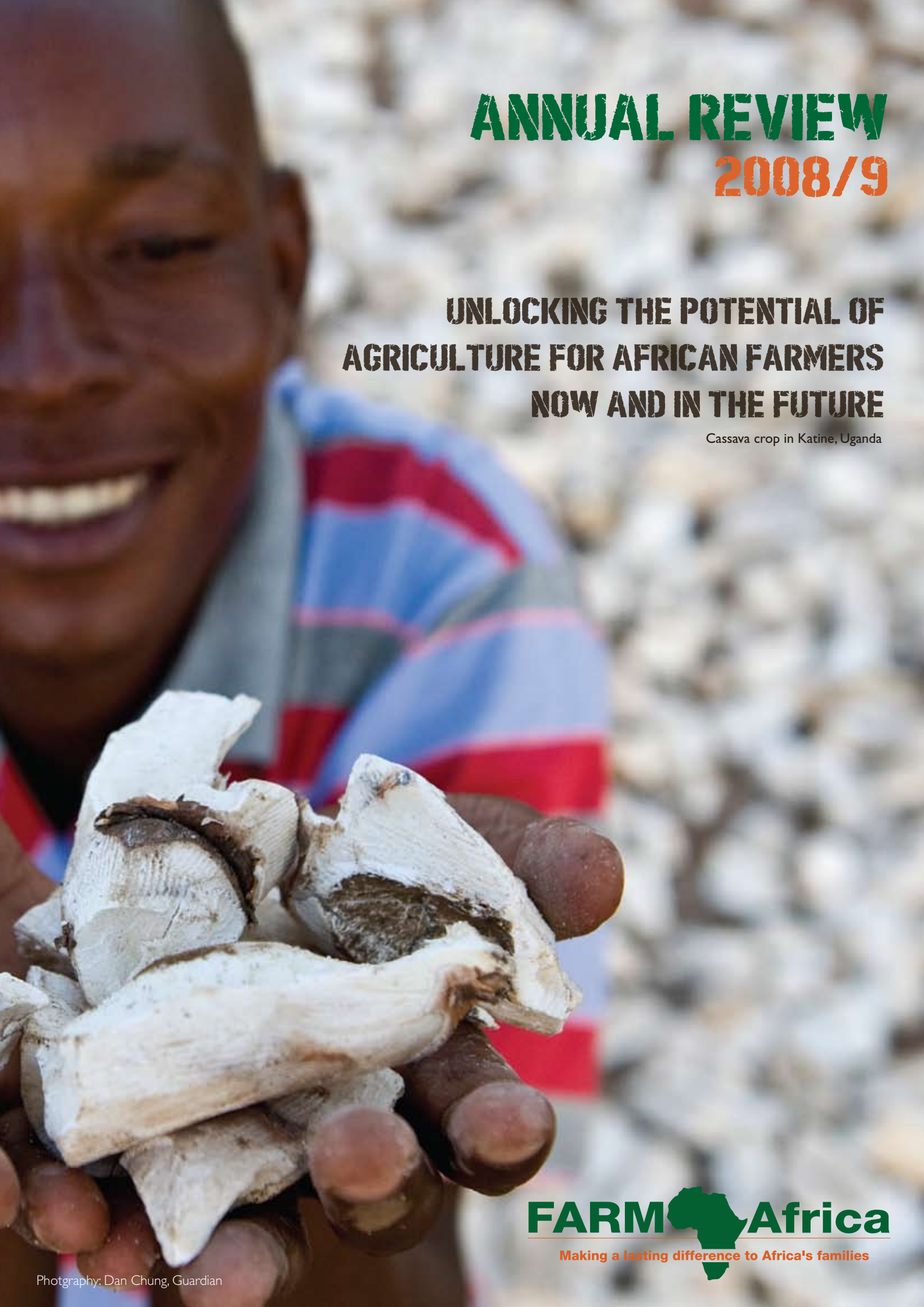


ANNUAL REVIEW

2008/9

UNLOCKING THE POTENTIAL OF AGRICULTURE FOR AFRICAN FARMERS NOW AND IN THE FUTURE

Cassava crop in Katine, Uganda



FARM  **Africa**
Making a lasting difference to Africa's families

TRIBUTE TO DICK SANDFORD

1924-2009



Dick Sandford was a truly remarkable man who helped shape FARM-Africa's mission and values. He had a profound and lasting influence on the lives of countless people in Africa.

Dick was a very experienced agriculturalist brought in by David Campbell, one of FARM-Africa's founders, to help him and Sir Michael Wood define FARM-Africa's role and objectives. Dick worked tirelessly, as a volunteer, turning a vague idea into a practical reality and planning all our early projects in Kenya, Ethiopia and South Africa.

A real feel for the lives of people in Africa

Dick grew up in rural Ethiopia. He had a real feel for the lives of people in Africa who make their living from the soil and a strong belief that all people are of equal value. For many years he worked in Ethiopia, and other parts of Africa, and practised participatory development long before it had been invented.

Dick designed the project I managed in Ethiopia in the late 1980s and I treasure my time in the field with him. He was a wise, kind and modest man, generous with words of encouragement, who always had a twinkle in his eye and an eye for the absurd. His projects were invariably ambitious and demanding of anyone who took them on.

A long-term vision for the continent

He was a genuine optimist about Africa, and always finding some good in any setback. His optimism was based on a long-term vision for the continent, patience with its ups and downs, and a deep understanding that genuine progress and lasting change takes time and persistence.

Dick founded a new charity, Sunarma, in Ethiopia and, until quite recently, made regular trips to work there. In this and many other ways, Dick will live on. His influence on FARM-Africa is seen daily and we will continue to strive to make him proud of us.

Dr Christie Peacock
Chief Executive Officer

OUR CHIEF EXECUTIVE OFFICER REFLECTS ON 2008

FARM-Africa's vision of a prosperous rural Africa is more important now than ever. At a time of unprecedented global change, the needs of communities we work with are at risk of being forgotten. FARM-Africa remains committed to ensuring that Africa's farmers and herders can improve their own lives, not just for today but for the long term.

The real crisis – food or finance?

During 2008 there was a long overdue recognition by governments and donors that agriculture has a central role to play in ending rural poverty in sub-Saharan Africa. The rise in world soft commodity prices galvanised the international community to focus on the importance of increasing food production. There is however a real danger that the current financial crisis will distract the global community from its focus on the importance of food security. FARM-Africa will be working to keep their attention on this critical issue.

Making the case in the UK parliament

During 2008 FARM-Africa had an opportunity to restate the case for supporting Africa's farmers to a more receptive audience. We helped establish the new All Party Parliamentary Group on Agriculture and Food for Development which was launched in the British Parliament in October 2008. This group is helping to raise the political profile of this important issue and will publish its report on global food security in mid-2009.

A new partnership in animal health

FARM-Africa has formed an exciting

partnership with the Global Alliance for Livestock Veterinary Medicines (GALVmed), who received funding from the Bill & Melinda Gates Foundation to develop new livestock vaccines and to find ways for poorer livestock keepers to access them. This is allowing us to explore innovative ways to scale up our tried and tested veterinary service delivery system.

Leaving South Africa

FARM-Africa decided to close down its work in South Africa during 2008. Having worked in South Africa for 16 years it was sad that we were not able to develop a financially viable long-term programme there. It indicates the relatively low priority given to rural poverty both in that country and by international donors.

Funding Africa's rural entrepreneurs

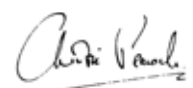
The Maendeleo Agricultural Technology Fund (MATF) continued to help farmers to add value to their crops and to market them successfully. MATF is poised to scale up the best of its work and we are currently seeking investment to allow this to go ahead. In 2008 the National Farmers Union (NFU) nominated FARM-Africa as their chosen charity for their Centenary appeal which will go towards scaling up MATF's work.

Challenging times full of opportunities

Whilst FARM-Africa faces unprecedented challenges in this economic environment, through prudence in reshaping the organisation's priorities and by starting to build our unrestricted reserves during 2008, we are in stronger position to weather the fluctuations in the current economic environment.

Difficult times and unexpected problems test us all but the commitment of our staff, trustees and supporters means that FARM-Africa will continue to create lasting change for Africa's farmers in 2009 and beyond. Our current Chairman Lord De Ramsey will be stepping down this year, and I would like to thank him for his wisdom and unfailing support to the organisation. Martin Evans will take over as Chairman in July and I look forward to working with him in the years ahead.

FARM-Africa relies on its many and diverse supporters. We thank you very much for your support and encourage new supporters to join us as we continue to transform the lives of so many of the world's neediest people.



Dr Christie Peacock
Chief Executive Officer

WHERE WE WORK

WE'LL ALL FEEL THE IMPACT OF THE GLOBAL ECONOMIC DOWNTURN DURING 2009, BUT NOBODY MORE ACUTELY THAN THOSE ALREADY LIVING ON THE EDGE. THOSE FOR WHOM \$1 A DAY MUST FEED THEIR FAMILY, PAY SCHOOL FEES, BUY ESSENTIAL MEDICINES. I'M PROUD OF THE UK'S LEADERSHIP ON INTERNATIONAL DEVELOPMENT AND OUR CONTINUED DETERMINATION TO FIGHT POVERTY AT HOME AND ABROAD. I'M ALSO PROUD TO BE IN PARTNERSHIP WITH FARM-AFRICA IN THE FIGHT AGAINST WORLD POVERTY."

Douglas Alexander, Secretary of State for International Development, December 2008

Over the last 20 years there has been a chronic lack of investment in agriculture. Yet over 80% of people living in remote or rural areas of Africa rely on the food they grow and the animals they keep to survive. Faced with harsh conditions and poor access to vital resources, farmers and herders have a constant struggle to make a living.

FARM-Africa works in five countries in eastern Africa where rural poverty is particularly acute. We work with subsistence farmers, herders and forest dwellers who seek opportunities to make their lives better and often live on land that has the potential to produce better yields. FARM-Africa is an experienced organisation with skilled staff, and pioneers ways to make growing more food and increasing household income possible.

In 2008, we estimate that our innovative programmes helped over 3 million people. Half a million people benefited directly from our work, however the services developed through our work, such as animal health care or improved seed varieties, are used far beyond our direct project work and in this way, a further 2.5 million people benefited from improved circumstances that FARM-Africa helped bring about.

Reducing poverty in Ethiopia

One in three people in Ethiopia are at risk of starvation and around 17% of the population already depend on emergency

food aid. In 2008, we helped nearly 350,000 small-scale farmers and herders to raise their living standards through improved management of their natural resources, providing a better chance of establishing food security for their families.

Changing policy in Tanzania

We work with pastoralists and forest dwellers in northern Tanzania. We are at the forefront of helping the government to set up land registries to issue legal titles. Thousands of farmers now have legal rights to their land, a significant step towards a more certain future for themselves and their families. This will help over a quarter of a million people to be able to use their land in ways which will provide a sustainable living.

In Uganda FARM-Africa works with rural communities to reduce poverty by helping them to develop innovative ways of managing their natural resources.

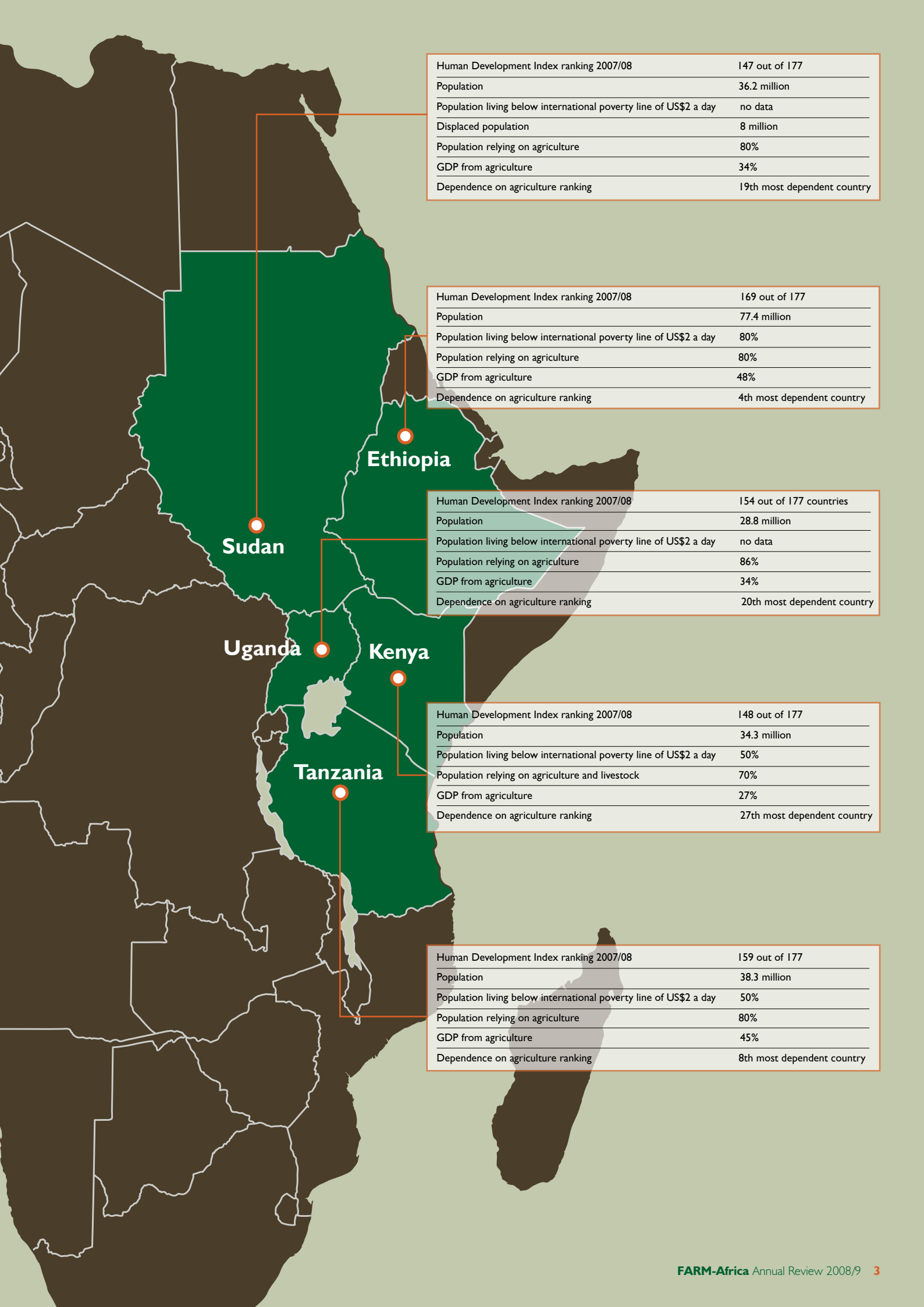
We work in four districts of eastern Uganda where people are desperately poor and the incidence of malaria and HIV/AIDS is high. In 2008 we reached nearly 9,000 farmers with our field projects and, as a result, benefited 25,000 men, women and children in the wider community.

FARM-Africa helps rural Kenyans develop innovative ways to manage their natural resources and ensure that they play a role in shaping the policies that affect their lives.

Three-quarters of Kenya is arid or semi-arid, and in these harsh environments farmers struggle to make a living from agriculture and livestock. In 2008, we helped 91,000 people develop viable livelihoods. The wider effects in having better provision for livestock care and breeding, and improved crop yields, have been felt by nearly 600,000 people in some way.

FARM-Africa is helping communities in Southern Sudan to develop sustainable ways to earn a living from livestock and agriculture.

Already badly affected by the civil war, counties in Southern Sudan are experiencing an influx of returnees. In 2008 we worked with nearly 4,500 farming families to create ways to rebuild their lives and reduce their reliance on food aid, helping more than 150,000 people.



Human Development Index ranking 2007/08	147 out of 177
Population	36.2 million
Population living below international poverty line of US\$2 a day	no data
Displaced population	8 million
Population relying on agriculture	80%
GDP from agriculture	34%
Dependence on agriculture ranking	19th most dependent country

Human Development Index ranking 2007/08	169 out of 177
Population	77.4 million
Population living below international poverty line of US\$2 a day	80%
Population relying on agriculture	80%
GDP from agriculture	48%
Dependence on agriculture ranking	4th most dependent country

Human Development Index ranking 2007/08	154 out of 177 countries
Population	28.8 million
Population living below international poverty line of US\$2 a day	no data
Population relying on agriculture	86%
GDP from agriculture	34%
Dependence on agriculture ranking	20th most dependent country

Human Development Index ranking 2007/08	148 out of 177
Population	34.3 million
Population living below international poverty line of US\$2 a day	50%
Population relying on agriculture and livestock	70%
GDP from agriculture	27%
Dependence on agriculture ranking	27th most dependent country

Human Development Index ranking 2007/08	159 out of 177
Population	38.3 million
Population living below international poverty line of US\$2 a day	50%
Population relying on agriculture	80%
GDP from agriculture	45%
Dependence on agriculture ranking	8th most dependent country

WHAT WE DO

“IN LIGHT OF TODAY’S CHALLENGES, MY MESSAGE IS SIMPLE: RESUMING ECONOMIC GROWTH, RESOLVING THE FOOD CRISIS, AND TACKLING THE CHALLENGE OF POVERTY MUST NECESSARILY BE BASED ON CREATING A DYNAMIC SMALLHOLDER AGRICULTURE SECTOR. INVESTING IN SMALLHOLDER AGRICULTURE IS THE MOST SUSTAINABLE SAFETY NET FOR SOCIETIES.”

President Kanayo F. Nwanze, International Fund for Agricultural Development (IFAD), May 2009

Helping African farmers to help themselves

“Improving agriculture is central to reducing poverty in Africa. FARM-Africa’s combination of technical expertise and experience of working at community level is helping to improve the lives of poor farmers in Africa.”

Hilary Benn, former Secretary of State for International Development, UK

FARM-Africa provides the training and support that poor rural communities need to identify and implement appropriate solutions to many of the overwhelming problems they face. We directly support families to help them manage their crops, livestock, forests and water in better ways and so work themselves out of poverty.

FARM-Africa works to support the drive and entrepreneurial spirit of African farmers. We believe that helping farmers to help themselves, by finding local solutions, will

tackle hunger in the long term and help to build a prosperous rural Africa.

Removing barriers and creating solutions

“FARM-Africa can play an important role by being able to work at the local level, but with an eye on impacts at [the] national or regional level. We need more of this kind of innovation and learning – finding out what works well and where. FARM-Africa is more strategic in their thinking than most small development organisations, in terms of how to get the maximum impact from a limited budget.”

Derek Byerlee, co-director of the World Development Report 2008

Our core strategy is to use the experience that we have gained through our projects to develop models of good practice which can be adapted and replicated beyond FARM-Africa’s programmes. In this way our work will have an impact well beyond our projects.

Transforming lives

We bring this about by actively sharing our expertise and offering technical support to other NGO’s and organisations and those who work in agricultural development. We also strive to change policies, removing barriers to progress and encouraging agriculture in the countries where we work. We also promote awareness and understanding of the importance of agriculture both locally and to international governments and opinion formers.

Perhaps most importantly, we partner with other influential organisations to ensure that as many people as possible benefit from the innovative solutions to poverty, developed and tested through our projects. In this way, over the next three years FARM-Africa plans to enable better opportunities for over 12 million people in rural Africa – an impact far beyond what we could achieve alone.



Photography: Dan Chung, Guardian

OUR STRATEGY IN ACTION

“THE AFRICAN UNION COMMISSION IS HIGHLY IMPRESSED WITH THE WORK OF FARM-AFRICA. THEY HAVE ACCOMPLISHED A GREAT DEAL BY STRENGTHENING THE CAPACITY OF AFRICAN FARMERS TO ADDRESS THEIR NUMEROUS PROBLEMS.”

Babagana Ahmadu, former Director, Department of Rural Economy and Agriculture, African Union Commission

Developing good practice and scaling up successes

We develop models of good practice in smallholder development, pastoral development, community forest management and land reform that demonstrably reduce poverty in diverse situations and with wide applicability.

FARM-Africa's grassroots projects develop innovative technologies for smallholder farmers that are transferable, sustainable and sensitive to local environmental and economic conditions.

The South Sudan Livelihood Recovery and Development Programme began in Gogrial West County in 2006. This programme assists vulnerable households to develop sustainable livelihoods and reduce their reliance on food aid. In 2008 this effective project was expanded to the neighbouring county of Aweil South. The work is informing the development of a post-conflict model for improving livelihoods which will have wide applicability in other regions in Africa.

During the year we consolidated our work with local livestock keepers and trained 69 new farmers to become Community Animal Health Workers (CAHWs). We provided the new CAHWs with appropriate drug kits. We also gave refresher courses to a further 51 CAHWs who had been trained previously. In 2008 these CAHWs helped us to vaccinate over 98,775 animals against a range of diseases, improving household security for local people. To make sure that the project is successful in the long term we also dug five boreholes to provide essential water for both people and livestock and trained local people to maintain and repair them.



Changing policies

We seek to improve relevant government policies that inhibit the uptake of good practice and the prioritisation of agriculture in public sector expenditure and Poverty Reduction Strategy Papers.

FARM-Africa always works alongside governments in Africa. We use our projects to identify what works and what does not work, and use these lessons to build a body of evidence from which governments can learn and improve the way they support their communities. Our community forest management approach is now embedded in the national forest policy of Ethiopia and fragile forests are being protected, thanks to the work of FARM-Africa and our partners.

Sharing expertise

We seek demonstrable improvement in the practice of agricultural development by government, civil society and private sector staff.

FARM-Africa's role in the highly innovative Katine Community Partnerships Project in Uganda underlines the value of our experience of working with rural communities. FARM-Africa has become a technical adviser to the livelihoods element of this influential project which is being run by the African Medical and Research Foundation (AMREF) and the Guardian newspaper.

We are working with hundreds of farmers in small research groups in 18 villages, showing them how improved technology can increase their crop and livestock production. We are also working to help farmers get better prices for their produce by accessing new local and national markets.

We look forward to seeing the impact of this work in the second year of the project when the first harvests of improved cassava will boost household food security and income.

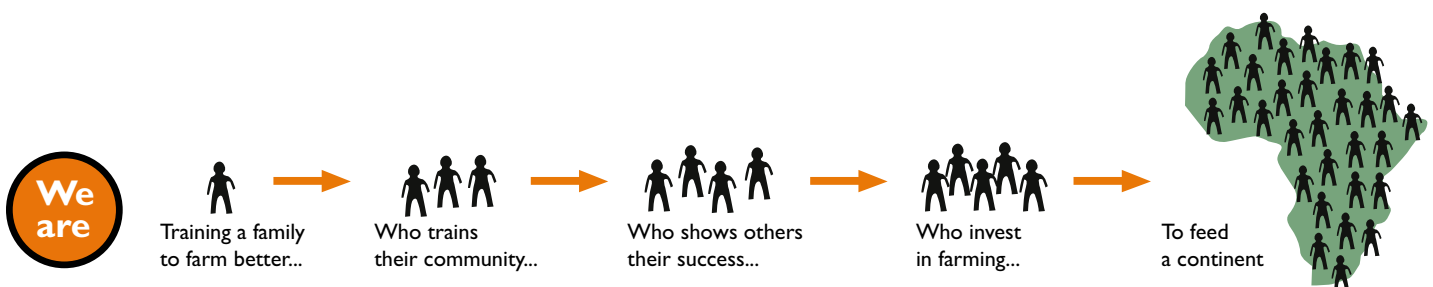
As an expert organisation with skilled staff, we share our expertise with others through training and technical support. This means working with communities, local institutions and government, equipping them with information and setting up opportunities for interaction. This helps enhance the impact of agricultural innovations and supports appropriate policy change.

Raising awareness to gain support

In order to facilitate the development and scaling up of FARM-Africa models, we seek increased understanding of, and engagement in, African agricultural development among the public, media, companies and organisations in the North and South.

Our partnership with other organisations to found the All Party Parliamentary Group on Agriculture and Food for Development will ensure that the voices of Africa's farmers are heard in the UK by policy makers. The Group is a cross-party initiative that draws members from both UK Houses of Parliament. FARM-Africa helped set up the Group, launched in October 2008, in response to growing concerns over the crisis in food prices and the continuing decline in the funding of agricultural development.

The All Party Parliamentary Group (APPG) has already become a powerful platform for policy, having attracted several influential players including the Director-General of the United Nations Food and Agriculture Organization and the Vice-President of the Alliance for a Green Revolution in Africa. FARM-Africa is a member of the APPG steering group.



SMALLHOLDER ENTERPRISE, PATHWAYS OUT OF POVERTY

FARM-Africa's experience has shown that when programmes are based on plans developed by local communities, their incomes and productivity are significantly boosted.

Smallholder agriculture is the main livelihood provider for 80% of rural Africans, most of whom rely on less than one hectare of land to feed their families, keep livestock and grow crops to generate cash for their needs. However, with access to the right tools, training and services such as animal healthcare, farmers can dramatically improve their economic position. Helping smallholder farmers make a viable living from very little land is a pathway out of poverty for millions of people in Africa.

We have been supporting smallholder families in their efforts to improve their lives for the past 24 years. We scale up our tried and tested approaches in many different ways to reach as many farmers as possible. One of the most successful ways in which we do this is through the innovative Maendeleo Agricultural Technology Fund (MATF).

Maendeleo Agricultural Technology Fund (MATF)

The Maendeleo Agricultural Technology Fund, set up in 2002, awards grants to farmers' organisations, community groups and local NGOs to scale up tested new agricultural technologies and practices in East Africa.

Since 2002, over 65 projects have tested the viability of a variety of smallholder enterprises in Uganda, Kenya and Tanzania. For every dollar invested in projects, farmers' incomes have risen between US\$1.30 and US\$24: clear evidence that new technologies can transform lives.

Projects funded by MATF in 2008 looked particularly at linking rural communities to nearby markets in areas as diverse as Namatumba district (Uganda), Masasi district (Tanzania) and Homabay district (Kenya).

Partnering with British farmers

The UK National Farmers' Union (NFU) and industry partners joined FARM-Africa to launch the 'Africa 100 Appeal' as part of the NFU's centenary. This appeal is not about food aid, but instead targets agricultural development projects in East Africa. The appeal funds will help African farmers improve their productivity and in this way will help communities to become more food secure.

British farmers know how agricultural improvements have helped transform productivity over the last generation. They want to find a way to help fellow farmers in Africa take advantage of some of the same benefits and make a positive difference in Africa, now and in the future.

www.africa100appeal.com

Cassava brings food security in Uganda: Robert's story

Robert belongs to the Kiwongoir Farmers' Group. All 62 members of the group were short of food because they grew local varieties of cassava which were susceptible to mosaic virus and took a long time to mature.

After learning that he could grow a lot more using new cassava varieties and new methods, Robert now harvests enough to feed himself and his wife, mother and eight children. He sells the surplus to pay for school equipment and invest in cattle.

Robert's farmers' group is one of 10 groups in the Nakasongola District Farmers' Association in Uganda. With a grant from the Maendeleo Agricultural Technology Fund, the Association helped more farmers to plant new cassava varieties that are resistant to mosaic virus and have much higher yields.

The project has helped farmers who were previously dependent on food aid to grow enough food for themselves and their families and have surplus to sell which provides an income.

Return on MATF Funds

Project	No. of US\$ generated by each US\$ spent in the form of an MATF grant
Diffusion of tissue culture banana technology	\$2.8
Sustainable production, seed supply & marketing of African indigenous vegetables	\$24.3
Cassava mosaic virus tolerant cassava multiplication, processing & marketing	\$19
Improving chicken production through programmed hatching & cockerel exchange	\$16



"SMALL FARMS: FOOD FOR TODAY, TOMORROW AND THE FUTURE"

Dr Peter Hazell

The 2008 global food crisis added impetus to the debate on the role of smallholders in development. Peter Hazell, a Member of FARM-Africa's Board of Trustees, formerly at the International Food Policy Research Institute and now a Professorial Research Associate at the School of Oriental and African Studies, University of London, gives his view on the future of small farms. Peter recently provided evidence to the All Party Parliamentary Group on Agriculture and Food for Development.

Is there a future for small farms?

Few symbols of economic inefficiency are as potent or enduring as the small farm. Consider the East Anglia wheat farmer in his combine harvester, single-handedly cutting a swathe through his 2,000 hectares, as opposed to his Malawian or Ethiopian maize-growing counterparts wielding their hoes and sickles on their small family plots. Karl Marx viewed small farms as self-exploiting, and the view that small farms are not commercially viable and even an impediment to development continues to be widely held, with development experts like Paul Collier arguing it is wiser to promote large-scale operations.

Yet such a position ignores the enormous diversity of small farms around the world and fails to take into account their substantial prospects in many developing countries. Nor does it make clear how replacing small farms with large ones could be managed without pushing

large numbers of people into poverty and urban ghettos. Worldwide there are about 450 million small farms of less than two hectares, and they account for large shares of developing country populations, employment and food production.

Small farms offer important economic and social advantages for countries in economic transition to industrial economies.

Boost food security

Small farms boost food security at the local level, where high transport and marketing costs can drive up prices of food brought in from elsewhere. At the national level, because small farms use land more productively, they help low-income countries become more self-sufficient in staple foods.

Boost productivity

Small farms produce more per hectare of cropland than large farms, and use more labour and less capital, all of which align more efficiently with the resource endowments of most poor countries.

Lessen migration

Small farms help slow migration and the explosive growth of large cities.

The advantages of small farms slowly disappear as countries develop and labour becomes more costly. This leads to a natural transition to larger farms, but one that does not normally begin until countries leave low-income status and takes several generations to unfold.

A tilted playing field

For most developing countries, the problem is not that small farms are inherently unviable but that the playing field is tilted against them.

Among the more powerful forces working against small farmers is the shift toward consumer-driven markets as part of market liberalisation and globalisation. The small farmer is increasingly being asked to compete in markets that demand much more in terms of quality and food safety and which are increasingly dominated by supermarkets and large processors and exporters who source from preferred suppliers on an international basis. As small farms struggle to diversify into higher value products, they must find new ways to access and meet the requirements of these demanding markets.

Developing country farmers also face unfair competition because of the agricultural policies of most rich countries. These countries unfairly subsidise their agricultural exports while restricting the export opportunities of developing country farmers.

At the same time that markets have become more unforgiving and competitive, structural adjustment and privatisation policies have left many small farmers without adequate and affordable access to key inputs and services, including farm credit.

A viable future

Context is very important when thinking about appropriate interventions to assist small farms. In countries with dynamic and growing national economies like India or China, small farmers have many new opportunities to diversify into higher value products and non-farm sources of income, or to exit farming entirely. These kinds of opportunities are much more restricted in poor, slow growing countries like in much of Africa. Here the best growth potential lies with food staples and traditional livestock products. The demand for these products is projected to double by 2020 and food staple markets are easier for small farms to access.

If most small farmers are to have a viable future, then governments, NGOs and the private sector need to make a concerted effort to create a fair and supportive economic environment for smallholder agriculture. Improved infrastructure, help to form effective marketing organisations, agricultural research and agricultural extension, access to credit, better risk management policies, and security of tenure can result in significant agricultural growth.

FARM-Africa is successfully demonstrating how many of Africa's small farms can be cost effectively developed into viable businesses, boosting rural incomes and contributing to food security.



FORESTS, FOOD, AND BRIGHTER FUTURES

Eastern Africa's natural forests are fast disappearing, so FARM-Africa is working with forest communities to help them to reduce their reliance on timber and develop management plans. This enables the governments and communities to manage the forest together sustainably and is helping to halt forest degradation and improve food security.

FARM-Africa's many years' experience in forest management has allowed us to develop extremely effective ways to combine the well-being of communities living in and around fragile forest environments with the interests of local and national governments. In this way forests will be used in a more sustainable way.

We establish forest management plans together with local communities and help them to balance earning a living from forest resources with protecting the forest for the future. FARM-Africa supports families to earn money without harming the environment. We look at sustainable enterprises such as keeping bees, weaving raffia mats, harvesting wild coffee and setting up small ecotourism businesses to replace making charcoal, gathering firewood, and felling trees for cropland or timber. These viable enterprises not only boost household incomes and food security but also combat unsustainable deforestation.

Ownership for Bale Forest communities

In the mountainous Bale National Park in southern Ethiopia, growing populations are putting increasing pressure on its unique natural resources. Lowland communities rely on the forest catchments for fresh water, but the more than 200,000 indigenous forest dwellers living there have few opportunities to improve their livelihoods in a long lasting way.

A central role for communities in forest management

In 2008 we stepped up the momentum of our work in the Bale Forest with our partner SOS Sahel. This work builds on our extensive learning from the Participatory Forest Management Programme. We work alongside communities to create forest management plans which increase their sense of ownership. The plans give local communities, backed up by government services, a central role in managing natural resources across the whole Bale Massif, a part of the south-eastern Ethiopian highlands. We make sure that vulnerable groups (women, young people, those affected by HIV/AIDS and the illiterate) are included. In 2008 the project reached over 43,000 people and, over the life of the project, will give communities a sense of ownership of over 35,000 hectares of forest.

Exciting prospects in carbon trading

FARM-Africa is working with other organisations to explore ways for communities to earn an income from new carbon-financing mechanisms. This ground-breaking scheme could generate significant earnings for forest communities and secure both their livelihoods and the unique natural resources of the forest for the future.

Scaling up our successful approach to forest management

Our Participatory Forest Management Programmes in Ethiopia and Tanzania were successfully completed in 2008. We are extremely pleased that the Ethiopian Federal Government has integrated many aspects of this approach into its new national forest conservation policy.

In Ethiopia

We anticipate beginning work in 2009 on a major project that will expand our forest management model in Ethiopia and put the new national policy into practice. Our goal is to further encourage the government to take up Participatory Forest Management for all forest dwelling communities in Ethiopia. If they do, more than three million forest users will benefit.

In northern Tanzania

FARM-Africa has worked with communities in the Nou Forest (Tanzania) since 2001. Since then, we have helped 18 villages draw up forest management plans and helped those communities to become involved in managing the forest. As a result illegal logging activities have fallen by 25%, a massive achievement in this area.

We will build on these accomplishments in an exciting new four-year project, funded by the European Union, to scale up the approach in the Babati and Mbulu Districts (northern Tanzania). We will reach 90,000 people in 10 villages and train district government staff to replicate Participatory Forest Management in a further 10 villages. This will boost family incomes and food security and slow degradation of forest resources significantly.



From tree poacher to tree protector in Ethiopia: the story of Ato Derara Megersa

"I regret for the past action that I did and share my experience to educate other people not to repeat the same crime against forest resources."

Mr Megersa

Mr Megersa is 50 years old and has a family of four. In 1990, after years of civil unrest, he returned to his birthplace, Galessa Forest. His only option for feeding his family was to cut and sell firewood illegally. A few years later he was evicted.

In 1996, FARM-Africa gave Mr Megersa a job in a tree nursery. It was the opportunity he had been seeking to transform his life. From his earnings he saved enough to buy a sheep. Through a cooperative set up by FARM-Africa to help manage the forest, Mr Megersa could save money and get credit. Mr Megersa now owns two cows, two oxen, two horses, five milking sheep, half a hectare of eucalyptus woodlot, some farmland and a family home.

He is now a leading light in community forest management and actively works against illegal tree poaching. Eagerly passing on what he has learned, he also trains other community members to manage nurseries and raise tree seedlings.

PASTORALISM IN HARSH ENVIRONMENTS

“INSTEAD OF DECLARING PASTORAL LIVELIHOODS UNVIABLE, AND IMPLICITLY ENDORSING POLICIES THAT UNDERMINE PASTORALISM AND TURN DOUBTFUL ASSERTIONS INTO INEVITABLE FACTS, OBSERVERS AND POLICY-MAKERS NEED TO RECOGNISE THE RESPONSES THAT PASTORALISTS ARE THEMSELVES ADOPTING TO THE STRESSES AND SHOCKS THAT THEIR LIVELIHOOD SYSTEM HAS ALWAYS FACED.”

Scoones, I. and S. Devereux, 2006

Pastoralists are nomadic and semi-nomadic livestock keepers who move with the seasons to find water and grazing for their animals. They live in harsh environments and rely on rearing livestock for milk and meat, both for themselves and to sell to buy essentials.

There are more than twelve million pastoralists in Ethiopia and Kenya alone and they are amongst the most marginalised peoples in sub-Saharan Africa. Suffering high poverty rates, they live largely beyond the reach of formal education and health services, and have to cope with frequent droughts and disease outbreaks that make this way of life ever harder to sustain. Most communities also desperately lack affordable veterinary care for their livestock.

FARM-Africa helps pastoralist communities to create their own plans to improve their livelihoods, and to access the finances to realise them.

Keeping up tradition and making progress

Our longstanding work with pastoralist communities across East Africa and Ethiopia helps them maintain their traditional way of life while increasing income generation to support their families.

Our mobile outreach camps reach remote communities

Our innovative Mobile Outreach Camps reach the remotest communities. We work with communities to learn what they need and then help make plans to meet those needs. Supporting pastoralists to set up credit schemes means they can put their plans into practice. Often there are conflicts over land, livestock and water and we train communities in developing positive resolutions.

Disaster planning reduces risks

Natural disasters are becoming more frequent and intense with climate change, and we are working with pastoralists to help them make plans to cope. In 2008, we built on our longstanding work with the Ethiopian Pastoralist Project to help communities in South Omo develop early warning systems and strategies to cope with natural disasters.

Turning problems into solutions

FARM-Africa works with pastoralist communities to consider how they can use the resources they have in a sustainable way. We have shown pastoralists in the Afar region of Ethiopia how to turn a problem into a solution by clearing an invasive plant overrunning precious rangeland and then selling products made from the weed. Families have increased income and food as a result.

Building futures with dignity

FARM-Africa's straightforward participatory processes encourage communities to articulate their needs, set their own priorities and put their plans into practice. In northern Tanzania, we used our knowledge of working with pastoralist communities to reach out to Hadzabe indigenous groups whose voices are rarely heard.

Choosing a different lifestyle

The Hadzabe are hunter-gatherers, but the land that they traditionally roam is being settled. Because of this, working with these people requires considerable sensitivity, as there is a danger that they will feel that they are being forced into a different lifestyle because of this pressure on land. We are working with 1,793 families to ensure that they have control over their own futures. This work includes helping them to improve their access to water and learn to keep bees. They are becoming more aware of land rights issues and more knowledgeable about the role they can play in managing natural resources.

Helping women help themselves to a better life: Restituta's story

"I'm happy. I own more than ten goats and cultivate my own farm."

Restituta

Restituta lives in a settled pastoralist community in northern Tanzania and has three children. Until recently, she tended tiny plots belonging to her husband and parents, and looked after their cattle. She had little she could call her own and could see no way to ensure a better life for herself and her family.

That changed in 2006 when, through FARM-Africa's work, women set up groups to save and give loans to members. In pastoralist societies culture and tradition mean that women find it very hard to get a foot on the ladder out of poverty. The Household Income Security Associations (HISA) scheme overcomes this hurdle and, coupled with training on income generating activities, gives women in this area a chance to buy land and livestock, and to pay school fees and family medical expenses.

Restituta is now a community resource worker and passes on what she has learned to other groups. From her dividends she soon expects to be able to start building a house.



LIVESTOCK, A MAJOR ASSET IN RURAL AFRICA

How livestock support people in Africa

The importance of livestock in supporting and sustaining life in rural Africa cannot be overstated.

For most families in rural Africa, livestock are the main asset and for many, can provide a route out of poverty. Cattle and goats provide milk for the family and any surplus can be sold. Animals, too, can be sold and the money used to buy food and clothes and pay school fees. Livestock also provide valuable manure for crops, boosting production when fertiliser is scarce and expensive. Ploughing with oxen and donkeys saves a great deal of time.

Virtually all livestock in Africa eat vegetation that people cannot eat and use vast tracts of land that cannot be cultivated. Their role during droughts is particularly important; when crops fail, families must fall back on their livestock. Selling a goat can buy enough grain to feed a family for two months. Some African families describe their livestock as both a bank and an ATM!

For many families, owning a chicken or a goat can be their first step out of poverty. This is why FARM-Africa places great emphasis on developing ways to reduce risk through improved animal health, and to boost incomes through improved livestock management and marketing.

FARM-Africa and the Global Alliance for Livestock Veterinary Medicines

Many diseases affecting livestock in Africa can either kill or cause serious illness, stripping families of their major asset and forcing them into poverty. In many cases, there are no reliable vaccines and in a few, no effective medicines. To tackle this problem, the UK's Department for International Development (DFID) has invested in animal health research for years.

There is a lack of commercial products accessible to livestock keepers in the developing world. For this reason, DFID was one of the key instigators of the Global Alliance for Livestock Veterinary Medicines (GALVmed) in 2005. FARM-Africa is proud to have been invited to become a founder member of this organisation and help shape its early years.


In 2008, GALVmed received its first grant from the Bill & Melinda Gates Foundation for the Protecting Livestock, Saving Human Life project. This initiative aims to develop vaccines for four of the most important diseases. However, to be effective, vaccines must also be accessible to livestock keepers. This is where FARM-Africa comes in, by disseminating information on new products through our Community Animal Health Network.

Community Animal Health Network

Animal health services in Africa are in a state of flux. Many countries have withdrawn subsidised state services, while private practitioners focus on commercial farms. A variety of organisations is trying to plug the gap by providing services through different community based grassroots delivery systems. Many of these groups work in isolation and can learn much from each other by sharing good practice.

To bring together all the different groups working on community based veterinary systems, FARM-Africa established the Community Animal Health Network (CAHNET). This network aims to improve practice, share experiences and help farmers identify their needs and articulate them to policy makers. Through the new partnership with GALVmed, CAHNET will be able to reach more organisations and support innovative learning and information systems using mobile phone technology.

www.galvmed.org
www.cah-net.net



“Before I became a buck keeper, I would never even be acknowledged or invited to a public meeting. Now I am not just invited but even given the opportunity to speak. I really appreciate the project as I have been lifted from the ground to somewhere.”

Tabitha

More knowledge, more confidence, healthier animals: Tabitha's story

Tabitha lives with her husband and five children near Mwingi in Kenya's Eastern Province. Since becoming involved in the FARM-Africa Kenya Dairy Goat Capacity Building Project her life has changed.

Tabitha attended several FARM-Africa training courses. Now she has a Toggenburg buck which has serviced 232 local goats and boosted her income by 50 per cent. Farmers benefit as Toggenburg offspring fetch four to five times as much as offspring of local goats. Tabitha also sells goat milk and goat manure.

The training courses have improved Tabitha's knowledge of animal health and boosted her confidence. If she needs to, she gets in touch with a neighbour, Teresa, a community animal health worker trained by FARM-Africa. And Teresa can call Safari Mbui, an Animal Health Assistant, who set up a veterinary drugstore nearby with a loan from FARM-Africa if she is not able to tackle the problem herself.

The result, as Dr. James Kithuka, FARM-Africa, says is that “the level of awareness among farmers in the area has risen and that they are seeking more advice – that must translate into more healthy animals”.



GETTING INVOLVED

FARM-Africa would not be able to carry out its work without the help of our many supporters. We would like to thank everyone who has been involved with FARM-Africa since our foundation, and particularly those who have supported us over the last year. There is not space to mention everyone, but we would like to thank the following in particular:

Fundraising cyclists

Sam Williams has already broken records rowing solo across the Atlantic to raise £20,000 for FARM-Africa. Now, just a year later, the 25-year-old is getting on his bike to cycle 6,000 miles from London to Kenya. www.peddallingalltheway.com

After the many challenges of last year's attempted solo cycle trip, Daniel Harman is planning a group ride to Africa where he hopes to visit some of the work he has helped support.

Thanks to the marathon efforts of our 2008 running team

Thanks to the dedicated people who ran the 28th London Marathon around some of the most eye-catching London landmarks. We were proud of our team who we supported around the course from the FARM-Africa cheering points and who raised an incredible £30,000 for our work.

A busy year for Friends of FARM

Friends of FARM, our country-wide supporter network, raised £30,000 during the year. Events included Teas in a Country Garden in Shropshire, coppicing courses in Berkshire, and a prestigious dinner in the Scottish Borders at Monteviot House, the home of Lord and Lady Lothian. Karen Warne's Rainforest Challenge saw Karen and a colleague at the Eden Project spend five days and four nights in the Rainforest Biome. Congratulations go to Tim Jury who raised an amazing £8,000 from a variety of events, including a barn dance, Ride for Africa, donations instead of wedding presents and running the London Marathon. If you would like to get in touch with your local Friends of FARM group please contact our head office for further information.

Dinner with our President, Sir Martin Wood

In May 2008, Sir Martin and Lady Wood hosted a reception for 50 guests, including FARM-Africa Patrons Sir Peter de la Billière and Michael Palin, our chairman Lord De Ramsey, and other supporters. We are most grateful to Sir Martin and Lady Wood for hosting the evening and making it such a success.

Corporate 'thank you's'

Huge thanks to Mako Global and Lloyd's of London for their continued support. In addition, we are very grateful to the following companies for their generous support: Alsford Page and Gems, Canopus, Casey Consulting, Cotswold Outdoor, Dodson Bros, FINN Trading, Fitflop, Glass Tap, Real World Travel, Green Ink Publishing, Helpful Hirings, Highland Grain, Hiscox, Innovative Financial Solutions, Lovells, Man Group, Palmstead Nurseries, Paperchase, Peregrine Trading, Spirit of Wood, St Helen's Farm and Turner Fine Foods. A special thank you to the National Farmers' Union for their support in the Africa 100 Appeal.

Trusts and institutions

We are very grateful to the Department for International Development, the European Union, Cordaid, Norwegian Development Fund, Irish Aid, Royal Norwegian Embassy, Embassy of the Kingdom of the Netherlands, Jersey Overseas Aid Commission, Isle of Man Overseas Aid Committee and the Big Lottery Fund.

FARM-Africa is also hugely grateful to the many trusts and foundations whose invaluable support enables us to help so many African farmers. There is not room here to thank them all by name, but here are just a few: Ford Foundation, Medicor Foundation Liechtenstein, the innocent foundation, The J J Charitable Trust, The Elsevier Foundation, Ingram Trust, The Waterloo Foundation, Four Acre Trust, Topinambour Trust, Foster Wood Foundation, The Tulip Charitable Trust, Kilimo Trust, Charles Hayward Foundation, The Sulney Fields Charitable Trust, Mrs L D Rope's Third Charitable Settlement and The Dulverton Trust.

FARM-AFRICA STAFF NEWS



John De Ramsey, retiring Chairman

“Live as if you will die tomorrow but farm as if you will live for ever” is a motto well known to British farmers but not much help to the poorest of the poor in Africa. With food shortages likely to increase due to population pressure and changing climate, FARM-Africa’s small scale innovations which can be scaled up to make a regional impact are needed more than ever. Through this I have learned there is no limit to what the poor can achieve once they are convinced that they are being offered the right solution.

While our concentration on the rural poor has felt distinctly lonely at times, we are now leaders in world opinion. Events are forcing the world’s governments and major donors to concentrate on agriculture for a change. While we might be tempted to say “and about time too”, it behoves us rather to make the most of our lead and to realise the pressure it puts on us to make the best use of our special knowledge accumulated over the last 24 years.

The team we have in place at all levels here and in Africa, is the best it has ever been. Add to that a Board of Trustees with the most diverse range of competencies FARM-Africa has ever had and you will understand why I leave the Board with pride and not a little sadness. But I must thank you for giving me the chance to try and fulfill the words of St Luke “For unto whomsoever much is given, of him shall much be required”.

I pass the baton to Martin Evans with every confidence that he will make good use of it. Having gained a PhD at Cambridge he has acquired technical and managerial experience in forestry, livestock and food crops all over Asia, Africa and Australia. His expertise includes specialist crop knowledge as well as strategic planning and investment analysis, much of it with small farmers. FARM-Africa will go from strength to strength with him at the helm. Martin - we all thank you.

New Chairman

Our new Chairman is Martin Evans, a distinguished agricultural economist. Previously FARM-Africa’s Deputy Chairman, Martin brings to his new position 30 years of experience in agriculture, agribusiness and rural development acquired all over Southeast and East Asia, Africa, Eastern Europe and the former Soviet Union, South America, the South Pacific and Australia.

Martin has advised on policies for trade and prices, structural adjustment and economic reform, and development financing for the World Bank, UN Food and Agriculture Organization (FAO), and many other major development organisations. He has extensive experience of strategic planning, investment analysis and operational management, and

active involvement in private enterprise and smallholder schemes. His specialist knowledge of cane and beet sugar; tree crops, cassava and beef cattle will continue to be invaluable to FARM-Africa.

New Trustees

Timothy Olalekan Williams, an agricultural economist at the Commonwealth Secretariat, has joined FARM-Africa’s Board of Trustees. Timothy heads and coordinates the work of the Enterprise and Agriculture Section in the Special Advisory Services Division.

Timothy is an agricultural economist with over 25 years’ experience in developing policies to enhance the growth of small enterprises and the livelihoods of smallholder farmers. He currently works to assist Commonwealth member countries and small and medium enterprises in addressing the challenges they face in farm and non-farm business development, food safety and agricultural health standards. Prior to joining the Commonwealth Secretariat, he was Research Team Leader and Regional Representative (West Africa) of the International Livestock Research Institute.

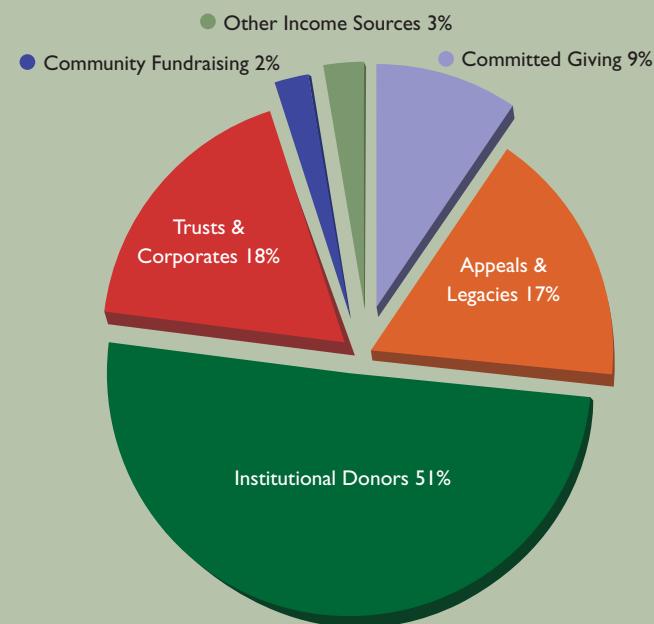
John Shaw recently stepped down as Finance Director of Oxfam and has joined FARM-Africa’s Board of Trustees. John worked at Royal Mail for 27 years, including in a number of senior finance and general management roles. He joined Oxfam in 2002, initially as International Finance Director and has been Finance Director for the past four years. John has contributed to sector-wide learning on key issues, such as risk management, and brings a wealth of strategic, financial and governance expertise to the role of Trustee.

FINANCES

The information presented on this page gives an overview of FARM-Africa's income and expenditure for the year ended 31 December 2008.

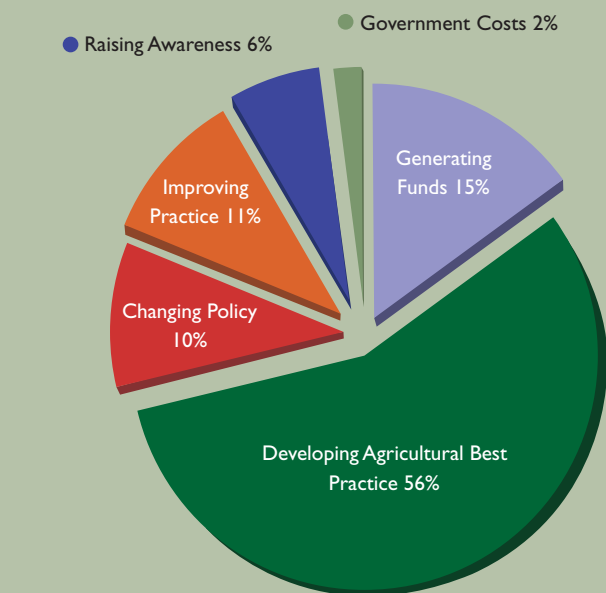
Where did we get our income from?

We received £6.48 million in income in 2008.



What did we spend it on?

We spent £6.4 million in 2008.



The swift action taken by the organisation in 2007 to improve our financial position has paid dividends in 2008. We have increased our total income and have felt the full benefits of the cost saving measures put into place last year which, together with a change in the timing of receipt of restricted funds, has led to an overall surplus for the year.

In total 83% of our expenditure for 2008 was made on direct charitable activities supporting the implementation of our vision, compared to 74% in 2007. This is a notable result in the context of our programme of cost saving measures, and reflects our commitment to minimise the impact of the restructuring programme on our beneficiaries.

In summary, FARM-Africa is in a far stronger position financially than at the end of 2007. We are of course facing a number of external financial challenges, in particular the weakening of sterling against the Euro, the US dollar and our African operating currencies. However we continue to improve our forecasting and risk management processes, and this together with the strategies and actions underpinning our 2009-2011 business plan allows us to continue to look forward with confidence and excitement to the years ahead.

For a fuller understanding of the financial affairs of the charity, please request a copy of the full Trustees' report, audit report and financial statements from the Finance Director, FARM-Africa, Clifford's Inn, Fetter Lane, London EC4A 1BZ.

Patrons

Lord Plumb of Colehill DL
Sir Peter de la Billière KCB KBE DSO MC MSC DL
Michael Palin CBE

President

Sir Martin Wood OBE FRS DL

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Dr Martin Evans (Deputy Chair)
Norman Coward (Treasurer and Trustee until 25th June 2008)
Richard Lackmann (Treasurer from 25th June 2008)
Victoria Rae (Board Secretary)
Jan Bonde Nielsen
Dr Peter Hazell
Dr Paul Zuckerman (until 25th June 2008)
Dr Helen Pankhurst
Nader Mousavizadeh
Carey Ngini (from 12th March 2008)



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