

PPP inclusive governance: building the deliberative capacity and feedback loops of POs



# 1. Pioneer partnership

FrieslandCampina WAMCO Nigeria PLC (FCW) is Nigeria's foremost dairy company and market leader. It is an affiliate of Royal FrieslandCampina in the Netherlands. For over 60 years, FCW has been providing Nigerians with high quality dairy products through its brands that are household names - Peak, Three Crowns, and Friso.

Linked to its mission is the Dairy Development Program (DDP), an inclusive business model with an array of community activities that encourages local economic development in milk production to meet the needs of consumers, farmers, local communities, the government, and FCW's business. Through the DDP, FCW supports farmers to expand their investment opportunities as the milk collected from the dairy farmers is used in the local manufacturing of Peak evaporated milk and yoghurt.

The partnership between FCW and 2SCALE was initiated in 2011 because of government regulations mandating the dairy sector actors to source at least 10% of raw milk locally. FCW and 2SCALE formalized their partnership in 2011 through a Memorandum of Understanding (MoU) with the objective of supporting FCW to develop local sourcing of raw milk for processing and sale, while at the same time offering new business opportunities to Fulani Milk Producers (FMPs), other small-scale dairy farmers and SMEs to thrive. The partnership was implemented from 2012 to 2018, in close collaboration with the Federal Ministry of Agriculture and Rural Development (FMARD), with which FCW also signed a MoU to develop the dairy industry in Nigeria.

## 2. Replicable practice

Feedback from dairy cooperatives is considered very important aspect in governance structure and building trust. The cooperatives are given opportunities to deliberate and contribute on how to improve business relationship with the business champion by creating local dairy council (LDC) as part of governance structure of the partnership. LDC members constitute representatives from all dairy cooperatives, state government, and other relevant actors, within business champion's operation areas. The council acts as an interface between the cooperatives and business champion on issues like milk volume and quality targets, grievances, and support services during engagement with specific cooperatives. Also, two representatives from the council participate in annual meeting of the governance body of the partnership to contribute to discussion/deliberations during the meeting.

The rationale is bottom-up approach in decision making process, where cooperatives are given opportunity to understand how the partnership is governed. This also helps ensure that decisions taken are in the interest of every stakeholder in the partnership.

The cooperatives are capacitated to deliberate on matters arising and take decisions that are most appropriate to contribute to the progress of the partnership. Decisions taken are channeled through the council to partnership governance meeting for final approval for actions. After implementation, feedback on the outcomes is received by the cooperatives through the council.

The importance of the feedback is that it gives the partnership direction on what works well or otherwise. Without feedback there could be many mistakes/or somethings going wrong but was not identified. Once capacities of cooperatives/producer organization are built and can deliberate on critical issues and come up with positive solution, governance structure is complete. The challenge is, not all LDC members can speak out in the presence of dignitaries that might participate during governance meeting. This can be mitigated by selecting confident members to represent the council in governance meeting.

To summarize, this practice is addressing constraints in terms of:

<p>Access to nutritious food</p>	<ul style="list-style-type: none"> <li>• <b>Availability:</b> Local dairy council can easily be constituted to provide the relevant feedbacks in the partnership</li> <li>• <b>Affordability:</b> This is affordable because it almost nothing to constitute the council which will be paid by the cooperatives</li> <li>• <b>Appropriateness:</b> The feedback from the council provides relevant information to improve partnership governance, therefore is appropriate and inclusive.</li> <li>• <b>Acceptability:</b> It is readily accepted by all stakeholders and they provide required information and support</li> </ul>
<p>Inclusion</p>	<ul style="list-style-type: none"> <li>• <b>Ownership:</b> The local dairy council take ownership of the business within the context of dairy cooperatives</li> <li>• <b>Voice:</b> They have a voice in the governance structure; therefore, their opinion is relevant and in most cases being considered by the business champion.</li> <li>• <b>Risks:</b> There are no risk in terms of inclusion, rather it promotes cohesion and trust building.</li> <li>• <b>Rewards:</b> The rewards are in form of improved integrity for the council and the feeling of belonging and respect from communities.</li> </ul>

## 3. Preconditions for replication

Prerequisites for replication is the right setup for inclusive business model within the partnership. The willingness of relevant stakeholders to participate in existing organizational structure especially for producers' organization and the support of public institution and business champion.

Developing success partnership will depend on how well all relevant actors understood the concept, feedback loops provides the right information flow for clear understanding, conflicts management and building trust.

## 4. Results achieved

FCW-dairy partnership has functional local dairy council, and well-defined feedback loops.

## Want to know more?

If you want to know more about this practice, please reach out to Mohammed Zailani, [mzailani@2scale.org](mailto:mzailani@2scale.org), Dairy Partnership Facilitator in Nigeria.



# 2SCALE

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