EXECUTIVE SUMMARY: VANILLA "BEANS OF HOPE" PROJECT

OVERVIEW

The Vanilla "Beans of Hope" project, first begun by Christian Brothers Oceania Province, and then managed by Mary MacKillop Today (MMT) since 2018, aims to improve the livelihoods of rural households in five *suku* in Posto Railaco, Timor-Leste.[1] What began as a vanilla-focused initiative has evolved into a multi-sectoral livelihood program supporting 689 direct beneficiaries across five registered cooperatives. The project is currently preparing for a sustainable exit by June 2026.

The results in this evaluation are based on in-depth qualitative fieldwork conducted in three of these five *suku*: *sukus* Railaco Leten, Taraco and Deleco. The evaluation was conducted by Bridging Peoples and funded by Edmund Rice Foundation.

KEY FINDINGS

Effectiveness and Relevance

The project's strategic shift from a vanilla-focused project to a multi-sectoral cooperative approach has been highly relevant given the long maturation period of vanilla (3-5 years). While continuing to support a small core group of vanilla farmers, this diversification has allowed other participants to generate income from shorter-term activities like processing of coffee and snack foods like banana & cassava chips, and other activities.

Savings and Loans

The savings and loans component is the project's most successful element. It has provided accessible credit for members to cover school fees, medical emergencies, and business startups, and supported improved savings practices. Members reported they have improved financial literacy and independence due to participating in the savings and loans groups.

[1] *Sukus* Railaco Leten, Railaco Craic, Samalete, Taraco and Deleco.

Cooperative Governance

The formation of five legally registered cooperatives is a significant milestone for sustainability. However, the evaluation identified critical weaknesses in financial transparency, reporting, and instances of 'elite capture' where leadership was concentrated within specific family networks. There is a need to address these governance weaknesses, particularly in suku *Taraco*, before project close-out.

GEDSI Inclusion

The project has been successful in engaging women, with women and men benefiting from the project, and some women occupying leadership positions as cooperative office-bearers. However, participation by persons with disabilities is very limited. There is also opportunity to improve support for women's leadership, particularly in preparing younger women to take on leadership roles.

Technical Productive Capacity

While many participants have found vanilla growing too difficult, the project has successfully supported a core group of farmers in learning how to successfully cultivate vanilla. For these farmers, there is a remaining gap in processing/curing vanilla to export quality. The project has also successfully supported food production activities, although tempeh processing equipment is not yet underutilized in *suku* Taraco due to cooperative governance problems.

Market Access

The biggest challenge for participants is in market access. Farmers struggle with a lack of reliable buyers and high transport costs due to poor road infrastructure. It is important that future work in the agricultural support space addresses this issue.

STRATEGIC RECOMMENDATIONS

Savings & Loans

1. **Continue with savings and loans as the centrepiece of the cooperative model.**
   Given its popularity, low risk, and strong sustainability potential, savings and loans should remain the primary entry point for members, complemented by other livelihood activities.
2. **Improve member understanding of savings and loans regulations.**
   MMT, SECoop, and cooperative leaders should jointly:
    1. Re-explain entry fees, instalment options, repayment schedules, and profit redistribution;
    2. Use practical examples and visual tools to reinforce understanding.

Cooperative Governance

3. **Urgently address governance failures in TOHDALE cooperative (suku Taraco).**
   MMT should work with SECoop, suku leadership, and cooperative members to:
   1. Review the legitimacy of current leadership arrangements;
   2. Replace or reconfigure office-bearers where trust has broken down; and
   3. Re-open membership transparently to all interested community members.
4. **Strengthen financial transparency across all cooperatives.**
   This could include:
   1. Practical, hands-on coaching for Treasurers on simple monthly financial reporting;
   2. Standardised reporting templates in Tetun;
   3. Clear and regular communication to members on how savings, loans, and profits are managed and redistributed.
5. **Establish internal complaints and accountability mechanisms.**
   Each cooperative should have:
   1. A clear, documented complaints process;
   2. At least one trusted focal point independent of the executive committee; and
   3. Clear links to suku leadership or SECoop for escalation if required.
6. **Introduce leadership development and succession planning.**
   To reduce reliance on family-based leadership:
   1. Identify emerging leaders, with a focus on women, youth, and people with disabilities;
   2. Rotate responsibilities where feasible;
   3. Provide mentoring and shadowing opportunities for future office-bearers, with a focus on women, youth, and people with disabilities.

Vanilla Farming

7. **Support vanilla as a specialised, opt-in livelihood,** targeted to farmers who:
   1. Have the economic resilience to wait through the long maturation period;
   2. Are willing and able to meet strict technical requirements;
   3. Have suitable land and water access.
8. **Complete the vanilla value chain carefully, by ensuring training:**
   1. Is accompanied by clear infrastructure, quality control, and storage plans;
   2. Builds on and supports women's roles in post-harvest processing;
   3. Includes a defined strategy for selling cured vanilla at premium prices.

Value-Add Production and Market Linkages

9. Consult with community members in Taraco to assess other community members' interest in tofu and tempeh production.
10. **Invest in market linkage and value-chain development, by**
    1. Conducting targeted value-chain analysis for vanilla, coffee, and selected processed products;
    2. Identifying national and international buyers willing to engage with cooperatives at fair prices;

    3. Identifying and collaborating with partners who have market linkage expertise. This might include PARCIC, or MDF, or other potential partners in Indonesia.
11. **Avoid scaling production without clear market pathways.**
    Before encouraging cooperatives to expand vanilla or value-added production:
    1. Conduct small-scale market tests with likely consumers (especially with Dili-based elites where there is high demand for quality local food products);
    2. Validate demand, pricing, packaging, and quality requirements.
12. **Explore opportunities to support collective marketing and transport solutions.**
    This may include:
    1. Aggregating produce across members to reduce transport costs;
    2. Negotiating with transport providers at cooperative level;
    3. Exploring buyer collection models or cooperative-managed transport options.

Training materials

13. When training is conducted, create and distribute training materials that include visual explainers and infographics, appropriate for people with low literacy.

Community Engagement of MMT Staff and FBOs

14. Consider formalising MMT's community engagement strategies, documentation, and consistent use of community engagement tools. This might include specific community engagement training.

Disability Inclusion

15. **Proactively support disability inclusion:**

    - Identify practical barriers faced by persons with disabilities;
    - Proactively invite participation in roles aligned with individual capacities;
    - Partner with specialist organisations (e.g. RHTO) to support disability inclusion and leadership development.

Environmental and Climate Resilience

16. **Deepen water conservation and land suitability strategies.**
    MMT should continue working with partners such as PERMATIL and TILOFE to:

    - Reassess water constraints at suku level;
    - Align livelihood activities with environmental realities;
    - Avoid promoting water-intensive activities in unsuitable locations.

17. **Integrate climate risk more explicitly into livelihood planning.**
    Future programming should:

    - Factor climate variability into crop selection and diversification;

- Promote low-risk, faster-return activities alongside longer-term crops.

Exit Strategy and Project Replication Potential

18. **MMT should exit as planned, with the following caveats:**
    MMT should not exit cooperatives where:
    1. Governance failures remain unresolved, as in TOHDALE cooperative;
    2. Financial reporting systems are not yet functioning;
    3. Trust between members and leadership is visibly weak.
19. **Formalise post-exit roles of government partners.**
    Clear handover arrangements with SECoop, IADE, and relevant ministries should specify:
    1. Ongoing technical support responsibilities;
    2. Monitoring and oversight expectations;
    3. Channels for cooperatives to request assistance.
20. **Consider limited, strategic post-exit support for market linkages.**
    While avoiding dependency, MMT may provide:
    1. Light-touch facilitation of buyer relationships;
    2. Periodic check-ins focused on governance and market access;
    3. Learning feedback to inform replication in new *suku*.
21. **Refine the model prior to scaling to new *suku*.**
    Key adjustments should include:
    1. Shifting early focus from production to markets;
    2. Embedding cooperative governance strengthening from the outset;
    3. Designing explicit inclusion strategies for people with disabilities.
22. **Document lessons learned for future programming.**
    MMT should consolidate learning on:
    1. What works for different *suku* livelihood profiles;
    2. Anticipating and managing risks of cooperative capture and elite control;
    3. Conditions required for ethical and sustainable exit.