

WORKSHOP REPORT

**FAO-ICA
Agricultural Development and the Empowerment of
African Farmers:
Perspectives and Policy Recommendations**

**Workshop Report
Subregional Workshop, Nairobi, Kenya,
March 13–15, 2002.**

**prepared by
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Nairobi - Kenya

October 2002



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Regional Office for East, Central and Southern Africa
October 2002

Published by:
International Co-operative Alliance
Regional Office for East, Central and Southern Africa

Designed by:
Noel Creative Media Limited



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Foreword

This workshop report on decentralized development and farmer empowerment in Africa was produced by the FAO Rural Development Division in collaboration with Michigan State University (USA) and the International Cooperative Alliance's Regional Office for Eastern and Southern Africa. It is based on a review of experiences in seven African countries funded by the FAO Partnership Programme for Visiting Experts from Academic and Research Institutions (with additional funding from Michigan State University) and provides a set of useful policy recommendations to governments, private sector and NGOs for improving the effectiveness of farmer group approaches to rural development.

Decentralization reforms have created many opportunities for improving the livelihoods of African farmers, including increased opportunities for political participation and wider economic choice; however, they have also led to a decline in small rural producer access to rural public infrastructures, markets and services they need to improve their rural livelihoods.

Group approaches have long been promoted by governments and development agencies alike as vehicles for increasing the economies-of-scale and negotiating power of the small-scale rural producers so they can better access these services and markets, thus improving the effectiveness of decentralization efforts. Yet the approaches promoted have too-often been carried out in a top-down fashion, with little regard for the small farmer as a key actor and investor in this empowerment process.

The report recommends that governments and donors need to adopt more flexible policies and processes that allow small farmers to work out and develop their own collective self-help structures of funding, accountability and governance so that they can better complement achievement of broader local and national development objectives. It further emphasizes that governments have a moral responsibility and a political obligation to help rural people – especially the disadvantaged – become more active citizens and to understand the rule of law and their role in promoting more balanced and accountable rural development.

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Acknowledgements

This report is the culmination of a two-year research collaboration between FAO and Michigan State University (MSU) to review experiences in local level partnership building for rural development in sub-Saharan Africa. Many organizations and researchers participated in this ambitious undertaking and deserve our thanks.

First of all, we would like to express our appreciation to the FAO Visiting Experts from Academic and Research Institutions Programme, the FAO Rural Development Division and MSU for providing the funding and staff time needed to conduct the above research.

A special note of thanks is also due to Prof Jim Bingen, MSU, the principal researcher for the activity and who worked with John Rouse, FAO Rural Institutions and Participation Service, in conceptualizing the research activity and was primarily responsible for monitoring field data collection activities in the seven study countries (Cameroon, Ethiopia, Kenya, Mali, Rwanda, Senegal and Zambia) as Principal FAO Resource Person at the workshop and co-authoring the position paper that is included in this report.

We would also like to thank those individuals who contributed to the preparation of the seven country reports: Edmond Dembèlé (Mali), Gebre Michael Demissie (Ethiopia), Appolinaire Etono-Ngah (Cameroon), Laurent Munyankusi (Rwanda), Fadel N'Diamé (Senegal), Collette Suda (Kenya) and Gelson Tembo (Zambia); all participated actively in the final workshop and are by virtue of this participation the co-authors of this report.

Many others provided additional perspectives and views. These included Daniel Gustafson, FAO Representative in Kenya, who formally opened the workshop and provided very useful views on recent decentralization and local partnership building experiences in Kenya; Johnny Colon, CLUSA (Cooperative



League of the USA)-Mozambique, and James Isaboke, Acting Commissioner for Cooperatives, Kenya, both of whom participated actively in the workshop discussions. Nora McKeon, FAO Senior Programme Officer, provided independent comments and perspectives on the Senegal report.

Finally, a sincere note of thanks is given to Bernard Kadasia, Acting Director of the International Cooperative Alliance Regional Office for East, Central and Southern Africa, who helped organize and provided logistical support to the workshop and whose organization has been a long-time supporter of autonomous agricultural cooperatives and farmer organization development within the region.



Preface

This workshop report is addressed to those government and non-government decision-makers and policy activists who are committed to assuring the full participation of African farmers in the formulation of development policies and programmes designed to improve the quality of their lives. Its analysis, conclusions and recommendations are therefore not only for policy makers but also for those engaged in solving specific farmer development issues at grassroots level.

New initiatives, such as the Partnership for Africa's Development (NEPAD), have placed increased emphasis on the use of decentralized and participatory approaches to governance and service delivery, in partnership with civil society and private actors, to achieve rural development and poverty alleviation. The assumption is that rural civil society and the private sector will rush in to help work with local governments to fill the gap; however, to a large extent this has not happened, which indicates there is a need for much more deliberate and considered measures on the part of governmental agencies, non-governmental organizations (NGOs) and the private sector to promote small farmer empowerment and get African agriculture moving.

In August 2000, FAO launched a multiyear research activity with MSU to review experiences gained, such as to promote farmer organization-local government cooperation to support decentralized rural development and sustainable food security in sub-Saharan Africa with the aim of developing guidelines for farmer groups and organizations, as well as guidelines for governments on how to build more effective alliances and partnerships.

This joint FAO-MSU research collaboration included the implementation of studies in seven sub-Saharan countries to review these local partnership-building experiences. Based on these studies, a synthesis paper was prepared by principal researcher Jim Bingen to identify common and different features of these experiences, which served as a starting point for discussions with the case study researchers in a regional workshop on that topic in Nairobi, Kenya in March 2002. The main purpose of the Nairobi workshop was to review the study findings and to develop a set of policy recommendations for government consideration.

Some of the major conclusions of the workshop are:

- a) The future of democratic development in Africa will depend upon the capacity of African governments to forge new and more differentiated partnerships among local government, private sector and farmer organizations to get things done at the local level. Both governments and donors must move beyond thinking that one size fits all in democratic rural development.
- b) These new institutional arrangements must be based upon the principles of popular political and fiscal accountability.

Some of the major policy recommendations arising from these discussions are that:

- Governments need to consider how decentralization structures and policies can help to protect the rights of the “rural weak” against abuses perpetrated by some sections of the “rural strong.”
- More flexible policies and processes are needed in order to allow farmers to work out and develop their own structures of funding, accountability and governance so that they can better complement broader local and national development objectives.
- Effective, responsive and development-oriented governmental decentralization requires supportive and collaborative partnership with national governmental agencies and programs.
- More attention needs to be given to the development of public and private rural financial institutions and markets and to financial intermediary institutions particularly suited to the needs of small-scale farmers and rural entrepreneurs.
- Measures are needed to improve rural people’s access to information, communication and educational services using cost-saving information and communications technologies (ICT).
- And finally, governments have a responsibility to help people – especially small farmers – become citizens and to understand the rule of law and their role and responsibility in holding public officials accountable.

Perspectives and policy recommendations

by Jim Bingen and John Rouse

The Setting


The call for increased involvement of farmers and the poor is not new. Almost 10 years ago, the Rio Earth Summit drew international attention to the need to create, strengthen and delegate power and responsibility to local and village organizations to tackle local environmental and development issues. National governments were to promote more involvement of farmers and their organizations in policy formulation and provide adequate legal and social conditions to support the formation of farmer's organizations (United Nations Conference on Environment and Development, 1992).

The World Bank, *World Development Report 2000/2001* renewed this plea for local action and empowerment through its reminder that "voicelessness and powerlessness are key dimensions of poverty," and its call to governments to "reduce obstacles to collective action ... encourage greater collaboration between

communities and local governments ...[and to create] ... powerful coalitions for rapid development" (The World Bank, 2000: 111-112). After 20 or more years of economic liberalization and structural adjustment, living standards in much of sub-Saharan Africa have not improved, and it appears that most of sub-Saharan Africa will not meet the UN Millennium Goals set for 2015.


In response, Africa's leaders recently have laid out a strategic framework, NEPAD, declaring that "Africans ...will no longer allow ourselves to be conditioned by circumstance." They note that there are now democratic regimes committed to the protection of human rights, and "people-centered development and market-oriented economies are on the increase. African peoples have begun to demonstrate their refusal to accept poor economic and political leadership. These developments are, however, uneven and inadequate and need to be further expedited."¹

¹ "The New Partnership for Africa's Development, (NEPAD)" (October 2001). [Http://www.africanrecovery.org/Documents/AA0010101.pdf](http://www.africanrecovery.org/Documents/AA0010101.pdf). Page 2.



This African-centred agenda should strengthen our resolve to understand how to make all forms of capital investment work for broad-based development in Africa. All participants the Nairobi meeting agreed that getting African agriculture and rural development moving in the Third Millennium will require more attention to building and strengthening the collective self-help action capacities of small farmers through a variety of informal and formal networks of cooperation between public, private and civil society actors. This position paper identifies some of the key issues raised by this process and offers some preliminary recommendations to address the twin concerns of farmer empowerment and agricultural development.

A New Perspective



Discussions during the meeting were based on two assumptions: The first involves the need for more public leadership in designing and implementing a wide range of politico-legal or institutional innovations. These will be required to realize the full potential of current fiscal, monetary and economic reforms that focus on decentralization and the privatization of services. Instead of disengagement and a *laissez-faire* approach to privatization, governments must become fully engaged in the process of institutional change. The meeting participants started with the assumption that governmental policies are required to create

the incentives and establish the accountability mechanisms that are needed to democratize the design and implementation of continuing economic and political reforms.

The second draws on historical experience around the world and recognizes that rural environments and populations are heterogeneous and that institutions must be created and fostered to respond to the different economic and political interests of different classes of African farmers. The participants started with the assumption that if development interventions seek to stimulate productive agricultural and rural investment activity, they need to adapt to the different socio-economic conditions and variable potential for different types of investments among African farmers. Institutions do matter, and organizations can help to empower farmers, but no one size fits all.

Based on these assumptions, this position paper presents three interrelated issues affecting farmer empowerment and engagement with public and private actors in agricultural and rural development. These issues are: i) the implications of different types of capital investment in agriculture and the impact these investments have on the assets and governance of farmer organizations; ii) the consequences of these investments on farmer empowerment; and iii) the contribution of regulatory changes – including the devolution of

financial and political authority to local, representative and rural government – and to new opportunities for capital mobilization and investment.

Different Types of Capital Investment

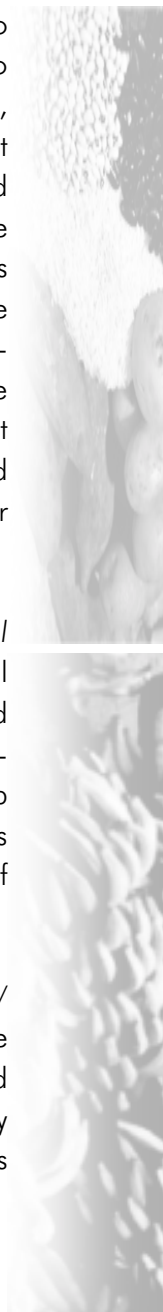
Most African governments simultaneously pursue two parallel approaches to agricultural and rural development, each of which is based upon different types of capital investment. One approach fosters well-capitalized individual and/or corporate investment in individual farms, corporate plantations, out-grower programs and agricultural processing. These larger-scale private and corporate investments may generate important foreign exchange earnings, and they may provide significant off-farm employment opportunities for farmers with small operations. This approach takes a variety of specific forms and constitutes an especially important part of government agricultural development strategies throughout the continent.


Despite the contribution of this approach to each country's agricultural domestic product, and sometimes to its foreign exchange earnings, it tends to benefit only well-capitalized, large-scale commercial farmers and does not reach the small-scale or marginalized farmers, especially those

living in more remote or less accessible regions. To address this imbalance, governments also encourage projects supported by private investors, NGOs and international assistance agencies that specifically seek to serve the production and marketing needs of smaller, poorer and more geographically isolated farmers. The discussions at the Nairobi meeting centred on how to improve the effectiveness of this second small farmer-oriented approach. The latter approach can be classified into three types of investment interventions based on the predominant type and means of capital invested by the involved firm or agency.

The first type, which we name a *Contract/Financial* intervention, focuses on an investment of financial capital that is designed to realize a profit. This kind of intervention commonly includes commodity-focused out-grower or other types of cash crop production and marketing promotion programmes and is usually financed by private sector buyers of high-value agricultural products.

The second type of investment, a *Project/Technology-Based* activity, focuses on the introduction or promotion of a new or improved technology or set of practices. It is commonly mediated by NGOs or run through various types of donor-funded projects.






The third type of activity, a *Process/Social Capital Investment*, concentrates on the development of social capital, including support for collective self-help capacity-building. In some countries, organizations taking this approach are frequently invited to collaborate with, and thereby to complement, the contract/financial investment activities undertaken by private firms or other groups.

All of the above small farmer-oriented interventions encourage some form of collective action or organization by farmers as a condition for farmers to participate. In turn, the type, source, and terms and conditions of the investment capital provided have a direct impact on the viability or sustainability of the farmers' collective activities. Different investments will shape or add to the assets of farmer organizations in different ways, affect their membership dynamics and the capacity of farmers to generate, accumulate and reinvest capital collectively (see Table 1).

Table 1. Investment Type and Impact on Farmer Organization Assets

Type & Focus of Investment	Assets of Farmer Organizations				
	Membership	Financial	Human/ Problem Solving	Leadership	Social/Networking
Contract/ Financial (usually private companies, parastatals and sometimes cooperatives)	Defined by a company or traders	Unimportant for the company; assumes that smallholders recognize their own self-interests	Capacity developed, and learning valued only as it relates to specific production and marketing issues for a particular commodity	Outside hierarchical (top-down) control with little or no internalized organizational structure	Based on each individual's involvement and tends to be commodity and contract-focused; social capital development not a priority and may occur as a result of other types of investments
Project/ Technology (usually NGOs)	Defined largely as a means for accessing technology or a service	Usually some type of cost-sharing linked to access to technology or service but most resources come from outside	Limited capacity for problem-solving; tends to be a continuing role for outside mediators (dependency)	Directed from outside and generally not community-managed; organizational structure is not internalized	Voluntary, and tends to be mediated by an agency or program outside the community; local social relationships usually are not challenged
Process/ Social (may include some types of savings & credit groups, and some types of self-help groups)	Tends to be open and based on a value being attributed to some type of collective action	Accumulation of internal resources and promotion of financial self-reliance commonly an integral part of group formation	Learning encouraged in order to deal with a broader set of actors and opportunities	Community-managed and organizational structure is internalized	Based on diverse, expanding and community-oriented activities; open-ended, multiple organizational structures (formal or informal) encouraged ; local social relationships may change in response to new opportunities





Furthermore, the type of capital investment (and the organizational culture that it generates) has an impact on farmer group capacities to access agricultural goods and services and to create the opportunities for wielding political and negotiating power. To illustrate: Small farmers who depend upon private firms or even NGOs for access to goods and services might be more vulnerable (i.e. subject to uncertain supplies) than those who have developed a more independent capability for seeking solutions to their problems.


The capability of farmers to hold private firms, NGOs and government agencies accountable for delivering agreed-upon services will also be directly influenced by the type of investment that mediates farmer relationships with non-village actors and agencies. Interestingly, the contract/financial investment type may offer small farmers the best prospects to emerge into positions of influence over agricultural and rural development policy. In these cases, the profit-driven nature of the investment may, over time, “force” farmers to recognize and act upon and express their interests through groups.

Implications for Small Farmer Empowerment and Development Strategies


Different categories of farmers respond to different types of investment opportunities differently, based largely on their perceptions of the incentives these projects offer for improving their livelihoods at specific points in time. More highly capitalized farmers, and/or those with regular, outside sources of income, such as retired civil servants, may be attracted to different types of projects based on an assessment of the opportunities for protecting and enhancing their relatively high levels of fixed and liquid assets, and thereby improving their productive capacity. This class of farmers fits the concept of the modern economic actor. These farmers recognize and act on their own economic self-interest. They find that deeply respected and still important socio-cultural institutions in their lives, such as the extended family, are fundamentally inadequate and sometimes thwart the accumulation and re-investment of capital generated through easily established contractually based or market-like relationships.

Table 2. Type of Investment and its Impact on Farmer Empowerment (Self-Reliance, Access, Accountability and Policy Influence)

Focus & Type of Investment	Self-Reliance	Access to Agricultural Goods & Services	Incentives for Accountability & Responsiveness	Opportunities to Influence Agriculture & Rural Development Policy
Contract/Financial	Would prefer dependency and no side-selling	Defined by the company "bottom line;" company supplied, or supply- or profit-driven	Tends to be through various types of formally organized management committees; little attention to class differentiation among producers; challenges tend to occur through organized protests	Through management committees, but issues tend to be limited to specific commodities or products that are part of the company's investment program
Project/Technology	Mixed. Outsider financing creates dependencies	Defined by the "project;" sometimes some mix of supply and demand driven, or output or donor-drive	Usually an assumption of "shared interests" in a community; presumption that "participatory approaches" assure accountability and responsiveness	Usually not specifically on the agenda; but when on the agenda, then tend to be mediated by outside agencies, especially the donor-NGO's agenda
Process/Social	The achievement of sustainability and self reliance of the self-help group is an "end" not a "means."	Tends to be demand driven in terms of member identified benefits	Can be demanded, but may benefit some groups of producers over others	Can be demanded, but may benefit some groups of producers over others, and negotiating power may be weak in the absence of a facilitative enabling environment



On the other hand, farmers with lower levels of capitalization, who continue to depend on family labour, and/or recurrently cannot meet their household food needs, will commonly fashion their livelihood strategies around familial and community (communal) institutions that are grounded on the principles of trust and reciprocity. In fact, they tend to rely on their community institutions – rather than more contractual, or market-type relationships – to govern their economic relationships.



Given the high level of risk and uncertainty in their production operations, these peasant farmers commonly welcome the opportunity to participate in multiple market-oriented group activities in order to improve their livelihoods, which are structured around their community institutions. Since this is the class of farmers that is most likely to confront difficulties in meeting short-term production credit obligations, however, their membership in these groups often jeopardizes the longer-term viability of these collective activities projects and weakens the local capacity for collective accumulation of working capital.¹

Over time different classes of farmers will seek different benefits from collective action opportunities. How they see their involvement in collective action may differ significantly from those who promote or offer (e.g. NGOs) these

opportunities. For some farmers the socio-cultural importance of participating at one point in time may be more, or as, important as any economic reason. As individual and household socio-economic conditions change, both wealthier and poorer small farmers may decide to move in or move out of collective activities or local organizations. This type of dynamic suggests that not only does “group membership” become a fluid concept, but that the distribution of benefits from collective action will vary over time.

The diversity of livelihood strategies at the village level, the different bases for these strategies and the various types of formal and informal arrangements among farmers and households give rise to a wide range of organizational types and forms. This suggests that the “success” of agricultural and rural development interventions that seek to work through or create farmer organizations will depend on how well they respond to, and build upon, this diversity. The continuing lack of attention from private firms, NGOs and government agencies (or development agencies) to this socio-economic diversity and the need for more differentiated intervention approaches to address this diversity has led at best to considerable inefficiencies in development programs and projects and at worst to a further deepening of rural poverty.

Finally, different classes of farmers can be expected – and should be encouraged – to act politically in different ways. More highly capitalized farmers, and especially retired civil servants, have relatively little difficulty in understanding how collective action can be used to improve their access to agricultural goods and services, to provide opportunities to hold government accountable and responsive, and to influence policy. This well-to-do class of farmers recognizes their self-interest and they identify themselves as citizens. Peasant farmers, on the other hand, tend to have a low level of political efficacy and little time for, or inclination to become involved with institutions beyond the village. Their political marginalization and their experiences over the years with various governmental, non-governmental and private projects reinforce this ambivalence. Consequently, the challenge involves determining how to help these small farmers become full partners and citizens in the development process.


The Impact of Administrative and Regulatory Reforms

There are three parallel reform processes currently underway throughout most of sub-Saharan Africa:

- The first involves a variety of agricultural sector policy reforms that promote a greater role for farmer organizations in implementing the structural adjustment programs launched


during the 1980s. Alongside these types of reform programs, many countries also have adopted World Bank-sponsored poverty reduction strategies that include attention to assuring the provision of services to smallholder associations.

- The second set of reforms involves various types of decentralization initiatives. Some of these include efforts to deconcentrate and “localize” services in order to improve responsiveness to, and efficiency in, serving local needs. These also include “community-based development” programs that are specifically designed to allow local populations to participate in development planning and management. In contrast to the first set of reforms, various donor agencies tend to finance and set the conditions for the implementation of this set of project activities.
- The third set of reforms focuses on the creation of more demand-driven agricultural services in which the financing and delivery of advisory services is designed in response to different classes of smallholders. These programs seek to turn technical advisory services into private services, to empower smallholders to access private extension services and market information, and to develop private sector delivery capacity. As with the second set of



reforms, donor agencies largely finance and drive this set of reform initiatives.

The recent and continuing adoption of different models of decentralization clearly offers new opportunities for rural people to participate in local economic and social development planning, but in the absence of mechanisms to enforce local level public accountability, and without the authority to negotiate the operating and revenue-generating conditions for various types of rural and agricultural investments within their jurisdictions, many of the new local units of government being established represent decentralization without roots.



The new measures for decentralization rarely address the ways in which these accountability mechanisms and enabling conditions can be improved. Without this, decentralized government may simply provide another opportunity to reinforce the power of local elites and foster clientship.

Several other administrative regulations and procedures may further compromise local development efforts:

- Overlapping and sometimes competing responsibilities among government ministries at the local level frequently jeopardize the formulation of coherent and responsive local development programs.

- Local governmental and administrative offices confront serious budgetary and technical constraints. Seriously restrictive budgets preclude easy and frequent contact with the local population, and the absence of even the most basic infrastructure (electricity, roads, etc.) creates tremendous barriers to undertaking the simplest activities. Those government officers typically assigned to rural areas also have commonly spent many years at their posts and as a result hold an almost immeasurable wealth of local information. Nevertheless, their geographic, budgetary and technical “isolation” from the centre frequently compromises their ability to help farmers forge the kind of development partnerships needed to break out of poverty.
- Centralized financial control procedures, most of which date from the colonial era, seriously impede local governmental efforts to mobilize capital. Similar restrictions on credit and banking discourage the mobilization of local and private financial capital for development. Thus, the presence of public and private rural financial institutions, and more responsive governmental financial regulations, provide a foundation for the more creative and productive use of local capital.

- In the absence of local and non-local contract enforcement, or the legal registration of contracts, the economic environment for investment continues to be as risky for investors and farmers as it was prior to the era of structural adjustment reforms. In fact, it might be argued that rural investors face as much uncertainty today as they did during an earlier era when they feared the nationalization of their assets.

Realizing the full potential of economic liberalization requires changes in the legal and regulatory framework that directly affects: the right to organize and to advocate; the creation of new financial, banking and credit opportunities; and local governmental authority for investment.

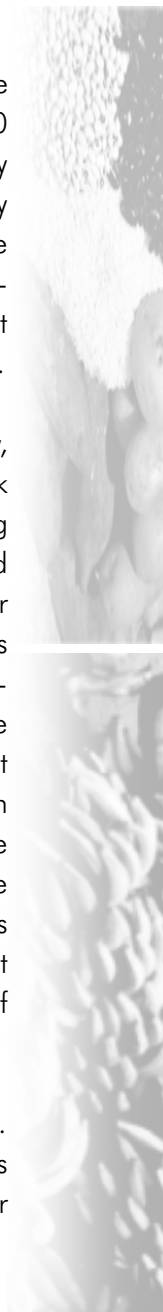
The contribution of agricultural and rural development to the contemporary project of nation-building will depend greatly upon changes in administrative regulations and procedures that devolve significant financial, administrative and political responsibilities to local units of representative government in order to take full advantage of new opportunities for capital mobilization.

Some Concluding Observations

Thinking in terms of partnerships. As we set aside the development rhetoric of the last 40 years, Africa's contribution to development policy and practice in the new millennium will likely emerge from the capacity of its representative governments to fashion a wide range of public-private and global-national-local partnerships built upon and expressing principles of accountability.

African leaders and people have the responsibility, and they must be given the opportunity to work out these principles on their own terms. Creating these partnerships requires political will and capacity – among governments and donor agencies alike – to move beyond slogans (“demand-driven development,” or “community-based development”) to more discrete and variable assessments of who needs to do what to get agriculture moving in the new millennium. Both governments and donor agencies must be prepared to employ a calculus of comparative advantage to identify the roles and responsibilities of different public and private actors at different levels of government for different types of development interventions.

Taking advantage of globalization. Without question, new global markets (globalization) present threats, but they also offer





economic opportunities for African farmers, and especially for those who can work collectively to meet new international standards for their commodities. Similarly, easier global capital flows provide more ways for local communities to benefit from international remittances. New forms of satellite communication, including satellite radio, also offer exciting prospects for villagers to take advantage of the opportunities in the new global era.



As Africa's leaders discuss the future direction of the development on the continent, the new global arena offers them the opportunity to rethink the opportunities for strengthening their sub-regional economies. Without question, there are immense barriers to seeking more control over these emerging markets. Long established market and commercial relationships, as well as inadequate negotiating capacity during World Trade Organization (WTO) negotiations, are powerful reminders that empowerment is not just a grassroots issue.

New communication technology – rural radio, cellular telephones, and other wireless communication devices – provides inexpensive and easy ways to connect rural people with each other and the wider world. Improved rural access to information and communication represents immeasurable opportunities for development, from

reduced rural transaction costs to the growth of cooperation networks.

These opportunities will be meaningful for African development only as they can be used to assure popular control over the direction of development. The new global networks of peasant farmers may contribute an important sense of hope through the knowledge that this struggle for control occurs in solidarity with hundreds of thousands of others in Africa, Asia and Latin America.

Policy and Programme Recommendations

Democratisation. As decentralization policies and programs evolve, governments will need to consider structures and policies that help to protect the rights of the “rural weak” against the “rural strong.” With this principle in mind, local governments should be given the flexibility to create broad-based and participatory decision-making structures.

Governmental and non-governmental actors will need to develop more flexible policies and processes that allow them to move away from top-down and outside approaches to funding and accountability toward methods that encourage and allow farmers to work out and develop their own structures of funding, accountability and governance.

At the grassroots, governments have a responsibility to help people become citizens - to understand the rule of law and their role and responsibility in holding public officials accountable. Assuring widespread literacy and broader educational opportunities will be an invaluable tool in achieving this objective.

Partnerships and Decentralization. Effective, responsive and development-oriented governmental decentralization requires supportive and collaborative partnership with national governmental agencies and programs. In particular, the viability and responsiveness of local technical services, such as agriculture and health, will depend heavily on national program and budget support. Local governmental services also need the capacity to work collaboratively as well as establish productive relationships with relevant local civil society groups that can enhance responsiveness to local level needs and improve rural livelihoods.

Rather than “either-or” debates over the role for private and public sector actors, the debate needs to be over how the private and public sector can complement each other. Perhaps NEPAD offers an appropriate forum for such open and wide-ranging discussions.

Deeper administrative regulatory change will be required to unleash the development opportunities promised by current decentralization reforms. Without providing local governments the fiscal autonomy and the capacity to generate revenues, these measures simply decentralize the already existing poverty of the public services - e.g., public agents with no operating budgets or logistic support.

Rural Finance. The development of public and private rural financial institutions or markets will be required to stimulate significant rural capital mobilization by farmers and to create a local investment mechanism that will strengthen local government.

Attention is needed to the legal reforms required to assure investment guarantees for investors and contract protection for farmers, including the capacity of farmer organizations to enforce their own contracts.

Taking full advantage of the capacities for capital mobilization and re-investment by African farmers will depend upon understanding and building upon the different economic strategies used by different classes of farmers within the context of their specific socio-cultural environments.





Globalisation. Economic globalisation is not just a matter of entering new North American and European markets. It is equally - and perhaps more importantly - a matter of developing sub-regional and domestic markets.

Donors and governments must begin to identify and implement measures that improve rural people's access to information and

communication. Greater access by rural people to information through rapidly accessible means of communication (satellite radio, cellular telephones, electronic mail) contributes greatly to the development of local and national markets. Moreover, improved communication and readily available information can help to identify market opportunities that in turn can stimulate rural savings and investments.

Annexes

Annex 1 - Summary Case Study - Cameroon

The Association of Onion Producers in Northern Cameroon

Problem

For several years the Government of Cameroon has promoted the establishment of peasant associations as a means for improving the access of small farmers to markets for agricultural supplies and for selling their produce. As illustrated by the case of the small farmer associations of onion producers, the traders and larger farmers have benefited more from the government's economic liberalization policies than have the small farmers. A key issue involves the opportunities that small farmers collectively have to realize the benefits from economic liberalization.

1. Description of Enabling Environment

Institutional and legislative context

The politics of economic liberalization and state disengagement have stimulated the emergence of

small farmer associations throughout Cameroon. Specific legislation supports these organizations.

The relevant laws are:

- Law n° 90/053 of December 1990 relating to the freedom of association: Before the promulgation of this law it was not possible to form an association in Cameroon. But now all legalized associations can carry out their activities freely.
- Law n° 29/006 of 14 August 1992 on Cooperatives and Common Initiative Groups (CIG), with a reduction in actual membership or activity, but has the same objectives as cooperatives.

While this enabling legislation is critical if small farmer associations are to play a role in rural development, most of the associations lack the organizational capacity to play this role.

Public and Private sectors: Roles and Responsibilities

Several types of actors seek to improve the capacity of small farmer associations. These include:



NGOs, international projects funded by the German Agency for Technical Cooperation (GTZ) and the European Union, development structures of the Catholic Church and other economic operators seeking to improve access to agricultural inputs. However, the effectiveness of these actors in comparison with the role of private suppliers is questionable.

Furthermore, most government agencies, including agricultural extension and research, are absent or ineffective. Reduced budgets, the lack of logistic support and very low morale seriously impede any productive relationship and work with small onion producers.

2. Description of Current Experiences of Partnership and Results

In light of these constraints, it is useful to examine the different approaches taken by NGOs and donor projects to working with small onion producers.

a) The SAILD approach

SAILD, the Support Service for Local Development Initiatives, is an NGO that helped to launch the Cameroonian peasant movement and it now serves essentially as an

umbrella organization to “represent” various federations of farmer organizations in Cameroon. It works principally with farmer leaders to identify and make known their program and policy concerns with various government agencies. As a result this organization has very little to do directly with small farmers.

b) Project approach: (case of GTZ/ PAAR: German Agency for Technical Cooperation/ Participatory Action and Applied Research)

The donor-funded project encourages groups of small farmers to transform themselves into small “business-like” groups, or CIGs that have special access to credit. This project also gets involved in settling land disputes that involve group members.

c) INADES-Formation approach

INADES-Formation has been working in the rural areas for about 30 years and it specializes in the domain of capacity building. Through its approach entitled, “ADOP” (Appui aux Dynamiques Organisationnelles Paysannes), INADES-Formation works directly with small farmer organizations to help them identify their vision, to help farmers identify

and build upon their own strengths, and to facilitate the programs that farmers decide to pursue. As a result of this approach, several INADES organizations have developed the capacity to negotiate for their inputs directly with private suppliers, obtain credit, purchase irrigation equipment and collectively market their onions.

d) FEPRODEX Approach

The Federation of Northern Onion Producers (FEPRODEX), was established as part of a donor-funded project in 1997 primarily to promote and coordinate onion marketing opportunities for small farmers in northern Cameroon. It is a confederation of onion producer groups, all of which operate as CIGs, or small businesses. FEPRODEX does not work directly with the member CIGs, but instead is designed to support a wide range of activities that might facilitate onion marketing for these groups.

3) Opportunities for Further Empowerment of Smallholders

Onion producers are in a dependency relationship with most other governmental and private (profit and non-profit) actors. However, some steps are now being taken to improve the self-management capacities of small farmer organizations to:

- negotiate better prices that will enable them to obtain agricultural equipment and inputs;
- provide training in the techniques of lobbying and negotiation that enable small farmers to ask for their rights;
- promote organizations of small farmers that can effectively represent small farmer interests at various levels of decision-making;
- strengthen the capacities of small farmers so that they can become effective economically and politically.



Annex 2 - Summary Case Study - Ethiopia

Promoting smallholder cooperation in Gozamin Woreda, Ethiopia

The Problem :

How can small holder production and incomes be improved through increased small farmer associations – local government-private sector cooperation at grassroots level?

1. Description of enabling environment

The country has a free operating market economy in which the government has the role of creating an enabling environment, and the private sector plays a pivotal role in investment and in providing goods and services. Private traders carry out the purchase of farm produce (crops, fruits and vegetables and livestock products) from rural communities and in return also supply consumer goods, such as clothing, chemicals and other household items. At the same time there is an increasing number of service cooperatives that are being formed in rural areas to handle marketing of food grains, inputs and consumer goods for

their members. Banks and civil society organizations provide a limited amount of microcredit for farm inputs as well as other needs.

Government sectors, especially the Bureau of Agriculture and the Cooperative Promotion Bureau, provide technical assistance to smallholders associations, such as Service Cooperatives for the training of their staff, identification of development opportunities and assistance in putting their books of accounts in some order.

Indicators of key current conditions and roles are:

- policies that support rural development, i.e. agriculture development-led industrialization (ADLI);
- the existence of cooperative laws protecting the interests of members;
- government policies that support the development of the private sector;
- distinct roles given to public and private sectors.

2. Description of actual partnership building experience and results

The Cooperative Promotion Bureau provides training for cooperative members on business management, while the Bureau of Agriculture is responsible for technical support concerning crop and livestock production, irrigation, soil and water conservation and afforestation.

There are also NGOs and local business entities assisting smallholder associations in capacity building effort through training, building key infrastructures, such stores, shops, irrigation systems and access roads; and providing market information. Cooperatives and Kebele (small rural community) development committees mobilize communities for labour and material contributions to undertake community projects. Banks provide credit for the supply of inputs.

The empirical indicators used to identify these capacities are:

- the number of people trained from the smallholders association in farm production/agricultural techniques, and cooperative marketing and management;
- the number of local government personnel, and Woreda and Kebele council members who have undergone training in


administration, and participatory development;

- facilities/infrastructures built through joint effort of farmers' groups and government agencies and/or NGOs that will improve the economy of smallholders; irrigation systems, cooperative shops, access roads, etc.
- the improvement seen in farm production and productivity as reflected by the increase in volume of farm outputs, food security and sales and the volume of business handled by co-operatives.

3. Opportunities for Further Empowerment of Smallholders


The major constraints include the lack of political clout of rural people to hold government accountable even though they constitute the majority (85 percent) in the country; this creates a challenge for full implementation of development programmes at grassroots level.

Another constraint has been the weak development stage of the private sector, weak in terms of capital and business strategies to adequately cater to the needs of rural communities, and the inadequate liberalization of input marketing. However, the recent announcement



of the government to empower the Woreda and Kebele councils and to give more support to the private sector is a move in the right direction, as this will take power closer to the people and facilitate rural development, respectively.

Experience seems to show that improved literacy and formation of various social and political groups in rural areas are important development variables. The active and free participation of rural people in local elections for Kebele, Woreda and regional councils is likely to be the best guarantee to influence development policies and hold government at various levels accountable. Promoting partnership with civil societies and NGOs will also have a positive impact on community development and strengthen democratic procedures and good governance.



Better opportunities are also being created in rural areas to empower smallholders to gain access to agricultural goods and services through increased

competition facilitated by improved rural roads, availability of market information (provided through the radio network) and the strengthening of co-operatives.

The empirical indicators most appropriate to identify the presence and impact of these opportunities would include:

- the level of literacy in rural communities;
- the number of political parties operating freely in rural communities and their representation in Woreda and regional councils;
- the involvement of civic societies and NGOs in community development;
- the number of cooperatives operating in rural communities;
- the size/number of private businesses operating in rural communities.

Annex 3 - Summary Case Study - Kenya

Decentralized Institutions in Kenya: A case study of the District Steering Group in Isiolo District

The problem

In 1985 the government launched a new decentralization initiative called the District Focus for Rural Development (DFRD). In order to institutionalize the strategy, District Development Committees (DDCs) were established to draw up district development plans and coordinate their implementation in partnership with other stakeholders. However, funds from the central government did not follow functions at district level and have undermined the DDC capacity to effectively carry out development activities.

1. Description of enabling environment

At independence in 1963, Kenya inherited a centralized system of public administration that had been designed to meet the needs of the colonial state. District development planning and

administration was done by the central government. This system was, however, reversed in the early post-independence years when the government evolved a decentralized system of development planning, which was structured along the provincial, district and divisional hierarchies. Chiefs and their assistants were also appointed as central government representatives at the local and sublocal levels of this administrative hierarchy.

Though initially less successful, the decentralization process continued and was accelerated in the 1980s and culminated in the establishment of a new development planning strategy, the DFRD. In order to institutionalize and operationalize this new strategy, the DDC was established together with its secretary, the District Development Officer (DDO). Two of the core functions of the DDC were to draw up district development plans and coordinate their implementation in partnership with other stakeholders under the leadership and supervision of the District Commissioner. However, the central government still tends to control the resources needed by the district and lower level authorities in order to plan and implement food security and rural development projects



2. Description of actual partnership-building experience and results

This study is based on the information obtained from field research conducted in Isiolo District, Eastern Province, one of the eleven arid districts of Kenya. The study focuses on the functioning of the Isiolo District Steering Group (DSG), a special subcommittee of the DDC established in 1996 to mainstream drought management concerns into the district development plans following severe droughts during the 1980s in which government, NGOs and community based organizations participated.

The decentralized public institutions in Isiolo District have assumed an increasing range of responsibilities in the planning and implementation of rural and agricultural development programmes, but the devolution of resources and real decision-making power to the local communities and institutions has been relatively limited.

The DSG is a good example of such decentralization. Its district level government staff, NGOs and the Civil Society Organizations (CSOs) members work with local communities to set development priorities, draw up community action plans and initiate community action to combat food

insecurity, HIV/AIDS, poverty, drought and insecurity usually under limited resource conditions, and it presents grant proposals and receives limited funding from the Arid Lands Department under the Office of the President with certain conditions; however, the financial conditions and control measures usually imposed by the central government have undermined the DSG's institutional capacity to effectively respond to life threatening disasters like famine and HIV/AIDS.

3. Opportunities for further empowerment of smallholders

In the interest of proper coordination, sustainability and ownership, there is need to create a broad based multisectoral District Food Security Committee, which will serve as a focal point for all district level food security interventions and one that will be backstopped by the National Food Security Committee once it is established.

This committee should replace the ad hoc Food Security Task Force and incorporate the existing Food AID subcommittee currently under the DSG. Food security should also be mainstreamed into the national poverty reduction process and the committee's functions linked to the food security priorities outlined in the Poverty Reduction Strategic Paper. Also needed is the District Strategic Food

reserve, which can be replenished by the national reserves.

One of the most enduring challenges to the improvement of food security in Isiolo District is the limited collective self-help and conflict management capacities of local producers and agropastoral groups who compete for scarce land and water resources; nevertheless, there is much scope for improvement of the nomadic and agropastoral communities in Isiolo if these

capacities are strengthened to improve their farming systems and risk coping strategies.

There is much that can be learned from the MOARD-FAO-IFAD experience in strengthening farmer group capacities to acquire new farm production and management skills through Farmers' Field Schools in other districts. With the support of the decentralized local institutions, civil society organizations, NGOs and donors, this kind of support could have a dramatic ripple effect on food security in Isiolo.





Annex 4 - Summary Case Study - Mali

The Role of Professional Agricultural Organizations (OPAs) in Mali)

The Problem

The events on 26 March 1991 were a turning-point in the political, economic and social affairs of Mali. They led to a radical review of the concept of the state responsibility on one hand and the civil society on the other hand. The democratization of the society and political pluralism led to one of West Africa's first national conferences to reconstitute democracy and governance and, subsequently, to a Farmer Meeting (a Rural Estates General) in December 1991.

From these conferences, small farmers clearly stated their demand to be in charge of their own organizations and their own businesses, to better understand and participate in decision-making that concerns them, and to change their relationship with government and its technical departments. The establishment of a broad programme to create OPAs, including associations, syndicates, cooperatives, unions and federations, was one response to these demands.

1. Description of enabling environment

The government's decision to improve the performance of Malian agriculture through public sector reforms and by raising the public respectability of the agricultural profession was operationalized through the 1992 Rural Development Programme and subsequent reorganization of the Ministry of Rural Development. These changes involved dissolving six sector-oriented departments and creating three new departments with administrative representation at regional, local and communal levels (cf. Laws 96 – 053, and 96 – 055/PRM of 1 October 1996).

In addition, the government adopted a decentralization law (Law 93 – 008), that enabled rural communities to assume more responsibility for land and natural resources management. As government services were cut back, donor-funded projects and NGOs moved in to fill the gap and began providing support to create a variety of farmer organizations as a means for assuring service delivery and agricultural marketing in rural areas.

2. Description of actual partnership building experiences and results

Two projects represent efforts to enable small farmers to act more effectively as private business groups: the Project Centres of Prestations Services (PCPS) and the CPS of the Office du Niger in Niono, created by the Institute of Research and Applications of Development Methods (IRAM-Paris), financed by the French Agency for Development and under the authority of the Permanent Assembly of Agricultural Chambers in Mali (APCAM).

The PCPS began its activities in 1995 within the framework of Project Retail 3 in the Office du Niger. It was created to address the marketing problems confronted by the farmer associations (AV/TON). Despite an increase in productivity during the 1990s (from 2 to 5 tonnes per hectare), farmer indebtedness continued to increase well beyond the 2.6 billion CFA of unpaid debt in 1992/93. Consequently many farmer organizations became ineligible for further credit. So far, the PCPS objective to promote the emergence of more efficient farmer associations by training their members in management, accounting, justice and organization has not yet been realized.

3. Opportunities for further empowerment of smallholders

With support from the World Bank, the government has initiated the Programme to Support Agricultural Services and Peasant Organizations. A special component of this program is directed toward farmers' capacity building through education, communication and organizational support. The program has assisted in the transfer to the private sector of many agricultural services, such as veterinary medicine, artificial insemination, natural resources management, slaughterhouses, and livestock markets management. Government provides regulatory oversight, but farmers have the opportunity to influence policy, especially through the regional and national Chambers of Agriculture (APCAM).

Some indicators of the impact of these opportunities for farmer empowerment include: the gain in farmers' political power, the increase in farmers' responsibility in production and commercialization activities and improvements in local governance. However, the most important indicators of farmer empowerment lie in the opportunities small farmers gain to improve their organizational, technical, and financial capacities.



Annex 5 - Summary Case Study - Rwanda

Participation of Farmer Associations in Rural Development in Rwanda

The Problem

In order to respond to the challenge of promoting food security in Rwanda, different policies are adopted and focus on modernization of Rwanda's agriculture by different strategies, such as intensification in whose implementation a great role is given to different farmer organizations.

1. Description of the enabling environment

In the current national decentralisation policy, rural people are encouraged to actively participate in the development process. This participation is also specified in the recently published Poverty Reduction Strategy Paper, which identifies agricultural development as the crucial policy for growth and encourages public action in collaboration with private partners to promote greater use of inputs and to assist in the provision of services and their monitoring.

In addition, this national decentralization plan reinforces the policy of the Ministry of Agriculture, Livestock and Forestry to empower rural people to fight poverty by participating in planning and management of their development process. At the local level, Community Development Committees (CDC) are set up and local people participate in planning and management of their own development after identifying their main problems and proposing various solutions. The government and different NGOs finance these committees. Farmers associations, most of which are supported by both local and international NGOs, also play an important role in this process.

In order to strengthen small associations, the government of Rwanda is now drafting new policies and laws on both farmer cooperatives and associations that will allow these organizations to be more effective as viable actors in agricultural and rural development programs. These new policies and laws will help to encourage more partnerships between associations and the public and private sectors to deliver rural development services in which the role of each stakeholder is more clearly defined. In this regard, it is important

to note that most small farmer associations in Rwanda are organized only at the local level; some of these associations are affiliated with others through “intergroupements,” or networks of associations that are often supported by international NGOs.

2. Description of actual partnership building experiences and results

In Rwanda, partnerships between smallholder associations and other institutions – either public or private – vary widely at the local level. In some regions, the associations are fairly autonomous and independent. In a large number of regions, the relationship between the associations and the local government administration is limited to the government’s requirement that associations register for “official recognition” by the local and central government. Similarly, most associations rarely receive any support from the local agricultural services because of transportation difficulties. On the other hand, when local agricultural officers are supported by bilateral donor projects, they have access to means of transportation and maintain regular contact with the registered associations in their districts.

NGOs and donor projects play a major role in supporting small farmer associations in their different activities. Associations receive supplies and services (seed, fertilizers, pesticides, small animals, credit and training) directly from NGOs and donor projects, or they have access to these supplies through an intergroupement established or maintained as part of an NGO or donor project.

The issue of concern with NGO and donor projects, however, revolves around the temporary nature of their support and the absence of training and policies that would permit small farmer associations to assume responsibility for obtaining their own inputs or finding their own agricultural markets. Consequently, when the donor-funded projects end, farmers return to the district agricultural officers.

Results from one detailed case study, however, show that, over time, associations can establish productive partnerships with local government and NGOs. As this case study illustrates, this form of partnership depends on several factors: the presence of dynamic and competent leaders in the association; training and communication; social capital; and the capacity of leaders and members to negotiate with external institutional actors and potential partners.



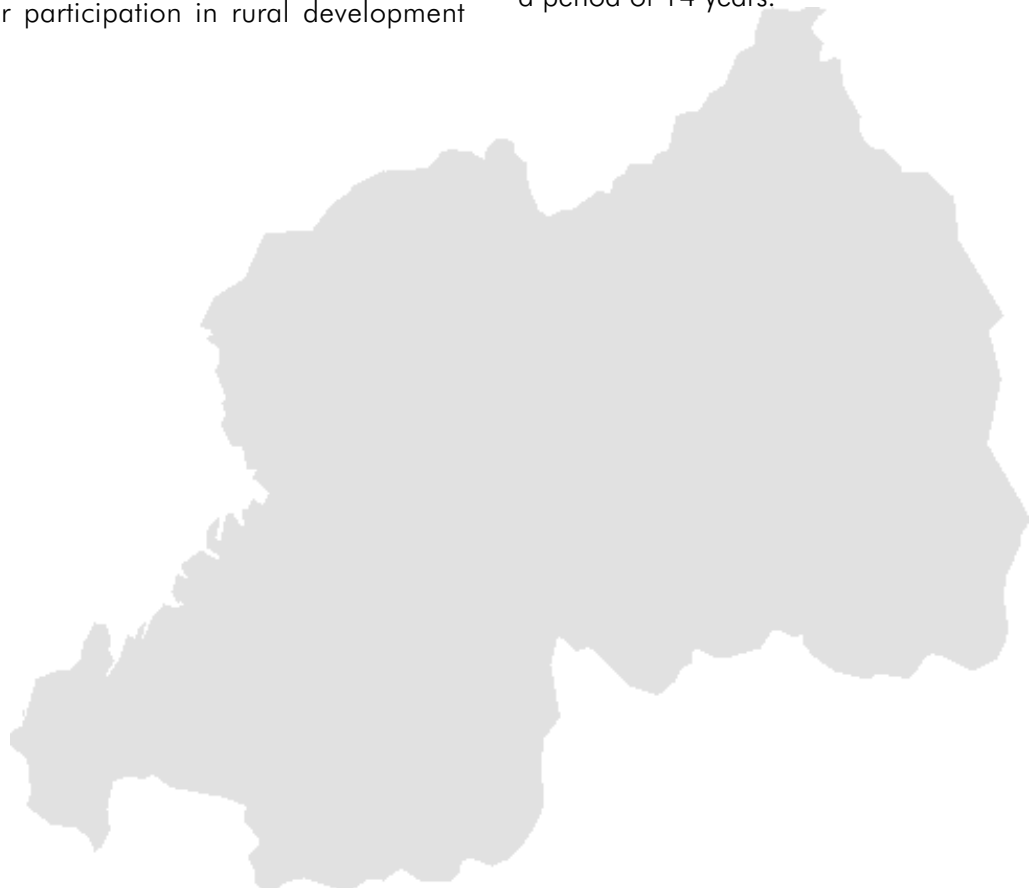


3. Opportunities for further empowerment of smallholders

In Rwanda, while the institutional relationships are generally weak, the new national decentralization policy will allow and hopefully encourage more efficient delivery of development services by local government units aimed at stimulating broader smallholder participation in rural development

decision-making processes and by doing so, thus contribute to improved food security in the country.

Furthermore, the government of Rwanda has adopted a Rural Sector Support project, which will assist in providing different services to rural population and associations in their efforts toward improved technologies and modern agriculture for a period of 14 years.



Annex 6 - Summary Case Study - Senegal

Farmer Organisations and Support to Smallholders in Community Development in Senegal: A Case Study on National Consultive Committee for rural Affairs CNCR

The Problem

Despite Senegal's long experience with governmental decentralization and liberalized agricultural policy, small farmers still lack the understanding and capacity to assume the roles and responsibilities that will enable them to become successful actors in this political and economic environment. In addition, the agricultural support and advisory services lack the capacity for developing the kinds of partnerships with small farmers and the private sector that take the best advantage of the new economic and political context. Finally, decentralization has not resolved continuing controversies over differences between customary and local tenure systems and modern legislation.


1. Description of the enabling environment

The New Agricultural Policy (NAP) and programmes that followed (PASA and PISA) have in recent years transformed the institutional framework for rural development in Senegal. These policy shifts placed the rural economy in the perspectives of trade liberalization, privatization of extension services and emergence of a private sector. Support structures, such as CNCAS (National Agricultural Credit Fund of Senegal), and new economic groups, such as the GIE (Economic Interest Groups), were established. At the local level, decentralization allowed for the devolution of power to local councils – particularly for regional and local administrative matters.

2. Description of the actual partnership building experiences and results


New partnerships are being forged at different levels by producer organizations in order to strengthen the capacity of their members, as well as improve their standard of living:

- At the local level, consultative frameworks are in place to enable small farmer organizations to formulate and implement research and development programmes that bring together publicly owned research institutes and locally elected representatives in the search for



solutions to natural resources management and food security problems.

- At the national level, the CNCR in collaboration with the government and donors plays a major role in two small farmer support programmes. The first is the PSSA (Special Programme for Food Security), which covers issues of food security, income generation and environmental protection. The second, PSAOP (Agricultural Extension and Producer Organizations Programme), aims to revitalize the rural areas through the creation of frameworks that foster agricultural research, advisory, credit and support services for farmer organizations.



The common denominator for all these programmes is the emergence of consultative frameworks that allow farmer organizations to adopt common platforms and forge partnerships with public and private operators within which each actor's role and responsibilities are clearly defined to enhance their respective and distinct skills.

The success of each of these initiatives depends on:

- the capacity of public institutions to institute participatory methods and incorporate these methods in procedures and methods that respond to the needs of small farmers in a timely and effective manner;

- the level of information that enables farmers to appreciate the constraints that inhibit their production strategy and react in a timely manner;
- the equipment that the small farmers need to ensure that they have the means and resources required to carry out their production strategies.

3. Opportunities for further empowerment of smallholders

Under the PSAOP, the ANCAR (National Agricultural and Rural Advisory Office) is mandated to initiate a reform aimed at building partnerships between farmer associations and rural development support institutions with a view to improving the quality of services provided to farmers. This new institution should play a key role in fostering farmer access to agricultural goods and services. However, its success depends on issues such as the mode of financing of agricultural advisory services.

As part of the government's decentralization programme, one of the key questions involves the ways in which small farmer organizations can add value to the design and execution of the new local development plans. Improving the capacity of small farmer associations to gather, process and articulate information regarding the needs of their members will be important to improving their role in the local consultative and planning units.

Annex 7 - Summary Case Study - Zambia

Availability and use of Agricultural Services among Small-scale farmers and the Role of Farmer Organizations

The Problem

Since 1996 the government has used the Agricultural Sector Investment Programme (ASIP) to guide public and private sector activities in agriculture. Implemented through the Ministry of Agriculture, Food and Fisheries (MAFF), the overall objective of ASIP is to improve smallholder agriculture through both increased production and promotion of non-traditional agro-exports. Little is known, however, about how different farmer groups have contributed to achieving ASIP objectives or about what factors account for the achievements of these groups.


Moreover, very little is known about how farmer groups in less commercially developed areas (beyond “the line of rail”) compare with those in more commercially developed areas (along “the line of rail”) where there are more investments by agribusiness, NGOs, donors and government projects. This summary report provides a

preliminary assessment of how these various public and private sector initiatives are helping smallholders to access agricultural services and to exploit economic opportunities.

1. Description of the enabling environment


Within Zambian laws, three Acts support legal formalization and regulation of different types of farmer organizations: the 1998 Cooperative Societies Act (primary cooperatives), the Societies Act (all society types, including unions, clubs and churches) and the Registration of Business Names Act (businesses and companies). It is expected that the community members would identify the need for a specific type of farmer organization suitable to their needs and would be registered under one of the three Acts.

The key to effective demand-driven farmer organizations lies in the empowerment of the farmers’ communities so that these communities are able to encourage farmer groups that reflect their pressing problems. In turn, the service providers are expected to ensure that they respond to community priorities just as government



agencies are expected to ensure that their interventions are aligned with local priorities. Furthermore, the government is expected to provide the necessary infrastructure and institutional support to facilitate the operations of both suppliers and demanders of agricultural services.

2. Description of actual partnership-building experiences and results



The ASIP encourages private companies and entrepreneurs, and governmental and NGOs to establish and operate through smallholder groups. It is a requirement, for example, for all recipients of Food Reserve Agency (FRA) agricultural input loans to be members of registered farmer cooperatives. In most cases, district agricultural offices show considerable support for the operations of farmer groups, and in some districts, small-scale farmers even have representation on the District Agricultural Coordinating Committee (DAC). The recent change in the name of the agriculture ministry to Ministry of Agriculture and Cooperatives indicates that the government would like to see farmer organizations play an even

greater role as vehicles for agricultural service delivery.

In recent years, nearly every private agricultural service provider has been operating through some form of farmer organization. While NGOs, such as the Cooperative League of the USA (CLUSA), have formed groups, most out-grower companies (e.g. Dunavant) use contract farmers and distributors that tend to operate through some form of group. However, unlike the government's FRA, these private players have been less critical about the legal standing of their groupings. In fact, almost all private sector initiated farmer groups are not registered.

Overall, only 20 percent of the farmers received fertilizer in 1999/00. Most of this (65 percent) was handled by the private sector (the rest was handled by FRA). Post-harvest survey data showed that most of the recipients of these inputs were better-off farmers, with higher farm and non-farm incomes, larger pieces of land, and more educated and male household heads. Such households also portrayed a higher likelihood of having at least one member in the civil service. This was true for most providers. Only NGOs seemed to be more inclined towards less well-off farmers.

3. Opportunities for further empowerment of smallholders

Major challenges experienced by farmer groups and other agricultural service providers include political/partisan interference and low loan recovery rates. Farmers and their groups are also often faced with services that have been externally determined, thereby taking away the farmers' initiative to identify and solve their problems. Because loan repayment is not adequately enforced by the existing legal and regulatory system, side-selling of contracted output is very common. One way to minimize this is to strengthen regulation and institutional support (court system) for contract enforcement.

The Agricultural Credit Act, for example, can be revised to give more legal powers to both parties of the contract by placing greater emphasis on enforcement. The court system should also be realigned to ensure that disputes are settled in a speedy and cost-effective manner. As things stand now, settlement of contractual disputes is not only costly but also very slow. Another strategy that has proved to be effective at reducing default rates

involves reducing the possibility of side-selling by purchasing the contracted output early in the marketing season.

Most of the successful farmer groups had a strong local leader. Thus, there is need to identify, nurture and use leadership capabilities and skills resident in the local community. Such efforts need to be complimented by strengthening and empowering all local planning bodies – farmer groups, local agricultural staff, etc.

NGOs may be effective at facilitating group formation but often do not provide for sustainability, since most NGO initiatives disappear as soon as the external supporting agency decides to withdraw support. To foster priority-based development, the government needs to coordinate activities of farmer groups and other service providers and ensure that any interventions in the communities are aligned with local and national priorities. Government officials should also stop using farmer groups as instruments of political patronage. The government supports cooperatives but other farmer group types may be better suited in certain circumstances. There is need to broaden the focus.



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