Oxfam Management response to the review of Livelihoods in Honduras: Evaluation of strengthening small scale farmers’ agribusiness capabilities (Effectiveness Review Series 2013/14)

1. The context and background of the review

As part of Oxfam Great Britain’s (OGB) Global Performance Framework (GPF), samples of mature projects are randomly selected each year and their effectiveness rigorously assessed. The ‘Strengthening Small Farmers agribusiness capabilities in Western of Honduras’ project was selected for review in this way under the livelihoods thematic area.

The project’s overall objective is to contribute to improve income generation and food security of families in six municipalities in western Honduras. Project activates includes technical support to improving agricultural production, improvements in access to markets, and strengthening administrative credit and financial structures in the community.

The project activities were implemented by Oxfam GB in conjunction with a local partner organisations – Organismo Cristiano de Desarrollo Integral de Honduras (OCDIH). The project started in 2010 and completed in March 2014 as a continuation of 2 previous projects called “Strengthening the productive capacity of the families in the north of Copan” (HONB12) and “Strengthening Productive and Social Initiatives in Western Honduras” (HONB08). These projects were implemented from approximately 2007 to 2010 in the same geographical areas as the project under analysis, but covering a greater number of villages. In 2010, due to financial constrains, the scale of these projects was reduced, and Oxfam and OCDIH withdrew from a number of communities, restructuring the two projects under the current project ‘Strengthening Small Farmers agribusiness capabilities in Western of Honduras’ (HONB64).

The effectiveness review took place in five municipalities of San Nicolás, Trinidad, Nueva Arcadia, Florida, La Jigua in March 2014. It intended to evaluate the success of the ‘Strengthening Small Farmers agribusiness capabilities in Western of Honduras’ project in promoting food security and strengthened livelihood options among the project participants. In addition to this, this review exploited the geographical proximity of two previous projects (HONB12 and HONB08) in order to investigate the conditions of a sample of households which were previously involved in these projects after approximately four years the projects had interrupted. The review adopted a quasi-experimental impact evaluation design, which involved comparing households that had been supported by the project with households in neighbouring communities that had similar characteristics in 2007. A household survey was carried out with 155 households currently involved in the project and with 288 comparison households never involved in any Oxfam project. In addition to this, a sample of 148 households was interviewed from those households that participated in the projects HONB08 and HONB12 between 2007 and 2010 but not currently involved in any Oxfam project. At the analysis stage, the statistical tools of propensity-score matching and multivariate regression were used to control for demographic and baseline differences between the households survey in project and comparison areas, to provide additional confidence when making estimates of the project’s impact.

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2. **Summary main findings and recommendations**

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<thead>
<tr>
<th>Outcome</th>
<th>Impact</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased agricultural production</td>
<td>YES</td>
<td>Intervention households produce on average a greater number of agricultural products and bigger quantities of selected products compared with comparison households.</td>
</tr>
<tr>
<td>Increased sales from agricultural production</td>
<td>YES/NO</td>
<td>Intervention households are more likely to sell agricultural products and on average they sell a greater variety of products compared with comparison households. There is no evidence suggesting higher revenues from selling agricultural products.</td>
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<tr>
<td>Increased food consumption</td>
<td>NO</td>
<td>No evidence of a positive impact on food consumption; both in terms of quantity consumed and diet diversity. We do not find evidence for both food from own production and purchased food.</td>
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<tr>
<td>Access to credit</td>
<td>YES</td>
<td>On average intervention households are more likely to have access to credits and potential access to credit lines compared with households in comparison communities.</td>
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<tr>
<td>Access to savings</td>
<td>YES</td>
<td>Intervention households have higher probability to save in the last 12 months, however do not appear to save statistically significant more than comparison households.</td>
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<tr>
<td>Access to productive assets</td>
<td>YES</td>
<td>Intervention households have higher probability to own productive assets, in particular sprayer.</td>
</tr>
<tr>
<td>Women’s Empowerment</td>
<td>YES</td>
<td>Women living in intervention communities are more likely to be involved in groups and are more likely to be leaders of group organizations. They are also more likely to be involved on agricultural production and business activities, and have a greater decision making power in decisions concerning agricultural production.</td>
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<tr>
<td>Overall income</td>
<td>NO</td>
<td>No evidence for an increase in income attributable to the project.</td>
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Recommendations:

Consider scaling up the model applied to rural banks

This effectiveness review provides evidence suggesting how rural banks increased access to credit and successfully encouraged savings. Analysis suggests that households involved in the project who borrowed from rural banks are more likely to invest in schooling and acquisition of agricultural inputs, compared with households not involved in the project.

Find the balance between diversification and income generation

Project interventions proved to be successful in increasing agricultural diversification and access to markets, which has the potential to reduce vulnerability reducing risk from weather shocks and crop diseases. Potentially there is a trade-off between the goals of agricultural diversification and greater income generation. In fact, if a crop has higher returns, diversification from that crop production can potentially come at the cost of reduction in revenues. This evaluation finds evidence suggesting that the project achieved greater diversification without reducing total revenues from agricultural production, although the objective of the project is to achieve greater income. The project is encouraged to perform internal and external analysis to set the balance between the two goals.

Investigate the role played by the exit strategy in the sustainability of the project’s impact

The analysis on the long term impact suggests that even four years after the project concluded access to productive assets are statistically significant higher among the group of households involved. However, any positive effects that the project had on livelihoods and other indicators were no longer detectable by the time of the survey. The project team is encouraged to further investigate the role that the exit strategy may have played in the sustainability of the project’s impact.

Seek to investigate the mechanisms by which change is achieved in future projects

The project admirably invested time and effort in collecting detailed survey data on a sample of beneficiaries for M&E purposes. This is admirable as it allows monitoring and tailoring project interventions based on informed decisions. Unfortunately these data did not included information on comparison individuals, which would have allowed the project team to closely investigate mechanisms and changes in the project population which are attributable to the project intervention. In future projects it would be advisable to consider including impact evaluation frameworks since the project design, allowing evaluating the project’s impact on the participants’ life.
3. **Overall do the findings of the review concur with you own expectations or assessment of the project’s effectiveness?**

   Overall the findings concur with our own expectations. However we expected higher incomes from communities involved in the project compared with the control population. It is strange that the increased quantity and diversity of agricultural production did not translate either into increased consumption or increased revenue from selling agricultural produce. It is important to understand why this was. We wonder whether the selection of the control population might have contributed to these findings, considering that they were better off in terms of resources and coffee production compared to the project support households. We also note that the methodology may not have captured the impact of coffee rust amongst both the control and project supported households. Finally it is important to note that the project placed considerable emphasis on agricultural diversification not only to increase income but also to strengthen the stability of income, and this focus on resilience was not evaluated by the review. The inclusion of a measurement of income from the start of the project, and particularly during crisis such as the coffee rust crisis in 2013, would have helped to ascertain the degree to which agricultural diversification helped households to maintain income stability.

4. **Did the review identify areas that were particularly strong in the project?**

   Yes, access to credit and savings (which was also found to be a particularly strong area in the effectiveness review carried out last year), diversification and women’s empowerment.

5. **Did the review identify areas that were particularly weak in the project?**

   Yes, the implementation of an exit strategy with households that exited the project, to ensure greater sustainability of project outcomes and impacts.

6. **Summary of review quality assessment**

   The assessment is strong and very useful to take decisions to strengthen and improve the programme and deliver better services to households. We would suggest the following areas for improvement: 1) Ensure the comparability of the project attended households and the control population; 2) Measure outcomes and impact over the lifetime of the project, above all if baseline data is available; 3) Use additional complementary assessment methods to clarify results that are not easily explained or understood; and 4) Take into consideration modifications in the project design over time, which may have altered project objectives without having been formally incorporated into the project design document; 5) Ensure that recommendations are compatible with Oxfam policy, e.g. the 4th recommendation on Monitoring & Evaluation regarding a control population is not something included in CAMSA (Oxfam’s Social Accountability).
7. **Main Oxfam follow-up actions**

**Consider scaling up the model applied to rural banks:** This action is already included in the programme’s influencing strategy, which is working closely with a diverse alliance of organizations and with National Congress for the approval of a public solidarity credit scheme for rural women based on the community models developed by Oxfam and other organizations which use solidarity guarantees. This will continue to be a key area in the new Honduras Oxfam Country Strategy (OCS).

**Find the balance between diversification and income generation:** We will look at ways of measuring resilience and income stability to better understand the benefits of diversification and whether these benefits are valued by producers, in order to take decisions as to the balance we are seeking between diversification and income generation.

**Investigate the role played by the exit strategy in the sustainability of the project’s impact:** Given that the new OCS, once approved, will require a transition that will result in exit from some partners and projects, the need to design exit strategies is well received and will be a core part of our planning for the next financial year, not just for this project but for the country programme as a whole.

**Seek to investigate the mechanisms by which change is achieved in future projects:** Our follow up in this regard will have to be, in the first instance, the implementation of the CAMSA standards.

8. **Any conclusions/recommendations Oxfam does not agree with or will not act upon**

Only conclusion 4 in the sense that this goes beyond CAMSA standards, and our first priority must be to implement the CAMSA minimum.

9. **What learning from the review will you apply to relevant or new projects in the future? How can the regional centre/Oxford support these plans?**

The learning with regard to the success and potential of credit and savings schemes was already implemented on the basis of the effectiveness review undertaken last year, but this has been reinforced by this report. The need to identify partners and projects that will be discontinued in our programmes, as part of the new OCS, and the need to design and implement exit strategies, will be applied. The issue of the balance between income generation and resilience, and how far resilience can be strengthened in the context of increasing climate threats, requires further debate to ascertain whether increased investment in credit and savings schemes and support to non-farm activities could achieve more positive outcomes.

10. **Additional reflections** that have emerged from the review process but were not the subject of the evaluation.

None