



Global Shea Alliance GUIDELINES

Looking after People, Planet & Profit:
Shea does it all - Sustainably!



April 2011

Sustainable Shea

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Overview

Building a Shea Alliance

A shea alliance will allow industry stakeholders to promote shea internationally, establish clear standards for quality and facilitate information exchange and communication among members. This document outlines the mandate and structure of the alliance to enable its formation. Activities will be developed once an executive committee is formerly elected.

Vision and Mission

The Global Shea Alliance is an international, non-profit association of industry stakeholders whose mission is to represent and further the shared interests of the shea sector.

Vision: A sustainable and competitive shea industry.

Mission: To enhance economically viable, environmentally and socially responsible shea nuts and shea product businesses.

Background

With shea trade traditions dating back thousands of years; the last century has seen shea nuts become an important source of export business for West Africa. Demand for shea butter produced in West Africa has grown consistently over the last decade. The number of large-scale international firms involved in the sourcing of shea, has grown from a small group of 3 or so firms to over 10 corporate companies actively buying or processing shea nuts or shea butter directly from integrated African-based value chains. Business models have diversified exponentially and literally hundreds of SMEs, traders, exporters and well-organized shea co-operatives now exist in the shea-zone. From a few tens of thousands of tons, annual exports of shea average well over 250,000 SETs¹ and an estimated 4+ million of the world's poorest women are involved in the picking and processing of the exportable shea nuts.

¹Sheanut Equivalent Tons – a large proportion now exported as hand-crafted or mechanically processed butter

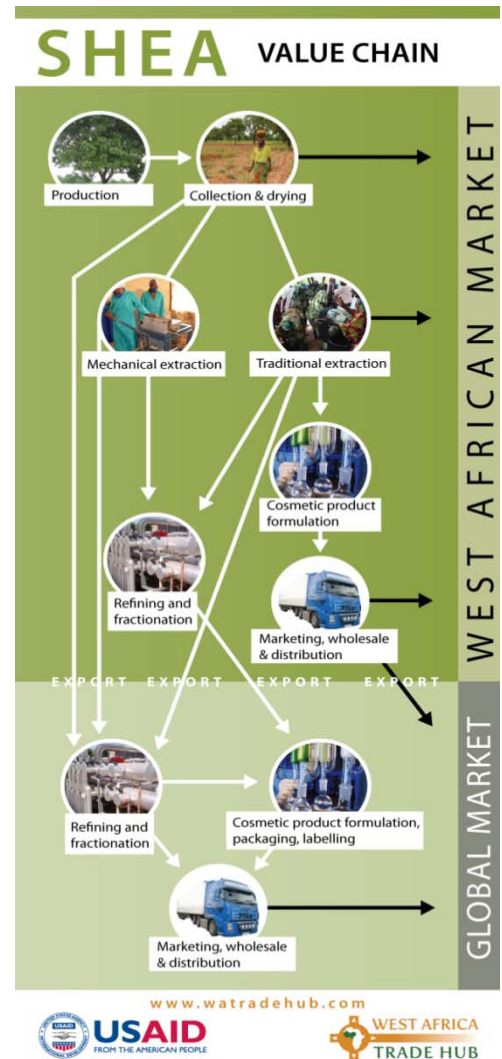
The shea value chain is diverse. Most shea nuts exported from West Africa are destined to be processed into specialty fats, particularly cocoa-butter equivalents (CBEs), which are primarily used to make chocolate confectionaries. CBEs are the largest user of shea stearin but the rest of the nut - the by-products of its production (the olein, bioactives, latex, fatty acids and residue) are used in other different markets.

A proportion of shea nuts exported is processed as whole butter, sometimes as stearin, sometimes as olein and sometimes as bioactive concentrates or derivatives used in the making of personal care products, including natural cosmetics, a rapidly growing market. Within West Africa, women’s groups use traditional methods to produce shea butter destined for use in a variety of personal care products – soap, body butters, lotions, shampoos, lip balms, etc.

Returns on quality and market remain the two key issues for the shea sector and they are closely linked. Improving the quality of shea nuts will attract more international buyers; quality is their primary concern. Yield of oil from shea nuts varies significantly because quality varies widely. Increasing the market will grow the industry and is a primary concern for all shea stakeholders. For companies that produce finished products, the key issue is visibility of their products.

Proposed Alliance Activities

- **Market Development and Promotion**
- **Research and Development**
- **Best Practices and Information Sharing**
- **Advocacy and Policy**



Proposed Global Shea Alliance Structure and By-Laws

These proposed guidelines will be reviewed and validated at the GSA general assembly of members on April 5th, 2011.

Membership

Membership of the alliance shall be open to all interested stakeholders, including:

1. Grassroots associations
2. Traders
3. International buyers
4. Regional exporters and SMEs
5. Service providers and NGOs
6. Research and other public institutions
7. International brands and retailers

These proposed categories will be the basis for the nomination and election of the Executive Committee.

Membership Qualification

Any organization, institution, individual or group aspiring to be a member of the alliance (or serve on the Executive Committee) should possess at least two of the following attributes:

- The current programs/projects/activities of the organization should have a direct or indirect impact on the shea industry
- Clear demonstration of interest in the shea industry
- Commitment to the alliance and its activities
- Willingness to sponsor itself and source sponsorship to participate in alliance activities.

Registration

- Aspiring members of the alliance shall complete and submit a membership application form online or email or send to the alliance secretariat currently housed at the USAID West Africa Trade Hub in Accra, Ghana.
- Annual membership registration fee (as periodically reviewed by the Executive Committee) shall be a requirement to become a member of the alliance.
- The completed application form shall be reviewed by the Secretariat to determine the eligibility of applicants
- A member shall then be registered based on the outcome of the review in writing by the alliance secretariat



Proposed Benefits to Members

Members shall strive to achieve the vision and mission of the alliance, member benefits and activities should include, but will not be limited to:

- Guide the development of industry standards for quality and sustainable sourcing
- Gain improved access to international markets
- Platform to share industry news and information
- Link with industry experts in both the cosmetics and specialty fat sectors
- Increase market exposure through the Global Shea website and all alliance materials
- Receive discounted entry to the annual shea conference

Membership fees

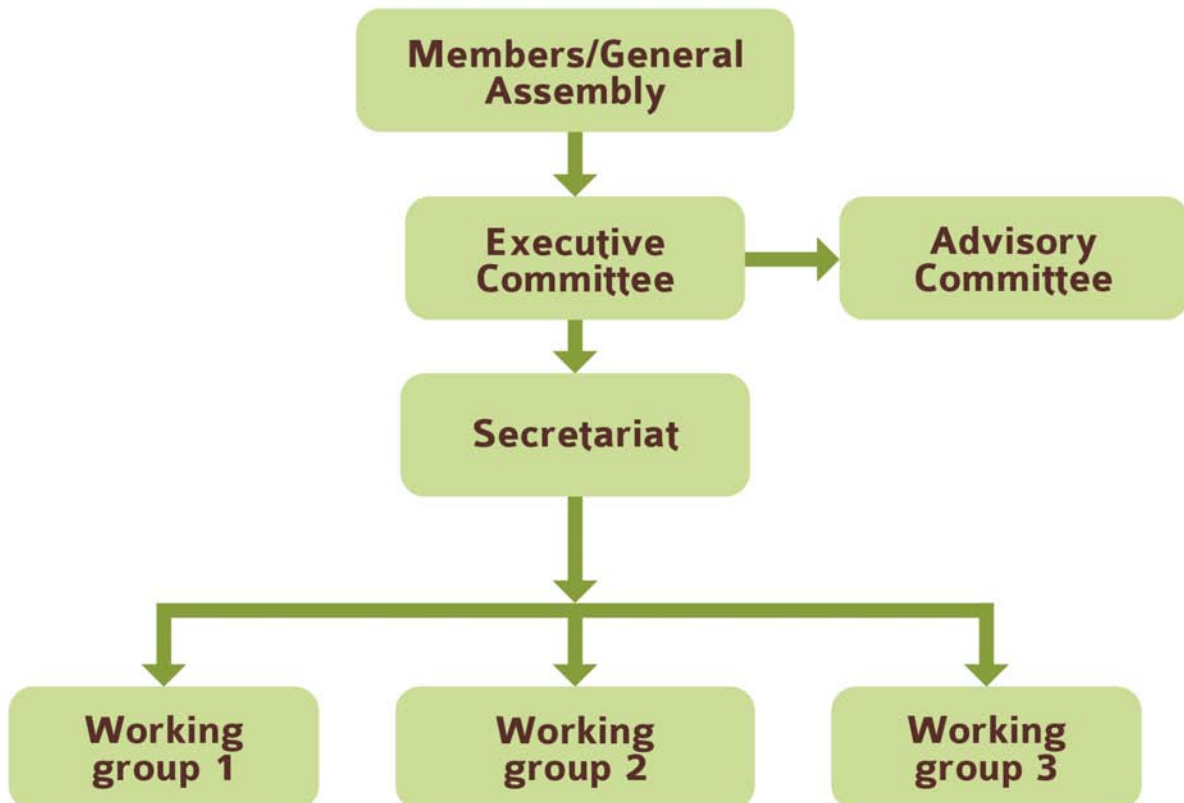
All members of the alliance shall be expected to pay an annual contribution to be periodically reviewed by the Executive Committee. The fee shall reflect the organizational turnover or budget.

Annual Fees agreed by the Interim Executive Committee for 2011

- US \$150: Organizations such as small companies and grassroots associations, annual turnover/budget < US \$150,000
- US \$500: Organizations such as regional exporters and processors with annual turnover/budget > US \$150,000 < USD \$1,500,000
- US \$1,500: Organizations such as international buyers and brands with turnover/budget > US\$1,500,000 and with presence in several countries

The Executive Committee shall periodically review all membership fees, by-laws, terms and conditions.

Proposed Structure of the Global Shea Alliance



GENERAL ASSEMBLY

- The General Assembly shall be comprised of all members of the alliance including the Executive Committee, Advisory Committee, the Secretariat and the working groups.
- At the Annual General Meeting, at least 2/3 of members shall form a quorum for any voting.

Procedures

The Alliance shall have a General Assembly, which will meet annually in order to:

- **Attend the Shea Annual Conference**
- **Review previous year's activities/programs**
- **Plan for the coming year**
- **Initiate new programs**
 - In the event that voting is required during the General Assembly all member organizations present at the meeting shall be entitled to one vote
 - In the event of conducting an Executive Committee election at the General Assembly, all members shall have the right to vote and be voted for per the Executive Committee criteria
 - Voting to elect a member into office holding position shall be by secret ballot with proof of identity and membership required.
 - Voting on a motion at the General Assembly shall be by secret ballot.

Decision-Making

- A decision shall be arrived at by consensus wherever possible
- In an event of an opposition to an issue, then decision shall be arrived at through majority vote.
- During voting, agreement shall be reached through simple majority of members present.

EXECUTIVE COMMITTEE (EC)

Scope

The EC shall be made up of 7 members, elected by the General Assembly for a period of 2 years. They can be re-elected but can only serve a maximum of 2 terms. They should be selected from different countries and from across the value chain. Further details are described in the Criteria of Executive Committee Election document.

Duties and Responsibilities of the Executive Committee

These will be reviewed periodically by the General Assembly. Examples include:

- Attend all Executive Committee meetings. Committee members who are unable to attend should notify the committee secretary two weeks prior to the meeting.
- Provide a report at each committee meeting outlining the activities and/or issues of each committee member's area of responsibility.
- Adhere to the policies and procedures adopted by the Alliance and provide suggestions for change when appropriate.
- Be active participant in decisions made by the committee on behalf of the members and objectives.

- Pass on to their successors all pertinent records and reports. In the event of a committee member's resignation or removal from office, all of his or her records must be submitted to his or her successor or to secretariat.
- Experts or guests may attend meetings of the committee, enter into discussions if recognized by the committee chairman, and make presentations, but shall not have voting privileges.

GSA President Mandate

The GSA President (as well as one or two Vice-Presidents) is elected by the Executive Committee by majority vote, after each GSA General Assembly election. Any vacancy accruing in these offices shall be filled in like manner at the next meeting of the Executive Committee held after the occurrence of the vacancy.

The President represents the Executive Committee and the GSA to partners and members and provides ongoing strategic support and oversight to the GSA Secretariat Managing Director. The GSA President consults with Executive Committee members to forge consensus on decisions, and shall not take unilateral decisions.

In addition to the duties of an Executive Committee member (see above), the GSA President's duties include the following:

- Provide guidance to the GSA Secretariat Managing Director in conducting GSA operations.
- Recruit the GSA Secretariat Managing Director in consultation with the Executive Committee.
- Forge consensus and decision-making among EC members on issues that require a decision. Authorize the GSA Managing Director in consultation with the Executive Committee to represent GSA and enter into agreements on behalf of the organization.
- Monitor and evaluate the GSA Secretariat's performance.
- Convene Executive Committee in coordination with the GSA Secretariat.
- Represent GSA at important international meetings and events.
- Authorize the Secretariat Managing Director to sign GSA bank and financial authorizations.
- Hold signing authority on GSA bank accounts or appoint a co-signatory among the EC members or GSA members as appropriate in consultation with the Executive Committee.

ADVISORY COMMITTEE

The Advisory Committee shall consist of organizations contributing \$50,000 or more to the alliance as such can participate in EC meetings, provide inputs into key GSA directions, strategies or activity decisions as well as financial oversight as appropriate.

SECRETARIAT

Composition

The alliance secretariat shall be the administrative unit of the alliance to be manned by a Secretary General an office manager; and any other staff as may be required.

Functions of the Alliance Secretariat

- Undertake all administrative duties of the Global Shea Alliance
- Organize the annual General Assembly of the Global Shea Alliance (at the annual shea conference)
- Represent the alliance publicly
- Manage media and public relations including the website
- Organize activities to benefit alliance members
- The Secretariat will require approval from the Executive Committee for amounts beyond \$10,000 and when committing the alliance to a long term financial risk.
- Lead shea information management, document activities, reports, studies etc.
- Raise funds for alliance activities
- Manage and account for funds and other resources
- Present progress reports on alliance activities and activity plans to the General Assembly
- Supervise and collaborate with working groups to implement projects
- Lead in advocacy regarding the shea industry
- Other responsibilities assigned by the General Assembly
- Promote shea internationally to increase markets

Working Groups

The Global Shea Alliance shall have a minimum of three (3) working groups responsible for various activities of the alliance. The proposed working groups, to be confirmed after election of the Executive Committee are:

- **Marketing**
- **Standards and Certifications**
- **Policy and Advocacy**
- **Research and Development**

Appendices

Appendix 1: Criteria for EC Election

The Global Shea Alliance (GSA) is an industry body set up by stakeholders for the promotion of shea products and related businesses.

Executive Committee Mandate

The GSA Executive Committee (EC) is the Alliance's highest governing body. Its mandate is to provide strategic direction, general guidance and oversight to the GSA Secretariat, the coordinator of GSA's daily activities. The EC will meet twice a year, usually once at the GSA Secretariat and once on the occasion of the GSA Annual Conference. Additional meetings can be scheduled by the Secretariat at the request of a majority of EC members. The EC will review and approve GSA budgets, activity reports, contracts, agreements and other administrative policies. The EC shall be made up of seven members from across the shea value chain and will elect a Secretary General, one Vice-President, a Secretary, a Treasurer and a Working Group Coordinator from among its members.

Composition

- Registered and paid-up GSA members
- Representatives from Africa's shea producing country associations.
- Preference is given to representatives from the private sector (i.e. for-profit entities) with a proven record of supporting the GSA and promoting the industry at the national and international level
- Representatives from international businesses with investments in shea processing or buying a significant amount of shea nuts/butter from Africa.
- The EC shall consist of 7 members representing at least four categories as listed in the declaration at the founders meeting, as well as geographic and gender diversity.
 1. Grassroots associations
 2. Traders
 3. International buyers
 4. Regional exporters including international SMEs
 5. Service providers including NGOs
 6. Research Institutions
 7. International brands and retail

Elections

The Executive Committee is elected by a General Assembly of GSA members (registered and paid) every two years (usually during the GSA Annual Conference).

Requirements

- EC members are elected on an *ad personam* basis. They can, however, appoint a person to represent them at EC meetings and to make EC decisions on their behalf, provided they have notified the GSA Secretariat in writing ahead of the meeting.
- EC members are elected for a two-year period. Their tenure can be renewed only once and by means of gaining a majority in the elections. The EC may decide to propose renewal of tenure to GSA members for an EC member only for representatives of international businesses.
- EC members must finance their travel and expenses to attend EC meetings. The GSA Secretariat will provide financial support to EC members for specific activities in support of the GSA and mandated by the Secretariat or the EC.
- Members must clearly represent an aspect of the shea value chain.
- The final board must be diverse in country membership origin and activities.
- At least two members should be from multi-national organizations.
- Representatives must be internationally credible.
- The EC, following due diligence and consideration of mitigating circumstances, will decide to replace any member who does not make contributions or attend meetings on two consecutive occasions or more.

Appendix 2: Nominations criteria

The GSA Secretariat invites applications from GSA members who can take up the task of working for a globally competitive Shea Sector. The EC shall consist of 7 members representing at least four categories as listed in the declaration at the founders meeting, as well as geographic and gender diversity.

- Only registered and paying GSA members can be nominated to serve on the EC
- Nominations must be submitted to the secretariat within 21 days after the publication
- Nominations from cooperate bodies or national shea association for EC election must submit a letter of support from their respective bodies
- Scanned copies of following documents are to be sent together with the application form:
- A letter of motivation
- Certified copies of passports
- 3 copies of Passport size photos
- CV's with brief background information

All candidates must bring the above documents on the day of elections and submit them to the Secretariat for confirmation.

Appendix 3: Voting criteria

- Voting to elect a member into EC shall be by secret ballot with proof of identity and membership of the alliance
- During voting, agreement shall be reached through simple majority
- During Executive Committee election at the General Assembly, all members shall have the right to vote and be voted for per the Executive Committee criteria (appendix 1)
- Voting on a motion at the General Assembly shall be by secret ballot

Appendix 4: Draft Code of Ethics

PREAMBLE

The Code of Ethics of the Global Shea Alliance was developed to provide members of the Alliance with some broad ethical guidelines with which to guide their professional engagements with stakeholders. It provides a means for individuals new to the industry to learn about the principles and standards that should guide the work of Alliance members.

Through this Business Code of Ethics, the Global Shea Alliance commits itself to promote sustainable growth in pursuit of these objectives. Our business practices will put the following principles to work across the world.

1. Promote Growth of the Industry

We commit to working together with all shea value chain stakeholders to promote growth of the industry in Africa and around the world. We support governments with information and technical support in designing strategies to maximize the value added and jobs created by the shea industry. Working Groups will establish industry standards and research into the maximum benefit that can be derived from shea nuts.

2. Best International Business Practices

The Alliance agrees to practice fair business trade as it is generally understood today. The Alliance will avoid any price collusion or appearance thereof among members and encourage free and fair competition across the industry. We commit to respect all international anti-cartel and competition laws.

3. Good Corporate Governance

We aim to facilitate the growth our members' businesses by encouraging them to apply the principles of integrity and good corporate governance. We commit to excellence in financial management and business integrity. We commit to respecting the laws of our countries and fulfill our contractual obligations with customers and suppliers of goods and services.

4. Respect the Environment

We commit to continuously ensure that our members minimize the impact of their activities on the environment.

5. Improve Quality

We commit to improving the quality shea nuts produced by the pickers across the shea zone, will share best practices and new technologies to improve the quality of shea products in an effort to provide excellent value to customers and consumers.

6. Pay Fair Prices

Women pickers are at the source of the shea business. We commit to ensuring that firms pay pickers the best commercially viable price for their products and reward better quality products.

7. Communication and Transparency

We commit to communicating to members this Code of Ethics. GSA members and partner organization shall provide training and technical assistance in complying with the business code of ethics.

8. Confidentiality

All individual business information of members and stakeholders remains confidential. Aggregated statistics will be compiled however to monitor and track industry growth and value addition.

DRAFT



www.globalshea.com

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