development ratings
a catalyst for funding

Tree Aid

research and recommendations on charities that work in the least developed countries

development ratings
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Sectors:

Markets, infrastructure & technology; Environment & disaster; Women & children

Size:

£1.5m income

Latest Stats:

Programme ratio: 76%

Admin. expenses ratio: 6%

Fundraising efficiency: 13p

Output to date:

Over 7.7m trees planted; over 500,000 direct beneficiaries and >2.5m indirect

Reasons for recommendation

- **Tree Aid** (www.treeaid.org.uk) focusses on **local development** through agro-forestry business skills, management and support, and the use of tree products.
- Tree Aid's concept is simple and incorporates local know-how with appropriate additional forestry management training and business advice. The resulting **commercial activities are locally sustainable**.
- The charity operates in some of the neediest countries: Burkina Faso is 173rd out of 177 on the HDR 2008 Index, Mali is 168th, Ghana is 142nd and Ethiopia is 169th.
- The tree-related business activities become a crucial source of income to **stabilise earnings,** allowing surplus to be used to benefit dependants through education and improved health as well as supporting the local economy.
- As a mature charity, Tree Aid has a history of dealing with the local issues, a **strong track record**, and a good supporter base of individuals.
- Staff employed by Tree Aid in the Burkina Faso office are locally sourced ensuring a high degree of invaluable local knowledge in the design and management of operations. Projects are kept within driving range of the West African office.
- **13,000 fuel efficient stoves** are in operation thanks to Tree Aid.
- Establishing commercial nurseries helps communities supply future tree projects.
- **Demand is high** and the concept could be expanded to other similar regions.

Main issues that Tree Aid fights	▪ **Female poverty** ▪ **Income instability** ▪ **Food insecurity** ▪ **Ecological deterioration**
Tree Aid main country focus	▪ **Mali** ▪ **Burkina Faso** ▪ **Northern Ghana** ▪ **Ethiopia**
Tree Aid solution	▪ **Building sustainable forestry management enterprises for groups of mainly women**

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Background

Tree Aid was started in Ethiopia and Sudan in 1987 by a group of foresters in response to the famine, chronic poverty and environmental crisis in Africa at the time. The aim of the organisation is simple: 'to enable poor families, mainly women, to unlock the potential of trees and forests to meet basic needs and generate income'.

Burkina Faso, Mali and Ghana have been relatively stable since the early 1990s, barring some human rights abuse and arms trafficking allegations. Ethiopia's electoral process and human rights record have been criticised and it continues to suffer from conflict. The West African locust invasion of 2004 and drought of 2005 badly affected the region (60-90% dependent on subsistence agriculture). Income distribution discrepancies are broad across the countries and rural poverty is widespread. Northern Ghana is much poorer than the south.

UN HDR 2007	Average annual forest change	Forest area (% of total land)	Population undernourished (% of total population)	GDP/capita ($, PPP)
Burkina Faso	-0.3%	29.0%	15%	$1,213
Mali	-0.7%	10.3%	29%	$1,033
Ghana	-1.7%	24.2%	11%	$2,480
Ethiopia	-0.9%	11.9%	46%	$1,055

Tree Aid works in partnership with local NGOs who share the same environmental vision for poverty alleviation. The NGOs are involved in similar activities to the charity, but Tree Aid is quite unique in its focus on trees and their contribution to the livelihoods of poor rural households in the region.

Summary of activities and strategy

Activities relate to business generation from improved tree management. Examples of these are: establishing tree nurseries for raising and selling seedlings; training in the management of existing natural woodlands; encouraging the planting of productive trees most suitable for dryland conditions; helping local people develop businesses and access markets for fruits, oils, medicines, honey, etc.; introducing new wood-fuel-economical stoves for cooking. Trees are planted for food, additional income, and the protection of soil, crops and property; woodland is managed to conserve bio-diversity, future tree product supplies and to stabilise the environment; fuel-efficient stoves and tree planting help reduce deforestation . Major current projects include the Village Tree Enterprise (VTE) projects in Burkina Faso, Mali and Ghana and Trees for Change in Mali and Burkina Faso.

In the VTE projects, Tree Aid works with partners, including local African NGOs, national Ministries, and the UN Food & Agriculture Organisation (FAO), to guide local entrepreneurs through strategy and business plan development. The most feasible products, markets and marketing methods are identified, and plans are drawn up for sustainable activities. Markets are local, regional and potentially international. Community facilitators feedback on progress which is overseen by a joint technical committee of the participating government agencies. The FAO will assist with the project evaluation. 164 groups developed businesses in 2007.

There is a lack of tree management capacity in Mali. Local forests are under pressure from uncontrolled woodcutting and drought. Decentralisation of national forestry law is allowing local people to develop their own bylaws and management plans for sustainable use. This is done with advice from Tree Aid through the Trees for Change project. 120 communities will be supported through awareness-raising and training.

As previous projects have come to a close and resulted in sustainable enterprises, Tree Aid has adopted the current more cost-effective strategy of reducing the number of projects that are supported but increasing the size of the support. This will concentrate efforts in key areas and on key types of activities. It will allow the formula to be more easily replicated in other regions, increasing Tree Aid's coverage and potential impact.

New projects under proposal: a food programme (to develop tree product nutritional information and storage and preservation techniques); a bush fire management programme; a plan to link in-country financial service providers with programme beneficiaries; and a project to link the VTE with broader land management issues.

Input

CEO Miranda Spitteler previously worked for Practical Action (formerly ITDG), has over 16 years experience in the NGO sector, and draws on a grass-roots overseas development background. Her interest was sparked by field study experience on the contribution of woodland resources to the lives of Mozambican refugees in

Zambia. Programme Support Director Tony Hill has 16 years experience in overseas development with DfiD and CARE, in Africa, Asia and the Caribbean. The Bristol-based charity has Trustees and advisors ranging from current and past senior foresters to development executives with broad African experience. It also has in-country advisors in West Africa. Tree Aid has close, supportive relationships with relevant departments of the country governments, and with multinational organisations operating in the field.

Tree Aid has an office in Ouagadougou, Burkina Faso, with 13 staff, which coordinates the activities in the region. It manages programmes and communications, finance and fundraising. The West Africa Coordinator is Yacouba Ouedraogo who has over 14 years experience working in forestry and natural resource management with NGOs. From Ouagadougou, employees maintain regular contact with the local, national and international partners in the neighbouring countries in which Tree Aid works. To ensure sustainability, Tree Aid has a 15 year Community Forestry Livelihoods Programme to strengthen the ability of partners to support communities after Tree Aid's funding has ended, by transferring technical, forestry and networking skills.

Selected Financials						
Year end 31st March (£000s)	**2004**	**2005**	**2006**	**2007**	**2008**	**2009E***
Income						
Restricted income	275	137	423	533	829	800
Unrestricted income	181	384	478	444	666	750
Investment income	2	1	3	8	16	20
Total income	**457**	**522**	**904**	**984**	**1,511**	**1,570**
Expenses						
Project expenses	**319**	**326**	**566**	**627**	**819**	**1,100**
Costs of fundraising	81	136	162	163	198	185
Administration (governance + support)	93	65	74	76	61	70
Total expenses	493	527	802	865	1,078	1,355
Balance of project restricted funds	33	15	46	153	396	500
Reserves	73	85	156	168	358	400
Employees (UK/overseas)	8/7	10/8	12/8	12/9	13/12	13/12
** Development Ratings estimates*						

The rate of income growth rose sharply in 2008 due to institutional funds to support the VTE over several years. The charity has been able to control administration as well as see an improvement in fundraising efficiency which has combined to result in better overall efficiency. This is represented by the programme ratio of 76%. This is a welcome improvement over past weaker years.

Selected Financial Ratios						
Year end 31st March (£000s)	**2004**	**2005**	**2006**	**2007**	**2008**	**2009E***
Key ratios						
Proportion of restricted income	60%	26%	47%	54%	55%	51%
%age of income used on projects (proj exp/total inc)	70%	62%	63%	64%	54%	70%
Programme ratio (project expenses/total expenses)	65%	62%	71%	72%	76%	81%
Administrative expenses ratio (admin exp/total exp)	19%	12%	9%	9%	6%	5%
Fundraising efficiency (cost to raise £1)	18p	26p	18p	17p	13p	12p
Reserve development	-37%	16%	84%	8%	113%	12%
**Development Ratings estimates*				Best practice		Attractive feature

- Sources of income in 2008 were split as follows: institutional funds 36%, charitable trusts 21%, individuals 24%, community groups 4%, corporate giving 5%, and other 10%.

- The expenses split in 2008 was: Mali 51%, Burkina Faso 31%, Ghana 17%, and Ethiopia 1%. Grants to Ethiopia have been falling over recent years as concentration is kept on the West African countries.

- The charity's fundraising efficiency is still above best practice partly due to the high level of support from individual and community group donors. Recent fundraising investment has fed through to slightly improved ratios. At the same time, however, Tree Aid does not have a very high national profile, and efforts are planned in this area and on relations with trusts.

Funding outlook

Existing projects are funded for a year or so ahead. Further funds will be needed to continue support for the Kandema project in Ghana, the Land and Livelihoods project in Burkina Faso, and the VTE and Trees for Change projects. Recent successful applications for grants to fund the VTE programme boosted income in 2008. A programme on tree food is planned to start in 2008 and one on medicines from forest plants from 2011.

Tree Aid's wish list includes establishing capacity and funding for broader project evaluation work. It also wants to develop its core functions in the UK and West Africa to achieve greater efficiency, and to have continuous improvement of the programmes. To develop the charity's profile, it would like to hire a dedicated Appeals and Communications Manager in the UK, a role that is now performed part-time by the CEO. As the VTE programme develops, there is a need to hire support for the VTE strategist in Burkina Faso in addition to funding a local manager for the new tree food programme.

Output

Results are measured in terms of total direct and indirect beneficiaries in relation to total inputs since the organisation began operations. Annual figures are not appropriate due to the projects' multi-year durations.

Output			
Number of trees planted	**Over 7.7m**	Kilometres of soil erosion prevention rock lines	200km
Estimated number of direct beneficiaries to date	**~500,000**	Number of villagers trained	50,000
Estimated number of indirect beneficiaries to date	**~2,500,000**	Number of community nurseries established	600
Cost to date per direct beneficiary	**~£9.49**	Number of private nurseries established	800
Cost to date per indirect beneficiary	**~£1.90**	Number of fuel-efficient stoves installed	13,000

Journalist Kate Eshelby visited a Tree Aid project, ABF (Association Base Fandima), in Burkina Faso with Yacouba Ouedraogo, in 2007. She said he appeared highly competent and passionate about his work. She confirms that the charity is making knowledge more accessible, particularly to women who can increase their influence in society in line with the increased knowledge and income they get. The families she met had 6 to 7 dependants each. She noted during her visit that fuel efficient clay stoves in one village had broken and so were not having the impact at that time that would be expected. Being clay, the stoves should have been able to be re-made and the charity's management is following up as well as intending to check this has happened generally wherever required during the project evaluation scheduled for the near future.

Evaluating tree-related projects is problematic due to the time-scale involved. For smaller projects, targets are monitored throughout the life of the project. For Trees for Change in Mali, a consultant has been commissioned to perform a mid-term evaluation. For VTE, institutional funds will be used to conduct household surveys on changes to income, family livelihoods and socio-economic status. The charity wants to be able to perform post-project evaluations 6 to 7 years after project support has ended to record the permanent changes. Lessons already learnt are disseminated in the West Africa sub region and can be used as a model for countries across sub-Saharan Africa. Results papers have been presented and discussed at two UN FAO Conferences.

Impact

- **Supplementing income to ensure stability and security**: Tree management is not a full-time occupation, but has real supplementary income benefits. In addition to other daily economic activities, groups of mainly women can tend trees and harvest produce for use by their families or for sale.

"Six years ago, Tree Aid helped me set up an orchard. At first, it didn't work too well, because the water was too far away, so a donkey cart was provided. Now, I can transport drums of water for my trees and my family, as well as use it for carrying firewood and crops. I can also hire it out. I have planted 150 cashew trees, 40 mangoes, 45 dawadawa trees, 35 cocoa trees and a couple of orange and calabash trees. Now I can feed my family. The money I earn from the extra fruits is enough to send my kids to school, too." ***Tatus Azure, Kamega, Ghana***

- **Spreading entrepreneurship**: The seedling-raising and produce marketing and selling businesses can become sustainable, with the consequent effects on the local and regional economies.

- **Empowering women**: Groups of women are having a greater influence on the policies of local leaders than individual women have traditionally had, being granted rights to plant and harvest trees. The continued existence of these groups implies the improved status of women in the supported areas.

- **Improved nutrition for health**: Additional nutrition from tree products resulting in healthier children and adults will mean improved educational and economic capacity, and potentially reduced morbidity and mortality. Over 20% of the poorest children in Burkina Faso and Mali die before their 5th birthday.

- **Focus on the poorest**: The percentage of people living on less than $2 a day in the target countries is 72% or higher. Life expectancy is only somewhat above 50 in Ghana. Access to improved water sources is 50% or less in Burkina Faso, Mali and Ethiopia and sanitation is even worse, contributing to the average of more than 10% infant mortality rate over the four countries. Northern Ghana's different physical geography means that national policies poorly support the people in this region.

- **Ecological impact**: The planting, regeneration and protection of tree cover supported by Tree Aid and the provision of fuel-efficient stoves delivers a positive environmental impact, reducing the vicious cycle of deforestation leading to degradation and desertification.

- **Educational opportunities support**: Surplus income can be used to educate children. The female literacy rate in Burkina Faso is estimated at only 8%, in Mali at 12%.

Key risks

- Drought, heavy rains and locusts have occasionally disrupted projects. Climate change or regional conflict could cause tree management to be undermined or neglected in the short-term. In the longer-term, however, the type of intervention that Tree Aid is prompting will build resilience and provide coping strategies for local people faced with such crises. Tree Aid's Ghanaian projects were not affected by the floods in 2007, reports of which were exaggerated, according to some visitors.

- Training is labour-intensive due to the low levels of literacy in the target countries. The lack of written instructions means that future generation skills acquisition is also less predictable. This will lessen as increasing proportions of charity-benefited dependants attend school through at least primary stage.

- The legitimacy of female land ownership in particular is a problem, and is dependent on the quality of local leadership. Groups of women, however, have greater success and influence on male attitudes. Male leaders are increasingly aware that supporting women's rights helps the whole community.

- There may be a risk of capacity being limited by funding and management resources. Earlier projects suffered from being too remote for adequate management and control. The policy now is to maintain West African projects in a contiguous area reachable from the Burkina Faso office. Despite the apparent limitations of this, there may still be decades of regional demand for support from the charity.

- There is a question on the appropriateness of maintaining operations in Ethiopia. Obviously not in the same region as the other current countries, Ethiopia also does not benefit from the same relative social and political stability. The Ethiopian operations are managed by the local NGO with regular visits from an Ethiopian trustee, and the policy on continuation is to be reviewed. Ethiopia has, however, a dire need of positive intervention (15m classed as at risk from food insecurity). Fuding has been reducing in recent years.

Summary

The contribution Tree Aid is making is simple. In a largely illiterate region, adding practical improvements and business support to traditional activities means that no drastically new processes need be learnt with the consequent probability of abandonment. This supplementary activity can be the crucial factor in achieving income stability and increasing the food security of local participants. It develops entrepreneurial acumen and experience, is replicable, and may potentially address gender rights and related issues.

Our recommendation rests on our belief that Tree Aid has a good strategy and the right organisational structure to direct the country projects, and, through regional contacts, to disseminate the lessons learnt.

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