

Oxfam's Work in Empowering Smallholder Farmers

Nicholas Colloff

June 2013

GROW.SELL.THRIVE.
GENDERED ENTERPRISE AND MARKETS PROGRAMME



OXFAM

Outline

- (Brief) Introduction to Oxfam
- Gendered Enterprise And Markets Programme (GEM)
- Enterprise Development Programme (EDP)
- Small Enterprise Impact Investment Fund (SEIIF)

GROW.SELL.THRIVE.
GENDERED ENTERPRISE AND MARKETS PROGRAMME



OXFAM

Introduction to Oxfam

- Oxfam has 17 affiliates, and works in over 90 countries
- Our vision is to achieve a just world without poverty; one in which nine billion people will live equitably and free from the injustice of poverty, on a planet that has the natural resources to sustain them. (OXFAM STRATEGIC PLAN 2013-19)
- Oxfam has six goals to change our world:
 - 1. People claiming their right to a better life
 - 2. Gender justice
 - 3. Saving lives, now and in the future
 - 4. Sustainable food
 - 5. Fair sharing of natural resources
 - 6. Universal essential services and funding development



Gendered Enterprise and Markets Programme

GROW.SELL.THRIVE.
GENDERED ENTERPRISE AND MARKETS PROGRAMME



OXFAM

What is the GEM Programme?

The GEM Programme supports sustainable livelihoods of small scale farmers through...

A market systems approach

- Building capacity to reap the gains of agricultural markets
- Advocating for policy and regulations that improve the operating environment
- Facilitating dialogue across the public, private and civic sectors

A multidisciplinary approach

- Improving smallholder power in agricultural markets
- Promoting women's economic leadership
- Integrating risk analysis including climate change adaptation

The GEM Programme provides the flexibility to design, manage and deliver consistently high quality projects in multiple countries using a single methodology

Where are we working?

The GEM Programme is being developed in 13 countries across various sectors....

Armenia	Fruit, berries, nuts
Azerbaijan	Vegetables & fruits
Bangladesh	Dairy
Colombia	Vegetables
Ethiopia	Coffee, sesame, honey
Nigeria	Cassava, Maize
Philippines	Abaca

Occupied Palestinian Territories (OPT)	Vegetables
Sri Lanka	Paddy
Tanzania	Vegetable & rice
Tajikistan	Vegetable, fruit, dairy
Zambia	Chili, dairy, goat
Zimbabwe	Horticulture

Oxfam works in other countries developing similar approaches as well

What makes GEM different?

Other methodologies also focus on value chains, markets and gendered empowerment in the smallholder livelihoods context... but the GEM Programme is able to **provide an integrated approach** from household to market, and advocate for broader change....

	household & farm system	value chain	Market system	women's economic leadership	risk & climate change adaptation	cross-sector facilitation	Advocating for policy change
M4P		✓	✓			✓	
Care - Pathways to Empowerment	✓	✓	✓	✓		✓	
Practical Action - PMSD		✓	✓		✓	✓	
AgriProFocus - GVC Framework	✓	✓		✓			
CIAT - Link methodology		✓			✓	✓	
Oxfam - GEM Programme	✓	✓	✓	✓	✓	✓	✓

Examples of interventions

... **Addressing the needs of women**, creating opportunities for women's economic leadership; and **mitigating the effects of climate change**



Bangladesh chillies

Oxfam is supporting 1,500 farmers in the char islands of Northern Bangladesh. 60% of them are women. The area suffers long periods of flooding, but by introducing new varieties, and promoting high land chilli planting, Oxfam is helping farmers participate sustainably in the market.



Philippines moringa

Oxfam has worked with local partners and farmers to introduce a new crop: *moringa* into the Mindanao region. Women play a key role in production and trading. Local partners have set up partnership to assess and mitigate against weather-related disasters, in particular floods.

Examples of interventions

... Supporting smallholder farmers, and their enterprises (examples from the *Enterprise Development Programme*)



Ethiopia Honey sector

Oxfam is working with Zembaba, a federation of 9 farmer cooperatives with a total of 3,100 farmers (32% of whom are women, up from 18% two years ago). Oxfam supporting Zembaba set up a beehive workshop that will enable women to participate in the sector and to increase their yields, while Zembaba will trade their product in national and export markets.



Palestine Food

Oxfam works with fifteen small cooperatives in the food sector, many of which are run by women. The New Farm Company buys from them and sells into Jordan, Saudi Arabia and the UK. Another Oxfam programme supports olive oil farmers improve production, access to markets and dialogue with policy makers.

Examples of interventions

... Building inclusive value chains



Tanzania sisal production and processing

In Tanzania Oxfam helped established a relationship between Katani and sisal growers and processors to guarantee a buyer to they could invest in to make it commercially viable. This has helped spark a small industry, not just of growers, but of local production of raspadoras – the machine that turns sisal into fibre. The farmers now sell to other buyers, spreading their risk.



Sri Lanka coir production and processing

Traditional coir processing is done by women in poor conditions and with very low returns. Oxfam worked with women's groups to improve quality of production and processing of coconut coir fibre, to produce semi-processed materials, such as rope and brushes. Hayleys Fibre guarantees purchase if quality standards are met, exporting to global markets. The women's groups have representation on the southern province coir steering committee.

Examples of interventions

.... Work within an improved operating environment



Bolivian Agricultural Insurance Scheme

Responding to key opportunities, Oxfam facilitated the establishment of a comprehensive insurance scheme funded and launched by the Bolivarian government, providing coverage for 700,000 smallholder farmers against current and future impacts of climate change.



Ethiopia women's literacy and numeracy training

Having identified lack of basic literacy and numeracy skills as barriers for women to taking leadership positions in coffee cooperatives, trainings with tailor-made materials were organized with government employed extensionists to enable rapid scale-up. Following initial success, the model is being adopted by other ministries.

Examples of budgets

Armenia	£420,000
Azerbaijan	£1,470,000
Bangladesh	£315,000
Colombia	£978,285
Ethiopia	£3,535,084
Nigeria	£253,505
Philippines	£488,031
OPTI	£1,763,580
Sri Lanka	£346,500
Tajikistan	£622,710
Tanzania	£142,275
Zambia	£1,365,000
Zimbabwe	£420,000
Total	£12,119,969

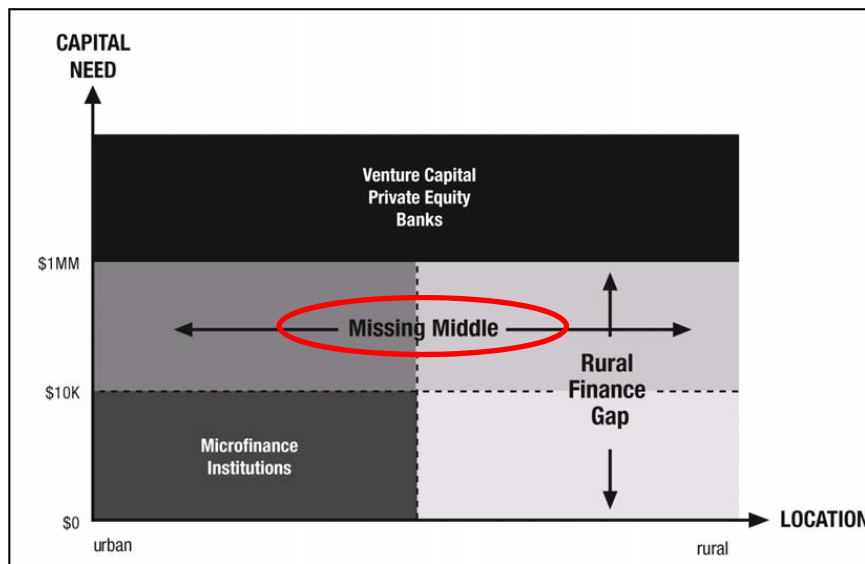
* Some programmes are already in development and require co-investment to further scale up following initial success..



Oxfam's Enterprise Development Programme

Introduction to Oxfam's Enterprise Development Programme

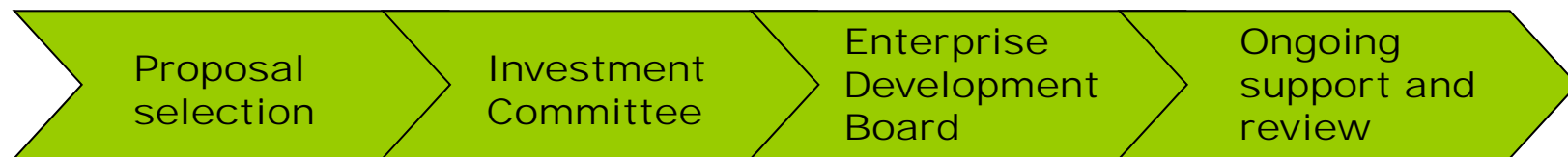
- Oxfam set up EDP to identify, invest in and nurture early-stage, rural and agricultural SMEs in developing countries
- SMEs are essential for **job creation**, but are ignored by banks and microcredit (the '**missing middle**')



- EDP targets the 'toughest' SMEs
 - Rural, agricultural, remote
 - Limited capacity and track record

How EDP works

- Since 2008:
 - Raised £4.5m raised
 - Reviewed 100+ business plans, selected 19
- Oxfam provides:
 - **Loan** finance
 - Business support
 - Social grants
- Enterprises selected on **business & social criteria**
- Has a separate governance with participation of **experts and donors**

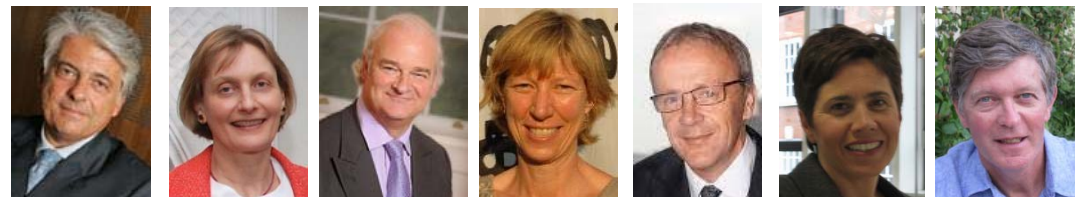


Investment Committee



Nicholas Colloff Oxfam
David Pitt-Watson Hermes
Chris West Shell Foundation
Rachel Crossley

EDP Board



Vincenzo Morelli TPG
Ursula Van Almsick
Alan Nesbit Maitri Trust
Penny Lawrence Oxfam
Gavin Stewart
Jo Barnett Virgin Money
Sandy Arbuthnot

EDP Portfolio today



New Farm C, OPT
(processed food)



Lchkadzor, Armenia
(processed fruits)



FORUS, Russia
(microfinance)



CTE-f, **Bangladesh**
(chillies)



Let Agogo
Haiti
(dairy)



Belle Vue
St Lucia
(vegetables)



Assosa, **Ethiopia**
(sesame)



Pabitra, **Nepal**
(vegetable seeds)



DAFACOS, **Nepal**
(veg. seeds)



Dairy coops
Colombia



APROALCE
Honduras
(vegetables)



AMENU
Liberia
(rice)



Zembaba, **Ethi.**
(honey)



Chenab, **Pakistan**
(dairy)



ULBCS
Sri Lanka
(dairy)



BN, **Rwanda**
(mushrooms)



Sisal processors
Tanzania



LIBAS, **Philippines**
(moringa)



WMY
Indonesia
(vanilla)
OXFAM

EDP achievements

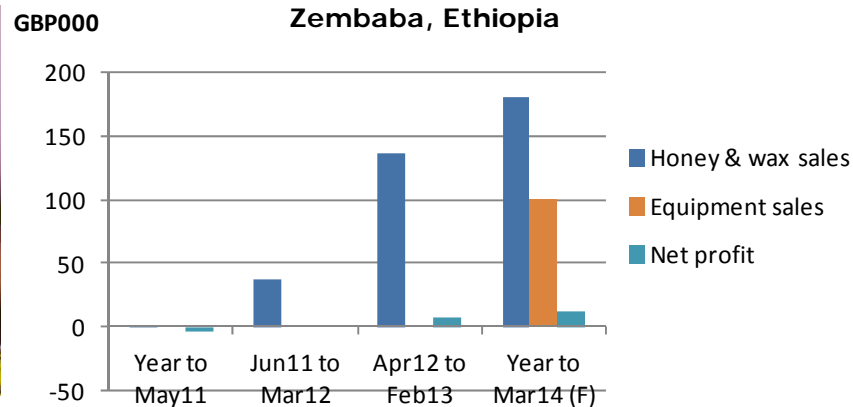
- £4.5m raised, £3m disbursed (of which £1m loans*) – seeking another £1m to make five new investments in 2013
- Enterprise revenues up by 50% on average in the last two years
- Number of farmers supported up by 50% to reach 29,000. Women represent 37% (up from 21%)

Social indicators		Baseline	2011	2012	Target
Farmers in the enterprises	Total	19000	24000	29000	40000
	Average	1340	1700	2000	
FTE jobs in the enterprise only	Total	32	69	81	120
Women participation (%)		Baseline	2011	2012	Target
Farmers members		21%	32%	37%	50%
FTE Jobs in the enterprises		34%	42%	40%	50%
General Managers		17%	22%	21%	35%
Directors on Board		24%	27%	34%	45%

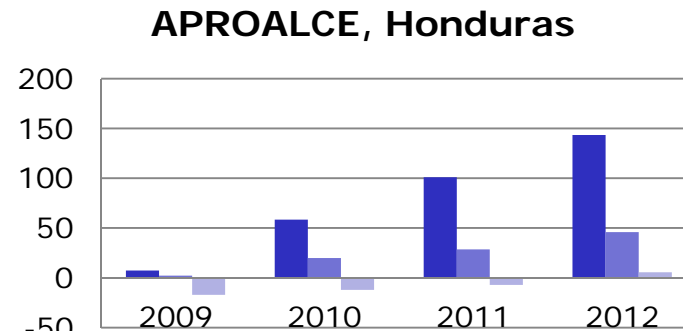
- Four of twelve enterprises in the portfolio achieved profitability after 3 years. Target 50% enterprises viable after 4 years.
- Many lessons on investing in early-stage agricultural enterprises:
 - **Importance of capacity development alongside investment – limited experience at start requires training, mentoring, economic incentives**
 - **Need to carry out detailed feasibility analysis, including environmental**
 - **Important to How to set up partnerships/contracts with medium-sized buyers**



EDP examples

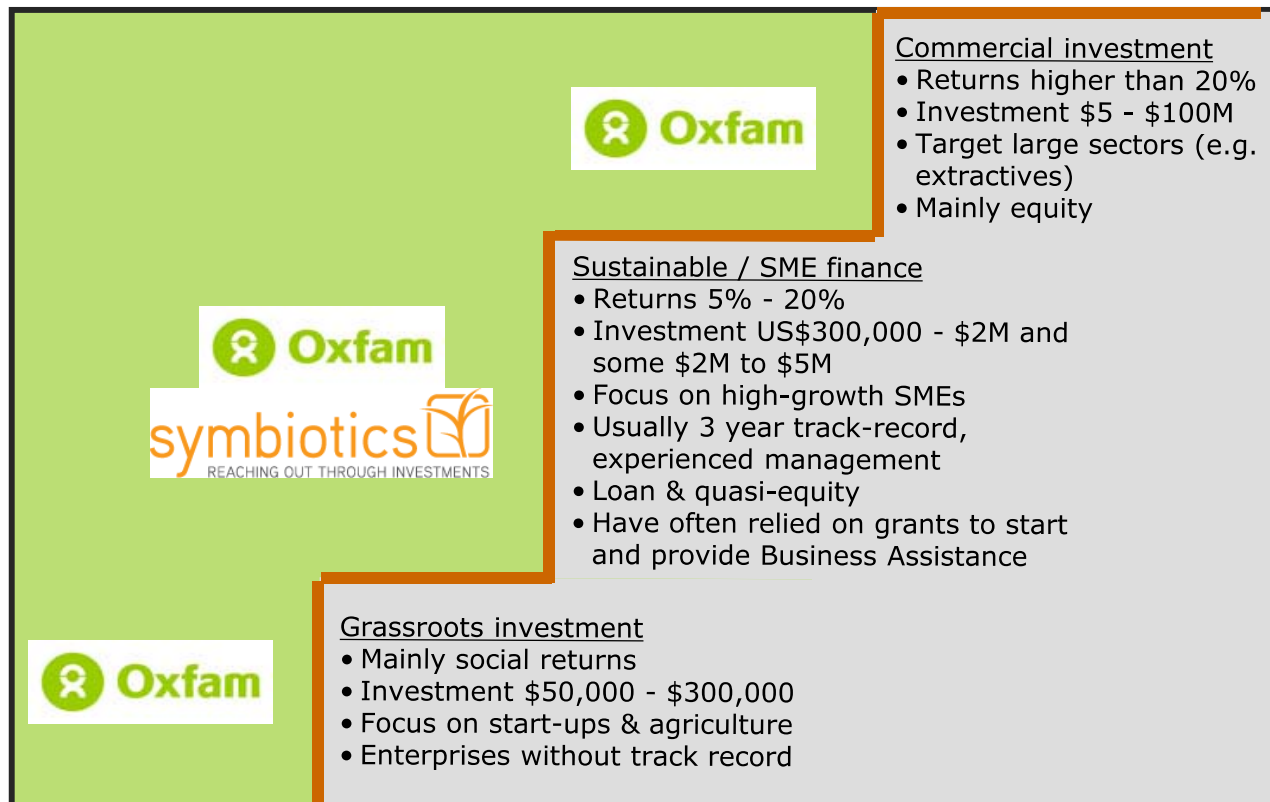


- Committed marketing manager promoted to General Manager
- Steadily grown *honey* sales through various channels.
- Challenges : workshops delays



- Initial delays caused by poor weather conditions
- Re-organised production and management
- Now trades in 5 supermarkets in the capital
- Challenges: finding local bank to set up credit facility to expand

Oxfam's initiatives on SME development



Oxfam's initiatives on SME development



Managed internally at Oxfam

Targets rural, remote, agriculture

Usually farmer-owned enterprises

Early-stage, sales: 0-£70,000

Staff: 0-10

Typical loan: £60,000 (similar grant)

Philanthropic donation to Oxfam

Managed by Symbiotics, experienced fund manager

Invests in existing SME funds

SMEs 10-100 staff

Typical investment: \$1m

Mix of equity/loan

Target net return 5% per annum USD