

ISSD Uganda



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Professionally organised Enhancing management and governance in local seed businesses

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"A good leader must teach his team how to fish and not catch fish for them. And that is what ISSD has done. Even if the ISSD programme comes to an end, we will still be able to continue with seed production and marketing," assured **Johnson Tindyebwa, Ruhira Omutiima Gwa Ruhira (OGR) local seed business chairperson** during an ISSD training.

Initially, LSBs did not consider organisational management important in the seed business and perceived the prescribed organisational structures to be of less significance, which resulted in greater demand for training on technical seed production rather than organisational development. However, insufficient organisational management became apparent when LSBs evaluated their performance on governance issues. As a result, changes in LSB operations have been observed in relation to new organisational and governance structures. This has led to better implementation of planned activities, such as

resource mobilisation, seed bulking for marketing, linkages with stakeholders, and acquisition of foundation seed, thus providing LSBs with more business self-confidence. Furthermore, values of transparency, accountability and trust have been improved which has enhanced group cohesion.

LSB success factor: Governance

Since 2012, ISSD is working with 30 farmers groups in its three regions of operation. Local seed business (LSB) development is based on four building blocks that provide training methodologies for coaching the LSBs: technically equipped, market oriented, professionally organised, and strategically linked as presented in figure 1.

Each of these four building blocks has criteria that define if an LSB is doing well in that specific area. We call those success factors. Governance structure is one of the success factors for the building block Professionally organised. Four sub-factors are incorporated into governance. These are: leadership, committees, land and gender. For an LSB to assess itself, a diagnostic tool was prepared with a scoring from one to five, one being

Figure 1: building blocks for developing sustainable local seed businesses



Table 1: Scoring table for the success factor Governance

Sub-factor	Questions	1 = Poor	2 = Fair
Leadership	How do(es) the leader(s) perform in terms of guiding the LSB and its members into a commercially sustainable enterprise?	No leadership structure, outsiders govern the LSB in the development of a commercially sustainable enterprise.	LSB leadership strongly leaning on external support in its operations for the development of a commercially sustainable enterprise.
Committees	Do the LSB have the functional committees with Clear Terms of Reference, work plans and reporting structure?	The LSB has no committees in place.	The LSB has committees in place but no terms of reference.
Land	Access, ownership and gender: Do the LSB members (both Men and women) have access to Land for Seed Production?	Land is traditionally owned. Male and female farmers use the land for a short period of time and not concerned with sustainable use of the land for seed production.	Land is traditionally owned and controlled and user rights for male and female farmers are under customary law for a longer term.
	Clustering: How is the clustering of seed production fields organized in the LSB in order to contribute to efficient quality seed production (efficient use of inputs, machinery, etc.)?	Small farm plots are scattered. Individual farmers are responsible for seed production on their own plot(s).	Farm plots are scattered. Farmers have a relatively larger size of plots available for seed production.
Gender	Does the LSB have balanced representation of youths, women and men in leadership?	The LSB executive committee is not gender (women, men and youths) sensitive.	The LSB is 90% dominated by one gender category.

poor and five being excellent. Table 1 provides an overview of the scoring table for the success factor governance.

Governance influences a number of processes that cut across the seed value chain such as setting visions and goals, resource mobilisation, inputs procurement, marketing etc., and is thus critical for LSB development.

In 2012, 30 farmer groups were selected in the West Nile, Northern and South Western regions of Uganda to participate in community-based seed production using the LSB approach. Groups were assessed during a diagnostic survey exercise conducted at the

start of the programme. Most LSBs stated that they were running group activities smoothly with good governance and management. Groups overlooked governance issues and considered them unimportant. Hence, emphasis was on improving technical skills in seed production and marketing.

Table 2 shows the governance scores for Agetereine LSB in South Western Uganda. It shows clearly that in the first year, when the interactions with ISSD started, they rated themselves highly on governance factors, while after one year of engagement, the individual scores for leaderships and committees dropped considerably. The rating went down from excellent to average.

3 = Satisfactory	4= Good	5= Excellent
The LSB is operationally led by one or more entrepreneurial farmers taking the lead in the development of a commercially sustainable LSB.	Leadership has been democratically elected by the LSB members, and has the capacity to guide its members operationally in the development of a commercially sustainable LSB.	Leadership has been democratically elected by the LSB members, and has the capacity to guide its members strategically and operationally in the development of a commercially sustainable LSB.
The LSB has committees in place with terms of references but no work plans.	The LSB has committees in place with terms of references with work plans and no reporting structure	The LSB has committees in place with terms of references with work plans and reporting structure.
Land is leased on a long-term contract (>10 years) and farmers (male and female) to a limited extent invest in the quality of their land/soil for seed production.	Land is individually owned through customary law (based on long-term user rights and de factor ownership) and managed sustainably for seed production.	Land is privately owned (title deed in the name of the user) and managed sustainably (in terms of soil fertility, prevention of erosion, etc.) for seed production.
Farmers have started to cluster their land for seed production and jointly organize isolation issues.	Farmers have clustered their fields for quality seed production in 4 - 10 clusters. Addition clustering of field would allow for even more efficient seed production of the selected crop.	Farmers have clustered their fields for quality seed production into 1-3 cluster(s). The cluster(s) are big enough for efficient seed production of the selected crop.
The LSB is 70% dominated by one gender category.	The LSB is 50% dominated by one gender category.	The LSB equal gender representation in leadership.

Table 2: Agetereine scores for success factor Governance

Sub factor	Specifications	2013	2014	2015
Leadership	How do(es) the leader(s) perform in terms of guiding the LSB and its members into a commercially sustainable enterprise?	5.00	3.00	3.00
Committees	Does the LSB have functional committees with clear TORs, work plans and reporting structure?	5.00	3.00	4.00
Land	Access, ownership and gender: Do the LSB members (both men and women) have access to land for seed production?	5.00	5.00	5.00
	Clustering: How is the clustering of seed production fields organized in the LSB in order to contribute to efficient quality seed production (efficient use of inputs, machinery, etc.)?	4.00	1.00	1.00
Gender	Does the LSB have a balanced representation of youths, women and men in leadership?	n/a	3.00	3.00
		4.75	3.00	3.20

Challenges in organisational management and governance

At the start of the programme, average governance scoring by LSBs were 3.9, 4.0 and 3.0 out of 5.0 for West Nile, Northern Uganda and South Western, respectively. Yet, there was a lot to be improved in terms of governance and organisational management. When the ISSD team did the assessment, most LSBs scored weakly on the 'leadership' factor because they did not have clear constitutions, or core committees for production, quality control and marketing in place, and their targets were not clearly identified. This affected their operations and their ability to meet the requirements for a viable LSB.

Challenges experienced in organisational management included: inconsistency in record keeping, difficulty in mobilising participants for training, and insufficient funds mobilised to procure foundation seed. Following these observations, LSBs agreed it was necessary to re-evaluate governance

to find appropriate solutions. This resulted in lower scores of 2.6, 3.0 and 2.9 respectively for the regions, at the end of 2014. This provided a more realistic picture of the actual LSB governance status.

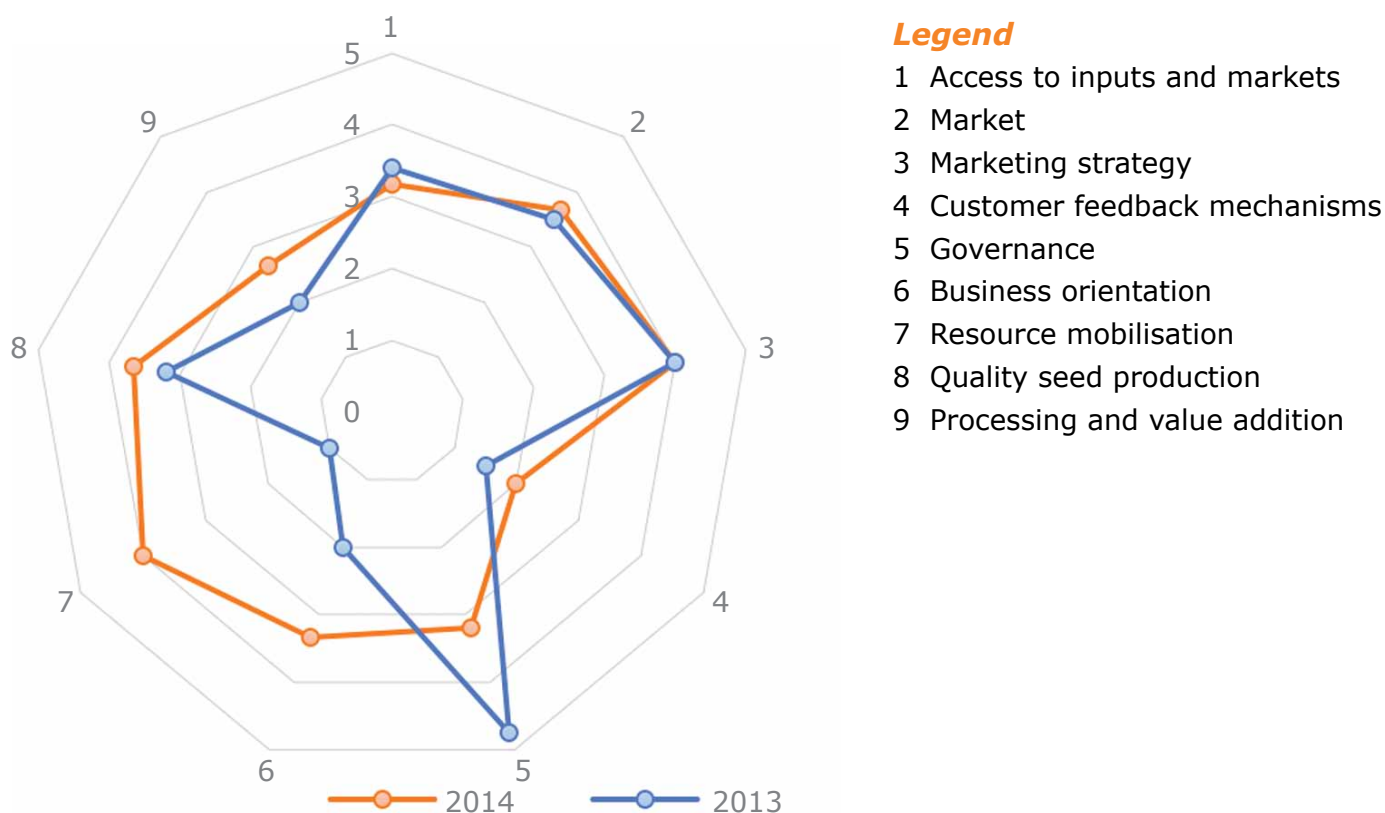
Initially, LSBs considered only a general committee as necessary for success in the seed business. With time, LSBs realised the huge need for new organisational structures and defined roles and responsibilities.

Furthermore, ISSD and LSBs jointly realised governance issues cut across the seed business. Hence, governance should be fully integrated in all activities - from planning and acquiring foundation seed to selling produced seed.

Figure 2 shows a decrease in the governance factor from 5 in 2013 to 3 in 2014. This was due to down-grading by the LSB of their own governance status as a result of a better understanding of what LSB governance entails compared to 2014.

Figure 2: Spider diagram showing success factor scoring in Alito Joint Farmer’s Multi-purpose Cooperative Society in Kole district, Northern Uganda

Alito PCS



Participatory approaches to improve LSB governance

After realising LSBs selected for seed business development had weak governance, ISSD developed tailor-made training. As a result, LSB’s 2014 ‘action plans’ prioritised management and governance training and coaching sessions to improve group seed production and other related aspects of seed business development.

As prescribed in the LSB methodology, the LSBs established relevant committees for marketing, production and internal quality control (IQCC). Separate LSB production committees were established in northern Uganda and West Nile; whereas in South-

Western Uganda the IQCC carries out production committee activities. Production committees and IQCCs complement each other as the production committee ensures proper field site selection and advises members on clustering possibilities. IQCCs also ensure adherence to quality assurance procedures in the field and during post-harvest handling. With guidance from ISSD field staff, LSBs developed committees’ terms of reference and trained selected members on their roles and responsibilities. These new roles and responsibilities (Box 1) were updated in LSB constitutions and conveyed to the sub-county community development officer (CDO) for endorsement.

Box 1: Roles and responsibilities of LSB core committees**A Marketing committee**

- 1 Advise the LSB on setting season production targets which match total seed demand available with the production committee.
- 2 Identify markets and negotiate seed prices with buyers on the LSB's behalf.
- 3 Coordinate seed bulking from all LSB members to the store or collection centre and keep seed bulk records.
- 4 Calculate and share profit results with the group with the finance committee.
- 5 Coordinate market intelligence process i.e. conduct market research on behalf of the group with selected LSB members and coordinate input purchases.
- 6 Prepare and present marketing visit reports to the group.
- 7 Locate quality inputs (e.g. seeds) and organise bulk buying.
- 8 Profile current and potential customers including contacts and locations.
- 9 Facilitate resource mobilisation process with the finance committee.

B Internal quality control committee

- 1 Assess LSB member foundation seed requirements and book in advance of the production season; order for foundation seed in time.
- 2 Coordinate purchase and delivery of foundation seed from authorised providers/institutions.
- 3 Monitor and inspect farmers' seed production fields and offer advice where needed.
- 4 Prepare and keep record of planting returns every production season including seed grower's name, location (district, sub-county, parish), crop, variety, quantity of parent/input seed received, status of input seed for multiplication (breeder, foundation, certified or standard), acreage planted, seed rate used, planting date and expected yield.
- 5 Coordinate bulking and physically examine all seed delivered by members to the group store to ascertain purity and authenticity; with the marketing committee.
- 6 Liaise with external quality assurance service providers like NSCS/MAAIF and the district agricultural production office for field inspection.
- 7 Prepare monthly, quarterly and annual progress reports to the executive committee

C Production committee

- 1 Keep record of different activities e.g. planting date, date and frequency of weeding, quantity of inputs used, volumes produced, and trainings received.
- 2 Complete seasonal and annual seed production plans for group activities based on potential markets and storage inventories established by marketing committees.
- 3 Inspect and verify suitability of proposed seed production sites by individual members and advise on clustering.
- 4 Register LSB members' interest to become seed growers seasonally and organise pre-season planning meeting with executive committees.
- 5 Compile foundation seed requirement for LSBs and per grower.
- 6 Supervise seed production field preparations and planting in all fields.

Furthermore, ISSD advised LSBs to include women in committees; setting a 30% quota to ensure representation and inclusive decision-making. Women have performed well in leadership positions, especially as treasurers. The three committees currently have women as chairperson, secretary or member. Female and male committee members lead committees equally, which members appreciate. A good example is Alice Kabireho, quality control committee member of Omutima Gwa Ruhira Farmers' Cooperative Society, well-respected for her role.

"I have received numerous visits from quality control committee members. When I noticed my plants were yellowing, I approached Alice Kabireho who advised me on which pesticides to apply. My field flourished again and the yield was very impressive." Acknowledged **Mr Didas Ahimbisibwe, LSB member.**

Saida Kiiza of the Promotion of Enterprise and Livelihood Development Organisation (PELIDO) LSB is another highly praised LSB member. She is considered an ambitious and determined chairperson of the marketing committee.

"We are happy with what Saida Kiiza is doing in ensuring that there is market for our seed, she always goes to different areas to look for new markets after we have harvested our seed; last season we got a good market on time because of her efforts," said **PELIDO LSB members.**

IQCC members of Agetereine Rural Farmers Organisation in Isingiro district inspecting one of the member's fields during the first season of 2014



Youth have embraced LSB activities and some participate in group leadership and decision-making processes. For example, Latyeng Farmer's Group has a youth wing that is actively involved in seed production. As a result of gender training, opportunities for youth involvement in seed business were clearly identified. Which led other LSBs to now consider establishing youth wings for sustainability and to curb community crime rates associated with youth redundancy.

"These are our children who shunned farming and now loiter in towns and trading centres and, in many cases, are involved in unscrupulous activities. It is our responsibility to make farming attractive to ensure that vice is reduced in communities." **Moses Kagyenda, chairperson, Kishasha Bean Seed Producing Group in Mbarara district.**



Two LSB leaders shaking hands during an exchange visit of Wot Anyim LSB in Pader district to OGR Farmers' Cooperative Society Limited in Isingiro district.

As most LSB members are older, youth members should be included in LSB activities. It is also important to identify specific seed value chain activities or business opportunities in which youth can participate.

To promote horizontal learning in all the LSB building blocks including governance, LSB members participated in exchange visits with other LSBs.

Another approach used for developing LSB governance was linking LSBs to the sub-county community development officer (CDO) who is in charge of local institutional capacity building. This relationship resulted in the review of LSB constitutions based on advice from the CDOs. The CDO has continuously played the role of a LSB patron, mainly looking at organisational development issues. All in all, change in governance is attributed to the willingness of LSBs to improve their businesses; recognising and accepting weaknesses and working towards improving.

Improved organisation management and governance

The process of improving organisational management has influenced changes in seed business development. Working with farmers groups does not have to start with a top-down management style rather than a bottom up management style. This is because farmer members are all adequately informed about group affairs and farmers now understand what to expect from their leaders in terms of service delivery and performance. LSB leadership knows that it is answerable to LSB members and thus has to work and meet their demands. This accountability has led to greater involvement of all parties in the seed business.

"I now know what to tell field owners when I find non-compliance in seed quality field management practices. If you do not comply, you cannot sell your seed with the rest of the members at a good price. If you cannot cooperate and do what is required, you had better find something else to do. Seed quality requires zero tolerance of negligence in the fields."

Mr Muhangi Edison, secretary and quality control committee member for OGR Farmers' Cooperative Society.

Processes are faster as a result of improved organisational management, such as prompt acquisition of foundation seed thanks to timely resource mobilisation. Innovations such as the 'seed box' (a strategy involving calculated and time-bound resource mobilisation for a specific need) are now operational under the finance committees. This follows quality control committee advice on duration of money collection and member contribution that is dependant on individual seed requirements. Committees are now fully undertaking their assigned roles.

Generally farmer groups are attached to traditional concepts and ways of thinking: *"This is how we do it"* and *"Our forefathers did it the same way"*. With the new skills, committees are empowered to decide which actions are in the best interest of the group and can defer traditional practices. LSB leaders acknowledge that leadership is not a one-man show but instead needs to be collective while sharing ideas and making informed decisions based on what is best for the entire LSB.

It is unusual for farmer groups to have strong relationships with external stakeholders. However LSBs have a good reputa-

tion. For example LSBs and their leadership are linked strategically to district and national service providers. This has improved confidence in demanding services such as extension advice from the district production department.

"I cannot believe that whenever I need something from the district, I just go there, get what I want or meet the officials there like the District Agricultural Officer."

Johnson Tindyebwa, Omutiima Gwa Ruhira Farmers' Cooperative Society Limited in Nyakitunda sub-county, Isingiro district.

Previously, farmer group leaders were known to embezzle group funds intended for development-related activities. That is now history, as core LSB values are respected and operational. Transparency and accountability guide LSB ways of working, which has boosted trust among members. For instance, the finance committee is entrusted with keeping and managing LSB funds.

"We now have a shared vision and believe it is all our money. If it is mishandled, we all lose; however, we don't see that happening. If we use the money for any activity, we are accountable and request the money according to our financial constitutional guidelines; details are reported during our monthly meetings," said

Kigaaga Farmers' Cooperative Society members.

LSB Kigaaga Farmers' Cooperative Society has undergone a major leadership transition; its executive committee was replaced

for embezzling members' money. Members demanded new people fill leadership positions and that the previous leadership refunds all money lost. One executive committee member said, *"I was not doing my job properly once the chairperson and some members decided to do things contrary to the constitution. I could not keep quiet as I had to stand up for what was right and reported the matter to board members in order to have a solution."*

Trust issues were a reason why many farmers in communities shunned being part of groups established in their localities; a scenario that has changed and LSB members now talk excitedly about being a part of the group. Power-related conflicts are limited and a collective vision is shared among members. Non-LSB members that have seen LSBs grow in the last three years are requesting to join. Some LSBs are welcoming new members, while others have put stringent requirements to only attract serious farmers who want to share their vision.

"We are very popular in this sub-county but we need new members to join when they are ready to commit to the necessary requirements. In fact our new membership fee is UGX 150,000."

**Saidi Sabassazza, group leader,
Turibamwe LSB, Kamwenge district.**

With improved governance and management, LSBs act in a more creative way and have embraced the slogan: *"doing business as unusual"*. Some LSB leaders and committee heads are delegating responsibilities much more than before (Box 2). This has enhanced other members' capacity in taking on leadership roles; if the

group head is not around, continuity of LSB activities is expected.

Innovations, such as recognising the best performing committee and farmer of the season through an award system, have also been initiated. While enquiring how this has influenced seed development, Omutiima Gwa Ruhira Farmer Cooperative members said: *"We now all fight for excellence in managing our fields well and also as committees we compete to be the best in executing our roles."*

Sustaining change in LSB management and governance

To sustain changes in LSB management and governance requires LSB members' periodic review of constitutions. As the seed business environment changes in terms of regulations and seed sector players, LSBs need to position themselves strategically as seed value chain players to benefit. This implies that LSBs need to understand seed production as well as marketing guidelines. A constitutional review means that all information is updated while providing clarity on roles and responsibilities. Without this information, there could be conflict of interest either intentionally or un-intentionally between those in charge and other members.

Having well-identified roles for committees in LSBs is not enough. It is necessary that committees, as well as members, understand targets set for activities they are meant to implement and how achievements can be assessed. Setting performance measures makes everybody in committees accountable.

The vision setting process needs to be guided by appropriate facilitators to bring LSBs to a common goal in a specified period of time. Targets should be aligned with agreed seed business goals and objectives.

Box 2: A story of Kyamulama Mixed Farmers Group describing changes in governance, seed production and marketing

The chairman of Kyamulama Mixed Farmers' Group is also the founder of the group and is illiterate. At first the chairman thought he could lead in an authoritative way; advice from other committee members was interpreted as an insult and disrespectful. However, a group of members respectfully informed him that involving youth and more educated members was for the benefit of the group. The chairman took this advice willingly and he now appreciates the efforts of the group coordinator and secretary, who has led a number of successful processes including mobilising member resources to construct a storage facility.

Members did not think change was possible considering how things were previously handled, which had diminished group enthusiasm towards sustainable seed business development. The LSB experienced slow growth processes and depended on Community Enterprises Development Organisation (CEDO) Seed Company to provide input seed on a loan basis. CEDO also offered low prices for seed through contract farming. However, the LSB is now able to mobilise resources to acquire quality foundation seed from research that performs better than input seed. Since they buy their own foundation seed, the group is free to sell the seed to the highest bidder. This success is attributed to a change in leadership and a better understanding of seed business environment dynamics.

LSBs professional organisation is key and can only be attained if governance is clearly dealt with from the beginning in seed producing groups. Governance plays a large role in all LSB seed business development and sustainability. Furthermore, LSB success is not necessarily the result of an effective executive committee. Success also comes from recognising and embracing farmer's full participation and involvement in LSB sub-committees to perform designated tasks according to the constitution with a bottom-up, rather than top-down, approach to management.

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