

# Workshops and trainings on food system governance and in conjunction with FSL pilot implementation

Deliverable 5.3 | HealthyFoodAfrica



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## Summary

Work Package 5 (WP5) led by Makerere University focusses on food system and food chain governance. Based on the status-quo-analysis in three Food System Labs (FSLs) - FSL Rwamwanja (FSL-Rw) in Uganda, FSL Bahir Dar (FSL-BD) in Ethiopia, and FSL Cotonou (FSL-Co) in Benin - opportunities for improving governance systems were identified and the related innovations are now piloted. Task 5.3 of WP5 provided expert inputs in this process, organised the accompanying workshops and provided training for farmers, maize and fish producers, processors and nutritionists on food system governance as part of FSL pilot implementation. This report - Deliverable 5.3 - presents a short summary of the workshops carried out so far with the main outcomes and presents first training materials which are focussed on the formation of self-help groups. Related to the piloting of innovations in food chain governance in FSLs, it needs to be noted that this is not a one time off but rather an ongoing activity. In line with that more workshops and trainings will be provided as demanded by FSL teams in the process.

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<sup>1</sup> R = Report, P = Prototype, D = Demonstrator, O = Other

<sup>2</sup> PU = Public, CO = Confidential, only for members of the consortium (including the Commission Services)

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## Abbreviations and acronyms

FCA	Finn Church Aid
FSL-BD	Food System Lab-Bahir Dar
FSL-Co	Food system Lab-Cotonou
FSL-Rw	Food System Lab-Rwamwanja
FSLs	Food System Laboratories
HFA	Healthy Food Africa
MAK	Makerere University
UAC	University of Abomey-Calavi
UH	University of Helsinki
WP5	Work Package 5

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## 1 Introduction

The agricultural sector continues to play a key role in most African economies, but its contribution is confounded by challenges in the governance of food chains, the management of agri-food businesses, and in the difficult external conditions and lack of suitable support. Characteristic features of poorly functioning value chains are (African Union, 2017):

- Low production and productivity
- Poor quality of harvest
- Lack of standardization
- Lack of market support services
- Bad roads infrastructure and high transportation costs
- High taxes and
- Poor governance practices and structures among others.

These challenges translate into incomplete value chains because of weak or missing linkages between points of production and consumption, which in turn negatively impacts on post-harvest handling, incomes and nutrition among others.

Current advances towards globalisation and high urbanization rates will increasingly put pressure on agricultural value chains. The quality of value chains also influences access to food and the possibilities for a healthy nutrition of people. Lack of efficient value chains leads to shortage of healthy food items in diets, and consumption of expensive and often less nutritious alternatives.

Improving the functioning of value chains therefore provides a great opportunity to Africa in ensuring food and nutritional security and improved income. An important measure is capacity development, especially among the poor in urban and peri-urban environments, who are heavily involved in agribusiness, but lack appropriate skills, technology and finance, as well as a conducive environment to drive agricultural value chains.

The multi-faceted nature of agricultural value chains that involves an interaction between actor characteristics and the environment requires that interventions to streamline value chain development take into account the chain of influences. The influences include both

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internal and external forces. Largely, governance structures are very important in shaping interventions to improve value chains. For this to happen, there is a need for both the public and the private sector to continue to collaborate and provide the needed sustainable incentives that will encourage efficient engagement in agricultural value chains.

This in turn necessitates that governance structures are in place that facilitate efficient value chain processes. Agricultural policies that focus on improving access to a range of marketing channels, production of marketable surplus, and a functioning of markets are needed to contribute to an enhanced food security and healthy nutrition.

The overall goal of HealthyFoodAfrica (HFA) is to make food systems in 10 African cities in six countries across three African macro-regions more sustainable, equitable and resilient by reconnecting food production and food consumption in effective ways. To achieve this, the project engages farmers, food processors, retailers, civil society organizations, policymakers and local experts, and helps them create and test innovative technologies, practices and governance arrangements that will contribute to a more sustainable, resilient and healthy food system for all.

An enabling environment is critical for development of value chains. Poorly functioning business environments can limit business growth by increasing costs and risks, and decreasing competitiveness, and investment among others (Webber and Labaste, 2009).

Improving governance of agricultural value chains presents a great potential to improvement of Africa's agri-food businesses. This project seeks to provide solutions that minimize the deficiencies in local value chains by working on improvement of value chain governance structures, building on existing networks in food system laboratories (FSLs). Healthy food Africa's approach is to study local value chains in order to find local solutions, in collaboration with FSLs and their established networks.

The overall objective of work package 5 (WP5) that is part of HFA project is to create more equitable and sustainable agri-food chains through innovative governance arrangements that strengthen the links between and empower local food chain actors in providing consumers with sustainable, healthy, nutritious and affordable food products. Focus is on small and

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medium-sized farms and those food processors and retailers that matter in connecting these farms to consumers. Under WP5, innovative agri-food products, agri-food chains and agri-business models that improve access to healthy nutrition are developed, piloted and validated (WP5).

Task 5.3 implements and co-assesses pilot actions within FSLs based on identified potential improvements in agri-food chain governance. The focus is on increasing access to healthy food products for consumers, in particular among the poorer population. New, innovative food chain governance arrangements are identified and piloted in FSLs. This is not a one time off but rather an ongoing activity.

Task 5.3 is led by Makerere University (MAK) and supported by University of Helsinki (UH), and all FSLs that need this service. D5.3 provided the innovative actions based on data collected and analysed from three FSLs: 1) FSL Rwamwanja (FSL-Rw), located in Rwamwanja refugee settlement in S.W.Uganda, led by Finn Church Aid (FCA). 2) FSL Bahir Dar (FSL-BD) located in Bahir Dar city and Koga irrigation area, Amhara Regional State, N. Ethiopia, led by Bahir Dar University (BDU). 3) FSL Cotonou (FSL-Co), Cotonou, Littoral Department, S. Benin, led by University of Abomey-Calavi (UAC).

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## 2 Steps and progress of the pilot action activities

This report proceedings are organized in a stepwise way to showcase how the implementation process for Task 5.3 on “Implement and co-assess pilot actions within FSLs” is happening.

Step 1: Meeting with key partners. A meeting with the key partners in the WP5 was organized to synthesize the results of Task 5.2 and Deliverable 5.2 on “Data collection and analysis of current food system governance and co-design of pilot actions”. The aim of this meeting was to discuss in detail, the general results from the analysis of the data collected from the three FSLs Cotonou, FSL Bahir da, and FSL Rwamwanjwa. The results had also a section on SWOT analysis for each FSL, and possible pilot actions that emanated from the study. These were presented by the lead partners i.e., MAK to the team. The power point slides labeled “SWOT results and possible pilot actions for Bahir Dar, Cotonou and Rwamwanja” of the presentation are attached in Annex 1.

Step 2: Feedback from WP5 partners on results of D5.2. A presentation of the results from the SWOT analysis were presented to the WP5 team (Chen, John and Karlheinz). The PowerPoint slides on "SWOT results and possible pilot actions for Bahir Dar, Cotonou and Rwamwanja" (see Annex 1) were presented. This feedback was received and mainly addressed issues of linkages of D5.1 to D5.2 and how these feed into the possible pilot actions. The changes and suggestions were incorporated into the main presentations.

Step 3: Finalizing of the PowerPoint Presentation slides. Based on the feedback from WP5 team, the key governance issues/challenges that ought to be addressed were filtered out and marked for sharing with the FSLs. Furthermore, related pilot actions were indicated as per what could be done about these issues/challenges, and tested (piloting of improvements).

Step 4: Meeting the FSLs. Three separate meetings were organized with FSL Cotonou, FSL Rwamwaja and FSL Bahir Dar. The revised presentations were presented to the different FSLs. First the general results from the data collected from the FSLs were shared. The SWOT analysis and the suggested pilot actions were then also presented. Extensive discussions were held with each FSL as to the pilot actions in terms of their feasibility of implementation and degree



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of need. In addition, these meetings were followed by further discussions with the concerned FSLs to concretise the plans for pilot actions.

Step 5: Three other FSLs are informed. WP5 works with 6 FSLs, however, data were collected in three of them. Therefore, the other three FSLs were contacted and results especially SWOT analysis and the suggested pilot actions were shared with them. This was to gauge their interest in our governance related work and find synergies between WP5 work on governance arrangements and their activities. Several emails were received from the three FSLs indicating the need for our pilot actions to be implemented in their FSLs as well. Moreover, there was regained interest in general governance related work for these FSLs. Steps are underway to satisfy the needs of these FSLs as well.

Step 6: An offer to all project partners. We emailed the final PowerPoint slides plus our first publication (“A Framework for Assessing Food System Governance in Six Urban and Peri-Urban Regions in Sub-Saharan Africa” by Chen et al., 2021). We specifically requested the project partners for their own findings/views/experiences regarding food system/chain governance. We re-echoed that we could provide advice and support, e.g., in the form of targeted workshops and training materials to their FSLs.

Step 7: Compilation of a set of training materials (see Annex 2) that is targeted at the issues we want to pilot/test in Bahir Dar, Cotonou and Rwamwanja, and the issues other FSLs might be interested in (selected from existing materials). We have remained open to test some governance related innovations identified by the FSL as need be.

Step 8: We are discussing with interested FSL partners the possibility of a train-the-trainers module/workshop/training. We shall then proceed based on interest from the FSLs.

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### 3 References

African Union, (2017). Challenges of commodity value chain development towards improving the competitiveness of agricultural commodity in Africa. Background Paper Prepared for the 2nd Conference of the STC on Agriculture, Rural Development, Water and Environment.

Webber, C. M. and Labaste, P. (2009) Building competitiveness in Africa's agriculture: a guide to value chain concepts and applications. The International Bank for Reconstruction and Development / The World Bank

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## 4 Annex 1: PowerPoint slides shared with FSLs

Slide 1

HFA - WP5: Food system & food chain governance

**SWOT results and possible pilot actions  
for Bahir Dar, Cotonou and Rwamwanja**

- To be discussed with the 3 FSL teams -

Slide 2

**FSL\_Bahir Dar**

SWOT Analysis

Slide 3

	Dimensions	Indicators
<b>Value chain Governance</b>	1. Enabling environment and institutions: to assess impact of sociocultural and institutional elements on agri-food value governance	1.1. Socio-cultural factors (informal). 1.2. Laws and regulations 1.3. Non-market mechanism (e.g., quality standards and initiatives) 1.4. Investment and finance service (e.g., Development of infrastructures ,micro-finance)
	2. Governance structures: to identify the current main governance structures and its changing trends	2.1. Spot/cash markets 2.2. Contract governance (e.g., contract farming) 2.3. Relation governance (e.g., vertical integration)
	3. Governance structure dynamics: To identify the main determinants affecting governance and configuration of agri-food chain	3.1 Access to information and knowledge. 3.2. Participation in partnership networks. 3.3. Competences of farmers and SMEs. 3.4. Price determination 3.5. Value-added
	4. Governance structure and relationship strength: to examine the influence of mutual understanding, trust and commitment, coordination, and shared priorities on food chain transaction (as a value-creating resource).	4.1. Linkages between chain actors, conflicting goals and disconnects 4.2. Cooperatives and associations 4.3. Multi-stakeholder platform

Slide 4

Weaknesses	Governance dimension and indicator	Pilot actions related to improved governance arrangement
1. Low production compared with market demand		<ul style="list-style-type: none"> <li>Promote more efficient production methods (Farmers).</li> <li>Pest and disease management (Farmers)</li> <li>Market demand for healthy products (consumers and nutritionists)</li> <li>Use of improved seeds (Farmers)</li> </ul>
2. Limited adoption of improved seed with low productivity	3.3 Competences of farmers and SMEs	
3. Seasonality of supply		
4. Inadequate postharvest handling techniques & skills, hence high losses	3.1 Access to information and knowledge	<ul style="list-style-type: none"> <li>Post-harvest management (Farmers and traders)</li> <li>Marketing techniques (group/collective marketing) (Farmers and Traders)</li> </ul>
5. Poor marketing techniques amidst the changing health precautionary environment in view of the Covid pandemic and the related SOPs	3.4 price determination 3.5 value-added	
6. Perishability of vegetable produce; limited cold room facilities/ insufficient storage and produce aggregation centers		
7. Absence of standard regulations on trading processes along the value chain; thus, unfair prices, measurement cheats, among other constraints	1.4 Investment and finance service (e.g., Development of infrastructures) 1.2 Laws and regulations	<ul style="list-style-type: none"> <li>Improvement of standards and regulations (Regulatory body, Farmers and traders)</li> </ul>

Slide 5

### **Weaknesses**

- Low production compared with market demand
- Inadequate postharvest handling techniques & skills, hence high losses
- Poor marketing techniques amidst the changing health precautionary environment in view of the Covid pandemic and the related SOPs
- Perishability of vegetable produce; limited cold room facilities/insufficient storage and produce aggregation centers
- Limited adoption of improved seed with low productivity
- Absence of standard regulations on trading processes along the value chain; thus, unfair prices, measurement cheats, among other constraints
- Seasonality of supply

Slide 6

### **Threats**

- Low prices; frequent price fluctuations
- wh
- Poor marketing linkage along the supply chain
- High operational cost for transporters
- Food loss due to perishability at the level of producers, wholesalers and retailers

Slide 7

**Possible Pilot Actions related to Governance arrangements**

- Promote more efficient production methods (Farmers)
- Train on use of improved seeds (Farmers)
- Train on Post-harvest management (Farmers and traders)
- Train on marketing techniques (group/collective marketing) (Farmers and Traders)
- Train on improvement of standards and regulations (Regulatory body, Farmers and traders)
- Train on pest and disease management (Farmers)

Slide 8

FSL\_Cotonou

Slide 9

Weaknesses	Governance dimension and indicator	Pilot actions related to improved governance arrangement
1. Limited own capital to invest for producers and retailers, and limited access to credit for producers, retailers and processors.	1.4 Investment and finance service (e.g., development of infrastructure, microfinance)	<ul style="list-style-type: none"> <li>• Value addition and management of post harvest losses.</li> <li>• Pests and diseases management</li> <li>• Facilitation of self-help group formation for access to cheap inputs, credit, equipment, transportation etc. (Farmers, traders)</li> </ul>
2. Inefficient irrigation system		
3. Some transporters don't own vehicle or inadequate.		
4. Lack of adequate vegetables storage.		
5. Limited of access to land to increase production.	1.2 Laws and regulations regarding land tenure system	
6. Producer's lack of management, production and processing technologies training.	3.1 Access to information and knowledge.	
7. Limited marketing skills and training for retailers.	3.2 Participation in partnership networks	
8. Difficulties for expansion of the market for sellers/traders of vegetables (retailers)		

Slide 10

Weaknesses	Governance dimension and indicator	Pilot actions related to improved governance arrangement
9. Producers and processors don't have access to good and cheap inputs, equipment and materials to produce.	4.1 Linkages between chain actors. 4.2 Cooperatives and associations. 4.3 Multi-stakeholder platform.	<ul style="list-style-type: none"> <li>• Facilitation of self-help group formation for access to cheap inputs, credit, equipment, transportation etc. (Farmers, traders)</li> <li>• Advocate for development of marketplaces for retailers/ opportunities for market expansion</li> </ul>
10. Retailers often don't have an adequate place to sell.		

Slide 11

### **Weaknesses**

- Limited own capital to invest for producers and retailers, and limited access to credit for producers, retailers and processors.
- Inefficient irrigation system.
- Limited of access to land to increase production.
- Retailers often don't have an adequate place to sell.
- Producers and processors don't have access to good and cheap inputs, equipment and materials to produce.
- Some transporters don't own vehicle or is inadequate.
- Producer's lack of management, production and processing technologies training.
- Limited marketing skills and training for retailers.
- Difficulties for expansion of the market for sellers/traders of vegetables (retailers).
- Lack of adequate vegetables storage.

Slide 12

### **Threats**

- Inability to fulfill the large demand
- Hazardous weather conditions like flooding, affecting crops and access to roads
- Increase in pest and diseases
- High percentage of product loss for producers and retailers
- Price volatility on certain months, especially carrots
- Poor road infrastructure
- Health concerns given Covid-19 pandemic



Slide 13

**Possible Pilot Actions related to Governance arrangements**

- Training/facilitation of self-help group formation for access to cheap inputs, credit, equipment, transportation etc. (Farmers, traders)
- Advocate for development of marketplaces for retailers/ opportunities for market expansion
- Training on value addition and management of post harvest losses
- Training on pests and diseases management

Slide 14

FSL-Rwamwanja

Slide 15

Weaknesses	Governance dimension and indicator	Pilot actions related to improved governance arrangement
1. Financial illiteracy (acquisition, utilization and payment)	1.4 Investment and finance service (e.g., development of infrastructure, microfinance)	<ul style="list-style-type: none"> <li>Financial Literacy</li> <li>Post harvest losses and provision of post harvest handling materials (e.g., tarpaulins)</li> </ul>
2. Seasonality based agriculture that comes with on and off-season produce supply		
3. Postharvest losses due to limited finance to purchase improved PHH technologies	3.1 Access to information and knowledge	<ul style="list-style-type: none"> <li>Improved technology adoption and benefits of GAPs</li> </ul>
4. Underdeveloped rural infrastructure especially roads, hence increasing transaction costs among traders with reduced profits for producers.		
5. Poor and untimely transportation.	1.3. Non-market mechanism (e.g., quality standards and initiatives).	<ul style="list-style-type: none"> <li>Standardization/grading</li> </ul>
6. Low adoption of improved technologies attributable to the high cost of inputs		
7. Use of non standardized or local measurement materials during produce trading e.g., cups.	1.2 Laws and regulations regarding land tenure system	
8. Limited access to arable land, limiting commercialization of beans and beans production		

Slide 16

Weaknesses	Governance dimension and indicator	Pilot actions related to improved governance arrangement
9. Highly fragmented value chain actors – both horizontally and vertically hence, the common market distortions in prices, limited aggregation, violation of commodity quality standards	2.2. Contract governance (e.g., contract farming). 2.3. Relation governance (e.g., vertical integration).	<ul style="list-style-type: none"> <li>Collective action/group activity</li> <li>Advocate for strengthening of governance structures</li> </ul>
10. Low adoption of improved technologies and GAPs; continue using traditional farming practices.	3.1 Access to information and knowledge	<ul style="list-style-type: none"> <li>improved technology adoption and benefits of GAPs</li> <li>Post harvest losses and provision of post harvest handling materials (e.g., tarpaulins)</li> </ul>
11. low technical support to value chain actors		
12. Low collective action/ Weak governance structures at producer level associated with low bargaining power	4.1 Linkages between chain actors. 4.2 Cooperatives and associations.	<ul style="list-style-type: none"> <li>Collective action/group activity</li> </ul>
13. Cheating in retailing and wholesaling by untrustworthy buyers e.g., with poor measurement		
14. Cheating in retailing and wholesaling by untrustworthy buyers e.g. with poor measurement	4.1 Linkages between chain actors. 4.3 Multi-stakeholder platform	

## Slide 17

**Weaknesses**

- Financial illiteracy (acquisition, utilization and payment)
- Low adoption of improved technologies and GAPs; continue using traditional farming practices..
- Seasonality based agriculture that comes with on and off-season produce supply
- Use of non standardized or local measurement materials during produce trading e.g. cups.
- Low collective action/ Weak governance structures at producer level associated with low bargaining power
- low technical support to value chain actors
- Limited access to arable land, limiting commercialization of beans and beans production
- Postharvest losses due to limited finance to purchase improved PHH technologies.
- Highly fragmented value chain actors –both horizontally and vertically hence, the common market distortions in prices, limited aggregation, violation of commodity quality standards.
- Underdeveloped rural infrastructure especially roads, hence, increasing transaction costs among traders with reduced profits for producers. .
- Low adoption of improved technologies attributable to the high cost of inputs.
- Unreliable flow of information about prevailing prices of produce.
- Poor and untimely transportation.
- untrustworthy buyers e.g. with poor measurement.

## Slide 18

**Threats**

- Low maize prices and high price fluctuations
- The devastating pests and diseases especially the Fall Army Worm
- The changing climate conditions with unpredictable long dry spells
- Costly post harvest handling technologies such as hermetic bags, silos, etc
- Increasingly high cost of improved seed and agro-inputs
- Unpredictable changing climatic conditions
- Inadequate storage facilities
- High taxes
- Declining crop productivity
- Lack ready market due to low income among refugees

Slide 19

**Possible Pilot Actions related to Governance arrangements**

- Training on Financial Literacy
- Training on the benefits of improved technology adoption and benefits of GAPs
- Standardization/grading
- Training in collective action/group activity
- Advocate for strengthening of governance structures
- Training in post-harvest losses and provision of post harvest handling materials (e.g. tarpaulins)

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## 5 Annex 2: Training manual "Formation of self-help groups"

### Training material

#### Formation of self-help groups in value chains

Prepared by WP5 and part of Deliverable 5.3.

Authors: *Alice Turinawe, Rosemary Isoto Emegu, Karlheinz Knickel, John Sumelius, Qiuzen Chen*

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## Executive summary

Self-help groups and organizations are seen as a useful mechanism for mobilizing collective action aimed at improving individual economic and social situations and that of communities. For agricultural value chains, collective action among participants plays a key role in bridging the gap within and between the value chains. Such collective arrangements may lower the cost of moving food from farm to fork and improve efficiency.

It is very important especially for low-income communities that people be motivated and educated to recognize the significance of collective efforts in solving problems that seem impossible with individual efforts. This can be done by voluntarily deciding to put their efforts together to help increase access to skills, credit facilities, marketing infrastructure and appropriate technology.

The HealthyFoodAfrica (HFA) project under which this manual has been produced, aims at making food systems in 10 African cities in six countries across three African macro-regions more sustainable, equitable and resilient by reconnecting food production and food consumption in effective ways. To achieve this, the project engages farmers, food processors, retailers, civil society organizations, policymakers and local experts, and helps them create and test innovative technologies, practices and governance arrangements that will contribute to a more sustainable, resilient and healthy food system for all.

This manual was produced to support in effecting the objectives of the HFA project. The aim of this manual is to provide guidance and insights to value chain participants on how they can form self-help groups between and among themselves and harness the benefits that come with collective production, trade, marketing and other value chain related activities.

This manual was written and targeted for the vegetable value chains in Cotonou, Benin, basing on results obtained from value chain mapping of key vegetables there (African basil, African eggplants and carrots). However, the challenges encountered in value chains in Africa, especially for smallholder farmers and for farmers dealing in perishable products are similar. Therefore, we hope that this manual can be a source of information for all value chains in Africa that are dealing with similar products and are facing challenges that can be alleviated or solved by collective action and working in self-help groups.

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## 1.0. Background

The formation of these materials has been based on data collected from food system laboratories (FSL) activities of the Healthy Food Africa project. They build on the aim of the HFA project to have improved the governance of value chains in the selected food system labs. Prior to the formation of these training materials, the several value chain governance-related activities have taken place:

- Formation of a framework for analysis of value chain governance
- Mapping of key value chain governance arrangements in selected FSLs: Cotonou, Benin (African basil, eggplants, carrots), Bahir Dar, Ethiopia (tomatoes and onions) and Rwamwanja, Uganda (maize and beans).
- SWOT analysis of the value chains of focus
- Identification of potential improvements in agri-food chain governance with focus on increasing access to healthy food products for consumers, in particular among the poorer population.
- Identification of new, innovative food chain governance arrangements for piloting in FSLs.

From these activities, effort has put in to find gaps that still need to be addressed or places within the value chains, where the HFA project participants would benefit from training and sensitization, as well use of training materials. From SWOT analysis, the weaknesses and threats helped the project to identify gaps, while the strengths and opportunities presented an opportunity to improve the value chains and their governance arrangements.

From Cotonou FSL and basing on extensive discussions between the leads of this work on the HFA project (WP5) together with the FSL teams, the need for Training/facilitation of self-help group formation was identifies as way to enhance several of the bottle necks in the value chain activities, including governance arrangements. It is on this premise that this manual is based.

## 2.0. Objective of the manual

This manual is an attempt to bridge gaps in the self-help group formation and facilitate harnessing of the key opportunities that arise from group formation. The aim of this manual is to provide guidance and insights to value chain participants on how they can form self-help groups between and among themselves and harness the benefits that come with collective production, trade, marketing and other value chain related activities.

## 3.0. Self-help groups

A self-help group can be defined as a legally recognized entity, with voluntary membership and democratic leadership, united with a very clear plan of improving their agricultural value chain activities (production, primary processing, value addition and marketing) for increased household income and improved livelihoods.



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Self-help groups in agriculture can be farmer groups, traders at different nodes or groups of other value chain participants that facilitate movement of goods. These can be middlemen, credit service providers or to other regulators of the value chain processes.

The overarching aim of these self-help groups is to ensure that services are provided more efficiently than if it was only one person or one entity that was providing a given service in the value chain.

#### 4.0. The core functions of self-help groups in agricultural value chains

- Acting as collateral through group pressure
- To help to market produce
- To help to get cheaper and better inputs
- Ensuring optimal production planning, meeting the market and household food security needs
- Maintaining common infrastructure – farm machinery, farm ponds, bore wells, tractors, storage spaces, drying platforms, primary processing units etc. and equipment which cannot be afforded by one farmer but can be owned by 20 farmers together.
- To ease access to credit and related services
- To get access to government support
- To be able to increase my influence to get social benefits for localities like better roads, markets

#### 5.0. Desirable characteristics of self-help groups

For effectiveness and to maximize the benefits participants get from self-help groups there are desirable characteristics which self-help groups must have, and these first of all strengthen these groups and facts facilitate the extent to which participants can reap benefits from the groups. Below are some of the characteristics which those farmers, traders and other value chain participants who form groups should keep in mind.

- Members must have common interests in agricultural development with similar development constraints, needs and potential. They should be able to articulate them and make use of the information available to find alternative solutions through a participatory planning and implementation process of group activities.
- Members must be people who can meet regularly for a specific purpose and carry out together self-determined activities for the benefit of their members and their improved participation and empowerment in agricultural development
- Members must be people bound by mutual trust and respect who are prepared to support one another and amongst whom exploitative relationships do not exist.
- Members should be from the same background and not be too diverse to avoid conflicts of interest in the group or for a few members to dominate the group

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- Meetings of the group should be managed in such a way that each member is encouraged to express himself/herself freely and participate effectively in all group proceedings and decision-makings.
  - The groups should have clear goals and objectives which encompass all members' expectations and motivations for entering these groups.
  - The group should have a clear structure of leadership and a clear organogram clearly stating the role of everyone in the self-help group. It is good if the leadership of the group is an elected leadership and there is opportunity for rotation of leadership at agreed intervals.
  - The groups should be well coordinated with a leader who assigned tasks and clarifies expected timelines for achievement of these timelines.
  - There should be opportunity for the group members to keep in contact and have frequency of interaction in order to increase their motivation for the work and also ensure that the group encompasses all members' expectations.
  - Most importantly, self-help groups should be non-political in nature. This means that individual political interests are left out of their group, which helps streamline the group's objectives without interference of political differences.
  - For every group to function efficiently, there are rules and regulations that must help the group to thrive. A good self-help group should have clear rules and regulations which are required for effective functioning. These should be understood, accepted and followed by all members.

The following points also need to be kept in mind as desirable characteristics of well formed, functional self-help groups among value chains

- The ideal size of self-help groups is 10 to 20 members. This limit is set to encourage active participation. In bigger groups, active participation cannot be experienced by all the members.
- Self-help groups are informal and voluntary associations. They need not be registered under any Act or law of the government.
- It is ideal if only one member from each family shall join. This ensures the participation of families in the groups.
- Self-help groups can either consist of men or women. In most communities, women, participation in self-help groups may be limited. However, women self-help groups are said to function and perform better.
- It is important that members of the self-help group meet regularly. Generally, they should meet weekly or monthly. This helps the members in understanding each other better and relate to each other's objectives and aspirations in the self-help group.
- As much as possible, full attendance is required during the meetings. The purpose of complete attendance is larger and better participation of members.
- Self-help groups follow the principle of collective leadership. It promotes group cohesion and effective goal integration.

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- There are mutual trust and confidence among the members of the group. This is the key to successful and prolonged functioning of the groups.

#### 6.0. The roles of self-help groups in agricultural value chains

- Depending on the objectives of the group that decides to work collectively, there are several roles that that self-help groups play in agricultural value chains. For self-help groups that are comprised of participants at the same node of the value chain such as farmers only, their roles are mostly specific to the value chain node at which they are based. For example, farmer groups play the role of promotion of improved crop production and general farm development. These groups may also extend their roles to finding markets for their produce and also working on the quality of their produce. Thus, they end up connecting with other participants in the value chains who move their products from the farm to the fork.
- These groups may also address other common agricultural development concerns of a community according to the needs, priorities and group objectives set by group members. Besides being a forum for farmer-to-farmer or trader-to-trader (or farmer-to-trader or other fora) exchange of information, experiences and mutual help, such groups could potentially link up with public and/or private sector service providers which would facilitate improved access to information, pool resources/interests for more effective and efficient access to markets/market information and service provisions to members as well as the common implementation of agricultural development tasks concerning the larger community.
- The sale of products and environmental services is more successful when done collectively rather than individually because of greater efficiency and economy of scale. Also, an individual farmer/ trader will find it difficult to obtain financing from outside sources for the implementation of plans to improve productivity and watershed conservation. Even an organized group will have to prove it is credit worthy by showing it can do proper bookkeeping and fund management, and has legal capacity. The activities the group members participate in with the project give them an opportunity to also gain knowledge and abilities in other areas beside farming and conservation, such as collective sales, simple bookkeeping, fund management, and an understanding of the advantages these skills represent.
- The roles and governance of the value chain extend beyond the basic functions such as supply of raw materials, coordinated and collective production, processing, transporting and selling. They encompass such activities as financing, arbitration, regulation, and judicial intervention, facilitating participation in international market, quality certification and compliance with international standards. The role of these self-help groups extends beyond trade and movement of commodities, from farm to fork to acting as pressure groups in advocacy for provision of services.
- Groups with common interests can secure access to services that individuals cannot such as training, credit or equipment, infrastructure, etc. Lack of access to any of these

could be the vital issue that an individual farmer/ faces. This is particularly the case where farmers organize as a response to marketing concerns, as there are clear economic benefits of working in groups. These include the ability of groups to buy inputs in bulk, access more distant markets and access to information. Working together can increase members' bargaining power, which helps to share, and lower risks and costs. In areas where farmers are scattered geographically, and transport and communications are difficult, the importance of such organizations is even greater. Everywhere in the world, a limited number of farmers are collaborating with each other in some way or the other and forming groups for sharing information and working together. Under the right circumstances, farmers' groups can make a very positive difference to the lives of those working to improve their livelihood options as well as to the sustainable development of agriculture. Working together can take many forms, and a variety of terms are used to cover the scope of this idea collective action, farmers' organizations, women's groups, unions, co-operatives, self-help groups, networks, alliances, associations, committees, clubs, partnerships etc.

- Groups make it easier to pull member contributions and acquire new production and post-harvest technologies. Groups provide a good avenue for entry of development partners that complement the existing group effort, leveraging on technical innovations and skills/knowledge provided by particular members of the group. Groups facilitate social cohesion & social networks.
- Groups enhance individual accountability due to checks and balances set by the group thus leading to desired performance at both individual and group level.
- Groups serve as collateral to credit opportunities and work as guarantee schemes to support farmer co-funding.
- Linkages to input and output markets are much easier to create thus enhance project performance through.
- Self-help groups promote advocacy and joint lobbying that attracts more resources and services to the group.
- Increased efficiency, productivity and enhanced profitability is achieved through; procurement in bulky; quality inputs; collective timing of production activities; reduced cost or free access to information.

#### 7.0. Constraints of self-help groups

- There are difficulties, which must be overcome if groups are to develop and flourish in the long term. Often these are problems of day-to-day management such as members not having enough time to participate as fully as they would like or having difficulty in finding fees or other contributions required. Members will weigh these investments against benefits, but often these and other pressing practical concerns can become a difficulty for self-help groups.
- According to the circumstances in which specific organizations are formed, each group will need different types of support, resources and information. Access to this can

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affect how groups perform. In larger groups or networks, difficulty in reaching decisions and resulting internal conflict is more common.

- If objectives are not achieved or results do not come up to expectations, members may lose interest.
- Groups also have to deal with external pressure or influence, and always have to operate within the local political and economic environment. Challenges faced by groups include ensuring that everyone is involved, avoiding self-interest and dominant voices.
- Successful groups take some planning, thought and carefully consideration of what form they should take in order to reach their goals. Would a co-operative work in the local economic climate? Local or traditional institutions already exist that can be built on or formalized? Members should also look at why it is beneficial to be in a group, and consider all their options.

#### 8.0. How to form efficient self-help groups in agricultural value chains in Africa

Efficient self-help groups in agricultural value chains in Africa should have some of the following aspects.

- 10–25 members. Ideally groups are 15–20 members with one person per the selection available, but this may vary depending on context.
- A clear and articulated structure that includes written record-keeping (where groups are not literate, they may use traditional record-keeping tools and/or recruit someone from the community to do record-keeping for them.).
- Transparent record-keeping. It should be very clear to everyone in the group how much money has been saved, and how much is being loaned and to whom. This can be achieved by diligently recording minutes for every meeting and reading them out at the end, by reading out savings and loans during the meeting, and by providing individual passbooks to members so they can keep track of their own contributions.
- By-laws. These form the backbone of the group's governance structure.
- Regular meetings. Ideally meetings take place weekly, but this may vary depending on context. Groups should meet at a minimum of twice per month.
- Quality assurance. The type and frequency of this will vary depending on context. Clear mechanisms should be in place for regularly identifying capacity needs and assuring group quality.
- Physical meetings. self-help group members need to come in person (not send someone in their place) and attend regularly (though savings may be submitted electronically, where applicable).
- Rotating moderator/leadership. A moderator is someone who leads the meeting, and it can be very helpful for building member confidence if the role is rotated weekly so that every member can gain experience in walking the group through its weekly advice. Leadership roles such as community representatives, bookkeeper, secretary,

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treasurer, etc. are longer-term roles that should also be rotated on a regular basis (annually).

- Leadership Diversification. Having leadership of a self-help Group Limited to only one or two members may limit survival. Studies have shown that group leaders who take on so many tasks, and they are responsible for majority of the group duties, such as setting up meetings, inviting speakers, were at greater risk for burnout than leaders who had tasks shared among more leaders. Therefore, the number of leaders who take up primary responsibilities should be diversified to avoid burnout.
- Outreach to Potential Group Members. Self-help groups need to have a proactive method of attracting new members who can contribute to their development. One of the dilemmas groups frequently face is how to gain new members and receive more referrals.
- Progressive capacity building for business development. Periodic training and sensitization activities are important to boost the groups' capacity to manage their business enterprises effectively and to scale up their operations as well as improve their profitability. The areas of training may depend on the specific needs of the group and may include some of the following: Business plan development, investment and enterprise analysis, business management skills, building an entrepreneurial mindset, governance and group cohesion, engagement and negotiation skills, marketing linkage, financing linkages, supplier/stakeholder exposure and engagement, and asset and operations management.

In a nutshell, typical success factors for self-help groups are the following:

- Political good will
- Member driven group formation
- Formation is centered around a profitable income-generating activity
- Competent advisers
- Legal registration
- Common values, democratic decision-making
- Enforcing code of conduct and constitution
- Capable and dedicated leaders
- Regular training of members and management
- Members have common interests, and common social background
- Manageable group size
- Active participation of members in meetings and other activities
- Clearly defined set of rules (procedures manual)
- Clear roles & responsibilities of members, leaders, employees
- Appropriate conflict resolution and management procedures
- Effective communication
- Accurate and timely record keeping
- Commitment of members

- Effective management of resources
- Adherence to procurement guidelines

#### 9.0. Process and phase of group formation facilitated by an existing project

The process of formation of self-help groups may widely vary depending purpose of formation, the characteristics of the people involved and other locally varying characteristics. However, the points below describe the general activities that can be engaged in. The process for group formation consists of the following activities and objectives.

##### Activity (one): Promotional meeting

- Introduce the general orientation and the work methodology of the project, and the implementing institution to the interested communities.
- Once a community decides to participate in the project, make an agreement between them and the project, and form, or reorganize, a representative community group.

##### Activity (two): Participatory Rural Assessment (PRA) workshop

- Analyze the community's current situation and their problems.
- Learn about the community's current access to economic and natural resources, its agricultural production and trade, and the level of involvement of institutions or organizations supporting the community.
- Analyze the community's problems together with the participants to define the activities they will develop with the help of the project.
- Take stock of the resource they may have to start with (land, storage space etc.).

##### Activity (three): Workshop for planning initial activities and its validation

- Analyze and identify, together with the stakeholders, those activities that would mitigate the problems related to value chain development and governance.
- Choose the activities that the group needs to carry out in the initial phase and program the approximate dates for their implementation.
- Confirm the results of the PRA workshop and the initial activity-planning workshop with the group.
- Clear up any doubts about the plan and solidify it by providing technical advice to the group so that it can begin the activities.
- Make a final decision on the group farmland/space to be used for the planned activities so the group activities can begin; explain to the group that the next step they take with the project will be to prepare the place/areas for their operations.

#### 10.0. Rules and regulations of farmer group.

Rules and regulations can help to guide the affairs of a group of people. They are designed to protect member's rights and properties, and to enable a transparent and democratic management of the group's business. They must be simple and reflect the nature of the group's activities and answer the immediate needs of the group. It is important that each

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group frames its own rules and regulations in order that they are accepted and understood by the group members. The group should also discuss the need for sanctions or penalties for the violation of rules; in case these are felt to be needed the group should specify them precisely. Rules should be periodically reviewed and modified, if necessary. The agreed upon rules should be recorded in the minutes book of the group. These rules and regulations form the constitution of the group.

During training of participants In the Initial stages of group formation, it is important to give the participants a chance to brainstorm among themselves, the rules, regulations and expected behavior. That way, they are more likely to respect these rules than if the rules were prescribed from the leadership.

Below are some of the rules, regulations and guidelines that need to be discussed:

A. Membership related

- Who may join the group in terms of agricultural background, living in the same village, age and gender (male, female or mixed) of members what should be the group size (range) non-refundable membership fee: in case found necessary by the group members they should also agree on the fee per year and payment date(s).
- Procedure for joining the group and cancelling membership.

B. Group meetings

- Frequency, timing and locations of meetings: for improving discipline and certainty it is often an advantage that meetings take place regularly on a fixed day, at a fixed place and time.
- Members who cannot be present in a meeting or are expected to be late for a meeting should notify the group leader. The group may agree on the imposing of penalties for members repeatedly not complying with such a rule.
- For decisions to be taken on important specified matters like rules and regulations, elections, group objectives the group should decide on a minimum percentage (e.g., 75%) of members who must be present.
- Especially on important aspects decisions should generally be taken by consensus, this influences positively the acceptance of the decision and implementation; for situations for which consensus cannot be achieved a group may decide that a majority vote for example of at least 75% of all group members is sufficient for reaching a decision.

C. Election procedures

- If leaders (Chairman, Secretary etc.) have to be elected. Tenure of office, Criteria for them to be elected, impeached etc.

D. Utilization of Profits



- Criteria to use if profits or losses have to be distributed to members. Also, what percentage of profits should be kept in the coffers of the group.

E. Participation in group activities

- Participation of all or most of the members in common group activities and taking ownership should be strongly encouraged. The same applies if training is organised for group members or for representatives of the group.

Other aspects which is important for the group to agree upon:

- Name, location, address of the group
- Objectives of the group (Purpose and objectives)
- Rules on membership (eligibility, entrance, expulsion)
- Entrance and subscription fees
- Management Structure (office Bearers)
- Duties of office bearers, terms of office
- Responsibilities of the executive committee
- General Meetings
- Procedures at meetings
- Trustees (if any) auditors and funds
- Financial management (purposes for which funds may be used)
- Creation of branches
- Procedures to revise/amend constitution
- Inspection of accounts and list of members
- Dissolution of the group
- External relationship

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