



# TRIAS IN BRIEF

## Summary annual report 2010

### INTRODUCTION: the unique role of Trias

Small-scale entrepreneurship: that is what it is all about for Trias. The South does not lack entrepreneurial people who want to move forward. But unfortunately, small entrepreneurs rarely have the necessary production means and often environmental factors limit their self-deployment. Especially in rural areas, training in Business Management is rare, transport infrastructure is often limp, and access to financial services barely exists.

Through the strengthening of intermediary partner organisations, Trias makes sure that entrepreneurs learn to draw a business plan. That they can have access to affordable micro credits and that they get a fair price for their products. For example through the creation of cooperatives which take care of commercializing the products and the providing the services.

Central to the programmes of Trias is the development of strong member organisations. Powerful farmers' organisations and entrepreneurs' associations are the best guarantee for a diversified, complementary and sustainable service delivery for their members. Our partner movements in Flanders – Landelijke Gilde, UNIZO, markant, KVLV, Neos and KLJ - prove that everyday. It is unique that each of them enriches Trias' programmes with its expertise. Practice shows that entrepreneurs understand each other.

### VISION

Trias believes that individuals and groups have the power to deploy themselves and work together towards a stronger social and economic position. A developed society is characterized by the fact that an individual has a range of choices to complete his life in a meaningful way. In the South, these choices often do not exist, and people are literally deprived. We deliberately choose to structurally reinforce the economic and social position of individuals through entrepreneurship.

### FOUR KEY THEMES

#### A. MICRO FINANCE:

Across 12 countries, Trias, supported in 2010 forty partner organisations, who offer micro finance. They get technical advice and financial support. Eight local experts and three expats are specifically responsible for giving support to this kind of partner organizations. Trias promotes also contacts between on the one hand the partners offering micro credits and on the other hand the local member organizations. That is how micro credit banks understand better which type of services they need to develop for their target groups. Through the partners working with micro credit, Trias has reached almost 600,000 persons in 2010 who didn't have any or limited access to affordable or adequate financial services.

Almost 60 per cent of the people reached are women. It is remarkable that the demand for microfinance activities is very big in most programmes, so that more was realized than originally

planned. One possible explanation is that micro finance is often the first link in the integrated approach for business strengthening from Trias. Without capital, no seeds.

#### **B. MARKET ACCESS:**

The strong focus on commercialization and the role of chain development are relatively new eye catchers in the activities of Trias. These themes are still in full evolution. In 2010, approximately 26,000 people were reached with services for a better commercialization, across the twelve countries in which Trias is active. In the field, we have been working together with cooperatives of producers as well as with service delivery NGOs. The chains, to which support is given, are very diverse: potatoes, cocoa, shea butter, coffee, palm oil, cassava, chickens, etc. The programmes have clear visible effects: in some cases, the farmers receive a price three times higher than in the period before the support of Trias and its partners. Often a better organization and attention for product quality are crucial success factors.

#### **C. BUSINESS DEVELOPMENT SERVICES:**

In 2010, 40,000 farmers and small entrepreneurs have benefitted of the efforts that Trias together with its partners made in the field of business development services. Mostly, trainings for better business management are combined with other services: in certain regions, following a management training is a precondition to have access to credit. In some cases, accounting trainings are adopted to the specific needs of farmer groups. Trias also pays attention to punctual technical trainings adapted to the specific market functioning of a particular product.

#### **D. MOVEMENT BUILDING:**

At the end of 2009, Trias decided to give a more central place to farmers' and entrepreneurs' associations in its programmes. This choice is translated in its figures: In 2010, Trias worked directly together with 21 member organizations, supported the capacity building of more than 3,000 local groups, and in that way reached about 200,000 people who are better organized than before. It is striking that many of these organizations have worked hard on activities of advocacy at different levels in 2010. Another positive aspect is that the figures show that the member organizations which are partners of Trias have gained more financial autonomy.

## **NINE REGIONS**

### **A. ANDES**

#### *Ecuador:*

In Ecuador, Trias supports entrepreneurial rural communities in Chimborazo, a province in the central highlands with alarming poverty rates. The focus of the programmes lies on the sustainable development of production chains for potatoes, dairy products and eco-tourism. In 2010, the value chain for guinea pigs, a local delicacy, was added. The chain approach of Trias has a positive impact on both the production conditions as well as on the marketing of their products. The direct consequence is an increase of the average family income for the vulnerable farmer population.

#### *Peru:*

Apurimac is a godforsaken department in the belly of the Andes mountain range. 70 per cent of the population lives in poverty or extreme poverty. Although the government puts in efforts to stimulate industrial agriculture, many farming families remain deprived of opportunities to raise their living standard. Their harvests are in the first place for subsistence, but entrepreneurial farmers also succeed in selling a part of their produce on local markets. To be able to profit more of these sales, Trias is working just as in neighbouring country Ecuador for the development of value chains for guinea pigs, indigenous potatoes and eco-tourism.

## **B. BRAZIL**

Brazil is the country of the large estates, but also that of the landless farmers. Trias supports family farmers in Paraná. The conditions to be active in agriculture in this southern region are challenging: the soils are very sensitive to erosion and the area is hilly. The country side is getting behind on the exploding urban centres. The programme of Trias focuses on the strengthening of Unicafe, an organisation which represents the cooperative structures of family farmers. In Paraná dairy cooperatives, saving and marketing cooperatives are active amongst others. Also producers of sweet water fish, fruit and vegetables want to join forces in cooperatives. Trias helps them to develop a qualitative service delivery and professional advocacy.

## **C. CENTRAL AMERICA**

### *El Salvador:*

In El Salvador, the small entrepreneurs are facing limited access to working capital and they do not have the financial means at their disposal to purchase advanced technologies. There is a general lack of technical knowledge. As a consequence, small entrepreneurs compete each other with basic products, which need to be imported from the low-income countries. By strengthening three local partner organisations, Trias supports structural solutions in the region of Los Nonualcos, one of the poorer regions in El Salvador. The strengthening of the partners focuses both on managing technologies as well as on the capacity to forge collaboration in the production and organisational environment.

### *Honduras:*

The west of Honduras is not only the most marginalised region, the region is also mountainous. More than half of the local population is working in the agricultural sector. Most of the farmers work on a land of two to three hectares, barely enough to grow food for the own family. The plots they cultivate, are often situated on unfertile hills. Erosion, deforestation and soil degradation threaten to downward the harvests. In order to slow down the rural exodus, Trias invests in the development of the grass roots movement Ampro. Special attention is paid to young people.

### *Guatemala:*

16 per cent of the total population in Guatemala is hungry every day. Racial discrimination, gender inequality, criminality and lawlessness are still reigning. Especially the indigenous population faces harsh conditions. Trias helps to turn the tide by strengthening the local member organisations, which are a blessing for the entrepreneurial fabric. Other partners of Trias sharpen the talents and leadership qualities of women. Furthermore, they promote the mutual cooperation between organisations. Previously, the micro credits for indigenous farmers were only meant for the growth of maize and beans, with a view on their self-reliance. Today, the farmers use their credits to diversify their produce towards crops with a higher added value.

## **D. CONGO**

The intervention areas are situated in Mai Ndombe, Bas-Congo and the suburban area of Kinshasa. Trias supports basic groups, farmers' associations and cooperatives at technical and organisational level. In that way, family farmers get access to profitable markets and financial services. Through its partner organisations, Trias also helps to find better agricultural techniques. Thousands of families are supplied with improved cassava cuttings which triple the harvest. Another success story is the distribution of resistant banana sprouts in the Bas-Congo, a region where the existing varieties have been affected by diseases. A lot of attention goes to the marketing of agricultural products. In this sense, Trias has re-launched cocoa cultivation. Dozens of tons of cocoa beans have been exported meanwhile from Bas-Congo to Belgium. Furthermore, Trias facilitates the trade in agricultural products within the Congolese borders.

## **E. PHILIPPINES**

In the Philippines, Trias works in three intervention areas. In the poor province of Antique, agriculture is very important just as in Camarines Sur. In the latter province, Trias is getting good results with the partner PDCI, specialized in the production, certification and commercialization of organic agricultural products. This cooperation is recognized by the government as interlocutor when it comes to organic agriculture. In Great Manila, the development of micro enterprises is an important key in the battle against poverty. An important lever is access to efficient micro credits, tailored to the target group. Also a better marketing is of big importance.

## **F. GHANA**

The north of Ghana suffers from rural poverty. The population who lives very dispersed in the whole region tries to get an income from agriculture and some other activities like handicraft and retail. The national government is convinced that economic growth depends on the development of the agrarian sector. This vision is in line with the strategy Trias deploys in Ghana. The programme stimulates economic development processes by giving support to rural banks which offer saving products and micro credits. In that way, small-scale producers face less problems in financing their activities. They get breathing space to invest in better techniques and become less dependent on moneylenders and other middle-men.

## **G. GUINEA**

Despite the numerous minerals in the soil, the ten million Guineans are found almost completely at the bottom of the human development index, an instrument with which the United Nations measure poverty. To initiate the economic development, a good framework is needed for the numerous, small entrepreneurs. In cooperation with local partners, Trias puts in a whole range of resources: going from technical agricultural advice, overtraining in business development and microfinance services until the support in the processing and the commercialization of agricultural products. Also professional advocacy for farmers and other small entrepreneurs is an issue. Specific attention goes to the role of women. Therefore, Trias works on the professionalization of the shea butter chain, a branch which is completely in the hands of women and therefore counts as an ideal lever for women's emancipation.

## **H. UGANDA**

The intervention areas of Trias are situated in the west and the southwest of Uganda. In these regions, three quarters of the population make their revenues from small-scale agriculture. The farmers benefit from two rainy seasons a year and the soil fertility varies from reasonable to very good. Land tenure is however very fragmented, the average farm is not bigger than two hectares. Most farmers do not earn more than ten Euros a month and more than half of the women is illiterate. In the three zones where Trias has its activities, the programmes are very similar. The central focus each time is on the strengthening of a farmers' association and a rural bank. The method applied is of a participatory nature: advisers of the farmers' associations assists local basic groups in the field of production and marketing. In that way, they try to set up profitable chains for the cultivation of for example beans, maize and bananas.

## **A. TANZANIA**

Nine out of ten Tanzanians live on less than one Euro a day. Most of the severe poverty is concentrated in the rural areas, where most people depend on subsistence farming. An important objective of Trias is the transition of subsistence farming into a more market oriented agricultural production, without being blind for new opportunities that tourism offers. Cooperative credit and savings facilities act as a lever. The climate is not benefitting family farmers: in previous years, the livestock got decimated in Tanzania due to continuing drought. That is why Trias cooperated in the reconstruction of the livestock sector and the promotion of water-saving initiatives, such as the cultivation of sunflowers. Furthermore, Trias also stimulates the use of storage facilities for grain.

## FLANDERS

The six Flemish partner movements of Trias - KLJ, Landelijke Gilden, KVLV, Neos, markant en UNIZO – are built on family agriculture and small-scale entrepreneurship. Historically, they have deeply anchored themselves in Flanders in the social-cultural, professional and political fabric. The expertise of these partners with movement building, specific service delivery and advocacy is deliberately applied in the activities of Trias. It is a form of solidarity to develop a sustainable international cooperation with similar movements in the South and to strengthen the support base for this within the movements.

Trias wants to stimulate world-wide exchange and cooperation between farmers and entrepreneurs, and their associations. This dynamic creates a bigger involvement of members, directors and personnel with the work of Trias. Another effect is a broader look on poverty and development cooperation. With each partner movement in Flanders, Trias has meanwhile started up one or more partnerships. The exchange between organisations in North and South, is by definition long-term, with different phases and levels of intensity.

In these processes, the exchange of knowledge and experiences is key, and always related to aspects of movement building. A partnership offers participants the possibility to come to a real dialogue, to learn from each other, to experience solidarity as an enrichment. An exchange trajectory grows and evolves: the progress does not let predict itself, but is always surprising and inspiring. The partners themselves in North and South shape their cooperation into a renewed and unique partnership. Trias plays herein a bridging function.

## REVENUES AND EXPENSES

In 2010, Trias raised 10.9 million Euros of revenues, a decrease of nine per cent compared to the year before. The own revenues amount to 16 per cent of total revenues. The most important contribution comes from foundations and funds, with a share of almost 38 per cent. In this category, the relations with the Corporate Funding Program, BRS, Felixfonds, De Wilg, Ommersteyn, Stichting Gilles, Efico Foundation, Kerk In Actie and Rabobank Foundation are the most important structural sources. Also SCC – the Swedish agro agency, a member of Farmers Fighting Poverty, is a very important source of income with a share of 22 per cent. Then comes 11.11.11 with 14 per cent. For the own revenues, also the structural contributions of VDK, CD&V and Cordaid are very important.

Just as in the previous years, government subsidies continue to be the most important source of income for Trias, they stand for almost 83 per cent of total revenues. The share of the federal government in the total subsidy amount is 79 per cent, the one of the European Commission 18 per cent. The other contributions in this category are employment subsidies. At the side of the expenses, administration and fund-raising costs are lower than eleven per cent of the total expenses. 81 per cent of the expenses is going to Trias' programmes in the South, 8 per cent is used for its activities in the North.

## KEY FIGURES

Trias supports 616,681 poor entrepreneurs in twelve countries, concentrated in nine regions. This means 365,507 men and 251,174 women. The cooperation with family farmers and small-scale entrepreneurs goes through 84 local partner organisations. In Flanders, Trias has a formal partnership with six organisations from the civil society: KLJ, KVLV, Landelijke Gilden, UNIZO, markant and Neos. Together, these movements reach some 344,000 members. Especially thanks to this network, Trias can count on an extended list of sympathizers, volunteers and donors. In 2010, Trias raised a revenue of 10.9 million Euros. 83 per cent of the revenues comes from government subsidies. At the side of the expenses, administration and fund-raising costs are lower than eleven per cent of the total expenses. 81 per cent of the expenses is going to Trias' programmes in the South, 8 per cent is used for its activities in the North.