

SITA

Supporting Indian Trade and Investment for Africa

LEARNING FROM THE BIGGER SISTER: BUILDING INSTITUTIONAL CAPACITY THROUGH SOUTH-SOUTH KNOWLEDGE TRANSFER



CONTEXT

The global market for sunflower products is growing, particularly in developing economies. The sector can make significant contributions to a country's local socioeconomic development. However, many developing economies, including in East Africa, are facing challenges hindering development.

Associations can play an important role in sunflower sector development. They act as multipliers for a sector, enabling businesses to focus on their day-to-day work while institutions focus on improving their operating environment. Yet, despite their importance, the capacity of sector support institutions is often low in developing economies.

Institutional strengthening is a key pillar of the Supporting Indian Trade and Investment for Africa (SITA) project.

The sunflower sector is one of the project's priority value chains in Uganda and Tanzania. Since 2016, SITA has provided support to existing local sector associations, including the Uganda Oilseed Producers & Processors Association (UOSPA) and the Tanzania Sunflower Processors Association (TASUPA), to strengthen their capacity so that they can better contribute to sector growth.

This case study summarises key learnings from SITA's work to strengthen institutional capacity in the sector through peer-to-peer learning.

OBJECTIVE: Build institutional capacity through South-South knowledge exchange

APPROACH: Facilitated peer-to-peer learning between an Indian and two East African sector associations

EMERGING RESULTS: Main areas of institutional learning are around data collection and dissemination, governance and member engagement, and lobbying practices

SITA'S INTERVENTIONS

Sharing knowledge, technology, services, solutions and good practice among institutions operating in similar contexts is one way to build organizational capacity. As part of its support to UOSPA and TASUPA, SITA has facilitated learning and exchange between the two East African associations, and The Solvent Extractors' Association of India (SEA of India), a highly regarded apex organization for edible oil processing in India.

SITA's intervention approach for the facilitation of exchange between the three Southern institutions included

- Institutional assessments of different sector associations in East Africa;
- Identification of an institutional partner in India;
- Methodology development for peer-to-peer exchange;
- Detailed analysis of SEA of India's business model;
- Study tours and exposure visits;
- Facilitation of joint workshops; and
- Participation at annual events and conferences.

UOSPA

- Registered in 1994, three offices across Uganda, seven full-time staff
- Members include 74 oil millers and 150 farmer groups

EMERGING RESULTS

Both East African associations report that the engagement with SEA of India was positive and resulted in a range of learnings and tangible benefits.

The ultimate goal for organizations such as UOSPA and TASUPA is to reach financial autonomy. The SITA-supported interventions have created awareness about this key success factor and increased the organizations' knowledge of possible avenues for revenue generation.

TASUPA

- Registered in 2011, two part-time staff
- Members include 760 oil processors

'We learned about the importance of a sustainable business model. As a result of the interaction with other associations and SITA, we realized that we need to have a business arm. So we have registered a subsidiary.'

Agong Bruno Ray,
CEO, UOSPA

SEA of India

- Registered in 1963 with 40 members
- 875 members including 350 solvent extraction plants, as well as refiners, brokers and quality assurance companies

Organizational change takes time. Yet, both East African organizations report tangible benefits from engagement with SEA of India. The most important areas of learning across both organizations are around

- Data collection and dissemination;
- Governance and membership; and
- Lobbying practices.

Both organizations also report that exposure to international stakeholders has led to direct benefits for some of their members, such as contacts with international suppliers of machinery and buyers of oil. Several millers have upgraded their technologies, allowing for more efficient oil production.

As a result of the ongoing engagement, both associations highlight established trust and a good relationship with SEA of India.

'We are glad to have a relationship with SEA of India. They gave us a number of documents, for example their constitution, to see if we can restructure our organization, and a book about the characteristics of oil – like an encyclopedia about edible oil. We also spent time in their office to see how they do day-to-day activities.'

Ringo Iringo,
Chairman, TASUPA



LESSONS LEARNED

Through its interventions, SITA has gained unique insights into the ways in which sector associations work, and how South-South institutional knowledge transfer can be facilitated. The following conclusions and lessons can be drawn.

All organizations reported benefits from the collaboration. Institutional strengthening of TASUPA and UOSPA was the main objective of SITA's interventions. Nevertheless, SEA of India also had incentives to engage in the collaboration. Among others, these included publicity, branding, international expansion, potential for trade relationships for their members, and gaining knowledge about operations in Africa.

Peer-to-peer learning works well in a South-South context. The sunflower sectors in India, Tanzania and Uganda are all fairly young. In comparison, India has a more mature vegetable oil sector overall and has been able to develop its sunflower sector relatively quickly. However, given India's fairly recent sector development, lessons learned and technologies and processes adopted (e.g. low-cost packaging) are more relevant in the East African context compared to countries with more mature sectors and more advanced levels of economic development. The interventions summarized in this publication were the first time that ITC has deliberately used peer-to-peer learning as a basis for its work around institutional strengthening. Based on the emerging results and lessons learned, ITC's institutional strengthening team has since adopted the peer-to-peer learning approach in other contexts.

Peer-to-peer learning requires external facilitation. Despite the favourable South-South context and incentives for all organizations involved, it is unlikely that the collaboration would have happened without SITA's interventions. Similar to other SITA interventions, the question of where SITA's support starts and ends needs to be considered.

Some ideas are more readily transferable than others. Activities around data collection and analysis, approaches to lobbying, introduction and organization of regular events have emerged as obvious examples for learning. SEA of India's characteristics of success, such as their legitimacy and position of trust within the industry, cannot be easily transferred. The East African associations have to build their own characteristics of success over time.

SITA's interventions have led to indirect benefits. SITA's engagement has resulted in improved recognition of UOSPA and TASUPA by key government stakeholders. Relatedly, SEA of India's engagement has enhanced TASUPA and UOSPA's standing amongst its own members (farmers and processors). In addition, SITA's engagement has had positive multiplier effects on support from other capacity building organizations.

'Dr. Mehta talking in front of members from East Africa meant they trusted him more than if they would hear the same from their own organizations' leaders. Because Dr. Mehta is a trusted leader and SEA have been through this 20 years ago, so it is likely they faced similar issues then.'

Aman Goel,
Project Manager, ITC

Awareness does not automatically lead to change. Both East African associations face ongoing challenges that limit their ability to turn learnings into action. Revenue generation, one of the key factors for long-term institutional success, is among their key challenges.



FOR MORE INFORMATION

This case study is part of a series to document learning and best practice. Other sectors include leather shoe manufacturing in Uganda, chilli production in Rwanda, and garment manufacturing in Ethiopia and Kenya. It is based on interviews with the sector associations, some of their member companies, ITC staff and external consultants, as well as review of available secondary data.

The primary audience includes development partners working in South-South trade and investment, organizations that seek to support economic development, and institutional stakeholders, including East African government representatives and investment authorities.

To find out more visit <http://www.voicesofsita.com>

ABOUT SITA

Supporting Indian Trade and Investment for Africa (SITA) is a project financed by the United Kingdoms' Foreign, Commonwealth & Development Office (FCDO) and runs from 2015-2022.

SITA's objectives is to improve the competitiveness of select value chains (textiles and apparel, pulses, spices, sunflower oil and leather) of five East African countries

(the Federal Democratic Republic of Ethiopia, the Republic of Kenya, the Republic of Uganda, the Republic of Rwanda and the United Republic of Tanzania) through provision of partnerships with institutions and business from the Republic of India.

ABOUT ITC



The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations and works towards creating 'trade impact for good'. ITC assists small and medium-sized enterprises in developing and transition economies to become more competitive in global markets, thereby contributing to sustainable economic development and achieving the United Nations Sustainable Development Goals.

ABOUT FCDO



The Foreign, Commonwealth & Development Office (FCDO) pursues its national interests and projects the UK as a force for good in the world. FCDO promotes the interests of British citizens, safeguards the UK's security, defends its values, reduces poverty and tackles global challenges with its international partners.

FCDO is a ministerial department, supported by 12 agencies and public bodies.



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