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THE NOTES OF SUD

AGRICULTURE · FOOD

BACKGROUND TO THESE NOTES

The idea of the subject for this issue of Notes sprung up from an exchange among NGOs (AVSF, CCFD-Terre Solidaire, Fert, Gret, Inter-réseaux, Iram, and UNMFREO) on their practices in the field of training and the socio-professional insertion of youth. The question of sustainability of training centers quickly emerged as a key element to cover, especially the question of financial sustainability.
This issue of Notes is thus based on the analysis of three experiences in sub-Saharan Africa (Mali and Senegal) and in Madagascar, with some perspectives added by cases in the Maghreb and in Brazil.
The experiences studied have been set up and developed in rural environments, in the fields of agricultural and the craft industry. They target a public that is rather vulnerable and concern the first levels of training (initial training).

CHARACTERISTICS OF THE CENTERS

The three types of training organizations studied are the Fekama agricultural schools (lower secondary level) in Madagascar, the Maisons Familiales Rurales (MFR) in Mali, and a public high school in Senegal. They all offer initial training for young people as their main activity, leading to certificates or diplomas. The Fekama agricultural schools offer only in-class training. The two others offer apprenticeships combined with vocational education: short-term (less than one year) for the MFR and short-and long-term for the high school in Senegal. The sectors of activity are agriculture, irrigation, agricultural mechanization, and craft industry including mechanics.

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The Financial Sustainability of Rural Vocational Training Centers

Youth training and youth insertion have become critical issues for the countries of the South. This is especially true given the political, socio-economic, and ecological transformations there, as well as the African demographic transition. The percentage of African men and women age less than 25 is now 63%. The number of Africans in this population category who will enter the labor market should reach 27 million in 2030 and 32 million in 2050. Yet, despite Africa's rapid urbanization, most of its population will remain rural until 2035. It is important to keep in mind that vocational training is an essential right that must be guaranteed by the state. The development of agricultural and rural training, and its adaptation to the aspirations of young people and of communities, are essential in order to provide a future for these young men and women, whether they live in rural areas are not. Consequently, agricultural and rural training cannot develop and meet the previously mentioned needs unless it is conducted using continuous and sustainable systems deeply rooted in their environment.
The sustainability of an institution is a complex concept that encompasses four distinct types of viability: social, institutional, technical, and financial. It is the combined achievement of these types of viability that allows a training center to produce results that can be described as continuous and sustainable.
More specifically, the financial sustainability of a vocational training center can be defined as the ability of this center to ensure that it can operate autonomously, by having the

available resources needed to cover all its expenses and to ensure its development through a mixture of public funding and its own funds.

Analysis of a vocational training center's sustainability naturally brings up the question of its effectiveness and the quality of its teaching. Indeed, above and beyond meeting the expectations of young people and the needs of enterprises, the results of a training center must also be appreciated in terms of the changes obtained, the impact on its local community, and the access that the trained youth have to employment (business creation or wage-employment).

Financial viability is indispensable, but it is not enough to guarantee the sustainability of a vocational training center. Indeed, even with sufficient financial resources, a training organization's economic model will never be justified if its teachers are poorly trained, if its training is not state-approved, if its training does not lead to real job possibilities, or if it has no partners, etc. Nonetheless, reaching financial equilibrium and the capacity to raise funds are key elements that help training centers propose young people quality training: they can invest in suitable equipment for example, take advantage of the infrastructure they require, recruit experienced teachers, train their personnel, and develop their capacity for innovation.

Knowing and controlling expenses

Each center should have a tool to monitor its costs (accounting and indicators, etc.), but in reality this is not always the case. Determining the cost of a vocational training center in general or of a training course in particular is a complex task that often depends on the purpose one wants to give to this calculation. Is it for internal use, to manage a training center and in particular to work on controlling expenses? Or is it for external use (application for public funding, comparison, etc.)? In each case, the first question to ask is that of the perimeter of the calculation adopted.

Ideally, the following should be included: the expenses related to the training actions (wages/allowances for the teaching teams, pedagogical material, training design, etc.) and to operating costs (wages/allowances for the management and administrative teams, training costs, operating and administrative costs, training of trainers, networking, etc.), the provisions for depreciation of buildings and equipment, the costs of a possible umbrella structure, the provisions for depreciation of investments in intangible assets, and the costs of monitoring the trainees during and after the training. When all these elements are taken into account, it is possible to determine the full cost of a training center. However, depending on the information system available to the organization, it is perfectly possible to take into account only part of these costs.

Training equipment and their renewal:
The quality of equipment in general, and of pedagogical material in particular, is essential for a training center. It is thus important that these be in phase with the economic reality of the environment in which the training center evolves. This makes it possible to avoid having equipment that is no longer used (obsolete in the case of craft-industry training) or unsuitable within the framework of family farming (e.g. unaffordable tractors). It is thus essential make sure that such equipment is renewed; in accounting, such purchases must be written off over the depreciation period (with the observation that the investments lose value along with use and over time). From an economic point of view, this mechanism makes it possible to set aside funds every year to help replace equipment at the end of their lifespan.

An example of cost calculation in the MFR of Mali

Using an in-house tool, each Malian MFR has calculated its expenses with the inclusion of its personnel (permanent staff and other teachers) and its education costs (consumables, travel, etc.). The calculations also include food brought by the young people and their family, depreciations, and a proportional share of costs for their national union. It has been determined that the cost per youth per year is €362 for haircutting and hairdressing training and €350 in agriculture. With 17% on average contributed locally (food, provision of services, etc.), €300 per youth per year needs to be paid from external funds.

Very few training center managers include the charges for depreciations in their accounting and their budget. They thus risk finding themselves in a difficult situation when a piece of equipment must be replaced. It nonetheless seems that realization of this need to include depreciations in accounting is starting to spread among training centers. This phenomenon can only truly develop if real training in accounting and management is established not only for financial managers and accountants, but also for the directors of centers.

Systematizing calculation of costs in training centers, by developing an appropriate calculation methodology and by proposing specific tools, is one of the ways to improve the efficiency of the centers. Among other things, it will provide the centers with the information needed for their management, for providing a medium-term outlook, for determining their capacity to offer new training courses or increase the number of youth undergoing training, for comparing certain costs, or for informing its partners.

RECOMMENDATIONS TO ACTORS OF AGRICULTURAL AND RURAL TRAINING

- Develop tools to help monitor the costs of the centers and to manage them;
- Establish training in accounting, for the directors of the centers.

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Diversification of resources: a guarantee of sustainability

The funding of initial vocational training centers is an essential subject in the search for sustainability. It is possible to categorize funding according to its origin: public funding, private funding (donors, foundations, sponsors, etc.), and the centers' own equity.

The training centers' own equity essentially comes from:

- contributions from families (tuition, contributions in kind, financial contributions, etc.);
- sales of products from the school's farm if there is one, or from craftwork;
- rental of buildings or equipment;
- the other types of training (for adults, etc.) or services developed.

According to the example studied, self-financing remains limited to 10 or 15% of a center's turnover. One possibility for increasing local resources would be to mobilize local enterprises. But very few in rural areas have a formal status and, given their small size, few are prepared to invest in training. It would moreover be important for the training centers to be able to meet their needs in terms of training labor.

Indispensable state investment:

As it is generally acknowledged that self-financing is not possible for state-approved non-profit centers open to all, such centers must thus raise public and/or external funds. Training is a prerogative of the state, and this area of general interest must be paid for by the public authority. This situation is natural for public centers, but for private non-profit centers access to public funds is difficult.

This access to public funding is even more problematic in countries undergoing political or economic crisis. This is especially the case in Madagascar, where the Fifata agricultural schools receive extremely limited state aid (2%). To make up for this type of difficulty and to not be dependent upon a single source, the training centers are thus diversifying their sources of financing (NGOs, embassies, donors, corporate foundations, etc.).

The governments of some countries have set up dedicated funds for vocational training, such as the National Service for Rural Apprenticeship (Senar) in Brazil or the Support Fund for Vocational Training and Apprenticeship (Fafpa) in Mali. They thus make significant resources available to training centers. But there are still too few that fund agricultural training, because training is financed by taxes on formal companies, most of which are located in other economic sectors.

Finally, other public programs are financed by development agencies (Afop in Cameroon by AFD, Fier in Mali, etc.). These help fund agricultural and rural training, but it will be important, when these programs are over, to find national financial resources to ensure the continuity of the training and to avoid their falling back on funding only public centers.

RECOMMENDATIONS FOR PUBLIC AUTHORITIES IN CHARGE OF AGRICULTURAL AND RURAL

- Strengthen public funding, by securing state resources (which are undermined by economic partnership agreements and tax evasion) and by adapting the modes of funding to the diversity of agricultural and rural training centers;
- Facilitate access by poor families to training, through systems of educational scholarships or suitable fees;
- Create national funds dedicated to the development of sustainable agricultural and rural training centers, with balance between quality and economy.

Developing new services besides initial training

Here we can take the example of Madagascar: faced with the fact that the state does not fund long-term initial training, the Fekama agricultural schools are currently seeking to diversify their range of services in order to obtain other sources of funding.
For example, they respond to invitations to tender from the FORMAPROD program (IFAD) to provide short training courses for rural youth in specific fields. They have also started providing services for development projects (for example, production of plants in nurseries, and centers for demonstration and seed-egg production for raising silkworms).
This search for financial partnerships nonetheless calls into question the initial purpose of the schools that the peasant-farmer organization Fifata has entrusted them: to train the sons and daughters of its members in the profession of farmer.

Conclusion

Funding of vocational training in the countries of the South relies largely on public funds, even if these are limited, and on technical and financial partners. There is a very big gap in most Southern countries between the funds available and the scale of needs for training youth. Even if investment in training is a necessity, it is obvious that this commitment has an immediate cost; in contrast, the expected benefits (for personal development, for the community, or for families, etc.) are achieved in the long term. Responding to the issues of popularization and thereby reaching a great number of people requires a great deal of resources. Funding is a crucial factor in doing so, and political will is essential everywhere.

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