

Linking  
theories of  
change and  
observed  
reality: the  
shea value  
chain  
partnership  
case in  
Burkina

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Final Report

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**Contents**

Acknowledgments ..... 3

Abbreviations and acronyms..... 3

1. Introduction ..... 4

    1.1 Research objective and questions..... 4

    1.2 Methodology ..... 5

    1.3 Outline of this report..... 7

2. Context..... 8

    2.1 Shea value chain: from traditional to export product..... 8

    2.2 Constraints in the shea sector ..... 10

    2.3 The shea value chain partnership ..... 11

3. Theories of Change..... 14

    3.1 Why ToC? ..... 14

    3.2 How do partners expect the initiative to work? ..... 16

    3.3 Why do partners expect the initiative to work? ..... 21

4. Observed local practice ..... 25

5. Connecting markets and local practice..... 33

    5.1 Variety in and development of the VCP’s ToC..... 33

    5.2 Processes connecting markets and local realities ..... 35

    5.3 Current state of the partnership..... 39

6. Conclusions ..... 41

7. Strengthening Theories of Change..... 44

8. References..... 45

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## **Abbreviations and acronyms**

CSR	Corporate Social Responsibility
FADEF-SO	Fédération d'Associations pour le Développement et l'Epanouissement de la Femme du Sud-Ouest
ICCO	Inter church organisation for development cooperation
MoU	Memorandum of Understanding
MsM	Maastricht School of Management
NGO	Non-Governmental Organisation
PO	Producer Organisation
PrC	Partnerships Resource Centre
SNV	Netherlands Development Organisation
ToC	Theory of Change
ToT	Training of Trainers
VCP	Value Chain Partnership

## 1. Introduction

This shea case study is part of a larger Partnerships Resource Centre (PrC) project elaborated in tandem with two Dutch non-governmental organisations (NGOs); ICCO and Oxfam Novib. The endeavour of this ‘action research’ project is to combine the expert knowledge of development practitioners and the scholarly knowledge of researchers for capturing lessons in the setup and operations of value chain partnerships (VCPs). Partnerships can be defined as voluntary, collaborative arrangements between actors from two or more domains of society, i.e. state, market and/or civil society, which have an institutionalized, yet non-hierarchical structure and strive for a sustainability goal (Glasbergen *et al.*, 2007). The typical goal of value chain partnerships is smallholder inclusion into value chains by removing or mitigating institutional barriers to value chain upgrading.

The project involves a multiple case study of three relevant value chain partnership cases (two ICCO, one Oxfam Novib) and has two related objectives. First, it aims to support the value chain partners in strengthening their Theories of Change (ToC) that they have developed with respect to the their value chain partnership case. Second, the case study offers an opportunity to further develop a theory-laden partnership evaluation approach.

The *shea* (French: *karité*) *value chain partnership* initiated by FairMatch Support and funded by ICCO in Burkina Faso was selected as one of the three case studies. A private shea processing company, FairMatch Support and ICCO form the core of the value chain partnership that aims to build a private sector driven partnership for development, based on an equitable trade relationship between shea nut producer organisations and a private sector buyer.

### 1.1 Research objective and questions

Small producers in developing countries face many institutional barriers to improve their position. The most important institutional challenges to inclusion in commercial value chains concern those formal rules, inter-organisational arrangements, and informal customs that prevent smallholders and SMEs from having access to knowledge, credit, markets, and professional organisations (Bitzer *et al.*, 2010; Van Wijk and Kwakkenbos, 2012). The shea VCP is launched to address such institutional barriers to inclusive value chains. This case study asks:

*How do value chain partnerships generate institutional changes that shape the relations between shea nut producer organisations and private sector buyers?*

Sub questions are:

- *What is the (implicit) ToC of the value chain partnership and of its (most important) individual partners?*
- *Which are the similarities and differences between the various ToCs?*
- *What are the roles and activities of the different partners in the value chain partnership?*
- *Which resources does the partnership generate that allows it to lower the barriers to smallholder inclusion in value chains in terms of partnership constellation and the way the partners have been collaborating?*
- *How are quality, traceability and logistical issues in the shea nut value chain managed and by whom?*
- *How do quality-, traceability-, and logistical issues relate to remuneration systems?*
- *How is the relationship between the shea nut producer organisations and private sector buyers being facilitated?*

The research will gain insight in how and in what form so called *collaboration protocols* contribute to improved relations between a private company and its suppliers to ensure sufficient quality and traceable supply of shea nuts.

All partners in the value chain partnership will benefit from the research as it enables them to explore their individual ToCs underlying their partnership strategies. The involved company builds on its corporate social responsibility (CSR) policy. Producers are often more ready to cooperate if they feel that support is reliable and consistent. In general, improved relations with a private buyer will improve the predictability of the market for the producers. Finally, PrC researchers will benefit from the research, with the ultimate aim to contribute to an integrative theory on partnerships for smallholder inclusion (theoretical significance) and to contribute to sustainable poverty reduction in rural Burkina Faso (practical significance).

## **1.2 Methodology**

The study was designed as a comparative case study research project to examine the effects of three value chain partnerships that were established by ICCO and Oxfam Novib to advance the inclusion of smallholders into value chains. For the shea value chain partnership case study we conducted a field study in the central- and south-west regions<sup>1</sup> of Burkina Faso from 3-13 October 2011.

As a first step in our analysis, we identified the VCP's ToC, that is, the partners' views on the partnership's mechanisms that are expected to trigger change in the institutional fields. Second, we observed how the new rules, technologies and practices generated in the VCP are diffused and adopted by

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<sup>1</sup> Provinces: Bougouriba, Houet, Ioba, Kadiogo, and Poni.

individuals and organisations in the field. To this end, we collected multiple sources of evidence (Yin, 2009) including analysis of existing program documents and meeting minutes, in-depth interviews with key stakeholders in and outside the value chain partnership, focus groups, and observations.

A sample of 21 interviewees was drawn in the following manner. We selected 15 interviewees in Burkina Faso as well as in the Netherlands who played key roles in the concerning value chain partnership (3 of ICCO, 2 of private company, 2 of service provider, 2 of the producer organisations, 3 of SNV and 3 general informants knowledgeable on the shea sector in Burkina Faso). Topic lists served to structure the in-depth interviews and were adapted to the specifications of each partner organisation. Moreover, we conducted six short questionnaires with four female shea producers and two traders at the local market in Dano. Although in this shea VCP the private company is in contract with three POs (FADEF-SO, TON and Wouol), it was primarily the PO FADEF-SO that was studied in the field. We held two informal focus groups, one in Dano with 5 members and employees of the Dano section of the PO FADEF-SO and one in Gaoua with 5 members and employees of the Gaoua section of FADEF-SO. For a complete overview of the interviewees, see *appendix 1*. For confidentiality reasons, interviewees were explicitly requested for their permission (of their information) to be quoted in the report.

A rich source of information was derived through the observation and participation in three monitoring missions organised by the private company in three sections (Dano, Diébougou and Nako) of its supplier FADEF-SO. All partner representatives of the value chain partnership were participating in these missions, facilitating observations on interactions between the VCP partners and understanding of the main bottlenecks in the collaboration. Moreover, we observed the transaction processes between the company and its supplier FADEF-SO.

All interviews were transcribed verbatim and data were analysed with the qualitative analysis software program MAXQDA. Outcomes are cross checked, compared to and extended with information provided by several key informants to ensure triangulation.

A few limitations to the study have emerged. First, during the field work the researchers operated in close collaboration with the development organization. Though this fits the objective of action research and substantially facilitated logistics and minimized non-response, such embeddedness holds the risk that organizations might shy away from reflecting critically on the value chain partnership as they fear the continuity of their good relationship with the development organization.

Second, the value chain partnership was initiated by FairMatch Support and funded by ICCO. Deriving conclusions on the roles and activities that ICCO has played in the value chain partnership -apart from funding- is therefore complicated. Nevertheless, there are indications that the action

research has inspired ICCO staff to define new coordinating roles in the value chain partnership.

Finally, the empirical study was a ‘snapshot’ of the situation in October 2011. In retrospect, this month was the most challenging month of the season for the partners of the shea VCP. From November 2011 onwards, the conditions under which the partnership operated changed drastically.

### **1.3 Outline of this report**

The report is structured as follows: chapter 2 clarifies the context of this study by providing a short background of the national (Burkina Faso) and international markets for shea products, the main sector constraints and the establishment of the shea value chain partnership. Chapter 3 maps the Theories of Change underlying the value chain partnership in Burkina Faso. In Chapter 4, this will be contrasted with observed local practices in October 2011. This informs the discussion in Chapter 5 that links how an intervention is supposed to work with stubborn realities in the markets for shea and at the level of producers’ organisations. The purpose of this exercise is to refine the program theory by detecting the mechanisms capable of building institutional linkages between these two worlds: markets and locally embedded organisations. A new section 5.3 was added in December 2011, describing the latest situation of the value chain partnership since mid November 2011. Chapter 6 presents the main conclusions of this shea case study, while Chapter 7 ends with several suggestions for strengthening the partnership’s theories of change.

## 2. Context

### 2.1 Shea value chain: from traditional to export product

Shea nuts are seeds from the shea tree (*Vitellaria paradoxa*) which grows in 19 countries across the semi-arid Sahel region of Africa. “Shea trees are found on both cultivated fields and communal lands in all areas except the extreme north-east” (Greig, 2006: 466). Shea is of significant importance for Burkina Faso’s socio-economic development. It is considered the third export product of Burkina Faso, it provides income to female producers, and it helps to strengthen social bonds between women and their organisations. It is estimated that 45,4 % of the agricultural households are engaged in the collection of shea nuts (Badini *et al.*, 2011b & c). The shea nuts are an important source of fat after being crushed, boiled and stirred in order to extract the rich kernel oils and fats known as shea butter. In *Appendix 2* a photographic overview of the shea value chain map is represented.

Development organisations, among them ICCO, have a keen interest to engage in the shea global value chain since<sup>2</sup>:

- The major shea countries are also among the poorest in the world (Elias and Carney, 2007);
- Mostly women are involved;
- Mostly rural populations are involved;
- Internationally, there is strong demand for shea (products)

All development organizations are primarily interested in working with **shea butter** value chains, the main processed form of the shea nuts. The underlying idea is to leave as much value added as possible in Africa. Correspondingly, shea butter receives most attention in the available literature on shea. In the *textbox* below the process of making shea butter is illustrated. Traditionally, shea oil and butter are a primary source of edible oil (cooking oil), artisanal soap making, a beauty aid, mosquito repellent, kerosene and a prime ingredient in human and veterinary medicines. Moreover, shea butter is used in local rituals related to marriage, pregnancy, childbirth and death (Chalfin, 2004). Commercially, shea butter production plays a significant role in the local rural economy of Burkina Faso (Fold and Reenberg, 1999). Burkinabe women have been collecting and processing the shea nuts for thousands of years and the production of shea butter is therefore considered a typical women’s work<sup>3</sup>

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<sup>2</sup>Derived from Elias and Carney, 2007; and Van der Linden, V. (2011) ‘Concept Note Shea Strategy Mali and Burkina Faso’, ICCO, updated April 2011.

<sup>3</sup>Not only in Burkina Faso but throughout West-Africa.



(Chalfin, 2004; Greig, 2006). Knowledge on the location and history of the shea trees, as well as the timing and harvesting of the nuts is passed through successive generations of females (Chalfin, 2004).

The traditional process of making shea butter

*“To make shea butter, nuts must be shelled and dried and then cracked by hand with a stone or wooden mallet. The cracked nuts are ground to a fine paste and combined with water to create a creamy emulsion. Warm water is added to help the fat dissolve and the mixture is whipped again. Water is sprinkled over the now viscous compound, causing the separated fat to harden. More mixing is required, along with a series of rinses, and a heavy white mass, not quite solid not quite liquid, is extracted handful by handful leaving a chalky brown bath with its own set of uses. The shiny white mass of butter must now be drained, boiled and filtered. It is then left to set for a few days. Ranging in colour from white to a golden yellow, and semi-solid at room temperature, the resulting shea butter can last for several years if properly dried and stored” (Chalfin, 2004: 54).*

#### *The international shea nut market*

**Raw shea nuts** (to be processed) have been exported from West Africa since colonial times. There is an international (mainly Europe) export market for (processed) shea nuts in cosmetic products (i.e. hair conditioner, soap, and moisturizer) but predominantly for the food industry. Four multinationals buy shea nuts destined for the food industry and, to a smaller extent, for the industrial cosmetics industry: AAK from Sweden, Loders-Crocklaan from the Netherlands, ADM from Germany and 3 F from India (Badini *et al.*, 2011b). They buy nuts through traders and small companies and process them in West-Africa (except AAK who processes in Denmark and Sweden). “It already happened in the past that the two main dominant buyer companies augmented their prices (cartel) to avoid that new players entered the market of shea nuts for the food industry” (*interview* Mathieu Briard, 3 October 2011).

Over 90 percent of shea nut exports serve this food industry (Badini *et al.*, 2011b); the vegetable fat fraction (stearin) is used in chocolate as cocoa butter equivalents and margarines, whereas the oil fraction serves as component of animal fodder and low-value based margarines (FAO, 2004). In the literature, the use of shea nut fats as a substitute for cocoa butter is often highlighted as a factor for growing demand of shea nuts in the world market (Chalfin, 2004; Elias and Carney, 2007; Lovett, 2004; Masters *et al.*, 2004). In 2003 the European Commission allowed for the substitution (up to 5 percent) of cocoa butter by Cocoa Butter Equivalents and Improvers (CBEs/CBIs) (FAO, 2004). However, several countries, including the USA, still forbid the

use of CBEs. In general, “prices of shea nuts and butter follow the movement of the price of cocoa beans and cocoa butter but at a substantially lower price because it is a substitute for cocoa butter in chocolate” (*pers. comm.* Mheen-Sluijer, September 2011). With a higher melting point than cocoa butter, greater durability and less tendency for spoilage, shea is both cheaper than cocoa butter and easier to use in manufacturing. “This led to a growing demand for shea nuts on the world market” (Chalfin, 2004: 57). Shea kernels from Ghana and Burkina Faso are particularly valued for their high vegetable fat fraction used in CBEs/CBIs (Lovett, 2004; Masters et al., 2004). “Women, using traditional processes to make shea butter, can only extract a portion of the vegetable fat compared to the industrial processes used by large companies. This is one of the main reasons why the food industry buys shea kernels, rather than shea butter” (*pers. comm.* Mheen-Sluijer, November 2011). One of the risks for the shea sector serving the food industry is that manufacturers will shift to other CBEs (e.g. palm oil, mango oil) if prices for shea escalate.

Although still a relatively small market, cosmetic and pharmaceutical applications “form a fast-growing and potentially high-value market niche for shea nuts and shea butter” (FAO, 2004: 47). “While for the food industry the oil content of the shea kernel is important, the cosmetic industry also searches for other characteristics such as the high content of unsaponifiable elements and vitamin E in shea. The traditional process used by women to make shea butter, does not negatively impact these characteristics. Therefore, the cosmetic industry is willing to purchase shea butter from these women. Although, compared to the food industry, the market for shea butter for the cosmetic industry is limited; the margins in this industry are much higher” (*pers. comm.* Mheen-Sluijer, September 2011).

## **2.2 Constraints in the shea sector**

As in many African countries, agricultural marketing systems in Burkina Faso are generally weak and inefficient. High transaction risks and costs, asymmetric or absent market information, and commitment failures are among the main problems in African market institutions. Linkages between private sector actors are often weak due to vast geographical distances, vulnerable communication systems and the mutual lack of trust and confidence.

Although there is substantial market potential for the shea sector under study, value chain stakeholders perceive a multitude of constraints to further develop the shea sector. Based on document analysis and interviews we can summarise the most pressing issues in *Table 1* below.

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**Table 1: Main constraints in shea sector**

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***Production related issues***

Few female producer groups have long term, reliable commercial relations with buyers of shea *butter*, leading to overproduction of butter, lack of access to export markets and few incentives for quality control;

Few stable commercial relations with buyers of *shea nuts*; many middlemen collecting shea nuts at various stages of the supply chain making it long and possibly inefficient;

Threats to shea trees: deforestation through illegal felling, wildfires etc.;

Shea tree is not cultivated: many uncontrollable variables (i.e. distance from villages);

Cyclic shea production: one year trees produce numerous and another year few shea nuts.

Full shea production of trees only after 45 years up to 300 years;

Traditional oil extraction technique of shea butter is time consuming, physically exhausting and requires large quantities of fuel wood and water.

Over-subsidizing of producers in the past has led to difficult relations between private sector and NGOs;

High competition between female producer groups;

Lacking organisational capacity producer organisations;

Time consuming to dry shea nuts in rainy season, while farming also demands high labour input;

Household food security possibly at risk if shea nuts destined for auto consumption are sold.

No proper storage facilities at village level;

***Market related issues***

Prices fluctuate considerably related to cyclic shea production;

Strong focus on shea butter for cosmetics market, but only 5% of all shea ends up in the cosmetics market;

Middlemen strongly present in shea value chain (almost exclusively men who do not invest in or exploit female producers and who mix qualities);

Two main private international companies (Loders-Crocklaan & AAK) dominate 90 % of the shea market (also forming price cartels);

The strong smell of shea is not much appreciated by especially urban consumers (local market).

***Quality related issues***

Middlemen are often unaware of quality requirements and mix qualities of shea nuts

No standardization on weighing the nuts etc.;

Poor post-harvest practices result in low quality shea nuts (i.e. fungal infections, high peroxide value, high free fatty acids (FFAs), danger of polyaromatic hydrocarbons (PAH)).

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Sources: ICCO program documents, meeting minutes, interviewees and complemented with insights of Jennie van der Mheen Sluijter.

**2.3 The shea value chain partnership**

To address these problems ICCO funded a pilot for the establishment of a shea nut value chain partnership in Burkina Faso and Mali<sup>4</sup> in April 2010. ICCO, a

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<sup>4</sup> Initially mainly focussed on Burkina Faso.

Burkinabe shea nut processing company for the cosmetic industry (Burkarina SARL, further indicated as Burkarina, subsidiary of the French company SIRH Group and sister company of Olvea<sup>5</sup>) and a service provider (FairMatch Support) form the heart of the VCP that was funded by ICCO. In the eyes of ICCO and FMS, the collaboration between ICCO and Burkarina can be seen as a public-private partnership (PPP)<sup>6</sup>. Its aims are to improve rural women's socio-economic position through<sup>7</sup>:

- Connecting rural women with the supply chain of a shea processing company based in Bobo Dioulasso;
- Ensure quality and quantity, traceability and superior rewards for women and their organisations through *Collaborative Protocols* between the company and the POs;
- Include organic certified shea in the system (Burkarina is organic certified by Ecocert).

In 2010, the pilot with one shea producer organisation (FADEF-SO) was considered successful. The PO was able to supply over 200 tonnes of shea kernels<sup>8</sup> which met the quality requirements to the company. The price per kg included a built-in margin for the PO to cover organisational / logistic costs and ensured a good price for the individual female producers. From 2011-2013 the partners wish to consolidate and expand this 'supply relationship', incorporating more POs and increasing quantities and quality. In *appendix 3* the time path of the VCP is schematically represented.

#### *Main partners and their roles*

**FMS** is the initiator of the value chain partnership, and the main player with regard to service provision and implementation of the program. This service provider is the main 'interface' between the company and ICCO, and it is paid by ICCO to develop a partnership strategy. FMS is a not for profit organisation founded in 2007. Apart from being the enabler of the partnership in its current form, **ICCO's**, the inter church organisation for development cooperation from the Netherlands, main role is to contribute to the overall (financial) support (i.e. trainings, equipments) through its partner **FMS**.

**Burkarina SARL**, further indicated as Burkarina, is the private company in the

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<sup>5</sup> www.olvea.fr

<sup>6</sup> ICCO is funded with public money and there is an intrinsic sustainability goal. In particular public money is used for development purposes: to improve the situation of poor female producers collecting shea in the value chain (interview René Magermans, FMS, 13 September 2011).

<sup>7</sup> Derived from ICCO (2011), Presentation PPP Burkarina (110610).

<sup>8</sup> Shea kernels are inside the raw nuts and are dehusked from the raw shea nut. Often the concepts of shea nuts and shea kernels are used intertwined.

VCP offering a guaranteed market for quality shea kernels supplied by female producers in Burkina Faso.

No official partners *in* the VCP, but partners *of* the partnership (*pers. comm.* Victor van der Linden, 19 July 2011) are the producer organisations **FADEF-SO, TON, and Wouol**. In April 2010, the PPP pilot phase, four sections of the producer organisation FADEF-SO and Burkarina agreed on a supply relationship (quality, volumes, logistics, financing mechanisms etc.). From April 2011 all three POs entered in a one year ‘collaboration protocol’ with Burkarina for the delivery of a contracted amount of shea kernels between May-December 2011.

Finally, **SNV**, a Dutch development NGO, is not an official partner in the partnership, but it entered in a one year memorandum of understanding (MoU) with Burkarina in 2011 and is already supporting the PO FADEF-SO since 2008. *Appendix 4* presents a more detailed description of the main players and their roles and activities in the value chain partnership.

#### *October 2011: state of the value chain partnership*

At the time of research (October 2011), the formalisation of the value chain partnership was an ongoing process. A general purpose of the so called PPP Burkarina-ICCO-FMS is not explicitly formulated yet. There are qualitative and quantitative objectives formulated for the collaboration between Burkarina and the POs (for the period 2011-2013)<sup>9</sup>, but not for the overarching PPP structure. The qualitative objectives focus on long-term development of the shea value chain (traceable and organic shea), and product quality. The quantitative objectives centre on expected volumes (up scaling of shea kernels in the sector and to new regions), prices (buying price, price paid to female producers, to POs etc), number of participating POs, number of female producers, and remunerations per kg shea kernel. The goal for 2013 is the supply of 3400 tonnes of traceable kernels to Burkarina against a guaranteed premium price.

Although the pilot phase was considered successful, the VCP was under pressure in October 2011 as a result of a limited shea nuts production. High competition, speculation in the markets, and side-selling practices were evidenced at the time of research, possibly undermining the 2011 agreements in the collaboration protocol<sup>10</sup>. In *chapter 4* these challenges are discussed in greater detail. But first, we dig deeper into the (implicit) ToC of the value chain partnership and of its (most important) individual partners.

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<sup>9</sup>Derived from PPP plan drafted by FMS and Burkarina (310811)

<sup>10</sup> ‘Snapshot’ of the situation in October 2011; in retrospect the most problematic month of the season for the company. In the end of the season, all targets were reached (*pers. comm.* VCP partners, February 2012).

## 3. Theories of Change

### 3.1 Why ToC?

Stakeholder goals are related to their ‘Theory of Change (ToC)’. Unlike substantive theories that are linked to scientific disciplines, a ToC is a program theory that is underlying an intervention strategy (Westthorp 2011). A clear ToC by the value chain partnership initiator and a strong alignment with the ToCs of individual partners of the VCP are expected to contribute to enhanced effects of the VCP. Weiss (1995) defines a theory of change quite simply as a theory of how and why an initiative is supposed to work. It is the set of beliefs that guides thinking about how and why a complex change process will unfold<sup>11</sup>. This chapter maps the Theories of Change underlying the value chain partnership in Burkina Faso. Unravelling the ToCs that have been developed with respect to the shea value chain partnership case has several advantages. It:

- Creates realistic program expectations
- Is a moment of reflection
- Can improve evaluation
- Allows others to understand what you are doing
- Stimulates stakeholders to be clear about their assumptions
- Clarifies gaps between steps and outcomes
- It increases the likelihood of effects generated by the initiative

The shea value chain partnership in Burkina Faso is established to create durable relations between the market and producers. For ICCO and FMS, the ultimate goal is to improve the socio-economic position of rural producers in developing countries. In this specific shea case, the establishment of the VCP is a means to move towards the inclusion of female shea producers into the higher quality shea markets in Burkina Faso, by lowering the institutional barriers to upgrading. But how is the shea VCP functioning towards this end?

We organised the program’s ToC around two simple questions: 1) how partners expect the initiative to work? And 2) why partners expect the initiative to work? This enables us to identify the main mechanisms underlying the VCP strategy. Reflecting on the VCP’s ToC, interviewees were mainly referring to the commercial relation between the private company (Burkarina) and its suppliers (producer organisations, such as FAFED-SO). Therefore, we distinguish between the VCP’s **process level** (collaboration between ICCO-

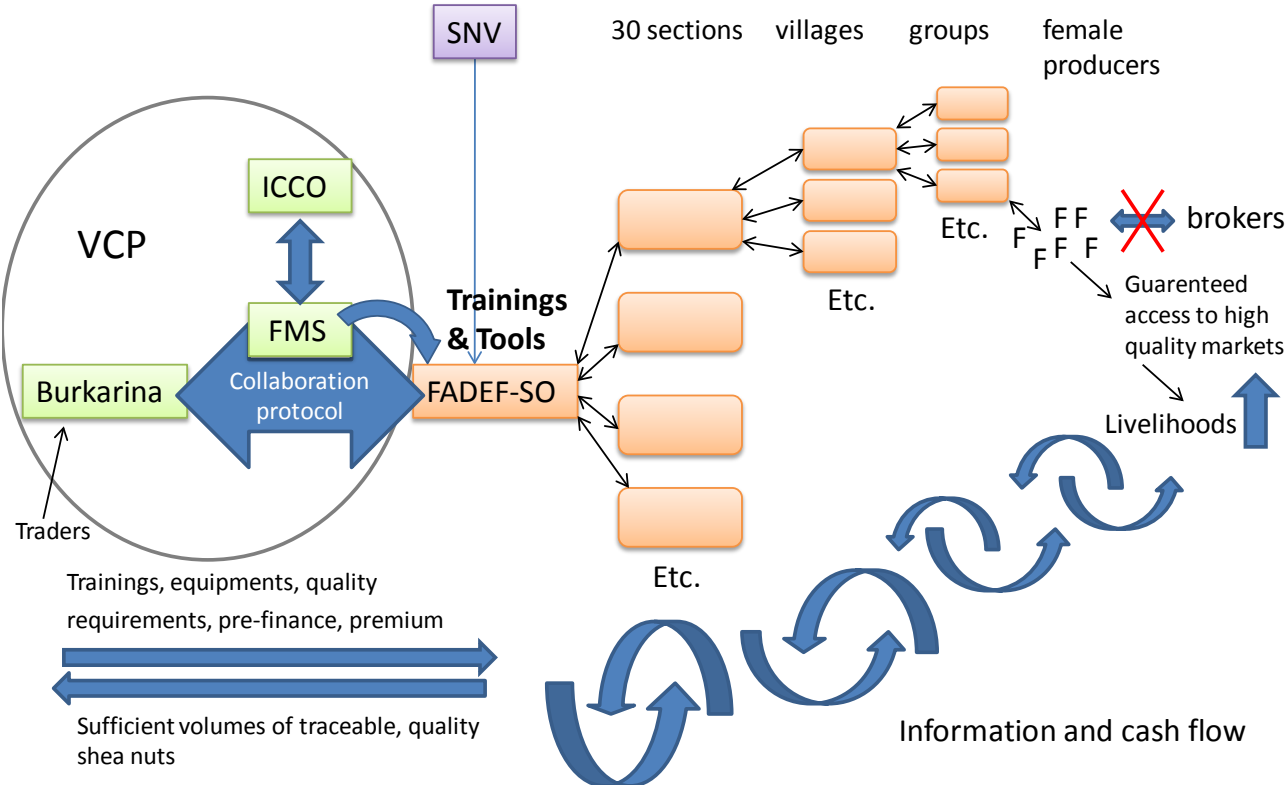
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<sup>11</sup> Website: <http://www.theoryofchange.org/about/how-does-theory-of-change-work/>. Accessed November 2011.

Burkarina-FMS) and the VCP's **operational level** (collaboration Burkarina-POs). In *Figure 1* below the VCP's ToC is schematically represented (based on the supply relationship between Burkarina and FADEF-SO).

Central to the VCP's ToC are the **collaboration protocols** between three producer organisations (FADEF-SO, TON, and Wouol) and Burkarina. These protocols are supposed to ensure production, quality, quantity, traceability and superior rewards (premium price) for women and their organisations. The next paragraphs will examine the organisation and functioning of these protocols. It allows for an evidence-based discussion on what precise mechanisms are triggered by this intervention and on how realities in the market and at the level of POs enable or constrain the ToC underlying the protocol to work.

*Figure 1* Shea value chain partnership ToC



### 3.2 How do partners expect the initiative to work?

The partnership between ICCO, Burkarina and FMS wishes to improve the shea nut value chain in Burkina Faso by connecting female producers with the supply chain of Burkarina. The following aspects are part of the VCP's ToC (see also *Figure 1*):

#### *(a) Process: collaboration ICCO-Burkarina-FMS*

The collaboration between ICCO-Burkarina-FMS is meant to promote the relation between Burkarina and the POs. According to **ICCO**, the collaboration is a means to unite various stakeholders in the shea value chain. Before the pilot, FMS and Burkarina were already in touch and Burkarina already selected FADEF-SO. “We stepped on board of an already running train” (*pers. comm.* Victor van der Linden, 12 October 2011). ICCO sees Burkarina as the chain leader and is interested to work with them as the private company has a social profile; i.e. they are investing in POs that have limited capacity. Moreover Burkarina doubled its production capacity in 2011, a good indicator of a stable market both for them and for their suppliers in turn.

**Burkarina**, subsidiary of a French company, was initially hesitant to collaborate with FMS and not directly convinced of its added value. This is partly grounded in the fact that public-private partnerships between companies and NGOs in value chains are unusual in the French history. It was initially not clear to Burkarina why the public sector would be interested in the private sector (*interview* Christophe Godard, 11 October 2011). But they finally decided that working with an NGO enables them to reach producer organisations directly and to have assistance in professionalising and training them on financial management, respecting quality standards, and practicing traceability (*interview* Sylvain Cattin, 12 October 2011). A funding mechanism was then proposed and later granted by ICCO.

Finally, for **FMS** the point of departure was the request from the private sector actor. Without a possible market entry they do not consider it to be worthwhile to engage in any VCP (*interviews* Mathieu Briard and René Magermans, 3 October and 13 September 2011).

#### *(b) Operational: The Collaborative Protocols*

The one year collaboration protocols between Burkarina and the POs define prices, payments modalities, the quantity of shea kernels of good enough quality to be commercialised and the quality criteria to be respected. These protocols define the ‘rules of behaviour’: the necessary steps to overcome the institutional gaps between (international) market requirements (i.e. on quantity, traceability, quality) on the one hand and the local practises of female producers and their organisations (i.e. poor post-harvest handling) on the other hand.



Responsibilities for the producer organisations are the following:

- Delivering an agreed quantity of bags filled with shea kernels (quantities set for each PO separately);
- Guarantee the quantity and quality conditions of the shea kernels in the bags (i.e. 1 bag=80 kg);
- Assure the marketing of the shea kernels at the grassroots level;
- Quality control shea kernels: impurity (max 1 %), fat content (min 45%), acidity (max 5%), and humidity (percentage dependent on season, min 6 and max 8%). If the humidity criterion cannot be met, the producer organisation has to pay a fine in kind to the company (1 kg for 1 %);
- Distribution and proper stocking;
- Guarantee traceability using registration files such as ‘fiche d’achat<sup>12</sup>’, member

### *Shea nuts or shea butter?*

Part of the VCP’s intervention ToC was the choice for a shea nut (kernels) value chain instead of a shea butter value chain. Identified as one of the major problems in the shea sector is the strong focus on shea butter for the cosmetics market even though over 90 % of the demand for shea originates in the food industry that demands shea nuts (kernels). Most development organizations are primarily interested in the production of shea butter as, according to them, it adds most value by female producers in Africa. But female shea producers engaged in butter production often lack access to sufficient markets. Manufacturers in the chocolate and other food industries prefer to buy the shea nuts as opposed to the shea butter. Industrial processes can extract more fat compared to the traditional extracting methods of female producers. Next to this, it increases their control over the processing and quality of the final product. For instance, female producers roast the nuts increasing the risk for cancer. Nuts are also preferred because they can be stored for up to five years in the right conditions, while the butter is more expensive to store and deteriorates more rapidly. Finally, the traditional oil extraction technique of shea butter is time consuming, physically exhausting and requires large quantities of fuel wood and water; resources that are often scarce in the regions where the butter is produced.

In its shea strategy ICCO deliberately decided to aim for the shea nut (kernel) market. “Far more women can be reached, and added value can be created and captured in this value chain as well (technically, the kernel-chain is distinct from the butter-chain as the product, processing steps and actors may differ)”. Additionally, good quality shea kernels call for 7-steps of good practice compared to about 25 steps for preparing quality shea butter. For under capacitated POs fulfilling the 25 necessary steps is less realistic. Furthermore, the fact that women spend less on time consuming extraction techniques will give them more time for other activities. Condition is that women and their associations themselves have to be convinced of such a strategy (nuts instead of butter) as they are often extremely focused on shea butter and its potential, to the extent that they overlook alternative commercialisation strategies.

*Source:* Victor van der Linden & Jennie van der Mheen-Sluijer

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<sup>12</sup>Stating name, village, name of female group, quantity delivered, money received and a 7-steps plan for post harvest handling of the shea nuts.

- book<sup>13</sup> and an account book<sup>14</sup>;
- Communicate regularly with the company on the evolution of the season.

Responsibilities of the company are to:

- Guarantee a fixed minimum price to female producers;
- Guarantee a fixed percentage of the purchase price to the producer organisations to enable them to fulfil their responsibilities;
- Guarantee a prime fee dependent on the acidity criterion (the lower the percentage, the higher the premium). Premium is paid after quality check;
- Arrange transport from the central storehouse to the company;
- Measure quality in the laboratory;
- Deliver empty bags at the start of the season;
- Payment to the PO immediately after arrival of the trucks at Burkarina;
- Pre-finances (30 %) the PO in advance of the season.

Finally, both parties are responsible to warrant that female producers do not sell their produce intended for home consumption.

*(c) Trickle down effects*

The PO's are responsible for ensuring that information and requirements (i.e. on quality) stated in the collaboration protocols eventually trickles down to the individual female producers in the villages. The umbrella FADEF-SO consists of a leading (technical) advisor, a supporting agent, a treasurer and six female trainers. Initially, FMS coaches these trainers on protocol issues (financed through ICCO). This Training of Trainer (ToT) session occurs in the beginning of the season (April), but coaching continuously takes place throughout the season. Moreover, ICCO finances equipments such as weighing scales, mobile phones for the section leaders of the POs, plastic sheets to dry the nuts on, a laptop, and a printer. Burkarina supplies the jute bags in which the kernels are stored and transported, and also partly finances trainings, some equipment and the meetings between the various value chain stakeholders. "The effects of Burkarina's contribution to trainings and traceability –both aspects of quality- cannot be underestimated. It will permit certification and prove that females in the villages are reached" (*interview* Idrissa Ba, ICCO, 5 October 2011).

Female employees in the sections of FADEF-SO<sup>15</sup> have to assure that female producers comply with the requirements in the collaboration protocol.

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<sup>13</sup> Registers all members of a FADEF-SO section.

<sup>14</sup> Stating name, village, name of female group, quantity delivered, money received, and a fingerprint of the producer.

They are responsible for information diffusion on quality standards (i.e. through trainings to their members) and are responsible for guaranteeing the traceability of the shea nuts. FADEF-SO received about 1000 copies of the '*fiche d'achat*'<sup>16</sup>, a small booklet provided by Burkarina explaining the seven steps (with drawings) of good treatment of the kernels of the shea nuts and at the same time being used as an identification document for traceability purposes (see *Appendix 5*). In the Dano section of FADEF-SO, five trainings were organised (each training covering about 5-6 villages) around these seven-steps for good quality. In the trainings, the participants had to bring five kg of shea nuts as demonstration material and payment in-kind. Six FADEF-SO section trainers train female producers in their sections on a voluntarily basis, nevertheless, they often receive in-kind products such as shea nuts and/or oil (*focus group* Dano). If the shea nuts are of a certain level of good quality, it is the section that receives the premium price.

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<sup>15</sup> There are 30 FADEF-SO sections in total, but only 11 of them are included in the contract with Burkarina. Each section has at least three paid positions: a president, secretary and treasurer. The six trainers of the umbrella FADEF-SO often fulfil one of these positions in their geographic section as well.

<sup>16</sup> French for 'purchase form'.

## Pictures: 'From field to face'



Step 1. (left photo) Identification: check whether female producer is member of FADEF-SO Dano section. Step 2 (right photo): check the quality of the nuts on the basis of visual (i.e. blackness) and textural (i.e. dryness) criteria.



Step 3. (left photo) 'Weighing' the nuts using the bowl (about 2.5 kg). Step 4. (right photo) Transaction, registration in account book.



Step 5. (left photo) Storage in dry place in collection centre. Step 6. (not in pictures) Transport to Burkarina. Step 7. (right photo) Quality check in Burkarina laboratory.



Step 8.(left photo) Transformation process to shea butter. Step 9. (right) shea in shop.

### 3.3 Why do partners expect the initiative to work?

The partners of the VCP point to several features of the VCP that explain *why* this initiative is expected to function. In general, the shea VCP ideally builds the institutional arrangements that are necessary for the inclusion of female producers and their organisations in the value chain. In this section we briefly discuss these under operational level: a) a guaranteed market; b) bypassing merchants, creating loyalty; c) reward quality; and d) increasing volumes: high potential PO; and e) coaching or training? On process level the initiative is expected to work as it generates f) benefits for all and g) trust.

#### Operational level

##### *(a) A guaranteed market*

According to ICCO, the collaboration between Burkarina and the POs has the function of “a buffer to guarantee female producers’ access to markets in difficult periods” (*interview* Victor van der Linden, 12 October). Additionally, it is expected that focusing on the cosmetic market has the advantage that it does not have to compete with shea nuts that aim to serve the food industry.

Margins are higher in the cosmetic industry compared to the highly competitive food industry. As such, Burkarina is enabled to offer higher prices to female producer organisations (*interview* Mathieu Briard, 3 October 2011 & *pers. comm.* Mheen-Sluijer, November 2011). Large buyers of shea for the food industry (e.g. Loders-Crocklaan and AAK) mainly add value to the shea value chain outside of Burkina Faso. According to ICCO “all margins of the Burkinabe shea nuts are therefore realized outside of Burkina Faso” (*interview* Victor van der Linden, 11 October 2011). Burkarina is the largest functional processing company of shea nuts in Burkina Faso.

##### *(b) Bypassing merchants, creating loyalty*

The company will offer a fixed, guaranteed price<sup>17</sup> above market price to female producers in the shea nut value chain. According to the VCP partners this will lead to bypassing merchants in the following way: “I believe that female producers will satisfactorily supply to the company as a result of the collaboration between Burkarina and the POs. This results in mutual loyalty, confidence, local processing practices, knowledge exchange and coaching of the female producers. I believe that women will be grateful for this opportunity. But your loyalty can only survive if you follow the market price. If the buyer is unable to follow the market price, you can forget about it” (*interview* Mathieu Briard, 3 October 2011). Moreover, “the PO will prefer to supply to Burkarina

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<sup>17</sup>Of the total sum provided by Burkarina to the POs, female producers will receive a percentage of 80 %.

as there are hardly any buyers that offer premium prices and/or are willing to invest in capacity development of producer organisations. Finally, the ICCO program manager believes that the part of the companies' revenues will eventually lead back to the female producers" (*interview* Idrissa Ba, 5 October 2011).

Hence, if prices are right, partners expect the VCP to bypass merchants and traders (i.e. *interviews* ICCO, FMS, Burkarina). "Merchants with knowledge on the commercial value of the shea nuts exploit the female producers" (*interview* Hien André, FADEF-SO, 9 October 2011). They do not invest in durable relations with female producers, refuse to train them, and are only interested in quantities and not in quality. According to the VCP partners this results in female producers having less incentives and practice to produce quality shea nuts, excluding them from other markets.

### (c) *Reward quality*

The producers receive a premium price if they succeed in reaching a certain level of quality. "We expect that if the company ensures that quality is rewarded, the POs and the individual women will have an incentive to actually deliver higher quality kernels"<sup>18</sup>. "An eye-opener for the female producers is that they will realise that quality pays" (*interview* René Magermans, 13 September 2011). The quality standards are not very high according to Mathieu Briard (FMS) and any producer should be able to cope with them. Crucial for such a quality-remuneration relation (and for the future certification plans) is a good traceability system (*interviews* with all partners).

### (d) *Increasing volumes: high potential PO*

In the VCP context, Burkarina collaborates with three POs: FADEF-SO, Wouol, and TON. While the latter two are better organised and organic and Fair-trade certified (not for shea), the company is also interested in FADEF-SO, a producer organisation that lacks organisational capacity (see also *chapter 4* and *5*). The VCP partners indicate that reasons to invest in FADEF-SO are related to volumes: this PO has the greatest potential with –possibly– 20,000 members that could provide about five kilos of shea nuts per female producer. Second, the geographical area of the PO is favourable with having a high density of shea trees (*interview* Christophe Godard, 11 October). Finally, "the female members of FADEF-SO are not obsessed with shea butter for trading purposes" (i.e. *interview* Zacharie Badini, 5 October, 2011).

### (e) *Coaching or training?*

On the operational level FMS facilitates and advises on the relationship between the POs and the company and it translates stakes of both sides into concrete operations (*interviews* FMS). The "PPP is not based on training, but

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<sup>18</sup>Van der Linden, V. (2011) 'Concept Note Shea Strategy Mali and Burkina Faso', ICCO, updated April 2011.

on trade, we speak about money and income for women. More effective than using standard tools or theoretical constructs to follow up whether the PPP is successful is to assess the concrete processes of harvesting. You do not train producers on theoretical constructs (i.e. what is loyalty, what is respecting the contract, what is the problem of the quality?). But you set concrete targets – on volumes, on quality, traceability- and then question them on the encountered problems in achieving these targets” (*interview* Mathieu Briard, 3 October 2011). Therefore, FMS believes “it is more important to make female producers understand why they have to adapt new quality standards, instead of training them on quality standards. Female producers are already working in the shea value chain for over 25 years. They are adults and they cannot be treated and trained like children” (*interview* Mathieu Briard, 3 October 2011).

### Process level

#### *(f) Benefits for all*

“The VCP will function as all partners have a stake in it and will benefit from its results” (*interview* René Magermans, 13 September 2011). ICCO and FMS envision the VCP to have an impact on improving small rural farmers’ livelihoods. The benefits for the company are amplified volumes of traceable, quality shea nuts, better quality control and improved reputation. As the company supplies the cosmetics industry, it has an interest in making its supply chain sustainable as this will give it an edge in this market. The POs and female shea producers are expected to gain from guaranteed access to an international buyer, and fixed (premium) prices. Female shea producers are given the opportunity to develop their financial independence as they are supported with income generating activities. One day we want to “create leaders of these females; they open up because of their experience with a Western private company” (*interview* Hien André, FADEF-SO, 9 October 2011). Moreover, the VCP partners invest in capacity building of the POs with its trainings on post harvesting and -treatment, quality issues, financial management, and governance. For instance, the PO TON was interested to engage in the PPP as it offers them a guaranteed market, equipments and trainings (*interview* Issaka Sommandé, 6 October 2011).

#### *(g) Trust & Transparency*

The role of FMS in the VCP is that they “translate the stakes of the company into workable language for the POs, and vice versa. As such it develops trust, and the partners believe this is key in any partnership. The company is gradually sharing more and more information contributing to improved transparency” (*interviews* FMS).

This chapter examined the shea value chain partnerships’ ToC. Central in the ToC are the collaboration protocols between producer organisations and

Burkarina. These protocols are supposed to ensure production, quality, quantity, traceability and superior rewards (premium price) for women and their organisations. We described the organisation and functioning of these protocols. It allows for an evidence-based discussion on what precise mechanisms are triggered by this intervention. In the next sections we examine how realities in the market and at the level of POs enable or constrain the ToC underlying the protocol to work.



## 4. Observed local practice

The previous chapter presented the Theory of Change underlying the partnership's implementation of the collaboration protocol. This chapter reports on observations in the domain where the protocol intends to have its effect, namely the interface between a buying company on the one hand and female shea producers and their organisations on the other. It includes the ways in which female shea producers in Burkina Faso relate to markets. Moreover, it identifies how these local practices confirm the rules and regulations of behaviour (i.e. on quality, quantity, and contracts) stipulated in collaboration protocol and the management practices of the private company Burkarina. These observations describe the situation in October 2011, halfway of the first season of the VCP. In retrospect, this was the most problematic month of this season for the company. Later on, the conditions under which the partnership operated changed drastically. We will then use these observed changes as a way to open the discussion on what effects can be attributed to the collaboration protocol central to the partnership.

### Operational level

All partners agree that the pilot (season 2010) was successful. Although quality and traceability issues still required improvement, the agreed volumes were met and the individual female producers received the agreed minimal prices. Furthermore, the producer organisations received a fixed percentage of the purchase price for the services they delivered. The recognition of this success has led to the establishment of a VCP for 2011-2013. The midterm evaluation in October 2011 (monitoring mission) revealed that it might be difficult for the PO FADEF-SO to comply with the agreed objectives in the collaboration protocols, particularly that of volumes. Each section of FADEF-SO experienced vast delays and limited production. The company currently had agreements with twice as many sections of FADEF-SO, nevertheless "the production processes is twice as slow compared to the pilot phase" (*pers. comm.* Christophe Godard, 10 October 2011). On the contrary, the two other POs, TON and Wouol, do reach their targets up to now.

The challenges observed in the commercial relation between Burkarina and the FADEF-SO are substantial. Nevertheless, unique in this case is that the private company Burkarina is highly involved in discussing these challenges with the female producers in 'the field' (*see photos*).



Photos: (left) Monitoring mission in Dano. All VCP partners are present: ICCO, Burkarina, and FMS in discussion with female section employees of Dano FADEF-SO. (right) Mr. Christophe Godard (middle) of Burkarina checks humidity of collected shea nuts with Mrs. Poda, Somé Odille (treasurer of Diébougou section FADEF-SO). Source: private collection first author.

We selected a number of practices that allow investigating how and to what extent the partnership intervention has reshaped relations between market parties and selling organisations or individuals. These practices are a) speculating and side selling; b) managing information flows, c) managing cash flows, d) arranging traceability; e) managing risks and vulnerability, and f) combining volumes and quality assurance.

#### *a) Speculation and side selling*

This year (2011) fewer shea nuts are produced by the shea trees due to its cyclic production. Demand was exceeding supply in October 2011, and prices in the market still mounted. Competition for shea nuts between the large private buyers such as AAK and Loders-Crocklaan increases as well as the competition for shea nuts for the complementary shea butter value chains. The female producers respond with speculation and storage of their produce. Merchants-eager to buy shea nuts-literally intercept female producers on their way to the FADEF-SO collecting centre.

“It happens that a son is supposed to bring his mother’s shea nuts produce to the collection centre of FADEF-SO, but he sells the nuts on the road/market for a higher price and puts the difference in his own pocket” (*pers. comm.* Hien André, FADEF-SO, 10 October 2011).

According to the employees of the Diébougou section of FADEF-SO, the female producers continue speculating up to January 2012 as prices are expected to rise even further. According to the section the female producers have important quantities of kernels left in their stocks that they will gradually sell. Even female producers that contribute membership fees to the PO refused so far to supply to the PO. It also happens that

“female producers request a small loan for an agreed expected amount of shea nuts, then wait until prices in the market increase, sell their kernels to merchants for a higher price, give the loan back to FADEF-SO stating that they were unable to collect the kernels, and keep the difference” (*pers. comm.* Hien André, FADEF-SO, 10 October 2011).

Also problematic is that several section employees (i.e. adjutant secretary or treasurer) of the PO began to act as middlemen for their personal benefit. One section employee in Diébougou points out she is capable of acquiring hundreds bags filled with shea kernels as she is a trader herself. Likewise, the FADEF-SO sections Sorkon and Gaoua have to cope with female producers acting like ‘middlemen’ and enrichment of their section employees. In Sorkon, delivery has stagnated completely, compared to the 17 tonnes it produced in the pilot phase. It appears that female X in this section has started trading the allocated shea nuts for Burkarina with a women association in Bobo-Dioulasso. In Gaoua, the section president has used the pre-fund of the section primarily for her own personal gains (*focus group* Gaoua). Moreover, at least two females in that section are merchants themselves who have organised their own trader network for their own good to purchase the nuts in great amounts in the villages. Finally, Gaoua is the largest city in the region, and close to the Ghanaian border. As a result the region is commercially developed, and numerous merchants are active in this area (*pers. comm.* Mrs. Dacoulibali Ba Salmata, 11 October 2011).

#### *b) Managing information flows*

Many of the above problems are related to the second challenge; information travels slow through 1) the complex and layered structure of FADEF-SO; and 2) as a result of the local situation in which hardly any efficient means of communication exist<sup>19</sup>. At the time of research the guaranteed price offered by the company was similar or sometimes even below market price. In September 2011 the company increased its price but this news did not reach many individual female producers. Or it reached them ‘too late’ and they already started side selling to reactive merchants.

“This is what happens if the company increases its price. It is easy to contact and to inform FADEF-SO about this (1 day). But FADEF-SO should inform its sections (2-3 days). They on their turn should inform the villages and female groups (another 2-3 days). In the meantime, local female producers already started speculating on prices and sell their produce to local traders that are more reactive, better organized and have direct cash with them. It is not easy to communicate with all women on the ground” (*interview* Mathieu Briard, 3 October 2011).

According to the company, the PO and its sections have insufficient knowledge on the prices in the market and the company was not timely informed about the

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<sup>19</sup> Within the villages cell phones are often out of reach of the network provider (*pers. comm.* Victor van der Linden, January 2012).

increased price of shea nuts in the markets (*pers. comm.* Christophe Godard, 10 October 2011). Although mobile phones were provided, FADEF-SO employees pointed to practical issues (insufficient credit, non-reachable etc.) to explain the failing information exchange. The leader of the PO replies that they are under great pressure. Pointing at his beard: “I have no time to shave anymore” (*pers. comm.* Hien André, 10 October 2011).

*c) Managing cash flows*

Cash flows in the value chain are frequently hindered. The company pre-finances the umbrella FADEF-SO with 30 % in advance of the season. The pre-finance is among others meant for traceability and communication purposes of the umbrella organisation, but the majority is allocated to the supplying sections in order to buy and collect (i.e. arrange transport) shea kernels from female producers in the villages. Half October 2011, the pre-finance of the umbrella organisation has already been spent, nevertheless production of shea kernels and supply to Burkarina stay behind. Moreover, the company pays at the time of delivery by the umbrella PO. If one of the sections is delayed to deliver its goods to the central umbrella organ all the other sections have to wait until they receive their payment. In addition, once the pre-finance is deposited at the rural bank it might take weeks for it to arrive at the second and third grade level of FADEF-SO (*interview* Mathieu Briard, 3 October 2011). Timing is essential for a functional cash flow.

*d) Arranging traceability*

Apart from cash flow problems, traceability of the shea products is complicated. First, and perhaps most evident, many females are illiterate and experience problems listing the women’s names in the registration book (although they are able to identify every single female). The Gaoua section experiences difficulties to find employees who can write and read, apart from the president (*focus group* Gaoua). Furthermore, women might be incapable to read the 7-steps for good quality manual (fiche d’achat) that the company provided (*interview* Mathieu Briard, 3 October 2011). Second, there are only four collection points for 11 sections of the supplier FADEF-SO and finally, names of the female producers are often similar in the villages, see *photo* below (*interview* Mathieu Briard, 3 October 2011).

FEDERATION DES ASSOCIATIONS POUR LE DEVELOPPEMENT ET L'EPANOUISSEMENT DE LA FEMME DU SUD-OUEST (FADEF-SO)  
 SECTION DE L'..... D.A.N.B. ....  
 SOUS-SECTION DU 3 rkon  
 VILLAGE DE 5 rkon  
 NOM DU GROUPEMENT Grouloia  
 ASSOCIATION Grouloia

BURKINA FASO  
 Unité - Progrès - Justice

REGISTRE CODIFIE DES MEMBRES OU LISTE DES MEMBRES

N° d'ordre	Cotisation 2010	Cotisation 2011	Nom	Prénoms	Sexe	Contacte téléphone
1.	200	200	Hien	KPIPAA		71255455
2.	200	200	Somé	Kaure		
3.	200	200	Somé	BAKPA		
4.	200	200	Somé	Zadizie		
5.	200	200	Somé	Elize		
6.	200	200	Somé	Abavini		
7.	200	200	Somé	NABE		
8.	200	200	Somé	KPAAKPA		
9.	200	200	Hien	Kou YA		
10.	200	200	Somé	Koula		
11.	200	200	Somé	NABE		
12.	200	200	Somé	Wambaon		
13.	200	200	Somé	Wambaon		
14.	200	200	Somé	Wambaon		
15.	200	200	Somé	Wambaon		
16.	200	200	Somé	Wambaon		
17.	200	200	Somé	Wambaon		
18.	200	200	Somé	Wambaon		
19.						
20.						

Picture: 12 females named Somé in one page

#### e) Managing risks and vulnerability

“There is a world of difference between the reality of female producers and a high-tech company such as Burkarina” (interview Victor van der Linden, 12 October 2011). For instance, the concept of ‘average’ was misinterpreted by one section employee. She was in the misunderstanding that she could only buy a maximum of 3 bags per female producer, as she had mistaken FMS’s message that the average of 3 bags per woman was also the maximum. This resulted in lower quantities of produce collected in this section.

Second, several section employees are afraid to spend the pre-fund -for example for transportation purposes from the villages to the section collection centre- although there is sufficient fund in the section left. They believe transport is too expensive; however, it is difficult for them to understand that it eventually will also lead to higher production rates and therefore income.

Third, the weighing scales funded by ICCO remain untouched in the collection store. The women use a canned bowl (about about 2.5 kg if filled properly) to ‘weigh’ shea kernels. “The weighing scale is in English and women are familiar with the original bowl. The female producers do not trust the weighing scale, and prefer to stick to the old method” (pers. comm. section Dano, FADEF-SO, 9 October, 2011).

*Commercial relations are affected by socio-cultural issues*

Female X, FADEF-SO employee of section Sorkon, started to earn considerably as a result of her new trade relations. But this was not accepted by her husband and the other men in the area who forbade their own wives to continue selling to this woman -who was in the meanwhile associated with FADEF-SO. One woman was even hit when she wanted to sell her shea nuts to the PO section (*pers. comm.* section Dano, FADEF-SO, 10 October 2011). As a result of the considerable problems of female X with her husband (due to her new earnings), she started to dislike Mr. Hien André, leader of the umbrella FADEF-SO, as he is from the same clan as her husband. According to Mr. Hien, this was sufficient reason for female X to abandon the section (*pers. comm.* Hien André, FADEF-SO, 10 October 2011).

Also in section Dessin, declined quality of the shea produce finds its origin in socio-cultural issues. Mr. David Podab, consultant of SNV Burkina Faso, studied how men in this section took over the sales of the shea kernels/butter production as this year prices are high in the markets. But the women did not accept this and further refused to boil the shea kernels. This resulted in low quality shea kernels, and the men were unable to sell the nuts in the market or to FADEF-SO (*pers. comm.* David Podab, SNV, 10 October 2011).

Fourth, in two sections visited, two knowledgeable employees were temporarily out of function due to illness or death (in the family).

Finally, traceability is under pressure as “sometimes women refuse to give their names as they are afraid for the state and their husbands (the latter have to grant permission to them)” (*focus group* Gaoua, 11 October 2011). Also, many women have not yet received the Burkarina manual as many booklets were destroyed as a result of the rain (*pers. comm.* section Dano, 9 October 2011).

In general, issues grounded in the socio-cultural sphere can have a considerable impact on the quantity and quality of shea produce (*see textbox*).

*f) Combining volumes and quality assurance*

Burkarina’s clients are from the cosmetic industry. For this industry, detailed specification of certain quality aspects is demanded. Consequently, the company put emphasis on quality issues and “from field to face” traceability (also necessary for future certification plans). The company wishes to decrease the amount of non-traceable nuts (conventional markets) to 50% in 2011 (70% in 2010) and it invests in a traceable and organic supply chain. For them it is

important that the majority of the added value remains in Burkina Faso<sup>20</sup> (*interview* Sylvain Cattin, Burkarina, 12 October 2011).

Female producers in the FADEF-SO area are generally knowledgeable on quality requirements. They received trainings for 25 years from for example Project Karité, SNV, CECI, Program National de Karité etc. (i.e. *interviews* Zacharie Badini, Victor van der Linden, Mathieu Briard). “Every female in the village recognises what is good quality or not. Knowledge is transferred through generations of females” (*pers. comm.* Mrs. Balafon Sugala, 11 October 2011). Nevertheless, women lack incentives to comply to quality standards, as brokers to the food industry demand less strict or no quality standards (i.e. *interviews* Zacharie Badini, Hien André).

For the POs it is therefore not easy to guarantee the minimum quality requirements. The PO TON experiences problems to live up the written contract that was signed two years ago. The price agreed seemed reasonable at that time, however, currently there are many merchants in the market that offer higher prices than those agreed in the contract. Moreover, they do not request a certain quality standard (*interview* Issaka Sommandé, 6 October 2011).

In the pilot phase, initially none of the female producer groups of FADEF-SO received the premium according to the standards that were set. Especially the humidity criterion is difficult due to the rainy season. In response, Burkarina adapted this criterion this year to fit the rain level of each month. According to the new criteria, 30% of the women of the first season should have been able to receive the premium price.

At the time of research, quality requirements seemed to be met reasonably, especially for TON and Wouol who were able to receive the highest premium prices. But a new challenge arises as Burkarina is in need of securing its volumes: “at the moment we have less attention for quality issues. In October 2011 we also accepted deliveries that we would have been refused last year” (*interview* Christophe Godard, 11 October 2011).

### Process level

The supporting NGO suggested that “at the operational level processes are running, nevertheless the strategic, process level between the partners in the VCP is still underdeveloped” (*interview* Victor van der Linden, 12 October 2011). The set-up of a structural PPP program is taking longer than expected for several reasons:

- Coordination and a general strategy between the VCP partners and SNV had hitherto been underexposed. Harmonisation and alignment of common goals was considered a point for improvement (i.e. regarding

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<sup>20</sup>Result previous production period: 53% of the value remained in Burkina Faso (transport, female producers, POs, processing in the company, and logistic to the border) and about 45% in Europe (logistics in France, tax, Olvea) (*source*: Burkarina SARL).

FADEF-SO at present the mandates of ICCO and SNV overlap). Roles and contributions of each partner organisation were not always clear and partners lack information on what they can expect from each other. A side effect of the conducted **action research** was that it simultaneously observed and addressed this issue;

- The company was initially not directly convinced of the added value of partnering with the NGO;
- At the start of the PPP, SNV had already signed a one-year MoU with the company. This caused some competition between the NGOs ICCO and SNV and delayed the design of the partnership, as Burkarina initially did not perceive the advantages of the more complete constellation of actors present in the PPP. Nevertheless, the interventions of SNV are deemed complementary, and both NGOs consider a more structural, aligned multi-year plan for FADEF-SO a precondition to success. At the time of research, and as a result of the research, the NGOs are planning on harmonisation of their programs.

The situation in October 2011, with the VCP under pressure of market forces, did not lead to disagreement/arguments between the partners Burkarina, FMS and ICCO. All partners recognised the role of FMS as being a matchmaker between the various partners in the VCP. “It was the market approach of FMS that finally convinced us of this partnership” (*interview* Christophe Godard, 11 October 2011). Following the observations in the action research, all partners agreed to organise future partnership meetings and to develop a common strategy on how to address the above described challenges in the relationship between the company and FADEF-SO.



## 5. Connecting markets and local practice

This chapter reflects on the Theory of Change used by the partners in the partnership (presented in *Chapter 3, Figure 1*) and the observed local realities where the collaboration protocol aims to make impact.

In section 5.1 we elaborate on the general development of and variety in the ToCs that exists between the partners of the shea VCP. In section 5.2 we aim to detect the type of processes developed in the partners' ToC that connect market logics and the realities of female shea producers and collectors. In section 5.3 we further test the theory of change of the partnership by offering a counterfactual explanation for the observed effects of the partnership. We conclude that the real change process induced by the partnership lies beyond the technicalities and practicalities of the collaboration protocol, and comes down to the way in which the protocol stimulates joint navigation by the company and POs under whimsical market conditions and stubborn local practices. It is about the process of touching down of a novel institutional arrangement, i.e. the collaboration protocol, in a diverse local reality (Helmsing and Vellema, 2011). This is a prelude to the concluding section, in which we question whether the style of navigation would be the same for a bilateral agreement between buying company and producer organisation.

### 5.1 Variety in and development of the VCP's ToC

We found that the VCP partners are rather similar in how they expect that the collaboration between Burkarina and female shea producers will contribute to improved access to higher quality markets of the latter (see *chapter 3*). Also on process level, the VCP partners are fairly unanimous on what is necessary for the development of this shea partnership. The VCP partners realise they have to develop a common strategy with maximum complementarities and need to operate together in high coordination “as there is no standard solution for any win-win partnership” (*interview* Mathieu Briard, 3 October 2011). Common cited success factors for the collaboration between the partners are openness, trust and transparency, dialogue, bringing in expertise and resources, information exchange, and defining a common language (*all interviews*).

On process level, the partners assume that if quality is rewarded, producer organisations and individual women have an incentive to actually deliver higher quality kernels. Premium prices for female producers will also ensure their loyalty in supplying to the company. If prices are right, partners expect the VCP to bypass merchants and traders. Trainings through existing POs are expected to reach the individual female producers. Finally, they expect that capacity of these POs is sufficient to ensure sufficient levels of quality and traceable shea nuts.

But there are also different accents in the individual partners' ToC, related to their ultimate goals, focus, and other aspects. In *Table 2* we made an attempt to organise the variety in the ToCs of the individual VCP partners. Two important remarks are necessary. First, different accents in ToCs might exist between the individual staff members of one organization. Examination of individual partners' ToCs obliged us researchers to question, for example, 'who ICCO actually is?' ICCO staff have different backgrounds, are working on different levels, and differ in their involvement to the shea VCP project. In addition, the different functions and roles they play might impose a conflict of interest with reference to the shea VCP. For instance, a role of ICCO's West-Africa's program officer is to identify new economic development projects, for example in the framework of the ICT program Connect4Change. But the latter program might cause an 'overload' of new functions to the already under capacitated producer organisation FADEF-SO; one of the parties the shea VCP wishes to develop.

Second, ToCs are not static but dynamic. This table is based on the ToCs that partners had in the beginning of the program. During in the process, even in the action research, partners were adapting their ToCs. For instance, Burkarina began to see they were too optimistic on their remuneration model as a sourcing strategy.

Table 2: *Variety in the value chain partners' ToCs*

<b>Expected mechanisms generated by VCP</b>	<b>Burkarina<sup>21</sup></b>	<b>FMS<sup>22</sup></b>	<b>ICCO<sup>23</sup></b>
Goal	Amplified volumes of traceable, quality shea nuts, better quality control and improved reputation	Equitable trade relationship results in improved socio-economic position of rural female shea producers	Equitable trade relationship results in improved socio-economic position of rural female shea producers
Focus	Focus on cosmetic industry to serve its clients and to cope with being a small player in a highly competitive shea market	Focus on cosmetic industry reduces competition with food industry	Focus on shea nuts instead of shea butter to guarantee access to markets for female producers
Sourcing model	Remuneration leads	Remuneration leads	Remuneration leads

<sup>21</sup> Based on insights of Burkarina staff Christophe Godard and Sylvain Cattin.

<sup>22</sup> Based on insights of FMS staff René Magermans and Mathieu Briard.

<sup>23</sup> Based on insights of ICCO staff André Vording, Victor van der Linden and Idrissa Ba.

	to sufficient amounts of quality supply	to sufficient amounts of quality supply (“quality pays”). Start with small volumes to grow capacity before you start with larger quantities	to sufficient amounts of quality supply. But non-monetary services at PO level necessary to reduce side selling
Capacity POs	Capacity POs sufficient to ensure information exchange from company to female producers on the ground and vice versa	POs need to be empowered to respect and implement quantity and quality requirements	POs need to be empowered to respect and implement quantity and quality requirements
Role POs/female producers	Train POs/ female producers on quality issues	Coach POs/female producers on quality issues instead of training them	Prefers inclusion of POs as partners <i>in</i> the VCP contributing to their empowerment
Durability	Relatively new player in the shea market. First one year contract to explore the collaboration	Durable relations between company and female producers preferred to increase market predictability for female producers	Durable relations between company and female producers preferred to increase market predictability for female producers

In sum, this section highlighted the different accents in the ToCs of the individual partners, but also confirmed the general direction agreed upon by the partners and captured in the collaboration protocol.

## 5.2 Processes connecting markets and local realities

This section elaborates on the generic theory of change and identifies the type of processes developed in the partners’ ToC that connect market logics and the realities of female shea producers and collectors. It is completed with the insights and underlying assumptions of VCP partners themselves, as well as with academic studies. This helps to recognise how stubborn local realities co-shape the process of institutional change underlying the generic theory of change.

**Process:** Arranging market access for shea producers.

**Underlying assumption:** Female shea nut producers are in need of a guaranteed market.

**Observed local reality:** For ICCO the ultimate goal of the VCP is to improve the socio-economic position of rural producers by means of 1) creating a guaranteed market for female shea nut producers, and 2) by improving the position of their organisations in the value chain. This year the VCP seemed less necessary to arrive at this first point. International demand for shea is on the increase. This year suppliers rather than buyers determine prices due to the low harvest combined with the high (international) demand for nuts in the shea sector. It is significant, and somewhat unusual that demand exceeds supply to the extent that the shea nut market temporarily carries the characteristics of a suppliers-driven chain. The VCP aims to create durable relations between the market and producers. Although this concept is valid, it is based on the idea of a buyer-driven chain.

Still, it remains necessary to address the second point -improving the position of female shea nut producer organisations- through a collaborative arrangement such as the shea VCP. Moreover, if prices for shea escalate, shea nut suppliers serving the food industry run the risk that the large manufacturers stop to buy shea nuts as they have sufficient stocks left in their factories to process. To understand how female producers actually behave under these market conditions requires a proper reflection. The VCP's ToC could benefit from further research on female decision making at household level.

**Process:** Balancing quantity and quality sourcing.

**Underlying assumption:** Business model for sourcing: remunerate quality.

**Observed local reality:** In the situation of October 2011, a monetary remuneration at the level of the PO and female producers did not yet emerge as an adequate business model for sourcing sufficient amounts of quality shea nuts. Burkarina's guaranteed price to the female producers could not follow the fast fluctuations in the market price of shea and was similar or sometimes even below the market price. Burkarina experiences three extra difficulties compared to its competitors: 1) it is relatively small compared to the larger private buyers and can therefore be no price setter in years of limited shea production; 2) the quality standards for the European cosmetic markets are higher than those of that in the food industry (*pers. comm.* Mathieu Briard, 11 October 2011). And 3) Burkarina is a relatively new player in the market, without a complete business network (*interview* Christophe Godard, 11 October 2011). Large buyers complicate the situation for Burkarina as they block the shea markets to newcomers entering the market (*pers. comm.* Mheen-Sluijter, November 2011).

In the pilot of 2010 the monetary remuneration was available but not materialised due to the following reasons: 1) the quality criterion on humidity seemed to be too strict and insufficiently adapted to weather conditions, and 2) the PO FADEF-SO had insufficient capacity to guarantee this quality from its female members. In 2011, the criterion on humidity was adapted and in general quality is on the increase.

**Process:** Ensuring market information.

**Underlying assumption:** Capacity of FADEF-SO is sufficient to ensure that market information and requirements (quantity, quality, conditions etc.) in the collaboration protocols eventually reach the individual female producers at ground level.

**Observed local reality:** An information gap between market and producers still exists. FADEF-SO female producers were not (timely) informed on the new price set by Burkarina resulting in side selling practices. In addition, Burkarina was not informed on the augmenting price in the shea markets by the PO. PO's are responsible for ensuring that information and requirements in the collaboration protocols eventually reach the individual female producers in the villages. But information travels slow through the complex organisational structure of FADEF-SO and could not follow the fast fluctuations in the market.

This is aggravated by the limited capacity of the PO FADEF-SO. "Management is still weak in the organisation. For instance, the last meeting of the general assembly took place about three years ago" (*interview* Mathieu Briard, 3 October 2011). "The union lacks the capacity (human resources, leadership/good governance, the direction is aged, the administration needs revival) to quickly adapt to new circumstances" (*interview* Zacharie Badini, 5 October 2011). "Only about 30 % of the active members of FADEF-SO are reached by trainings compared to about 80% for trainings given by TON and Wouol (*pers. comm.* Victor van der Linden, 7 October 2011). FADEF-SO lacks a system and the resources to connect to remote female producers" (*interview* Zacharie Badini, 5 October 2011). Although their potential for shea production is high due to the high number of female producers in the organisation, FADEF-SO has a limited number of active members. Finally, "FADEF-SO has been a 'sleeping organisation' for years and decision making is undemocratic" (*pers. comm.* Victor van der Linden, 9 October 2011).

The POs TON and Wouol on the other hand, were already close in October 2011 to reaching their targets agreed in the collaborative protocols, both on quantities and quality. According to the VCP partners, this is related to their capacity. These organisations are better capacitated than FADEF-SO, for instance reflected in the fact that they are organic and fair trade certified. "Fair trade labelling is a sign of proper governance and organisation of the union" (*pers. comm.* Van der Linden, 7 October 2011). "Working with Wouol and TON is easier as staff receives normal salaries, and do not act as a middlemen themselves" (*interview* Christophe Godard, 11 October 2011). Compared to TON and Wouol, FADEF-SO did initially not receive much donor assistance" (*interview* Mathieu Briard, 3 October 2011). FADEF-SO is currently receiving multiple donor-assistance through programs such as ICCO's Connect4Change and SNV's leadership program. But this 'overload' of different sources might confuse and limit the PO in its operations towards its

contract with the company. Co-sharing between the partners is therefore necessary to harmonise and coordinate the activities related to capacity development of the PO. As a result of the action research this insight was already put in practice as FMS is proposed by ICCO to coordinate the Connect4Change project (*pers. comm.* Victor van der Linden, 2 November 2011).

In sum, the capacity of FADEF-SO seems insufficient to ensure that information and requirements eventually reaches the individual female producers in the villages. But for a proper working of a remuneration system, collective marketing through a functional PO is crucial (Ton, 2008). But “low self-financing capacity and the lack of political autonomy due to donor dependency reflect the more challenging sides of this reality” (Ton, 2008: 3). Multinationals such as AAK and Loders-Crocklaan often refuse to work with non-democratic organisations that are dependent on elites (Badini *et al.*, 2011a).

**Process:** Shortening the supply chain.

**Underlying assumption:** The company obtains sufficient volumes of traceable and high quality shea nuts whilst bypassing merchants.

**Observed local reality:** Speculation and side selling proceed at a wide scale in October 2011. Burkarina: “we made an error in our sourcing strategy and were too optimistic on acquiring sufficient supplies and on the loyalty of our suppliers” (*interview* Christophe Godard, 11 October 2011). Local communities are vulnerable to capture by local elites. This ‘elite capture’ problem risks that a large portion of the resources devoted to local communities comes into the hands of powerful groups dominating target communities (Platteau and Gaspart, 2004). The research found that section leaders of the PO engage in such elite capture behaviour. Especially the pressing need for quick and visible results and sufficient volumes of shea kernels creates a tension between the reliance on these elites for their organizing capacity but at the same time jeopardizing the VCPs original idea of rewarding those individual female producers in need. According to the FADEF-SO leader the “rotten apples should be removed” (*pers. comm.* Hien André, 11 October 2011). But one might be dependent on the elite in order to be effective. Or as Mr. Mathieu Briard from FMS puts it: “if you remove all the rotten apples from the tree at once, the tree will die” (*pers. comm.* Mathieu Briard, 11 October 2011).

As the company experiences difficulties in materialising sufficient amounts of shea kernels, it puts pressure on several individuals to actively search for volumes. This increases the risk that employees of the PO start acting as middlemen and that quality requirements are minimized.

**Process:** Providing credit and working capital.

**Underlying assumption:** Pre-finance in advance of the production cycle increases the likelihood of success of the initiative.

**Observed local reality:** Studies have shown this assumption is indeed correct as it makes local markets more predictable for smallholder farmers and SMEs. Moreover, the partners indicated that the pre-finance of Burkarina to the POs is a 'sign of trust'. A more stable business climate for suppliers through buyer commitment and price stability would motivate farmers investing in production capacity and quality improvement (Gibbon and Ponte, 2005). Nevertheless, the cash flows in the established shea value chain were frequently delayed at the time of research. As a result, female producers are incapable to anticipate on expected funds.

This section identified processes that may trigger institutional change, but this is not an easy short-term fix. It demonstrates how processes generated within the VCP's collaboration protocol are stressed by whimsical market conditions and stubborn local practices.

### **5.3 Current state of the partnership**

In December 2011, the researchers were surprised by the news that the situation for the shea VCP has changed considerably from November 2011 onwards. Apparently all three POs, including FADEF-SO, who supply shea kernels to Burkarina were able to supply the agreed quantities, and often also the quality targets. Burkarina increased its buying price for shea nuts, as an immediate reaction to the alarming situation, which the monitoring missions revealed in October 2011. Nevertheless, this did not immediately lead to vast increases in volumes delivered to Burkarina. From mid November 2011 onwards, volumes are suddenly on the rise.

First and main reason is that from that period the large buyers stopped buying the shea nuts. One reason could be that they indeed stopped to buy the expensive shea nuts as they now have sufficient stocks in their factories to process. With their 'withdrawal from the shea market for the 2011 season' prices for shea declined. Supplying to Burkarina, at a fixed price -which is now again higher than the prevailing market price - became attractive again to female producers. In addition, time has passed between the rainy season and now, resulting in dryer and higher quality shea nuts.

Second, financial arrangements improved resulting in more efficient cash flows. FADEF-SO currently succeeds in transferring money arriving at the umbrella FADEF-SO directly (within one day) to the different sections. This was settled with the local rural development bank as a result of the following steps: 1) FADEF-SO directly approached the account manager of the bank; 2) FMS and FADEF-SO had a good meeting with this rural bank, and 3) the rural bank witnessed that the bank account of FADEF-SO demonstrated regular cash transactions (*pers. comm.* Mathieu Briard, 19 December 2011).

Third, it seems that the leader of FADEF-SO has made some good decisions and consequently follows the agreed price strategies. Part of these good decisions is that volumes agreed in the collaboration protocols are adjusted per section, according to the dynamics and capability of that section.

Second, FADEF-SO has -little by little- introduced a weekly update towards Burkarina and FMS on the volumes available in each section. According to FMS, this was already expected at the beginning of the season, but only at this time the PO starts to realise the importance of it as a tool to live up its contract (*pers. comm.* Mathieu Briard, 19 December 2011).

This section further tested the theory of change of the partnership by offering a counterfactual explanation for the observed effects of the partnership. The partnership frames its efficacy primarily in terms of volumes purchased and quality level achieved. The research observed two situations, wherein these parameters for success differed. The results in terms of volumes purchased can also be attributed to the logic of supply and demand in the market and to the capacity of a producer organisation to arrange financial flows and to achieve joint action beneficial to its individual members. This counterfactual reasoning raises the question what would have happened without the value chain partnership. This exercise shifts attention to the style in which the collaboration protocol was implemented, namely an evolving search process of trial and error focusing on tangible practices and concrete problems, which teams up buyer and suppliers in a joint endeavour to become economically viable. Managing dependencies then becomes a focal point for the navigation process triggered by the collaboration protocol (see also Vellema, 2011).



## 6. Conclusions

This study examines a shea value chain partnership (VCP) that was recently established in Burkina Faso after a successful pilot phase. A development NGO (ICCO), a Burkinabe shea nut processing company for the cosmetic industry (Burkarina SARL, subsidiary of French company) and a Dutch service provider (FairMatch Support) form the heart of the value chain partnership that was initiated by FMS and financed by ICCO to build a private sector driven partnership for development, based on an equitable trade relationship between a private sector buyer and female producers. This case study asks:

*How do value chain partnerships generate institutional changes that shape the relations between shea nut producer organisations and private sector buyers?*

Moreover, it aims to support the partners in strengthening their Theories of Change (ToC) that they have developed with respect to the shea partnership case.

Identified as one of the major problems in the shea sector is the strong focus on shea butter for the cosmetics market even though over 90 % of the demand for shea originates in the food industry that demands shea nuts (kernels). Most development organizations are primarily interested in the production of shea butter as they assume that it adds most value by female producers in Africa. But female shea producers engaged in butter production often lack access to sufficient markets, whereas the international demand for shea nuts for the industry is persistently growing (*see also* Briard and Mheen-Sluijer, 2011). As a response to this paradoxical situation in the shea sector, the shea nut VCP was established.

Central to the value chain partnerships' ToC is the *collaboration protocol* between the buying company and the producer organisations (POs) that is supposed to have an effect on the interface between a buying company on the one hand and female shea producers and their organisations on the other. Our examination of the ToCs revealed different accents in the ToCs of the individual partners, but also confirmed the general direction agreed upon by the partners: the rules and regulations of behaviour (i.e. on quality, quantity, and price) stipulated in collaboration protocol. The common denominator in the partners' ToCs is that they expect to bypass merchants and traders in the shea market, as a result of the assured prices and investments of the company in the women groups and their organisations. In return it expects to receive sufficient volumes of traceable, quality shea nuts. Next to this, the partners believe that the POs and female shea producers will gain from guaranteed access to an international buyer. Shea producers will be rewarded with premium prices for their extra labour efforts to produce higher quality shea

kernels. The producer organisations receive a fixed percentage of the purchase price for the services they deliver, contributing to their organisational strengthening. Finally, the partners agree that the VCP on process level is in need of a common strategy and that coordination between the partners is necessary to harmonise and to look for synergies in the VCP's activities. This action research study also partly contributed to this comprehension.

The empirical data illustrated how realities in the market and at the level of POs enable or constrain the ToC underlying the protocol to work. The VCP was under pressure at the time of research (October 2011) as a result of limited shea nut production this year. High competition, speculation in the markets, and side-selling practices were evidenced at the time of research, possibly undermining the 2011 agreements in the collaboration protocol<sup>24</sup>. We observed that the partnership's collaboration protocol manoeuvres between whimsical markets and locally embedded organisations.

On the one hand there is the reality of the market, wherein the demand for shea kernels by (dominant) international and local buyers affects price setting mechanisms. Burkarina, a new and relatively small entrant without a fully developed business network experienced difficulties to follow the fast price fluctuations for shea nuts in the market. The company's guaranteed prices to the female producers could –at the time of research- not follow the fast fluctuations in the market price of shea and was similar or sometimes even below the market price, while quality demands were higher than for the kernels sold on the mainstream market. Merchants are eager to collect shea nuts, and female producers are even caught on their way to the collection centre. In the situation of October 2011 this has led to insufficient volumes of traceable, quality shea nuts to the company. But prices in the shea market fluctuate constantly. In December 2011, the situation for the shea VCP has changed considerably as the multinationals withdrew from the shea market resulting in declining shea prices. Supplying to Burkarina, at a fixed price -which is now again higher than the prevailing market price - became attractive again to female producers. Agreements in the collaboration protocols were reached for all three supplying POs, including FADEF-SO (*pers. comm.* all VCP partners, February 2012).

On the other hand, there is the reality at the level of the female producers and their organisations, wherein weak management of information and financial flows, illiteracy, distrust in technology, gender inequalities, existing ethnic divides (clans) and old leadership in existing institutions, affect the commitment to the collaboration. The research showed that a monetary remuneration is not necessarily an adequate model for successful sourcing. The benefits of price premiums do not necessarily reach poor female producers. The

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<sup>24</sup> 'Snapshot' of the situation in October 2011; in retrospect the most problematic month of the season for the company. In the end of the season, all targets were reached (*pers. comm.* VCP partners, February 2012).

pressing need for quick and visible results and sufficient volumes of shea kernels in October 2011 created a tension between the reliance on elites for their organizing capacity but at the same time jeopardizing the VCPs original idea of rewarding those individual female producers in need. Premiums are based on process and product quality, and negotiation capacity. However, especially the last criterion makes it difficult for producers to receive high premiums (Bitzer, 2011). The capacity of the PO FADEF-SO was insufficient at the time of research to guarantee the highest premium prices for its members.

How and to what extent did the partnership's intervention reshaped the relations between a market buying party and selling organisations or individuals? We included counterfactual reasoning in the research to raise the question what would have happened without the value chain partnership. We examined whether results in terms of volumes purchased could also be attributed to the logic of supply and demand in the market and to the capacity of a producer organisation to arrange financial flows and to achieve joint action beneficial to its individual members. This exercise has shifted attention to the style in which the collaboration protocol was implemented, namely an evolving search process of trial and error focusing on tangible practices and concrete problems, which teams up buyer and suppliers in a joint endeavour to become economically viable.

This case study suggests that the added value of the shea value chain partnership lies beyond the technicalities and practicalities of the collaboration protocol, and comes down to the way in which the protocol stimulates joint navigation by the company and POs under whimsical market conditions and stubborn local practices. The issue is whether the style of navigation would be the same for a bilateral agreement between buying company and producer organisation? We believe not. The research found that especially the 'hands-on approach' of the service provider in the partnership contributes to bridge market logics and local practices. FairMatch Support acts as an 'institutional entrepreneur' defined by Scott (2008: 98) as "people (or organizations) who participate in the creation of new types of organizations or new industries, tasks that require marshalling new technologies, designing new organizational forms and routines, creating new supply chains and markets, and gaining cognitive, normative and regulatory legitimacy." Literature on institutional entrepreneurship suggests that institutional entrepreneurs can jumpstart institutional change processes by setting up collaborations, coalitions and alliances (Dorado, 2005; Lawrence et al., 2002; Wijen & Ansari, 2007). In addition, the open, amicable and respectful attitude towards the female producers by the main representative of Burkarina in the field offers an occasion to jointly identify and solve problems and to bridge both realities.

## 7. Strengthening Theories of Change

We end this case study with a few suggestions to strengthen the value chain partnership's Theory of Change. In general, on the operational level the VCP partners could develop a common partnership strategy document with an elaborate description on common goals, risk sharing, and coordination, accountability, and governance mechanisms to jointly address common issues.

On process level, a first suggestion is that the ToC could put more focus on the development goal of the partnership. The current goals on quality and quantity seem hitherto predominantly related to the sourcing strategy of the private company. Although legitimate for a company that wishes to strengthen its market position and guarantee supply, descriptions may include a comprehensive strategy on how to develop the collective services, negotiation power and marketing capacity of the PO FADEF-SO. Consistency with other programs addressing the capacity of this PO, such as by SNV Burkina Faso and ICCO's Connect4Change program, is preferred. It will develop the collective marketing functions of the POs, which is crucial for a proper working of a remuneration system.

Second, in this framework, the VCP's ToC might increase producer empowerment in the VCP by including the POs as partners *in* the VCP. Worldwide demand for food is increasing leading to substantial power shifts in supply and demand. In 2011, demand for shea products was exceeding supply. This offers opportunities for producer organisations to enlarge their bargaining power. Although this year the VCP seemed less necessary to guarantee access to markets for female shea nut producers, it is and can be instrumental in creating trusted relations between the company and suppliers for those years in which market prices are less high for the female producers. It might consider contracting the POs for a long-term supply relationship.

Third, the VCP's ToC requires a proper reflection on how female producers would probably behave under the highly fluctuating market conditions. The VCP's ToC could benefit from further research on female decision making at household level. This will increase general knowledge on the behaviour of the supplying female producers and their organisations. A common strategy on mitigating elite capture behaviour can be developed with them.

Fourth, the VCP's ToC may develop an inclusive strategy on the management of the value chain within the social realities of female producers in Burkina Faso. Since commercial relations are grounded in the socio-cultural sphere, one suggestion put forward by ICCO is to consider interventions that are even closer to the ground to have more effect.

Finally, the VCP partners could start a process of scenario thinking about the future of the shea sector in Burkina Faso. Scenarios for situations of 'low' or 'high' shea kernel prices in the shea market could be developed as a tool for thinking creatively about the merit of the VCP in both situations.

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