managing agribusiness associations

starter kit

1

a practical handbook for starting and existing agribusiness associations

IFDC

Managing Agribusiness Associations

Starter Kit

A Practical Handbook for Starting and Existing Agribusiness Associations

May 2009

Written by Manon Mireille Dohmen

With contributions from
Raphaël Vogelsperger and Ian Gregory

Cover designed by Meg Ross

Drawings by Anani and Mensah

IFDC
An International Center for Soil Fertility and Agricultural Development
IFDC Africa Division, BP 4483 Lomé, Togo
ifdcafrique@ifdc.org
www.ifdc.org

Table of Contents

Table of Contents **1**

Foreword **5**

Introduction **7**

References and Bibliography **8**

PHASE I FORMING AN ASSOCIATION **9**

1. The Association **11**
- 1.1 What is an Association? 12
- 1.2 Registration 12
- 1.3 Why Form an Association? 13
  - 1.3.1 Financial Benefits 14
  - 1.3.2 Advocacy 15
  - 1.3.3 Communication 15
  - 1.3.4 Education 16

2. Vision, Mission, and Objectives **17**
- 2.1 Vision - Mission 18
- 2.2 Objectives 19

3. Organizational Bodies **21**
- 3.1 General Assembly 22
- 3.2 Executive Council or Board of Directors 22
- 3.3 Officers 24
- 3.4 Executive Committee 25
- 3.5 Advisory Board 26
- 3.6 Hired Staff 26
- 3.7 Committees 27

4. Organizational Structure **29**
- 4.1 Membership 30
- 4.2 General Assembly 31
- 4.3 Executive Council 32

5. Expenditures and Revenue **37**
- 5.1 Expenditures 38
  - 5.1.1 Start-Up Costs 38
  - 5.1.2 Operational Costs 38
- 5.2 Revenue 39
- 5.3 Donor Support 40

6. Constitution and Bylaws **43**
- 6.1 Constitution 44
- 6.2 Bylaws 45
- Example 6.1 The Constitution 46
- Example 6.2 Bylaws 49

PHASE II START-UP PHASE 51

7. Plan of Action for the Start-Up Phase 53

8. Roles of the Organizational Bodies 55
8.1 Council and Staff 56
8.2 Council, Staff, and Members 57

9. Day-to-Day Management 59
9.1 Standard Operating Procedures 60
9.2 Writing Standard Operating Procedures 61
Example 9.1 Internal Regulations on Advances 63

10. Record Keeping 65
10.1 Records on Membership 66
10.2 Records on Dues and Fees 67
10.2.1 Records per Member 68
10.2.2 National Records 69
10.3 Financial Records 69
10.3.1 Setting Up Financial Accounts 70
10.3.2 Expenses 72
10.3.3 Revenue 73
10.3.4 Bank Account 73
10.3.5 Petty Cash 74
10.3.6 Advances and Reimbursements 75
10.4 Summary of Important Rules 77
Example 10.1 Registration Form 78
Example 10.2 Individual Training Information Form 80
Example 10.3 Individual Payment Form 81
Example 10.4 Quarterly Regional Report 83
Example 10.5 Petty Cash Advance Form 84
Example 10.6 Expense Report 85
Example 10.7 Transport Claim Form 86

11. Internal Communication 87
11.1 Between Executives and Executive Manager 88
11.2 General Rules for Communication to Members 88

PHASE III BUILDING SUSTAINABILITY **91**

12. Financial Sustainability **93**
12.1 Offering Benefits: FACE 94
12.2 Collection of Dues and Fees 94
12.3 Generating Revenue 95
12.4 Fees for Services 98
12.5 Marketing Your Association and Services 99

13. FACE: Financial Benefits **101**
13.1 Credit Facilitation 102
13.1.1 Preparations 103
13.1.2 Building Partnership 104
13.1.3 Education and Monitoring 105
13.2 Other Financial Benefits 106

14. FACE: Advocacy **107**
14.1 Basic Concepts of Advocacy 108
14.2 Preparing an Advocacy Case 109
14.3 A Shortlist for Advocacy 111
14.4 Security and Protection 112

15. FACE: Communication **113**
15.1 Recognition 114
15.2 Information Dissemination 115
15.2.1 Means of Communication 116
15.2.2 Collection of Information 118

16. FACE: Education **121**
16.1 Educational Programs 122
16.2 Adding Value 125
16.3 Planning and Implementation 125
16.4 Organizing the Logistics 130
16.5 Checklist for the Logistics of a Capacity-Building Workshop 131

17. The Planning Process **135**
17.1 Objectives 136
17.2 Strategies 137
17.3 Indicators 138
17.4 Monitoring and Evaluation 139
17.5 Long-Term Action Plan 139

PHASE IV GROWING TO MATURITY **141**

18. The Commodity Value Chain **143**
18.1 The Role of Associations in the Chain 144

19. Building Partnerships **147**
19.1 Why Build a Partnership? 149
19.2 Pillars of a Dynamic Partnership 150
19.3 How to Build a Partnership 151
19.4 Partnership with a Donor or Implementing Partner 152

20. Meetings **155**
20.1 Preparing a Meeting 156
20.2 The Role of the Chairman and Members 158
20.3 Checklist for Meetings 160

21. Leadership and Group Dynamics **163**
21.1 Leadership 164
21.2 Group Dynamics 166

22. Proposal and Report Writing **169**
22.1 Guidelines on Writing Proposals 170
22.2 Guidelines on Writing Reports 172

Foreword

Agribusiness is the business of agriculture from the production, supply, and marketing of farm inputs through all the processes of farm production of food and fiber to the post-harvest processing and marketing of farm products. Complex linkages, interactions, and services, as well as market and technical information, exist within and create value for the participants of an efficient agribusiness system at local, national, regional, and global levels. Coordination within the system and empowerment of individuals and businesses are greatly enhanced by the organization and operation of agribusiness associations.

Associations are formal not-for-profit organizations made up of individuals, businesses, or professionals with common interests. They are formed on a voluntary basis to provide members with benefits derived from FACE activities (**F**inancial benefits, **A**dvocacy, **C**ommunication, and **E**ducation) that add value to individual economic activities. Agribusiness associations are common throughout developed economies and have a very important and expanding role in developing economies. They are usually organized around one of three agribusiness activities: input supply, farming, or processing/ marketing. An association's interests may be quite narrow or broad.

Experiences in recent decades have demonstrated that agribusiness is the key to economic development and poverty reduction in developing countries. Sustainable association development is a powerful tool to assist all participants in agribusiness to meet the challenges of national, regional, and global competitive markets. When used as a development intervention tool, agribusiness associations have a special niche in nurturing entrepreneurs in developing market economies and in preparing the groundwork for other approaches such as value chain cluster development. Associations also allow local entrepreneurs to develop markets according to their own insights.

Associations are quite different from cooperatives. Cooperatives are voluntarily formed, formal, for-profit organizations. They are usually, but not always, formed by farmers to enhance either their purchasing power or marketing power. Unlike associations, cooperatives are commercial enterprises that derive benefits for their members from the profits of commercial operations.

Although agribusiness associations are not-for-profit, their sustainable operation usually requires some form of commercial revenue to pay for the operational services from which membership benefits are derived.

An excellent and instructive way to view agribusiness associations is to consider them as a means to help either farmers or agribusinesses be better competitors. This is achieved through enhanced knowledge, shared experiences, empowerment, and a professional image.

Through associations, a consensus on a mission can be formulated. That consensus then serves as a basis for advocacy for a favorable policy and regulatory environment, which serves the individual and collective business interests of the membership. Furthermore, an association provides a collective forum to develop and articulate responses to proposed policies and regulations that affect agribusiness.

Associations formed at a local level can be represented at national and regional levels in a hierarchy that provides avenues for trade enhancement and other broad public concerns.

This handbook has been prepared by IFDC based on practical experience with agribusiness associations in Africa, Central Asia, and Eastern Europe. Together with the training lesson modules, it provides a resource to help develop the capacity of farmers, agribusiness entrepreneurs, and businesses to start associations that become sustainable, innovative, and value-adding. These sustainable associations will provide the competitive edge to meet the challenges of today's markets.

Amit Roy
President and CEO
IFDC – An International Center for Soil Fertility and Agricultural Development

Introduction

Those who create an agribusiness association must identify their group's common interest and develop a foundation that will allow for the association's dynamic progressive development. To provide such a basis and to guide associations during each step of their life cycle, IFDC has prepared this Starter Kit for Agribusiness Associations.

The Starter Kit explains key issues each agribusiness association will face during its life. It provides a basis for discussions among association members, gives ideas on practical issues, and serves as a guideline for executive members and management staff to manage, develop, and expand the association.

This Starter Kit is not the key to success. Success will come from the people who form and run the association. An association is a dynamic entity that will continue to develop; therefore, issues discussed in this Starter Kit will change as an association becomes functioning. An association's constitution may even need to be modified over time, and the action plan will need to be updated every year.

Members must be involved in each topic and process discussed in the Starter Kit. For example, the writing of the constitution should be a participative process. Procedures also have to be shared among members to be successfully implemented in the day-to-day life of the association. This means that it takes more to make an association work than just putting its name on top of the provided example documents of this Starter Kit; these documents must be discussed among members and adapted to the needs of each association.

This Starter Kit is divided into four main chapters, each dealing with a phase of the association's life cycle: (1) the creation phase, (2) the start-up phase, (3) the building or sustainability phase, and (4) the growing-to-maturity phase. Although each chapter can stand alone, we advise they should be read in the order presented; several elements are linked, and each phase is connected to the other. Of course, during the life span of the association, chapters can be used as needed.

References and Bibliography

Chapter 3: Adapted from *KADP Association Modular Training Manual*

Chapter 6: Adapted from *KADP Association Modular Training Manual*

Session 9.1: Adapted from *KADP Association Modular Training Manual*

Session 9.2: Written by *Wayne Chaneski*

Session 14.3: Sprechman, S., and E. Pelton. 2001. *Advocacy Tools and Guidelines. Promoting Policy Changes*. CARE.

Chapter 17: Adapted from *KADP Association Modular Training Manual*

Session 20.2: Adapted from *IFDC, Agribusiness Trade Association Development*

PHASE I
Forming An Association

Chapters:

1. The Association
2. Vision, Mission, and Objectives
3. Organizational Bodies
4. Organizational Structure
5. Revenue and Expenditures
6. Constitution and Bylaws

1. The Association

1. The Association

1.1 What is an Association?

Associations are formal not-for-profit organizations formed on a voluntary basis that support the interests of their members by providing them with services, information, and recognition. More specifically, they defend the common interests of their members and support the development of each member's business and its profit margin.

Associations are different from cooperatives. Cooperatives are also voluntarily formed and have members, but, unlike associations, they are commercial enterprises that derive member benefits from the profits of commercial operations. Associations also differ from NGOs (non-governmental organizations). Although NGOs are formal not-for-profit organizations that can also be formed by volunteers, they do not have members. The main difference between associations and companies or businesses is that companies are formal for-profit organizations that are often not formed by volunteers.

Agribusiness associations are organized around one of three agribusiness activities: input supply, farming, or processing/marketing. Although all associations defend the interests of their members and provide services to them, there are slight differences between associations for farmers and associations for traders (either in agri-inputs or commodities). Farmers are more often represented in commodity-based cooperatives to make a profit; these cooperatives market their products together and divide the profit among all members. This is possible because farmers do not usually see each other as competitors, while traders do. These cooperatives function mainly at the district or even village level and represent farmers of one commodity. They rely more often on government than trade associations do for services such as providing subsidies.

However, most umbrella organizations that represent farmers from different commodities function as associations, not as cooperatives. Their membership is often much larger than trade associations, which has consequences in terms of internal organization (numerous branches, internal communication, etc.). These farmer associations often act like trade unions, strongly focusing on defending their members.

This Starter Kit will mainly focus on associations that are not profit making.

1.2 Registration

When members register their association as a legal entity, they should take a few things into consideration. Each country has different legalities and requirements for registration, and the association should examine these before starting the procedures. The first question to be answered is: How should the association be registered? There are several options, but each has its own consequences. Typically an association has members, whereas a company or an NGO does not. The objective of an association is to represent its members, while the objective of a company or cooperative is to make a profit. Because an association is not focused on making a profit, it is often exempted from paying taxes.

Whatever choice is made has consequences for the association. The chosen form determines if the association has to pay income taxes and value-added taxes (VAT), write a constitution, prepare an annual report and action plan, etc. The rules differ for each country. Also, the ministry or department involved can be different for each country. An agribusiness association can fall under the Ministry of Agriculture or the Ministry of Commerce or Trade. Sometimes a Department of Cooperatives exists. It is necessary to know the ministry or department involved and the rules and consequences for registering the association.

When registering an association, the following should be taken into consideration:

- How should the association be registered?
- What are the consequences of registering as such?
- At which ministry or department will the association be registered?
- What are the conditions to register?

When registering an association, a few conditions must be fulfilled. The conditions depend on the country where the registration takes place and on the form of registration. But in general, the following is required:

- Written constitution
- List of executives
- Minutes of the constitutive General Assembly signed by the executives

1.3 Why Form an Association?

Members establish and join associations because they have common needs to fulfill and benefits to obtain. Depending on the kind of association formed, the basic needs of each member may be different. Therefore, an association must learn its members' expectations by asking the question: Why do members join the association? This can be asked during meetings at the grassroots level, during the General Assembly, and each time a member registers. It is important to share these expectations among members and to focus on activities that address them. For example, an association should focus on credit services if this is the main expectation of its members. Also, there is no need in wasting efforts and resources by providing business plan support if, for example, members are not interested in this service.

However, an association's environment is dynamic, which means that its situation can change. Members may receive a greater benefit from accessing credit for the first few years, but later they benefit from the association's advocacy efforts. Because expectations will change, associations must check with members regularly.

To attract members, an association should always offer services with the acronym FACE:

- **F**inancial benefits
- **A**dvocacy
- **C**ommunication
- **E**ducation

The focus on each element can be different for each association and can change over time.

> **Reasons for Forming an Agribusiness Association**
> The reasons to form an association can vary but usually always have an ultimate economic benefit for members. For example:
>
> In Azerbaijan after the collapse of the Soviet Union, there was marked mutual distrust between the emerging new private agri-input dealers and government ministries. There was also a monopoly on fertilizer and other agri-input supplies, resulting in a very limited range of products and technology available to Azeri farmers. IFDC facilitated the formation of the Azerbaijan Agro-Dealers Association (AKTIVA), which was able to allay distrust, build confidence, and institutionalize material benefits for all 80 members in the long term. One of AKTIVA's first achievements was to open the markets to a wider range of products and break the supply monopolies in fertilizer, improved seeds, and crop protection products (CPPs). AKTIVA is a stand-alone sustainable association today with multiple benefits for members.
>
> The Agri-Input Suppliers Association of Malawi (AISAM) was formed by small dealers in rural areas not covered by the large importer/distributors. AISAM's objective was to make fertilizer, seed, and CPPs more readily available to smallholder farmers in these areas.
>
> The Albanian Fertilizer and Agro-Dealers Association (AFADA) was formed after emergency fertilizer supplies were donated in 1992 and a previously non-existent private sector responded to a public call for aspiring and self-selected agri-input dealers. These emerging entrepreneurs coalesced into AFADA.

1.3.1 Financial Benefits

Members often join an association because they expect direct financial advantages. An association should clearly communicate to its members that it does not give them money directly, but it can assist them in improving their business. This can be done in several ways, such as by facilitating access to credit and discounts, training members on new methods and technologies, improving negotiating, marketing, and management skills, etc. This Starter Kit shows several examples of how an association can assist its members.

More information on financial benefits can be found in Chapter 13.

1.3.2 Advocacy

One purpose of an association is to interact with or influence governmental bodies to improve business conditions. Relieving taxes, influencing regulations, or reducing governmental interference are a few examples. An association can help its members through advocacy because:

- A large group of association members can form a more influential body.
- The association can raise or contribute more money for advocacy efforts.
- Associations often have several members who are proficient and experienced in working with governmental groups.
- The association can utilize its staff members who are not affiliated with a particular business and can devote a greater part of their time to advocacy.
- The association speaks on behalf of the entire sector or region. Thus, individual members should not be afraid of recrimination for the association's efforts.

An association can also provide security or protection to members' businesses if problems arise, such as disputes with local government or custom authorities. While an association has enough influence to be heard, individuals are often ignored.

More information on advocacy can be found in Chapter 14.

1.3.3 Communication

Communication is a very broad concept that covers information dissemination and contact with members (internal) and stakeholders (external).

The association may be able to access certain information that is not readily available or easily found because it has more resources (either members or hired staff) who are proficient at sourcing this data. Types of useful information are:

- Changes in regulations and policies.
- Technical data on products or services.
- Prices of inputs, outputs, and services.
- Sources of markets for members' products and services.
- Suppliers for members' manufacturing facilities or retail outlets.
- Statistical data pertinent to members' needs.
- Research on topics of interest to members that is not available through normal channels.
- Useful Web sites.
- Projects that provide assistance to members' businesses.
- Departments of government that facilitate multiple services.

Ideas on how to communicate this information to members can be found in Chapter 15.

An association should support a communication network for members to communicate among themselves (internal contacts) or with other groups or organizations (external contacts). Contact among members is useful to share experiences, exchange ideas, receive information on new products, and benefit from group dynamics. External contacts are also very useful. These include members of sister or related associations, technical partners, government officials, value chain suppliers and customers, and service providers (insurance companies, credit unions, transport companies, etc.).

An association may have interests that coincide with other organizations or companies. When they deal through their association, members can have access to and get information about other groups because:

- The association has an office that serves as a contact point for communications for the entire sector or subsector.
- An association staff member can serve as the contact person.
- The association involves a large group from a particular industry, therefore making it a powerful focal point for the sector.

More information on how to build partnerships is in Chapter 19.

An association also provides recognition for the profession of its members. The professions of farming, processing, or trading are often not regulated by law in that anybody can consider themselves a farmer, processor, or trader. The image of these professions can easily be damaged by people who are incompetent or unethical in their business practices. An association can improve the profession's image by creating awareness among outsiders. Also, the association has to ensure that its members act as honest market participants by following and enforcing a code of conduct and promoting a "guarantee of quality" among members.

1.3.4 Education

Education is a core service that associations should provide to members. It consists of transferring knowledge and teaching skills to change behavior and improve the professional lives of members via increased sales, lower purchase prices, better quality of products, etc.

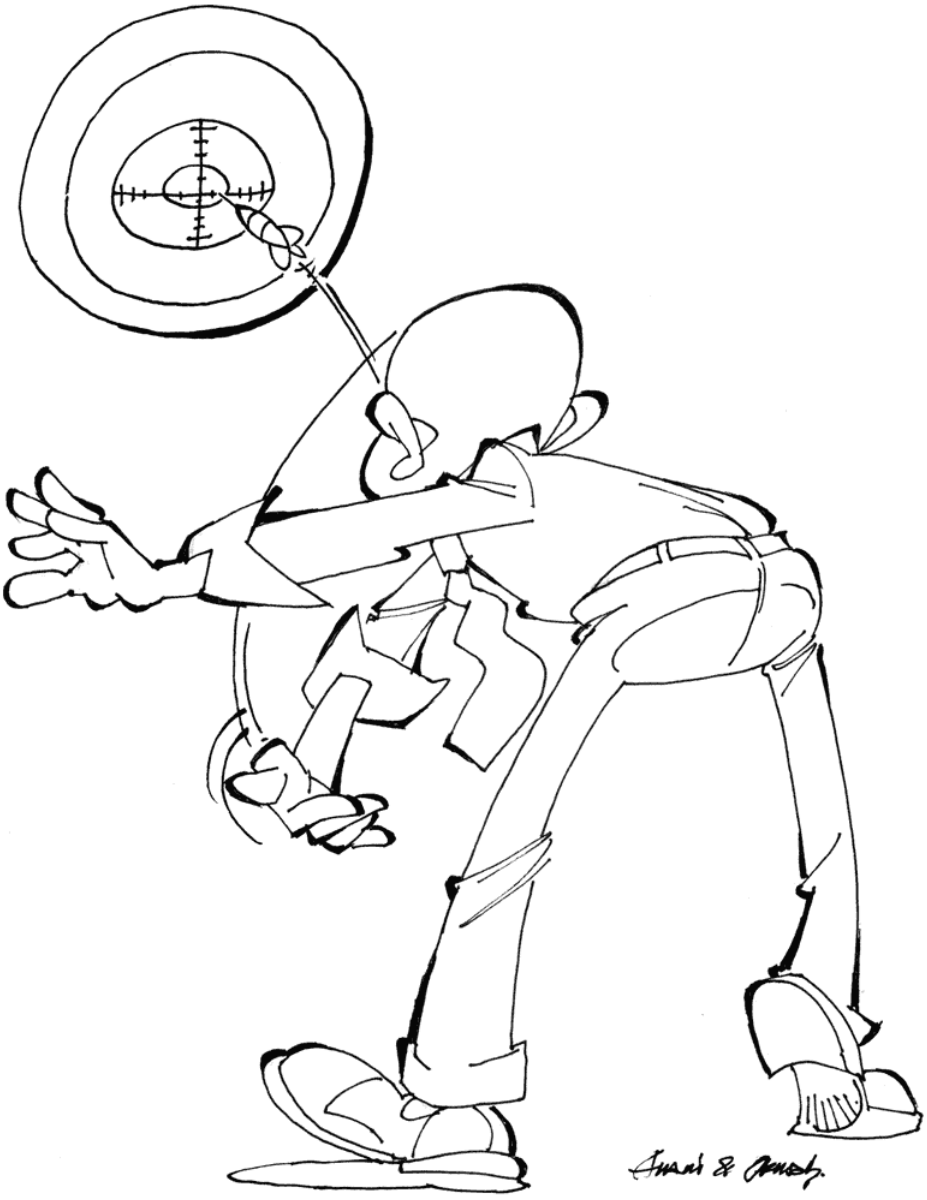
Several ways to educate members include:

- Extension and training programs based on topics relevant to their businesses (marketing, technical, business management, etc.).
- Study tours to expose members to new ideas, technologies, and business practices.
- Demonstration plots.
- Product-specific roundtable meetings introducing new companies and products.

More information on education can be found in Chapter 16.

IFDC offers workshops that include exercises to identify what members want and what services an association should offer.

2. Vision, Mission, and Objectives



2. Vision, Mission, and Objectives

Although all members share common interests and goals, it is recommended that they formulate how these interests can be defended and goals achieved. Members should create a vision and mission statement linked with both short-term and long-term objectives to achieve their common goals.

2.1 Vision - Mission

The mission and vision of an association reflects its purpose and future goals. Sometimes the mission of an association is confused with the vision. A vision is a broader concept and its scope reaches further into the future.

An example of a vision is:

"To secure a minimum level of income for all farmers in Togo."

A **vision** cannot be accomplished by one association alone; it takes the help of other organizations and individuals making their own contributions. For example, a coffee growers association cannot secure the level of income for all farmers, but it can contribute by improving the living standards of its members.

The **mission** of an association is its "reason to be." It defines the association's overall objective and main approach and explains why it exists and what it wants to achieve. A good mission statement indicates the possibilities and limitations of an association; it describes what the association should and should not do. A mission creates a common ideology, direction, and shared set of values.

For instance, a mission statement for a coffee growers association could be:

"To promote the interests of the coffee-growing farmers in Togo by improving their living conditions through advocacy and training."

Common problems with vision and mission statements are that they are:

- Not shared among all members
- Unclear and do not give sufficient direction
- Too broad
- Not democratically determined and/or approved

A clear vision and mission statement has several characteristics and must be:

- **Challenging:** The vision and mission statement describes the desired future of the association. It must have an inherent equilibrium between what the association has and has not achieved.
- **Inspiring:** The vision and mission statement should be positive and linked to individual members' aspirations. The statement should exclude everything the association does not want to be, but emphasize what it aspires to be. Whether the statement is inspiring also depends on how it is formulated and if it is supported by all members.
- **Shared:** The vision and mission statement should be formulated by the majority of members, not by a small group of executives. This ensures that everyone will want to use and refer to the statement.

- **Recognizable:** Every member should be able to recognize themselves in the vision and mission statement. They should feel ownership of the association.
- **Giving Direction:** The vision and mission statement should serve as a clear beacon to the future.

There are three elements to writing clear vision and mission statements:

1. A vision and mission statement should be one sentence
2. It should be easily understood by everyone, even non-educated members
3. Members should be able to easily recite it by memory

2.2 Objectives

Objectives are clear statements on how to fulfill the mission. A mission is the desired situation for the long term, while objectives are the desired situation for the short term. Objectives give the association direction on how to reach its mission. A mission is not easily changed, but objectives will change over time.

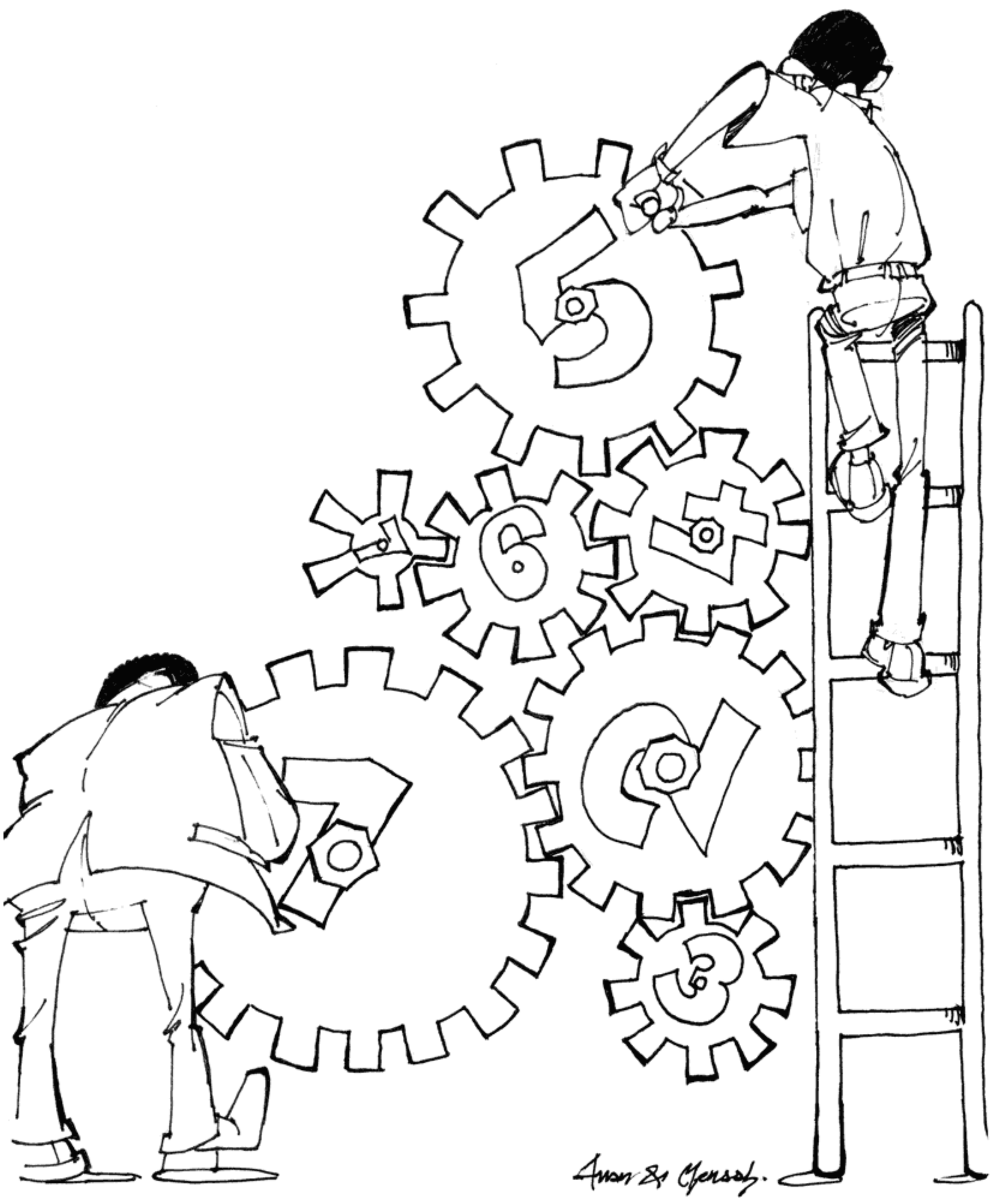
Objectives can be written on several occasions. Some associations include general objectives in their constitution, such as the following:

- To bring all legally recognized agri-input dealers in the country together under one association.
- To provide a forum to acquire and disseminate information on the safe and effective use of agri-inputs.
- To collaborate with scientific and research institutes, NGOs, and other governmental organizations to organize training workshops for members.
- To advocate for favorable policies on regional trade.

These general objectives can be further defined into specific objectives tied to an annual work plan (also see Chapter 17.1 for more information on objectives).

During an association's creation, IFDC can help formulate its vision, mission, and objectives. IFDC also offers planning workshops for later phases of the association.

3. Organizational Bodies



3. Organizational Bodies

Organizational bodies can vary among associations. Below are the most common bodies described, but they can be further adapted to individual associations.

3.1 General Assembly

The General Assembly is the supreme body of the association and consists of all members. It elects the Executive Council, approves their actions, and performs other duties as prescribed in the constitution. In general, a legal quorum consists of two-thirds of regular members, unless otherwise specified in the constitution. For any vote to be passed, it must receive 50% plus one vote of those present at a legal meeting, unless otherwise specified in the constitution. The quorum and decision-making process are described in the constitution and vary for each association.

The General Assembly should meet at a time and place set by the Executive Council. During the General Assembly, the association's annual report, financial overview, and plan of action and budget for the coming year are presented. Therefore, it is recommended that the General Assembly meet at least once a year. The Executive Council may call additional meetings as needed.

3.2 Executive Council or Board of Directors

Individual members are ultimately responsible for the functioning of the association. But having the entire membership assemble and operate the association would be very cumbersome; therefore, the membership usually delegates part of its leadership responsibilities to a smaller group within the association to operate and oversee ongoing activities. This group is the Executive Council or Board of Directors. **Its members are elected by the General Assembly and serve on a voluntary basis.** In some associations, executives are nominated from specified regions and then elected by the membership as a whole.

The Executive Council is sometimes called the Board of Directors, just as in companies. Members of the council are called executives, and they are elected by and accountable to the association membership. Executives that have a specific function, such as the chairman or treasurer, are called officers.

Functions

The Executive Council determines the majority of significant policies adopted by the association. It represents members to fulfill the association's stated purpose, guide it in respect to the desires of the membership, and provide a means to enact those desires. The functions of the Executive Council are to:

- Establish the policy of the association
- Assure compliance to the association's constitution
- Hire, direct, and oversee the staff
- Establish the normal procedures of the association
- Establish and oversee the financial practices and policies of the association

- Oversee all committee functions
- Poll their represented members and act on their wishes
- Attend regular and special meetings of the association
- Represent the needs of the association above their own needs

The council should avoid interfering with the staff in the day-to-day administration of association activities.

Responsibilities
Members of the Executive Council agree to accept certain responsibilities that go with the duty of office including:

- Attending all meetings of the Executive Council
- Being willing to work for the association and for the good of all members
- Not seeking personal gain from the duties of their position
- Soliciting ideas and views from members
- Learning more about the association's business or profession
- Compromising and cooperating for the good of the group

Candidates must understand what becoming an executive implies in terms of time and energy investment. If possible, training sessions on the role of executive members should be organized.

Selection Procedures
The selection of individuals for positions on the Executive Council should be made according to their qualifications. Those nominated should be knowledgeable in the types of activities that members are engaged in and the business of the association itself. A new executive should be an experienced member of the association and have the time to devote to the responsibilities of the position. It may be a good idea for members to select potential executives who have served the association as committee members or chairmen, on task forces, in study groups, or members who are active and vocal in association meetings. Other executives, past chairmen, or other experienced individuals should provide guidance to newly elected officers until they develop an understanding of the responsibilities of the office.

The only reason to remove an executive from office is if he or she is disruptive or acts contrary to the purposes of the association. A suggested removal procedure would be to have a three-fourths or higher majority vote of the Executive Council; the appeal would be a two-thirds majority vote of the general membership. This type of removal procedure should be authorized by the association's constitution and detailed in the Standard Operating Procedures.

3.3 Officers

Elected council members meet at times prescribed in the constitution to oversee the association's activities. To facilitate the process and to fill certain needs, the council or the general members are authorized to elect officer positions. The most commonly named officers are:

- Chairman
- Vice chairman
- Secretary
- Treasurer

All officers are elected by the General Assembly or Executive Council and are accountable to those who elected them. The duties and responsibilities for each are:

1. Chairman

This position might also be referred to as president. He or she provides leadership to the association and to the Executive Council in accordance with the association's vision, mission, objectives, and goals.

His or her duties are to:

- Call and preside over meetings of the council and association
- Establish meeting agendas
- Liaison with and supervise the executive manager
- Represent the association in dealings with other groups
- Attend all meetings of the Executive Council and General Assembly

2. Vice Chairman

This position is also known as vice president. The office of vice chairman does not automatically become chairman but instead substitutes for the chairman during his or her absence. If he or she wants to become chairman, he or she must be elected to the new office in the next election. The vice chairman provides leadership to the association and to the Executive Council in accordance with the association's goals and needs, in the absence of the chairman.

His or her duties are to:

- Perform the duties of the chairman in his or her absence
- Attend all meetings of the Executive Council and General Assembly

3. Secretary

In some associations, this position might be combined with the position of treasurer to become secretary-treasurer. His or her role is to maintain records of the association's meetings.

The secretary's duties are to:

- Oversee the recording of the minutes of association meetings

- Attend all meetings of the Executive Council and General Assembly

In many associations, the duties of this office will be handled by the association staff or executive manager, thereby making the position more ceremonial and functional only as a member of the Executive Committee.

4. Treasurer

In some associations, the position might be combined with the position of secretary to become secretary-treasurer. The main task is to maintain the financial records of the association.

The treasurer's duties are to:

- Ensure that the association's accounts are periodically audited by an outside accounting firm
- Oversee the financial records of the association as maintained by the executive manager
- Report the financial activities at Executive Council and General Assembly meetings
- Attend all meetings of the Executive Council and the General Assembly

In many associations, the duties of this office will be handled by the association staff, but the treasurer should still have oversight and provide recommendations to the council.

National Organizer for Farmers in Ghana

The Apex Farmers' Organizations of Ghana (APFOG) has a president, vice president, secretary, and treasurer as well as a national organizer. The main tasks of the national organizer are to attract new members through promotion and membership drives and to mobilize members, thus ensuring the involvement of all members in association activities. Some tasks are related to public relations, although completely focused on membership, while other tasks are more of an organizational nature. For example, when APFOG implements a program in the region, members in the field are involved as much as possible in the organization of the activity. The national organizer assists members in the field when needed, thus building their capacity.

3.4 Executive Committee

There may be times when council members are not available to make decisions or when the executive manager needs specific guidance and cannot contact the entire council. In this case, the association should have an Executive Committee established. This may be a formal or informal group comprised of association officers (usually the chairman, vice chairman, and treasurer).

The Executive Committee can be mandated to make decisions on behalf of the Executive Council. For example, the council may agree to organize a training program, while the committee makes decisions on details such as the program's date and region. If an association's staff is well-organized, it should make these detailed decisions, making the existence of an Executive Committee unnecessary. Often, an Executive Committee functions only during the association's first year, because the staff is not yet in place and many decisions must be made. **An association should be careful that, in later stages, the Executive Committee does not interfere with the work of the management staff.**

3.5 Advisory Board

Some associations also set up an Advisory Board. Advisors include former leaders of the association, members who have special skills or experiences to share, or non-members who provide additional insight to the association's activities. The Advisory Board is a consultative body that advises the Executive Council on specific topics whenever needed. Members of the Advisory Board are elected by the General Assembly and do not belong to the Executive Council.

Board of Representatives for Farmers in Ghana
When APFOG was created, approximately 30 farmer organizations were present during the constitutive General Assembly. It was clear to all organizations that it was not feasible to establish an Executive Council in which all member organizations would be represented. Therefore, the General Assembly decided to have an Executive Council consisting of seven representatives of different organizations; those organizations not elected to the Executive Council would form the Board of Representatives. As described in the constitution, the Board is:

"… the monitoring body of the National Executive Council that will report to the General Assembly. The Board will oversee the tasks of the National Executive Council and make recommendations if necessary."

3.6 Hired Staff

Many associations are large enough to hire staff to perform everyday responsibilities. Often, executives have their own businesses and do not have time to be involved in the day-to-day management of the association. The staff is similar to the management of a company. A managing director does not own the company, but is employed by its owners. However, he or she plays a very important role in the company and makes decisions on a daily basis.

It is the council's responsibility to employ the staff; therefore, it must interview, select, hire, and define the role of the executive manager, who will be in charge of the staff. The executive manager can also be called the executive secretary, permanent secretary, or managing director. The council should dictate to the executive manager which programs to work on and present a budget to accomplish these goals. The executive manager then has the responsibility to hire other staff and define their responsibilities. **The Executive Council has no responsibility or authority over the staff of the association except through the executive manager.** The executive manager could decide to involve the council in staff matters, but the council only has authority over the staff through the executive manager. Staff members should not have any responsibility to the council except to assist them in organization matters just as would any other association member, unless they are told differently by the executive manager.

In some associations, the executive manager cannot perform his or her role because executives are unwilling to relinquish their power. This often occurs when executives have created the association and the staff is hired in a later stage. The executives are used to doing everything themselves and often find it very hard to delegate. Clear task descriptions (for staff and council) and workshops on all organizational bodies will help to clearly identify everyone's role.

3.7 Committees

Because an association must incorporate the ideas of many individuals to establish and implement its programs and policies, a mechanism must be put in place to accomplish this goal. This mechanism is the committee. A committee is a small group of members within the association who handle details about program or policy development under the auspices of the chairman and Executive Council.

The purpose or goal of a committee is defined either in the constitution or established by the association official who created the committee. It is the responsibility of the committee chairman and the chairman of the council to make sure that the committee functions within those parameters. The advantage of including the definition of each committee in the constitution is that it is well defined and permanent; defining them in the Standard Operating Procedures will allow for some flexibility to change the committee's purpose over time.

There are two types of committees found in associations: standing (permanent) and ad hoc (temporary). A **standing committee** deals with ongoing activities within the association and pertains to matters involving the everyday operations or pending programs of the group. Because each association is different, the types of standing committees will vary.

Examples of permanent committees include:

- Training committee
- Women's committee
- Committees for different products (fertilizer, agrochemicals, seeds, etc.)
- Advocacy committee
- Marketing committee
- Membership committee

An **ad hoc committee** handles special matters for the association that are periodic. An ad hoc committee might be established to investigate a unique problem, to work on a short-term program, or to establish a singular policy that will be incorporated into the operations of the association. Some ad hoc committees, such as those designed to organize a trade show or launching, are only active during the short term, but are used at regularly scheduled times within the association calendar. These committees should be defined in the constitution or bylaws. Other ad hoc committees deal with items that the association cannot anticipate but must address (e.g., the bird flu). Although these committees cannot be specifically defined, the association's constitution should be written to allow for their existence.

Standing committees allow associations to devote time and resources to issues that are important to their members such as membership, policy formulation and advocacy, finance, strategic planning, and business planning. Ad hoc committees investigate specific issues and make recommendations to the council and/or the general membership. Because committee members volunteer their time in the same manner as council members, they gain experience in leadership and cooperation and can become future council candidates. Committees also allow the executive manager to concentrate on daily routines.

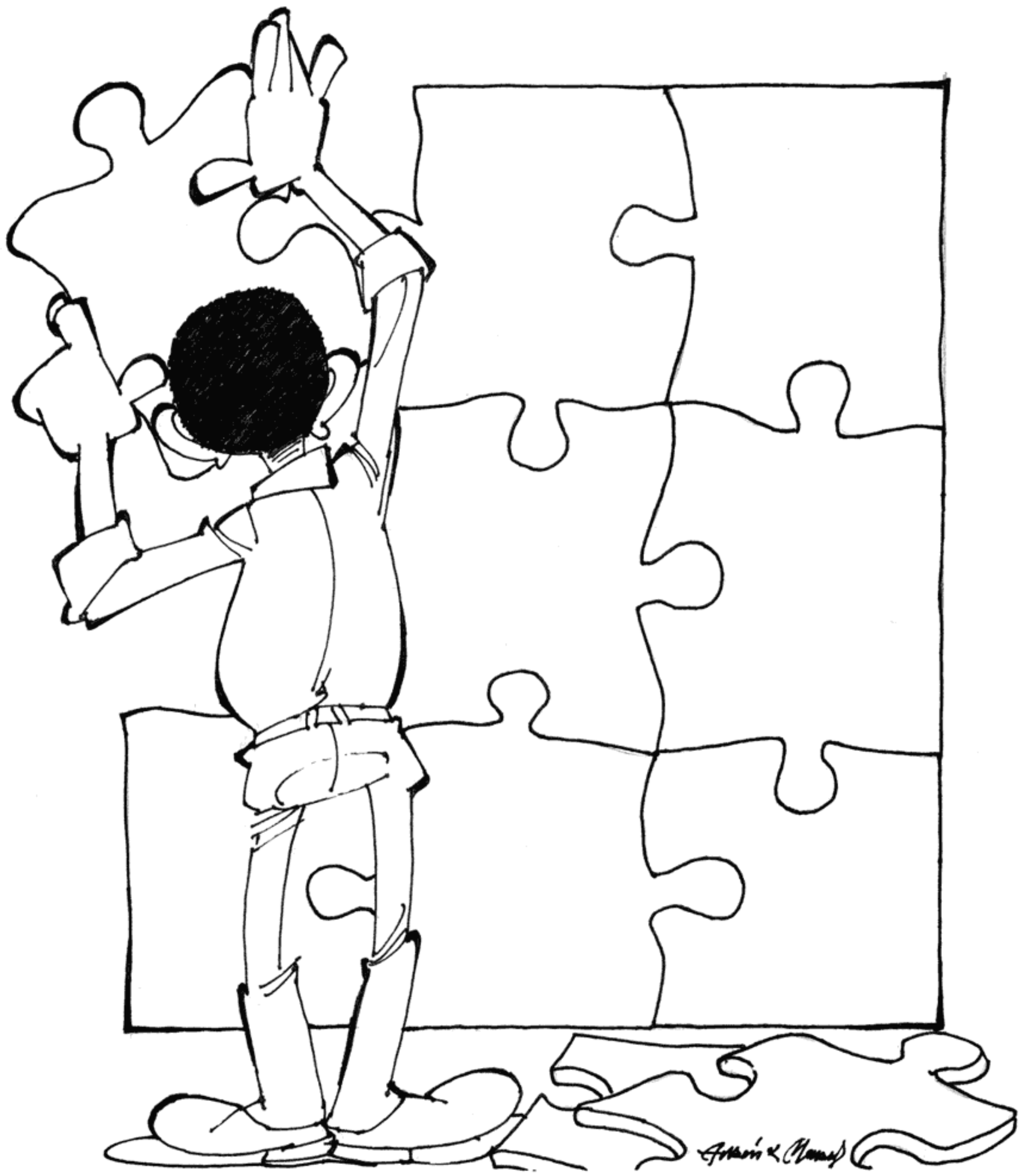
Members Gain Experience in Committee in Kyrgyzstan

The Association of Agribusinessmen of Kyrgyzstan (AAK) formed an ad hoc committee for the AAK Agro-Expo to plan a 3-day Ferghana Valley Agro-Exposition at Osh in southern Kyrgyzstan in 2004. These trade fairs require a great deal of planning, monitoring, and control from the official opening ceremony to the closing activities. There is a need to attract exhibitors, provide exhibition space and booths, have additional attractions such as workshops or seminars, publicize and promote, perform logistics, and work on a business plan and budget. AAK's committee did this right the first time. More than 3,000 attendees paid entrance fees. More than 50 exhibitors attended, and 90% vowed to return to future Agro-Expos. Eight technical and marketing seminars ran concurrently with the Expo and 700 people attended. Exhibitors made 650 new contacts, several supply contracts were signed, and two tractor companies committed to opening dealerships in the region. The experience gained by committee members in planning and executing this trade fair was incalculable, and profits flowed to AAK in more than financial terms alone.

A committee is an excellent way to involve more members in the association's decision-making process. Therefore, committee membership should, in principle, be open to all members. Of course, each committee should have a maximum number of members to remain efficient. Thus, becoming a committee member can simply be done by showing interest, being elected, being asked by the council, or being the first to sign up.

IFDC organizes training programs in which the role of each body is discussed in detail and in which participants compare the theory to their own situation.

4. Organizational Structure



4. Organizational Structure

The organizational structure is the framework of the association. As shown in Chapter 3, each body has its own tasks. The organizational structure is more than an organogram mapping all organizational bodies; an association's organizational structure starts with its members. Therefore, an association must have a clear idea of who its members are.

4.1 Membership

Associations must clearly define in the constitution who can become a member. The following should be taken into consideration:

- Common interests
- Type of entity:
  - Individuals versus companies
  - Individuals versus groups
- Type of profession:
  - Farmers versus dealers
  - Retailers versus importers
  - Processors versus exporters
  - Government officials or other stakeholders
- Type of products sold or produced:
  - Food commodities versus cash crops
  - Different commodity groups
  - Different agri-inputs (fertilizers, pesticides, and seeds)
- Geographical area of operation (district, region, national, sub-regional)

Membership categories allow associations to be open to a wide range of different members. These categories must be clearly described in the constitution. Examples include:

- **Founding members:** Those who were present when the association was formed. A founding member is usually ceremonial and can also be in another membership category.
- **Full/regular/ordinary members:** Those who are directly involved with the purpose of the association, have voting rights, and are eligible to hold a position.
- **Associate members:** Those who are not directly involved, but still have an interest in the activities of the association, do not have voting rights, and are not eligible for a position.
- **Supporting members:** An interested party who contributes to the association, does not have voting rights, and is not eligible for a position.
- **Affiliate members:** Usually suppliers of goods or services to the members of an association; they do not have voting rights and are not eligible for a position.

- **Honorary members:** An individual who has been recognized by the association, does not have voting rights, and is not eligible for a position.

It is also possible to combine categories, such as:

- Full members:
    - Founding members
    - Ordinary members
- Full members:
    - Individuals
    - Companies
- Full members:
    - Large businesses
    - Retail members

The rights of the member differ per category. These include voting rights, participation in activities or meetings, representation of the association during events, level of dues, and possibility to stand for election for committees or the Executive Council. Another possibility for members could be to move from one category to another. For example, a person who joins as an associate member can become a full member after taking a training course approved by the association.

Conditions for Membership
The Ghana Agri-Input Dealers Association (GAIDA) has several membership categories. The main categories are full members and associate members. Both categories are described in the constitution as follows:

i. *Full Members:* This category is open to those who (a) are *bona fide* sellers or distributors of agri-inputs or at least of seeds, fertilizers, or crop protection products; (b) have registered their business at the Registrar Generals Department; (c) have followed a training course on agri-inputs approved by the Association; and (d) agree to abide by the laws of Ghana related to agri-input dealing as well as to the Association's code of conduct in agri-input retailing.

ii. *Associate Members:* This category is open to those who have not completed an approved training or have not yet registered or opened their business.

This means that dealers can only become full members if they have registered their business and followed a training course. In the meantime, dealers can become associate members, which means that they are not entitled to vote and are not eligible for office-holding positions (see the box on awareness creation campaigns in Ghana in Chapter 15.1 on recognition).

4.2 General Assembly

The General Assembly is at the top of an association's organizational structure and consists of all members. The Assembly usually meets once a year. But can an association organize a meeting for all members? If the association has only 50 members, it is feasible. But, in 2 years, the association could have as many as 200 or even 1,000 members. Then, who would pay for all members to participate in the General Assembly?

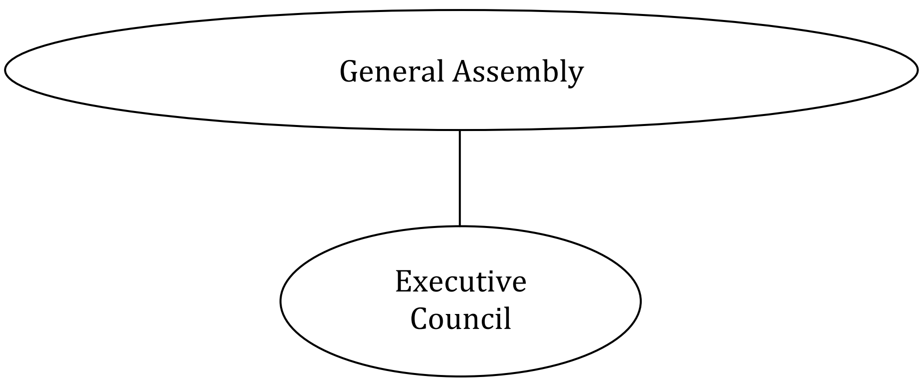
There are other possibilities to ensure that all members are represented during the General Assembly. A limited group of people for each commodity, product, or region could be invited. In this case, pre-elections should be organized at commodity, product or regional level. The number of votes for each group of representatives during the General Assembly should be fixed. For example, if three members represent one region, each region will have three votes during the General Assembly (in case some regions come with more members at their own costs). Some associations may decide to vary the number of representatives. For example, every 2-3 years, a General Assembly might include all members; during other years, it might be representatives only. If the decision is made to invite only a limited number of representatives to the General Assembly, it should be written into the constitution.

General Assembly of Seed Producers in Ghana
The Seed Producers Association of Ghana is a national association with regional branches. Because the association does not have enough funds to organize a General Assembly for all members, it decided during the Constitutive General Assembly in February 2005 that only three members per region plus the sitting Executive Council are officially invited. Other members are welcome at their own costs. Each region only has three votes during the General Assembly regardless of the number of participants per region.

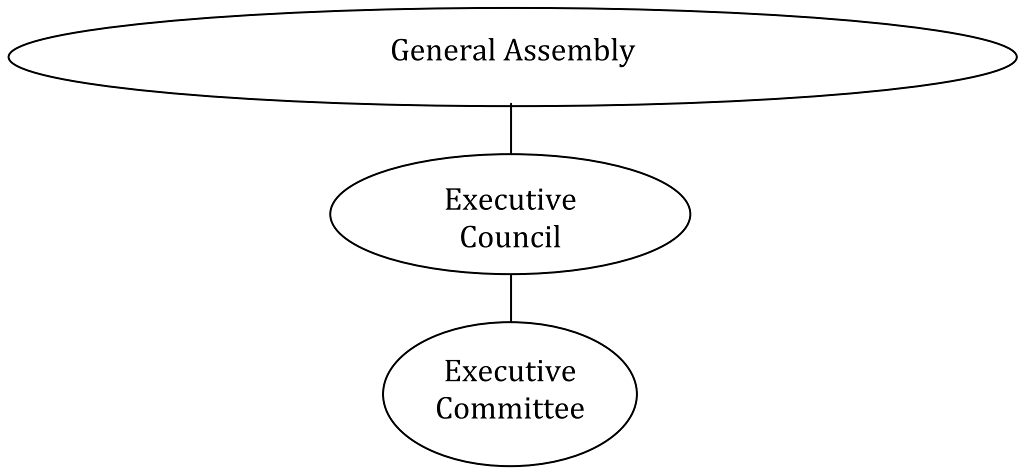
4.3 Executive Council

An association cannot be managed by all its members. Therefore, a small group of members should oversee the association's activities. There are several possible structures. Examples are given below:

i. There are two bodies: (1) General Assembly and (2) **Executive Council** with functions (such as chairman, vice chairman, treasurer, secretary, national organizer, etc.). The Executive Council is elected from all members of the General Assembly.

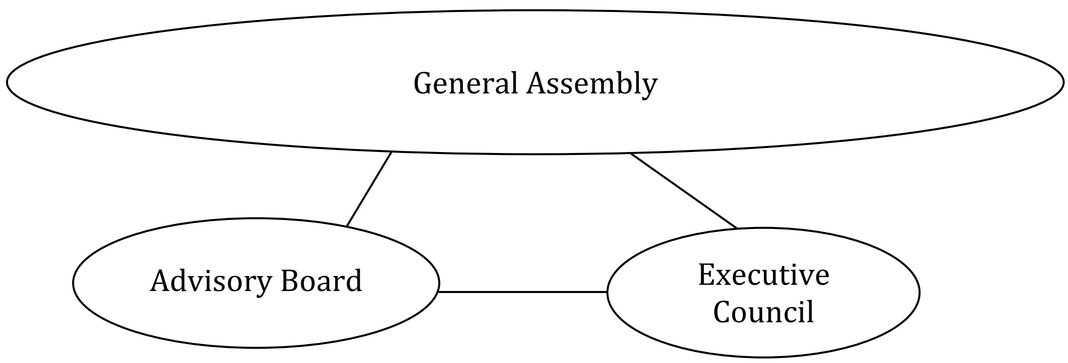


ii. There are three bodies: (1) General Assembly, (2) Executive Council, and (3) Executive Committee. The **Executive Council** is elected from the General Assembly. The **Executive Committee** is formed from the Executive Council and can consist, for example, of the chairman, vice chairman, and treasurer.



All urgent decisions are made by the Executive Committee, which is accountable to the Executive Council.

iii. There are three separate bodies: (1) General Assembly, (2) Advisory Board, and (3) Executive Council. Both the Executive Council and the Advisory Board are elected from the General Assembly. All decisions are made by the Executive Council, which receives advice from the Advisory Board. Members of the Advisory Board cannot be members of the Executive Council and vice versa.



Note: The Advisory Board can be elected but also appointed if, for example, outsiders with a certain knowledge or standing are asked to be on the Board.

Councils and Boards in Francophone Countries
The structure is often a bit different in Francophone countries. The *Conseil d'Administration* is the elected body and makes decisions on policies, while the *Bureau Exécutif* functions as the implementing body. The *Bureau Exécutif* is supported by the management staff.

Whatever structure is selected, it is important to discuss in detail the composition of the Executive Council, Executive Committee, or Advisory Board. Regarding the Executive Council, the following must be taken into consideration:

- **How many persons** should serve on the council or Board? Think about the functions the association needs (chairman, vice chairman, treasurer, secretary, national organizer, communication officer, etc.). Having an odd number of members makes voting easier, unless there is a provision for someone outside the council or Board constitutionally mandated to break a tie vote.
- Should the council have a **gender balance**? For example, should two out of nine council members be females?
- Are there any **other conditions**? For example, should the council have one young person (younger than 30 or 40) or one representative from every region or district?
- What about **conflicts of interest**? For example, can an executive member hold a public function?
- If **groups or companies** are members, how many seats can they have? Does it depend on the number of members they represent?
- With this structure, does every member feel that they are being **represented**?
- Does everyone have a fair chance to be **elected**?
- Are **decisions** easy to make?
- Are the lines of **communication** simple?
- **How long** and **how many terms** can an executive stay in office?
- **How often** should the council **meet**, and what is the **quorum**?
- What happens in the case of **vacancies**?

Changes in Organizational Structure for Traders Association in Ghana
The Ghana Agricultural Producers and Traders Organization (GAPTO) implemented some major changes in its organizational structure in 2005. Before 2005, GAPTO was an informal network of mainly traders. During several meetings with informal leaders of different commodity groups, GAPTO decided on a new structure that was approved at the first official General Assembly.

GAPTO's members are individuals and commodity groups. Members fall under certain commodity branches, which consist of all producers and traders of a specific commodity. The structure consists, next to a General Assembly, of an Advisory Board and an Executive Council. Each commodity branch has one seat in the Advisory Board and elects its representative directly. The General Assembly elects from the Advisory Board seven representatives from different commodity branches that will form the Executive Council. Those commodity branches that are elected in the Executive Council will lose their seat in the Advisory Board.

Because the membership is quite varied, with both small informal groups and large well-organized groups, the larger groups felt that they would lose part of their influence if they were put with smaller informal groups in the same commodity branch. Therefore, the General Assembly agreed that commodity groups that meet certain conditions (registered, have at least 250 paying members, have their own constitution, etc.) can register as an *independent group*. Independent groups have one seat in the Board of Directors and can be elected in the Executive Council.

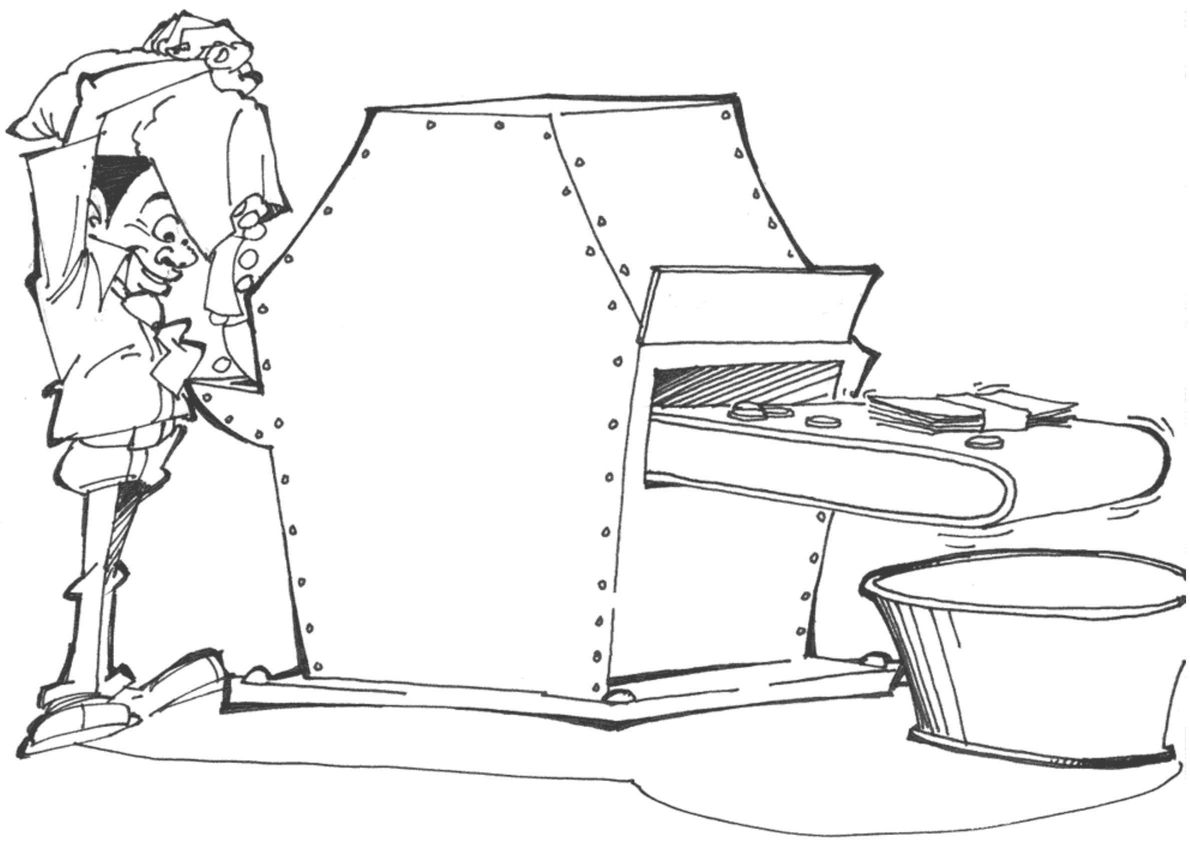
The **election procedures** should be discussed in detail and described in the bylaws. Some considerations include the following:

- Which body will be elected first (if, for example, there will be both an Executive Council and an Advisory Board)?
- Which **functions** will be elected first? It is logical is to elect the chairman first and then the vice chairman. ***Note:*** If there is only one candidate for a function, ballot papers should still be distributed to confirm the candidate. This to avoid members feeling like they did not have a choice.
- Are all executives going to be elected during the General Assembly or during elections at the **district level**?
- **Who** can stand for elections (only full members, only those who paid their dues and fees)?
- **How** are candidates **nominated** (per district or per product)?
- Will the election be by **open or secret ballot**?
- What are the exact **procedures**?
- **When** are the elections and what is the **quorum**?

Decisions concerning structure and election procedures should be clearly described in the constitution and/or bylaws and communicated to all members.

IFDC offers workshops in which members discuss possible organizational structures for their associations.

5. Expenditures and Revenue



5. Expenditures and Revenue

Money will flow in and out of an association even if it is not a profit-making entity. Expenditures must be made, and revenue must come in to keep the association operating. During the association's first 6 months, a budget should be prepared that lists expenditures and revenue. After the start-up phase, an annual budget should be prepared.

5.1 Expenditures

A newly created association will need money during its start-up phase. Existing associations need funds to support programs and activities that add value for members.

5.1.1 Start-Up Costs

The following costs must be taken into account when starting an association:

- Costs for registration:
  - Registering the association
  - Legalizing the constitution
- Costs for opening a bank account (is there need for a deposit?)
- Costs for office space:
  - Identifying an office space (via a real estate agent?)
  - Opening an office (installation of telephone, Internet, etc.)
- Costs for recruiting staff (placement of advertisement in newspaper)
- Costs for public relations:
  - Designing a logo
  - Printing letterhead
  - Printing brochures
  - Printing business cards

It is important for an association to take these costs into account when developing a budget for the first semester. However, a new association should keep its starting costs as low as possible. For example, if the start-up budget is tight, the association should not immediately rent an office. A partner organization may be able to provide office space for free or at a discount.

5.1.2 Operational Costs

The operational costs of an association are expenditures to keep the association running. These costs are almost independent of the number of members in the association; it matters relatively little if an association has 100 or 1,000 members regarding paying the rent for office space or staff salaries. The staff will be larger and may have to travel more if an association has more members. Of course, the costs will be higher when an association reaches 10,000 members, but that will not be the case for most associations that use this Starter Kit.

The following costs must be taken into account when operating an association, although not all are required:

- Costs for office space:
  - Rent
  - Equipment (computers, cupboards, chairs, tables)
  - Utilities (water, electricity, telephone, Internet connection)
  - Stationery
- Costs for staff:
  - Salary of executive manager and other staff
  - Travel of staff
- Costs for meetings:
  - Annual general meeting
  - Executive Council meetings
  - Other meetings (committees)
- Other costs:
  - Registration fees and annual dues to be a member of any other organization
  - Annual fees to keep the association registered (according to the situation in the country)

The costs to operate an association will usually recur every year. Associations should not underestimate these costs and must update them each year.

Associations should not become reliant on external funds (such as donations and sponsorships) to cover operational costs. To be financially sustainable, the annual internal revenue (annual dues, fees for services, etc.) must be sufficient to cover at least basic annual operational costs.

5.2 Revenue

To cover the start-up and operational costs, an association will need revenue. Especially in the beginning, revenue will come from registration fees and members' annual dues. However, this money will only be collected when the association is fully operating. Therefore, registration fees of founding members should be collected during the constitutive General Assembly to cover initial financial needs. Dues and registration fees will only cover approximately 15% of the association's income needs. Thus, it is extremely important for associations to continuously identify other sources of income (also see Chapter 12 on financial sustainability).

As written in the previous chapter, the internal revenue must be sufficient to cover at least the operational costs of the association. Internal revenue do not consist of just annual dues, but also include fees for services to members and outsiders (also see Chapter 12.3 on generating revenue). During the constitutive General Assembly, members will decide on the amount of annual dues. Most members tend to vote for dues as low as possible, because they do not realize that these dues have to cover part of the association's operational costs. Therefore, members should be shown how much it actually costs to operate as an association (see Chapter 5.1.2 on operational costs) and how much is necessary to collect from each member.

A few factors will influence the amount of annual dues:

- Operational costs (the higher the costs, the higher the dues should be)
- Number of members (the more members, the lower the dues can be)
- Number of defaulters (the higher the number of defaulters, the higher the dues should be)
- Level of other income-generating activities planned or developed

Associations should be realistic when planning how high dues should be. It is not useful for an association to have low annual dues when it cannot pay its bills.

5.3 Donor Support

In some cases, new associations will receive donor support through financial or technical assistance. There are no standards on what donors generally provide; this will depend on the situation (i.e., the association, donor, objectives of both organizations, objectives of the support, duration of the support, etc.).

Donor support can be very useful, especially when starting an association. For example, a donor can:

- Provide office space
- Finance the salary of the management staff
- Finance meetings
- Fund activities (training courses, trade shows, etc.)

Donor support can also be in-kind or in the form of technical assistance. Instead of asking for financial help, associations can also ask for computers or other equipment, connection to the Internet, use of conference facilities, human resources for a training program, etc. Donors and technical partners are usually more willing to provide something tangible rather than money.

Donors and associations have a reciprocal relationship: associations would like to gain, but also the donor. A donor will only give support if the results that are expected will be in line with their objectives. For example, if the donor is interested in promoting the use of improved seeds, it may want the association to be the intermediate to reach farmers. Therefore, the donor would have some influence over the association to ensure that the use of improved seeds increases.

Avoiding Pitfalls

There are numerous pitfalls with donor support. To avoid these pitfalls or uncomfortable situations, associations should consider the following:

- **Short term versus long term:** Donor support will be temporary, but the association will continue to exist. Associations should be prepared that donor support will end. When an association accepts donor support to cover operational costs for a fixed period, it should build in an exit strategy to avoid an abrupt withdrawal of funds. During the first period (e.g., 6 months), the donor can finance 100% of the management staff's salary, then 75% for the second period, and only 50% for the last period.
- **Oral versus written agreement:** Agreements between an association and donor for financial support should be written, not oral. The agreement should include a detailed description of the conditions for the support and specify the monitoring and reporting modalities, as well as the way the funds will be provided (number of installments, means of payment, etc.). A request for a written agreement does not show that an association lacks confidence, but that it acts professionally.
- **Dependency versus autonomy:** Associations that become too dependent on donor funds risk not surviving when the donor support ends. Associations should avoid completely depending on only one donor. This will reduce the influence of one donor and the risk of a financial crisis when the donor stops its support.
- **Operational costs versus activities:** An association should limit donor support for operational costs to a fixed period (e.g., the first 1-2 years). After that period, donor support should be used only for activities. This will stimulate the association to become independent for its operational costs.
- **Spending versus investing:** An association should use the period when it receives donor support to build up seed money (reserve or buffer). If a donor pays for 100% of a training course, the participatory fees can be put into the association's bank account.
- **Free versus fees:** Even if a donor covers all the costs, members should pay fees for services the association provides. If this does not start from the beginning, it will be very difficult to begin at a later stage and will hinder the financial sustainability of the association.
- **Full funding versus matching funds:** Associations should suggest cost sharing. Donors are much more willing to provide financial support if an association contributes 10%, 25%, or even 50% of the costs. It shows that the association is serious and committed. For a big program, associations can ask support from several donors (e.g., for the launching of the association, the opening of an office, or a trade show). This avoids asking one donor for huge amounts and shows that other partners trust the association.

Financial Support for Dealers Association in Ghana
GAIDA was created in July 2003 with IFDC's financial and technical support. For a limited period, IFDC financed 50% of the salary of an executive secretary and provided office space for the association. IFDC also provided resources for Executive Council meetings and training programs. GAIDA used the training programs to build up seed money by collecting participatory fees, even though the programs were almost fully sponsored. After about 2 years, IFDC's operational support ended. Since then, GAIDA has been able to finance its own operational costs (also see the box in Chapter 19 on partnership) and is only using donor support to implement activities.

IFDC's organizational management programs help participants to have a better understanding of their association's finances.

6. Constitution and Bylaws

6. Constitution and Bylaws

6.1 Constitution

The constitution is the framework of the association. It describes the association's objectives and procedures (rules). A constitution is necessary because it defines the internal structure of the association and serves as a guideline for procedures long after the group's original founders have departed. A well-constructed constitution is a useful tool in building the association and attracting new members, because it gives the association the image of a professional, well-managed organization that is aware of its legal responsibilities.

To be a solid framework, the constitution must be concise and contain only information that is essential to the association's basic structure. Because a constitution actually describes the relationship between an association and its members, the articles should be easy to understand and readily available to the membership. The articles should not be specific enough to require frequent amendments, nor vague enough to create uncertainty about any structure or procedure. Multiple amendments could mean that (a) the constitution is too vague; (b) decisions that are based on the bylaws or Standard Operating Procedures are gradually becoming a part of the constitution; or (c) individuals or groups of members are changing the rules and original purpose of the constitution.

Because the constitution is the basis of the association, it should be difficult to change, thereby providing a continuing structure that can be built upon. To change the constitution, a special meeting should be called in which a minimum proportion of members (as written in the constitution) are present. However, some rules of an association must be changed on a frequent basis, such as the annual dues or membership fees. To avoid changing the constitution each year, some information should be documented in the bylaws. It is not necessary to call the General Assembly to change these procedures; the council should decide on changes to the bylaws.

6.2 Bylaws

The bylaws include information that must be updated periodically. Members will find more specific rules in the bylaws than in the constitution, which is shown in the following examples:

Article	Constitution	Bylaws
Membership	Categories, rights, privileges	Application mode
Council	General description, structure	Tasks in detail, detailed task of each function, election procedures
Dues and fees	Description of types of dues and fees	Specific amounts
Allowances	General description	Specific amounts
Staff	General description	Detailed tasks

Bylaws generally concern procedures that are used in activities of the membership body, Executive Council, officers, and committees including:

- Election procedures
- Selection of committee members
- Procedure for hiring an executive manager
- Selection procedures for association officers

The bylaws give an overview of the main procedures. Procedures for day-to-day management are detailed in the Standard Operating Procedure manual (see Chapter 9).

Although the constitution and bylaws must be written by members, IFDC can assist associations in writing these documents.

Example 6.1 The Constitution

All articles proposed below should not necessarily be included in every constitution, and some constitutions will contain other articles not listed. Those listed are common components and should be considered any time a constitution is written or amended.

ARTICLE I – LEGALITY

Section 1 – Name: Full name and abbreviation of the association.
Section 2 – Location: Location and address of the main office, possible regional or other offices, telephone and fax numbers, and e-mail and Web site addresses.
Section 3 – Branches: Describes how branches are formed and refers to an article on branches for further information.
Section 4 – Logo: Describes the logo and its meaning.
Section 5 – Working languages: Describes the working languages in official documents and meetings.

ARTICLE II – PURPOSE

Section 1 – Definitions: Explains certain terminology used in the constitution (e.g., agri-inputs, farmers' organizations).
Section 2 – Nature: Describes the type of association, who it will serve, under what mandate it has been created, and what functions it will perform.
Section 3 – Motto/slogan: Describes the motto.
Section 4 – Vision: Describes the view of the association.
Section 5 – Mission: Describes why the association exists and its ultimate goal.
Section 6 – Objectives: Describes the association's current objectives and goals for the future, a means of reaching these goals, and the association's guiding principles.
Section 7 – Activities: Describes the main activities.

ARTICLE III – MEMBERSHIP

Section 1 – Definition of membership: Describes who is considered a member.
Section 2 – Categories of membership: Defines who may be a member of the association. The member could be defined as an individual, business, group, or a combination of any of these. This article should also define the various classes of membership (see Chapter 4.1).
Section 3 – Application for membership: Describes how potential members can apply for membership and who approves the membership.
Section 4 – Rights and privileges: Describes the rights and privileges of members, including voting rights.
Section 5 – Resignations: Explains how members can end their membership.
Section 6 – Terminations/expulsions: Describes when and how membership can be terminated (because of not paying dues) or expelled (because of violating the constitution).
Section 7 – Re-admission: Describes how a member that was expelled can become a member again.

ARTICLE IV – FEES AND DUES

Section 1 – Annual dues: Describes what kinds of dues are to be paid, who pays them, and who makes that decision. Specific dates and amounts should be described in the bylaws instead of the constitution.

Section 2 – Registration fee: Describes what kinds of fees are to be paid, who pays them, and who makes that decision. Dates and amounts should be put in the bylaws.

Section 3 – Non-payment of dues and fees: Describes what happens when a member does not pay his or her dues and fees, what the sanctions are, and how and when demand notices are sent.

ARTICLE V – GENERAL ASSEMBLY

Section 1 – Definition: Describes why the General Assembly exists, who will be part of it, and what its function will be.

Section 2 – Meetings: Describes when, where, and how meetings will be announced.

Section 3 – Quorum and majority: Describes the process for decision making and the minimum number of members that should attend meetings to make them valid.

ARTICLE VI – EXECUTIVE COUNCIL

Section 1 – Definition: Describes what the Executive Council is and why it exists.

Section 2 – Structure: Describes who can be in the council, how many executive members there should be, at which level they will work (e.g., national, district), and who they will represent (e.g., regions, commodities, products). Specifies conditions, such as how many women, youth, etc.

Section 3 – Elections: Gives information on elections including which functions and who can be nominated. Details can be found in the bylaws.

Section 4 – Term of office: Tells the length of executive members' terms and their possibilities for re-election.

Section 5 – Meetings: Describes when and where meetings will be held.

Section 6 – Quorum and majority: Describes the process for decision making and the minimum number of members that should attend meetings to make them valid.

Section 7 – General powers and duties: Describes activities and duties of the Executive Council.

Section 8 – Vacancies: Describes the procedure for when a seat becomes vacant before the term of office has expired.

Section 9 – Remuneration: Describes whether executive members receive allowances. If they do, details can be found in the bylaws.

Section 10 – Specific duties of the executive members: Describes the duties of the chairman, vice chairman, secretary, and treasurer.

Section 11 – Sanctions: Describes sanctions when executives behave improperly.

ARTICLE VII – OTHER BODIES OF THE ASSOCIATION

Section 1 – Committees: Describes the committees' definition, composition, tasks, reporting procedures, etc.

ARTICLE VIII – STAFF

Section 1 – Employment of staff: Explains who has the power to appoint staff for certain tasks.

Section 2 – Delegation of powers: Explains who can delegate powers.

ARTICLE IX – FUNDS

Section 1 – Revenue: Describes how revenue is collected.
Section 2 – Trusteeship: Describes who can sign for checks.
Section 3 – Banking: Describes who can open a bank account for which purposes.

ARTICLE X – ASSETS AND LIABILITIES

Section 1 - Interest of members: In the event of a termination of membership, a member or representative shall have no claim against the association or against other members of the association or their representatives.
Section 2 – Distribution of assets on dissolution: In the event that members dissolve the association because it is no longer needed, this article should explain the procedure and state how to dispose of the assets.

ARTICLE XI – AUDIT

Section 1 – Auditors: Describes who can appoint an auditor for which purposes.
Section 2 – Remuneration: Describes who has the authority for remuneration.
Section 3 – Financial year: Describes the beginning and ending of the financial year.
Section 4 – Books of accounts: Describes where the books are kept and who is responsible for them.

ARTICLE XII – BYLAWS

Section 1 – Bylaws: Describes who can make and change bylaws.

ARTICLE XIII – AMENDMENTS AND DISSOLUTION

Section 1 – Amendments: Explains how the constitution could be changed, the amount of prior notice involved, the quorum and percentage of votes necessary for a change, and when the new constitution would come into effect after it is adopted.
Section 2 – Dissolution: Describes when and how the association should be dissolved.

ARTICLE XIV - PROMULGATION

Section 1 – Effective date: Describes the date the constitution became effective.

Other possible articles are:

- **Publications:** Describes what publications exist and when the association publishes them.
- **Legal authority for the association:** If there is a law or government rule that establishes the right for the association to exist, it should be included here. Additionally, a statement that indemnifies council members from recrimination for their activities as executives might be appropriate.
- **Donations:** Conditions under which donations, either as money or in-kind, can be accepted to ensure that such donations do not overly influence the association.

Example 6.2 Bylaws

The bylaws can contain the following articles:

ARTICLE I – GENERAL PROVISION

Section 1 – Bylaws: Reference to the constitution.

ARTICLE II - MEMBERSHIP

Section 1 – Membership application: Detailed description on how members should apply.
Section 2 – Responsibilities: What is expected from members.

ARTICLE III – FEES AND DUES

Section 1 – Annual dues: Amount of annual dues and mode of payment.
Section 2 – Registration fees: Amount of registration fees and mode of payment.

ARTICLE IV – GENERAL ASSEMBLY

Section 1 – Functions: Detailed description of all functions of the General Assembly.

ARTICLE V – NATIONAL EXECUTIVE COUNCIL

Section 1 – General powers and duties: Detailed description of all functions of the Executive Council.
Section 2 – Specific duties of executive members: Description of all the executives' tasks.
Section 3 – Election procedures: Detailed description of procedures.
ARTICLE VI – COMMITTEES
Section 1 – Existing committees: Which committees are in place.
Section 2 – Ad hoc committees: Description of the possibility of forming ad hoc committees.

ARTICLE VII – ALLOWANCES

Section 1 – Allowances: Description of when allowances should be paid and the conditions for payments.
Section 2 – Travel expenses: Maximum amounts that should be paid for traveling.
Section 3 – Accommodation: Maximum amounts that should be paid for accommodation in several geographical areas.
Section 4 – Meals: Maximum amounts that should be paid for meals.

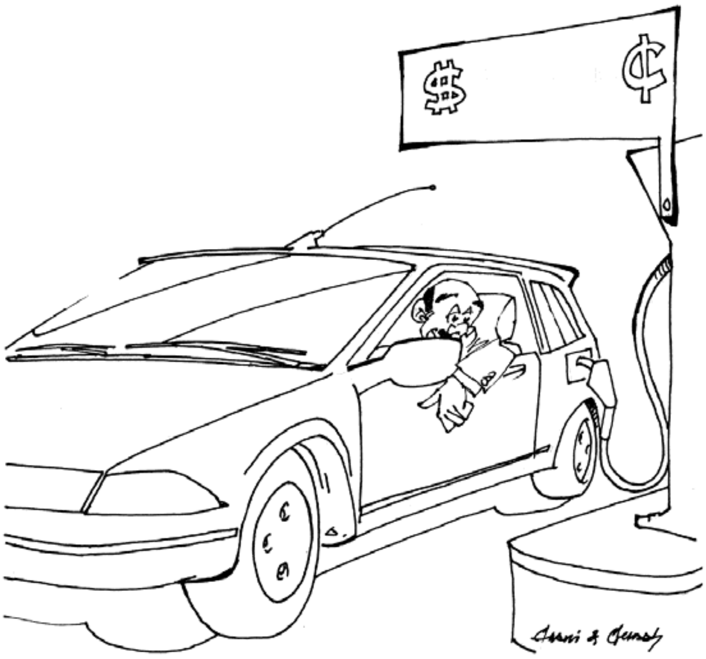
ARTICLE VIII – EXECUTIVE MANAGER

Section 1 – Definition: Description of the executive manager's position.
Section 2 – Employment: Describes how and by whom an executive manager should be employed.
Section 3 – Job description: Describes tasks and duties.
Section 4 – Accountability: Describes how often and to whom the executive manager must report.

PHASE II
Start-Up Phase

Chapters:

7. Plan of Action for the Start-Up Phase
8. Roles of the Organizational Bodies
9. Day-to-Day Management
10. Record Keeping
11. Internal Communication



7. Plan of Action for the Start-Up Phase

7. Plan of Action for the Start-Up Phase

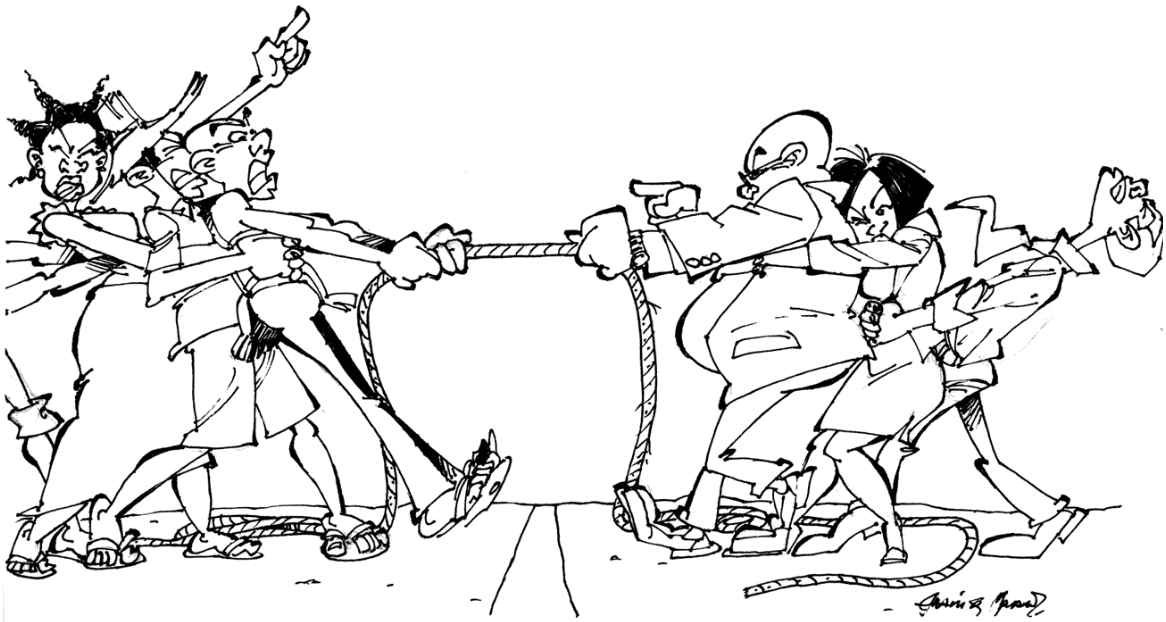
Several tasks need to be completed after the constitutive General Assembly is held to create the association. Below is a checklist of actions for the period immediately following the constitutive General Assembly: the start-up phase. An association's staff can perform most of these tasks. If the association does not have a staff, executive members or an ad-hoc committee will execute the short-term plan of action.

Plan of Action for the Start-Up Phase (Months 1-6)

1. **Establishment of the Association**
   - 1.1 Register the association
   - 1.2 Open an e-mail address
   - 1.3 Open a postal box
   - 1.4 Legalize the constitution
   - 1.5 Hire an executive manager
   - 1.6 Find office space
   - 1.7 Set up office (furniture, electricity, water, telephone, Internet connection)
2. **Membership**
   - 2.1 Prepare a list of potential members
   - 2.2 Make copies of the constitution and bylaws and distribute them among current and potential members
   - 2.3 Make copies of any other documents (proceedings of the constitutive General Assembly) and distribute them among members
   - 2.4 Develop a registration form
   - 2.5 Inform potential members how to register
3. **Public Relations**
   - 3.1 Develop a logo and letterhead
   - 3.2 Develop a brochure that gives an introduction to the association
   - 3.3 Attend events to inform stakeholders of the creation of the association
4. **Financial Sustainability**
   - 4.1 Open a bank account
   - 4.2 Inform potential members of the amount for dues and fees
   - 4.3 Develop a brochure or leaflet listing start-up activities to show potential benefits to members
   - 4.4 Start collecting dues and fees
   - 4.5 Buy files, cash books, and receipts
   - 4.6 Set up a record-keeping system
   - 4.7 Develop an annual budget
5. **Activities**
   - 5.1 Prepare an activity plan to generate income for the short and long term

IFDC organizes planning workshops to help associations prepare their short- and long-term plans.

8. Roles of the Organizational Bodies



8. Roles of the Organizational Bodies

As stated in Chapter 3, every organizational body of the association has its own role to fulfill. To avoid conflicts, these roles should be clearly defined in the constitution or bylaws. All members should know each body's tasks, which can be communicated to them during meetings, through workshops, in handouts, etc. The roles should be re-discussed periodically. An association is dynamic which means that changes will affect the organization's structure.

8.1 Council and Staff

This table shows the main differences between the roles of the Executive Council and the management staff.

The Role of the Executive Council and Management Staff

Executive Council	Management Staff
Owners	Employees
Elected	Appointed
Sets policy	Carries out policy
Sets goals	Sets objectives
Makes long-term decisions	Makes short-term decisions
Turns ideas into decisions	Turns decisions into action
Primary control	Operational control
Convenes meetings	Organizes meetings
Provides general direction and leadership	Provides day-to-day leadership and motivation
Represents the membership	Represents the membership

A good functioning staff has the same responsibilities as the management of a company. That means that the **staff can make many decisions without consulting the council**. Of course, these decisions should be in line with the association's mission, vision, objectives, and action plan. As stated in **Chapter 3.6**, the roles of the executives and staff are not always clear. Often, the staff does not get enough opportunities to perform its tasks properly. Awareness creation among executives about the staff's role and clear procedures can overcome these problems.

AGRODIA's Permanent Secretary Learns His Role
In 2006, the Association of Agri-Inputs Wholesalers and Retailers of Burkina Faso (AGRODIA) hired a full-time *Secrétaire Permanent* (also called the executive manager). To learn the scope of work and the roles of staff, the executive manager required on-the-job training. Because AGRODIA had already established contacts with their Ghanaian sister association during a study tour (see Chapter 16.1), the Ghana Agricultural Associations Business and Information Center (GAABIC) agreed to host the executive manager in October 2006. The objective was to share experiences and focus on the day-to-day management of an association. The executive secretary of three GAABIC members coached AGRODIA's executive manager for 8 days, showing him the roles of an executive manager, such as the organization of a General Assembly, record keeping on memberships and finances, communication with members, executives, and outsiders, linkages with district-level branches, etc. Tools such as activity checklists and record-keeping forms were also shared.

After he was back in Burkina Faso, the executive manager of AGRODIA adapted some documents and procedures, and put into practice what he had learned from his colleagues in Ghana. Because the division of tasks among executive members and the staff is not always very clear, the AGRODIA manager suggested organizing a workshop for all executive members to clarify the respective roles of the Executive Council (*Conseil d'Administration*), the Executive Committee (*Bureau Exécutif*), and the executive manager (*Secrétaire Permanent)*.

8.2 Council, Staff, and Members

In addition to the Executive Council and staff, members also have a clear role to play. Below are some specific examples of the roles of members, Executive Council, and management staff. An association should discuss and agree on these roles so that everyone knows what to expect.

Collection of Dues and Fees

Council:
- Appoint task force to support staff in collecting dues and fees
- Propose amounts
- Create incentives for members to pay
- Serve as role models

Staff:
- Inform members
- Collect dues and fees
- Keep records
- Follow up on defaulters

Members:
- Approve amounts
- Pay
- Serve as role models

Organization of activities

Council:
- Approve budget
- Set action plans for the long term (3-5 years), middle term (yearly), and short term (quarterly)
- Monitor objectives

Staff: - Plan details
- Prepare budget
- Implement
- Report to the council
- Report to sponsors and donors (if applicable)

Members: - Support activities by participating and paying fees
- Communicate needs to staff and council

Record Keeping

Council: - Monitor and check accounts periodically
- Appoint external auditor
- Approve internal procedures prepared by staff

Staff: - Prepare internal procedure on details of record keeping
- Keep records
- Submit records to the council
- Prepare receipts and vouchers

Members: - Collect receipts
- Ask questions during the General Assembly
- Advise on issues during the General Assembly
- Accept or reject the records at the General Assembly

Building partnership

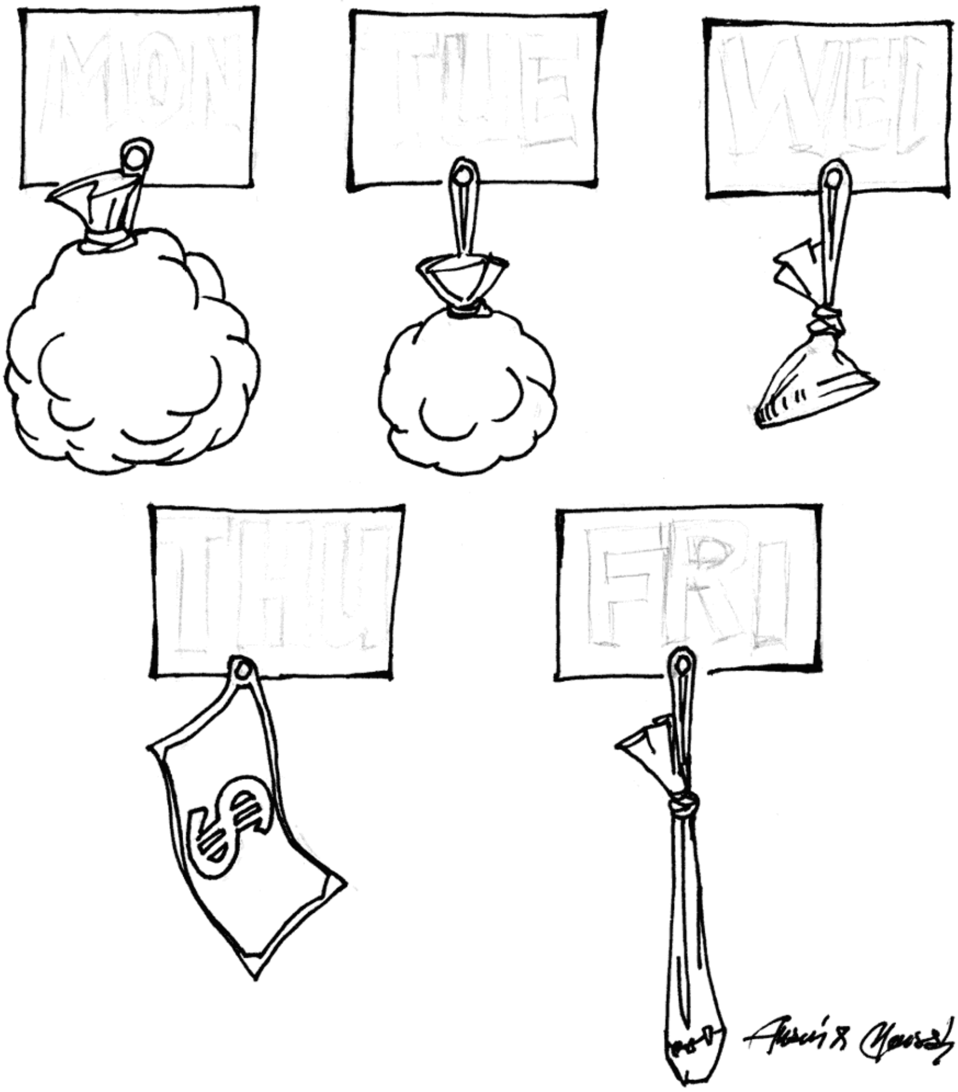
Council: - Identify partners
- Make a decision on partners
- Give directions to staff
- Attend meetings with partners
- Sign Memorandums of Understanding or partnership agreements

Staff: - Propose partners
- Prepare information on the association to give to partners
- Collect information on partners
- Attend meetings with partners (depending on the partner)
- Follow up
- Prepare Memorandums of Understanding or partnership agreements

Members: - Propose partners
- Utilize partner services (if applicable)
- Provide feedback on activities on the ground
- Attend meetings with partners (if requested)

IFDC organizes training programs in which participants discuss in detail the roles of organizational bodies and problems associated with performing these roles.

9. Day-to-Day Management



9. Day-to-Day Management

For an association to accomplish its goals consistently and orderly, it must perform its duties in a uniform manner, just like any other business. Therefore, associations must first identify recurring duties and analyze each step involved in the process. After the procedures have been identified, the tasks involved in each procedure should be documented. Also, those involved in the procedure should be trained to ensure that they are performing the tasks correctly.

9.1 Standard Operating Procedures

The Standard Operating Procedures (SOP) manual is a handbook that contains all of the written procedures for an association. The SOP must be accessible in the office to everyone involved and easy to change. The manual could be a computer file or a file with replaceable pages (e.g., in A4 format) so that prints can be easily added. The Executive Council and members of the association do not usually have to approve the SOP, but they should be aware of its existence and may want to have some input into its content. The staff of the association administers the SOP and is responsible for keeping it current. Association members should receive a membership handbook that contains the association activity portion of the SOP. Before important association events, the executives (chairman, etc.) should use the SOP to explain procedures to participants to avoid confusion about how certain procedures are to be handled.

There are usually two kinds of procedures documented in the SOP: the internal procedures normally performed by the association office staff and the procedures for the operation of association activities. The procedures are described as follows:

1. *Staff Procedures:* Procedures for tasks conducted as a part of normal office activity. Some tasks that might be included in the staff section of the SOP are:
   - Receipt of payments
   - Entering of application forms
   - Performing a month-end or year-end accounting procedure
   - Procedures for performing a mass mailing
   - Telephone answering procedures
   - Calling procedures
   - Procedures for paying bills
   - Job descriptions
   - Informing members of upcoming activities

There are no qualifications for adding procedures to the SOP. Any type of task performed in the office could be included.

2. *Association Procedures:* Procedures used in activities of the membership body, Executive Council, officers, and committees including:
   - Election procedures

- Selection of committee members
- Procedure for hiring an executive manager
- Selection procedures for association officers
- Selection and reporting procedures for members participating in activities

These tasks are not performed on a regular or daily basis. They are handled by numerous individuals during the life of the association and are more prone to cause controversy if handled incorrectly or inconsistently. The council might want to be more involved or have some approval mechanism in place before the steps in these tasks become written as procedures. Some of these procedures can be found in the bylaws, but often the bylaws do not describe all details.

Although the SOP will describe the procedures for all the normal tasks, other documents will also help the staff and members to better understand their roles within the association. Some of those potential documents are:

- *Association membership handbook:* A periodically updated manual presented to new members that contains association procedures, a copy of the constitution and bylaws, a listing of the association's services, and statements of association policies and benefits for members.
- *Staff handbook:* Contains staff operating procedures and pertinent employment rules and policies.
- Any other documents that help association members and staff to better understand their roles within the association.

9.2 Writing Standard Operating Procedures

Putting procedures down on paper can no longer be avoided. The process of documentation can be a dreaded burden unless it is properly planned. Unlike other forms of writing, the SOP is written from a technical perspective. This means it must be:

- *Clear and concise:* Communicated in the fewest possible words, phrases, and paragraphs
- *Complete:* Containing all the necessary information to perform the procedure
- *Objective:* Containing facts, not opinions
- *Coherent:* Showing a logical thought process and sequentially listing all steps necessary to complete the procedure

The SOP serves as a benchmark for performance reviews, training aids, or in the case of quality standards, a starting point for improvement. These tips are helpful when writing the SOP:

General Advice

- Always have a specific **reader** in mind. Know the type of person who will be reading the procedure.
- Before writing, decide the exact **purpose** of the procedure. For instance, will the procedure serve as a detailed tool for training purposes or as a summary to provide a periodic refresher?

Writing Process

- **Outline:** Make an outline of the procedure prior to writing. The purpose of an outline is to establish an orderly relationship between groups of activities. An outline provides a framework for any documentation. When writing an outline:
  - Make a list of topics to cover. The order is not important. Omit anything that is inappropriate to the topic.
  - Decide on major groups. Groups may include the introduction, responsibilities, safety issues, operating characteristics, background information, and the summary.
  - Insert the topics under the appropriate major group.

- **Draft**
  - Write the rough draft. Keep in mind that a good procedure is rarely achieved on the first draft. Write rapidly, ignoring spelling, punctuation, and grammar. Write as you talk to maintain a train of thought. Write the draft using the outline as a guide.
  - Revise the draft. Wait 24 hours before making revisions. Revising too soon is less effective because the writer often does not see what is on the paper, but what was intended. Examine the sentences and be willing to rewrite every part of the procedure.
  - Write the final draft. Incorporate all of the latest revisions.

Pitfalls to avoid while writing the SOP include:

- Vague, meaningless words
- Excessive words to describe an activity
- Long, complicated sentences or paragraphs
- Acronyms, abbreviations, slang, symbols, or other shortcuts of expression that are not clearly defined for the reader
- Repeating the same points too often
- Assuming conclusions are obvious to the reader
- Contradictions between procedures

Templates of bylaws and SOPs can be used to help develop an association-specific document. However, the templates should be developed carefully to ensure that the association's vision, mission, and objectives are represented. Official templates exist in some countries, which may constitute a problem, because the government may not reflect the business environment of the association. In such cases, the association may need to have an official document and a working document.

IFDC offers on-the-job training to staff in association management.

Example 9.1 Internal Regulations on Advances

This procedure concerns the handling of advances and reimbursements. Each procedure is described step by step. The most important rule when receiving an advance or asking for a reimbursement is to collect receipts for every expense. This document serves as an attachment to the bylaws, article xxx (write number of article) on allowances.

IMPREST

1. Those who are given imprest will sign a petty cash **advance form**. This form shows the date the recipient received the money, how much the recipient received, and what it will be used for. The original form will be kept at the main office; the recipient will be given a copy.
2. Within 4 weeks, the recipient must explain how he or she has spent the advance by filling out an **expense form**. The recipient will fill in the amount, date, and description of how the money was spent. The recipient will clip the receipt(s) to the expense form. **If the recipient did not collect receipts, he or she cannot get reimbursed!**
3. The recipient will bring the completed expense form to the main office. If the recipient has **spent more**, he or she will be paid the difference. If he or she has **spent less**, the rest of the money and the completed expense form must be returned to the main office. The original expense form will remain with the main office and the recipient will be given a copy.
4. If the recipient does not complete an expense form, the advance taken will be shown in the accounts as a debt.

REIMBURSEMENT

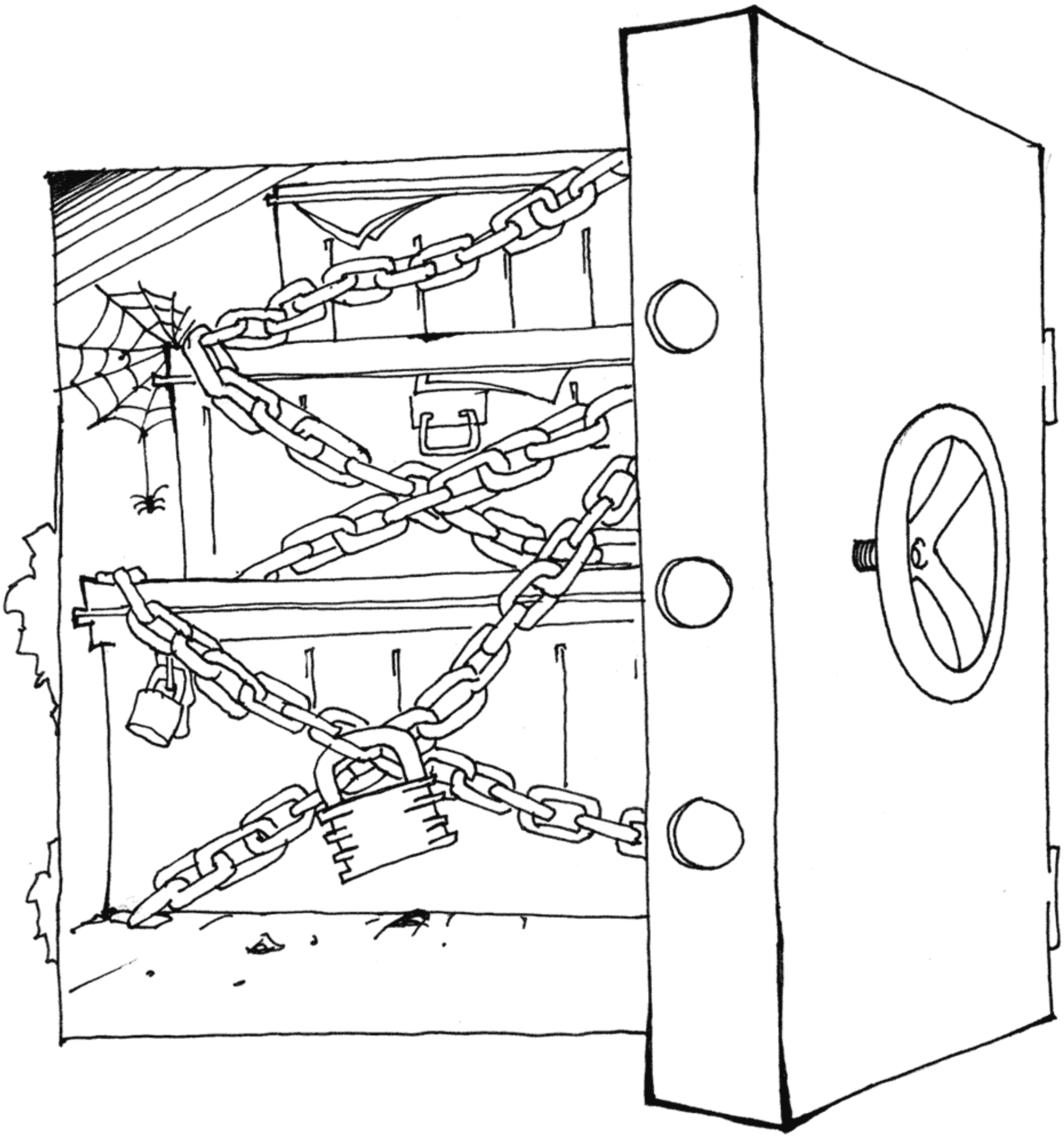
1. If someone has spent money for the organization and would like to be reimbursed, he or she must complete an **expense form**. The person will fill in the amount, date, and description of how the money was spent. The receipt must be clipped to the expense form. **If receipts were not collected, the person cannot get reimbursed!**
2. The person will bring the completed expense form to the main office and be reimbursed.

RECEIPTS

Receipts are not always provided automatically. Therefore, members should ask for a receipt with every payment. If there are no receipts available, a self-made receipt is acceptable. For example, when taking a taxi, a self-made receipt should include the name of the taxi driver, his license plate number, and his signature.

Note: *The forms for this procedure are found in Chapter 10 on record keeping.*

10. Record Keeping



10. Record Keeping

Associations need to keep many records. The most important records concern members and finance. Sound records will give the association credibility and accountability and show that it is well organized and has nothing to hide. Sound records are essential to apply for donor funds, to advocate, to build partnerships, etc.

Many associations do not have up-to-date records. One reason for this could be that they do not receive information from district branches. Also, they might not know how to start, or they do not see the benefits of sound records. However, no reason justifies not having sound and correct records. This chapter explains how to keep records on membership and finance.

10.1 Records on Membership

An association should know how many members it has, who they are, what they do, where they are located, and how they can be contacted. All this information should be gathered in a **registration form** (see **Example 10.1**) that each member must complete when registering. Changes should be communicated to the secretariat and updated in the database.

Every member that registers should receive a **unique membership number**. This number will simplify linking information, such as payments of dues and participation in an association event. The numbers should be given in succeeding order; the first member would get number 1, the next number 2, etc. To be able to link data using computer programs, the number should be at least four digits; the first member would get number 0001, the second 0002, etc. Using four digits, the association can register 9,999 members with all different numbers (the number 0000 is not used). Letters can be added for regions or districts, e.g., CR-0002 for the Central Region.

In most associations, an **individual, company, or group** can register. This should be marked on the registration form. If an individual has his or her own business, personal information as well as business information should be collected. Information collected on businesses should include the **legal form** (one-man business, general partnership, Inc., Ltd., etc.) and the company registration number. The postal address and **physical location** of the company and all other shops should be stated. The name and a brief description of the business's **main products and services** should also be provided. Individuals completing the form should include their **function in the company**, even if they are the owner (e.g., managing director, sales agent, agronomist), and their **function in the association** (e.g., member, treasurer, vice chairman). This can be at the national, regional, or even district level (e.g., treasurer of a district branch).

Individual training information should also be collected (**Example 10.2**). Associations should know what type of training programs their members have followed (basic course, follow-up course, advanced course, etc.) and the programs' venues, dates, and organizers. An overview of the topics discussed could also be given. The association must also keep records of its own organized training programs, which are kept in a different file. To link the information with the individual training program, a unique number should be given to every training program the association organizes. This same number can be used when completing the individual training information form.

Another important way of collecting data is to conduct a **survey** every year to collect figures on sales, business growth, and member needs. This allows the association to know the business profile of its members and better respond to their needs. But members are generally not very willing to disclose sales information because they fear that it will become known to competitors or tax authorities. To avoid problems, the survey should be done **anonymously**. For example, during a General Assembly, members could complete the survey on the spot and put it in a closed box so that the information cannot be traced to a member.

Anonymous Survey to Collect Data on Members in Burkina Faso
Since its creation in 2004, the agri-input wholesalers and retailers association of Burkina Faso (AGRODIA) has faced difficulties collecting commercial data on its members, because they are reluctant to disseminate confidential information. Therefore, a 2-page anonymous questionnaire was distributed at the registration of the AGRODIA General Assembly in 2007. Members were required to complete the questionnaire before receiving their registration badge. Through 11 questions, AGRODIA collected data on marketing (formal or informal sector, number of shops and employees, range of annual turnover, types of inputs sold, etc.) and on members' expectations of services offered by the association (priorities among services, training needs). Because the form was anonymous, all members completed it. A total of 163 questionnaires were collected, put in a database, and analyzed to define the AGRODIA membership profile and match key services with members' priority needs.

10.2 Records on Dues and Fees

Every member must pay a one-time registration fee and annual dues. The collection of dues and fees starts with sound records. At any moment, the association should be able to show records detailing the total payment of dues and fees so far and the arrears to date.

National associations can record dues and fees at both the national and local level. If members do not pay their dues at the national level, but do pay at the regional (district, state, or provincial) level, then the payment should be recorded at the appropriate location approved by the Executive Council.

The recording of dues and fees is done in two ways:

1. Per member
2. For the whole association

Records can also be kept for each region.

10.2.1 Records per Member

As shown in the previous section, every member has his or her own registration form. To record all payments per member, individual payment forms (**Example 10.3**) should be attached to the registration form. Every member's payment should be recorded on his or her individual payment form.

Every member should pay a registration fee, and their first payments should be recorded as the registration fee. As soon as the registration fee is paid, the payments should be recorded as annual dues. The date, the amount that was still due, the amount that was paid, and the balance should be noted every time a payment is made.

For example: Association X has a registration fee of 50 USD and annual dues of 100 USD. Mr. Diarra becomes a member on October 7, 2007. On that day, he pays 30 USD. Two days later on October 9, he pays 40 USD. On October 27, he pays another 10 USD. This will be recorded as follows:

Payment of Registration Fees

Date	Amount Due	Amount Paid	Balance to be Paid
October 7, 2007	50 USD	30 USD	20 USD
October 9, 2007	20 USD	20 USD	0 USD

Payment of Annual Dues

Date	Amount Due	Amount Paid	Balance to be Paid
October 9, 2007	100 USD	20 USD	80 USD
October 27, 2007	80 USD	10 USD	70 USD

The first 30 USD that is paid is a partial payment of the registration fee, which leaves 20 USD (50 minus 30) to be paid (the balance to be paid on October 7 is transferred as the amount due on October 9). The second payment (40 USD) covers the rest of the registration fee (20 USD) and part of the annual dues (also 20 USD). After this payment, the registration fee is completely settled (the balance to be paid is 0 USD), and the balance for the annual dues is 80 USD (100 minus 20). The balance to be paid after the payment of 10 USD on October 27 is 70 USD (80 minus 10).

The annual dues must be paid at the beginning of each year. A balance may be left from the previous year. For example: Mr. Diarra pays 50 USD on December 14, 2007. On January 17, 2008, he pays 90 USD. This will be recorded as follows:

Payment of Annual Dues

Date	Amount Due	Amount Paid	Balance to be Paid
October 9, 2007	100 USD	20 USD	80 USD
October 27, 2007	80 USD	10 USD	70 USD
December 14, 2007	70 USD	50 USD	20 USD
January 1, 2008	120 USD	0 USD	120 USD
January 17, 2008	120 USD	90 USD	30 USD

The balance to be paid on October 27 is 70 USD, which becomes the amount due on December 14. After payment on that day of 50 USD, the balance is 20 USD (70 minus 50). On January 1, 2008, the balance for 2007 (20 USD) is added to the annual fee for 2008 (100 USD), making the total balance 120 USD. This is the amount due on January 1, 2008. No payment is made on January 1, so the balance remains 120 USD. On January 17, 2008, a payment of 90 USD is made, making the balance 30 USD (120 minus 90).

10.2.2 National Records

For national associations, individual records are the basis of the national records on dues and fees. If all dues and fees are collected at the national level, the individual records just need to be consolidated. At the end of the month, quarter, or year, all payments and balances should be added up to determine how much was paid in total and how much is still in arrears.

If dues and fees are collected at the regional level, the consolidation needs an additional phase, because all records have to come from different regions. The quarterly regional report (**Example 10.4**) can be used for the consolidation. On this form, the regional office should only record the total payments per person during that period, not the details of the payments.

This is shown in the following example of Mr. Diarra for the period October 2007 – December 2007:

Name	Registration Number	Registration Date	Amount Paid During Quarter	
			Registration Fees	Annual Dues
Mr. Diarra	0035	October 7, 2007	50 USD	80 USD

Mr. Diarra paid 30 USD on October 7, which was noted as his registration fee. On October 9, he paid 40 USD of which 20 USD was entered as his registration fee and 20 USD as annual dues. After that, he paid 10 USD on October 27 and 50 USD on December 14. In total, he paid the 50 USD registration fee (30 plus 20) and 80 USD (20 plus 10 plus 50) in annual dues during the period October 2007 – December 2007.

With this system, the national office does not have the payment details for each member, but only the overview per quarter. The regional level that is in charge of collecting the fees and dues should have the details for each member.

10.3 Financial Records

Financial records consist of an association’s expenses and revenue. The summary of all expenses and revenue and the difference between the two is called the **balance**. It is best to do bookkeeping on the computer, using Microsoft Excel software or a bookkeeping system. Computerized bookkeeping does calculations automatically and makes information easy to link and extract. However, some associations do not have the equipment for a computerized bookkeeping system. This chapter only discusses manual bookkeeping, but the principles also apply to computerized bookkeeping.

The following rules apply for both regional and national levels. Most financial recording is done by the staff, under the supervision of the treasurer. The treasurer is accountable for the financial records.

The main principle of bookkeeping is very simple: **keep a trace of everything**. Receipts should not be collected haphazardly and put in a shoebox; the records should be updated at least once a week. Payments should be recorded the moment they are made. The accounts should be consolidated at the end of the month and prior to every Executive Council meeting.

10.3.1 Setting Up Financial Accounts

When setting up financial records, the following steps should be taken:

1. Buy **5 files** for the following information:
   a. Receipts for expenses
   b. Receipts for revenue
   c. Bank statements
   d. Outstanding and justified advances
   e. Invoices

2. Buy **3 ledgers** for:
   a. Payments
   b. Revenue
   c. Petty cash

3. Make **columns** in the ledgers. The following information should be included in the **ledgers for payments and revenue**:
   a. Receipt number
   b. Category (see point 7)
   c. Date
   d. Amount
   e. Description
   f. Receiver (in case of a payment) or payer (in case of a revenue)
   g. Mode of payment (cash, check, bank transfer)
   h. Check number (if applicable)
   i. If the payment was made by check, state whether the check was deposited into the bank or cashed (this applies only to revenue)

4. Make 7 columns in the **ledger for petty cash**:
    a. Date
    b. Receipt number
    c. Category
    d. Description
    e. In (income or revenue)
    f. Out (expenses)
    g. Balance

5. Buy **voucher books** to issue receipts if no official receipts are provided when purchasing a good or service.

6. Prepare **official receipts for the association** that can be used when receiving money.

7. Always **collect receipts** and give every receipt a **unique number**, e.g., E08-0003. The 08 refers to the year 2008, and the 0003 is the number in sequence of date. To distinguish between expenditures and revenue, add an "E" for expenditures and an "R" for revenue.

8. Make **categories** for expenses and revenue and give each category a number. For **expenses**, use the following categories:
    a. Number E01: Annual General Assembly
    b. Number E02: Council meetings
    c. Number E03: Committee meetings
    d. Number E04: Stationery and office equipment
    e. Number E05: Utilities (water, electricity, telephone, Internet, bank charges)
    f. Number E06: Transport of staff
    g. Number E07: Participation in programs, meetings with partners
    h. Number E08: Public relation material (brochures, newsletter, business cards)
    i. Number E09: Educational programs (organized by the association)
    j. Number E10: Other programs (organized by the association)
    k. Number E11: Miscellaneous

    If the association has specific regular activities, such as a yearly trade fair or advocacy program, separate categories can be added.

    For **revenue**, make the following categories:
    a. Number R01: Registration fees
    b. Number R02: Annual dues
    c. Number R03: Participation fees (for training programs, study tours, etc.)
    d. Number R04: Selling of merchandise (t-shirts, caps, pens, etc.)
    e. Number R05: Sponsorship and donations
    f. Number R06: Interest (on bank account)
    g. Number R07: Other revenue

9. Prepare **advance forms, expense reports, and transportation forms** and make enough copies of each form.

10.3.2 Expenses

Expenses can be paid in several ways:

Method of Payment	Paid Out of	Trace
Cash	Petty cash	Receipt
Check	Bank account	Bank statement and receipt
Bank transfer	Bank account	Bank statement and receipt

The following steps should be taken when recording expenses:

1. Give the receipt a number.
2. Write on the receipt how the payment was made (cash, check, transfer) and add the check number, if applicable.
3. Put the receipt in the file for expenses.
4. Note the expenditure in the ledger for payments by completing all columns.
5. If the payment was made with petty cash, add the expenditure in the ledger for petty cash as well.

A receipt must always be collected when a payment is made, even if the payment is with a check or bank transfer. The receipt should state the name of the receiver (a person or company), the date, the amount, and a description of the purchase. If items are purchased at the same time but used for different programs, they need separate receipts. If no official receipt is issued (e.g., when taking a taxi), the association should use vouchers to issue its own receipt.

Receipts should be stapled on an A4 sheet before they are filed so that other information, such as the receipt number, can be added. Each receipt should be given a **unique number** and put in the file with receipts for expenses. The receipt should state **how** the payment was made: by cash, check (add the number of the check), or bank transfer. All columns (number of receipt, date, amount, etc.) must be completed in the ledger for expenses.

Associations should pay with **checks or bank transfers** whenever possible, because that always leaves a trace. If payments are made with a check or bank transfer, the association should check the bank statement to see when the money was withdrawn and add this date to the receipt.

Associations should be careful with invoices. **An invoice is not a receipt or proof of a payment.** Therefore, invoices should be kept separately or stapled to the receipt.

Another point of attention is advances. **An advance is not an expense.** The advance becomes a payment the moment the person who took the advance justifies his or her expenses at the office. Therefore, outstanding advances should be put in a separate file (see Chapter 10.3.6).

10.3.3 Revenue

Revenue can be received in several ways:

Method of Receiving	Put Into	Trace
Cash	1. Bank account 2. Petty cash	1. Bank statement and receipt 2. Receipt
Check	1. Bank account 2. Petty cash (after the check is cashed)	1. Bank statement and receipt 2. Receipt
Bank transfer	Bank account	Bank statement and receipt

The following steps should be taken when recording revenue:

1. Issue a receipt. Give the original to the payer and keep a copy.
2. Give the receipt a number.
3. Write on the receipt how the payment was made (cash, check, transfer), and add the check number if necessary.
4. Put a copy of the receipt in the file for revenue.
5. Note the revenue in the ledger for revenue.
6. Deposit the money in the bank account.

A **check** can be treated in two ways:

1. The check can be deposited in the **bank account**. This will show on the bank statement.
2. The check can be **cashed**. This means that the bank takes the check and gives back the money.

If a check is cashed or a payment is made in cash, the only trace is the receipt. Therefore, associations should **always issue a receipt for all revenue**. The receipt should include the name of the payer, date, amount, and reason for payment. The association should have its own receipts that are issued each time someone gives money. The original receipt is given to the payer; the copy is kept in the office and put in the file for **receipts of revenue**.

To avoid problems, it is important to **avoid putting cash revenue in the petty cash**. **All cash revenue and checks should be put in the bank account.** This ensures a trace of the money. The date the money was deposited into the bank account should be written on the copy of the receipt.

Collecting money from the bank account is not revenue. Money in the bank account is already booked as revenue, the moment it was deposited into the bank account.

10.3.4 Bank Account

Every association must open a bank account. The account can be used to receive revenue and make payments. The main advantage of a bank account is that **it**

always leaves an official trace through the **bank statement**, which is issued on a regular basis (weekly, monthly, etc.) or on demand.

Associations should pay with checks or bank transfers as much as possible, because the payment will be listed on the bank statement and will always leave a trace. **The check number should be written on the receipt**. This will **link** the payment by check to the receipt. If this link cannot be found, the expenses may be double booked—once from the bank statement and once from the receipt. The receipt for a bank transfer may be issued beforehand or sent much later. In either case, the association should **write on the receipt that the money was paid by bank transfer** and the date of the transfer.

Also, when **payments to the association** are made by **check**, the check number should be written on the receipt. **Checks should be deposited into the bank account, not cashed**. This is to ensure that the money can be traced and funds are not mixed up in the cashbox. When payments are done by **bank transfer**, write on the receipt that it concerns a transfer plus the date of the transfer.

To refill petty cash or to organize a program or activity, money should be collected from the bank account. **Collecting money from the bank account is not revenue or an expenditure.** If the money is used to **refill the petty cash**, the association should write in the ledger for petty cash that the money was collected from the bank account. When the money is collected for a program or activity, the association should start a **separate sheet** (e.g., at the end of the ledger book for petty cash) for that activity and write down the amount, date, and that the money was collected from the bank account.

10.3.5 Petty Cash

Petty cash should only be used for **small day-to-day payments** at the office, not for activities or larger payments. For payments with petty cash, the staff does not need permission from the executives. An association should have a **ceiling** for payments with petty cash, e.g., 25 USD per payment or 100 USD per month. This means that all payments more than 25 USD or expenses of more than 100 USD per month need to have approval of executives.

To keep track of the amount in petty cash, associations should use a **ledger for petty cash** that notes all expenses and revenue. The following is an example of entries from a ledger book:

Date	Receipt Number	Description	In	Out	Balance
January 31, 2007	-	-	-	-	28 USD
February 1, 2007	-	Money collected from bank account	50 USD	-	78 USD
February 2, 2007	E07-0015	Buying of notebooks	-	12 USD	66 USD
February 3, 2007	R07-0007	Annual dues Mr. X	50 USD	-	116 USD
February 6, 2007	E07-0016	Taxi to meeting	-	2 USD	114 USD

This means that all cash revenue and expenditures paid out or in the petty cash are recorded **twice**:

1. In the ledger for petty cash
2. In the ledger for expenditures or revenue

Because the ledger for expenditures and revenue states how the payment is made (cash, check, or bank transfer), there is a clear **link** between the ledger for petty cash and the ledger for expenditures and revenue. The petty cash should be checked each week to see if the balance indicated in the ledger matches the money in the cashbox.

Petty cash should be **refilled** monthly or bi-monthly. For example, 50 USD could be collected from the bank every month. To avoid having too much money in petty cash, associations should have a ceiling for petty cash. For example, if the petty cash at the end of the month is higher than 75 USD, it should not be refilled. When money is collected from the bank, it should be noted in the ledger for petty cash. **A refill is not revenue.** Therefore, **this should be the only entry in the ledger for petty cash without a receipt number.**

Money collected from the bank account for a **program or activity** should not be put in the petty cash, but be kept **separately** to avoid mixing up funds. Also, accounts for the program should be noted separately (e.g., at the end of the ledger book for petty cash on a separate sheet). The balance should be deposited into the bank account at the end of the program. **Depositing this balance into the bank account is not revenue.**

The main disadvantage of petty cash is that it does not leave an official trace. Because most expenditures paid out of petty cash are small, they are often forgotten, which can result in a balance that does not match the books. To keep track of petty cash:

1. **Always collect a receipt**, even for small expenditures.
2. **Do not add cash revenue to petty cash**, but deposit it into the bank account.
3. **Keep money for programs or activities separate from the petty cash**. In most cases, money should be cashed from the bank account to be used for a program or activity. At the end of the activity, the balance should be deposited back into the bank account.

10.3.6 Advances and Reimbursements

As already stated, **an advance is not an expense**. A person taking an advance will purchase a good or service with the advance and justify the expenses afterwards. Associations should use special forms for advances to avoid problems, such as disagreements about the amount or payment of the advance. An example of a Standard Operating Procedure on advances and reimbursements can be found in Chapter 9 as **Example 9.1**.

The following steps should be taken when issuing an advance:

1. The person completes an **advance form** (**Example 10.5**) which states the amount, date, name, and reason for the advance. The original form stays at the office in the file of outstanding advances. The person taking the advance will receive a copy.
2. The advance is **paid** to the person.
3. The person **buys goods or services** using the advance.
4. He or she collects a **receipt**.
5. He or she completes the **expense report** (**Example 10.6**), stating the amount, dates, and description of the purchase.
6. The completed expense form with all receipts attached is **handed in** at the association office.
7. The balance is settled. If the person has **spent more**, he or she will be paid the difference. If the person has **spent less**, he or she has to return the rest of the money.
8. Give the **expense form** a unique **number** and attach it to the advance form. Move both forms in the file from "outstanding advances" to "**justified advances**."
9. Give all **receipts** a unique number and write on every receipt "justified advance" and the number of the expense form. Make copies of all receipts. Put the **original** receipts in the file with receipts of expenses and attach the **copies** to the expense report.

The advance becomes a payment the moment the person who took the advance justifies the expenses at the office. If the person does not justify the advance, the advance will be booked as a **debt** to the association at the annual balance. To avoid problems with **overspending**, the person should contact the secretariat before making the purchase if the amount is higher than the agreed amount.

Associations should be **strict on receipts** of all expenses. The general rule should be: **no receipt, no justification, which means a debt to the association**. People may complain that receipts are not always issued. Members should be reminded that they can issue their own receipt, which should be signed by the person selling the good or service. For transportation expenses, members can use the **transport claim form** (**Example 10.7**), although most taxis issue receipts upon request, and bus tickets are valid as receipts.

The expense report and transportation form can also be used for **reimbursements**. A reimbursement is a purchase made by a member without taking an advance. The steps are as follows:

1. The person who made the purchase must complete an **expense report** (**Example 10.6**).
2. The **receipts** should be attached to the expense report and handed in at the office.
3. The person is **reimbursed**.
4. Give the **expense report** a unique **number** and put it in the file with receipts of expenses (separate from the receipts).
5. Give all **receipts** a unique **number** and add the word "reimbursement" and the number of the expense report.

6. Put the receipts in the file of **receipts of expenses**.

To avoid problems, reimbursements are only issued if the purchase received **written approval** in advance. This should be written in the Standard Operating Procedures.

10.4 Summary of Important Rules

The following is a summary of important bookkeeping rules:

- Always collect a **receipt** for every **expenditure**.
- Always issue a receipt for every **revenue**.
- **Give every receipt a unique number**; write this on the receipt.
- Pay as much as possible with **checks**; they always leave a trace.
- **Deposit cash revenue in the bank account**; do not add it to the petty cash.
- **Avoid cashing checks**; deposit the money into the bank account.
- Keep money for **programs or activities** separate from the petty cash; deposit the balance at the end of the program into the bank account.
- When paying with a **check** or receiving a check, write the **check number** on the receipt.
- When paying or receiving money by a **bank transfer**, write on the receipt that it is a bank transfer and the date.

Associations should remember the following:

- An **invoice** is not a receipt. When making the payment, collect a receipt.
- An **advance** is not an expense. It becomes an expense the moment the advance is justified.
- Collecting money from the **bank account** is not revenue or an expense. It becomes an expense the moment a payment is made.
- Refilling the **petty cash** is not revenue.

Record Keeping for Provinces in Burkina Faso
The Association of Agri-inputs Wholesalers and Retailers of Burkina Faso (AGRODIA) is a national association that has several provincial branches (called *sections provinciales*). Members register and pay their dues and fees at the provincial level; then the information and 60% of the dues and fees are transferred to the national office. To ensure that every province will provide the same type of information in the same format to the national office, AGRODIA has introduced special forms for the provinces, such as the registration form (Example 11.1) and quarterly regional reports (Example 11.4). Using these forms, AGRODIA can put the information that comes to the national office into one database.

Example forms can be found in Microsoft Word format on the attached CD-ROM.

IFDC can help associations set up sound record and bookkeeping systems during on-the-job training for staff and training programs for executives and regional branches.

Example 10.1 Registration Form

Registration number

Region:________________________________

Registration date:______________________

Who registers?

Physical person	Yes		No	
Company	Yes		No	

Company Information

Name of the company	
Legal form	
Street	
Area	
P.O. Box	
City	
Region	
Telephone	
Fax	
E – mail	
Company registration number	
Creation date	
Name of director	
Number of employees	

What does the company sell?	*Details*
Seeds	
Crop protection products	
Fertilizer	
Equipment	
What are the main activities?	

If registration concerns a physical person, please complete the section below:

Name	
First name	Female ☐ Male ☐
Date and place of birth	
Nationality	
Fixed phone number	
Mobile phone number	
E-mail	
Function in company	
Function in association	
Experience in agricultural sector	

Signature of Applicant:____

Example 10.2 Individual Training Information Form

Name, first name: ____________________________

Registration number: [ ]

Training 1	
Type	
Venue	
Date	
Organizer(s)	
Topics	
Training 2	
Type	
Venue	
Date	
Organizer(s)	
Topics	
Training 3	
Type	
Venue	
Date	
Organizer(s)	
Topics	

Example 10.3 Individual Payment Form

Name, First name:____

Registration date:____

Registration number:

Payments of registration fees

Date	Payment due (1)	Amount paid (2)	Balance (3)

Payment of Annual Dues

Date	Payment due (1)	Amount paid (2)	Balance (3)

Example 10.4 Quarterly Regional Report

Quarter (dates)

Name of region:________________________________

Name, first name	Registration number	Registration date	Amount paid during quarter	
			Registration fees	Annual dues

Example 10.5 Petty Cash Advance Form

Date: ____

Received from: ____________________________________

Amount: ____

Paid to: ____

Description:

____

____

____

____

____

____

____

____

____

____

Receiver:_________________ **Approved by:**________________

Example 10.6 Expense Report

NAME: ______________________________________

DATE	DESCRIPTION	AMOUNT
	TOTAL EXPENSES	

Signature:________________ Approved by:_______________

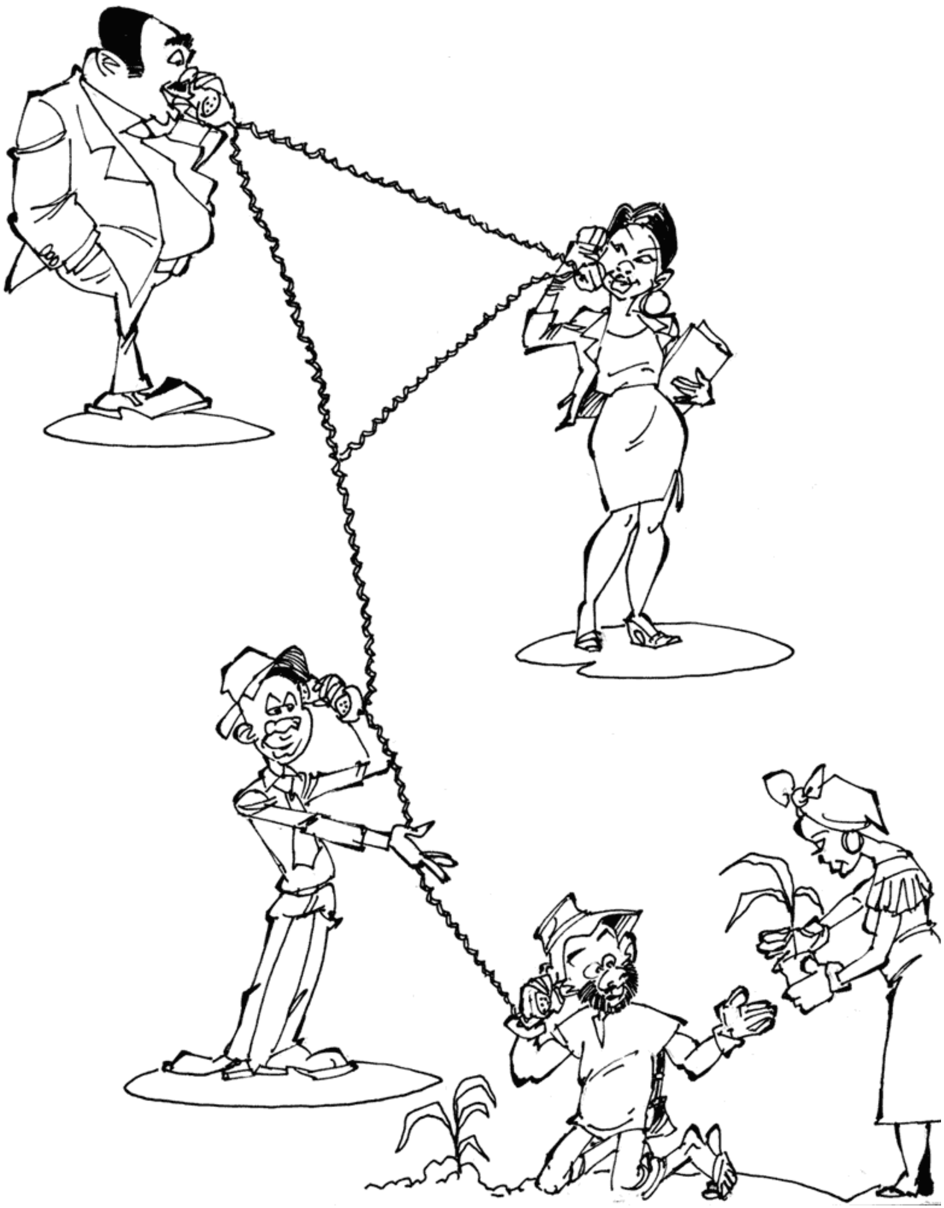
Example 10.7 Transport Claim Form

NAME: ____

DATE	FROM	TO	AMOUNT	REMARKS
		TOTAL EXPENSES		

Signature:______________________ **Approved by:**____________________

11. Internal Communication



11. Internal Communication

An association exists because of its members. That means the members have the right to know what is going on. Therefore, an association should create an internal communication system to ensure communication between management staff and executives, between executives and other members, and between other members and staff.

11.1 Between Executives and Executive Manager

Communication between executives and staff will mainly be through the chairman and executive manager. The executive manager is the head of all staff, and he or she will inform other staff members if necessary. The executive manager can contact other executive members in addition to the chairman if their expertise is required (e.g., via committees). The chairman and executive manager will communicate on a regular basis. The frequency will depend on the experience of the executive manager and the trust executives have in the management staff. If executives are not willing to let the executive manager make any decisions, or if the executive manager does not have much working experience, communication will occur frequently.

Normally, the executive manager and chairman will communicate regularly, e.g., at the end of the week to go over the main activities conducted. This contact will mainly be face-to-face or via the telephone; however, the main points discussed should be written and distributed among all executives and coordinators. This should not be a formal report, but just a few sentences to inform everyone about the association's main activities.

An efficient way to communicate these main points to all executives and coordinators is to e-mail them on a fixed day each week or month. To ensure that everyone has received the message, the executive manager should ask for an acknowledgement of receipt. If executives or coordinators do not have access to the Internet, another means of communication should be identified, although it will not be as fast or efficient as e-mail.

11.2 General Rules for Communication to Members

Communication will differ for each association, but the following information needs to be communicated to all members:

- Important decisions concerning the constitution, dues and fees, etc
- Upcoming activities
- Activity reports, annual reports, etc
- Plans such as annual or activity plans
- Financial overview (concerning dues and fees or annual finances)
- Useful information on new technologies, new international supplies, new markets

Associations communicate their messages in different ways. More ideas will be discussed in Chapter 15 on communication.

Internal Communication in Albania and Malawi
Regular meetings are essential to ensure that members are fully informed, empowered, and have proprietary ownership of the association. When communication and travel are difficult for national associations, regular monthly meetings of members at a regional level provide a means for members to always feel involved.

At the start of AFADA, regular monthly meetings were held at five different locations throughout Albania, minimizing travel for members. AISAM was created as a national association with branches in the 26 administrative districts of Malawi where monthly meetings were held. These regular monthly meetings allowed members to hear from the association officers, including reports on the Executive Council's activities and committee activities. Members were also provided with market, product, and credit information. Members were able to interact, report on their own experiences, take away new useful information, and express requests for action on specific government policy issues.

For national associations, the annual general meeting is an opportunity for all members to hear from the Executive Council and committees, to have a say in the future direction of their association, and to vote for association officers. If membership is large, the annual general meeting could discuss the internal business affairs for a full day, leaving no time for topics of technical information exchange and communication. A separate annual technical meeting for all members has been the solution for some IFDC-inspired trade associations.

Meetings

Most associations communicate mainly through meetings. The annual activity report, financial overview, annual plans, and budget are presented during the General Assembly, and members can react on the spot. During Executive Council meetings, members discuss and make decisions on activities and planning. Committees discuss their activities during their meetings, and sometimes associations meet at the regional level to discuss regional issues.

Meetings are a very useful communication tool and stimulate interaction among members (also see Chapter 20 on how to organize meetings). However, there is often no communication before or after the meeting. Members should be well informed about the purpose of the meeting and the agenda that will be discussed. After the meeting, minutes or an overview of the main decisions that were made should be shared among members.

Meetings are often seen as a waste of time, with too much talking and not enough action. Therefore, associations should keep meetings interesting and efficient. Meetings cost money; therefore, an association should value the time of its members by planning meetings well and adhering to an agenda.

Coordinators / Representatives

Regional coordinators are very useful to maintain contact with the grassroots. When an association has more than 50 members, it is not possible for one person (the chairman or the executive manager) to contact everyone. In that case, the association should be divided into geographical areas and appoint a coordinator for each area. If an association already has regional branches with regional representatives, communication should be through these regional representatives.

Written Messages

Meetings and coordinators are used to communicate oral messages. The advantage is that everyone can be reached, even those who are illiterate. Also, communication can be in a language members prefer. The advantage of a written message is that members can refer to it repeatedly, everyone gets the same message, and messages are non-debatable (to avoid discussions as: "But I told you that…").

Communication about decision making should always be through written messages. If the Executive Council decides to organize a training workshop next week, it must put that on paper. If the General Assembly agrees to raise annual dues by 10%, it must be communicated in a written message.

A written message can be communicated through the regular mail, e-mail, SMS (short message service), or the coordinators. Associations should build a feedback system to ensure that the message reached everyone. A newsletter can be used to regularly update members on upcoming activities, activities that have taken place, new members, partners, etc.

Chapter 15 shows ways to communicate messages to members and outsiders.

IFDC offers workshops to associations to improve their internal and external communication.

PHASE III
Building Sustainability

Chapters:

12. Financial Sustainability
13. FACE: Financial Benefits
14. FACE: Advocacy
15. FACE: Communication
16. FACE: Education
17. The Planning Process

12. Financial Sustainability

12. Financial Sustainability

One of the objectives of an association is to become autonomous, which more specifically, means financially sustainable. An association is financially sustainable when the annual expenditures to operate the association are equal to the annual revenue of the association, and sufficient reserves are accumulated to operate for 1 year.

12.1 Offering Benefits: FACE

According to Chapter 1, an association should offer benefits (in the form of services) to its members. If members do not see the benefits, they will not be willing to pay their dues and fees or to pay fees for services, and eventually they will leave the association. Offering of services is the backbone for becoming financially sustainable.

Chapter 1 identified four different types of services an association should offer to its members, abbreviated as FACE:

- **F**inancial benefits
- **A**dvocacy
- **C**ommunication
- **E**ducation

When offering a service, identify the value the service has to members. The higher the value, the more willing members will be to financially contribute dues or fees. Without these services, an association will not become financially sustainable.

12.2 Collection of Dues and Fees

Most associations depend on dues and fees as internal revenue, which are never enough to operate as an association that is providing membership benefits. However, dues and fees should be collected, because they show a certain level of commitment of members towards the association. There are often problems collecting the dues and fees. The following tips might help the collection:

- Make sure that products (FACE) bring value to members.
- Prepare proper financial records; the association needs to know who has paid what and who is in arrears.
- Put payment of dues and fees on every agenda in each meeting.
- Inform members about the financial situation of the association and how the money will be spent; members are more willing to pay if they know how the money is used.
- Send reminder letters to defaulters.
- Introduce incentives for early payment (for example: 10% discount for those who pay in January or February).

- Do not allow members to participate in activities if they did not pay their dues; **no payment means no access**!
- Collect dues at activities, e.g., during training programs, regional meetings or the General Assembly; again no payment means no access.
- Form a task force to collect dues and fees.
- Give feedback on payments to all members; list defaulters and announce their names during meetings or the General Assembly. Give defaulters the chance to pay on the spot.

Refusal of Candidates With Arrears in Payments
The Ghana Agricultural Producers and Traders Organization (GAPTO) elects new members for its Executive Council every 2 years. All candidates have to prove that they have paid their dues and fees by showing their membership passport in which all payments are recorded. A permanent
staff member checks all passports. Those who are not up-to-date with payments are not allowed to stand for elections. In 2005 a member of an onion group was refused as a candidate because of being arrears in payment.

12.3 Generating Revenue

Dues and fees are rarely sufficient to operate an association; other forms of revenue, mainly in the form of donations or sponsorship from donors or technical partners, are often sought. However, donations or sponsorship implies dependency on a third party and since most associations would like to make their own decisions, it is wise not to be too dependent on external funds (see also Chapter 5.3 on donor support).

Fortunately an association has many ways to generate revenue. The principle behind revenue generation is that any business activity run by an association should not be directly related to the business activities of association members. That means that an association should not become a competitor of its own members.

An association has the following possibilities to generate revenue:

1. **Member contributions**
    - Registration fees
    - Annual dues
    - Fines for defaulters, for not attending a meeting or not paying dues and fees on time
    - Levies for special programs or events, or on imports

Levies on Fertilizer Imports
AFADA in Albania initiated a check-off scheme on fertilizer imports in which AFADA members importing fertilizer paid a voluntary levy of 0.3% of the CIF value of their imports to the association. This was later extended to all inputs imported. The cost increase was passed on.

2. Promotion activities

- Organizing trade fairs—entrance fee and renting stalls
- Selling T-shirts, caps, calendars, pens and other merchandise
- Sponsor dinners—fee for attending, e.g., with big importers or a credit union
- Membership directory on products sold and selling points
- Check-off funds (stores or farms using association's logo)

Trade Fairs and Farm Stores
The Albanian Agribusiness Council (KASH) in Albania and AAK in Azerbaijan use annual trade fairs organized by the association as a major source of revenue. KASH generates about 80,000 USD annually in income by this means.

AAK in Kyrgyzstan sells the concept of *farm stores* to interested members. The name farm store is a brand that is created by AAK to ensure high quality agri-inputs. To become a farm store, a dealer must become AAK member and pay 10 USD per year. For this amount the owner can use the AAK logo in his shop, while AAK advertises the farm store in newspapers, magazines, and on radio and television.

3. Services to members

- Commission to assist members in accessing credit or funds.
- Commission to facilitate access to markets
- Fee for assistance in registration of business
- Fee for assistance in proposal writing
- Fee for assistance in business plan writing
- Fee for assistance in bookkeeping
- Fee for certification or licensing
- Selling of membership cards
- Selling of framed certificates after training programs

Credit Facilitation in Albania
An association has an important role in facilitating access to credit for its members. This has been used to generate revenue in two ways. First by charging fees from members for business planning and credit application services and second, by charging a levy (0.3% by AFADA in Albania) on each loan facilitated. However, once members are capable of applying for and obtaining credit by themselves, they often refuse to pay a levy to the association. This happened in Kosovo and Albania.

4. Services to outsiders

- Fee to give a lecture or to be on a panel
- Fee to function as a resource person or to give advice
- Fee to organize, host, and guide groups of stakeholders (study tours)
- Consulting by staff
- Affiliate membership for companies

Guestroom Brings Revenue to Associations in Ghana
The Ghana Agricultural Associations Business and Information Centre (GAABIC) in Accra rents an office in the center of the city. The small boys' quarters in the garden have been renovated and changed into a guestroom. Executives and other members may use the guestroom for free if they come for an association program. This allows the associations to save money for hotel accommodation. In addition, the guestroom is rented out to partner organizations for a small fee of 15 USD per night. Because of the convenient spot in town, the guestroom is occupied most of the time, providing a steady income for the center.

5. Participatory fees

Members and non members should pay a fee to attend:

- Workshops
- Training programs
- Seminars or conferences
- Meetings for members but also for outsiders
- Study tours

6. Advertisement fees

Ask a fee to advertisers:

- During events
- In brochures, publications, and newsletters
- On the Web site of the association
- On banners or stands

7. Selling information

General information should be free for members. But for specific information (such as commercial information), charge a fee to:

- Members
- Outsiders
- Persons who want the constitution in a nice booklet

8. Shared discounts

Associations can negotiate discounts for members from service providers (e.g., insurance companies, mobile phone providers, and transporters) and then split the discounts between individual members and the association.

Discount on Fuel and Oil
The Kosovo Agribusiness Association (AKA) in Kosovo negotiated a discount on fuel and oil with a major petroleum company for all members of the association. Half of the discount was retained by individual members and half went to the association.

9. Donations

A donation may be spent freely as the association wants, although stipulations could be stated by the donor. Donations may come from donors, technical partners, or individuals.

10. Sponsorship

Sponsorships are collected for specific projects such as training courses or study tours. The monies have to be spent according to the sponsor's indications.

12.4 Fees for Services

Sometimes members are not willing to pay for services. They claim they already pay dues and fees, so they are entitled to these services. They forget that the dues and fees are meant to keep the association operating. A service is something extra that can be offered. Since not all members will use the service (not everyone can attend a study tour or a training course), the members who will use the service have to pay a fee.

To avoid problems it is recommended that fees are collected from the beginning. Start with a low fee and gradually raise it. However, it is better to charge a realistic fee from the start and explain clearly to members how the money is used.

When introducing fees or commissions, the following approach can be used:

- List services that the association is providing for members
- Discuss the list at the General Assembly and agree on the fees
- Appoint a person (e.g., a regional representative) to collect fees if necessary
- Introduce penalties (exclusion of activities)
- Give feedback to members on how much was collected and how the monies were used.

AGRODIA Members Pay a Fee to Attend Training Courses

AGRODIA is a young association of agri-input wholesalers and retailers in Burkina Faso that was created in 2004. One of the main challenges of AGRODIA is to increase the technical, marketing, and management skills of its nearly 200 members. To achieve this objective, AGRODIA organizes training courses for its members with sponsor support. To contribute to the training costs but also to generate revenue, members attending the training course pay a fee for the service they get from AGRODIA.

Though it would have been possible to define fixed amounts (e.g., 10 USD per training course or a fee of 15% of the training budget), AGRODIA has decided to adapt its fee according to the type of training (basic or advanced course), to the duration of the course, to the venue, etc. The fee amount is indicated well in advance via the training announcement and the invitation letters. For example, during the 2006 basic 2.5-day training course organized in Bobo-Dioulasso, each of the 76 participants paid a fee of about 50 USD. The money was collected during the participants' registration. This generated 3,800 USD of which about 1,000 USD was used as a contribution to the training course budget. The rest was put into the association's bank account.

In spite of the relatively high fee for small retailers in Burkina, participants were willing to pay because they were aware of the value the training would give to their business. Several other members who wanted to attend the course even had to be refused.

The fee-for-service system was introduced by AGRODIA at its creation and is now accepted by most of the members for all types of services (training courses, study tours, trade shows, etc.).

12.5 Marketing Your Association and Services

Services can be seen as the product of the association. Just as in any business, products have to be attractive to be purchased. Therefore, the association has to market its services to its members. This can be done by following the standard marketing strategies, taking into consideration:

- **Products:** What services are offered to members? What do members want, what are their needs, and what do competitors (other associations, training institutes, NGOs, governmental services) offer? What is feasible within the association (availability of manpower, technical knowledge, financial resources, etc.)?
- **Price:** How much to charge for the service? A fixed price can be charged or a variable price (e.g., a percentage of the amount involved when facilitating access to credit). When the price is too high, many members will not use the service. But when the price is too low, it will not generate income for the association.
- **Place:** Where are the services offered? If members always have to travel to the national office to use the service, it might not attract many members. When offering services such as assistance in business plan writing, bookkeeping, certification or licensing, a staff member can travel to the region to provide the service. Training programs, meetings, and other events can also be organized in the regions.
- **Promotion:** How to inform members about the services offered? Services can be announced in an association newsletter or a special brochure, e.g., the training calendar. Meetings or events are also appropriate times to announce programs.

An effective way to promote services is to introduce a frequent user's program. A frequent user's program is a reward system for members who actively use the association's services. Every time a member uses a fee-for-service, they receive user points in their program account. For example, when following a training program, a member earns 10 points; paying the annual dues at the start of the year earns members 30 points. During the General Assembly, members receive a document stating how many points have been accumulated over the year. The member who has accumulated the most points during the year receives an award. The points can then be used to receive discounts for fee-for-service programs. For example 10 points equals 1 USD.

Marketing an Association
In competitive market economies, marketing communication is essential for successful businesses and organizations. For agro-dealer associations, the council and executive manager have to market the association's benefits to members. The association has to market itself to suppliers, farmers, the government, and the general public. An efficient way to market is to

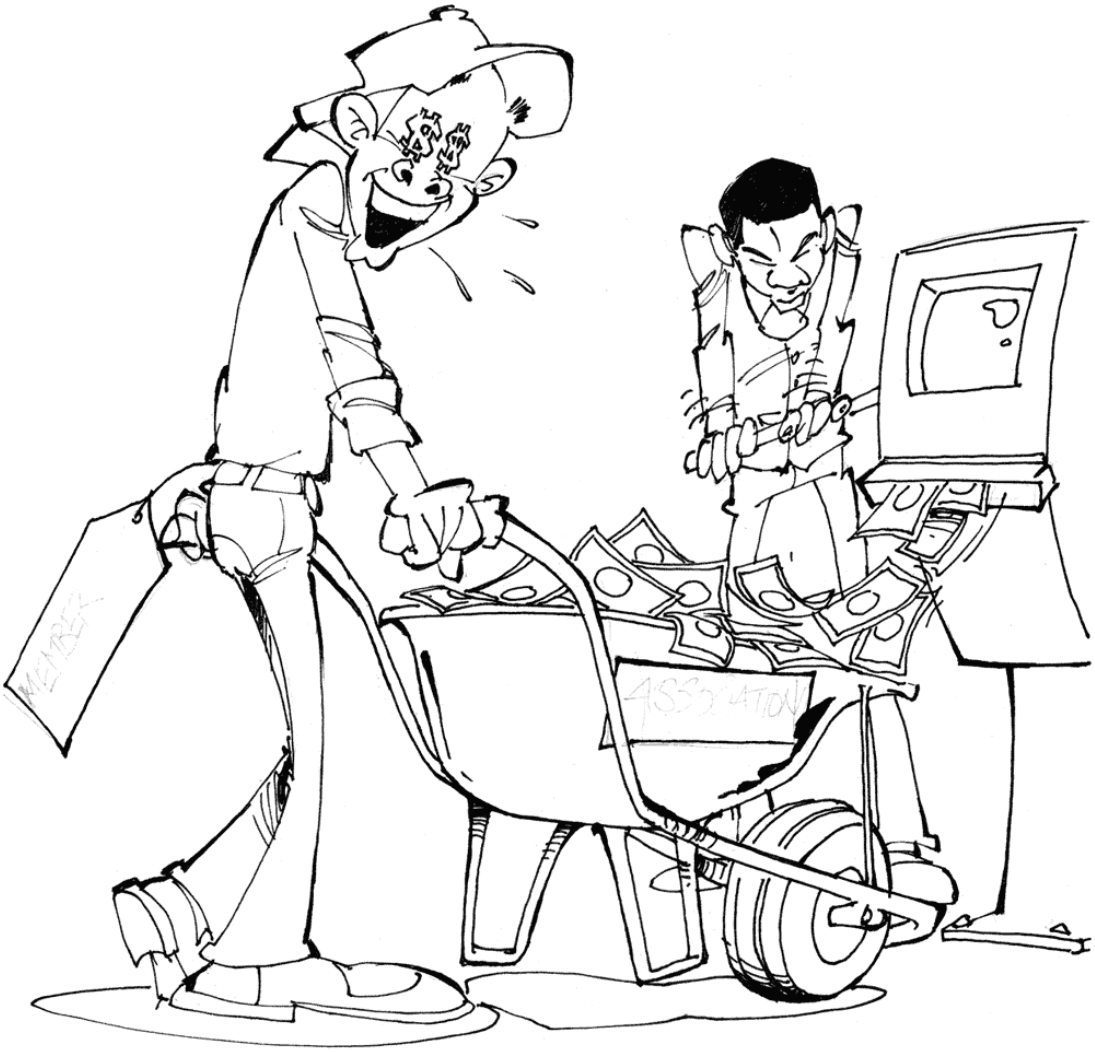
create a brand image. This is not just a logo; it is an earned reputation for ethical, progressive, and technically competent business practices.

AFADA in Albania created awareness of its objectives and practices through widespread use of media including print and broadcast media with regular television appearances in discussion shows, paid advertisements, regular reports on crop and input prices, and articles on the benefits of market economics. In addition, most agro-dealer associations encourage the use of standardized, attractive store-front signs and in-store point-of-sale materials.

Field demonstrations, field days, trade expositions, and workshops are all events that help an association gain widespread publicity and promotion. This is only achieved when members are trained and knowledgeable about their business, their products, and their association's objectives. Certification of trained agro-dealers and periodic, updated training are used by several IFDC-inspired associations to ensure that the brand image has set standards of product and service reliability.

In IFDC-organized training workshops, association participants discuss income-generating activities for their association.

13. FACE: Financial Benefits



13. FACE: Financial Benefits

As stated in Chapter 1, members will expect some financial benefits by joining an association. One of those services is access to credit.

13.1 Credit Facilitation

Some members expect that the association will provide credit to them. However, it is not a good idea to offer loans to members because:

- Often an association does not have enough financial capacity to offer significant loans.
- The financial risks are too high for an association.
- There could be a lack of technical knowledge and experience in running a credit scheme within the association.
- The position of the manager of the scheme is vulnerable; this person decides who is granted a loan and who is not. He or she also has to ensure that members repay loans. When the manager is a (staff) member, this might create conflicts of interest.

Credit Facilitation
The expansion of any business requires additional working capital. Agro-dealers in developing and transient economies usually have poor access to and high costs of credit for business expansion. IFDC-inspired agribusiness associations have been remarkably successful in obtaining increased credit for members and the access to finance is a very important part of FACE. The keys to success are sound business planning and cash management by agro-dealers and lenders' understanding of the business activities of the borrowers.

Albania: Members of AFADA increased borrowing about 2 million USD in 1995 to more than 3 million USD in 1996 and 1997. The loan repayment rate in 1996 was 98.5%. In 1999 IFDC assisted 13 association members to obtain 1.2 million USD in commercial loans, 1.8 million USD in trade credits, and to stimulate 2.8 million USD in new self-investments in equipment.

Kosovo: In 2001/02 in Kosovo almost 6.2 million USD was invested by agricultural processors and input dealers of their own capital and over 3.1 million USD in loans assisted by AKA to procure inputs for resale. Recurring constraints for loan processing are the development of accurate business records, which lead to accurate and complete business plans and provide the basis for loan portfolio management.

Azerbaijan: From 2002 to 2005, AKTIVA members in Azerbaijan received credit loans totaling 519,500 USD and invested 540,200 USD of their own funds. The additional investments and credit funded a 50,000-mt expansion in fertilizer sales, a 140-mt increase in imported HYV seed sales, and a 2.5 million USD increase in crop protection product sales.

Kyrgyzstan: In the first year 35,545 USD in loans were approved by local banks for 11 members in Kyrgyzstan with a 20% guarantee fund of 24,760 USD deposited in an account with the Demir Bank. In 2004 total credit increased to 167,203 USD for 27 members.

The use of credit guarantee funds greatly assists in sharing risk. The development of sound relations with suppliers can lead to trade credits being made available to association members.

The role of the association is to **assist** its members in accessing credit facilities. For most members it is difficult to access credit because they do not know how to apply, have no credit history, lack collateral, etc. The association can play an intermediate role in the acceptance of members by credit institutes and in ensuring payback.

13.1.1 Preparations

The association must make preparations before contacting any credit institute.

The first step in this process is to do a small **survey** in the association to have an idea of what members want. The following questions may be asked:

- How many members are interested in accessing credit?
- What is the amount of credit they are interested in?
- What guarantees can they provide?
- What is the maximum interest rate they are willing to pay?
- How do they think they are going to repay the loan?
- When will they be able to pay this back?
- When is credit needed by your members?

Once it is known what members want, the **role of the association** should be defined. The following questions should be answered:

- Is the association going to provide application forms?
- Does the association have enough technical expertise to assist members in completing the forms?
- Does the association hand in these forms in bulk at the credit institute or do members have to go individually?
- Who can apply for a loan (only members of good standing, at least 1-year member, business plan)?
- What role will the association play in ensuring repayment?
- Does the association have the expertise to educate its members on credit or should an expert outsider be recruited?
- How can the association implement a monitoring mechanism that will stimulate members to repay on time?
- How can the association assure repayment of loans?
- How much do members have to pay to the association for facilitating access to credit (a commission of 3%-4%)? How will this fee be paid to the association: directly by the members or deducted from the loan?

Sometimes credit institutes ask the association to function as guarantor. This means that if members do not pay back their loan, the association is responsible and has to pay the money instead. **An association should not function as a guarantor for members.** Consider the consequences for the association if 10 members do not pay back loans of 500 USD. Instead of functioning as a guarantor, the association can educate its members on the necessity to repay loans on time, assist them in writing business plans, and create a monitoring mechanism. However, the association can act as a self-policing body to ensure that all members abide by their agreements. This will foster a positive relationship with partnering financial institutes.

13.1.2 Building Partnership

After preparations, members' needs and the association's role are identified. The next step is to identify financial institutes that might be willing to provide credit to members. The association has to build a partnership with a financial institute (bank, microfinance institute, credit union, etc.). Chapter 19 provides more information on how to build a partnership.

In building a partnership with a financial institute, the main challenge will be to convince the institute that members are trustworthy and will repay loans on time. Simply telling them is not enough; it must be proven by:

- Showing market data and explaining why investing in that market is profitable to members.
- Showing payment of dues and fees. If members pay their dues and fees on time, it is more likely that loans will be repaid on time.
- Using references of other partners who can attest that the association is well organized and credible.
- Explaining what members want, using data from a survey, to show that the association is well organized and aware of member needs.
- Proposing a role of the association in the application (pre-selection of candidates, distribution of application forms, assistance in completing application forms, etc.)
- Explaining how members are educated on credit schemes and assisted in writing business plans.
- Proposing a monitoring mechanism performed by the association.
- Inviting financial institutes to address members about requirements for loan applications, types of loans, factors used in assessing credit risk, etc.
- Explaining the power of peer pressure by members of the association to ensure that one member does not harm the benefits being provided to all members.

Promises must be kept. If the financial institute cannot trust the association, then the members will not be trusted either.

If it is agreed that members can apply for loans at this credit institute, technical details should be discussed:

- What are the different types of credit accessible to members?
- What are the conditions to apply for credit (this is different per financial institute)?
- What is the interest rate?
- What are the minimum and maximum amounts for a loan?
- How does the repay mechanism work?

- How long does it take from application to disbursement? Can the association assist in speeding up this process?

13.1.3 Education and Monitoring

Before association members apply for a loan, they must be educated on the technical and ethical aspects of repaying the loan.

The technical aspects cover these topics:

- What is credit and how does it work?
- What are the conditions to apply for credit?
- What is the interest rate, e.g., how much does it cost to take a loan (including a commission for the association)? Give examples: if you take a loan of 500 USD, the total amount you have to pay back is x USD and the commission is x USD.
- How does the repayment mechanism work?
- What is the importance of a business plan?
- What is the role of the association? (Does the association provide the application forms, hand in the application forms in bulk, and assist members in completing the application forms?)

The ethical aspects include:

- The necessity to repay on time (show consequences of non repayment: damaging the image of the association, lowering the chance of getting a loan next time and lessening the chance for other members to get a loan, etc.).
- Group responsibility (if it is decided to form groups for monitoring purposes).

Educating members is not a one-time activity; it is a process. It should be discussed on a regular basis during meetings and activities. Part of the education is providing feedback to members: how many members received a loan, what is the pay-back rate, which members repaid loans on time, which members did not? Members have to know what is going on. Feedback can be used to refer to the responsibility of each member toward the association, especially if members are reluctant to repay on time.

The association can play a role in the repayment of loans by creating a monitoring mechanism, for example:

- Publishing names of those who repay on time and those who do not repay on time.
- Forming a committee that will visit those who do not repay on time.
- Forming groups that will be responsible for the repayment as a group. This means if one member does not repay, the others are the guarantors and have to pay on his or her behalf.

Some members will feel threatened by putting a monitoring system in place ("they do not trust me"). Therefore it is necessary to explain clearly to members why the association should implement a monitoring system and that it will positively influence the provision of loans to members.

13.2 Other Financial Benefits

Association members who are involved in the same type of activities often demand the same kinds of services. The association provides a forum for members to exchange ideas and make business deals. For example, thanks to the association, members may negotiate together for some advantages that individual members may not be able to get alone. This includes transporting by complete truckload or in bulk rather than individual packages to and from remote areas, sharing of storage facilities, and group advertisements.

An association may also negotiate discounts for its members, for services that include custom clearance, insurances, hotel rates, mobile phones, and medical care.

IFDC does not provide loans to associations or members, but can assist associations in facilitating access to credit for members.

14. FACE: Advocacy

14. FACE: Advocacy

Lobbying and advocacy are often used interchangeably. Nevertheless, there is a difference between lobbying and advocacy.

> **Advocacy** is a broad term that relates to any action undertaken to give a voice to people. For example: demonstration, networking, writing reports, media reports, and writing letters or petitions. It is like an advocate pleading for his or her client. It is one-way communication.
>
> **Lobbying** is a specific form of advocacy, i.e., giving a voice to people by influencing decision makers on specific issues. The association will act as a lobbyist between its members and the government; it will translate the demands of the group to interest the policymaker. It is a long process of give and take in which the association will discuss and negotiate with the decision maker.

In this Starter Kit the term advocacy is used for both activities.

Sometimes people confuse public relations with advocacy. Public relations may be compared with advertising the association. A brochure of the association will fall under public relations, while a petition or position paper is advocacy.

An association may advocate for policy changes but also to provide protection for members.

14.1 Basic Concepts of Advocacy

Before starting with an advocacy case, the association must note the following basic concepts of advocacy:

Legitimacy: Why is the association authorized to advocate, why can the association advocate for its members? Examples of reasons: registered as an association, existence of a constitution, membership base, recognized by government and other actors.

Credibility: Why should the decision maker listen to the association? Examples of reasons: honesty, transparency, reliability, openness, accountability for its actions, organizing democratic elections, and holding regular meetings.

Accountability: Why should the decision maker have confidence in what the association is saying? Examples of reasons: implementing and reporting on activities as described in action plan, sound financial records, and references from other organization.

Power: Is the association strong enough to advocate? Examples of reasons: membership base, informed/knowledgeable, having a good network, and patronized by other organizations or associations that have a common goal on the issues.

If the association does not have answers to the above-mentioned questions, it is not ready to advocate. The association must have its own house in order before advocating for members.

Successful Advocacy Efforts

In Albania and Kosovo national agribusiness associations were formed as apex advocacy associations. In Albania, KASH had 19 agribusiness and producer association members and became the private sector advocacy organization for agriculture. In 2001 KASH held its first annual forum just prior to a national election. Approximately 1,000 people attended including representatives of every political party. The issues affecting agriculture and agribusiness in Albania discussed at the forum became central to the election and political party platforms. This was the first time that agriculture and agribusiness became a major election issue. KASH continues to be an organization recognized by the government as the voice of the private sector in agriculture in Albania.

A similar organization in Kosovo, AKA, has had similar success in influencing policy, in this case the policies directed by the United Nations administration in Kosovo. AKA provided support for the Kosovo Poultry and Feed Miller Association (SHPUK) to have unfavorable electricity tariffs amended to reduce the feed millers operating costs and worked on behalf of the Kosovo Agri-input Dealers Association (KODA) to successfully advocate for the removal of value-added taxes on fertilizer and other agri-inputs.

In Azerbaijan AKTIVA successfully lobbied to the national customs office for the removal of arbitrary ad hoc import taxes on seed potatoes imposed at the Russian border.

Nigeria has four state level agri-input dealer associations, in Bauchi State, FCT, Kano State, and Oyo state. In 2005 the associations joined forces and formed the Joint Action Committee on Fertilizer Regulation. The committee advocated for the establishment of a fertilizer policy and regulatory framework in Nigeria. In 2006 a national fertilizer policy was adopted in Nigeria partly owing to the efforts of the committee.

In all these cases cited and many others, the key component was that the association was a credible organization representative of its membership and recognized by the government as such. This is as important as sound economic or social arguments for policy changes. Media are also valuable resources and means to influence agriculture policy by creating awareness of important issues and educating the general population.

14.2 Preparing an Advocacy Case

When preparing an advocacy case, the following questions may help to prepare a strategy:

a. What is the **key question or core case**? What is the current situation and what would the association like to change? Be realistic about needs and try to describe them simply and with clarity. Make sure to collect current figures that show the difficulties faced in the sector and on how the situation will improve if it is changed.

Decision maker

b. Who is the **decision maker**? Is the association really dealing with the person(s) who makes the decision? Of course there are people who can influence the decision maker, but it is better to deal with the decision maker directly.
c. What are the **interests** of the **insiders** (the members) and of the **outsiders** (the decision makers)? Why does the association want to change a certain situation and why is the decision maker willing or not willing to make that change?
d. What is the **image** the decision maker has of the association? And what does the association think of the decision maker? If the association has a negative image, it must improve before a decision maker will listen.

Allies

e. Which **partners** could be involved in the advocacy process? The association stands stronger with partners at its side. Try to involve other organizations in the advocacy process.
f. What is the **interest** of the partner? Do the partner and the association share a common goal or are there other reasons for their interest?
g. How can partners **contribute** to the advocacy process? Are they knowledgeable in an area the association is not; do they have good contacts with the decision maker or experience from previous advocacy cases?

Negotiations

h. What can the association **offer** to the decision maker? It is a give and take relationship. What are the advantages of the change? How can the association support the implementation of the change? When advocating for adaptation of a fertilizer law, the association might be helpful with the implementation of this law.
i. What would be a **win-win** situation? What outcomes would be favorable for the association and for the decision maker? This may not be the optimum outcome for the association, but with compromise, the final outcome might be satisfactory for everyone.

If all questions are answered, the association should discuss who should advocate. This could be one of the executives or one of the members who has good contacts with the decision maker, is knowledgeable about the topic or has experience. Nevertheless, a member is vulnerable because he or she is pleading for his or her own case. Staff members do not have that problem. Staff members are independent and less vulnerable to the negative consequences of actions than members.

The next step is to choose a method or action. There are several complementary possibilities:

- Personal visit to the decision maker.
- Informal meeting with the decision maker.
- Roundtable discussions with Parliament or congressional officials.
- Exposure (field visit) to show the decision maker the situation in the field.
- Strategic alliances with partners.

- Report from specialist to show consequences of the current situation and how the situation may change.
- Media for awareness creation and to get attention for the case.
- Letters to partners, decision makers, other involved persons or organizations to explain the case.
- Presentation of proposal to the decision maker to explain what change is desired and how this change can be done.
- Petition with signatures of allies to be offered to the decision maker.
- Hiring of a lobbyist to advocate the case.
- Contact with several political parties to get allies for the case, but be careful not to become associated with one political party.
- Demonstrations to plead for the case.

When an advocacy case is begun, realize that it will be a long process (several months or even several years). Changes are not made overnight. Therefore it is important to update members about activities, actions, and progress so they will feel involved in this process.

14.3 A Shortlist for Advocacy

Step 1. Analyzing policies: examine plans and regulations

- Identify the policy issues: What is the problem? Why is the problem there? What causes the problem? Is it because there is no policy, or is there an adverse or inadequate policy? Who (target group) is affected by the problem?
- Identify key actors that influence policies and their interests: Who are the actors that make the decisions about these policies? Do they support your case? What is their degree of influence? What are their resources? What are their interests?
- Analyze the policy environment (the social and political context): What is the distribution of power? Is the issue publicly discussed or not? Is there a public opinion about the issue?
- Summarize policy findings: What are the direct causes? What is the behavior that is leading to the causes for the behavior?
- Identify options for policy change: What changes are necessary to tackle the problem? What do you want to change (adoption of a new regulation or change of an existing regulation)?

Step 2. Outlining an advocacy strategy

- Select a policy issue: Select the key option from the list identified under Step 1. This is usually agreed upon during the General Assembly.
- Select the target audience: This is the person, or group of people, that can help bring about the policy change hoped for.
- Set a policy goal: Goals should state what should change, who will make that change, by how much and when.
- Identify allies and opponents.

Step 3. Refining an advocacy strategy

- Identify key messages: Tell the policymaker what you want to achieve, why, how, and what specific actions should be taken.
- Define advocacy activities: What activities are organized for conveying these messages?

Step 4. Framing a plan

- Set a timeline
- Prepare a budget
- Divide tasks
- Set indicators
- Plan for monitoring and evaluation

14.4 Security and Protection

Sometimes members have problems with organizations when executing their profession. For example, farmers or traders may encounter problems with the local police force when transporting goods. Importers of agri-inputs face disputes with custom authorities when importing their goods. If the demands are unreasonable, the association may assist its members by playing an intermediate role. As stated before, an association stands much stronger than a single member. Of course the association has to be careful not to interfere in business in which the member is not acting the correct way. Therefore it is good to listen to both sides of the story before interfering.

To assist members the association should be aware of all rules and regulations concerning its business. A discussion cannot begin with customs if the association is unaware of the import regulations. The better informed, the easier to formulate arguments. Knowledge gives credibility and power. An officer will be more willing to listen to an informed person.

IFDC can assist the association in preparing advocacy cases and providing guidance through the process.

15. FACE: Communication

15. FACE: Communication

Chapter 1.3 presents communication as a broad concept. Communication as an association's service to members includes:

- **Internal communication** (see also Chapter 11 on internal communication)**:** Communication between management staff and executives, between executives and other members, between other members and staff, among members, and among executives.
- **External communication** (contacts with partners or other stakeholders): A partnership with, e.g., importers of agri-inputs or transporters to get membership discounts (see also Chapter 19 on partnership building).
- **Recognition:** Acknowledgment of the profession and members of the association as genuine, valid, and worthy dealers, farmers, traders, etc.
- **Information dissemination:** One-way communication to provide members or outsiders with information on technical aspects, association activities, upcoming events, etc.

15.1 Recognition

Chapter 1 describes the professions of farming, processing, and trading as not often regulated by law. This means that anyone is allowed to sell agri-inputs or grow agricultural commodities without any specific knowledge or competence, and people enter the business who are not serious or qualified. The image or reputation of the profession can be easily damaged by these people and that has negative consequences for the whole sector. Examples of this are the lack of trust among farmers in the use of agri-inputs because of adulterated product sales on the market, or the refusal of credit institutes to provide loans to farmers because of low repayments. It takes years to build a good image, but it can be destroyed quickly by just a few people.

An association can obtain recognition for the profession by protecting its image. For example, an association for agri-input dealers may create awareness among farmers to buy genuine products instead of the cheapest, that might be fake, and to buy only from licensed, trained dealers and not from table-top sellers on the market. At the same time the association has to ensure that its members act as honest, qualified, and trained dealers and only sell genuine products. The association can do this by following and enforcing an internal code of conduct and providing training courses.

Awareness Creation Campaigns in Ghana
GAIDA, the input dealers association of Ghana, organized several awareness creation campaigns on counterfeit and illegal products for farmers and other stakeholders, such as extension officers and technical partners. The main objective of the campaign was to inform farmers and stakeholders on the risks of using adulterated agri-inputs and the consequences for the yields. GAIDA also promoted that its members only sell genuine products and that all dealer members are trained (see box in Chapter 4.1 on membership). Before GAIDA started the campaign, it conducted a baseline study on fake agri-inputs in the Ashanti Region and presented the results

during their campaign. The campaign consisted of roundtable meetings in which action plans were prepared with stakeholders to fight fake products, and training programs in which farmers were taught how to recognize fake products and where to report cases of adulteration. In addition, GAIDA organized awareness creation programs for its own members in which the consequences of selling fake agri-inputs were explained. GAIDA provided official membership badges for full members so they are easily recognized by farmers. GAIDA is currently working on an internal code of conduct that will be accepted by all members.

15.2 Information Dissemination

When an association wants to disseminate information, either to members or outsiders, it is useful to go through a step-by-step process. The purpose is to select the right communication medium for the right audience to attain the objectives within resource and budgetary constraints.

The steps in realizing success are well known in the planning process (also see Chapter 17 on the planning process):

1. Establish objectives (why)
2. Identify target groups/audience (who)
3. Develop messages (what)
4. Specify communication means (how)
5. Create strategies (how)
6. Create a schedule (when)
7. Establish evaluation intervals

Messages must be developed to meet specific target groups and needs. If an association is organizing a training workshop for members, the members have to be informed, so they are the target group. If an association has elected a new chairman, partner organizations should be informed. If the association receives a grant from a donor to introduce a new crop variety to members, publicity should inform the whole country.

There are different types of information:

- **Technical information:** For example, a new crop variety.
- **Association information:** On upcoming events, new members, changes in the Executive Council, etc.
- **Public relations:** This is to publicize or advertise the association to attract new members or inform potential partners, e.g., with a brochure on the association.

Association information and public relations are types of information that the association can offer for free, although some associations charge a small price for their newsletters. However, technical information can be sold, either to members or to outsiders.

Agricultural Business Information Points (ABIPs)

On several markets in West Africa commodity trade associations created Agricultural Business Information Points (ABIPs) with IFDC's support. An ABIP is an information point where traders can access the Internet for a small fee to look up the latest prices and demands for their products via the Web site www.wa-agritrade.net. Traders can also register for the short message system service to get prices for selected commodities on different markets. Other services are also provided, such as assistance in business plan development and secretarial services, all for a small fee. On the main market in Kano an ABIP was opened by the Dawanau Market Development Association (DMDA), an umbrella organization for several food commodities. The association not only operates the ABIP, it also assists in collecting information for the Web site. Although profit margins are small, the ABIP provides income for the association.

15.2.1 Means of Communication

Means of communication are ways used to reach the target group. During an annual survey, the association may want to poll members on what types of communication outlets are used to get information (specific newspapers, radio stations or television channels), so the association can use the same channels. Possible means of communication are:

Written

- **Article or advertisement in the newspaper:** An article or advertisement may reach a large target group. Nevertheless, it is important to keep in mind the target group is not always known. Newspapers are useful for announcing an event, a new project, or coverage of an event for publicity. A press conference can be called for special announcements.
- **Brochures or leaflets:** Brochures are small printed publications on certain projects, events, or topics. They are easy to hand out and can be used to give general information on the association, certain projects, or to announce special events. Print the name, address, telephone number, and e-mail address of the association in case there are questions or a desire for more information.
- **Direct mail:** This is sending a newsletter, invitation, brochure or other printed items to a person or organization via the mail.
- **E-mail:** E-mail is an electronic mailing system you can access in an Internet café or any place with an Internet connection (e.g., the association office). E-mail addresses are free with Yahoo or Hotmail. The biggest advantage of e-mail is that it is very fast. Send the e-mail and a few seconds later the other person can read the mail. The disadvantage is that not many people have access to the Internet or not on a regular basis. Nevertheless, most association partners will have access to e-mail so it can be used to inform partners.
- **Fact sheets:** Fact sheets are single-page documents with basic or background information on certain subjects, e.g., on spraying practices, new seed technologies, or a special type of food processor. They are easy to hand out and relatively inexpensive.
- **Handbook:** A handbook is a technical information publication. Because of the cost to print, handbooks are generally sold.

Plant Science Industry Associations Publish a Compendium on Crop Protection Products
In most West African countries, only registered CPPs are allowed to be sold. To share basic information on registered products, some national associations of the plant science industry have decided to publish a compendium. This document is a handbook listing all registered CPPs (at a given date), marketing information (owner of the trade name, contacts of the distributor, type of packages available, etc.) and technical information (content, target crops, usage, application rate, and timing, etc.). It also includes a recap of the national legislation and regulatory framework related to crop protection, as well as basic safe use recommendations. The compendium is aimed at all stakeholders who buy, use or deal with CPPs. A compendium is a dynamic document; it has to be updated regularly to include new registered CPPs. The plant science industry association of Côte d'Ivoire (UNIPHYTO) published a comprehensive compendium in 2000 and financed it mainly by including advertisement pages from international and local private companies. The plant science industry association of Tunisia (ATTP) published 5,000 copies of its third edition in 2006.

- **Internet:** The Internet is a kind of library for computers. Via the telephone (or satellite), a computer can "log in" on the Internet and get information. It is possible to have a place in this library, which is called a Web site. If someone types in a Web site address, he or she can access the Web site and look up the information provided. The association may have a Web site, but it is also possible to link up with already existing Web sites.
- **Newsletter:** A newsletter is a periodic written publication. It can be in written form or electronic (via a Web site or e-mail). It can be used to update members about the latest news and day-to-day activities of the association. Members may be asked to deliver items for the newsletter to keep them involved. The newsletter may be sent to partners as well.
- **SMS:** SMS stands for "short message service" and is a text message you can send with your mobile phone to another mobile phone. The message will arrive a few seconds after it has been sent and it is relatively inexpensive to send.

Visual

- **Billboards:** Billboards are large boards found on the side of the road. They are useful to announce events like an open house, workshop, and major events such as a trade show.
- **Exhibition/exposition:** An exhibition gives information by showing relevant items, e.g., processed food products, a new seed variety, or new agricultural equipment. A permanent exhibition (in your office) or for special events (open house or meetings) may be used.
- **Posters:** A poster is a large sheet that may be put on the wall. It can be used to describe a process (e.g., first aid in case of poisoning) or to introduce an association. Posters may be used to hand out to people to put in their offices or homes, or during training workshops or meetings to explain things.
- **Video:** A video is a short film on a particular subject. It can serve to introduce the association or to give information on technical issues like harvesting or marketing. A video is most effective when it is short. When too much information is given, people will not remember the main points.

Verbal

- **Meetings:** Meetings can be done on a regular basis (every month or every year) or for special circumstances. Meetings are a good way to reach members. To make sure all the members are contacted, you may also hold regional (or district, state, province) level meetings.
- **Open house:** An open house is a day where outsiders (technical partners, donors, other agribusiness organizations, government officials, etc.) can visit your association. An open house is an opportunity to show the office, tell about the association, and give demonstrations. Products, hand-out brochures, and reports may be displayed. An open house is an opportunity to involve members from different areas. It also allows members from other areas to visit the office and ask questions.
- **Radio broadcasts:** This is one of the most efficient ways to reach farmers and other stakeholders, especially in rural areas. Radio may be used to announce special events and meetings, but also for week-to-week activities. If a weekly or monthly basis is desired, it is best to choose a fixed day and time for broadcasting.
- **Telephone:** The telephone works quickly and a specific person can be reached. It is a good way to inform about pressing items or coming events. Follow-up information may be sent via the mail.
- **Word of mouth:** Use people to inform other people. Regional representatives can inform the grassroots level about upcoming events or meetings. An official list should be made to ensure that all members are informed. (For example Mr. A is informing Mr. B, C, and D. Mr. B is informing Mr. E, F, and G, etc.)
- **Workshop/conference:** A workshop or conference always has a learning objective. It can be used to teach members something on a particular subject and to exchange ideas.

Some communication means will reach many target groups, such as newspapers and radio, while others are specific to just one key target group, such as direct mail or SMS. Some are useful when used once, such as an advertisement, while others are on a weekly or monthly basis, such as newsletters and meetings. Some are formal, e.g., conferences, while others are informal, such as word of mouth. The communication means used depends on the message and the target group. A mix of several options may be used. It is important to not overload the group with information.

15.2.2 Collection of Information

An association not only disseminates information, it also collects it. For most associations, access to information is a problem. They do not know what type of information they need, where to find information, and how to utilize it.

Possible sources for information:

- Other associations
- Training institutes
- Research institutes
- Donors

- Technical partners
- Governmental agencies
- Networks
- Internet
- Libraries
- Books
- Persons

Possible ways to access the information:

- Personal visit
- Sending a request
- Telephone call
- Be on a mailing list
- Have access via Internet to networks and Web sites

IFDC organizes training programs for associations in which they learn how to set up a communication system for the association.

16. FACE: Education

16. FACE: Education

Education is part of capacity building and is a core service an association should provide to its members. It consists of transferring knowledge and teaching skills to help change behavior and improve the professional lives of members via increased sales, lower purchase prices, better and consistent quality of products, etc. Thus capacity building must address the professional needs of members (assessed by a need analysis), that have to be translated into business performance and learning objectives.

16.1 Educational Programs

Education does not necessarily mean training in a classical way; there are many other ways to build capacity. A few examples are:

- **Study tours:** Trip in the country or abroad to share experiences with other organizations or companies and study their successes and failures. Feedback, including recommendations, should benefit the local association.
- **Trade tour:** Trip in the country or abroad to meet business partners (suppliers, customers) and develop business linkages. During a trade tour, participants improve their knowledge of the markets and business environment, have the opportunity to practice their contact and negotiation skills, and make business deals.

Agri-input Trade Associations Organize International and Regional Study Tours

In late 2006, eight executive members from West African agri-input trade associations participated in a 10-day study tour to Kyrgyzstan (Central Asia), with IFDC's support. The objectives of this international study tour were to learn from the successes and challenges of AAK, which is considered one of the most active and successful agribusiness associations in Central Asia.

The eight participants were selected by the organizers on the basis of several criteria: holding an executive position, committed to invest time before (documentation), during (daily reporting) and after (recommendations) the study tour, being eager and open to change, under a set age limit, and fluent in English. Each participating association had to pay a participation fee, as its contribution to the organization of the tour: 300 USD for member associations of the African Federation of Agri-input Trade Associations (FACIA), and 600 USD for non members.

At the end of each day, every participant wrote his daily key learning moments, and in groups participants wrote a detailed summary of each visit. At the end of the tour, every participant offered some recommendations adapted to his own West African association, to be shared with other members at home.

A valuable study tour can also be organized locally. In 2005, AGRODIA and the Association of Professionals of Private Irrigation and Related Activities of Burkina Faso (APIPAC) each organized a study tour to visit their sister association in Ghana; GAIDA.

In Ghana, participants of the relatively young associations of Burkina met with members and executives of the longer existing GAIDA to share their experience in association building. For example, GAIDA executives explained how they organized the local branches of their association. AGRODIA participants made recommendations to adopt a similar structure in Burkina Faso, which has been approved and implemented. The study tour was also a business tour to develop business linkages with importers and manufacturers from Ghana. Some business deals were made and business networks created.

One AKTIVA (Azerbaijan) trade mission in 2005 visited Turkey and two trade missions were made to Russia. The trade missions were aimed at identifying new supply sources, building business relationships, networking, receiving information concerning new products, and comparing international prices. The trade mission to Turkey focused on seed supply, agricultural machinery, and CPPs. The trade missions to Russia emphasized potential importation of fertilizers.

CPP imports from Turkey doubled in 2005 from 1.5 million to 3 million USD. Participating agro-dealers purchased four motorized sprayers. After demonstrating these sprayers in the field during AKTIVA technical training sessions, the Azerbaijani representative of the Turkish supplier imported 100 sprayers. Smaller amounts of new fertilizer products totaling 5,000 mt were imported from Russia. Visiting an agricultural fair in Moscow resulted in the identification of new fertilizer supply sources.

Trade missions from Albania to Israel resulted in fertilizer dealers and other entrepreneurs investing in the latest greenhouse technology from Israel and revitalizing greenhouse production in the country.

- **Field day:** Demonstration in the field or on-the-job (e.g., in a shop) to show participants (farmers, dealers, customers, etc.) a new technology (new hybrid carrot seed, new cocoa dryer), new techniques (spraying techniques) or best practices (integrated soil fertility management, organization of storage premises). A field day can be part of a larger field demonstration program.

Technology Transfer
After 3 years in Malawi, the 575 members of AISAM instituted over 250 field demonstrations in 2005 for their customers and took a lead role in technology transfer to farmers.

- **Sensitization:** Creating awareness about a certain topic (e.g., on the risks of using fake products) within the target group. Participants are taught to be aware of something (e.g., the foreseen risk of infestation by locusts) and are encouraged to take necessary action (e.g., to harvest earlier or to prepare the sales of anti-locust insecticides). Most of the communication tools (see **Chapter 15**) can be used to sensitize: brochures, posters, newsletters, e-mails, Web sites, video, radio broadcasts, workshops, and meetings, etc.
- **Training program:** Transferring knowledge and teaching skills during a fixed course. A trainer will take participants through a prepared program in which one or several topics are explained. A training program is a very good way to teach technical topics.
- **Workshop:** Similar to a training program except that knowledge is transferred and skills are taught in a more interactive and participatory way. A facilitator will take participants through a program in which participants exchange ideas and try to apply these ideas to their situation. This can be done via exercises, brainstorm sessions, and discussions. Workshops can be used to discuss topics that do not have a fixed solution and the participants' individual circumstances can be evaluated. For example, when discussing building partnerships, ideas can be provided on how to establish partnerships after which participants select potential partners and think about how to approach them.

- **Roundtables:** Meeting with several stakeholders to discuss a certain topic.
- **On-the-job training:** An internship in which a person gains knowledge and skills while working with people daily, e.g., in a shop, in the field, or in an office. The training can be for 1 day, 1 week, or even 1 month or longer. The objective is that the person sees in practice what has to be done.
- **Training-of-Trainers (ToT):** Training course in which participants learn *how to train*. In a Training-of-Trainers course, the focus is not on technical issues, but on the *skills* a trainer should have to transfer information. Participants of a ToT are trained to become *master trainers* that can train other people in technical topics. An association could organize a ToT course for some of its members or staff to develop an internal pool of master trainers and further facilitate training programs. This will avoid costly consultants and outsiders—at least for some basic topics.

UNIPHYTO Creates a Pool of Master Trainers in Côte d'Ivoire
In May 2006, the association representing the plant science industry in Côte d'Ivoire, UNIPHYTO, organized a second Training-of-Trainers (ToT) course on the safe use of CPPs. The objective of the course was to create a pool of skilled master trainers to facilitate technical trainings for other stakeholders in the crop protection market.

The ToT course took 5 days. During the first 3 days, the program focused on the training competencies of the participants:

- Planning a training program
- Designing a training session model
- Educating adults
- Training approaches and methods
- Training aids
- Questioning and handling questions
- Communicating (verbal and nonverbal)

During the last 2 days, each trainee facilitated an individual session on a topic related to safe use of CPPs, putting into practice his or her training skills acquired during the first 3 days.

UNIPHYTO was in charge of the follow-up after the ToT course, to ensure that each participant improved his or her training skills by putting them into practice in training workshops. A formal ToT follow-up workshop was organized in 2007 to refresh the competencies of the trainers and to coach them during a real training program for farmers.

UNIPHYTO now has a pool of 19 master trainers. The association rarely needs to contract external consultants to facilitate training sessions. Within its pool of trainers, UNIPHYTO taps on expertise that can be used for the association's trainings on topics related to crop protection for agri-input dealers, farmers, extension agents, medical staff, journalists, staff from the ministries, export agro-companies, etc. In addition, skills acquired during a ToT course by staff of private companies are also valuable for stewardship programs, promotion campaigns, and customer meetings. The ToT courses strengthened the educational program offered by the association and helped improve the business of its members.

16.2 Adding Value

There are several ways to add value to your educational programs. A few ideas are:

1. **Show value:** Show the value using data from previous programs, e.g., deals that were made during a study or trade tour or extra profit that was made on crops that producers planted after visiting a field day or demonstration plot.
2. **Certificates:** To encourage participation and to add value to the program, the certificates should be given only to those who passed a test. An alternative is to give *certificates of competence* to those who passed the test and *certificates of attendance* to those who failed.
3. **Recognition:** Get programs officially recognized (or patronized) by the government or licensing service. The first step is to get permission to print on the certificate that it is officially recognized by the government. The final step is that the association may be the official provider of educational programs that are required for application of a distribution or export license or by a partner (e.g., grant program eligibility).

16.3 Planning and Implementation

The following steps are advised to implement a capacity-building program:

1. Conduct a needs analysis
2. Define the type and content
3. Identify the persons involved
4. Define the venue
5. Define the timing
6. Develop the approach, methods, and training aids
7. Identify the funding/cost
8. Prepare the evaluation
9. Follow up

More information on planning in general may be found in Chapter 17 about the planning process.

Step I. Needs analysis

The first step to develop a capacity-building program is to check the needs of the members of the association using a needs analysis. A needs analysis defines problems that should be addressed and the solutions to solve those problems. The question to answer is:

"WHY does an association want to conduct a capacity-building program?"

Is it to increase the use of personal protective equipment by farmers because more accidents have been reported? Is it to improve the quality of shea butter production because the lower quality is not in demand on the market? Is it to equip members with negotiation skills to buy or sell more for a better price? Members may lack information, knowledge, or skills to run their businesses in an efficient way and the capacity-building program could fill that gap.

The needs analysis assesses the learning gap that has to be filled (learning objectives) to achieve better on-the-job performance. Depending on the extent of this gap, a program may last a few hours or will be a long-term program with basic training workshops followed by advanced courses.

An association has several ways of conducting a needs analysis:

- Interviewing members on-the-job or during a joint event.
- Observing the behavior and business of members on-the-job.
- Handing out a questionnaire during a joint event (such as the general assembly).

New technology (e.g., introduction of genetically modified organisms [GMOs] and plant varieties) should also be taken into account when designing capacity-building programs.

Step II. Type and content

The second step is to define the type and content of the capacity-building program. The question to answer is:

"WHAT does an association have to do to fill in the learning gap?"

Is it a study tour to Spain to visit greenhouses? Is it a half-day information workshop on GMOs? Is it a progressive training program on integrated pest management with a series of three workshops (basic course followed by advanced courses) or with regular field days on demonstration plots throughout the cropping season? Is it a Training-of-Trainers course? Is it a trade mission to Russia to build business linkages with fertilizer suppliers?

Putting aside budget limitations and lack of experience, formulate two or three different options for developing a training curriculum. To help members develop new business linkages with fertilizer suppliers, a study tour to Russia or the Ukraine could be organized. Another option could be to organize a training program searching for new suppliers on the Internet. A third option might be to invite an executive of the International Fertilizer Association to give a presentation on how to access the fertilizer industry directory.

Step III. Persons

The third step is to identify the persons that should be involved in the capacity-building program. There are three additional questions to answer:

"WHO is the target group (the participants)?"
"WHO are the resource persons (the facilitators, the trainers)?"
"WHO are the organizers (who will coordinate the program)?"

Will transferring technology to farmers target all farmers of the area or the technical leaders and the executives of the farmer-based organizations? If a study tour to South Africa is organized, are all members of the association entitled to go? If not, who are the members who meet the criteria to join the study tour? How will they be selected? For a training program, are the trainers outsiders (consultants, ministry staff, technical partners) or are the facilitators members of the association? If the trainers are members, which members exactly? Among all members of the association, who will coordinate this program (specify their names)? Who is the supervisor? Who is the person accountable for the whole organization?

The budget will largely depend on answers to those questions at this step and will be determined by the number of participants and if the facilitators are outsiders or not.

Step IV. Venue

The next step is to choose a venue:

"WHERE is the capacity-building program going to take place?"

More specifically, the following questions must be answered: in which country, in which town or village, in a conference room in a hotel or in the field under the mango tree, in the shop of a member or on a demonstration plot for an on-the-job training? If the need analysis showed that input dealers should be trained on how to organize an input store, then the best place may be in an input storage or training room for one day for the theory and in a dealer's shop another day for the practice. If the target group of a 5-day training course is composed of 80 dealers, it would be better to split the participants into subgroups and hold the training simultaneously in different training rooms.

This means that the venue should be chosen according to the answers to the previous questions.

Step V. Timing

After choosing a venue, select the best date for the program:

"WHEN will the capacity-building program take place?"

Several sub-questions need to be answered:

- Which month? What is the best date according to the cropping season or according to the busy season?
- Which days of the week? For those in a Muslim culture, it is best to avoid planning something on a Friday afternoon. Monday mornings can also be difficult because some participants may come back to town from a weekend in their village.
- Which dates? Check to be sure there is no public holiday at a proposed time.
- In the morning or in the afternoon? Avoid a demanding program just after lunch.

- Which time schedule? If the program consists of a workshop, propose an opening time, a closing time, coffee break, and lunch times, but be flexible and make sure that the proposed time schedule is suitable to the majority.

Step VI. Approach, methods, training aids

The resource persons identified at Step III have to prepare their sessions. This not only means the content (the information provided), but it involves how to present the content:

"HOW will the program be facilitated?"

A 3-day training program is composed of several consecutive sessions. For each session the facilitator must answer three sub-questions:

- Which approach? Is it better to use a direct approach (the classical way of teaching) or a supportive approach and interact with the participants (more like a workshop)? The answer depends on several criteria (time available, number of participants, experience of the facilitator, etc.).
- Which method? Brainstorming, lecture, role play, demonstration, discussion, roundtable, group exercises, etc. Again, the choice depends on several criteria.
- Which training aids? Are we going to use a flip-board, a roll of Kraft® paper, a pin-board, the realia (the real things to demonstrate), a computer with a data projector, an overhead projector, etc? The choice of the training aids depends mainly on the training method and availability at the venue.

This step is the responsibility of the trainer or facilitator. But the association should make sure the facilitator prepares this step correctly. The choice of the materials may also affect the budget (e.g., renting a video projector).

Step VII. Funding

After having answered all previous questions, a detailed budget for the program must be prepared:

"HOW MUCH will the program cost?"
"HOW will the association cover the costs of the capacity-building programs?"

Is the association able to cover all costs? If not, what contribution can the association afford? Is there a partner that is willing to pay for the program? Are sponsors needed? How much is the participation fee?

If the budget is too high, adjustments in the number of days and the number of participants may be made. Even with budget changes, the program must be shaped to achieve the learning objectives, i.e., addressing the participants' business needs.

Step VIII. Evaluation

Like Step VI, the evaluation is the facilitator's responsibility. The trainer (or facilitator) is accountable to the organizers (the association) to prepare an evaluation during the capacity-building program. There are two main questions to be answered through an evaluation:

"What is the REACTION of the participants?"
"What are the participants LEARNING?"

The reaction of the participants shows the facilitator and the organizers if the audience likes or dislikes the program and why. It can be assessed through formal or informal oral questions to the participants, through a spot check, through a written questionnaire, or through observations (do the participants yawn and look outside the windows?).

The second level to be assessed is the learning of the participants. Did they improve their knowledge and skills? This can be evaluated with questions throughout the program, with exercises, or with a written test at the end of the program.

The evaluation is often forgotten in the training program even though it is important for the credibility of the training program and to improve the next program. The evaluation allows the association to check if the learning gap has been filled.

Step IX. Follow-up

The follow-up takes place after the program (several weeks or even months later) and is the association organizers' responsibility. There are two main questions to be answered through the follow-up:

"Did the participants change their BEHAVIOR?"
"What are the RESULTS of the capacity-building program?"

The capacity-building program aims to improve the business of the participants (performance objectives). This involves behavioral changes: farmers use certified seeds instead of farm grains, processors dry the nuts instead of crushing them while they are still wet, input dealers wear gloves instead of handling insecticides bare handed, etc. The behavioral changes can be checked through surveys and on-site visits.

The results of the program are a consequence of the behavioral changes. If farmers use certified seeds instead of farm grain, it is likely to result in higher yields. If input dealers wear gloves, it will result in less poisoning cases. Results also can be measured through surveys.

If the capacity-building program has led to behavioral changes and has given concrete results, it was successful. If this is the case, spread the word! Inform the donors, sponsors, partners, and especially the members on the results and impact of the association's capacity-building program. Include this information in the newsletters, write letters to the partners, and communicate the impact to potential members and during the General Assembly of the association.

In summary, to implement a capacity-building program, these steps should be taken:

Step	Description	Question to be answered	Responsible
I	Need analysis	WHAT does the association have to organize to fill the learning gap?	Association
II	Type and content	WHAT does the association have to organize to fill in the learning gap?	Association
III	Persons	WHO is the target group (the participants)? WHO are the resource persons (the facilitators, the trainers)? WHO are the organizers?	Association
IV	Venue	WHERE is the capacity-building program going to take place?	Association
V	Timing	WHEN will the capacity-building program take place?	Association
VI	Approach, methods, training aids	HOW will the program be facilitated?	Trainer/ facilitator
VII	Funding	HOW will the association cover the costs of the capacity-building program?	Association
VIII	Evaluation	What is the REACTION of the participants? What are the participants LEARNING?	Trainer/ facilitator
IX	Follow up	Did the participants change their BEHAVIOR? What are the RESULTS of the capacity-building program?	Association

16.4 Organizing the Logistics

The following check-list will help organize the logistics of a capacity-building program (mainly training course, but also to some extent, field day or sensitization workshop). This proposed check-list is a template that the association can adapt according to its needs and to the type of capacity-building program that has been planned. The checklist is available in Word on the attached cd-rom.

IFDC provides on-the-job training on how to plan and implement educational programs for associations. In addition, IFDC facilitates Training-of-Trainers workshops, in which all these aspects (and much more) are detailed and emphasized.

16.5 Checklist for the Logistics of a Capacity-Building Workshop

Action	Responsible	Deadline
PARTICIPANTS		
Preparation of tentative list of participants		
Send informative e-mail/SMS to participants		
Finalize list of participants		
Prepare invitation letters		
Prepare information note, to specify the modalities of the cost coverage		
Send (e-mail, post) invitation document to participants including i) invitation letter, ii) note on cost modalities and iii) program		
Check for feedback/follow up on the availability of participants		
PROGRAM		
Identify resource persons (trainers, facilitators)		
Prepare a program with resource persons		
Give resource persons feedback on the program, inform them about the topic, and set deadline to collect handouts		
Discuss with each resource person which training aids are needed		
PUBLIC RELATIONS		
Assign one person for press contacts		
Contact the press for the announcement of events (get quotations)		
Prepare a press release		
Prepare a text for banners		
Order the banners		
DOCUMENTS		
Copy the program		
Copy the handouts		
Prepare a registration form and copy		
Prepare a learning test with support of the resource persons and copy		
Prepare an evaluation form (to check the overall reaction of the participants) and copy		

Copy the list of participants to be put in files for the participants		
Prepare a pre- and a post-test		
Prepare certificates of attendance and certificates of competence for the participants who passed the test		
FINANCE		
Prepare the budget		
If needed, prepare declaration forms and envelopes to reimburse costs to the participants		
PARTICIPANTS FILE		
Buy badges or name tags		
Prepare the badges with proper logos		
Buy files, pens, and notebooks (or paper)		
Collect information on the association and partners to be put in the files		
Collect all handouts and prepare a table of contents if necessary		
Prepare the files. To insert: registration form, temporary list of participants, program, notebook or paper, pen or pencil, association and partner brochures, general information sheet, other trainings planned by the association and partners, other useful documents, handouts		
TRANSPORTATION		
Prepare a list of participants with all travel details (date of arrival and departure, mode of transportation, prepaid or reimbursement)		
Communicate with all participants about travel arrangements (including cost coverage)		
If needed, make flight reservations		
Pay and send air tickets by PTA or express mailing		
If needed, help with obtaining visa		
Communicate final travel arrangements to all participants		
Give participants routing to the administration for accommodation and departure (study the possibility of using the hotel shuttle service)		
If needed, hire cars and drivers for the duration of the training		
HOTEL		

Negotiate with the hotel (price list for rooms, buffets, conference rooms, etc.)		
Confirm the hotel reservation by an advance payment as agreed with the hotel		
Set up of a daily list of room entries and exits with names of participants		
Check the arrangement of rooms		
Check the arrangement of the conference hall (setting of chairs and tables, lights and air conditioning, place of data projector, microphones, screen, plugs, extension cables, translation equipment)		
Check the availability of training aids (data projector, flip-sheets, flip-sheet board, screen, colored cards, etc.)		
Check coffee breaks and meals arrangements (timing, quantity, place)		
Prepare food coupons for each day of common meal		
Prepare a welcome letter and copy and give at the hotel reception to give to guests upon their arrival		
OFFICE OF SECRETARIAT		
If possible, make available an office serving as secretariat with an external telephone line and an Internet service		
For the secretariat, buy the necessary stationery (large and small envelopes, printing paper, stapler, staples, paper clips, receipt book, markers, cello tape, colored cardboard, post-it notes, scissors),		
Draft a list of computer equipment: computer with CD writer, laptop, extension cables, color printer, cartridges (spare black and color), printing paper, writable CDs, USB sticks		
Make sure that a sign board is available at the entrance of the conference room for the transmission of messages		
OTHER LOGISTICS		
If needed, contract translators		
If needed, rent equipment for simultaneous translation		
Prepare files for translators (program, list of participants, information on the association, handouts)		
Organize a group picture		
Arrange the sound system		
Draft the list of required training aids: laptop, screen, data projector, extension cables, pin-board, pushpins, flip-sheets, markers, etc.		
Test all equipment (including data projectors, microphones, etc.)		

Prepare a table for handing out files and badges (list participants in alphabetical order)		
AFTER THE WORKSHOP		
Send thank-you letters to participants and partners		
Write and send the proceedings of the workshop		
Promote the workshop through an additional press release		

17. The Planning Process

17. The Planning Process

Associations formulate plans to describe the process of achieving set goals. There are many sophisticated methods to make a plan, and there is much terminology to support the planning process. However, an elaborate plan does not mean that it is a good plan. To make a good plan, a few conditions and steps have to be taken into consideration. This chapter provides the conditions and steps that are useful in setting up a plan.

Three questions should be considered when planning:
1. *Where* are you *now* (starting point)?
2. *Where* do you want to *go* (ending point)?
3. *How* do you want to get there (the process)?

The starting point describes the status quo now. The ending point shows future goals. The *how* describes the process of how to get from the starting point to the ending point.

There are many ways to make a plan. The following steps are recommended to make a comprehensive plan:
1. Define objectives
2. Define a strategy or action plan consisting of:
   a. Activities
   b. Resources
   c. Timeframe
   d. Responsibilities
3. Set indicators
4. Set monitoring and evaluation procedures

After this the activities can be implemented.

17.1 Objectives

Objectives describe where the association wants to go. In defining the objectives, it is important to know the association's current status and where to start. For example, if the objective is to send a newsletter to at least 50 members, but it has already been sent to 60 members every month, then the objective is no longer useful. It has already been achieved. In this case a valid objective would be to send the newsletter to 50 *new* members or potential members that are not yet on the mailing list.

Specific objectives have to be **SMART:**
- ***S****pecific:* Objectives should be clearly defined. Statements should be clearly interpreted, leaving no room for alternative interpretation.
- ***M****easurable:* The results must be clear and identifiable.

- ***A****chievable and* ***A****greed upon:* The ending point and ways to get there must be within the scope of resources. It is also important that all stakeholders involved support the planning process.
- ***R****ealistic and* ***R****elevant:* Plans have to be practical, reasonable, and sensible. In addition, plans must be related to an association's existence.
- ***T****ime bound:* There should be a time limit to reach specific objectives.

Sometimes an objective is formulated, and after going through the whole planning process, it turns out to be not feasible. For example, if the objective is to train 500 members, but only one staff is available and there are no resources to hire outsiders, the objective is not realistic. In that case, objectives should be adapted or additional resources must be located. An objective is best stated in an active way and should have a time limit in it: by the end of this year, in the next 3 years, etc.

A possible objective for a coffee growers association could be:

"To educate and train at least half of the members in technical and practical skills of coffee production over the next 2 years."

Possible sub-objectives can be:

- To organize a 2-day training workshop on Robusta coffee production for 25 members in the northern, central, and southern regions in April 2008.
- To print leaflets on Robusta coffee production that will be distributed to all members by May 2008.
- To organize a study-tour for members in the northern region to the southern region to share ideas on how to grow coffee in June 2008.

17.2 Strategies

The strategy describes in general ways how the association is going to operate to achieve its goals. Once the strategy is defined, you have to determine:

- Activities
- Resources
- Timeframe
- Responsibilities

Activities

Activities are concrete steps taken to fulfill the objectives and to achieve the results. Activities must be within the resources and capabilities of the association. Leaflets cannot be printed without a printer, but the printing assignment can be given to a printing company.

To organize a study tour, the following activities have to be undertaken:

- Set the learning objectives for the study tour.
- Set a date.

- Draw up a program with the objectives and the host organization in mind.
- With support of a selection committee, select the members that will participate in the study tour.
- Arrange transportation.
- Arrange meals and accommodations.

Resources

Most activities need resources. These may range from financial to human or other resources, such as materials borrowed from another organization. It is valuable to know the total of resources that are needed to achieve objectives. A resource list is helpful to apply for sponsorship.

Time-schedule

A time-schedule is needed to plan the association activities. When organizing a study tour, it is important to take into account that members may have other activities planned, hotels may be fully booked, and transportation is not always available. Some activities can take place at the same time, e.g., booking hotels and arranging transportation, while others can only be done in a certain order, e.g. the date of the study tour must be decided before booking a hotel. Allow enough time for activities but be aware of losing momentum. If activities are planned too far in advance, people might lose contact with the process.

Responsibilities

Before plans are implemented it should be clear who is responsible for what. If roles are not clearly defined, no one feels responsible and nothing will happen. A group of persons (e.g., the Executive Council) cannot easily be held responsible. Only one person can be responsible for certain activities; otherwise, no one will take responsibility. Having the responsibility does not mean that one person has to do everything alone, but rather is there to ensure that the activity is going to happen. The responsibilities should be shared among members according to their competencies, roles, and availability. The chairman of the association cannot be responsible for all activities. To avoid confusion, it is important that everyone knows the roles of others and that they are agreed upon.

17.3 Indicators

Indicators are essential for monitoring and evaluation. Indicators describe what to expect from the objectives and how to recognize when they have been achieved. They are statements about the situation that will exist when an objective is reached. Indicators should be unbiased. A study tour will be successful if members are able to exchange information and gain new insights during the tour. Simply stating the number of people that went on the study tour does not reflect the quality of the tour. Better indicators might be new distributor agreements, new seed varieties available, new technologies discovered, etc.

Although difficult to name, indicators provide opportunities to achieve both quantity and quality.

17.4 Monitoring and Evaluation

Monitoring and evaluation are often mentioned together. Yet, there is a slight difference:

- **Monitoring:** Carefully watching during the process to ensure it is going the way it should go, checking if actions are taken according to the plan, keeping regular track of the decisions, actions, and finances.
- **Evaluation:** Discussion afterwards to see if objectives were achieved.

To be able to monitor and evaluate the activities well, the planning process should be clear. The clearer the objectives, indicators, and responsibilities, the easier the monitoring and evaluation. Who, what, and when monitoring and evaluation are done should be incorporated in the action plan. The main committee can come together every 3 months to discuss the progress of the plan and take actions if necessary. It is also possible to have one person in charge of monitoring and evaluation. This can be someone from the association or an outsider. The advantage of an outsider is that he or she will be less biased. It might also be easier for an outsider to express criticism.

At the end of the activities, it is important to do an overall evaluation. This can be done in a special meeting, but not too long after the activities are completed. The main aim is to draw lessons for the future. It would be good to involve all members of the committee so everyone can provide input and learn from it.

17.5 Long-Term Action Plan

Most associations prepare an annual plan at the beginning of each year. It is also useful to have a long-term plan, e.g., for 3 or 5 years. Annual plans will be derived from long-term plans and there will be a continuous flow of activities. The action plan will vary from one association to the other, depending on its mission, objectives, and resources. Nevertheless, most associations will define activities falling into the following categories:

1. **Organizational strengthening of the association**
   - Optimize the functioning of the association
   - Raise membership
   - Create a well-functioning communication network among the members
   - Improve the involvement of members in activities and meetings

2. **Services to members: FACE**
   - **Financial benefits**:
     - Facilitate access to credit
     - Organize a trade fair
     - Negotiate discounts for members
   - **Advocacy**:
     - Obtain official recognition from government and partners

- Start a program to fight illegal trade and counterfeiting

- **Communication**:
  - Disseminate useful information to members
  - Build alliances with partners (identify specific partners)
  - Improve the image of a profession by awareness creation campaigns
- **Education:**
  - Organize training programs (try to be specific)
  - Organize study tours
  - Organize field days
  - Establish demonstration plots

3. Financial sustainability

- Set up a sound record and bookkeeping system
- Collect dues and fees
- Collect fees for services from members
- Find sponsorship for activities

IFDC organizes planning workshops for associations to prepare short- and long-term plans.

PHASE IV
Growing To Maturity

Chapters:

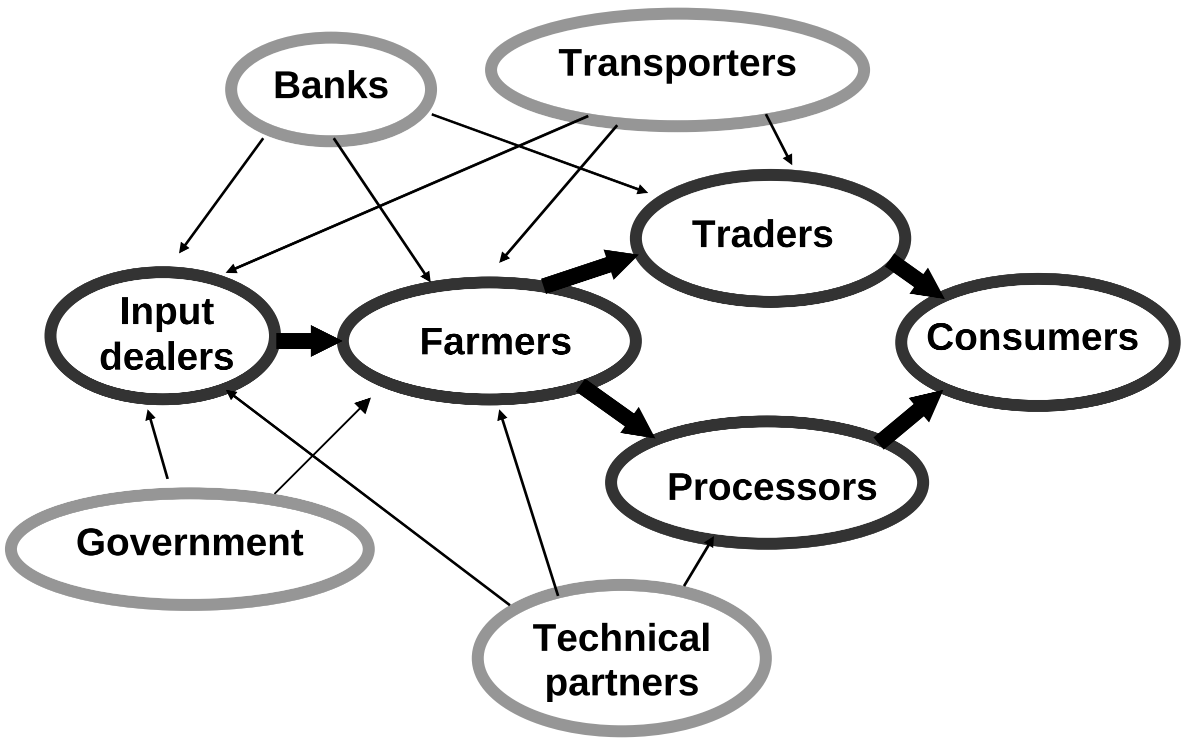
18. The Commodity Value Chain
19. Building Partnership
20. Meetings
21. Group Dynamics & Leadership
22. Proposal and Report Writing

18. The Commodity Value Chain

18. The Commodity Value Chain

A commodity chain involves all stakeholders from production to consumers for one commodity. For agribusiness, this includes the production, supply, and marketing of agri-inputs, and the production, post-harvest processing, and marketing of farm products. A value chain involves activities that create and accumulate value. The value comes in the form of products and services (tangible goods), but also knowledge and skills (intangible goods).

Agribusiness associations—whether for producers, input dealers, or traders—have their own roles to play in the commodity value chain. A commodity value chain consists of several actors in agribusiness (such as associations) and governmental organizations, service providers, technical partners, etc. A commodity chain schematic could be depicted as follows:



Agribusiness associations for input dealers, farmers, traders, and processors take a central place in the diagram. Government, technical partners, and service providers play a facilitating role in this chain, e.g., they provide services or assist input dealers, farmers, traders, and processors to maximize value creation, such as production and trade.

18.1 The Role of Associations in the Chain

The first role of an agribusiness association involves assistance to the represented group, e.g., farmers or processors. An association can assist its members to improve their businesses with marketing or bookkeeping training or increase technical knowledge on products to increase production or trade.

Another role focuses on the linkages between the actors, which is one of the main characteristics of a commodity chain. In the diagram, a clear link between input dealers, farmers, traders, and processors can be seen. One of the roles of agribusiness associations is to create these linkages for their members. Of course, an individual farmer can establish a relationship with an agri-input dealer in the same area, but a producer association can also create a link with an agri-input dealer association that will benefit all members instead of just one individual. Chapter 19 provides more information on what types of partnerships exist and how an association can build a partnership with another actor.

In general, the role of an agribusiness association in the commodity chain can be linked to the services it provides to its members: FACE (financial benefits, advocacy, communication, and education). Financial benefits will derive from negotiations with credit providers (for access to credit) and service providers (for discounts). Advocacy concerns linkages with governments for advocacy and security. Communication includes internal communication between members and external communication with all actors to establish linkages, to disseminate information, or to protect the image of the profession. Education is more focused on the members and can be used to increase knowledge, skills to produce, and trade.

Value Chains in Kosovo
In Kosovo IFDC inspired cooperation between agribusinesses and created a vibrant value chain and clusters involving input suppliers, farmers, feed millers, and poultry producers. This resulted in domestic egg production increasing from 54 million to 164 million over 3 years. Active agribusiness associations are critical to developing commodity chains, clusters, and markets; they serve as vectors for training and technology transfer and are advocates promoting policy dialogue.

19. Building Partnerships

19. Building Partnerships

Partnership between organizations is a win-win long-term relationship to achieve a common goal.

Agribusiness associations can have varied partners. Most often, partners belong to one of the following key actor categories:

1. Policymakers (ministries and other government agencies)
2. Farmers and farmer-based organizations
3. Agri-input manufacturers or suppliers and their organizations
4. Traders and trade organizations
5. Processors and their organizations
6. Transporters and their organizations
7. Banks and microfinance institutes
8. Other service providers
9. Civil society and its organizations
10. Researchers
11. Education/training institutes
12. Extension services
13. Private consultants
14. Donors and technical partners

Partnership can be at different levels:

a. **Passive knowledge sharing:** An actor shares ideas and activities with other actors through a passive mechanism (such as Internet, newsletters, etc.). This is mainly one-way communication (information dissemination) and not a real partnership as such. However, sometimes information dissemination is the start of an active partnership.

b. **Active knowledge sharing:** Two actors exchange ideas and information (two-way communication) on a regular basis and in an organized way, e.g., using regular meetings or telephone contact, reciprocal invitations to meetings or events, etc. The partners exchange information to achieve a common goal (for instance, an agribusiness association and a donor seek to ensure the presence of the agribusiness private sector in all decision-making processes related to agriculture).

c. **Joint action:** Actors can have different specific objectives, but implement activities together for mutual benefits and to achieve a common goal. For example, a dealer association and a farmer organization can organize together an awareness campaign on adulterated agri-inputs. The dealer association would like to reduce competition from dishonest dealers while the farmer organization would like to increase the yields of their members with genuine products. The common goal of both organizations is to have quality products on the agri-input market.

d. **Joint strategy:** Actors share a vision and work together to achieve that vision through common action plans. For example, a dealer association and an association for importers of agri-inputs can have a common strategy to upgrade the competencies of agri-input dealers. This would include organization of training programs and preparation and distribution of technical leaflets or handbooks, etc.

e. **Pooling resources:** Actors share resources including office space, cars, or human resources (staff).

Which level of partnership is desirable depends on the actors and the situation. A farmers' organization might want to pool resources and have joint activities with an agri-input dealers' association, but will only share knowledge in an active way with a technical partner that is promoting the safe use of agrochemicals. A collaboration may also start at a low level (passive or active information sharing) and grow over time into a full partnership with joint actions and strategies.

Farmers, Dealers, and Importers Under One Roof
In 2005 three agribusiness associations in Ghana have opened the doors of the Ghana Agricultural Associations Business and Information Center (GAABIC) in Accra. The three associations are the Apex Farmers' Organization of Ghana (APFOG), Croplife Ghana, and the Ghana Agri-Input Dealers Association (GAIDA). All three associations have their office in GAABIC and share resources such as computers, telephones, photocopy machine, data projector, etc. The associations also share one executive manager and other staff members. The presidents of the associations meet each other on a regular basis to exchange ideas and to agree on common activities. Because the associations share an office, staff and resources, it is easy to organize joint activities. Another benefit is that deals are sometimes made between members from different associations when they meet each other in the office.

GAABIC is building a good relationship with the Ghana Agricultural Producers and Traders Organization (GAPTO). Currently, they actively share information and some activities are organized jointly. GAABIC hopes to get GAPTO on board as well; farmers, dealers, importers, and traders will then be under one roof.

19.1 Why Build a Partnership?

Building a partnership is not an aim per se. Unity is strength. Two (or more) institutions build a partnership because it is easier, quicker, cheaper, more efficient, or more visible for them to achieve a common goal together than alone. Thus the more complementarities in expertise, resources or networks of the partners, the more successful the partnership.

Common goals can be achieved by sharing one or several of the following elements:

- Responsibilities
- Risks
- Human resources
- Competencies
- Funds

There are common benefits of the partnerships (achieving the common goal) but also benefits that are specific to each partner (the acquisition of a new methodology or additional information). The partnership will be a win-win collaboration if the benefits are shared between partners.

In most cases, a partnership will be effective for a defined period of time, until the common goals and objectives are achieved. For example, an agri-input dealers' association can build a partnership with a technical partner or a consultant to increase the management skills of its members. Once the training program is completed and the expected results obtained, this partnership can either be dissolved or re-oriented toward a new common goal, such as the licensing of all association members.

19.2 Pillars of a Dynamic Partnership

Successful partnerships are built on four pillars:

1. Common values

If an association identifies the need of developing an alliance with a partner, one of the most difficult steps is to select the best potential partner. To work together and to build a credible collaboration it is essential that the partners have common key values (such as the belief in technologies, food security, or the role of the private sector). This allows partners to easily find a consensus on the objectives and the way to achieve them.

When thinking about building a partnership and once a potential partner has been identified, answer the following questions:

a. What are the values, mission, and core activities of this partner? Is there possible synergy with our association?
b. What are the resources and expertise of this partner? Are there possible complementarities with our association?
c. What does our association want from this partner?
d. What can our association offer to this partner?

2. Transparency

Transparency is a basic requirement for the confidence between the partners. The collaboration has to be structured, the roles and tasks of each partner clearly defined, and the communication should be regular, two-way, respectful, and honest. Only then will there be trust between the partners. Hidden agendas must be avoided. It is important that each partner nominates one contact person – a focal point – who will coordinate the day-to-day collaboration on behalf of his or her institution.

3. Common action plan

The collaboration can be formalized through a partnership agreement or a memorandum of understanding. This document is the formal framework of the partnership; it explains why, how, for how long and in which areas the partners will collaborate. However, to make the partnership a reality, it is necessary to also develop an annual (or biannual or quarterly) common action plan to define specifically who will do what, how, and when. Most often, partnerships remain a signed piece of paper because no common action plan is set up. A common action plan is the implementation guideline of the partnership; it should be flexible enough to integrate opportunities and adapt the actions according to actual needs.

To have a dynamic partnership and optimize its benefits, it is not necessary to wait for the annual evaluation to assess the implementation of the action plan. The association and partner have to regularly monitor its implementation and take necessary corrections if needed.

4. Mutual benefits

Finally, at the end of the common action plan period, both partners should make an evaluation of the implementation of the past action plan and share results. The partnership becomes sustainable only if it creates added value for each partner; it has to be a win-win relationship. The association and partner have to assess the mutual benefits of the cooperation: have the objectives been reached, did the partnership allow both partners to do more than alone?

Moreover, each partner has to assess its own benefits of the collaboration, such as the creation of new skills among its staff or the possibility to use the partner's network. These benefits can be assessed during the annual evaluation and also at the end of the partnership period defined in the partnership agreement or memorandum of understanding.

19.3 How to Build a Partnership

It is not a good idea to just go to a potential partner and ask for assistance. If an association would like to build a partnership, certain steps need to be taken.

First of all, a partner must be carefully selected. Who can help the association to achieve its goals and objectives? Look for actors with common goals and values, mutual benefits and interests, and to those that complement the association. Who can help create a win-win situation?

After the identification, it is important to think about a few core questions:

1. **What does the association want from this partner?**
   A partnership is not about one actor giving money to the other. Think about contacts and networks, knowledge or skills, information, etc., that the potential partner has.
2. **What can the association offer to this partner?**
   This question is often forgotten; although a partnership works both ways and each partner has to gain. Make sure any offer is realistic and feasible. Do not promise mountains if only hills can be delivered. Think about the membership base (useful for those who want to reach farmers, dealers, or traders and use the association as a focal point), information (sales and markets on the products members produce or trade), skills (organization of programs), etc.

3. **What steps should be taken to create this partnership?**
   a. Collect information about the partner (via Web sites, brochures, action plans, annual reports, etc.)
   b. Prepare documentation on the association
   c. Be on the mailing list of the partner
   d. Send information about the association to the partner on a regular basis
   e. Identify areas of collaboration and formulate a proposal on concrete collaboration
   f. Contact the partner to discuss the proposal
   g. Follow up on the meeting (by sending them minutes or reminder)
   h. Organize a common activity
   i. Give feedback after the activity

19.4 Partnership with a Donor or Implementing Partner

In Chapter 5.3 on donor support, it was already mentioned that an association can get assistance from a donor, technical partner, project or NGO (non-governmental organization). A partnership with a donor has its own specificity and pitfalls.

A partnership with a donor can be valuable and if the association is lucky, donors will come to the association and show interest. Most often, however, the association has to take the first step. When building a partnership with a donor, all conditions mentioned above (common values, transparency, common action plan, and mutual benefits) should be taken into account and constitute the foundation of the collaboration.

Win-win collaboration

The main mistake associations make in identifying financial support is, as said before, marching in someone's office and asking for funds. Each association and each donor/ implementing partner has its own objectives. If a project would like to improve seed varieties for rice, they are not interested in supporting a farmers' organization for cassava producers. An NGO specialized in organic farming is not likely to give assistance to an agri-input dealers' association. A donor will only be willing to support the association if the collaboration will help to achieve the donor's goals. Remember that a partnership is a win-win collaboration. If the association cannot identify these common values and has nothing concrete to offer to the donor, it is no use asking for support.

Donor Involvement

To ensure a smooth collaboration, an agreement signed between an association and the donor implementing partner must include modalities on the monitoring process. Whatever is agreed, as the donor provides resources in cash or kind, it may insist on audits of the financial records of the association related to the support. This is a normal request and should not be seen as a lack of trust. The records of the association are public anyway and as a trustworthy partner, the association should have nothing to hide. Therefore sound records, financial and otherwise, are important and can justify expenditures and actions of the association. The donor may give some advice or suggestions if decisions made by the association do not match the objectives of the partnership. Some associations find this donor involvement quite annoying, forgetting that donor support will affect independence. If justified, the donor interest could be used to take corrective actions.

Toward independency

The beginning of this chapter mentions that partnership can be at different levels. This is also valid for a partnership with donors/implementing partners. The association can send them the newsletter and invite them to meetings, they can invite the association's members to their activities, etc. Sometimes the collaboration is even beyond partnership, e.g., when a project creates an association and organizes all activities and even provides staff. Although in this case the association will hardly be independent, it is good to keep in mind that projects will end. If the association would like to survive after the donor withdrawal, it should develop an exit strategy and build its own capacity to work toward independency. This means an association should have its own:

- Accounts.
- Staff (even if they are paid by the donor, they should be on the payroll of the association).
- Activities (if the donor provides funds, the association should organize the logistics, write the invitations using its own letterhead, write the activity and financial report, etc.).
- Budget (even if the most of the funds are provided by the donor).

It is very important that members pay their dues and fees from the start, and that they pay fees for all services provided by the association. This money can be used as seed money after the donor's support ends.

IFDC assists associations in identifying partners and building partnerships.

20. Meetings

20. Meetings

Most members find meetings boring and a waste of time, because they are not well prepared and end up in endless discussions without making any decisions. Therefore, the association should put thought into preparing meetings and make them attractive for members.

20.1 Preparing a Meeting

There are three steps to take when organizing a meeting:

1. Plan the meeting
2. Inform the members
3. Prepare the meeting (and think about possible outcomes)

1. To plan the meeting

To plan a meeting: the Why, What, Who, When, and Where should be considered.

- *Why*: Why is the meeting organized? What are the reasons for the meeting?
  - Give information to members
  - Make decisions
  - Organize an event (a fair, an open day)
  - Discuss urgent and not so urgent matters

  Organizing a meeting to satisfy the constitution is not a good reason; if your association is dynamic, then meetings will automatically become regular and satisfy the constitution.
- *What*: What should the meeting achieve? What are the objectives and expected results?
- *Who*: Who is the meeting for? Who is going to be invited? Is it necessary that everybody comes? Should partners be invited?
- *Where*: The venue. Where should the meeting be held?
- *When*: Date, time, and time-schedule.

2. To inform the members

The next step is to inform the invitees about the meeting. The five Ws (why, what, who, where and when) should be clear to the invitees. It should also be clear what is expected from them. If a revision of the constitution is on the agenda, then invitees should know if they are going to select a committee or vote for changes in the constitution. Make sure they can prepare themselves by sending documents or background information and by sending the invitation on time.

3. To prepare the meeting

To prepare a meeting, an agenda should be made. Often, the executive manager sets the agenda. However, this should be done in consultation with the members. Everyone should have the chance to put items on the agenda.

Normally, during a meeting the following order should be adhered to:

- **Opening:** Tell invitees why this meeting was called (special occasion, annual meeting), introduction of those present (introduction of new members), decide who will chair (only if the meeting is formal) or moderate and who will take minutes.
- **Minutes of previous meeting:** Did everyone get a copy, are there any changes, are they accepted by everyone?
- **Discuss agenda items** (starting with the most important).
- **Discuss any other matters** raised during the meeting.
- **Summarize** the items discussed, the decisions made, the actions to be taken and who is responsible for the action.
- **Close** the meeting: Explain when the minutes will be ready, when the next meeting is, and how the follow-up will be implemented.

Ideally, one person should take notes during the meeting. In most cases, this will be a staff member. The summary is often neglected; however, it is important that everyone knows what decisions were made, what actions are to be taken, and who is responsible for what action. Make sure all decisions and actions to be taken are noted down for example on flip-sheets so they are visible for everyone, and send a summary of all decisions taken as soon as possible to all members.

It is also important to make a time-schedule for each item. If more time is needed than calculated, decide if the agenda item should be moved to the next meeting or if it is important, make extra time at the end of the meeting. Try to stick to the time schedule, because participants may have planned other activities after the meeting.

Expected results

After the agenda is set, consider the expected results of the meeting. For example: The item on the agenda is that a partner organization is organizing a training workshop for agribusiness associations in the region. There are several possible objectives and results for this item, for example:

- Objective: to decide if the association should send a person to this workshop.
  Result: decision taken if the association will send a person to this workshop.
- Objective: to reach group agreement on who to send to the workshop.
  Result: a person who will attend the workshop is nominated.
- Objective: to inform members that Mr. X will attend the workshop.
  Result: members are informed that Mr. X will attend the workshop.

To have clear results it is necessary to set the objectives clear before the meeting starts and share this with all invitees. Otherwise invitees will have different expectations and discussions will be focused on different objectives.

It is important to set an agenda so that the meeting will not end up in endless discussions on matters that are not pertinent. It is also a way to direct discussions. It is the responsibility of the chairman or the moderator to keep the discussion from digressing to less important topics.

Other useful comments

- **Agenda planning** in a larger context: See the meeting as part of a greater whole. Meetings are not a stand-alone item. They are part of a series of meetings and other activities. During the meeting try to find the connection with other meetings and activities.
- **Option for preparations** before the meeting: Do not put too many topics on the agenda and overwhelm members. Small groups should do preparation work for some agenda items. For example: preparing a proposal for the venue of a training program with two options.
- **Planning sessions**: It is useful to have a planning session with a small group before each meeting. This will help to stay on track and to divide tasks.
- **Distribute handouts and materials** at least one week in advance.
- **Preparation of members:** Members of the association should prepare themselves by reading all necessary documents in advance and preparing a list of comments and/or questions.
- **Making meetings attractive:** Meetings should have special topics on the agenda that will interest members, e.g., how to access credit. Partners or resource persons should be invited to inform members about new crop varieties or other topics. It is important to keep the meetings short and within the time schedule.

20.2 The Role of the Chairman and Members

The chairman of the meeting is responsible to chair the meeting and to guide the meeting to a definite conclusion. It is not necessary that the association chairman chairs the meeting; any member can chair the meeting.

Fundamental rules for conducting a meeting are:

1. **Always start the meeting on time and follow a definite agenda**. The purpose of an agenda is to save time and keep the meeting on course. Do not waste time by digressing from the agenda without good reason. The chairman can ask for support from a timekeeper.
2. **Keep the meeting moving**. Interest declines when action slows. As many members as possible should be involved in discussions. Responses need to be kept short and to the point.
3. **Speak clearly.** If a person cannot be heard, they cannot be understood. Control should be exercised. If necessary, use a gavel to bring order and silence before speaking.
4. **Insist on order.** When general simultaneous discussion ensues, no one can be heard and nothing can be accomplished. The chairman must ask the members to keep order so everyone can provide input in an orderly fashion.
5. **Talk to the group, not to individuals.** Side conversations are rude, they disrupt the meeting, and accomplish nothing. If members are consistently whispering to each other, they should be asked politely if they will take a turn to share their thoughts for the benefit of the entire council.

6. **Help the executives to be heard and understood.** The chairman should make sure each individual who takes the floor talks clearly and audibly. Interrupt if necessary and repeat what was said so that everyone is heard.
7. **Sum up.** Summarize what the speaker has said and obtain a decision.
8. **Retain control, but do not stifle free comment.** Invite constructive criticism and even disagreement. Ask for support. Clarify issues by obtaining consensus.
9. **Do not argue with the individual who has the floor.** The presiding officer should ask questions when there are disagreements with speakers but should also remain neutral.
10. **Ask for the floor as a participant to make a comment.** If there is a conflict of interest for the chairman, the chair should be temporarily handed over to the vice chairman or someone else who has no direct vested interest.
11. **Ask for action.** Conclude discussions with either a call for a motion from the meeting or a directive for other action. If a motion is proposed, a vote will be necessary to gain official acceptance or rejection.
12. **Summarize and recap.** At the end of each agenda item and at the end of the meeting check to see if members feel that particular subjects have been adequately covered.

Members' contributions to meetings

Members have tasks to fulfill in a meeting. The following points can help to improve meetings.

1. **Study the agenda carefully.** When an agenda is issued prior to a meeting of the council, note the venue and time, and study the agenda topics carefully. If there is any item on it that is not understood, contact the association headquarters and ask for clarification.
2. **Stick to the agenda during the meeting.** Wait until the chairman asks for a discussion of subjects not on the agenda before bringing up new business. This not only shows respect to the chairman but ensures a smooth flow to the meeting.
3. **Learn the exact purpose of the meeting.** Determine in advance how *you* are going to contribute.
4. **Make notes during discussion and condense these notes before talking.** An executive is not there to deliver an oration but to provide key information. Do not waste the time of others with speeches.
5. **Speak clearly in a voice that everyone can hear.** Present your remarks when you have the attention of the entire audience. The chairman should ensure that a desirable atmosphere exists.
6. **Side conversations are distracting and should be avoided**.
7. **Keep your remarks brief and to the point**.
8. **Help the chair by avoiding aimless discussions***.* If a discussion goes on needlessly, or if research on the subject is required, interject and ask the chairperson politely if the issue could be referred to another meeting

or to a committee appointed for that particular issue. This is one of the best methods to be sure the topic is adequately handled and that the meeting will adjourn on time.

9. **Do not hesitate to comment, criticize constructively, or disagree**. Know your subject and ask for support from members who believe as you do.
10. **Let other speakers finish**. Ask questions at the proper time. Make sure remarks are completely clarified and to the issue, not to the person. Clarify the particular points of disagreement and direct summation so that everyone can understand.
11. **Ask for the floor from the chairman.** Ask the chairman for the floor and do not engage in group debate. Genuine contributions may get lost in discussion rather than have real impact on final decisions.
12. **Those who disagree.** There will always be dissenters or those with different points of view on particular issues. Ask others to summarize their conclusions. If you have done your homework before the meeting, they should have also. This permits a more thorough examination of an idea that could be highly constructive when completely understood.
13. **Have patience before passing a motion**. Do not rush the discussion. It is better to take a recess or table the motion (leave a decision for the next meeting or refer it to a committee) than to make a hasty decision, provided the issue is not restricted by time.
14. **New members**. New executives on a council often feel that they should just listen. This is not the case. New council members are elected to represent their members and because of their insight and sound judgment. It should also be remembered that they should have equal access to the administrative staff of the association just like the chairman.

20.3 Checklist for Meetings

Preparing the meeting

- **Purpose and objectives:** Know the purpose of the meeting and state the objectives up front. Think about desired outcomes for all agenda items and the process to get there.
- Give invitees the chance to give **input** for the meeting. Be prepared to act on that input (should be on par with the purpose and objectives).
- **Agenda:**
    - Set an agenda and make a time schedule for each point on the agenda. Small meetings often lack agendas because they are "not important enough." If it is not important enough, do not meet.
    - Do not overload the agenda. Look what can already be done before the meeting and what can be done afterwards.
    - Send participants the agenda of the meeting and any necessary documents (advanced reading or assignments) so they can prepare themselves. If participants have to vote on something, make sure they know in advance what the topic is and what the voting procedures are.

- Send the **invitation**, agenda, and necessary documents **on time**. Even if it is impossible to provide some of the information ahead of time, it should be given to the attendees at the time that they arrive for the meeting.
- If invitees are coming from varied geographical locations, it would be a good idea to develop an **advisory council** of interested parties from different regions or offices. The council can discuss matters that concern their region to have a more structured input during the national meeting.
- A **checklist of duties** is very useful to assure that all duties are carried out. This list should state who will do the job and by what date it should be completed. For regular meetings, this checklist could be included in the Standard Operating Procedures (see also Chapter 9.1), improved on after each meeting, and used to plan subsequent meetings.

Setting up the room

One person should check the room before the meeting starts:

- Make sure there are enough chairs.
- If possible seat people in a circle or semicircle to encourage interaction (this is only possible with a limited number of participants).
- Check if persons in the back can hear what is said in the front of the room.
- Make sure all materials you need are available (flip-sheets, markers, brochures to hand out or other papers, notebooks, and pens).
- Place a clock or watch at the main table to be able to keep track of time.
- Check if drinks and snacks are available.

Starting the meeting

- Make sure everyone has the agenda and all necessary documents. Have some extra copies.
- Start on time. Do not wait longer than 15 minutes for latecomers.
- Have one person take minutes of the meeting.
- Inform members if there are any changes in the agenda.
- Introduce new members.

During the meeting

- Keep track of time and stick to the agenda. Allow a certain time for each agenda item. If topics come up that are not part on the agenda but are necessary to discuss, make it a separate agenda item at the end of the meeting or move it to the next meeting. If an item needs a lot of time, consider calling a special meeting for it.
- Do not misuse the presiding seat to put forward personal opinions. If an item needs to be discussed, ask like other participants for the floor.
- Repeat important decisions or useful comments that were made. At the end of the meeting, summarize the decisions that were made during the meeting.
- If there is a vote, explain the procedures very clearly and tell members what the voting implies.

- Try to give members the feeling they are part of the meeting to keep them active and awake.

IFDC offers training programs in which participants learn how to organize their meetings more effectively and efficiently.

21. Leadership & Group Dynamics

21. Leadership and Group Dynamics

Within every group there are dynamics that result in certain group behaviors. These group dynamics will influence the performance of the group. Leadership also affects the behavior of the group.

21.1 Leadership

Most groups have a leader. This can be a formal leader (for example: an elected chairman) but also informal (for example: a dynamic participant of a study tour). There are leaders on every level in an association. The chairman is the elected leader for the whole association. Each committee has a chairman, branches on district levels have leaders, either formal or informal, and the executive manager will function as a staff leader.

Profile of a good leader

Being a leader is not easy; being a good leader is even more difficult. We all know leaders who do not communicate with others, cannot make decisions or do so without consultation, cannot delegate, etc. There are different types of leaders, but in general we qualify a good leader as someone who has all or most of the following skills:

- Is honest.
- Communicates with others and listens to others.
- Can express him or herself well in front of an audience.
- Shares with others and does not try to pull everything to him or herself.
- Can delegate tasks to others.
- Can make decisions.
- Consults others when making decisions, but can also make decisions without consultation on urgent matters.
- Is there to serve others and not to be served by others.

A good leader of an association:

- Is of good standing (paying his or her dues and fees on time).
- Understands the need of the members and can act on their behalf.
- Understands how the association is functioning and is up-to-date on the activities of the association.
- Can explain well what the association stands for.
- Is willing to assist others to become new leaders.
- Is respected by the association members and others.
- Is active in association activities and events.

Election of leaders

There is a saying that says that the people get the leadership they deserve. The same goes for associations. The members are responsible for the leaders they elect even if they turn out to be bad leaders. Therefore, it is important to elect leaders carefully. Old age, wealth, being male, or the friend of an important politician are not guarantees for good leadership.

When electing a leader it is useful to reflect on the type of leadership the association needs. If the association is in the start-up phase, it would be useful to elect a leader who has some experience in association building. The association leader needs to be hard working and willing to sacrifice time to the association, especially in the beginning when many things have to be done by the executives. Later the association needs someone who is a good spokesman for building partnerships and starting advocacy activities and who can guide the association to become sustainable.

It is difficult to select good leaders when the association is in the start-up phase because members do not know each other that well. Therefore it is recommended that new associations elect an interim council for the first year and have new elections after that. During the first year, the interim council can prove if they are able to do the job and new leaders may emerge as well.

Interim Council for Farmers in Ghana
When the Apex Farmers' Organization of Ghana (APFOG) held their constitutive General Assembly, the present farmers' organizations decided to elect an interim Executive Council for 1 year instead of a permanent council. The reason for this was that none of the current members had any experience in leading an umbrella organization, although all of them were leaders of regional or national associations. The present members reasoned that the interim council had 1 year to prove itself. After that year elections would be held for the permanent council in which officers have a 3-year term of office. The interim council consisted of 11 members and the permanent council has only 7 members. This was because APFOG did not have staff from the beginning and wanted to divide the many tasks to be done in the beginning over to a larger group. After the first year, 5 out of the 11 interim executives were elected to the permanent council.

Building leadership

Leadership is a key to the success of an association. An association that has among its members a qualified pool of leaders can achieve much more. An association needs fresh leaders with fresh ideas, so it is necessary to build new leadership. Some people are natural-born leaders and others will never become leaders. Many people can learn to be leaders if they are given a chance. The first leaders of an association are often still there after 5 or even 10 years. The risk is then that the association becomes a one-man show with all related pitfalls (centralization of decision making, absence of new ideas, lack of credibility, poor involvement of members, gap with the grassroots, etc.).

To build new leadership, an association must:

1. Provide some members with training courses to become good leaders.
2. Set up a mechanism ensuring progressive and smooth rotation of the association's leaders.

The rotation of leaders should be partial at each election, so that there is always a mix of young leaders with more experienced leaders. For example, if the term of an executive is 2 years, the association can decide (and write in its constitution) to elect only 50% new executives each year. The original leaders will remain key resource persons for the association. With their experience, they can still be very useful as advisors or chairmen of committees.

21.2 Group Dynamics

Your association exists because of individual members who have common goals. Nevertheless, members may have different goals or ideas on how to reach these goals, and that can lead to unrest or even a break within the association. Therefore it is important to have everyone in agreement.

There are two main points to keep in mind:

1. Communication with the members.
2. Involvement of the members.

Communication

To avoid different ideas and different objectives, it is important that members are informed about what is going on in the association and that feedback is encouraged. If they do not get any information, they will try to fill the information gaps themselves and formulate their own objectives. It is often surprising to find out how little members in the field know about their own association.

Every member should be aware of:

- The constitution and bylaws.
- Operating procedures.
- Long- and short-term plans.
- Upcoming activities.
- (Annual) activity report.
- Financial situation.
- Important decisions.

The means of communicating this information is important. Handing out a copy of the constitution and bylaws to new members might not be the most effective way to ensure that they know the content. Sending bulky reports (that no one reads) is not effective. It is important to find the most efficient and effective ways to communicate information (see also Chapter 11.2 on communication to members and Chapter 15 on communication). The association should have nothing to hide, especially not finances.

Involvement

An association is more likely to be sustainable if many members are involved and not only the Executive Council or Executive Committee. Most associations tend to always rely on the same person(s), because those persons dominate the association and other members let them play that role. Very often the same persons attend all training programs, workshops, conferences, study tours, etc., even though an association should offer these services to all members.

The association should not only rely on a small group of members because:

- Members work on a voluntary basis for the association and often have their own businesses. Sharing responsibilities among a large group of members avoids putting stress on a few members.
- If the small group of active members falls away at the same time (e.g., at the end of their council term), there will be no other members who are ready to take over the responsibilities.
- If members do not feel involved, they are less willing to pay their dues and fees.

Therefore your association should **involve** as many members as possible in activities. There are several ways to involve members:

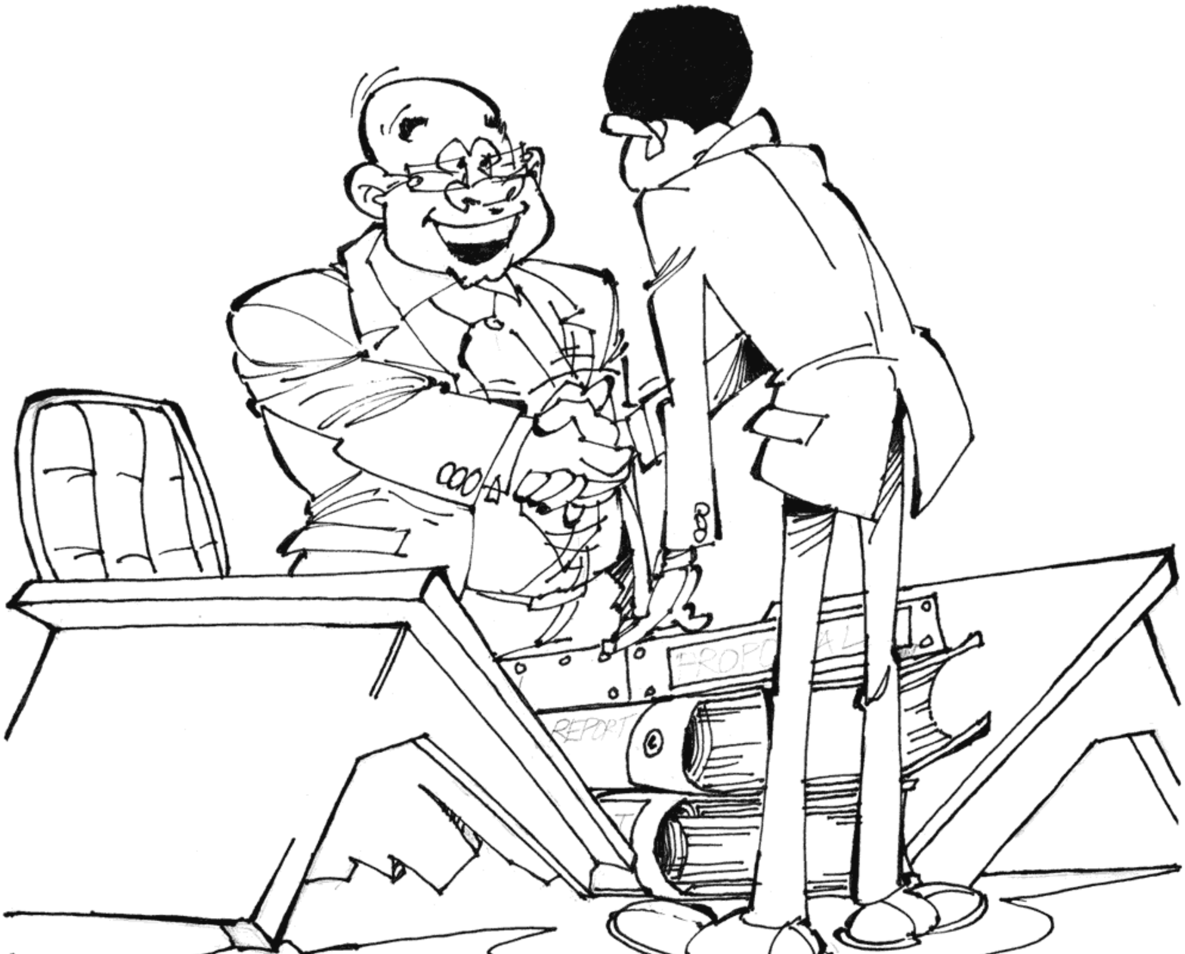
- Keep them **informed**.
- Give them **responsibilities**: If a training program is organized in the field, instead of organizing everything from the national office, give one or two members that live in the area some tasks as well.
- Organize activities where **many members** can participate: A training program and a field day can both train 50 members at one time. Try to organize activities so that every member can participate in an activity at least once in a year.
- Let members participate in activities organized by **partners**: Do not always send executives to conferences, training programs, or study tours, but give ordinary members of good standing the chance also.
- Form **committees**: Committees that exist only on paper or seldom meet are not very useful. Members will feel involved if committees are responsible for organizing activities in the field and if they can manage the budget for that activity.
- **Listen** to them: Give members the chance to present new ideas, to make comments or suggestions, and to take them seriously.
- Acknowledge useful **contributions**: During the General Assembly, the association can select the most active member and give him or her a small present. Other active members can be mentioned in the newsletter or during meetings.

Remember that the association exists for the members.

Values for Farmers' Organizations
During a strategic planning meeting, the members of the farmers' organization APFOG brainstormed on how individuals should function in their organizations. What do we stand for, what do we believe in, and what will be our leadership style were discussed. The result was a list of five values: credibility, commitment, integrity, tolerance, and transparency. The members agreed to include these values in their constitution.

IFDC organizes training programs in which participants go through several exercises that will teach them about leadership and group dynamics.

22. Proposal and Report Writing



22. Proposal and Report Writing

22.1 Guidelines on Writing Proposals

For most associations, the main sources of income are registration fees and annual dues. However, this is not sufficient to cover the overhead costs of the association or its activities. Therefore, associations need to find other funding. Partner organizations are an additional source of revenue for associations. To seek assistance, associations need to put their requests or financial needs on paper and present to the potential partner. Although every organization has its own format of generating information, a few general guidelines can be given on how to write a proposal.

What type of proposal?

Roughly speaking there are two types of proposals. One type proposal is written when applying for a specific fund or sub-grant under a project. An example would be when a project announces that agribusiness associations in the commodity chain of cashew nuts can apply for funds to organize training programs. The second type is written when applying for funds in general without any announcement for a specific fund. When applying for a specific fund, there are usually formats the applicant has to follow, whereas in the general application, there might not be any strict guidelines.

Who is the partner and what can it do?

Before applying for assistance, it is necessary to know whom you are dealing with, who the partner is, its objectives, where it gets its funding from, types of projects it supports, where it is based, etc. Most organizations now have their own Web sites, which give additional information. Brochures and annual reports can provide insightful information. It is also necessary to know exactly what the partner can do and what it cannot do. If the partner's project is focused on cassava processing, it will not sponsor activities on crop protection. So check on its field of activities and see how your needs can fit in.

What are the procedures?

Every organization has its own procedures and adheres strictly to them. It is important to know what is expected at what time. Possibly a form has to be collected and completed before a certain date, the application has to be given in person or sent via e-mail, the applicant has to contact the organization or be contacted for the results.

What are the conditions to apply?

When applying for a specific fund, there will be conditions under which one can apply, e.g., only women's groups, or farmer-based organizations, or credit associations. Most partners will provide a list of conditions. Be familiar with the list of conditions. When certain conditions are not clear, ask the partner for clarification.

What can be applied for?

Most partners only provide assistance in certain areas and within these areas there are conditions as well. When applying, it is important to know what can be applied for. Sometimes projects do not give financial support for the purchase of vehicles, so there is no point in applying for one. Know what is available and do not ask for things that fall outside this range.

What to write in a proposal?

Although each partner has different conditions and procedures to be followed, a few topics should always appear in a proposal.

1. **Background**:
    a. Description of the association: When was the association formed, who founded the association, mission, objectives and main activities, sources of funding, organizational structure, present membership, etc.?
    b. Description of the members: Financial situation, gender, profession, geographical area.
2. **Problem statement:** Description of the problem and its causes. A problem should not be lack of money; a problem should be presented as a concrete issue, e.g., agro-dealers cannot compete with public subsidies.
3. **Justification of application:** Why is the association asking for assistance from this partner, how can the support help in solving the problem?
4. **Planned activities:** How is the support going to be used?
5. **Expected results:** Description of the expected output related to solving the problems.
6. **Collaborating organizations:** If there are any partners involved, list them and indicate their contributions.
7. **Time schedule:** When is which activity going to be implemented?
8. **Budget:** How much is needed for what (add proforma invoices)? What will be the financial contribution of the association and other partners (also in percentage)?
9. **Monitoring and evaluation:** Who will be monitoring the project? How is the association going to give feedback to the partner?
10. **Contact:** The contact address, e-mail address, phone number, and contact person of the association.
11. **References:** It is not often required to list references, but it will help to build a case and to be credible.

Brochures, a list of members, annual reports, annual plans, etc. can be added if available.

Monitoring and evaluation

The process is not complete after receiving the funding. In fact, the process has just begun. When the financial support arrives, the association has to start implementing the activities as described in the proposal. To retain a good relationship, it is also very important to keep the partner informed on activities. Depending on the length of the total project, a report can be submitted every month or every 3 months. In the report, an overview of implemented activities should be provided and compared to the original planned activities. In case of any delays, an explanation should be given.

Describe the impact of activities. Did the implemented activities help to solve the problems? If not, what happened? Is it possible to restructure activities to achieve the objectives anyway? If the impact of activities is not as expected, do not try to hide this but make it known while offering solutions. Also, it is very important to account for all expenses that were made compared to the budget. Differences should be explained and receipts should be attached. At the end of the activities, an end-of-project report should be submitted to the partner. To make a good impression, the association may also book an appointment and present the results to the partner in person.

Final remarks

When submitting a proposal, make sure it is clear, well formatted, and straight to the point. Most people do not like reading lengthy documents. Finally, make sure all records (especially the financial) are updated and in order. It will help to become credible and will raise chances of getting approval.

22.2 Guidelines on Writing Reports

A report can be written after a certain activity, such as a study tour or training workshop. It is also possible to write a report on a regular basis, e.g., to provide a quarterly or annual overview of activities.

Report on a specific activity

When preparing a report on a specific activity the following should be described:

1. **Objective:** What was the original objective of the activity? Why was the activity organized? Who was organizing the activity?
2. **Participants:** Who were the participants (add a list as attachment or annex)? Where are they from? What is their background? What were the conditions to be a participant? Are they members of the association or were outsiders participating as well?
3. **Partners:** Were there any partners involved? What was their role?
4. **Description of the activity:** What was done exactly? Try to stick to points that are interesting. For a training workshop, it is not interesting to know who did the opening prayer and which snacks were served during the coffee break, but it is interesting to know which topics were taught and in which way.
5. **Results:** What were the results of the activities? Were the objectives achieved?
6. **Overview of activities (program) or itinerary:** When and where were activities implemented or what was the travel schedule? This can be provided in an attachment or annex.
7. **Evaluation:** To allow your association to improve, it is necessary that each activity is evaluated by the participants: how did they like the activity and what did they learn?

8. **Budget:** How much money was spent on what? Where did the money come from (donors, participatory fees)? Was there under or over spending from the original budget? Why? Most associations are not eager to reveal a budget. They do not want to share it with partners or even their own members. Adding an up-to-date budget shows that the association has nothing to hide and that it is accountable.

Regular reports

When preparing a report on activities in a certain period (such as annual reports), the following should be described:

1. **Description of the association:** Background of the association, when was it created, structure, office, branches, objectives, etc.?
2. **Membership:** Who, how many, geographical background, occupation of members (profession), changes during the period.
3. **Overview of activities:** Do not use a chronological order, but rather a logical order. Use headings that conform to the annual plan. Were planned activities implemented? If not, explain why.
4. **Financial overview:** How much was spent on what and how much was generated and how? What is the balance? How is the situation compared to the previous period?
5. **Summaries:** If the report is very bulky, provide a summary at the beginning of the report, e.g., on membership, activities, and financial records.
6. **List of documents:** Overview of documents written.
7. **Activities for next period:** What are the plans or activities for the next period?

IFDC organizes workshops for associations teaching them how to write proposals and reports.