

CASE STUDY 63

Inserting the FADEFSO into a value chain. The leverage of control over Burkarina consulting services of SNV, Burkina Faso.

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Country & Sector: Burkina Faso, shea, Agriculture

Context

Shea is the third largest agricultural export from Burkina Faso after cotton and livestock products. The contribution of shea to the national economy are estimated at 3 billion FCFA currency. This sector is predominantly female and a source of income for nearly 400 000 women involved in collecting and processing of traditional almond butter, soap, cosmetics. In the food sector, shea represents 95% of edible oils in rural areas and 25% in urban areas. Revenues in the Shea sector, depending on the context, contribute significantly to household food security.

Baseline studies conducted on the sector showed a lack of professionalism of the actors (quality, organisation, knowledge management, marketing, low capacity for negotiation, contracting, lack of coordinated strategy).

In 2008/2009, SNV has provided support to FADEFSO¹ on the quality of almonds and butter, in complement of the work initiated by PAF² and another advisory plan on strengthening the entrepreneurial capacity. An improvement has been observed concerning the quality of the butter and confirmed by the award to the FADEFSO³. This has not prevented the FADEFSO from facing some difficulties especially in the associative dynamics and in governance. Increasingly, despondency took over because of the lack of opportunities despite the quality of the almonds and butter. In late 2009, a great opportunity came with the signing of a marketing contract between FADEFSO and processing plant Burkinarina⁴. This purchase agreement involved a qualitative change in the organisation and governance of the FADEFSO, a new challenge. Thus, SNV has stepped in to accompany FADEFSO to improve its management and its internal processes in preparation of the proper execution of this command.

Clients and Partners

Clients

Founded in 1993, FADEFSO is an organisation for women's promotion located in the south-western Burkina Faso, in rural areas. Among its various activities for the advancement of women, processing and marketing of shea products play an important role. The main activities of the FADEFSO around shea are:

- The collection of shea kernels;
- Traditional production of shea butter for the market;
- Traditional production of butter soap and cosmetics.

These activities provide for these rural women, a substantial source of income and opportunities for self-employment.

¹ Fédération des Associations de Développement Economiques des Femmes du Sud-Ouest

² Projet d'Appui aux Filières Bio-Alimentaires. Ce projet a pris fin et a été reconduit sous le nom de DYFAB (Dynamisation des Filières Agroalimentaires du Burkina)

³ La FADEFSO a obtenu en 2009, un prix pour la qualité de son beurre à l'occasion du SIKO (Salon International du Karité de Ouagadougou)

⁴ Filiale of the French group SIRH

Partner

Burkarina society is the business partner. It has ordered 200 tons of almonds paid to the producer at the minimum price of 95 FCFA / kg (Euro 0,14) and 25 FCFA / kg (Euro 0,04) as intermediary fees payable to the FADEFSSO responsible for organising the payment of advances, the collection, storage and transportation.

SNV acted as technical partner to build capacity in the organisation and management of FADEFSSO, and enable it to meet the contract requirements including traceability of almonds. Which also requires the holding of regular meetings (dynamism of the association), the introduction of commercial management tools, etc.

ICCO-FMS is an NGO based in the Netherlands, which has assumed the control and monitoring of the flow of kernels on behalf of Burkarina. The consultant FMS was financially supported by ICCO.

Intervention logic and methods

- Stakeholder analysis has previously identified the FADEFSSO as a link in the organisation of production⁵ in the value chain Shea.

- A diagnosis highlighted the strengths and weaknesses of FADEFSSO. The strengths identified were the productive potential of shea nuts in the region and a willingness to learn and change of its members. Deficiencies noted were: the low quality of products (processing and production of almond butter), the low entrepreneurial capacity of women and the lack of knowledge of the market.

The first contract of collaboration with SNV in 2008 and 2009 focused on mastering the techniques of processing and production of almond butter and strengthening entrepreneurial skills (entrepreneurship training, capacity building techniques in editing projects and business development).

The second contract, subject of this case study focused on organisational development necessary to deliver 200 tons of almonds ordered by Burkarina. The activities were: training and implementation of business management tools, support for contracting and contract management (traceability, coding, inventory management, quality, quantity, price ...), facilitation of meetings about orders including principles of good governance.

For better coordination, SNV is in contact with ICCO, FMS and Burkarina. Thus, each partner intervened in consultation with others. After executing the purchase agreement, there was an evaluation session where all partners met for evaluation around the FADEFSSO.

Outcome

The improvements identified have focused on:

- The traded volumes: Of 200 tons, FADEFSSO was able to deliver 213 tons of almonds that Burkarina paid the minimum price of 95 F / kg for women collector and paid 25 F / kg at FADEFSSO for its services and coordination logistical support to its members. These transactions represent 20,235,000 FCFA (Euro 30.757) of gross income paid to women and 5,325,000 FCFA (Euro 8.094) for the organisation.

- The internal organisational support: the FADEFSSO now has business management tools for use by its members. These include stock cards, with coding and traceability system. However, Burkarina wished during the evaluation, a simplified system of traceability with regard to the still low level of education of women.

- Life and associative dynamics: the preparation, collection, storage, delivery and

⁵ It is the basis production, semi-traditional and small-scale, as opposed to the industrial large-scale production

income distribution of the order have created opportunities for meetings, exchanges, discussion - sometimes heated but frank - participation sections based on the life of the organisation.

- Governance: meetings about the order have ensured the participation and effective functioning of all instances of the FADEFSSO: meetings and decision frameworks (AG Board of Directors meeting of the sections) also allowed, on the one hand, managers to evaluate the execution of the order, to question the members on the identified deficiencies (quality, timeliness) and on the other hand, to provide an opportunity for members to demand accountability on management of resources generated by the order. Member involvement has been effective and gave the opportunity to formulate well-built critics towards Board Members. This sometimes allowed them to commit individually and collectively to improve the future functioning of the organisation.

Impact

No assessment of the impact of activities took place around this contract. However, executing this command, Burkarina allowed 600 women to earn a combined income of 20,235,000 CFA and to FADEFSSO to collect 5,325,000 CFA francs. Part of this sum was invested in operational expenses (telephone, holding meetings, etc), and the acquisition of a mill to 600 000 FCFA. This equipment helps to reduce the burdens of women's work for the activities of butter production as well as for processing of certain foodstuffs.

In total, the immediate effects of the execution of this command are visible on the organisational level and the internal governance of the FADEFSSO which have considerably improved.

Lessons Learnt

Running this order showed a large positive shift on the motivation, enthusiasm, dynamics and internal governance at FADEFSSO.

The contracting process in the delivery of the order appeared to us as an activity that enabled FADEFSSO to be better organised, better managed and to lay the foundations for good governance. The Burkarina order obviously was boosted by our capacity development services.

Through the case of FADEFSSO we estimate that when organisations don't have enough experience in business and are not organised enough, opportunities can be better optimized for the advisory services to reinforce capacity building.

From an opportunity offered by the market (an order), we can easily improve internal governance and thus the cooperation / collaboration between upstream actors in the chain and thus contribute to an inclusive economic growth for the poorest.

Sustainability

- It is the commercial partnership with Burkarina which triggered other changes and improvements at the FADEFSSO. It is durable for at least two reasons: (i) through HRIS Burkarina set up a factory and wants to build lasting relationships with women's groups, (ii) then the tools and trained human resources are located.
- In collaboration with Burkarina, contacts were made with two other client organisations (the RPBHC and UGPPK/Houet) to replicate the same experience. FADEFSSO will share his experience with the new partner organisations, however, if Burkarina held them to place orders in 2011.
- The SNV advisors will take more initiative in 2011 to find institutional buyers of shea products by establishing business without intervening directly in the negotiations between client organisations and buyers.

- From this case study, SNV has initiated discussions with Burkarina for the construction of a public-private partnership to eventually build the PPP (Public Private Partnership). Where appropriate, these grants will help finance the consulting services of SNV necessary for the proper management of orders and contracts by client organisations to be in the supply chain of Burkarina.

Quotes:

According to the adviser's internal FADEFSO *"it is the first time that our organisation is experiencing a dynamic community life since its creation. 17 years ago, we had never noticed such a large mobilisation. "*

Speaking of internal governance and attitudes to be adopted now, he said this: *"To meet the requirements of our partner, we must act big. It must not suffer discussion: you wary of buying because almonds bring your sister, your niece or your cousin. Focus on quality and traceability.*

Standard data:

- January 2010 to December 31, 2010
- Composition Of The Team:
 - SNV-staff/LCBs.: Nicole Ouedraogo
 - AML: BIG
- Number of days PP-Already
 - Invested: 67 PPD
 - Planned: 32
- Reporting partnerships: ICCO, Burkarina
- The Financial Resources Invested.