

**Oxfam Management response to the review of *Livelihoods in Tanzania: Impact evaluation of the ‘Optimizing income of local chicken and sunflower smallholder producers’ project (Effectiveness Review Series 2016/17)***

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**A: Context, background and findings**

**1. The context and background of the review, i.e. the purpose and scope of the evaluation**

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 ‘Optimizing income of local chicken and sunflower smallholder producers in Tanzania’ project was selected for review in this way under the livelihoods thematic area.

Project activities were implemented by Oxfam GB in conjunction with partners Uluguru Mountains Agricultural Development Project (UMADEP), Women and Poverty Alleviation in Tanzania (WOPATA), INADES Formation Tanzania (IFTz), and Social and Economic Development Initiative in Tanzania (SEDIT). The project began in October 2012 and was completed in August 2015. Its overall objective was to contribute to improved production, sales and revenue from sunflowers and local chicken, by providing the necessary inputs and technical advice on modern methods of farming and forming marketing groups for these commodities in order to increase sales.

The project covered three districts, firstly Kilosa district in Morogoro region, and Kongwa and Chamwino districts in Dodoma region. Local chicken production was implemented in Kilosa, while both local chicken and sunflower production initiatives were implemented in Kongwa and Chamwino districts. Sunflower was mainly grown for sale to wholesalers and local traders, with some for home consumption. Local chicken production consisted of three components namely eggs, chicks and chicken. The eggs and chicken were sold to local traders and hotels, while chicks were sold to other farmers within the community.

The farmers were organised into farmer groups and trained on chicken husbandry practices, as well as how to prepare a constitution and business plan. ‘Para-vets’ were selected from each ward and trained on technical aspects of veterinary service delivery, and supported with tools and transport to provide services to the community. Incubator operators were also identified and trained to serve the local chicken farmers. The partner established a local chicken smallholder producers’ association at ward level which was expected to carry out their function even with the absence of UMADEP. This could potentially address sustainability issues connected to the project.

INADES formed five cooperatives for sunflower farmers. The farmers were organised to sell their seeds to the Cooperative Unions and this was expected to offer the farmers a better price for their produce. Board members were appointed for the cooperatives and trained to improve the management of the unions. The partner also established processing plants for sunflower seeds in the community. The cooperatives bought sunflower seeds from the farmers and took to the processing plants established where sunflower oil is produced for sale to wholesalers and retailers. The partner also offered training to the farmers on modern methods of sunflower production, from planting to harvesting, storage and processing.

WOPATA also promoted the production of local chicken in Kilosa district through the provision of

incubators, training on local chicken production and establishment of markets within the community where local chicken could be sold to traders. The partner ensured that the farmers are specialised in the three segments of the value chain – production of fertile eggs, eggs incubation and growing chicks into chicken. ‘Para-vet’ services were also provided to improve local chicken husbandry, disease diagnosis, vaccination and treatments.

Sokoine University offered training to the farmers on sunflower and local chicken production in conjunction with the partners and the Department of Agriculture. Oxfam provided the funds for project implementation and managed the coordination of project activities. The project was intended to benefit up to 1000 households in the three districts.

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 not been supported by the project but had similar livelihood characteristics in 2011, before the project was implemented.

The Effectiveness Review was carried out in 23 villages in the three districts where the project activities had been implemented. Households that had participated in the project were selected at random to be interviewed. For comparison purposes, interviews were also carried out with farmer households from four villages that had not participated in the project, but who were eligible and had expressed an interest in doing so.

These villages were selected purposively because they were deemed to have had similar characteristics to the implementation villages at baseline. Households in these villages were randomly selected and interviews conducted. In total, 229 project participants and 470 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 in order to increase 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
Adoption of agricultural practices and technology	YES	On average, farmers in the project areas adopted more modern agricultural practices/technologies compared to non-project areas.
Increased access to markets	YES	On average, 9 percent of the project beneficiaries had reported selling products to community associations compared to none in the comparison group. While the difference was statistically significant the small proportion of project households using associations, cooperatives or local markets raises questions of the impact of the project on overall market behaviour.
Increased value addition	NO	No evidence of impact was found for adding value through food/crop processing during the project period.
Increased production and revenue from eggs	YES	Evidence that project households have produced and sold a significantly higher number of eggs compared to the non-project households, leading to greater revenues received.
Increased production and revenue from chicks	YES	Evidence that project households had produced a greater number of chicks and gained greater revenue from their sale.
Increased production and revenue from local chicken	MIXED	Project households had produced more chicken compared to the comparison families; however, there are no differences in the quantity of chicken sold and the revenues gained from the sales.

Crop diversity	YES	Project households had slightly more diversified crop portfolios. The project participants were cultivating an average of 3.05 crops compared to the 2.39 crops grown by the non-project households.
Increased production and revenue from sunflower	YES	On average, project households produced more sunflower than households in comparison communities, but only generated marginally more revenue.
Increased total crop production, sales and revenues	YES	On average, households in project areas cultivated more agricultural produce and generated greater revenue than matched comparison households.
Wealth index	NO	No evidence of impact was found for changes in wealth status among project households.
Overall household income (Global Indicator)	YES	The income was measured during the effectiveness review indirectly through total household consumption per adult equivalent per day expressed as logarithm of the local currency (i.e. Tanzanian Shilling in this case). Households in project areas had a 21 per cent higher overall household income compared to the households in the comparison communities.

### **Recommendations:**

#### **Investigate the effectiveness of the market construction initiative**

According to the project team, one of the key project interventions was the development of market structures in some of the project villages. However, findings from the review suggest that few of the project households interviewed sold their produce through these markets. The majority of households chose to sell their produce through local traders or middlemen. These results warrant further follow-up with both the project team and project households to examine why this is the case, and whether there is scope to strengthen this intervention.

#### **Strengthen the role of the producer organizations and cooperatives connected to the value chains targeted by the project**

One of the project's initiatives was to establish producer organizations – particularly around the main value chains in the project, namely sunflower, eggs and chicken. However, as with the first consideration, the findings also revealed very few households selling their agricultural or livestock produce through these farmer organizations or cooperatives. Further research is required, but there seems to be scope for formalising the scope of these organizations, and examining whether there is opportunity to utilize the increased number of households involved in production of these crops and poultry products. There may be a greater role for the associations to play in collective marketing and selling – potentially further boosting the strong results connected to production and revenue earned.

#### **Evaluate options for how to add value in the value chains targeted by the project**

Clearly the project has been successful in encouraging greater production in the value chains targeted by the project. This should offer a key opportunity for the project team to consider how to maximize this increase in production by evaluating options for adding value to the produce. Whether in the sunflower value chain, or in the chicken rearing element of the project, there seems to be great potential to increase the value of the produce, for example by the introduction of value addition machines.

#### **Review the success of the project and explore opportunities to replicate elements**

The results from the review indicate the project has been largely successful in its key objectives of encouraging implementation of improved agricultural practices, increasing production in sunflower, eggs and chicken, and in turn increasing overall household income. There seems to be opportunity here to review and further understand the reasons for such success, and evaluate whether there are opportunities to replicate the success of these interventions elsewhere.

**B: Oxfam's response** to the validity and relevance of the review findings, conclusions and recommendations.

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

The programme team concur with the findings of this evaluation. Producer groups were formed as indicated in the report and the project facilitated the establishment of market centres with the aim of enhancing collective marketing. However, the groups did not make effective use of the markets and opted to sell individually to middlemen in order to meet immediate family needs.

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

A number of strong areas were identified by the review including increased production, adoption of new technology by the producer groups, establishment of market centres for collective selling, and action to promote formation of producer organisations and cooperatives for the two value chains.

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

In both value chains, the review revealed there was limited adoption of product value addition, showing that the focus of the intervention was on production and not on other value chain aspects such as processing. Additionally, the limited engagement of Local Government Authorities contributed to a limited sense of project ownership by the beneficiary communities. There was also no evidence of access to alternative sources of income for which inadequate linkages to financial institutions was a contributing factor.

Lack of continuity in project leadership and project management also contributed to some of these challenges.

The capacity of implementing partners, especially on value chain and marketing concepts, was another factor contributing to some of the weaknesses identified.

**6. Summary of review quality assessment, i.e. quality of the review is strong/mixed/poor and short assessment of the process**

The quality of the review process was good and it was conducted in a participatory manner with the Oxfam programme team involved in the process throughout. The consultant selection process was also participatory involving all key departments (programme, logistics and finance). The local government and beneficiary community participated in the data collection process.

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

The Programme is committed to ensure that for all value chain projects, small holder farmers are capacitated to make use of the collective market approach – so that the farmers can work together and combine produce for collective selling, which in-turn will attract a larger number of buyers including wholesalers, retailers and export markets.

The Programme will take into consideration the approaches which contributed to the success of this project. The Programme is also dedicated to ensure that small scale producers are equipped

with a good understanding of the value chain approach and processes so that they can achieve benefits at all levels of the chain, from production, adoption of value addition, link with key stakeholders and service providers – while still ensuring reliable market access. Furthermore, plans will be put to place to learn from other organizations implementing value chain projects both within and outside Oxfam.

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

The programme is not planning to commit to replicate the local chicken value chain at this time.

**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?** Please be as specific as possible and provide context where relevant, naming projects in full where learning from the review will be applied.

OiTZ has sisal and rice value chains projects running in the Lake zone. The lessons we have learned from this Effectiveness Review on the importance of groups and markets for income improvements will be used to enhance other on-going value chain interventions.

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

Needs assessment should inform the design and implementation of any project. This review process revealed some gaps in the implementation of the project specifically on issues around the establishment of market centres which were not efficiently used by the project beneficiaries.