking part in the trade fair. 50% of 46 businesses who attended networking event only reported that they have managed to establish relationship with new buyers. These business on average were able to sell USD 82 worth of products through their new buyers.

20% of business have also established relationship with other service providers such as sales and marketing firms; business management training firm and packaging company. These are new relationship establish in late 2018 and any benefits from these will be measured and reported in 2019.

Sector Spend for 2018 and budget for 2019

Sector	Total Revised Y5 Budget	Y5 Actuals	% of IF Budget	Y5 Variance
Agro-Processing	1,711,539	1,302,781	76%	408,758

GROW spent less than budgeted for the agro-processing sector as it adapted to the changed strategic direction given the smaller number of beneficiaries in the sector.

Sector	Q1 Budget	Q2 Budget	Q3 Budget	Q4 Budget	Total Year 6 Budget
Agro-Processing	SEK 453,943	SEK 206,719	SEK 192,756	0.00	SEK 853,419

GROW plans to further reduce it's spend in the Agro-processing sector in 2019 in line with the strategy for the sector.

What is GROW's vision for the sector this year?

- IF agro-processors can specialize and collaborate, and
- IF agro-processors can improve supply chain efficiencies, and
- IF agro-processors can secure affordable and appropriate packaging to enable their products to reach wider markets, and
- IF consumers view locally processed products as quality, safe, and affordable options,
- THEN agro-processors will be able to secure a consistent supply of raw materials and continuously expand their sales, and
- THEN smallholders will be able to meet agro-processors' requirements, and provide a consistent and growing supply of raw materials, and
- THEN smallholders will increase their incomes

GROW also anticipates secondary benefits for Liberian consumers due to increased availability of hygienic, healthy local products, and also a direct and indirect employment effect through increased need for sales agents, laborers, and semi-skilled workers for agro processors, and through increased demand for packaging, transportation, and other supporting services.

GROW's vision for this sector is to foster collaboration and information exchange between and among large, small, and new agro-processing and business service provision firms as well as aggregators and farmers that collectively lower the barriers to industry entry, enable greater specialization, and unlock growth.

With limited time remaining in the project, GROW is focused on ensuring the longevity of activities, events, and offerings that are underway now while helping the industry to bridge information and connectivity gaps that isolate businesses and slow industry wide growth.

Intervention #1: Packaging & Industry Services

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end of December 2018:

- Directory of packaging options shared widely, helping to facilitate intra-industry collaboration
- Packaging importers (or potential importers) linked to agro-processors

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: Directory of packaging options shared widely, helping to facilitate intra-industry collaboration; Packaging importers (or potential importers) linked to agro-processors*

Throughout 2018, GROW led a number of initiatives to improve access to affordable, quality packaging for agro-processors in Liberia. These included: surveying agro-processors for their packaging needs and requirements, developing a business case for packaging importers to service agro-processors with targeted packaging, recruiting and pitching packagers, importers and agro-processors on the opportunity, holding industry events to foster dialogue and collaboration between agro-processors to solve packaging limitations.

As a result of these efforts, one packaging company agreed to offer packaging options locally if the agro-processing sector could select three SKUs of packaging materials to work with, instead of being fragmented into 15 different sizes of materials with small order quantities. The agro-processors, however, could not unite around standard sizes and shapes; the company did not launch packaging product sales.

	Jars (Glass & Plastic)				Bottles (Glass & Plastic)						Bags (Plastic)				
	Small 150ml	Medium 250ml	Large 500ml	X-Large 1000ml	Small 250ml	Medium 500ml	Large 1000ml	X-Large 1500ml	XX-Large 2500ml	XXX-Large 5000ml	Small 250g	Medium 500g	Large 1000g	X-Large 2000g	XX-Large 5000g
Yearly Orders	121,200	294,000	76,200	48,000	84,000	78,300	156,000	216,000	-	9,600	12,000	531,600	24,000	6,000	6,000

Snapshot of aggregated packaging demand information for 15 local agro-processors.

Additionally, several agro-processors volunteered to allow others to order packaging materials jointly, to deal with the hurdle of relatively large minimum order quantities. The list of companies was published online, disseminated on social media platforms, and shared with agro-processors at industry events. GROW continues to promote the packaging directory via these platforms.

What challenges emerged and how did GROW adapt?

The Liberian agro-processing and packaging market is small – too small to warrant an investment in local packaging by a domestic packaging company and too risky for importers to focus resources to packaging product. GROW continues to facilitate industry collaboration and to work with agro-processors to improve product perception in other ways (e.g.: seals, labels, branding) that contribute to increased sales and agro-processor growth. GROW is also working to bridge connectivity with regional markets and packagers (e.g. Ivory Coast and Ghana) that can more cost-effectively support Liberian agro-processors.

What does GROW plan to achieve in 2019?

With limited time remaining in the project, GROW will not take on any new partnerships or major investments in agro-processing. The program is focused to ensuring the longevity of activities, events, and offerings that are underway now while helping the industry to bridge information and connectivity gaps that isolate businesses and slow industry wide growth.

To this end, GROW will continue to improve connectivity between industry service providers and agro-processors as well as between agro-processors themselves, including establishing more directories, utilizing events to connect businesses, and leveraging data to help service providers to better target the agro-processor market. For example, Liberia Pure, a Liberian agro-processor, already distributes and markets its own products in Liberia and has found that its assets are underutilized. With GROW's guidance, Liberia Pure

will offer its distribution and marketing as a service for other agro-processors interested in growing their points of sale to include supermarkets and other retail outlets. Activity began in Q4 and will carry over into Q1.

In line with the above, GROW has set the following target for the first half of 2019:

- At least 1 service provider (distributors, aggregators, packagers, export facilitators, marketers) target agro-processors with tailored offerings

Intervention #2: Industry Specialization and Collaboration

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end-December 2018:

- Monthly networking events established. Business series underway. Buy Liberia initiative launched.

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: Monthly networking events established. Business series underway. Liberian Made initiative launched.*

During the second half of Year 5, GROW tested several strategies aimed at fostering collaboration and information exchange among agro-processors as well as influencing their application of improved business practices.

Monthly *agro-processor networking events* were launched in August 2018, collaborating with industry experts and service providers to provide information on topics such as packaging, marketing, and export. For the fourth event, GROW incorporated a trade fair alongside networking and presentations, moving the event to one Saturday a month and making it a day-long event.

There were 80 unique businesses who attended networking events supported by GROW of which 34 business have also taken part in the trade fairs. 50% of 46 businesses who attended the networking event only reported that they had established relationships with new buyers. These businesses on average were able to sell USD 82 worth of products through their new buyers. 20%of businesses had also established relationships with other service providers such as sales and marketing firms, business management training firms, and packaging companies. These are new relationships established in late 2018 and any benefits from these will be measured and reported in 2019.

GROW also developed a close collaboration with a venue interested in hosting events over the long-term. The changes attracted participation from even more agro-processors and promoted increased sales and exposure to new customers. The networking events have gained considerable traction and will continue in 2019, with our partner set to play an incrementally larger role as the months progress and ultimately managing fully by end of Q2.

Networking Event & Trade Fair Boost

- 88% of agro-processor participants reported making new contacts or acquiring new clients during the events
- Participants sold on average an additional US$117 worth of products above that sold on an average Saturday, with 46% of agro-processor participants selling more during the events than during a normal Saturday.
- After two trade fairs, the added value of products sold for all businesses was US$3,380.

Quidiyou, a small agro-processor that produces organic drinks and cashews, met Liberia Pure at the September networking event, where Liberia Pure offered technical support and use of their facility. Quidiyou also now buys Liberia Pure’s honey for use in their gingeranana drink.

The *business series* launched in December 2018 with the objective of increasing the knowledge and usage of effective business practices by agro-processing related businesses as well as to accelerate the emergence of new entrants. It leveraged social media channels and similar content promoted under the supplier development program, including knowing your customer and prototyping products, incorporating infographics, quizzes, exercises, and 60-second videos shared on a daily basis. Though nascent, the series offers promise – especially in terms of scale and sustainability – and will continue in 2019.

Liberian Made design got underway in Q4 and in collaboration with a number of potential partners. Hygiene, standards, and export-readiness are important to the industry and could be a part of a “Liberia Made” brand down the road. However, in the beginning, the label can best draw attention to Liberian goods and build momentum for agro-processors. GROW has not yet found a strong leading partner to take this ahead, however.

What challenges emerged and how did GROW adapt?

GROW led research to figure out how to reach a larger number of agro-processors through platforms. This has informed our adapted approach for 2019.

Some insights:

- Agro-processors prefer to learn from other agro-processors. Accordingly, GROW will use existing community of agro-processors to inspire and teach new practices
- Social media alone is not enough to convert learning to practice. It should be used in collaboration with offline activities, such as networking events and other learning activities
- Many agro-processors are active social media users, but do not have the skills to use platforms for business promotion, sharing, and learning
- Videos and other visuals are preferred over written content
- Content interests grow in complexity as the business develops

- Agro-processors need and value a wide spectrum of information:
    - Database of suppliers and the different commodity prices (kernel oil, palm oil, shea butter, etc)
    - Granular market/consumer information and economic data for related sectors
    - Where to get cheap bottling, labeling, and machines for processing, sealing, and preserving
    - Simplified explanation of export standards and requirements
    - Finding information on training, financing, improving other aspects of business
    - Detailed information about produce, including seasons and varieties
    - Information on Liberians' appetite and preference for Made in Liberia products
    - List of organizations/institutions that are potential customers
    - Upcoming events and organizations holding those
    - Employment databases
    - Technical information and specs on products found in Liberia

GROW's impact in the words of beneficiaries: participants of the trade fairs and networking events

I used to sell passionfruit to members of my church, but it was difficult to find people who were able to afford my produce. But through attending a GROW networking event for agro-processors and the agro-trade fairs, I've made some important connections.
I now supply passionfruit to the Mamba Point and Cape hotels; these are my major buyers and they place big orders. I met Passy Organic at the fair, and although her orders are smaller she's become my most consistent buyer. Thanks to these linkages I went from making a loss of 22,561 LRD in December to a profit of 14,741 LRD in January and business is still growing

Shermuker Makain, Manager, Naporlor's Farm

Previously, my business involved delivering juices to offices. I often needed to get rid of leftover juice by selling them on credit to trusted clients. Sometimes I'd distribute 60 or 70 bottles of juice but return home with only $20 as a result.

In contrast, I've sold out at the two agro trade fairs I've attended and everybody pays in cash. I made $200 at the first fair and $170 at the second, but only because I ran out of juice and couldn't sell any more. It's through the fair that people have discovered my offering and I've formed lots of strong relationships with new customers. I've also met a couple of potential new fruit suppliers at the fair and a GROW networking event. This will be important as my business grows since I need a steady supply of affordable, good quality fruit

Pascaline Daekam, Director, Passy Organic Fresh Juice

What does GROW plan to achieve in 2019?

GROW is focused on ensuring that the platforms we've established to date are sustainable and capable of fostering ongoing collaboration and information exchange following GROW's closure.

Networking events and fairs

GROW is collaborating with Lila Brown Restaurant to continue the networking event and trade fair, backed by a commercial case. Lila Brown has hosted the networking event over the last few months and demonstrated strong commitment and investment toward the activity. The networking events are also helping to boost agro-processor social media participation. For example, at the next event, there will be a booth that can help businesses to create Facebook for Business pages as well as to learn how to operate and maintain those pages.

Building on the success of the Monrovia networking event, GROW will collaborate with Liberia International Christian College in Ganta, Nimba County to host the first LICC Agro Expo. Planned as a monthly networking event that will bring together traders, farmers, agro-dealers, large buyers, and colleges to showcase, learn from, connect, and trade with other, area businesses. The success of this Ganta event will dictate expansion to other locations.

Business series and agro-up platforms

GROW will continue to amplify the spread of new business practices, information sharing, and industry networking via the online platforms aimed at agro-processors. These are branded "Agro Up" and include a website, a Facebook page, a Facebook group, and a WhatsApp group. The Agro-Up sites will be used as a repository to gather and store information requested by agro-processors, including guides for specific topics such as exporting and packaging. In addition to Agro-Up platforms, resources will also be distributed via other channels – such as an existing WhatsApp group called Agropreneurs that had a few members of the sector.

Agro-Up will also aim to foster a close-knit platform for sharing ideas, with scheduled prompts to promote engagement. User-generated content – filmed by the agro-processors themselves or by GROW at networking events – will be encouraged to ensure that the network eventually operates on its own and without GROW's interventions. The sites also aim to foster dialogue and collaboration among agro-processors. GROW will identify 2-3 agro-processors who can serve as administrators of the platform.

Liberian Made

Liberian made products are often perceived as inferior to imported brands, which hurts the earning potential of agro-processors. If GROW can secure a partner capable of leading the initiative, then GROW will promote the quality and consumption of locally made products through Liberian Made activity such as supermarket placement and branding for products under the program.

In line with the above, GROW has set the following target for the first half of 2019:

- Transfer ownership and operation of Monrovia networking event to a partner who maintains event at monthly cadence.
- Hold networking sessions with partners in 1-2 new locations up-country
- Amplify the spread of new business practices and advocate agro-processing sector to new entrants and service providers using the Agro-Up platforms and industry-generated content

"I like what you guys have done with the Agropreneurs WhatsApp group. It's vibrant now. People are talking and sharing information. It's brilliant. Before, it was just dead and we were just in it. So y'all should keep it up."
– Kokpor Daynuah, CEO of Panzsir Cosmetics and Manager of Kawadah Farms on GROW's efforts to promote collaboration and sharing of best practices on social media.

Intervention #3: Supplier Development Program

What did GROW plan to achieve?

GROW established the following targets as part of the semi-annual 2018 plan. These targets were expected to be achieved by the end-December 2018:

- At least 1 agro-processor launches a supplier program, with 1-2 others ready to launch.

What did GROW achieve in the second half of Year 5?

- *ANNUAL PLANNED TARGET: At least 1 agro-processor launches a supplier program, with 1-2 others ready to launch.*

GROW partnered with J-Palm to launch its “supplier development program incubator” in the later half of 2018. The program was designed to improve the business capacity of potential palm kernel suppliers, helping them to meet the quality, quantity and consistency requirements demanded by J-Palm’s buyers – demand not yet fulfilled by J-Palm. J-Palm graduated eight suppliers from its program.

GROW also partnered with Kawadah Farms (associated with JUST) to launch a second supplier development program. Kawadeh Farms purchases commodities such as gari and palm oil for processing and resale. Kawadah Farms graduated four suppliers from its program.

A total of 15 participants completed the business incubation conducted by J-Palm and Kawadah farms and 100% of them agreed that they have new skills as a result of their participation. New skills identified include: (1) Customer relationship management; (2) Quality management of products; (3) Supply chain management; (4) Inventory control, and; (5) Marketing. Half of the participants rate the business incubation training as very good whilst the remaining rated it as good. Though sales have not yet transpired between participants and J-Palm or Kawadah Farms, 50% of participants established contacts with new buyers as a result of skills developed through the supplier development training and during the time of assessment were working on meeting those orders. This benefit will be captured and reported in 2019 annual report.

What challenges emerged and how did GROW adapt?

A number of challenges limited the effectiveness of the first iteration of the supplier programs and have been adapted. These included:

- Recruitment approach focused on groups of suppliers already trading with the buyer as well as those located in clusters with other suppliers.
- Clear pricing expectation was provided upfront to avoid later attrition by suppliers who did not find pricing attractive.
- Program was reduced to two consecutive days, instead of six days over the course of six weeks. The reduction would limit the time commitment and risk to suppliers who wanted to participate in the program.
- Focal areas were focused to core supply issues and training
- An internal checklist for businesses running the program was developed to facilitate ease of replication and continuity within businesses

Daniel Tenneh of the United Farmers Network, a palm oil manufacturer, was a participant in J-Palm’s supplier development incubator program. Ultimately, Daniel did not establish a trade relationship with J-Palm, but he did employ the skills learned to grow his business. Daniel said he used the financial skills learned from the incubator to improve tracking of his income and expenditures. As he paid closer attention to his business, Daniel said demand increased and he had to subsequently increase his production. This resulted in him acquiring two additional suppliers from nearby River Cess (increasing his suppliers from 10 to 12).

Both J-Palm and Kawadah Farms plan to run supplier development programs again, with the modified approaches outlined above.

What does GROW plan to achieve in 2019?

In its simplified form, the Supplier Development Program is a process for larger agro-processors to support, train, and invest in new supply chain partners that help both to grow their businesses. Though the model is still new and unproven, GROW has received a number of requests from other agro-processors to support them to launch similar programs. Accordingly, GROW plans two major activities with respect to the supplier development program in 2019:

First, J-Palm and Kawadah Farms plan to adapt and run their supplier development programs for a second iteration as well as to systematize the program into business operations. GROW is providing only technical assistance to these partners; there is (and was) no direct financial support for these projects.

Second, because many other firms recognize the need to streamline their supply chains and GROW cannot work with them all, elements of the Supplier Development Program – including the internal checklist for businesses, supplier requirements, and training materials – will be developed into a guide that will be published online and made available in hard copy to interested agro-processors. Video tutorials of larger firms explaining different aspects of their business will also be distributed through the agro-processor network and those leaders will be asked to serve as peer advisors and speakers at networking events.

In line with the above, GROW has set the following target for the first half of 2019:

- At least 2 agro-processors adapt and sustain their programs, leading to increased sales of suppliers to agro-processors and in general
- At least 2 agro-processing firms access supplier development program materials and replicate best practices
- 50+ small agro-processors access lessons from the program that can be applied with their suppliers

Logframe Results and Projections

GROW has made significant progress in facilitating market systems change in key agricultural sectors during its fifth year of operation in Liberia. A total of 17,000 women, men and small firms have benefitted through increased net profit by adopting to innovative solutions provided by GROW and its private sector partners. The program achieved six of its eight logframe indicator targets. The table below summarises what GROW has planned to achieve in 2018 and what the program actually achieved.

Levels		GROW Logframe Indicators	Disaggre-gation	Planned 2018	Achieved 2018	% Achieved	Planned Jun-19	Planned Dec-19
Impact	3.3	Total Net Attributable Income Change (NAIC) (in USD) amongst women, men and small firms.	**Total**	**5,069,000**	**4,405,000**	**87%**	**7,253,000**	**11,859,000**
			Female	2,170,000	2,031,000	94%	3,388,000	5,563,000
			Youth	2,549,000	1,555,000	61%	2,607,000	4,301,000
	3.2	Total no. of women, men and small firms with positive Net Attributable Income Change	**Total**	**16,000**	**17,000**	**106%**	**19,500**	**24,000**
			Female	6,900	7,600	110%	8,900	11,200
			Youth	8,100	6,200	77%	7,900	11,700
	3.1	Total no. of full-time equivalent (FTE) jobs created	**Total**	**480**	**700**	**146%**	**840**	**1,110**
			Female	200	180	90%	240	310
			Youth	240	330	138%	410	530
Outcome	2.2	Total no. of men, women and small firms adopting to new opportunities	**Total**	**18,700**	**23,200**	**124%**	**26,000**	**30,000**
			Female	8,000	10,600	133%	12,000	14,000
			Youth	9,400	8,300	88%	10,000	14,000
	2.1	Total no. of men, women and small firms with access to new opportunities	**Total**	**24,000**	**25,700**	**107%**	**30,000**	**37,000**
			Female	10,200	11,900	117%	14,000	17,000
			Youth	12,100	9,300	77%	12,000	18,000
Output	1.3	Private & Public Sector Investment Leveraged		2,741,000	1,723,000	**63%**	2,401,000	2,887,000
	1.2	Total No. of Business Innovations		**52**	**69**	**133%**	**76**	**86**
	1.1	Total No. of Market Actors		**70**	**162**	**231%**	**179**	**200**

1.0 Output Level Indicators

1.1 Total Number of Market Actors - This includes all the market actors that offer new or improved pro-poor products and/or services and new or reliable market linkages either directly or indirectly through support from GROW.

GROW and its private sector partners have engaged with total of 162 different markets actors by end of December 2018 against planned 70 (overachieved its target by 231%). The higher number of market actors reflects GROW's 2018 plan of casting the net wide and leveraging self-selection processes to work with the best fit partners. Additionally, these partners are often smaller businesses which is reflective of Liberia's thin market.

For example, in GROW's agro-inputs activity, the program initially profiled 48 agro-dealers and only those (28) who met certain criteria set by GROW received further support from the program in terms of training in improved business management and support in sales and marketing. As another example, in the agro-processing sector, GROW is currently working 38 agro-processors through the 'Agro Trade Fair' - part of the networking activity - whereby these agro-processors sell their products through new market channels and also get support in improve business management. ***Full list of market actors can be found in Annex***

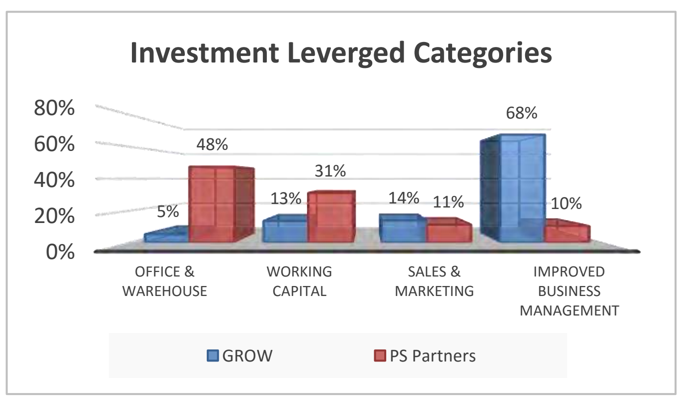
1.2 Total Number of Business Innovations and Regulatory Reforms - A business innovation can be the introduction of a new input, product, service, business practise or production method, or the targeting of new suppliers and customers.

GROW has supported a total of 69 business innovations by end of December 2018 against planned 52 (133% of planned). There is also high overlap of innovations within GROW agro-inputs activity having 127 overlaps, cocoa sector with 70 and rubber sector with 35 overlaps. In the agro-inputs activity, the program supported a total of 28 agro-dealers, who have adopted improved business and financial management practises, branding, marketing, sales through new channels like market days and started providing basic agronomic advice. In cocoa sector, the program has supported eight cooperatives who have also adopted improved business and financial management practises, developing farmer database, training farmers on good agricultural practises, using solar dryers and setting up traceability systems. Higher overlap reduces the risk of underperformance – meaning if one or two partners underperform, the program is positioned to achieve results via other high performing partners. ***Full list of business innovations can be found in Annex***

1.3 Value of Private and Public Sector Investment Leveraged - This indicator measures the amount of money that GROW's direct or indirect private and public-sector partners have committed to invest or have already invested in the development and implementation of business innovations.

By end of December 2018, GROW's private and public sector partners have invested total of USD 1.7M in Liberia against planned USD 2.7M (63% of planned). This has increased from USD 0.8M achieved through 2017 to a total of USD 1.7M achieved within 2018. This is one of two indicators for which GROW was not able to achieve its target. GROW's approach of working with a large number of small partners - often characterized by limited capital and capacity - is one reason for limited investment. GROW collaborates with few, large players capable of investing large volumes. GROW has also seen that establishing relationships with bigger market actors, such as Theobroma, is a progression. Bigger market actors are hesitant to invest and work with smaller market actors, with trust being one of the main reasons. GROW's approach of partnering with a large number of small market actors like agro-dealers and cooperatives, improving their performance and gaining traction in the market has helped to unlock bigger partners for 2019 interested in collaboration with GROW and our partners. For example, a new agro-distributor (T-Jal) launched operations in Liberia toward the end of 2018, targeting agro-dealers as its main sales points. As another example, GROW's collaboration with cooperatives unlocked engagement with exporters toward the end of 2018 which has also unlocked engagement with Theobroma slated for 2019. It's also worth noting that Liberia experienced a change in presidential leadership in late 2017, resulting in a change in government leadership across the board. A lot of businesses were hesitant in investing given the uncertainty with respect to Liberia' economy and stability of the new government.

Majority (68%) of GROW's support to private sector partners has been to improve the business management capacity of partners so that they are better placed to invest and manage business expansion. This mostly included STTA support in business diagnostic, hands-on training on improved business management, record keeping, financial management, and adopting use of accounting software such as QuickBooks. These innovations pave the way for growth, expected in 2019.



GROW tried as much as possible to stay away from providing direct support towards working capital (13%) and office and warehouse set-up costs (5%). These are two areas where GROW's private sector partners took bulk of the cost – which shows signs of ownership, genuine commitment towards intervention activities and business expansion plans.

2.0 Outcome Level Indicators

2.1 Total Number of Target Beneficiaries with Access to New Opportunities - This includes the total number of women, men and enterprises/small firms that have access to new or improved products, services or business practises and new or reliable market linkages.

Total of 25,700 households had access to new opportunities against planned target of 24,000 households (107% of target). Cocoa sector contributes 58% of these results, agro-inputs contributes 35%, and rubber contributes 6%, whilst agro-processing being a fairly new sector contributed only 1%. In 2018, GROW started working with eight new cooperatives in cocoa sector with total network of close to 9,000 cocoa farmers and 28 agro-dealers in agro-inputs sector where each agro-dealer had close to 350 vegetable farmers in their respective network.

2.2 Total Number of Target Beneficiaries Adapting to New Opportunities – This includes total number of women, men and enterprises/small firms using new or improved products, services or business practises and/or benefitting from improved rules, regulations or policies; or new or reliable market linkages.

By the end of December 2018, total of 23,200 households had adopted to new opportunities against planned 18,700 (124% of planned). Cocoa, which has been one of the oldest sectors for the program contributed 64%, agro-inputs 32% and rubber sector contributed the remaining 3%. Access to usage ratio has also been high for the cocoa sector with 98% of all the farmers who were trained adopted to use of good agricultural practises. In agro-inputs activity, which required farmers to purchase quality production inputs and apply good agricultural practises, the adoption rate has been 80%. Access to usage percentage for rubber sector was only 51% as more and more rubber farmers have started to abandon rubber farming due to falling world market prices and high investment cost needed to get back in rubber farming.

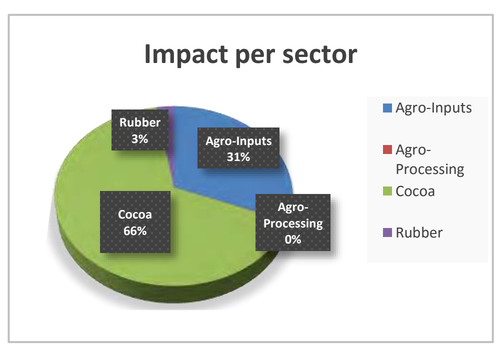
3.0 Impact Level Indicators

3.1 Total Number of Full Time Equivalent (FTE) Jobs Created - This indicator measures total number of "full time equivalent" (FTE) jobs created as a result of GROW's partnership activities. As per the DCED Standard, GROW assumes 240 working days per year and 8-hour working days.

GROW has contributed towards a total of 700 FTE jobs against planned of 480 FTE Jobs (146% of target). Cocoa contributes to majority (54%) of these jobs whilst agro-inputs contributes 36% and rubber makes up the remaining 10%. FTE jobs has increased from 120 FTE jobs in 2017 to total of 700 FTE jobs in 2018. Only 7% of these jobs were created at GROW's private sector partner level whereas the remaining 93% of FTE jobs were created at farm labour level. This included either existing farm laborers working more days in 2018 or farmers hiring additional farm labourers. Total of 2,260 farm laborers contributed to close to 530 FTE jobs at farm labour level – meaning that one FTE job (240 days) was shared amongst slightly over four farm labourers (close to 55 additional man-day per farm labour).

3.2 Total Number of Target Beneficiaries with Increased Income – This includes total number of women, men and small firms with positive net attributable income change.

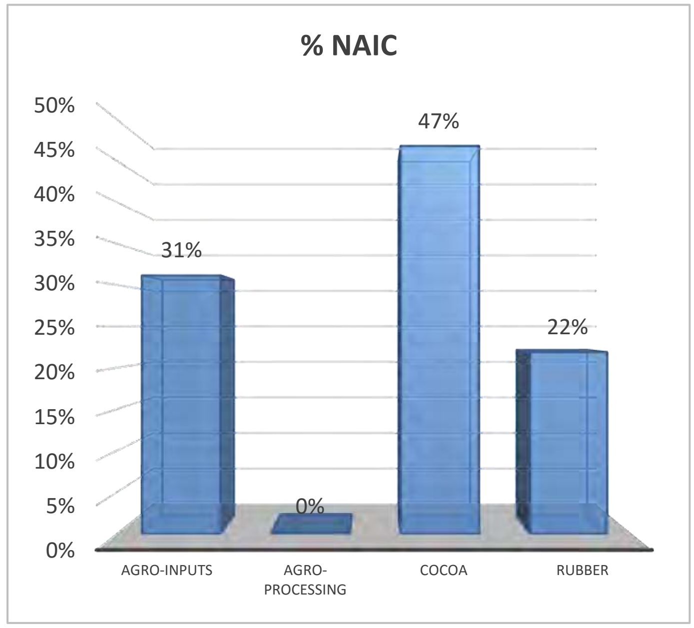
A total of 17,000 farming households have benefitted through increased net profit margins by end of 2018 against target of 16,000 farming households (106 % of target). This represents an increase of 12,500 farming households in 2018 when compared to total impact on 4,400 farming households by end of 2017. Cocoa being one of the oldest sectors has contributed to the highest impact (66%) followed by vegetables (31%) and rubber (3%). Vegetables sector had the highest percentage increase per sector (619%) whereby total number of target beneficiaries increased from 700 in 2017 to 5,000 in 2018. Total number of target beneficiaries increased from 3,400 in 2017 to 11,200 in 2018 for cocoa sector and 300 in 2017 to 700 in 2018 for rubber sector. Agro-processing being one of the new sectors had



43 businesses (mostly small agro-processors) benefitting in 2018.

3.3 Net Additional Income Change - This includes total net attributable income change (NAIC) generated by target beneficiaries as a result of GROW's partnerships.

GROW has contributed to total net attributable income change of USD 4.4 M by the end of 2018 against the target of USD 5 M (87% of target). This represents additional net attributable income change of USD 2.9 M in 2018 when compared to additional USD 0.8 M in 2017. Cocoa sector contributed to USD 2.06 M, Agro-Inputs USD 1.38 M and Rubber contributed to USD 0.96 M of net attributable income change. Rubber farmers had the highest net attributable income change of USD 1,358 per household, vegetable farmers had USD 273 and cocoa farmers had USD 184. On average rubber farmers had an average of 7.2 acres under rubber farming, cocoa farmers had 4.7 acres and vegetable farmers had 2 acres under vegetable farming. GROW intensified its engagement in Agro-Inputs sector in 2018 and majority of farmers harvested only one crop at the end of the year. Whilst GROW slightly underachieved its target for this indicator 2018, this is expected to increase when existing and new vegetable farmers make use of full planting season (at least two crops per year) in 2019.



Gender and Youth Study Findings

GROW's findings from 'Gender and Youth Study' in early 2018 shows that women are involved in almost all farming activities along the value chain in cocoa, rubber and vegetable sectors and farming is considered as a household job.

1. Vegetables Sector – Vegetable farming in Liberia is mostly done by women whereby 55% of farmers were found to be women. Vegetable farming is also one of those sectors where there is high youth involvement with 46% of vegetable farmers were found to be youths. Vegetable farming is known to be fast cash crop farming where one is able to get returns within 3-6 months' time. One doesn't need to own land, can borrow a piece of land and start planting with little investment and this is one of the reasons why lots of youths are involved in vegetable farming. Cocoa and rubber farming on the other hand are long term crops with requires significant investment before one start to see any return usually after 3-5 years' time.

2. Cocoa Sector - In cocoa sector, men dominate under brushing, pruning, fertilizing and sales; fermentation and drying is mostly done by women; whilst harvest and cracking the pods are done by both women and men. Youths is the cocoa sector are mostly involved as farm laborers.

3. Rubber Sector – In rubber land clearing/preparation, opening of trees, tapping, latex collection and sales are mostly done by men; nursery management and under brushing was found to be mostly done by women; and planting, fertilizing and RSS factory work was done by both men and women. Youths in rubber sector were mostly involved as farm laborers and tappers.

Outreach Multiplier Study

Farming in Liberia is mostly done in rural areas away from the main Monrovia City. Whist some farmers are located close to Monrovia or within an hour drive, vast majority of farmers are located 4-8 hours' drive away from main central business centre. Liberia being one of the poorest countries in the world has very limited job opportunities. In Monrovia, majority of the population are involved in petty sales – they either buy food and other household items from other neighbouring countries or produce food products and resell it to others. There are very limited job opportunities for farming households' members outside of Monrovia and they have no option but to work on their family farms. GROW undertook an Outreach Multiplier Study in October 2018 to; (1) Find out total number of household members actively working in cocoa, rubber and vegetable farmers; (2) total man-days of input from household members; (3) total cost saved due to use of family labour; and (4) Validate if household farm income was shared amongst family members. The table below summarises the findings from 'Outreach Multiplier Study'

Details of Household (HH) Members	Cocoa	Rubber	Veg	Total
Total no. of members per farming household	9	8	7	
Total no. of household members above 18	5	5	4	
Total no. of HH members above 18 & work on farm	3	3	3	
% of HH members above 18 & work on farm (female)	48%	43%	59%	
% of HH members above 18 & work on farm (youth)	31%	31%	35%	
Total no. of HH benefitting through GROW activities	9,683	389	4,519	14,592
Total no. of HH members above 18 and work on the farm	32,976	1,008	11,767	45,751
Total no. of HH members above 18 and work on the farm (females)	15,668	437	6,922	23,027
Total no. of HH members above 18 and work on the farm (youth)	10,323	312	4,081	14,716

GROW's 'Outreach Multiplier Study' findings shows that in a cocoa farming household there are total of nine family members of which five are above the age of 18 and three household members who are above the age of 18 actually work on the cocoa farm either on full time or part time basis. In a rubber farming household three out of five members and in a vegetable farming household three out of four household members who are above the age of 18 work on the farm either on full time or part time basis. Close to 14,600 farming households have benefitted through intervention activities supported by GROW. This means total of about 45,750 individuals have contributed towards these farming incomes and benefitted through shared household farming incomes, of which 50% are women and 32% are youths.

It was also found that family labour contributes to 65% of total labour requirement in the cocoa sector, 41% in the rubber sector, and 47% in the vegetables sector. By utilising family labour, a cocoa farming household is able to save USD 113 per acre, a rubber farming household is able to save USD 72, whilst a vegetable farming household is able to save USD 140 per acre annually. Household expenses (food, water electricity and phone recharge) was main area majority of household farming income was spent on followed by children's education (uniform, school fees and transport cost), re-investing in farming activities and then savings for future family use/investment and household care (health).

Value for Money (VfM)

Value for Money (VfM) indicators are calculated from year 2016 onwards as attempting to calculate VfM indicators prior to 2016 was challenging. For the 2018 annual report, GROW will be reporting its spend on interventions against three commonly used VfM indicators. These include: (1) Investment Leveraged; (2) Cost per beneficiary; and (3) Return on Investment. Overall all of GROW's VfM indicators have improved dramatically.

1. Investment Leveraged = Partner investment / Project Investment

This indicator measures a programs private and public sector partners investment compared to program investment directly related to intervention activities. Program investment cost includes all directly related intervention cost as agreed in partnership agreement (with partners), all research costs related to interventions and also includes STTA cost. It does not include full time staff time and other program related operational cost. Partner investment includes all cost related to interventions, including cost made outside the partnership agreement with GROW as far as its directly related to intervention activities. The table below summarises investment leveraged for last three years.

VfM Indicator	Year 3 - 2016	Year 4 - 2017	Year 5 - 2018
Private Sector Investment	$ 368,880	$ 873,461	$ 1,723,252
GROW Investment Cost	$ 1,263,216	$ 2,092,673	$ 2,942,193
Investment Leveraged Ratio	**0.29**	**0.42**	**0.59**

In market systems programs, the higher the investment leveraged ratio the better it is for the programs. At the early stages of the program and in thin markets, its normal for investment leveraged ratio to be lower in the beginning following which it should gradually increase. GROW's private sector partner investment to program ratio has improved over the last three years. For every dollar that GROW spent on interventions, GROW's partners spent $0.29 in 2016, which increased to $0.42 in 2017 and has further increased to $0.59 in 2018. The fact that GROW's partners have started to spend more overtime are signs of sustainability, which means that GROW's partners have started to realise profits from implementing innovative solutions, have started taking ownership of interventions, and have now started to invest more in business expansion.

2. Cost per beneficiary = Project Intervention Cost / Total Benefit Outreach

This indicator measures how much on average the program spent for each target beneficiary – the lower the cost the better value for money. Program investment cost includes all directly related intervention cost as agreed in partnership agreement (with partners), research costs directly related to interventions and also includes other STTA cost. It does not include full time staff time and other program related operational cost. Total benefit outreach includes total number of households with increased net attributable income change (NAIC). The table below summarises programs cost per beneficiary for last three years.

VfM Indicator	Year 3 - 2016	Year 4 - 2017	Year 5 - 2018
GROW Investment Cost	$ 1,263,216	$ 2,092,673	$ 2,942,193
Total Benefit Outreach	$ 3,065	$ 4,433	$ 16,983
Cost per Beneficiary	**$ 412**	**$ 472**	**$ 173**

Cost per beneficiary is usually higher in the beginning of the program and gradually decreases as program activities start to generate increased impact over time. It should be noted that in markets systems programs, actual impact is realised at least after 1-2 years of the program life depending on intervention activities and cropping cycle. The first year is usually spent on office set-up, sector assessment and finalization of sector strategy. It's late in the first year or early second year when key partnerships are identified, and partnership activities are implemented. Actual impact is also dependent on the pace at which private sector partners move in implementing innovative solutions, response from market on innovative solutions and cropping cycle. While impact from vegetable intervention can be seen within six months of implementation (at least results from one crop cycle), impact from cocoa intervention is usually seen after a year due to one crop cycle per year.

GROW's cost per beneficiary has slightly increased from USD 412 in 2016 to USD 472 in 2017. This was due to the fact that there was slight increase in target beneficiary numbers in 2017 and there were in fact a lot of program activities taking place in 2017 which resulted in actual impact being realized in 2018. This was evident as the program remained on track to achieve its ambitious target in 2018 and cost per beneficiary reduced to all time low of USD 173.

3. Return on Investment = Net Attributable Income Change / Project Intervention Cost

This indicator measures how much additional income is generated for each dollar directly spend by program. Net attributable income change includes total net profit (increased revenue less increased cost) for all target beneficiaries. This also includes additional revenue generated through additional jobs created as a result of GROW's intervention activities. Program investment cost includes all directly related intervention cost as agreed in partnership agreement (with partners), research costs directly related to interventions and also includes other STTA cost. It does not include full time staff time and other program related operational cost. The table below summarises return on investment for last three years.

VfM Indicator	Year 3 - 2016	Year 4 - 2017	Year 5 - 2018
Net Attributable Income Change	$ 643,099	$ 1,437,554	$ 4,402,921
GROW Investment Cost	$ 1,263,216	$ 2,092,673	$ 2,942,193
Return on Investment	**$ 0.51**	**$ 0.69**	**$ 1.50**

GROW's return on investment has continued to increase over the last three years. For each dollar that GROW has spent on interventions there has been a return of USD 0.51 in 2016, USD 0.69 in 2017 and USD 1.50 in 2018. The program's return on investment has increased to higher then one which means that the program has finally reached the break-even point and is getting more for each dollar invested in Liberian Economy through private sector partners.

Return on investment in markets systems programs should at least be one or higher than one before the end of the program – the higher the better – just like in private sector one would want the highest return for every dollar spent in any particular business. It's normal for return on investment to be lower than one at the early stages of the program given the nature of market systems programs where the impact is always realised after 1-2 years in the program. Understanding increased income is a little bit trickier as its usually lower in first one or two season. This simply means that even if the program starts to report impact after a year or so, increased income is still lower after 2-3 years in program life. This is due to the fact that; (1) only a small portion of target population apply innovative solutions in first year; (2) even those applying innovative ideas in first year or so don't apply it on all their farm size. After first few years once some people start to reap the benefits of applying innovative solutions, they start applying it on increased area, which means higher income from same beneficiaries in coming years. Uptake is also higher in following years as more and more people start to adapt to innovative solution after seeing the benefits from first year beneficiaries and also when market starts to become more competitive.

Projections for 2019

GROW's projection for 2019 is based on two scenarios: The first is based on program end date of Sept/Oct 2019 and the second based on program end date of March/April 2020.

Scenario One – Program End Date of Sept/ Oct 2019

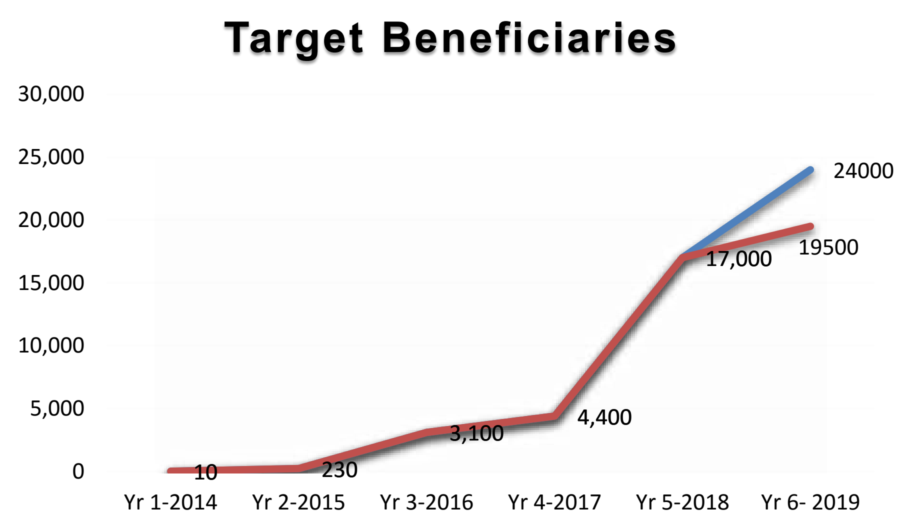
GROW program is due to end in June 2019. However, the program has budget to go through Aug/Sept which would mean that the program can focus on implementation till end of June/July and wrap up the program in Aug/Sept. Based on this scenario, it is projected that GROW will benefit total of 19,700 households with total increased income of USD 7.42m. The project is also expected to create a total of 850 FTE jobs. End date of Aug/Sept would mean that program will be able to claim its 50% benefit projected through end of year (Dec-2019) for vegetables (claim benefits from first main cropping season from April – Sept and miss out of the second main season from Oct-Feb/Mar), agro-processing and rubber sector. Cocoa season starts in July/Aug and finishes in Feb/Mar and this means that program will miss out on claiming impacts from cocoa season. Since start of the season is really crucial to ensure farmers adopt good agricultural practises, are linked to buyers and get fair price for their cocoa, it's projected that only 20% of total impact projected for the year will be realised if program ends in Aug/Sept.

Scenario Two – Program End Date of Mar/April 2020

Scenario two is based on a 10% extension enabling the program to run until end of Q1 of 2020 and claim maximum impact from its work in 2019. End date of March/ April 2020 will allow program to focus on implementation till Dec/ Jan, measure results in Jan/Feb and wrap up the program in March. Based on scenario two, it is projected that GROW will benefit total of 24,000 household with total additional income of USD 11.9 M and create 1,110 additional FTE jobs by 2019 with even higher numbers in future business cycles in 2020. Majority of this additional impact is projected from two main sectors;

a) Vegetables – Program will continue to engage with existing agro-dealers to work with current farmers and reach out to more farmers. Program will also allow opportunity for other agro-dealers to crowd-in (GROW worked with 28 out of total 48 agro-dealers profiled in 2018). It is projected that at least 15-20 more agro dealers will crowd-in to the agro-dealer development program initiative. One average an agro-dealer has total network of close to 400 vegetable farmers and program plans to benefit at least 50% of them by end of 2019.

b) Cocoa – There are close to 4,000 cocoa farmers in the existing network programs partners who have not yet adopted to GAP. Working with buyers/Trader, offering grade differential prices (higher price for better quality cocoa) and through competitions, program plans to get at least 50% of these farmers to start practising GAP. Program will also continue work with two more buyers who were engaged at the end of 2018. These two buyers have a total network of close to 5,000 cocoa farmers and program plans to benefit at least 50% of them by end of 2019.



Stakeholder Engagement

In 2018 GROW focused on improving alignment with the newly elected government, strengthening coordination with other donor agencies, and partnering with more private sector participants.

Alignment with the newly transitioned government

- The transition of the new government was not as smooth as expected. The transition was abrupt and left most ministries and agencies without transition notes or a clear process to carry on with the initiatives or plans from the prior government. The political dispensation mainly drove this (I am trying to remain politically sensitive, but I can expand!!!).
- Most heads of ministries and agencies did not go through the proper handover process, and thus they struggle to get acclimated with the process. In some cases, where the appointments did not correlate with the technical requirements of said ministries and were sometimes solely based on political affiliations, the agencies went almost dormant for periods longer than expected.
- There were major delays in appointing officials to key posts especially the technical ministers at the Ministries of Finance & Development Planning, Agriculture, LACRA, NIC, LRA, etc. Those were the ministries and agencies that drove the country's private sector agenda and where GROW historically had built key relationships.
- The government also delayed in determining the principal growth strategies in its Pro-poor Agenda for Change and outlining the priority sectors.
- As a workaround, in the earlier part of the year and working through the transition process,
  - We engaged with the key ministries as they came on stream and tailored initial discussion on the growth potential and economic impact of the sectors, and cross-cutting areas where the GROW programme focused. The objectives were the understand the key elements of the proposed Pro-Poor agenda and give them some initial ideas based on GROW's work starting early wins.
  - With some of the key technical agencies, such as LACRA and LRA, the strategy was slightly adjusted but yet very specific. We focused the initial discussion on building their capacities around regulations or policies that could further improve the enabling environment within the scope of GROW's interventions. This method was to ensure that once the eventual decision makers were appointed, we could continue discussions or develop a roadmap.
  - With the NIC and MoCI where the focus has been developing investment opportunities, we continued to provide that evidence of the opportunities in the cocoa, rubber, agro-processing, and agro-inputs. NIC included the cocoa certification process and RSS as key components to grow the local agriculture sector.
- Once the PAPD was eventually developed in the latter part of the year, we continue the discussions through the various working group and technical teams discussions.
  - We reconvene our participation in the Agriculture Coordination Committee that brought together GoL related ministries and agencies, donors, private sector participants, and civil society.
  - We worked with the MoA to organize and host the Cocoa Technical Working Group.
  - We share the results on GROW work in rubber with the Rubber Development Fund Incorporated once it was legislated. The RSS is not a key opportunity to attract financing to the Fund which under the Rubber Master Plan, will look for additional opportunities to finance the sector.

Coordination with other donor-funded programmes

- The discussions with the donor agencies were around coordination with the sectors we were involved in to determine how we could build partnerships with their funded programs, create awareness on the market system development approach or present opportunities to carry on with our work.

- European Union – We had initial meetings to determine their position and interest in the cocoa sector. We demonstrated the impact of the GROW project and worked through the EU organization to build the rapport with their Solidaridad project. The collaboration with the EU project led to a tripartite partnership with GROW, Solidaridad, and IDH Trade Initiatives to work with LACRA to develop their capacity to become proper regulators. GROW, and Solidaridad will sponsor a Gap analysis to determine how to position LACRA which aligns with Solidaridad's long term objective to provide the resource to work on the results of Gap Analysis. IDH will also use the gap analysis results to develop and public-private platforms to ensure that LACRA continues to work on the constraints that may otherwise arise.
- World Bank (IBRD) and IFC – IFC and the World Bank are interested in developing the cocoa and rubber sectors. IFC approved, in 2015, a $25 million facility to improve the rubber sector but could not find the sustainable commercial model. Initial discussion to leverage Firestone as the pass-through creditor on behalf of local farmers was not successful. IFC approached GROW to determine if the facility could be used to expand the RSS initiative while World is interested in fixing the public sector related constraints that will unlock investment. We work with both organization and share the successes to date and opportunities.
- World Bank stand-alone – GROW shared the MSD approach during the designed of the STAR-P program that focuses on rice and horticulture. GROW share the approach as a sustainable alternative to build commercial institutions that will remain once the said project is closed. GROW participated in their appraisal discussions.
- African Development Bank – The Bank, along with the WB Group, is in discussion with the GoL to develop a Special Economic Zone to jumpstart the manufacturing sector. The discussion aligns with the on-going initiative with the electricity sector to develop the West African power pool that links Ivory Coast, Liberia, and Guinea. The West African Power Pool program will help make electricity more affordable and ensure a stable environment to boost manufacturing. GROW provided ideas on how the rubber, cocoa and agro-process sector can benefit stemming from the results of the current interventions. These discussionss give insight into the development of programs that support AfDB and World Bank plans for the SEZ zones.
- USAID – The USAID is still unclear on their role in the agriculture sector. However, GROW outlined the MSD approached and give them the highlights on each of the interventions.

Expanding the network of private sector participants within the Interventions

- In 2018, GROW strategy within the intervention teams was to expand the number of partners within each sector. With cocoa, we focused on developing a supplier program with cooperatives in the Lofa region (representing an expansion from work performed in Nimba with AVL). With Rubber, we continued the push to get remaining RSS processors on stream and work with LBDI to remain a relevant stakeholder. WIth agro-inputs, we focused on improving the business skills of the rural agro-dealers and expanding their networks to become better partners with larger importers who were currently not linked.
- We highlighted these achievements with the GoL and donor programs.

Program Management

Year 5 has been a successful year of growth for GROW in terms of its results, capacity and ambition. The Program Management of GROW underpinned and facilitated this growth and remained adaptive and responsive in the operating environment of Liberia.

Recruitment

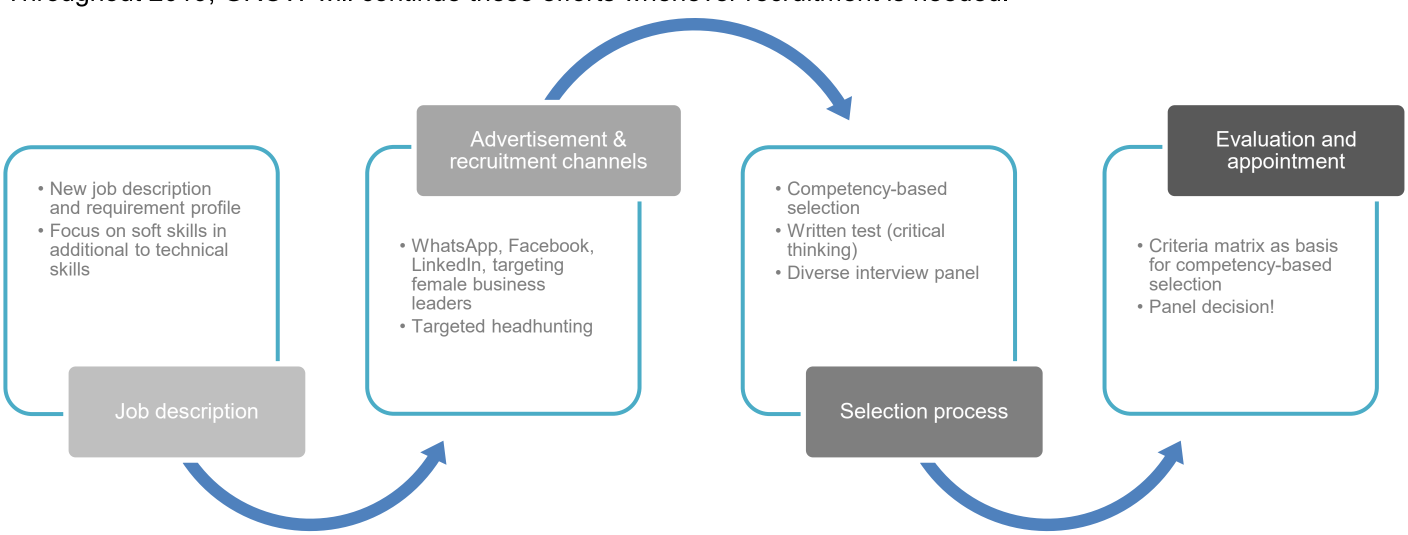
The beginning of 2018 was characterised by the recruitment for a number of roles (both new and replacement) to ensure an effective team is in place to deliver GROW's ambitions.

Recruitment in the Liberian market is challenging due to a small pool of qualified candidates particularly as private sector development programming is relatively new in Liberia and traditional direct delivery NGOs employ the majority of the qualified workforce. The key to GROW's approach was an innovative way of recruiting. Instead of focusing on experienced staff from other donor programs, GROW hired a lot of young candidates from the local private sector with great potential and eagerness to learn.
For some roles, such as business and investment advisers, strategic MSD advisers and other technical advisers, it is important to widen the scope of recruitment to bring into the program international best practice from across the continent. Brining in this experience is also important to foster creativeness among the wider team and support capacity building and knowledge transfer to the Liberian team. However, international recruitment is also challenging due to the perceived limited attractiveness of the country. Again, thinking outside the box and leveraging the network of trusted ASI advisers that worked on similar programs in other countries as well as targeting rather young, energetic and innovative candidates with strong private sector or entrepreneurship experience who were already in Liberia, turned out to be successful.

During recruitment, GROW tested for creative and analytical thinking capacity and for solution-driven and team-oriented personalities who were comfortable taking risks, being challenged, and making mistakes. We have also developed a more inclusive recruitment process which

GROW also understands that in order to deliver an effective programme that benefits businesses and women and men across Liberia a diverse team is needed which can collaborate, share ideas and bring in inclusiveness considerations into their work. However the recruitment of diverse teams, particularly in the aspect of gender is challenging. A passive recruitment process (for example posting job adverts via traditional channels and assessing CVs for interviews) can lead to male heavy teams. GROW created a bespoke recruitment process (described in the graphic below) which resulted in an increase in the share of women on the core technical team from one quarter to one third.

Throughout 2019, GROW will continue these efforts whenever recruitment is needed.



Performance management and capacity building

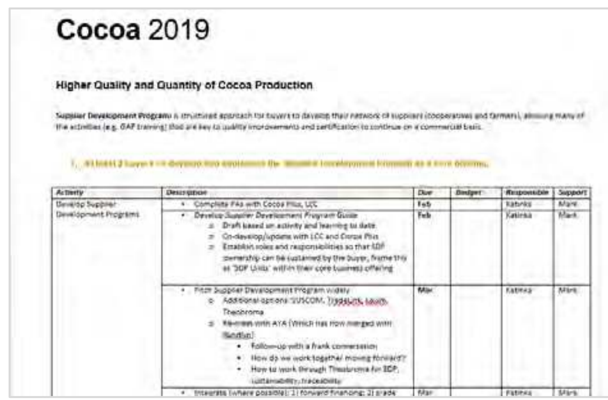
At the begging of 2018 GROW further strengthened the robustness of its performance management process. Line managers set clear objectives for each team member and progress is monitored continuously. The formal appraisal takes place every six months with a transparent system of financial incentives linked to performance. When the performance of any team member at any time is below expectations they are given ample support to try to increase their performance. A performance improvement plan is put in place which is monitored continuously. The robust performance management system has led to a number of team members increasing their performance and taking on more and more responsibilities while a small number left the program.

The professional development and wider capacity build of the GROW team was of upmost importance throughout 2018. GROW organised a number of trainings and learning sessions including the three day MSD refresher training, two day MRM training and one day strategy day away. It also organised smaller sessions on communications and stakeholder engagement and cross-team collaboration. Additionally, towards the end of 2018 ASI purchased a number of online licences for training programs which will be made available to the GROW team throughout 2019. A number of team members were also given mentoring and coaching by seniors.

Retention of key team members will be a key consideration in 2019. A robust retention strategy is being finalised which will involve financial and non-financial incentives as well as heavy focus on professional development and supporting team members in taking their next step after the completion of GROW.

Work planning

GROW has a very robust work planning process which facilitates accountability for tasks while enabling flexibility and adaptation. The Annual Review results in the creation of the Annual Business Plan and a detailed set of activities (a snapshot is presented below). Team members TORs and objectives are then updated to reflect the strategy of the program. The strategy is adjusted in monthly 'strategic check-ins' for each sector to stir the activities in the right direction given the timeframe and resources remaining. Sector teams and the SMT meet on a weekly basis to problem solve and come up with creative solutions to challenges that emerge.



Cocoa 2019

Higher Quality and Quantity of Cocoa Production

Supplier Development Programs: a structured approach for buyers to develop their network of suppliers (cooperatives and farmers), allowing many of the activities (e.g. GAP training) that are key to quality improvements and certification to continue on a commercial basis.

Activity	Description	Due	Budget	Responsible	Support
Develop Supplier Development Programs	• Complete FAs with Cocoa Plus, LCC	Feb		Katrina	Mark
	• Develop Supplier Development Program Guide o Draft based on activity and learning to date o Co-develop/update with LCC and Cocoa Plus o Establish roles and responsibilities so that SDP ownership can be sustained by the buyer, frame this as 'SDP Units' within their core business offering	Feb		Katrina	Mark
	• Pitch Supplier Development Program widely o Additional options 'USCOM, [illegible], Theobroma o Re-engage with AYA (which has now merged with [illegible]) • Follow-up with a frank conversation • How do we work together moving forward? • How to work through Theobroma for SDP, sustainability, traceability	Mar		Katrina	Mark
	• Integrate (where possible): 1) forward financing; 2) grade	Mar		Katrina	Mark

Policies and procedures

During the course of 2018, GROW updated its Fund Manual, Operations Manual and Procurement Manual. These manuals are updated regularly to reflect the learnings of the program in the challenging operating environment of Liberia. All manuals are available at any time upon request.
ASI also rolled out the code of conduct as well as other policies and procedures (including conflict of interest) to all staff and advisers to further strengthen compliance. GROW also continued to be part of ASI Africa's risk management procedures which creates a system of regularly flagging and mitigating any risks that arise during the implementation of the program. GROW will continue having up to date robust policies and procedures with the support of ASI HQs in London and Nairobi.

Close-out

The program management of GROW is also preparing for the close out of the program towards the end of 2019. This will be a robust undertaking including preparation of final audit, reporting and office close and asset disposal. The GROW program manager will rely on support from other country offices (including Sierra Leone) who have ample experience in closing out programs.

With the current budget we plan to have the full team in place until the 13th of October 2019, with a few key people required for reporting until the 27th of October and the program management and operations wrap-up until the 17th of November.