

REPORT OF THE NATIONAL CAPACITY BUILDING TRAINING ON CONTRACT FARMING TO AGRI-VALUE CHAIN ACTORS HELD IN GOMA, DRC ON 25 AUGUST 2023.



1.0 INTRODUCTION

A training session was held in the Federation des Entreprises du Congo (FEC)/North Kivu meeting room on Friday, August 25, 2023. The training was organised by FEC in collaboration with the East African Business Council (EABC) under the Sequa programme involving members of the agricultural sector of FEC/North Kivu.

The purpose of the capacity-building training was to train agri-actors on contract farming arrangements in the EAC. The training was attended by business leaders and/or their representatives.

2.0 PARTICIPANTS

The workshop convened **41 participants** mostly from the agriculture sector. The attendance list is attached as an appendix as well as the photos of the activity.

3.0 BACKGROUND AND OBJECTIVE OF NATIONAL CAPACITY-BUILDING WORKSHOP

In her welcoming remarks, Mrs. MASIKA KIGHANA Esperance the Head of the Provincial Directorate of FEC/North Kivu thanked all the members of the FEC who responded to the invitation. She reiterated that this training on Contract Farming follows the integration of the DRC into the East African Community (EAC).

The objective of the workshop is to demonstrate to economic operators in the Democratic Republic of Congo working in the agricultural sector how farming contracts can be executed with potential partners. Mrs. KIGHANA noted that the integration of the DRC into the EAC offers different opportunities, particularly those related to access to important markets. This training has the merit of also being able to demonstrate how to access these markets, she added.

4.0 THE TRAINING SESSION

4.1 PRESENTATION FROM THE ANIMAL AND PLANT QUARANTINE SERVICE

The first presentation was done by the Provincial Coordinator of the Animal and Plant Quarantine Service. During this session, participants were sensitised on the importance certificate of origin which all economic operators must hold to export goods. He began by noting that the Ministry of Agriculture's Animal and Vegetable Quarantine Service (SQAV) is involved in both export and import. Specifically, the Ministry provides services related to phytosanitary and zoosanitary surveillance to avoid possible contamination in agricultural produce. Before exporting goods, it is recommended that economic operators find the application for an export permit. When issuing this certificate, it is necessary to be accompanied by documents attesting that the imported products are free from diseases and contamination. The country of origin must then communicate with the SQAV through the phytosanitary certificate. Penalties are provided for operators who do not have these various documents, stressed the Provincial Coordinator of the SQAV. He also warned that the absence of accompanying documents equates imported products with contaminated products. Stressed on the importance of operators having all the relevant documents at their disposal.

Participants were advised to thoroughly review the relevant regulations to enhance their understanding of the stipulated requirements and promote compliance.

Added that the Ministry (SQAV) collaborates with other regulatory agencies across the region to mutually recognise documents including the certificate of origin which must accompany the various products to attest to their status. As for the different prices to be paid during clearance, it was mentioned that the import authorisation of more than 100 tons is set at USD 500 and USD 300 for less than 100 tons. The import authorization is set at USD 300. This authorisation is valid for four (4) months. At the end of these four months, if the imported products for which the authorisation has been granted are not exhausted, the application for another authorisation would still have to be made.

On the phytosanitary and origin certificate, participants were informed that it costs USD 50 for each lot of imported products. However, the Provincial Coordinator of the Ministry pointed out that there is an exemption from the Phytosanitary and Export Certificate of Origin, notwithstanding the administrative fees that the operator may pay.

It was also noted that there are overlapping mandates between the Bureau of Standards (OCC), the National Office of Agriculture Products of Congo (ONAPAC), and the Ministry (SQAV) as each agency has its legal mandate to conduct operations. Further noting that the SQAV intervenes about diseases, the OCC and ONAPAC are involved in compliance.

The discussions also noted that the Ministry lacks the manpower to conduct operations in some of the provinces, limiting service delivery. Participants, therefore, are urged to comply with the requirements of SQAV further noting the authorisation is issued subject to certain conditions, namely the existence of the contract with the suppliers and the pro-forma invoices. However, since some of the business operators lack the relevant documents, they don't enjoy the benefits of the services provided. Other gaps in the implementation of the laws and requests for bribery from officials were also raised and discussed.

4.2. PRESENTATION FROM NATIONAL CONFEDERATION OF AGRICULTURAL PRODUCERS OF CONGO, FARMERS' ORGANIZATION IN THE DRC (CONAPAC)

Mr Freddy MUMBA, who was also a national trainer provided a presentation on Contract Farming in the EAC. He noted the multiple food security-related difficulties that have plagued the sector lately. Hence a need for new approaches to tackling these global challenges including the growing demand for food. The COVID-19 crisis has also highlighted this food challenge. Training such as these should be increased to see how to respond effectively to this food problem in the East African Community. By joining this sub-regional organisation, the DRC is opening up new opportunities. This requires efforts to

be made at home to comply with others and to see what is happening elsewhere to be much more competitive in the regional market.

This is why these training courses will multiply even at the national level to help economic actors in agricultural products. This training on contract farming, therefore, has the advantage of helping economic operators in the agricultural sector to produce for the market and not to produce for the sake of producing. Another benefit is based on the need to strengthen the agricultural value chain. This will allow farmers to produce knowing in advance the market in which these products will be sold.

Participants noted the importance of highlighting the challenges facing the agricultural sector in the country. Notably, the opportunities for DRC to join the EAC. The integration of the DRC into the EAC must be seen as an opportunity and must push economic actors to work even harder to be competitive. This integration should not be seen as a threat.

4.3 PRESENTATION ON CONTRACT FARMING

Participants were informed of the expected outcomes of this training, namely a clear understanding of the principles, processes and best practices of contract farming as well as the ability to negotiate fair and mutually beneficial contracts and a clear understanding of their rights and responsibilities.

The advantages of contract farming include the mechanism for regulating transactions, the tool for promoting market access, ensuring agreement on the distribution of value, the allocation of risks and the distribution of decision-making rights, and the mechanism to reduce uncertainty for producers. Another advantage is support for smallholder farmers.

Further participants were sensitised on the Contract farming models, the challenges and risks of contract farming, the conditions influencing the benefits of contract farming, contract formation and negotiation, and dispute resolution. To take advantage of contract farming through the EAC, the trainer informed participants that a partnership is being concluded between palm oil producers in the DRC and MUKWANO Uganda Ltd. Stressed according to AfCFTA standards the palm oil from. Called on the agri-actors to comply and formalise themselves for possible engagements with this company. An interim committee has been formed to facilitate engagements.

It was stressed that to prevent the farmer who has received an order from a buyer from not being able to respond to that offer, the idea of grouping farmers into a cooperative will be strictly adhered to. Regarding the imposition of prices, these must be negotiated in

advance before being written in the contract. The latter must also be balanced. As for the collaboration between the large land concessionaires and the farmers, the State will be called upon to compel these concessionaires to develop the land granted to them.

5.0 RECOMMENDATIONS

Following the discussion, the participants provided the following recommendations:

5.1. Government:

- i. To put an end to the various forms of harassment against local producers.
- ii. Improve the business climate.
- iii. Rethink the agricultural system in the DRC. To do this, it must set up a programme called the Agro-business Leadership Programme. This programme should aim to improve the agricultural system, in partnership with the World Bank, as has been done in other EAC member countries.
- iv. Accelerate the establishment of an Agricultural Development Bank to boost the agricultural sector.
- v. Reduce the costs of seeds, which are exorbitant compared to other neighbouring countries. This situation does not facilitate the competitiveness of Congolese products on the market.
- vi. Fast-track the adapt DRC legislation to EAC legislation.
- vii. To ask the major land grantees to develop the land granted to them.

5.2. EABC:

- i. Look for partners to finance the organisation of similar training in the territories of the province of North Kivu, in Kinshasa, in Bukavu, in Ituri, in Ma-niema, in Kisangani where we have agricultural products to offer in the EAC market.
- ii. Support the FEC in the process of certifying agricultural products of economic operators in the DRC to access the EAC market.
- iii. Put the FEC in touch with EAC buyers of palm oil as the DRC has a large quantity of this product.

5.3. MUKWANO Ltd and other companies

- i. Provide the potential market sources.
- ii. Provide technical assistance to Congolese agricultural producers.
- iii. Sign balanced agricultural contracts.

5.4. FEC:

- i. Advocate at the national level for the harmonisation of the certification services related to the mandate of OCC, the ONAPAC and the SQAV to reduce compliance costs.
- ii. Conduct a comparative study between the realities of other EAC member countries and those of the DRC for good advocacy.

ANNEXES:

1. REVIEW OF POST-EVALUATION FORMS.
2. PHOTOS OF THE ACTIVITY.
3. ATTENDANCE LIST

PHOTOS





POST – TRAINING EVALUATION ON THE PERCEIVED BENEFIT OF THE NATIONAL TRAINING

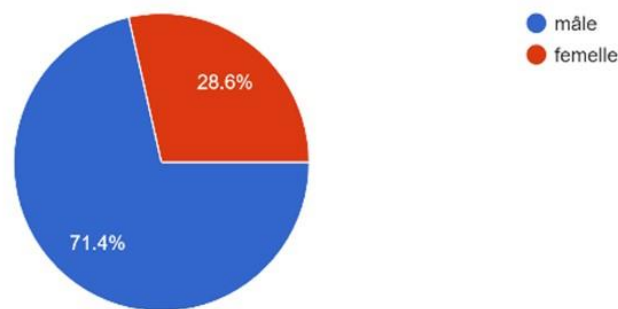
EABC conducted a post-training evaluation to get the perception of the benefits of the training. The following were the comments from the participants are summarised below:

PART A: GENERAL PERCEPTION OF THE TRAINING

1. Demography:

From the survey about 71% of the participants were Male and 29% were female as shown in Chart 1 below:

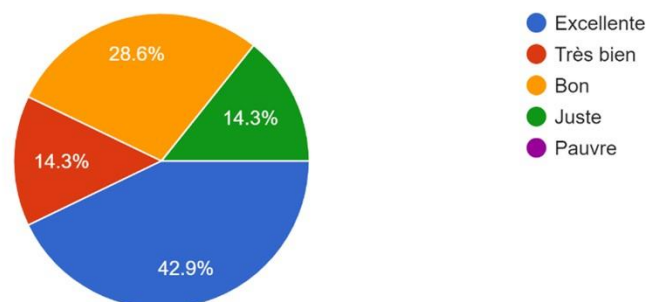
Chart 1: Participants of the post-training survey according to gender



2. Overall organisation and structure of the capacity building workshop.

Most of the participants (43%) were of the view that the organisation of the workshop was Excellent. Moreover, 14%, 14%, and 29% of the participants ranked it as Very Good, Fair, and Good respectively. The chart below provides a summary of the responses.

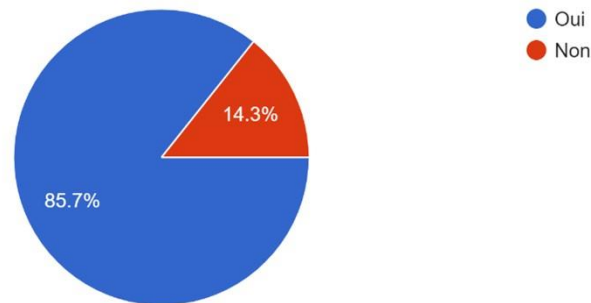
Chart 2: Overall organisation and structure of the capacity building workshop



3. Training objectives

Most of the respondents (86%) replied that the training objectives were clearly stated and achieved during the training. However, some of them (14%) were of the view that the objectives were not met. Chart 3 below provides a representation of the responses.

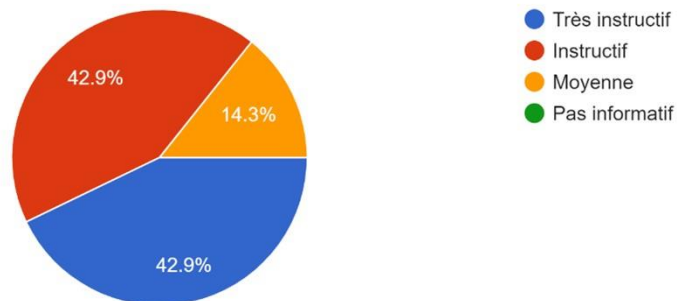
Chart 3: Clarity in stating and achieving the training objectives



4. Content of the training sessions

Most of the respondents (43%) were of the view that the contents of the training were Highly Informative and Informative respectively. The remaining respondents (14%) viewed the content as Average. None of the respondents viewed the contents were Non-Informative. The responses are provided in Chart 4 below.

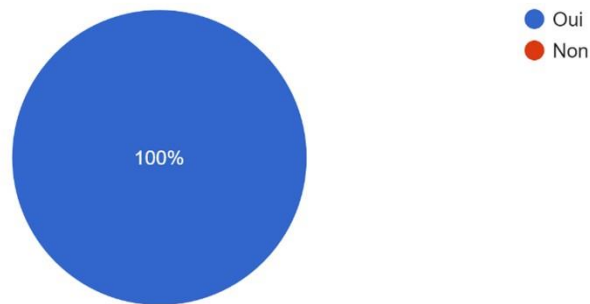
Chart 4: Rate the content of the training sessions.



5. Relevance of the training materials

All respondents were of the view that the training materials were useful and relevant. Chart 5 below provides a depiction of the responses.

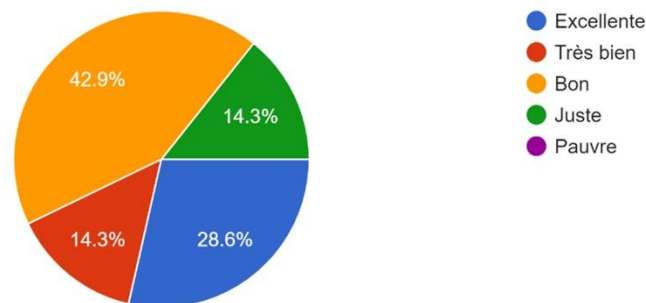
Chart 5: Usefulness and relevance of the training materials



6. Knowledge and experience of the trainer in delivering the content

Most of the respondents (43%) rated the knowledge and experience of the trainer as Good. 14%, 14%, and 29% of the respondents were of the view that the trainer's knowledge and experience as Very Good, Fair, and Excellent respectively. The responses are depicted in Chart 6 below.

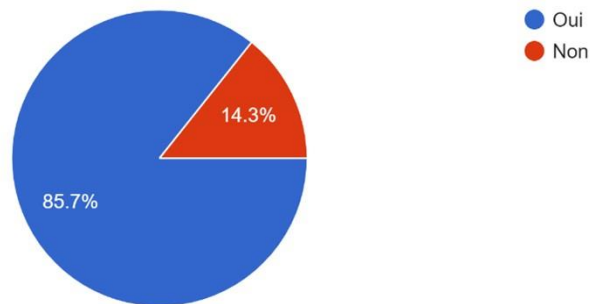
Chart 6: Rate of the trainer's knowledge and experience



7. Quality of interactions and engagements

Most of the respondents (86%) were of the view that the training sessions were interactive and engaging. However, 14% of the respondents were of a contrary opinion. Chart 7 below provides the summary of the responses.

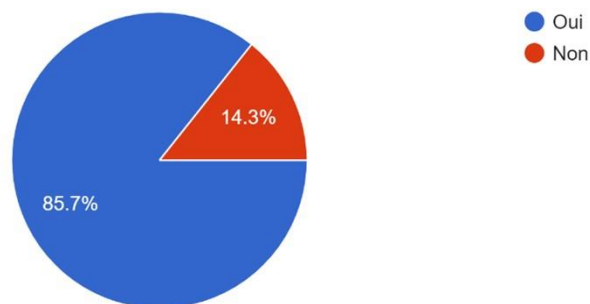
Chart 7: Quality of interactions and engagements.



8. Opportunities for participants to ask questions and seek clarification during the training.

Most of the respondents (86%) felt that they were given adequate opportunities to ask questions and seek clarification during the training. However, 14% of the respondents were of the view that no adequate opportunities were provided. Chart 8 below stipulates the responses.

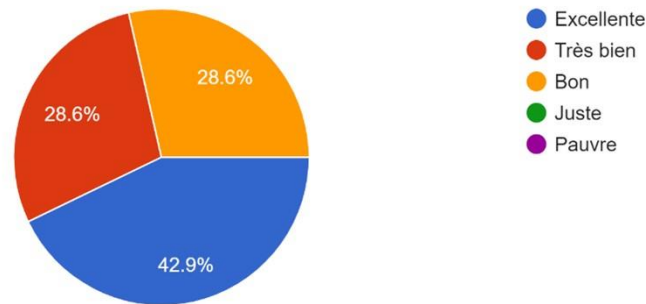
Chart 8: Opportunities for participants to ask questions and seek clarification during the training.



9. Rating of the training facilities and arrangements

Most of the respondents (43%) reported that the training facilities and arrangements were Excellent. 29% of the respondents reported the facilities and training arrangement as Good and Very Good respectively. The results are provided in Chart 9 below.

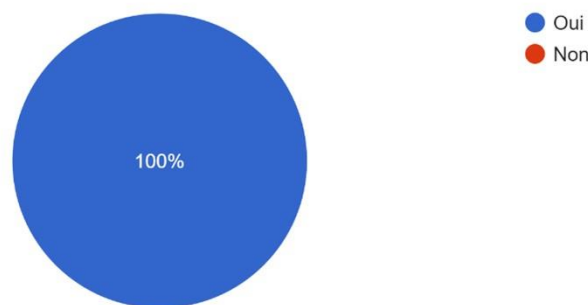
Chart 9: Rate of the training facilities and arrangements



10. Capacity and skills in contract farming

All the participants were of the view that the training objectives met the requirement to enhance their capacity and skills in Contract Farming. Chart 10 below provides a depiction of the responses.

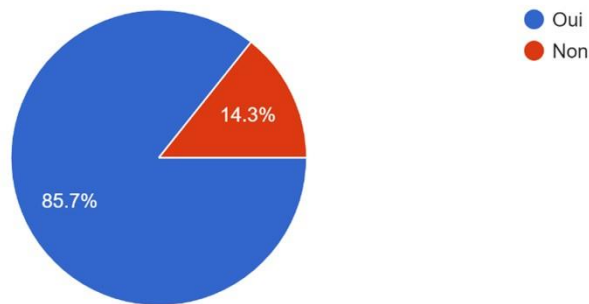
Chart 10: Perception of the capacity and skills in Contract Farming after the training



11. Level of capacity of the trainees

Participants were asked to rate their perception of the capacity acquired on contract farming after the training. Most respondents (86%) felt better equipped to engage in contract farming arrangements after attending the training. While 14% of the respondents felt the contrary. Their responses are depicted in Chart 11 below.

Chart 11: Perception of the capacity to engage in contract farming arrangements after attending the training



PART B: TRAINING IMPACT AND OUTCOMES

12. Relevant aspects of the training

The responses below highlight aspects of the training that were relevant and useful to the trainees:

- i. General Operation Aspects.
- ii. The realization of exporting.
- iii. Don't let it be theoretical.
- iv. Results-based work, concrete examples in the field
- v. The training plan.
- vi. Benefits of Contract Farming.
- vii. The Definition, Objectives, Benefits and Challenges of Contract Farming.

13. Proposed areas for improvement

Respondents proposed the following areas for improvement:

- i. Quality control services for products to be exported.
- ii. Clarity of the key terms and the services be well known.
- iii. Disposition of Participants.
- iv. Transportation
- v. There was insufficient time allocated for training and the schedule was not adhered to as planned.
- vi. Agricultural, Roads, Export and Import
- vii. Roads, Taxes and Technology

14. Possible changes or improvements to be made in the professional practice of the trainees.

The respondents provided the following areas of improvement in their professional practice following the training:

- i. First, I need to know what culture we need to start with.
- ii. My company's products will go through the quality control departments.
- iii. Before signing a contract, you need to negotiate it well and have a plan to satisfy it.
- iv. More, more time.
- v. Stable behaviour at the time of contract negotiation.
- vi. Improving in the market by contracting with customers before I get to the initial phase of my production.

15. The impact of the training on the members of the trainees' organisation

The respondents identified the impact of the knowledge gained from the training on the members of their organisation as provided below:

- i. I'm going to give them what I've acquired.
- ii. Exchange between neighbouring countries.
- iii. Share the positive impact of contract management in our cooperatives.
- iv. Build capacity on how to enter the market.

16. Additional comments

The respondents provided additional comments/suggestions regarding the training programme as follows:

- i. Let the program be continuous for a good understanding and outreach to more stakeholders.
- ii. Yes, it takes two to three days to develop other aspects of the field and integrate all the others involved.
- iii. Contract farming as a tool should consider the realities/specificities of each member country such as DR Congo whose institutions have been weakened by wars for a long time.
- iv. Government authorities should also be trained to facilitate export and import.
- v. I hope that this program will multiply many more training to enable us to become more efficient.

LIST OF PARTICIPANTS

N°	NAME	INSTITUTION/COMPANY	POSITION	LOCATION	PHONE NO.	SECTOR
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20	Mzenge Grace	ARS	DG	Goma	0853617660	Huile de palm
21	NSIMIRE CIZUNGU SANDRINE	RAISE WOMEN	DG	Goma	0990662034	Manioc
22	Gizele Leki	LIFIFE	Gérante	Goma	0994125714	Manioc
23	ASHA RASHIDI MARIE-ROSE	GUSHA FARM	DG	Goma	0999962541	Haricot
24	Chef de Division de l'Agriculture	Division Agriculture	CDP	Goma		

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26	MUHINDO BAGULA	CIM	DG	GOMA	+243975399362	Huile de palme
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