

# AID-FOR-TRADE CASE STORY

## NEW ZEALAND

### WOMEN IN BUSINESS DEVELOPMENT INCORPORATED, SAMOA

Date of submission: 31 January 2011

Region: Pacific

Country: Samoa

Type: Programme

Author: Kathryn Beckett, Development Programme Manager, New Zealand Ministry of Foreign Affairs and Trade

Contact Details: Mail: Private Bag 18 901, Wellington, 6160, New Zealand

Email: [kathryn.beckett@mfat.govt.nz](mailto:kathryn.beckett@mfat.govt.nz)

Phone: +64 4 439 8868

WIBDI: PO Box 6591, Apia, Samoa

### EXECUTIVE SUMMARY

Women in Business Development Incorporated (WIBDI) is a not-for-profit organisation formed in 1991 to help advance income generating opportunities for women in Samoa. Over the last 20 years, this focus has expanded beyond women to encompass rural families, assisting these families to undertake income generation activities geared to niche markets. This case story documents the results achieved and lessons learnt from work undertaken by WIBDI to build farmers supply side capacity and secure export markets for locally grown organic produce. This programme of work falls under the Aid for Trade category "Building Productive Capabilities: Agriculture".

WIBDI have successfully managed to develop organic agriculture in Samoa and establish successful export markets for a number of locally grown products. To date, WIBDI have helped over 350 farms become organically certified. They have facilitated linkages between rural communities and global markets for virgin coconut oil, bananas, coffee, cocoa, vanilla and other organic products such as dried bananas.

The key drivers for WIBDI's success include: the length of time the programme has been running; intensive, comprehensive, family focused support; working within the cultural context; establishing international private sector partnerships; strong and visionary leadership; steady and predictable long-term funding; and more recently strong support from the Government of Samoa.

Some of the key challenges to WIBDI's success include: Fair Trade Labelling Organisation (FLO) standards not being readily applicable to the Samoan context; difficulties establishing consistent quality and quantity of supply; and difficulties managing the rapid organisational growth and external interest due to success.

### ISSUES ADDRESSED

Samoa has a population of approx 180,000. It is a small, fairly liberalised economy, with a GDP of around NZ \$867 million (to the end of 2008). It is reliant on foreign imports and has a large trade deficit. The economy is largely driven by tourism (20-25% of GDP), remittances (25% of GDP), and foreign aid. Only around 12% of

Samoa's total population is engaged in formal paid employment. Two-thirds of the potential labour force is absorbed by subsistence village agriculture, a dominant sector in the Samoan economy.

In the context of Samoa moving from a subsistence to a largely cash economy, WIBDI is working to increase the self-reliance of rural people and reduce dependence on remittances from relatives overseas. One way they are working to achieve this is through increasing farming families' income and therefore living standards through organic farming.

The New Zealand Aid Programme has been providing funding support for WIBDI since 1995 both directly and through a NZ partner NGO (Oxfam New Zealand).

## OBJECTIVES PURSUED

WIBDI's vision is that:

Women, youth and people with disabilities and their families in Samoa are able to contribute fully to the development of themselves, their families and their country through income generation, job creation and participation in the village economy.

Its mission is:

To assist women, youth and people with disabilities and their families in Samoa to achieve the vision, by providing them with skills opportunities, access to finance, and access to markets.

Objective 1: Work with families and all Samoans to strengthen their capacity to generate and manage income and lessen dependence on remittances for their daily needs.

Objective 2: Work with industry groups to create sustainable networks and export pathways.

Objective 3: Work with targeted government ministries and agencies to create opportunities.

## DESIGN AND IMPLEMENTATION

WIBDI developed a first Strategic Plan in 1993 and moved to a Programme Logic, developed as part of a Monitoring, Evaluation and Learning Framework. This basically drove all of WIBDI's work. The Programme Logic was developed and utilised until a new Strategic Plan was developed in late 2010. WIBDI is currently working on an operational plan to back its work.

Partner funding has been provided directly to WIBDI to use according to their operational plan and priorities.

## PROBLEMS ENCOUNTERED

There have been a number of challenges WIBDI has faced in developing a viable organic agriculture industry in Samoa. Like all organisations working to strengthen livelihoods in Samoa WIBDI operates in the context of a shortage of excess rural labour available to move to different farms, competition with easier access to remittance income, and a tendency for farmers to move in and out of productive activity depending on their particular social and economic circumstances. Some more specific challenges WIBDI has encountered include:

- **Difficulties establishing consistent quality and quantity of supply:** There are some interesting lessons from WIBDI's recent work developing a viable export market for misiluki (lady finger) bananas in partnership with the NZ organisation the Tindall Foundation. During 2010 the Tindall Foundation has been assessing the potential to scale up the current quantities of organic misiluki bananas exported from Samoa by WIBDI into a successful commercial export venture. Although a six month time frame was initially set by the Tindall Foundation to establish the industry this has proved ambitious due to a number of factors:

- problems meeting NZ bio-security requirements
- Misiluki bananas were chosen as a suitable export product because they were already growing naturally on farms. This in turn caused difficulties ensuring a consistent quality and quantity of supply due to the fact that they were harvested at different times and stages of ripeness. Misiluki bananas are also eaten by families when other fruit crops are unavailable contributing to supply issues.

In order to address some of these issues WIBDI has been encouraging farmers to plant new banana palms for harvest at the same time, use nets to ensure birds do not damage the fruit, and ensure fruit are picked at the same time. However, it will require substantively more resources and attention than initially envisaged to achieve an economically viable trade in misiluki bananas.

- **Difficulty gaining Fair Trade recognition and certification:** Concepts of Fair Trade are relatively new in the Pacific and present an ongoing challenge. The Fair Trade Labelling Organisation (FLO) standards have mainly been developed in response to the situation of exploited workers on large plantations or to benefit farmers' organisations or associations. The situation in Samoa is different as attempts to organise agricultural cooperatives have largely been unsuccessful. WIBDI's focus on working with families as a social unit has replaced the notion of farmers cooperatives usually associated with the Fairtrade movement. This has made it difficult to gain FLO recognition for organic produce in Samoa and the wider Pacific region. FLO has agreed to audit WIBDI and details are being worked on, although WIBDI remain a little concerned that their work with families doesn't meet the FLO criteria.

In order to address this issue WIBDI staff gave a paper at the Fair Trade Association of Australia and New Zealand (FTAANZ) AGM in 2009 asking for their support with the process. The New Zealand Aid Programme are also supporting FTAANZ to undertake a Pacific Fair Trade Support Programme which will focus on understanding the needs of Pacific producer groups and developing a model of Fair Trade certification that will meet their needs.

- **The difficulties of success:** WIBDI is widely respected and recognised for its achievements (see Results section). This has led to the organisation responding to a constant stream of inquires and visitors (donors, researches, journalists, business people) which puts a considerable strain on a small organisation.

With recent successes including a contract with the Body Shop International to supply organic coconut oil, a partnership with a NZ based coffee roaster C1 Espresso, and initial support from the Tindall Foundation to develop a Misiluki banana market, WIBDI's staff have doubled. Ensuring they continue to meet the quantity and quality required is stretching WIBDI; these requirements are likely to step up even further over the next few years.

Managing this expansion has been difficult. As a result WIBDI's financial management, planning and human resources policies and processes need developing so that WIBDI is able to cope with the increased size and scale of its work programme as well as donor demands.

In order to ensure consistency of supply in a country where seasonal cyclones are a real risk to production, and to meet the increasing quantities of produce required for commercial viability, WIBDI are looking to forge partnerships with organic producer group organisations and exporters in other Pacific Islands to ensure supply is met.

## FACTORS FOR SUCCESS / FAILURE

Looking at the key drivers for WIBDI's success provide some useful lessons for other Aid for Trade activities targeted at assisting rural and vulnerable populations to earn an income through linking to global markets. These include:

**Building supply side capacity takes time:** WIBDI maintain they have achieved what they have due to 20 years of time intensive work.

**Comprehensive, family focused support:** WIBDI work very closely with the farmers they support. Field staff visit each family regularly to maintain all important face-to-face contact and to ensure both that the family

knows what is going on and that WIBDI are listening and responding to the families needs. They also provide a total package of support for families including: on-going training, supervision and support; providing access to microfinance; assisting with organic and fair trade certification to international standards; and facilitating links to global markets.

A good example of the high level of support WIBDI provide is by looking at WIBDI's support for farmers producing coconut oil for a Body Shop International (BSI) contract. WIBDI plays a role tasting and collecting the oil, lending farmers the press equipment, holding two bank accounts for the farmers – one for their savings while 5% is placed in the other account to cover equipment and maintenance costs. WIBDI also provide training in the steps farmers must take to meet the quality standards required. Oil which doesn't meet the required standard is sometimes bought by WIBDI and then sold on to soap makers or spas. Farmers are also provided with a set of written cards, setting out each step from husking, through to pressing. Farmers also keep a log book recording for each load – the wet weight, dry weight, and quantity of oil produced. These logs are checked by WIBDI staff when they collect the oil.

**Working within the cultural context.** Due to the strong family culture in Samoa WIBDI focuses its programmes on individual families and not whole village communities or individuals alone. By working with families they have one head of family to liaise with rather than many village elders as leaders in a communally based project. They have also found that when a family is earning cash for themselves they tend to take more responsibility for the project, stick to it longer and put more money back into it. Family gains subsequently flow on into the community and assist in building social capital.

**Global private sector partnerships.** Through developing key relationships with international private sector organisations WIBDI has been able to facilitate links to global markets for Samoan organic produce. These partnerships are driven by corporate social responsibility principles and profits to be gained through the growing consumer commitment to ethical trade. The key success in this area has been WIBDI's partnership with the Body Shop International (BSI) through a community trade contract, under which they successfully export virgin coconut oil (VCO). WIBDI's initial export of two tonnes of virgin coconut oil has increased to the current export of ten tonnes, all realising a premium price sufficient to see VCO register in Samoa's export earnings.

**Strong visionary leadership and a clear orientation to finding real markets for their farmers.** WIBDI has had the same strong and dynamic leadership since it was established 20 years ago, energetic to continually find new opportunities.

**Steady and predictable long-term funding support through two committed donors.**

**Alignment with government policy and support.** The current Government of Samoa framework for economic and social development is the Strategy for the Development of Samoa (SDS) 2008-2012. WIBDI's work in organic agriculture clearly contributes to a number of the development priorities listed in the SDS including: private sector-led economic growth & employment creation; and community development including improved village governance.

WIBDI has achieved important political support for its work promoting organic farming. Samoa has a National Organic Advisory committee Chaired by the Prime Minister and a National Organic Strategic Plan developed in 2005. The ongoing costs of organic certification are relatively high, and the Government of Samoa meets the annual organic audit costs for farmers. The Samoan Prime Minister, has also granted access to his land and support for their ongoing development. This provides much needed leverage and increases the profile of WIBDI's work.

## RESULTS ACHIEVED

WIBDI have successfully managed to develop organic agriculture in Samoa and establish successful export markets for a number of locally grown products. To date, WIBDI have helped over 350 farms become organically certified by the National Association for Sustainable Agriculture Australia (NASAA). WIBDI works in 234 villages accessing 1150 families. They have facilitated linkages between rural communities and global markets for virgin coconut oil, bananas, coffee, cocoa, vanilla and some other organic products such as dried bananas.

WIBDI have achieved considerable success in developing international private sector partnerships to assist in developing viable markets for export products:

- **Body Shop International:** After a long search for a sustainable market WIBDI has entered an agreement with the Body Shop International (BSI). Under the BSI Community Trade banner, WIBDI is working with a network of nine organically-certified farmers to supply virgin coconut oil for inclusion in 15 products. Sales are hoped to rise to between 10 and 30 tons a year.
- **C1 Espresso:** WIBDI has also established a long term partnership with C1 Espresso, a coffee roaster from New Zealand with a commitment to contribute to creating a sustainable Pacific Coffee Industry. Through this long term project, C1 Espresso is slowly assisting farmers to replace wild growing plantings of Robusta coffee with Arabica Maragogipe. C1 Espresso is also purchasing coffee beans; paying the Fair Trade price, plus the premiums for all coffee; even without FLO certification. By the end of 2009, nine growers were included in this project. It is unlikely this will ever be a large market; but provides another export strand.
- **The Tindall Foundation:** Over the past year WIBDI have forged a market pathway for organic misiluki bananas to New Zealand and have worked with the Tindall Foundation to develop this trade.
- The scale of WIBDI's achievement in accessing export markets should not be underestimated. As in most of the Pacific export trading from Samoa is a lengthy and complex procedure. The World Bank estimated in 2009, the average length of time it took to arrange exports in Samoa was 25 days and necessitated an average seven documents to be completed. (World Bank 2009 cited in Pacific Economic Survey 2009, <http://www.pacificsurvey>).

WIBDI also play a significant role outside Samoa as a catalyst for growth in trade-focused organics in the Pacific region, including in Tonga, Fiji, Kiribati, Chuuk in the Federated States of Micronesia, and Vanuatu. Alongside the training provided in other Pacific island countries WIBDI has acted as the Secretariat for the Pacific Regional Organics Task Force (ROTF), which has created the Pacific Organic Standard – only the third regional organic standard produced worldwide (after the EU and East Africa) and found by the International Organic Accreditation Service (IOAS) to be equivalent to the requirements of the European Union regulations. ROTF has now formed into POET Com (Pacific Organic and Ethical Trade Community), which will encourage Pacific Island countries to share good practices for production and exporting, but also to work together after disasters in order to maintain export markets being supplied by Pacific countries and to enable the scaling up of Pacific production.

Numerous reviews and studies have been undertaken of WIBDI and all have confirmed that the organisation is effective in developing opportunities for income generation for rural farmers and having a positive impact on family lives. Families report they are able to make contributions to church, the village and women's associations, thus building social capital. Others had bought fridges and cars, built houses, showers and equipment for oil pressing. Family needs are also funded; medical fees paid for older people and children, transport and education costs met for children.

In 2008 The New Zealand Government funded an economic and social impact study of WIBDI which found that WIBDI's work in Samoa has had significant social and economic benefits for the people of Samoa and the Samoan economy respectively. By using a cost-benefit analysis, they calculated that for every tala that donors provide WIBDI economic benefits of SAT \$1.1 are generated. Export earnings, from nonu and coconut oil sales over the past 15 years were calculated at SAT\$2 million. A survey of 34 client families showed that on average families participating in WIBDI programmes earned an extra \$2,300 p.a; with incomes ranging up to SAT\$12,000. Over 15 years these amounts account for an average of SAT\$95,000 per village or SAT\$19,000 per family. Some families were also able to provide employment opportunities for additional family members and others.

In order to leverage off WIBDI's success and extend learnings from their work across the region, the New Zealand Aid Programme has been working with Oxfam NZ in association with WIBDI to design a Regional Programme of support for developing organic export industries.

## LESSONS LEARNED

The major lessons to be learned from WIBDI's work to provide income generating opportunities for Samoan rural families through organic farming can be summarised as:

- **It is important not to build productive capacity in isolation of finding market opportunities** (in WIBDI's case through partnership arrangements).
- **Visionary and enthusiastic leadership is key.** This ensures there is a commitment to overcome challenges that emerge and the ability to gain support and ownership from other stakeholders (in the case of WIBDI, the farmers, private sector, and Samoan Government).
- **Adopting business models to the country and cultural context is vital.** The example with WIBDI has been identifying the appropriate organisation of producers (in Samoa the family unit, rather than a model of cooperatives or individuals), supporting that structure (e.g. farmer support at the family level), and finding the appropriate business partnership/fair trade models for that context.
- **Achieving sustainable improvements and securing international markets for rural producers takes time,** particularly to achieve consistent quality and quantity of supply. A long-term focused programme and predictable long-term funding is required to provide certainty and continuity to ensure results are realised.
- **Success can be a stumbling block.** It is important to have the resources and tools to support an organisation going through rapid organisation growth and change. Otherwise there are risks (particularly if there wasn't good leadership) that the organisation's very success can undermine its ability to achieve results.

## CONCLUSION

WIBDI has successfully managed to develop organic agriculture in Samoa and establish successful export markets for a number of locally grown products. This is the result of intensive and comprehensive support to the family– the most appropriate production unit for rural farmers in Samoa – and establishing international private sector partnerships to develop markets. This success has not been without challenges, particularly in establishing consistent quality and quantity of supply, managing rapid organisation growth, and difficulty in gaining Fair Trade recognition and certification.

The lessons from WIBDI's experience are directly applicable to other Aid for Trade initiatives, particularly those activities focused on building productive capabilities. It also provides a useful insight for working with communities in small island developing states to take advantage of international trade opportunities, particularly in niche markets such as organics.

## ANNEX / REFERENCES

Report on Social and Economic Impact Assessment of Women in Business Development Incorporated, Nimmo-Bell, October 2008.

Draft End of Project Evaluation of Women in Business Development Incorporated, Oxfam New Zealand, Susan Elliott, May 2010.

WIBDI website: [www.womeninbusiness.ws](http://www.womeninbusiness.ws)

C1 Espresso website: [www.c1espresso.co.nz](http://www.c1espresso.co.nz)