



## **COOPERATIVE DRIVEN DEVELOPMENT**

in Ethiopia through Sustainable, Localized  
Business Development Services



# BACKGROUND AND PROJECT DESCRIPTION

In 2013, Nuru Ethiopia (“Nuru”) started its activities in the Southern Nations, Nationalities, and Peoples Region (SNNPR) by targeting farmers’ cooperatives as an entry point for holistic community development. Headquartered in Arba Minch, Nuru works in the Gamo and Gofa zones of SNNPR. Nuru is a locally-led non-profit organization dedicated to building local capacities that support community resilience. Nuru focuses on cultivating service-minded leaders and equipping people with the tools and knowledge to lead their communities out of extreme poverty, helping farmers move from subsistence to building thriving farmer-owned and farmer-led cooperative agribusinesses. Nuru has developed an adaptive and locally-led cooperative development approach that has a lifetime of five to seven years, after which, as the cooperatives become increasingly self-reliant, Nuru exits the communities. The model of this approach is shown below.

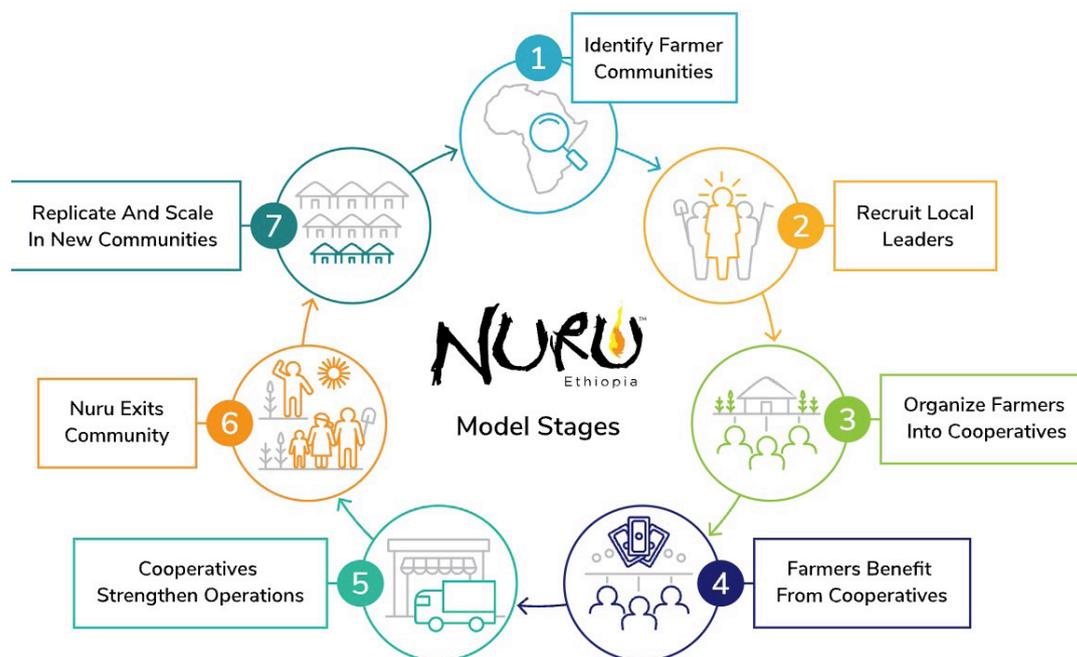


Figure 1: Stages in Nuru's cooperative development model

Nuru adapts and enhances various types of livelihood and income-generating activities to strengthen and improve food security and household income in the target communities. This is accomplished by engaging both men and women to become active participants in farmer organizations (FOs) with the aim of establishing primary cooperatives (PCs) and secondary cooperatives (unions). Nuru views cooperative development as a vehicle for community-led poverty alleviation and resilience. Cooperatives create decent job opportunities, increase food production, empower the marginalized (especially women), and promote social cohesion and interdependence. Cooperatives promote the localization of development and leadership, local control of capital, local ownership, local agency, and establish cooperation and trust in the value chain and market systems. Moreover, cooperatives represent a resilient, vibrant, and viable economic alternative in bringing people together to work towards a common goal and meet their shared needs through cooperation. As cooperatives gather local people and pool their resources to participate in and influence market forces and community development, rural communities’ livelihoods are improved and poverty is reduced.

Nuru's holistic development approach to community development extends beyond basic Business Development Services (**BDS**) for supported cooperatives. In addition, it focuses on improving and diversifying agricultural productivity, increasing household income and savings, and improving maternal and child health. Nuru's cooperative development institutionalizes service delivery through cooperatives while also offering distinct training and coaching for those cooperatives. As the cooperatives mature, Nuru shifts the service delivery responsibility to the PCs and unions. This approach ensures that local capacity is built to support future growth of PCs and unions; and therefore leads to a more resilient and sustainable outcome when Nuru phases out support.

Nuru's approach focuses on making the PCs and unions professional and competitive grassroots agribusinesses. It does so by providing BDS to PCs and unions while training individual farmers on the production of cash crops and management of livestock. Nuru helps farmers build sustainable and profitable PCs and unions that increase their incomes, while providing farmers access to regional and international markets. Nuru's approach to professionalizing PCs and unions entails the following steps applied as part of an adaptive continuous improvement process, which will be further elaborated on throughout this case study:

- 1 Assessing capacity gaps and improvements using SCOPE insight tools
- 2 Preparing a capacity building checklist and transformation plan per PC and Union
- 3 Providing regular training and coaching to farmers, PC/Union leaders and staff
- 4 Developing action plans for new business activity and collaboration with partners
- 5 Using farmers' field days to demonstrate agronomic best practices

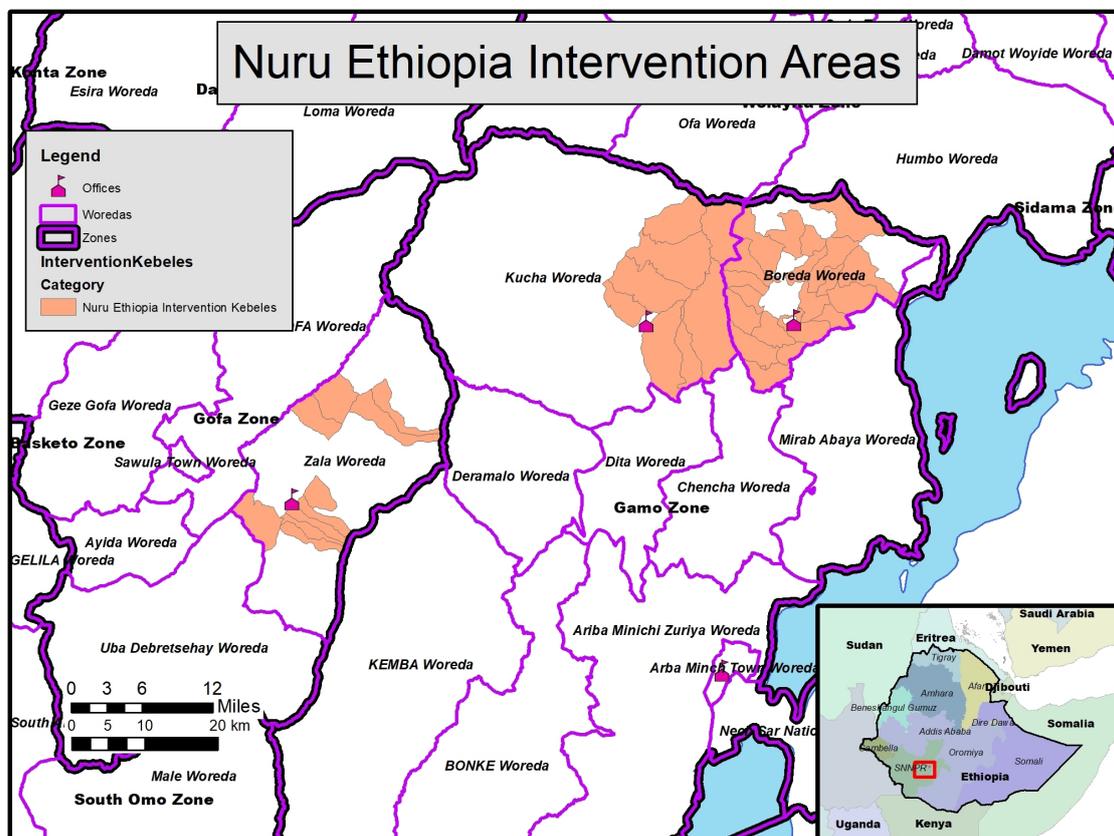
Nuru's model and approach is examined in this case study by reviewing BDS activities implemented from 2016 to 2022. As of 2022, Nuru supported 30 PCs, and one cooperative union, Hidota Union. The 30 PCs are members of two cooperative unions: Hidota Union in Gamo zone and Esipe Dicha Union in Gofa zone. The BDS support provided to Esipe Dicha Union did not begin in full until the second quarter of 2022, so it is not included in the results of this case study. The PCs and unions are active in multiple value chains and are registered as multi-purpose cooperatives under Ethiopian law. However, the BDS support provided by Nuru has targeted grain and pulse value chains (as food crops) with specific emphasis on the promotion of mung beans, groundnuts, haricot beans, and maize (as cash crops).

## **PROGRAM SITE AND TARGET GROUPS**

Nuru targets vulnerable communities based on the following criteria: a high number of subsistence farmers, lack of savings to address economic shocks, low levels of financial literacy, higher incidence of preventable disease among mothers and children, poor access to markets, and other extenuating factors of extreme poverty.

SNNPR is one of the most populous regions of Ethiopia, with a density of about 151 people per square kilometer (national average is 155 per square kilometer). The region is home to 56 ethnic groups, each with its own distinct geographical location, language, culture, and social identity. An estimated 89% of the total population lives in rural areas, where rural livelihoods are diverse due to mountainous terrain. These livelihoods include crops such as coffee (in marginal quantities), cassava, sweet potatoes, teff, wheat, barley, maize, sorghum, common beans, groundnuts, and other legumes, as well as livestock. The majority of the smallholder farmers in this area have limited literacy and live between subsistence farming and poverty. Without access to agricultural training, these farmers are left to depend on insufficient agronomic practices, with limited access to modern technology, financial services, and market information. Farmers also face significant barriers in finding quality inputs or a sustainable market to sell their harvest.

Nuru’s program activities target **three segments** of the value chain. **Producers** are targeted with the objective of improving livelihoods through financial services and input provision. **Aggregators (PCs)** are targeted to improve product quality and quantity, and access to better market prices. Finally, the **wholesalers (unions)** are targeted because they contribute to the advanced aggregation of products and bulk purchasing of commodities. The wholesalers also support processing and value addition of raw materials, facilitate the bulk sale of products, market promotion, and business advocacy aiming at benefiting member PCs and active farmer members. An active cooperative farmer is a share owner who has paid their membership fees in full.



## BDS STRATEGY AND APPROACH

Nuru’s work from 2016-2022 built upon the foundations of the community development work in the previous three years. Nuru supports “**intentional program adaptation**” which led to a focus in the next phase on supporting cooperative professionalism and profitability. The program adaptations included the adoption of new agribusiness curricula from [AMEA’s Toolbox](#) as follows:

- use of CIAT’s LINK methodology in 2017 to develop business models for the Union and PCs
- initial pilot with SCOPEinsight assessment tools in 2017-18
- adoption of IFC’s Agribusiness Leadership Program (ALP) from 2019 and starting from 2021 upgraded to blended e-learning to deliver Cooperative Development training and coaching
- use of iCRA’s Agribusiness Cluster (ABC) approach in 2020 to develop the agribusiness cluster network for farmers organizations (financial institutions, input providers, transporters aggregators, wholesalers, BDS providers).

Nuru is formally partnered with municipal and national government stakeholders and possesses an on-the-ground presence with staff and field offices based at woreda (district) levels. This enables the provision of regular BDS training and coaching to supported PCs and unions. Nuru has an in-depth understanding of the local context, which enables staff to act as facilitators between value chain actors. Nuru partners with the following entities to deliver its BDS approach to cooperative development.

The list also includes the roles of each partner as follows:

## **NURU**

### **INVESTOR/CAPACITY BUILDER**

- Injects working capital into FOs
- Provides training, coaching, and mentoring
- Provides staff to deliver assessments, training and coaching
- Conducts impact assessments, monitoring, knowledge management, and documentation
- Supports resource mobilization, human resource development, and management
- Expands FOs' visibility, partnership, and networking
- Creates market linkages

## **GOVERNMENT**

### **FACILITATOR, QUALITY ASSURANCE, CAPACITY BUILDER**

- Create a conducive environment for business operations
- Regularly audit, inspect, and monitor FOs
- Provide business support services, market linkages, and technical support
- Provide regulatory services, such as auditing, inspection and free legal support

## **UNIONS WHOLESALE**

- Train, coach, and provide technical assistance to PC staff
- Organize consultative meetings to share the best experiences and lessons

## **PRIMARY COOPERATIVES AGGREGATOR**

- Train, coach and provide extension services to farmers
- Organize experience sharing and farmers' field day events to share lessons and best practices
- Provide updated market price information
- Create access for input supply, savings and credit, market, technology and information

## **AGRICULTURAL TRANSFORMATION INSTITUTE (ATI)**

### **EXTENSION/INPUT SERVICES**

- Provides extension to farmers digitally through the [8028 free farmer hotline](#)
- Helps to create market linkages
- Facilitates inputs through the [One Stop Shops](#)

## **SCOPEinsight**

### **BUSINESS INTELLIGENCE SERVICES**

- Provides the assessment tools
- Provides monitoring dashboard and assessment reports
- Utilizes expertise to analyze assessment scores and produce quality reports
- Trains and certifies local assessors

## BDS DESIGN, DELIVERY, AND ADAPTATION

Nuru tailors BDS by using capacity assessments, profitability analysis and by leveraging other monitoring, evaluation and learning reports developed in partnership with the University of Texas at Austin, Ray Marshall Center (RMC). Nuru also regularly conducts spot checks (via field observation using a checklist, focus group discussions, and providing written feedback) and offers experience-sharing events with value chain stakeholders. Action plans are developed from this data and information based on the needs of each union and PC. Although using similar content, the training for PCs and unions differs according to their operations and level of maturity. For example, PCs receive paper-based bookkeeping training, whereas unions receive higher-level accounting training because they maintain computerized financial systems. On the other hand, PCs, as crop producers, receive agronomy training, but unions do not.

From 2016 to 2020, Nuru recruited external firms or provided its own staff to carry out training and coaching to groups of leaders and self-selected members from the supported FOs. A group approach was chosen to increase cooperation amongst cooperatives. Union offices and government facilities were used to limit costs. The table below shows details of the coaching process and the necessary time commitment to deliver effective coaching.

MAJOR CATEGORIES OF COACHING	COACHING TOPICS*	AMOUNT OF TIME* REQUIRED FOR DELIVERY
<b>Business Skill Development</b>	Business Planning	4 hrs
	Market Linkage	4 hrs
	Operations Management	3 hrs
	Networking and Partnership	2 hrs
<b>Financial Management</b>	Financial Management	4 hrs
	Inventory Management	3 hrs
	Financial Report Preparation	2 hrs
<b>Leadership Development</b>	Leadership and Governance	3 hrs
	Human Resource Management	3 hrs
	Personal Development	2 hrs
	Communication and Conflict Management	2 hrs
<b>Total hours (3 woredas: Boreda, Kucha, and Zala)</b>		32 hrs per group per quarter

Table 3: Coaching topics and delivery time  
\* Adapted from AMEA Toolbox

In 2021, Hidota Union was supported to set up an agribusiness training and extension department. This **intentional program adaptation** was the result of a shift in strategy in 2020 to develop a pipeline of leaders within the union, especially targeting the youth. This lowered the cost of BDS delivery making it more sustainable and enabled the union to adapt the material to its' needs, including the translation of materials into local languages (Amharic, Gamugna and Gofigna).

In addition to BDS, agronomy and animal husbandry technical assistance is provided. Demonstration plots are also used to promote behavior change, and they are jointly managed by local government and PC staff at government-funded farmer training centers (FTCs). The agronomic training and extension is vital to ensure yields and quality of produce enabling the union to deliver on contracts.

# FACILITATING ACCESS TO FINANCE / DEMONSTRATING BANKABILITY

Nuru's approach is to assist the Union (and PCs) to demonstrate their bankability by: 1) supporting development of financial data (see below); 2) securing government testimony to the Union's impact and professionalism, and 3) facilitating meetings between the union and financial institutions. Nuru first works with local accounting firms to conduct financial assessments to show the profitability of Unions and PCs based on generating income statements, cash flow statements, and balance sheets. These help FO staff to become more financially literate, and within a year the Union and PCs have clear financial statements in both Amharic and English. Nuru then acts as an intermediary and lobbies potential lenders to provide financing to the Union and PCs.

## RESULTS

Overall Nuru's program has enabled farmers to generate an average of \$401 USD of profit from the sale of cash crops and participation in the livelihood diversification program; **an increase of 73%** from the 2020 baseline. This **additional income of \$168 per farmer per year** contributes to lifting farmers out of poverty where the majority of Ethiopian farmers live on less than the World Bank's \$3.20 (2011 PPP) per person per day poverty line. These results can be analysed using AMEA's recommended indicators as shown in Table 4:

	INDICATOR AREA	INDICATOR DESCRIPTION	
OUTPUTS	Assess FOs	# of Nuru assessors trained	4
		# of assessments carried out	31
	Train FOs	# of trainings given	10
OUTCOMES	Coach FOs	# of FOs supported	31
	Professional FOs	FO assessment score	4.4
		Operating profit margin (Hidota Union only)	3% <sup>1</sup>
	Access to Market	# of MT commercialized by FOs	3500
		% of total production commercialized (participating in cash crops)	25%
	Access to Finance	Total value of new credit/ loans obtained	us\$ 43,233
% of total credit		20%	
Loan repayment ratio		100%	
REACH		# of farmers reached	7,475

Table 4: Cumulative results to Quarter 2, 2022

<sup>1</sup>This profit margin represents Hidota Union only.

## OUTCOMES 5 AND 6 – PROFESSIONALISM

In order to successfully exit, replicate, and scale BDS to new communities, Nuru must evaluate the capacity of supported FOs which is done by assessing Outcomes 5 and 6 from the table above (i.e. organisational maturity and profitability.) The impressive results are shown below in Table 5 which is followed by explanations of the assessment process and BDS delivered.

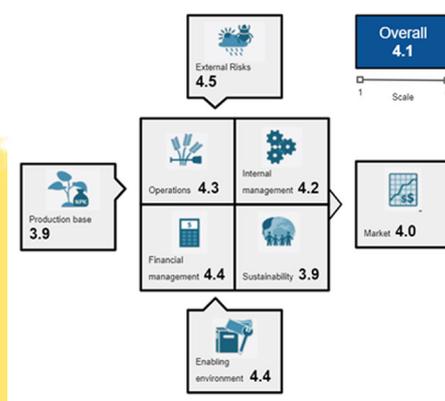
	2019	2020	2021	2022
No. of FOs Assessed	9	6	11	5
Organizational Maturity	3.2	4.0	4.1	4.4
Percentage of FOs that are profitable <sup>2</sup>	67%	80%	88%	90%

Table 5: Nuru Supported FOs: Professionalism and Profitability Outcomes

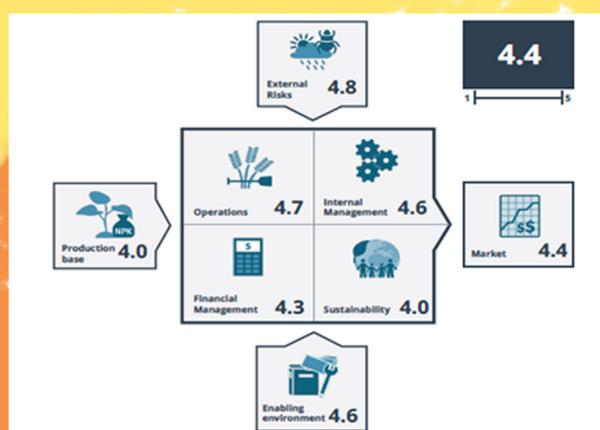
In terms of organizational maturity, Nuru partnered with SCOPEinsight to apply their SCOPE Basic [assessment](#) across eight dimensions of professionalism: internal management, operations, financial management, production base (supply), market, sustainability, external risks, and enablers. This assessment tool is highly aligned to the forthcoming [International Standard](#).

The analysis of the 2021 score is presented on the right to illustrate the dimensions:

### Nuru Supported Primary Cooperatives SCOPEinsight score as of 2021



### Nuru Supported Hidota Union SCOPE insight score as of 2021



<sup>2</sup> Net profitability is defined as income before depreciation i.e. net impact of all cash activity.

The SCOPE Basic assessment results, such as those above, enable the FOs to understand in detail the areas for improvement, and Nuru supports them to prepare a BDS plan. Nuru then draws on the AMEA Toolbox to deliver BDS with a combination of approaches used, as follows:

## LINK

was used from the start of the program to support business landscape and value chain analysis, including market analysis, and financial performance analysis.

## ALP

was adopted early in the program to support cooperative development and is well aligned with the SCOPE Basic assessment process. Nuru has used ALP to build localized and tailored curriculum modules that support cooperative capacity growth and professionalism. This has been more about digitally enabled learning (blended e-learning) methodology which is tailored into Amharic to NE-supported cooperatives. It is used to build the capacities of FOs in terms of business skills, leadership, and financial management. It responds to the identified areas of improvement on the SCOPEinsight assessment.

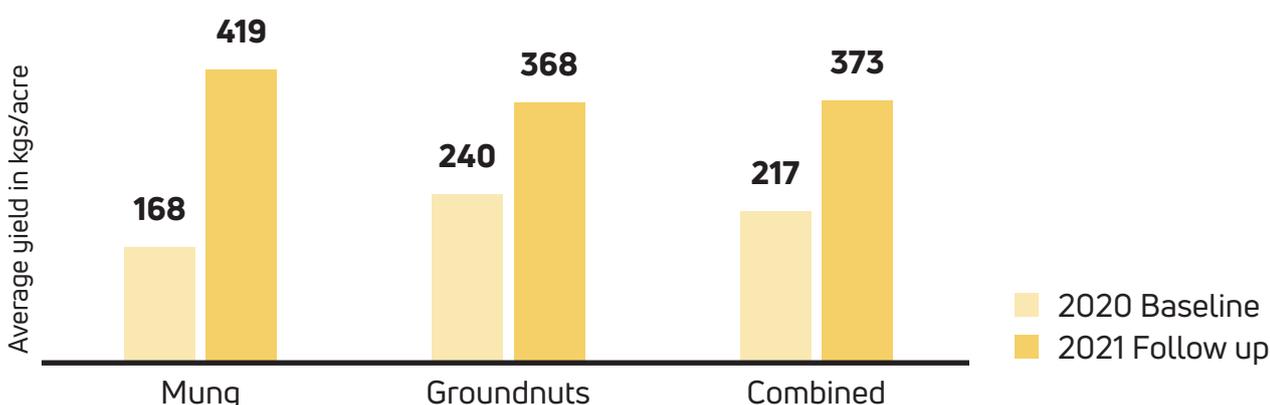
## ABC

was adopted after LINK. ABC is now an overarching tool for Nuru - a multiyear training that was tailored to the needs of Nuru and the supported cooperatives. It helps to create a multi-actor network operating at the grassroots level (with different actors and business partners) for more improved collaborations, FO efficiency, and effectiveness in business activities.

In addition to this support, Nuru conducts profitability analysis alongside SCOPEinsight assessments for supported cooperatives in a given year. A local accounting firm is selected to review the financial records, with cooperative management committees, and together they compile the records into financial statements (income statement, balance sheet, and cash flow). Quality assurance of these reports is provided by Nuru. On average, the external accounting firm services cost \$5,000 per year for the FOs supported in that year.

## OUTCOMES 7 AND 8 – ACCESS TO MARKET

The profitability of the FOs is dependent on increasing access to markets. The results below show significant increases in yield which enabled the Union to aggregate higher volumes and attract buyers.



## OUTCOMES 9, 10 AND 11 – ACCESS TO FINANCE

The increase in capacities and available produce to sell led to improved potential to access financial services. As a result, the FOs developed multi-year strategic plans, annual business plans, and produced detailed financial reports; all of which were required to access finance. Nuru then supported the FOs to engage with potential lenders. As a result, loans received by Hidota Union were as follows: 1,191,083 ETB from DBE, 1,000,000 ETB from the zonal government, and 160,000 ETB from the South Ethiopia Farmers' Federation. This totaled 2,353,083 ETB or 43,233 USD equivalent at exchange rates in May 2023. These loans were flexible, required no collateral and had reasonable interest rates (6% as compared to 16% at most other national banks). Impressively, repayment rates are 100% which is a testimony to the BDS provided prior to the loan.

## ENVIRONMENTAL AND SOCIAL IMPACTS

The environmental and social impacts are not included in AMEA's Core Indicators but they are part of the SCOPE Basic assessments. Although the latest scores are relatively high at 4.4 overall, the score on Environment is one of the lowest at 3.9. The progress made on environment includes the following:

- FOs have a policy that has been developed and mainstreamed across their individual and group level operations.
- FOs now have safety equipment and training on correct procedures for chemical disposal.
- Farmers have been introduced to climate-smart, regenerative, and conservation agriculture, and are encouraged to grow nutritious, drought-resistant food and cash crop varieties (i.e. mung beans and groundnut) that contribute to soil health.

Social impact is captured through a number of dimensions on SCOPE Basic scores and there has been progress in terms of:

- FOs have become more highly regarded in the community and the demand for their services has increased
- Government and other partners have shown greater willingness to support them as evidenced by the increased access to finance for Hidota Union.
- The union and PC networks have participated strongly in community development activities, such as bringing in food aid for drought-affected community members. Other activities include providing community-based health insurance for the disadvantaged, renovating primary school buildings, and creating awareness on child labor.
- More women become PC members and nearly 4,000 women in surrounding communities benefited from the care groups (health volunteer educators) embedded in the PCs.

### **NURU'S APPROACH TO GENDER TRANSFORMATION:**

Nuru International believes that gender intersects with nearly every aspect of its work. Women are disproportionately affected by the primary challenges it seek to address: extreme poverty, climate change, and state fragility. Nuru therefore believes that empowering women has manifold benefits for families, communities, and economies, particularly in remote, rural regions. This is why Nuru developed minimum standards for gender transformation<sup>3</sup>. In Ethiopia, Nuru has been mainstreaming a gender transformative approach into all its development programming and is generating learning by using gender-sensitive output and impact indicators.

## CHALLENGES AND LESSONS LEARNED

There were the usual challenges of working in remote, rural areas of Ethiopia and with vulnerable and marginalized communities. In addition the previous failure of Cooperative development programs has led to some skepticism and challenges in mobilizing communities. These challenges cannot be overcome in a short program of less than 3 years, therefore Nuru's approach of investing over 5-7 years and phasing out support over that time period appears validated. As Nuru exits from its current program and expands into a new zone the following lessons are being taken into the new program.

<sup>3</sup> <https://nuruinternational.org/blog/nuru-model/minimum-standards-to-gender-transformative/>

## IMPORTANCE OF DATA AND LOCAL INPUT TO TAILOR BDS

The pilot program gradually built up a process to collect data from multiple sources which then informed the type of BDS delivered. The experimentation with different curricula and then with blended/digital learning also gave the team/partners different options. As Nuru enters into new areas of Ethiopia, and possibly other countries, Nuru can therefore move towards a more institutionalized but adaptable approach to assessment, training and coaching. The gradual transfer of ownership of these processes to the Union has also led to adaptation of the materials.

## BDS EFFICIENCY

The cost of BDS in an experimental program will always be relatively high. However, it is critical to develop a low cost, replicable model and therefore Nuru has implemented a number of measures to enable the BDS to be more efficient. The table below shows this evolution.

	2016	2017	2018
#of FOs Supported	13	21	26
Direct Costs	\$141,342	\$84,962	\$85,742
Indirect Costs	\$75,702	\$93,028	\$60,066
Assessment Costs	\$23,485	\$12,554	\$6,642
Total Costs	\$240,528	\$190,545	\$152,450
Cost per FO per year	\$18,502	\$9,073	\$5,863

	2019	2020	2021
#of FOs Supported	31	31	31
Direct Costs	\$64,717	\$65,292	\$46,596
Indirect Costs	\$68,004	\$73,738	\$69,585
Assessment Costs	\$11,231	\$8,938	\$11,146
Total Costs	\$143,952	\$147,968	\$127,327
Cost per FO per year	\$4,644	\$4,773	\$4,107

Table 5: Nuru BDS-specific costs 2016-2021<sup>4</sup>

<sup>4</sup> It should be noted that Nuru's BDS approach from 2016-2021 has been fully subsidized by a diverse set of donors that include philanthropic foundations, angel investors, and small individual givers to Nuru International.

There are 4 reasons for Nuru's operations being relatively efficient and the reduction in cost per FO shown in Table 5:

- 1 Geographic proximity** of Nuru operations, as Nuru has its main office in Arba Minch and additional field offices at the woreda level.
- 2 Strategic decision to use AMEA tools rather than investing in curricula development.** AMEA membership also came with additional opportunities to partner with IFC to pilot a blended digital delivery approach for the Agribusiness Leadership Program (ALP).
- 3 Localizing the assessment and training/coaching services** (i.e. Hidota is now providing the service that Nuru and external consultants used to provide.) Further detail on the cost savings on assessment processes are shown in Box 7 below.
- 4 Phasing out of direct support** in the later years of the 5-7 year support cycle. For example, 13 of the first cohort of PCs supported by Nuru in 2016 no longer receive direct support from Nuru. This support is now received from Hidota Union.

After an initial pilot with SCOPEinsight in 2017-18, a standardized assessment process was adopted. On the basis that the FOs were at a similar level of development, Nuru only conducted assessments on a sample of FOs (a "cohort"). This was also more cost effective.

The first two cohorts of 15 FOs were assessed in 2019/2020 by external partners, Fair and Sustainable Ethiopia and ICCO Cooperation. Nuru reflected on the process in terms of the cost and the importance in enabling a tailored BDS to be designed. This led Nuru to make a strategic decision to certify internal staff to conduct the SCOPE Basic assessments in 2021 that led to the cost per assessment reducing by 40% to \$644 per FO in 2021.

It should also be noted that Nuru believes that these assessments are only necessary every 2-3 years to check progress and consider the next round of support to FOs. This approach is also much more cost effective than annual assessments.



# TRANSFERRING RESPONSIBILITIES TO LOCAL PARTNERS

During 2022, Nuru started transferring key responsibilities to unions and other local partners. Nuru believes that has led to a stronger relationship between the Union and PCs, leading to improvements in service delivery and speed of response to emerging needs. Nuru's financial and non-financial support has been gradually reduced over this period and replaced by support from other actors such as government agencies and agribusiness partners. Nuru intends to maintain a relationship with Hidota and check on progress as they have deliberately chosen to open up their new program in an adjacent zone.

This exit strategy appears successful to date with key learning as follows:

- 1 Investing in a Union is essential** to create the potential for a successful program and a successful exit. It also provides the foundation for further scaling of the approach to efficiently reach more farmers and PCs and enable Government support to be secured.
- 2 The Union approach must be supported by the community.** Nuru supported the Union to show that it could deliver the services and be recognized as an asset by the community.
- 3 Investments are needed in digital skills** to enable use of new approaches such as the e-learning which was piloted with the Union and is now being adopted.
- 4 Human resource strategy needs to have the ability to respond to regular staff turnover challenges.** This can be done by engaging and creating strong links among Nuru staff, government focal persons, and union agribusiness advisors.

This learning is being taken into the new, scaled up program involving five unions and more than 200 PCs in the region. Nuru aspires to see the development of strong relationships between unions based upon common interest, need, and aspiration to form a combined effort for their future business and social transformation agenda. This could take the form of a Farmers' Federation which can advocate for farmers' issues and bring in new opportunities and resources.

# SECURING MARKETS AND FINANCE

In the early stages of Nuru's intervention, the FOs faced challenges to find a reliable market. Nuru has learned that in order to enable FOs to secure markets and finance, there needs to be a stable local market where surplus is regularly available at the right quality and the right price. **A well sequenced combination of activities is therefore required to unlock new markets and new finance.** This includes the following:

- Improvements in yield, post-harvest loss and product quality through the provision of Good Agronomic and Management practices supported by new harvesting and storage technologies.
- Supporting union and PCs to understand the importance of building relationships and creating networks.
- Supporting the union to build relationships with the PCs in order to be ready to aggregate produce.
- Supporting the union to access finance to aggregate produce.
- Supporting the union to identify potential buyers and promote.

The result has been the stabilization of the local market and ongoing relationships with market actors such as EPOSPIA, EGTE, ACOS-Ethiopia, Southern Farmers Federation and WFP School Feeding Program. Access to finance has also been acquired through a government-subsidized service. This success will eventually lead to the Union having a track record which enables access to finance from other sources.

# SCALABILITY AND SUSTAINABILITY

Nuru's program clearly delivers significant impact over the 5-7 cycle of support. The outcomes appear sustainable, although this will depend on the Union's ability to fully take on Nuru's role. As indicated, the costs are relatively high as this program has been highly experimental. Further piloting and research is therefore needed to ensure that cost efficiency is optimized for desired outcomes. With this shift in mind, Nuru is expanding its poverty alleviation and BDS activities in 2023 to support 200 primary cooperatives under 5 unions in Derashe Special woreda, Konso, and South Omo zones as well as to new woredas of Gamo and Gofa zones, reaching an additional 27,500 farmers. It is expected that significant cost efficiencies can be achieved by the following:

## **Investing in Unions from the start**

A fundamental change has been the shift in focus from PCs to unions, as directing resources to unions has been shown to be a more effective application of funds. Given that unions have more leverage and bargaining power than PCs, they have a greater effect on commercialization and overall cooperative collaboration. The early engagement with Unions should also enable an earlier transfer of responsibilities.

## **Supporting Cooperative Members to Access Digital Learning**

Nuru's BDS approach shifted significantly to incorporate remote channels (from a formerly in-person only delivery model) after the AMEA-funded blended learning pilot. Nuru is collaborating with Hidota Union to establish a "digital learning hub" within the union offices to deliver on-demand and facilitator-supported blended learning BDS to farmers and PC members. The costs are intended to be slowly incurred by the union over time.

Moreover, Telegram App groups have been set up to support regular coaching of key staff at supported unions, and ATI is sending agricultural extension messages through mobile phones as part of the 8028 free farmer hotline.

# CONCLUSIONS

Nuru has combined its cooperative development model with AMEA's tools for assessing, training and coaching FOs to build the capacity of PCs and unions in SNNPR. The approach has been successful at boosting FOs' operational capacities and increasing their profitability year-on-year. The agronomy training delivered to farmers simultaneously has also improved crop yields and household income, while also ensuring greater participation of women. Supported FOs have also demonstrated that they can play an active and positive role in the community by contributing to better health, education and humanitarian efforts.

Nuru's successes have been achieved largely as a result of three factors: localization of BDS delivery; collaboration between stakeholders with complementary expertise; and a strong emphasis on learning and adaptation.

By moving from relying on external firms for assessment and training delivery to embedding BDS within the unions, Nuru was able to reduce delivery costs and thereby improve the sustainability of services. It also found that costs were further reduced by scaling the size of operations. The multistakeholder approach involving a range of partners was essential to crowding in different forms of support and resources needed for the FOs to thrive. Finally, Nuru's project adaptation process emphasizes the need to gather lessons in order to continuously improve the approach.

As Nuru prepares to scale up its support to FOs in additional woredas, it will come to rely more on blended learning approaches that have the potential to reach many more beneficiaries more cost effectively. However, given the infrastructure limitations and low levels of digital literacy in rural populations, innovative solutions will be required to implement such approaches successfully. The pilot within Hidota Union will be essential to capturing lessons in this regard.

