

Partnership networks to support *the poor in Vietnam and Kenya in the* management of agricultural SMEs

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If well conducted, the development of small and medium-sized farm enterprises (SMEs) in the south could help reduce poverty and conserve natural resources. A project was undertaken to promote the sustainable development of farm SMEs by providing targeted support to entrepreneurs. In Vietnam and Kenya, examples of successful businesses gave four pilot SMEs, under the supervision of a broad network of experts, an insight into the entrepreneurial spirit. Participatory training in business management was provided, primarily to women.

The governments of Vietnam and Kenya have both introduced numerous economic reforms in accordance with international guidelines.

These new guidelines are in the areas of environmental management; price liberalisation; encouragement of private enterprise; and modernisation of financial systems and taxes. These economic goals, coupled with a policy of decentralisation, are directly linked with a desire to reduce poverty and better manage these countries' natural resources.

The project "**Poverty and Pace Setters (POPSe): From sector support for farm product marketing to targeting entrepreneurs by building networks among the poverty struck**" shows how agro-SMEs can help combat poverty and ensure environmental sustainability.

Transmitting the entrepreneurial spirit to poor entrepreneurs

The overall project objective was to develop entrepreneurship among poor entrepreneurs, helping to keep their daily pursuit of a livelihood from hampering the sustainable management of their business.

To guide them in that learning process, a sample of 79 "successful agricultural enterprises" was studied. The pilot SMEs learned valuable lessons with the help of an entire multi-stakeholder network: scientists, administrators, local authorities, government departments, NGOs, grassroots community organizations (GCOs), civil society organizations, extension workers, technicians...

The project also had a secondary objective: to help poor entrepreneurs integrate new technologies into their traditional techniques in order to promote their products and open up new markets.

The initial questions were:

- How to act: what are the pitfalls?
- What are the prerequisites for a community group to establish an agricultural SME with the most disadvantaged?
- Are agro-SMEs a good way to fight poverty?

SMEs mainly driven by women

The program supported four groups that were very different from each other in terms of geographical location and socio-cultural context:

In Vietnam, the project looked at two cases:

- in Hue Province, a group of women entrepreneurs who manufacture and market *nuoc-mâm* (fish sauce);
- in Hanoi, a cooperative that grows vegetables naturally, without chemical inputs ("safe vegetable", later reclassified as "organic").

In Kenya:

- in Kibwezi, groups of women collecting, packaging and selling honey;
- in Kajiado, a periurban group producing camel milk.

Different types of structures were involved: local community groups, cooperatives and women's self-help groups. Women's initiatives should be noted, as they constitute a project priority; this holds especially for poor rural women, who (as in this case) enter what are called "niche" markets.



▲ One of the Project sites was in Hanoi where the group studied a cooperative that grows vegetables naturally, without chemical inputs.

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Multi-stakeholder analysis of successful examples of agri-SMEs

The first step was to assess how the SME market works in Vietnam and Kenya, to assess the challenges and difficulties involved and the success factors that open markets to agricultural SMEs. The researchers surveyed 79 successful agricultural entrepreneurs in both countries, forming a complex picture of the keys to entrepreneurial success. An open questionnaire was used to determine, for each of these models: its business profile; its market access; whether there was any quality control; success factors.

On the basis of extensive interviews and brainstorming sessions, the best business dynamics were defined and recommendations for the four agri-SMEs were made by all stakeholders. This multi-stakeholder approach allowed the needs of all stakeholders to be taken into account. Finally, the information was scaled up with a view to encouraging the development of formal recommendations for the sustainable development of agricultural SMEs.

An interactive platform to promote knowledge sharing and learning

The study has given emphasis to the involvement process of different categories of stakeholders and their networks. Through the participatory approach and careful facilitation process put in place, knowledge transmission endeavours were made immediately achievable. Their purpose was mainly to help poor entrepreneurs to adopt a real entrepreneurial attitude.

The interactions consisted of consensus building workshops involving different stakeholders; training; field demonstrations; local meetings; and sharing of experiences between communities but also between countries. Project leaders in Kenya did visit their Vietnamese counterparts.

The research team became a partner to the GCOs, which took part in decision-making with other stakeholders at all stages of the project. Many cross-cutting stakeholder meetings were held involving all concerned. All means

available to ensure communication were used: daily, weekly or monthly meetings; face-to-face meetings between the project leader and the pilot enterprises.

The learning process worked well because it was based on transparent interactions; it was kept going throughout the project design and implementation phases. Each person's role was carefully defined by the research teams and external stakeholders were integrated into the training process.

Participants acquired basic knowledge on trade, but the focus was on adapting the training to the specific needs of each SME. Researchers learned a great deal about local knowledge through the interactions between partners, while government departments supported the project and took advantage of it to get closer to the people.

Many participants shared their experiences and made agricultural research for development (ARD) recommendations. The research team assessed the main difficulties and challenges for both countries' agri-SMEs. ...

Its findings were combined with the innovative processes developed by scientists and compiled before being transmitted to key actors through interviews.

Many recommendations were also made in the areas of accounting, credit and introduction of new technologies.

Improving research and management capacity

In Vietnam, in the case of *nuoc-mâm*, group members were trained so that they in turn would be able to teach. In addition, the project support group evolved through discussions with local authorities and women's associations. In that way, cooperatives were strengthened and their mission, of doing their own production and marketing, was reaffirmed.

The research also focused on imbuing the group with a respect for natural resources. That means strengthening institutional capacity to raise awareness of the dual challenge of environmental issues and improved product quality. Technical advice must also be given. It should nevertheless be noted that the case of a market gardening co-operative gave inspiration to local authorities, who provided special support for the product upgrading initiative (vegetables labelled "organic").

In Kenya, the project has taken one further step by linking the small-

scale value addition and processing of milk and honey to the broader KARI (Kenya Agricultural Research Institute) Programs on enhancing the delivery of extension packages, on natural resource management as well as enterprise development.

Transferability to other SMEs

The project compiled the lessons learned and made them easy for poor entrepreneurs to assimilate through interactions between agricultural SMEs, experts, and local governmental authorities. In the future, recommendations of the workshop on consensus building can be used to identify new research questions and proposals for implementation.

Testing at the local level attracted much interest such that new networks of partners developed spontaneously. Another indicator of project sustainability: the initial action research sometimes moves to a more institutional plane. Indeed, the process implemented led to alliances between entrepreneurs and political/institutional authorities at the community level. That was a success beyond the project's original intentions: the fight against poverty must indeed rely on such alliances.

New techniques were introduced (cultivation and production, food processing and preservation) that improved the incomes of small

entrepreneurs and GCOs. Savings were also achieved by pooling resources and sharing existing research infrastructures. However, the project was based on managerial knowledge transfer rather than on technical developments. From that point of view, the project may be adapted to any business, as under the approach used a range of situations may be assessed and the best potential identified regardless of the field.

Much effort was made to adapt agricultural SMEs to requirements that include marketing, identification and selection of a niche market, network management and logistics. From a sustainable development perspective, however, these operations should be combined with an analysis of environmental, economic and social impacts. ■

Partnership

Project leader: Centre for Rural Economic Development Research, Union for New Technology Applying Research (Vietnam)

Partners: Department of Water & Environmental Studies, Linköping University (Sweden), University of Nairobi and Institute of Dryland Research and Utilization (Kenya), Kajiado North Division, Kajiado District (Kenya), Kibwezi Division, Makueni District (Kenya) (women's community group), Van Noi safe vegetable cooperatives (Vietnam), Fish sauce production group in Hue (Vietnam)

Countries involved: Kenya, Vietnam

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