

# **CHAIN EMPOWERMENT**



# CHAIN EMPOWERMENT

SUPPORTING AFRICAN FARMERS  
TO DEVELOP MARKETS





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The Royal Tropical Institute is an international institute specialized in the generation and dissemination of knowledge and expertise through institutional cooperation. KIT aims to contribute to sustainable development for poverty reduction, information dissemination and the preservation and exchange of culture.



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Faida MaLi is a non-profit company dedicated to poverty alleviation through facilitation of market linkages between small-scale farmers and agricultural markets.



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The International Institute of Rural Reconstruction is a non-profit, non-governmental organization that aims to improve the quality of lives of the rural poor in developing countries through rural reconstruction: a sustainable, integrated, people-centred development strategy generated through practical field experiences.

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# Foreword

**M**ILLIONS OF SMALLHOLDER FARMERS and indigenous communities in Africa are working to improve their livelihoods in an environment characterized by dwindling government support and increased competition between producers, processing companies and supermarkets within agricultural markets. How can we assist smallholders to cope with these challenges and secure market access and better incomes? What strategies can NGOs and business development services adopt to support this type of farmers?

This manual brings together a broad range of experiences to secure market access for smallholder farmers and indigenous marginalized communities from very different contexts from throughout Africa. It shows how vital it is to invest in quality improvement of existing products, develop new products, establish market linkages, and build farmer organization and capacity. It describes small-scale initiatives to collect honey from pastoralist communities in Kenya or collect and process shea butter in Mali, as well as large-scale initiatives in sugarcane (in Tanzania) or paprika (in Malawi). Some experiences are directed to accessing local markets, others at gaining access to European markets. It is a book about creating opportunities for the poor, and about eliminating bottlenecks to their inclusion in dynamic chains.

We hope that this manual is a useful tool for NGOs and emerging business development services and funding agencies to reflect on their roles and improve their capacities to provide effective support to such initiatives. The manual also documents some experiences that Cordaid as a funding agency has been involved in for a number of years.

Cordaid tries to facilitate new initiatives and innovations by providing grants for capacity building and market analysis to business development support organizations, like Faïda Mali or SNV. We provide institutional and programme support to local and international non-government organizations, such as PADO, CRS and VECO. Cordaid not only provides grants, but also offers loans to commercial companies such as Cheetah in Malawi, Tongu Fruits Company in Ghana, and to Highlow in Uganda, to promote investments among smallholders. This mix of grants and loans is aimed to ensure that initiatives facilitate the inclusion of poor communities into changing markets, while at the same time ensuring long-term financial sustainability.

The various experiences demonstrate the need for secure planning and for close collaboration on the ground between small-scale producers, associations, NGOs, companies, banks, funding agencies and technical and research bodies. We hope that the production of this manual contributes to the ongoing reflection on our work and will help us to become even more effective in our support to the poor.

René Grotenhuis

General Director, Cordaid

# Preface

ONE OF THE LESSONS from 50 years of development assistance in sub-Saharan Africa is that matching true interests in a multi-stakeholder environment is essential to sustainable development. Over the past decade the ideological “Berlin Wall” between civil society organizations and the private sector has been effectively brought down. This has created many new opportunities, but also new questions regarding the roles, functions and core capacities of the various key players. Deep-rooted principles and paradigms have been cut down in a short period. It is sometimes like mixing an Italian basketball team with Nigerian soccer players, and trying to play in a volleyball tournament. The new situation raises many questions about how the game is played, and who are the winners and losers.

In some ways we can think of the world as a giant laboratory where both deliberate experiments and random mutations take place. Every moment, new partners meet, explore opportunities and create new ways to cooperate. Some of these become successful ventures, while others remain infant initiatives or turn out as failures.

Yet science does not recognize failures as such. Einstein confirmed that failures contain more information than successes. But practice may be different. In our quest for success, we often forget to learn from our mistakes. At the same time, we also tend to repeat successes without analysing the underlying principles. Success may thus lead to stagnation, because it can cause corporate laziness.

Organizations and enterprises may have their internal learning mechanisms, but they rarely share knowledge with each other. They evolve separately, without interaction. This is not an optimal process for innovation and development – or for developing knowledge and disseminating information on emerging issues such as public-private cooperation, value chain development, or management of complex multi-stakeholder processes.

Accelerating learning processes is a skill that few organizations master. IIRR and KIT specialize in facilitating organizational and institutional learning. We apply a wide variety of skills and techniques that turn implicit “knowing” into explicit know-how. By doing so, we can initiate building knowledge. In this process of construction each brick counts.

This book is more than a heap of bricks. Relevant cases of chain empowerment and development of value chains in Africa are presented, analysed and compared.

This collective process that took place in Moshi, Tanzania, has resulted in a set of valuable lessons that are original, up-to-date and useful to a wide audience that is interested in market access for African farmers. The lessons are not the result of academic research, but are drawn from practice and daily reality. They tell us stories of the experiments in which organizations – previously unknown to one other – work together to realize a collective goal. Above all, these are stories about human interaction. Value chains are about linkages between actors who transfer or exchange goods, capital or knowledge. In that respect, they are also trading places of culture, values, and personalities. If these match, we observe that there is trust or “chemistry”.

The quest for good practice and lessons from value chain development is an exploration of human behaviour. This book is a stepping-stone towards a better mutual understanding, between people of various backgrounds, be it farmers, entrepreneurs, civil society representatives, economists, etc. The contributors to this book are very diverse, but by taking up complementary roles and functions and focusing on a collective goal, they have succeeded in producing a valuable output. In this sense they have become a good example of a successful value chain themselves.

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