

TERO

Des professionnels engagés pour les territoires ruraux

ANNUAL REPORT

2019

Editorial



First of all, our thoughts and gratitude go to Jean-Jacques Boutrou a pillar of Tero's creation. With Pierril Lacroix, he infused a spirit of conciliation and simplicity within our cooperative.

He raised high the banner of advice and services for farmer organisations. Jean-Jacques' human and institutional legacy have set Tero on a path that will go well beyond his untimely death. Our SCIC celebrates its fifth anniversary, strengthened by the benefits of his intuitions and sturdiness. A huge thank you Jean-Jacques for the moments shared with all of us.

This fiscal year, Tero has once again been beneficiary and exceeded its budget forecasts. This has allowed us to clarify our offer of services. Both expertise in France on territorial food systems and certification of farmer organisations and their commercial partners have emerged and contribute to diversify the services Tero provides to farming families and towards agro- ecological and food system transitions. Although international expertise remains our core business, these new activities have significant growth potential.

With its clients and historical partners, Tero is thus expanding its expertise to new issues and new territories, with today more than twenty countries in which we carry out assignments, more or less regularly.

Beside new members keep on joining forces with Tero, contributing to the deployment of our activity and the strengthening of our cooperative life. In particular, the African and Latin American experts mobilized by Tero reinforce the relevance of our advice.

«The essence will always be to strive for Tero to live in a sober and balanced way, like our common house, rich in its individualities and the experiences of its members, with commitment at the core of its services.»

Close to civil society, Tero has structured fruitful medium-term partnerships with NGOs such as ACF, AVSF and Interaide. We also advise bi- and multilateral public actors, starting with AFD, which leads international cooperation work in France. AFD is our main sponsor today.

In 2019, several events have animated cooperative life. Despite its reduced workforce, the co- operative council has been heavily engaged in consultations with Pierril Lacroix regarding operational aspects of Tero's work.

As cooperative life cannot rest on the technical team alone, it is appreciated that following the April 2020 AGM the cooperative council has been completed again and has been enlarged with the incorporation of a representative of our expertise in France. Congratulations to the technical team which has grown, structured its activities and succeeded in putting Tero on the agenda of the donors we had targeted. The challenge is to better serve our customers, improve the quality of our support, and know how to transform social and agricultural assessments into useful advice and action for farmers.

Humility is nonetheless needed as Tero faces the many challenges of the future, amplified by the current Covid 19 pandemic. Indeed, confinement has been hampering our activity for weeks.

Besides, it is difficult to measure the exact consequences and likely length of the current crisis which will undoubtedly require significant and swift capacity to adapt. However, it is timely that the programme for 2020 includes updating our 2020/2025 strategic plan, consolidating our tripod of activity and constantly professionalising our work.

The essence will always be to strive for Tero to live in a sober and balanced way, like our common house, rich in its individualities and the experience of its members, with commitment at the core of its services.

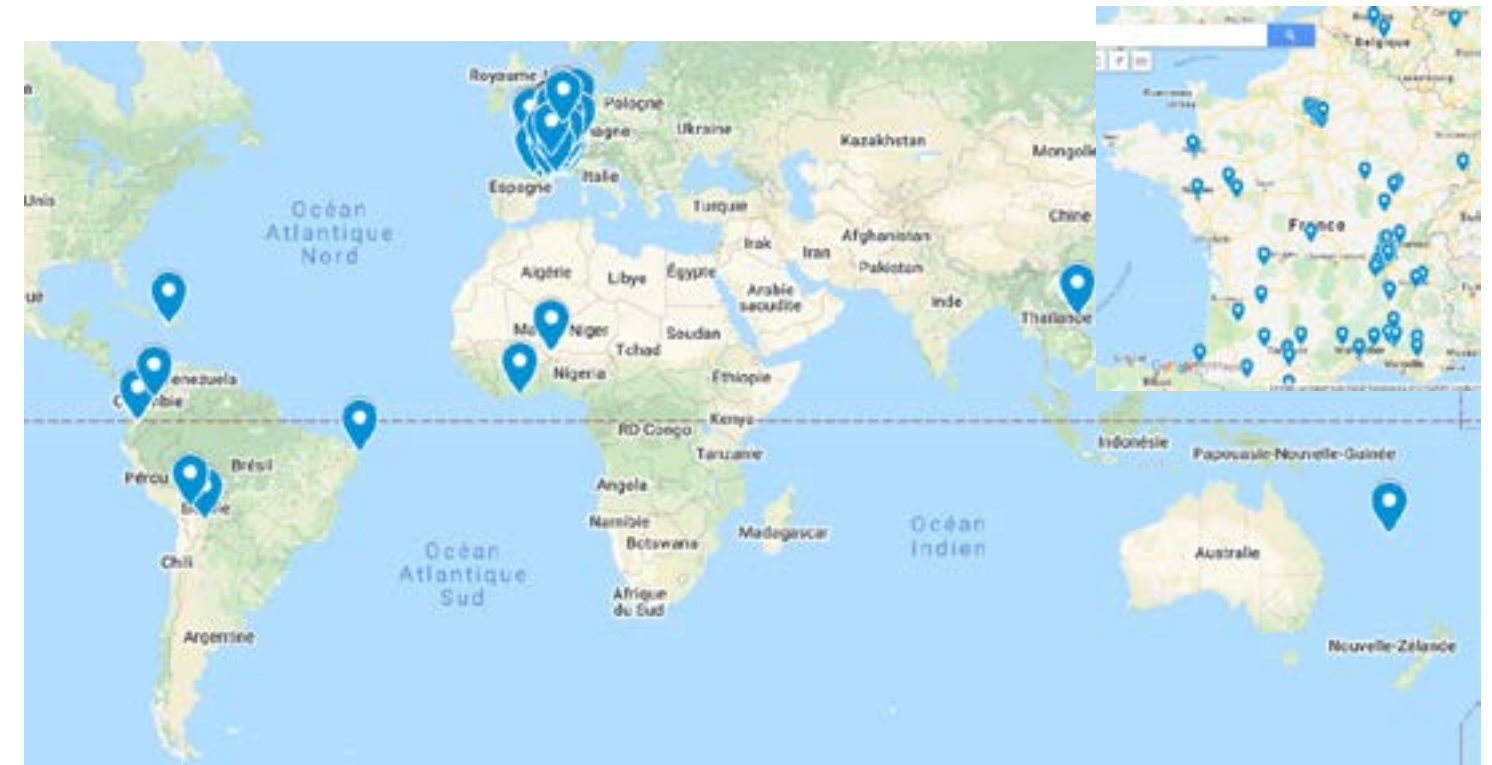
Xavier PEYRACHE

Xavier Peyrache

Pierril LACROIX

Pierril Lacroix

Our associates around the world and in Europe



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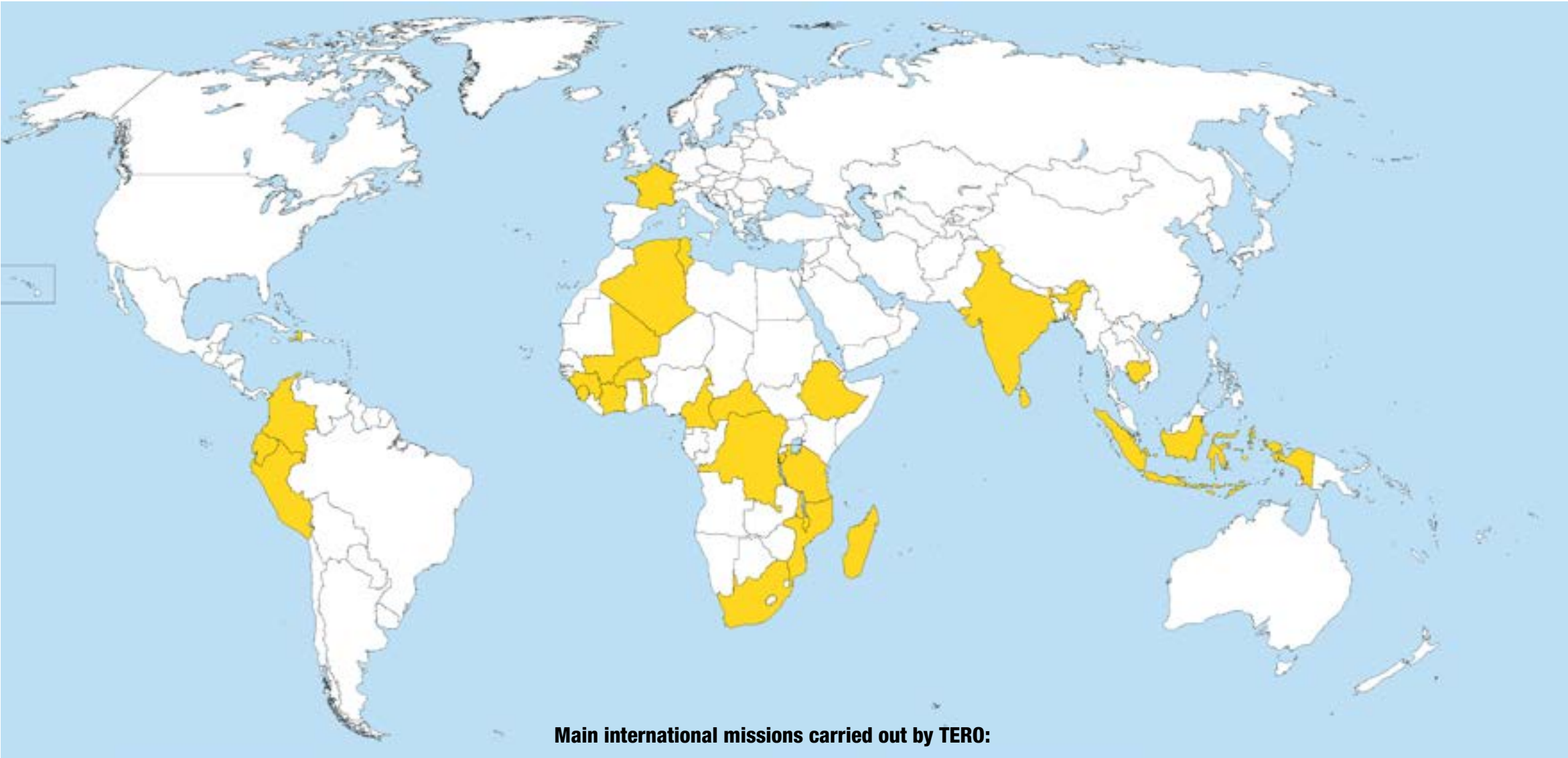
College of employees

Sylvain Aubert
Gabrielle Hauducoeur
Pierril Lacroix

College of Civil Society Organisations



Countries where TERO worked in 2019



Technical advice/support missions :

Expertise France : Algeria. Territorial diagnosis of the olive sector in the wilayas of Algiers, Bejaïa, Bouira, Tizi-Ouzou within the framework of the PASA program - Adel Ourabah, Ouassila Lamani

Care : Cameroon. Study of priority value chains to be supported under the RESILAC project - Olivier Renard, Ezechiel Dingamadji

Action Contre la Faim (ACF) : Cameroon, CAR, DRC. Intermittent support missions to the agricultural and livestock sectors in 3 ACF projects - Alexandre Vigot, Laurent Dietsch, Ezechiel Dingamadji, Bettina Balmer

Union Européenne (UE) : Ecuador Formulation of proposals to support the social and solidarity economy sector for the Ministry of Planning – Sylvain Bleuze, Pierril Lacroix, Juan Carlos Guzmán, Vanessa Nieto

Rainforest Norway (RFN) : DRC. Development of a methodology for monitoring and baseline study in community forestry - Johan Pasquet, Stephane Person, Gérard Imani

Triangle Génération Humanitaire (TGH) : CAR. Diagnostic-analysis of agricultural production systems in the area of VAKAGA Prefecture - Laurent Dietsch, Olivier Lasbouygues

Project formulation missions :

AFD : Burkina Faso. Feasibility study of the agricultural programme Tilgré Jeeguoli - Jean Payen, Olivier Lasbouygues, GRET, Corade

AFD : Comoros. Feasibility study of the project to support export value chains and rural development - Pierre Johnson, Olivier Lasbouygues, Karine Laroche, Claude Remuzat, Thierry Racon, Sittina Ibrahima, Eco-Consult

AFD : Ecuador. Preparation of the RENAGRO agricultural census project for the Ministry of Agriculture - Sylvain Bleuze, Byron Jaramillo, Roberto Garces

AFD : Haiti. Agro-economic study of the farms of the Aquin plain in preparation for an irrigation project - Sylvain Aubert, Jean-Agnus Laraque, SCP

Evaluation missions :

Inter-Aide : Ethiopia, Madagascar, Malawi, Sierra Leone. Ongoing multi-country evaluation of Interaide's agricultural programme convention - Pierril Lacroix

GRET : Guinea Conakry. Final external evaluation of the SARA food security project in 3 regions - Hubert Cathala, Jean Milimimoun

AFD : Haiti. Final evaluation of the food security project implemented by the Haitian Ministry of Agriculture - Grégoire Etesse, Jean-Agnus Laraque, Eno Herard

FERT : Madagascar. Final evaluation of the rural youth support project PROJA - Cécile Berut, Hoana Soa

SOS Faim : Peru. Evaluation of the coffee and cocoa cooperative centre within the framework of the SOS Faim multi-country programme - Grégoire Etesse, Edison Ramos

Examples of our 2019 international action: strengthening the resilience of peasant families and supporting rural organisations

Final evaluation of the SECAL project in Haiti for AFD

From September to November 2019, Grégoire ETESSSE.

Value chain support in the Central African Republic (CAR) for ACF

Ongoing since 2019, Alexandre VIGOT.

Since May 2019, we support Action Contre la Faim (ACF) teams in a project that aims to strengthen rural resilience and support producers and agro-pastoral value chains through the development of local capacities and the creation of jobs in the northern regions of CAR. This project is financed by the Békou Fund (EU), which contributes to the stabilisation and reconstruction of CAR by better linking reconstruction and development programs with the humanitarian response. This two-year project is being carried out by a consortium of several NGOs. We began our support by training the teams in the value chain approach. This enabled us to draw up an action plan. Tero now supports ACF teams in its implementation, particularly with respect to the honey, sesame and groundnut value chains.

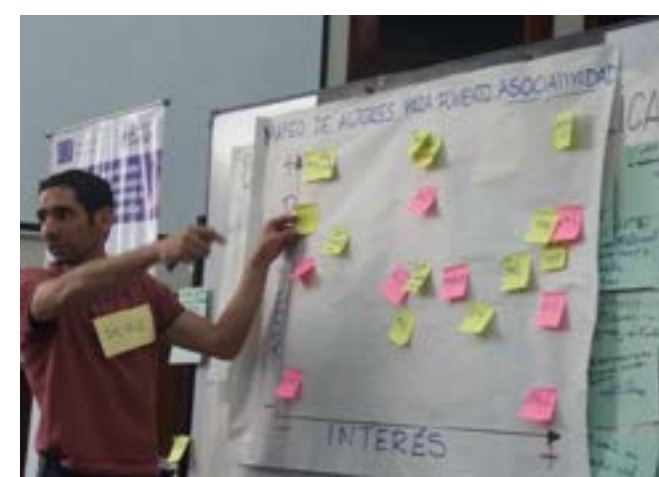


TERO carried out the evaluation for AFD of a SECAL food security project that had been in place for 5 years and co-financed by AFD and the EU. Following Hurricane Matthew, the project had evolved and emergency funds were released. Despite the political crisis in the country, TERO was able to carry out a field evaluation phase in both intervention areas. The project focused on family farming and access to irrigation. In discussions on working with farmers, TERO was able to take into account the disparities in situations. Its references in Haiti and its experience enabled it to provide teamwork that was both effective and clear in terms of avoiding the emergence of potential inconsistencies within the project. This evaluation benefited from previous experiences in Haiti and in particular from TERO's network of local actors.



Definition of proposals to support the social and solidarity economy in Ecuador - Consultancy funded by the EU

From February to May 2019, Sylvain BLEUZE.



Following the earthquake that struck Ecuador in 2016, an Economic Reconstruction Committee was set up and supported by the EU, among others. TERO was then called upon to assess the possible causes of the limited development of the social and solidarity economy (SSE) in the agriculture, fishing and community tourism sectors in several Ecuadorian provinces. In addition to the assessment, TERO proposed financial and management mechanisms to the organisations... Indeed, the sustainability of family farming depends on the conditions of their access to markets, hence the need for management tools adapted to SSE organisations. The TERO team composition, the opportunity to benefit from an international perspective, including recognised French know on SSE, as well as the values and proposals in support of family farming, were appreciated during this mission.



FEEDBACK FROM OUR PARTNER : ACF

«TERO and Action contre la Faim have initiated an original way of working together on agricultural value chains developments within the framework of a project to strengthen rural resilience in the Central African Republic financed by the European Trust Fund for the Central African Republic (Békou). TERO's support to our teams in Bossangoa goes far beyond traditional expertise: TERO is accompanying us throughout the project, carrying out 4 field missions and remote support. Involved from the initial assessment of agricultural value chains, our teams have seen their capacities strengthened throughout the project. This form of support is highly appreciated, as it maintains strong ownership of the project by our teams. It has helped demystify a number of concepts that seemed vague at the outset. As our project manager sums up: «TERO's support has led us out of the fog and allows us to move forward with a clear vision.»

Expertise in France: supporting concrete approaches to food transition in territories



Out-of-home catering in the Aix-Marseille Region

FRANCE, Since March 2019, Julie PORTIER, Charlène NICOLAY and Anne-Marie SCHMUTZ-POUSSINEAU



More and more communities are looking to relocate their food networks. This is particularly the case for collective catering, which is seen as a lever for developing local agriculture and giving the greatest number of people access to better quality food. In 2019, TERO has supported several projects in this area: As part of the Territorial Food Project carried by the Aix-Marseille-Provence Métropolis and the Pays d'Arles Rural Territorial Equilibrium Center, for example, TERO has quantified and qualified public school demand and has run several workshops with municipalities in order to identify

their needs and promote experience sharing. TERO has also helped launch a platform of organic producers, Manger Bio en Provence, dedicated to supplying the collective catering sector by carrying out an opportunity study and identifying establishments and producers interested in this initiative. A further example: the Urban Community of Greater Avignon asked TERO to develop and implement its Territorial Food Project (PAT), for which the catering industry is one of the 4 major lines of action.



Agricultural Policy Belledonne-Grésivaudan

FRANCE, from February to September 2019, Charlène NICOLAY, Frédéric SOULA and Gilles MARECHAL.

The objective of the mission was to assist in the development of future agricultural and food strategies for the three clients: the Grésivaudan and Cœur de Savoie communes groupings, and the association for the development of the Belledonne mountain chain. Initially focused on the economic impact of agriculture on the territory, the mission made possible to widen the scope of food system analysis and to approach the importance of agriculture and food for these territories in a more cross-cutting way: maintaining the openness of mountain landscapes, coexistence of pastoral and touristic activities, agroecology, climate change, resilience and social accessibility.



The public policy planning dimension of this assignment was at least as important as the assessment itself: presentations to local councils, specifying the action plan's evolution over several years, budgeting actions... were all appreciated by the stakeholders. The mission led to ambitious political and budgetary choices on the part of the two communes groupings.



Our actions in certification: supporting highly committed fair trade labels



The certification activity (documentary or field evaluation) continued its development in 2019. It focused on certification systems in line with TERO's values and vision, following a logic of complementarity, limiting competition with existing labels and certifiers, and at the service of cooperatives and social and solidarity economy stakeholders engaged in highly committed fair trade labels.

TERO has continued to strengthen its activity as a certifier for the Peasant Producers' Symbol (SPP). With a growing team of 12 independent employees who are geographically close to the certified cooperatives, we have provided 9 services in 2019:



- in 16 countries (South Africa, Burkina Faso, Burundi, Cambodia, Côte d'Ivoire, France, Ecuador, Ethiopia, Haiti, India, Indonesia, Madagascar, Democratic Republic of Congo, Sri Lanka, Togo, Tunisia);
- to 29 Small Producer Organisations;
- to 3 intermediaries, processors and/or exporters;
- to 9 final buyers in France;
- to 12 small buyers, linked through a simplified procedure to an end buyer.

In addition, by partnering with iDterritoire for expertise in fair and solidarity tourism, TERO conducts independent evaluations on behalf of the Association for Fair and Solidarity Tourism (ATES). The ATES has created and supports the "Garantie Tourisme Equitable et Solidaire" label. ATES tour operators, players in tourism in France, are all committed to making travel a lever for development and solidarity. They offer more than 260 trips in nearly 59 countries. TERO has evaluated 2 tour operators in 2019. Our exchanges with label holders (SPP GLOBAL and ATES) enable them to benefit from our feedback from the field and allow us to propose improvements to their criteria, procedures and tools.

TERO's management of new fair trade standards is contributing to the extension of our certification activities in France, supporting actors involved in an agro-ecological transition and local fair trade.



FEEDBACK FROM A CERTIFIED ENTITY



«Grandir Aventure was evaluated by Tero in 2019. Focused on Solidarity Tourism, Grandir Aventure specifically offers solidarity trips for youth. We were the first members of the ATES (Association for Fair and Solidarity Tourism) to carry out this evaluation through an external audit. Tero, through its evaluator Sylvain Aubert, was able to find the right tempo and the right methodology to succeed in accompanying us. We particularly appreciated the tailored and pedagogical support that TERO provided for us.»

Jean-Christophe Naal, Director and co-founder of Grandir Aventure

2019 Financial Report: consolidation before a period of uncertainty

The 2019 financial year is profitable, generating a net result after tax of +29 k€ (+18 k€). Turnover is growing significantly (+184 k€, +28%) and exceeds forecasts. It reflects the increase in the success rate of responses to calls for tenders and the robust implementation capacity of our members and salaried team. Added value is clearly rising, but not its proportion. The operating result is 32 k€ and the operating margin increases from 2.3% of sales in 2018 to 3.8% in 2019. This result includes the offsetting by TERO of the CO2 emissions of its 2019 international trips by co-financing community and peasant reforestation actions supported by InterAide in Madagascar. However, the 2020 budget is already challenged by the covid-19 pandemic. Though certification and assignments in France are budgeted to increase, international expertise will have difficulty reaching its 2019 level and initial forecasts. The current necessary expenditure adjustments include a reduction in personnel costs.

INCOME STATEMENT (€)	2015	2016	2017	2018	2019	Evolution 2019-18	
Turn over	215 177	438 995	567 490	669 940	854 865	184 925	28%
Added value	54 880	104 335	168 280	197 932	247 683	49 751	25%
Gross operating surplus	-20 225	14 788	8 817	15 132	43 291	28 159	x 2.9
Operating result	-21 878	18 348	8 221	15 253	32 338	17 085	x 2.1
Net income (after taxes)	-22 257	17 394	6 487	11 437	29 284	17 847	x 2.6

In financial terms, Tero has strengthened its equity in 2019 and its working capital requirement are increasing as its financial activity develops.
On the liabilities side, permanent capital amounts to 120 k€ (+43 k€), thanks to the subscription of new shares (+13 k€) and the surplus from 2018 and 2019. Resorting to borrowing is on the decrease. Trade payables at the end of the year are stable. Tax and social security debts are on the rise with the reinforcement of the technical team.

ACTIVE BALANCE SHEET as at 31/12 in €	2018	2019	PASSIVE BALANCE SHEET as at 31/12 in €	2018	2019
TOTAL FIXED ASSETS	2 344	6 402	Share capital	64 500	77 300
TOTAL CURRENT ASSETS	318 358	349 286	Annual result	11 437	29 284
Trade receivables	235 042	307 583	Reserves	1 623	13 060
VAT credit to carry forward	3 611	7 542	OWN CAPITAL	77 560	119 644
Expenses prepayment	13 450	0	Other long term debt	25 079	20 860
Cash flow	66 255	34 161	Bank loan	8 884	2 646
TOTAL ASSETS	320 702 €	355 687 €	TOTAL CURRENT LIABILITIES	209 179	212 537
			Suppliers debt	151 171	149 158
			Tax and social security debts	35 008	45 554
			Provisions for risk	2 000	10 503
			Differed income	21 000	5 000
			Short term debt		2 322
			TOTAL LIABILITIES	320 702 €	355 687 €

* In euros

DISTRIBUTED DIVIDENDS
In accordance with the provisions of Article 243 bis of the French General Tax Code, the Board notes that no dividend has been paid out over the last three financial years.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR
To date, no significant event has occurred since the end of the 2019 financial year.

With respect to assets, operating receivables are up sharply due to late payments from major customers at the end of 2019, despite the implementation of tools for monitoring and payments following of customers. From a functional point of view, TERO's working capital at the end of 2019 amounts to 137 k€, rising less rapidly than working capital requirements (95 k€). TERO's available funds at the end of the fiscal year are decreasing. Tero pursues its policy of financial independence, strengthening its equity capital, and carefully managing its cash flow, as required for the development of its business.

Highlights of our co-operative life in 2019



March: TERO Annual General Meeting in Lyon



July: Death of TERO president and founding member Jean-Jacques Boutrou



May: TERO participates in the regional union of SCOPs AGM



September: Meeting around TERO's support to the Grand Avignon area

Environmental and social commitments at the heart of TERO's actions

In 2019, we reaffirmed our support to family and smallholder farming, as well as to agro-ecological and food system transition at a territorial level. This commitment is a beacon within the framework of our assignments.

- We carefully select missions, leaving others to support agricultural and food systems that favour industrial agriculture and have potentially negative social and environmental impacts. We carefully examine the sincerity and coherence of the approach when responding to requests from private companies, and strive to offer consultancy services adapted to companies engaged in social and environmental systemic reform.
- We have a strong social policy: the differences in salaries for permanent contracts within our technical team are less than 2; the differences in remuneration between consultants are limited; we have promoted young people, women (the current technical team is at parity), and internal training.
- We are developing in-depth relationships with civil society actors and the French and international cooperative movement, in the choice of assignments and in the establishment of medium-term strategic partnerships.
- We maintain strong environmental standards at all levels: support for projects aimed at agro-ecological transition, limitation whenever possible of air transport, and offsetting of carbon emissions linked to international travel.

Our technical partners



They trust us



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