Sida Evaluation 00/23

Export Promotion of Organic Products from Africa

An evaluation of EPOPA

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Department for Infrastructure
and Economic Cooperation

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Summary

Introduction

In 1994 Swedecorp started a first pilot project in Uganda to encourage production and trade in organic cotton and sesame for export to Europe. The initial success led to a larger programme to encourage organic production. The programme "Export Promotion of Organic Products from Africa" (EPOPA) is managed by Agro-Eco, a Dutch consulting firm. The consultants identify suitable products, growing areas, farmer groups and exporters. They prepare feasibility studies, and assist exporters build up a system to contract farmers and provide extension services for organic agriculture. Processes for certification are built, and market contacts established to reach importers in Europe.

In 1995 Sida took over financing the EPOPA programme. Over the next few years EPOPA expanded to encompass a total of 7 projects, five in Uganda and two in Tanzania. Several feasibility studies were produced and steps were taken to start projects in Mocambique, Zimbabwe, Kenya, Ethiopia and Palestine. In 1999 Sida stopped any new projects, and EPOPA was concentrated to finalising the already initiated projects. The contract between Sida and Agro-Eco comes to an end in September 2000. By then the EPOPA activities have cost a total of around 15 million SEK, out of which somewhat less than 3.5 million were used for the core of EPOPA, and just above 11 million in direct support of projects.

Achievements and impact

Currently five projects are implemented, three in Uganda and two in Tanzania. In Uganda, organic Arabica coffee is produced in West Nile, organic Robusta coffee in Bushenyi, organic sesame and cotton in Soroti, Lango and Apac districts. A fourth project with organic cocoa had to be suspended because of rebel activities. The cotton project with which the project started in Uganda six years ago continues on its own without any external funding. In Tanzania, organic Robusta coffee is produced in Kagera and cocoa in Kyela. The pilot projects in Mocambique and Zimbabwe were stopped after one year, but continue on their own, without funding from aid agencies.

In the year 2000, approximately 24.000 farmers participate in the five projects that are implemented under the programme. They receive a 15–30% higher price on their cash crops than they would otherwise have got. On several occasions the increase has been higher, as competition between buyers has led to higher prices. This is particularly true of sesame, where the crop price actually tripled over the past year as a result of the project. Farmer incomes vary between the project areas, from an average high of around 1.300 to a low of around 170 USD. Some farmers have around 50 to 100 coffee trees, or cultivate a few acres. Others have as much as 10.000 trees and cultivate several acres with the help of paid labour. Assuming that 24.000 farmers on the average increase their incomes with around 50 USD, the annual increase of incomes due to the project would be around 1.2 million USD (11 million SEK). The benefit to cost ratio of EPOPA would thus be considerable, and the whole project could be discounted over less than two years.

Furthermore, the costs of farming are reduced as expensive fertilisers and pesticides are not used. As the farmers were producing organic products from the start, there has not been any reduction of harvests due to the transition from non-organic to organic methods. After several years of stagnation, new land is tilled and new coffee seedlings are planted which will further increase farmer

incomes in the future. There is a difference between farm management practices in project and non-project areas, where the former use pruning, mulching, improved organic fertilisers, and better post-harvest treatment of crops. This can be attributed to the extension services of the exporters' field workers, and the fact that these will not buy the harvest if the farmers do not take measures to improve quality. The extension service is thus combined with an unusual but forceful incentive to change behaviour.

The exporters were all involved in trading before the project, and in fact most of their trade is still in non-organic cash crops. But as long-term market trends show decreasing prices due to higher volumes traded, they see an advantage in developing a niche-strategy where they can realise higher prices. On average, there is an organic premium of 20–30% on major export markets; that is, on the price when the goods are delivered in Europe.

The extra costs of the exporter included higher prices to the farmers, the costs of field officers and certification, and establishment of a separate line throughout the handling of produce to avoid contamination of the organic products. In the first year, most of these costs are assumed by EPOPA, the second year they are split between EPOPA and the exporter, and from the third year onwards, the exporter assumes all costs. Whereas the cost-sharing system is fair, its duration is rather short. It would have been better to introduce a higher degree of cost-sharing initially, but to continue the EPOPA share one or two years longer, particularly as the world market prices for some of the crops have declined so markedly over the past few years.

The most critical aspect of the organic exports relates to the certification. Under EPOPA, the Swedish certifying organisation KRAV has inspected the sites and provided assistance in building a system of internal control in the projects. KRAV also had local inspectors do part of the work. However, there is still no Ugandan or Tanzanian certifying organisation, and that means that the cost of certification are very high. Even though they can be covered within the projects, the profit margins are sharply reduced for the exporters. In the long run, it will be necessary to develop the institutional framework for certification if organic exports are to continue increasing.

Efficiency and effectiveness

The core part of the programme has identified crops, prepared proposals for feasibility studies and actually produced 11 feasibility studies, plus market reviews and opportunity studies. Furthermore, the different project activities were co-ordinated, and a system of monitoring and reporting to Sida was kept working. The core part of the project also developed training materials, negotiated certification from KRAV, and arranged participation in trade fairs for organic products. The budget for the core part is less than 20% of total costs. To produce all these services, Agro-Eco has worked efficiently. As the contract was awarded after an international competitive bidding process, there is no reason to remark on the fees charged. They are well within the limits of such fees, and Agro-Eco has delivered its inputs efficiently.

Within the different projects, efficiency can be assessed at several levels. The most significant organisational aspect is the development of an extension service with field officers. Field officers register farmers, contract them for crops each year, inspect and advice, and buy the crop. On the average, each field officer has to cover more than 500 farmers in a year, actually in some projects as many as a thousand. Assuming around 150 working days a year for farm visits, this means that field officers have to work hard, as they also must transport themselves on foot or bicycle for long distances. The records indicate that farmers are visited, and hence we must conclude that these operations are very efficient. However, there are also indications that the capacities of the field officers are stretched,

and that there is pressure to register more farmers than can actually be covered with extension services later.

Effectiveness is a measure of whether the project is doing the right things within its overall mandate. In the past, a large share of the core project was spent on developing feasibility studies. As many of these did not lead to any projects, they must be considered a waste of resources. The projects were not developed because they were found unfeasible, but because of a lack of funds. Sida in advance must have known this, and hence the studies should have been stopped. Similarly the extension of the programme into more countries meant that the resources were not focussed where they had the highest impact. However, it is not more than around 10% of the total resources that were scattered over new countries and stillborn feasibility studies. But it could have been avoided if there had been a clearer communication between Sida and Agro-Eco on the strategic direction of the programme, and both actors should have considered a clearer focus on countries and projects.

Relevance and sustainability

The export market for environment friendly goods from developing countries is growing. Even though the prices for many tropical cash crops are declining, companies and farmers can realise higher prices and become more competitive through ecologically sustainable production methods. The increasingly important role eco-labelling plays in the industrialised nations shows that consumer power can influence the move towards more environment friendly production.

Non-organic farming has many socially unacceptable effects in developing countries. Lack of knowledge and awareness among farmers make them vulnerable to harmful effects of pesticides and fertilisers. Many chemicals that were outlawed in Europe and North America are still produced and sold in developing countries. Large scale farming of cotton and coffee is often less productive than organic farming, more expensive for the farmer, and harmful. Compared to organic farming, it can be questioned whether it is sustainable.

The major threat to organic exports from Africa lies in the technical barriers to trade imposed by the developing countries in general, and by the European Union in particular. The EPOPA programme has not been directed at this level, but other studies show that there is a discrepancy between the practices encouraged by a programme such as this, and the trade policies encountered by exporters. It would be an important challenge to link the practical experiences of EPOPA to greater advocacy at the European and global levels in favour of streamlined policies and procedures that encourage and promote environmentally friendly trade.

Conclusions and recommendations

The market information available on organic agriculture indicates that this is an area that is expanding rapidly. In light of the significant positive results achieved by the EPOPA programme, and against the background that far more work needs to be done, it is strongly recommended that Sida continue to be actively involved in this field. We do not find it appropriate to set a time frame, on the contrary, this as a field where Sida should find itself engaged in a number of projects, in different countries, over a longer period of time. The recently published study on trade, environment and development suggests a number of different areas of intervention. The confluence of trade, environment and development co-operation is a policy area that will be equally relevant many years into the future.

The EPOPA programme is not an agricultural extension project, nor is it only a trade project. It has not been an institutional development project either. It is a little bit of all, and this mixture is what makes it interesting and successful. However, that also means that it does not fit easily within any one organisational entity of Sida. It will be a challenge for Sida to co-ordinate professional (and financial) inputs from different units, in particular from INEC and NATUR. The development co-operation offices have not been visible actors on the programme, but they need to more involved in future years. There is a need for long-term financial commitment to programme activities, such as:

- To support the ongoing projects according to the agreements reached with the exporters, and see to it that these projects become self-supporting as outlined in the feasibility studies;
- To supplement existing crops in the projects with a second crop, to further increase and stabilise farm incomes;
- To exploit the momentum created by EPOPA and to launch new projects in other crops;
- To develop methods to strengthen the institutional development which is necessary as a supporting framework for certification, market access etc;
- To engage in advocacy for fair trade, organic trade, and connect to policy development in the European community, and to market knowledge among consumers in Sweden and elsewhere.

EPOPA promoted organic exports by working with specific projects, but less of the resources were spent on advocacy. To make better use of the field experiences it is time to devote more resources to advocacy, in particular in light of the forthcoming amendments of the import regulation of the European Community.

Chapter 1. Introduction

The EPOPA programme

In 1994 Swedecorp (now incorporated into Sida) set up a project in Lira in northern Uganda to produce organic cotton and sesame for export to Europe. In many areas in Africa the land is more or less organic by default, as fertilisers and pesticides are not available, or are too expensive. (In Uganda, the reign of Idi Amin and the subsequent civil wars led to a collapse of all services and supplies). It seemed logical to benefit from this situation and realise the market opportunities in organic farming. Recognising the potential for organic farming Sida followed up the Swedecorp initiative by financing the programme "Export Promotion of Organic Products from Africa" (the EPOPA programme).

The objective of the EPOPA programme is to develop the export of organic products from Africa to increase and diversify exports, while at the same time exposing the agricultural and agro-industrial sectors to environmentally sound farming techniques. Currently there are five projects running in the programme, three in Uganda and two in Tanzania. The initial project in Lira is finalised and another is pending, i.e. the project in Rwenzori, which was mothballed in 1999 due to security problems along the boarder to the Republic of Congo. Table 2.1 presents the different projects. We must note that it is not always easy to distinguish the different projects. Sometimes they are referred by the geographic area, sometimes by the crop, and at other times by the name of the exporter. In this report, we will use the names of the geographic areas indicated in table 2.1 when we refer to the projects.

The management of the programme has been subcontracted to a Dutch consulting firm, Agro Eco Consultancy.. Much of the day to day running is however in turn subcontracted to Agro Eco (U), an associate in Uganda. The projects are based on large groups of smallholders. It is thus largely a private sector business activity. An exporter is connected to the farmers, employing field officers in charge of mobilising and registering the farmers.

Smallholder group certification is then developed in cooperation with a Swedish certification body, KRAV. According to EU a not quite specified number of farms should be re-inspected by an external inspection body. This is also carried out by KRAV. The premium paid for organic products is to cover costs for the field staff and the cost for certification. However, during the three initial years there is a reducing share in certification costs covered by Agro Eco/Sida. After three years the exporters should continue on their own account.

Agro Eco's role is to identify new projects; assist in carrying out feasibility studies and other project preparations; supervise the projects; provide extension services; provide training of field officers and farmers; help in bringing together exporters with importers; submit regular progress reports to Sida etc.

The products in the projects can be food or non-food; they can be raw material or processed commodities. Preference has so far been given to high-volume goods. Export is presumed but it is also said that farmers should not neglect production for domestic consumption.

Lessons from monitoring and evaluation

The EPOPA programme is very well documented. As we have mentioned above, Agro Eco submits a report from each project every six months. In addition the core project makes two to three missions a year to each country from which they also submit reports. In the following we quote from some of these reports to get a picture of some of the implementation problems faced by the programme – and also of the kind experiences gathered over the years.

"Farmers are initially sceptical about the project and thus it is difficult to get them active at an early stage. When trust is established they are more open to recommendations. Extension message is taken more serious because it comes from the exporter rather than the government. There is in general little ambition among farmers, and they do not believe that they can change their lot themselves. Although there may be labour surplus the prospect of doubling their income does not actually motivate them to do it. What they appreciate from the project is very much the attention and assistance they get from field officers and from "experts" now and again visiting the projects. They are easily bullied by other buyers to sell crop as conventional. It still remains a challenge to make smallholder farmers knowledgeable and active organic farmers requires."

"Exporters have a key role to play, but it is a difficult task to motivate them to take risks with organic trade. Initially, it is only with some reluctance that they take on responsibilities for field organisation and certification to be able to sell organic. Exporters would rather have costs for certification to be covered by somebody else until they are sure that it is a commercial viable business. There is a need to work on export price to be known before the buying season. Now exporters are forced to buy from farmers at lowest possible price, as they do not want to run the risk of buying too expensively."

"Sustainable trade relations Difficulty has mainly been in differences in seasons between exporters and importers, straining liquidity positions and making it difficult to store and ship the products. In some cases, it takes longer time to develop solid trade relations (longer than the three years presupposed in the financing scheme of EPOPA). However, when the exporter is part of an international trading house, the problems can be solved."

Country	Project area	Products	Starting date	End
Uganda	Lango	Cotton	1994	1997
Uganda	Nebbi	Arabica coffee	1998	2000
Uganda	Bushenyi	Robusta coffee	1998	2000
Uganda	Soroti/Lango/Apac	Cotton, sesame, peanuts	1998	2001
Uganda	Rwenzori	Cocoa	1997	1999
Tanzania	Kyela	Cocoa	1997	2001
Tanzania	Kagera	Robusta coffee	1998	2002

"Certification. EU's import regulations request that some of the farms should be re-inspected by an external inspection body (when the products are to be marketed as organic). According to some, this is unnecessary when there is a well-functioning internal control system since farmers deviating would already have been excluded. A difficulty with certification are the increasing information requirements from authorities in charge of import licence which cause delays, and sometimes have resulted in contracts being cancelled."

The quotations point at some of the difficulties and problems inherent in the programme. When the EPOPA was coming to an end, Sida decided to commission an external evaluation. Between

November 1998 and January 1999 the Danish consulting firm Darudec carried out an evaluation of the EPOPA programme. Their main findings and recommendations are as follows:

"The EPOPA concept – is applicable to the context in Uganda. Its applicability is more difficult to answer regarding Zimbabwe and Mozambique, where Agro Eco has also tried to set up projects. Tanzania was not evaluated since the projects had just been set up. In general, a thorough programme formulation is recommended to "specify the technical, societal and policy conditions for launching of new sub-projects". For example, it is important to consider the impact of increased land pressure for the sustainability of socio-economic achievements."

International marketing – "it is possible to obtain acceptable price for organic products on the international market".

The exporter – the most capable exporters in the projects have so far been private. Thus only private exporters should be involved, with good managerial capacity and access to crop finance.

Field organisation – the present model is applicable. "It should be considered if a farmer's organisation could take responsibility for a field organisation, particularly in cases where private exporters are less interested in taking this responsibility."

Organic production – is both feasible and an attractive option for farmers. However, if the objective of the project includes long term sustainability of organic farming, it may require substantial technical advisory inputs at the farmer's level for a long period of time. It is uncertain if the present field organisation will be able to provide these. It has been possible to establish trustworthy certification systems.

Programme/project planning and monitoring – should have been more structured and better-documented, e.g. through… a logical framework. Possibly the present approach has led to more resources being used than needed.

Programme administration and management – has been adequate, but due to the lack of structured planning it has been rather difficult. Guidelines and procedures should therefore be better documented.

Sida received the evaluation in January 1999. However, the evaluation did not provide enough analysis to support Sida's decision on whether to continue support to EPOPA or not. Hence Sida decided to extend the programme for one year, while commissioning an additional evaluation.

Purpose of the present study

Consequently the present study seeks to provide the information which was lacking in the last evaluation. The detailed terms of reference are enclosed in annex 1. In brief, this means that we will seek to provide a clearer justification for – or against – the projects in terms of the policies and objectives of Sida, and in relation to the broader developments in the fields of trade, environment and development. We will also focus on the achievements of the specific projects, and in particular account for impact at the level of farmers and exporters. We find that the roles assumed by Sida and the consultants also need to be analysed, hence we will treat these in some detail. But as there is a full-fledged evaluation of recent date, we also feel obliged not to repeat the information of that study. A fuller picture of the programme would thus be obtained by looking at both studies.

Methods for data collection and analysis

The methodological choices of the present study should be seen against the background that there is a considerable volume of reports from the consultants, as well as a comprehensive evaluation report, which is only a year old. There are thus rich sources of documentation available. Our analysis builds on:

1. Review of documents, in particular the progress reports from the projects as well as from the core project, reviews of Sida documentation on trade, environment and development, including case studies of Uganda;
2. Discussions and interviews with the consultants, with KRAV, and with program officers and field office representatives of Sida, and with personnel at the Swedish Ministry for Foreign Affairs;
3. Observations and field visits to the ongoing and completed projects in northern Uganda, and visits to exporters in Kampala. These visits included interviews with field officers, with farmers and village chairmen. During the visit to Uganda we also visited adjacent areas that were not included in the project, and hence observed the status of farming there. Two new organic export projects that are not financed by EPOPA were also visited;
4. Internet search, as there is a wealth of information on organic trade, as well as actual retail activities, on the net. It is possible to surf between the web pages of institutions such as ITC, FAO, IFOAM and others to find information on organic trade. Different certifying organizations have their own web sites, and so do many universities with research on organic farming and trade.

We focus on information which is needed to motivate future decisions in respect of EPOPA, which clearly answers the question whether EPOPA is a worthwhile pursuit, whether it yields a sufficient return on the investment, and whether there is a need for additional financial contributions from Sida.

The evaluation was commissioned to Andante – tools for thinking AB, and undertaken by Kim Forss and Emma Sterky. Our background lies in the field of evaluation rather than in agriculture and trade. We bring to the evaluation an analysis of policy objectives and a discussion of worth and merit on the basis of achievements and future opportunities. We do recognize that there are many questions relating to agricultural practice which are beyond our scope, but the reader may refer to other sources such as progress reports, as well as agricultural research for more information on these.

A guide to the reader

The present report is structured in three main analytical sections. The first is devoted to an assessment of the markets for organic products and how they develop. It seeks to answer the question whether the move to ecological agriculture is sustainable, or whether it is a fad, a spur of the moment, without any realistic commercial opportunities for developing countries. The purpose of this is to assess whether the project idea as such makes sense, whether organic farming is relevant and sustainable in the long run

The next section discusses the project, the roles of actors that were involved, assesses its design and implementation, impact on farmers, village communities, and exporters. The purpose of this section is to analyse whether the actual results achieved by the project are good enough to merit an extension.

The section after that discusses the ramifications of the project in terms of institutional development, policies, and management. It relates the project to debates on institutional development, and it explores how the project idea might be developed in the future. Finally, the report ends with conclusions and recommendations.

Chapter 2. The future of organic agriculture

The development of organic farming

Organic farming is still only a relatively small industry. However, according to a recent study by BioFach in collaboration with IFOAM *(Organic Agriculture World-Wide,* 2000), the demand for organic products is growing continuously, and farmers respond by putting increasing areas under organic management.

Presently the largest organically managed areas are located in the USA and Canada (together 2 million hectares 1999), and in Australia (1,7 million hectares). In relation to total agricultural area, the percentages are highest in Europe. In Austria and Switzerland it comes close to 10 per cent of the total agricultural area.

Most of the organic products are today traded nationally; about 15 per cent are traded internationally. The proportion of the international trade is nevertheless expected to increase to 20 per cent in the next years.

Agricultural prices, in general, had the sharpest decline among major commodity groups in 1999. According to prognosis the prices are expected to gradually recover and are likely to increase over the coming years.

Prices for organic products are often as much as 20 per cent higher than identical non-organically grown products. Today the most traded commodities are grains, coffee, tea and cotton. The premium prices for these vary depending on product and the market. The premium paid for organic cocoa are, for example, usually based on the price established on the London market exchange. Usually premiums vary between 10–20 per cent. In general the organic premiums decrease when London increases and the other way around when the market price drops; the ultimate profitability of organic farming varies and few studies have assessed the long-term potential for such market premiums.

Demand prospects on major markets

Trade with organic food is becoming a major business on the world market. All sources of information expect that the demand for organic products will increase. Consumers in the developed countries are increasingly aware of health and environmental issues as well as labour conditions. Different national and international regulations support this as for example the EU pesticides regulation, which was recently passed. According to Agenda 21 environment and trading policies should enforce each other for sustainable development. Regarding organic agriculture more directly, some governments have adopted programmes to support organic agriculture through subsidies, marketing etc.

To meet these demands some of the large multinationals have entered the market for organic products, e.g. McDonalds, Danone, Lufthansa and Swiss Air. Nestle and Novartis are already established. This may also indicate that organic products have good future prospects. An increasing demand is further supported by product development and packaging innovations.

In general, the largest growth in market shares has been seen in countries where the organic products were promoted via supermarkets with a national logo, rather than in special shops. This is also identified as the major channel for market growth in the future.

The largest markets today are in the USA (approx. 40 per cent), Europe (approx. 50 per cent) and Japan (approx. 10 per cent). In 1997 the market volume for organic products was 11 billion USD. In 1998 it was expected to reach 13–13.5 billion USD. Only for North America demand is expected to grow 20–25 percent and supply 10–15 per cent per year. This indicates that the USA and Canada will need to import organic products.

Apart from those major markets local markets for organic products slowly evolve in some developing countries. In the developing countries there is yet a lack of awareness among consumers to ask for environment friendly products and there is limited involvement in environment friendly production – thus business opportunities are still limited

In the ITC (1999) report, annual sales of organic foods are estimated to increase by five to 40 per cent over the medium term, depending on the market. According to a figure in a recent report by Sida, the annual growth rate is expected to be 20–25 per cent.

Organic food sales could increase from one per cent up to ten per cent of total retail food sales in major markets during the next few years. The FAO prognosis in 1999 was that the proportion of the organic products of the food system would see growth rates exceeding 20 per cent annually in the USA, France, Japan and Singapore.

The major exporters of organic products are the USA, Italy, Argentina and Mexico. In general, ITC forecasts good market opportunities for developing countries regarding organic products for several reason: they offer products that are not grown in the countries where the greatest demand is – i.e. coffee, tea, cocoa, spices, tropical fruits, vegetables and citrus fruits. The demand for different organic foods is year-round and therefore it is impossible for any country to satisfy all needs domestically.

The institutional framework of trade

There are international rules for which products may be given an organic label and there is an accreditation procedure for certification bodies. The International Federation of Organic Agriculture Movements (IFOAM) decides upon the international rules. The International Accreditation Services Inc can accredit certifying organisations. In the year 2000, the first organic products with the IFOAM accredited logo will be on the market.

In 1998 there were more than 200 certification organisations in the world. The majority were based in Europe and North America. In the developing countries there were around 20, one of which had been accredited by IFOAM.

Many countries have national regulations for organic products, for example the EU members, Switzerland, Canada, Australia and Japan. In others regulations are under way, as for example in the USA. Many Asian and Latin American countries are currently working on draft organic laws and regulations. In Asia it is both in response to export opportunities as well as to an increasing domestic consumption. In Latin America it is mainly to stimulate export. According to a recent report the organic law under way in the USA will provide a framework for organic products world wide.

The EU is the most important single export market for developing countries. Raw materials from the developing countries are tariff free to the EU, whereas tariffs are levied on processed goods. The ACP countries (African, Caribbean, Pacific) get tariff free access to EU market for industrial, textile and clothing goods, i.e. broadly all agricultural products.

The European market for organic products is regulated by the Council Regulation 2092/91. It concerns the production of organic agricultural products and aims at protecting consumers from dishonest marketing and to ensure fair competition among producers.

Only those products, which are produced and supervised in accordance with the Regulation, may be marketed as organic in the EU. An EU-approved inspection body (EN45011) must certify the products. There is now a logo for organic products, which can be used by producers operating under the Regulation.

There are also specific import rules regarding organic products. There are two ways getting an import licence (plus a third having limited application). According to the first principle, import is accepted without import license from countries outside the EU if they are included on a list laid down by the Commission. "The products must be produced under the supervision of an inspection body specified in this list and the competent authority or body in the exporting country must have issued a certificate for each consignment." Thus it is the exporting country which guarantees that the products meet with the EU requirements. At present there are five countries included on the list: Argentina, Australia, Israel, Hungary and Switzerland.

The second principle is known as "the back door", importers in EU countries "may market organic products if they can furnish the relevant authorities in the member state with satisfactory proof that the product was produced and inspected in accordance with the Regulation. Thus, in practice, import licenses are required for each consignment." About 80% of imports into the EU come through "the back door". It was recently extended until December 2005, but will probably be extended again. In practice the various authorities which submit import licenses in individual countries have different requirements for smallholder group certification. Thus one product may be accepted in one country but not in another.

Organic exports from Africa

Exports of organic products from Africa are by many seen as an opportunity for the continent to increase and diversify its sources of income. In many African countries agriculture is by default organical. In general the use of agrochemical has remained low in sub-Saharan Africa, because the farmers cannot afford them. Conversion to organic agriculture is thus relatively easy. Today the production is however rarely certified and thus sold as non-organic on conventional markets for a lower price.

General coffee prices have declined for several years. However, the market for organic coffee is rapidly growing. There is also a growing market for Fair Trade. The market is different for large and small quantities. There is an overproduction of Arabica coffee, but at the same time it is unorganised. This is a problem for large companies who need large quantities. The large buyers think it is difficult to buy from small producers and are also worried about the quality. Many of the importers of organic coffee in Europe and North America are instead smaller companies who often have started trading in organic coffee for less commercial reasons. Some of them sell off roasted beans to others.

The main producers of organic Arabica coffee are found in Central America. However, there is a demand also for organic Arabica coffee from Tanzania, Cameroon, Uganda and Ethiopia. Uganda is well-known for its Robusta coffee, 90% of the coffee is Robusta, and has a potential of establishing itself as the foremost organic Robusta producer.

Regarding the cotton market in general it is said to have reached the bottom and is expected to pick up soon. There are two types of buyers of organic cotton according to Agro Eco. The large buyers who want large quantities and the more exclusive importers with a small market who want small quantities and give high premiums. There are also importers of organic cotton who use it for blending, such as Nike. In general the established importers of cotton are sceptical t regarding

organic cotton, whereas new buyers are more positive because of the growing demand from consumers for environment friendly production and social justice.

The cocoa market was still depressed in 1999 but prices are expected to pick up in the year 2001. However, although the price for ordinary cocoa is low, the premium for organic cocoa is high. There is a rapid increase in demand for organic cocoa, but it is difficult to know for how long it will last. The amount of organic cocoa beans imported by the EU has more than doubled between 1997 and 1999. The largest "intermediate" exporters are the Netherlands, Germany, France and England. They also use cocoa for blending. Usually the European countries prefer to manufacture the cocoa themselves, thus there is little prospect for manufacturing in the developing countries. The main producer is the Dominican Republic, but Ghana has the best quality. However, there is not much organic cocoa and not much development of it either.

Regarding sesame, China is the largest competitor, but there is also Burkina Faso, Mali and Mexico. China sets the price and they are sometimes able to produce large quantities at a low price. At the moment the price is barely enough to cover transporting costs. The importers are mainly Japan, Israel and France. Sesame is still mainly produced for domestic consumption in Africa. One of the advantages with sesame is that it is possible to store and sell off when the farmer is in need of cash. It could be manufactured into oil but then there is a need for technology for packaging. It is more interesting to export for animal feed business. Other products that may have an interest in the immediate future are peanut butter, tea and sugar (though there are significant barriers to trade in respect of the latter.

The largest markets for African organic crops are in the USA, EU and Japan. However, there is also a potential for developing the local markets. In South Africa there is a growing market, and organic products are being sold in specialised shops as well as in supermarkets. In North Africa local marketing is also growing, especially in Egypt. There have also been efforts to establish markets in Uganda, Kenya and Malawi.

Policy makers in Africa have not identified the potential and thus there are no national regulations for supporting organic agriculture. In most Asian countries the acreage under organic management is small, but some governments have identified the demand and are working on organic laws. In Latin America almost all countries have some agriculture land under organic farming, but the development varies greatly. In response to export opportunities several governments are working on national laws and regulations. Most countries also have local inspection and certification bodies, which are lacking in both Africa and Asia.

Market access and barriers to trade

In general, trading with organic products entails higher initial costs and risks for the exporter than trading with non-organic products. To begin with, to be able to market a product as organic it has to be certified. "A certification body must inspect and confirm that the producer adhere to the standards established by various trading partners." Since most developing countries do not have national certification bodies the certification costs are high. In order to reduce the costs group certification is used which is based on a system for internal control. But there are also problems with this.

In many areas there are high "entry costs" to organic production. Access to markets may be blocked for three years after beginning organic management because "purging of chemical residues", land wont be certified as organic before that, but the products can be sold as "transitional organic". However, few markets are yet developed for such products.

Next, there is lack of reliable market information, one of the reasons being that the market is still relatively small and thus the number of traders involved is limited. It is also difficult to find information about the rules applied in individual countries.

There is still a scarcity of marketing channels. There is no international commodity exchange for organic products. This means that exporters have to contact individual importers and may become heavily dependent on a single importer. However, there are said to be plans in South Africa to open up an international commodity exchange. Moreover, there are such fairs as the BioFach. Internet is used extensively by individual consumers.

Most of the trading to Europe goes through "the back door". In practice the various authorities which submit import licenses in individual countries have different requirements for smallholder group certification. Thus a product may be accepted in one country but not in another. This entails extra work and uncertainty both for the importer and the exporter. This may result in delays in obtaining necessary clearances where there is a risk of the customer loosing interest or the quality deteriorating. Thus lack of harmonisation of standards, procedures and demands are hampered by national and EU legislation.

These difficulties put extra demands on the exporter's capacity to manage the whole chain from setting up extension services, registration of farmers, setting up internal control systems, implementing special buying system and marketing on a niche market". Moreover, margins are necessarily high, but still it is not uncommon that exporters run into financial troubles.

A recent review from ITC listed the following barriers to trade in organic products. Reading the list gives the impression that this is an impossible trade,which will soon cease to exist. However, as we noted above, markets continue to increase rapidly, and ITC still concludes world markets for organic food and beverages continous to offer developing countries profitable export opportunities):

- occasional oversuply of a given product may not only have immediate but also more long-term negative effects
- other forms of environmentally friendly and sustainable agriculture are likely to result in increased competition in the future
- reduced price premiums for organic produce and insufficient profitability among farmers and other operators
- unfavourable press (eg fraud) and scare stories, whether justified or not, cannot be excluded
- lack of technical know-how (eg on production methods)
- lack of storage and processing facilities
- poor logistics
- inadequate market information (eg which products to grow, which markets and distribution channels to choose, the competition, market access
- insufficient financing
- many smallholder production systems cause soil degredation and are not environmentally sustainable
- expertise on local farming conditions is a basic requirement and outsiders, while they may be conversant with the principles of organic farming, may not have this expertise. Research into these conditions is essential to organic farming: for instance, a certain cropping system may be preferable in one area, whereas in another area the threat of a certain pest would dictate a different approach.
- Uncertainties about ownerhsip and access to land are real obstacles to conversion

Conclusion

The purpose of this section has been to analyse whether organic farming and trade in organic products have a viable future. There can hardly be any doubt that the long term trend in agriculture is that old fashioned techniques based on heavy uses of chemicals of various kinds are becoming obsolete. The markets for organic products have been growing for several years, and many different sources predict that they will continue growing. An emerging institutional framework at international levels supports these developments.

But there are difficulties and obstacles, which is not surprising as we are witnessing a major restructuring of one of the most important productive sectors of mankind. There are many vested interests. Conflicting interests, not least protectionist tendencies in major industrialised countries affect trade. The practical difficulties for exporters and importers cannot be overestimated. Nevertheless, in spite of the difficulties, trade in organic agriculture continues to increase.

Many of the cash crops cultivated in Africa face deteriorating terms of trade. Organic agriculture is one way of creating a higher value added. But other developing countries are aware of the trends, and in several of these steps are taken to encourage organic production. There is presently a "window of opportunity" for many African crops, but it is essential to actively encourage their organic exports. The EPOPA programme has a role to play. The project logic is sound and it puts the actors on the programme at the forefront of one of the most interesting structural changes affecting agricultural production and trade.

Chapter 3. EPOPA programme design and achievements

Assessment of the program design

A comprehensive assessment of programme design would encompass a level of detail in describing structures and processes that are not required at present. By contrast, the overall design of the EPOPA can be described in terms of some few design features, which can be assessed directly.

The first question is whether the overall programme design contains any missing items, that is, whether there are features, or processes, that have not been developed, but which might have added value to the programme. We have come across a few aspects of the work, which we think would have benefited from more attention and higher financial allocations.

Starting from the bottom, the extension services to farmers have developed rapidly and have been conducted efficiently. But it is quite clear that farmers have a limited understanding of organic production and the reasons why they are engaged in it. Given the lack of chemicals in rural Uganda, and limited funds, the risks that lacking knowledge still leads to some use of chemicals is rather limited. But in the long run, it would be better with a higher coverage and more significant content in the extension work.

The organisation of field officers has been effective and efficient. Nevertheless, there is a strong demand for additional training for field workers. The administrative tasks are significant, and the demands on the field officers are multidimensional. Many of them come straight out of college, with limited experience of interaction with farmers, with little practical knowledge of training and extension, and even less experience with participatory techniques for mobilisation and problem solving.

The title of EPOPA means to promote. This can be interpreted in many ways. We do not see this "vagueness" as a problem, on the contrary it lends itself to interpretation that creates flexibility and dynamic tension in the project. We interpret promotion to include general lobbying, calling attention to the possibilities and obstacles of organic trade among consumers and policy-makers. Agro Eco has undertaken a number of interventions in these areas, for example through their web site, and by presenting papers. Considering that the programme has the potential to hold a very high profile, it is still quite unknown in Sweden, at Sida, and in the countries concerned. The overall objectives would have benefited from more attention to public information and lobbying activities.

As for the first question, whether there are any "missing links", the answer is that there are no missing links, but that the above mentioned aspects of work would have benefited from more attention.

The second design question is if there are redundant items in the programme design, that is, whether there are activities that are not really necessary. Here we would like to point at the reporting system, where the level and magnitude of progress reports from Agro Eco to Sida is much too high. Several hundred pages of project reports are submitted biannually. Sida does not have the capacity to absorb all this reporting. The level of detail is too high. The consultant's time would have been better spent on other tasks than on reporting, as for example those mentioned above.

Similarly, before the present full stop on any developments within the project, there was a search for opportunities in several countries, and more feasibility studies were produced than could be followed through. It would have been better to focus initially on only a few countries, and on a

limited, but diversified, number of crops. With the benefit of hindsight, the resources spent on new countries and feasibility studies, were wasted and would have been better spent within the focus on Uganda and Tanzania, and some additional crops in these countries.

The overall balance between the activities can thus be doubted, and in our opinion more attention should have been spent on extension services, field officers training, and promotion; that is, in relation to production of reports, feasibility studies and country experiments. In short, somewhat too much time spent on bureaucratic requirements, and somewhat too little on productive activities.

It is worth mentioning that the overall design of the programme with Agro Eco, KRAV, exporters and extension services is an interesting construction. Similarly, the approach to registration and contracting of villages has many virtues, but must be assessed in detail in each geographic location. This leads onwards to a discussion of the different actors.

Assessment of the actors and their roles

Speaking of roles is a rough characterisation of the work being done. For the purposes of this analysis, we would suggest that the following roles be used to describe the activities of the different actors;

(**1**) **Visionary.** Development activities usually start because someone has a vision of change, an idea about a desirable condition in the future. Initially, a vision may not be very well articulated, but it will be elaborated and changed during the process of co-operation. The vision could be in the form of institutions necessary for development, of policies that will promote development, of political processes in societies, or in the form of physical infrastructure that will be beneficial. In this case, the visionary roles are played by Agro Eco, the former Swedecorp management and board, and to some extent supported by the Swedish Ministry for Foreign affairs, as well as consultants to Sida and independent researchers.

(**2**) **Network builder.** The organisations that take part in the network change, but some actors usually have the responsibility of creating, building, maintaining and changing the network. That means that they act to bring resources to the network, be it money, knowledge, time to work, decision-makers, etc. The network builder will continuously bring new actors to the network, and at times also push out actors that are not effective or that are no longer needed. The network builder ascertains that the resources needed for the function of the network are constantly available. This is clearly the role of Agro Eco.

(**3**) **Financier.** Material resources, money and land, are of course fundamental to most networks. Some organisations participate primarily in their capacity as financiers; that is, they make it possible for others to purchase the goods and the services. They put up the money. There are several types of finance, and one could distinguish different "sub roles" as financier depending on the nature of the finances. Sida is the financier, but the exporters are assumed to contribute to the programme during the second year, and to take over the extra costs during the third year. They are also financiers, of a kind.

(**4**) **Operator.** A network is supposed to produce something, establish an institution, formulate policies, drill wells, lay up a plan for health care, carry through vaccination programs, teach fishing techniques, introduce data handling systems, etc. Those who do that, be they experts, volunteers, locally employed workers, consulting firms or something else, we call the operators. As specified here, the operator also includes the organisation who employs any of the above mentioned categories of actors. The operators on EPOPA are the farmers and the exporters.

(5) Controller. Now, once the arena has been created and the network established the need for control arises. The meaning of control in this context is to ascertain that the participating organisations work in accordance with the aim of the network. It is possible to distinguish three levels of control; operational, tactical and strategic.

The function of operational control is to supervise the process of integrating the resources to the network; that is, to check that money, capital goods, information, knowledge, etc. are delivered in time and according to agreements. The aim of tactical control is to check if the objectives of the network are reached; if there are any side effects; and if reaching the objectives, was that due to the actors on the network or to some other process? Strategic control is a question related to each of the actors. Strategic control goes beyond the "boundaries" of the network. Its purpose is to examine the network itself and find answers to questions such as; Does the network serve any useful purpose (irrespective of whether its objectives are reached or not)? Should I participate in this network? Is it a useful development activity? In that sense the strategic function relates to the strategic interests of other actors

Agro Eco controls the implementation of the projects and reports to Sida. In the initial years, Sida engaged in a quite detailed operational control, but later withdrew from that role. Instead, a more tactical level of control was tried, but it is not clear whether this arose out of sheer lack of financial resources, commitment to the project idea, or genuine concern for the direction of the programme. We have so far not found evidence of any strategic discussion of the programme.

(6) Facilitator. Development activities are special because they are international. They bring together specialists from many disciplines. Development is by nature interdisciplinary. Some actors have little experience of such situations, but they are needed because of their specialist competence. There is need for a "facilitator" for such actors, for example to inform them of the social and political conditions where the work is to take place. The facilitator would often be an organisation whose function is to oil the machinery, to make sure that activities are co-ordinated and serves the overall purpose.

In sum, the distribution of roles is quite clear, and builds on an appropriate division of labour. In particular, the roles of Agro Eco are central to the functioning of the network, and that role configuration does not contain any dysfunctional tendencies. The weak link in this chain is Sida, whose roles have varied over the years, and seem to have been enacted without consistence. Furthermore, we think that a complex programme of this nature would have necessitated a more proactive attitude from Sida, a more sophisticated involvement, and more strategic reflection – and use – of the results from EPOPA.

In the long run, it is desirable with more actors in the visionary role. In particular, the long term sustainability of organic exports need to have strong institutional support in the host countries, and there is a need for visionary actors in both Tanzania and Uganda. Otherwise, there is a danger that organic exports becomes a movement lead by funding agencies and their consultants.

Project achievements

In the following we turn to a detailed review of the achievements of the EPOPA projects. The information presented here builds on the progress reports from Agro Eco, as well as from the field visits in Uganda. The review of projects in the project documents is confusing as the projects are sometimes know by their areas and at other times by the exporter (made more confusing as some projects have changed exporters). In addition to this the six monthly reports do not follow seasons

and thus the reporting periods do not always cover important events like how many farmers were registered or how many tons exported. We would suggest that project names are defined ones and for all, by geopraphic names such as we are using them in this report. In the following, we provide a few notes on the initial situation in the project area, the major developments up to now, and the present situation. The most important statistics are summarised in tables (one for each project).

The Bushenyi Project (Robusta coffee)

The situation when the project was set up in 1998 was that farms were well organised and had plantations of matoke and coffee, some dairy animals and subsistence food crops. The plantations of matoke and coffee were well maintained, with a number of farmers even mulching in the plantations. Four villages were selected because the farmers had reasonable quantities of coffee (approximately 600 kg per farmer) and were not involved in the production of tomatoes for sale (which is associated with the use of sprays). Bushenyi is an area of comparatively high land pressure. The farmers did not in general use pesticides. But in the coffee nurseries rooting hormones are used.

The situation in 1999 was assessed with a survey (62 farmers interviewed). It was found that 37% farmers sold their coffee to other buyers, mainly because paid while coffee still on tree. The land was intensively cultivated and/or grazed. Farmers had coffee trees inter-cropped with matoke. Nearly half of the farmers had been replanting their coffee, but still much of the coffee remained old. The average farmer pruned his coffee twice a year, weeded three times a year and spread mulches and manure every two years. More emphasis on applying compost, both from animals and kitchen waste could improve sustainability. Farmers interested in improving post harvest processing, particularly with regards to drying.

Two thirds of farmers had coffee wilt, but this only affected less than 5% of trees. There did not seem to be any correlation between good crop husbandry and lack of coffee wilt. The knowledge of organic farming practices and coffee wilt was assessed to be reasonable.

The practice of planting and maintaining shade trees was very poor (probably because of fuel demand and high land pressure). Planting shade trees and fuel wood lots could assist long-term land sustainability. It would also mean better drought resistance for coffee plants. Lack of land major was a constraint on increasing production. Increase in land pressure would probably correspond in a decrease in sustainable farming practices.

The situation in the year 2000 is quite encouraging. As of 15/7/2000 the project had purchased equivalent of 230 tons of exportable coffee. Currently buying is proceeding at between 7 to 20 tons a day and the buying season will end late September 2000. It would thus seem likely that the target of 120 tons mentioned in the project document will be easily realised, and in fact more than quadrupled.

The biggest threat to project is that coffee wilt has increased to approximately 20% in the last season. According to Agro ECO, this could be a result of last years drought weakening plants or this could be just the normal rate of spread of coffee wilt, if it is the latter then the project could have less coffee to export in next season.

The table below presents a comparison of some key figures for the project' achievements. It indicates that in respect of the most important performance indicators, the project is doing a bit better than expected.In terms of the numbers of farmers registered and contracted, the project is doing a lot better.

	Actual Oct 98 to Sept 99	Project Doc 1st year	Actual Oct 99 to Sept 2000	Project Doc 2nd year
Number of field officers	1	1	5	2
Registered Farmers	328	150	3535	300
Contracted Farmers	308	150	3535	300
Tons exported	45	60	500	120

The exporter on this project is Outspan Commodities Ltd This is a subsidiary of ECOM, which is one of the large Swiss commodity-trading houses. ECOM holds 98% of the shares, the remaining are held by Ugandan interests. ECOM was involved in organic coffee in Latin America before the project set up in Uganda. The company thus had experience of the international market for organic coffee already. It is one of top ten coffee exporters in Uganda.

The Nebbi project (Arabica coffee)

The situation before set up in November 1997 was that the soil was very fertile. This was mainly a result of the area not being farmed intensively during the past 20 years rather than good farming management. All coffee was wet processed or washed. After picking the berries, the farmers pulped them with locally made pulpers. Pulped coffee was left to ferment and then the coffee was washed and dried into parchment coffee. There were hardly any problems with pest and fungal. Yields varied. Main problems were old trees, lack of shading or too much shade, and poor field maintenance.

The situation after a bit more than 1 year of the project, according to the half year report in February 1999, was that ten coffee nurseries and seven tree nurseries were established. Sensitisation of the farmers in organic practices was achieved to a less than hoped for level due to the field officers not receiving intensive training in organic culture. An artisan had been trained to manufacture pulpers. Repairs were also conducted.

In August 1999 it was reported that there was an increased awareness of erosion, land degradation in general, know-how of organic techniques. A pamphlet in local language about better coffee processing had been produced and spread among the farmers. It was mentioned that synthetic pesticides in other crops than coffee were replaced by botanicals

In December 1999, Agro Eco reported that farmers started to tend coffee shambas again. Coffee seedlings, generated in project's nurseries, had all been planted. Some had been seen mulching, a practice unheard of during last decade.

In the middle of year 2000, the situation looked quite encouraging. However, trying to work out the real achievements on this project is not so easy as the seasons are difficult to define. The first season was very long due to el-nino rains, the second season was short due to drought and hence buying closed early, this season currently looks like it will be a bit short.

As for performance indicators, the number of farmers to be registered were not stated in the project document (it concentrated more on tons to be exported). However the project has registered more farmers that expected due to low yields. The reports state that the first fly crop was squandered by mixing into wrong warehouse. According to present information from Agro Eco, it was in fact the main season coffee, as both the 98–99 and 99–2000 season had no fly crop due to irregular weather. This season there will be a fly crop but no one wants to buy it as the fly crop is always a low quality crop and it is difficult to sell low quality coffee in any market at present.

The table below presents key figures, where the actual achievements can be compared to the project documents. It seems as though the number of registered and contracted farmers has been quite high, but the field officer organisation has fallen short of expectations, and the production has been lower than anticipated. The main problem appear to lie with the exporter. Despite it being a large company it has had very major financial problems. This in turn has led to a high staff turnover, and possibly difficulties in organising the purchase of crops.

	Mar-98 to April 99	Project Doc 1st year	May 99 to Jan 2000	Project Doc 2nd year	Feb 2000 to March 2000	Project Doc 3rd Year
Number of field officers	4	3	5	5	4	8
Registered Farmers	1050	800	1900		2355	
Contracted farmers	950	800	1700		2100	
Tons bought from farmers	11	60	75	120	120	180
Tons Exported	0	60	75	120	120	180

The exporter in this project is the Kyagalanyi Coffee Trading Co. The company is 80% owned by Volcafe and 20% owned by Mr Paul Mugambwa an Ugandan National. According to Agro Eco, about 8 months ago there were strong rumours in the industry that Cargill were going to take over Volcafe but nothing came of this .

The Ochero project (Sesame)

With this title we describe the project activities in Soroti, Apac and Lango districts (which are all in the vicinity of Lira town, which is also the base of the exporter and the extension services). Ochero project was originally called Kagga Technical Services, expecting to export cotton now but is now with Outspan Enterprises Ltd for sesame)The situation before the project started was curious. Cotton had actually not been grown actively since 1993. There were no major income earning crops, farmers traded in food crops just above subsistence level. These are some of the poorer districts in Uganda. Interestingly, the area has a feature which makes it very conducive for organic agriculture. It is home to predatory black ants, which feed on several of the pests that attack plants. Consequently there is no history of chemical usage in the area. The farmers are well aware of the useful role of predator ants.

The project was originally based on cotton but in the first year Kagga Technical Services (the exporter) failed to raise crop finance and collapsed. There may be many reasons for this, but one contributing factor was certainly the rapid fall of cotton prices worldwide. This had not been foreseen in the feasibility study, and was of course not known beforehand. Cotton prices went low in 98–99 and in 99–2000 the cotton price went through a 50 year low. This effected many players in the cotton industry in Uganda and even larger names like Lonrho Cotton (U) Ltd went bankrupt.

Outspan Enterprises took over the project to export sesame in April 99. This company has been trading in produce since 1977. It formed a joint venture with ECOM in 1996 (the owner of OEL is 2% share holder in Outspan Commodities)

In the feasibility it was noted that there was a lot of land and a lot of farmers in the area. It was thought that if the farmers were mobilised and a market provided, then the farmers would grow crops. This has so far not been the case and the project registers a lot of farmers who do not produce any more that subsistent food. The key figures for the project are shown in the table below. Apart from the numbers of registered farmers, the project falls short in most respects. However, it must be remembered that there was a lot of turbulence when the first exporter went bankrupt, and the new organisation had to gain credibility in the eyes of field officers and farmers.

	Mar-98 to Mar 99	Project doc 1st year	April 99 to Mar 2000	Project doc 2nd year	April 2000 to March 2001	Project doc 3rd year
Number of Field officers	4	4	6	7	8	10
Registered Farmers	2350	2000	4200	3500	5200	5000
Contracted farmers	600	2000	1700	3500	2100	5000
Tons bought from farmers	0	100	146	250		350
Tons Exported	0	100	146	250		350

Nevertheless, some of the most significant results of the EPOPA programme were witnessed in this area. Last year the prices per quantity of sesame was around 200 Ugandan shiling. Outspan offered the farmers 240 for the organically produced sesame. Hence there was shortage for the traditional buyers of the crop, and following the market mechanisms, the latter increased their purchasing price. In the bidding process that followed, the crop prices gradually increased to close to 700 shilling. Compared to the non-project situation, this indicates that farm incomes could be more than three times as high as they would otherwise have been.

How this affects the individual farmers would depend on when they sold, what price they realised and how much sesame they had grown. However, given that this is a very poor area, with many small farms, the poverty alleviation affect would be substantial. If the competition for crops between the buyers is sustained, it will lead to substantial income increases in the following years as well. In the long run, one would expect production to increase and hence the prices may fall, but the area can well end up in a situation with much larger quantities produced, and prices still higher than in the late 1990s.

The Kagera project (Arabica coffee)

The Kageria region is among the richer in Tanzania, and has a tradition of being self sufficient in food production. The climate allows for a variety of crops to be grown. The average farm size is 1 hectar, and the vas majority of farms lie between one hector and two hectors in size. The average farmer has approximately 150 coffee bushes producing some 200 kg coffee per season (or less). Coffee is frequently intercropped with bananas. Farmers normally mulch coffee and organic fertiliser from cows, goats and on some occasions coffee husks is used. When the projects started, it was reported that shade trees were normally inadequate. The condition of shambas varied, some well maintained, others not at all. The pruning of coffee trees was very poor as was the post harvest processing. Coffee plants were often in poor condition. Pressure on the land was high. Farmers planting tea had been using chemicals, but usually did not grow coffee. Farmers have had bad experience with pesticides and were thus wary.

	Mar 99 to Sept 2000	Project doc 1st year	April 99 to Mar 2000	Project doc 2nd year	April 2000 to March 2001	Project doc 3rd year
Number of Field officers	4	4		6		8
Registered Farmers	3128	2000		3500	5200	5000
Contracted farmers	3120	2000		3500	2100	5000
Tons bought from farmers	In progress	275				
Tons Exported	0	275				

The project started in March 1999, so at the time of this evaluation it is only about a year old. According to the progress reports, the recruitment and training of field officers proceeded on time. The primary societies were mobilised and are enthusistically supporting the project (again, according to the documentation). The internal control system were established and certified by KRAV early on, and the first purchasing period ended in June 2000. However, purchases have been very low, which is reportedly due to the prolonged dry season. It should also be noted that the crop yields in Tanzania are significantly lower than in Uganda. The table provides the key figures of the project performance. It is notable that more farmers were registered and contracted, but the crop purchase was lower. It remains to be seen how much is actually bought and exported.

The Kyela project (Cocoa)

Before set up, the feasibility study summarised the situation that Kyela region has favourable conditions towards agriculture generally, and a good potential to develop organic agriculture. Cocoa production took place with little use of fertilisers or pesticides.

At first, a company called Aleria was supposed to organise the field officers, extension services and crop purchase. The company was to cooperate with the Kyela Cooperative Union, and the exports were to take place in the name of the latter. However, the two organisations did not agree, and a new company, Biolands Inc took over in December 99. Cocoa buying has started and as of 14/7/2000 stood at 250 tons, The project is estimated to be able to export 600 to 700 tons this year, but much depends on how quick money can be turned around (according to Agro Eco). In order to reach the target Biolands has to be able to buy cocoa, sell these and use the proceeds can be used for crop finance.

The table below summarises the key figures of the project. The number of farmers registered and contracted is almost double the plans, and it also appears as if the purchased volumes will be higher. The figures of the field organisation does not reflect the intents of the project document, but refers to temporary solutions rather than the long run level of field officers to be associated permanently with the project. Following a slow start, it thus appears as if the Kyela project, under the management of Biolands, is rapidly progressing beyond the targets that were first established.

	Sept 98 to Nov 99	Project doc 1st year	Dec 99 to Nov 2000	Project doc 2nd year	Dec 2000 to Nov 2001	Project doc 3rd year
Number of Field officers	5	5	128	20		
Registered Farmers			7000	3500		
Contracted farmers			7000	3500		
Tons bought from farmers			250 (but this may be exceeded)	550		
Tons Exported	0			550		

Specific management and organisation topics

In the following, we would like to highlight some of the more operational issues that need to be attended to in the project. Training is one of the most important topics. During the last year *field officers* trained in sustainable organic farming system. But there are no immediate visible effects in field. Experience is that first year of a project the field officers have to spend time on registration, but once this is done, emphasis should be much more on their research and extension function. A significant shortcomiong in respect of training is also that no funds were made available for funding and training the *country managers*. The training has to be done while feasibility studies are made and sub-projects are being developed or implemented. Apart from these general issues, there is also a question of training needs, intents, and results in each project.

As an examle, the Bushenyi project document says: Project staff will be trained in basic understanding of organic agriculture; certifiable internal control systems; participatory mapping; agricultural extension methods; community mobilisation; training in post harvest technology; sustainable farming systems.

In practice, there was a participatory mapping training conducted for the field officer in December 98 and the same course was repeated for new staff in October 99. There was training in extension approaches – first field officers individually from November 98 onwards. Additional training was given April 99 when joined in the regional training workshop (once a year). New field officers were trained in October 99. Furthermore, exporters branch managerwere trained in the use of "organic" documentation, driver of exporter's lorry trained in the use of the moisture meter. Finally four marketing seminars conducted along with quality seminars.

We would thus conclude, bases on this example, that quite a lot of training was provided, but it is not quite clear whether it is exactly what was foreseen when the project document was written. There appears to be a need for more intense training. The same observations were made in respect of the Nebbi project. Let us quote some examples of other courses given by Agro Eco: A course on how to use money, and brick production course close to harvests. A course in Uganda on extension methodology. Also a manual on shade tree forestry in Tanzania produced.

The field officers are supposed to receive training once a month in organisation of project. They are in turn supposed to train farmers and give seminars. In practice, however, too little time spent on training. The field officers meet once a year.

The farmers should also receive training. A form of training is the visit by the field officer twice a year where he/she gives advice to farmers individually and follows up on earlier recommendations

etc. However, the farmers are often very busy with other things and may not be there. Whether the farmers follow the advice or not is very much a communal thing. However, it seems as if the impact of the advice is quite high. The fact that the "advice" comes from the buyer makes it more persuasive.

There is not enough money for field officers training. This is a problem with the feasibility studies, which were not sufficiently comprehensive in this respect. Ideally field officers should use a participatory approach involving the farmers to meet their and their families needs. The projects are still at an early stage and thus the field officers have to spend much time only on registration including yield estimates.

There is also a problem of education among field officers. They are recruited from the area and their education is often quite basic – hence the need for upgrading and further training. There have been ideas of identifying leading farmers. However, to develop this more time and money is needed. At the moment all farmers are dealt with on an equal basis. In Kyela village co-ordinators are used.

Communication and division of labour

The two country co-ordinators in the Netherlands communicate with the country manager(s) in Uganda and Tanzania mainly through e-mail. They discuss problems, market situation, communication etc. The contact is frequent. In addition the two country co-ordinators make two to three missions a year to each country respectively. These missions are reported back to Sida. Once a year they make an internal evaluation report. They write feasibility studies and project proposals.

According to Sida requirements Agro Eco submits a report from each project every six months. In the beginning, Sida thought the mission reports to be sufficient. Later on there was a formal requirement of a report every six months.

A financial report is put together after each phase has been finalised. All in all two such reports have been produced. Invoices are sent every month to Sida.

According to Agro Eco the six-month reports are somewhat superfluous since they also write mission reports. The six-month reports could be made shorter and less formal.

During the first phase of the core project, there was extensive communication and reporting, i.e. mission reports, feasibility studies, sub-project proposals, verbal communication with Sida, joint visits to the project locations and annual visits to Stockholm.

Three people from Agro Eco in the Netherlands work continuously with the EPOPA programme. The main co-ordinator who also has an overall responsibility for Uganda, the co-ordinator for Tanzania and the office mangager and administrator.

The two co-ordinators spend on average one and a half-day a month on each project. This includes the time spent on the reports on each project submitted to Sida every sixth month. It is the country manager who is responsible for putting together a draft report. The co-ordinators have the final responsibility. All in all it takes one to two months before a report is finalised. The co-ordinators also make two to three missions a year to the each country. The missions lasts on average a week.

The office manager spends on average three to four days a month on the programme. The time is mainly spent on budget follow-up. Administration is easily accomplished.

In addition about one day a month is spent on marketing. Extra time is also spent on training of field officers, where other people from the main office are involved?

Summarising the average time spent a month on the programme without the training of field officers comes to 15, 5 days. The EPOPA programme represents about 20% of Agro Eco's total turnover.

There have been four or five different programme officers at Sida, each with his/her own working style and expectations of the consultants. In the beginning the programme officers were very much involved in the work of Agro Eco. They often made comments on the contents of the reports and the running of the programme, sometimes going into much detail. Sida was involved in assessing whether a project would be successful or not and did not give Agro Eco the responsibility to make the judgement. For example in Zimbabwe Agro Eco believed in the project and had made their analysis, but Sida did not trust it and stopped the project. Agro Eco started developing projects in Ethiopia and Kenya but Sida stopped these. However, as an aftermath to the problems in Zimbabwe, Agro Eco is now to involve Sida as soon as there is a project idea. Then a feasibility study is carried out if, and only if, Sida gives a go ahead.

There does not seem to be any structure in the way Sida is running the programme. Agro Eco does not have a mandate to run a coherent and complete set of project activities, but on the other hand Sida is no longer involved in management decisions. Hence, a number of decisions that are needed to maintain momentum and to develop the programme are not taken at all. This relates to the overall distribution of roles. From Sida's point of view there can be two strategic choices. Either the organisation can be closely involved in the operations of the project, interacting frequently with Agro Eco, and putting a substantial amount of working time into the project. In that case, managerial decisions can be taken quickly and efficiently, and there is no need to decentralise much of the responsibilities to Agro Eco.

If this approach is not taken, then the remaining alternative is to decentralise operational decision-making to Agro Eco. As there are clear targets, and a coherent project logic to assess performance against, it would seem a cost-effective solution to decentralise management to the consultants. In addition, there is the question of competence. Sida may not have the required skills in trade in organic products in order to run a project such as this.

The point is that Sida must make a choice. Agro Eco cannot be held accountable for the results achieved under the programme if so much of the decisions rest with Sida, nor can Sida realise the full benefits of working through the consulting firm. On the other hand, if Sida was to play the more operational part indicated above, it needs to devote far more time and attention to the project.

Monitoring and reporting

Phase II of the EPOPA core project started in September 1997. According to a report in December 1999, Agro Eco had during this period submitted 41 reports and documents to Sida. These could be divided into seven categories, ie feasability studies, project plans, project reports, farm surveys, financial reports, mission reports and others. The average report covers at least 15 pages and the project documents cover on average 40 pages. Five project documents being produced during the period, means that the total volume is somewhere between 700 and 800 pages, which is quite a lot for 2 years.

One of the aims of the reports is to submit information to Sida so that they can follow the projects regarding the implementation of the programme and its results, and to a certain extent the effects. Is this accomplished? The reports and documents could be analysed in relation to contents, timing and frequency.

First, with a number of different reports with different status such as the six month reports, the mission reports and such reports as the State of Affairs, it is impossible not to duplicate some information. Unfortunately, at times this also means that important pieces of information are left out.

The information is mainly qualitative. The quantitative information is *relatively* scarce and often refers to plans or expectations, thus making it difficult to follow what has been obtained and what has not.

Some essential indicators should therefore be identified both regarding the implementation, the achievements as well as the effects. The qualitative information should be used more to explain and comment on the quantitative information – or the lack of such information.

Right now such information is sometimes included in the reports, and sometimes not, which makes it difficult to follow the development of each of the projects.

This concerns for example information on registered and certified farmers, where there is a lack of distinction between the two as well as a lack of continuity. For example in the Project report on Kagga in April 1999, it says "…the Field Officers…continued the registration of farmers. Following KRAV´s inspection visit, the cotton and sesame were certified as organic by KRAV". Are the registered farmers certified? In the November 1999 report, it is reported that 238 farmers have been registered for sesame - does that mean that they were also contracted? In the 1999 November report on Kagera it is said that 3.122 have been registered – but are they also contracted? Traded volumes and prices realised are also difficult to obtain information on and follow.

These illustrations point to the need to reform the reports. We think there is good scope to reduce the overall number and frequency of reports, and thus allow more time for productive activities. Much of the information can be withdrawn, but there is a need to present a few relevant and consistent information

Chapter 4. Institutional considerations

In Uganda there are at present no national policies regarding organic agriculture, nor much related research. The Ugandan government is finalising a Plan for the Modernisation of Agriculture, but it does not include organic farming. Instead, the policies as well as research is in support of integrated pest management, i.e. a minimum usage of agrochemicals to increase yields. However, the Government's general policy is that Uganda should develop alternative exports to reduce dependency on one crop (early 90's coffee was earning 90% of total foreign earnings) and private sector development is encouraged.

In Tanzania there do not appear to be national policies either regarding organic agriculture. Yet the EPOPA programme appears to be in line with general national macro economic policies. Since the mid 80's the Government is taking steps to liberalise the economy. At present further actions are planned to ensure private sector development. Moreover, the Government is preparing a Poverty Reduction Strategy aiming at raising growth and enhancing the participation of the poor in the development process.

In general, the EPOPA programme has been implemented more or less regardless of the national policies and institutions, and without any major interference or support from these institutions.

Relatively little time has been spent on communicating with national and local authorities. At national level, the main contacts have been directed at the research but with limited results. At one time, there were also discussions on setting up a local certification authority in Uganda. However, the interest was limited since it seemed to necessitate external financial support.

Nevertheless, there is at least one institution in Uganda, which has shown active support for the programme, i.e. the Uganda Coffee Development Authority (UCDA). They have been involved in the EPOPA by helping in identifying interested farmers and field officers, sensitisation of farmers, training inspectors etc. (UCDA is dominated by private companies.)

Moreover, there seem to have been some changes in attitude toward organic farming – at least in Uganda. For example, in the beginning of the EPOPA the local authorities were somewhat negative to the programme and the farmers in the projects were as everyone else approached and offered agrochemicals in line with the general government policy. Today, however, they are excluded from these promotional drives. One district has even started to promote organic farming itself. In a recent study carried out by Sida, several officials at national level, both in ministries as well as in institutions, expressed positive attitudes toward organic farming and on building a national framework in support of promoting it.

State support for organic farming is still relatively limited in most countries. Most assistance has developed in the private sector, especially by NGOs. " Farmers and consumers in almost all countries rely on a system of private self-organised producer organisations and independent certifiers which have, over the years, provided an economically efficient mechanism of certification." And in a country such as the USA where both production and demand is high, only less than 0.01% of US Department of Agriculture research budget was directed at organic agriculture.

However, if Uganda and Tanzania want to take the opportunity and become major exporters of organic products in the near future, the approach has to be on a broader base. As mentioned earlier, many of the developed countries have special national regulations for organic products, including a clear definition of organic agriculture. In addition the state has often subsidised organic

agriculture (in all EU-member states, EFTA countries as well as some Central/Eastern Europe countries). Lately some have also come to the conclusion that this is not enough to promote organic agriculture or to guarantee a sustainable development. In order to increase demand and land under organic agriculture they have therefore launched special programmes. Among other things these include support to marketing of organic products, advisory service and consumer information.

This indicates that several countries believe that a favourable political environment is essential for the development of organic agriculture and trade. National regulations being important not only for export but also to keep consumer confidence. A lack of state regulations for organic agriculture is often identified as a threat to the possibility of distinguishing organic products from low-chemical or non-organic products and thus also to an increase in demand.

Moreover, there are the international regulations on trade, where the EU regulations set special requirements. The Sida study referred to above is a study regarding access to the EU market for the developing countries (Securing *access to the EU market – Organic exports from developing countries*) with a case study on Uganda. According to this study, Uganda would have to set up a national framework, including "a national standard, rules for inspection, appointment of a competent authority, and supervision and approval of inspection bodies" to be able to apply for being included on the list of countries which can export to the EU without a special import license (see above). However, this framework being implemented there would still be no guarantee that the EU would approve of it. Thus, if Uganda would like to set up such a framework it is argued that the aim should be broader and thus in support of production and export of organic products in general. . Some ideas on how such a framework should be developed. are presented in the study an important issue being the participation of all stakeholders, i.e. both private, non-governmental and governmental. Uganda only being a case study, the discussion and recommendations above are probably also applicable on Tanzania.

It is notable that the institutional development in Uganda is much better understood than in Tanzania. If the EPOPA programme were to have high impact in Tanzania as well, it would seem necessary to engage in further studies of the policies and prospects for export of organic crops.

Chapter 5. Conclusions and recommendations

As a public authority in Sweden, Sida is committed to the system of performance management and management by results. Evaluations are an essential tool in performance assessment. It is assumed that successful results are a precondition for an activity to survive under a public spending programme.

According to the terms of reference of this evaluation, we have extended the logic of the analysis beyond performance assessment to also include whether the overall development logic of the intervention is sound and feasible, and to what extent the project fits with the policies and strategies of Sida.

In conclusion, we have found that the project logic is fully supported by recent developments in organic trade and in the reform of agricultural production worldwide. Furthermore, it is consistent with major changes in consumer preferences, and a strengthening of the capacity to export organically grown products appears to be the only viable future for these cash crops.

There is no doubt that the developing countries must be more closely interlinked with global trade systems. They have yet to play a full role in WTO and other international networks. Sida has developed policies in the areas of trade, environment and development. The EPOPA programme appears to be one of the few substantial activities (if not the only) that gives concrete substance to these policies.

The overall performance of the separate projects under EPOPA are quite good. However, international trade is a rapidly changing environment. Some projects did not make it, but had to be redesigned in order to become successful. Others have made far more rapid progress than expected during the planning face. In short, the results of the programme are impressive. The figures presented in the report suggest a highly positive a ratio of benefit to costs.

In light of the significant positive results achieved by the EPOPA programme, and against the background that far more work needs to be done in this field, the evaluation will thus strongly recommended that Sida continues to be actively involved in this programme. We do not find it appropriate to set a time frame, on the contrary, this as a field where Sida should find itself engaged in a number of projects, in different countries, over a longer period of time. The recently published study on trade, environment and development suggests a number of different areas of intervention. The confluence of trade, environment and development co-operation is a policy area that will be equally relevant many years into the future.

The EPOPA programme is not an agricultural extension project, nor is it only a trade project. It has not been an institutional development project either. It is a little bit of all, and this mixture is what makes it interesting and successful. However, that also means that it does not fit easily within any one organisational entity of Sida. It will be a challenge for Sida to co-ordinate professional (and financial) inputs from different units, in particular from INEC and NATUR.

The development co-operation offices have not been visible actors on the programme, but they need to more involved in future years. The activities on this project lend themselves to a high profile in terms of public relations. There is a need to have a closer interaction with national policy-making bodies in Uganda and Tanzania, and there is a need to integrate more financial resources to the project activities. In all these respects, the field offices of Sida need to be more closely involved in the programme.

As the core project is coming to an end in September 2000, even though separate sub-projects are continuing beyond this date, there is first and foremost a need to ensure the continued backstopping support for these. It is thus recommended that the core programme of EPOPA is continued for as long as the separate projects are continuing.

However, this is not enough. The dynamics of the project need to be considered. The strongest aspect of the programme has been its ability to actually deliver results. Transforming it to a mere administration of sub-projects would mean to lose its dynamics. With projects of this type it is often a question of innovating, expanding and developing – or contracting and dying. Consequently, in light of the results achieved so far, we recommend that the programme activities be expanded and developed. There needs to be a long-term financial commitment to the programme activities, such as:

To support the ongoing projects according to the agreements reached with the exporters, and see to it that these projects become self-supporting as outlined in the feasibility studies. The overall framework of cooperation also need to be developed, and in order to develop the capacity to support future projects (with or without funding from abroad), there is a need to experiment with different cost-sharing mechanisms, assess these and develop that knowledge for future use in national policy development.
To supplement existing crops in the projects with a second crop, to further increase and stabilise farm incomes. Agricultural production is insecure, and failures in one crop may discourage farmers. It is thus recommended that future projects include several crops, and that there is deepened involvement with several crops on the present projects.
To exploit the momentum created by EPOPA and to launch new projects in other crops. It is difficult to assess the absorptive capacity of the actors, but a reasonable rate of expansion might be in the magnitude of two to three new projects every year. At the same time, it is of course necessary to make sure that exit occurs from the others according to the plans and feasibility studies (except in such cases as where there has been a turnover of exporters, and new actors have come in).
To develop methods to strengthen the institutional development which is necessary as a supporting framework for certification, market access etc. In particular, the Swedish certifying organisation could be encouraged to identify ways and means of being engaged in twinning projects with emerging certifying bodies in Uganda and Tanzania.
To engage in advocacy for fair trade, organic trade, and connect to policy development in the European community, and to market knowledge among consumers in Sweden and elsewhere. This can take many forms, one of which could be to encourage journalists to visit the project sites, to organise exchanges between researchers, or to invite importers organisations to specific seminars. There is a plethora of means available, and those mentioned are merely some examples – and not necessarily the best.

EPOPA promoted organic exports by working with specific projects, but less of the resources were spent on advocacy. To make better use of the field experiences it is time to devote more resources to advocacy, in particular in light of the forthcoming amendments of the import regulation of the European Community. Sida will need to discuss how the experience of EPOPA can be shared with other policy making organisations in Sweden, and how it can be used to influence the emerging legislation of the EU to become more open to organic imports from developing countries.

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Mission reports, progress reports and other documents from the project have also been used as sources of information, but we do not refer to these specifically in the text. Comprehensive lists of documentation are available from Sida and Agro Eco.

Terms of Reference

2000-02-11

Terms of Reference for the evaluation of Sida`s Epopa Programme – Export Promotion of Organic Products from Africa –

1 Background

In 1995 Sida launched a programme for development of production and export to Western Europe of different organic agricultural products from Africa. Under this programme seven projects have so far started in Uganda and Tanzania. The first project was a cotton project in Lango, Nothern Uganda. This project was finalized after three years in 1998. Today five projects are in operation namely in Uganda, Kyangalanyi/Nebbi Arabica coffee-, Bushenyi/Outspan Robusta coffee-, Kagga/Soroti cottonproject and in Tanzania, Kyela Cocoa- and Kagera Robusta coffeeproject. The sixth project Rwenzori Cocoa project was abandoned and mothballed last fall due to security problems along the boarder to the Republic of Congo.

Sida has subcontracted the management of the Epopa Programme to the Dutch consulting firm, Agro Eco Consultancy at Bennekom in the Netherlands. On behalf of Sida, Agro Eco identifies new projects and assists in carrying out feasibility studies and other project preparations either through own resouces or external expertise. Furthermore Agro Eco supervises the projects, provides extension services, training of farmers, submits regular progress reports to Sida, etc.

The present project contract with Agro Eco expires at August 31, 2000. Before this date Sida has to make a decision on the Epopa Programme´s future and structure as well as to continue to support it. Thus a full-fledged evaluation of the Epopa concept, the achievements of the Programme made so far has to be carried out before the mid of this year.

2 Purpose and scope of the evaluation

The purpose of the evaluation is to decide to what extent the short and long term objectives of the Programme, as spelled out in various decision memos and other documents available at Sida have been achieved as well as if the production and exports of these organic commodities concerned is a suitable sector for Sida support.

Furthermore the evaluation shall assess if the Programme has generated projects which are likely to be self-sufficient when the Sida assistance is phased out after three years. The applied administrative and management structure of the Programme shall be analysed and assessed with regard to efficiency and cost-effectiveness. The evaluation shall cover the whole Programme with visits to the five ongoing projects.

3 The Assignment (Issues to be covered in the evaluation)

The consultant, concerned with carrying out this assignment, shall in particular consider the following issues and where appropriate make recommendations regarding amendments and improvements in the structure and content of a possible future Programme;

1. Evaluate each project with regard to achievments on;
   - number of farmers growing organic products
   - production volumes and exports achieved
   - productivity of individual farms within the project
   - viability of the project as a whole and for the farmer concerned

2. Evaluate the performance of the exporter in charge with the international marketing of the organic product concerned

3. Review the certification process for the organic product concerned

4. For less success projects, try to analyse the reasons for the poor performance and make recommendations to serve as guidelines to new projects

5. Review and evaluate the management model applied on the Programme, as far as Agro Eco is concerned, with regard to effiency and cost-effectiveness bearing in mind Sidas own limited capacity on project management

6. Evaluate if the cost sharing model with the exporters applied is fair and reasonable and the Epopa concept with premium is viable

7. Review the market situation regarding volumes traded and prices for different organic crops produced under the Programme with an assessment of the prospects for developing exports of organic products from Africa

8. Assess the long term sustainability of the farming system in the Programme with regard to issues like crop rotation practices, soil fertility, plant nutrients, pest management etc.

4 Methodology, Evaluation Team and Time Schedule

The evaluation shall be carried out through carefully studies and analyses of the Epopa Programme and project documentation available at Sida. Visits shall be made to Agro Eco in the Netherlands as well to their country managers in charge with the projects in Uganda and Tanzania. Furthermore a visit should be made to Krav Kontroll AB, which is in charge of the certification issues of the Programme.

The evaluation team will consist of 2 experts on evaluation issues with experience on developing countries. It is scheduled to comprise 8 man-weeks and start in March.

5 Reporting

The evaluation report shall be written in English. A draft report shall be submitted to Sida not later than June 19, 2000. Within two weeks after receiving Sidas comments on the draft, a final report in 10 copies and on diskette (Word for Windows 95 or 98) shall be submitted to Sida.

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