



Cooperatives Assessment Report

An assessment of selected Sierra Leonean cooperatives and associations in the Cassava, Cocoa and Palm Oil value chains

October 2021



International Trade Centre

About the paper

This report was produced by the International Trade Centre (ITC) within the framework of implementing the Sierra Leone West Africa Competitiveness Programme, which is financed by the European Union under the 11th European Development Fund and implemented by the United Nations Industrial Development Organisation in partnership with the International Trade Centre.

Disclaimer

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The report does not necessarily reflect the views of the International Trade Centre. The views expressed herein are those of the authors only and are based upon independent research by the author.

The cooperative assessment results were developed using information gathered during 2-3 hour in-person interviews with senior executives of the cooperatives, plus any material supplied by the BSO. It is conducted in a candid format to help cooperative share their perspective and openly. Any representation made or actions taken as a result of these assessments must recognise that, while every endeavour has been made to ensure the information is as accurate and up to date as possible, the information used is not audited and cannot be relied upon as infallible. ITC accepts no liability or responsibility for the success or failure of interventions based on the recommendations here.

The report should be treated as a draft to be reviewed by ITC's project partner-UNIDO. It is not meant to be shared with cooperatives assessed.

This report has not been formally edited by the International Trade Centre.

ITC is the joint agency of the World Trade Organization and the United Nations.

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The authors of this report acknowledge SLeCAD and the Ministry of Trade and Industry for the support provided in reaching out to cooperatives when the call for applications was launched. The authors are also grateful to the cooperatives assessed for their time and openness in attending the assessment interviews.

ITC asserts its right as owner of the methodologies employed in the development of this report, including cooperative assessment methodology. Also, all the pictures used in the report were shot by the ITC's project team during the cooperative needs assessments conducted by them.

Contents

- About the paper 1**
- Acknowledgment 2**
- Acronyms 5**
- Executive Summary 7**
- Project Background 8**
- Assessment Methodology 8**
 - The C2R2 (Connected, Capable, Resourced, Reliable) Methodology 8
 - Field Study 9
- Descriptive statistics of the cooperatives assessed 10**
 - Cooperatives by districts and focus sector 10
 - Cooperatives by Youth and Women leadership 12
 - Cooperatives by year of establishment: 12
 - Impact of Covid 19 13
- Overview of the assessment results 13**
 - Capable 13
 - Reliable 13
 - Connected 14
 - Resourced 14
- Findings by focus sectors 15**
 - Cocoa Sector 15
 - Palm Oil 15
 - Cassava 16
- Findings by selected topics 17**
 - Level of responsiveness to members’ needs 17
 - Registration 17
 - Records and Record Keeping 17
 - Meetings/Agenda/Minutes 18
 - Information Sharing 18
 - Production capacity 18
 - Processing and Value Addition 18
 - Certification, Export Licence, and Standards 19
 - Business skills and Market Strategy 19
 - Sustainability 20
 - Advocacy 20
- Summary and Recommendations 21**
- Annexes 23**
- Annex 1: Call for Application 23**
- Annex 2: Selection Criteria 26**
 - Scoring Approach 26
 - Selection criteria 27

Annex 3: Final List of Cooperatives 29
Cooperatives in the Cassava Sector 29
Cooperatives in the Palm Oil sector 29
Cooperatives in the Cocoa sector 29

Acronyms

AAH	Action Against Hunger
ABC	Agricultural Business Centre
ADCO	Amahupanda Development Company
ASREP	Agriculture Sector Rehabilitation Project
AVDP	Agriculture Value Chain Development Project
BM	Business Management
BRWADA	Buya Romende Womens' Agriculture Development Association
BSO	Business Support Organisations
C2R2	Capable and Connected, Reliable and Resourced
CEO	Chief Executive Officer
FAO	Food and Agriculture Organisation of the United Nations
FBO	Farmer Based Organisation
FFB	Fresh Fruit Bunches
FFS	Farmer Field School
FM	Financial Management
GAP	Good Agricultural Practices
GRM	Grievance Redress Mechanism
HIN	Human Imitative Network
HP	Horse power
HQ	Headquarters
IE	Institutions and Ecosystems section
IFAD	International Fund for Agricultural Development
IITA	International Institute of Tropical Agriculture
ITC	International Trade Centre
IVS	Inland Valley Swamp
JICA	Japanese International Cooperation Agency
KITOPFCO	Kissi Tongi Oil Palm Farmers' Cooperative
KPIs	Key Performance Indicators
LFM	Linking farmers to Market
MAF	Ministry of Agriculture and Forestry
MAFFS	Ministry of Agriculture, Forestry and Food Security
MIS	Member Information System
MTI	Ministry of Trade and Industry

NaCSA	National Commission for Social Action
NAMCU	National Marketing Cooperative Union
NGO	Non-Governmental Organisation
OARG	Office of the Administrator and Registrar General
OFSP	Orange Flesh Sweet Potato
OSIWA	Open Societies in West Africa
PMB	Produce Monitoring Board
PRO	Public Relations Officer
ROC	Regenerated Organic Certification
RSPO	Roundtable Sustainable Palm Oil
SAG	Self Affinity Group
SCADeP	Smallholder Commercialisation and Agribusiness Development Programme
SCP-GAFSP	Smallholder Commercialisation Programme-Global Agriculture and Food Security Programme
SIMCAT	Salone Innovative Movement for Development and Community Development for Daily Transformation
SLARI	Sierra Leone Agriculture Research Institute
SLeCAD	Sierra Leone Chamber for Agribusiness Development
SLICAS	Sierra Leone Cassava
SLIEPA	Sierra Leone Investment and Export Promotion Agency
SLSB	Sierra Leone Standards Bureau
SOLIDARIDAD	The name of an international NGO working on cocoa, palm oil and cashew in Sierra Leone
SRI	System of Rice Intensification
TOT	Training of Trainers
TRADIN	An organic cocoa buying and exporting company
UNIDO	United Nations Industrial Development Organisation
UNOPS	United Nations Office for Project Services
UPOCA	Unleashing the Power of cassava
Utz	Cocoa certification type
VSLA	Village Savings and Loans Association, also known as 'CASH BOX' at village
SL-WACOMP	Sierra Leone Chapter of the ITC's West Africa Competitiveness Programme
WHH	Welthungerhilfe
WVI	World Vision International
YARD	Youth Action for rural Development

Executive Summary

The International Trade Centre (ITC) is working in cooperation with the United Nations Industrial Development Organization (UNIDO) on the Sierra Leone national chapter of West Africa Competitiveness Programme (WACOMP). One of the objectives of the programme is to develop the capacity of Cooperatives in the Cocoa, Cassava and the Oil Palm sectors in Sierra Leone.

IE team of ITC facilitated need assessments of 30 cooperatives and compiled the filed results to help ITC and UNIDO to understand governance, leadership management, resources, and competitiveness of the cooperatives in the three sectors.

Most of the cooperatives have a clearly defined constitution, committed leadership, record keeping, and provisions to buy, process and sell produce of their members. Cooperatives vary in certain parameters across the three sectors. Cooperatives in the cocoa sector are more structured and organised than those in the cassava and palm oil sectors. Palm Oil cooperatives is an emerging trend in the country. Despite new, some of them are well organised and have processing centres. The cassava sector is dominated with associations across the country. The seemingly most successful ones among the list of cooperatives assessed are headed and coordinated by women. Value addition, processing, packaging and branding is more common in the cassava sector.

Key areas to support the cooperatives could be to develop their strategic vision and planning, improve service design, diversify sources of income, incorporate gender mainstreaming, improve member engagement, strengthen partnerships, and market linkages.

Project Background

The International Trade Centre (ITC) is working in cooperation with the United Nations Industrial Development Organization (UNIDO) on the Sierra Leone national chapter of West Africa Competitiveness Programme (WACOMP).

The WACOMP Sierra Leone programme aims to increase the private sector competitiveness within selected agricultural sectors to boost the country's opportunities in connecting regional and global value chains, creating jobs and strengthening its economic resilience.

One of the objectives of this programme is to develop the capacity of Cooperatives in the Cocoa, Cassava and the Oil Palm sectors in Sierra Leone.

This activity is aimed at assisting selected cooperatives and farmers associations to help them design and deliver effective business support services to their members.

The institutional assessment assignment intends to provide content and pertinent information to help ITC and UNIDO project managers to determine the potential resource and competency needs of Cooperatives in the Cocoa, Cassava and Palm Oil Sectors in Sierra Leone as per project requirements.

Assessment Methodology

The C2R2 (Connected, Capable, Resourced, Reliable) Methodology

The coop assessment methodology uses broad range of indicators to test the quality of the Cooperatives' leadership, resources, services and measurement. It analysed the extent to which the cooperatives are capable, connected, resourced and reliable. (See Figure 1).

Figure 1: Core attributes

connected	actively engaged with constituents; reach; communication using relevant channels; effective needs assessment; linkages to business; strong networks and strategic alliances ; perception in wider community
capable	effective governance; strategic thinking; selection and review of activities; performance measurement; staff development; quality processes; experience
resourced	funding basis; financial sustainability; physical infrastructure and delivery resources; qualified staff; administrative and technical HR; information resources/networks; appropriate and updated database
reliable	operational processes; project delivery; audits; demonstrated management and delivery of projects (esp. on behalf of agencies); motivation ; sufficient autonomy

Source: ITC Cooperative Assessment Methodology

Assessment of a cooperative is based on scores, given on a scale of four as shown below:

- Excellent (green): 3.10 – 4.00
- Good (blue): 2.40 – 3.09
- Fair (orange): 1.50 – 2.39
- Poor (red): 0.00 – 1.49

The assessment involves interaction and interview with the senior executives and members of the cooperative. Each assessment is conducted for 2-3 hours in-person. It follows a candid format to help cooperative share their perspective and information openly.

Please note that the information shared in the assessment report is a draft. It is meant only for internal audience, i.e. ITC and UNIDO. The IE team of ITC needs to be consulted before sharing the document outside ITC or UNIDO.

Field Study

Using ITC’s cooperative assessment tool Institutions and Ecosystems Section of ITC team facilitated assessment of 33 cooperatives in Sierra Leone in the cassava, palm oil and cocoa sectors. IE/ITC hired a National Consultant to undertake cooperative assessment.

A Call for Application was published in April 2021 (Annex 1) to seek interest from the cooperatives/associations which were collectively identified and compiled in a list by ITC, UNIDO, MTI, MAFFS and PMB. The application was published on platforms where cooperatives and associations normally contribute and/or participate, including SLeCAD, PMB and SLIEPA and the Land Sector TWG WhatsApp platforms. An online version was also published. In addition, the consultant reached out to all the cooperatives and associations in the list provided by ITC through phone and WhatsApp.

A total of 114 cooperatives and associations applied; their information was compiled in a long list of applicants. Based on a Selection Criteria (Annex 2), 33 cooperatives were selected (Annex 3).

The Mission was conducted from 14 June to 30 June 2021 to carry out the assessments. All the 33 cooperatives were visited in 13 of the 16 Districts in Sierra Leone, after prior information and notice of the visit.

Two of the cooperatives were not found to exist on the ground in the locations reported in their call for application. One cooperative operates as an SME and not as a cooperative. In the end, 30 cooperatives and associations were assessed and analysed using the ITC’s Cooperative Assessment tool.

Figure 2: Gao Cooperative - assessment and registration certificate



Source: Author

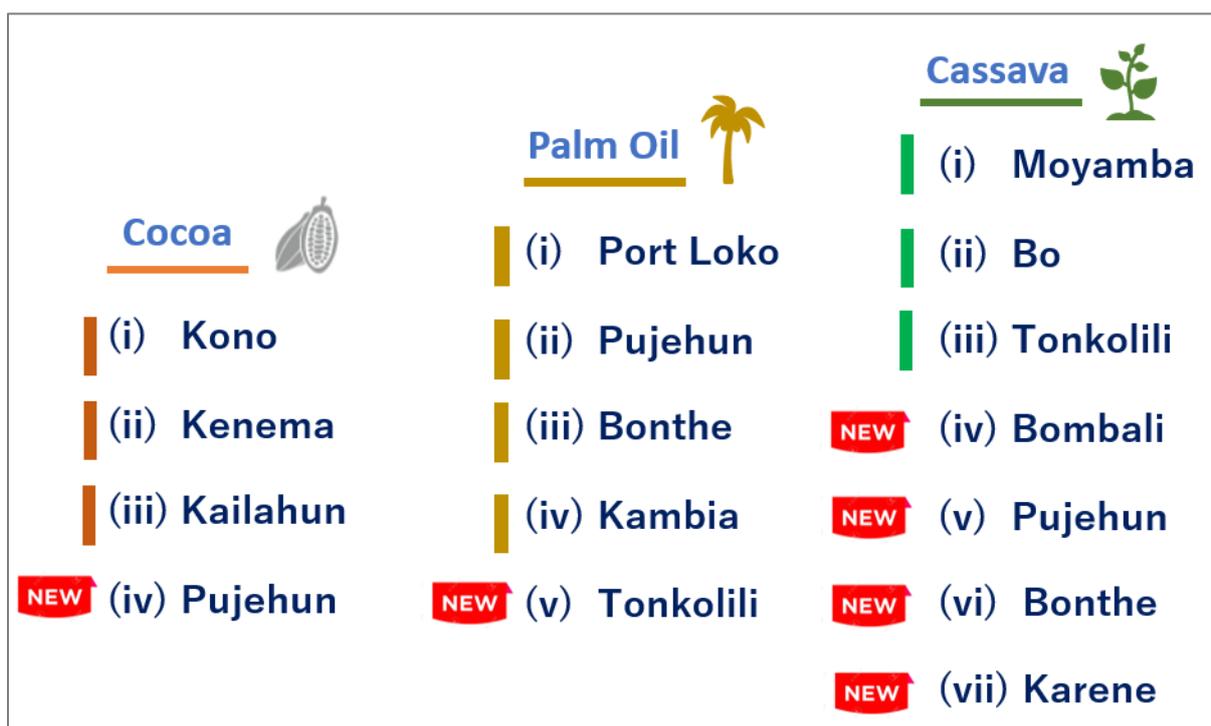
Descriptive statistics of the cooperatives assessed

Cooperatives by districts and focus sector

In the project design, districts were prioritised for the different sectors. Additional districts were also identified.

- **Cocoa:** Kenema, Kailahun and Kono districts are prioritised by the project. These are the cocoa traditional producing districts. Pujehun was an 'additional' district. Bo district could also be considered for cocoa as its production is developing in the district.
- **Cassava:** Bo, Moyamba and Tonkolili are prioritized by the project. These are cassava producing districts. Bonthe, Pujehun, Bombali and Kerene are the 'additional' districts for cassava. All of the four additional districts could also be prioritised based on the volume of cassava produced in those districts. Bonthe and Pujehun districts are high level cassava producing districts.
- **Palm Oil sector:** Pujehun, Bonthe, Port Loko and Kambia were prioritised with Karene as the additional district. These are all palm oil producing belt, both wild dura variety (which produces the preferred 'red' palm oil for cooking) and the cultivated tenera variety which produces the 'less red masankay' palm oil which is more suitable for soap making and other industrial use.

Figure 3: Priority and additional districts by value chain identified in the framework of the WACOMP Sierra Leone



Source: UNIDO – ITC presentation to the WACOMP Project Steering Committee (18.11.2020)

Note: Priority districts were identified by the MTI and UNIDO during the inception phase of the WACOMP Sierra Leone. Following a Steering Committee Meeting in May, 2020 - UNIDO and ITC met with MTI and MAFFS to review the selection of Districts and Chiefdoms. A number of new districts were included to the initial list.

Based on the four palm oil cooperatives assessed in Kenema (2 coops) and Kailahun (2 coops) districts, palm oil is produced in these 2 districts. So, Kenema and Kailahun could also be considered for palm oil related activities of the WACOMP Sierra Leone.

Figure 4: Cooperatives assessed by district and value chain

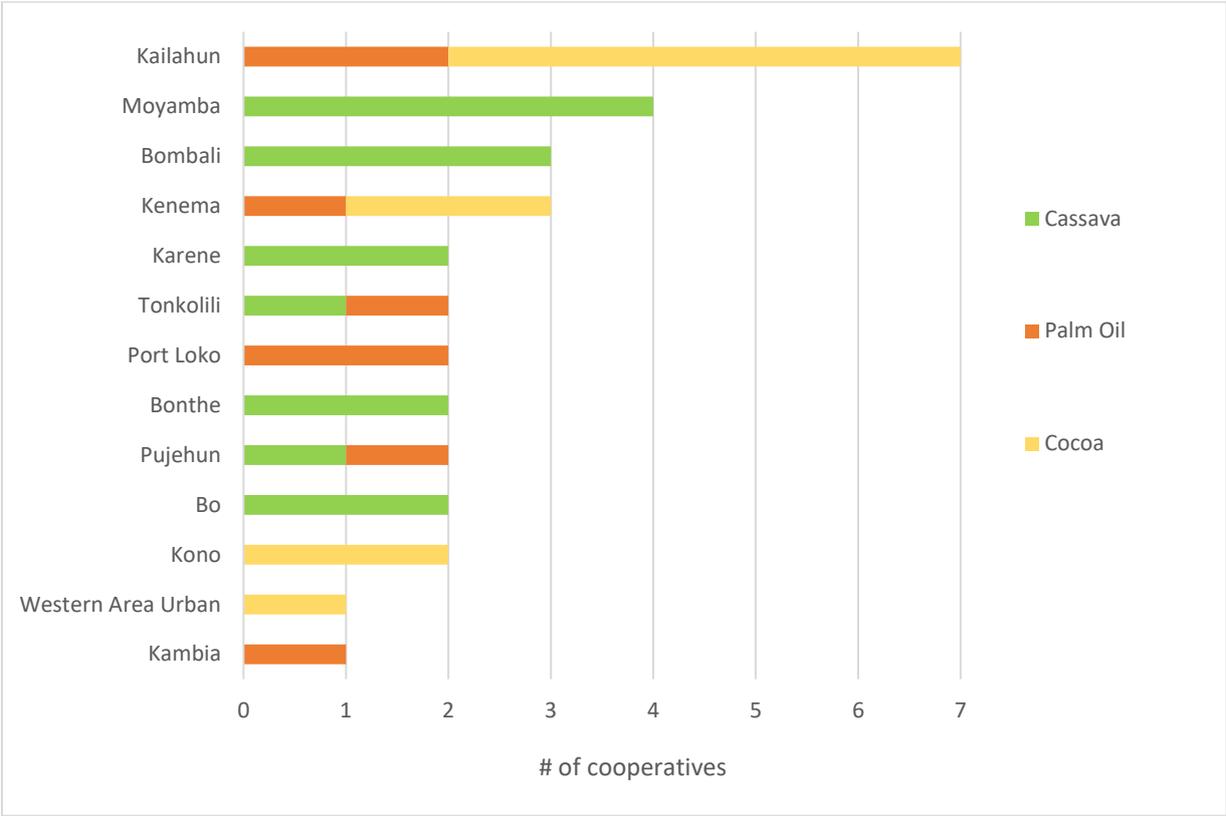
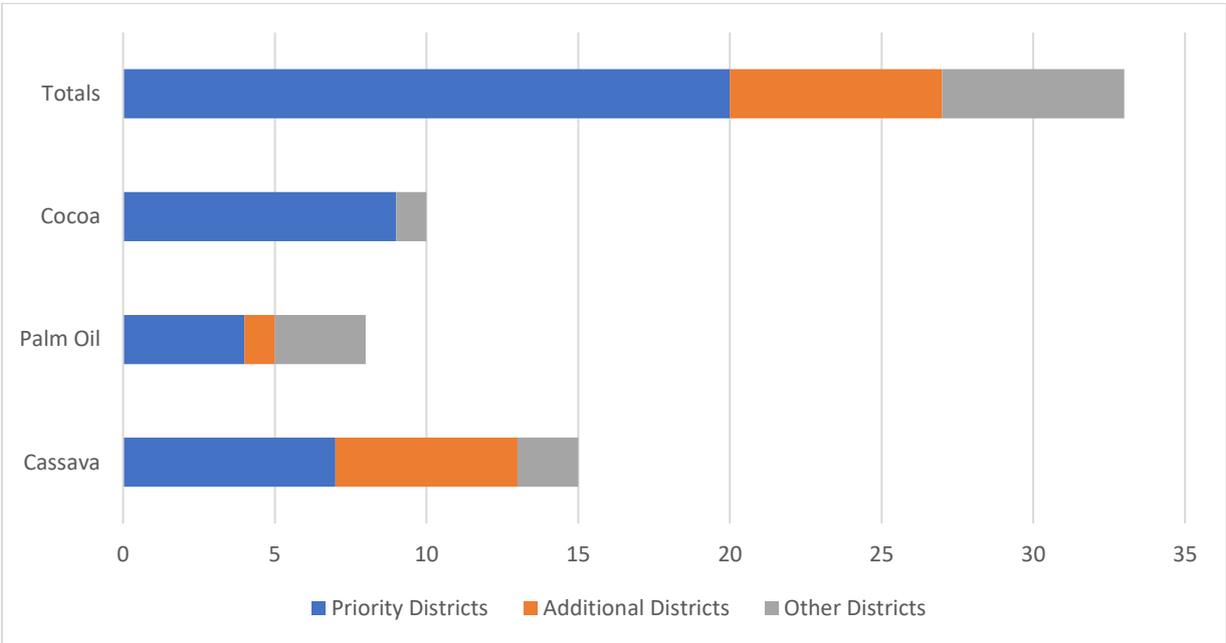


Figure 5: Distribution of selected cooperatives by sector and district priority



Note: Priority districts were identified by the MTI and UNIDO during the inception phase of the WACOMP Sierra Leone. Following a Steering Committee Meeting in May, 2020 - UNIDO and ITC met with MTI and MAFFS to review the selection of Districts and Chiefdoms. A number of new districts were included to the initial list.

Cooperatives by Youth and Women leadership

There is a strong youth membership in many of the cooperatives. These youth are the backbone of their groups with regard to group's farm work. For example: two mainly youth-dominated and youth-led cooperatives assessed (YARD in Tonkolili and Tegloma Youth in Pujehun), providing jobs for youth and a source of livelihood for their families. Youth (both male and female) dominate some of the cooperatives and associations such as Dibia Helpline, Network for Development, HIN, SIMCAT, Heowholacheu. The youth do most of the hard labour work in production, processing, value addition, transportation and marketing in all the 3 sectors. The youth is very active in the operations of machines either for cultivation, processing or for transportation.

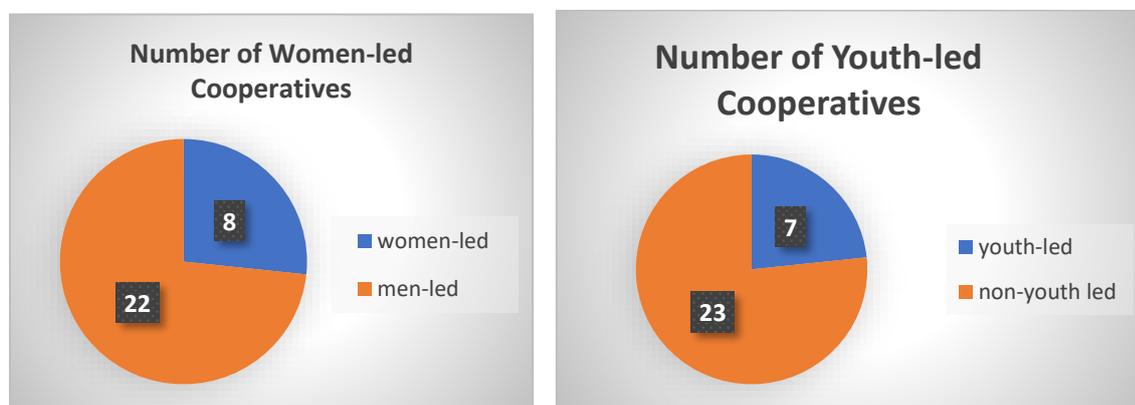
Even youth who are not members of cooperatives or associations help to provide labour (either for free or for a fee) to the cooperatives and associations.

However, the patriarchal culture has continued to deny the youth their proper place in decision making and management of the resources of these cooperatives and associations, even the cooperatives/associations with the 'youth' nomenclature. They sometimes suffer marginalisation in the distribution of benefits coming from the cooperatives.

Processing and Business skills training should be provided for the youths in the cooperatives and associations. Emphasis should be placed on Entrepreneurship, Leadership Innovation and Creativity. The use of Information, Communication and Technology (ICT) and appropriate machines in agriculture and agro processing must be nurtured and supported.

With regard to women, 8 women's cooperatives and associations were assessed. These are Bondayila, Amulema, Mumia, Mayegbeni, YARD, BRWADA, and Kalamerrah. Mabanta cooperative is led by a man but woman dominate membership. It is noteworthy that all of the cocoa cooperatives are headed by men. Interestingly, almost all the female headed cooperatives and associations are doing well with regards to organisation, functionality, accountability, etc.

Figure 6: Cooperatives assessed by youth and women leadership



Source: ITC cooperative assessment

Cooperatives by year of establishment:

Most of the cooperatives were established in the years between 2010-2020. The three oldest running cooperatives were established around 25 years ago. There are few very young cooperatives established within last 3 years. Some of these younger cooperatives struggle for guidance, resources and capacity building.

Year of establishment	No. of Cooperatives
-----------------------	---------------------

1900-2000	3
2000-2010	5
2010-2020	21
2021	1

Impact of Covid 19

The global Covid 19 pandemic and its containment measures affected some of the operations of the cooperatives/associations in all the districts in the country. The reported impact according to the cooperatives are as follows:

- Almost all the cooperative members experienced a decrease in income. With regard to women, an estimated 80% of the women suffered a decrease in the incomes due to the Covid 19 pandemic. The implication of this is that the socio-economic conditions of the women deteriorated further with the outbreak.
- A significant proportion of the youths (estimated at 40%) experienced a decrease in income as a result of the Covid. The farming system was disrupted during the period of lockdowns and inter-district restriction on movement. As a result, there was a significant reduction in production and the services cooperatives offer to their members
- The Covid 19 has led to many youth becoming highly indebted as they seek ways to support themselves and their families during the pandemic. Some migrated (albeit temporarily) and left the farms and plantations unattended for a period. Cocoa farms became bushy as well as cassava and the oil palm plantations.

Overview of the assessment results

The cooperatives show that the most consistently high scoring attribute is Connectedness, and the least scoring attribute is Resourced. The attributes on Capable and Reliable score as “good”.

Capable

The cooperatives score well on the capability aspect. Many of the cooperatives have a provision to buy produce from their members. They provide market information to members and some of them help their members meet certification requirements. There is consideration towards profit distribution mechanisms and measuring financial results in most of the cooperatives.

Some of the common limitations include cooperatives' unclear vision and action plans as well as a limited framework to regularly measure financial and non-financial results. Service review is generally ad-hoc. There are no formal mechanisms to collect member satisfaction, identify business opportunities or prevent side-selling.

Six cooperatives score highest under the capability aspect because they have additional consideration like gender mainstreaming, Key Performance Indicators for leadership, annual plan of activities, strategic vision, and a clear budgeting process.

Four cooperatives score the least on capability aspect. Main reasons include lack of consideration towards member needs, poor ability to identify business opportunities, and limited clarity over strategic objectives.

Reliable

The cooperatives score well on aspects of reliability. Most of them have clear byelaws and a well-defined constitution. All of them seem to have a committed leadership, election process, democratic decision making, some form of record keeping and internal audits.

Some of the common limitations are related to poor implementation of byelaws and constitution. Leadership lacks a succession plan, and no strict measures exist to check the accountability of leaders. Member drop-out is not taken seriously and procedures for member recruitment or removal are not always mentioned in detail in the byelaws.

Some cooperatives score relatively higher than the rest of the cooperatives because of their maturity with regards to certain indicators like good record keeping, Member Information System (MIS), leadership accountability, consideration to membership size of the cooperative, and clearly defined member criteria.

The key reasons for some cooperatives to score the least include a lack of a clearly defined or implemented constitution and byelaws, poor record keeping, and decision making that is not democratic and strongly influenced by external authorities.

Connected

All the cooperatives score highest in their connectedness category than the other three categories (Capable, Reliable, Resourced) of C2R2. The cooperatives usually have cordial relationship with local state authorities, members, and non-members. The leadership engages with members beyond official meeting for strengthening relationship with members, and the members are kept informed of cooperative's decision making.

The common limitations include insufficient knowledge exchange with members and other cooperatives in the region and few reliable partnerships with business support institutions. The market linkage with buyers is also limited.

Key reasons why some cooperatives score relatively higher than the rest of the cooperatives is due to incorporation of additional mechanisms to strengthen their member management. These include collaborations with other cooperatives and business support institutions, efficient knowledge exchange, and peer to peer monitoring for compliance

The cooperatives which score the least on aspects of connectedness are the cooperatives which struggle to keep an active member engagement, knowledge sharing and appropriate member feedback channels.

Resourced

All the cooperatives score the least in their resourced ability than the other three scoring categories (Capable, Reliable, Connectedness) of C2R2. Most of the cooperatives struggle to confirm an adequate budget, acquire strategic assets, train their leadership and members, provide services to facilitate market linkages, and deliver reliable income generating activities. The key common strengths under this aspect include members' clear understanding of their responsibilities and cooperative's functions, on the spot cash payment to members, flexibility to participate in multiple value chain and ability to provide storage capacity to members.

The reasons for the cooperatives to score higher than the other include their ability to provide loans, and complementary services to members, existing strategic assets (example- a processing plant), some trained leaders, and business linkages through branding, packaging, labelling, and storage of members' produce.

The cooperatives which score the least struggle to meet market demands due to lack of resources. Also, they do not prioritise or plan to improve their access to resources in either the short-term or long-term.

Findings by focus sectors

The section of the report gives brief differences and elements of unique characteristics among cooperatives focusing in the three target sectors. Overall, cocoa cooperatives appeared to be more structurally organised than those in the other 2 sectors. They have bigger membership as compared to the other sectors and have more capital.

Good Agricultural Practices were applied in the cocoa fields as compared to palm oil and cassava. Cocoa cooperatives have received more training than the cassava and palm oil cooperatives

Cocoa Sector

Cooperatives in the cocoa sector are more structured and organised than those in the cassava and palm oil sectors. They have got more experience in cooperative governance. Cocoa cooperatives have received training in various aspects like financial management, business management and the like. They all partnered with the different cocoa exporting companies. These companies normally pre-finance them to buy cocoa on their behalf for export. No cocoa cooperative assessed have a female as head.

Note that NAMCU operates in 43 chiefdoms with a larger membership. Amuhupanda Agro Dealers Cooperative in Daru, Kailahun District is operating as an apex body over 17 Farmer Based Organisations (FBOs).

Palm Oil

Oil palm cooperatives is an emerging trend. However, there are fairly organised ones including Kissi Tongi Oil Palm Farmers' Cooperative (KITOPFCO) which has a big modernised palm oil processing centre in Beudu; Sorbeh Farmers in Pujehun district and YARD in Tonkolili. They have a potential to produce more oil but still using manual and traditional technics.

Salone Innovative Movement for Development and Community Development for Daily Transformation (SIMCAT) has the intention to start reducing cholesterol from the palm oil using local materials. Tewoh Agricultural Farmers has started transforming cocoa beans to chocolate and cocoa wine.

Figure 7: Amunafa Cooperative members in the palm oil plantation



Source: Author

Cassava

The cassava sector is dominated with associations across the country. The seemingly most successful ones among the list of coops assessed are headed and coordinated by women. The Mumamia Womens Cooperate and Magbeyanie Women's Development Association in Bo district are good examples of such. These are very innovative associations in terms of value addition.

Value addition and processing is more common in the cassava sector. Packaging and branding is common here.

Findings by selected topics

Level of responsiveness to members' needs

Cooperatives and associations are operational in all the 3 sectors. Cooperatives in cocoa sector are more effective in their ability to buy from members. All the cocoa cooperatives are currently buying cocoa. Further investigations reveal that the activity or inactivity of the cooperatives in all the three sectors is related to their liquidity to be able to buy from members, and the harvest season. Each of the sectors has its peak harvesting period during which cooperatives/associations in the sector will become more active.

Registration

There are various points of registration, all of them are considered to be legal. According to the Cooperative Act, all cooperatives should be registered with the Cooperatives Department in the MTI, however, other entities also request the cooperatives to register with them including the local councils, sector ministries, producers, commodities and processors' associations. By failing to register with them, a cooperative might miss out on the services provided by the local entities. So, cooperatives have to register with various entities.

For the associations, they are not required to register with the Cooperatives Dept. but with all the other entities as necessary.

Some of the cooperatives and associations assessed also registered with the Office of the Administrator and Registrar General (OARG), a government office responsible to register small business, land titles and marriages. These are the cooperatives/associations that are moving towards business entities.

Records and Record Keeping

Majority of the cooperatives and associations have some form of record keeping but it not generally effective or well managed. Member data and information regarding activities of the cooperatives are kept in papers, files and ledgers books. A few cooperatives (mostly in the cocoa sector) have a computerised management information system (MIS).

Figure 8: HIN Cooperative and Kalamerrah Cooperative



Source: Author

Meetings/Agenda/Minutes

Most cooperative make provision for monthly executive and general meetings. They may not be always regular. In some cases, an agenda is prepared but most times not shared before the meetings. Minutes are recorded but not shared with members after the meetings until they are read in subsequent meetings for correction and adoption.

The budgeting processes for majority of the cooperatives and associations are unclear and unsatisfactory. In most cases, they prepare a list of activities to be undertaken during the year/month/week and attach a cost to each activity without details.

The Cooperatives/associations are audited internally by their internal auditors and members. They are seldom audited externally. Most cooperative/associations reported ploughing back the profit into the operations of the cooperative, or distributing profit as loans, however, there are not always clear records to show how this was done. It is a grey area.

Information Sharing

Information sharing among members is done informally. They mostly share market information, especially prices of commodities, date for meetings, and group workdays.

Production capacity

Almost all the cooperatives and associations assessed are producing below their capacity. They are unable to satisfy the market demand for their products. The low productivity is due to the lack of finance and capital to produce more and to buy from their members. In most cases, members produce more than the cooperative/association can buy from them. This is particularly prevalent with the cassava associations.

Figure 9: Cocoa Pods, Heuwolacheu



Source: Author

Figure 10: Palm Oil for market, YARD



Source: Author

Figure 11: Garri from Cassava, Mumuwumano



Source: Author

Processing and Value Addition

It is in the cassava associations that some value addition and processing is taking place. Cassava is processed to various products with packaging and branding.

Very little value is added to cocoa. Raw beans are fermented, dried, bagged and tagged for traceability. Tewoh Cocoa cooperative has a plan to start processing the beans to chocolate and cocoa wine.

For palm oil, value addition is also limited. The oil is processed from the fresh fruit bunches (FFB) and packaged into 5-gallon containers (25 liters) locally called 'Batta' and sold to the market. There is one palm oil cooperative (SIMCAT) that labels the containers with its logo as a brand. They also have a medium term plan to use local methods to extract cholesterol content from the oil. With the exception of Kissi Tongi Oil Palm Cooperative (which has a modern processing centre), all the other palm oil cooperatives use either the traditional processing methods (trampling on the boiled fruits with the feet) or a locally fabricated manual machine to squeeze the oil from the boiled fruits.

Certification, Export Licence, and Standards

Almost all the cooperatives in the cocoa sector are producing either Fair Trade, Organic, or Utz certified cocoa. A couple of the cooperatives are even practicing sustainable organic cocoa (ROC) certification.

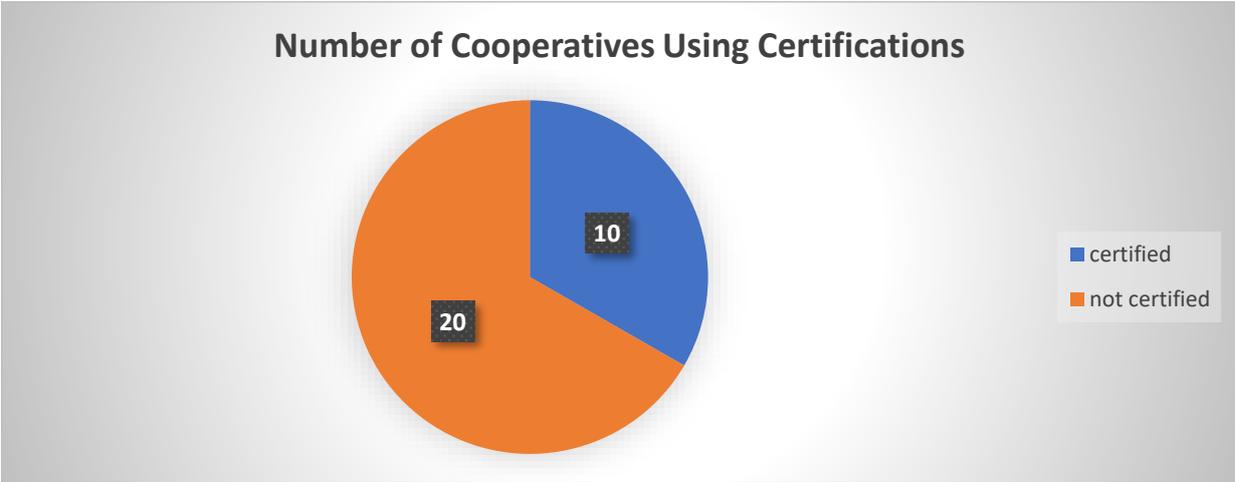
The cooperatives themselves cannot afford to pay for the certification licence and audit. The exporters pay for the licence and the audit fees. Therefore, the cooperatives operate under the exporters' licence with whom they sign contracts to supply cocoa. This means the cooperatives are obliged to sell to these exporters. The cooperatives are not happy with this arrangement and most of them want to own their certification licence.

The cocoa produced has to be certified by the Sierra Leone Standards Bureau (SLSB) before export.

Cooperatives/associations in the palm oil and cassava sectors are not certified, though a couple of those in the palm oil are aware of the RSPO standards.

None of the cooperatives assessed has an export licence.

Figure 12: Cooperatives using certifications



Source: ITC cooperative assessment

Business skills and Market Strategy

The business model for the cooperatives/associations is based on sourcing from cooperative farm, purchasing from members, processing, packaging, and sales.

Cocoa cooperatives sign contracts with exporters to supply them with a given quantity of cocoa during the year. Some exporters pre-finance the cooperatives to be able to buy the cocoa. They have buying agents within their operational areas.

Five of the cassava associations own cassava processing factories where various cassava products are produced and sold. Their biggest market is the Bamoi Lumah International market in the Kambia district. Buyers for garri come as far as Mali, Guinea, Liberia, etc. to buy garri and other cassava

products. There is huge potential for export. Four of the 5 cassava cooperatives need to arrange for repairs and replacements for factory machinery.

Figure 13: Cooperatives by business activity



Source: ITC cooperative assessment

Sustainability

From observations, sustainability is the real challenge for all the cooperatives. Most of them had received some funding or logistical support in the past-financial, logistics and training. However, the activities and turnover of most of these cooperatives will either significantly reduce or come to a halt once funding ends. These cooperatives will start again looking for assistance. This is a worrisome situation that needs to be addressed if cooperatives are to have a sustainable and profitable business model.

Advocacy

The cooperatives cannot afford to pay for the certification licence and audit. The exporters pay for the licence and the audit fees. Therefore, the cooperatives operate under the exporters' licence with whom they sign contracts to supply cocoa. Under such arrangements, cooperatives are obliged to sell to these exporters, and share the premium paid for certified cocoa. The cooperatives are not happy with this arrangement and most of them want to own their certification licence.

They require support to advocate for:

- The cooperatives to be able to jointly pay for the licence under an umbrella organisation, or the Government through the Produce Marketing Board which pay on their behalf and then they pay back that money after the sale of the cocoa. The fund will be revolving every year.
- The Sierra Leone Standards Bureau (SLSB) be accredited by the Certification bodies to undertake the audit instead bringing in auditors from abroad year in year out for a higher fee which the cooperatives cannot afford.

Umbrella Organizations/Federation of Cooperatives:

There are a few umbrella organizations spread in multiple chiefdoms. The following cooperatives and associations are umbrella organisations that supervise or have oversight functions over other groups:

- i) National Marketing Cooperative Union (NAMCU) has 43 chiefdoms cooperatives under its membership

- ii) Amahunpanda Agro Dealers is supervising 17 Farmer Based Organisation (FBOs)
- iii) Mumia Women's' Cooperative has 10 other women's groups under its jurisdiction
- iv) Magbeyanie also has 10 groups of 25 members each under the Mandu Agriculture Business centre (ABC)
- v) SABENTY is part of group of associations under Village Hope Cassava Factory
- vi) Mumuwumao Mokamatipa Cassava Farmers Association coordinates 10 groups of 50 members each within 2-3 villages

Cooperatives with a large number of members, declared to struggle with managing their membership. For example, managing membership of over 30,000 members in 43 Chiefdoms by NAMCU is a huge challenge.

Summary and Recommendations

The cooperatives need to strengthen their capacity to lead and meet member needs. Their limited institutional capacity will be a risk for the project. It will reduce their ability to support or deliver project activities in the long term. They cooperatives need to develop and improve their existing practices to become more resilient in the value chain.

We recommend that capacity building be undertaken for nearly all the cooperatives across the three sectors. The capacity building areas suggested below would address the key weaknesses identified through out assessments.

Capacity building can be delivered through group workshops, individual training programmes for selected cooperatives, learning by doing, peer-to-peer knowledge exchange and advisory/coaching support depending on the depth of training required.

- The cooperatives have committed leaders, but they struggle with unclear roles and responsibilities, limited accountability and there is no cooperative with a clear succession plan. Leader tenure is fixed, but elections do not take place on time and leadership is not changed as per the tenure. Most of the cooperatives have not been able to train their leaders or members. There is a significant need to strengthen Cooperative Leadership.
Proposed Training: Strengthening Leadership
- Almost all the cooperatives have a clearly defined constitution and a set of byelaws. There is a provision of regular meetings as well. Results show that cooperative members do not always understand the cooperative's operations and functions. It will be important to improve cooperative governance.
Proposed Training: Effective Governance Framework
- Most of the cooperatives lack strategic vision and a clear set of activities and achievable targets. They end up being more active during harvest season. The cooperative needs to plan a short term, and a long-term action plan to direct its activities strategically throughout the year.
Proposed Training: Strategic Vision and Planning
- The cooperatives use basic measurement framework, especially focussed on financial results. There is a need to adopt a more robust framework for measuring results which could focus on advanced level financial results, and non-financial results as well, to improve and check the cooperatives performance.
Proposed Training: Measurement and Results Framework
- The cooperatives and associations presently lack sufficient finance to be able to buy produce and sell it for a profit. All the cooperatives are required to strengthen their linkages with

financial institutions and supporting partners. There is also a need to diversify means of revenue generation in the cooperatives.

Proposed Training: Revenue Generation

- Physical infrastructure is provided but it is highly limited to meet cooperative's requirement. For example: cooperatives and associations in the cassava and palm oil sectors need processing machines and packaging materials. For some, it is a matter of repairs or replacement of some parts of their machines. Adequate storage and transport facility is also needed by the cooperatives.
- Some form of record keeping is exercised by all the cooperatives, but the quality differs. Some cooperatives maintain books and ledgers, while a few have their member Information System (MIS) on computer. Record keeping could be improved depending on the current level of record keeping ability of the coops.

Proposed Training: Effective Record Keeping & Data Management

- A provision of member services exists but they do not seem sufficient to meet members' socio-economic needs. There is no systematic member needs assessment or designing of services to meet the demands. No consideration exists to review or update the services.

Proposed Training: Designing a Service Portfolio

- Members share good relationship with each other. It can be leveraged to improve the information sharing channels, and member to member knowledge exchange within the cooperatives. It seems member engagement is highest only during harvest season.

Proposed Training: Effective member Management

- Cooperatives plan to be exporters without clear direction on how to achieve the same. A peer-to-peer knowledge exchange with successful exporting cooperatives in the region and beyond could be helpful for them to visualize a success story for themselves

Proposed Training: Stakeholders Mapping & Market Linkages

Figure 14: Mabanta Cooperative



Source: Author

Annexes

Annex 1: Call for Application

CALL FOR APPLICATION FOR COOPERATIVES AND ASSOCIATIONS IN THE COCOA, CASSAVA AND OIL PALM SECTORS

TO BENEFIT FROM CAPACITY DEVELOPMENT

(To access the online form, click [here](#))

The International Trade Centre (ITC) is working in cooperation with the United Nations Industrial Development Organization (UNIDO) on the Sierra Leone national chapter of West Africa Competitiveness Programme (WACOMP)

The WACOMP Sierra Leone programme aims to increase the private sector competitiveness within selected agricultural sectors to boost the country's opportunities in connecting regional and global value chains, creating jobs and strengthening its economic resilience.

One of the objectives of this programme is to develop the capacity of Cooperatives in the Cocoa, Cassava and the Oil Palm sectors in Sierra Leone. This activity is aimed at assisting selected cooperatives and farmers associations to help them design and deliver effective business support services to their members.

In order to achieve this objective, the following stages will be followed:

- **Step 1 – Call for applications:**

ITC will reach out to the cooperatives and associations in the country, to identify those who are interested and eligible to undergo a thorough assessment. In collaboration with UNIDO, MTI, MAFFS and PMB among other agencies, ITC has established a list of cooperatives in the 3 sectors (Cassava, Cocoa, & Palm Oil) selected by the programme in the following target districts: Bo, Bombali, Bonthe, Freetown, Jao Tema, Kabala, Kailahun, Kambia, Karene, Kenema, Koinadugu, Kono, Moyamba, Port Loko, Pujehun, Tonkolili, Western Area, Western Area (Urban district). Please note that each sector has its own priority district.

A questionnaire developed by ITC will be used for the call for application. ITC plans to reach out to cooperatives and associations in the above mentioned Districts by contacting them directly (by phone, whatsapp and email) and also posting an open call for application online (through an online version of the questionnaire).

- **Step 2 – Cooperatives assessment:**

A consultant has been recruited to conduct this task. He will undertake field visit to interview the respective members, boards and management of the identified Cooperatives/Associations to gather information and prepare detailed profiles of each cooperative. The information gathering process would be conducted in a manner which will enable the consultant, board members, and ITC to better understand the governance and operational capacities of cooperatives in the following areas:

- ❖ Current status including membership base;

- ❖ Governance and leadership;
- ❖ Processes and practices;
- ❖ Production capacity;
- ❖ Business skills and market strategies growth;
- ❖ Compliance with requirements for cooperative official registration; and
- ❖ Capacity building priorities and future plans;

- **Step 3 – Assessment report:** The Assessment Report will provide the following:
 - ❖ Detailed profiles of the assessed cooperatives. The profiles will identify the strengths, competencies, and areas for enhancement;
 - ❖ Stage of development and identified specific abilities and constraints of each cooperative and its chances of meeting requirements towards its effective participation to export promotion programmes/events;
 - ❖ Identified learning needs, priorities, preferred methods and timing for competency areas in which the cooperatives need support and tools to enhance growth and export performance; and
 - ❖ Draft road map identifying business competency areas where the cooperatives will take responsibility and where the ITC's support is required.

- **Step 4 – Capacity building offer:**
Based on the Assessment Report, Profiles and Recommendations, capacity building plans will be developed and undertaken for the qualified cooperatives/associations.

ITC IS LAUNCHING THIS CALL FOR APPLICATIONS FOR COOPERATIVES AND ASSOCIATIONS IN THE COCOA, CASSAVA AND OIL PALM SECTORS. INTERESTED COOPERATIVES ARE REQUIRED TO FULLY COMPLETE THE APPLICATION FORM ATTACHED AND SEND IT TO THE CONTACTS BELOW (OR ALTERNATIVELY COMPLETE THE FORM THAT IS [AVAILABLE ONLINE](#)) NOT LATER THAN THE 16ST OF APRIL, 2021.

1. Mr. Prince Kamara, Consultant for the Cooperatives Assessment
Cel: +232 76 657 660
WhatsApp: +232 76 657 660
Email: kapen2013@gmail.com

2. Mr. Shiaka Kawa, National Coordinator, SLWACOMP
Cel: +232 76 603 665
WhatsApp: +232 76 603 665
Email: skawa@intracen.org

ITC will also try to reach out by phone, WhatsApp or email (for those with email accounts) to all the cooperatives and associations in the above-mentioned list established in cooperation with UNIDO and local partners.

The form that needs to be filled by cooperatives and associations will also be uploaded on the following WhatsApp Groups for ease of access:

1. The Sierra Leone Cocoa, Cashew and Coffee Platform (SLCCCP)

2. The Sierra Leone Chamber for Agribusiness Development (SLeCAD)
3. The ITC TRAINING BO WhatsApp Group operated by the Produce Monitoring Board (PMB).

For any other clarification, please do not hesitate to contact the contacts provided above (Prince Kamara and Shiaka Kawa).

Annex 2: Selection Criteria

Scoring Approach

Areas	Weighted scores
1. Registration	10
2. Membership	10
3. Production level	60
4. Share Capital	5
5. Annual Budget	5
6. Governance Structure	10
Total (Maximum score)	100

1. Registration Status: Weighted Score - 10 points

It is observed that there are several registration points that are considered valid

- Registration with the District or Local Councils
- Registration with the Sector/Ministry
- Registration with Cooperative Department
- Registration with Farmers Federation
- Registration with Agribusiness and Commerce of Chamber
- Registration with Corporate Affairs or at the Office of the Administrator and Registrar General

Registration number is required as evidence of registration.

Since we are dealing with cooperatives and associations we should consider any of the registration points above as legal if a Registration number is provided in the EOI Form.

2. Membership: Weighted score – 10 points

Ranges:

- Up to 30 members - 1 point
- 31-50 members - 2 points
- 51- 100 members - 3 points
- 101 - 150 members - 4 points
- 151 - 200 members - 5 points
- 201- 500 Members - 8 points
- Above 500 members - 10 points

3. Production Levels (total production for 2017 – 2019): Weighted score: 60 points

Since 2020 was the Covid 19 pandemic year, production generally dropped, therefore should not be considered

Cassava

- less than 100 or up to metric tons - 10 points
- 101- 150 metric tons - 20 points
- 151-200 metric tons - 30 points
- 201-250 metric tons – 40 points
- 251-300 metric tons – 50 points
- 301-350 metric tons- 60 points
- 351-400 metric tons – 70 points

- 401-450 metric tons – 80 points
- 451-500 metric tons – 90 points
- above 500 metric tons -100 points

Palm Oil

- Less than or up to 50 metric tons -10 points
- 51 to 70 metric tons - 20 points
- 71 - 90 metric tons - 30 points
- 91-110 metric tons - 40 points
- 110-130 metric tons - 50 points
- 131-150 metric tons – 60 points
- 151-170 metric tons – 70 points
- 171-190 metric tons – 80 points
- 191-200 metric tons- 90 points
- above 200 metric tons-100 points

Cocoa

- less than or up to 100 metric tons - 10 points
- 101- 150 metric tons - 20 points
- 151-200 metric tons - 30 points
- 201-250 metric tons – 40 points
- 251-300 metric tons – 50 points
- 301-350 metric tons- 60 points
- 351-400 metric tons – 70 points
- 401-450 metric tons – 80 points
- 451-500 metric tons – 90 points
- above 500 metric tons -100 points

4. Share Capital: Weighted Score - 5 points

- Less than SLL 10 million - 1 point
- SLL 10-20 million - 2 points
- SLL 20-50 million - 3 points
- SLL 50- 100 Million - 4 points
- Above SLL100 Million -5 points

5. Annual Budget: Weighted Score – 5 points

- Less than SLL 10 million - 1 point
- SLL 10-20 million - 2 points
- SLL 21-50 million - 3 points
- SLL 51- 100 Million - 4 points
- Above SLL100 Million -5 points

6. Governance: Weighted Score – 10 points

- Board - 5 points
- Executive - 5 points

Selection criteria

The following criteria were considered for selection:

1. **The Scoring Approach:** Cooperatives and associations that scored 60 points were selected for the next stage (i.e., full assessment). However, other Cooperatives were selected though they did not score 60 points due to the other aspects considered below
2. **Project ‘Priority and Additional Districts’:** In order to ensure all the project districts are covered in the assessment, cooperatives from the ‘priority and additional districts’ per sector were selected though they did not score 60 points.
3. **Keeping the balance among the 3 sectors (cassava, palm oil and cocoa):**

Number of cooperatives selected by sector was done to relatively reflect the number of applicants for each of the sectors.

4. **Gender and Youth Inclusiveness:** Furthermore, attention is paid to the cooperatives and associations which show inclusiveness particular to youth and women

Annex 3: Final List of Cooperatives

Cooperatives in the Cassava Sector

No.	Name of your cooperative	District of cooperative located
1	Dibia Agricultural Helpline	Karene
2	Mabantia Farmers Association	Bombali
3	Fortelleum-agro farmers cooperative	Moyamba
4	WESLEYAN WOMEN'S CASSAVA & POTATO BREAD ASSOCIATION	Bombali
5	Magbeyanie Women's Development Association	Bo
6	Buya Romende Women's Agricultural Development Association-BWADA	Karene
7	Salone Women Innovative for Development	Moyamba
8	Bondayila Farmers Cooperative Society Ltd.	Moyamba
9	SANBENTY CASSAVA COOPERATIVE	Bombali
10	Mumuwumao Mokamatipa Cassava Farmers Association	Moyamba
11	Mumamia Womens Cooperate	Bo
12	Yoni Cooperative Farmers Association (YOCFARMS)	Tonkolili
13	Tegloma Youth Empowerment Organisation	Pujehun
14	Hopanda Farmers Cooperative	Bonthe
15	Amulema Wommen Farmers Cooperative	Bonthe

The yellow highlighted cooperatives in the list (No. 3 No. 7) were not assessed as they did not make themselves available during the time of the visit. They do not seem to operate anymore. The cooperative (No. 4 in the list) was assessed but not analysed as it works like an SME and not a cooperative.

Cooperatives in the Palm Oil sector

No.	Name of your cooperative	District of cooperative located
1	Network For Development -Sierra Leone	Port Loko
2	Kalamerrah Women's Farmers Association	Port Loko
3	Salone Innovative Movement for Development and Community Development for Daily Transformation (SIMCAT)	Kenema
4	Youth Action for Rural Development	Tonkolili
5	Kissi Tongi Oil Palm Farmers Cooperative (KITOPFCO)	Kailahun
6	Sorbeh Farmers	Pujehun
7	Peje West Development Union Cooperative Society Ltd.	Kailahun
8	Anmunanafu Farmers Association	Kambia

Cooperatives in the Cocoa sector

No.	Name of your cooperative	District in which your cooperative located
1	RESCUE FAMANJO	Kenema
2	National Agricultural Marketing Cooperative Union	Kenema
3	Heuwolacheo Farmer Cooperative	Kailahun
4	Millenum Cocoa Growers Cooperative	Kono
5	Humanitarian Initiative Network (HIN)	Kenema
6	Gao Farmers Cooperative	Kailahun
7	Amuhupanda Agro Dealers Cooperative	Kailahun
8	Salmed cocoa/coffee farmers Cooperative	Kono
9	Molehma Cocoa Farmers Cooperative	Kailahun
10	Tewoh Agricultural Farmers	Kailahun