

FACT SHEET

Zamuda is a relatively poor country with a population of 10 million that has been recovering from a 15-year by civil war. The country requires rebuilding its infrastructure, improving major social services and reducing chronic and seasonal food insecurity. Before the war, GNI per capita was \$250 USD and literacy among young women (ages 15-24) was about 40%. U5 Infant mortality is 61.4 (per 1000 live births) and HIV prevalence is about 1.4%. Large groups of refugees and internally displaced left the country during the war and have only recently returned to rebuild their lives and communities.

International nongovernmental organization A (INGO A) has received funding from a generous donor to place \$10 million into a livelihoods rebuilding program especially targeting young women and their families. INGO A gets to work immediately on a value chain designed program by completing a market assessment and identifies several activities that young women already are active in and a regional NGO (NGO Z) is supporting. The sector is groundnuts and the women organize themselves into groups to produce peanut butter however the quality is not very good, they have trouble selling any quantities beyond the local market, and the revenues that they receive are barely sufficient to cover their basic needs for food and clothing.

INGO A and NGO Z devise a technical assistance plan. However NGO Z insists upon pre-purchasing the groundnuts and donating them to the producer groups. Also NGO Z has promising contacts with buyers in the region however the organization apparently is the only middleman buyer to purchase the finished product and stock it in a warehouse. Through further investigation in mid project, INGO A realizes that NGO Z only wishes to export this product to Europe and North America and ignoring the local and regional markets. Compounding these issues, NGO Z convinces INGO A that the only way to improve the productivity of the women's groups and their profitability is to pre-purchase groundnuts and donate them to the groups a-la-INGO A and to purchase diesel-powered grinders to grind the paste. As peanut is produced later it is noticed by both NGO Z and INGO A that the quality of some of the paste is inferior both in taste characteristics and color and fouling is suspected by the grinders. The quality of the nuts selected for grinding is also suspect.

Despite their challenges, INGO A and NGO Z note that the women in the groups are very happy with the increased production although the women seem a bit dependent on the guidance of the NGO Z's staff. INGO A and NGO Z are able to market more quantities of the peanut butter in a large regional hub with a small percentage of boutique sales as exports to North America. Finally INGO A and NGO Z are considering tapping the nearest regional capital in the neighboring country which has a relatively advanced, thriving economy and a vibrant market for imported peanut butter products.

