



Terms of Reference

Title:	Cooperative Assessment for
Client:	KYEMPORA FARMERS COOPERATIVE SOCIETY
Country:	UGANDA
Project number:	18at - 8025
Assignment nr:	AS
Period:	April 2020
Business advisor:	Justus Twebaze

Introduction cooperative

Kyempora Farmers' Cooperative Society started on 1st July 2008 has an ambition of supporting Sunflower farmer members by increasing their resilience to climate change and other environmental shocks. The cooperative intends to introduce innovations to farmers aimed at enhancing resilience of small sunflower producers, simple adaptation technologies that can improve the productivity of farmer members' enterprises and reduce vulnerability to environmental risks targeting 3,360 members excluding indirect beneficiaries.

A scoping of the cooperative has already been conducted by Agriterra and executing this assessment is the next step in the potential collaboration between *KYEMPORA Cooperative and the CRAFT Project*. Currently, Kyempora is engaged in bulking of sunflower and value addition by processing it into edible oil. The assessment will be carried out by an Agripool together with the local BAs during a week's visit to the cooperative, using the Agriterra Cooperative Assessment Tool for farmer-led organisations.

Background of the assignment

CRAFT (Climate resilient agribusiness for tomorrow) is a five-year program, which focuses on climate and food security in Kenya, Tanzania and Uganda. The program sees an opportunity for smallholder farmers in East Africa to adapt their farming businesses and minimise the negative effects of climate change. The program intends to build adoption mechanisms introduce climate smart and ecologically sustainable production methods to improving productivity of the existing food crop production and supply systems. The program is spearheaded by SNV in cooperation with different consortium partners including Agriterra specifically for the cooperative development wing of the program. The implementation strategy of the CRAFT programme is based on complementary interventions at three levels: (a) farming systems, (b) inclusive value chains, and (c) the enabling environment. Technical assistance and interventions meant to target programme stakeholders (farmers, SMEs, **cooperatives**, private sector, financial institutions, government agencies, etc.)

Agriterra is especially expected to bring in its unique approach and experience related to strengthening the performance of farmer organizations and cooperatives. Key deliverables of the project are:

- Business performance improved for 10 cooperatives of which at least 25% is managed by women and/or youth) for climate-proof value chains;
- Productive capacity and income increased for 100,000 smallholder farmers (some of these smallholders are expected to be reached through the cooperatives).

Main objective

To identify and screen the cooperative organisation with business and development potential and to assess opportunities for co-creation, co-investment in business development with CRAFT Project. At the end of the week the Agriterra assessment team will evaluate the results, give recommendations and strives (depending on the outcome) to develop an Action plan with which services Agriterra can support *KYEMPARA* to realise its BHAG¹ (Big Hairy Audacious Goal).

The overall objective of this mission is to assess whether *KYEMPARA* Cooperative Society is a potential category A cooperative with capacity to co-create and co-invest under the CRAFT Project so that it can be included in the capacity building activities of Agriterra under the CRAFT project, in light with the CRAFT project intention. In addition, the mission expects to identifying intervention elements for Agriterra to apply capacity building activities to develop the cooperative into self-sustaining Agri-enterprises and to examine how best the CRAFT project elements are to be channelled through the cooperatives.

Specific objectives

- Assess the current and future business case of the organisation in terms of the value chain, service delivery to members, marketing and risks.
- Assess the financial performance and the financial sustainability and to conduct a financial health check on the status of the financial management.
- Conduct an appraisal of the Climate Smart Agriculture (CSA) advisory services approach using a CSA health check.
- Assess potential for scaling up using a scaling scan health check
- Conduct an appraisal of the current performance of the organisation in terms of governance, with a governance health check, human resource management and management information.
- Review the reputation of the cooperative by talking with members and stakeholders of the cooperative.
- Give recommendations to the cooperative on how to improve on above mentioned topics.

To be able to meet these objectives the Agriterra assessment team will have interviews with Board, management, staff, members and stakeholders during the week. The team will also review formal documents (constitution, minutes of last held AGM, financial statements, audit reports, etc.).

Expected results

1. A completed cooperative assessment report based on the Agriterra cooperative assessment tool.
2. Advice whether to start up partnership between the cooperative and the CRAFT Project and if the business case has potential for co-investment and co-creation.
3. If the cooperative assessment foresees a possible partnership between CRAFT and the cooperative, the defining of the collaboration between the cooperative and CRAFT with main topics, goals and a brief action plan possible activity for 2020.

¹ A Big Hairy Audacious Goal (BHAG) is a strategic business statement similar to a vision statement which is created to focus an organisation on a single medium-long term organisation-wide goal which is audacious, likely to be externally questionable, but not internally regarded as impossible.

A BHAG encourages companies to define visionary goals which are more strategic and emotionally compelling. Many businesses set goals which describe what they hope to accomplish over the coming days, months or years. These goals help align employees of the business to work together more effectively. Often these goals are very tactical, such as "achieve 10% revenue growth in the next 3 months." In contrast, Collins and Porras define a BHAG (pronounced BEE-hag) as "...an audacious 10-to-30-year goal to progress towards an envisioned future." The authors claim that a company may have more than one BHAG; there may be one over-reaching BHAG and other shorter term BHAGs.

"A true BHAG is clear and compelling, serves as a unifying focal point of effort, and acts as a clear catalyst for team spirit. It has a clear finish line, so the organisation will know when it has achieved the goal; people like to shoot for finishing lines."

Assignment details

- Composition of the Agriterra assignment team:
 - [...] Agripool expert preferably with experience in financial analysis and co-investment advise
 - Justus Twebaze Agriterra business advisor
- Duration of the assignment: The time frame of the assignment will be [...] days (including international travel) in the period of [dates], and excluding [...] day for preparation and [...] day for reporting.
- Arrangements: Agriterra will arrange and cater for flight, hotel, transportation, programme for the Agriterra assignment team.
- Responsibilities Agriterra: (fill in e.g. logistics, expert contracting, approval of final report)
- Responsibilities client: (fill in e.g. logistics, required information, etc.)

Tentative programme

Day	Date	Programme	Available
Saturday		Flight to	Agripool expert
Sunday		Briefing Agripool experts, discussion on objectives and working methods	Agripool expert/BA
Monday		Introduction client	Agripool expert/BA/Cooperative
Tuesday			Agripool expert/BA/Cooperative
Wednesday			Agripool expert/BA/Cooperative/Others (if required)
Thursday			Agripool expert/BA/Cooperative
Friday		Final presentation, conclusions, recommendation, action plan	Agripool expert/BA/Cooperative
Saturday		Return travel	Agripool expert/BA
Sunday		Arrival	Agripool expert

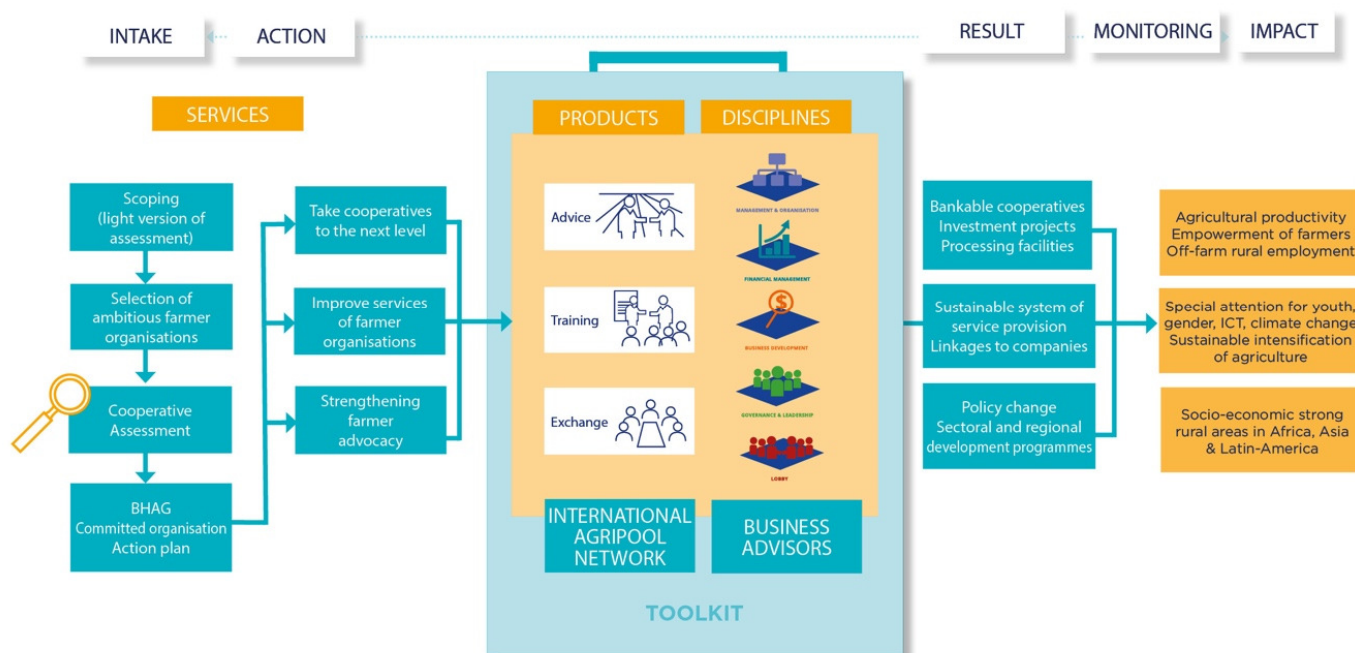
BA = Justus Twebaze, Agriterra Business Advisor
Agripool expert = [Name]

Annexes



Business Screening
Tool (Final Draft).xlsx

HOW DOES AGRITERRA WORK



Agriterra provides high quality, and hands-on advice, training and exchange services, to cooperatives and farmer organisations with maximum impact for socio-economically strong and productive rural areas. In 2019, with 163 employees, Agriterra advises 291 cooperatives in 21 countries. With our programme we reach more than 850.000 farmers. Over the past few years we have already mobilised more than 50 million euro made available through policy changes. More than 129 cooperatives are linked to banks with a mobilised loan for working capital and investments of more than 75 million euros, while 51 clients have a processing facility with increased production.

Through professionalising and strengthening cooperatives in Latin America, Africa and Asia, Agriterra contributes to positive economic development and better income distribution. Farmers organised in strong, competitive and trustworthy cooperatives are indispensable for a vibrant rural economy, fostering agricultural development and off-farm employment in rural areas.

Agriterra draws on a century of cooperative knowledge in the Netherlands disclosed via its extensive network in the Dutch agri-food sector. These experts and Agripool experts from farmers organisations all over the world, work together with business advisors from the Netherlands and national business advisors in the countries where Agriterra staff is based.