Hanns R. Neumann Stiftung

‘Building Coffee Farmers Alliances in Uganda’ (CFAU) Project

Baseline Study Report

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Acronyms and Words with Unfamiliar Meaning

CFAU – Coffee Farmers Alliance in Uganda

DCs – Depot Companies. These are the second tier of the organizations that link producer organisations (POs) to the apex organization, the UCFA. Their primary mandate is to market coffee for the producer organisations.

HRNS – Hanns R. Neumann Stiftung, the German Foundation implementing the CFAU Project.

KCFSP - Kaweri Coffee Farmers' Support Project

POs – Producer Organizations. These are the primary organizations comprised of individual coffee farmers numbering between 25 to 35.

EXECUTIVE SUMMARY

This report is documentation of a baseline study on 'Building Coffee Farmers' Alliances in Uganda – CFAU Project implemented by The Hanns R. Neumann Stiftung (HRNS). HRNS is a German organization, established in 2005 with the goal of contributing to safeguard sustainable and long-term profitable coffee production that respects nature and the needs of people. Further to that the foundation seeks to contribute to a healthy environment, dynamic societies, and a level playing field for farmers and their partners in tropical agricultural value chains. In Uganda, the Kaweri Coffee Farmers Support Project has been a successful intervention. Through funding from the Bill and Melinda Gates Foundation, the organisation now implements the CFAU Project, which is a replication of the KCFSP. This report is a documentation of the baseline situation within the project area.

The project area is Luwero and Masaka districts in the central and southeast regions of Uganda. The areas are traditionally coffee growing, receiving adequate rainfall with two crop seasons a year. There are however, spells of less than adequate rainfall instances in the more recent past. The soils in the two areas are fertile providing suitable land for growing coffee and other crops. However, regular use of the land without much rest and proper soil management means that fertility lessons are changing.

The project comes against a backdrop of declining productivity in coffee sector and associated revenues because of a number of factors. Even though coffee is a strategic crop in Uganda earning the country significant proportion of its foreign exchange revenues, the liberalisation implemented in the country in the 1990s across a number of sectors, left the coffee sector negatively affected. The coffee marketing cooperative societies of the time could not compete in an open market and many collapsed. In their place, independent coffee buyers filled the vacuum but gave farmers poor prices for their coffee without seeking the observance of any quality standards. The combination of cooperatives collapsing and government implementing austerity measures led to a huge reduction on investment in agricultural extension services. Consequently, coffee production and productivity declined. With the farmers unable to negotiate for better coffee prices, they lost motivation to make serious investments into coffee farming, further contributing to declining coffee production.

The project's main goal is to see to it that 20,000 coffee farmer families in Uganda representing with their families about 130,000 people in total improve their production system and by raising productivity, product quality, efficiency, and commercial prospect exceed the poverty line of USD 1.0 per person per day in a sustainable way after 8 years. A number of strategies support the goal namely: (i). Establishing and strengthening two-tiered farmer organizations as transparent and professional service providers to their farmer members; (ii). Enabling farmers to improve coffee production and overall farm management in a sustainable way; (iii). Improve overall marketing performance of producer organizations through value

addition and efficient linkage to marketing agencies, exporters, and international traders; and (iv). Empowering men and women in coffee growing households to meaningfully participate in and benefit from coffee supported interventions, production and marketing for equitable and sustainable development.

This survey employed cluster sampling based on the two project intervention locations, with the overriding assumption being that there is small variability within clusters and large variability between the two clusters. The survey instrument was arrived at after the project monitoring indicators were made operational to reflect changes in the lives of the farmers because of the project. Unlike the KCFASP, this study incorporates data on gender besides agronomical data. This reflects the project's recognition of the position of women in economic development in the country vis a vis the limited power they are able to exercise in decision-making.

In reading this report, limitations to this study must be appreciated. Of paramount important is the fact that the study was conducted at a time when the project area experienced a dry spell that destroyed coffee in a big way. The resultant frustration out of watching a season's crop wither made a number of farmers critical of coffee farming. Other limitations include biases resulting from local culture, effect of other interventions and social desirability of responses. Another obvious limitation is the use of consumption index as measure of income. The defect here is the widely accepted limitation where expenditure fails to capture savings that could significantly change the income levels depending on the propensity to save.

The following is a summarised presentation of the findings of the study:

Parameter	**Detail**	**Benchmark**
	Average age	48 years
	Female	53%
	Male	47%
Head of household	Husband	74%
	Wife	26%
	Primary school and below	70.1%
Protein intake	Twice a week or more	47.1%
Land	Under coffee	335
Trees	Per acre	421
	Unproductive	21%
Rejuvenation		38.7%
Planting varieties	Clones	24%
	Clones and elites	11.5%
	Unknown	37.7%
Pruning	Yes	77.4%
Record keeping	Yes	10.9%
Keeping cherries in bags on raised beds in store		15.3%
Use of farm inputs		34%
Contribution of farm labour	Husband	52%
Decisions on marketing	Husband	57%
Information on sale of coffee shared with wife		54.5%
Roles shared equally between husband and wife		48.4%

In view of the findings of this study, the following recommendations are made:

i). The project should increase attention accorded women as an important group of players in coffee farming, who unfortunately do not have as much power in the returns of their labours.

ii). With many farmers lacking formal schooling beyond primary level, enough checks and balances should be instituted in the governance of the groups in order to ensure there is no domination of farmers by any elitist cliques.

iii). Since financial institutions are willing to collaborate with strong institutions for financing, the capacity of farmer associations should be built to appropriate levels.

iv). With crop husbandry wanting and negatively affecting yields and quality of coffee, efforts should be invested in educating farmers on good agricultural practices.

v). The project should institute measures to mitigate against the vagaries of the weather such as mulching, etc. In the longer term, gravitation away from rain-fed agriculture will likely be found a worthy venture.

I. INTRODUCTION

1.1 Structure of Report

The report has 8 chapters. Chapter I introduces the project and this study. Chapter II describes the analytical framework underpinning the study. Chapter III covers empirical findings of this study and related discussions. Other considerations considered relevant to the study are the subject of Chapter IV. Conclusions and recommendations follow in Chapters V and VI. References and appendices to the report appear in Chapters VII and VIII respectively.

1.2 The Coffee Subsector in Uganda

In Uganda, robusta coffee beans account for 20-25% of the country's export revenue and provide employment to about 80% of Uganda's rural working population both directly and indirectly. Churning out 3 million bags per year, Uganda relies heavily on coffee as a source of income.

Since the liberalisation of the agricultural sector under the structural adjustments programmes (SAPs) in the early 1990s, coffee production has suffered a blow with the collapse of extension services. The liberalisation took place at a time when the cooperatives that served as coffee marketing channels were ill prepared to operate competitively in an open market. Many collapsed. Revenues from coffee declined. Furthermore, coffee production is still characterised by a lack of modern techniques, and it is constrained by limited access to credit, modern inputs, and fair, effective, and efficient marketing systems.

Nevertheless, coffee remains a strategic crop in Uganda considering its foreign exchange earnings to the country and the number of people employed in the subsector. The dilemma that faces both governments and smallholders in Uganda is that, although returns from coffee are falling, the lack of alternative income sources compels producers to maintain and even increase crop levels. The same drive to continue exporting coffee increases the problem of oversupply and contributes further to the decline in prices.

Liberalisation and the demise of the local co-operative monopolies, has led to a proliferation of local buyers, who tend to purchase the coffee at a single price, but are unable to preserve the identity of the small batches of coffee. At farm level, this eradicates the need to invest in quality further depressing prices.

1.3 Profiles of Masaka & Luwero

Originally, Luwero[1] consisted of the now Luwero district as well as Nakasongola and Nakaseke. Luwero is found in the central part of Uganda, which is one of the major coffee growing regions in the country. The project area comprises Luweero District and parts of Nakasongola, Nakaseke & Wakiso Districts. The population density of the original Luwero District was 88 people per Km^2 while that of Nakasongola was 41 people per Km^2.

The project area is covered with savannah grassland. It has forests with exotic and local tree species and largely savannah reserves with scattered trees mainly Muvule (Chlorophone exels), Musizi (Maesphisis eminii), and Mugavu. A small part to the extreme south is covered by elephant grass with forests.

Rainfall is fairly well distributed throughout the year, with the annual average being 1,300 mm. Some parts of Nakaseke County are very dry with very low rains. Peak rain periods are March-May and October-November. The dry season occurs from December–March and from June-July. The mean annual rainfall however varies from 40'' in the northern half of the district to between 45'' and 50'' in the southern part. The mean annual maximum temperature ranges between 15^0c and 17.5^0c.

The soils are generally red sandy looms. The southern part is relatively fertile and can support all kinds of crops. In the northern areas, some soils developed from alluvial materials, which are deep and strongly acidic with low organic matter content. The soils are however suited for annual and perennial crop growing and cattle rearing. The area has good infrastructure; Kampala – Gulu highway and all year weather murram feeder roads.

Originally, Masaka consisted of Rakai, Kalangala, and Sembabule, making it once the largest district in Uganda. Today Masaka has reduced in size after Kooki, Sese islands, and Sembabule sub-district were elevated to district status. Masaka District is one of the districts in Uganda that has suffered from governance, epidemics, and a collapse of the service delivery system. It is situated about 37 Kms, away from the equator towards the south.

Sembabule borders the district in the northwest, Mpingi in the north, Rakai in the west and south, and Kalangala District in the east. The landscape and topography in general is rolling and undulating with vertical gully heads and valley bottom, swamps and streams flowing into lakes and rivers.

The soil texture is varied from place to place ranging from red laterite, sandy loam, and loam but it is in general productive. Soils are generally rerrallitic, characterized

[1] Uganda Bureau of Statistics Census 2002

by red coloured sandy clay loams within the Municipality and yellowish sandy loams in the surrounding areas. Along the shores of Lake Victoria, soils are hydromorphic. Generally, a large amount of water flows through streams to lakes and rivers every year.

Masaka District enjoys tropical climate, being modified by relief and nearness to Lake Victoria. The rainfall pattern is bimodal having two seasons with dry spells between July and August, and January to March. The months of March, April and May receive very heavy and well-distributed rains of up to 1,200mm. The second season occurs in the months of September to December. With the exception of a few years of declining trends in precipitation, the annual average rainfall received is between 1100mm – 1200mm with 100 – 110 rainy days. The average maximum temperature does not exceed 30^0 C and the minimum not below 10^0 C with almost equal length of day and night throughout the year. The humidity level is generally low throughout the district with the exception of lakeshore areas where it tends to rise.

1.4 The Project: HRNS and CFAU

The Hanns R. Neumann Stiftung (HRNS) is a German organization established in 2005 with the goal of contributing to safeguard sustainable and long-term profitable coffee production that respects nature and the needs of people. Further to that the foundation seeks to contribute to a healthy environment, dynamic societies, and a level playing field for farmers and their partners in tropical agricultural value chains. The strategies employed to achieve these are:

- Supporting smallholder farmers towards being economically self-sufficient and in acquiring entrepreneurial skills that enable them to become competitive in a globalized economy:
- Initiate, implement and scale-up best practice projects in tropical agricultural communities worldwide:
- Comprehensively protect natural resources and address the challenges associated with climate change and biodiversity;
- Contribute to the establishment of improved economic, environmental, and social framework conditions on both a national and an international level.

In executing the above strategies HRNS operates community projects with smallholder coffee farmers all over the world. The foundation has consolidated experience in designing and implementing commodity-based development projects and until today has conducted more that fifty-five operations in Africa, Asia, and Latin America. In Uganda, HRNS has been working in Mitiyana and Mubende districts under the KCFSP and now the 'Building Coffee Farmers Alliances in Uganda' (CFAU) Project. The CFAU includes Luwero and Masaka as well.

The project hopes that within 8 years (2009 to 2017), 20,000 coffee farmers in Uganda including their families will impact about 130,000 people in total to improve their livelihoods through an improved production system and by raising productivity, product quality, and efficiency. It will also ensure that the commercial prospect exceed the poverty line of US$ 1.0 per person per day in a sustainable way.

To achieve this vision of success, five specific objectives being addressed are as follows: To,

- Establish and strengthen two-tiered farmer organizations as transparent and professional service providers to their farmer members
- Enable farmers to significantly improve coffee production and overall farm management in a sustainable way
- Enhance coffee quality through improved practices and management
- Improve the overall marketing performance of producer organizations through value addition and efficient linkage to marketing agencies, exporters and international traders
- Empower men and women in coffee growing households to meaningfully participate in and benefit from coffee supported interventions, production and marketing for equitable and sustainable development

Below is a logical framework representation of the project.

Vision of Success:	20,000 coffee farmer families[2] in Uganda representing with their families about 130,000 people in total improve their production system and by raising productivity, product quality, efficiency, and commercial prospect exceed the poverty line of USD 1.0 per person per day in a sustainable way after 8 years.
Objective 1:	Establish and strengthen two-tiered farmer organizations as transparent and professional service providers to their farmer members.
Objective 2:	Enable farmers to significantly improve coffee production and overall farm management in a sustainable way
Objective 3:	Enhance coffee quality through improved practices and management
Objective 4:	Improve overall marketing performance of producer organizations through value addition and efficient linkage to marketing agencies, exporters and international traders
Objective 5:	Empower men and women in coffee growing households to meaningfully participate in and benefit from coffee supported

[2] In general, 30% of households in Uganda are female headed, therefore for coffee farmers, lead farmers and extensionist efforts will be made to have at least 30% of them represented by women as well as up to 30% participation of women in POs and PGs at the end of the project. (definite indicator to specified based on baseline study)

	interventions, production and marketing for equitable and sustainable development

1.5 Objectives of the Baseline Survey

The objective of the consultancy was to strengthen the framework and methodology for evaluating the project. Specifically, the consultancy was aimed at establishing and reviewing the following:

i). Assist the monitoring and evaluation (M&E) team in establishing baseline data sets;

ii). In consultation with HRNS Africa Management, refining the monitoring indicators for the CFAU project in the logical framework (adding intermediate indicators where appropriate);

iii). Enhance, together with the HRNS Africa M&E team, data gathering/monitoring tools that are already in place and create of tools for impact and outcome monitoring and accompanying guidelines;

iv). Review and enhance the specifications of data gathering/monitoring tools within the existing M&E system developed by HRNS. This was to involve the development of a simple yet effective mechanism for collecting information and experiences gained in the course of project execution in order to facilitate the monitoring and evaluation of the operation with special focus on qualitative information. The consultant/team also developed data collection tools such as models for participant surveys, focus group discussion (FGD) guidelines etc. The system will ensure project evaluability in terms of both results and impact, thus serving to inform the preparation of the mid-term and final evaluations. At the same time, the system will enable HRNS to determine the cost/benefit of the project and the effectiveness of the project management team in implementing the project. The design of the system and development/adaptation of existing tools will enable HRNS Africa to compile information on project activities, consultancies, and impact of the assistance on the project's final beneficiaries.

Detailed Terms of Reference (TORs) appear in Annex 8.1 of this report.

II. ANALYTICAL FRAMEWORK: PROCESS AND METHODOLOGY

2.1 Theoretical Construct/ Sampling Design

This survey employed sampling based on the two project intervention locations – Luwero and Masaka. The overriding assumption is that there is small variability within clusters and large variability between the two regions. Within each cluster area, deliberate effort was made to exclude farmers that were already taking part in the project, as this baseline study comes in at a time where the project activities has already picked up. In so doing, the clusters were further stratified. The objective was to develop an accurate assessment sampling design that accommodates changes in the target sample size without sacrificing other desirable design criteria. 184 respondents were interviewed in Masaka and 184 in Luwero, making a total of 368, which is considered statistically sound for a population of 20,000 target farmers. There was no particular method of choosing the farmers. The enumerators were guided by a representative of the sub county leadership who knew and was known to the farmers.

2.2 Survey Instrument

The survey used a questionnaire (Annex 8.4) administered to the respondent farmers by a group of six enumerators. The instrument was based on the development results derived from the content of the project's vision of success and contributing strategic objectives, since the study was meant to give baseline information of target farmers at the commencement of the project, as a reference point for any future changes that are attributable to the project. Comments from the HRNS staff were also incorporated as well as comments from the field during the piloting of the questionnaire. Respondents were asked questions on the following subject areas:

- *Individual bio data* (e.g. year of birth, household size, civil status, etc)
- *Coffee agronomical practices* (e.g. land holding, pruning, mulching, post-harvest handling, etc). This is important in view of the good agricultural practices that the project seeks to pass on to the farmers in order to improve coffee quality and production.
- *Quality of life* (e.g. household assets, housing type, etc). Quality of life is considered a reflection, albeit in part, of the income available for a household and majority of the households had coffee as their main source of income.
- *Gender roles* (e.g. decision-making in family, etc). Among other objectives, the project aims to improve the position/status of women in the local communities, to more than a source of labour in coffee farming.

- Affiliation to a farmer organization. Among the projects objectives is mobilising and organizing farmers for better service delivery and better market access.

The data collected is based on a revised set of indicators as shown in the logical framework appearing below. This is an adaptation of the original LF of the project that has since been streamlined to provide for better monitoring of progress. The revised LF recognises a number of things:

i). The cumulative effect of improved productivity and quality of coffee, and better mobilising and organising among farmers should ideally lead to increased incomes as an intermediate outcome.
ii). Since an increase in income does not always translate into improved quality of life, the revised LF goes beyond incomes and seeks to capture quality of life via improvements in housing, change in nutrition, increases in household assets, and school enrolment, among other factors.
iii). Linkage to other service providers is a big departure from the core project strategies and capacity level. This strategic objective is dropped altogether. The understanding is that as long as the project gives farmers necessary support to form functional and strong organisation, these organisations will naturally attract other service providers e.g. financial institutions, and other business development services organisations.

	Summary of objectives	Impact Indicators
Vision of success:	Livelihood of 20,000 coffee farmer families in Uganda representing with their families about 130,000 people in total has improved through an improved production system and by raising productivity, product quality, efficiency and commercial prospect exceed the poverty line of USD 1.0 per person per day in a sustainable way after 8 years.	Quality of life: • Assets, transport, waste disposal, nutrition, house type, source of water, savings, school enrolment rates
Mission	Increased revenues from coffee	• Disposable incomes from coffee for households,
Objective 1	Establish and strengthen two-tiered farmer organizations as transparent and professional service providers to their farmer members.	• Number of organizations formed, existence of and adherence to constitution, regular elections based on best practice, regular meetings, access to information by members, taking action on audited accounts, Roles distribution and effectiveness of the various committees in operational issues, participation of farmers in the groups meetings • Growth in working capital, increase in credit accessed by members, stability in membership, existence of strategic plans
Objective 2	Enable farmers to significantly improve coffee production and overall farm management in a sustainable way	• yield per tree, increase in land under coffee • application of inputs, keeping farm management records – coffee, % of farmers pruning their coffee trees
Objective 3	Enhance coffee quality through improved practices and management	• % of farmers using tarpaulins for drying, progressive improvement in coffee quality analysis results,
Objective 4	Improve overall marketing performance of producer organizations through value addition and efficient linkage to marketing agencies, exporters and international traders	• number of value addition steps (sun drying, bulking, processing, grading, selling to exporters) covered by farmer organisations • % amount of coffee (total production) sold through farmer organisations
Objective 5	Empower men and women in coffee growing households to meaningfully participate in and benefit from coffee supported interventions (production and marketing) for equitable and sustainable development.	• Increase in decision-making by women in their households • Knowledge on revenue from coffee among women • How many women have participated in the selling of coffee • Improved sharing of roles and responsibilities among men and women • Increased number of women in leadership positions in farmer organisations • Increased number of women in farmer committees

2.3 Data Collection and Analysis

To the extent possible, this baseline study sought to utilize in-house skills from among project staff in order to minimize costs. For practical reasons Field Officers served as enumerators during the study, except in one or two cases. Besides the accruing cost advantage as this was considered as part of their regular responsibilities, nearly all Field Officers had good understanding of the local area, had no language barriers, and had already established rapport with the local communities.

Before the enumerators were sent out into the field, they were taken through the instrument, which they reflected upon, discussed, and gave their input/comments, which were subsequently incorporated where necessary. This had the effect not only of making the enumerators comfortable with the tool but also made the tool more relevant to the benefit of those directly interfacing with farmers on a daily basis.

Field teams were composed of Stella Nabusimba, Agnes Tumusiime, and Daniel Kazibwe for Masaka and Samuel Muwanga, John Bosco Kalule, and Charles Lubega for Luwero. Once the data was collected, it was cleaned and keyed in by Lydia Nagaddya, a Data Officer with the project. The data was analysed by the consultant.

2.4 The Gender Question

In recognition of the fact that women are a marginalized group in the project areas and especially in the farming of coffee where they contribute immensely in farm labour but are not part of selling decisions, the project prioritizes gender mainstreaming in its programming. Hence, the project encourages the participation of women to the extent possible in similar numbers to men in all activities.

2.5 Limitations of Study

Although all due care was exercised to ensure that this study gathered data that is credible, this study did not include controls. Nevertheless, there were limitations as are common in social sciences and especially a study of this kind. Chief among these are:

i). *Social desirability of responses and opportunistic behaviour:* Areas like Luwero have withstood the worst of effects of the guerrilla war that Uganda experienced in 1980s. In the aftermath, a number of non-governmental organizations and aid agencies set up camp in the area to alleviate the suffering of the local population. This has bred a culture of dependency and looking up to external support among the local residents.

Respondents could have given answers in a manner to present their case as desperate in an attempt to attract urgent support while trying to ensure the answers they gave did not embarrass them in front of the interviewers.

ii). *Effects of other interventions*: The respondents of the study were drawn from areas adjacent to project implementation areas, making it difficult to rule out that they might have already acquired some skills from the project through observation and interaction with farmers already participating in other projects. In any case, although we did not encounter interventions the scale of HRNS in the field, effects of other smaller projects out there, on respondents could not be ruled out.

iii). *Weather-induced bias*: At the time of this study, Luwero was experiencing one of the driest spells in many years and farmers had suffered heavy crop losses. This might have influenced the responses that farmers gave into painting a more than gloomy picture on actual coffee farming in the area.

iv). *Cultural biases*: The local culture is highly patriarchal and hierarchical at the same time. In most instances, the enumerators were generally younger than the respondents were. Furthermore, two of the interviewers were young females. All these might have affected the responses in different ways.

v). *Use of consumption expenditure*: In measuring income as a determinant of poverty levels, the study used the consumption index. Although this is regarded generally as one of the good proxies for measuring incomes where a direct measure is not available, yet it does not recognize the fact that not all income ends in consumption. Some can and does indeed go into savings.

The above limitations notwithstanding, the data collected is still credible and reliable for programmatic decision-making.

2.6 Nature and Sources of Data

The data collected and used for this study is both qualitative and quantitative. This was applied with the aim of capturing both quantitative parameters as well as the voices of the target group for the project. Sources of data included primarily the project documents, which largely set the scope of the study, and interviews with respondents. Some other supplementary literature used was

especially on the general context. The qualitative data constitutes explanations to the quantitative data collected.

The use of different sources of data as well as both qualitative and quantitative data allowed for triangulation of the data collected to enhance its validity. Quantitative data was found necessary as it enhances simple presentation of data.

The instrument used for this study had five sections: (i.) Farmer bio data, (ii.) Coffee production, marketing, & management, (iii.) Quality of life, and (iv.) Gender. The sections correspond with required data with regard to the indicators for monitoring the project progress. Initially drafted by the consultant, the instrument benefited from input from the project team of LCFASP as well as field officers who finally applied the tool. Before the instrument was used in actual data collection, it was initially piloted and feedback from that process incorporated. During data collection, field officers probed for further explanations to some of the data provided by farmers.

III. EMPIRICAL FINDINGS AND DISCUSSION

3.1 General Information

General information about the farmers gives indications as to whether targeting is both correct and inclusive. Further, it gives general demographic data for better understanding of those taking part in the project.

Parameter	Detail	Benchmark
Age	Average respondent age overall	48 years
Gender	Females	53%
	Males	47%
Household	Average size	8 persons
Household head	Male	74%
	Female	26%
Marital status	Monogamous	63%
	Polygamous	7%
	Widowed	16%
	Single	11%
	Divorced	3%
Education levels	None	12.5%
	Primary	57.6%
	Secondary	23.4%
	College	5.2%
	University	1.4%

3.1.1 Participation of Women and Men

At 53%, female respondents are more than male respondents who were only 47%. Two factors explain this: women provide a considerable amount of farm labour. On the other hand, men tend to engage in other activities in addition to farming hence their not being available in the home during interviews. Men also spend their social time outside the home e.g. in the local shopping centres. However, majority of households interviewed were male headed. This indicates that although women are a major source of farm labour, decision-making power, however, resides with men. The difference is also attributable to the fact that among those reporting widowed, single and divorced marital status (totalling 30% of all respondents), were nearly all women. The project thus has a good chance of having a relatively higher representation of women as participants. Males headed 74% of the households interviewed while only 26% were female-headed. While following up on gender issues, a keen eye will be placed on married women as this would show how much empowered they become over time.

3.1.2 Age Bracket

The average age of farmers sampled is 48 years; which implies that younger people need to be encouraged to engage in coffee farming considering the national life expectancy of 52.7[3] years. Young people with high school education and above tend to migrate to urban areas in search of employment. The old and those with lower education status stay to work the land in the rural areas where the predominant form of livelihood is farming. Even where the younger farmers were the ones in charge, in a number of instances they represented their elder parents during the data collection exercise.

3.1.3 Literacy Levels

From the data collected, there is generally an inverse relationship between preference for agriculture and levels of education. People that have attained higher levels of education tend to migrate to urban areas to conduct business, seek employment, and pursue other livelihood opportunities in the more modern environments of the cities. Nevertheless, there are still a few (6.6%) with some college education and above who take on farming. This would also include retired civil servants that have quit active employment and resorted to farming – a popular practice in Uganda.

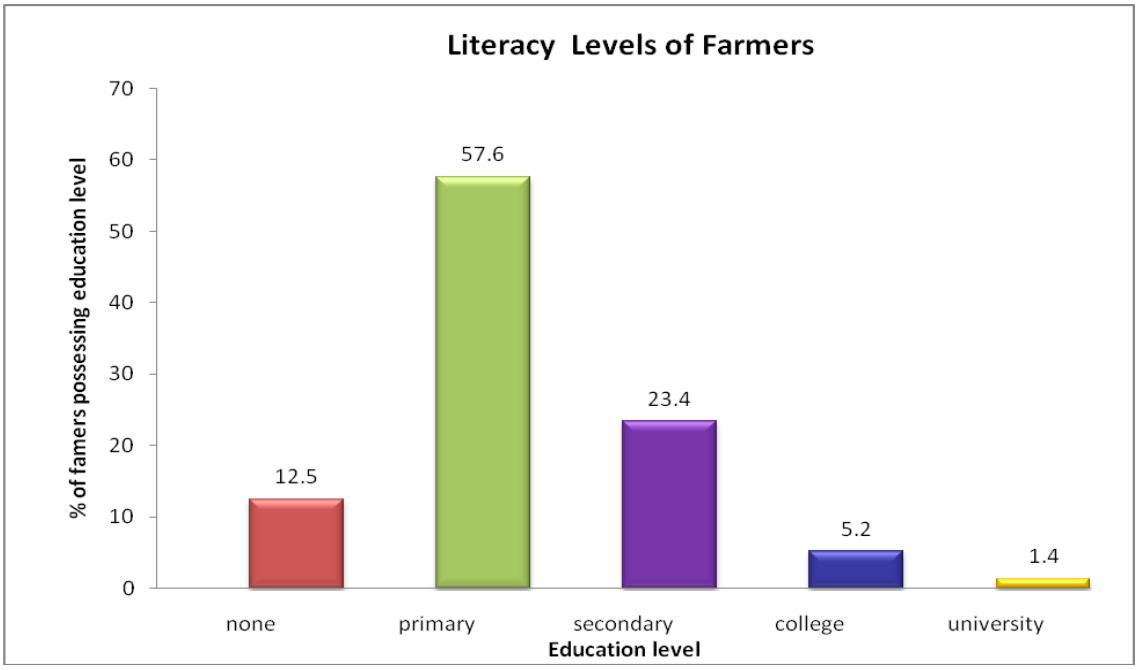
A staggering 70% of the farmers had primary education level and below. 81% have only secondary school education and below. In view of the low levels of education, demonstration plots and other practical approaches of passing on

[3] http://www.worldlifeexpectancy.com/

skills as the most appropriate should be considered. It also means that other information, education, and communication (IEC) materials are an invaluable tool for education of the farmers in the various skills and methods that the project will need to disseminate.

The low education levels among farmers have implication on leadership and division of duties and ultimately governance in the management of farmer organisations. A small group of educated individuals is likely to emerge within the larger group. On the other hand, the majority are likely to exhibit heavy reliance on a few where high literacy competence is required. The challenge for farmer organisations is how to balance utilisation of skills without creating a less than participatory environment in DCs. This is an important consideration in view of the fact that some operational details of DCs can be technical. Further, farmers look upon their own possessing more education with reverence.

The graph below summaries the literacy levels among farmers.



3.2 Quality of Lives of Farmers

The indicators for quality of life for farmers and their families are measured through a number of proxies: quality of housing determined by type of roofing material and walling materials; nutrition measured by protein intake, family assets, consumption expenditure, and water source. The reason here is that farmers tend to upgrade the quality of their housing once their incomes increased. Indeed, there were adequate real examples in the field to support this.

Such upgrades could be from a grass-thatched house to one with tin roofing, or from one with mud walls to one made from bricks. In addition, as incomes increase, farmers tend to increase their various assets e.g. upgrading from bicycles to motorbikes, buying household electronic goods, etc. Below is a summary.

Parameter	Detail		Benchmark
Income level	Average daily consumption index		1,905.73 UGX[4]
House roof made of	Thatch		1.6%
	Iron sheet		97.2%
	Tiles		1.2%
House walls made of	Mud		8.9%
	Wood		0.4%
	Iron sheet		1.2%
	Blocks		89.5%
Animal protein intake	Daily		18.1%
	Twice a week		29.0%
	Once a week		23.4%
	Once in two weeks		10.9%
	Once in three weeks or less		18.5%
Value of households assets	Furniture	Up to UGX 0. 5 million	67.3%
		0. 5-1.0 million UGX	18.5%
		1.0-1.5 million UGX	6.0%
		1.5 - 2 million UGX	3.6%
		Above UGX 2 million	4.4%
	Electronics	Up to UGX 0.25 million	65.7%
		0.25-0.50 million UGX	19.0%
		0.50-0.75 million UGX	8.9%
		0.75-1.0 million UGX	3.2%
		Above UGX 1 million	3.2%
	Transport vehicles	Up to UGX 1	71.8%
		1 - 3 million UGX	18.5%
		3 - 5 million UGX	5.2%
		5 - 8 million UGX	1.2%
		Above UGX 8 million	3.2%

[4] 1.00 US$ = 2,378 UGX: http://www.xe.com/ucc/convert, and Purchasing power parity as 2009 was 1 US$ = 970 UGX (while exchange rate was 1 US$ = 1,903.52) http://pwt.econ.upenn.edu/php_site/pwt_index.php

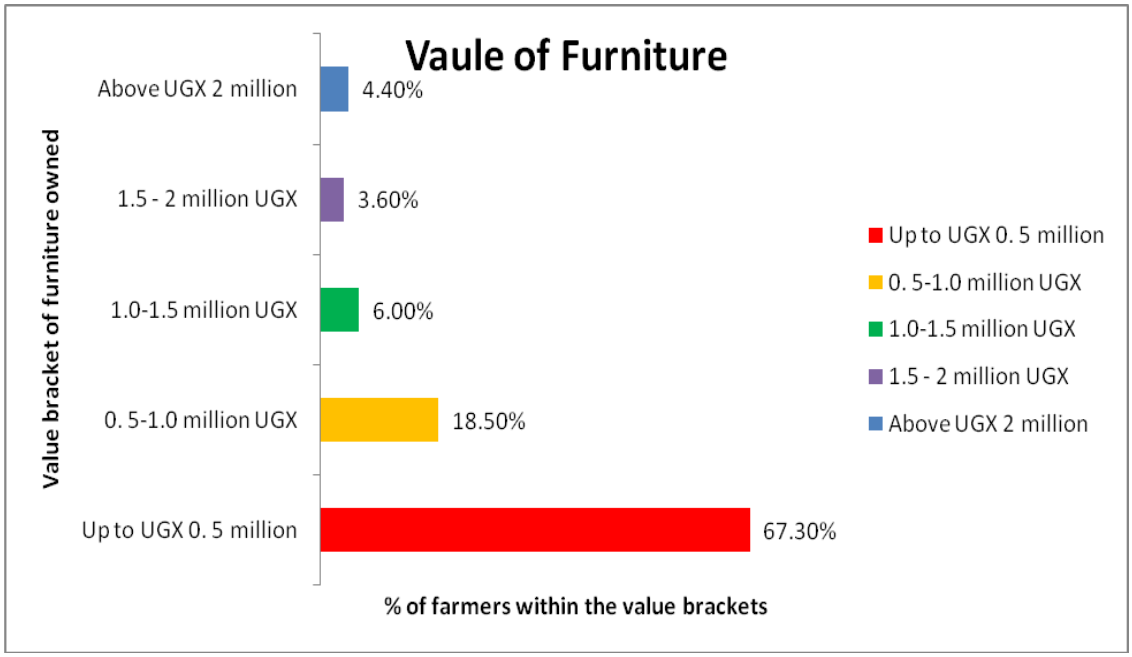
	Farm tools	Up to UGX 0.25 million	86.3%
		0.25-0.50 million UGX	10.1%
		0.50-0.75 million UGX	0.8%
		0.75-1.0 million UGX	2.0%
		Above UGX 1 million	0.8%

On average, a farmer from those sampled spends not less than UGX 1905.73 per day. The figure is obviously low suggesting error in its calculation. It should, however, be appreciated that use of consumption index as a proxy measure for income is deceiving because it does not capture incomes channelled into savings. In addition, farmers generally tend to be conservative when they become aware that their income is under calculation. Nevertheless, this is indicative of the poverty levels and evidence that the project is being implemented in areas where the incidence of poverty is high.

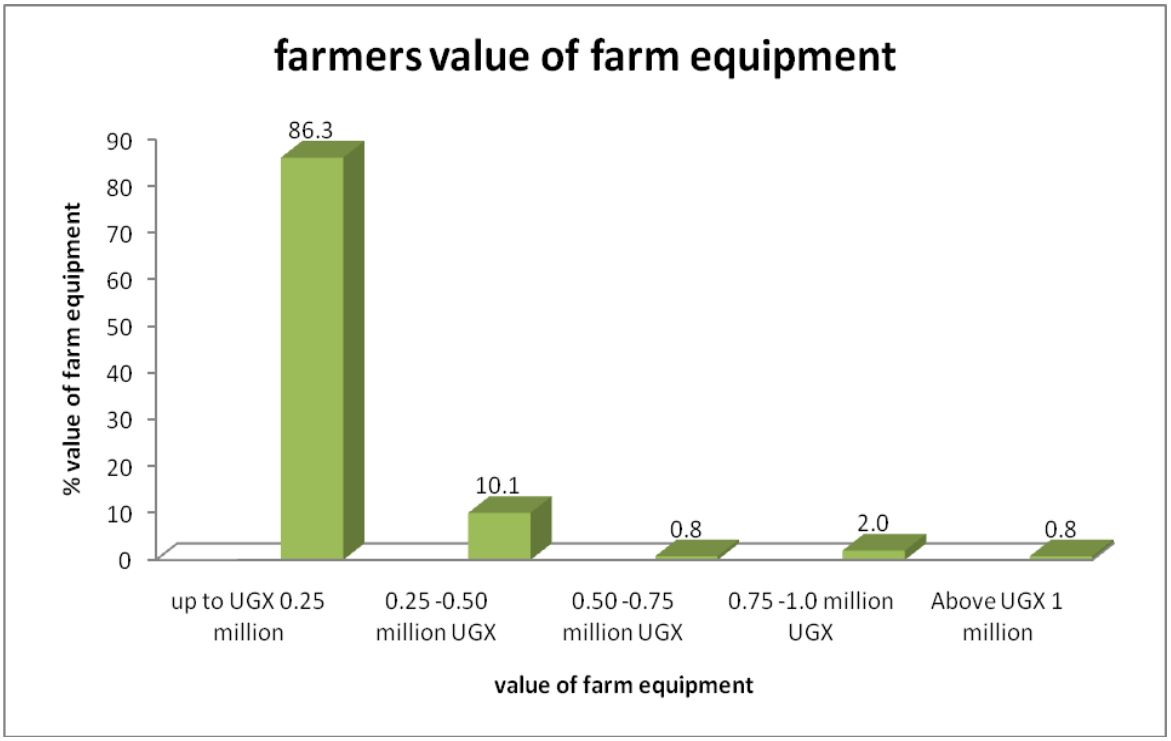
Nutrition as shown by data is a relatively well performing area. This is true of most of agriculturally rich central Uganda, where there are relatively low levels of food scarcity. Good weather plus mixed farming are some of the factors favouring nutrition within these communities. The project might not record dramatic changes in nutrition levels even after full implementation.

Another measure of quality of life is the robustness of the housing type a farmer and his/her family live in. Either roof type determines quality of housing variously or the material used to construct the walls. Generally, farmers upgrade their dwellings with increased incomes. Such upgrading includes building new houses, expanding existing ones, or carrying out other improvements on them. From the survey, 1.6% and 8.9% of the farmers interviewed had house roofs and walls made of thatch and mud respectively. These are farmers of the lower rungs of the poverty levels. Even though this number is small, housing is an area where changes are easily noted and an indicator easy to track.

Like quality of housing furniture also changes with increased incomes. Farmers furnish improved houses with better quality furniture, although furniture is still considered secondary to an improved house. Only 14% of the farmers owned furniture worth more than UGX 1,000,000. The rest had total household furniture worth less than UGX 1,000,000. Like housing, furniture is a convenient and easily observable and verifiable indicator to confirm changes in income. A graphical representation appears below.



The value of electronics items whether personal like mobile phones or for the household such as television sets and radio, also tend to change with changes in income levels. Indeed, in some instances they serve as status symbols. Possession of some of these items, however, is highly dependent on connectivity to the national power grid. 84.7% of the farmers owned household electronics worth up to UGX 500000. The survey found out that most farmers, 86%, had equipment (mobile phones, radio, and wheelbarrow) valued at up to UGX 250,000.



Transport vehicles include ox-drawn carts, bicycles, motorbikes, and cars. Costs are prohibitive here and the brackets are wider. Still 71.8% of the farmers sampled had up to UGX 1,000,000 worth of assets in this category. About 90% of the farmers had assets not exceeding UGX 3,000,000.

3.3 Organizing and Mobilizing among Coffee Farmers

The study revealed that farmers interviewed were not part of any formally organised group oriented toward the production and/or marketing of coffee. Even for those who reported of being members to some farmers' group, such groups were often dormant remnants of some other agricultural projects that took place in the community some years earlier. The farmers therefore produced their coffee with hardly any technical support and sold the crop to companies or middlemen who visited villages in search of coffee. 90.7% of the respondents reported selling their coffee to retail middlemen. The remaining 9.3% either sold their coffee through other channels or had not yet picked their first crop since they started farming coffee. The farmers cited a number of motivations of dealing with middlemen:

- Immediate cash payment upon sale of coffee
- Limited transportation costs since middlemen buy at farm gate
- No stringent standards observed
- Advancement of credit during time of family financial emergencies.

The above incentives, however, came at a high cost to farmers. Farmers reported of middlemen advancing them monies, sometimes even before the crop was ready. In so doing, the farmers would not be able to sell their coffee to any other buyer or through other channels. That skewed relationship placed farmers at the mercy of middlemen who entrapped farmers in/with debt while giving them poor prices for coffee. Yet, in the absence of effective strong farmer organisations that are attractive enough to financial service providers, farmers are forced to live the expensive loan terms from middlemen.

The isolation of farmers by not being part of any organised groups deprived them of the opportunity to access information about coffee prices, further weakening their bargaining with middlemen and forcing them to take the prices offered. Their acting individually, also denies them the benefits of bargaining as a group and accompanying quantity discounts when sourcing for inputs.

3.4 Value Addition

Farmers interviewed reported no value addition to their coffee beyond drying. Actually, majority sold their coffee to middlemen the moment they appear at the farm gate as long as the coffee cherries have been picked. 20.6% of the farmers sold fresh cherries and only 15.3% stored their cherries on raised beds in store. 43.5% stored their coffee on bags on the ground in the house. These activities are not so much indicative of value addition as they are pointing toward poor post harvest handling of the coffee. These kinds of handling end up reducing the probable price the coffee could fetch.

3.5 Coffee Management Practices

3.5.1 Basic Information

Parameter	Detail	Benchmark
Average land holding (acres)	Total	9
	Under coffee	3
	Under other crops	6
Do you know the number of coffee trees on your farm?[5]	Yes	43%
	No	57%
		67%
		14%
		17%
Average number of coffee trees per acre		421[6]

To improve incomes derived from coffee by the farmers, it would be necessary to improve on coffee productivity to increase volumes while at the same time improving on coffee quality; a factor dependent upon a number of good agricultural practices as well as post harvest handling. The data has therefore captured the agronomical practices being implemented by farmers currently. It is important to indicate that majority of the data used (and analysis and conclusions) on agronomical practices is based on the Masaka sample.

3.5.2 Land under Coffee

Almost 100% of the farmers sampled in this study, practised mixed farming within the parcels of land they owned as a means of diversification and enhanced food security among other reasons. On average, a farmer held up to 9 acres of land and a third of that land i.e. 3 acres was under coffee. Although it is less than 50% of the total land held by an individual farmer, 3 out of 9 acres (i.e. 33.33%) is still

[5] Based on interviews from Masaka alone.
[6] Based on 43% of farmers that knew of the number of their coffee trees.

a significant proportion considering that it was devoted to a single crop. Other land was devoted to food crops and sometimes reserved for grazing. The findings indicate a potential for increasing the land under coffee, however, this is only a scenario that is possible once the farmers consistently realise good prices from coffee.

From the farmers who knew of the number of coffee trees on their farms, there were 421 trees per acre of land. This is obviously way below the recommended number for robusta coffee which is 450 trees per acre at planting intervals of 6-8 ft along rows 12-13 ft apart[7]. This data could be misleading since only less than a representative sample of respondents knew of the number of coffee trees on their farms. Farmers could have simply made estimates. Yet, going by it, there is under utilisation of land, resulting in less than optimal returns to the farmers. Every farmer with 3 acres of land under coffee would be 87 trees short of the capacity their land. The shortcoming, however, provides for an opportunity to campaign for increased access to appropriate planting varieties for farmers in the project area.

3.5.3 Knowledge of one's Coffee Trees

A significant 57.3% of the farmers had no knowledge of the number of coffee trees on their farms. Only a meagre 43% knew the number of trees on their farms. For farmers who have made a conscious choice to grow such a cash crop as coffee, this is rather discouraging, indicative of ignorance and lack of commitment on the one hand, and indicative of limited skills in the management of coffee. Either way, it provides for a compelling argument to address the motivation of farmers while at the same time acquainting them to appropriate coffee management practices.

3.5.4 Productivity

Farmers with knowledge of the number of coffee trees on their farms reported that 21% of the said trees were not productive yet these trees were not less than two years old. This is a significant number of non-productive trees and demonstrates poor agricultural practices since the trees should have been replaced altogether. Also of concern to the farmers are the effects of the coffee wilt disease on their plants and eventually their production. It should however be borne in mind that the 21% non-productive trees are only based on 43% knowledge on the number of trees in the farms. It is probable that the numbers will change proportionately if the number of farmers that knew of their tree population changed.

[7] http://fruit-crops.com/coffee/

That 21% of the trees that should be productive are not productive indicates suppressed overall productivity levels. The farmers are not realising the full potential of the crop. Therefore, a lot needs to be done through the project before the situation is turned around.

3.5.5 Quality of Coffee

A critical look at a number of practices critical to the productivity of coffee trees and the quality of coffee (and consequently coffee prices) have presented a source for concern as well as an opportunity for the project to build capacity of farmers and influences their skills, knowledge, and behaviour.

Parameter	Details	Benchmark
Rejuvenation of old trees	Yes	38.7%
	No	61.3%
Replanting (gap filling)	Yes	62.9%
	No	37.1%
Name of replanting material variety	Clones and elites	11.5%
	Clones only	24%
	Wild seedlings	17.6%
	Unknown	37.7%
	Elites only	4.9%
	Traditional variety	3.3%
	Elites and traditional variety	0.8%
Pruning	Yes	77.4%
	No	22.6%
Keeping records	Yes	10.9%
	No	89.1%
Keeping of cherries	in bags on raised beds in store	15.3%
	in bags on ground in store	8.9%
	in bags on raised beds in house	8.5%
	in bags on ground in house	43.5%
	on the ground in store	0.8%
	sell fresh cherries	20.6%
	in drums	0.4%
	Other	2.0%
Use Of farm inputs[8]	Yes	34%
	No	66%

The data in the above table clearly shows that the farmers in the two study areas are not well versed with good agricultural practices. It also shows a weakness on the extension services if at all they exist. Only 38.7% of the farmers rejuvenated their coffee trees, only 34% applied any inputs, only 10% of those interviewed

[8] Inputs include but not limited to herbicides, pesticides, manure, fertilizer, etc

kept farm records and only 15.3% dried their cherries on tarpaulins . Rejuvenation and farm inputs have a profound effect on productivity. Keeping records on general farming activities has an effect on the quality of the overall management. Post harvest handling affects the quality of coffee produced. That 84.7% of the coffee cherries are dried in less than ideal standards means a reduction in the revenue margins accruing to the farmers due to poor quality.

The varieties grown are local/traditional, elite, and clones. Elite seedlings are produced from seeds. Clone seedlings are produced by vegetative propagation usually by rooting some cuttings raised in a mother garden. Clones which are considered the superior quality are planted 24% of the time, elites at 4.9% and the combination of the two – clones and elites – stands at 11.5%. In total, 40.4% of the plantlets are either exclusives clones or elites or a mix of the two. This leaves nearly 60% of the plantlets being of either unknown, traditional, or wild varieties. It is worth noting that 37.7% of the farmers did not know of the varieties they planted, a factor attributable to limited knowledge on good crop husbandry.

3.6 Gender Issues

Gender refers to socially and culturally defined roles, attributes, and privileges of females and males. Although biological differences exist between women and men, different societies in the world interpret and engineer the innate differences into a set of social expectations about behaviours, activities, rights, power, and the resources they have. Many of the issues of power and control over assets and family wealth highlighted in this report have cultural roots. The fact that payment of bride price brings a control imperative where women are also considered “property” is one of the root causes of the gender inequalities within households.

This has a bearing on all aspects of life ranging from resource allocation and control; roles and responsibilities in society and therefore livelihood options and opportunities; as well as acceptable levels of empowerment. This study established that although women provided for a large proportion of 32.3% to 48% of farm labour, their participation in the marketing of coffee and handling of the proceeds is not in equal measure. A disproportionate number of about 31% of married women took decisions on the marketing of coffee.

Parameter	Detail	Benchmark
Who contributes to coffee management more?	Men	52.0%
	Women	32.3%
	Both Men & Women	15.7%
Who decides on coffee management and marketing issues?	Men	57.8%
	Women	31%
	Both Men & Women	11.3%
Is information about sale of coffee shared with spouse? N/A represents female headed households	Yes	54.5%
	No	21.5%
	Not applicable	24%
Are roles shared equally between you and spouse? N/A	Yes	19.5%

represents female headed households	No	57.1%
	Not applicable	23.4%

IV. OTHER CONSIDERATIONS

4.1 Changing Climate

Ultimately, long-term weather changes are being felt in the Eastern Africa region with disastrous repercussions. One of the sectors not spared is agriculture especially rain-fed agriculture[9]. In their excesses, the alternating *la nina* and *el nino* phenomena are bound to hit the coffee sector. This is a factor likely to work against the achievement of set targets in terms of productivity and quality of coffee, as adverse weather patterns become frequent. Mitigation measures will need to be introduced while at the same time considering this factor in the formulation of setting of targets.

Fluctuating world coffee prices and the perceived risk associated with offering financial credit services to agriculture are other important considerations that are worth noting.

V. CONCLUSIONS

i). Women provide a considerable amount of farm labour since they spent substantial amount of time around the homestead and the farm. Yet, they occupy a relatively weak position in decision-making regarding sale and handling of proceeds from sale of coffee.

ii). Majority of the farmers posses relatively low educational levels. There is a probable risk of domination of farmer association once formed by a few and probable limited participation of the majority.

iii). Farmers that are not part of any organised association are manipulated easily by shrewd middlemen, lack access to market information, and are unable to access credit services from financial intermediaries. These farmers produce less than the optimal capacity of the farms and the quality of the coffee is often wanting.

iv). Coffee trees per acre are currently sparse below recommended density levels, resulting in under utilisation of land under coffee.

v). The increasing adverse weather conditions could have a negative effect on some of the objectives and targets the project might set.

[9] Adopt New Farming Methods, Africa told; The standard 14th April 2010

vi). Nearly 40% of the farmers do not know the difference between the various planting varieties of coffee, testament to limited knowledge in good agricultural practices.

vii). Summary of LF with indicators and baseline status based on the data collected, the project logical framework including baseline data is now presented thus:

	Summary of objectives	Impact Indicators	Baseline	Target by 2013
Vision of success:	Livelihood of 20,000 coffee farmer families in Uganda representing with their families about 130,000 people in total has improved through an improved production system and by raising productivity, product quality, efficiency and commercial prospect exceed the poverty line of USD 1.0 per person per day in a sustainable way after 8 years.	Quality of life: • Assets, transport, waste disposal, nutrition, house type, source of water, savings, school enrolment rates	Quality of life Baseline figures given under 3.2 above	Impact to be monitored and reported based on baseline values
Mission	Increased revenues from coffee	• Disposable incomes from coffee for households,		
Objective 1	Establish and strengthen two-tiered farmer organizations as transparent and professional service providers to their farmer members.	• Number formed, existence of and adherence to constitution, regular elections based on best practice, regular meetings, access to information by members, taking action on audited accounts, Roles distribution and effectiveness of the various committees in operational issues, participation of farmers in the groups meetings • Growth in working capital, increase in credit accessed by members, stability in membership, existence of strategic plans	• 0% farmers in groups • 0% coffee produced is sold through organised channel/association • Zero groups in existence • 0% farmers accessing credit from formal microfinance or banking sector	• 32 DCs formed and running • 570 POs formed • 100% project farmers in organised associations • 32 DC's affiliated to UCFA • UCFA has capacity to deliver services to the member groups.
Objective 2	Enable farmers to significantly improve coffee production and overall farm management in a sustainable way	• yield per tree, increase in land under coffee • application of inputs, keeping farm management records – coffee, % of farmers pruning their coffee trees	• less than 1 Kg dry cherry per tree • 34% farmers use inputs • 10.9%keep records • 77% farmer pruning	• At least 2 kg dry cherry per tree • 100% farmers know their coffee yields • 50% keep farm records 95% practice pruning

	Summary of objectives	Impact Indicators	Baseline	Target by 2013
Objective 3	Enhance coffee quality through improved practices and management	• % of farmers using tarpaulins for drying, progressive improvement in coffee quality analysis results,	• 15.3% of farmers dried coffee on tarpaulins •	• 50% of farmers drying coffee on tarpaulins
Objective 4	Improve overall marketing performance of producer organizations through value addition and efficient linkage to marketing agencies, exporters and international traders	• number of value addition steps (sun drying, bulking, processing, grading, selling to exporters) covered by farmer organisations • % amount of coffee (total production) sold through farmer organisations	• 0% coffee sold through farmer organization • 100% of coffee sold at farm gate as dry Cherry	• 50% of coffee sold through farmer organizations. • 50% of coffee sold as FAQ directly to exporters in Kampala
Objective 5	Empower men and women in coffee growing households to meaningfully participate in and benefit from coffee supported interventions (production and marketing) for equitable and sustainable development.	• Increase in decision-making by women in their households • Knowledge on revenue from coffee among women • How many women have participated in the selling of coffee • Improved sharing of roles and responsibilities among men and women • Increased number of women in leadership positions in farmer organisations • Increased number of women in farmer committees	• 19.5% of married women had information on sale of coffee • 17% married women made decisions on marketing • 22.4 % farmers shared roles equally between married spouses	• 50% of married women have information on sale of coffee • 50% of married women are making decisions on coffee marketing • 50% of married couples share roles equally.

VI. RECOMMENDATIONS

i). The project should increase attention accorded women in recognition of the time they invest in farming and seek ways of increasing their influence through gender mainstreaming.

ii). Efforts should be made to ensure there is no dominance in the management of farmer organisations by those with many years of formal schooling. Broad-based participation should be encouraged in a manner that sufficiently includes farmers with lower literacy levels.

iii). The project should endeavour to organise farmers into strong organisations/associations that can attract respect and trust financial intermediaries in order to advance credit and other financial services to farmers.

iv). The current coffee planting spacing of should be improved by increasing access by farmers to coffee plantlets through establishment of nurseries, as well as educating farmers of recommended intervals between coffee trees.

v). The project should include measures to mitigate against the vagaries of the weather such as mulching, etc. In the longer term, gravitation away from rain-fed agriculture will likely be found a worthy venture. This might as well happen beyond the project life.

VII. REFERENCES

Adopt New Farming Methods, Africa told; The Standard 14th April 2010

Project Proposal submitted to Bill & Melinda Gates Foundation, Date Submitted: September 30, 2009

http://fruit-crops.com/coffee/

VIII. ANNEXES

8.1 Terms of Reference

Development of Survey Questionnaire, Analysis of Baseline Data and Refinement of Indicators

ToR for Evaluation Consultant/Consulting Team

'Building Coffee farmers Alliances in Uganda' Project (CFAU)

1.0 CONTEXT

1a. Hanns R. Neumann Stiftung

The challenge in the coffee sector is to improve and support the living conditions of farmers and their families, to take care of natural resources for the wellbeing of the people now and for future generations while at the same time assuring the availability of coffee in terms of quantity, quality, and diversity as appreciated in the market.

Against this background the "Hanns R. Neumann Stiftung", a foundation with non-profit status, was established by the Neumann Gruppe GmbH and its affiliates in 2005. Following up on the group's longstanding commitment in project work, the foundation has the objective of promoting sustainable development in the coffee sector. Its activities concentrate on the economic and social development of producer communities. Additionally, ensuring sustainable use of natural resources as well as educational activities with the youth are important elements of our agenda.

In detail, the Hanns R. Neumann Stiftung provides a platform facilitating the cooperation of dedicated partners from the public and private sector. Embracing a number of specific activities such as projects (often with a model-character) and collaborations, the HRNS is always addressing the facets of the triple bottom line of economic efficiency and success, social responsibility and environmental protection. Currently, projects implemented within the scope of Hanns R. Neumann Stiftung reach about 70,000 farmers in 13 countries. As the backbone of sustainable development, project activities usually contribute to develop the competitive position of coffee farmers by increasing productivity, improving quality, better linking them to the market, strengthening the management capacity of farmers and their organisations as well as generating added value. A careful use of natural resources is promoted and environmental awareness raised. The promotion of social aspects for balancing living- and working conditions of the coffee producing communities is addressed by complementary activities encouraging the self-help potential of smallholder farmers.

Hanns R. Neumann Stiftung benefits of an ample network of private and public partners including leading roasting companies, development organizations, dedicated local partners as well as governmental and non-governmental organizations who are cooperating in practical projects worldwide. Thanks to its close affiliation to the Neumann Kaffee Gruppe, the foundation can rely on the most advanced competence of every company being part of the group's international network to strengthen its operations.

1b. Project Background.

HRNS is implementing a project in Uganda named 'Building Coffee Farmers Alliances in Uganda. The vision of success for the CFAU project is that within 8 years 20,000 coffee farmers in Uganda representing with their families about 130,000 people in total have improved their livelihoods through an improved production system and by raising productivity, product quality, efficiency and commercial prospect exceed the poverty line of USD 1.0 per person per day in a sustainable way.

To achieve the vision of success, five specific objectives will be addressed as follows:

- Establish and strengthen two-tiered farmer organizations as transparent and professional service providers to their farmer members

- Enable farmers to significantly improve coffee production and overall farm management in a sustainable way
- Enhance coffee quality through improved practices and management
- Improve overall marketing performance of producer organizations through value addition and efficient linkage to marketing agencies, exporters and international traders
- Empower men and women in coffee growing households to meaningfully participate in and benefit from coffee supported interventions, production and marketing for equitable and sustainable development

Objective 1: Establish and strengthen two-tiered farmer organizations as transparent and professional service providers to their farmer members

This objective is key to achieving the vision of success, since solid farmer organizations are a pre-condition to implement a significant part of the improvements during implementation of the project. Second, farmer organizations are important to ensure sustainable project impact after finalization of direct project support.

The organization will be built from grass roots level where Producer Organizations (POs) with an average number of 35 members each will be formed at villages. In total, the project envisages the formation of 570 of such organizations. The establishment of POs is promoted as learning groups and the extension system foresees farmer-to-farmer training as well as the use of farm demonstration plots.

Each of the POs will become a member of a Depot Committee (DC) that will later be turned to companies by guarantee, which will accomplish the main tasks of collecting the harvested and dried coffee, marketing it and rendering other services to the POs, including value addition e.g. by way of arranging for coffee hulling. 1 DC comprises of about 15-20 POs. In total, the CFAU project foresees the establishment of 32 DCs.

Building upon the experiences in the KCFASP where the Uganda Coffee Farmers Alliance (UCFA) is being formed as a marketing agent the project envisages the establishment of a farmer owned apex structure as a more comprehensive Support Unit at regional or country level. In addition to acting as a marketing agent and assisting in the establishment of direct commercial contact with exporters and traders the unit shall also facilitate cooperation and strategic exchange with local support structures as well as provide for coaching of farmer organizations to strengthen performance in their operations. It will furthermore support communication about the work of farmer organizations on national and international level.

Farmer organizations participating will be supported in establishing a code of conduct highlighting the principles in their operations and governance. The code shall be aligned with international standards and codes of roasters and traders active in coffee business. Compliance with the code shall be assessed by way of third party audits recognising efforts and giving comfort to members of farmer organizations as well as both sellers of agricultural inputs and downstream supply chain partners who might grant them a preferred supplier status. It shall also raise the interest of financial institutions and other service providers to cooperate. The code shall be applicable to all interested farmer organizations and corresponding processes for the implementation shall be supported by the Support Unit potentially in cooperation with local strategic partners. To differentiate the spirit and nature of this new generation of farmer organizations from former experiences the term of “Coffee Farmers’ Alliances” is suggested.

Objective 2: Enable farmers to significantly improve coffee production and overall farm management in a sustainable way

The aim is to upgrade farm management know-how and improve production practices of smallholder farmers. Experience suggests that this is most effectively done through a learning group structure and validated methodology. Good Agricultural Practices will be based upon the principles of sustainable farming. Although focusing on coffee practices will address the entire production system including food and other cash crops. Cultivation measures such as soil conservation, moisture management, the use of shade trees, safe and proper use of fertilizer and pesticides will also apply to the whole farm. On farm research shall contribute to strengthen the practices suggested.

Coffee farms need to be rehabilitated over time. Supporting this need the project will design a package for promoting the rejuvenation of the coffee tree stock and filling gaps with quality seedlings. For the multiplication of

coffee as well as shade trees the establishment of private nurseries as new business opportunities in producer communities will be promoted.

Objective 3: Enhance coffee quality through improved practices and management

Good Processing Practices will be documented in quality improvement modules and training programs encompassing the levels of production, harvesting, post-harvest handling, drying, processing and storing. Quality control procedures will be specified. DCs will be trained to use simple quality control equipment. Farmer organizations will be supported in processing coffee up to FAQ quality and keeping separate different qualities.

Objective 4: Improve overall marketing performance of producer organizations through value addition and efficient linkage to marketing agencies, exporters and international traders

Farmers and their organizations will be supported in bulking their coffee and establishing direct commercial contact with the exporter level. Building strategic alliances with reliable supply chain partners will be supported.

In this respect the project will benefit from the commitment and international network of the world's largest coffee trading and service house, Neumann Kaffee Gruppe (NKG). While farmers are free to decide who they will sell to, operative companies of the group commit to always offer a market for the coffees produced within the scope of the project. NKG companies and their partners operate in prominent coffee producing countries as well as in most important consuming markets in North America, Europe and Asia. Through them also dedicated roasting companies will be incorporated into commercial partnership arrangements. Quality aspects shall thoroughly be respected in price negotiations which shall take place at market conditions or better.

In view of market development, a clear growth of demand for sustainable Robusta coffee (Utz Certified, Rainforest Alliance, 4C) can be observed. Such coffee can be used for certified espresso blends as well as for soluble products.

Together with producers and their organizations the project will support the analysis of income opportunities in addition to coffee where other crops as well as the options of emerging markets such as market for carbon certificates shall be assessed.

The objective pursued by HRNS through project work is to raise competitiveness of coffee farmers and orientate operations towards sustainable practices. Consequently, no obligation is established for the farmer groups to sell to NKG export companies. However, NKG companies undertake efforts to help establish commercial partnerships between producers and roasting companies with a long-term perspective. In doing so, the NKG export company's business proposal competes with the business proposals of the other coffee export companies active in Uganda. It is up to the farmers to decide to whom they sell their coffee.

KCFASP illustrates the independence of the farmers in their marketing decisions. There are 3 main ways in which coffee is marketed in the project:

1. Farmers sell directly at farm gate - usually to small middlemen
2. Coffee is bulked at the Depot Committees (farmer groupings - DCs) and sold to larger middlemen
3. Coffee is bulked at the DCs, transported to the central warehouse and sold to the exporter (e.g. Ibero Uganda as the export company of NKG)

In the project Ibero is not the sole buyer: It is estimated that of the main crop in 2008 a total of 1,200 MT of green coffee was produced by project farmers. Out of this 380 MT was bulked and sold by the DCs as follows: 134 MT to Ibero and 246 MT to middlemen who sell to various exporters.

For structuring credit at competitive conditions for farmers and farmer organizations in a risk reduced environment the CFAU project will establish cooperation with international development organizations, local banks as well as other relevant local financial institutions and by duly involving coffee trade. The credit scheme shall be based on the following key elements:

- A credit guarantee provided by an international development organization to local banks or local financial institutions,
- a guarantee fund for covering first loss risk of credit in question,

– an off-take agreement provided by international trade as collateral in form of a secure market for the coffee volumes required for repaying credit (which effectively will take place from returns generated by physical coffee sales),

– a joint guarantee where members of the same PO collateralize credits received together and

– a well defined time period as well as clear credit limits to mitigate risk; credit shall not exceed 60% of the estimated value of the farmer's coffee production.

Objective 5: To empower men and women in coffee growing households to meaningfully participate in and benefit from coffee supported interventions, production and marketing for equitable and sustainable development

The project will endeavour to improve gender relations in the household so that both women and men actively participate in and benefit from coffee production and program interventions. The project will aim at promoting the concept of men and women working together, planning together and making joint decisions on utilization of coffee proceeds for the benefit of the entire family which will lead to better household incomes, equitable and sustainable household development. Women and men willing to work together and promoting equality in their households will be recruited as change agents to further mobilize the communities to promote the concept in the greater coffee farming community.

2.0 OBJECTIVES AND ACTIVITIES OF THE CONSULTANCY

2a. The objective of the consultancy is to strengthen the framework and methodology for evaluating the project. Specifically, the consultancy will establish and review the following:

2b. Assist the M&E team in establishing baseline data set and in refining of the Indicators set for the CFAU project. In consultation with HRNS Africa Management, the consultant/team will develop a baseline data set, refine the project indicators of the logical framework (adding intermediate indicators where appropriate) Indicators will be reviewed once during project implementation, after the mid-term review.

2c. Enhancing together with the HRNS Africa M&E team Data Gathering/Monitoring tools that are already in place and creation of tools for impact and outcome monitoring. The consultant/team will review and enhance the specifications of data gathering/monitoring tools within the existing M&E system developed by HRNS. This will involve the development of a simple yet effective mechanism for collecting information and experiences gained in the course of project execution in order to facilitate the monitoring and evaluation of the operation with special focus on qualitative information. The consultant/team will also develop data collection tools such as models for participant surveys, FGD guidelines etc. The system will ensure project evaluability in terms of both results and impact, thus serving to inform the preparation of the mid-term and final evaluations. At the same time, the system will enable HRNS to determine the cost/benefit of the project and the effectiveness of the project management team in implementing the project. The design of the system and development/adaptation of existing tools will enable HRNS Africa to compile information on project activities, consultancies, and impact of the assistance on the project's final beneficiaries.

3.0 METHODOLOGY

3a. Review of project documentation.

- Review of final evaluation and final project report of the KCFASP upon which the current project is anchored. This will help give an indication of how the desired results of the current CFAU project would look like. It is important to point out though that the CFAU has some additional elements that were not part of the KCFASP.
- Review of project Logframe, M&E Plan and other Monitoring tools available in HRNS Africa office in Kampala and the field offices. This will inform the consultant/team on details of the project and on what indicators baseline information is required.

3b. Adaption and operationalizing of Master's Thesis 'Measuring the Impact of Projects on Sustainable Development – a Theoretical Framework & its Application to Smallholder Coffee Farming in Uganda' which was done with the CFAU as the case study. This will form basis for the development of impact measurement survey questionnaire

3c. Intensive and structured field visits in Masaka and Luwero by the consulting team accompanied by the HRNS M&E team to objectively try the survey questionnaire and to interact with farmers and other stakeholder's for the purpose of validating the tools for baseline data collection on project indicators as stipulated in the project Logical Framework. The field visit will also serve to inform about reality thus enabling a better understanding so as to develop adequate methodology, tools and templates for project M&E activities.

4.0 OUTPUTS AND SCHEDULE: Deliverables

4a. Development of data collection tools such as model participant surveys, survey questionnaires, checklists, interview methodology (to be further refined by those administering these tools, i.e. field technical staff, M&E officers). The tools will be reviewed and approved by the M&E coordinator and project management before adoption.

4b Baseline data and refining of Indicators. The consultant/team will assist in data analysis to establish baseline data upon which evaluation will be based and upon which indicator targets will be set. The proposed modification to indicators in the logframe will be presented to the management of HRNS for their review and approval prior to adoption as official project documents. The Baseline survey report will be shared with project partners

4c. Guidelines for data-gathering and functioning of the Monitoring System: The consultant/team together with the M&E team will prepare a guidelines manual describing the principal elements of data-gathering and the functioning of the monitoring system, the tasks and responsibilities of those who will be charged with collecting the appropriate information on the indicators and recommended schedule for the collection of the information. The guidelines will be reviewed and approved by the management of HRNS before adoption.

5. CHARACTERISTICS OF THE CONSULTANCY

5a. The consultant/team will be supervised by the HRNS Africa Country Office in Kampala. The consultant(s) will work closely with the HRNS Project Team and will have the Project M&E Coordinator as primary contact within HRNS Africa. The Project M&E Coordinator will have specific responsibilities related to the collection of information for the evaluations.

5b. Duration and type of consultancy. The consultancy is expected to commence in January 2011 with the duration of 3 months.

5c. The consultant/team will work out of their home location, with data collection travel (estimated at around 30 days total) in Uganda.

5d. Budget. The total cost of the consultancy should not exceed the sum agreed upon between the consultant and HRNS Africa, including all travel and other expenses incurred by the consultant(s). Transport within Uganda shall be provided.

5e. Payments. The consultant/team will be paid in the following manner: (i) 40% upon signature of the contract; and (ii) 60% upon submission and approval of all outputs listed under paragraph 4.0 above.

5f. Qualifications and experience. The consultant(s) must have demonstrated knowledge of current evaluation theory and practice and several years of experience in evaluating development projects, preferably those that are related to the field of agriculture, organizational development, livelihood improvement and improvement of gender relations of smallholder farmers, in-depth knowledge of coffee and, preferably a good understanding of Uganda. Consultants with (or consultant teams combining) these qualifications are encouraged to apply. The consultant/team must be fluent in English.

5g. Presentation of proposals and selection criteria. Interested consultants/teams should present a proposal to HRNS Africa briefly outlining (i) a methodology for conducting the work under this consultancy (max 2 pages); (ii) a proposed work plan (max 5 pages); (iii) the names and CVs of the individual consultants to be assigned to the job; (iv) the estimated number of days that each of the consultants will work on the assignment; and (v) an itemized budget and indication of the total cost of the proposed work plan. HRNS Africa will select the best

proposal and will under no circumstances increase the agreed amount of the consultancy once a contract has been drawn up.

5h. Proposals should be presented electronically by 7th January 2011 to Nicholas Kabare, M&E Coordinator nicholas.kabare@hrnstiftung.org with cc. to Stefan Cognigni, General Manager, HRNS Africa stefan.cognigni@hrnstiftung.org

8.2 Revised LFA matrix (including baseline data)

8.3 Gender Data capturing tools

8.4 Questionnaire

CFAU BASELINE QUESTIONNAIRE FOR HOUSEHOLDS

1. Name of Enumerator		2. Date:	3. Start time:	4. Ending time:

SECTION I: FARMER BIO DATA

5. Name					
6. Year of Birth			7. Gender	i). Male	ii). Female
8. Civil status	i). Married	a) # of wives	ii). Widowed	iii). Single	iv). Divorced
9. Highest level of education of head of household	i). None	ii). Primary	iii). Secondary	iv). College	v). University
10. Who heads the household			i). Adult male	ii). Adult female	iii). Child
11. Is the respondent head of household/family (exercises more power in binding family decisions more than any other member):				i). Yes	ii). No
12. Household size: A household is a single person, or a group of people who live under the same roof, combine their incomes and assets, and eat from the same pot. A household member is someone who has lived in the household for at least 6 months over the last 12 months. Now ask the respondent: "Including yourself, how many people are in your household?"					
13. Total number of children aged 6 years and above					
14. Number of children of school going age (6 years and above) in school		i). Primary	ii). Secondary	iii). College	iv). University
15. Area of residence:	i). District	ii). Sub-county		iii). Village	

SECTION II: COFFEE PRODUCTION, MANAGEMENT, AND MARKETING DATA

A. Farm size

16. What is your total farmland holding in acres?			17. How much of this land is under coffee?	
18. Do you know the number of coffee trees in you farm?	i). Yes	ii). No (if no skip to next table)	19. # of productive trees	
20. # of non-productive trees			21. # of trees that are less than 2 years old	

B. Farm management practices

22. Doe you use inputs (Herbicides, pesticides, fertilizer, manure) on your coffee farm?	i). Yes	ii). No
NOTE: If the answer is yes, continue to the questions below. If no, skip to table below.		
23. Types of inputs	Nr of application per season (e.g. x2, x4, etc)	

24. Herbicides					
25. Pesticides					
26. Fertilizer					
27. Manure					
28. Mulch					
29. Rejuvenation (replacement of old trees with new ones on expert advice)	Yes	No	30. Do you replant? (gap filling)	Yes	No
NOTE: If answer above is yes, please continue. If answer is no, skip to table below.					
31. What is the name of variety of replanting material?					
32. Do you prune your coffee trees?			Yes	No	
33. Do you keep records of your farm activities?			Yes	No	
34. How and where do you store your dry cherries? (i) in bags on raised beds in store (ii) in bags on ground in store (iii) in bags on raised beds in house (iv) in bags on ground in house (v) on the ground in store					
35. Where do you sell your coffee?					

SECTION II: QUALITY OF LIFE

A. Housing data

36. Roof type	i). Thatched	ii). Plastic	iii). Iron sheets	iv). Tiles	v). Other equally robust material
37. House walls	i). Mud	ii). Wood	iii). Iron sheets	iv). Bricks	v). Stone/ Other equal material

B. Nutrition

38. Animal protein in-take	i). Daily	ii). Twice a week	iii). Once a week	iv). Once in 2 weeks	v). Once in 3 weeks or less

C. Family assets

39. Value of household items (furniture, cooking utensils etc)	i). Up to UGX 0. 5 million	ii). 0. 5-1.0 million UGX	iii). 1.0-1.5 million UGX	iv). 1.5 - 2 million UGX	v). Above UGX 2 million
40. Value of household electronics (radio, tv, mobile phones, etc)	i). Up to UGX 0.25 million	ii). 0.25-0.50 million UGX	iii). 0.50-0.75 million UGX	iv). 0.75-1.0 million UGX	v). Above UGX 1 million
41. Value of households transport vehicles (e.g. bicycles, cars, motorcycles)	i). Up to UGX 1	ii). 1 - 3 million UGX	iii). 3 - 5 million UGX	iv). 5 - 8 million UGX	v). Above UGX 8 million

42. Value of farm equipment (tools, wheelbarrows, processing equipment etc)	i). Up to UGX 0.25 million	ii). 0.25-0.50 million UGX	iii). 0.50-0.75 million UGX	iv). 0.75-1.0 million UGX	v). Above UGX 1 million

D. Source of water for human consumption

43. Main water source (more than 70% of the year)	i). Stream	ii). Dam	iii). Protected well/spring/gravity flow	iv). Outside piped source/rain water harvesting in tanks	v). Tap water in house
44. If less than 70%, specify substituting source	i). Stream	ii). Dam	iii). Protected well/spring/gravity flow	iv). Outside piped source/rainwater harvesting in tanks	v). Tap water in house
45. What is the estimated distance to the nearest water source	i). 10 metres or less	ii). 50 meters	iii). 100 meters	iv). 200 meters	v). Over two hundred metres

E. Consumption expenditure

46. Expenditure per Month		UGX
i). Food	a) How much do you spend on food per month?	
	b) What is the value in UGX of the food consumed in your household that is produced by you?	
ii). Non-Food	a) Clothing and footwear	
	b) Housing (e.g. rent, maintenance etc), furniture and household equipment	
	c) Transport, communication, entertainment and recreation	
	d) Medical and personal care, education	
	e) Other consumption items (incl. Alcohol, cigarettes, tobacco, etc)	
iii). Non-consumption expenditures	a) Money transfers, investments, savings	
	b) Hire of farming and other equipment, farm labour, etc	
	c) Taxes, Fines, Repayment of debts and losses, and other non-consumption expenditure	
TOTAL HOUSEHOLD EXPENDITURE per month		
47. Total expenditure per year (above x 12months)		
48. Do you prepare a household budget periodically?		i). Yes
		ii). NO
49. Which family member takes the main decision on expenditures?		i). Head of household only
		ii). Head of household and spouse

SECTION III: GENDER (This section is to be completed by married respondent in presence of spouse[s] for confirmation of information given)

50. Between you and your spouse who contributes to coffee management (e.g. picking, drying, pruning, mulching, planting, packing) more?	i). Husband	ii). Wife
51. Who decides on coffee management and marketing issues?	i). Husband	ii). Wife
52. Is information about sale of coffee (e.g. price, quality, etc) shared with spouse?	i). Yes	ii). No
53. Are roles shared equally between you and spouse?	i). Yes	ii). No

SECTION IV: AFFILIATION TO A FARMER ORGANISATION

54. Are you a member of any coffee farmers' organisation?	i). Yes		ii). No
NOTE: If the answer is yes, continue to the questions below. If no, skip this part and end interview.			
55. What is the name of your farmers'/coffee producers' organisation?			
56. Since when have you been a member of this organisation? (Month and Year)			
57. What are the objectives of the organisation? List them.			
58. What services are you supposed to receive from the organisation? List them.			
59. Do you receive all the services listed above?	i). Yes		ii). No
60. Are you satisfied with the kind of services you receive from your organisation? Please explain your answer.			
Do you receive feedback from the organisation on the following issues:	61. Quality of your coffee?	i). Yes	ii). No
	62. Selling price of your coffee?	i). Yes	ii). No
	63. Final coffee buyer?	i). Yes	ii). No
64. Is the farmer organisation registered?	i). Yes		ii). No
65. Does the organisation operate a bank account?	i). Yes		ii). No
66. Do the members have access to loans through the organisation?	i). Yes		ii). No