STRENGTHENING ORGANIZATIONAL RESILIENCE

An Analysis of LWR's Accompaniment of a Malian Farmers' Union



Founded in 1945, Lutheran World Relief (LWR) collaborates with governments, businesses, and local partners to grow inclusive and climate resilient rural economies, reduce poverty, and respond to emergencies and humanitarian crises. LWR specializes in working closely with local NGOs, for-profit enterprises, and smallholder farmers across Africa, Asia, the Middle East, and Latin America. This local capacity strengthening approach, which LWR calls "accompaniment," enhances organizations' self-reliance by focusing project resources on strengthening an existing institution that will remain in the area long after a project ends. As LWR accompanies its partners, the involved parties engage in critical and self-critical reflection and develop cultural competency, which allows for support, encouragement, and learning within long-term relationships of trust and reciprocity.

In this learning document, LWR layers its resilience framework on top of its accompaniment model of capacity strengthening to shed light on how best to build an enterprise's organizational resilience. Concrete examples from LWR's work with a farmers' union in Mali showcase areas where this approach was strong and effective, and areas where LWR did not adequately address the enterprise's needs. The resulting analysis leads to recommendations LWR is incorporating into its work moving forward.

Since 1986, LWR has been working in Mali. The *Union des Sociétés Coopératives des Eleveurs de Tamani* (USCET) in the Ségou region of Mali has partnered with LWR over three projects between 2012–2020. USCET was formalized into a union in 2012 with support from LWR, and at that point included four member cooperatives.¹ At first, LWR supported USCET by deepening its capacity for technical support and reinforcing its institutional and management capabilities. USCET then moved into a phase focused on growth, in terms of its cooperative members (and individual members) and the quantity of services it offered. This phase included a strong focus on expanding its ability to collaborate with governmental and private sector institutions. This growth required USCET to further deepen its governance ability. Currently, USCET is setting its own course forward with LWR playing an advisory role.

1 Cooperatives are the most local level of farmers' organizations in Mali; they provide services to member smallholder farmers such as collective bargaining on input purchases, communal storage sites, and tailored support on agricultural techniques.



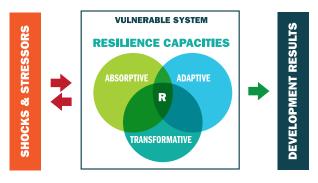
LUTHERAN WORLD RELIEF

The examples of LWR and USCET's relationship come from a study² commissioned by LWR and conducted by Porpé Daou in October 2019 as part of a larger learning agenda in LWR's *Resilience Plus: Community-Led Food Crisis Recovery in the Sahel II (CORE II)* project funded by the Margaret A. Cargill Philanthropies. The CORE II project's learning agenda sought to better understand the role local partners play as part of the social fabric of smallholder farmer communities in West Africa. LWR will take the lessons from this study to improve its approaches to support local enterprises. The relationships that LWR cultivates with local enterprises are the most crucial aspect of our work.

ORGANIZATIONAL RESILIENCE AND SOCIAL CAPITAL FOR STRENGTHENING CAPACITY

In international development, many names are used to describe the type of work LWR has done with organizations like USCET: accompaniment, local capacity building, capacity development, and self-reliance approaches. Throughout the rest of this paper, the term "capacity strengthening" will be used. The most effective models for capacity strengthening focus their attention less on a specific tool and more on facilitating self-reflection of strengths and weaknesses, which encompass technical skills as well as whole-of-organization intangibles like culture and mission.³ LWR uses resilience to analyze the long-term effectiveness of its programming, including the strengths and weaknesses of its partner organizations.

LWR defines resilience as "the capacity of a system (e.g., a community) to absorb the impacts of shocks and stressors, to adapt to change, and to potentially transform, in a manner that enables the achievement of development results." Our programming is informed by our resilience framework, which is presented in full in Lutheran World Relief's Approach to Resilience.⁴



- 2 Aide Mémoire de l'Etude du Modèle D'accompagnement de Lutheran World Relief en matière de renforcement des capacités des organisations communautaires. This document is available upon request (in French only).
- 3 IREX's Guide to Organizational Performance Improvement:
 https://www.irex.org/sites/default/files/node/resource/irex-guide-organizational-performance-improvement.pdf;
 Informing USAID's Self-Reliance Learning Agenda: https://www.usaid.gov/sites/
 - Informing USAID's Self-Reliance Learning Agenda: https://www.usaid.gov/sites/default/files/documents/1870/SRLA_Paper_Series_Overview_Informing_USAIDs_ SRLA_FINAL.pdf?mc_cid=850f5aa52e&mc_eid=46e5aeab79.
- 4 Lutheran World Relief's Approach to Resilience: lwr.org/resilience.

LWR examines resilience at several levels: individual, household, community, enterprise, value chain, region, nation, etc. In LWR's relationship with USCET, LWR has applied our analytical tools for resilience to USCET to promote organizational resilience. This looks at both USCET's internal and external environments. The internal environment includes the structures and practices of the union, and how they affect and are affected by employees, leaders, individual members, and member cooperatives. The external environment includes the government policies that govern relevant aspects of USCET's activities, the society and natural environment in which USCET operates, and the quality and strength of its relationships to peers, vendors, buyers, local and national government leaders, relevant line ministries, donors, and other stakeholders.

Resilience Capacities

LWR's resilience framework includes three resilience capacities. These capacities provide the opportunity to examine USCET's resilience in terms of different timeframes and proximity to a specific shock or stressor. In the following section, examples from USCET's evolution showcase how these capacities have grown during this relationship.

- Absorptive capacity is the ability of a system to mitigate
 the impacts of shocks on their livelihoods and basic needs.
 Examples include risk awareness and prevention to mitigate
 the impact of sudden onset events such as natural disasters,
 as well as coping strategies like cash operating reserves,
 contingency planning, and cash or food reserves for especially
 vulnerable members to enable short-term recovery.
- Adaptive capacity is the ability of a system to adjust to
 the impacts of shocks and stressors, moderate potential
 damages, and take advantage of opportunities that may
 emerge with change. Examples include the adoption of
 diverse revenue streams, the establishment of learning
 platforms, or engagement with existing platforms that
 enable medium to long-term change.
- Transformative capacity is the ability of a system to achieve a new state through a combination of technological innovations, institutional reforms, behavioral shifts and cultural changes, among others. Examples include new governance mechanisms, more inclusive community-based institutions, or novel forms of social engagement, which enable the achievement of long-term development goals.⁵
- 5 IPCC 2007 "Fourth Assessment Report: Climate Change: Working Group II: Impacts, Adaptation and Vulnerability". Geneva, https://www.ipcc.ch/pdf/assessment-report/ar4/wg2/ar4_wg2_full_report.pdf.; Bene et al. 2012 Resilience: New Utopia or New Tyranny?, IDS Working Paper v. 2012, No. 405.; LWR's Approach to Resilience: lwr.org/resilience.

Sustainable Livelihoods Framework

Another feature of LWR's resilience framework is the Sustainable Livelihoods Framework, sometimes called the Livelihood Capitals.⁶ All the capitals are important for understanding the strengths and gaps of households, communities, and organizations. The main results that USCET has achieved during this relationship are presented here according to the capital they most represent.

How Social Capital Supports Resilience

LWR's experience in capacity strengthening with local partners has reinforced the centrality of social capital for successfully strengthening organizational resilience. For this reason, LWR has invested in gaining a deep understanding of social capital, methods for measuring it, and examining how it interacts with other capitals in the context of local enterprises and their operating environments.

LWR defines social capital as networks, together with shared norms, values and understandings, that enable individuals and groups to trust each other, collaborate, and work together in pursuit of their livelihood objectives.

There are three dimensions of social capital—structural, cognitive, and relational.8

The **structural dimension** relates to the properties of the social system and the network of relations. It is the configuration and pattern of formal and informal connections between people and/or institutions, and includes the roles, rules, precedents, and procedures that are expressions of this configuration.

Within this dimension, there are three main categories:

- Bonding social capital is within a group or community.
- Bridging social capital is between social groups, social class, race, religion, or other important sociodemographic or socioeconomic characteristics.
- Linking social capital describes relationships among people or institutions at different levels of societal power hierarchy.
- 6 LWR's Approach to Resilience: lwr.org/resilience; Ellis, F. 1999: https://www.odi. org/publications/2112-rural-livelihood-diversity-developing-countries-evidencepolicy-implications; The Community Capitals Framework: https://www.pcrd.purdue. edu/files/media/Community-Capitals-Framework-Writeup-Oct-2014.pdf.
- 7 TANGO 2018 "The role of social capital in Lutheran World Relief's Resilience Plus: Community-led Food Crisis Recovery in the Sahel II Project": https://indepth.lwr. org/technical-resources/role-social-capital-lutheran-world-reliefs-resilience-plus-community-led-food; LWR "Measuring Resilience: A Study from the CAFÉ Project in East Africa": https://indepth.lwr.org/technical-resources/measuring-resilience-study-cafe-project-east-africa.
- 8 Claridge, T. "Dimensions of Social Capital structural, cognitive and relational." Social Capital Research. January 2018: https://d1fs2th61pidml.cloudfront.net/ wp-content/uploads/2018/01/Dimensions-of-Social-Capital.pdf?x91095.

The **cognitive dimension** relates to resources providing shared representations, interpretations, and systems of meaning among parties.

The **relational dimension** relates to the characteristics and qualities of relationships such as trust and trustworthiness, norms and sanctions, obligations and expectations, and identity and identification.

Understanding relationships is key to understanding social capital. These include the relationships between people, between people and institutions, and between institutions. The history, culture, and tradition of the area or country where the enterprise works shapes much of its social capital—internally in the organization as well as externally with other actors and institutions. Social capital must be examined from different viewpoints, including the views of smallholder farmers, the enterprise itself, other institutions with which the enterprise works or would like to work, and the degree to which those viewpoints align. The more overlap between those viewpoints, the greater likelihood actors will be able to work together. LWR is developing tools to help with this form of systems analysis. For example, some LWR projects use software like Kumu⁹ to generate social network maps.

USCET is a market system actor in the Ségou region of Mali. It creates value for its farmer members by acting at a scale no individual farmer or primary farmers' society could achieve alone. By understanding its members' interests, it represents them to other market systems actors such as input suppliers and vendors in larger markets. It claims a more equitable share of the economic value derived from the products farmers grow, because it is better able to access relevant information, such as fair prices, than an individual farmer could. USCET has also established more equitable power relationships with other market actors than individual farmers or primary societies could.

An organization's culture is shaped by the beliefs, values, and attitudes that people hold. This is reflected in, among other things, the degree to which people trust one another and the organization as an institution. A social contract within an organization like USCET is between the leaders, enterprise staff, and producers. Their beliefs, values, and attitudes feed into terms of the social contract and can be used by all stakeholders to ensure accountability to them. Understanding this form of social capital requires examination of the organization's social norms (that which is considered acceptable behavior) and social sanctions (reactions that reinforce appropriate behavior or discourage inappropriate behavior, as defined by the norms). A sense of belonging within the organization will support its ability

to accomplish its work. In order to gather relevant information to understand a social system and to determine potential partners for our work, LWR uses a set of questions that help stakeholders explore these dimensions. LWR has used quantitative and qualitative methods to understand some aspects of this work in specific projects, including the CORE project where USCET is the local implementer. For example, in addition to regular quantitative survey-based project monitoring that measures changes in the more tangible livelihoods capitals (physical, economic, and natural), LWR commissioned TANGO International to explore how social capital is perceived by individual farmers, both between households in the same communities and between households and local enterprises like USCET.¹⁰

USCET's Social Capital

At the beginning of this relationship, the partners understood that in rural Mali, two audiences were extraordinarily important to secure success: farmers, who were members or could potentially become members, and the local government.

USCET was initially created by the joining of 24 farmers cooperatives. Leaders and LWR representatives hosted informational sessions with members to provide space for them to ask questions and weigh the pros and cons of forming a union.

USCET also launched intentional informational campaigns with various local government bodies (mayor, prefect, agricultural and veterinary line ministry officials) to thoroughly understand the priorities of those offices and show how USCET's work, supported by funding and technical support from LWR, aligned with those priorities. These established strong, transparent, and mutually beneficial relationships between local government officials and USCET's leaders continue to be maintained and strengthened.

USCET has taken all the steps to be compliant with Mali's OHADA law. 11 Compliance required USCET to develop a clear structure with transparent decision-making processes. In addition, its status as a union clearly defines its structures: cooperatives, cooperative assemblies, general assembly, control committee, and board of directors. By having explicit roles for different bodies as well as clearly documented processes and timelines for communications, USCET has developed an equitable decision-making process. All these clearly defined bodies and processes enhanced the structural dimension of USCET's social capital. For example, USCET's leaders have a

10 TANGO 2018 "The role of social capital in Lutheran World Relief's Resilience Plus: Community-led Food Crisis Recovery in the Sahel II Project": https://indepth.lwr. org/technical-resources/role-social-capital-lutheran-world-reliefs-resilience-plus-community-led-food

11 The OHADA treaty is an agreement across West and Central African countries to harmonize business laws and implementing institutions to support economic development in the region: http://www.ohada.com/.



manual, developed by its staff and approved by its membership, which dictates the specific steps they must follow to approve payments and ensure they are within the approved budget. Of note is the fact that even though some of USCET's elected leaders are illiterate, they supported the effort to document these processes. They recognized that having a clear process and following it regularly builds trust in the process itself and in them as leaders.

In 2017, USCET developed a document outlining its accountability to member cooperatives and partners. This document created a process by which complaints and suggestions could be formally made to the union. It specified how decisions were made and how people could complain if they disagreed with a decision, such as the criteria used to determine which members received which services. This is the type of practice that enhances the relational dimension of social capital, in that it gives everyone a way to communicate their expectations and enforce sanctions.

Members' opinions of women have improved, as several women have succeeded in leadership roles necessary for the functioning of the union. The union's overall success has been recognized as being in part due to women's very consistent payment of membership fees and regular attendance at meetings, which tend to be more reliable than men's. This can be viewed as an aspect of the cognitive dimension of social capital, in that the leadership and the membership both interpret women's contributions as valuable. Because this interpretation is slightly different from that of broader society's, it really is a testament to USCET's social capital.

Focusing on strengthening human capital in areas that were lacking in the region, such as veterinary services, early warning system structures, and transparent and accountable leadership, USCET has also enhanced social capital. The skills that USCET sought to build were in higher demand than existing services could provide. By paying attention to that deficit in service

delivery, it simultaneously built human capital and social capital. Trainings were delivered in ways that farmers could make best use of them, such as using demonstration plots in villages to showcase traditional practices next to new practices or delivering messages via radio which many people (including women farmers) can access.

USCET's leaders have found ways to reduce conflict, especially between settled farmers and semi-nomadic livestock herders. By facilitating agreement among settled farmers, USCET's leaders were able to clearly communicate to elected leaders a schedule for when herders could access fields after harvest, thus protecting farmers' yields and providing fodder for herders' livestock. To further improve this situation, USCET uses local radio stations to share information about agreed upon dates of movement for herders as well as providing them, even if they do not belong to a member cooperative, with relevant technical support on improving their livestock's health. In strengthening the cognitive social capital (widely-accepted timelines for movement of animals) and the relational social capital with non-member herders (through diffused technical support), USCET has gained and continues to build trust with individual farmers and herders, and provides a way for them to begin to trust one another.

Because USCET has built its internal operations with input from its members and has provided them with the services they need and effective mechanisms for resolving challenges, it has gained members' trust. Building on these operational mechanisms and solutions-oriented attitudes, USCET has shown itself to be an effective partner in achieving national and local policy goals, earning it respect from government officials. For these reasons, it had the necessary trust to function as a safety net for the most vulnerable families in response to the drought in 2017-2018. In a project designed alongside CORE to provide humanitarian assistance through the drought, USCET successfully distributed reduced-cost grains to households id; entified by the community as being the most at-risk of adopting negative coping strategies. In future emergencies, its increased absorptive capacity will support its ability to rapidly organize itself into an effective distribution center again. Its increased adaptive capacity, supported by strong social capital that empowers members and other actors to contribute ideas, allows USCET to recognize opportunities, reduce vulnerabilities, and mitigate challenges on the horizon.

USCET had the necessary trust to function as a safety net for the most vulnerable families in response to the drought in 2017–2018.

USCET's Human Capital

LWR defines human capital as the skills, knowledge, ability to labor, and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives.

In terms of USCET's organizational resilience, this includes the skills necessary for successful operations and effective decision-making. Together these skills, applied with a backdrop of positive social capital, contribute to achieving the results USCET sets out to achieve.

LWR has extensively trained the USCET staff and the board on numerous subjects including governance, associative life, the implications of OHADA compliance, and ways to access finance. For example, the board has received training to analyze opportunities and the external environment before making any decisions. In addition, LWR has provided support on how to align their human resources management within country laws.

USCET's internal reporting structure has evolved over time as the staff has grown. Throughout this evolution, USCET's membership has remained the ultimate decision-maker with regular detailed reports on the union's financial, personnel, and managerial decisions.

USCET's variety of services to members has grown from four in 2013 to 15 in 2019. The majority of these services include aspects of training on specific agricultural practices, access to drought-tolerant crop varieties, animal husbandry practices, financial skills, and leadership skills. Many of these new skills have translated into great economic capital for individuals and households.

USCET operates in a fragile context with limited economic opportunities. Like many rural areas in West Africa, it suffers from youth out-migration and has limited educational opportunities for children. Women have limited power in their households and over decisions that affect them and their children. The effects of climate change further exacerbate existing challenges. These issues made it difficult for USCET to proactively capitalize on external opportunities and prepare for shocks before we partnered together. As USCET's technical expertise has increased and gained more confidence, both internally and externally to conduct business on behalf of members, it has also evolved. USCET's leaders are now engaged in strengthening their capacity to proactively set strategy. As they build these skills, and maintain the gains they have achieved to date, the vision for the future that USCET's members and leaders want for themselves becomes more hopeful.

USCET is a great example of how local enterprises can evolve, with consistent support from respectful partners, from being reactive to proactive. As the enterprise gains resources, skills, and its leaders build confidence, it can increasingly shape its own strategy.



USCET's Economic Capital

LWR defines economic capital as the financial resources that people use to achieve their livelihood objectives.

From 2012 to 2019, USCET increased its annual operating budget from 1,300,000 FCFA to over 40 million FCFA (approximately 2,600 USD to 12,000 USD), a 2000% increase. This operating budget is funded through membership fees and monies from collective sale of cereals and healthy livestock. Through the Union's savings groups, women were able to save nearly seven million FCFA (12,000 USD), and leverage those savings for small loans paid back by the local groups. The Union's training and initial supply of materials to 80 para-veterinarians has generated more than 11 million FCFA (18,000 USD) in the past two years—increasing those para-veterinarians' incomes, diversifying their households' income portfolios, and providing services to livestock owners that in turn increase their profits.

USCET's Physical Capital

LWR defines physical capital, or built capital, as the basic infrastructure and producer goods needed to support livelihoods.

With support from members and LWR, USCET's physical head office was completed in 2014, and has since become a valuable resource not only for the Union but also for the community more generally. It provides meeting facilities not otherwise available in the area.

USCET's Political Capital

According to the Community Capitals Framework, political capital is the ability to influence and enforce rules, regulations, and standards. It also includes access to individuals and groups with the power to influence decisions and participation in civic discourse on difficult public issues.

USCET has acquired prominence inside and outside its area of intervention. It has played an important role in official events and community life. USCET speaks on behalf of its members and advocates for their needs to local government representatives and line ministry representatives. USCET has even mobilized national attention to its interventions. It has earned the trust of members to do this, and the respect of other local entities necessary to be worthy of their attention.

Some of the Union's leaders have taken what they learned at USCET and moved on to elected positions in local government, taking with them important management skills and respect for the need for transparency and accountability.

USCET's Natural Capital

LWR defines natural capital as the natural resource stocks from which resource flows and services (e.g., nutrient cycling, erosion protection) useful for livelihoods are derived.

USCET does not directly control any natural assets. However, all of the projects that USCET and LWR implemented supported farmers to improve their natural capital. This included a campaign to plant trees to increase the availability of livestock fodder.

USCET IN THE FUTURE

As LWR and USCET come to the end of their current work together, USCET has more than doubled its membership. It enjoys a good reputation among its members and works effectively with other institutions for the benefit of its members. While it relied on LWR considerably at the beginning of the relationship, USCET has grown in confidence and effectiveness. LWR has adjusted its approach accordingly by refining its support over time as appropriate. USCET has successfully won a grant from the US African Development Fund for \$250,000. It has the internal capacity to manage this grant, and the continued goodwill of its member cooperatives and their farmers to work together toward the future they want. USCET is prepared to expand its operations to capitalize on future opportunities and manage challenges, and is an integral part of Ségou's hope for a better future.

USCET By the Numbers	2012	2019
Individual members	1244	2855
Member cooperatives	24	42
Services offered to members	4	15

LWR Applies Lessons from This Relationship in Its New Strategy

LWR has recently launched a new strategy for its agricultural work, the Rural Economies and Agricultural Livelihoods (REAL) strategy. This strategy builds on LWR's expertise in capacity strengthening of local enterprises. Under this strategy, formally organized, high-functioning enterprises incentivized by profit and social good are viewed as key to making farmers' engagement in market systems more effective, equitable, and profitable. Enterprises intermediate with the broader agricultural-based economy on behalf of smallholder famers to sustainably maximize social, environmental, and financial value.¹²

The USCET relationship feeds into LWR's knowledge about what makes a successful farmers' organization. LWR's West African team has employed a self-created diagnostic tool that helps LWR staff assess the strengths and weaknesses of potential partner enterprises. Based on USCET's initial assessment, for example, the team realized it needed to work with USCET leaders to combine the various small cooperatives into one union to maximize economies of scale.

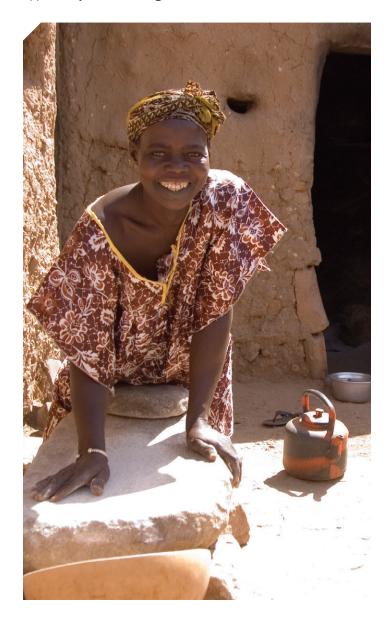
While this regional tool is valuable, it is calibrated specifically to the West African context, and very specifically to farmers organizations. LWR has used this and other similar tools from other regions to develop an agency-wide tool that can facilitate comparison across geographies and over time with different types of local partners. Informed by decades of accompaniment experience in Latin America, Asia, and Africa, this tool examines a variety of aspects that are critical for successful enterprises, such as business planning, financial management systems, management structures, and long-term vision.

Another aspect of this assessment is a review of the enterprise's principles and values, which both shape and are shaped by the business aspects of the enterprise. For example, USCET's ability to develop its forward-looking strategy is born out of its strong foundation of protocols, mechanisms, and policies—all based on its commitment to transparency and accountability to members. As its leaders consider how the enterprise will develop, its principles and values will continue to mature and its structures will also evolve. This is an inherently iterative process that requires patience, reflection, and adaptation.

The diagnostic tool is itself accompanied by a series of other assessments that help LWR and the enterprise map out the enterprise's operating environment. This includes relevant markets and market actors, the broader society and cultures in which the enterprise operates, and the health of relevant aspects of the natural environment.

This suite of materials constitutes a consistent framework that supports LWR staff members to assess business functions, principles and values, and internal and external operating environments. With it, LWR staff can support enterprises in assessing their organizational effectiveness and identify a strategic plan for addressing gaps and capitalizing on opportunities. This enables a clear view of potential opportunities and challenges. LWR also has a sense going into the relationship of the relative strengths and weaknesses of a potential partner, and can assess the depth of support and timeline necessary for appropriate capacity strengthening.

Like our local partners, LWR continues to evolve in our understanding, our values, and our approaches. With each partner, we learn and grow. LWR remains committed to accompanying our farmers and the local enterprises that serve them with dignity, respect, and gratitude. Our experience with USCET has been invaluable and we have appreciated the opportunity to learn alongside their leaders and members.





By Wendi Bevins, Technical Advisor for Resilience, Corus International

With generous support and input from Bijou Kuzimbu, Nana Touré Sidibe, Garrett Schiche, Jacques Hlaibi, and LWR's West Africa team

LWR is a member of Corus International, an ensemble of faith-based organizations working together in the world's most fragile settings to deliver the holistic, lasting solutions needed to overcome the interconnected challenges of poverty, health, and climate change. Corus' non-profit and for-profit member organizations—Lutheran World Relief, IMA World Health, Charlie Goldsmith Associates, and Ground Up Investing—have a combined 150 years of experience in global aid and development across Asia, Latin America and the Caribbean, the Middle East, and Africa.



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Corus International rejects the premise that there is capacity to be "built" but rather that communities need support to develop or strengthen human and social capital that already exists. Therefore, capacity strengthening is Corus' preferred language. Corus appreciates the USAID-supported "Stopping As Success: Transitioning to Locally-Led Development" initiative for adopting more respectful, less colonial terms and explaining clearly why they matter.