



Building Local Networks for Integrated Agribusiness Development

Learning Module Series

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This learning module series is based on ICRA's 30+ years of knowledge and expertise on functional capacity strengthening in agriculture and is produced by ICRA within the framework of the 2SCALE programme during 2012–2017. 2SCALE – "Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship" – is implemented by a consortium of IFDC, BoPinc and ICRA and funded by the Dutch government (www.2scale.org).

ICRA – Netherlands and Central Office
P.O. Box 578 – 6700 AN Wageningen
The Netherlands
Tel. (31) (0)317 422 938
e-mail: info@icra-edu.org,
<http://www.icra-edu.org>

ICRA – France Office
1101 Avenue Agropolis – BP 5098
34093 Montpellier CX5 - France
Tél. (33) (0) 467 612 660
icra-Montpellier@icra-edu.org,
<http://www.icra-edu.org>

ABN AMRO Bank
IBAN NL14ABNA0539227188
Swift/BIC ABNANL2A
VAT: NL805030347B01
KvK : 41048530

Module 2: Building Business Relationships

Foreword

This module is on how to building good business relationships between key actors within the Agribusiness Cluster (ABC), and between ABC actors and actors outside the cluster. This module emphasises the importance of building well-balanced business relationships and elaborates on the key roles to be played by coaches and different actors of the clusters, in particular the ‘champions’¹. Crucial to the success of an ABC is to agree on each actor’s position in view of constructing balanced relations within and outside the ABC.

It must be noted that this module can only provide an introduction into the complex world of building business relationships and issues related to trust building, brokering, networking, contracting, etc. To delve more deeply into specific capacity strengthening activities, adapted to specific questions and challenges coming from the field requires following this module up with Module 3, Brokering in value chain partnerships. The materials presented in this module are quite extensive. In practice, it is probably not possible to accommodate all of the sections within a 2.5-day workshop. The facilitator-mentors are therefore requested to select the most relevant parts and to adapt the programme according to the group of participants and the critical issues they face in their context.

About this module

Learning objectives

At the end of the workshop, participants will be able to:

- Value the types of support that ABCs might need in terms of: coordination, competition, collective action, partnership building, networking, brokering
- Understand relevant domains of coordination and competition within the ABCs and beyond
- Identify options for improved coordination and dealing with competition within the ABCs
- Facilitate new forms of coordination and/or fair competition within the ABCs and/or support relevant partners in doing so

Proposed outline of the sessions

The workshop comprises 7 sessions that successively explore the different aspects of business relationships. Session 1 aims at making the participants aware that relationships are always complex, because they are linked to personal behaviour and group dynamics, even in a business context. Session 2 reviews the concepts of competitive playing fields and coordination, which has been briefly introduced in Module 1. Session 3 elaborates on coordination and organisation, and is mainly focused on farmer organisations (FO) that are

¹ The champion is generally the person who launched the business idea and who took the lead in bringing other value chain actors together to set-up an agribusiness cluster.

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often a critical actor in ABCs. Session 4 is about how to build and sustain partnerships. Session 5 introduces the vast domain of contractualisation. Session 6 elaborates on the concepts of networking and brokering and looks at the needs for support within the ABC in these domains. Session 7 aims at preparing the field work and developing the terms of reference for field coaching and lastly, Session 8 concludes with the evaluation of the workshop.

Please note that the time indications in the table below are not set in stone. Depending on the context, it might take more or less time.

Session title	Session activity	Time involved
Session 0: Introduction to the workshop	Introductory exercises	1-2 hours, depending on whether it is the first time the group meets
Session 1: Sensitisation on concepts of competition & coordination	Round & Discussion on opinions about relationships A and B Video + Group Exercise 1 : Game to introduce competition & coordination Plenary reflection on concepts of competition & coordination If enough time: Play the game again Plenary conclusion	2.5 – 3 hours
Session 2: Different types of relationships	View Video Craving for credible cream : Part 1 (10 min) Plenary exercise: Mapping different types of relationships & take a Gender perspective Group Exercise 2 : Identify different types of relationships View Video Craving for credible cream : Part 2 (29 min) Making a matrix Introduction & Group exercise on Competition playing fields Plenary exercise: Strategies of empowerment	3.5 hours
Session 3: From individual actors to organisations Case of FOs	Introduction on Analysis of own experiences Group Exercise 3 Plenary presentation & Synthesis Introduction to What makes FOs efficient? Brainstorm & Conclusion with PPT presentation Introduction on Empowering FOs Discussion & Conclusion with PPT presentation Introduction, round and conclusion Comparing FOs with other actor organisations	3 hours
Session 4: Partnership	Individual reading & plenary discussion on Criteria for success partnership Plenary discussion on Conflicts in partnership Group Exercise 4 : Part 1 Tigernut partner fair Plenary discussion & presentation Final group exercise (Part 2 of Exercise 4)	2.5 hours

Session 5: Contracting issues	Plenary introduction: PPT presentation Plenary exchange of Contract stories Plenary round	2 hours
Session 6: Networking/ brokering	Plenary introduction and reading on Brokering roles Group (in pairs) Exercise 5: Brokering and Networking Plenary conclusion	3 hours
Session 7: Preparation of the TOR for field coaching	Plenary discussion reviewing the sessions Individual work: Preparing TORs Group work to discuss Plenary wrap-up	3 hours
Session 8: Workshop assessment	Different assessment exercises	1 hour



Session 0: Introduction to the workshop**Introduction**

The length of the introductory session depends on whether the participants and facilitator already know each other or not from previous modules. If this is the case, this introduction can be limited to some initial review of the participants understanding of the topic, their expectations and worries, and agreement on the workshop objectives and programme.

Learning objectives

At the end of the session the participants will be able to:

- Comprehend each other's knowledge on the importance of building business relationships
- Understand the workshop objectives and relevance of the sessions

Procedure**List of tools/equipment required**

- Flip chart, markers
 - Coloured cards for expectations and worries
 - Sticky tack
1. **Round of introductions:** If necessary, ask participants to introduce themselves, the institution they are working for (Lead firm...), and the cluster(s) they are supporting. Note all information down on a flipchart on the wall (visible for all).
 2. **Some experiences in relationship building:** Ask some of the participants to tell a personal story about a professional relationship he has with one of his colleagues; how it started and how it evolved; if there have ever been some issues that brought them into conflict and how they have solved this.
 3. **Participants brainstorm on expectations and worries:** Ask participants to write down their expectations and worries on coloured cards; use green cards for expectations and red for worries. Summarise and group these expectations and worries and hang them out on a flip chart on the wall so they can be seen during the whole workshop.
 4. **Facilitator-mentor explains objectives and programme sessions of the workshop:** Briefly introduce concepts and actions on coordination, competition, collective action, partnership building, networking, brokering.
 5. **Reflection Diary:** Introduce the idea of keeping a reflection diary in which each participant writes down his/her reflections of the day using a standard format, indication what was done, interesting, important and applicable (see general introduction; Annex 1).



Session 1: Sensitisation on concepts of competition & coordination**Introduction**

Relationships are rarely objective. They are often very personal and subject to intimate perceptions and experiences. It will therefore be useful in this session to 'open the box' and so make explicit certain implicit assumptions that we (the participants and facilitator) consider as self-evident, or to consider expressions that they use daily. This session also questions positive or negative feelings that we might have about competitive and coordinating dimensions of (business) relationships.

Learning objectives

At the end of the session, the participants will be able to:

- Understand the concept 'win-win', within the framework of agribusiness
- Appreciate the importance of information to make decisions
- Understand what is behind transparency
- Relate their initial understanding of the balance between coordination and competition

Procedure**List of tools/equipment required**

- Cards (at least 6 per participant – ensure there are two colours e.g. red and green), markers
- Pins or tape, and Pin board
- Laptop or video player with speakers
- Educational video on USB: The A B game (see also web link)

Step 1: Making a round of opinions about business relationships

Start with a short introduction related to the objectives of the session. Then organise a Round of opinions, as follows:

1. **Brainstorm on cards:** Ask the participants to individually write down on cards 2 topics or brief questions which they see as being linked to or relevant to business relationships.

Plenary presentation and discussion: Ask them to present their cards, without repeating what other participants present. Summarise some common traits coming out of the topics/questions: positive vs. negative topics, objective and more subjective (feelings-

Advice for the facilitator

Try to group the cards as much as possible in relation to the outline of the workshop (this means taking into account the different sessions), then keep this as a basis for review later whether all questions raised have been addressed adequately.

If the participants are familiar with a gender approach, it may be interesting at this stage to identify and mark (using coloured stickers, or writing directly on the cards) potentially 'gender related' topics or questions. Or if this is not the case, it will be good to ask 'gender' questions in terms of WHO is involved (men or women) and whether there is a gender difference in relationships?

related) expressions, etc.

Step 2: Playing a game to introduce concepts of competition and coordination

1. **Plenary introduction of the game:** Introduce **Exercise 1**, and explain that this game will allow the participants to understand the concept of competition and coordination in business and witness the dilemma of trusting each other and having both an optimal results, or avoiding the risk and go for the safer but lower results.
First ask the participants to split the group into 2 teams: Team A and Team B. In case of a mixed group, a team men and a team of women can be formed.
Explain that the objective of each team is to earn a maximum number of points by choosing among blue and red cards. Teams A and B have the same goal.
2. **Play the A and B game**
 - Show **part 1 of the video: The A-B game**
 - Have the participants 'play' 4 initial rounds. No communication is allowed between the 2 teams. You have some time to decide as a team, the colour of the card you will choose and by the clap of the hand of the facilitator you will show the card you have chosen, and you will mark the scores; make sure the points recorded are not seen by the groups.
 - Show **part 3 of the video: The A-B game**
 - Only prior to the start of round 5, the 2 teams are given 3 minutes to 'rethink' about a possible change in strategy so to obtain a higher number of points'.
 - Each team sends out a representative to exchange about the new strategy and possibly come to a compromise; then the 2 representatives return to their respective teams.
 - The representatives feedback about the discussion with the other representative and the teams decide on the coloured card they will show in round 5; game continues with 3 additional rounds.
 - Present the final scores and ask the participants how and what they felt during the game.
 - Show **part 5 of the video: The A-B game**

Advice for the facilitator to ask questions to orient the discussion

- Did the teams play (exchange, negotiate/decide) 'against' each other, did they care about the other and/or were they only 'concerned' about their own team. Why?
- Did the teams go for blue instead of red, which would have given a higher score? Why did they go for blue and not for red; what was their strategy? Risk avoidance, risk taking, mis-trust or trust?
- Did they change the choice of colour during the first 4 rounds; if so what was the reason? What did the teams do after the 4th round, when some negotiation time was given to them? How did this negotiation work out? Did it allow the teams to agree and trust each other so they would both go for the red colour and obtain the higher score?
- Did they actually do what the representatives agreed upon? Was the trust of maintained during the following rounds?
- Did the teams arrive at a win-win or loose-loose situation, or was there one team winning and the other loosing? How did it happen?
- Discuss about the 'long road' to build trust, how 'fragile' trust is and how easily it can be broken.

3. **Plenary reflection through a brainstorm:** Ask participants to reflect on what might change when competition comes on board:
What could introduce 'competition' in the game? Ask participants to identify different forms of competition or to change the rules of the game and to be in a competition for the same resources; in other words, 'share the cake'.

Advice for the facilitator to orient the brainstorm

- Ask the participants to be as precise as possible on what forms of 'competition' could be introduced to the game. What is likely to be mentioned by the teams is: 'The one who gets the most points is the winner'.
- Try to find out, however, whether other types of 'competition' are also relevant, e.g. 'the winner is the one with the fewest points'; 'the winner has at least ... points more (or less)'; 'the winner is the quickest to make decisions'; 'the winner has better anticipated the decision of the other';or other ways of 'doing things differently' that made the team more 'unique' and thereby competitive.
- Make clear that the competitive playing fields are not always where you think they are and that it is always worthwhile to make clear what the 'rules' of the game are.

4. **If time allows, play the game again** with new rules of the game and so with one of the specific 'competitive objectives'.
5. **Plenary conclusion:** Ask the participants to exchange on their initial 'feelings' about competition and coordination.
- Give four cards to each participant – two green and two red.
 - Ask each participant to write down 1 word per card to express how they feel about Coordination, and 1 word per card about Competition. Green cards represent positive feelings, red cards negative ones.
 - Post the cards on the pin board, grouping red and green cards and classifying coordination and competition.

- Discuss the cards and summarise the feelings of the group.

Advice for the facilitator to orient the concluding exchange

- Ask to the participants to comment on the organisation of green and red cards in terms of competition and coordination. Compare the cards. If one of the colours appears as a 'hot spot' or if some cards are very different or contradictory, ask people who wrote these cards to explain on what experience they base their opinion. (Stress that there is no right or wrong answer).
- Be aware that, in the 'development world' (and especially among NGOs), people often have a negative perception of 'competition' and mainly see the advantages of 'coordination' and collective action, considering that actors of one group (e.g. farmers) have the same interests. If this is the case for one or more people in the group, it is important to have this surface, at this stage.
- It will then be easier to go back to question and discuss it at a later stage.



Session 2: Different types of relationships**Introduction**

The concept of 'cluster' is based on relationships, and the world we live in is a world of relations. These relations can be positive or negative, fruitful or sterile... The challenge for ABC stakeholders (and thus for coaches) is to get a clear picture of who is linked to whom, why, and what interests or stakes exist between them. Only then can the coaches be able to position themselves properly in the power game and to determine what work has to be done to modify, sustain, or improve any relationships, if needed.

Learning objectives

At the end of this session the participants will be able to:

- Identify and value coordination within ABCs and focus on competitive playing fields as the centre of ABCs' attention
- Demystify the concepts of competition (which may be good) and coordination (which is not always necessary or relevant)
- Determine the conditions that are required for fair and fruitful competition
- Identify relevant options for improved coordination and the different pathways and means required for collective action (which is a specific form of coordination)

Procedure**List of tools/equipment required**

- Prepare by reviewing how to make a VC map from Module 1.
- Laptop or video player with speakers
- Educational video on USB: Part 1 (10 minutes) and Part 2 (29 minutes) of 'Craving for credible cream' on the Dairy Development PPP in Nigeria (see also web link)
- Flip chart paper, markers

Plenary introduction: Shortly introduce the session by presenting the learning objectives and explaining the 4 steps of the session.

Step 1: Mapping relationships in a Value chain

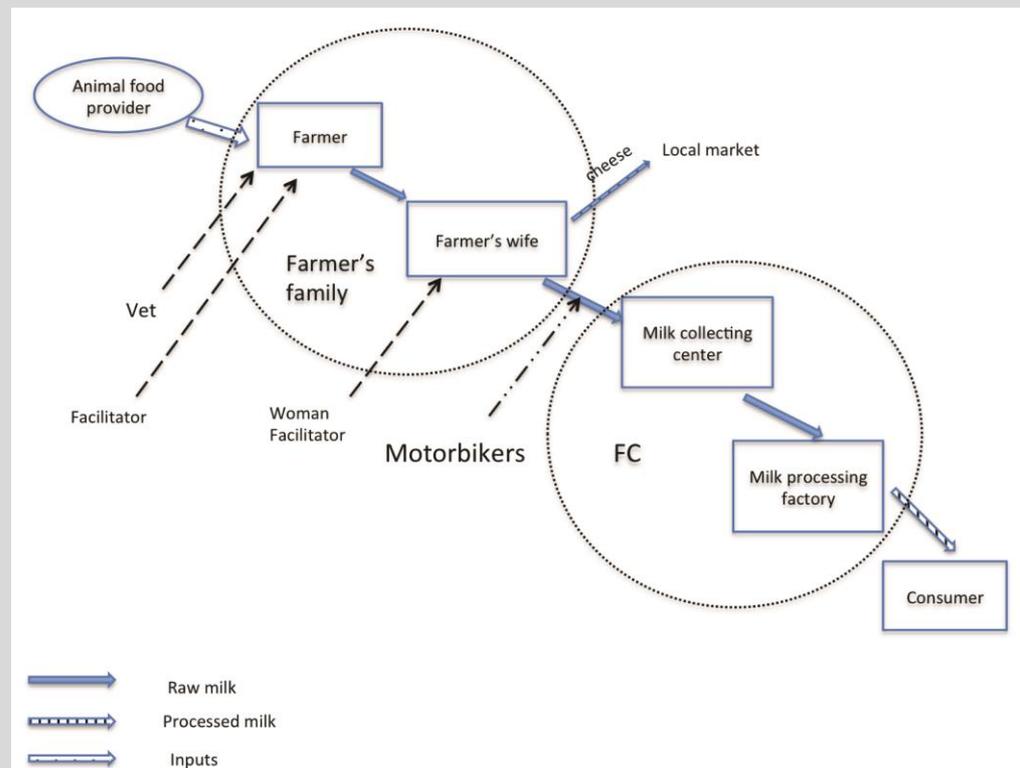
1. **View** with participants **the video 'Craving for Credible Cream' (Part 1)** on developing a Dairy value chain in Nigeria.
2. **Plenary exercise:** Following the viewing, while asking participants to help identifying the stakeholders mentioned in the video, make a rapid VC/ABC map, using techniques and symbols as presented in Module 1 (Introduction to local networking and empowerment). Make sure to clearly demarcate the VC and ABC actors and possible actors 'outside' the ABC. The idea at this stage is not to develop a very detailed map, nor to discuss the

relationships in depth but to get a simple framework to support the following reflection. (See box below).

Advice for the facilitator: the VC/ ABC map

If the participants are already familiar with VC mapping (Introduction to case module), one of them can be asked to facilitate this step.

The drawing could look like this:



3. **Still in Plenary**, take time to look at the map from a **gender perspective**. This is a plenary discussion addressing the following questions:
 - Are there any women apparent in the map? Where? What do they do?
 - Are all categories of women seen in the video also present in the map?
 - If not, where are they missing? Would it be relevant or useful to make them (or a part of them) visible?
 - What would it change (in terms of support to provide, Capacity strengthening)?

Step 2: Identify different types of relationships

1. **Plenary introduction:** Explain that participants will now go on to identify different types of relationships in **Exercise 2**. Use the symbolised map to introduce and identify the following types of relationships:
 - Between ABC actors and non-ABC actors (so outside the ABC)
 - Between the ABC actors or actor groups (so inside the ABC)

- Between members of actor groups (so within actor groups of the ABC)
2. **View video:** To provide additional and more comprehensive information, show **Part 2 of the video Craving for Credible Cream** to the participants, to help classify the different types of relations in terms of competition and coordination.
 3. **Group exercise:** For each relationship, have the groups specify whether there is competition or coordination – see Exercise 2 for details.
 4. **Groups meet two-by-two:** Have the groups meet two-by-two, to present and exchange their findings. The idea is to commonly agree and make a commonly agreed table/matrix. Intervene and support the process where required. Make a final matrix/table from joining those of the 2 groups.
 5. **Plenary presentation & wrap-up:** Ask a representative to present this final matrix, and follow it up by a short wrap-up on Competition and Coordination - and the balance between the two concepts.

Advice for the facilitator to help guide the analysis

- The group work will be based on the analysis of what is at stake in the different relations that were identified in the previous stage. What are actors already competing for, or, what may become an object of competition? What are they coordinating for and how does it work? Can a currently shared resource become an object of competition, and why?

Examples of possible relations to work on and tracks for discussion

- Men-Women relations within families – Coordination and competition: sharing of tasks and money; men own the cows, women own the milk; men are in touch with the company and discuss the prices; men attend the trainings.
- Between milk producers – Coordination issue: question of quality of the milk (bulking in the same can so, if someone is not following hygienic procedures properly, everybody will lose)
- Farmers - motor bikers – Coordination, necessity of trust, issue of contracting: If milk is not accepted by the milk collection center e.g. because of hygienic reasons, they will not get paid by the MCC
- Between motor bikers – Competition???
- Farmers- Input providers (feed supplement providers) – Competition for quality/prices ratios, room for coordination (contracting)
- Farmers- government - Coordination: need good roads, water and collection points in place
- Farmers – FC Wamco - Coordination: training in order to get good quality milk (providing good quality water for the same purpose and also to gain interest of farmers); Competition: discussion on price for raw milk

Etc.

Step 3: Competitive playing fields

1. **Plenary explanation by facilitator:** Explain that identifying competitive playing fields is critical to finding market opportunities but also to avoid misunderstanding of or misevaluating the power balance in negotiations. For example, if you would consider, as evident, that all farmers are one group, meaning that they always join forces and are, by definition, willing to work together, you may not even take into account that there is competition for land or labour at certain periods, which may influence costs of production, and thus affect profitability and competitiveness. For instance, it is often relevant to distinguish at least male and female farmers. Competition has to be considered in terms of competition for market (which people think about first), but also in terms of competition for resources (natural resources, labour, funding, etc.), for services.

Getting a clear picture of where competition is really at play within the ABC, or between the ABC and external actors, is essential for the cluster actors. Once this picture of competition is clear, the business can focus on the 'real' and 'relevant' competitive playing fields, and thereby avoid to spend time and energy on aspects of the cluster that are of secondary importance. Focusing on and prioritising relevant competitive playing fields are the basis for identifying room for innovation that aims at improving the competitiveness, for concentrating efforts to potentially empower different categories of actors in view of reaching balanced, inclusive and fruitful relationships.

2. **Group exercise:** To illustrate what precisely the competitive playing fields are, try the following exercise:
 - In the completed matrix/table showing the VC relationships, highlight the relations that have been marked as 'competition'.
 - Then split participants again into three to four groups. Ask each group to develop short scenarios (imaginary stories on one of the following topics – Note that at least one of the stories must include a gender dimension):
 - A case where the current competition would evolve (positively or negatively): describe the change, the consequences for the ABC in general, for the concerned groups of actors;
 - A case where a new competition field appears; here again describe the change, the consequences for the ABC in general, for the concerned groups of actors.

Advice for the facilitator

The imaginary scenarios for the future could be for example:

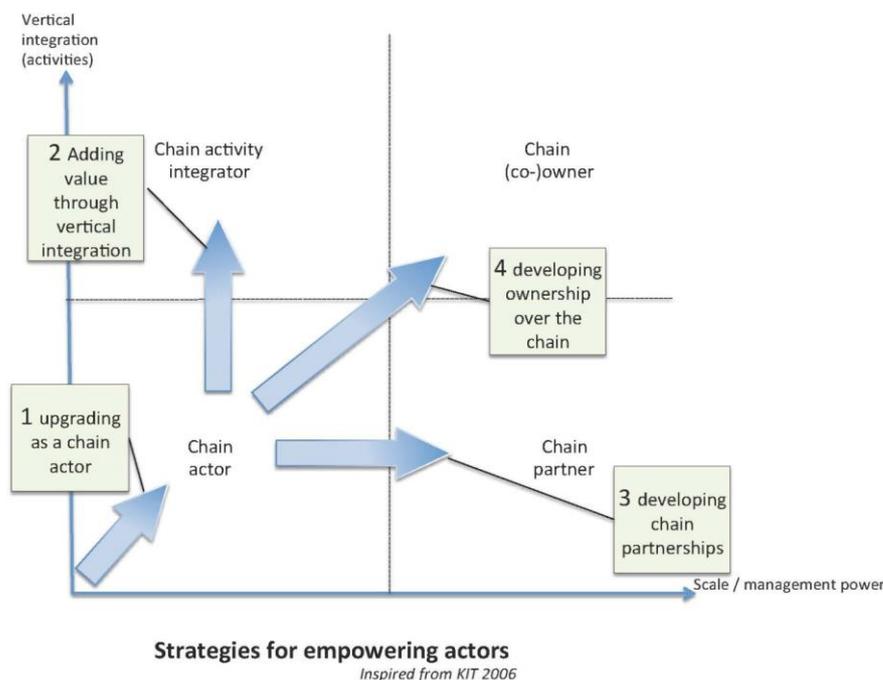
- Competition within the family with women who would prefer to concentrate on cheese production and the men who want the FCW partnership.
- Development of competition for pasture with transhumant herds (or for land with crop farmers), which might stimulate forage cropping
- Consequences in long term unfair competition: certain actors decide to drop out, or disappear (because of business failure),
- Installation of an NGO promoting processing to a new type of cheese and facilitating access to a new market with higher prices than those proposed by FCW

3. **Plenary conclusion:** conclude this session by explaining that for an ABC to be sustainable, the relationships have to be balanced (fair competition, efficient coordination). This

means that the different categories of actors (including women and other less powerful actors) are and feel 'correctly' treated, getting a fair return on their investment in the VC.

Step 4: Strategies for empowerment and balancing relationships

1. **Plenary explanation:** Explain that for the relationships to be balanced, the different actors have to be strong enough to be sure their interests are heard/met. Note that this often implies the need for empowering certain actor groups. Ask the participants to list different means and options for empowerment.
2. **Plenary exercise:** To illustrate the different strategic directions for empowerment, show the following graph and ask the participants to comment on it, section by section, starting by section 1. Support them in their reasoning where needed.



Start from the chain actor, and ask the question: how to empower this chain actor?

- First, this actor can improve on what they are already doing (i.e. improving the quality of the product or lowering its costs) which will lead to upgrading the chain actor (sector 1);
- They can also add value to the product by insuring other functions in the value chain, (e.g. packaging and marketing the product that they before only processed, or processing the raw product if they are a producer). This is '**vertical integration**' (moving to sector 2) ;
- Another way is to improve the management power of the actor, i.e., their weight in decision-making along the value chain. This often comes from the volume the actor deals with (a miller who processes 60% of the rice in a given VC is certainly more powerful than a small one who is dealing with 5%; the same is true for a group of farmers that is able to address the full demand of a wholesaler, in comparison to individual farmers). To contribute really to empowerment, this 'scaling up' needs to rely on sustainable arrangements (so developing '**horizontal linkages**' through partnerships) (moving to sector 3).
- Last, the most powerful actors are those that have a relatively important weight (and say)

in the VC and master a (more or less) large part of the operations along the VC at the same time; we may call them the chain co-owners (moving to sector 4).

We can thus consider two axes in the graph: one corresponding to vertical integration, and a horizontal one to manage power (linked to the scale/ weight of the actor, and/or horizontal linkages developed by this actor).

Advice for the facilitator

Rather than using the slide, you can also draw the picture on flip chart paper or a white/chalkboard if you feel comfortable.

In addition to the examples proposed above, you can also use local references, or ask the participants to come with their own examples of VC relationships.

Additional reading

- Reference sheet M2/1: Chain empowerment [From ***Making value chains work better for the poor: A tool book for practitioners of value chains analysis***]



Session 3: From individual actors to organisations: the case of farmer organisations (FOs)

Introduction

In the previous session, we saw that one way of empowering an actor may be to give them more weight and say (thus getting more produce by involving more farmers, for example) or to organise individual actors into an association or group, to increase their power in management of the chain. When the number of individuals in an actor group is high, it is often necessary/useful to develop organisational rules for sufficient efficiency. Very often one or several farmer organisations (FOs) can be an actor in the ABCs. Sometimes, and in West Africa it is often the case, it is the FO that is the champion. FOs present different characteristics that have to be well understood in order to manage the support to ABCs properly. FOs are, however, too often considered as 'the weak link' in the chain.

In this session while we basically look at FOs, the analytical principles used are relevant for many other actor organisations and can be used to reflect more generally on organisational support to be provided within the ABCs.

Learning objectives

At the end of this session the participants will be able to:

- Analyse the roles that are played by a specific FO, and characterise its functioning.
- Evaluate if and how it will be necessary/useful/ relevant to empower farmers/ FOs to improve the value chain in general, and the ABC in particular.
- Apply the same type of analysis with non-farmer organisations that may have to be empowered for the purpose of ABC.

Procedure

List of tools/equipment required

- Equipment for viewing PPT presentations
- Cards (3 colours), markers
- Flipchart

Plenary introduction: explain the objectives and programme of the session, which consists of 4 steps: analysis of own experiences, what makes FOs efficient, empowering FOs, and comparison with non-FOs.

Step 1: Analysing our own experiences with FOs

1. **Plenary introduction:** Introduce this topic by first explaining that the roles of a FO can be diverse. Not all roles will need to be supported, but some may well be. Obviously, FOs do not have to limit their activities to the ones that are relevant specifically within the framework of the ABC they are part of. Also explain that the participants will start with an initial analysis of FOs based on their own experience of working with them.

2. **Group exercise:** Split the participants into four groups where they first explore their own experiences on working with FOs, after which they select one of these to further elaborate on in **Exercise 3**. Explain that the exercise starts by briefly describing key characteristics of the organisation, including membership, gender, objectives, and external relationships. Then, ask the group to concentrate on the analysis of the key roles played by the FO (1) in regard to its members, (2) as an actor within the ABC, and (3) in regard to other actors or partners outside the cluster. For each role explain that the participants will describe the major activities implemented, the means/resources used, and the source or origin of the resources.
- 3.
4. **Plenary presentations:** Ask the groups to present the results of the exercise, and follow these by a discussion.
5. **Plenary synthesis by facilitator:** Make a synthesis of the roles of FOs, using a Powerpoint presentation (**Reference sheet M2/2: Roles of FOs, functioning of FOs**).

Comments to the facilitator on the Powerpoint presentation

A FO has to be analyzed in the first place in terms of its members; these members fix the general objectives, which determine the roles that the FO decides to play in different domains, and the means to mobilise for them. Thus, the domains of action and the way to operate (functioning and organisation) will be looked at in terms of 'addressing the needs of the members'. This does not mean that a given FO has to satisfy all possible needs.

Advice for the facilitator

Working groups:

- Check that the participants distinguish roles, activities and means to implement.
- Insist that 'means' is not equivalent to 'money'; even when money is needed, funds should not necessarily come from outside; there are often at least some resources available within the organisation (members or in the organisation itself).

Synthesis:

- It should be clear that there are roles played by a FO that do not concern the ABC.
- Be careful and avoid the 'business as usual' idea that FOs (and even more, individual farmers) are by definition 'weak' (at least the weakest link of the chain). This is often not true, and almost never so straightforward: there are always weak and less weak, or strong farmers. This is why, when analyzing the relationships, it may be important to split the group of 'farmers' into different sub-groups (depending on the relevant criteria, including gender). Make the link with the previous session.

Step 2: Asking what makes FOs efficient?

1. **Plenary introduction:** this concept by explaining that an efficient FO is one that fulfils its roles sustainably at a reasonable cost. But what roles, and what costs for whom, are we talking about? In addition to addressing the specific needs of their members, FOs are often heavily involved in communication with the partners and capacity strengthening of their members. They represent the interface between farmers and other actors, and have

a key role to play in building trust towards the banks and/or the buyers in case of collective marketing, etc.

Continue to explain that in many projects, the risk may be to instrumentalise FOs, that is, to make them a tool (or a relay) for the project: the 'transparency', democracy, and, generally speaking, the functioning of FOs is important to deal with if it has an influence on the efficiency of the ABC. This is often the case but not always.

2. **Plenary Brainstorm:** Ask the participants what it means to be an efficient FO, what may be the criteria to assess it, and what are the factors that determine the efficiency of a FO?
 - First ask the participants to indicate on cards of three different colours:
 - *Colour 1:* What is an efficient FO?
 - *Colour 2:* What are the indicators of an efficient FO (OR in contrast, proof of an inefficient FO – in this case mark the card with an 'x' for example)
 - *Colour 3:* What are the main factors that influence this efficiency?
 - Note that partnerships do not necessarily result in real empowerment of the FOs involved - it depends on the type of support they get: e.g. when the partner is too paternalistic, or when the partnership does not allow the FO to question its sustainability and especially to look for minimal self-funding.... This has to be questioned case by case.
3. **Conclude with a Presentation:** After the synthesis, conclude this section by showing the Powerpoint presentation in **Reference sheet M2/3: Efficiency of a FO.**

Comments on the PPT: What makes a FO efficient in terms of ABCs?

The efficiency of a FO can be the results of both (i) its competencies (especially technical skills to fulfil its different roles) and (ii) its management performance (resource management, decision-making, etc.). This supposes that the necessary resources are available. The proper combination of these dimensions is linked to the general cohesion of the organisation, which depends on the solidarity and trust among the members.

For all these matters communication is critical, (1) internally within the organisation (as a basis for trust), as well as (2) externally with the partners.

The partners of FOs have often the tendency not only to assess their efficiency but also to judge the quality of their functioning (governance, democratic functioning...). In fact, these aspects are internal issues as long as they don't interfere with the technical aspects of the partnership, that is, the ability of the FO to honour its commitments.

Advice for the facilitator to conduct Step 2

The brainstorm may lead to very long discussions if you are not taking care to 'stick to' the specific ABC point of view. That means that we concentrate on the roles that the FO plays **as an actor or a partner of an ABC**, and also on the sustainability of this FO, which is important for the ABC.

It may be useful to discuss two particular situations: 1) the FO is the champion; 2) FO staff play a role of BSS (this occurs more or less frequently, depending on the region/country).

Make clear that (at least in the beginning) it is NOT always recommended to have a FO staff member as ABC coach, because of possible conflicts of interest. The risk of having the FO at the center (champion) is to remain stuck on production issues when the problem may exist elsewhere completely (for example to continuously look for new varieties, when you don't control what is happening downstream the local market and the quality of the product decreases a lot during transport). On the other hand, it may be very useful that the FO (and thus, its members) gets a clear picture of what is/are the VC they are involved in (beyond the production stage), and how playing the game with other actors in a same framework (ABC) can improve their competitiveness...

Be aware that certain partners of FOs support them in vertical integration, which is not necessarily a good idea. It is important to investigate whether indeed the FO has comparative advantages, or good reasons to deal with this or this activity.

Regarding the factors that influence the efficiency of a FO: distinguish external factors (such as policies, support from partners, etc.) and internal factors where capacities and skills will probably come out (what skills? Be sure that these are specified) but also question of functioning role and place of leaders, democracy, etc.

Raise the question of the different categories of members and their representation (women, small farmers, large farmers, etc.)

Step 3: Empowering FOs

- 1 **Plenary introduction:** Explain that we will now investigate the possibility and relevance to empower FOs through support to ABCs and to upgrading VCs.

Make it clear that we are not speaking of empowerment of FOs as an objective per se. This type of strategy might be adopted by a government in order to get legitimate actors into the discussion to develop agricultural policies for example; a donor can also decide to address what is considered a bottleneck for development in a certain context. We will focus here on ABCs for which it is relevant to empower FOs so to reinforce the ABC.

Remind the participants that in Session 2, we identified four options to empower a given actor within a VC (upgrading as chain actor, vertical integration, developing chain partnerships, looking for co-ownership over the chain). Explain that this picture can also be applied to farmers' organisations. It will then appear that not all options are applicable in all situations, or be suitable for each FO. In any case, for a given FO, adoption of one strategy implies specific actions to 'upgrade' the FO's ability.

- 2 **Conclude with a presentation:** Reinforce this idea by showing the powerpoint presentation in **Reference Sheet M2/4: PPT: empowering farmers in chains.**

Advice for the facilitator

Make the PPT lively by asking the participants to give examples of the different ways to empower FOs. Have a few examples at hand yourself, in case they don't have sufficient ideas (note that these are still generic formulations, but, as much as possible, take concrete examples), e.g. :

- Upgrading as a chain actor: sensitise members on quality issues: organise meetings with consumers or visits to processing units, or promote improved production techniques in order to reduce production costs (mastering a better crop calendar, using improved varieties, improve water use efficiency...), train members on cost analysis, etc.
- Developing chain partnerships (including horizontal relationships): contact input providers (about quantities, qualities, calendar and prices) or with processors (about prices and quantities, sharing of risks), or traders, negotiate support of a bank to develop warrantage.
- Vertical integration: involving in input provision (often fertilisers) or developing a processing unit (rice milling for example), or transporting and selling the products directly (in that case be careful to estimate properly the risks...)
- Developing co-ownership: initiate or enter in the formal organisation of the VC (through a branding process, for instance...)

Step 4: Comparing FOs with non-FOs

1. **Facilitator explanation:** Explain that 'non-farmer actors' (processors, traders for instance) are often less organised than farmers and/or their organisations are sometimes weaker than FOs (that have often been supported by different partners, and empowered through these partnerships). It may thus be relevant to provide organisational support to non-farmer organisations. Note that the criteria are similar to those used for FOs.
2. **Make a round & conclude:** To clarify this issue, organise a Round, to collect ideas from the participants around the following questions:
 - Are there any 'non-farmer' organisations in the ABC?
 - If yes: What is 'different' from FOs that needs to be taken into account in supporting the ABC?

Note any points made on a flipchart sheet.

End the session with concluding remarks about FOs.

Additional reading

- Reference sheet M2/2: Roles of FOs, functioning of FOs (PPT)
- Reference sheet M2/3: Efficiency of a FO
- Reference sheet M2/4: Empowering farmers in chains
- Strategies for chain empowerment, Chap 7 in KIT, Faida MaLi and IIRR. 2006. Chain empowerment: Supporting African farmers to develop markets.

Session 4: Partnerships

Introduction

One speaks of ‘partners’ when two or more actors come into a mid- to long-term relationship that implies a form of mutual commitment. Partnership can thus be seen as a coordination framework between specific actors on a mid- to long-term basis. This implies there is a time dimension, a minimum of trust, and, at least, mutual understanding between partners, as well as common willingness to enter into a longer-term relationship. When is a partnership useful/fruitful? What is needed to build the trust? What are the conditions to sustain a partnership? These are critical questions that have to be addressed by any actor before venturing into a partnership arrangement. Note that we concentrate here on business-oriented partnerships.

Learning objectives

At the end of this session the participants will be able:

- To list the main criteria for a sustainable partnership.
- To support the actors in identifying relevant partners.
- To analyse with the actors the weaknesses/strengths of a given partnership.

Procedure

List of tools/equipment required

- Flipchart or bulletin board/chalkboard...
- Flipchart paper for posters, markers
- Equipment to view powerpoint presentations

Plenary introduction: Provide a simple example of what a partnership is and what it is not. Note that when local actors (FOs, NGOs and others) speak of ‘our partner(s)’ they often mean ‘financial partners’, and in particular regular institutional funders. It is important to be aware of this ‘limitation’, to avoid possible misunderstanding.

Advice for facilitator: one possible example to illustrate what is/is not a partnership

When a link is only a matter of one time - for example, buying once ten bags of onions at a market - this is not a partnership. If the same buyer comes week after week to buy ten bags, then this regularity influences the bargaining balance: for example, the buyer having specific packaging requirements. This can be considered as entering into a partnership.

Step 1: Agreeing on criteria for successful partnerships

- 1. Individual reading:** Explain to participants that they will read a document that helps to identify the basic criteria for a successful partnership. Because building a partnership is

not for free (especially in terms of time), it is important to evaluate if it is worth the 'investment': meaning that a real need and a shared vision have to exist, shared by a certain number of individuals inside the groups/organisations, to motivate entering into partnership building. Stress also that the difficulties should not be underestimated: the differences between potential partners have to be recognised and accepted. Entering a partnership doesn't mean losing your soul (a partnership between 'soulless' partners would not survive for a long time). Speaking of a process, and a demanding one, resources are needed (time...) as well as specific M&E to allow for learning from both success and difficulties. These key elements are well summarised in the US DOI document 'What are the keys to creating and managing successful partnerships?' (**Reference sheet M2/5**).

2. While participants are reading, write the list of 9 key elements from the document on a flipchart/board.
3. **Plenary discussion on partnership:** Ask the following questions:
 - Do you think this document is relevant for your work with ABCs? What can it be useful for? What are the limits/difficulties for such a use?
 - What are the key elements from your point of view within your context?
 - Give each participant 6 pins or 6 small coloured stickers and ask them to put a score (3, 2 or 1), in decreasing order of importance, next to each element on the board. Add up the scores and start a discussion on the ranking.

After this, ask the participants to propose additional 'keys for successful partnerships' in the context of ABCs.

Advice for the facilitator

Regarding the relevance of partnerships within the context of ABCs, several points can be discussed:

- The apparent option of ‘looking for means outside the partnership’ (as the document has been developed mainly for non-profit organisations). The participants may be asked to identify what it would mean to change to a more business-oriented situation (for example ‘plan to mobilise resources’ rather than ‘to obtain resources’ in the 5th line from the bottom 1st p. or same type of change in the key point related to resources: avoid the term of support...)
- The gap, or rather, differences, between partners’ missions and organisational cultures is probably more important in most of the ABCs than considered by the writer. This induces the need for additional key points (see below)...

‘Missing points’, or proposals to improve the formulations one can think of:

- Mutual understanding and acknowledgement
- Reciprocity, meaning that each partner has to bring something into the partnership in order to gain from it.
- Equilibrium, meaning that each partner has to be fairly represented and, most of all, has to be in the position to express his/her point of view. This is not always easy to reach, in terms of gender balance for example, but also when the academic level, the means or the ‘financial surfaces’ differ a lot (the example of Friesland Campina vs. individual small Fulani farmers or groups of Fulani).
- Willingness (which meets the question of ownership)
- Ownership of both parties would include explicitly the implications in terms of risks, benefits, and losses, etc.

- Briefly investigate whether there are any differences between ABCs and PPP a contexts with or without a lead firm for the different key points discussed. Explain that there are in fact important differences in ‘organisational culture’ between private companies (profit-oriented) and farmers’ organisations or social-focused NGOs. The issue of equilibrium can be more difficult to deal with in the case of a lead firm compared to an grass-roots-level ABC. Of crucial importance is the role of facilitation, to make sure that the different partners understand each other well, which may need some time. There are often considerable gaps between the different actors in terms of understanding of the context and recognition of the challenges/difficulties faced by the ones and the others. Necessary actions have to be implemented to reduce these gaps and sustain the PPP.
- Note that it is not always easy to assess the ‘key points’. For instance, on what basis to evaluate mutual knowledge, or, even more difficult, on what basis to evaluate reciprocity, equilibrium.... It is rather a question of ‘feeling’ and a coach, and the partners themselves, need to be aware of the challenges.

Step 2: Discussing conflicts in partnerships

1. **Plenary discussion:** Begin by stating that more or less acute conflicts happen frequently along a partnership. Explain that taking into account the key points above would contribute to prevent them or to avoid a complete breakdown of the partnership. In addition, when such a conflict occurs, there are ways to tackle the issue, and contribute to sustainable solutions (see **Reference sheet M2/ 6** – Note: Read this ahead of time!).

2. **Group exercise:** Introduce **Exercise 4**, which relates to a practical example of identifying relevant partners within the framework of an existing ABC, more specifically the cluster on tiger nuts in southern Mali. The exercise is set up in the form of a 'partnership fair'. The participants are divided into groups, according to the six relevant actors:
- The tiger nut producers and the union of cooperatives (Jekafo)
 - The input provider (fertiliser dealer)
 - The bank
 - The tiger nut trader, based in Mali
 - The representative of the Spanish buyer
 - The service provider (Gefra)

Advice for the facilitator

During the 'fair exercise', the participants (or a part of them) may perhaps look for partners without a prior strategy, i.e. without having established specific expectations from the partner. If participants all took a strategic approach in the exercise, ask them whether they think this will happen in real life as well: Are people strategic rather than opportunistic when entering in partnerships, or the other way round? Are there differences between the different types of actors? What are the advantages and disadvantages of the two options? If there are 'strategic' and 'not strategic' potential partners, be sure that the participants see the implications of the two positions, by using the same questions.

To stress the 'time dimension' especially in building trust, you can ask questions like: What will happen in case of an incident that prevents the delivery of the product on time, or of the right quantity of product? What would be the reaction of different partners?

3. **Plenary discussion:** After the fair the facilitator asks the participants to comment on the event and to highlight what they got out of the exercise.
- Explain that the objective of the exercise is, for each actor, to **identify potentially useful partnership arrangements** within an existing ABC setting, and to determine implications of engaging in partnership arrangements in terms of negotiations, exchange of information/ knowledge/resources/funds, adjustments/changes, and commitments to be made in terms of quality, volume, time, resource use, funds, logistics, sharing of benefits. In addition, also risks, possible losses, prospecting of new markets, and possibly new products or product formulations may be identified.
 - The exercise also intends to highlight the **importance of trust** in partnership. Trust is not a matter of ON/OFF or YES/NO, it is a matter of degree (you have more or less trust in somebody). Building trust is thus an evolving process based on experience and it is not a unique shift. The process of building trust needs mutual understanding and transparency to sustain, but these two dimensions are also a result of trust. Building trust takes time but it can be quickly lost!
4. **Plenary presentation:** To conclude the session, the facilitator presents the powerpoint presentation: 'Entering in partnership: a few critical questions to be asked' (**Reference sheet M2/7**), and compares with the results of the earlier discussion.
5. **Final group exercise:** For **Exercise 4 (part 2)**, ask the participants to determine what will be their road map to establish the partnership: what will be the actions to be undertaken by whom and when.

Additional reading

- Reference sheet M2/5: Criteria for successful partnerships
- Reference sheet M2/6: Conflict – key concepts
- Reference sheet M2/7: Entering in partnerships (ppt)
- *Public Private Partnership: a fair deal?* In: *Spore n°161 Dec 2012-Jan 2013*
- ***Video on partnership and empowerment: From Cassava to Beer – Roots to empowerment.***



Session 5: Contracting issues**Introduction**

Contracting is a way to secure a business relation between actors. The objective here is not yet to develop contractual issues in a comprehensive way, but to contribute to get at least a clear picture of the implications of different types of contracts. Note that this session is just an introduction to contract development issues, more details are provided in Module 12.

Learning objectives

At the end of this session the participants will be able to:

- Recognise the different types of business contracts and their implications
- List the main items which have to be included in a business contract
- Identify relevant resource persons to support the specific ABC actors in contracting

Procedure**List of tools/equipment required**

- Equipment to present powerpoint presentation
 - Flip chart/chalk board
1. **Plenary discussion:** Begin with a short introduction (possibly making use of the 2-slide power point presentation **Reference sheet M2/8**).
 - Ask the participants to tell short 'contract stories' that they have been involved in or exposed to. It may be a positive experience (a contract that went well and had positive impact), less positive (one of the contractors did not fulfil their commitment) or even total failure.
 - Highlight a few points as lessons learned from these experiences.

Advice for the facilitator

- If you feel that the participants are not 'inspired', you may propose they first read *Reference sheet M2/9* and then ask them to illustrate one of the points highlighted in the document. The objective is to share experience and to agree on the fact that contracting is not easy to do. You will probably get stories about 'farmers are not able to respect a contract' or 'traders are not reliable persons'.
- Try to get beyond this by asking questions as: do you know why this happened? Have there been other experiences in contracting before? What do other people think about this experience?

2. **Plenary round:** Introduce **Reference sheet M2/9 'Entering into contracts'** shortly to the participants. Explain that this document aims at providing them with a minimal framework to 'analyse' contract issues from a very practical point of view.
 - If time allows, make an inventory of ideas from the participants, asking them to identify the type of support that is available to develop a contract (from whom, where, for what purpose).
 - Then encourage the participants to make (and share) a sort of database on this topic.

Additional reading

- Reference sheet M2/8: Introduction to contracts (ppt)
- Reference sheet M2/9: Entering into contracts
- *Spore Special Issue August 2013 Structured Trading Systems, a new vision for trade. Part 3: Contract enforcement*, downloadable on: <http://spore.cta.int/>



Session 6: Networking and brokering: Developing relationships outside the ABC

Introduction

For an ABC, the relationship issue does not only deal with coordination within groups of cluster actors (FOs for example) and between the different cluster actors, but also with development of relations with the 'outside world' (actors that are not part of the ABC); the champion and/or the other actors are not always good in the latter aspect. They may even not have a clue about whom they would work with and for what outside the ABC! In this case the BSS/Coach will have to support actors in networking themselves. It may be useful to play the role of broker to facilitate the contacts. Note that this session is just an introduction to brokering and more details are provided in Module 3.

Learning objectives

At the end of this session the participants will be able to:

- Understand the concepts of brokering/networking
- Identify the implications of BSS' and Champion's roles regarding brokering and networking

Procedure

List of tools/equipment required

- Equipment for PPT presentations
- Flipchart, markers

1. **Plenary introduction:** Introduce the session by asking participants to exchange on what they understand about the concepts of brokering and networking.
2. **Individual reading:** Give participants time to read the **Reference sheet: M2/10 'Brokering'** (about 15 minutes)
3. **2-by-2 brainstorm and presentations:** See **Exercise 5** and follow the instructions.
4. **Plenary conclusion:** Use the PPT **(Reference sheet M2/11: Networking, brokering: introduction)** to help summarise the discussion on Brokering and to wrap-up the session.

Additional reading

- Reference sheet M2/10: Brokering
- Reference sheet M2/11: Networking and brokering (ppt)
- **Brokering guidebook** by Tenysson to be downloaded on http://www.wageningenportals.nl/sites/default/files/resource/brokering_guidebook_ten

ysson_2005.pdf



Session 7: Preparation of the ToR for field coaching

Introduction

During this session the participants will review of the various workshop sessions and identify concepts and tools that are most relevant for application in their ‘new’ cluster context. This will then form the basis for the design of the Terms of Reference for coaching sessions on this topic.

Learning objectives

At the end of the session, the participants will have a better understanding of the relevance of the different concepts and tools on building business relationships and on how to coach and support cluster members in building partnerships.

Procedure

List of tools/equipment required

- Paper and writing implements
- Flip chart, markers
- Coloured cards
- Sticky tack, pins or tape – depending on the location

Step 1: Reviewing the sessions

1. **Plenary discussion:** Review the different sessions and tools used during this workshop; for each session:
 - what topics were treated and what tools use
 - what did you learn
 - what will be relevant for use and application

SESSION	TOPIC	WHAT I LEARNT	WHAT WILL BE RELEVANT TO BE APPLIED TO MY CLUSTER
1.			
2.			
...			

Step 2: Preparing terms of reference for field coaching

1. **Individual work:** Ask the participants to develop a checklist for each of the ABCs they are working with, considering the following:

- Issues to be addressed in terms of relationships:
 - what are the *Competition* playing fields within the ABC?
 - what are the roles played by FOs?
 - does FO functioning 'dominate' or rather 'facilitate' the overall functioning of the ABC?
 - are the relations between actors within the ABC efficient?
 - can they be improved and how?
 - are there any issues related to contracts?
 - have the ABC actors already developed (would they look for developing) relationships with external actors (networking, brokering)?
 - How do they think to operate to enhance awareness/reinforce capacities/facilitate relationship building (brokering)?
2. **Group work:** Ask each of the groups to propose a planning on how to coach cluster actors on building business relationships, based on the sessions and tools that were identified as most relevant (see step 1) and on the list of issues identified here above. Ask them to synthesise the information down to 2-3 hours.
3. **Plenary wrap-up:** Conclude with general sharing of group work.

Session 8: Workshop assessment

Introduction

Did this workshop fit the participants’ needs and has it satisfied their expectations? Do they now feel able to coach cluster actors in the basic knowledge of building business relationships? These are some of the questions this session would like to have answers to.

Objective

With this assessment, the facilitator can find out whether the workshop was appreciated by participants, and will be able to adjust follow-up workshops, if necessary.

Procedures

There are several ways and tools to assess a workshop, from the beginning to its end, and during the sessions.

- **At the beginning of** the workshop: each participant wrote down their expectations and worries; these were summarised and hang out on the wall. The facilitator now reviews these and discusses with the participants to what extent the expectations are met and worries are let go.
- **During** the workshop: at the end of each day (even for a 2-day session), the participants were given the opportunity to reflect on what was done during the day in a Reflection Diary. Ask each participant to indicate how well they appreciated each session, why, and if relevant to propose improvements to the content.
- **At the end** of the workshop: Ask participants to either in plenary, or individually, to reflect on how they experienced the workshop.
 - One option: At the end of the workshop, ask participants to fill in the following table – to maintain anonymity and confidentiality, either completed individually on sheets to hand in - or putting an ‘x’ on a flip chart sheet on the wall, and writing comments on cards to be gone through by the facilitator.
 - Another option: This could alternatively be done in plenary if participants feel comfortable enough to speak out.

Session/topics	Good	Average	Poor
S0: Introduction			
S1: Sensitisation			
S2: Different types of relationships			
S3: From individual actors to organisations: the case of FOs			
S4: Partnership			
S5: Contracts			
S6: Networking/brokering			
S7: Preparation of field work			
Your opinion on the facilitation			

Give general or specific comments on the workshop			
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Advice to the facilitator

An often recurring issue in a workshop is that time is too short to go through all planned activities. This often affects the time taken for assessment. This final part is very important, however. So, do not forget to assess how it is going at the beginning, during, and at the end of the workshop. This will give you very useful information.

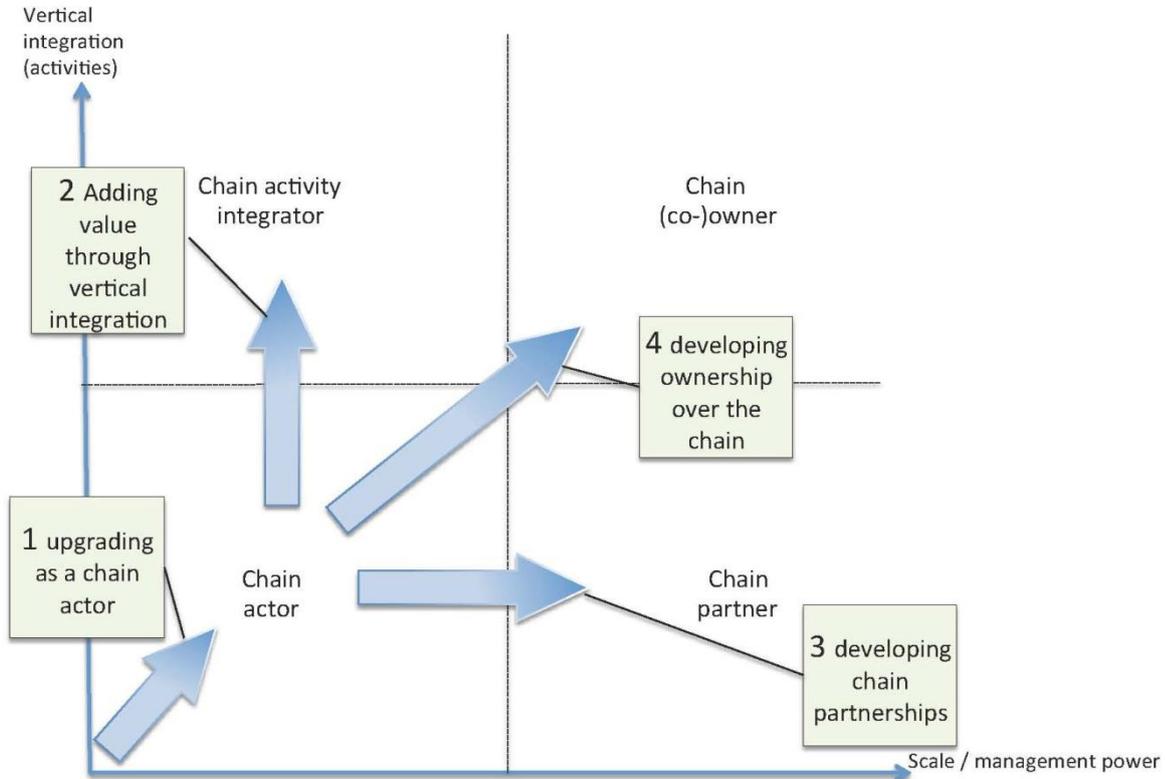
Before starting this session, prepare the synthesis on the participants' expectations.

Module 2 Building Business Relationships – Reference sheets

List of reference sheets

- Reference sheet 1:** Chain empowerment
- Reference sheet 2:** Roles and functioning of FOs
- Reference sheet 3:** Efficiency of an FO
- Reference sheet 4:** Empowering farmers in chains
- Reference sheet 5:** Criteria for successful partnerships
- Reference sheet 6:** Conflict – key concepts
- Reference sheet 7:** Entering in partnerships
- Reference sheet 8:** Introduction to contracts
- Reference sheet 9:** Entering into contracts
- Reference sheet 10:** Brokering
- Reference sheet 11:** Networking and brokering

Reference Sheet 1: Chain empowerment



Strategies for empowering actors

Inspired from KIT 2006

Reference sheet 2: Roles of FOs, functioning of FOs

Roles of FOs Functioning of FOs

Basic principles

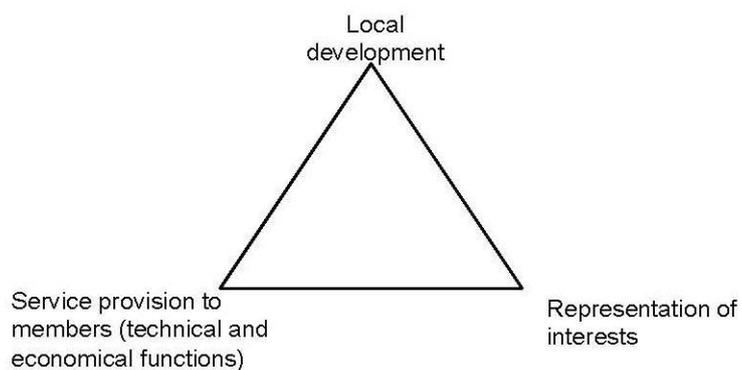
What are FOs

- **FOs are tools of producers for producers**
Their role is mainly to improve the environment in which their members are working
- ⇔ **The objectives of one FO depend first on the needs of its members.**

What characterizes an FO

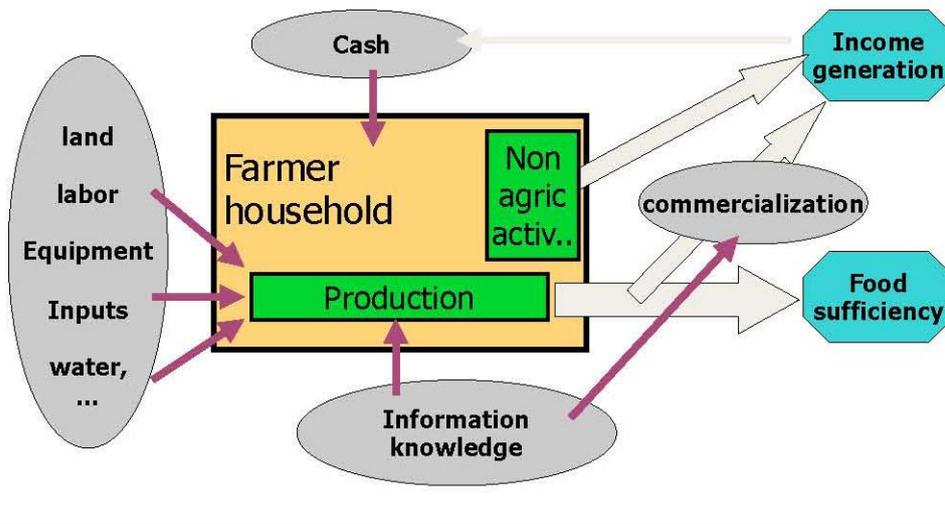
- Membership \Leftrightarrow objectives
- Roles that it aims at playing
- Means and ways used to play these roles:
organisation and functioning

FOs' functions

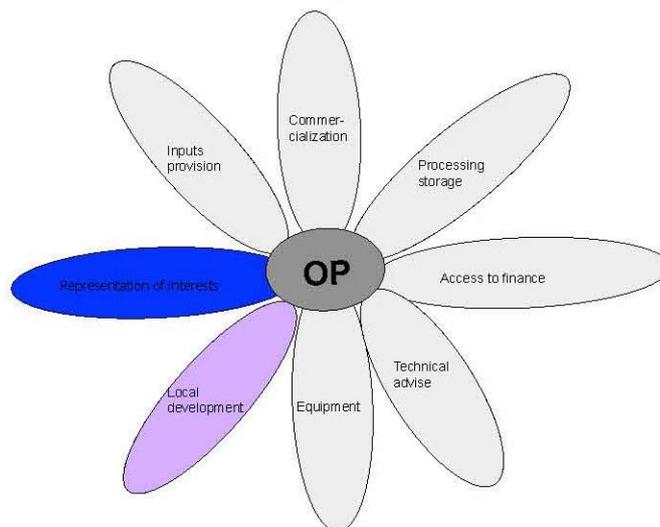


Remark : distinguish functions vis-à-vis its members/ functions vis-à-vis outside/ partners (f.i.. State, economical partners, ...)

Farmer households' needs



Possible domains of action for FOs



FO's functioning

FO's functioning ⇔ framework and process chosen by one FO to fulfill its functions

- Human resource management
- Decision making
- Technical and financial resource management
- Communication

Translated in official documents(Statutes/bylaws, internal regulations), **and practices**

(NB: practice of decision making = governancy)

Organization

Characterized by

- Territorial and/or sectorial structure
- Relations between different levels
How a level is represented at upper levels
- Decision making
 - Participation: Who is involved in decision making
 - Transparency: Who is informed of decision making thru what channel
 - Accountability: Who is accountable to whom thru what process

FO's Communication

Communication is critical for a FO:

- **Internally** : Trust relies on communication between the different levels of the organisation, which gives legitimacy to the leaders
- **Externally**: The relations of a FO with its partners depend also on the image that it gives (in terms of governancy, efficiency...)

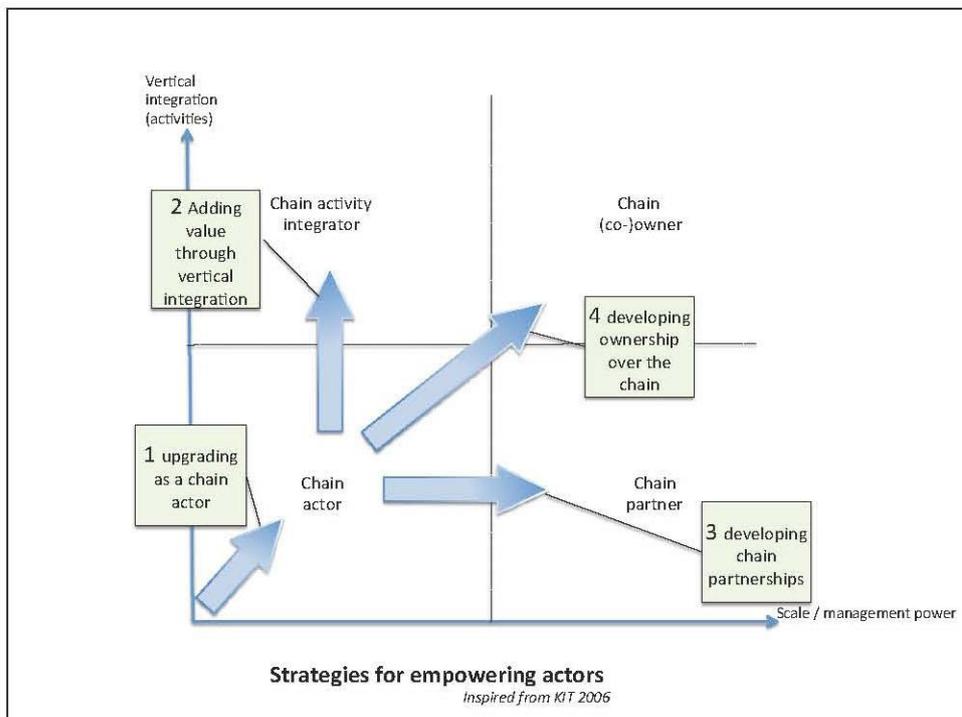
Questions on board

- **Sustainability of an FO** : Under what conditions ?
- **Democratic functioning** : is it useful/ relevant/ acceptable to evaluate it from outside?
- **Governance / leadership** : ⇔ decision making and resource management

Reference sheet 4: Empowering farmers in chains

Empowering farmers in the chains

From KIT 2006



Upgrading as a chain actor

- **Potential needs for upgrading**

Ensure that farmers have the basic assets they need to improve their production

Improve farmers' farm management skills

Improve farmers' understanding of markets, chains, competition, consumer demands and contracts

Identify and develop markets and products

Promote and strengthen farmers' organizations

- **Type of VC where it could be applicable**

Organized farmer groups with stable relationship with buyers

- **Type of farmer organization concerned**

Farmer cooperatives, farmers' schools or study groups

- **Key competencies of the organization for success**

Good agricultural practices

Continuous improvement in farm production

Farm record-keeping

Strong organizational skills

Adding value through vertical integration

Potential needs for upgrading

Invest in facilities for processing, marketing and distribution (infrastructure and professional staff)

Develop market outlets

Design and implement management systems (operational procedures)

Develop organizational discipline

Promote and strengthen farmers' organizations

Type of VC where it could be applicable

Farmer cooperatives adding value through joint input procurement, processing, marketing, etc.

Type of farmer organization concerned

Farmer cooperatives adding value through joint marketing, etc.

Key competencies of the organization for success

Quality grading

Market outlet development

Logistics management

Organizational discipline

Developing chain partnerships

Potential needs for upgrading

Make the farmers an attractive business partner both technically (quality, yields) and managerially (entrepreneurial mentality, understanding of the chain)

Organize continuous learning and innovation (farmer schools, exchange of best practice, etc.)

Empower the farmers organizationally (including information systems for improved bargaining)

Facilitate chain cooperation with the buyer (exchange of information, bargaining, joint action plans based on shared interests, etc.)

Promote and strengthen farmers' organizations

Type of VC where it could be applicable

Specialized, organized farmer groups cooperating with processors, traders or retailers

Type of farmer organization concerned

At grassroots level: farmers' schools or study groups

At chain level: representation in a chain platform

Key competencies of the organization for success

Good agricultural practices

Continuous improvement in farm production

Farm record-keeping

Independent information on market prices and trends

Understanding of the supply chain

Communication and bargaining with a focus on shared interests

Developing co-ownership over the chain

Potential needs for upgrading

Enter into joint ventures downstream in the chain for the development of new consumer product lines

Develop and market branded consumer products

Promote and strengthen farmers' organizations

Type of VC where it could be applicable

Farmer cooperative gaining chain co-ownership in partnership with processors or retailers, or through direct marketing to consumers

Type of farmer organization concerned

Business cooperative

Key competencies of the organization for success

Total quality management

Product/market development

Consumer targeting

Joint venture cooperation

Reference sheet 5: Criteria for successful partnerships

What are the keys to creating and managing successful partnerships?

(by US Department of the Interior)

Focus on an important need

Successful partnerships take time to establish and nurture. The decision to establish a partnership should begin with the belief that an important need can best be met by creating a partnership.

Adopt a shared vision

Make sure specific mutual goals are identified, understood and agreed upon. The shared vision should evolve from full engagement of all partners in the relationship. This vision should reflect the broad body of work to be completed and each project or initiative to be undertaken.

Understand each partner's mission and organizational culture

Every organization has its own culture that is built over time based upon its mission, its practices, its people, its governing values, its traditions and its institutional history. In any partnership arrangement, it is important to acknowledge and understand these different organizational cultures, to respect them, and to find ways these factors can contribute to strengthen the mutual endeavor. The most successful partnerships are those that value differences and find ways to integrate them into a workable operating culture for the partnership.

Negotiate a formal agreement that outlines the specifics

Partnerships need formal written agreements and work plans that define mutual interests and expectations of the partners, the roles and responsibilities of each partner, and that establish accountability for the work to be conducted. The formal agreement serves as a mutually binding contract and a touchstone for ensuring each partner acknowledges and carries out assigned responsibilities.

Important elements of a formal agreement:

- Scope of work clearly identified
- Time lines and identification of individuals responsible for ensuring work is completed
- Identification of resources needed and plan to obtain resources
- Plan for regular partner communications about work conducted under the agreement
- Determine lifespan of partnership agreement
- Sample Model Partnership Agreements

Ensure the partnership is wholly owned by each partner organization

To succeed, partnerships need to be truly understood and embraced by the entire staff of the partner organizations. Partnerships often originate as a vision of an individual or group of individuals within an organization, and the compelling reasons for and excitement about the possibilities for the outcomes are not shared and understood by the entire organization. It is crucial for the principal people in partnership agreements to invest time and energy to build ownership of the partnership at all levels of the partnering organizations. The goal is to build the sense of team and added value by conducting the partnership work.

Diversify the resource base for the partnership

The most successful partnerships develop multiple and dependable sources of sustained support. Develop and periodically update a comprehensive business plan that addresses both short- and long-term sources of support.

Monitor and evaluate work being conducted under the partnership

Mechanisms that allow partners and others to monitor and evaluate work being conducted under a partnership helps the partners determine if short and long-term goals are being achieved. Monitoring and evaluation also allows the partners to adaptively manage the partnership to accommodate for any mid-course corrections that may be needed. Monitoring and evaluation also provide a built-in framework for accountability, which demonstrates to partners and others that resources are being used effectively to achieve goals consistent with the missions of the partnering organizations.

Recognize and celebrate accomplishments

Partners who have successful partnerships look for every opportunity to celebrate project successes or key benchmarks in the evolution of the partnership. Recognizing and celebrating accomplishments enhances visibility for the partners and their work together and helps motivate and spur people on to new challenges. Especially when big picture results are going to take time to achieve, it is important to celebrate early successes and milestones to help build momentum and a sense of accomplishment.

Reference sheet 6: Conflict – key concepts



Conflicts in Teams

Key Concepts



➤ Conflict.....	1
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ICRA Learning Resources: Teams – Conflicts – Key Concepts - 1/14

Conflict in Teams

Teams need to understand the causes of conflict, and how it develops.

Teams are diverse. The team members have different knowledge, ideas, perspectives, working power, etc. This is an advantage in work. Unfortunately, diversity is also a source of conflict. Conflict is inevitable and we must learn how to manage it.

A well managed conflict is one that does not become a destructive, vicious circle. Conflict can even be positive for team work creativity, but a negative conflict can make effective team work impossible.

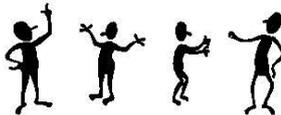


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Positive and Negative Conflict

Positive conflict can be creative. It can help the teams make better decision by:

- Motivating them to examine a problem they would have overlooked;
- Forcing them to re-examine a solution and be more innovative;
- Encouraging them to integrate several ideas to produce better solutions;
- Increasing their interest and energy, thus reinforcing solidarity and cohesiveness.



Negative conflict reduces team efficiency by:

- Creating an environment of fear, frustration, distrust and avoidance
- Leading to crucial information being withheld and to work patterns being disrupted
- Diverting the team's energy towards destructive ends
- Undermining their credibility in the eyes of outsiders / clients.



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Causes of Conflict in Teams

Conflicts are almost always about the different interests of team members. These differences may be real or only perceived. Reasons why this happens include:

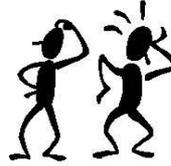
- **Roles and responsibilities** are not clear.
- There are **communication problems**.
- **Reward and incentives** systems lead to different (open or hidden) objectives.
- There is competition over scarce **resources**.
- There are differences in **perceptions, work styles, attitudes**.
- There is **tension between equity and equality**: should team members be rewarded according to their contribution or should they all get the same?
- **Cultural differences**, which affect discussion styles and tolerance for heated debate, the fear of loss of face, the way of resolving a conflict.



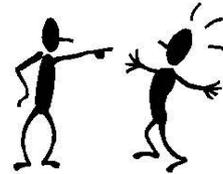
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Stages in Conflict

Nervousness : Debate begins to get heated and opponents take different positions.



Neurosis : Views become fixed, opponents become the 'enemy'. To 'give in' at this stage means loss of face. Threats are made.



Combat : Enemies become faceless, threats are often carried out, coalitions form, fighting may become physical.



Fuente : Oomkes and Thomas (1992)

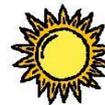


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Managing Conflict Quickly

Conflict must be dealt with **quickly and openly**

- Openness is important. It will prevent suspicion about the reasons behind private talks;
- Dealing with conflict early reveals misunderstandings and prevents emotions from taking over;
- Conflict left to escalate into warfare becomes much more difficult to solve;
- Solving conflict early creates greater awareness of possible future misunderstandings, forcing team members to adjust.



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Abilities to Handle Conflict

To handle conflict, try to:

- **Be impartial**, try not to let your own perception and values influence the discussion.
- **Assure** everyone that they will have the chance to express their concerns. Keep the discussion on track.
- **Empathize with all parties**. Look at things from all angles, distinguish emotional issues from substantive issues.
- **Clarify** the issues. Rephrase and sum up the discussion in unemotional language that helps others understand the different points of view, and verify that everyone understands these. Keep communications simple and unemotional.
- **Listen**, read body language, be sensitive to feelings and be alert to emotional factors that are not immediately explicit.
- **Look for common ground**, beyond the immediate concerns, to identify shared goals and the potential for collaboration
- **Break the problem** into manageable chunks, and resolve them one by one. Start with the simpler points.
- **Maintain a sense of humour** and try to defuse the tension.



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The Vicious Circle of Conflict

A vicious circle is created if:

- you focus on defending your position.
- you focus on rejecting the opponent's position.



If both parties lock themselves into this behaviour, a cycle of **action and reaction, attack and defence** will follow and the conflict will not be resolved.

A vicious circle can be broken if:

- You ask questions rather than make statements. A question should produce an answer and perhaps a solution;
- You listen to what your opponent has to say. See it as one option to be examined in the light of your common problem;
- You keep calm and patient. Try not to counter-attack. Take time to think before you reply and allow the others time as well.

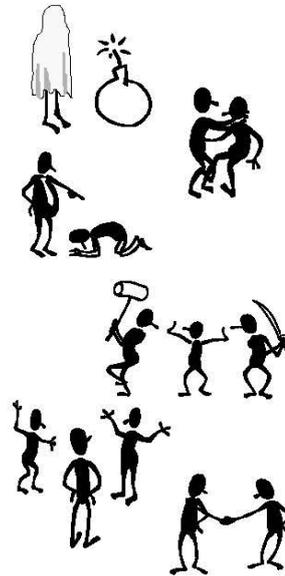


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Ways of dealing with Conflict

There are various ways of dealing with conflict, including:

- **Ignoring** the conflict and living with the consequences;
- Going into **confrontation** and fighting;
- **Giving in**, freely or under pressure;
- **Negotiating**: this is the best method when both parties stand to gain something, when they both have some power and when they are interdependent;
- Calling in respected intermediaries as **mediators**
- Referring to **arbitration**: this disempowers the team and may weaken it ; always try to solve the conflict within the team first;



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Negotiation

What is negotiation?

- Negotiation is a process through which two or more parties try to reduce or remove a conflict between them.
- The aim is to reach a compromise through communication, persuasion and mutual concessions. Participants must be prepared to relinquish some of their power, to make a solution possible



When to negotiate?

- When achieving your goals often depend on cooperation with others (if not, negotiation is not appropriate)
- When the goals of the different parties are not necessarily mutually exclusive : if one wins, the other does not have to lose.
- When you are likely to need the other parties in the future and you do not wish to lose a positive relationship between the different parties.



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Mediation

What is mediation?

- Mediation is a process by which the conflicting sides call on a third party to help them resolve their conflict. However, it is not the same as arbitration.
- Mediation can only occur if both parties are willing to find a solution and if the mediator is respected by both of them.
- The role of the mediator is then to make them aware of their shared interests. The conflicting parties keep control of the decision making process.

When to use mediation?

- When a full conflict is not wanted by either party
- When negotiation has failed and the parties don't want formal arbitration



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Arbitration

What is arbitration?

- Arbitration is done by an outside authority figure. They are called in to decide how the conflict is to be solved.
- This is usually based on facts and the conflicting parties' rights. It is a formal process.
- The conflicting parties relinquish all control on the decision making process.



When to resort to arbitration?

- When some of the conflicting parties feel they stand to gain because of their rights concerning the issue ;
- When other methods have failed.

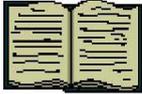
However, arbitration by outsiders has **disadvantages**:

- Time may be wasted waiting for a suitable arbitrator to become available
- Someone from outside the team will only be concerned with the facts. They are not likely to know the deeper emotional factors.
- Communication can become strained within the team. Members could take 'sides' which makes agreement difficult to reach.



ICRA Learning Resources: Teams – Conflicts – Key Concepts - 12/14

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It forms part of the ICRA learning resources, written for use in capacity building in “Agricultural Research for Development”. You are welcome to use these materials for non-profit purposes; we only ask you to send us a short email at info@icra-edu.org telling us how you have used them and how you think they could be improved –Thank you!



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Reference sheet 7: Entering in partnerships

Entering in partnership

a few critical questions to be asked

Why needing/ being interested in partnering

- Whom we are (*I am*)
- What we (*I*) want to achieve
- What we are (*I am*) lacking of (capacities and/or availability, logistics, other resources, information, contacts, products to process or to sell, buyers for our products, consumers, ...)

Skills required

To identify partners:

Networking

Brokering (skill can be internal or external)

To initiate partnership:

Communication

Brokering (see above)

To develop and sustain partnership

Communication

Negotiation

Different ways to partner

Growing intensity of partnership



- Knowledge sharing (active)
- Joint action
- Joint strategy
- Pooling resources

Who is available as potential partner ? (Partner's profile)

What is useful to know about the partner

- General objective, interest in the business for which you'll partner
- Current and potential size (in terms of financial surface, staff...)
- Decision making and representation issue (whom will you negotiate with)

Criteria to choose a partner

- Capacity and constraints (*compared to your own capacity and constraints*): time, money, skills, size
- Previous experiences in same type of relationships (*if you can get trustable record of it*)
- Relevance to your work (*what the partner can contribute to, given what he is*)
- Availability (*linked to interest in that specific partnership*)

What makes a strong partnership

- **Common values** (which doesn't say the same culture)
- **Transparency** (sharing of all relevant* information)
- **Common action plan** (related to the object of the partnership)
- **Mutual benefits** (each of the partners finds a benefit in the partnership and is aware of it)
- **: for the partnership*

What are the potential obstacles

- Underestimation of the differences in organisational cultures
- Uninsufficient acknowledgement of each other interests
- Too much disequilibrium in decision power (not equal information, no transparency)
- Willing going too fast

Some Specificities of PPP

- Difference of culture: Business culture vs more “public goods” or “general interest” entry point (not always incompatible) (f.i. about managing time, technical and financial efficiency, dealing with mid or long term social, environmental impact...)
- The acceptable time frame to get return from investment may differ a lot according to partners

Some Specificities of PPP (fol.)

- Bases of calculation for benefits and costs may differ, as well as acceptable break even point
- Risk is not perceived (and not managed) in the same way by public and private partners
- Decision making might be slowed down by differences in terms of representation, or the decisions taken can be jeopardized for the same reasons (f.i. are the “representatives” of a given group of actors in position to decide in a given meeting, and to commit for their colleagues)

As a conclusion

- Importance of knowing oneself before looking for a partner or entering in partnership
 - Not any partnership useful or relevant at any condition
- Important for an actor to be able to say no, or to negotiate,
- Partnering implies to take into account the other's point of view, to accept compromises, then to remain consistent

Reference sheet 8: Introduction to contracts

Short introduction to contracts

What are contracts

- Can be: Oral/ written/ by conduct
(nb: question of testimony)
- In a given context a contract must not be in contradiction with the law (clause of annulation)

Typical content of a contract

- Circumstances (date...), object
- Contracting parties: coordinates and representatives
- Commitments of each party (physical contribution, money matters, time...) and bases of calculation if any
- Enforcement/ referees specifications

Reference sheet 9: Entering into contracts

What is a contract?

A contract is an agreement between two or more parties, which is intended to have legal consequences.

- It is an agreement between two or more persons who are supposed to decide freely to contract.
- As an agreement, there must be a meeting of minds.

The parties to a contract must intend that the agreement is legally enforceable

Although linked, memorandum of understanding (MOU) and contracts are different: a MOU is a document negotiated between two or more partners that gives a general framework for the partnership including the processes to be followed and the main lines of operational aspects, such as decision making, information channels, etc. Within the framework of a MOU, specific contracts may be negotiated, related to precise activities as service provision, selling of goods, or categories of actors.

A contract can exist and be valuable without a MOU, but, having negotiated a MOU can save time when developing specific contracts, and, moreover, it gives a longer term vision to the partnership.

Importance of Contract

A contract enables the client to secure his/her interest in a business transaction. If something goes wrong and cannot be settled amicably, one of the parties could resort to the law court for possible resolution of the impasse. The contract is then presented to the court to decide who is at fault.

Nevertheless, be aware that having to go to the law court is a failure as the game then will be rather a loose-loose than a win-win one. The preparation phase of a contract is thus very important to avoid having to use enforcement clauses.

A contract is there to limit the risks for the different parties. In addition, it can be used as a guarantee, for example to get loans from banks.

How to Enter into a Contract?

To enter into a contract, the following preconditions must be met:

- Agreement: There must be meeting of minds. There must be an offer by one party and acceptance by the other. There must be the intention to create legal relations, i.e. have legal agreements rather than social and domestic agreements.
- All parties must have legal capacities to make the contract. Therefore, the following

persons should not enter into a contract unless under special considerations: Infants or minors, persons suffering from mental disorders, drunkards, etc.

- Consent given by the parties under a contract must be genuine and should not be obtained through misrepresentation, fraud, force, inducement, or mistake.
- A contract must be backed by consideration: Some right, interest, profit or benefit accruing to one party or “some forbearance, detriment, loss or responsibility, given, suffered or undertaken by the other”. A promise without consideration is a bargain.
- A contract must not be illegal or against public policy. A contract is illegal if it is against a statute or law. In that case, the contract is invalid, null and void. A contract is contrary to public policy if it is injurious to society, e.g. a contract to dodge payment of taxes.

Types of Contract

Contracts can be of different types regarding:

The formal dimension

A legal contract may be made:

- a. Orally (preferably with a testimony)
- b. In writing (contracts related to land, bills of exchange, cheques, promissory notes, hire purchase, consumer credit, loans, insurance, etc.)
- c. By conduct

The nature of counterparts

The counterparts taken into account may be money, goods, services, in any combination (money against goods, or money against money – credit agreement – services against money, etc.). Be sure that everything that the contractors agree upon is explicitly included in the contract and that there is no hidden clause (that may jeopardize the respect and the enforcement of the contract).

The initiation

A contract can be lateral or unilateral. A contract is called unilateral (or adhesion contract) when one contractor takes the initiative to develop a format, and fixes the regulations before proposing it to other contractors (for instances a company who buys agricultural products); in that case, the room for negotiation is narrow (which doesn't say that the contract is not valuable).

The time frame

A contract can be related to one shot or to multi-step transactions (for example, regular provision of a given product according to a more or less precise schedule, included in the contract). In any case, the time frame needs to be indicated in the contract with a reasonable flexibility. For that purpose it is often useful to fix deadlines on a relative basis (for instance, the report will be sent within two weeks after implementation of the activity or, the product will be delivered in the week following the reception of the advance on the bank account).

The statute of the parties

The signatory parties can be individual or collective; they may be committed on a civil or professional basis.

All these differences imply differences in writing and implementation of contracts. In general,

there is a legal framework that defines the regulations to be used. A contract must not be in contradiction with the law of the country (even if contractors agree on the clauses). In that case the contract would be considered as null and void.

Business Contract Outline

To be legal (thus to be able to make use of the court to enforce the application) a business contract should be labelled "contract" or "agreement" at the top. Several items may be included (items in bold should always be included)

- **Date of contract**
- **Names of parties involved**
- **Details of services** that each partner/ company will provide or receive (including provision of goods specifying quantity, grades, standards)
- **Payment amounts** and/or bases for calculation, which can be relative (for example x % more than the medium market price established on a certain basis)
- Payment due dates: Note that payments do not need to be made in a lump sum at the end of the project/business. You may make or receive incremental payments for specific services rendered once they are completed.
- Interest on late payments
- Deadlines for services due. This is also called a "time is of the essence" clause. This phrase should be used in a contract if there is a timeline for a project.
- **Expiration dates** for the contract, such as a lease expiry
- Renewal terms, if applicable
- **Damages for breach of contract.** Also called "liquidated damages," this clause can specify amounts to be paid if services are incomplete or deadlines are missed. A court can also award damages if a contract is breached, even if damages and amounts were not included in the agreement.
- **Termination conditions**
- **Signatures**

Conditions for a contract to be workable and useful

To summarize, there are critical conditions to meet for a contract to be workable. The signatories must look at them when developing the contract, or before entering (in case of an adhesion contract):

- "Technical" feasibility is the first condition: one must not establish a contract on (optimistic) hypotheses. Although accidents might always occur (and have to be considered in the contract) the contractors must master at least a minimum what they are committing themselves to.
- Hidden clauses and assumptions must be avoided: it is not always easy when contractors are not yet much experienced (for example, producers expecting that the company would provide them with packaging, or a company expecting a cleaned product when the producers plan to provide gross on)
- What is considered defaulting has to be clear and included in the contract. Again, mutual knowledge and time taken upstream signing contribute to establish workable contracts.

Reference sheet 10: Brokering

Extracted from Ross Tennyson (2006): *“Brokering guidebook - Navigating effective sustainable development partnerships”*; *International Business Leaders Forum*

Who will take the lead in drawing together the partners and help to build and consolidate strong working relationships? Who will ensure that partners agree suitable operating procedures for their partnership? Who will give the partnership itself priority when others are invariably caught up in unrelated tasks? Who will stick with the partnership and help to pull it together if it starts to come apart? Who will assist the partners to hold on to a vision when they risk getting bogged down in navigating major obstacles or simply day-to-day challenges?

Scratch below the surface of any successful partnership and you will invariably find someone (or, indeed, often more than one) who has taken on the role of the partnership’s ‘broker’, even if intuitively and unofficially. Their hard work behind the scenes may not be formally acknowledged and it may not even be obvious, but without it the partnership would have been significantly less successful if, indeed, it had got started at all.

A **broker** in the dictionary definition is a go-between in making relationships (for example, a marriage broker) or a middleman (for example, a stockbroker or an insurance broker). Similarly, a **partnership broker** operates as an active go-between or intermediary between different organizations and sectors (public, private and civil society) that aim to collaborate as partners in a sustainable development initiative.

A broker may need to adopt a number of different types of behaviour including those of:

- Business manager – Keeping the work results-focused
- Record keeper – Providing accurate, clear and appropriate communications
- Teacher – Raising awareness and building capacity
- Healer – Restoring health and wellbeing to dysfunctional relationships
- Parent – Nurturing the partnership to maturity
- Police officer – Ensuring that partners are transparent and accountable

A partnership broker may also undertake many different types of activity on behalf of a partnership. These are both specific and nonspecific in nature. An overview of specific activities is provided in the Brokers in Action section (see page 57). Some of the key nonspecific activities for a broker may include:

- Seeding the idea of partnering with potential partners, policy makers and / or donors – explaining how it can work and how it may be better than alternative approaches
- Inspiring decision makers to follow a multi-sector approach to their sustainable development efforts
- Building active collaboration between the partners themselves as well as between the partners, other stakeholders and external donors

- Encouraging (and role modelling) the kinds of behaviour that will help the partnership to function effectively and creatively, as well as
- Protecting the principles and vision of the partnership

Brokering within a partnership often just happens – for example, where individuals simply adopt a brokering role because they see that it is needed and they have the natural instinct and aptitude for it. In these instances, the broker’s ‘licence to operate’ exists as long as the partners find their brokering behaviour acceptable. All over the world there are individuals (in all sectors and at all levels of authority) who play the part of a broker without necessarily using this term and without any kind of formal accountability system in place.

This situation is most common with those who we are describing here as internal brokers – those who work within one of the partner organisations (usually the one that initiates or drives the partnership) and see their role effectively as the partnership’s informal manager. While this may be a perfectly acceptable and adequate arrangement in some situations, we are assuming that it is preferable that the brokering role is allocated in a more transparent and formal way – particularly since it should (in our view) be increasingly accountable to the partners as a group rather than simply one or other of the partner organisations.

What follows here, therefore, is an outline approach to formalising the role of a broker – whether operating as an individual or working through an institutional mechanism (as described in more detail in Section 2).

ISSUES TO BE CONSIDERED

There are a number of issues to be considered and choices to be made including:

- Is it more appropriate to have an internal or an external broker?
- Might the partners derive more value from working with a brokering mechanism (internal specialist unit or external intermediary organisation) where they can access a range of individuals and services as needed rather than appointing one individual?
- Should the broker be given a reactive or a proactive mandate?
- Over what term the broker should be appointed?
- How will the broker be line managed on a day-to-day basis?
- What systems of accountability will ensure that the broker – however managed – will also be accountable to the partners as a group (since brokers operate on behalf of the partnership)?

Added to the number of questions listed above, is the fact that the role of the broker (and therefore the type of broker needed) may change quite radically during the partnership’s life cycle. This means either that the person selected needs to be multi-skilled and very flexible in their approach or (more likely) that different brokers may be identified at different stages or to undertake different types of task.

	INDIVIDUAL	ORGANISATION
I N T E R N A L	<p>INTERNAL BROKER</p> <p>An individual operating from within one of the partner organisations with a designated role to build and / or develop the partnership.</p>	<p>PARTNERSHIP UNIT</p> <p>A team or department located within a partner organisation specifically tasked with building and / or developing partnership relationships on its behalf.</p>
E X T E R N A L	<p>EXTERNAL BROKER</p> <p>An individual working externally to the partner organisations appointed either by one (or more, or all) of the partners to build or develop some aspect of the partnership.</p>	<p>INTERMEDIARY ORGANISATION</p> <p>An independent organisation or mechanism created specifically to promote partnerships and / or to undertake a brokering function on behalf of different partnerships.</p>

Internal Brokers

Managers from within a partner organisation who:

- Prepare their organisation for collaboration in a multi-sector partnership
- Negotiate and represent their organisation's involvement in a partnership
- Play a key role in initiating / managing / developing a partnership arrangement

External Brokers

Independent professionals contracted by one of the partners or by the partnership to:

- Explore the feasibility of adopting a partnership approach
- Facilitate negotiations to develop a partnership and / or a partnering agreement
- Maintain or monitor the effectiveness of partnerships over time
- Build institutional capacity to deliver partnerships and sustain outcomes effectively

Networking, Brokering

Introduction

What is networking

- **Networking:** develop consistent (formal or informal) relationships with relevant people or organisations, (in particular to get access to information and develop an address book in a mid term perspective).

Characteristics of networking

- Networking is not linked to a specific event or activity:
- It's a combination of actions, that may be spread on a long period.
- Networking takes place upstream (or in the background of) action and decision making.

What is brokering

- **Brokering:** playing the role of go-between or intermediary between different organisations and/or actors engaged in a partnership, or willing to partner.

Characteristics of brokering

- Brokering is a function
- It's directly linked to action in a partnership.
- The role can be played by an individual or an organisation, from inside or outside

MODULE 2: Building Business Relationships

Instruction on group work and exercises

Before starting each exercise and the group work, please verify that all group members have well understood the exercise or the assignment at hand.

To the facilitator:

- Make sure participants are distributed into groups of interest, based on gender, or at random, whatever is needed. The objective is to stimulate real interaction between all the participants at the end of the day, that means to insure that one moment or another any of them will get the opportunity to express him/herself and to be listened by others. This supposes participants feel comfortable enough in his/her group, and that these groups are motivating enough: sometimes it is good to make mixed groups to avoid boring exchanges between people that know too well each other, sometimes it's better to make it easier for participants (for example having shy women together) ...
- Make sure each group receives adequate tools and materials such as flip chart sheets, markers, etc.
- Assign an appropriate place/location to each group and sufficient chairs and tables so that they can work comfortably.
- Make sure the participants have a good understanding of the task at hand before they split into their groups so that they do not spend unnecessary time in trying to understand the assignment.

To the participants:

Discuss and exchange within the group about your individual understanding of the expected outputs of the exercise and make sure to come to a common understanding on:

- The objective of the exercise (what is expected and why?)
- How to proceed to answer the question as a group
- How to "visualise" your findings (using poster paper or pin board and coloured cards or the computer)
- Who to appoint to lead/moderate the discussion
- How and who to present results during the plenary session
- If relevant: Who to be in charge of the final electronic write up

-

Exercise 1: Game to introduce concepts of competition & coordination

Introduce the game

You can make use of the educational video to this exercise, called: The A-B game.

This video is sub-divided into 5 parts:

1. PART 1 gives a general introduction to the game and presents the specific environment in Benin where this game is played. As also explained in the first part of the video:

Watch part 1 of the video and if needed, re-explain:

- The objective of each team is to earn a maximum number of points by choosing among blue and red coloured cards
- Teams A and B have the same goal.
- Teams are NOT allowed to communicate by any means with each other, unless you as facilitator ask them to do so.
- Teams are only motivated by earning as many points as possible for their team; it is not a competition and there may be two winners or two losers, or one of the teams may win and the other lose - and one should not care much about the other team's result or the other team's feelings.
- The goal is neither to support the other team nor to make them lose. The only goal is to try to earn a maximum amount of points.
- According to their choice, the team will score the following points:
 - ☒ If both teams choose red: 2 points
 - ☒ If both teams choose blue: 1 point
 - If one team chooses blue and the other one red: the blue team wins 3 points and the red one none.

The teams will play 7 rounds in total and stop after round 4; allocate 5 minutes for the first round and 2 minutes for each of the next rounds. By the clap of the hand of the facilitator each team shows their selected cards at the same time. The facilitator registers the choices in each round.

Make sure you to pause the video at time indication 2:55

2. PART 2: Let the participants now form the teams and play the game: 4 rounds.

- Divide the participants into 2 teams: Team A and Team B.
- Prepare the flip chart, the cards and split the participants into team A and team B.
- Play 4 rounds; after each round each team takes some time to reflect and decide which card to choose.
- At the end of the 4 rounds: Discuss and analyse the choices made and discuss the reasons of the choices made by the 2 teams.

3. PART 3: See the results obtained in the game played by groups of men and women in Benin.

- Watch part 3 of the video (time indication 2:55) and pause at time indication: 4:50
- Discuss the results obtained in Benin; discuss the behaviour of risk taking/avoidance, playing safe and trust.
- Compare the results obtained by the 2 teams in this exercise and the 2 teams in Benin.

4. PART 4: Let the participants continue the game

- Each team discusses the (new) strategy of choosing cards that you will propose to the other team.
- Identify and agree on someone who will represent their team in the exchange with the representative of the other team.
- Then have 2 representatives discuss and come to an agreement.
- The 2 representatives then return to their respective teams and present what they have agreed upon. Then have the teams decide what to do in the next round.
- Repeat the same procedure as before, and do rounds 5, 6 and 7.
- At the end add up the total score of each team for all to see.
- Analyse the choices your teams made and discuss the reasons for your choices.

5. PART 5:

- Watch part 5 of the video (starting at time indication 4:55; watch till the end
- Discuss the results obtained in Benin; discuss the behaviour of risk taking/avoidance, playing safe and trust.
- Compare the results obtained by the 2 teams in this exercise and the 2 teams in Benin.

Exercise 2: Identify different types of relationships

This exercise is based on the video “Craving for credible cream” which is used to map a Nigerian dairy VC (value chain) and the members of the PPP (public private partnership), as presented in the video.

Part 1

1. The participants split-up into 4 groups and each group identifies the various relations that (may) exist:
 - ☐ between ABC stakeholders and outside actors
 - ☐ between groups of stakeholders within the ABC, and
 - ☐ between actors within groups of actors, within ABC
2. The groups briefly characterise each relationship and make clear whether this is a relationship driven by competition or by coordination.

Relationships between ... (not exhaustive list)	Competition	Coordination
<i>Same actors; so within the groups of actors within the ABC</i> Fulani men (herder-milkers) Fulani men (cattle owners) Fulani women (milk owners) Transporters (motor bikers) Input providers BSS ...		
<i>Different actor groups within the ABC</i> Fulani herder/milkers and owners Fulani men and women Fulani women and motor bikers Input dealers and Fulani Fulani and FCW (milk collection centre)		
<i>ABC (actors) and other (competing) VC actors of government</i> ABC and other sources of input and services		

ABC and other markets of milk and cheese		
Farmers and government (roads, ...)		

3. For each relationship, the groups specify:

- ☐ In cases of competition: who is competing, for what, what is weighing on the competition (components of the battle of wills: information, competencies, gender...)
- ☐ If no competition: is there any sign of coordination? proactive? collaboration? Or are they neutral? If there is no real coordination, what could better coordination improve?

Part 2

4. The groups meet two-by-two, present and exchange their findings. The groups should come to agreement and make a commonly agreed table/matrix. After this, bring the tables of the 2 groups together and make a final matrix/table, to present in a plenary session.

Exercise 3: Analysing the role and activities of FOs

The participants split-up into 3 or 4 groups. Each group starts with a Round to investigate the participants' working experience with FOs, then select one FO that is involved in an ABC and:

1. Describe the FO: membership, gender, objectives, and current partners.
2. List the roles that the FO plays: distinguish the roles vis-à-vis its members (different categories if relevant), within the ABC, and other roles, if any (e.g. involved in policy making).

Subsequently, each group describes the activities through which the FO plays these different roles, identify the means that are (could be) used/needed for this, and list where these means are available.

Categories	Roles	Activities implemented to fulfil the role	Means* used / needed	Sources of means
Regarding members (so 'inside' the FO)				
Regarding ABC other stakeholders in ABC				
Regarding roles outside the ABC				

* in terms of competencies, time, logistics, other resources, and finance.

Exercise 4: Tiger nut partner fair

Part 1:

1. The participants to read the case study below: *Nuts about tiger nuts (10-15 minutes)*
2. Six groups are formed that represent the relevant actors intervening in the case study, as follows:
 - Tiger nut producers and the union of cooperatives
 - Input provider (fertiliser dealer)
 - Bank
 - Tiger nut trader, based in Mali (Moumine)
 - Representative of the Spanish buyer (Xavier)
 - Service provider (Grefa)
3. Each actor group first reflects on its own characteristics and needs to reach its objectives within the cluster and define the profile of the partner it is looking for.
4. The represented actors should then write the results of the reflection on a flip chart in the form of an advert:
 - Who we are
 - What we are looking for
 - What profile of partner could be convenient (be realistic!)

The fair itself

1. The adverts are hung on the wall. Each actor walks around and studies the posters and looks for possible “useful” partners, while comparing with his/her characteristics as presented on his/her own poster.
2. Then, each actor (represented by a group of participants) identifies 1 or 2 key partners. Note that some actors may not value the relevance of any partnership arrangement and thereby may decide not to enter into a partnership (for the moment), because there is nothing to really gain from the partnership, for example.
3. All actors will compare their options for partnership and in case of concordance (that means 2 (or 3) partners would mutually like to envisage a partnership arrangement with the other), the potential partners will engage in a discussion on implications of engaging in a partnership arrangement in terms of:
 - ☐ negotiations
 - ☐ exchange of information/knowledge/resources/funds
 - ☐ Adjustments/changes and commitments to be made in terms of quality, volume, time, resource use, funds, logistics, etc.
 - ☐ sharing of benefits, sharing of risks, and even sharing of possible losses
 - ☐ prospecting new markets and possibly new products or product formulations
 - ☐ possible incompatibilities

Part 2:

In the second part of the exercise, the actors who agreed to partner will develop their road map to develop the partnership: what will be the actions to be undertaken, for what purpose, who will be responsible for the implementation, when and what means are needed (e.g. time, competencies, facilities, money, and support).

Case study

Nuts about tiger nuts

Moumine lives in southern Mali, in the Sikasso Region, the only region where tiger nuts are cultivated. Moumine is a tiger nut trader, with clients in Spain who process tiger nuts into a drink.

His clients demand big tiger nuts delivered free of sand and in large quantities, as the production in Spain is diminishing. To deliver the required quantity and quality, Moumine contacts Jekafo, a cooperative union group of 24 tiger nut producers. The cooperatives have been set up with the support of Grefa, a service provider, supported by the 1000s+ project.

Moumine made the tiger nut producers believe he would pay a better price for better quality, so they intend to put much more time into sorting and calibrating their produce. To boost production, they dedicate more land to tiger nut cultivation and use mineral fertiliser, an expensive input which they have to purchase on credit.

Moumine and Jekafo's managers have negotiated a substantial loan with the local bank director. Through a contract negotiated with an input provider the Union can provide fertilisers to its members. Jekafo is grateful and agrees with its members that it will pay back the credit in kind, i.e. in tiger nuts, including interest, at the time of harvesting. These tiger nuts will be collected by Moumine who, accordingly, will pay the bank in cash. Thus the Union kills two birds with one stone: its contracts conditions – with the bank and with Moumine – will be met. The Union is very satisfied with this deal, and so is Moumine, as he will be able to sell the quantities he had foreseen; he has dollar signs in his eyes.

But Moumine is too self-interested. Hoping the tiger nut producers have little knowledge of the prices and demand on the international market, he offers a lower price than the one stipulated in the contract, to reap a higher profit. He argues he cannot pay more as his Spanish clients will not buy the produce if the price is too high. The negotiations between him and the Union stagnate. The Union is not willing to sell below the contract price, as they would then encounter major difficulties in paying back the bank. However, the Union is short of arguments to make Moumine change his mind and raise the price.

By dint of discussing with Grefa and other service providers, and by desperately looking for solutions to sell their stock, the Union gets a very important tip: the name and email address of Xavier Santos, one of Moumine's major clients in Spain.

The Union contacts Xavier, to ascertain his interest in buying their stock directly. Xavier, who had been informed by Moumine that the amount of Malian tiger nut would be limited, now knows this is not correct. And he wants Moumine to know that he has this information. So, in his email reply, he asks the Union to contact Moumine, because he normally trades with him – the email intentionally cc's Moumine.

Moumine gets worried that he might lose the market with Xavier and others. He is afraid the Union will sell directly to Xavier or any other Spanish Tiger nut traders, so he immediately proposes a higher price for the tiger nuts. The Union accepts this higher price and the deal is made, allowing all contracts to be granted. This is clearly a win-win outcome for all stakeholders involved: Moumine, the bank, the fertiliser dealer, the tiger nut importers and producers, and their Union.

The Union is able to repay the credit and is able to obtain a new loan from the bank as the bank is now confident it will be repaid. The same is valid for the fertiliser dealers who have been paid and who plan to pre-finance fertiliser purchase for next season.

Also the producers are better off. Thanks to the Union they received a higher price for their produce and obtained fertiliser on credit and on time. They decide to produce more and sell more to the union next season. Moumine did not lose his clients. Business and trade is his life. But he also now understands the power of information and realises he has to deal with the other stakeholders of the tiger nut value chain in a fair way. He is no longer the only one to decide on prices! Now that the Union and the producers are better informed on international markets and prices, they have powerful arguments to negotiate prices.

Written by *Marie Loosvelt* and *Toon Defoer*

Exercise 5: Brokering and networking

1. Participants to split into pairs.
2. Each pair chooses an ABC that one is working with. Choose an ABC that is relevant for the current purpose: brokering or networking issues. For this ABC, the pairs will:
 - ❑ Determine and describe what are the brokering/networking roles that are **already played**, by whom, and for what
 - ❑ Identify needs for improvement in these two domains
 - ❑ Propose a strategy to address these needs
3. Then constitute groups of two pairs each, and question each other before determining the more interesting of the two cases and then prepare a short presentation on it.



ICRA – Netherlands and Central Office
P.O. Box 578 – 6700 AN Wageningen
The Netherlands
Tel. (31) (0)317 422 938
e-mail: info@icra-edu.org,
<http://www.icra-edu.org>

ICRA – France Office
1101 Avenue Agropolis – BP 5098
34093 Montpellier CX5 - France
Tél. (33) (0) 467 612 660
icra-Montpellier@icra-edu.org,
<http://www.icra-edu.org>

ABN AMRO Bank
IBAN NL14ABNA0539227188
Swift/BIC ABNANL2A
VAT: NL805030347B01
KvK : 41048530