



Kingdom of the Netherlands



Structuring of Economic Actors' Organizations

FOR A HEALTHY AND FAVORABLE ENVIRONMENT TOWARD THE APPROPRIATE MANAGEMENT OF MARKET INFRASTRUCTURES



Consortium members





Key Message

Efficient and sustainable management of market infrastructures requires the involvement of well-structured and credible economic actors' organizations. Organizational structuring is a process that requires rigor, patience, and tact. This very iterative process facilitates learning, establishes good governance within stakeholders' organizations, and contributes to increasing their credibility and the confidence of their members. All this is part of the enhancement of the market infrastructure and of a successful mobilization of the supply of agricultural products.



Challenges

The first year of implementation of the Communal Approach for the Agricultural Market (ACMA) program first allowed the establishment of Agribusiness Clusters (ABCs) around agricultural products. Five products were initially targeted. These are palm oil, maize, cassava and its derivatives, pepper and fish. In the second year of the program's implementation, two additional products were added: peanut and soybean. In total, therefore, seven products are targeted through 41 ABCs in 19 municipalities in the departments of Ouémé, Plateau, and Zou, which are border regions with Nigeria.

In the Plateau Department, in the South-East of Benin, bordering Nigeria, several ABCs have been built around the maize sector because the agro-ecological situation of the region is favorable to this crop and because of the existence of infrastructures (maize parks) and professional agricultural organizations (producers' unions, traders' associations, etc.) working in the sector. Since 1970, maize marketing in the communes of Kétou and Pobè has been made through two maize parks; these are hangars where producers and/or traders store their maize in bags for sale on the spot.

These parks have existed for more than 40 years, with the support of the National Office of Support to Food Security (ONASA), and are managed by two associations of traders: *Abaniché L'Oluwa* (God Helps Us to Win) in Kétou and *Afèrèbè Chola* (We Have Chosen Abundance) in Pobè.



Commercial activities at the Kétou Maize Park prior to renovation



A view of Kétou Maize Park prior to renovation

In addition to these associations, Communal Unions of Producers (UCPs) try to offer maize to traders through informal contacts. In Pobè, the Communal Union of Women's Groups (UCGF) is very active in buying, storing, and selling small volumes of maize (on average 300 tons per year for about 119 women). These maize parks in Pobè and Kétou each have a storage capacity of 200 tons on average. However, the supply of mobilization by the maize traders of Kétou and Pobè is estimated at more than 300,000 tons per year¹ (2015). In 2016, 36,984 tons of maize were mobilized in the Kétou maize park² and 246.654 tons³ in Pobè. The management and storage of these large quantities of maize, however, presents serious difficulties for traders who are faced with the problems of secure space and financial resources (working capital) to buy large stocks from producers.

Thus, the construction of new shops of 1,000 tons and 2,000 tons, respectively, in Kétou and Pobè, with the co-financing of the municipalities and the ACMA program, presents new opportunities for storage and mobilization of the offer to merchants and their associations.

However, the investigations of the ACMA program team, with the associations of traders to whom the management of the warehouses must be entrusted, have revealed a situation of illegitimacy of the leaders of these associations. Elected for more than thirty years, these leaders were not ready to respect the statutory texts and to manage their associations in a democratic way, resulting in weak dynamic and functional associations. As a result, these associations had neither the skills nor the experience to manage high-capacity stores, and their various situations of illegitimacy gave rise to fears regarding the mobilization of supply among members. This situation caused, on the one hand, the demotivation of the members and, on the other hand, the dissatisfaction of the municipality, which no longer regularly and transparently collected the taxes levied by the association on the park. The immediate effects were the emergence of other small parallel associations and maize sales outside the park.

These difficulties, which were detrimental to the mobilization and management of the supply of grain maize for the benefit of the new stores, gave rise to reflections at the level of the ACMA program team. These discussions led to the implementation of a process of restructuring the two traders' associations with a view to establishing good governance within them.



Approach Implemented for the Structuring of Economic Actors' Organizations

The supply of competitive agricultural products through ABCs is a central element in the intervention strategy of the ACMA program for the improvement of the flow of commercial transactions between Benin and Nigeria. As a prelude to the management of the infrastructures, the ACMA program team, through the organization of diagnostic workshops, undertook the strengthening of the capacities of elected representatives of all professional organizations to ensure the management of Economic and Commercial Infrastructures (IEM). This accompaniment allowed the actors and their leaders to realize the irregularity of the situation of their association vis-à-vis their statutory texts and especially the requirement of legitimacy and accountability of their elected representatives. This observation led the associations to Elective General Meeting (AGE), restoring the confidence and dynamism of the members. Thus, in order to build the basics of store management of Pobè and

¹ACMA survey carried out in 2015.
²Sales register of Kétou maize park.
³Sales register of Pobè maize park.

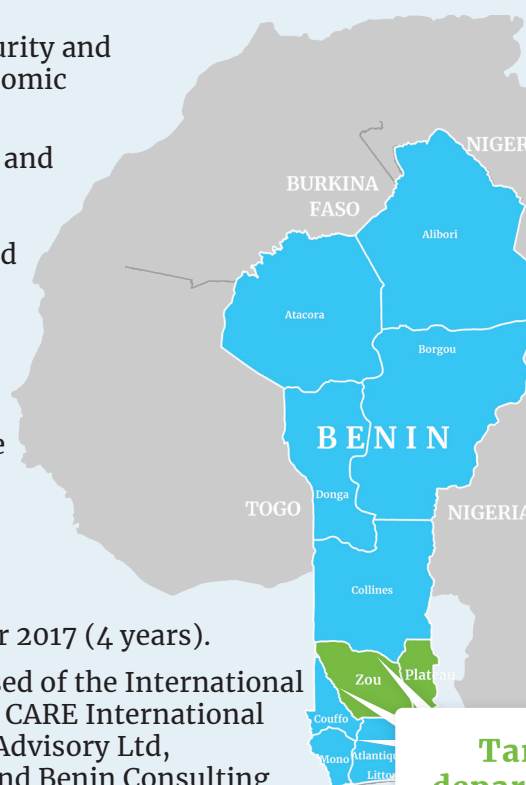


Kétou, three different groups of activities were carried out by the ABC actors as well as by the ACMA program team:

- The facilitation of participatory organizational diagnosis, which made it possible, on the one hand, to understand the functioning of the associations in terms of strengths and weaknesses and, on the other hand, to awaken the awareness of the members, particularly the leaders, about the irregularities in the functioning in relation to their statutory documents.
- The organization of the AGE which have become events in the two Communes and which have made it possible to reread, update, share on a large scale, the fundamental texts of the associations and to elect in a democratic way the leaders of the management bodies (Board of Directors (CA), Executive Board (BE), Supervisory Committee (CS).
- The establishment of the association's management bodies in a participatory manner based on the proposals of the various stakeholders.

Box 1 | The ACMA Program (2013-2017)

- Overall objective: to improve food security and increase agricultural incomes for economic operators.
- Target groups: producers, processors, and traders, including 40% women, in the 22 communes of three departments bordering Nigeria: Ouémé, Plateau, and Zou.
- Target products: maize, pepper, peanut, soybean, cassava, palm nuts, palm oil, and fish.
- Donor: Embassy of the Kingdom of the Netherlands in Benin.
- Overall Budget: €10 million, of which 40% is for commercial infrastructure under municipal control.
- Duration: November 2013 to November 2017 (4 years).
- Implemented by a consortium composed of the International Fertilizer Development Center (IFDC), CARE International Benin/Togo, Sahel Capital Partners & Advisory Ltd, l'Institut Royal des Tropiques (KIT), and Benin Consulting Group International (BeCG). IFDC leads this consortium.





Participatory Organizational Diagnosis

A first training workshop on the topic “Management and governance of stakeholder organizations” has been organized for the benefit of three professional organizations: the Communal Union of Oil Palm Producers (UCPPH) of Adjohoun, and the associations of traders Afèrèbé Chola and Abaniché l’Oluwa. This capacity-building workshop held in December 2016 was accompanied by a roadmap asking, among other things, the trained elected representatives to return the training to the members of their associations and to commit themselves at the end of the workshop to respect their statutory texts. Monitoring missions on the implementation of this roadmap, organized by the ACMA program team, revealed that:

- Only the UCPPH of Adjohoun has proceeded spontaneously to the restitution and the renewal of the operating organs through a general meeting.
- At the level of the Communes of Kétou and Pobè, nothing had been done.

In view of this, the ACMA program team strongly recommended, to no avail, that the associations of the traders of Kétou and Pobè implement the roadmap. These follow-up missions revealed the fragility of the associations concerned and the overflow risk, which could ultimately be detrimental to the management of the store. All these observations have served as a lever to readjust the actions and support to be provided to improve governance within associations. Thus, a workshop was organized for each commune, workshops in which the leaders of the offices of the associations as well as the communal advisers participated. At the end of these workshops, the strengths and weaknesses of the associations were highlighted by the members themselves in relation to what they had planned in their statutory texts. These workshops also highlighted the illegitimate situation of leaders who have never been elected but co-opted by the founding members of the association for more than 30 years. It was also revealed that the statutory texts are not respected, especially with regard to management accountability, the organization of statutory meetings, and the procedures for the renewal of bodies. These dysfunctions, noted by the leaders themselves after reading their statutory texts, have highlighted the fragility of the associations and made it possible to understand the attitude of some members who oppose the payment of marketing costs and prefer to sell their products outside the maize parks.

In Pobè, for example, it was found that the president of the association played both the role of President (takes decisions), secretary (keeps all the association’s documents), and treasurer (manages the association’s accounts alone), thus becoming the only manager of the association. The other persons co-opted into the office played no significant role. Some said, on the sidelines of the workshops, that they were aware of the situation, but preferred to remain silent and not express their point of view, for fear of mystical reprisals that could harm their business and their lives.

The workshop also made it possible to realize that the municipal councilors are also aware of the dysfunctions within the association but did not decide to accompany the restructuring of the association for fear of indirectly undermining their electoral bases.

Consultations between the municipal councilors and the ACMA team were then undertaken to define the strategy to be put in place to achieve a restructuring without causing frustrations within the association. These consultations made it possible to propose, during the workshop, the elaboration of a roadmap that includes among other things, the rereading of fundamental texts with the support of agents of the Communal Sector of Agricultural Development (SCDA), the organization of an AGE and the elaboration of an action plan for the newly elected. In addition, a



multi-stakeholder committee has been established to implement the road map. This multi-actor committee is composed mainly of representatives of the association and some representatives of the municipality and the ACMA program. At the decision of the workshop, the Vice-chair was appointed to chair the committee.

In Kétou, the workshop made it possible to highlight the concentration of all the management functions of the association in the hands of a few of the office's scholars, including the secretary-general, who is the most literate of the group. As a result, many actions and representations were made on behalf of the association without the support of the bureau and its president. This situation, nurtured by the literate members of the bureau who felt that the illiterate were slow in understanding and taking decisions, led to a crisis of confidence among the members and the creation of two antagonistic groups. We were also shown the impact of culture on development. "You can't appoint a leader without consulting the Fa⁴," said Rémy Hounwanou in his book *Le Fa une Géomancie Divinatoire du Golfe du Bénin (Pratique et Technique)*. The choice of the elected representatives of the associations must be integrated in this cultural practice to choose the elected representatives of the associations; otherwise deaths could occur. "The Fa must necessarily decide on the beneficial or malefic nature of...; and in the last resort, it is its opinion that is listened to and followed up."

In the light of this information and findings, the municipal councilors and the leaders of the associations have understood the need to carry out profound reforms within the associations in order to establish a better governance without which the confidence of the members cannot be obtained.

Box 2 | Organizational Diagnosis

The organizational diagnosis had the advantage of making the actors and especially the local elected representatives aware of the issues related to the management of a large-capacity infrastructure; issues incompatible with the functioning of associations at this stage. They also revealed the weakness of the associations whose leaders were no longer in a position of legitimacy; this weakness could hamper the mobilization of supply, which cannot be successful with existing disagreements and conflicts, nor by the small group of leaders active in the maize parks. With the necessity of having the adhesion of all the members, it became obvious to lead these trade associations towards democratic and credible elections.

The Organization of AGEs

The organization of AGE required several meetings with the members of the multi-stakeholder committee, which was extended to all members of the associations wishing to have information on the progress of the process. An average of five meetings were facilitated by the ACMA program. Twelve other meetings were organized on the initiative of committee members. These meetings offered frameworks for exchanges for the proofreading of texts, bringing out the list of members of the associations, identifying the delegates to the AGE, doing all the logistical preparation (place

⁴The Fa is a divinatory geomancy used by the people of Benin in order to learn about their future, or before taking an important decision

⁵The Fa, a Divinatory Geomancy of the Gulf of Benin (Practical and Technical) by Rémy Hounwanou.



of AGE, date, security arrangements, care of participants during AGE, etc.). These meetings also made it possible to realize that:

- The texts do not comply with the new cooperative laws (OHADA law).
- Most members are co-opted or paired with founding members and have never paid membership fees.
- The list of actors can be found in scattered registers.
- The absence of minutes of meetings and accounting documents and records makes it difficult to prepare the technical and financial reports to be submitted to the AGE.
- Membership fees are set arbitrarily to exclude small stakeholders and force them to go through the largest stakeholders before joining the association.
- The incorporation in their statutes of the presence of members of the association called “apprentices” who can obtain the status of member only after having served a founding member of the association for at least three years.

These findings led to a number of precautions being taken to ensure the smooth running of the AGE and to avoid possible disturbances and disputes over the results such as:

- The co-signature of the list of delegates by a representative of the actors (member of the preparatory committee for the AGE), a representative of the municipality and a representative of the ACMA team.
- Preparation and distribution by the association of letters of invitation to delegates.
- The requirement for delegates to bring identification and invitation letters on AGE day.
- Mobilization of the police and gendarmerie to secure the premises.
- The recruitment and provision by ACMA of neutral resource persons to facilitate the AGE.

All these arrangements made it possible to bring only the delegates into the room, despite the presence of a large number of members of the associations wishing to take part in the meeting. The meetings were thus able to proceed peacefully; all delegates were present and participated actively in the work, namely: approval of the reports, validation of the statutory texts and elections of the members of the various bodies.

The validation of the texts has given rise to major discussions, above all in terms of membership rights and criteria for membership and eligibility of members. These discussions enabled the small players to influence the amount of membership rights, which went from 150,000 CFA francs to 30,000 CFA francs, to Pobè 30,000 CFA francs, also adopted by Kétou, to abolish the status of apprentice member and to insist on the importance for presidential candidates to be literate.

The strong mobilization (see photos of AGE of Kétou and Pobè) of the members of the traders' associations showed their interest in this democratic process and their confidence in the whole process of restructuring their associations. It is also worth mentioning the remarkable presence of members of other associations of the Commune who have perceived the importance of this process.

cost of transporting nuts to producers. These experiments made it possible to identify marketing constraints to Nigeria and to apply practical solutions to address them. In doing so, it has facilitated learning as well as the gradual development of a business relationship.



Box 3 | Testimony of an Elected Local Representative of Pobè

A local elected representative from Pobè was very pleased with the event and stressed that no such General Meeting has ever been held in the Commune before and that the process of restructuring the Association Afèrèbè Chola should serve as an example for the other associations of the Commune.



AGE of Pobè



AGE of Kétou



Establishment of Store Management Bodies in a Participatory Manner

Since the store is a communal heritage, it was important for the ACMA program team that the actors of the maize ABCs understand the concept of “communal heritage.” To ensure this, meetings were organized with the various actors (municipality, producers, women’s groups, and retailers) to remind them of this concept and collect their perception of the management of the store.

These meetings were important because they showed that producers, for example, considered that producers had built the store solely for use. The merchants explained their vision of the use of the store, which varies according to the harvest season. They stated that the space of the store could be shared with the producers for the harvest of the small season. At the municipality, it was recalled the importance of proceeding to the transfer of service between the old and new office of the association as well as to the signing of a contract between the municipality and the association.

As a result of these meetings, it was agreed that responsibility for the store should be transferred to the *Afèbè Chola Traders’ association in Pobè* and the *Abaniché L’oluwa Traders’ association in Kétou*, and that in both situations this responsibility should be shared with the other players in the ABCs. The sharing of this responsibility is reflected in the presence of the various players in the store management committees. New meetings organized by the ACMA team with stakeholders have helped to define the constitution of these committees, to name explicitly the people who will sit on them, and to ensure that everyone has a proper understanding of the functioning and role of these committees. This enabled the actors to set up in harmony the steering and management committees of the stores.





Results

All these meetings held and the work done in close collaboration with the actors had the merit of:

- Consolidating these organizations and giving them tools for an efficient and sustainable management of the stores entrusted to their management.
- Renewing the confidence of members in their associations. This explains now the strong mobilization of the members during the activities initiated by the offices of their associations.
- Making members aware of the importance of the organization's statutory texts, which allows them to have a more informed view of the management of their elected representatives.
- Facilitating, through the management committees of their store, the exploration of new advantageous ways of marketing for all actors, traders, producers, members of women's groups or municipality.
- Facilitating a better collaboration between the town councilor, traders, and producers, including the Communal Union of Women's Groups (UCGF)⁶. For example, a space is reserved for producers and women's groups at the store level to participate in warrantage, and the municipality can more easily recover the taxes it needs for the development of the commune.
- Facilitating the regular organization of statutory meetings.
- Energizing the regular reporting of the activities of the executive board to the Board of Directors and members.
- Encouraging the opening of bank accounts and the issuing of tickets to collect taxes.
- The returning to the park of the traders who sold outside the park. This return has led to an increase in the quantities of maize mobilized in the park.
- The recording by the Executive Board of monthly product and financial flows on the park.
- Contributing to the mastery of their roles and responsibilities by the members of the new bodies elected through capacity building.
- Facilitating the preparation of strategy documents and developing management tools related to good governance for the benefit of the association's organs.
- Accompanying the management committees of the store in the first experiences of marketing and organization of General Assembly of account of marketing activities.
- Developing management tools for the benefit of management committees.
- Preparing actors and organizations of actors to withdraw ACMA interventions by strengthening their capacities for professionalization and empowerment.



Lessons Learned

- The restructuring of traders' associations can be successful if the main interested parties are committed to it and understand its importance.

⁶Communal Union of Women's Groups.



- The confidence and support of the majority of the members of the associations to be restructured is an important lever for the success of the process.
- The success of a process of restructuring a professional agricultural organization requires the following conditions:
 - A very good knowledge of the social, cultural and economic context of the actors and the related issues.
 - The availability of actors and their openness to change.
 - The creation of informal exchanges between the facilitators of the process and the various stakeholders, in particular the members of the associations involved in the restructuring. This makes it possible to become aware of certain problems, sensitivities and unsaid which, if not taken into account, would have a negative impact on the results of the process.
- The facilitation of organizational diagnostic workshops and AGE by neutral resource persons (neither stakeholders nor facilitators of the process) is a preferred option to avoid endorsing reforms made to one of the facilitating institutions.
- The facilitator must have confidence in the capacity of the actors themselves to lead the restructuring process, be flexible and be able to take into account both texts and cultural beliefs in order to avoid a breakdown in the process.
- The process is long and iterative. As such, the facilitator needs to listen to stakeholders and be available to accompany them. It should provide opportunities for formal and informal exchanges of views among stakeholders.
- The facilitator needs to have a good capacity to analyze the informal and formal information he receives, to be discreet and attentive to the actions and words of the stakeholders in order to avoid falling into the political traps that would severely damage the process.
- The opportunity for all members of the association to participate in AGE preparatory activities is a strategy that enhances member confidence in the facilitation team, soothes inter-group conflicts and contributes to the success of the AGE.
- The various categories of players active in the ABCs are developing informal business relationships with a view to satisfying the demand of national and sub-regional markets (Nigeria in this case).

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financed by the Embassy of the Netherlands and implemented by a consortium of five institutions - International Fertilizer Development Center (IFDC - Lead Partner), the Royal Tropical Institute (KIT), CARE International, Sahel Capital Partners & Advisory Ltd, and Benin Consulting Group International (BeCG). It has been developed (from november 2013 to 31 december 2017) in three Nigerian border departments with high agricultural potential - Ouémé, Plateau and Zou through seven value chains (VC) initially: palm oil, maize, gari, chilli and fish, then peanuts and soya. The overall objective of the ACMA programme is "the improvement of food security and the increase of agricultural incomes of the direct actors".

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