

**Oxfam Management response to the review of *Livelihoods in Armenia: Evaluation of new economic opportunities for small scale farmers in Tavush and Vayots Dzor regions (Effectiveness Review Series 2013/14)***

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**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 New Economic Opportunities for Small Scale Farmers project was selected for review in this way under the livelihoods thematic area.

The project was implemented in nineteen agriculture-dependent villages in two regions of Armenia, Tavush and Vayots Dzor, by Oxfam GB’s Armenia office in conjunction with local partners Union of Agricultural Cooperatives, Work and Motherland NGO, Horizon Fund and Scientific Center of Vegetable & Industrial Crops. Project implementation started in April 2010 and concluded in November 2012; implementation was staggered so that in the first year four villages were targeted, while more were added in subsequent years. The overarching objective of the project was to support smallholder farmers to secure sustainable livelihoods through increasing access to economic opportunities in agricultural value chains and increasing resilience to natural disasters related to climate change.

The key intervention through which the project was implemented was the establishment of farmers’ cooperatives in the targeted communities. These cooperatives provided a platform through which most other project activities were implemented. Key activities at community and household level included: regular training sessions on high-value and climate-risk-resilient crops, modern agricultural techniques and harvest and business management; provision of inputs such as improved seed/seedlings, fertilisers and pesticides; establishing cold stores; provision of sun dryers for fruit crops; building links between the cooperatives and national processors; dissemination of information about market prices for produce to cooperative members by twice-weekly SMS; and provision of subsidised (interest-free) microfinance loans and finance training to cooperative members.

This Effectiveness Review used a quasi-experimental evaluation design to assess the impact of the project activities approximately four years after implementation started. The focus of the review was on the impact of the project on participating households in the eight villages, four each in Tavush and Vayots Dzor regions, in which implementation had started earliest. 200 households, all direct beneficiaries of the project, were sampled from these villages while 400 households were sampled from 15 neighbouring villages in which the project had not been implemented; these provided a ‘comparison group’ against which the beneficiary households were compared. At the analysis stage, the statistical tool of propensity score matching was used to control for demographic and baseline (before project implementation) differences between the beneficiary and comparison households surveyed, to provide additional confidence when making estimates of the project’s impact.

It should be noted that Oxfam GB Armenia continued to work in the targeted villages through subsequent projects. It is not possible to separate the impact of the project under review from the impact of subsequent projects. All results presented here should be interpreted taking this into account.

## 2. Summary main findings and recommendations

### Key results of this Effectiveness Review

Outcome	Tavush	Vayots Dzor	Comments
Agricultural livelihoods activities and migration	MIXED		There is no evidence suggesting less household migration or reliance on migrant labour; however, there is some evidence to suggest a greater likelihood of increased income from agricultural activities.
Technological adoption and agricultural inputs	YES		There is evidence suggesting greater use of pesticides, sun-dryers, cold storage/collection centres and greenhouses in both regions.
	MIXED		The project appears to have had a significant impact on farmers' use of inorganic fertilisers in Tavush region only and on use of improved seed/seedlings in Vayots Dzor region only.
	YES	NO	In Tavush region only, there is some evidence that there is a positive impact on the amount of land cultivated (measured both as a proportion of total land used and by area).
Agricultural production	YES		There is evidence for greater harvests of several individual fruit and non-fruit crop types in both regions. In particular in Tavush region there is evidence for a substantial (approximately 4-fold) increase in production of traditional vegetable crops.
	NO		There is no evidence of a sustained increase in diversity of agricultural production (measured by number of crops) or sustained production of non-traditional vegetable crops.
	YES	NO	There is evidence suggesting greater yields of both fruit and non-fruit crops, and greater aggregate quantity of fruit harvests in Tavush region only.
Sales and access to markets	YES	NO	In Tavush region beneficiary households are more likely to be selling agricultural products, sell a higher proportion of their produce and receive greater revenue from produce sales.
Access to finance	YES		There is some evidence suggesting that the project has had a small positive impact on perceived access to credit. There is evidence of a positive impact on access to credit from microfinance organisations, particularly in Vayots Dzor.
	YES	NO	In Tavush region beneficiary households were able to access credit at lower interest rates from both microfinance organisations and commercial banks.
Household income	YES		There is some evidence of positive impact of the project on household income. Beneficiary households experienced greater increases in asset wealth over the period of the project.

### Recommendations

- We would like to encourage the project team to reflect on possible reasons for the more ambiguous impact of the project in Vayots Dzor region and to identify actions to mitigate the risks associated with such issues in future projects. Possible issues may include one or more of the following:
  - Particular vulnerability of this region to climatic shocks. Were there significant problems in the 12 months preceding the survey? (The period over which agricultural production information was collected.)
  - Problems with project implementation: were there particular challenges in specific communities?
- Particularly in Vayots Dzor, beneficiary farmers faced difficulties sourcing inputs including quality seeds and seedlings, fertilisers and pesticides on the local market. This meant that while beneficiaries were able to make use of these enhanced inputs during the duration of the project, they were not able to continue after the project had concluded, despite a desire to do so. With subsequent projects, when introducing farmers to improved inputs and technologies, we encourage the project team to consider and perhaps take actions to enhance the longer-term viability of these technologies in the communities being supported.
- The introduction of non-traditional vegetable crops (broccoli, chili pepper and cherry tomatoes) that were perceived to be of high value and resistant to climatic risks was a significant element of the project activities. However, we did not find evidence that the adoption of these non-traditional vegetable crops had been sustained beyond the period in which their cultivation was directly supported. We also understand that in the subsequent projects the focus of project activities shifted to support for cultivation of traditional vegetable crops, using greenhouses to increase yields and value of these crops, protect against climatic shocks and extend the growing season. This shift in focus may reflect learning considerations already recognized and acted upon by the project team. We would like to encourage the team to document the reasons for this shift in focus, which may include the following among others:
  - The value or resilience of these crops may not have been as high as anticipated.
  - It may have been difficult to source the required inputs.
  - It may have been difficult to access markets for these crops.

**3. Overall do the findings of the review concur with you own expectations or assessment of the project's effectiveness?**

Yes, in general it concurs to our own expectation of the project effectiveness.

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

Yes, among the strong areas identified by this review were: Increased household income, Increased farmers' yields; Increased sales of households' produce and increased access to markets and Finance/credit resources; Adoption and usage of new technologies and rural small agri-business infrastructures.



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

It was identified that the project has had minimum impact on the households' migration. Actually, it is true because the project did not have direct objective focused on household migration decrease. Though it was our long term expected indirect outcome that due to the improved and sustainable livelihoods of beneficiary households the migration from rural areas should decrease.

It was also identified that diversification of traditional crops and further adoption of non-traditional crops' production was weak.

**6. Summary of review quality assessment**

In general the whole process of the review was strong and well organised starting from preparatory work and revision/adjustment of interviews/questionnaires according to country context, transparent selection process of project country evaluation/consultancy staff (outsource experts), the process of field work interviews, surveys to the follow-up analysis and collaboration/communication with the country management staff and finalization and approval of the final draft of the evaluation.

**7. Main Oxfam follow-up actions**

Continue strengthening the small farmers' cooperatives through introduction and/or diversification of different agricultural business models, value chains with main focus of women empowerment, and through introduction of new technologies and practices gearing to the increased income of poor farmers.

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

Armenia team almost agrees with the provided recommendations, of this review and will act accordingly and within follow up actions on the project management improvement provided below.

We'd like especially to comment on the R3, we accept all the below proposed reasons for the shift of the focus of non-traditional crops, moreover we'd like to add also the absence of culture and tradition of cultivation of non - traditional crops. We'd like also to add here that this was a pilot project and we have just introduced some varieties of non-traditional vegetable crops at very small/trial scale, but we'll think on finding new ways in introducing it into our current and upcoming programmes in larger scale to increase its effectiveness and programme impact.

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- It may have been difficult to source the required inputs.
- It may have been difficult to access markets for these crops.

**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?**

As it was well noticed by evaluation team in the narrative report of the review that Oxfam Armenia country team has already had their own recognized learning consideration during the first/piloting stage of the project implementation and proceeded acting according to new and improved project development approaches/strategies, one of these strategies was shifting to special support for cultivation/production of traditional but high value vegetable crops, using new climate adaptive agricultural business infrastructure in a form of greenhouses to increase the value of these crops, protect them against climatic shocks thus, ensure secure marketable yield and extend the growing season. This new strategy has already been approached by Oxfam Armenia team in the subsequent projects after 2012 (Austrian Development Agency project, Project Direct and Leverage Resource Scarcity Challenge Fund Project).

Realizing the scarcity of funding of any new projects in Vayots dzor region, Oxfam Armenia Livelihood team was working on fundraising of new funds to continue the piloted project initiations within ARMA62 and particularly strengthening the new projects with new rural agri-business infrastructures equipped with new technologies and practices that it was to ensure the further viability of the new projects. In fact, by the end of ARMA62 in November 2012 Oxfam Armenia already received new donors' and Oxfam funds (i.e. Project Direct, Leverage Resource and Scarcity Challenge Fund, Austrian Development Agency) which were allocated not only in Tavush, but also in Vayots dzor region to strengthen the existing beneficiary cooperatives/communities and establish the new ones by setting new rural climate adaptive infrastructures and introducing new technologies and practices which increase the resilience of smallholder farmers against agricultural risks related to Climate Change.

**10. Additional reflections**

The evaluation/review identified that the project has had minimum impact on the households' migration outcome. Actually, the project ARMA62 has never had an outcome related to household migration, so it was unexpected to see the findings and highlights on this issue mentioned by evaluators.