

OPPORTUNITY AND RISK APPRAISAL

Following the agreement between OXFAM NOVIB and ESAFF to fund part of its project, the opportunity and appraisal process was done. This document presents the assessment of the opportunities and risks of ESAFF. The opportunity and risk appraisal document contains five parts; Introduction, Opportunity for Cooperation, Principle Risks, Recommendation and Follow-up Review.

Name of Counterpart	: Eastern and Southern African Farmer's Forum (ESAFF)
Version	: final draft
Oxfam Novib Counterpart number:	PAF- 505239 (new partner)
Oxfam Novib Project number	: P- 6629
Proposed amount of grant	: Euro 225.000
For the period	: 1 Sept 2008 - 31 Aug 2011
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Date	: 3- 4 June 2008

I. INTRODUCTION

Briefly, in one or two paragraphs, summarise Oxfam Novib's relationship to date with this organisation. Also, mention any other salient points for the reader that will not be in either in this Appraisal or in the Counterpart and Project Description.

Since its first contact with the regional farmers' forum ESAFF in 2005, Oxfam Novib has supported financially ESAFF through the pan Africa programme with two grants: first one (euro 15k) was for registration of the ESAFF as regional institution under Tanzanian law in 2006 and a second one (euro 34k) for the strategic planning workshop in 2008. Representing Oxfam Silas Olang from JOLIT participated in the latter workshop. He gave positive reaction to Novib about the content of workshop.

Oxfam Novib got in contact with the grassroots organisation ESAFF through its regional partner PELUM. The NGOs network PELUM played a catalysating role in the creation of the regional small farmers' forum. PAF had two meetings with the regional ESAFF Board members. VECO Belgium participated also in one meeting and decided to fund ESAFF.

ESAFF built up contacts with other regional partners including ACORD as part of the Stop EPA coalition. At the Stop EPA march during the WSF in Nairobi in 2007, it was the ESAFF regional secretariat who handed over the petition to EU head of delegation in Kenya.

As part of Oxfam Novib strategy to give a combined support to the ESAFF's regional secretariat and the national chapters, PAF coordinates this support with the Oxfam Novib country programme officers for Zambia, Uganda and Rwanda. This has resulted in a first grant to ESAFF Zambia from the ZUA desk. Coincidentally, Oxfam Novib Rwanda aim 1 partner Imbaraga has become in 2007 the Rwanda member of ESAFF. To day, ESAFF has nine national chapters¹.

¹ ESAFF has members in the following countries: Kenya, Tanzania, Uganda, Rwanda, Seychelles, Zambia, Zimbabwe, South Africa and Lesotho.

2. OPPORTUNITY FOR CO-OPERATION

1. What outcomes does the grantee aim to achieve during the project period?

1. **Counterpart's proposed outcomes to be funded by Oxfam Novib.** *Concretely, what will be achieved and by when? Present the set of results that the counterpart intends to achieve with the potential to contribute to policy and practice changes. They should be as specific and measurable as makes sense.*

The programme main aims to set up a functional regional ESAFF secretariat in Morogoro, Tanzania. At the end of the programme (mid 2011) the programme will mainly have produced results in the area of organisational and institutional development of ESAFF. Additionally content related results will have been achieved in three priority programme areas: food security, trade & marketing and the cross cutting cluster of gender, youth and HIV/Aids.

SMARTly formulated the expected outcomes are:

ORGANISATIONAL AND INSTITUTIONAL DEVELOPMENT
<p>1. Established and functional regional secretariat:</p> <ul style="list-style-type: none"> • Regional ESAFF coordinator and administrator employed • Office space secured • Financial and personnel policies developed and approved • Office furniture and stationery procured
<p>2. Functional internal governance and leadership:</p> <ul style="list-style-type: none"> • ESAFF national and regional leaders trained • with six Board meetings, 3 AGMs and 1 TGM held • Board appraisal system and reports operational
<p>3. Functional information and communication systems:</p> <ul style="list-style-type: none"> • Computers, printers and fax machines installed and operational • Functional internet • Functional Website
<p>4. Programming capacity developed:</p> <ul style="list-style-type: none"> • Annual plans and review meetings and reports • Programming manual • Strategic Evaluation report • Monitoring and evaluation tools
<p>5. Fundraising capacity and productive relationship established:</p> <ul style="list-style-type: none"> • Funding strategy implemented • Proposals developed and funded by donors • 100 % of strategic plan budget raised • Meetings with donors and quality progress reports shared with donors and partners
PRIORITY AREAS
<p>6. Food security:</p> <ul style="list-style-type: none"> • One key activity implemented
<p>7. Trade and marketing:</p> <ul style="list-style-type: none"> • One key activity implemented
<p>8. Gender, HIV/AIDS and youth:</p> <ul style="list-style-type: none"> • One key activity implemented

II. What would be the positive consequences if those outcomes were achieved?

I. What are the policy and practice changes to which the grantee will potentially contribute?

What may change, ranging from governmental and corporate laws and regulations and adherence to them, all the way to religious, cultural and social beliefs and their observance?

- The above programme outcomes will contribute to the enhanced self esteem of small scale and family farmers and producers in the east and southern Africa region.
- Small farmers are **increasingly visible in the region and at national level.**
- ESAFF as small farmers' organisation will be more recognised as representing body of small scale farmer's interest that lobbies for national agricultural policies that give priority to small farmers' development. Contribution to the establishment of broader coalitions in various countries that campaign for increased allocation of public funding to agriculture.
- **Small farmers are involved in budgeting process as part of implementation of agricultural policies.**
- Threats and risks of GMOs for small farmers are well known by stakeholders and recognised by governments.
- Women and youth are better represented in farmers' organisations and have a stronger leading role in the organisations.

2. Oxfam Novib's Strategic Change Objectives: *Identify the Oxfam Novib Strategic Change Objective(s) for the regional programme or core country.*

Supporting the organisational and institutional development of the regional small farmers' forum fits with the Pan Africa programme envisaged Strategic Change Objectives as formulated in the SPM. It fits as well with the objectives of the OI pan Africa EJ programme.

Strategy

Oxfam Novib facilitates the horizontal linkage between African farmers' organisations and global farmers' movements. To promote fair trade regulations, Oxfam Novib will financially support the African MTF campaign, especially the Stop EPA campaign.

Strategic Change Objective I.1.1

In 2010, strong and pro-active African farmers' movement exists that is collaborating in broad national and international alliances effectively defending small farmers' and pastoralists' interests around sustainable agriculture, food sovereignty and land rights at regional and international forums. National governments and RECs have adopted and are implementing pro-small scale farmers' policies including food sovereignty. National governments allocate higher percentage of the budget to agriculture.

3. Additional strategic consequences: *What is the social added value that potentially the organisation will have and which merits Oxfam Novib's support?*

- Possible additional strategic consequences are the establishment of linkages between ESAFF and other farmers networking initiatives for example the Via Campesina network in Africa lead by UNAC in Mozambique. ESAFF might also enrich the debate on agriculture development in Africa. ESAFF might also challenge the regional mainstream farmer's organisations EAFF (East Africa Farmers Federation) and SACAU (Southern Africa Confederation of Agricultural Unions).

- It is expected that strengthening of the regional secretariat will have positive impact on the development and performance of the national ESAFF chapters. This might result in valuable potential allies in nine countries in East and southern Africa for the OI EJ campaign in Africa. In particular for ESAFF members MVIWATA in EJ focus country of Tanzania.

III. What is the probability of the counterpart achieving its outcomes?

1. *In the **social context**, what actors and factors are favourable to the achievement of the grantee's outcomes? Explain their relevance to the counterpart's success.*

There is an increased attention at global level for agriculture in Africa. WB report, Food crisis as well the Dutch government. Need for collaboration negotiation partners.

Within Africa there is increased attention for agriculture development at national and regional levels: CAAPD (Comprehensive Africa Agricultural Development Plan), the Maputo declaration.

Small farmers increasingly feel marginalised and challenged by new trade plans and agribusiness for example bio fuels and introduction of GMOs and seeds. This is pushing them to become organised at local level and increasingly at national level and regional level.

Advanced organisations like Tanzanian Mviwata and UNAC in Mozambique are seen by farmers as examples to be followed by other countries.

2. *How has this organisation **demonstrated** that it has the **capacity** to achieve its outcomes? In particular, what evidence is there that the organisation generates outputs, achieves outcomes, and contributes to changes in policies and practices?*

Strong committed among the regional Board to succeed and not to miss this opportunity. The Board has managed to have ESAFF registered in Tanzania under difficult circumstance. Basic things are at place. This includes the opening of a proper bank account. Location for the secretariat is already chosen. Secretariat will be hosted by a strong national ESAFF member MVIWATA. Some other national chapters have also experience with secretariat i.e. Kenya.

ESAFF managed develop itself without substantial financial external support. Strong committed organisation with leadership. It is a five year young farmers' forum which has invested in the development of the national chapters. Today ESAFF is present in nine Africa countries. Among national chapter there is a strong drive to have an operational and capable regional secretariat.

ESAFF is increasingly known by donors and recognised as voice of small scale farmers. This makes is likely that ESAFF will be able to attract additional funding partners once they have set up the regional secretariat. **The Belgium VECO and Barcelona based GRAIN have already shown interested to financially support ESAFF.**

ESAFF has established partnership with like minded NGOs such as ACORD and PELUM. Both are also Oxfam Novib partners.

ESAFF has gained experience with trade and marketing issues. It was partner in the Stop EPA campaign. Board members have participated in EU Farmers tours in 2006.

During the strategic planning workshop in February 2008, ESAFF identified gender as one of the key priorities for the ESAFF combined with youth and HIV/Aids. They are aware that women should play stronger leadership in the organisation. However at this stage of organisational development it was judged to early to define fix quota for female position in board and assembly.

3. THE PRINCIPAL RISKS

You answer Essential Questions IV, V and VI for each Principal Risk. In selecting your Principal Risks, give special attention to potential threats to success in organisational autonomy, financial management, gender equity, HIV/AIDS and environmental sustainability.

IV. What is the potential risk to the grantee being successful in achieving its outcomes? Characterise what might occur, where and when.

V. What would be the negative consequences or losses if the risk materialises? Would the associated losses be major, moderate or minor? Why?

VI. What is the probability of this risk becoming a problem that would undermine the grantee achieving its outcomes? Is the probability of this happening high, medium or low? Why?

Principal Risk #1: Insufficient capacity of regional Board to set up and manage the regional secretariat

Despite its progress in organisation and institutional development, ESAFF is still in its infancy. The qualities and skills of ESAFF as a regional organisation need yet to be fully demonstrated. Major constraint is the regional Board's limited experience in setting up and managing a secretariat. The first test will be the recruitment of qualified and dedicated regional secretary. Following challenges are the developing of management mechanisms (staff manual, financial manual) for the regional secretariat. Combined with this are internal governance issues such as the clear division of roles and responsibilities between the a supervising Board and the implementing secretariat

Consequences of the failure to set up a successful functional secretariat are **major**. It will hamper seriously the development of ESAFF and have consequences for the implementation of the programme. It might lead to poor fundraising results and frustration within the organisation.

The probability that this risk will materialise is **medium**. ESAFF is strongly motivated to succeed and is also aware of the risk. It is considered as a help that ESAFF board members can build on their experiences at national level for example in Kenya and Tanzanian.

Mitigation by capacity building training session of regional board members on specific subjects. Combined with Board meetings. Clear division of roles between board and Secretariat. Management of risk to recruiting wrong secretariat can also be done by probation time and assessment of the secretary.

Principal Risk #2: Unsuccessful management of high expectation of national chapters on the regional programme.

The creation of the regional secretariat implementing a regional programme will create a whole new dynamic within ESAFF. However, the secured programme itself is not yet responding to the high expectations of the national chapters which include assistance in fund raising for the national chapters and concrete support for the national chapters. The unrealistic but existing expectations among the national chapters need to be managed by the regional secretariat and board. Communication between region and national chapters is hampered by poor facilities.

Internal power struggle

The consequences of mismanaging of the high expectations within ESAFF are considered as **moderate**. National chapters are hoping and counting on support from the regional secretariat for their development and capacity building. Some might also wrongly expect direct funds to be challenged to their chapters. At the other hand, it is believed that national chapters will see this first multiannual core funding is a first crucial step forward.

Probability **medium**. Communication. Good and open Communication between regional and national level will be crucial.

Mitigation. Newsletter/ bulletin distributed by email to the national chapters. Assembly meetings.

Principal Risk #3: losing of independency and weakened position of ESAFF

ESAFF strives to follow its mission as small farmer's forum but it has to operate in a complex environment of actors with which it relates. This includes international donors of which it depends to receive the necessary funding to implement its regional programme. However, international donors might instrumentalise ESAFF for achieving other goals than ESAFF is striving for. ESAFF will be challenged by established regional farmers' organisations that see ESAFF as a competing regional farmers' organisation with contradictory agenda.

Consequences of becoming depended on donors with a different agenda than ESAFF are **moderate**. Being in great need for funding ESAFF might follow a pragmatic approach whereby it accepts funding despite mismatching agendas. In the dynamic between ESAFF and the established regional farmer's organisations, both organisations might end up in a power struggle and forget to recognise the common points of interests in developing agricultural development. This might weaken the strategic position of ESAFF.

The probability of materialising of this is **low**. ESAFF has a clear idea who they know who they are and what they want. ESAFF might establish strong partnerships with like minded organisations to enhance its independency. This might be the outcome of its [participation in the PD (People's dialogue Process).

Principal Risk # 4: unsecured funding for the budget

With the ON as only funder the budget is nearly secured for 40%. For the remaining 60% no potential donors have been identified.

Consequence of no additional funding for the programme is **major**. The programme will be limited to the establishment of the secretariat and only limited activities will be implemented in relation to the three key programme areas. Without substantial the implementation of the priority programme areas the regional secretary is deemed to fail and to become a water head without a body.

The probability is considered as **low** because it is believed that ESAFF for its uniqueness as small farmers organisations will be attractive for various donors to be funded for specific activities in the areas of the priority programmes.

Principal risk #5: Low performance on Gender

Gender is recognised by ESAFF is one of the three cross cutting priorities together with youth and HIV/aids. Translated in number of women directly benefiting for the regional programme, ESAFF estimates that 40% will be women. Oxfam Novib policy envisages that the number of direct beneficiaries of its funding reaches the 70% by 2010. Oxfam Novib believes that women suffer most of poverty. Oxfam Novib also realise that ESAFF should be given more time and that at its stage

The consequence of not having 70% of the beneficiaries is **minor**. The percentage of 40% is considered as a reasonable starting level. Over time it is believed that this percentage will increase.

The probability that the programme will not reach 70% women is high. Oxfam Novib might have open dialogue with ESAFF on how to improve results on this cross-cutting theme.

Significant Risk to Oxfam Novib #1:

IV. What is the potential risk to Oxfam Novib of pursuing this opportunity? *Characterise what might occur, where and when.*

V. What would be the negative consequences or losses to Oxfam Novib if the risk materialises? *Would the associated losses be major, moderate or minor? Why?*

VI. What is the probability of this risk becoming a problem to Oxfam Novib? *Is the probability of this happening high, medium or low? Why?*

As member of Oxfam International, Oxfam Novib is aiming to build a strategic alliance with the newly created pan Africa network of farmer's organisations. This network is considered as strategic for lobbying at the continental level towards the AU and UN-ECA. This strategy might be perceived by the network as incoherent because of Oxfam Novib establishment of direct funding relation with ESAFF. EAFF and SACAU are members of the continental network.

Consequence will be **moderate** as Oxfam international might encounter difficulties in establishing a strategic alliance with the pan Africa farmers' network. This might have a negative impact on OI pan Africa advocacy plans on EJ related issues. It might as well play no major role as ESAFF current focus is primarily to the national level instead of the continental level.

The probability is **medium to low**. Currently, no signals have been received from the Africa network on a possible mixed role of Oxfam in supporting Africa farmers' movements. For the time being Oxfam has relatively good contact with the West Africa members which is also a partner of Oxfam Novib. It is clear that this needs to be carefully managed between OI pan Africa EJ lead as contact person with net work and ON pan Africa programme as contact with ESAFF.

4. RECOMMENDATION

VII. In the balance, is the opportunity worth running the risks?

Do you recommend that Oxfam Novib makes the grant or not? Synthetically, explain why, including your judgement about the outcome/investment ratio.

Making up the balance between the opportunities and risks, it is strongly recommended to take a positive decision on the funding of this three years programme. The proposed annual amount is Euro 75,000 bringing the total grant on Euro 250,000.

Supporting the regional small farmers' forum ESAFF fits well with the growing wish within Oxfam Novib to establish direct partnerships with member based grassroots organisations. It is expected that the programme will boost farmer's organisation and networking in a region which is know for its weak farmer's organisation. For Oxfam international, the programme might contribute to the organisational development of potential southern ally for EJ campaign in Africa.

The outcome/investment ratio is positive in particular when one takes into account the possible positive impact of the programme on the organisational and programmatic development of the nine national ESAFF chapters.

4. FOLLOW-UP AND REVIEW

If the opportunity is worth running the principal risks, how will progress be monitored? Here you present the agenda for follow-up and review that you will use at the time of the annual report from the counterpart, with milestones of progress towards the outcomes and of risk reduction or control.

Date and venue of first strategic review:

Outcomes that potentially will contribute to policy and practice changes	Milestones of progress towards the outcomes During the next twelve months of the project period, for each outcome specify <u>one</u> significant and representative indicator of progress. What will be achieved and when? Milestones can be annual objectives or outputs.
ORGANISATIONAL AND INSTITUTIONAL DEVELOPMENT	
1. Established and functional regional secretariat	Milestone of progress by the end of the first year (to be given by ESAFF)
2. Functional internal governance and leadership	to be completed by ESAFF
3. Functional information and communication systems	to be completed by ESAFF
4. Programme capacity developed	to be completed by ESAFF
5. Fundraising capacity and productive relationships developed	to be completed by ESAFF
PRIORITY PROGRAMME AREAS	
6. Food Security	to be completed by ESAFF
7. Trade and Marketing	to be completed by ESAFF
8. Gender, HIV/Aids and Youth	to be completed by ESAFF

Principal Risks to the Success of the Outcomes	Milestone of risk reduction or control During the next twelve months of the project period, specify one piece of evidence that will demonstrate that each Risk is <u>not</u> becoming a problem? Milestones for principal risks may be outputs, activities and other similar evidence. Events that did not occur are also valid milestones.
1. Mismanagement of the regional secretariat by the regional board	to be completed by ESAFF
2. Mismanagement of the high and unrealistic expectations of the regional chapters	to be completed by ESAFF
3. Loosing independency of ESAFF	to be completed by ESAFF
4. Unsecured funding for the regional programme budget	to be completed by ESAFF
5. Weak performance on gender	to be completed by ESAFF

Significant Risks to Oxfam Novib	Management of the risk A. For a risk that would have major consequences and a high probability of occurring, explain what immediate action will be taken to reduce the risk. B. For a risk that would have major losses but a medium possibility of materialising, or would have moderate consequences but a high probability, explain what risk
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	controls will be put in place within the first year of the project period.
1. Incoherent approaches towards African farmers movement between Oxfam international and Oxfam Novib	To be completed by Oxfam Novib

6. REFERENCES

The opportunity and risk methodology enables programme and financial officers to explain their judgements about counterparts. The narrative explanation should stand on its own. Nevertheless, for fellow team members, bureau heads, directors and others, it is always helpful to know what your sources were.

1. Strategic Planning Workshop Report, 28-31 January 2008, Dar Es Salaam, Tanzania
2. ESAFF Strategic Plan 2008-2010 (+ budget), May 2008
3. The ESAFF background, vision, mission, co-values and structures
4. ESAFF, Food first, Fair Trade, Farmer's Solidarity (Leaflet)
5. Several meetings between PAF and regional Board members: Kabwe in 2005, Lusaka in 2006, WVSF Nairobi in 2007, Food sovereignty Forum in 2007,