

*A Rapid Desk Study on the State
of Organizational Development
(Governance, Gender Equality
and Performance) of Farmer-
Based Organizations (FBOs) in
West Gonja District of the
Northern Region, Ghana*

STATE OF ORGANIZATIONAL DEVELOPMENT OF FBOs IN WEST GONJA DISTRICT

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STATE OF ORGANIZATIONAL DEVELOPMENT (GOVERNANCE, GENDER EQUALITY AND PERFORMANCE) OF FBOs IN WEST GONJA DISTRICT

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Executive Summary

The SO3-PRI-Ghana promotes an integrated approach to poverty reduction at the policy level and a pilot initiative in West Gonja, a cassava growing district of Northern Ghana. The pilot initiative focuses on strengthening rural and farmer-based organizations' (FBO) skills and capacities (through organizational development), youth's business and entrepreneurship skills (through the establishment of Junior Farmer Field and Life Schools-JFFLS), and on promoting social mobilization, information and communication (through the establishment of Community Listeners Clubs-CLC) in the concerned communities.

As part of the FBO skills and capacity development, the FAO has undertaken the construction of Community Services Centres (CSCs) for cassava processing in the West Gonja district. The CSCs is a concept to holistically address the bottlenecks and constraints identified along the cassava value chain (production, processing and value-addition, marketing, etc.) as well as maximize the opportunities along the chain. The CSCs are farmer-owned and managed with a registered CSC cooperative / association formed from a cluster of cassava-producing and processing groups, JFFLS and CLCs. A 9-member management committee is to be elected to supervise the daily operations of the Centre.

In preparation towards the training and development of these CSC Management Committees, this report is a desk study on the state of organizational development of FBOs engaged in cassava-related activities in the district.

The study shows that the exact number of FBOs engaged in cassava-related activities in the district is unknown. However, about **nine (9) organized producer groups** are identified. Furthermore, **eleven (11) processor groups** are known to be in existence within the SO3-PRI targeted communities within West Gonja. Whilst men dominate the producer groups, women are in the majority with respect to the processor groups.

Among the FBOs, leaders are usually selected or acclaimed by consensus by the members. In many instances, leadership has not changed since the formation of the group. A number of them do not have written constitution and are orally communicated to new members upon admission into the group. Groups that have received support from external projects (e.g. RTIMP) maintain some basic forms of records on their operations. Owing to the general lack of interest in agriculture, not many youth are actively involved in farmer groups. However, some youth groups exist within the district engaged mostly in other off-farm activities with a few involved in crop production (mostly maize).

The report highlights that several studies conducted into the economic potential of cassava to the district economy show positive prospects. The opportunities existing along the cassava value-chain makes it imperative to strengthen FBOs through bonding and bridging relations as well as providing capacity development support for their initial survival and long term sustainability.

Chapter 1

Introduction

In the context of its new strategic framework, FAO is implementing the SO3 Programmatic Regional Initiative in Ghana (SO3-PRI-Ghana), in order to develop, test and refine a multi-disciplinary approach to rural poverty reduction. The SO3-PRI-Ghana promotes an integrated approach to poverty reduction at the policy level and a pilot initiative in West Gonja, a cassava growing district of Northern Ghana.

The pilot initiative focuses on three core activities a) strengthening the skills and capacities of rural and farmer-based organizations' (FBO) (through organizational development), b) assisting in developing business and entrepreneurship skills of the youth (through the establishment of Junior Farmer Field and Life Schools-JFFLS), and c) promoting social mobilization, information and communication (through the establishment of Community Listeners Clubs-CLC) in the concerned communities. All three components target small-scale farmers – men, women and youth - involved in cassava production and processing. The initiative also aims at creating effective linkages between all actors in the cassava value chain and facilitating their participation in the decision-making processes at district level.

FAO commissioned African Development Program to among others, prepare training manuals for the capacity development of FBOs and Management Committees of Community Service Centres in the West Gonja district. As part of the above, a rapid desk study was required on the state of organizational development of FBOs engaged in cassava-related activities based on existing information from FAO reports and commissioned studies. What is contained in this report is the result of a desk study..

Approach

Consistent with desk review processes, the team examined issues contained in briefing papers, technical reports, back to office reports, and commissioned studies by the FAO for its Reducing Rural Poverty Initiative in Ghana. At this stage the review precluded collection of any field data.

The review of the above cited documents was complemented with the analysis of relevant literature for more nuanced theoretical context. Although largely descriptive, this report has synthesized some of the available data on farmer-based organizations (FBOs) in the West Gonja district of the Northern Region.

Chapter 2

FBOs Overview in West Gonja

FBO Defined

Farmer based organizations are associations of farmers who come together to pursue a common goal often to foster improvement in their areas of operation. They come under different names, but in Ghana they usually start as farmer or fishermen groups. They are often rural based and though more oriented towards promoting welfare related activities, sometimes operate as economic entities, such as “Nnoboa” groups who come together as gangs to offer collective labour for land clearing, planting and harvesting (Salifu *et al*, 2012). They usually disband after a particular activity but regroup as and when necessary. The members of the group also often see themselves as a team and provide peer support in times of need, and are probably the only “institutions” trusted by rural communities to advocate for the social and economic empowerment of their members (Salifu and Funk, 2010).

FBOs in Ghana range from informal village-level groups to organized groups. The informal village-level groups form the greater proportion of FBOs in Ghana (Asibey-Bonsu, 2012). A survey (Salifu and Funk, 2010) on the legal forms of FBO conducted among 501 groups in 2010 revealed that approximately 79% of the FBOs were registered with at least one of the following: the Department of Cooperatives, the District Assembly, Ministry of Food and Agriculture, Registrar Generals Department, and Farmer Union. This rate varies by regions, with about 85% registered in the Southern Ghana, as compared with only 60% in the North. About 57% of the FBOs that were registered are smallholder dominated.

FBO networks at district and higher levels are generally responsible for seeking input and output markets for their members, advocating for their interests, and serving as agents for self-assessment and adherence to standards. Measures (including policies and programmes such as **METASIP, GSGDA, and FASDEP II**) are meant to lay the basic conditions for FBOs to receive extension support services, such as supervisory, input supply and information on best agronomic practices. This is because FBOs are seen by the government as an effective mechanism for increasing agricultural productivity whilst giving farmers bargaining power in the market place.

The exact number and level of activity of FBOs in West Gonja district is difficult to determine (FAO, 2013b). Information is unavailable on a dedicated FBO website (www.fboghana.com) as to the number of FBOs organized around cassava in the Northern Region. Further, none exists on West Gonja district for cassava-related FBOs. However, the website provides information on FBOs engaged in the production of maize (see Table 1)

Table 1:– FBOs in West Gonja by Membership, Gender and Type of Activity

District	No. of FBOs	No. of Members	Male Members %	Female Members %	No. of Producer FBOs	No. of Processing FBOs	No. of Marketing FBOs
West Gonja	13	271	37.0	63.0	7	3	3

Source: Constructed from data from www.fboghana.com

Notwithstanding, it is estimated that all communities in the district have FBOs (FAO, 2013b). They can either be organized as cooperatives or limited liability societies. The district authorities can also give some form of recognition to unregistered FBOs, who operate as “informal” entities.

Below is a summary of information on farmer-based organizations (FBOs) in the West Gonja District involved in Cassava production. s.

a. Producers Organizations

The producer groups are mainly dominated by males and engage primarily in the cultivation of cassava. Available estimates suggest that 137,000 metric tonnes of raw cassava are produced yearly in West Gonja (FAO, 2013b). The following are some identifiable groups in the district:

1. *Soung Zelelakpieo Farmers Group, Damongo – Female only*
2. *Tawakaltu Group, Lambonto No.2 – Female dominated*
3. *Kantirinye Ngbaniye, Nabori – Male only*
4. *Kpamansa, Nabori – Female only*
5. *Suntaa Farmers Group, Yipala – Male and Female*
6. *Nongtaa Farmers Group, Yipala – Male only*
7. *Young Farmers Association, Damongo – Youth / Mixed*
8. *Kanyiti-wale Number 1, Ngbaripe – Female dominated*
9. *Bunyanso Farmers Limited, Ngbaripe – Male dominated*

Information suggests that most of the farmers cultivate the local cassava variety instead of the hybrid / improved species because the former provides higher yields and possess better quality traits (Daidone and Davis, 2014).

b. Processor Organizations

Processor groups or organizations are typically engaged in value-addition activities to the raw crop produced or harvested. Their activities range from simple activities to complex ones that require considerable machinery and equipment.

For the West Gonja district, as far as cassava processing is concerned, persons and groups produce *gari* from the cassava. Most activities include washing, peeling, cutting into chips or grating, drying, compressing and frying to produce *gari*.

An FAO (2013) report indicates that there are **eleven (11) cassava processing groups** out of the 18 targeted communities for the SO3-PRI project in West Gonja district. These are distributed as follows:

Table 2 – Extract of SO3-PRI Communities with Cassava Processing Groups

Name of Community	No. of Cassava Processing Groups	Number of Members
Alhassan Akura	3	60
Busunu	2	29
Langatre	1	18
Larbanga	1	20
Soalepe	1	12
Sor No. 1	1	16
Sor No. 2	1	10
Sor No. 3	1	25
Total	11	190

Source: FAO 2013a

Available information shows that there are a number of cassava processing centres managed mostly by women (estimated at about 2500) and process almost 100% of all cassava produced in the district (FAO, 2013b). Some of the identifiable and organized farmer groups engaged in processing is as follows:

1. *Kanyiti-Wale Number 1, Ngbaripe – Female dominated*
2. *Ananori Womens Group, Damongo – Female only*
3. *Kanyiti-Wale Number 2, Damongo – Female only*
4. *Bunyanso Farmers Limited, Ngbaripe – Male dominated*
5. *Samakuse Gari Processing Group, Damongo – Female only*

Chapter 3

State of Organizational Development

The Farmer Based Organisation Policy Framework promotes the formation of FBOs by providing guidelines on how to coordinate registration of FBO across the length and breadth of Ghana in order to play a key role in agricultural development. The FBO policy framework uses collective activities such as Inputs Procurement, Mutual labour support, Welfare Services, Internal credit scheme, Community Development, Production, Marketing and Agro processing as measures of FBOs coordination (Ahadzie, Abbey and Odonkor, 2014)

Several studies have highlighted the need for individuals sharing similar characteristics to associate or join themselves into a group, be it formal or informal. Through such groups, strengths are pooled, risks are shared and members are provided with services.

It is observed that where similar or different FBOs find avenues for collaboration, they are better able to contribute to each other's success and strengthen their ability to engage with formal state actors. However, this is less likely in the case of FBOs in the West Gonja district. An earlier FAO field visit identified that no formal interactions existed among different FBOs be it bonding, bridging or linking relations in order to maximize the benefits of effective linkages through market development (FAO, 2013b)

a. Governance

The structures and institutional arrangements for the management and operations of the FBO largely explain the issue of governance. By this, mechanisms for the election or selection of leaders, rules of conduct and operations, decision-making, procedures for handling grievances / settlement of disputes, and the overall structure of the FBO should be known to members belonging to the group.

Leadership

This review has found that leaders are mostly acclaimed and accepted by group members when they are identified as the person capable of leading the association. For many of these associations, the founding executives or persons chosen to lead the group are barely changed so long as in the view of the members they continue to serve the interest of the group (Ahadzie, Abbey and Odonkor, 2013). While this practice of itself is not bad, it stifles opportunities for fresh ideas and the possibility of new group members putting themselves forward for leadership positions.

A report on youth groups (Abdulai, 2013) in West Gonja district highlight that there have been relatively no changes in the leadership of most of the youth groups profiled in the study. Some of the groups however conducted elections to elect / retain the leaders of the groups.

Another observation is that although women constitute majority of the members in FBOs, they are less represented among the leadership (Ahadzie, Abbey and Odonkor, 2014, FAO, 2013a). Socio-cultural factors are likely to have contributed to this situation. This picture is not so different from the general trend at the national and sub-national levels. In the Northern Region, information available reports that although women constitute 48% of the members in FBOs, they are hardly involved in decision-making processes at the level of leadership (FAO, 2013b). In some cases, female dominated groups had some male executive members.

Codified Rules

The importance of laid down rules and regulations clearly known to members in a group cannot be overemphasized. In this regard, FBOs are expected to have some form of rules governing the conduct of officers, duties and rights of a member, and relationship amongst members in order to create the right atmosphere for group development.

For most of the FBOs in the district, laid down rules are not in written form of a constitution. The rules and regulations are mostly by oral tradition and are passed on to new members. What this creates is a situation whereby rules and regulations are subject to dilution or modification, be it intended or unintended.

Notwithstanding the above, the FBOs operate by rules and regulations that are orally communicated when new members are admitted. Sometimes, other existing rules hitherto unknown to new members are called into action when some form of disciplinary measures are to be taken against erring members. When a situation arises for which no rule exists already within the group to deal with, it offers the opportunity for the adoption of this action / measure as a guide for any similar future occurrence.

Operational Procedures / Meetings

The processes, by which the FBOs undertake their activities, whether as producers or processors, serve more as the standard guide for performing various tasks. These procedures ensure that activities undertaken by group members are well guided to achieve set objectives.

Here too, they are more often verbally communicated with little evidence of them being documented in whatever language possibly understood by members. The high level of illiteracy among the adult population is a likely major factor for the non-documentation of *operational procedures or a constitution*.

For many of the FBOs, keeping of basic books of accounts, records / documentation books (e.g. minutes) are absent, and in cases where they exist, not done consistently. Whilst the absence of records on meetings is indicative of the irregularity of meetings, this should also be considered in light of the level of illiteracy.

b. Gender Equality

Agriculture remains a gender-differentiated sector. In the West Gonja district, women farmers engaged in crop production are in the minority. However, they are dominant in the processing and marketing units within the value chain.

Generally, access to farm lands for crop production is not gender biased. Women can have access to lands for farming just like their male counterparts. Anecdotal evidence suggests that women are less favored in the acquisition of farm tools and supplies, especially within state-sponsored programs.

Whilst a *gender desk* exists in the district, it is the case that much more needs to be done in empowering women farmers, since they form the majority of the subsistence farmers within the district.

c. Youth Participation

Several study reports show that youth involvement in agriculture in the West Gonja district is not different from the pattern of very low participation elsewhere. With the youth representing more than 20% of the district population, their low interest and involvement in agriculture is one that continues to plague district authorities and policy makers. An FAO commissioned study (Abdulai, 2013) to profile the existence of any form of organized youth groups in the district shows the following results:

- Out of the eight (8) communities, nine (9) groups were identified: 2 in Larabanga and one each in the rest of the 7 communities;
- Out of the 9 groups, only one was a registered group with a certificate of operation;
- In all, 2 viable groups were found in Larabanga and Tailape, 4 defunct/dormant groups in Busunu, Sori No.2, Mempeasam, and Larabanga, and 3 new groups in Soalepe, Sori No. 3 and Nabori; and
- All the groups were governed by groups elected by their members.

The youth groups are largely engaged in off-farm activities (i.e. vocational skills, service provision). Relatively few are involved in crop production, with a concentration in maize and followed by cassava.

d. Economic Performance

The current contribution and future prospects of cassava and cassava-derivatives to the West Gonja district economy and Northern Ghana in general is well documented. The district produces about 31% of the 1,367,444MT contributed by the entire Northern region to the total national cassava production (Fynn, 2014; FAO, 2013a).

A Local Economy-wide Impact Evaluation study projects that a 10 percent increase in cassava production has a multiplier effect on the West Gonja local economy (Thome, Taylor and Filipski, 2014).

An FAO study of cassava farmers showed that “on average 58 percent of the harvest goes to sales, 27 percent is reserved for home consumption and 8.5 percent is stored. The remaining 7 percent is allotted for other purposes, like animal feed or gifts/reimbursements (Daidone and Davis, 2014). Only 1 percent of the crop is lost during the harvest”. With more than half of cassava produce being sold, the farmers and their household derive economic benefit from the crop.

Box 1: Case Study on Economic Performance of an RTIMP Good Practice Centre for the Processing of Cassava

Good Practice Centres (GPC) for processing of cassava into *gari* are promoted and used by RTIMP as learning centres, but managed and owned by women groups on a commercial basis. RTIMP intervenes only in the initial investment. An investment analysis on a sample of 10 GPCs in 2012 shows a Financial Internal Rate of Return (FIRR) that varies between 2% and 319% with a medium FIRR of 67%. The quality of daily management seems to be the key success factor of the GPC.

The average investment cost in these 10 GPCs was GHS 69,000 during 2007 and 2012. Currently, the investment cost would be about GHS 130,000, as requirements for product quality, health and environmental impact mitigation are more stringent. In addition, the GPC concept has been fine-tuned by RTIMP. A well-managed GPC creates between 90 and 130 jobs, often for women in processing but also for young farmers in out grower schemes, transporters, artisans and retail traders. Since the MTR of RTIMP, it was decided to link these centres upstream to out growers for supply of raw material and downstream to wholesale buyers, supermarkets and export markets at the demand side. In addition, RTIMP is working on certification and traceability.

The investment analysis in Table 3 shows that a well-managed GPC is profitable. It should be said that market prices for *gari* were quite lucrative in 2013.

Table 3: Profitability of RTIMP Good Practice Centres (GPC) for cassava processing into *gari* (2012)

Item	Unit	
Investment	GHS/annum	90,602
Gross revenue	GHS/annum	149,800
Variable Costs	GHS/annum	88,200
Depreciation	GHS/annum	9,200
Net profit	GHS/annum	52,400
Financial internal rate of return	%	67%
Benefit /cost (B/C) ratio	%	135%
Net present value	GHS	617,000

Source: GASIP RTIMP (case of Harii Farms)

Chapter 4

Conclusion

In the West Gonja district, many Farmer-Based Organizations (FBOs) operate as unregistered entities are not part of national-level associations so they have no formally recognized avenues through which to channel their grievances. They suffer from weak governance arrangements and receive very little coaching and support from the Department of Cooperatives which has the legal mandate to support their growth. This has frustrated their access to institutional credit and many other services that they are entitled to if the FBOs were properly constituted (Ahadzie, Abbey and Odonkor, 2014).

The relative low number of well-organized cassava producer groups within the district is inimical to boosting crop yield through knowledge sharing / good agric practices, reducing post-harvest losses through effective linkages with processor groups and maximizing the possible gains from economies of scale. The processor groups, largely dominated by women, are incapacitated with equipment for increasing output to meet growing demand. A model Good Practice Centre for Cassava Processing built by IFAD for the RTIMP project is currently being managed by the Kanyitiwale No. 1 Women's Group. This has boosted the productivity of this group and represents a positive case study for possible replication across the district.

A lack of group mentoring, nurturing and development among the FBOs is mainly the result of weak organizational structures at the grass-roots and national levels. There are key capacity challenges of FBOs. The producers' and processors' groups lack adequate knowledge and the ability to initiate and implement activities that would equip their members with entrepreneurial and business management skills for off-farm self-employment ventures (Ahadzie, Abbey and Odonkor, 2014). However, huge potential exists along the value chain of cassava within the district for gainful employment, particularly for the unemployed youth (Fynn, 2014).

A systematic approach towards FBO nurturing and development that takes account of the various barriers and challenges would be essential in any poverty reduction efforts. The involvement of women farmers in a manner that mainstreams their needs is a necessary ingredient in ensuring sustainable livelihoods, incomes and local economic growth.

The continuous provision of capacity development support through mentoring, refresher trainings on strategic planning and management, organizational management, business entrepreneurship (including business planning, enterprise development, good financial management, etc.) are essential for the sustainable growth and development of FBOs in order to maximize their potentials.

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