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Workshop on Co-operation between Bulgarian
Co-operatives and Similar Organizations in
selected African Countries for the Promotion
of Food-Processing Co-operatives

Sofia, Bulgaria, 12-17 October 1987

REPORT*

1/53

* This document has not been edited.

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I. INTRODUCTION

The Workshop on Co-operation between Bulgarian Co-operatives and Similar Organizations in selected African Countries for the Promotion of Food Processing Co-operatives was held in Sofia, Bulgaria, from 12-17 October 1987. The Workshop was jointly financed by UNIDO and the Central Co-operative Union of Bulgaria who hosted the meeting in co-operation with Bioinvest Engineering, a leading Bulgarian engineering organization. The meeting brought together 14 representatives from seven African countries, namely: Botswana, Ghana, Nigeria, Sudan, Tanzania, Zambia and Zimbabwe. The list of participants is attached as Annex I and the agenda of the meeting as Annex II.

In preparation for the Workshop, a joint UNIDO/Central Co-operative Union mission visited three African countries, namely, Botswana, Swaziland and Zimbabwe. The objective of this mission was to identify some of the needs of selected countries in the co-operative and small-scale food-processing industry fields and particularly to identify specific projects and their sponsors in order to arrange for meaningful discussions and participation during the Workshop. The resulting reports from the mission, in addition to reports on co-operative food processing for the Sudan, Tanzania and Zambia were distributed to the Workshop participants and served as background documents.

The objectives of the Workshop were:

- (i) To promote food-processing industries in African countries through the establishment and strengthening of food-processing co-operatives and other food-processing plants, in order to stimulate self-reliance in food production and facilitate the achievement of self-sufficiency in food supplies.
- (ii) To expose decision makers from co-operative organizations/enterprises from selected African countries to the experience accumulated by the Bulgarian co-operatives regarding the establishment and operation of food-processing co-operatives and small-scale industries and to show the participants ways to approach key issues and problems in order to operate more efficiently.

- (iii) To assist food-processing co-operatives and small-scale industries from Africa by promoting co-operation between them and Bulgarian co-operatives in areas such as: project preparation, transfer of technology, provision of experts, management training, marketing and other related forms of co-operation.

II. ORGANIZATION OF THE WORKSHOP

At the opening ceremony, the Deputy President of the Central Co-operative Union of Bulgaria, Mr. Rumen Boyadjiev, welcomed the participants and expressed his pleasure at being the host of such an important activity, and his willingness to establish new relationships and collaboration between Bulgarian organizations and organizations and co-operatives from the African countries represented. This statement was followed by that of the UNIDO representative who highlighted the importance of industrial co-operatives in industrial development and the role of UNIDO in assisting and strengthening these types of enterprise, and pointed out some problems and constraints being faced by food-processing co-operatives in developing countries. The address of the UNIDO representative is given in Annex III.

The Workshop consisted of lectures given by high-level staff from the Central Co-operative Union of Bulgaria and Bioinvest Engineering, notably on technologies for food-processing co-operatives and small-scale industries. Films and slides were used to illustrate the presentations. The lectures were complemented with a two-day study tour to several co-operatives and small- and medium-scale industries and a research and development institute in the city of Plovdiv. Representatives of the several industries visited welcomed the participants and provided ample opportunity for a fruitful exchange of views.

The last day of the Workshop was devoted to in-depth bilateral discussions between the African participants and Bulgarian partners on possibilities for co-operation.

The company Bioinvest Engineering was responsible for an important part of the programme, including the provision of several lectures and visits to industrial plants and demonstrations of food-processing technologies. Bioinvest Engineering is a leading Bulgarian company engaged in technological, marketing and engineering activities for the construction, modernization and rehabilitation of industrial projects in Bulgaria and abroad, mainly in the fields of biotechnology, food industry, refrigeration and air conditioning and chemical industry.

Mr. Vladimir Andreev of Bioinvest Engineering and Mr. Luis Rojas of UNIDO acted as co-chairmen of the Workshop.

III. CONCLUSIONS AND RECOMMENDATIONS

The number of industrial co-operatives in Africa, particularly those engaged in food-processing activities, is not yet significant. They have not flourished due to a certain number of constraints and problems.

Some of these constraints and problems affecting food-processing co-operatives in African countries include: lack of government support and incentives for their effective development, lack of management training, shortage of industrial skills, lack of capital, and inadequate marketing and commercial facilities.

As a general rule, national governments have not paid enough attention to industrial co-operatives. It is therefore essential that governments recognize the important role industrial co-operatives play in direct benefit to their own economies, and should therefore create the necessary conditions for their growth. Some of these conditions should include a clear government policy for industrial co-operatives, and accordingly, a clear legislation adapted to their needs.

In addition, a supporting organization/institution within each country should be given the task of assisting co-operative development by providing adequate services, such as expert advice, assistance with pre-feasibility and feasibility studies, and even training. In any case, training at all levels must be provided within the country, as co-operatives alone in most cases, do not have access to training, nor the necessary financial resources and capacity to implement their own training programmes.

Manpower training at all levels should be of the highest priority, particularly management training as well as training of all personnel involved in processing and quality control, repair and maintenance including electrical installations, and marketing operations.

Management training is particularly important, as management is generally regarded to be a weak point; co-operative organization, acquisition of technology including contractual arrangements and market negotiations, are all aspects belonging to the management issue.

More attention should be paid to quality control activities which would enable food-processing co-operatives to compete successfully in local and export markets. Storage facilities are a key aspect in the development of food processing, and are closely linked to the quality control issue. A large proportion of food-processing co-operatives do not have adequate storage (including cold storage) facilities which are necessary in order to maintain product quality and avoid waste/spoilage. Therefore, assistance in this area is necessary in order to ensure minimum adequate storage facilities for food-processing co-operatives.

A good number of food-processing co-operatives are working substantially below plant capacity levels. This aspect alone stagnates these enterprises as they are unable to raise cash surpluses which would enable them to reinvest and modernize their operations. Several factors responsible for this low capacity utilization include: old machinery and equipment, lack of spare parts, lack of qualified technical personnel such as mechanics and electricians necessary for adequate repair and maintenance, and in some cases, lack of sufficient quantities of raw materials. Therefore, assistance to food-processing co-operatives to rehabilitate their industrial plants should be a government priority as regards national plans for co-operative development.

Financing is a major problem for industrial co-operatives in the African region, and food-processing co-operatives are no exception, as they often require more capital than other types of co-operatives (infrastructure needs, processing machinery and equipment, etc.). This issue is linked to government policies towards co-operatives; government taxation, for example, coupled with national bank policies which often do not contemplate favourable terms for co-operative financing, severely limit their activities.

The meeting agreed that, in order to reverse some of the above trends, governments and local institutions in charge of co-operative development should assist industrial co-operatives as much as possible by providing a favourable climate and the necessary conditions to enable industrial co-operatives to have better possibilities for success.

Likewise, when appropriate, governments should request international agencies like UNIDO and co-operative and related donor organizations from the more industrialized countries, for assistance to improve their industrial co-operatives in areas such as rehabilitation of specific industrial plants, manpower training and other aspects as already mentioned in this report. Priority in these efforts should be given to food-processing activities in view of the importance of the food issue in the African countries.

In line with the above, there is a need for increased co-operation between food-processing co-operatives from the African region and co-operatives and related organizations from the more advanced countries, with a view to establishing collaboration arrangements for assisting the former co-operatives to become more effective in their development efforts.

Co-operative managers and other key personnel from African industrial co-operatives should be exposed to the experience accumulated by industrial co-operatives in other countries and regions. Moreover, training courses, study tours and visits to industrial fairs and related activities should be organized. This is an excellent way to show co-operative personnel from the African region new and appropriate technologies needed in their countries. International agencies and donor country organizations should provide assistance in the organization and implementation of some of these activities.

IV. PRELIMINARY AGREEMENTS AND FOLLOW UP

Based on the bilateral discussions between the African participants and Bulgarian partners on possibilities for co-operation, several projects were identified for most of the countries represented. However, projects for which an agreement in principle was reached include:

- expansion of a co-operative milk-processing plant in Botswana. As a first step, the Central Co-operative Union of Bulgaria, upon receipt of an official request, would consider sending one of its experts to Botswana's only milk-processing plant to make an assessment of its operations and needs with a view to recommending a plan of action for its immediate future, such as an expansion to other products, i.e. recombined milk, yoghurt, cheese, as appropriate.

- possibilities for Bulgaria to donate a small multi-purpose pilot plant to be set up in one of the African countries for the processing of fruits and vegetables. The plant will be used to train co-operative personnel and small farmers on simple processing, drying and packing operations for these products which at present are being wasted in large quantities. The results obtained in the pilot plant could be disseminated to other African countries facing similar problems.

At the closing ceremony, the African participants thanked the Central Co-operative Union and UNIDO for having provided such an excellent opportunity to become acquainted with the Bulgarian experience and technologies in the co-operative food-processing industry, and renewed their expectations for a close relationship between their countries, the Bulgarian co-operatives and related enterprises, and UNIDO.

LIST OF PARTICIPANTS

BOTSWANA	Mr. M. E. Galetshoge	Chairman Gaborone Dairy Marketing Co-operative Society Ltd
GHANA	Mr. P. B. Afum	Assistant Registrar Department of Co-operatives
	Mr. I. N. Dzide	Head of Food/Tobacco/Alcohol Sector Ministry of Industries, Science and Technology
	Mr. J. Parkes	Industrial Consultant National Board for Small-scale Industries Ministry of Industries, Science and Technology
NIGERIA	Mr. H. Garba	Chief Registrar of Co-operative Societies Ministry of Commerce, Industry and Co-operatives
	Mr. G. C. Izunobi	Chief Registrar of Co-operative Societies Ministry of Commerce and Industries
	Mr. O. B. Kuti	Chief Registrar of Agricultural Co-operatives Federal Ministry of Agriculture, Water Resources and Rural Development
SUDAN	Dr. Tag El Sir Mohamed Suleiman	Senior Research Engineer Industrial Research and Consultancy Institute
	Mr. M. A. M. Osman	Senior Research Officer Industrial Research and Consultancy Institute
TANZANIA	Mr. E. M. Andrew	Director of Planning/ Operations National Milling Corporation
	Mr. V. M. K. Kepakepa	Senior Food Scientist Tanzania Food and Nutrition Centre

ZAMBIA	Mr. S. Chilufya	Economist Ministry of Co-operatives
ZIMBABWE	Mr. J. Guitire	Assistant Director Environmental and Development Activities (ENDA)
	Mr. E. Moyo	Chief Co-ordinator of Co-operatives
BULGARIA		<u>Central Co-operative Union</u>
	Mr. R. Boyadjiev	Deputy President
	Mr. K. Siderov	Director General, Agricultural Department
	Mr. Sv. Georgiev	Director, Marketing Department
	Mr. I. Iliev	Chief Officer, Marketing Department
	Mrs. H. Pinkas	Officer, International Relations Department
		<u>Bioinvest Engineering</u>
	Mr. Vl. Andreev	Marketing Director
	Mr. I. Popov	Manager, Publicity Department
	Mr. P. Peev	Expert, Industrial Co-operation
	Mrs. D. Tzoneva	Expert, Food-Processing Department
	Mr. R. Perchev	Expert, Food-Processing Department
	Eng. L. Stoichkov	Expert, Food-Processing Department
	Eng. Nelly Cherneva	Expert, Food-Processing Department
	Eng. G. Drundarov	Expert, Food-Processing Department
UNIDO	Mr. L. E. Rojas) Mr. A. Volodin)	Co-Chairmen of the Meeting

AGENDA

DAY 1 Afternoon

Opening addresses:

1. Mr. Rumen Boyadjiev - Deputy President of the Central Co-operative Union
2. Mr. L. E. Rojas - UNIDO representative

Lectures and discussions:

1. Introduction in the history of the Bulgarian co-operative movement and its role in the national economic development - Mr. Ivan Iliev
2. Food-processing co-operatives in Bulgaria: Organization, management, operation, marketing, employment, etc. - Mr. Kiril Siderov

DAY 2

Lectures and discussions:

1. Technological problems of some developing countries in the establishment and operation of small- and medium-scale plants - Eng. Rangel Perchev
2. Technical and trade characteristics of the production of canned fruit, vegetables, and sub-tropical fruit - Eng. Liuben Stoichkov
3. Small-scale module milk-processing plant - container type - Eng. Georgy Drandarov
4. Food-processing complex with carbonated soft drinks bottling - Eng. Nelly Cherneva

DAY 3

Visit to food industries in Plovdiv area
Overnight in Plovdiv

DAY 4

Visit to the Higher Institute on Food-Processing Industry in Plovdiv

Sightseeing

Visit to "Bioinvest" Headquarters in Plovdiv

DAY 5

Introduction by UNIDO on background papers distributed - Mr. L. E. Rojas

Presentations by representatives from African countries

In-depth discussions between representatives of African and Bulgarian enterprises regarding specific problems and needs in the African countries