



## **International network for the sustainable development, productive and commercial innovation of Aloe Vera small scale producers in Jordan**

### **Overall objective**

Improvement of life quality standards and economic-environmental sustainability conditions for small-scale aloe vera producers in Jordan.

The project aim is to support the socio-economic development of disadvantaged and vulnerable small scale producers (about 150 by the end of the project) and related rural communities living in arid and semi-arid regions of Jordan. According to studies and pilot projects conducted by Jordanian organizations, the aloe vera could be introduced as an integrated crop to the already existing ones and it could have multiple positive effects contributing to: 1) reduce the vulnerability to negative shocks and strengthen the resilience of agricultural productions, at present based on monocultures; 2) supplement the income sources of small scale producers, also considering the high potential added value that can be generated by the aloe vera; 3) open new opportunities to the small rural enterprises participating in the project, particularly through the provision of equipment and machines for the processing of the aloe vera. The gel and/or powder that can be obtained through the processing is highly demanded by national and international markets and it is used in the cosmetic, pharmaceutical and food processing industries; 4) promote eco-sustainable productive techniques for the efficient utilization of natural resources and the adoption of sustainable systems to combat aloe vera diseases and parasites.

The project approach is based upon the creation of a permanent international network of partners highly specialized, for the provision of services aiming to support the management, productive and commercial requalification of target small scale producers and secondary level organizations. The project support the capacity building of local human capital, guaranteeing the sustainability of the action and the creation of positive externalities for the entire Jordanian economy.

### **Specific objectives**

Enhancement of management capacities and strategic organisation of the rural SMEs involved in the aloe vera production and supply chain in Jordan through trainings and best practices exchange sessions, in the field of:

- 1) management & business control of the agricultural supply chain;
- 2) high quality and eco-sustainable production;
- 3) commercial strategy, market analysis capacities and direct access to national and international commercial channels.

The project aim is to support the requalification of target SMEs' capacities, contributing to:

- a) improve their management capacities, promoting a transition to well-structured rural enterprises capable of implementing short/medium term investment and actions plan, informed to economic targets and objectives set in the enterprise's business plan. The reduction of waste incurred by SMEs during the production process and the realization of economy of scale will be also promoted through the support to SMEs aggregation and the common management of the production process. The aggregation of smallholders will allow them to access an higher number of services

and reduce productive costs, thus increasing their profit margin and making resources available to invest in the completion of the production chain.

- b) Manage the production process with techniques informed to quality control procedures, to obtain high-quality and market attractive products. Thanks to the experience sharing workshops and trainings with the Italian partner CNR, the project will promote the adoption of eco-sustainable agricultural practices increasing productivity and reducing the impact of diseases and parasites.
- c) Manage the sales and marketing (commercial phase) through a market-oriented strategy and production, also participating to international fairs and events. The project wish to capacitate the producers enabling them to sell end-products responding to national and international market standards, thus increasing the SMEs' turnover.

#### **Leading partners:**

- Ora veglia Onlus has been established in 2010 and it is based in Trento (Italy). Ora Veglia is active in the field of international development and humanitarian aid to support the disadvantaged people of developing countries.
- John Paul II Foundation is an international NGO working in the field of international cooperation and development mainly in middle East Countries (Palestine, Israel, Lebanon, Jordan, Iraq, Syria) since more than 20 years.

#### **Project Partners**

##### Local partner:

- Jordan Exporters and Producers Association for Fruit and Vegetables
- Ministry of Agriculture – research institute
- Karak Governorate

##### International partners:

- Consiglio Nazionale delle Ricerche – Istituto di Biologia Agroambientale e Forestale (CNR): one of the most important research institute of Europe, the CNR is highly specialized in biology, biochemistry and ecophysiology. Within the project framework, the CNR will be participate in the project with 2 experts responsible for providing training modules particularly regarding natural resources sustainable management (water, soil, fertilizers). The trainings will be held both in situ and in Italy, at CNR headquarter.
- Management Senza Frontiere (ManSef): organization composed of managers specialized in enterprise governance. The experts of ManSef will be responsible for: business plan design and implementation, financial and economic enterprise planning, management control, rural enterprise organizational models.
- Fondazione Archeologia Arborea (FAA): the main goal of FAA is to rediscover and promote the local varieties of plants and crops. The experts of FAA will conduct a study for the identification of the organoleptic characteristics of aloe vera varieties with the goal to identify the ideal varieties to be planted, also considering the local ecosystem and the market potential.

#### **Project beneficiaries**

##### Direct beneficiaries:

- a) about 150 smallholders based in the Karak governorate, of which about 40% are women and youth. The smallholders are based in arid and semi-arid areas, where agricultural activities face difficulties due to adverse climate conditions. Through the project, it is foreseen to supplement the current income sources of farmers, aiming particularly women and youngsters. The project wish to create occupational opportunities for disadvantaged people, representing an engine of social inclusion. The producers interested in participating to the project will be selected on the basis of their motivation and the extension of their land, favouring the small producers.

- b) About 10 officials and technicians of the Karak Governorate and MoA that will participate in trainings in situ and in Italy. They will be trained on innovative productive techniques, enterprise management and governance and marketing and products' promotion. The training of local human capital will allow to spread among all the producers, not only the ones cultivating aloe vera, the acquired knowledge. The officials and technicians will be chosen based on their role within the sending institution and their area of expertise.
- c) About 5 technicians and delegates of the producers' association that will be trained on management and product commercialization. The formation of skilful human capital within second-level organizations is crucial for the sustainability of the action (the second-level organization is expected to become a cooperative by the end of the project). The technicians and delegates will be in charge of promoting the target products to international retailers through the participation to international fairs and on-line marketing.

Indirect beneficiaries: about 1.000 people, among the family members of direct beneficiaries and all the workers involved in the aloe vera value chain. All the smallholders of the area that will benefit from business development services provided by local authorities trained through the project can also be considered as indirect beneficiaries.

### **Expected outputs and activities**

#### ***Output 1 - Rural SMEs vulnerability reduction, particularly tackling monoculture related risks***

1.1 SWOT analysis and business plans. This is a twofold activity, including:

a) SWOT analysis for the evaluation of the management capacities of rural SMEs conducted by a local consultant identified by local partners working 26 days (1<sup>st</sup> year). Through this study a clear picture of the main economic, organizational and cultural issues potentially hindering the conduction of expected activities will be outlined. This document will represent the starting point for the design of a value chain business plan (see point below).

b) Value chain business plan: design of a value chain business plan and follow up of the target producers during the SMEs development process, particularly to support smallholders' aggregation in cooperatives. The business plan will take into account the main issues identified by the SWOT analysis and it will represent a guideline for the planning and conduction of a multiannual development path to be implemented with target rural SMEs. This activity will be conducted by a local consultant for 26 days (2<sup>nd</sup> & 3<sup>rd</sup> year). Furthermore, the consultant will be in charge of the follow up of the whole reorganizational process with a focus on the lessons learned and the adoption of innovative business organizational models.

An Italian consultant from ManSef will support the conduction of this activity working 10 days (1<sup>st</sup> and 2<sup>nd</sup> year). The consultant will contribute to the activity preparatory phase and to the development of new potential business opportunities. An additional Italian expert with a sound background and work experience in cooperatives development, will contribute to the achievement of this activity, working 7 days (1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> year). The support and achievement of an aggregation process of smallholders in cooperatives is to be considered as one of the project output.

1.2 Trainings in situ and on-line follow up on: management control, costs analysis, strategic planning and business plan, for the smallholders, cooperatives associates, officials and technicians of the MoA and Karak governorate.

The trainings will be conducted in situ by an expert of ManSef (10 days – 1<sup>st</sup> & 2<sup>nd</sup> year) to train local staff on rural enterprise management. The main issues that will be treated are related to management control and planning, and are expected to contribute to the success of SMEs reorganizational process. The technicians trained will in turn train local smallholders.

1.3 Trainings in situ on: management of agri-food enterprises and quality control procedures for smallholders, cooperative members, MoA and Karak governorate officials and technicians. A local expert with a sound background and working experience in quality control system will be in charge of the conduction of this activity (26 days 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> year). The trainings will be based on 3 themes, including: a) analysis of the market quality standards and identification of the productive system main weaknesses; b) design of a product specification protocol; c) implementation of a quality control system including procedures for every step of the production process.

### ***Output 2 - Supplement the income sources of small scale producers***

- 2.1 In situ consultancy, best practices sharing workshop in Italy and follow up activities for local producers, officials and technicians of the MoA and the Karak governorate on: a) sustainable management of natural resources and inputs; b) diseases and parasites prevention; c) soil and irrigation system management; d) organic productive techniques. The activity will be conducted by 2 experts of the CNR (7 days 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> year) in situ. The productive reorganization will be axed on the adoption of innovative techniques based on a systemic and integrated approach to the ecosystem. The improvement of productive techniques on arid and semi-arid soils will contribute to fight the growing desertification, to create an organic clump for the retention of water and humidity, to improve the efficiency of water utilization and of the irrigation systems. The technicians and functionaries of public authorities and producer's organizations trained will in turn transfer the acquired knowledge to the producers of the area, contributing to the widespread of good practices. The training path will be completed by a study trip to Italy to visit the model farms of the CNR where innovative agricultural practices are already being implemented.
- 2.2 Purchase of machines, tools and equipment for the target SMEs and the cooperatives to improve the productive techniques and start the processing of the aloe vera to produce gel and powder. The purchase of the machineries will be conducted in situ and will include: tools for ploughing, pruning, drying and storing of products in cool spaces. Furthermore, the irrigation systems will be improved thanks to the introduction of drip irrigation systems. The project will contribute to the planting of the aloe vera plants and to establish a plant nursery for the aloe vera reproduction and spread. Finally, the action will support the purchase of machineries for the processing plant to obtain gel and powder. All the purchases will be done in Jordan.
- 2.3 7 days' consultancy in situ by an expert of the Fondazione Archeologi Arborea on aloe vera varieties (1<sup>st</sup> year), for the local smallholders and technicians of the MoA and Karak governorate. Considering the difficulties and challenges that the introduction of a new crop can encounter, it is crucial to identify the right variety of Aloe Vera. Furthermore, it will be important to consider the impact on the local ecosystem as well as the production capacities and properties of the crop variety.

### ***Output 3 - Support producers' income increase through the production of remunerative processed product (gel and powder) highly demanded by the market***

- 3.1 Marketing and promotional activities to establish commercial links with international retailers. Design and planning of a commercial strategy with JEPA. The project will contribute to the creation of direct links with international firms and retailers through the production of marketing materials and the participation to international fairs in Egypt (2<sup>nd</sup> year), Abu-Dhabi and Milan/Frankfurt (3<sup>rd</sup> year).
- 3.2 Conduction of 2 market studies (2<sup>nd</sup> year) at national and international level (European and gulf countries markets) to identify potential market opportunities. The studies will be conducted by Jordanian and/or international consultants with sound expertise in this field. The studies' focus will be on: demand of different types of product (fresh leaves, gel, powder); product's prices and international commercial flows. A database with the details of retailers and firms potentially interested in the establishment of direct links with the producers will be compiled.

### ***Output 4 - Communication***

2 events for the presentation of the project will be organized and communication materials for the showcase of the project strategy and accomplishments will be designed, produced and distributed.