

RIU

Community enterprise doesn't have to be a burden

Validated RNRRS Output.

Communities are learning to harness the financial, social and employment benefits from small and medium-sized enterprises without taking on the burden of day-to-day management and marketing. The key is partnership between the community (the principal shareholder) and an entrepreneur (the professional manager) under the guidance of a management board. The board is chaired by an NGO with non-financial interest in the growth of the enterprise. By bringing in professionals, the system helps communities to overcome deficiencies in marketing planning and strategy. It has been validated in several farming communities in Ghana, principally among women whose livelihood levels are very low.

Project Ref: **CPH22:**

Topic: **5. Rural Development Boosters: Improved Marketing, Processing & Storage**

Lead Organisation: **Natural Resources Institute (NRI), UK**

Source: **Crop Post Harvest Programme**

Document Contents:

[Description](#), [Validation](#), [Current Situation](#), [Environmental Impact](#),

Description

CPH22

A. *Description of the research output(s)*

Research into Use

NR International
Park House
Bradbourne Lane
Aylesford
Kent
ME20 6SN
UK

Geographical regions included:

[Ghana](#),

Target Audiences for this content:

[Crop farmers](#), [Processors](#),
[Traders](#),

1. *Working title of output or cluster of outputs.*

In addition, you are free to suggest a shorter more imaginative working title/acronym of 20 words or less.

Working Title: MANAGING FOR VALUE – A MANAGEMENT MODEL FOR ACCESSING MARKETS FOR AGRO-BASED INDUSTRIAL PRODUCTS (THE COMMUNITY-OWNED PROFESSIONALLY-MANAGED [COProM] SYSTEM).

Short Working Title: MANAGING FOR VALUE – THE COProM MANAGEMENT MODEL FOR ACCESS TO VIABLE MARKETS.

2. *Name of relevant RNRRS Programme(s) commissioning supporting research and also indicate other funding sources, if applicable.*

CROP POST-HARVEST PROGRAMME

3. *Provide relevant R numbers (and/or programme development/dissemination reference numbers covering supporting research) along with the institutional partners (with individual contact persons (if appropriate)) involved in the project activities. As with the question above, this is primarily to allow for the legacy of the RNRRS to be acknowledged during the RIUP activities.*

Please note the Managing Partners should be the first points of contact.

Food Research Institute, PO Box M20, Accra, Ghana. Contact: Dr Nanam T. Dziedzoave (**Managing Partner** R8432), Tel (Dir): 00 233 21 761209, 777330 & 500470, Fax: 00 233 21 777647 & 500331, Email: nanamtay@yahoo.com

Natural Resources Institute, Enterprise Trade & Food Management Group, Central Avenue, Chatham Maritime, Kent, ME4 4TB, United Kingdom. Contact: Dr A. J. Graffham (**Managing Partner** R8432), Tel (Dir): 00 44 1634 88 3239, Fax: 00 44 1634 88 3567, Email: a.j.graffham@gre.ac.uk & Andrew.graffham@btopenworld.com

Afrimart Global Enterprise, PO Box AH150, Achimota, Accra, Ghana. Contact: Mr B. Asare-Bediako (R8432), Tel (Mob): 00 233 20 8138332, 233 244 639059, Email: basafare@hotmail.com & bafasare2003@yahoo.co.uk

Amasa Agro-Processing Company, PO Box 6302, Accra-North, Ghana. Contact: Mr K. Oware (R8432), Tel (Dir): 00 233 21 300083, Fax: 00 233 21 306546, Email: amasaagro@yahoo.com

Feed and Flour Ghana Limited, PO Box CT1334, Cantonments, Accra, Ghana. Contact: Mr K. Kassim Shardow (R8432), Tel 00 233 21 514644, (Mob): 00 233 24 254590, Email: depessey@yahoo.com

Ministry of Food and Agriculture (Brong-Ahafo Region), PO Box 86, Sunyani, Ghana. Contact: Mr L. K. Krampa (R8432), Tel: 00 233 61 27193 & 23614, Fax: 00 233 61 27194 Email: kralaw@yahoo.com

4. *Describe the RNRRS output or cluster of outputs being proposed and when was it produced? (max. 400 words).*

This requires a clear and concise description of the output(s) and the problem the output(s) aimed to address. Please incorporate and highlight (in bold) key words that would/could be used to select your output when held in a database.

The output under consideration is a **management** model designed to combine **Community** Ownership with Professional **Management** hence the acronym COProM. It is aimed at addressing those factors that impact negatively on the profitability of community-owned **small to medium-scale enterprises (SMEs)** and which can be traced to lapses in business **management** structures and practices. The object of the model is to ensure that communities derive the financial, employment and social development benefits resulting from the establishment of **SMEs** within their communities without necessarily being saddled with the day to day **management** of the **enterprise** and the marketing of products. The model is a marriage of some aspects of a secondary level cooperative and those of a limited liability company. It primarily involves a partnership between a proven, seasoned business **enterprise/entrepreneur** and the **community** – (the entrepreneur being the Professional Manager and the **Community** being the majority shareholder) – under the policy guidance of a **management** board chaired by a non-governmental organization with a non-financial interest in the growth of the particular **SME**. Other private stakeholders could participate as shareholders; and governmental agencies with **community** development interests could also be appointed to serve on the board. Other key components of the model include the establishment of a **management** team, a clear definition of the roles and benefits of stakeholders, the establishment and implementation of a shareholding policy and a procedure for brokering partnerships.

The problems the model seeks to address include:

- The lack of policy direction for **SMEs**
- The lack of a production strategy leading to erratic and unprofitable production activities (erratic production limits market access as larger buyers cannot be confident of timely delivery of products)
- The lack of a marketing strategy leading to a stagnation of growth in income
- Overdependence on volunteer staff who lack the necessary business management skills
- An understandable commitment to farming activities but which is detrimental to processing activities.
- Improper **management** of financial, production and marketing data.

5. *What is the type of output(s) being described here?*

Please tick one or more of the following options.

Product	Technology	Service	Process or Methodology	Policy	Other Please specify
			X		

6. *What is the main commodity (ies) upon which the output(s) focussed? Could this output be applied to other commodities, if so, please comment*

The main commodity of focus in the R8432 project was cassava but the model could be applied to any community-owned enterprise involved in any other commodity area. The output under consideration is a management model and the problems it addresses as outlined under question 4 are not commodity-specific.

Once problems of profitability are identified which can be traced to management lapses irrespective of the commodity or product area the model can be applied.

7. What production system(s) does/could the output(s) focus upon?

Please tick one or more of the following options. Leave blank if not applicable

Semi-Arid	High potential	Hillsides	Forest-Agriculture	Peri-urban	Land water	Tropical moist forest	Cross-cutting
X	X	X	X	X	X	X	X

8. What farming system(s) does the output(s) focus upon?

Please tick one or more of the following options (see Annex B for definitions).

Leave blank if not applicable

Smallholder rainfed humid	Irrigated	Wetland rice based	Smallholder rainfed highland	Smallholder rainfed dry/cold	Dualistic	Coastal artisanal fishing
X	X	X	X	X	X	X

9. How could value be added to the output or additional constraints faced by poor people addressed by clustering this output with research outputs from other sources (RNRRS and non RNRRS)? (max. 300 words).

Please specify what other outputs your output(s) could be clustered. At this point you should make reference to the circulated list of RNRRS outputs for which proformas are currently being prepared.

Other outputs with which this output could possibly be clustered may include:

- Farmer access to markets: R8275
- Farmer Access to markets: R8274, R8498
- Market information tools: R7151
- Market information tools: R8250
- Market information tools: R7494
- Market information tools: R8402
- Market information tools: R8422
- Management systems for export horticulture: R8271, R8431

One of the management lapses being addressed by this output is the lack of a marketing plan and an aggressive marketing strategy. If the above outputs being proposed for clustering with the current output have proven information on procedures for improving farmer access to markets and well-tested tools for collecting market information that can enhance farmers' access to viable markets then clustering these outputs together can add significant value to the output currently under discussion.

Validation

B. Validation of the research output(s)

10. How were the output(s) validated and who validated them?

Please provide brief description of method(s) used and consider application, replication, adaptation and/or adoption in the context of any partner organisation and user groups involved. In addressing the “who” component detail which group(s) did the validation e.g. end users, intermediary organisation, government department, aid organisation, private company etc... This section should also be used to detail, if applicable, to which social group, gender, income category the validation was applied and any increases in productivity observed during validation (**max. 500 words**).

This output was promoted to two NGO's – the Association of Progressive Entrepreneurs in Development (APED), and Global Non-Traditional Exporters and Producers Association (GNTEPA) – for testing, validation and adoption. APED took up the challenge of testing the model at the Watro (Enso Nyame Ye) processing plant with the R8432 Project team taking the responsibility of brokering the partnerships between the various stakeholders and interested groups. The project did not last long enough to enable the team to broker the partnership effectively and therefore testing could not proceed far. The point to note here is that no matter how good a system is, if it is a new introduction, it requires the involvement of the originators of the system in the initial kick off and implementation of the system at least in this case for the first few enterprises in which the system would be implemented. Thus even though the system was very much lauded by the Brong Ahafo Office of APED and the interest to test it was and is still very high, limitations in funding for the project team to facilitate the initial take-off of the system – after the project had officially ended – prevented the agencies to which the system was promoted from going ahead with plans towards the adoption of the system. The Project Team is still seeking alternative sources of funding to facilitate the brokering of partnerships to set the stage for an effective testing, validation and adoption of the model. If the validation goes ahead it will be applied to the farming community, the majority of whom are women with a mean annual per capita income level of \$67.00.

11. Where and when have the output(s) been validated?

Please indicate the places(s) and country(ies), any particular social group targeted and also indicate in which production system and farming system, using the options provided in questions 7 and 8 respectively, above (**max 300 words**).

The targets for validation of the outputs were:

Places:	Watro in Atebubu, Brong Ahafo Region; and Eshiem in the Central Region
Country:	Ghana
Social Group Targeted:	Farming community, principally women and children with a few men, whose livelihood levels are very low and whose major activities include farming, livestock rearing, processing, trading etc.
Production System:	Tropical moist forest/Forest Agriculture
Farming System:	Smallholder rainfed humid.

In both target communities there is one cassava enterprise each which have been built for the community by

donor agencies and are therefore technically owned by the community, but which have very serious management problems. The implementation of the system in these communities can provide useful lessons for future promotion and adoption.

Current Situation

C. Current situation

12. **How and by whom** are the outputs currently being used? Please give a brief description (**max. 250 words**).

The COProM concept document is currently under study for adoption by the Association of Progressive entrepreneurs for development (APED). Copies of the COProM manual have been forwarded to the coordinators of the IFAD-funded root and tuber programmes in Ghana, Nigeria, Benin, and Cameroun for study and possible adoption. The programmes in Nigeria, Benin and Cameroun are on-going whilst the Ghana project is scheduled to take off in early 2007. The Ghana programme (RTIMP) has 'Processing and Marketing' as its focus and the efficient management of SMEs would play a key role in addressing these two objectives, hence the promotion of the system to the programme.

13. **Where** are the outputs currently being used? As with Question 11 please indicate place(s) and countries where the outputs are being used (**max. 250 words**).

The concept document is currently being seriously considered for use in Watro, Atebubu, and at Eshiem in the Brong Ahafo and Central Regions of Ghana respectively, where two community-owned cassava SMEs are located.

14. **What is the scale of current use?** Indicating how quickly use was established and whether usage is still spreading (**max 250 words**).

Current scale of usage is low due to the funding issues mentioned above, but interest has been expressed by several large regional programmes so potential exists for much wider adoption.

15. **In your experience what programmes, platforms, policy, institutional structures exist that have assisted with the promotion and/or adoption of the output(s) proposed here and in terms of capacity strengthening what do you see as the key facts of success?** (**max 350 words**).

There are a number of regional and national initiatives, structures and programmes on cassava that provide a good platform for promotion of this output. These include:

- The IFAD-funded Root and Tuber Improvement and Marketing Programme;
- The Bill Gates Cassava Initiative in Africa;
- The FIDAFRIQUE Forum;
- The IFAD Regional Cassava Processing and Marketing Initiative in West and Central Africa.

The key success factors in terms of capacity strengthening would include:

- Timely delivery of products to clients;
- Continuity of production of products;
- Improved information management;
- Improved capacity to absorb farmers' agricultural produce;
- Expanded client base;
- Prompt payment for services and products.

However, as mentioned earlier the COProM concept is not commodity specific and hence should be considered as having potential applicability for any agro-business initiative involving either farmers' organisations or processor groups.

Environmental Impact

H. Environmental impact

24. What are the direct and indirect environmental benefits related to the output(s) and their outcome(s)? (max 300 words)

This could include direct benefits from the application of the technology or policy action with local governments or multinational agencies to create environmentally sound policies or programmes. Any supporting and appropriate evidence can be provided in the form of an annex.

Outputs: None
Outcomes: None

25. Are there any adverse environmental impacts related to the output(s) and their outcome(s)? (max 100 words)

Efficient management would result in higher levels of production with an attendant generation of more waste (peels and pressed liquor) which if not properly managed can have adverse environmental impacts. However there are efficient waste management systems that can be put in place to reduce the negative impacts. Cassava peels can be used for:

- charging a biogas plant that could in turn generate gas for the roasting of gari,
- production of mushrooms.

Pressed cassava liquor could be re-directed into settling tanks where the starch is settled and collected whilst the liquid is pumped into a soak-away.

26. Do the outputs increase the capacity of poor people to cope with the effects of climate change, reduce the risks of natural disasters and increase their resilience? (max 200 words)

This output would improve the incomes of poor people and with improved incomes their ability to cope with the effects of climate change (dryness in the harmmatan season, erosion during rainy seasons etc), and those of natural disasters (rain storms ripping off roofs, bush fires destroying crops etc). With good income a regular source of employment under a CProM-managed processing plant, their resilience to disasters and climatic changes would be increased.

