



# Evaluation of SOS Sahel Bees Products Trade Promotion Programme in Ethiopia

Executive Summary

Oxfam GB Programme Evaluation

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## EXECUTIVE SUMMARY

The Bees products Trade Promotion Programme has been operational since July 2003 in six woredas (districts) of the Amhara Regional state, Ethiopia. The project is managed by SOS Sahel and has been supported by the Royal Netherlands Government over three years until September 2006. The total budget of the project is 13,000,000 Birr (1USD=8.6 Birr) September 2006.

Since the beginning of the programme 6 primary co-operatives have been set up and developed by SOS Sahel and 2 further government initiated co-operatives have joined the programme. In June 2006, the donor provided a three month budget neutral extension (July to September 2006) at the request of SOS Sahel, in order to ensure the continued benefit of the project achievements and results through a proper consolidation. The distinguishing feature of the project is that it is the first commercial oriented project of SOS Sahel designed to improve farmers' entrepreneurial skills, add value to farmers' products, link farmers to new market outlets and create financially and institutionally viable farmers business organisation. The new departure through piloting smallholder market creation has created an opportunity for SOS Sahel to face new development challenges and go through a steep learning curve in supporting farmers owned agricultural marketing enterprise. Though significant progress was made in attaining the stated objectives of the project in a relatively short time much needs to be done to create a viable farmers organisation, which necessitates another phase of at least three-five years.

The purpose of the evaluation was to assess the extent to which the general and specific objectives, outputs and targets of the project are achieved or in the process of being achieved.

1. To assess the effects and impacts of the project (direct/indirect, multiplier effects) on the
  - a) livelihood of the beneficiary farmers groups
  - b) long-term financial and institutional viability of the of farmers organisations (e. g. cooperatives and union)
  - c) regional and development policies and practices.
2. To draw key lessons from the implementation and management processes of the project and provide recommendations for the future course of action. The recommendation should include how a second phase of the project should be designed and implemented differently and what should be its focus and approach.
3. To assess the consequences of the project completion at the end of the current phase and propose possible remedial/ risk mitigation measures.

## Project Findings and Recommendations (Aug 2006)

| Measurable Indicators                                      | Achievements  | Challenges  | Recommendations   |
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| Number of farmers actively participation in the programme. | 6 co-operatives with 1,937 members. Five of these are so far registered as members of the Union, plus three government co-operatives, therefore the Union currently has a total of 2,108 members.   | Demand for membership to the co-operatives in other woredas in the Amhara. Demand for membership to the co-operatives within the same woredas. The scale of this current (terminating) programme phase does not have sufficient resources, i.e staffing and financing, to allow for expansion in existing and new areas.  | Replication of these existing models in to new geographical areas. A time-phased and target orientated programme action plan for this expansion and achieving the multiple activities during the second phase of the programme. Continue to enhance the activities regarding commercial and technical skills development  |
| Gender balance   | Introduction of top bar hives and training has been provided in the construction methodology. Hive production enables equal gender participation. (Traditional systems involve tree climbing which, socially, is not an acceptable practice for women).   | Ratio of women to men participants is currently 1:100 (2,081 male and 27 women) This is predominately due to the traditional social system, men being the primary income earners within the family. The low participation by women obviously negatively affects their economic benefit from this programme.   | Further increase in the up-take of top-bar hives fabrication, together with the development of high value and value-added bee products will start to address this issue. The extension of the programme could include the promotion of other marketable products from the harvesting areas, training in value-adding techniques, market development for these products  |
| Co-operatives /Union developed through the programme       | 6 co-operatives set up by SOS Sahel<br>2 co-operatives instigated by the government<br>Commitment by the regional government to replicate the project interventions in a further 20 woredas. Beekeepers in neighbouring woredas have started to organise themselves into marketing co-operatives<br>The model created so far is replicable<br>Government is willing to provide support to such structures, thus supporting long term future sustainability of these operations.<br>Government propose 3 additional woredas in the Amhara region for priority inclusion.<br>The Union is now registered and operational. | Additional co-operatives, with CPCs and processing centres, are require to satisfy the demand placed by producers and the government, and to harness the opportunities of the Amhara region.<br>The establishment of the Union took longer than the initial timeframe due to the work burden of the government.<br>As the region is large, the development of further co-operatives in other woredas will necessitate the establishment of separate Unions (once a critical number of co-operatives have been established). | Areas to focus on include; the strengthen of the recording systems, particularly the computerisation of standard reporting formatted to provide easy traceability to meet market and certification criteria; the development of Internal Control Systems; increase women participation through the diversification of the bee-products and the development of skills, facilities and equipment for value addition, also through the introduction of other commercial natural products into the programme. If funding is sufficient for the second phase, 7 further co-operatives have been prioritised for inclusion. |
| Number of Processing centre and Central                    | ?? processing centres have been set up for each of the 8 co-operatives in the 6 woredas. 6 CPC have been established and developed  | The Amhara region is vast, although a further field office has been set up in Meket to strengthen the support to the farmers  | If the programme expands in the second phase further field offices will need to be established to provide good guidance to the  |

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| <p>Processing Centres (CPC) established</p>                           | <p>in each of the woredas<br/>The government allocated land for the CPC's, The producers have provided voluntary time in the construction of the buildings, this level of participation has also been evident in the setting up and development of the operating systems. The members are enthusiastic about the progress of their co-operatives, they see them as unique and progressive operations, and there appears to be a high level of sense of ownership in both the development and the execution of the programme</p> | <p>producers cooperatives, additional field offices and staff will be necessary as the programme expands.</p>  | <p>new co-operatives, and co-ordination and implementation of the activities. The new field offices are proposed to be in Debarq for the Simeon mountain region, Tikil Dingay, Finat Selam and Bingna, close to Lalibela. An increase in the staffing levels will also be required.<br/>The organisation and management of the non-bee-products should also be handled through this same co-operative structure.</p>   |
| <p>Quantity of crude honey and wax sold through the co-operatives</p> | <p>Approx 115,000 kg of honey has been sold over the three year programme term:<br/>Yr 1 – 42,000 kg crude comb-honey, equating to 38,000 kg extracted honey<br/>Yr 2 – 53,000 kg crude comb-honey, equating to 47,000 kg extracted honey<br/>Yr 3 – 35,000 kg crude comb-honey, equating to 30,000 kg extracted honey<br/>Order are in place from buyers in the national market, from Yemen (through the embassy) and from Kenya (Honey Care Ltd).</p>   | <p>20,000 kg of comb-honey is still in stock from the 2005-06 harvest due to shortage of packaging materials.<br/>Orders are all for small quantities due to the retail packaging constraints.<br/>Significant difficulty in sourcing packaging materials (glass or food grade plastic bottles and lids), The shortage of brood appears to be hindering the expansion of the supply base, average price is now 150 birr/brood.<br/>Training of the producers, trainers and extension staff in brood splitting and queen rearing is a necessary extension of the programme.</p> | <p>Increase the access of the producers to food grade buckets with lids<br/>A brief study is required to assess the quality, availability and cost of importing packaging material in the short to medium term and the requirement for up-grading the current national capacity to manufacture these materials to required level for storing honey for national/regional/export markets.<br/>Continued support will be required to assist the new co-operatives to develop the necessary packaging skills, design labels etc... Once certification is gained the labelling can include the relevant certification logos.</p> |
| <p>Number of hives introduced to the members of the co-operatives</p> | <p>The programme has trained the producers and co-operative managers in the construction of Top-bar hives.<br/><br/>The farmers are keen to construct hives<br/>The Government is promoting the up-take of modern hives (although the more expensive framed type).</p>  | <p>Traditional log hives still represent 85-90% of the total production.<br/>Not all traditional hive systems are environmentally sustainable. Shortage of forge for the bees in some areas.<br/>Sourcing and cost of materials to make hives is a challenge to most farmers.<br/>The government is promoting framed hive (based on the Langstroth hive), they are expensive, require wax foundation sheets, and for proper management need additional accessories as queen excluder and several honey-supers, but yield and quality can be</p>                                | <p>Develop trail sites for potential specialist bee forage crops such as Borage, safflower, golden linseed, and organisation of harvesting and supply to achieve single flora honey<br/>90% of production in the country is from traditional hives, as it will take a long time to alter the ratio with modern hives it is important to harness traditional production, and recognise the contribution sustainable traditional systems have on natural resource management. Develop sustainable certification standards to ensure good conservation management of the habitat is maintained.</p>                             |

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| <p>New markets entered<br/>And marketing mechanism employed.</p>       | <p>The programme has been successful in the establishment and management of the supply chain and the necessary infrastructure to bring a marketable product from the rural areas to a new attractive market outlets. Tangible results:</p> <p>a) members are getting a better price returns for their honey and wax than before,<br/>b) they have become aware of improved beekeeping methods through training,<br/>c) high adoption of the Kenyan top bar hives<br/>d) quality of honey and wax has improved<br/>e) honey is now reaching retail outlets in Addis Ababa as retail-packet products,<br/>f) many more beekeepers are anxious to join the co-operatives, and<br/>g) the government is keen to see an expansion of the programme.</p> <p>Consumer awareness and a promotional campaign included; newspaper, TV and radio promotions and an exhibition held earlier this year, promoting retail packed honey to over 200 supermarkets and grocery outlets in Addis Ababa national market outlets.</p> <p>The engagement of 2 commercial agents, Century Trading Ltd. and Beza Ltd.<br/>1 small consignment has been made to Yeman, request for further supply.<br/>Retail shops in Bahir Dar, Gonda and Dessie Label and trademark developed and promoted<br/>Contracts signed between co-operatives and 3 exporters.</p> | <p>higher than traditional &amp; top bar hive.</p> <p>Level of supply has not yet created the economy of scale to reach regional and export markets at this stage.</p> <p>In terms of price, the national and regional markets produce better returns than export markets. Accreditation to EU country listing for bee products has not yet been achieved at the national level.</p> <p>Misconception by consumers regarding crystallised honey.</p> <p>Involvement of producers in the marketing component is limited due to lack of access, experience and skills.</p> <p>Govt no skill in marketing, willingness of existing agents to co-operate is high but the willingness of others is poor as they were not sure of demand for the product etc.</p> <p>Expansion into export market will not be possible until sufficient economies of scale and rigorous upgrading of the quality standards for table grade honey have been reached, and the consistency in quality and supply can be assured. One major factor to the marketing of value-added bee products is the lack of packaging materials.</p> <p>Processors and traders have to import jars to retail pack their honey. This is expensive and makes a major impact on profit margins.</p> <p>No other value-added bee product is currently produced and retailed within Ethiopia.</p> | <p>Actively promote hive production to women.</p> <p>Expand the programme to increase supply of consistent quality grade honey to enable greater economies of scale to be reached and regional and export markets accessed.</p> <p>Market exposure of producers to gain awareness of realistic opportunities. Also participation in international trade fairs</p> <p>Union Resource Centre facilitated to provide members technical and certification support, promotion and marketing services.</p> <p>Diversification of the bee-products through training and guidance, also equipment/facilities</p> <p>Continuation of consumer awareness campaign and professional product promotion.</p> <p>Maximise on the heritage symbol of the honey-bee, utilise the UNESCO sites for promotional activities, i.e location for interpretation/ resource centre. Support the efforts to gain accreditation to the EU country listing for importation of bee products. The application process is now in action, supported by SNV.</p> <p>A brief study of the packaging options and a cost effectiveness exercise to find solutions</p> <p>Diversification of retail presentation of packed honey (jar design, flora type, snack products).</p> <p>Linkages between the C-Union and ICIPE, to develop stingless bee honey, royal jelly and propolis, also sericulture (silk).</p> <p>Interactive website development.</p> <p>Internal Control System (ICS), fair-trade and organic certification, HACCP protocols etc developed to enhance competitiveness.</p> |
| <p>Provision of training and other capacity development activities</p> | <p>The up-take of training by the producer member has been particularly good and the result can be seen by the current output from the co-operatives.</p> <p><i>Training has been provided in:</i><br/>Production techniques</p>  | <p>The skills, facilities and equipment for the extraction and processing of propolis, royal jelly and pollen to market standards does not yet exist.</p> <p>Farmers are not aware of the opportunities for their bee-products and other associated</p>   | <p>Develop skills, facilities and equipment for the extraction and processing of propolis, royal jelly and pollen to market standards</p> <p>Training in hive design and management for stingless bees. Also in queen rearing and drone splitting; in the production of single flora</p>   |

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|  | <p>Processing techniques<br/>Marketing, labelling and packaging.<br/>Co-operative management Bookkeeping and accounting<br/>Business skills development</p> <p><i>Specialist input has been provided for:</i><br/>.....???</p> <p>.....</p> <p>.....</p> <p>Information re-cognisance visit was made to Zambia to gain information about the traditional harvesting and exporting of honey to Europe and the US.<br/>Resource centre being developed to providing up-to-date technical and market information, internet access for members, linking producers with global information.</p>   | <p>natural products opportunities<br/>Need for hive design and management for stingless bees. As the programme phase has been relatively short, there are deficiencies in the production, processing and packaging /presentation<br/>Need of the farmers to increase the brood sized and numbers.<br/>Improving the record handling is required to provide easy traceability to meet market and certification criteria.<br/>Internal Control Systems for organic certification have not yet been developed, although a market-orientated traceability system is almost in place.<br/>The quality of the honey and wax needs be further improved in order to successfully access attractive export markets.<br/>HACCP is not yet established and is a useful and highly recognised food quality standard, and marketing tool for export.</p> | <p>honey. Use of the veteran expert scheme (i.e NCMP scheme via the Netherlands Embassy) for short term expert inputs (4-6 weeks)<br/>An assessment of the commercial potential for other natural products from the honey harvesting regions. Then include other marketable natural products in the programme. Provide the necessary training, specialist advisory and management support regarding the production, processing and packaging/ presentation for selected markets.<br/>Training of producers in sustainable harvesting from traditional hives to improve quality and sustainability aspects for organic/FSC certification. Improve record handling, specifically design a computer programme to standardise the format.<br/>Training and management support on harvesting techniques and processing to improve the quality of the honey and wax. Also training in HACCP, to gain certification.</p> |
| <p>Enhancement of farmers entrepreneurial skills</p> | <p>At the end of this first programme term it clear that there are positive benefits gained in each of these areas. a) Raising bargaining position and competitiveness in the open market; b) Creation of human capital through extension and training services; c)Creation of viable and self governing farmers' organisations; d) Employment generation e) Sustainable and viable economic development. Producers have also gained understanding and acceptance of the co-operatives principals, values, and learnt how to manage the co-operative.<br/>Price received by the producers has increase significantly, from 5-6 birr/kg for crushed honey, to 11 birr for grade 1 comb honey.<br/>Additional benefits of the dividends provided</p> | <p>It takes time to change producers into entrepreneurs. marketing is one of the areas that require the most support input during the next programme term.<br/>The perception of export markets is that they are more lucrative than national and regional markets. Serving the national and regional markets will not necessarily be more financially attractive and easier than exporting to EU markets where standards are comparatively high until demand and price drops as these national/regional markets become more saturates.<br/><br/>Producers need more market exposure in order to make informed business decisions</p>   | <p>More emphasis on training the producers and managers in marketing, entrepreneurial and business skills.<br/>Facilitating adequate market exposure (i.e through trade fair participation<sup>1</sup>, trade missions, participation in market orientated seminars) for the producers, the co-operative managers and processing staff<br/>Sensitisation and training on requirements for fair-trade certification, the development of the required certification criteria, to include the design of the supply chain to ensure equitable benefit sharing.<br/>Market study for other natural product, such as spices (cardamom, black pepper, ginger, essential oils from these plus false pepper and</p>  |

<sup>1</sup> International trade fairs such as participation in Biofach in Germany in February, Natural Products West in the US in September, and Biofach in Japan in December.

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|  | <p>through the co-operative sales to the agents, Beza and Century. Dividends range between 35-674 birr/season, based on no. shares the producer owns. There is a positive change in attitude towards the production and marketing. Producers are now aware of the greater market opportunities for quality honey and wax. They are keen to encourage fellow members to comply with these standards, to increase supply to export their bee products.</p>  | <p>regarding the development into the national, regional and international markets and to sustain their position.</p>  | <p>false cardamom), sericulture, dried mushrooms and highland forest coffee. Samples sent to buyers and feed-back gained on demand and pricing. Training in production, processing and marketing will be required for the selected products.</p>  |
| <p>Equipment provided to the co-operatives</p> | <p>The CPC's have been equipped by the programme with presses or centrifugal separators, some food grade buckets with lids for the producers to hygienically transport their comb honey from hive to processing centre, 200 litre plastic food grade drums for storing the separated crude honey for collection by the agent, weigh scales, some top bar hives plus some materials for the construction of further hives. The government have provide the CPCs with desktop computers and printers. The programme has also stimulated local artisans to make the protective clothing (nets, gloves and coats). Addition equipment has been purchased by the Co-operatives. Retail packaging materials have been difficult to achieve and the programme has supplied the co-operatives with some locally produced plastic 250 and 500gm blue plastic pots for selling at the retail outlets in Bahir Dar and Gondar. All transportation from the processing centres to the CPC's is currently made by using the programme vehicles. The programme also provided the construction of the CPC's. The government provided the land for the sites.</p> | <p>The quality of honey is considerably better when processed by centrifuge rather than the press, not all CPC's have centrifuge equipment. The material for the coats and gloves is expensive and therefore the price of the protective clothing is too high for many producers. The producers are all keen to obtain food grade plastic buckets with lids to transport their comb honey to ensure that they have goods quality honey, meeting the requirements for the first grade payment But many farmers are unable to afford the price of these buckets. Retail packaging is a perennial problem, no suitable jars are manufactured in Ethiopia at present and the import duty is over 35%. In order to gain independence and sustainability once the programme has been terminated, the co-operatives need to own their own, or seasonally rent, vehicles. The processing centres and CPC's are largely inactive for part of the year, outside of the harvesting seasons. This facility could be utilised to process/semi-process other natural products from the harvesting areas.</p> | <p>Gradual replacement of presses by centrifuge equipment for the extraction of honey from the comb. This will improve the quality (flavour and texture) and the marketed product. The Union can be assisted to make bulk purchase of buckets, materials for construction of hives, nets and cloth (such as calico) for making protective veils and over-coats. Thus cutting current costs of these materials. Separate loan scheme (innovative to enable accessibility of the co-operatives to gain independent vehicle for transportation of bee-products to the processing centres) i.e hire purchase (HP) with minimal interest. Application to JIKA, the Japanese support agency, regarding the purchase of vehicles under their specific vehicle support scheme for NGOs and development projects. Retail packaging survey. Bulk purchases with other honey traders (consolidate shipments). Lobby government to decrease the rate of duty on such packaging materials. Introduce other marketable natural products to the programme, advise and train producers accordingly so that they can be processed or semi-processed through the centres.</p> |
| <p>Credit facility for producer members</p>    | <p>The provision of a credit fund of 1,2 million birr (approx 110,750 euros) total for the co-operative in the 6 woredas. This has been</p>   | <p>The programme aimed at creation of credit services only for cooperatives to purchase honey from individual member/non-member</p>  | <p>The application process could be made more flexible to allow application from individual bee-keepers, if it is found to be feasible.</p>   |

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|   | <p>transfer and is managed by a micro-credit organisation, Meket Micro-finance Institute (MMFI); the co-operative members can apply to MMFI for loans of discretionary amounts at a minimal interest rate of 9.5%. Many of the producers already hold accounts with MMFI. There is demand by the co-operatives members for an expansion of this facility. Of the loan made, 96% have been re-paid by the farmers.</p>  | <p>beekeepers.<br/>The credit facility will need to be extended and increased to cater for an expansion of the number of co-operatives targets by the programme over the next phase. Once the capacity has been developed for export, this facility would usefully be extended to cover trade finance (i.e pre-harvest or pre-shipping loans).</p>  | <p>Rabobank and Triodos both invest in African micro-finance companies who also operate small saving schemes of rural producers. This could represent an additional route to extend the mico-credit facility for this programme. Ethical finance institutes and 'Green Banks' provide trade finance to small producer operation in LDC's, particularly if fair-trade certified. Application for carbon credit points for tree planting may be a feasible option.</p>   |
| <p>Instigation of international Certification</p> | <p>Application has been made to BCS (German based accredited organic certification company) for inspection of the co-operative member's harvesting areas. Based on the existing capacity developed under this programme, traceability systems can be readily developed for each of the Co-operatives to meet the certification requirements for organic certification of grower groups (using the established Internal Control System – ICS). There is a nationally located international organic certification inspector.</p> | <p>The computerisation of the records will enable the co-operatives' to set-up recording systems for efficient supply chain management plus ICS development for certification. During the next phase the records need to be converted to English. Cost of inspection and certification is high. Producers do not presently have any awareness of the requirements for organic certification and the development and management of the ICS. Also the same case for fair-trade and HACCP.</p> | <p>Pre-certification management support and training will enable the co-operatives to gain organic certification of the land, the setup and develop the ICS. Subsidising the payment of the inspection fees for the first three years (i.e 100% in year 1, 75% in year 2, 50% in year 3 and year 4, the co-operatives pay 100%). Develop fair-trade auditing of agents and co-operatives, sensitise all parties and provide training. Gain Organic, FLO and FSC (NTFP) certification where possible/appropriate.</p> |

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