

Oxfam Management response to the review of *Livelihoods in Ethiopia: Impact evaluation of linking smallholder coffee producers to sustainable markets (Effectiveness Review Series 2014/15)*

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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 'Coffee Value - chain – Linking Smallholders to Sustainable and Scalable Business Model in Ethiopia' project was selected for review in this way under the livelihoods thematic area.

The project's overall objective was to contribute to improved Coffee production and sales by linking coffee farmers to Primary Coffee cooperative Unions. The Union that was instrumental in this regard was Limmu Inara multipurpose Cooperative Union and the project covered three districts namely, Limmu Seka, Limmu Kosa and Chora Botter. There were primary coffee cooperatives that bought coffee directly from the farmers. These cooperatives therefore delivered coffee to Limmu Inara cooperative union after buying from the coffee farmers. The Union supplied coffee seeds, slashers and wire mesh and supported the farmers in coffee seedling production. Trainings were organized after a capacity assessment to identify the gaps among the coffee growing farmers in the region. The capacity building trainings were organized in collaboration with Jimma University in Ethiopia. Oxfam also identified an organization called Farm Organic International which promoted marketing of coffee internationally on behalf of the union. The organization specifically identified markets for coffee and carried out capacity building for the Union board. Oxfam in turn provided funds for project implementation and paid for the services of Farm Organic International. In addition, Oromiyaa cooperative bank provided credit facilities to the coffee farmers through the cooperative societies.

The Functional Adult Literacy (FAL) scheme spear-headed by Limmu Inara Cooperative Union was aimed at building the capacity of coffee farmers particularly in the use of modern agricultural practices with a view to improving the quantity and quality of coffee produced.

Project activities were implemented by Oxfam GB in conjunction with Limmu Inara multipurpose cooperative Union. The project was started in September 2009 and was completed in March 2012.

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 2009.

The Effectiveness Review was carried out in the regions where the project activities had been implemented since at least 2009. Within those regions, the households that had participated in the project during the period were selected at random to be interviewed. For comparison purposes, interviews were also carried out with farmer households that had not participated in the project, but who were eligible and had expressed an interest in doing so. In total, 215 project participants and 432 non-participants were interviewed. 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 surveyed in project and comparison areas, to provide confidence when making estimates of the project's impact.

2. Summary main findings and recommendations

Key results of this Effectiveness Review

Outcome	Evidence of positive Impact	Comments
Increased quantity of coffee produced	YES	On average intervention households produced 65.2 per cent higher quantity of coffee compared with households in comparison communities.
Increased quantity of coffee sold	YES	Participant households sold 1.27 times or 127 per cent more quantities of coffee on average, compared with households in comparison communities
Increased revenue from coffee sales	YES	Intervention households obtained on average, 1.22 times or 122 per cent more revenue from coffee sales compared with comparison communities
Household Asset Wealth (Wealth Index)	YES	Households in intervention areas are more likely to have higher household asset wealth compared with households in comparison communities.
Overall Household income (New Global Indicator)	YES	Households in project areas had a 28.01 per cent increase in overall household income compared with households in the comparison communities. This indicator represents the new Oxfam GB Global Indicator for livelihoods and was statistically significant different from zero
Increased use of modern agricultural practices (any of the practices)	YES	On average, there was a 3.4 percentage point increase in the number of participant households reporting increased use of modern agricultural practices compared with non participants.
Increased practice of compost Manure and organic fertilizers	YES	On average, there was a 5.2 percentage point increase in the number of participant households reporting increased use of compost manure and organic fertilizers compared with non participants

Recommendations:

Continue to strengthen marketing channels in livelihood programs so they lead to better incomes for farmers.

The results of this Effectiveness Review added to the proof that farmers' markets provided by the Coffee Cooperative Unions have a positive impact in terms of increasing income. This Effectiveness Review provided clear evidence that the new marketing channels for coffee farmers, (selling through the cooperatives) which cut out intermediaries, and the related support provided to producers under this project have led to a significant improvement in household income. This evidence can be used to strengthen the case both for scaling up the farmers markets in Ethiopia and for encouraging adoption in other parts of Ethiopia where coffee is grown.

Continue to engaging stakeholders with clearly defined roles so they can have greater impact on development projects.

The critical role of the stakeholders in moving the project success forward through engaging them from the outset contributed to positive outcomes. One key learning from this Effectiveness Review is the pivotal role played by the bureaus and sectoral institutions such as Jimma University and Cooperatives agency in delivering an integrated support for success, influencing and by demonstration and scaling. Jimma University led in capacity building trainings to equip the coffee farmers with the necessary skills for coffee production. The cooperatives unions facilitated the marketing of coffee and ensured that the farmers sold greater quantities and obtained higher revenues for their produce.

Capacity building of beneficiaries both before and during project implementation should be encouraged in future livelihoods interventions.

The Functional Adult Literacy (FAL) scheme spear-headed by Limmu Inara Cooperative Union was aimed at building the capacity of coffee farmers particularly in the use of modern agricultural practices with a view to improving the quantity and quality of coffee produced. Indeed, there is evidence from this effectiveness review that farmers adopted modern methods of farming. The Integrated Functional Adult Learning contributed to the acquisition of new skills and knowledge and should therefore be encouraged in future implementation strategies in projects of a similar nature. Leveraging on external stakeholders and global events for demonstration, synergy and influencing such as the global PS learning events organised by Oxfam, Catholic Relief Services (CRS) and Slow Food and finance fare of BioFach should also be encouraged in implementing future projects.

Identify stages within a given value-chain where women can actively engage to improve chances of greater impact.

One important learning consideration is that when designing a project, it would be important to consider which stages of the value chain women best fit in and what kind of special support they may require. At times, it may not matter whether the commodity is a cash crop mainly dominated by men. However, knowing which part of the value chain works best for women is crucial. In this particular project, women engaged in coffee seedling preparation and this proved to be quite relevant for them and consequently more seedlings were produced which ultimately boosted coffee production.

Consider the ways institutional strengthening of the Limmu Inara Cooperative Union worked better than support through the business service provider, and implement this into future projects.

Initially, Oxfam commissioned a business service provider to support the Limmu Inara Cooperative Union to play a facilitation role and link them with the export buyers. One of the lessons learnt is that strengthening the institutional capacity of the Union can make it more effective in discharging its functions. The union hired its own commercial manager who facilitates its own export link. As a result, the union managed to directly connect to export buyers and was able to negotiate for prices. This ensured that the Union had more potential buyers who could offer better coffee prices. Consequently, coffee farmers were able to sell more of their produce at better prices and hence obtained higher revenues.

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

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 2009. In using this design, it applied different measurements that involve the operationalisation of the constructs in defined variables and the development and application of instruments or tests to quantify these variables. Hence, the reviewer used key indicators of the quality of a measuring instrument - reliability and validity of the measures. To improve the confidence in making this comparison, households in the project coffee cooperatives were 'matched' with households with similar characteristics in the non-project (or 'comparison') coffee cooperatives.

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

Yes. The review provided evidence showing that the project has some strong contributions to the livelihoods of rural coffee producers who participated in the project compared to their counterparts who did not.. Some of the strong areas, among others, that the project contributed, as reported in the review, include; the use of improved agricultural practices which resulted in higher production of coffee and engagement of the producers' organizations in the national and global markets. As a result of boosting production and improving quality, the review also indicated that there is an increased volume of coffee that was traded nationally and globally and as a result increased revenue generation to the household.

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

None.

6. Summary of review quality assessment

As an impact evaluation, the review addressed resource productivity, organisational learning, and impact on the smallholder farmers, direct business success, meeting the market share and meeting the regulatory requirements of the product in acquiring organic certification. It has also captured farmers' satisfaction and stakeholders' satisfaction. With a focus on assessing impact in relation to Oxfam's global outcome indicator, the review did not attempt to address effectiveness from the perspective of cost, time, quality, efficiency, performance and technical success. Although organisational learning is captured, it was beyond the scope of the evaluation to explore if there were new ideas, methods, approaches, inventions or applications, or consider project management process, team creativity and knowledge.

So, the process has clearly shown success areas. For future evaluations, it would also be good to consider the issues mentioned above. So, it can be rated as mixed.

7. Main Oxfam follow-up actions

The project –'Linking smallholder coffee producers to sustainable markets' has been completed and handed over to the local government and the union. However, organisational learning from the intervention and evaluation will be used for interventions of similar nature and for future project designing.

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

None

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?

1. Functional Adult Literacy (FAL) integration in market based value chain programming. (Regional centre and Oxford can support this as development of FAL curriculum and making it specific to commodity and to specific livelihoods for interventions in pastoral, agro-pastoral and farming communities. Curriculum module development would require exhaustive context assessment and defining learners needs, in this case, smallholder farmers who are targeted in our value chain programme. It also requires setting up the adult learning circles in their locality, some basic facilities and teaching aids relevant to adult learners as well as being specific to the commodity selected. It needs training of the development agents on adult teaching methodologies. This may require additional resources to be set aside in addition to the market based intervention focusing on the commodity specific value chain.
2. Engaging stakeholders with clearly defined roles from the very beginning of intervention. One of the learnings from the coffee value chain project is using multi stakeholders forum in a coordinated manner to enable improvements in value chain performance and promotion of effective and equitable risk management across value chain. For this to happen, there should be a defined terms of reference of what is expected of each stakeholder, the roles and responsibilities of each actor in the value chain, and a clear action plan for the forum with clear expected deliverables. All the livelihood projects can use multi stakeholders' platforms with clear terms of reference and well defined roles and responsibilities.
3. Engaging women in market based programming. (Region and Oxford can support in raising funds to support initiatives that target women, build the capacity of staff in approaches such as GEM, WE-Care.) Demonstrating scope for economic leadership of women in key value chains requires understanding and defining which specific area of the value chain women can fit best and which would be their comparative

advantage to participate and earn a decent income from engaging. Projects should have specific and tailor-made capacity building support to women in areas such as leadership, business management, saving and financial management, assertiveness and other life skills. Where main activities include specific skills development for women producers, promotion of women owned enterprises, awareness raising of smallholder producers and cooperative leaders to promote women's leadership is also important. All projects put women at the center of the interventions, but critical attention should be given to capacity building support tailored to women smallholder farmers and those in leadership positions in producer organisations. For this to happen, Oxfam country staff as well as implementing partners should be given the necessary support to be familiar with the different tool kits Oxfam has.

4. Capacity building of smallholder farmers - There are a lot of knowledge and skill gaps that smallholder farmers have on new agricultural technologies and practices as well as enterprise development and entrepreneurship skills, skills to develop business plan as well as some negotiation and marketing skills and how and where to seek market information. As the lack of skills of the producers is vividly seen, most middlemen take advantage of that and use the farmers' 'ignorance' to their own advantage. The longer the chain, the lesser smallholder farmers get profit from their produce. So, creating a more competitive market and market deals between farmers and their cooperatives and between farmers and the middlemen will give farmers to have a better bargaining position and this requires some skills. All of the skills mentioned are quite relevant for any value chain programme; Farmers should also be supported on how they can increase diversification, quality and adoption of technologies to add value. Undertaking community level assessments to ensure long term adaptation to risk, linking smallholder farmers with research and extension services to enable quality improvements, new product development and diversification, develop nursery enterprises to assure input supplies and train processors in quality standards and best practices. Enabling access to key services as part of business model that included linking producer groups to financial service providers, enabling small producers access to market information services and initiating and leveraging of investment in infrastructure and provision of new technologies for value addition are also areas of capacity building support that the value chain projects can emulate experiences from. All market based livelihood projects (honey value chain, dairy value chain, horticulture, oilseeds) can emulate the experience and modest contributions made in the coffee value chain for all of this to happen.

10. Additional reflections

None