Impact evaluation of the value chain improvement approach (summarized version)

Executive Summary

In Burkina Faso, the Burkinabe Red Cross and the Spanish Red Cross have for years been supporting actions to improve the value chain of the production and processing of food products. Two initiatives that the Red Cross had supported some time back and from which it withdrew almost ten years ago were chosen to study the ex-post impacts. The objective of this evaluation was to assess the sustainability of such an approach (ten years after the withdrawal of supporting partners) and its impact on the living conditions of households and finally to draw some lessons on the factors of success and the difficulties that actors still face.

The main results of the evaluation process show that the activities carried out to improve the value chain for the production of dairy and cassava products have led to a formalization of the processing activities and a professionalization of the members of these women’s groups. Previously, the women who had been transforming products in an artisanal, hand-made and individual manner have been able to increase the quantities produced and the quality of their products in order to have a better market penetration and thus ensuring an income.

Despite this significant improvement in activities, these women groups are struggling to resolve some difficulties linked to the value chain (mainly on procurement and marketing activities) preventing them from reaching an optimum level of production and a certain stability in this sector. Investments are not part of a defined a business exploitation plan, which at times, leads to difficulties in maintaining them. In addition, management activities are weak and prevent decision-making necessary to improve the activities in general.

Processing activities have allowed an increase in revenue even though this income is not regular throughout the year (it is complementary to the revenue generated from the sale of raw material). The activities developed have particularly benefited the women producers who supply raw materials to the production unit and who have on average tripled their production, finding in the unit a stable outlet (the purchase of their production is given priority since they are members of the grouping - internal supply). The income of the women processors’ has also increased compared to the pre-project
situation due to formalization and professionalization that has allowed them to produce better quality products and thus reach a clientele that was previously unavailable. On average, the income (for producers and processors) is 5 times higher than the poverty line in Burkina¹ (see table on page 10).

In addition, the study observed an improvement in the living conditions of households², including the autonomy of the women with an increase in their participation in the family economy for spending on health, schooling and nutrition, as well as a reduction in indebtedness and an improvement in their access to credit³.

Through their participation in activities within groups and processing units, women have emancipated themselves. This participation has for the majority of them, caused women to change their behaviour and personality, thus facilitating the strengthening of their position within the family (in particular in the decision-making process) and their social and community integration.

Finally, let us emphasise the sustainability of the two-groups/processing units, which can withstand time and benefit from a favourable insertion in growing sectors at the national and local economy levels. State strategies aimed at reducing imports and promoting local production provide some technical support and open up opportunities. The groups have taken advantage of this favourable political environment and the weak local competition to develop themselves. In addition, the leadership and proactivity of some members of the groupings facilitates the integration into larger networks of actors such as sectorial inter-professional organizations that allow them to have access to information and opportunities to develop their own empowerment capacities in both the private and public spheres.

The approach to improving the value chain can have significant impacts on the living conditions of households and mainly on income. However, it requires significant mobilization in terms of technical expertise of the organization and requires time for people to appropriate the approach and adopt the entrepreneurial culture.

The investment in this type of approach is therefore relevant provided that:

- There is a good feasibility analysis that defines the specific objectives to be achieved based on existing capacities.
- ALL activities (or links) in the value chain that have been defined in the project are worked on and optimized to ensure the assimilation of skills necessary for the proper functioning of the processing unit.
- The supported sector has sufficient contextual opportunities (favourable context) to ensure sustainability, as in the cases assessed that are aligned with the public policy framework and have established strong partnerships with relevant technical services and/or other actors (which can eventually reduce the project’s investment costs through pooling of resources and establishing synergies).

¹ The poverty line in Burkina Faso is 153,530 CFAF per year per person (2014)
² 88% members of the groups consider positive or very positive changes on their living conditions since their involvement in the activities of the processing unit
³ Effectively access to credit has been facilitated for 82% members of the groups through the increased solvency of the people.
It is not necessarily recommended to work on this type of approach directly and only with THE MOST vulnerable people (or poor and very poor socio-economic groups) but to include them in the organization of the value chain. In fact, in order to promote the success of this approach, the starting point requires a minimum of:

- existence and experience (functional groups, craftmanship activities ...) not to start from scratch unless the support can last for years or is devoted to specific activities of the value chain (for example only storage and conservation/preservation)
- own capital to invest (money, land, tools, know-how)
- a certain level of education (or leadership with a level of education) to properly assimilate training, tools and get involved in management

The inclusion of the most vulnerable can also be encouraged, for example through:

- the prioritization of supply with vulnerable people/groups
- the participation of vulnerable people in specific activities of the value chain
- product donations or reduced price policies for people identified as vulnerable
- the organization of thematic training related to the sold products (such as: hygiene, nutrition)

If we reason in terms of targeted people, the number of beneficiaries depends on the scope and design of the project. For the approach model evaluated and presented in this document, it can reach a reduced number of women (those belonging to the groups and working in the processing units) but, on the other hand, it can reach a large number of indirect beneficiaries (or direct depending on the design) as the women and men suppliers of raw material of the processing units.

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4 Targeted groups may have vulnerable people, but they need leaders with some capacity to guarantee functioning.
5 See the capitalization document "Technical Guidance Note on the Value Chain Improvement Approach".

Working on the improvement of the value chain is one of the strategies of livelihood projects to enhance the economic security and resilience of households. This type of intervention allows rural women and men producers to take advantage of market opportunities to maintain or increase the value of their products, obtain more equitable selling prices and increase revenues.
**Introduction**

Throughout the world, development specialists from public, private, and non-governmental organizations are constantly developing and implementing innovative solutions to address the challenges of building and establishing sustainable livelihoods for vulnerable populations. Some approaches are more successful than others depending also on the context in which each one develops.

With regard to these different approaches to improving livelihoods and therefore to food and nutrition security, the International Federation of the Red Cross and Red Crescent (IFRC) with the support of the Livelihoods Resource Centre has identified five groups of activities implemented\(^6\): (1) activities that improve production systems in agriculture and livestock, (2) nutrition awareness activities, (3) the preservation of natural resources, (4) activities for access to savings and credit and (5) activities aimed at improving the value chain. These five categories of activities are not exclusive and can develop together.

The British Red Cross and the Livelihoods Centre are partners in capacity building for National Societies on livelihoods. They wanted to focus their attention on the activity groups 4 and 5, which are insufficiently explored and documented within the Movement, in order in particular to generate the necessary resources that make it possible to replicate experiences and internal good practices.

In this report, our approach will be characterized by the analysis of improving the value chain of food products, in particular with an impact study that the approach has generated on the living conditions of households and the viability factors that have contributed to the sustainability of the two projects developed in Burkina Faso.

**Context of the evaluation**

In Burkina Faso, the Burkinabe Red Cross (BFRC) with the support of the Spanish Red Cross (SRC) has embarked since the 1990s on the implementation of a programme strategy focused on strengthening food security and livelihoods in the country through the programme for Improving the Quality of Life of Women in Burkina Faso. This strategy is based on empowering women as the engine of society in their role as producers and members of the community.

It is in this context that two projects were developed between 2007 and 2009 in the East and West of the country. These two projects were those identified to carry out the ex-post impact study on improving the value chain of food products such as cassava and milk.

First, the **Dougou of Otoïklè group**\(^7\) that runs a mini-dairy in the Province of Gourma in the Eastern region. The group was created in 1996 and was recognized (by legal registration with the authorities) in 2001. This group has benefited from several partnerships with different actors since the 2000s that have worked on the different stages of the value chain to promote the production of milk products such as yoghurt and pasteurized milk\(^8\). The Burkinabe Red Cross with the support of the Spanish Red Cross established a partnership with the Dougou of Otoïklè group between 2005 and 2007 in

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\(^7\) The group names have been changed for reasons of confidentiality. Anyone interested in obtaining more information contact the Burkinabe Red Cross: lzoungrana@croixrougebf.org

order to guarantee the supply of milk for the processing unit (mini-dairy) which until then had been faulty and prevented the processing activities from running smoothly. At present, the group (30 women) still manages the dairy by involving 14 of them in the process.

In addition, the evaluation studied the impact of various initiatives carried out in the Province of Kédougou, in the Hauts-Bassins region with the Gaman of Gnánfè group that manages a cassava-processing unit. Here, the Burkinabe Red Cross, with the support of the Spanish Red Cross, between 2007 and 2009, implemented a project to improve the value chain by supporting cassava producers and/or processors by providing them with a production unit, equipment and materials and training on processing activities.

The purpose of this report is to show the extent to which value chain improvement activities (see M. Porter’s scheme below) contribute to strengthening the resilience of targeted households and their food and nutrition security (impact study).

General diagram of the main activities and support activities of the value chain.

Michael Porter's Model, "Competitive Advantage"
Evaluation results

The results of the evaluation will be presented in a manner to show the changes brought about on the living conditions of households through activities linked to the improvement of the value chain process.

It should be noted that not all the criteria of a traditional evaluation were used for this study, due particularly to certain constraints of security, availability and information verification. The first step therefore is to determine the difficulties encountered by the members of the groups before the implementation of the activities of the value chain, in order to then study the performance of the value chain (short-term impacts) that will allow us to explain the medium and long-term impacts in particular on household revenues and living conditions. Finally, it will be a question of analysing the sustainability and in particular the factors that favour the functioning of the two groups since ten years have elapsed since the end of the Burkinabe Red Cross led projects.

Difficulties faced by group members before the initiative

In both projects, the beneficiaries are women whose main activity is in the agricultural domain (milk producers for the ones and producers of cassava for the others). Moreover, in both cases, beyond producing the raw material, these women were involved in product transformation, meaning that they used their production to turn it into by-products (yoghurt, cheese for the milk producers and into attiéké, paste and starch mainly for the cassava producers).

The difficulties encountered before the beginning of the interventions on the improvement of the chain of value were the following:

- Handmade production with rudimentary materials and equipment
- Low quantity produced and weak revenues
- Limited quality of the processed products
- Limited customer network, lack of visibility and lack of knowledge of the customers
- Loss of production due to lack of capacity for preserving finished products
- Drudgery of work: a lot of time and effort for low production levels
- Difficulties in reconciling housework and an economic activity.

Performance analysis

The performance is based on the results obtained as part of the entire production process. The latter is obviously correlated to the level of income that can be perceived by the members of groups working in the process. One could summarize here the performance by producing at a lower cost and selling more, thus allowing greater profits. It must be taken into account that the overall performance depends on the performance of each activity, but also on the performance of the networks that exist between them and the actors of the market system.

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Let us analyse the performances identified on the production process of the two processing units.

**SUPPLY**
- Both groups have difficulties ensuring their supply of raw material throughout the year, which has a direct impact on the quantities of finished products and therefore on revenue. These difficulties are related to the seasonal cycles of agricultural production. In the case of milk, production is lower in the dry season (October to June) mainly because of the practice of transhumance during which animals are brought to pasture. For cassava, the harvest period is mainly during the rainy season and consequently a decrease can be observed in the availability of cassava in the dry season or an increase in the price of the kilo of cassava (when the harvest requires more manpower and efforts due to the hard nature of the soil) - *(see table: seasonal information on revenue from the sale of the raw material and the processing activity, page 11).*
- Two cases of supply to the units have been identified: one based on the acquisition of raw material supplied mainly by the group's own producers (dairy), the other based on the acquisition of raw material supplied by producers that are not part of the group (cassava processing)*11.
- Procurement was facilitated by the sharp increase in production by the members of the processing units. Total production by milk producers of the Dougou of Otoiklè group increased by an average of 147%. The same goes for the Gaman of Gnanfè group or the other women cassava producers that saw an average increase of 217%*12.
- In case of supply difficulties, the groups rely on local actors. The dairy receives support from the government dairy of Gourma, which has a higher supply capacity and can therefore at times provide milk at the same market price. The Gaman of Gnanfè group calls upon the technical support of the agricultural provincial services when it is faced with an excessive price increase so that they can help them in negotiations with local producers and to get supplies at a reasonable price.

**STORAGE/PRESERVATION**
- In both cases, storage activities are not developed. For dairy activities, there is no storage of the raw material at the dairy level, only the storage of finished products such as yoghurt and pasteurized milk (therefore at the end of the production process). These capacities remain nevertheless limited and consequently the group has produced according to this capacity and not to the limit of its production capacities or its sale possibilities. The cassava-processing unit does not use the competitive advantage of the storage/preservation activity during the harvest period (when cassava prices are low). Cassava deteriorates rapidly and therefore undergoes rapid transformation. No infrastructure allows keeping the surplus to transform it later. The group does not have storage space for finished products, which sometimes leads to losses, particularly on flour.

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11 For the dairy, 70% of the members of the group are milk producers and sell 89% of their production to the unit (11% for own consumption). For cassava, the proportion of the female producers working in the unit is in the order of 50% and 95% of total production is directed to sales.
12 This increase in production is linked to the project implemented by the Red Cross in both cases (2007-2009 in Gourma and 2005-2007 in Kédougou) which facilitated the donation of productive assets and proportionate training to improve production.
- Formalization was consolidated through the groups and the market opportunities and to other activity, although some
- The two groups have defined a different organization of work and there is a certain balance in the tasks to be performed. This facilitates the daily life of group members as women organize their schedule according to the group. Good organization allows them to perform other tasks assigned to them at home or for another activity, although some demonstrated some difficulty in reconciling the two.
- The various trainings and equipment received have made it possible to reinforce production in terms of quantity and quality. In terms of quality, we highlight: 1) the training received in terms of marketing (Dougou of Otoiklè and hygiene rules (Dougou of Otoiklè and Gaman of Gnafè), thus meeting the very strict demand for hygiene, particularly on dairy products. For example, this has allowed to make changes to packaging (Dougou of Otoiklè) which improved in terms of solidity, design and providing informative on the content (for example the expiry date, ingredients); 2) The modernization of equipment has made it possible to limit losses and to provide better quality products for customers. In Kénédougou, for example, the equipment has produced a finer attiééké paste that is appreciated by customers and wholesalers.
- Since the beginning of their activities, the groups have not only diversified their offer of processed or derived products but have also perfected it (most often resulting from specific training or exchange trips). For example, the dairy started to produce solid and liquid cheese and gapal (milk product and millet) and the Gaman of Gnafè group produce tapioca and gari (cassava semolina). Diversifying production is an important aspect of the processing business, not necessarily for strengthening their turnover, but as proof of the ability of the groups to identify market opportunities and to adapt to the demands of consumers.
- Difficulties persist and limit production and the optimization of production costs. There are difficulties in covering the immediate maintenance of machines that frequently break down and slow down the production process. Some equipment is too expensive to run.

**COMMERCIALIZATION**
- Revenues increased sharply from 2007 to 2010 but fell in 2011 (from 2.500.000 CFAF - 2007 - to 23.000.000 CFAF – 2010 - and fell to 13.000.000 CFAF -2011-). At the end of

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13 33 people work at the cassava-processing unit (20 members of the group and 13 who carry out specific activities). For the dairy, there are 14 people working at the processing unit (two working groups and each group working 15 days alternatively) and three people performing specific tasks (the guardian, the carrier / salesman, the woman cleaning).

14 The Dougou of Otoiklè group won a hygiene prize awarded by the Minister of Animal and Fishery Resources.

15 This is, for example, the case of those involved in pasteurization at the mini-dairy, that are faced with high costs of gas which increases the costs of production. The group no longer uses it and the women beat the milk for the yoghurt by hand (which requires more processing time and can cause a decomposition of milk and some losses).

16 An early Red Cross project that facilitated the supply of raw material and allowed the support of the processing activity. See details of production and sales level information (document "Impact Evaluation Report of the Value Chain Improvement Approach", page 26)
2011, these increased again (by 30%) and have stabilized since 2012.

- The increase in demand for both dairy products and processed cassava products and the willingness of the State of Burkina Faso to curb imports for the benefit of domestic production allowed the two groups (Dougou of Otoïklè and Gaman of Gnanfè) to expand their customer network of individuals and wholesalers. For both groups, the start of commercialization began at the local market level and then expanded to the regional or national levels. Market entry at the local level is undeniable, but it is still limited at regional and national levels.

- The expansion of the customer network is not the result of an analysis of opportunities or a thoughtful commercial marketing strategy, but rather of a favourable situation, of the proactiveness of certain members to find specific opportunities (fairs, events) and participation in sectorial networks (inter-branch of the dairy sector, Regional and National Cassava Processing Union) which also allows them to find marketing opportunities.

<table>
<thead>
<tr>
<th>Group</th>
<th>Competition</th>
<th>Type of customer</th>
<th>Marketing Network</th>
<th>Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy (Dougou de Otoïklè)</td>
<td>Weak Dairy</td>
<td>Individuals Wholesalers</td>
<td>- Local</td>
<td>A person who delivers the products by</td>
</tr>
<tr>
<td></td>
<td>Government</td>
<td></td>
<td>- Provincial</td>
<td>motorcycle to shops</td>
</tr>
<tr>
<td></td>
<td>Powdered milk sellers</td>
<td></td>
<td>- National (limited to Ouagadougou)</td>
<td>Street vending by some members</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sale to the dairy</td>
</tr>
<tr>
<td>Cassava processing (Gaman of Gnanfè)</td>
<td>High Other local transformers/processors</td>
<td>Individuals Wholesalers</td>
<td>- Local</td>
<td>Transportation via tricycle to wholesalers</td>
</tr>
<tr>
<td></td>
<td>Imports from Ivory Coast</td>
<td></td>
<td>- Provincial</td>
<td>(payment of the service)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Regional (Bobo Diolasso)</td>
<td>Sale to the processing unit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- National (Diébougou, Gaoua and Ouagadougou)</td>
<td>Registered expedition (via bus) to major</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>urban centres</td>
</tr>
</tbody>
</table>

*Table summary of the group commercialization system*

- In times of high demand, the groups cannot meet demand because of problems of supply and storage of the raw material and not necessarily for lack of processing capacity.

- The Dougou of Otoïklè group members are aware that certain markets can be approached. In terms of the opportunity to further expand their market share, the women identify in particular the need to set up a point of sale at the dairy level (same for the Gaman of Gnanfè group) and a refrigerated transport that would allow serve long distance customers.

**Lesson 4:**

The management of the processing units requires long-term specific technical assistance in order to implant a genuine management culture among the members of the groups and provide full autonomy.

**SUPPORT ACTIVITÉS**

- The two groups have their own organization with an office composed of women in the functions of President, Secretary and Treasurer, elected by the members of the group. Decisions are usually taken at general assemblies organized once a month. At these meetings, information is shared on the profits of the group, on future expenditures and events (meetings, fairs...). There is a good participation by the members of the groups who feel concerned by all the activities within the processing units. Beyond strengthening their economic activities, beneficiaries stressed the importance of unifying for a common goal.

- The management of the processing units has improved since the beginning of their

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17 76% of the people questioned.
activities thanks to the different training received in management and accounting but there are still flaws. There are some records but they are not kept on a regular basis or do not contain all the useful information for performance and profitability analysis that could facilitate decision making.

- The management of the group and especially of the processing units requires a certain level of capacity to control stocks, costs, and invoices. However, the majority of group members are illiterate which prevents them from taking on registry/book keeping responsibilities. It therefore appears that there is a dependence on literate people\(^{18}\) (who usually occupy leadership and managerial positions). This poses a risk for the management of the groups and a decrease of the activities in the event that one of these literate members leaves the group or can no longer assume these functions.

**Impact analysis on the living conditions of households**

**THE IMPACT ON REVENUES**

Several sources of revenue must be considered when analysing the impact of the processing activities:

- the revenue from the sale of the raw material to the processing unit
- the revenue directly derived from activities related to the processing unit
- the income generated through the diversification of livelihoods (due to the revenue that has allowed the purchase of productive assets for another income generating activity).

<table>
<thead>
<tr>
<th>Processing unit</th>
<th>Type of Revenue</th>
<th>Dry season</th>
<th>Rainy season</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy</td>
<td>Sale</td>
<td>32.760 CFAF/month</td>
<td>65.520 CFAF/month</td>
<td>584.248 CFAF/year</td>
</tr>
<tr>
<td></td>
<td>Transformation</td>
<td>22.500 CFAF/month</td>
<td>12.500 CFAF/month</td>
<td>210.000 CFAF/year</td>
</tr>
<tr>
<td>Transformation of cassava</td>
<td>Sale</td>
<td>36.113 CFAF/month</td>
<td>24.333 CFAF/month</td>
<td>366.225 CFAF/year</td>
</tr>
<tr>
<td></td>
<td>Transformation</td>
<td>25.120 CFAF/month</td>
<td>41.150 CFAF/month</td>
<td>397.610 CFAF/year</td>
</tr>
</tbody>
</table>

*Summary of revenue from sales and processing activities (average per member)*

*The poverty line in Burkina Faso is 153.530 CFA per year and per person (2014)*

**The revenue from the sale of the raw material to the processing unit**

- The increase in the production of raw material by the producing team was absorbed by the processing units (outlet of production flow). In this regard, this represents an advantage, allowing them to receive income more rapidly and regularly. Thus, for the women producers of milk of the Dougou of Otoiklè group\(^{19}\), the income (calculated on a fixed price of 300 CFAF/litre) has increased on average by 147%. Annual average income for women producers reaches 589.248 CFA/year, which means 3.8 times more than the poverty line in Burkina. The same is true for the Gaman of Gnanfè group where the women cassava producers/suppliers have had an average income increase of 217%. The revenue has thus gone from 115.425 CFA per member/year to 366.225 CFA per member/year (considering that 95% is for sale) thus twice more than the poverty line in Burkina.

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\(^{18}\) Illiteracy hinders the activities of groups not only at the level of production and the management of the processing units but also at the level of relationships with the outside world. This does not allow them to obtain better visibility than the other actors of the sector and some perceive this aspect as a breach to the development of the groups and thus diverts support towards better-prepared groups.

\(^{19}\) Comment: only 68.8% of the members of the Dougou of Otoiklè unit produce milk.
It should be noted, however, that this revenue is not stable throughout the year due to the production and harvest cycle (see the seasonal supply and revenue information chart, below)\(^20\).

### The revenue directly derived from activities related to the processing unit

- The revenue from the processing units constitute:
  - creation of resources for women processors who do not produce cassava or milk
  - a complementary income for cassava and milk producers limiting the effects of the seasonal income loss related to the production of raw material (compensatory effect).

<table>
<thead>
<tr>
<th>Dairy – Dougou of Otoiklè</th>
<th><strong>Dry season</strong> (from November to April)</th>
<th><strong>Rainy season</strong> (from May to October)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income generated by the sale of raw material (milk)</td>
<td>Revenue 32.760 CFAF/month</td>
<td>Revenue 65.520 CFAF/month</td>
</tr>
<tr>
<td>Supply and demand ratio (milk products)</td>
<td>- Weak production</td>
<td>- Highly available</td>
</tr>
<tr>
<td></td>
<td>- Stable price due to Burkina regulations (300CFAF/litre)</td>
<td>- Stable price due to Burkina regulations (300CFAF/litre)</td>
</tr>
<tr>
<td>Revenue generated by the transformation</td>
<td>Demand is increasing, supply is decreasing</td>
<td>Demand decreases, supply increases</td>
</tr>
<tr>
<td>Revenue 20.000–25.000 CFAF/month</td>
<td>Increases</td>
<td>Revenue 10.000 – 15.000 CFAF/month</td>
</tr>
<tr>
<td></td>
<td>Since raw milk is less available on the market the demand for processed dairy products increases and the unit sells more</td>
<td>Decreases</td>
</tr>
<tr>
<td></td>
<td>Cheaper supply resulting in higher margins</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cassava – Gaman of Gnanfè</th>
<th><strong>Dry season</strong> (from November to April)</th>
<th><strong>Rainy season</strong> (from May to October)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income generated by the sale of raw material (cassava)</td>
<td>Revenue 36.113 CFAF/month</td>
<td>Revenue 24.333 CFAF/month</td>
</tr>
<tr>
<td>Supply and demand ratio (cassava products)</td>
<td>- Production is stable all year</td>
<td>- Production is stable</td>
</tr>
<tr>
<td></td>
<td>- Price increase (3.500 CFAF the bag of 50 kg)</td>
<td>- Prix decrease (2.500 CFAF the bag of 50 kg)</td>
</tr>
<tr>
<td>Revenue generated by the transformation</td>
<td>Constant demand, constant offer</td>
<td>Constant demand, constant offer</td>
</tr>
<tr>
<td>Revenue 25.120 CFAF/month</td>
<td>Decreases</td>
<td>Revenue 41.150 CFAF/month</td>
</tr>
<tr>
<td></td>
<td>Supply is more expensive (higher prices of raw cassava) resulting in the reduction of margins</td>
<td>Increases</td>
</tr>
</tbody>
</table>

Table: Seasonal information on revenue from the sale of the raw material and the processing activity

Even though the data collection work did not allow calculating a change between the revenues from the transformation before the initiative and today (lack of baseline), the perception of the people questioned on the evolution of their income is positive\(^21\).

Two observations must be made here:

- **Revenue linked to processing is not stable throughout the year (but complementary to that from the sale of the raw material)**\(^22\). For the group Gaman of Gnanfè, on average the revenue is from 25.120 CFAF/member/month during the dry season and 41.150 CFAF/member/month during the rain season. For members of the Dougou of Otoiklè

\(^{20}\) To be noted that in the case of the cassava producers they have a stable production throughout the year, even when faced with the difficulties of production during the dry period linked to the hard nature of the soil.

\(^{21}\) 93% for the Dougou of Otoiklè – dairy- and 78% for the Gaman of Gnanfè group - cassava.

\(^{22}\) See table on page 10.
group who were interviewed, the income can reach between 20,000 to 25,000 CFAF monthly for each group member during the dry periods. During the rainy season, incomes fall to reach on average between 10,000 to 15,000 CFAF.

- The groups, in particular Gaman of Gnanfè, **do not take advantage of a storage activity (no capacity) to offset the seasonality of prices.** In case of storage capacity, the group could produce more during the rainy season when the price of raw material is lower and thus they have stock to sell during the dry season (when the supply prices are high).

The income generated through the diversification of livelihoods (due to the income that has allowed the purchase of productive assets for another income generating activity)

According to the results of the individual surveys, 88% of the people questioned reported using their income to purchase **productive capital** at least once since they worked in the processing units.²³

- 34% of these people purchased productive capital whose purpose was to strengthen their present livelihood (purchase of cows, purchase of agricultural tools or seeds, etc.)
- **63% have used their revenue to diversify their livelihoods** (for example, small trade mainly, purchase and sale of peanuts and the sale of aprons).

GENERAL IMPROVEMENT OF LIVING CONDITIONS

This increase in income has had a positive impact on the living conditions of households. 88% note positive or very positive changes in their living conditions since their involvement in the activities of processing units.

It is difficult for a person to perceive whether changes in their living conditions have resulted from an evolution of their own income or of those of another member of the household. **In this case and according to the results of the individual interviews summarized below, the increase in women's participation in the family economy must be valued globally, particularly in the areas of access to food and nutrition and the health of the household.** Hence, the human capital has been strengthened, not only for the women members of the group but also for their families.

In this respect, the results compared to the assessment on the perception of change of the different aspects are:

- **Almost all the people interviewed (97%) found positive changes in their health status** or that of the members of their family. Their income allows them to cover certain expenses for the health of their children without having to resort to their husbands. In addition, it is important to mention the reduction of the hardship at work through the process of modernization of the equipment of the processing units. Before the existence of the processing units and the granting of equipment, most of the products were handmade and manual, resulting in more fatigue on the part of the working women and therefore more work time.

- **Over 95% of people interviewed said that their income has allowed them to improve the food and nutrition situation of their household.** The women participate in the

²³ See graph on the use of income for the purchase of productive assets for sale ("Impact Evaluation Report of the Value Chain Improvement Approach" document), page 34)
purchase of food and have been able to diversify the diet by buying certain products that they were not able to buy on a regular basis before such as fish, meat and eggs.

- Nearly 90% of the people interviewed reckoned that there was a positive change in their children's access to education. Revenues from processing activities have allowed them to contribute to their children's monthly school fees and the purchase of school supplies.

- Incomes obtained have also helped increase the level of the families' comfort by contributing to the purchase of domestic goods such as means of transport (bicycle, motorcycle), kitchen utensils, clothes, home improvement (electrification), etc. Debt level has been reduced for the purchase of necessities. Revenues make it possible to buy directly without having to owe money to small businesses.

![Chart on the perception of changes on the living conditions of households (sector)](image)

- 88% of members have had a positive change compared to debt reduction and at the same time the access to credit was facilitated by their increased solvency (82%). With an income, the members of the group solicit credits for large amounts and obtain them more easily, even though they previously did not take the initiative to apply for a loan. In both cases, the groups also grant loans to members who request them, which also contributes to improving the living conditions of households. Two people mentioned opening a savings account.

Through to their activities within groups and the processing units, women have emancipated themselves. This emancipation results in their independence earned towards their spouses (an exit from relative dependency) with increased economic participation in their household; by the strengthening the woman's position on the decision-making process within the family and this participation has also led to personality and behaviour changes.

Indeed, the activities in the processing units represent a certain pride for the people and have allowed them to gain in insurance, especially in the public sphere. Formerly shy, some of them have gained the habit of expressing themselves and to argue and this has allowed them to strengthen their commitment by increasing their participation in events or activities within their community. There is certain recognition and a better consideration of their opinions, thus promoting their insertion into the community.
Sustainability factors

The study of sustainability consists in identifying the factors that have favoured the permanence of the activities of the groups following the various supports received which made it possible to reinforce and create the processing activities.

In this sense, the evaluation study identified the following factors:

- **The response to the initial problems of the beneficiaries (lack of professionalization and formalization).** On the one hand, the various initiatives have allowed beneficiaries to formalize their activities and become more professional, thus facilitating the development of their production and processing activities under better conditions. On the other hand, people working on the production of raw materials and in the processing units have seen their income increase and stabilize compared to the situation before the project.

These different elements, added to the other impacts mentioned above, favour the active involvement of the beneficiaries even ten years after the end of the support projects. This also demonstrates positive ownership and 82% of members retain a very strong or compelling motivation to continue their activities.\(^{24}\)

- **The inclusion of activities in state strategies for the milk and cassava sectors (inclusion in public policy dynamics).** Since the 2000s, Burkina Faso's policy has focused more on limiting imports and the promotion of "local production and consumption". The cassava and dairy sectors are among the sectors targeted by the State of Burkina Faso in order to boost their growth at the national level. This determination is translated by the putting in place of public policy of assistance to the sector, of its structuring, of its regulation and by extending support to small producers. Beyond the assistance provided for the production of the raw material, the State encourages transformation initiatives. Although there is no evidence that the choice of the sectors was the result of a feasibility study, the fact remains that the relevance of this choice made sense.

That is how both initiatives have benefited from the development of channels, particularly of the increase in local production of raw material for their supply (even if the difficulties persist). In addition, the groups receive several types of support:

a) **Technical services** that implement activities to improve the production and the insertion on the markets: the Gaman of Gnanfè group has largely benefited from the support of the Provincial Directorate of Agriculture (PDA) which has allowed the group to have access to services that the members did not previously have access to when they were not organized, such as technical support, exchange trips, help with market integration.\(^{25}\) In the province of Gourma, the technical services for livestock provide training to improve their production (quantity and quality) just like the various local producers.

b) **Local authorities** that facilitate the promotion of their products at fairs or product tasting events. Events such as fairs or promotional days allow the group to be known, to identify other opportunities, to improve its production techniques, to diversify its products and thus to be in a perpetual process of innovation in order to be more competitive.


\(^{25}\) It is the PDA that chose to work with the Gaman of Gnanfè group through the local development project funds (PDAL ) of the province of Kénédougou, of Comoé and Léraba) and PDA/GIZ which allowed the beneficiaries to train, benefit from exchange visits and receive equipment.
c) Sectorial organizations that open up multiple opportunities for the groups. The Dougou of Otoiklè group is present in dairy sector events and therefore keeps abreast on the issues related to the sector (participation in the Burkina Faso dairy sector inter-branch). The Gaman of Gnanfè group is part of a provincial and national union, which allows it to have access to information with a high added value for its activities and to improve its weight on the market place. This participation enables the group to build strong networks with other groups and other actors in the sector so as to improve its activities. The PDA supports the representation of cassava groups to continue to make Kénédiougou one of the first cassava product producing areas.

d) Other local actors, which can support to a certain extent the activities of the groups. The presence of the government dairy in Gourma represents both a competition and strength for the Dougou of Otoiklè dairy group as long as there is a positive interaction between the two organizations (assistance in case of lack of raw material, network of producers sharing). The state has begun a process of privatization of the government dairy and the Dougou of Otoiklè group participates in bargaining exchanges in order to position itself and establish partnership relations.

- **Limited early competition and growing sectorial markets.** The good start of the processing activities were closely linked to the low level of competition at the time. This allowed the two groups that manage the processing units to rapidly penetrate the local market. It is later that competition developed but the groups have retained their competitiveness despite this and still enjoy a good anchorage in the local or regional market. These sectorial markets (milk and cassava) are steadily increasing and in general demand is stronger than supply (except in the rainy season for dairy products). The clear determination of the State of Burkina Faso to be more and more autonomous in terms of food, in other words to stop importing products derived from cassava or milk in Burkina Faso and produce locally to consume locally, has increased the opportunities of outlets for the groups.

- **Leadership and proactivity of groups to increase their capacities.** While the activities of the groups were able to maintain their position over time despite the end of the support projects, it is also linked to the appropriation of the activities by the beneficiaries, especially to the existence of the leadership and proactivity on the part of some group members. This is particularly visible in the Dougou of Otoiklè group. The Secretary of the group has the strongest leadership within group. In search of improvement in its value chain, she conducts a permanent partnership search to receive training, equipment, and exchange of experience and allows the group to be present in events related to the sector. Members participate in these events and this contributes to building trust and to the development of capacities.

This proactivity and leadership are closely linked to people's personal abilities and especially to their level of education (literacy). As mentioned earlier, most members of both groups are illiterate, which to some extent prevents the emergence of leadership. There is therefore a certain dependence on these leaders who can threaten the stability of the activities of groups in case of removal. The existence of a leader is a strength but the dependence on that person appears to be a threat.

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**Lesson 8:**
During the project design phase, it is necessary to assess the group capacities, identifying leaders and encouraging them to ensure the sustainability of the group and its activities.
Conclusions and learning

Value chain improvement activities for milk processing units (Dougou of Otoiklé) and cassava (Gaman of Gnanfè) have formalized, professionalized and modernized processing activities (previously implemented by the women of the groups individually and by hand) through training, exchange travel and equipment/material donations. This has had a positive impact on the living conditions of households, particularly on the income levels. As factors of success, it is especially important to mention the approach to the entire value chain that has been decisive in order to allow the sustainability of the activities, even if this approach was the work of various external actors, including the Red Cross. In addition, the initiatives have benefited from a favourable context regarding the Burkina Faso government’s strategy to ensure its food sovereignty and thus supporting the local agricultural sectors, including milk and cassava. This has given rise to multiple opportunities for groups to continuously improve their activities.

Despite these improvements, difficulties persist in optimizing the value chain:

- The supply of raw material sometimes remains difficult according to seasonal cycles which generates unstable income levels
- There is limited capacity to maintain equipment and ensure smooth processing activities
- The management activities are not carried out regularly, in particular the activity of registration/bookkeeping (entries, exits, receipts, profits, revenues...).

The learning of this evaluation process is as follows:

- The double profile of raw material supplier/processing unit worker can have a larger impact on the revenue. However, it is preferable to analyse the work schedule related to raw material production and that of the processing activities in order to avoid generating a too heavy workload.
- The investment in material/equipment in each stage of the value chain must be the subject of a specific analysis on the expected revenues (of each product), the production costs generated, the maintenance and structure costs, etc., in order to guarantee the stability of the production, the sustainability of the activities and to see what actual impacts this generates.
- The aspects of marketing (opportunities, distribution costs, etc.), storage (as an opportunity to reduce costs and guarantee continuity) and supply (quantities available, seasonality) must also be part of the preliminary analysis, together with the analysis of the operating processing-transformation activity.
- The installation of a management culture is a long-term task requiring training but above all technical support until the establishment of an operating account and an autonomous processing unit. It is better to prioritize the "learning by doing" approach in order to install true self-management capacity.
- The literacy of the members of the groups would allow a better development of the groups. It would allow for better sharing of responsibilities, increased participation, greater initiative and innovation, and would minimize the risks of unforeseen events.
- The analysis of the structures and processes (context, policies, government infrastructures) before carrying out an intervention is fundamental in order to guarantee the sustainability of the activities and to identify the actors of potential
support. Their participation during the project phases facilitates ownership and develops follow-up interest from these local and/or national actors.

The impacts of the value chain improvement approach are significant if we consider not only the direct beneficiaries of the approach but also the indirect ones such as the producers of raw materials (which may be different from the members working in processing units) and end consumers. The ratio cost/direct beneficiaries can be very high because of the cost of equipment, infrastructure and training mainly. This ratio can be put into perspective if:

- Public/private partnerships are established as part of the initiatives. These allow to find synergies and to pool certain resources. It would be difficult for a single organization to cover all the actions necessary for the optimal improvement of the value chain. That is why the establishment of partnerships must be effective. This can reduce costs and also enable the sustainability of activities.

- The project eases the implementation of complementary activities that integrate other people and especially vulnerable people. This integration can take several forms, such as the prioritization of supply towards vulnerable producers, the mobilization of people on a daily basis for specific tasks, more favourable policies for product access (lower price, donation, etc.) the training of other people on defined themes answering to a social problem.

Thus the establishment of a transformation unit would not be an ultimate goal (an objective in itself) but rather a means to succeed in reaching out to other categories of people.