



Village Tree Enterprises (VTE) in Northern Ghana:

Delivering business literacy and microfinance to lift

3,000 rural poor families out of extreme poverty

PROJECT OVERVIEW

JERSEY OVERSEAS AID COMMISSION FUNDED PROJECT

In the drylands of the three northern regions of Ghana (called Upper East, Northern and Upper West), people are struggling with the profound, associated challenges of food security and poverty. According to a nationwide poverty

analysis, more than four in every ten persons are poor in Upper East (44.4%), increasing to one in every two people in the Northern region (50.4%) and seven out of every ten in Upper West (70.7%); much higher than when compared to the national average of 24.8%ⁱ. Poverty is unequally distributed to these rural savannah areas. In fact, the three northern regions combined account for more than half of those living in extreme poverty (52.7%) in Ghana, despite being home to only 17.1% of the country's entire population. The people here are highly reliant on natural resource-based livelihoods for subsistence and income. But loss in forest cover, erosion and reduction in soil fertility from unsustainable management practices has caused severe land degradationⁱⁱ - all significantly detrimental to livelihoods. Additionally, the poor have been worst affected by the extensive negative impacts of climate change and variability on agricultureⁱⁱⁱ.

A viable, alternative livelihood source is through tree products - an integral part of dryland agricultural and food systems. Trees are one of the few resources that women traditionally access, manage and control. The basis of this project is to unlock the potential of these trees for poor communities. The objective of the Ghana Village Tree Enterprise (VTE) project is **to support the poor to develop sustainable income sources from the sale of tree products, to spend on immediate needs and create the means to invest in their families' future**. This is through supporting communities in the three northern regions to form VTE groups to sustainably harvest, process, market and sell a range of Non-Timber Forest Products (NTFPs), as well as establish Village Saving and Loans Associations (VSLAs) to mobilise resources to grow and support their enterprises.



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JOAC has kindly provided critical support for this project in 2015.

ACHIEVEMENTS

- 3,678 beneficiaries/172 VTE groups supported in 31 villages in northern Ghana
- Completion of Phase 1 activities (local forest surveys) in all target communities
- Completion of Phase 2 activities (market surveys) in all target communities
- Assessment and selection of NTFPs completed
- Training for partners and community leaders
- 65 VSLA kits distributed, refresher training conducted
- Linkages between VTES and both micro-finance institutions and buyers formed.
- 42 groups have completed enterprise development plans, majority of groups have moved onto Phase 3 (Business Plan development).

REPORTING AGAINST OUTCOMES & ACTIVITIES

Outcome 1: 200 VTE's formed across 40 communities; Outcome 2: 3,000 entrepreneurs (60-70% women), despite their illiteracy, trained as VTE entrepreneurs in business literacy and quality NTFP production; viable business plans developed; As Outcomes 1 & 2 are inextricably linked, these are reported together here.

By the end of 2015, **3,678 people (including over 81% women i.e. 2,987 female entrepreneurs)** are participating in VTEs and have received training in business literacy, NTFP production, and have either begun or completed viable business development plans. The 3,678 entrepreneurs work across **172 Village Tree Enterprises (VTEs) formed across 31 communities**. These have been nearly evenly distributed across the three northern regions of Ghana within 8 districts. At the household level, the project is estimated to indirectly benefit 25,746 people when using the original beneficiary household size estimate (7 people, thus exceeding the original target of 21,000).



While the number of VTEs is 14% under the original target, the actual number of beneficiaries has exceeded target by 22%, as the group size was higher than the original target of 15 people per group. The project has been particularly successful in targeting women, exceeding the high end of the target range.

Activity 1: Train facilitators in the partner NGOs and community leaders:

A 2 day training on Inclusive Programming for VTE Focal Persons and Field Facilitators was completed, to support the inclusion of people with disabilities and marginalised groups.

24 field facilitators and project focal persons (6 Female, 18 Male) from TREE AID partner organisations were brought together for a **10-day Training of Trainers session** on phases 3 & 4 of the MA&D process and a refresher on the previous phases. This was led by a FAO regional trainer and included two days of practical work in selected communities to enable participants to practice what they learnt in a real village setting. The training also covered strategies for providing business support to the infant tree product enterprises that will emerge at the end of phase 3.



VTE Entrepreneur Bankala, Ajara (above)
 “Every mother in the village wants a better life for the family...I expect that an increased income from tree products will enable me to support my family with better food and pay my children's school fees”

Further community leaders/community data collectors training is described in the next section.

Activity 2: Form 200 VTE groups and train entrepreneurs, and develop business plans. All beneficiaries have participated in training using the Market Analysis and Development (MA&D) approach, developed by the Food and Agricultural Organisation (FAO) specifically to enhance community-based NTFP enterprises particularly in low literacy areas).

Phase 1: (Conducting Local Forest Resource Surveys): All 31 target villages conducted community resource surveys in 2015, a tool used to assess the availability of different tree products in the local areas. As the first step in the MA&D process, this information gathering helps to establish the product options available to enterprise groups. The surveys were carried out by community data collectors selected by the VTEs, with the support of field facilitators. A range of tree products were subsequently short-listed across villages, including (1) Honey, (2) Shea-nuts (3) Shea-butter, (4) Baobab fruit pulp, (5) Baobab seed (6) Baobab oil (7) Dawadawa¹ (8) Borassus fruit and (9) Borassus root-tuber. A small selection of VTEs were wrapping up the Phase 1 process at the end of December.

Phase 2: (Market Surveys to Improve VTEs Knowledge of Markets): All 31 target villages were supported to conduct market surveys in their main community and district markets within their respective areas of operation. Community facilitators were provided orientation on the market survey and data collection requirements, which included exploring the current actors in supply chains, the specific sources of trees, opportunities and constraints in the supply and sale of products, and the quality standards observed by producers. This process also enabled networking and relationship building with new market contacts.

Phase 3: Business Plans (Enterprise Development Plans): By the end of September, **most groups were approved to move on to Market Analysis & Development Phase 3 training** during which Enterprise Development Plans (EDPs) i.e. business plans are developed. By the end of December, **42 groups had completed the development of EDPs.** The remaining groups have continued EDP development into early 2016, with all 172 business plans due to be received at the end of March 2016 for final assessment by Tree Aid. Additionally, many groups are already conducting some level of business activities.

¹ A food seasoning made from the African locust bean



Following Activity 1 training, field facilitators returned to their respective project areas to facilitate business plan development with the 172 community groups. The facilitators guided the entrepreneurs to analyse data collected in phase 2 in order to refine their enterprise ideas using relevant tools. This step provides groups with the opportunity to fill in the data gaps so they can prepare robust EDPs.

Activity 3: Support the assessment and selection of viable Non Timber Forest Products (NTFPs). Through the **phase 1 & 2 surveying activities**, a variety of NTFPs were short-listed by VTEs, as noted above. **A national market survey** commissioned by TREE AID was carried out in December 2015, focussing on the particularly promising products of shea nuts, shea butter, baobab and beehive products (honey, etc.) The survey made recommendations which are feeding into VTE business plan (EDP) development.

Case Study: Expanding Livelihood Opportunities

Meet James Anaba, 56, who lives in northern Ghana in the village of Achuboyor. He is the father of 11 children, and became involved in the project after attending a community meeting.

James told us about his life before the project: **“I am a farmer...life has always been very difficult for me and many others in the village because we depend mainly on seasonal crops for a living.** There were very few livelihood options and income sources were limited.”



of

James Anaba, Bee Keeper & Farmer

But since becoming involved in the project, **James has also joined a bee-keeping enterprise** which has set up an apiary to produce honey in the forest. James says that with the income from sales of the honey, he will be able to buy seeds for the next farming season. **“With our natural forest resources and local skills we are able to produce something of value that we can eat and sell to earn money.”**

The project has also precipitated wider positive changes in his village. James told us “In the past we hardly thought about trees and the forest as a resource to be managed. But with the accelerated deforestation and our growing reliance on the trees, we are beginning to think of them as vital resources to be managed. We have a more business-approach to managing and using trees”

Outcome 3: 200 Village Savings & Loan schemes established; access for entrepreneurs to new markets / buyers, credit schemes established, and methods of co-operation between producer groups established.

VSLAs. One challenge has been around data collection for unique VSLA establishment. To address this gap, 21 field facilitators (5 F, 16 M) participated in a **refresher training on VSLA** concepts and methodologies in December 2015. The training also involved **installation of Management Information System (MIS) software to capture VSLA field data at all partner offices.** TREE AID will work with partners to re-capture VSLA data using this system, which is a priority in early 2016. Better data on the numbers of VSLAs established will be available in May 2016.

To support the formation and operation of the VSLA groups TREE AID distributed **65 VSLA kits to partners** (at least two sets per project village). This is a set of working tools and materials around which weekly meetings revolve. The kits include individual pass books for VSLA members to record transactions, the VSLA constitution, unique stamp and ink pad to certify documents, and a box with three locks and corresponding keys distributed to three members for security. This allows a fourth individual to keep the box, and all three key holders must be present in order to open and access the box contents, ensuring the security and appropriate use of VSLA funds

Linkages to Buyers. VTEs have already been able to make linkages with buyers and sell NTFP products over the course of the project. This includes specifically selling to AAK (shea nuts), SFC (shea nuts, shea butter



and baobab), WILMA (shea nuts), SUNDIAL (a client of SFC, and buyers from VTEs), Moringa Connect (moringa) and other informal buying agents.

Activity 4: Facilitate microfinance schemes. All of TREE AID's partners have **organised workshops to connect VTE groups to micro-finance institutions**. In June 2015, partners brought together three financial institutions with VTEs in Bunkprugu-Yunyoo District to explore opportunities for financial products and services. More recently, one partner held a workshop between GN bank and 5 communities. TREE AID will be following up on the outcomes of these meetings, which are more likely to result in tangible agreements following the finalisation and implementation of business plans.

Activity 5: Support the travel costs of the facilitators. Travel costs for field facilitators have been supported through JOAC funding, please see the details for relevant activities above relating to the MA&D training.

Activity 6: Organise project monitoring and evaluation, including self-assessment workshops for the entrepreneurs and District level officials. Beneficiary Self-Evaluation Workshops were organised at 5 project sites to discuss the progress of the project including challenges, with more planned in April 2016 following EDP completion. Partners also reviewed progress from Phases 1 & 2 and briefed community participants about the next phase. TREE AID carries out quarterly monitoring visits to each project site, typically shortly after receiving technical and financial reports from the project partner.

NEXT STEPS

1. Data collection on VSLA establishment, available in May 2016.
2. Finalise Enterprise Development Plans and launch enterprises in May 2016
3. Conduct further village and district level self-evaluations, including beneficiaries' capacity assessments - April 2016
4. Facilitate further negotiations among VTEs and MFIs on business financing
5. Promote business networking, linking VTEs producer groups to marketing companies
6. Organize workshop sessions with partners to review post EDP enterprise monitoring and reporting

Financial Report

Northern Ghana VTE project	Budget	Jan-Dec 2015	Variance	Notes
Partner support Finance	£ 6,715	£6,117	£598	
Train facilitators	£ 15,690	£16,023	-£333	
Form groups & develop business plans	£ 22,838	£ 34,178	-£11,340	Additional partner staff time required, original costs under-estimated.
Assess and select NTFPs	£ 13,495	£13,995	-£500	
Facilitate microfinance schemes	£ 16,018	£ 10,714	£5,304	Some activities delayed until 2016, hence underspend
Support travel costs of facilitators	£ 6,112	£ 2,859	£3,253	Costs reallocated to forming groups
M &E	£ 9,882	£ 6,864	£3,018	Workshops delayed until 2016, under spend
TOTAL	£ 90,750	£ 90,750	-£ 0	

ⁱ Ghana Statistical Service. [Poverty Profile in Ghana](#). August 2014.

ⁱⁱⁱ UNEP/UNDP – [National Climate Change Adaptation Strategy](#) (Ghana)