



**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**

Improving Institutional Capacity: Strengthening Farmer Organizations In the OIC Member Countries



**COMCEC COORDINATION OFFICE
February 2015**



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For further information please contact:

COMCEC Coordination Office

Necatibey Caddesi No:110/A

06100 Yüce-tepe

Ankara/TURKEY

Phone : 90 312 294 57 10

Fax : 90 312 294 57 77

Web : www.comcec.org

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List of Abbreviations

| | |
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| ACU | Agricultural Cooperative Union (Yemen) |
| ADB | Asian Development Bank |
| AFA | Asian Farmers Association |
| AfDB | African Development Bank |
| AGRA | Alliance for a Green Revolution in Africa |
| AOAD | Arab Organization for Agricultural Development |
| Asia DHRRA | Asian Partnership for the Development of Human Resources in Rural Asia |
| ATA | Agricultural Transformation Agency (Ethiopia) |
| BULOG | Board of Logistics (Indonesia) |
| CACVRA | Agrarian Coffee Cooperative of the Apurimac River Valley (Peru) |
| CGIAR | Consultative Group on International Agricultural Research |
| CCPA | Union of Groundnut Producers' Organizations (Senegal) |
| CFU | Conservation Farming Unit (Zambia) |
| CLARITY | Cooperative Law and Regulation Initiative |
| CMB | Coffee Marketing Board (Uganda) |
| COMCEC | Standing Committee for Commercial and Economic Cooperation of the Organization of Islamic Cooperation |
| DC | Depot Committee |
| EBRD | European Bank for Reconstruction and Development |
| ETP | Economic Transformation Programme (Malaysia) |
| EU | European Union |
| FANRPN | Food Analysis and Natural Resources Policy Analysis Network |
| FAO | Food and Agriculture Organization of the United Nations |
| FO | Farmer Organization |
| FOSCA | Farmer Organization Support Centre in Africa |
| GAP | Good Agricultural Practice |
| GIPA | Inter-village producer group |
| GIZ | German Agency for International Cooperation |
| GNI | Gross National Income |
| ICT | Information and Communications Technology |
| IDB | Islamic Development Bank |
| IFAD | International Fund for Agricultural Development |
| ILO | International Labor Organization of the United Nations |
| KEDV | Foundation for Women's Work (Turkey) |
| KPA | Consortium for Agrarian Reform (Indonesia) |
| NGO | Non-governmental organization |
| NKEA | National Key Economic Area (Malaysia) |
| OCDC | Overseas Cooperative Development Council |
| ODCO | Office of Cooperation Development (Morocco) |
| OFID | OPEC Fund for International Development |
| OHADA | Organization for the Harmonization Business Law in Africa |
| OIC | Organization of Islamic Cooperation |
| PAFO | Pan-African Farmers Organization |

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| PBDAC | Principal Bank for Development and Agricultural Credit |
| PMV | Green Morocco Plan |
| SESRIC | Statistical, Economic and Social Research and Training Center for Islamic Countries |
| SFOAP | Support to Farmer Organizations in Africa Program |
| SIDA | Swedish International Development Agency |
| SME | Small or Medium Enterprise |
| SPI | Indonesian Peasants' Union |
| TIKA | Turkish International Cooperation Agency |
| UCFA | Ugandan Coffee Farmers Alliance |
| UNDP | United Nations Development Programme |
| UNIDO | United Nations Industrial Development Organization |
| UNWomen | United Nations Organization for Women's Development |
| USAID | United States Agency for International Development |
| USD | United States Dollar |
| WFP | United Nations World Food Programme |
| WTO | World Trade Organization |
| XOF | West African Franc |
| ZNFU | Zambia National Farmers' Union |

Executive Summary

Agriculture is an important contributor to national economic growth in the member countries of the Organization of Islamic Cooperation (OIC). In total, approximately 54% of the OIC population lives in rural areas; many engage in agricultural livelihoods, contributing to national food security and broad-based income generation¹. Given agriculture's prominent economic role, understanding how the industry is organized is an important step in formulating effective policy. Most agricultural industries in emerging economies include farmer organizations (FOs), which can enable farmers to realize economic benefits that they would not otherwise achieve alone. However, given that low FO membership rates can potentially create adverse effects on member countries' agricultural productivity, **this study has been conducted to understand the current strength of farmer organizations within the OIC and to develop recommendations for continuing to strengthen them.** This study involved cross-country data-gathering (desk research) on publicly-available policy documents in 51 of 57 OIC countries, supplemented by visits to four countries (Senegal, Morocco, Uganda, and Indonesia) to create in-depth profiles of five farmer organizations.

Well-functioning FOs provide a number of benefits^{2,3}. By intervening in various stages of the agricultural value chain, from the input and primary production stage all the way through processing and value addition, they allow groups of producers to improve their bargaining power in the market, reduce costs, and capture a larger share of the final value of agricultural production. They do this by pooling capital and resources through cooperative enterprises, so that by working together, each farmer can have access to services, markets, and inputs that they would not be able to access on their own.

FOs are typically thought of as providing services across four areas: **Access to agricultural inputs** (to increase production and lower the costs of farming), **Access to logistics services** (to improve quality and raise the market value of members' production), **Access to markets** (to help farmers improve their collective bargaining power with large buyers and tap new buyers, such as export markets), and **Policy advocacy** (to ensure that government policies and development programs are designed to benefit members and other small-scale farmers). The end result of these services is, when all works well, **improved agricultural incomes** (through increased sales volumes and higher prices) – **and thus livelihoods** – for small-scale farmers and their families.

The ability of farmer organizations across the world, including within the OIC, to deliver on the abovementioned benefits is frequently inhibited by two broad types of challenges:

- **Participatory challenges:** Low participation rates in FOs, which are frequently observed in OIC member countries (as in other countries across the world), are often due to three significant factors: the vulnerability of FOs to state intervention for political gain, the exclusion of smallholder farmers and women from FO governance activities and the perception that farmer organization management is ineffective or unaccountable to its members.

¹ COMCEC Coordination Office, "Improving Institutional Capacity: Strengthening Farmer Organizations in the OIC Member Countries", Project TOR. Based on latest available statistics (2011).

² Stockbridge, David, et al., "Farmer Organizations for Market Access: An International Review", 2003

³ UN Food and Agriculture Organization, "Agricultural Cooperatives: Key To Feeding The World", 2012

- **Organizational challenges:** FOs face technical challenges, including lack of access to extension, research and post-harvest management, and limited ability to access markets. They also face low institutional capacity from an organizational, legal, financial and human capital (management skill) perspective. Finally, they suffer from a weak ability to advocate for change, in terms of their ability to inform key policy issues and to act as champions for smallholder perspectives and preferences.

This study parses these challenges into two key areas critical to fostering strong FOs in the OIC, providing an overview of member countries' (1) Enabling Environment and Current Farmer Organization Penetration (government policies and structures that make it easy for strong farmer organizations to form and grow), and **(2) Market Structure** (the presence or absence of market actors and arrangements that make it easier for farmer organizations to have power, with a specific focus on government control of important actors).

The enabling environment is found to be generally strong. Across the OIC, many member countries have national-level institutional arrangements in place to support FOs and a fair amount of pro-FO policy experimentation. Based on the research covering 90% of OIC member countries, findings include:

- **90% of OIC member countries** have a recognized co-operative law that gives legal standing to farmer organizations and other co-operatives, likely making the OIC similar to the world as a whole (though exact data is not available) on this metric
- **73% of countries** have a body within the government (usually within Ministry of Agriculture) with an identifiable mandate to strengthen and work with farmer organizations (this is true for 68% of Arab countries and 76-77% of Asian and African countries)

The market structure is also generally positive. Across the OIC, apex FOs exist largely independent of governments (an important trait according to the International Labour Organization and other FO-strengthening bodies), though comparatively more government involvement was noted in Arab and Asian Group member countries than in African members. **81% of countries** have some sort of identifiable apex body for farmer organizations or a national-level farmers' union. Perhaps more importantly, **more than three-quarters of these are independent**, as only 19% of countries have a government-linked apex body and 19% have no identifiable apex body.

Yet FO membership still averages only one-quarter of the OIC's total farming population, albeit with very wide variation across member countries. In general, **30% of farmers** are estimated to belong to FOs. It seems likely that OIC member countries are within global norms on this metric. Also, based on a limited comparison set, they may even be above average, as low membership rates are a global problem. However, lack of data is a significant issue in determining FO penetration: **No data is available for 43% of countries researched** and in 19% of countries, only the number of farmer organizations (not total membership) is found.

This combination of significant numbers of unorganized farmers and generally strong enabling environments (at least at a national level) **suggests opportunities for FO growth in the coming years.**

But it is important to note the context of these findings. **Numerous countries across the OIC have implemented policies or programs aimed at strengthening FOs**, with a renewed focus on rural organization promotion across the region, as well as a focus on FOs as an economic diversification and environmental protection effort in Gulf states. African nations

have also been leaders in innovative policies aimed at making FO registration easier, reducing tax burdens, and setting up ways to support FOs in the field. Full, country-level details on the findings of the research are given in the Annexes.

The in-country visits and in-depth profiles of actual FOs found examples of **moderately strong farmer organizations with generally good governance structures, business fundamentals, and accountability to their members** (with some exceptions). However, the FOs profiled were not as strong on the provision of services (such as input, finance, and storage) to their members, and while they often had a vision and many goals for the future, they typically lacked a long-term, detailed strategic plan for achieving these goals. One of the common themes of the interviews and profiles was that **farmer organizations face challenges in finding the resources necessary to provide the services that their members need**. Importantly, this challenge is exacerbated by the fact that FOs **now see themselves as responsible for providing services that were often provided by governments in years prior to the liberalization and globalization of agriculture**.

While the enabling environment for FOs across the OIC is reasonably strong, some specific challenges remain. Recommendations for OIC Member Country engagement include:

- **Considering allocating additional financial resources to help relieve FOs' current burden**, specifically in the areas of agricultural extension and input provision. One of the main findings of the case studies is that FOs across the OIC are asked to play a more significant role in today's globalized agriculture economy than they were in the past, as many activities traditionally provided by the government now are provided by FOs due to government resource constraints⁴.
- **Establishing or expanding bodies with a specific mandate to strengthen FOs**, and then sponsoring **periodic outreach to FOs to understand the performance of these bodies**. This outreach to FOs could be part of a larger role to be played by FOs in consultations between agricultural development funders and OIC Member governments. This is a proven strategy for strengthening FO environments and is emphasized by the International Fund for Agricultural Development (IFAD) when country-level agricultural intervention plans are developed⁵. **Investing in advancing smallholder-focused agricultural finance**. Banks across the OIC are experimenting with and introducing financial products to benefit FOs. This innovation is aimed at meeting one of the chief needs of FOs by making working capital and investment funds accessible. To help further this, market research could be conducted, with the goals of: identifying the needs of FOs in specific regions, understanding what challenges banks face in lending to FOs at present, and exploring potential financial product solutions for farmer organizations. The expansion in credit facilitated by such activities would help farmer organizations more effectively carry out their missions to assist members by supplying inputs and facilitating access to markets.
- **Facilitating intra-OIC cooperation and links between COMCEC and other multilateral groups**. In the context of economic and commercial cooperation, OIC Member Countries could consider:

⁴ For a discussion of broad trends in liberalization and its impact on FOs, see Onumah, Gideon et al, "Empowering Smallholder Farmers in Markets: Changing Agricultural Marketing Systems and Innovative Responses by Producer Organizations", 2007

⁵ IFAD, "IFAD and Farmer Organizations – Partnerships in Progress", 2012



- **Collaborating with the International Labor Organization (ILO) to adapt and implement Recommendation 193 in the OIC context.** Recommendation 193 provides a framework for farmer organization promotion and has already been adapted by several OIC countries. Here, the ILO could provide advice on the creation of such policies, while OIC Members provide advice on OIC-specific considerations.
- **Gathering and disseminating better and more transparent data on farmer organizations and strengthening efforts.** Given significant gaps in the availability of data on the size and strength of FOs, as well as on government allocations for FO-strengthening efforts, there is a clear opportunity for OIC Member Countries to collaborate with the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) on this subject.
- **Convening a learning exchange or OIC-wide policy seminar focused on new farmer organization-promotion policy developments by African OIC members.** Given the significant amount of policy and program experimentation occurring across Africa – perhaps more so than in any other region – OIC Member Countries could draw on the experiences of the 17 African OIC countries and help circulate their learnings to the rest of the group.

Introduction

Agriculture is an important contributor to national economic growth in the member states of the Organization for Islamic Cooperation (OIC). In total, approximately 54% of the OIC population lives in rural areas; many engage in agricultural livelihoods, contributing to national food security and broad-based income generation⁶. Given agriculture's prominent economic role, understanding how the industry is organized is an important step in formulating effective policy. Most agricultural industries in emerging economies include farmer organizations (FOs), which can enable farmers to realize economic benefits that they would not otherwise achieve alone.

The benefits of well-functioning FOs are numerous in terms of productivity and livelihoods improvements through access to various inputs, services, and markets. Farmer organizations are active all along the agricultural value chain from input supply to processing and value-addition. At each stage, well-functioning FOs can provide benefits for their members: In the input stage, FOs can allow farmers to access improved inputs like seed on better financial terms, and sometimes provide credit to allow greater use of inputs. In the trading and wholesale stage, FOs can aggregate their members' produce to reduce transaction costs and gain better prices, and also allow their members to access new types of buyers who may offer higher prices. Finally, in the downstream stages (e.g. processing), FOs can allow farmers to capture more of the final value of an agricultural product, for example by investing in collective facilities to do primary processing – which in turn allows the farmers' goods to be sold at higher prices and margins.

Further examples of how FOs can improve the livelihoods of small-scale farmers are discussed in detail in this report.

However, given that low farmer organization membership rates can potentially create adverse effects on member countries' agricultural productivity, a study has been conducted to understand the current strength of farmer organizations within the OIC and to develop recommendations for continuing to strengthen them. This study is informed by a literature review of successful institutional approaches, cross-country data-gathering, and in-country case studies of OIC farmer organizations.

For the cross-country data-gathering, the research focused on publicly-available policy documents published by the relevant ministries in each country, news reports on government programs and policies, and reports and publications of international agricultural and cooperative development bodies. Research was conducted in English, French, and Arabic using a standardized 9-question template involving both qualitative and quantitative data (the questions are given over the course of Section 2). A total of 51 out of 57 OIC member countries were covered by this desk research⁷.

For the in-country case studies, four countries (Senegal, Morocco, Uganda, and Indonesia) were visited, resulting in in-depth profiles of five farmer organizations. Assessment of these organizations was done through a standardized tool (given in full in Annex 2) based a number

⁶ COMCEC Coordination Office, "Improving Institutional Capacity: Strengthening Farmer Organizations in the OIC Member Countries", Project TOR. Based on latest available statistics (2011).

⁷ Albania, Brunei Darussalam, Iran, Krygyz Republic, and Turkmenistan were not covered due to lack of documents in the three research languages, and Indonesia was primarily covered only through the field visits, so it is also not counted in the 51 countries mentioned.

of indicators in two overarching categories; organizational set-up, and impact capacity. Organizational set-up was broken down into three sub-categories (Representation, Governance and Business Fundamentals) and Impact capacity was broken down into a further three (Strategic Potential, Technical Assistance and Other Services and Economic Gains). During these visits, meetings were also held with policymakers and civil society experts to understand the policy environment.

The study combines findings on practices and frameworks typically used to strengthen FOs with the experiences and suggestions from actual farmer organizations within the OIC to highlight areas ripe for engagement by OIC Member Countries.

The outline of the study is as follows:

- **Section 1** presents a brief overview of important concepts in understanding FOs, including a discussion of the types of FOs, their typical functions and impact, and the archetypical challenges they face.
- **Section 2** looks at FOs in OIC member states, assessing enabling environments and market structure, and in particular the penetration of FOs in various OIC states. The chapter discusses OIC public policy towards FOs, with a focus on five countries, and also assesses the actions of intra-OIC bodies aimed at strengthening farmer organizations. This section also addresses the topic of financial sector developments aimed at farmer organizations in OIC member countries.
- **Section 3** is a collection of case studies in selected OIC member countries. The selected countries are Uganda (Kitenge Agali Awamu Coffee Company), Senegal (Consultation Framework for Groundnuts Producers), Morocco (Tighanimine Filahia Argan Oil Cooperative) and Indonesia (Indonesian Peasants Union and the Consortium for Agrarian Reform).
- **Section 4** highlights recent trends in strengthening farmer organizations worldwide. This chapter assesses basic principles of strong FOs, provides examples of development actors working to strengthen FOs and their typical strategies, plus examples of successful pro-FO institutional frameworks and legal principles. The section concludes with two global case studies of successful FOs, a national-scale body in Zambia and a local body in Peru.
- **Section 5** concludes with some suggestions on policies and actions as well as areas for OIC Member Countries to encourage cooperation among themselves and between the OIC and outside groups.
- **Annex 1** provides country-by-country data points for the enabling environment and market structure related to farmer organizations in the OIC, providing more details on the questions discussed in Section 2.
- **Annex 2** provides and explains the full Farmer Organization Profiling Tool used to profile the five FOs featured in Section 3, which is intended to be used as a resource for future research in this area. Questions and scoring weights are given, along with tables comparing the relative performance of each FO in each category.

1. Definition and Situational Overview of Farmer Organizations: Conceptual Framework

1.1. Background and Definition of Farmer Organizations

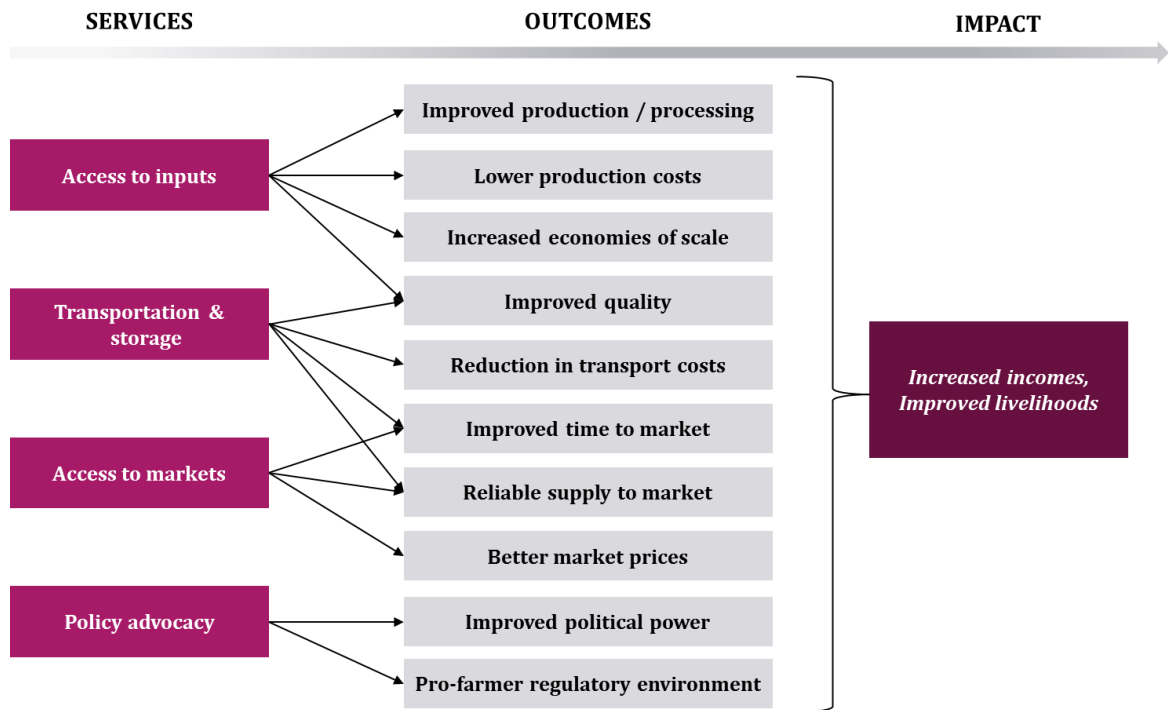
Farmer organizations, as defined by the United Nations' Food and Agriculture Organisation (FAO), are formal or informal (registered or unregistered), membership-based, collective-action institutions that serve rural members whose livelihoods derive in part or wholly from agriculture (i.e., crops, livestock, fisheries and/or other rural activities). FOs aim to improve the livelihoods of members by providing them with advice, information, and inputs, introducing them to markets, and advocating policies in their interest.⁸ FOs have received significant attention from the development community, due to their unique, dual role as a conduit for publicly provided extension services and as a collective voice for smallholder farmers. As Figure 1 illustrates, FOs provide several broad categories of services to their members, which in turn have multiple important outcomes for farmers and the broader agricultural economy. When FOs are strong, these outcomes lead farmers to increase their income and to improve their livelihoods for farmers in the long run.

Smallholder farmers in the developing world face significant challenges to increase their productivity and incomes. In member countries of the Organization of Islamic Cooperation (OIC), these challenges are similar to those in other regions. Farmers struggle with inappropriately packaged or inaccessible financial services and the inability to access regional and international markets with high returns. In addition, they have difficulty accessing inputs, price information, and post-harvest storage facilities for their output. Studies have shown that farmer organizations (FOs) can help solve many of these issues and provide benefits to smallholder farmers by increasing crop yields and income.⁹

⁸ FAO, *Farmer Organizations in Bangladesh: A mapping and capacity assessment*, 2014

⁹ Bill and Melinda Gates Foundation, *'Serving farmers' interests in a creative and effective way: Reader with success stories in African Farmers Organizations*. Advisors for African Farmer Organizations, 2008 p.4.

Figure 1: Farmer organization services and the outcomes they provide for participants in the agricultural economy¹⁰



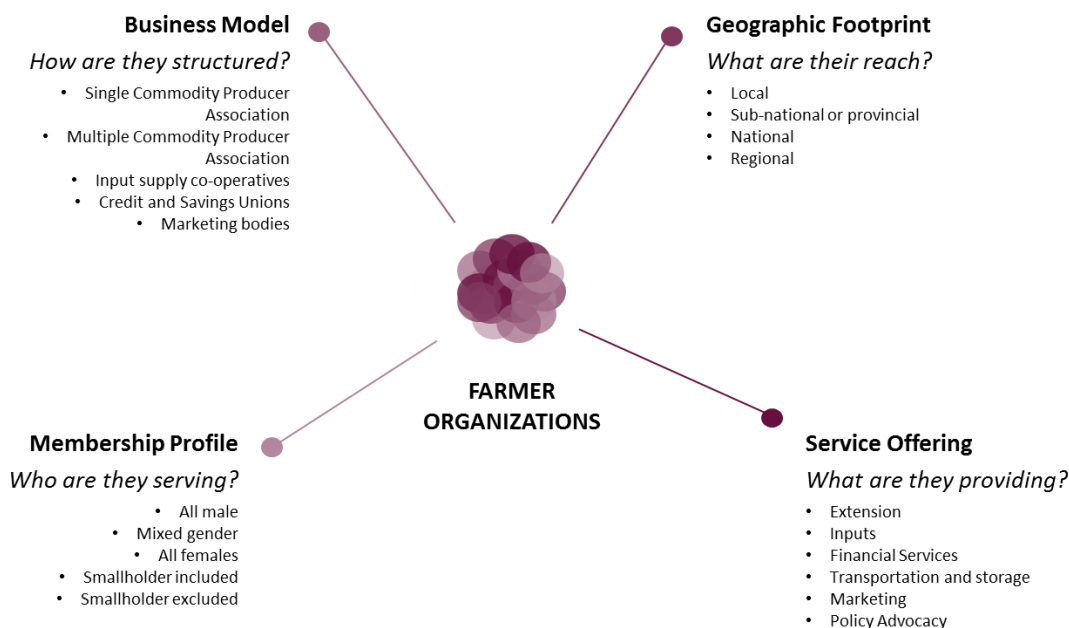
1.2. Types of farmer organizations

FOs are generally classified across a variety of dimensions, including by their organizational structure, reach, membership pool, and core function.

Figure 2 illustrates the most common criteria for grouping and examining the FO landscape.

¹⁰ This figure is based on Dalberg's learnings from project experience in agricultural economies across Africa and Asia

Figure 2: Ways of classifying farmer organizations¹¹



For the purposes of this report, FOs are classified by their business model and service offering. They will examine the following: *commodity associations, agricultural co-operatives, producer groups* and *federations* or *networks*. Each of these models falls on one side of a conceptual divide, based on service offering, between FOs that are input-focused and those that are output-focused. The former will be referred to as *supply organizations* and the latter as *marketing organizations*.

- **Supply Organizations:** Community-based, **resource**-oriented FOs, such as village-level co-operatives focused on acquiring inputs for efficient subsistence and small-scale production
- **Marketing Organization:** Commodity-based, **market**-oriented FOs, such as organizations that specialise in a single commodity, with a focus on value-added products that expand the market

1.2.1. Supply Organizations

Agricultural co-operatives supply smallholder farmers with key inputs, making them first and foremost supply organizations, though many also provide market-oriented services. These co-operatives are often set up by the state as channels to deliver services to farmers at a community level, and as a result, wield significant state influence.

Federations, or FO networks, are umbrella bodies representing FOs at a national level. Federations promote the creation and expansion of FOs and establish partnerships with international and domestic actors (e.g. government extension services, donors) for the purposes of service provision. The membership base of this kind of organization is made up

¹¹ This figure is based on Dalberg's learnings from project experience in agricultural economies across Africa and Asia

largely of representatives from different types of FOs at the local and regional levels. Federations are often registered as NGOs and are funded by donors and state agencies, as well as membership or affiliate fees.

1.2.2. Marketing Organizations

Commodity associations, which are marketing organizations, provide farmers with marketing assistance and policy advocacy around a specific commodity. Commodity association constituents are often individual farmers or enterprises grouped by specific cash crops. For example, the Cocoa Association of Nigeria (CAN) works with government and development institutions to encourage the production of cocoa and to improve the state's cocoa value chain. More specifically, CAN is involved in quality control, contract violation disputes, trade regulations, and government policies affecting cocoa marketing. They are typically funded by small commissions on output marketed by their members.

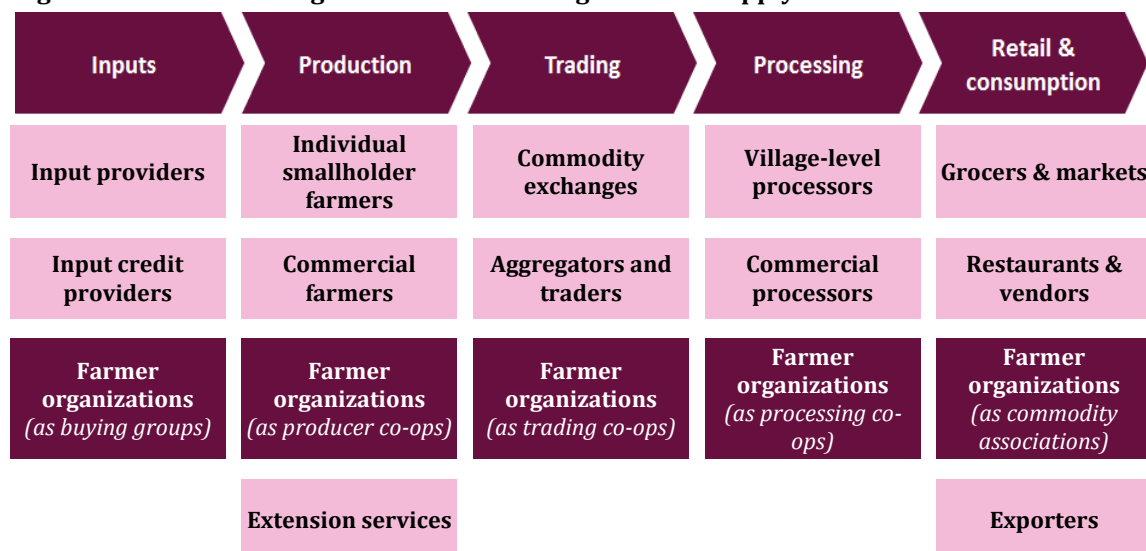
Producer groups are organizations of individual farmers that collectively market, transport, and negotiate prices with buyers. These groups are often registered as limited liability companies, unions or co-operatives, and their resources come from membership fees and, increasingly, donor and state funding.

While this report examines FOs in terms of conceptual service offering and business model, the other defining aspects of these organizations should not be overlooked. Cognizance of alternative ways of grouping FOs; i.e. by geographic footprint or membership profile (see Figure 2), enable more effective policy interventions that target underserved and socially marginalised groups, such as smallholder farmers or women.

1.3. The role of FOs in Farm Productivity and Income Improvement

Farmer organizations allow collective action that improves farm productivity and incomes. Members realize economic benefits that they would not otherwise achieve by working alone. This is best achieved by FO engagement at specific points in the agricultural value chain. Figure 3 shows that farmer organizations, through the various activities they undertake, can be found at all stages of a typical agricultural value chain. This also illustrates the other actors that they must work alongside of.

Figure 3: FOs' role among other actors in the agricultural supply chain¹²



1.3.1. Inputs and Production

In the inputs stage, FOs provide the institutional ability for collective purchasing. Inputs in agriculture are expensive, and group purchasing of seed, fertilizer, irrigation systems, and other equipment ensures access for those who would not be able to afford the inputs solely on their own.

FOs also create gains for their members by providing financial services, which allow farmers to borrow money for seeds and other input needs. More recently, FOs have expanded to providing crop insurance and other financial and social services.

In the production phase, FOs are significant avenues for the delivery of extension services. FOs collaborate with agricultural research institutions to disseminate knowledge and training on the latest agricultural technology, enabling farmers to achieve factor efficiency and improve productivity. A notable example is the provision of group training in post-harvesting activities, which can prevent waste and increase the farm gate prices.

1.3.2. Trading

FOs play an important role in the sale of their members' output, especially in marketing and sale pre-processing. Smallholder farmers are often unable to access broader domestic, regional and international markets for their produce through their own means but FOs ensure access to these markets and, consequently, improve farm incomes.

¹² This figure is based on Dalberg's learnings from project experience and analysis of typical agricultural value chains across Africa and Asia

1.3.3. Processing and Retail & Consumption

FOs operate in the processing phase by providing processing capabilities for their members, particularly in agricultural markets where primary processing is required before the produce is sent to market.

FOs are also pivotal in helping farmers capture more value in the retail and consumption phase. In plant production, livestock and fisheries, smallholder farmers are often at the bottom of the value chain, and their product is often a fraction of the value of the final product.¹³ As the World Bank notes, 'acting alone small farmers cannot produce the volumes necessary to satisfy buyers who want to reduce transaction costs, increase economies of scale and obtain a reliable supply'.¹⁴ Farmers' best option, then, is to produce higher-quality output, for which they can demand higher prices. FOs can help farmers on both fronts: For example, they can offer training in the health and sanitary standards of markets that members wish to access. This will lead to a higher-quality and more-valuable output. Additionally, FOs give producers the bargaining power necessary to amplify their value against the interests of agribusiness, which dominate the retail stage.

This kind of FO impact is exemplified in the global coffee market. In coffee-producing countries, farmers retain, in general, only 10% of the value of the coffee retail sales. However, in countries where FOs have promoted and trained farmers in green production practices, farmers tend to earn about 15% of the final value of instant coffee and 25-30% of the final value of ground and roast coffee.¹⁵

1.4. Common Capacity Challenges Faced by Farmer Organizations

Section 1.3 identified when and how FO intervention can improve farmer livelihoods. However, their capacity to do so, regardless of stage or service, is currently inhibited by a variety of challenges. The need to build FOs' capacity to provide services to members is urgent, as innovations in information and communications technology (ICT), infrastructure improvements, domestic market growth, and new seed technologies are combining to rapidly expand farmers' opportunities in key regional and global markets.¹⁶ FOs are integral to ensuring these opportunities translate to livelihood gains.

While the potential impact of FOs is vast, they face significant challenges in becoming sustainable economic units that can ensure the income and productivity gains envisaged. In OIC member countries, the first hurdle to surmount is the current, relatively weak degree of general farmer organization. The following reasons, to some extent, explain the low participation rates:

- **Vulnerability to state intervention for political gain:** In many countries, FOs are set up by governments as a conduit for the delivery of public, agricultural services, and as a result, governments exercise a great deal of control over them. For example, in Ethiopia, FOs and, in particular, co-operatives have been used to extend government control to the

¹³ Ibid.

¹⁴ The World Bank LCR Series, *Value chains and small farmer integration*. World Development Report 2008

¹⁵ African Centre for Economic Transformation (ACET) *Kickstarting agro-processing value chains*. African Transformation Report 2014

¹⁶ Bill and Melinda Gates Foundation, *Farmer Organization White Paper*, 2009.

local level and promote ideology through compulsory participation.¹⁷ Less obviously, in Bangladesh, many FOs are registered under the Department of Social Services, and need prior permission to amend their constitutions. The government also has the power to abolish the FO executive and the organization as a whole, if the FO fails to fulfil the requirements outlined in its articles or conducts unlawful activities.¹⁸

- **Exclusion of smallholder farmers and women:** Women and smallholder farmers are often under-represented in FOs, despite their importance to agriculture in the regions where OIC member countries are located. The Food Analysis and Natural Resources Policy Analysis Network (FANRPN) examined national FOs in Malawi and Mozambique and found that many women were excluded because they did not legally own the land they farm nor did they enjoy 'head of household' status.¹⁹ FOs are also often inaccessible to smallholder farmers due to restrictive membership criteria, which often exclude farmers who are illiterate, have very little education, or very little means to meet the financial membership requirements.
- **Perception of weak or unaccountable leadership:** In Bangladesh, according to an FAO report, there is high risk of local leaders keeping all FO benefits for themselves and not sharing these benefits among the membership. This is largely the result of poor setup, when extension officers charged with forming the FOs fail to successfully impart the concept of good governance. The consequence is FOs often lack the autonomous institutional norms that can transcend socio-cultural hierarchies and mores, reinforcing community power dynamics.

FOs in OIC member countries, like those around the world, also face operational obstacles, in addition to the environmental challenges listed above. Addressing the below bottlenecks and challenges FOs face at the technical, institutional and policy levels will position them to serve and meet their members' needs effectively.²⁰

- **Technical challenges**
 - *Production-related:* FOs often lack access to quality research and extension services, production and post-harvest management, agricultural inputs.
 - *Market-related:* FOs lack the ability to develop markets and effectively engage in collective bargaining and brokering. This includes little ability to access and disseminate market information and access and provide financial services. FOs also face significant challenges in achieving compliance with Good Agricultural Practice (GAP) standards.
- **Institutional capacities**
 - *Organizational:* FOs also face significant challenges in implementing participatory methods of governance and adhering to basic reporting standards and procedures for meetings. Very few FOs conduct strategic and business planning beyond their current harvest and market time horizons.

¹⁷ 'Reaching out to the rural poor through rural producer organizations': A study of agricultural marketing co-operatives in Ethiopia. Food Policy 34(2009) 60-69

¹⁸ FAO, Farmer Organizations in Bangladesh: A mapping and capacity assessment, 2014 p.15

¹⁹ FANRPN, Strengthening the capacity of women farmers to influence agricultural policy development in Southern Africa, 2012 p. 7.



- *Legal:* FOs need to strengthen their understanding of relevant contract and business law. There is also a need to provide legal support at FO inception to ensure all members are aware of the statutes and legislation that govern their activities
- *Financial:* FOs in many contexts require assistance with financial management practices and procedures for non-profit organizations and co-operatives. In addition, FOs require assistance with basic accounting and bookkeeping, systems design, and technology training.
- *Human Capital:* FOs often lack capabilities in human resource planning, leadership development, entrepreneurship, gender responsiveness training and general human capital management.
- **Policy capacities**
 - *Advocacy:* FOs need to build their ability to capture primary and empirically based farmer insights and to act as a champion for smallholder perspectives and preferences in policy-making processes.

Interventions that address the environmental and operational challenges described above will position FOs in OIC member countries to improve their farmers' productivity and income effectively and significantly.

2. Farmer Organizations in OIC Member Countries

2.1. Overview of Farmer Organization and Policy Environment in the OIC

2.1.1. Introduction and Methodology

This section of the report examines the policy environment and current farmer organization strength in the various OIC member countries. It includes a comparative overview of the environment for FOs across the OIC in order to highlight trends that may guide COMCEC's efforts to strengthen them. As no central sources of FO data exist across the OIC, the analysis was driven primarily by country-specific desk research, focusing on policy documents published by the relevant ministries in each country, news reports on government programs and policies, and reports and publications of international agricultural and cooperative development bodies such as those mentioned in Section 4.2. Note that due to language restrictions (research was conducted in English, French, and Arabic), and data availability, not all countries are profiled in each area; rather, this section covers 85-90% of the total number of OIC member countries²¹. Full, country-specific details for each research question are given in the Annexes. Note that as this research was conducted using only publicly-available documents, the latest positions and efforts of OIC member states and their governments may not be fully captured in all cases; thus this section is not intended to allege any specific deficiency on the part of the countries discussed.

This analysis aims to create a snapshot of the current country-level picture in two core areas considered important to creating strong FOs:

- The policy **Enabling Environment** refers to government policies and structures that make it easy for strong farmer organizations to form and grow. In an effort to create a broad overview that covers the full set of OIC member countries, metrics include the presence of a law allowing co-operatives to register and the presence of a government department dedicated to strengthening co-operatives.
 - A sub-category within Enabling Environment is **Current Farmer Organization Penetration**; in other words, it assesses whether there is a critical mass of FOs and linked farmers already in the country.
- The **Market Structure** refers to the presence or absence of market actors and arrangements that make it easier for farmer organizations to have power. Metrics include the presence of a national, independent coordinating body for FOs (to give FOs power against other powerful actors) and the presence of a national marketing body. Given the limitations of this study, attention is focused on the perceived most important agricultural product (generally by production value) in a given country. Note that a critical dimension in this category is control of the body – whether apex bodies are controlled or linked to the government or whether they are independent.

These two areas present a view of a country's framework (or lack thereof) to create and nurture strong farmer organizations. Analysing these areas across OIC member countries can yield an interesting perspective on how well-positioned the OIC and its different regions are to see continuous progress in FO development. Standing alone, these dimensions do not

²¹ 51 States out of the total OIC membership of 57 were profiled through the desk research process.

necessarily guarantee strong farmer organizations but they give some indication of how much work remains within the OIC.

2.1.2. Enabling Environment and Farmer Organization Penetration

Three areas related to policy and institutional structure can elucidate the enabling environment across OIC member countries: Co-operative laws, specific government departments with a mandate to serve farmer organizations, and specific policy initiatives aimed at strengthening or encouraging FOs. The current penetration of FOs is also examined across various metrics related to the size of the FO landscape in a given country. Due to the fact that such metrics are not tracked globally in any central database, it is difficult to draw conclusions about the standing of OIC member states relative to global averages (such a comparison would require undertaking the same exercise described in Section 2.1.1 above for the entire world). However, where possible, some non-OIC comparisons are discussed. Findings are presented below.

Does the country have a co-operative law that gives legal standing to farmer organizations?

In general, most countries would be expected to have a law that allows cooperatives to be created as a specific type of legal entity, giving them legal standing to conduct business and be formally recognized as the voice of a group of farmers. This type of law is a basic precursor to a strong enabling environment, as FOs in the 21st century must often provide a wide variety of services for their members – purchase of inputs, facilitation of credit, negotiation of sales and marketing agreements – that require legal recognition and the formal ability and enter into contracts.

Fortunately, the majority of countries covered by the research (**47 out of 52, or 90%**) do have a formal law widely viewed as recognizing co-operatives. Exceptions are:

- *Azerbaijan and Oman*, which have laws in various stages of consideration or drafting
- *Mozambique*, which has a law covering farmer organizations but outside observers have noted that it does not empower them as independent entities
- *The Comoros*, which has no official law, although some cooperatives do exist in the country
- *Guinea-Bissau*, which has a cooperative law from the colonial era but has not instituted a similar law, post-independence. However, Guinea-Bissau has made progress in implementing ILO recommendations on cooperative development and has passed a National Policy on Cooperative Development

One point that is worth noting here is that while the OIC is certainly demonstrating strong results and is positioned similarly to other regions in terms of the prevalence of cooperative laws, some other regions have taken the next step forward by establishing supranational cooperative regulatory frameworks. For example, In South America, the Mercosur Common Cooperative Statute paves the way for cross-border cooperatives in South America, and the Framework Law for Cooperatives in Latin America (2009) was created as a guide for policy-makers.²² Similarly, the European Union Regulation on the Statute for a European Cooperative

²² IISD, Investment in Agriculture, June 2014

Society (ESC) came into force as applicable to all member states in 2006, establishing a new type of cross-border cooperative.²³

Does the government have a body with the specific mandate to work with farmer organizations?

The creation of a specific, funded department or body with the mandate to interact with and strengthen farmer organizations – or co-operatives in general, as is sometimes the case – is an important sign of a favourable policy environment, as it represents a tangible commitment from the government and provides a vehicle for service delivery and policy discussions with FOs. While it certainly does not guarantee successful service delivery (as the case studies will show, the field-level execution and implementation quality of these agencies is often a concern), it is another important precursor to success. Thus, the researchers attempted to determine from public documents whether such bodies exist, under the Ministry of Agriculture or elsewhere.

In general, the research has revealed that **73% of countries** (38 of 52) have an identifiable body with such a mandate. A further 11 (**21%**) do not, and the answer could not be determined in 3, due to lack of available information on government structures. Regional breakdowns are shown below:

Table 1: Existence of government bodies with a mandate to strengthen FOs²⁴

| Group | Yes, identified body | No | Unclear |
|---------------|----------------------|-----|---------|
| African Group | 76% | 12% | 12% |
| Arab Group | 68% | 27% | 5% |
| Asian Group | 77% | 23% | - |
| Total | 73% | 21% | 6% |

Note that while Arab Group countries were found to have the fewest bodies dedicated to the promotion of and interaction with co-operatives or farmer organizations, 3 out of the 6 countries without such bodies (Bahrain, Oman, and the United Arab Emirates) are high-income countries with less than 10% of the workforce engaged in agriculture, suggesting that the governments may have chosen to allocate resources towards other areas affecting a larger share of the population.

While comparative data is unavailable on a broad scale for the rest of the world, some studies have found that dedicated departments for cooperatives are fairly common worldwide, so the OIC is probably positioned similarly to other regions. For example, a recent report by ILO, analyzing trends across nine countries (all but one outside the OIC) in Africa found that in all nine countries, a ministry is held responsible for the legal monitoring of cooperatives²⁵. Within the ministry there is an established institutional window (usually a department) for cooperatives.

²³ Ibid.

²⁴ These statistics are calculated based on the sample of countries covered by the research (51 out of 57 OIC countries). Full categorization by country, and the sources used to determine the answer, are given in “Question 1” in the table in Annex 1.1

²⁵ Ethiopia; Kenya; Tanzania; Rwanda; Zambia; Lesotho; Swaziland; Uganda

Has the government announced any recent policy initiatives explicitly designed to encourage FOs?

Many governments have taken steps to directly encourage or strengthen farmer organizations in recent years, and to guide the development of farmer organizations that adhere to the fundamental principles of good governance discussed in Section 4.3.1. Examples of such policies and actions could include:

- New government bodies set up to work directly with FOs
- New laws passed encouraging agricultural lending to / through FOs
- New laws aimed at improving the governance of FOs, e.g. requiring more participatory structures or requiring a greater role for women

While the policies and actions taken will vary significantly according to country context (and are thus not particularly amenable to summarization), some highlights of OIC member actions and general observations are presented below. A select set of policy actions from OIC member countries across the three groups are then discussed in significantly more detail in Section 2.2.1, which follows this section.

Many interesting themes emerged from the review of policies and approaches recently enacted by OIC member countries but for simplicity, examples are grouped below by region. First, in North African and Central Asian countries, this study uncovered evidence of renewed focus on farmer organizations and co-ops in general in countries, sometimes related to some type of government or societal transition. In some cases, the policies were aimed at strengthening cooperation between FOs and governments and in other cases, the FO promotion efforts were part of broader rural development agendas designed to strengthen livelihoods. Examples of such policy efforts include:

- In **Egypt**, the new constitution prohibits the dissolution of cooperatives or their boards, except by virtue of a court judgment, and mandates greater representation of small-scale farmers on the boards of agricultural cooperatives. In recent years, a long-time ban on the independent Union of Egyptian Farmers was also lifted.
- In **Tunisia**, there has been recent focus on legal reforms, as the new government has sought to restructure the legal framework in which FOs operate, create 24 new FOs, and encourage involvement in FOs. This is a marked break from past efforts to discourage the creation of FOs and even to actively shut down FOs.
- In **Libya**, the government and the FAO have recently developed a joint \$71m program to increase food production, which will target farmer organizations.
- In **Palestine**, the cooperative model has long been seen as a means of survival in all sectors including agricultural production, and thus authorities have historically strived to empower cooperatives in general and FOs in particular. An example of this is a new cooperatives law adopted and promoted in 2009 by the government, which emphasized making regulations as loose as possible for cooperatives to be easily created.
- In **Afghanistan**, the government has encouraged the creation of cooperatives, with the 2008-2013 Master Plan setting a target of 5,000 new cooperatives, who are eligible to receive free or subsidized inputs. The government is also cooperating with the World Bank on several projects involving farmer organizations in horticulture and livestock.

The second theme of note is in the Gulf region and Arab Group states where agriculture is not a significant part of the economy, where governments have **encouraged FOs as part of economic diversification and food self-sufficiency initiatives**. Climate resilience concerns – water scarcity and protection from increasingly severe natural disasters – are often part of these efforts. Examples of this include:

- In **Bahrain**, the growth in fisheries, poultry, and egg production over the last decade - combined with increasing worries about food insecurity - have led the government to launch the National Initiative for Agricultural Development, which supports agricultural development at all levels and encourages both greater civil society participation in agriculture and greater gender inclusivity.
- In **Kuwait**, the government has adopted several policies to help FOs increase their revenue and their efficiency, especially regarding water usage. At a recent meeting between the Kuwaiti Ministry of Agriculture and the head of the Kuwaiti Farmers' Union, the Kuwaiti minister promised further efforts to support FOs in Kuwait, in light of rising production costs.
- In **Oman**, while cooperatives still do not have legal standing, other forms of farmer organizations - namely *Jamyat Tacharoukiyya* (participatory associations) and *Jamyyat Ahlyya* (family associations) - are encouraged by the Ministry of Agriculture. The government has focused on climate resilience in these efforts, by focusing on sustainable access to water and protection against natural disasters for FOs.
- The government of **Saudi Arabia** has announced several policies aimed at the empowerment of FOs in the kingdom. The most significant is the "Future Plan for Agriculture" drafted in 2004 with the help of the FAO. This initiative aims to encourage new organizational dynamics for agricultural associations in order to maximize the benefits local farmers get from their activities, while also making them more actively involved in the government's effort to conserve water resources.

This study's third theme is that, despite not having as many economic resources as other regions in the OIC, **West Africa is home to a number of forward-thinking farmer organization policies** that could potentially be exported across the OIC. Efforts in many countries in the African Group of the OIC have focused on streamlining and decentralizing the administration and registration of co-operatives, improving their economic position by reviewing tax burdens, and increasing support for extension services. Examples here include:

- In **Benin**, the government passed a new law in 2011 re-organizing the governance of FOs. This law made the creation and day-to-day administration of FOs simpler, for example by allowing local registration instead of registration by the central Ministry of Agriculture.
- In **Cameroon**, the government has instituted tax exemptions for FOs and cooperatives, and launched the World Bank-funded Agricultural Competitiveness Project to promote the re-emergence of agriculture as a key sector in Cameroon.
- In **Chad**, the government from 2010 has exempted agricultural cooperatives from environmental protection taxes in order to incentivize the creation of organizations (like FOs) that promote efficient and conscious environmental practices. The government also launched the *Projet d'Entreprenariat Cooperatif* (Project for Cooperative Entrepreneurship) in 2008, which aims to facilitate access to training and funding for FOs, including access to micro-finance services for rural producers with a particular focus on women and youth.
- In **Cote d'Ivoire** the Ministry of Agriculture conducted a study on the economic efficiency of Ivoirienne FOs, which found that only 9% of FOs were run efficiently. In light of this, the Ministry of Agriculture pledged to provide extension services for members of FOs to guarantee sustainability, efficiency, and accountability.
- In **Gabon**, the government and FAO launched a program that aims to strengthen the entrepreneurial and commercial capabilities of FOs and agricultural cooperatives. The Gabonese government also launched the Olam Project, which aims to make Gabon the

largest producer of palm oil in Africa. This project relies on FOs as key channels for production, commercialization, and organization.

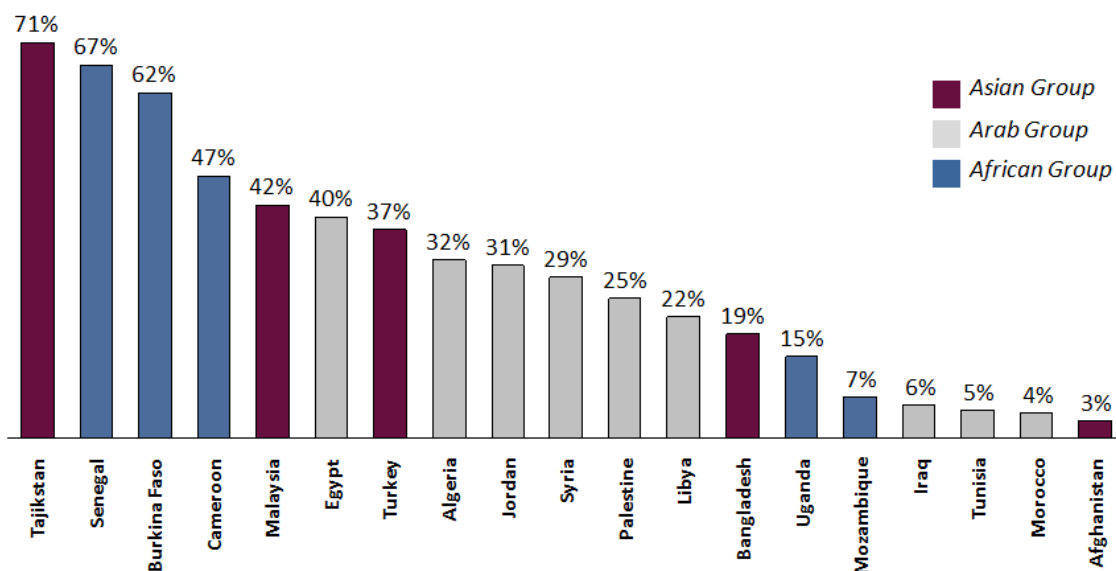
- In **Guinea**, the government launched a study aiming to evaluate the methods used to provide extension services to farmers, which found that engagement of FOs as key partners was important. Separately, the government took a participatory approach that heavily involved FOs in the drafting of its National Strategy for Agricultural Development - Vision 2015. FOs were represented in national debates around the strategy and were responsible for holding local meetings and sessions with farmers all over Guinea.
- The government of **Guinea-Bissau** in December 2002 passed a new National Policy on Co-operative Development Policy based on the principles of ILO Recommendation 193 (described in Section 4.3.2). Guinea-Bissau became the first country in the world to translate Recommendation 193 into law.
- **Senegal** recently reformed its framework law regulating the establishment and governance of FOs. These reforms emphasize the autonomy and independence of FOs as well as the centrality of agricultural extension and training to the role/mandate of FOs, and require FOs to be more open and accessible. In addition, the National Extension Services Agency was created to provide a system for public-private partnerships that can engage FOs in the delivery of agricultural extension.

What is the current strength of the farmer organization movement in the country?

This study also sought to determine the strengths of the farmer organization movement by looking for available data on the share of farmers that belong to farmer organizations. As expected, given that there is no central body that collects such data, up-to-date figures were hard to come by across the OIC. This, in fact, suggests a potential role for COMCEC or other international bodies, as the Policy Recommendations section will discuss further.

However, an in-depth review of available sources generated direct estimates of the share of farmers in FOs in 10 OIC member countries; further, the study yielded estimates of total membership in 9 others. By comparing this to the estimated agricultural labor force (from World Bank data), the study arrived at estimate shares of farmers belonging to FOs in 19 countries, or one-third of OIC membership (and 40% of the countries in the data collection sample). These data points were available in all three regions of the OIC, although availability was marginally higher in the Arab region (41% of countries). The mean share of farmers in FOs was found to be **30%**, with a median of **29%**. Full details are shown in the following figure:

Figure 4: Estimated share of farmers (or farm labor force) belonging to farmer organizations or rural co-operatives²⁶

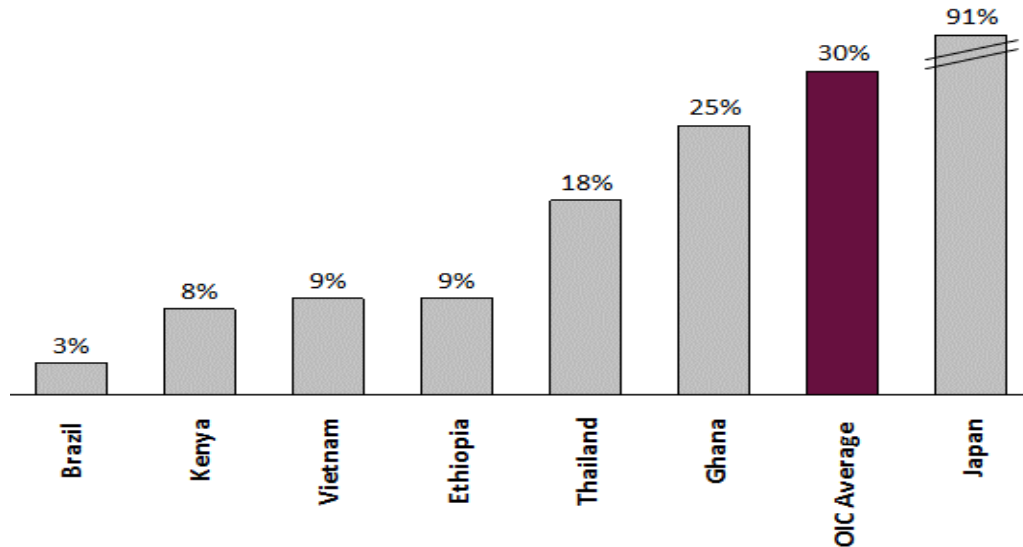


Regional trends are difficult to state with any confidence, due to the small sample size but it is noteworthy that the mean share of farmers in FOs is lower in the Arab Group, at **22%**, vs **37%** for the African and Asian Groups, although this masks an extremely wide range of outcomes within regions (as shown above).

As noted above, this type of information is not tracked globally by any organization, so comparisons between the OIC and other parts of the world are difficult. However, it is possible to compare the OIC average with some other representative countries that have significant agricultural sectors. The figure below presents data from seven non-OIC countries of various income levels and demonstrates that, on average, the OIC is well-positioned in terms of the strength of farmer organizations in its member states. However, as discussed below, the lack of readily-available, standardized data in both the OIC and in other countries means that it is not possible to definitively state how the OIC compares to the world average.

²⁶ Data are drawn from a variety of in-country sources - most commonly the national Ministry of Agriculture or leading universities - and international publications - most commonly the ILO's Country Reports, the Food and Agriculture Organization (FAO), AgriTerra, and the World Bank - and reflect the most recent available information, generally from the past 10 years. However, some data points are older and thus estimates of share of farmers belonging to FOs may be biased downwards due to population growth. Full notes and calculations by country, and the sources used for the statistics, are given in **Figure 16** through **Figure 18** in Annex 1.2

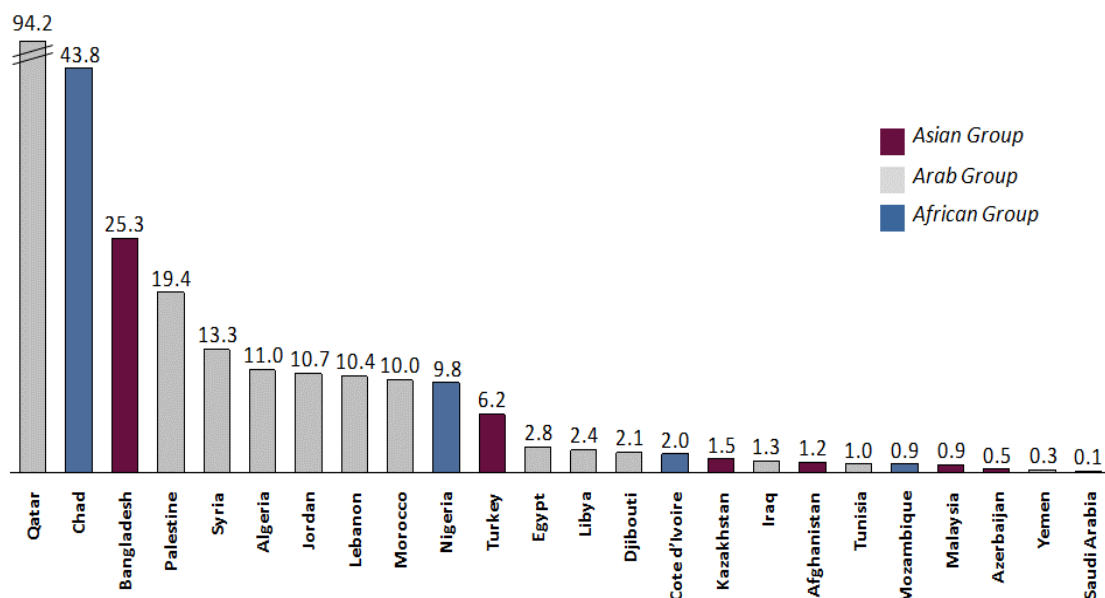
Figure 5: Estimated share of farmers belonging to rural co-operatives in seven comparison countries²⁷



In addition to the 19 OIC countries above for which a membership share can be calculated, analysis generated estimates of the total number of registered farmer organizations for 10 others. This statistic is a bit more difficult to interpret but this study attempts to put it into context by showing the number of farmer organizations **per 10,000 people in the agricultural labor force**. This data for 23 countries is shown below: 13 countries from the figure above, plus the 10 countries where only data for the number of cooperatives is available.

²⁷ Sources for this figure are: **Thailand:** Cooperatives and Poverty reduction in Thailand, Suwanna Thuvachote, Kasetsart University, Bangkok, Thailand; **Vietnam:** UN Population Division **Ghana:** Farmer's organizations in West and Central Africa: Ghana Country report; **Ethiopia:** <http://www.ata.gov.et/programs/system-programs/cooperatives/> and ILO Country Report **Kenya:** ILO Country Report **Brazil:** National Cooperative Organization Brazil (OCB). **Japan:** International Cooperative Alliance. World Bank data was used for population statistics

Figure 6: Estimated number of farmer organizations / co-operatives per 10,000 people in the agricultural labor force²⁸



Again, a very wide range in the number of co-operatives can be noted, with a median value of 2.8 organizations per 10,000 farm labor force. When this is compared to the first figure, it becomes clear that countries with >20% of farmers in farmer organizations (relatively **strong environments**) have a median and mean value of **10-11 FOs per 10,000 farm labor force**, whereas countries with <10% of farmers in FOs (**less strong environments**) have a median and mean of **only 1 FO per 10,000**. Based on this finding, the study then combines data from the 19 countries in Figure 4 with the 10 new countries in Figure 6 to present an aggregate picture of FO strength across the OIC and within the different regions:

Table 2: Strength of FO movements in OIC member countries²⁹

| Group | Very strong FO movement (>50% farmers in FOs or >20 FOs per 10,000 farm labor force) | Strong FO movement (20-50% in FOs or 5-20 FOs per 10,000 farm labor force) | Less strong FO movement (<20% in FOs or <5 FOs per 10,000 farm labor force) | No data: Significant need for better information |
|---------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------|
| African Group | 24% | 6% | 18% | 53% |
| Arab Group | 9% | 27% | 27% | 36% |
| Asian Group | 17% | 8% | 33% | 42% |
| Total | 16% | 16% | 25% | 43% |

²⁸ Data are drawn from a variety of in-country sources - most commonly the national Ministry of Agriculture or leading universities - and international publications - most commonly the ILO's Country Reports, the Food and Agriculture Organization (FAO), AgriTerra, and the World Bank - and reflect the most recent available information, generally from the past 10 years. However, some data points are older and thus estimates of FOs per 10,000 people may be biased downwards due to population growth. Full notes and calculations by country, and the sources used for the statistics, are given in **Figure 16** through **Figure 18** in Annex 1.2

²⁹ These statistics are calculated based on the sample of countries covered by the research (51 out of 57 OIC countries). Full categorization by country, and the sources used for the statistics, are given in **Figure 16** through **Figure 18** in Annex 1.2

As indicated above, the state of FOs across the OIC is reasonably strong where data is available, with in total **55% of countries with data having at least 20% of farmers in FOs or at least 5 FOs per 10,000 farm labor force**. Regional differences are relatively minor, at least in light of the sample size, with 57% of Arab countries with data being in the strong / very strong category, compared with 63% of African and 43% of Asian countries. However, **the lack of data is a significant issue**, with **43% of countries missing national-level estimates**.

2.1.3. Market structure

The second broad question analyzed through the cross-country study was whether the market structure in a given country broadly favors the existence and development of strong farmer organizations. Market structure is a complex topic, involving questions of typical marketing arrangements, the number and size of important buyers and traders, and the impact of regulations, and differs from crop to crop even within a given country, and this paper is not intended to explore the full range of questions pertaining to the structure of agricultural markets. Instead, it focuses briefly on two topics that illustrate the central issue of market structure: **the power of farmers (and in turn the organizations they belong to) relative to other important actors in the agricultural value chain**. The two topics that highlighted here are:

- The presence of an **independent apex body for farmer organizations**, which can act as a source of leverage for farmers and FOs, giving them relatively more power and facilitating their successful growth. On the other hand, an apex body that **is controlled by the government** may not be nearly as useful in this regard, and may in some cases be harmful.
- The presence of a **government-run marketing board** in the most important crop in a country, as boards like these have in various cases in the past served to weaken the relative power of FOs. The presence of an independent or private marketing board is also noted, as these organizations may perform valuable sector promotion tasks – although their role may also be less benign if they exert significant power over buying and selling.

The research findings are presented below.

Is there an apex body for farmer organizations, and if so, who controls it?

Apex farmer organizations – which can be either federations of smaller farmer organizations or national-scale unions of individual farmers (some of whom will also be members of local farmer organizations) – play important roles in farmer organization strengthening. As discussed in the case study on the **Zambian National Farmers' Union (4.4.1)**, due to their size and national stature, they can be conduits for policy advocacy and dialogue with government, and can also be effective at linking farmer organizations to other important agricultural actors such as inputs providers, buyers, and sources of finance – where, again, their size allows them to exercise leverage in negotiations with organizations that would otherwise have much more power than individual farmers.

However, the control of such farmer organizations is also important. As discussed in Section 4.3.1 one of the most important principles for the successful functioning of a farmer organization is autonomy and independence. Government-controlled apex farmer organizations can stifle the voice of the farmer and, in some cases, cause the provision of services to become more of an exercise in political patronage than a widespread effort to uplift farmers. As an example, consider the case of Uganda, where co-operatives were strongly government-linked in the post-independence era. However, as the ILO notes, “With political

control from outside the movement, members' involvement in the management of cooperatives eroded. Primary cooperatives and unions increasingly became indebted so that they could not effectively provide services to members.³⁰

Thus, this study investigates whether an apex body for farmers exists in a given country, and also whether the body was government-linked (including semi-autonomous parastatal organizations) or independent. In total, **81% of countries** (42 out of 52 analyzed) have some sort of apex co-operative, federation, or national farmers' union, as shown in the table below. These bodies were marginally more common in the African group, where they were identified in 15 of 17 countries (88%) than in the Arab or Asian groups. However, significant regional differences emerged when the question of control was asked. In fact, **every identified apex body in the African group is independent**, whereas 46% of countries in the Asian group have a government-linked apex body, meaning 60% of the 10 bodies identified are government-linked. In total, 10 countries (19% of the sample) have a government-linked apex body. These represent **24%** of the total 42 bodies identified.

Table 3: Existence and control of apex FO bodies in OIC member countries³¹

| Group | Yes, independent | Yes, government-linked or run | No body identified |
|---------------|------------------|-------------------------------|--------------------|
| African Group | 88% | 0% | 12% |
| Arab Group | 59% | 18% | 23% |
| Asian Group | 31% | 46% | 23% |
| Total | 62% | 19% | 19% |

It should be noted that even when apex bodies are independent, this may not be enough to ensure autonomy and proper functioning. As the ILO notes³² about apex bodies in the Arab world,

“Cooperative apex organisations function as if they are State parastatals. Recognition of the movement’s autonomy and independence and acceptance of cooperatives as a different type of enterprise is generally not evident. A common misconception among the general public is that cooperatives “should be” controlled by the State to avoid “corruption”. On the ground, it has also become common practice and an integral part of general cooperative policy that government should be kept in the loop about cooperative activities, as a sign of recognition.”

Therefore, the statistics above should be considered a point of departure for further analysis of the farmer organization environment in OIC member countries, rather than the final answer.

Is there an apex marketing body for the most important crop, and who controls it?

Marketing bodies or marketing boards are common national-level structures dedicated to the promotion and coordination of crop marketing efforts. They can play roles that range from simply assuring price stability to being the sole legal buyer of all goods in a given crop (a

³⁰ Kyazze, Lawrence, “Cooperatives: The sleeping economic and social giants in Uganda”, Co-op Africa Working Paper 15, ILO 2010

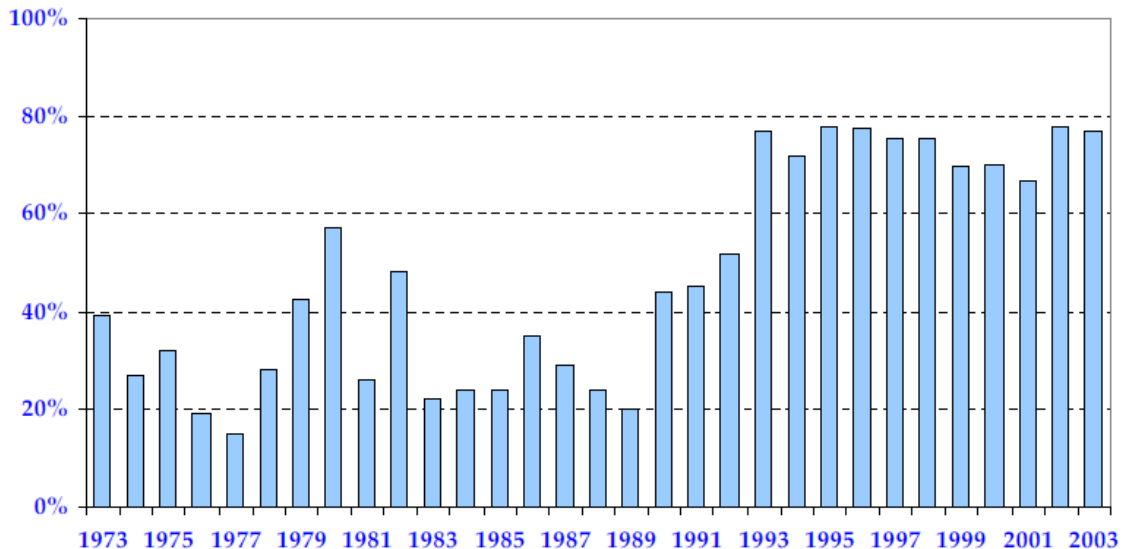
³¹ These statistics are calculated based on the sample of countries covered by the research (51 out of 57 OIC countries). Full categorization by country, and the sources used to determine the answer, are given in “Question 2” in the table in Annex 1.1

³² Polat, Huseyin, “Cooperatives in the Arab World: Reaffirming their validity for local and regional development”, ILO 2010

situation which was more common in the past, especially in cash crops in post-colonial Africa, for example), and thus can exert a significant amount of power over the agricultural sector.

Even more so than with apex farmer organization bodies, understanding the control of marketing boards is important. Boards which are controlled by the government – especially when their mandate makes them the sole buyer of produce – can create significant power imbalances and weaken the ability of farmer organizations to improve the livelihoods of their members. This situation can arise not only when governments use marketing boards as easy sources of revenue for central budgets (for example, in boards focused on export cash crops) but even in the case of staple crops, when government boards may purposefully push down the price paid to farmers in order to provide lower-cost produce to politically-important urban consumers. An example of the impact of central control of marketing boards can be found in Uganda in the coffee sector (the most important cash crop). As shown in Figure 7, in the era when coffee marketing was controlled by a government body, farmers received only 20-40% of the final export price. As soon as government control was abolished, farmers immediately received upwards of 70% of the export price.

Figure 7: Share of coffee export price received by Ugandan farmers³³



Thus, understanding whether a marketing board exists and who controls it is an important component of analysing the challenges that farmer organizations may face and formulating a plan to engage with FOs. This study examines marketing arrangements for the highest-value crop in each of the OIC member countries. In total, data was available for 39 countries in the set, and of those, **17 countries (44%) had independent marketing boards**, nearly all of whose mandate is primarily in sector promotion, rather than the control of buying and selling³⁴. Meanwhile **14 countries (36%) had government-run marketing boards**. A further 2 had semi-autonomous boards or a combination of a private and a government marketing

³³ Adapted from Baffes, John, "Restructuring Uganda's Coffee Industry: Why Going Back to the Basics Matters", World Bank Policy Research Working Paper 4020, October 2006

³⁴ There are some exceptions, for example in Oman and Saudi Arabia private marketing boards with more control over buying from primary producers were observed.

board. 6 countries (15%) had no identifiable apex marketing or promotion body in their most important crop. Government-run boards were found across the OIC, with no major regional concentration, although they are perhaps especially common in Central Asia, where all 3 countries in the sample had government-linked bodies in their major crops.

2.1.4. Main conclusions

With this review of the cross-country analysis (covering 90% of OIC member countries and bringing together a wide range of in-country sources in a single document likely for the first time) complete, it is worth briefly restating the main findings. Some of the most interesting facts and findings uncovered include:

- **90% of countries researched** have a recognized co-operative law that gives legal standing to farmer organizations and other co-operatives, likely making the OIC similar to the world as a whole (though exact data is not available) on this metric
- **73% of countries** have a body within the government (usually within Ministry of Agriculture) with a mandate to strengthen and work with farmer organizations, including **68%** of Arab countries and **76-77%** of Asian and African countries. It is likely that the OIC is reasonably in line with other regions in this area, although one ILO study in Africa found that all eight (100%) non-OIC states surveyed had such a department.
- Numerous countries across the OIC have implemented policies or programs aimed at strengthening FOs, with a renewed focus on rural organization promotion in post-conflict and post-transition states, as well as a focus on FOs as an economic diversification and environmental protection effort in Gulf states. African nations have also been leaders in innovative policies aimed at making FO registration easier, reducing tax burdens, and setting up ways to support FOs in the field.
- The **average share of farmers belonging to FOs**, in the 40% of countries for which direct data is available, was **30%**. It seems likely that OIC member countries are within global norms on this metric, and based on a limited comparison set, may even be above average. Combining this with data on the relative number of FOs registered allows us to show that **32% of OIC member countries** (and 56% of those with data available) have >20% of farmers in FOs or >5 FOs per 10,000 farm labor force. However, **lack of data is a significant issue** (as it is in other parts of the world), with no data available for **43% of countries analyzed**.
- **81% of countries** have some sort of apex body for farmer organizations or national-level farmers' union, and, importantly, more than $\frac{3}{4}$ of these are independent – 19% of countries have a government-linked apex body and 19% have no identifiable apex body.
- Marketing arrangements in the major crop in each country appear to be generally liberalized, with only **36% of countries** showing some sort of government-linked marketing board and 44% showing some sort of independent marketing body (generally aimed at promotion and coordination)

A more detailed exploration of recent policy actions by OIC member countries in support of farmer organizations follows.

2.2. Public Policy on farmer organizations in OIC member countries

This section builds on the high-level trends discussed above and provides a more complete overview of policies, partners, and strategies that can be leveraged to support FOs within the OIC. First, recent policy developments across five, selected OIC member countries (**Egypt**,

Mozambique, Saudi Arabia, Turkey and Yemen) are outlined in order to give a representative overview of the type of actions being carried out across the OIC. Recent policy shifts across the OIC and their intended effect on FOs are then highlighted, with interventions mapped to archetypical challenges faced by farmer organizations. Finally, the role of intra-OIC bodies and development agencies in advancing the development of farmer organizations is scrutinized, concluding with an analysis of some developments in financial services for farmer organizations within the OIC.

2.2.1. Examples of recent policies enacted in support of FOs in OIC member countries

Egypt

FOs have had a long and varied history in Egypt. Cooperatives' contribution to Egyptian development took a great leap forward in the 1950s, through the "Agrarian Reform", when 150,000 landless households became owners of small farms.³⁵ Cooperatives then became an important way of supporting the social, economic and political objectives of these new farmers. FOs received direct supervision from the Ministry of Agriculture and Agrarian Reform. However, it was later felt that this structure could be improved, and the government moved towards liberalisation of the sector. Then, during liberalisation FOs were overshadowed by NGOs who were tasked with the delivery of rural community services, including extension. Groups like the Brookings Institute and the Egyptian Regulatory Reform and Development Agency argue that central planning and state involvement (for example in leadership elections), have not always contributed to strong, independent FOs³⁶.

Recently, the government has made strong steps to become a leader in supporting FOs, as legal changes have given the Egyptian farming community and its representative organisations the opportunity to regain significant organizational independence. The 2014 Constitution, in Article 37, has prohibited the dissolution of cooperatives. The same article goes further to guarantee that the state shall, "give due care to co-operatives and the Law shall guarantee their protection, support and independence". In a move to ensure that smallholders are represented in the decision-making platforms in FOs in Egypt, Article 42 of the Constitution stipulates that, "the law shall regulate the representation of small farmers and craftsmen with a minimum representation of 80% in the boards of directors of agricultural, industrial and handicraft cooperatives".³⁷

This legislative commitment to cooperative development has been accompanied by new strategic partnerships and initiatives. One such initiative is the new marketing strategy for wheat, developed by the Ministry of Agriculture and Land Reclamation, the Principal Bank for Development and Agricultural Credit (PBDAC), and farmer organisations. The strategy stipulates that the PBDAC will make available funding to FOs before the wheat supply season, and the FOs will then refund the granted amount after marketing their output.³⁸ The Ministry of Agriculture also suggested a committee for the marketing of various agricultural products be set up to design marketing plans and oversee marketing contracts.

³⁵ Nawar, M and Abdel-Hakim, T. *Current Status of Prospective Farmers Unions and Syndicates in Egypt*. International Centre for Advanced Mediterranean Agronomic Studies. October 2013

³⁶ Kharas, H. *Regulatory Reforms Necessary for an Inclusive Growth Model in Egypt*. Policy Paper 2012-05. Global Economy and Development, Brookings Institution.

³⁷ The Constitution of the Arab Republic of Egypt

³⁸ Farid, D, *Minister of Agriculture reveals new strategy for marketing wheat*. Daily News Egypt, 22 February 2014

Cooperatives in Egypt have also benefitted from Salasel, a joint programme between the ILO, United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO), UNWomen and the Egyptian government. Salasel is a programme aimed to encourage and support the growth of inclusive markets based on viable equitable partnerships between small farmers and private sector investors in Upper Egypt. These two programs, in conjunction with the constitutional commitment to FO independence, aim to address the following challenges and capacity gaps that FOs face:

Table 4: Major Egyptian policy interventions and their link to FO capacity challenges³⁹

| Capacity Gap/Challenges | Intervention | Intervening Body |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Institutional: State dependence and Political Interference | Constitution of 2014 | Egyptian Parliament |
| Technical: Production (Input Supply) | Salasel, which aims to support partnerships between FOs and investors | ILO, UNDP, UNIDO, UNWomen and the Egyptian Government |
| Institutional: Representation / governance | Constitution of 2014, which states that 80% of co-op leadership should consist of smallholder farmers | Egyptian Parliament |
| Technical: Marketing | Salasel, and the New Marketing Strategy for Wheat | Ministry of Agriculture and Reclamation, PBDAC, farmer organisations, UNIDO, UNDP, UNWomen and ILO |
| Technical: Production (access to finance) | New Marketing Strategy for Wheat | Ministry of Agriculture and Reclamation, PBDAC, farmer organisations |

Mozambique

Since Mozambique's independence in 1975, the small-scale agricultural sector has been seen as the backbone of the country's economy. In the 1970s, cooperatives, state farms and communal villages were at the centre of efforts to modernize the Mozambican economy but for agriculture, this meant comparatively more investment in a highly intensive and mechanized sector relative to the small-scale farming sector. The 1980s and 1990s saw disruptions to transport networks and agro-processing structures, as well as movements of the rural population around the country.

Therefore, in many ways, the introduction of the **Strategic Plan for the Development of the Agricultural Sector** in 2010 was an attempt to articulate an agricultural policy that would benefit smallholder farmers. The guiding principles of the strategy is to (i) follow a value chain perspective with an agribusiness model and (ii) establish public-private partnerships to reduce costs and improve efficiency across value chains. The strategy also

³⁹ This table summarizes and draws on the same sources cited in the preceding paragraphs

seeks to strengthen FOs, envisioning the following measures for dealing with their capacity gaps and challenges:

Table 5: Major Mozambican policy interventions and their link to FO capacity challenges⁴⁰

| Capacity Gap/Challenges | Intervention |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy-related | Raising farmers awareness about the legal and political instruments that govern farmer organisations and the agriculture sector as a whole, including the Law on Cooperatives |
| Institutional/Managerial (Organizational) | Improve farmers theoretical and practical knowledge, through the provision of training in vocational literacy and arithmetic management of cooperatives, business techniques, contract management and lobbying |
| Technical: Marketing (Access to Market) | The promotion of production contracts between farmer organisations and the private sector |
| Institutional/Managerial (Financial) | Facilitate access for farmer organisations to credit through mechanisms such as guarantee schemes, in collaboration with local financial institutions. |

Saudi Arabia

Small-scale agriculture in the Kingdom of Saudi Arabia has long been practised by the rural population with assistance from nomadic groups. With limited arable land, in an environment not naturally conducive to agriculture, the task of ensuring food self-sufficiency and rural development has made agriculture a key priority sector. Serious efforts have been dedicated toward strengthening the sector since the 1970s, starting with the development of infrastructure⁴¹. Major initiatives to develop the capacity of FOs and their farmers included the construction of rural roads, collective irrigation and storage facilities, export facilities, and agriculture research and training institutions. These interventions have been complemented by the provision of concessional, long term interest-free loans, technical and support services, and free seeds and fertilizers. This kind of enabling environment ensured that Saudi Arabia became self-sufficient in some food items and an exporter of wheat, dates, watermelon, and poultry. The following capacity gaps faced by FOs, are addressed through the government policy in Saudi Arabia.

⁴⁰ This table summarizes and draws on the same sources cited in the preceding paragraphs

⁴¹ Al-Shayaa, M; Baig, M and Straquadine. *Agricultural Extension in the Kingdom of Saudi Arabia : Difficult Present and Demanding Future*. Journal of Animal and Plant Sciences vol 22 no. 1 p. 239-246, 2012

Table 6: Major Saudi Arabian policy interventions and their link to FO capacity challenges⁴²

| Capacity Gap/Challenges | Intervention |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Technical: Production (Input supply) | Provision of free seeds and fertilizer, collective irrigation and storage facilities and the provision of technical and support services |
| Technical: Marketing | The development of export facilities and agricultural research and development institutions |
| Institutional/Managerial (Financial) | Provision of concessional, long-term interest-free loans. |

Turkey

While Turkish laws are gender-neutral in terms of cooperative membership, the ratio of women in total FO membership is very low. For example, there were only 14 women’s cooperatives in 2004⁴³. In recent years, however, the government has taken a series of steps to promote female membership in cooperatives. First, the Ministry of Industry and Trade⁴⁴ moved to grant legal status to 70 women’s cooperatives (of which 28 were focused on agriculture) and prepared a “strategic plan” to focus on the issues and problems specific to women’s cooperatives. These efforts came alongside greater dialogue between the government and the Foundation for Women’s Work (KEDV), an apex organization for women’s cooperatives in Turkey⁴⁵.

The government then conducted a training program for women farmers, covering a range of topics related to cooperative development and membership advantages, and supported the establishment of FOs with grants US\$8m⁴⁶. As a result, rural women established 29 FOs in 2011 alone (the latest available data). The Ministry of Industry and Trade later announced that those cooperatives formed only by women would receive exemption from corporate tax and duties, membership fees and notary fees, and be supported by the state through affordable credit. Currently, 91 women’s cooperatives are registered and operating with more than 20,000 members⁴⁷. The following capacity gaps faced by FOs, are addressed through the government policy in Turkey:

⁴² This table summarizes and draws on the same sources cited in the preceding paragraphs

⁴³ Duran, Aram Ekin, “Women’s cooperatives to be legally recognized, Turkish ministry says,” *Hurriyet Daily News*, 14 January 2011

⁴⁴ The responsible body for cooperatives is Ministry of Customs and Trade after 2011.

⁴⁵ Ibid.

⁴⁶ Okan, Nedret Durutan and Cunet Okan, “An overview of cooperatives in Turkey,” FAO Regional Office for Europe and Central Asia: Policy Studies on Rural Transition 2013-3, 2013

⁴⁷ Ibid.

Table 7: Major Turkish policy interventions and their link to FO capacity challenges⁴⁸

| Capacity Gap/Challenges | Intervention | Intervening Body |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Institutional: Organizational Legal / | Modifying regulations to ease women’s co-ops dealing with government, including developing specific regulations and simplifying procedures for registration | Ministry of Customs and Trade |
| Technical: Production (access to finance) | Development of a strategic plan including tax exemptions and preferential access to long-term low cost credit | Ministry of Customs and Trade |
| Advocacy: Policy representation | Greater dialogue between KEDV and government Development of a specific, women-focused “Strategic Plan” for Co-ops | Ministry of Customs and Trade |

Yemen

Yemen has a long history of community solidarity and self-reliance efforts. However, enterprise-focused cooperatives were introduced in Yemen only in the early 1960s, when the colonial administration encouraged the production of cotton through cooperatives. After the independence of South Yemen in 1967, many FOs were established by the government to control production, deliver credit and inputs, and collect and distribute agricultural produce.⁴⁹ Until unification in 1990, South and North Yemen were legislated to have two separate cooperative unions. There is no indication of any capacity-building and enabling interventions pursued by the Yemeni government. After unification, however, a significant consolidation started to take place, with most state-controlled FOs disbanding and new, member-controlled organisations initiating. Since 1994, the development of cooperatives in Yemen has been coordinated by a new cooperative law, amended in 1998. Slightly prior, though, in 1991, a conference of 450 cooperative representatives set up the Agricultural Cooperative Union (ACU), which links the government and cooperatives with the aim of effectively channelling government support. The ACU then, in many ways, can be seen as a state-sponsored or -sanctioned FO that addresses the following capacity gaps:

⁴⁸ This table summarizes and draws on the same sources cited in the preceding paragraphs

⁴⁹ Polat, H. *Cooperative in the Arab World : Reaffirming their validity for local and regional development*. ILO Regional Office for Arab States, 2010.

Table 8: Major Yemeni policy interventions and their link to FO capacity challenges⁵⁰

| Capacity Gap/Challenges | Intervention |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Policy-related | Represent the interests of FOs in national, regional and global fora. Formulating policy to plan production based on labor market demand |
| Technical: Production (Input Supply and Marketing) | Support agricultural cooperatives in the production and marketing of agriculture produce by supplying subsidized inputs and machinery |
| Institutional/Managerial (Organizational) | Provide education to cooperative members and training for staff and management |
| Institutional/Managerial (Financial) | Providing capacity development to cooperatives in the area of financial management, planning and project development |

According to the ILO, the majority of FOs in Yemen are male-dominated with little managerial participation by women. However, the Yemeni cooperative law seeks to bolster female participation in FOs and stipulates that a minimum capital input of 500,000 Yemeni Rials is needed to establish women’s cooperatives – less than what is required to set up male-only cooperatives.⁵¹ However, this provision is still viewed by the ILO as having limitations. In many cases, the ILO reports, this smaller amount is still beyond the reach of many poor rural women, further entrenching their exclusion from entrepreneurial activity.

2.2.2. Actions by intra-OIC bodies in support of Farmer Organizations

In addition to the national-level policy interventions described above, a number of regional bodies are active within the OIC in strengthening agricultural systems, in general, and FOs, in particular. Some of these bodies are examined below, accompanied by examples of their FO-related work, in order to illustrate the types of bodies that OIC Member Countries potentially can coordinate with in their efforts to strengthen FOs.

The **Islamic Development Bank (IDB)** has invested US\$4bn over 39 years to develop agriculture in its member countries, which include all OIC member countries but Guyana. The first phase of IDB’s Jeddah Declaration, approved in 2008 and amounting to US\$20m, provides agricultural inputs to smallholder famers and access to services, improved infrastructure and strengthens agricultural institutions.⁵² One very recent example of an IDB-funded activity in support of farmer organizations is found in Cameroon, where the IDB is funding the Livestock and Fisheries Development Project, which puts farmer organizations and networks at the center of efforts to develop the livestock industry. This project, launched in late 2014, is intended to set up three dairy cooperatives, organize poultry producers into networks for

⁵⁰ This table summarizes and draws on the same sources cited in the preceding paragraphs

⁵¹ Ibid

⁵² Islamic Development Bank, “39 Years in Development” report, 2013

training purposes, and build capacity in farmer organizations who produce feed for the livestock industry⁵³.

OPEC Fund for International Development (OFID)

While not strictly an intra-OIC body, there is substantial overlap between the members of OPEC and the OIC, with almost 90% of OPEC oil production occurring in OIC member countries. OFID is a development finance institution established in 1976 to contribute to the social and economic development of emerging and least developed countries. OFID works closely with a number of OIC member state organisations including the Abu Dhabi Fund for Development, the Arab Bank for Economic Development in Africa, the Arab Fund for Economic and Social Development, the IDB, the Kuwait Fund for Arab Economic Development, and the Saudi Fund for Development.

As of 2013, OFID had dedicated a cumulative US\$ 2.07bn to agriculture (13% of its budget). OFID and Standard Bank announced in 2010 the launch of a unique African development financing agreement, to benefit farmer organizations in the region. This initiative a smallholder risk sharing agreement, launched in partnership with AGRA, Kilimo Trust, Millennium Development Agency in Ghana, and the Millennium Challenge Account Mozambique. The objective of the initiative is to make agricultural finance more accessible to smallholder farmers and SME agricultural producers through cooperative mechanisms. This scheme consists of a three year program in which the first loss partners provide the Bank with a first loss guarantee and assist with technical support to improve agricultural efficiencies. OFID agreed to provide 50% coverage on the remainder of Standard Bank's potential risk. The facility comprised of disbursements of US\$216m over three years in Ghana, Mozambique, Uganda and Tanzania.

Another example of OFID's work with farmer organizations is in Senegal, where OFID contributed \$31 million to finance the rehabilitation of FO-owned irrigation infrastructure and also helped village-level producer organizations construct additional infrastructure to allow them to diversify out of groundnuts and into value chains such as poultry.

The **Turkish Cooperation Agency (TIKA)** is an implementing intermediary of Turkish foreign policy, in particular in countries which have shared values with Turkey and other areas of need across the world. The agricultural projects carried out by TIKA include providing technical assistance to increase the capacity of institutions and providing equipment, training, and inputs for farmers and their organizations. One such example is a project aimed at encouraging the participation of women in agricultural development efforts in Pakistan, where women's co-operatives were given livestock to rear.

2.2.3. Pro-Farmer Organization finance in OIC Member Countries

One of the main challenges that farmer organizations face is lack of access to credit, which is needed to purchase inputs for their members to improve productivity, and also to purchase output from their members in order to support marketing efforts. Significant attention has been focused across the world on financial sector deepening as a means to support farmer organizations, and thus it is worth a brief look at some activities occurring within the OIC.

⁵³ Cameroon North West Development Authority, "EOI For The Recruitment Of A Consultant To Provide Various Services For Training, Capacity Building And Organisation Of Workshops For The Livestock And Fisheries Development Project", January 2014.

One interesting focus for such an examination is in the Islamic finance sector. It is of course not required for banks to practice Islamic finance in order to effectively serve farmer organizations – many examples of non-Islamic banks serving farmer organizations can be found, including the example of OFID and Standard Bank's guarantee fund for small-scale agricultural credit, discussed above in Section 2.2.2. However, the Islamic finance sector has been receiving a great deal of attention and provides some useful examples of FO-supportive financial services, especially given the sector's prominence within the OIC. Based on responses to a CGAP survey, there are 255 financial services providers offering Sharia-compliant microfinance products across the world⁵⁴, with approximately 92% concentrated in two regions: East Asia and the Pacific, and the Middle East and North Africa.

Several types of Sharia-compliant microfinance products exist, although the most relevant for the purposes of this analysis is the *Salam*, which is an advance payment against future delivery. Because the terms of the product are tied to the delivery of tangible products on a certain date, it is often used in agriculture to allow farmers to finance production in exchange for a future delivery of output. In this context, it is worth looking at some interesting and innovative models emerging in the OIC member countries. The first example of pro-FO finance is the **Baitul Mal Wat Tamwil in Indonesia**. These are microsavings and credit cooperatives formally registered with the Ministry of Cooperatives and Small and Medium Enterprises, and are not treated as financial service providers⁵⁵. The Bank of Indonesia's Islamic Banking Division estimates that there 100,000 such banks in Indonesia, with assets of US\$ 145m. BMTs offer microfinancing, social welfare funds (*zakat*) and entrepreneurship trainings.

Another example is that of the **Bank of Khartoum in Sudan**. The Bank believes that Islamic microfinance can effectively reach smallholder farmers and organizations through customized products tailored to their needs. The bank reaches farmers through a series of capacity-building projects and developing tools such as group financing schemes, cooperative and product risk guarantees, and crop insurance products targeted at small farmers. The bank has also developed a Farmers2Markets project called *Maringa & Jatropa*, with the following elements⁵⁶:

- **Urban-rural leasing mechanisms.** Farmers in many parts of Sudan have access to land but not to finance and/or markets. For example: a rural farming household with only two able-bodied members may have access to more land but a lack of resources to invest in either land preparation or weeding limits the extent of their cultivation to five acres. This leaves the family in a vulnerable state and food insecure. Conversely, poor, urban farmers have no access to land, or it is too expensive for them to own; these challenges have the same result. In response, the project has developed a micro-leasing product to link urban and rural farming households and – through shared knowledge and resources – ensure livelihood improvements for both.
- **Microinsurance and financing of risk guarantees.** Maringa & Jatropa is working with insurance companies to offer insurance products that can unlock capital for smallholder farmers. The concept covers part of large losses for any bank providing finance to small farmers, thus increasing banks' likelihood of lending to such clients. Banks are further

⁵⁴ El-Zoghbi, M and Tarazi, M. *Trends in Sharia-Compliant Financial Inclusion*. CGAP Focus Note No.84 March 2013

⁵⁵ Ibid

⁵⁶ All discussion in this section is adapted from El-Zoghbi, M and Tarazi, M. *Trends in Sharia-Compliant Financial Inclusion*. CGAP Focus Note No.84 March 2013

incentivized as some of the initial premiums are paid directly by farmers or are made part of the initial financing amount. The product is also accompanied by a programme that educates farmers on the use of microinsurance.

- **Extension services.** Extension services in Sudan are provided for free by the Ministry of Agriculture. However, actual delivery is few and far in between due to government funding challenges. While the Ministry of Agriculture has developed a wide network of zone- and/or state-specific agriculture experts, the initial capital required for these experts to work with farmers and FOs is often missing. Maringa & Jatropha works with the UN World Food Programme (WFP) to fund extension expertise that already exists and to develop new capability where possible.
- **Farmers and market links.** The program, by using mobile phones and extension agents, aims to make crop prices more transparent. It also works with the World Food Programme and the Central Bank of Sudan to convince private Sudanese companies, as well as international companies, to source produce locally. The project has also arranged for the government's Strategic Reserve Corporation to act as a buyer of last resort. This arrangement allows farmers an additional level of security, places pressure on traders to offer more favorable prices, and improves smallholder bargaining power. In addition, where the price/quality of farm output is on par with international standards, the WFP will buy some FO output for its own programs such as school feeding schemes, creating further incentives for FOs to improve production.

These two examples show that innovative approaches to finance can result in useful products for small-scale farmer organizations. Such approaches can play two interrelated roles: first, they can provide much needed financial resources to smallholder farmers, and second, they can facilitate capacity-building through knowledge sharing and valuable partnerships. Thus, supporting the development of novel, innovative financing mechanisms (including not just access to credit but also risk management tools required to hedge against adverse market developments) and ensuring that FOs are able to access these services on behalf of their members is an important pro-farmer organization action. It is incumbent upon policymakers and international actors to help support such innovation, whether through encouraging dedicated financial institutions for this purpose, setting agricultural lending targets for commercial and Islamic banks, or simply investing in financial organization capacity-building and knowledge-sharing.

3. Case Studies of Farmer Organizations across OIC Member Countries

Introduction

This section profiles five diverse farmer organizations from across the OIC in order to (i) ground any discussion of FO challenges and (ii) deepen understanding of policy's practical implications. The FOs are found in four countries, including two in the Africa region (Senegal and Uganda), one in the Asian region (Indonesia), and one in the Arab region (Morocco).

Additionally, these cases span a mixture of local, national, and sub-national farmer organizations in order to provide an in-depth look at the similarities and differences of OIC FOs' structures, goals and activities. The cases highlight a variety of business models from Section 1.2, including producer groups, federations, agricultural cooperatives, and commodity organizations, along with a women's cooperative.

Methodology

Each case study involved several days of structured interviews with leaders of the farmer organization, along with site visits to farmer organization headquarters and field locations. Structured interviews were also conducted with officials and experts within the country to understand the policy environment.

The structured interviews with FO leaders used a customized questionnaire intended to assess the performance of their organizations. This questionnaire was adapted from a profiling tool originally created by Dalberg in partnership with the Bill and Melinda Gates Foundation and used for several years to better understand and measure farmer organizations' capacity levels, constraints and priority areas for intervention.⁵⁷ Assessment using the tool is based a number of indicators in two overarching categories: Organizational set-up and Impact capacity. Organizational set-up consists of three sub-categories (Representation, Governance and Business Fundamentals) and Impact capacity consists of three more (Strategic Potential, Technical Assistance and Other Services and Economic Gains).

In order to score and assess performance based on these metrics, a set of questions is asked for each of the six categories, with responses scoring different numbers of points according to their link with strong farmer organizations. Final performance levels for the FO are determined by these scores. Indicator scores range from 0 to 1, based on the number of points the FO receives for that indicator calculated as a percentage of the total possible points for the same indicator. For example, the Business Fundamentals category contains 27 possible points, so an organization scoring 15 points would be shown as 0.56. Each farmer organization is thus scored in 6 different categories, and for ease of understanding, these 6 scores are shown graphically below the FO scorecards in the sections that follow.

Then, the average of Organizational Setup and Impact Capacity generates the aggregate score with weighted averages attributed to sub-categories. The weighting is based on the total number of possible points - for example, Governance, Business Fundamentals, and Technical Assistance were weighted more heavily than other categories because of their relative importance in a given FO's ability to participate in markets at scale. Throughout the results, a higher numerical rating indicates greater strength and a lower numerical rating indicates less strength. Full details on the tool, and the exact wording of the questions used, are given in Annex 2.

⁵⁷ The original tool was created for the Bill and Melinda Gates Foundation in 2011.

3.1. Uganda: Kitenge Agali Awamu Coffee Company, Member of the Ugandan Coffee Farmers Alliance (UCFA)

This FO has a unique, three-level structure and a single commodity focus: coffee. The UCFA is a national-scale or apex marketing organization made up of regional member-owned marketing organizations (called Depot Committees, or DCs) and in turn village-level primary producer organizations. This case examines the UCFA as well as one of its subsidiary member organizations, the district-level Kitenge Agali Awamu Coffee Co (Kitenge DC); the culminating scoring analysis focuses on Kitenge DC.

The UCFA/Kitenge DC case, summarized in Table 9 below, highlights a successful model of a donor-funded FO that grew to become independent and largely sustainable while significantly expanding its reach. It also illustrates the full range of services and activities an FO needs to take on to ensure its farmers can participate and prosper in a liberalized, open economy with limited government involvement.

Table 9: Summary of the UCFA and Kitenge DC⁵⁸

| | UCFA (Apex body) | Kitenge DC (District-level member organization) |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type | National-scale; Commodity Organization; Mixed-gender, smallholder focused | Sub-national scale; Producer group; Mixed-gender, smallholder focused |
| Origin | Founded in 2005 as an EU project, developed over time into independent, largely self-sustaining organization | One of the first DCs within the UCFA, first set up as a community-based organization in 2006 and then transitioned to a registered company in 2008 after expanding and becoming self-sufficient |
| Purpose | Serves as an apex body for coffee farmers across Uganda, with the aim of providing training, market access, and financial inclusion to smallholders across the country while simultaneously investing in additional services (e.g. processing & transport) that help farmers capture a greater portion of final value | Serves as a district-level organization under the UCFA that provides training, market access, and financial inclusion / skills development for coffee farmers in its catchment area. Ensures that coffee farmers' interests are communicated upwards through the UCFA to the government and wider industry |
| Footprint | Consists of 82 district-level Depot Committees , which in turn consist of a total 1,660 village-level Producer Organizations representing 54,000 farmers across Uganda Expanded from 35,000 farmers in 2012 to 54,000 today and aims for 100,000 in the next 5 years | One of the 82 DCs making up the UCFA. Consists of 21 Producer Organizations in villages surrounding Mubende in Eastern Uganda |
| Service provision | Provides the following services for members: <ul style="list-style-type: none"> Coordinates and develops training and TA through monthly "Farmer Field Schools" at the village level Provides regional staff agronomists to supplement DC training efforts | Provides the following services for members: <ul style="list-style-type: none"> Trains and TA through monthly "Farmer Field Schools" at the village level Advises and instructs on credit applications and financial |

⁵⁸ This table is based on interviews with UCFA leadership and Kitenge DC local leadership in Uganda in October 2014.

| | UCFA (Apex body) | Kitenge DC (District-level member organization) |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Advises and instructs on financial management for DC leaders; negotiates favorable financial terms for DCs • Encourages of village-level savings & loan associations through constituent producer organizations • Negotiates with buyers and selects / introduces most favorable buyers to member DCs • Liaises with government on provision of inputs, requests for extension services, and some limited policy advocacy • Coordinates co-operative activities that allow farmers to capture value from their product (e.g. hulling and packaging) and currently exploring other ways to do this, including the development of an in-house brand to capture more downstream value | <p>management; negotiates favorable financial terms for members at local banks</p> <ul style="list-style-type: none"> • Keeps records of production and sales (using smartphone application developed by donor partner GIZ) to facilitate member access to credit • Negotiates (through the broader UCFA) with buyers and disseminates price via SMS • Buys coffee and provides bulking, hulling, and transport to sales centres • Occasionally provides some inputs such as pesticides |
| Membership profile | Direct members are 82 Depot Committees (district-level organizations) across Uganda, which in turn represent individual farmers | Approximately 600 farmers are members, of which ~75% are male and 25% female . DC membership is geographic, covering villages within ~10km of the DC office |
| Business model | <p>Registered as a Limited Company. Earns revenue through:</p> <ul style="list-style-type: none"> • Commissions paid by international coffee buyers • Activities that allow farmers to capture value from their product (e.g. hulling and packaging) <p>Expansion efforts are primarily funded by donors such as GIZ and the Hans Neumann Foundation, while ongoing costs are largely met through own revenues</p> <p>Applying for direct budgetary support from the Government of Uganda, in recognition of the UCFA's role as a primary extension provider</p> | <p>Registered as a Limited Company. Earns revenue through:</p> <ul style="list-style-type: none"> • Commissions paid on coffee delivered to international buyers • Membership fees paid by individual farmers <p>Any surplus is re-invested in either input provision or expansion of processing and ancillary services</p> |

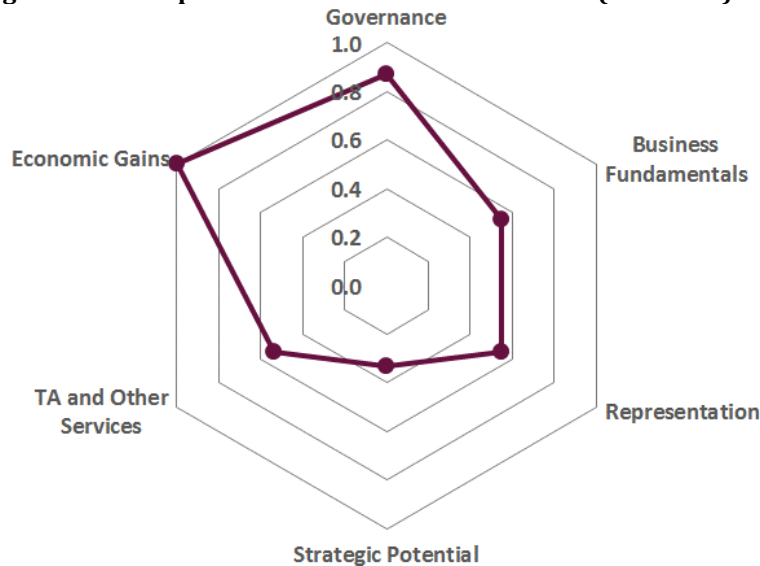
3.1.1. Performance of Kitenge DC

The performance of Kitenge DC can be assessed by using the Farmer Organization Scoring Tool. Scores are given out of 1.0, and category scores are a weighted average of the component scores (where weights are based on the total number of points in each category). UCFA is not assessed, as it is an apex organization of FOs rather than an FO itself, and is thus one step removed from its farmer members. As shown below, Kitenge DC is very strong in Governance and Economic Gains, moderately strong in most other areas, and weaker in Strategic Potential.

Table 10: Kitenge DC's performance on organizational set-up and impact capacity⁵⁹

| Organizational Setup (74 points) | Aggregate Score | Impact capacity (51 points) | Aggregate score |
|---------------------------------------------|----------------------------|-----------------------------------------------|------------------------|
| | 0.68 | | 0.55 |
| Governance (33 points) | 0.87 | Strategic Potential (6 points) | 0.33 |
| Organizational structure | 1.00 | Overall Strategy | 0.33 |
| General Assembly | 0.83 | TA and Other Services (41 pts) | 0.54 |
| Communication | 0.67 | Market Access | 0.61 |
| Business Fundamentals (27 points) | 0.55 | Access to Inputs, Equipment, & Infrastructure | 0.20 |
| Financial Planning and Management | 0.58 | Transportation and Storage | 1.00 |
| Resource & Revenue Generation | 0.50 | Financial Services | 0.50 |
| Human Resource Management | 0.00 | Meeting Member Needs | 0.50 |
| Systems and Infrastructures | 0.67 | Advisory and Knowledge Services | 1.00 |
| Representation (14 points) | 0.55 | Advocacy, Policy & Collaboration | 0.50 |
| Accountability | 0.55 | Economic Gains (4 points) | 1.00 |
| | | Productivity | 1.00 |
| | | Quality & Value Addition | 1.00 |

Figure 8: Kitenge DC relative performance on main dimensions (out of 1.0)



In many ways, the successful governance of Kitenge DC is rooted in exemplary commitment to farmer ownership and transparency, which echoes in UCFA as well. Semi-annual general assemblies with public reading of financial results, open elections and nominations, an independent disciplinary committee, a constitution that can be modified by farmer members, and audits both internal (by UCFA) and external ensure that Kitenge DC is responsive to the

⁵⁹ This table is calculated based on the answers to and scoring system of the Profiling Tool shown in Annex 2, as given to the authors by Kitenge DC local leadership during an in-country visit to Uganda in October 2014.

needs of its members. The challenge for the future will likely be in ensuring continued turnout and participation as Kitenge DC expands.

Challenges of the Kitenge DC

Its main weaknesses are in the areas of strategic planning and input provision. Regarding the former, Kitenge DC has a number of long-term goals, including expansion of processing, logistics, and storage capacity but these goals have not been committed to paper or planned formally, which may hinder achievement. Per the latter, greater input provision is an acknowledged goal for the organization, which is currently inhibited by its financial resources. Broadening the revenue base and/or building greater links with input providers and local government may solve these issues.

Additionally, Kitenge DC is challenged by the practice of side-selling, where members sell coffee to middlemen and external traders in exchange for cash at the farmgate. While side-selling prices are 10% lower (or more) than members receive through Kitenge DC, the cash in hand (as opposed to after marketing season ends) is difficult for many to resist. While UCFA views free choice in selling as an important principle of accountability, too much side-selling weakens Kitenge DC's ability to fund training and to negotiate favorable terms with large buyers. In response, Kitenge DC encourages cultivation of diverse crops to relieve day-to-day income pressure and also attempts to improve access to short-term credit for its members. However, high interest rates make this latter solution a continual challenge.

3.1.2. Policy environment⁶⁰

The Ugandan coffee market is now characterized by open competition and complete liberalization. This is a very dramatic change from the pre-1991 cooperative era when all coffee was marketed by cooperative unions and the parastatal Coffee Marketing Board (CMB) at fixed prices largely divorced from world price movements.⁶¹ In this era, primary producers received small shares of export prices (less than 15% some years), and payment was frequently delayed.

After legislation ended the role of the CMB in 1991, farmers were able to sell directly to traders and on to international buyers, and the share of export prices received by primary producers rose quickly to 70-85%.⁶² However, as the CMB era ended, existing cooperative structures largely collapsed and coffee production declined significantly (even in years when international prices rose). Following particularly sharp declines in the early 2000s, new types of farmer organizations were established perforce to improve production and ensure the industry's sustainability. UCFA was one such organization and it was explicitly organized around private-sector principles with the goal of financial sustainability and responsiveness to members. NUCAFE, another FO alliance broadly similar in form and size to UCFA, was founded around the same time, again on a private-sector model in a conscious break with the cooperative era.

In tandem with liberalization, the government set up a new body responsible for regulation and promotion, called the Uganda Coffee Development Authority. There is also a directorate of

⁶⁰ Findings in this section are drawn primarily from interviews with leadership of the Uganda Coffee Farmers Alliance, Kitenge Agali Awumu Coffee Company, and National Union of Coffee Farming Enterprises (NUCAFE).

⁶¹ Masiga, Moses and Alice Ruhweza, "Commodity Revenue Management: Coffee and Cotton in Uganda," IISD, 2007.

⁶² Baffes, John, "Restructuring Uganda's Coffee Industry: Why Going Back to the Basics Matters." Washington DC, The World Bank Group, 2006.

the government, the National Agricultural Advisory Services, with a mandate to provide extension services and capacity-building for FOs. In recent years, in part due to advocacy by apex organizations (especially NUCAFE), the government has set up a Coffee Research Institute and promulgated a nationwide comprehensive coffee policy.

With the market liberalized, 40-50 large buyers now operate in the country. This has allowed apex bodies to negotiate and obtain a wide range of price quotes from buyers, ensuring relatively high prices and prompt payment and driving livelihood improvements for members. All parties interviewed expressed comfort with today's market structure and indicated it is a significant improvement over the CMB era. However, in the eyes of FO leaders, liberalization has reduced the state's capacity to provide direct services to farmers and FOs have had to shoulder the provision of extension, training, credit, and inputs.

The government's national policies and national-level institutions are well regarded by FOs members interviewed but all expressed skepticism about the effectiveness of field-level implementation. Access to government extension is a frequent complaint, as is the politicization and unreliability of input provision. Potential improvements, as cited by the FOs, include:

- Commodity-specific extension services and a commitment to better funding and accountability of such services at the village level. Failing this, direct budget support to apex bodies to provide their own training and extension
- More collaboration on export promotion, trade credit facilitation, and coffee research
- Better access to finance and lower private-sector interest rates (now 25%+ p.a.), potentially by requiring banks to lend a specific share of credit to the agricultural sector or by establishing guarantee funds for agricultural lending

3.1.3. Conclusions and lessons learned

UCFA appears to be a successful, fast-growing apex body that has maintained a commitment to member ownership, accountability, and continuous improvement despite its growing size. It is also a notable example of a donor-funded project that has been able to create community ownership and independent momentum. As indicated by the profile and interviews, Kitenge DC is a well-governed, accountable, and transparent district-level organization. While it struggles in some aspects of service provision, it generally serves as an effective link between farmers, the larger market, and the national apex body. The success of both the apex and local organizations appears due to several factors, all of which provide potential lessons for other environments:

- A nested, fully participatory governance structure with transparency as a key principle and an effective reporting, auditing, and independent disciplinary framework
- A market structure that allows ample competition between buyers and places no restrictions on trade or price discovery, allowing committed FOs to extract significant value for their members
- A diversification of services and provision of a holistic member service package that goes beyond agronomic training and marketing to include financial literacy training, access to credit, income diversification, and other services at the apex level

Kitenge DC is now at the scale where it will need to especially encourage continued buy-in and participation among its members. Kitenge DC, as well as UCFA, may face challenges in the future as they seek to expand members' access to inputs and credit to incentivize membership and minimize side-selling. In this regard, it appears important to ensure that the policy

environment in Uganda does not swing too far towards liberalization at the expense of the government's role in providing and funding services to farmers.

3.2. Senegal: Cadre de Concertation des Producteurs d'Arachide (CCPA)

This FO is a national-scale organization focused on a single crop: groundnuts. Groundnuts are the most important cash crop for small-scale farming in Senegal, providing employment for an estimated 1 million people and taking up an estimated 40% of cultivated land. The organization profiled here, the CCPA, plays an important role in the coordination of this crop, bringing together producers and buyers in order to develop the overall market and capture a greater share of value for its members. A brief summary of the CCPA is given below, followed by an analysis of its performance on important dimensions.

Table 11: Summary of the CCPA⁶³

| | |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type | National-scale; Commodity organization Mixed-gender, mixed size |
| Origin | Established in Senegal in November 2001 to support groundnut producers with seed production, commercialization, and market transformation |
| Purpose | Unites and organizes producers of the groundnut sector and organize Establishes sustainable partnerships with external actors Defends material and moral interests of members Contributes to the establishment of a national observatory for the sector Promotes small processing units for products derived from groundnuts Trains and builds the capacity of groundnuts producers |
| Footprint | Consists of 51 inter-village producer groups (GIPAs) totalling about 10,200 members. In the beginning, operated only in the Kaolack district, ⁶⁴ but now spans Tambacounda, Kaffrine and Fatick as well. |
| Service provision | Provides the following services for members: <ul style="list-style-type: none"> • Supports organization and structuring of grassroots producer organizations • Trains for FO leadership • Supports the supply of agricultural inputs • Produces and distributes improved seeds • Supports the commercialization of groundnut production and groundnut processing • Advocates and lobbies for the groundnut sector • Facilitates and mediates between support structures and grassroots producer organizations |
| Membership profile | CCPA membership is indirect, through membership in one of its GIPAs. Member farmers cultivate, on average, 5-10 hectares. 40% of CCPA members are female. In the last year, about 800 new farmers joined CCPA through one of its inter-village GIPAs. |
| Business model | Currently CCPA is registered as an association (under the Economic Interest grouping) but it plans to be become a Limited Society. Funding streams include: membership fees, services fees, credits/loans, partner funding, and the occasional government grant. |

⁶³ This table is based on interviews with CCPA leadership in Senegal in October 2014

⁶⁴ Kaolack is a Senegalese city which is part of the "Bassin arachidier" (Groundnut basin) the area where groundnuts are mainly produced in Senegal.

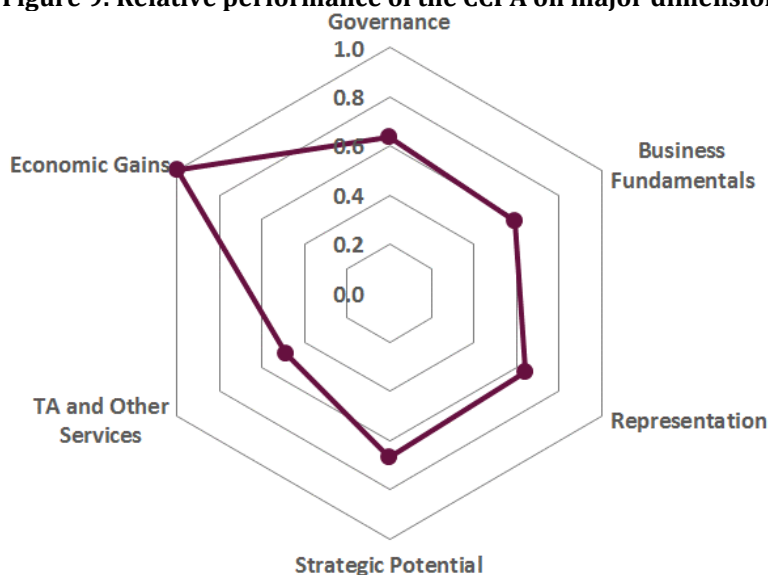
3.2.1. Performance of the CCPA

The performance of the CCPA can be assessed by using the Farmer Organization Scoring Tool. Scores are given out of 1.0, and category scores are a weighted average of the component scores (where weights are based on the total number of points in each category). As shown in Table 12 below, the CCPA performs well in Business Fundamentals and Governance, and less well in service provision.

Table 12: Performance of the CCPA on key dimensions⁶⁵

| Organizational Setup (74 points) | Aggregate Score | Impact capacity (51 points) | Aggregate score |
|------------------------------------------|-----------------|-----------------------------------------------|-----------------|
| Governance (33 points) | 0.64 | Strategic Potential (6 points) | 0.67 |
| Organizational structure | 0.87 | Overall Strategy | 0.67 |
| General Assembly | 0.50 | TA and Other Services (41 pts) | 0.49 |
| Communication | 0.33 | Market Access | 0.38 |
| Business Fundamentals (27 points) | 0.59 | Access to Inputs, Equipment, & Infrastructure | 0.30 |
| Financial Planning and Management | 0.58 | Transportation and Storage | 1.00 |
| Resource & Revenue Generation | 0.25 | Financial Services | 0.38 |
| Human Resource Management | 1.00 | Meeting Member Needs | 1.00 |
| Systems and Infrastructure | 1.00 | Advisory and Knowledge Services | 0.75 |
| Representation (14 points) | 0.64 | Advocacy, Policy & Collaboration | 1.00 |
| Accountability | 0.64 | Economic Gains (4 points) | 1.00 |
| | | Productivity | 1.00 |
| | | Quality & Value Addition | 1.00 |

Figure 9: Relative performance of the CCPA on major dimensions (out of 1.0)



⁶⁵ This table is calculated based on the answers to and scoring system of the Profiling Tool shown in Annex 2, as given to the authors by CCPA leadership during an in-country visit to Senegal in October 2014.

The CCPA's governance structure is a key factor in its success. Originally founded and managed by the producers, its organizational structure has adapted to an expanding membership while staying true to its democratic principles. The CCPA has a General Assembly that is the deliberative body of the organization, a Board of Directors of 11 members for which the quarter is female, an office of four members that are the executive organ of the board, a Supervisory Committee; and various ad hoc commissions. It is one of the only – if not the only – FO in Senegal to hold regular meetings of its members; these include a monthly office meeting, a quarterly GIPA meeting, and an annual general assembly.

These meetings are largely responsible for the CCPA's high score in communication, as well, as they ensure members' voices are heard, knowledge is disseminated, and advocacy avenues are open. Members interviewed also noted the organization's advanced communication infrastructure: Internal communication with members is usually conducted via phone, while external communication with partners occurs via the CCPA's website, email and social networks.

The CCPA's performs highly in a number of other business fundamentals. Its system of annual budgeting and accounting is regular and transparent; an accountant conducts a yearly audit and issues an annual financial statement. However, this system remains somewhat flawed, as it is initiated at the request of technical partners; the CCPA has no internal mechanism to prompt it. Additionally, CCPA has multiple sources of revenue, which helps ensure its sustainability. Chief among these are services fees, which include of a charge of XOF 3 (USD 0.006) on each kilo of groundnut sold in the CCPA circuit.⁶⁶

Challenges of the CCPA

From interviews, the CCPA's weaknesses lie mainly in its strategic potential. The organization does not provide training for its staff members; rather, staff are trained ad hoc by technical partners' volunteers, sometimes resulting in an unfocused vision. In addition, CCPA faces a lack of support from local partners and the government. The CCPA partners are mainly the National Council for Dialogue and Cooperation of Rural, ActionAid, and the Uniterra programme of the Canadian Study Center and International Cooperation⁶⁷.

3.2.2. Policy environment

The CCPA has managed to thrive in spite of a relatively weak policy environment. In 2004, the Government of Senegal legislated the institutional and financial legal framework (LOASP) for agricultural policies to be implemented over the next twenty years. LOASP is a far-reaching law designed to affect many aspects of agriculture, including land reform and market regulation⁶⁸. But one of its strategic areas elevates Senegalese FOs, granting them a protected status and technical and financial support from the government. Furthermore, close consultation between the government and FOs was expected at the highest level during the law's implementation.

⁶⁶ CCPA members can sell their products outside the CCPA circuit, but the fee is outweighed by the benefits of selling in the CCPA circuit: (i) producers are assured of timely payment at the price indicated by the CNIA (Interprofessional Committee on National Groundnut), (ii) producers' GIPAs receive a ~70% cut of the 11 XOF / kg tax on groundnut sales, and (iii) producers are assured of quality seed and fertilizer for the next season.

⁶⁷ UNITERRA volunteers provide training and support to the CCPA, to enable it to diversify into processed products (such as soap and peanut butter, etc.), improve the quality of groundnut oil, prepare and conduct advocacy campaigns, and strengthen its organizational structure.

⁶⁸ Senegalese law Agro-forestry pastoral (http://www.bameinfopol.info/IMG/pdf/LOASP_texte_intgral.pdf)



However, ten years later, the reality is quite different. The CCPA has yet to receive financial or technical support from the government other than subsidies on groundnut seeds, which are extensive. At times, the government subsidizes the CCPA's whole programme of certified seed.

Beyond the umbrella of LOASP and the 1983 co-operative law (Law 83-07), which permits FOs and other co-ops to register, Senegal lacks any FO-specific policy. A policy document for revitalizing agricultural co-operatives was issued in 2007-08, in partnership with producers and other stakeholders but was never formalized.⁶⁹ In spite of this, the country has publicly committed to international co-operative policy, for instance, ratifying the Uniform Act on co-operatives put forward by the Organization for the Harmonization Business Law in Africa (OHADA) in 2010⁷⁰.

The country also lacks government structures specifically responsible for the oversight of farmer organizations. While its Office of Monitoring of Self-Promotion Organizations (BSOAP) does work with FOs, its mandate encompasses co-operatives across all sectors, to whom it provides structuring support, skills training, topical coaching, litigation support, and development planning.

3.2.3. Conclusion and Lessons learned

The CCPA is a well-organized and growing farmers' organization, and its key success factors are:

- Strong communication infrastructure
- A diversified funding model
- Clear governance structure

However, the government's limited support of the CCPA inhibits its ability to support its members in terms of providing inputs, commercializing the circuit, and advocating prices. The lack of a specifically FO-oriented policy also constrains the CCPA's further development. Thus, one lesson to be learned is the importance of ensuring government resources are directed to farmer organizations, especially in the form of inputs and technical training. Given FOs' close link to their members, government investment in agricultural extension can be very powerful if coordinated with FOs.

3.3. Morocco: Tighanimine Filahia Argan Oil Co-operative

From Morocco, a smaller, women-only co-operative highlights the role of women's farmer organizations in the OIC. The Tighanimine co-operative is a village-level organization focused on the production of argan oil, a very high-value specialty oil used both for food (where it sells at a premium even relative to fine olive oil) and in cosmetics. A brief summary of Tighanimine is below, followed by an analysis of its performance on key dimensions.

⁶⁹ From 1947 to 1981, Senegal try many kind of cooperative's structures and governance but they all failed because of bad management, political distortions, etc. (http://www.resopp-sn.org/rubrique.php3?id_rubrique=18)

⁷⁰ Interview with BSOAP

Table 13: Summary of the Tighanimine Filahia Argan Oil Co-operative⁷¹

| | |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type | Local-scale; Producers' organization Women-only, smallholder-only |
| Origin | Established in Morocco in the province of Agadir Idaoutanane in 2007 by 22 women supported by various national and international institutions |
| Purpose | Improves the socio-economic situation of the local population, especially women and girls by helping them increase their autonomy and educate their children Provides valuation of the Argan oil domestically and internationally. Offers training (professionalizing) |
| Footprint | <ul style="list-style-type: none"> Village-level, with 68 members |
| Service provision | <p>Provides the following services for members:</p> <ul style="list-style-type: none"> Commercializes cosmetic argan oil, Alimentary argan oil, Amlou⁷², Beauty cream, Soap, Shampoo, Honey (sold only in Morocco) Develops best practices for the harvest of the raw material Instructs on best practices for storing raw materials Instructs on best practices in work techniques <p>Tighanimine also offers different certifications depending on members' products:</p> <ul style="list-style-type: none"> Fairtrade: The Fairtrade certification ensures fairer trading conditions for disadvantaged producers in the South. These conditions give them the means to fight poverty by themselves, to strengthen their position, to become increasingly autonomous from the market (in as much as prevailing economic, environmental and social criteria allow). Tighanimine was the first argan oil co-operative to benefit from the Fairtrade certification since November 2011. IGP Argane: IGP Argane is a collective label which guarantees the authenticity and traceability of argan oil as a single product strongly linked to the Amazigh culture. This label also certifies that value chain benefits the producers belonging to the territory of the argan tree. Slow Food: Slow Food Biodiversity Foundation promotes food biodiversity and gastronomic traditions from around the world through environmentally and culturally sustainable agriculture. Tighanimine argan oil has been certified by SLOW FOOD since 2001. Eco Cert: Tighanimine argan oil is certified organic by EcoCert and ecological cosmetics Greenlife. |
| Membership profile | <p>To be a Tighanimine co-operative member, one must:</p> <ul style="list-style-type: none"> Be a female resident of the immediate geographical area Have an argan tree Be at least 18 years of age Respect the law of the co-operative Be accepted by the General Assembly |
| Business model | The co-operative depends principally on membership fees (i.e. every new member must pay 500 MAD [~US\$60] to the organization) for capital and on credits/loans (e.g. to buy a car for the co-operative, to convert the co-operative building, etc.). |

⁷¹ This table is based on interviews with Tighanimine leadership in Morocco in October 2014.

⁷² Mixture of toasted almond paste and argan oil

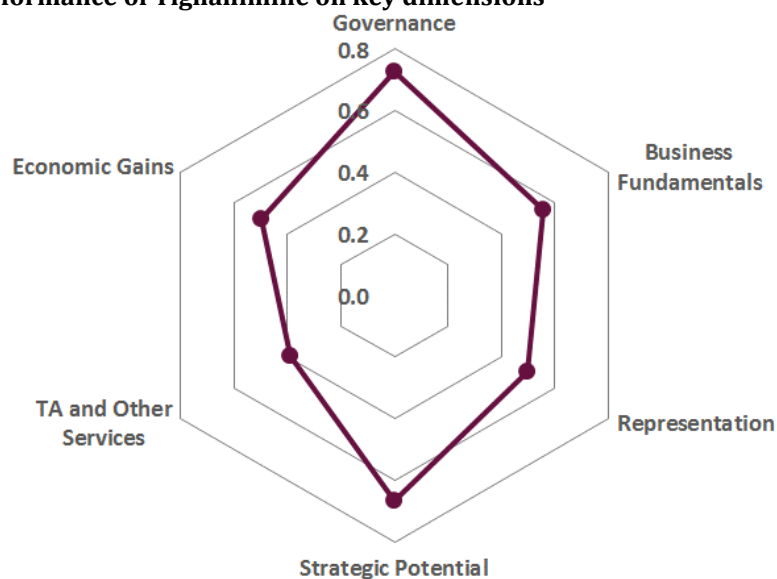
3.3.1. Performance of the Tighanimine Filahia Argan Oil Co-operative

The performance of the Tighanimine co-operative can be assessed by using the Farmer Organization Scoring Tool. Scores are given out of 1.0, and category scores are a weighted average of the component scores (with weights based on the total number of points available per section). As shown in Table 14 below, the co-operative performs very well in Governance and less well in the provision of TA and other services.

Table 14: Performance of Tighanimine in key dimensions⁷³

| Organizational Setup (74 points) | Aggregate Score | Impact capacity (51 points) | Aggregate score |
|------------------------------------------|-----------------|-----------------------------------------------|-----------------|
| Governance (33 points) | 0.73 | Strategic Potential (6 points) | 0.67 |
| Organizational structure | 0.80 | Overall Strategy | 0.67 |
| General Assembly | 0.58 | TA and Other Services (41 points) | 0.39 |
| Communication | 0.83 | Market Access | 0.62 |
| Business Fundamentals (27 points) | 0.56 | Access to Inputs, Equipment, & Infrastructure | 0 |
| Financial Planning and Management | 0.33 | Transportation and Storage | 0.50 |
| Resource & Revenue Generation | 0.63 | Financial Services | 0 |
| Human Resource Management | 1.00 | Meeting Member Needs | 0.50 |
| Systems and Infrastructure | 0.83 | Advisory and Knowledge Services | 1.00 |
| Representation (14 points) | 0.50 | Advocacy, Policy & Collaboration | 1.00 |
| Accountability | 0.50 | Economic Gains (4 points) | 0.50 |
| | | Productivity | 0 |
| | | Quality & Value Addition | 1.00 |

Figure 10: Performance of Tighanimine on key dimensions



⁷³ This table is calculated based on the answers to and scoring system of the Profiling Tool shown in Annex 2, as given to the authors by Tighanimine leadership during an in-country visit to Morocco in October 2014.

The Tighanimine co-operative is powered by its strong governance structure. Its 68 members participate in regular general assemblies and have the decision-making power for the organization. A board of directors is democratically elected and changes annually. The co-operative also has a treasurer who annually audits the operations and prepares a statement of account, which is then sent to an external accountant who consolidates and certifies them with a certified public accountant. However, given its small size, the external accountant is used on once a year and is not a full-time employee, which may hinder continuous monitoring of financial condition.

Challenges of Tighanimine

One area of weakness for the co-operative is in strategic planning. The group has no annual plan or specific budget but rather, works in response to client orders. These orders are limited to a fixed number of clients, which may restrict the co-operative's ability to grow. The co-operative also struggles with competition from another argan oil co-operative that sells its product at lower prices and distributes any profit to its members.⁷⁴ Due to its small size and the competition on prices (which results in reduced revenue), Tighanimine also struggles with providing value-added services for its members, especially in the area of inputs and financial services. As a result, Technical Assistance and Other Services is its lowest-scoring category.

3.3.2. Policy environment

Morocco, under its *Plan Maroc Vert* (PMV) launched in 2008, aims to double the agriculture sector's value and create 1.5 million jobs by 2020. It has two focusses: Pillar I of the PMV supports commercial farmers' integration into domestic and international markets, while Pillar II focuses on co-operative agriculture for small farmers. Under Pillar II, 550 projects directed to 855,000 smallholders are expected to be implemented throughout Morocco by 2020.

While the government has no FO-specific oversight agency, the Office of Cooperation Development (ODCO) is central to the PMV, as it is mandated to implement government co-operative policy and is responsible for defining the incentive structure of co-operative mechanisms. ODCO services include: awareness training with a co-operative's target audience and legal support during formation. Once incorporated, a co-operative can access other ODCO services including management, financial, and legal training.

Pillar II projects facilitate the vertical integration from production to commercialization of each agri-food chain. Farmer organizations are at the heart of these initiatives: Vertical integration is planned through FOs and co-operatives, which the PMV looks to leverage in overcoming land constraints; promoting farmers' participation; disseminating finance, knowledge, and technologies; risk-sharing; and improving marketing and commercialization.⁷⁵

Under the PMV, the Tighanimine co-operative does indeed receive some support from the government. On the organizational side, it receives technical assistance and knowledge transfer to ensure that farmers are adequately represented in decision-making, and it also receives funding from the Ministry of Agriculture to have its products certified as single-origin, traceable Argan Oil, which gives the co-operative advantages in marketing. The Ministry also

⁷⁴ With HACCP norms, Tighanimine take charge of the whole process of the argan oil fabrication from the extraction of the kernels to the final product, rather than buying the kernels from the market.

⁷⁵ The World Bank, Project Information Document for Morocco Social and Integrated Agriculture (P129774), 2013.

funds training and international study trips for co-operative members, and ensures that the cooperative has a reserved space in the Morocco Mall where it can present its products.

3.3.3. Conclusion and lessons learned

The Tighanimine co-operative is a young organization that has grown more than 300% since its start. It is a well-organized co-operative that puts full decision-power in the hands of its members. It has successfully made use of certifications, becoming Fairtrade certified in 2012, in order to help its members capture more of their products final value. It is also supported by a strong policy environment fostered by a government that has both acknowledged the value of FOs in agricultural development, and unlike in some other case studies, actually put resources into co-operatives at the local level. However, it continues to struggle with commercialization and pricing. Additionally, while generally supportive, the overarching policy environment could be improved around production cost control and commercialization techniques.

The important lesson from this case is the effectiveness of Morocco's relationship with Tighanimine. The government's commitment to partnership, and financial support for certification and overseas study trips, is likely an important component of the co-operative's success and is a notable counterpoint to cases where government policies are not backed up by resource allocations.

3.4. Indonesia: Indonesian Peasants' Union (SPI) and Consortium for Agrarian Reform (KPA)

This section profiles two national or apex farmer organizations in Indonesia, the SPI and the KPA. These two FOs are examples of primary peasant, smallholder and community co-operatives and unions. Both organizations have an extensive footprint in Indonesia's rural areas, a track record of successfully providing services to their members, and a reputation for championing agrarian reform. As such, they are unique among this report's case studies in that they emphasize their advocacy role above other typical roles of FOs such as technical assistance, input provision, and market development.

It should be noted that in Indonesia, there are many FOs with different goals, including, for example the National Outstanding Farmers Association (KTNA), which focuses more on capacity building, technical assistance, and access to finance. Because this study is naturally limited in its scope to only five case studies across the entire OIC, it is not possible to capture the full range of farmer organization perspectives within one particular country. Thus, this section is intended to capture only one specific view on major policy questions within Indonesia, by focusing on the challenges and experiences of these two advocacy-focused FOs. It is very likely that a country-specific analysis of the full range of FOs would uncover alternative views regarding needs, goals, and agricultural policies.

The SPI is summarized below, followed by an analysis of its performance. The subsequent section analyzes the KPA and concludes by considering the FOs' own views on how the overall Indonesian policy environment has affected their work.

3.4.1. The SPI

Table 15: Summary of the SPI⁷⁶

| | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type | National-scale; federation; Mixed-gender, smallholder only |
| Origin | Founded in July 1998, originally as the Federation for Indonesian Peasant Union, to focus was on agrarian reform and advocate policy measures to restructure unequal ownership, control, allocation and management of agrarian resources Recently has evolved toward campaigning (i) for food sovereignty, (ii) for sustainable agriculture and anti-neoliberalism, and (iii) against rice imports and unfair trade practices such as subsidized commodity imports |
| Purpose | Serves as an apex advocacy body that fights for the economic, social and political rights and development of rural communities, which includes: <ul style="list-style-type: none"> • Empowering peasants and smallholder farmers through economic, social, political and cultural education of farmers and their communities • Championing an equitable system of land ownership in rural Indonesia • Protecting the legal and socio-economic rights of peasants and smallholder farmers • Strengthening the bonds of solidarity between farmer organizations and other economic and social actors for the achievement of genuine agrarian reform and food security (bolstered by social justice) |
| Footprint | Present in 21 out of Indonesia's 34 provinces at the local, regional and sub-regional level, represents approximately 900,000 members |
| Service provision | Provides the following services for members: <ul style="list-style-type: none"> • Advocates on key agricultural and agrarian reform policy issues • Trains on sustainable farming methods • Provides legal and, in particular, litigation expertise in the face of unsecure tenure and land grabs • Provides some inputs, i.e. organic seeds from its seed bank |
| Membership profile | Members number approximately at 900,000, as SPI membership is defined at a household level, where one member, female or male, of a household representing the household's membership in the General Assembly, which sits once every five years. Households can obtain direct membership, or can become members through village-, district- or sub-district-level organizations with at least 20-30 peasant household members of their own |
| Business model | Registered with the Indonesian government as a <i>mass organization</i> with a wide national footprint. Most revenue comes from annual membership fees of Rp. 10,000 (~ US\$1). The SPI also receives in kind contributions from other social institutions. An example of this, is assistance from public interest lawyers in litigation against the government over land grabs and restrictive intellectual property laws, especially around seed production. |

Performance of the SPI

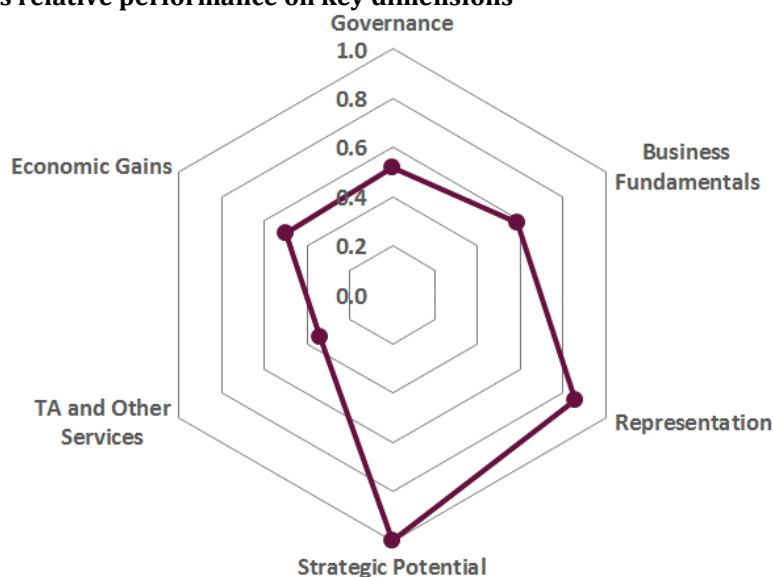
Below, the SPI has been assessed in terms of its organizational set-up and impact capacity using the Farmer Organization Scoring Tool. Scores are given out of 1.0, and category scores are a weighted average of the component scores (where weights are based on the total number of points in each category). Data show that the SPI performs best in the areas of **business fundamentals, governance and representation**.

⁷⁶ This table is based on interviews with SPI leadership in Indonesia in October 2014

Table 16: The SPI's performance on important dimensions⁷⁷

| Organizational Setup (68 points) | Aggregate Score | Impact capacity (51 points) | Aggregate score |
|----------------------------------------------|------------------------|-----------------------------------------------|------------------------|
| | 0.65 | | 0.35 |
| Governance (27 points) | 0.52 | Strategic Potential (6 points) | 1.00 |
| Organizational structure | 0.60 | Overall Strategy | 1.00 |
| General Assembly | 0.42 | TA and Other Services (41 pts) | 0.34 |
| Business Fundamentals (27 points) | 0.67 | Market Access | 0.38 |
| Financial Planning and Management | 0.58 | Access to Inputs, Equipment, & Infrastructure | 0.20 |
| Resource & Revenue Generation | 0.50 | Transportation and Storage | 0 |
| Human Resource Management | 1.00 | Financial Services | 0 |
| Systems and Infrastructure | 1.00 | Meeting Member Needs | 0.50 |
| | | Advisory and Knowledge Services | 1.00 |
| Representation (14 points) | 0.86 | Advocacy, Policy & Collaboration | 1.00 |
| Accountability | 0.86 | Economic Gains (4 points) | 0.50 |
| | | Productivity | 1.00 |
| | | Quality & Value Addition | 0 |

Figure 11: SPI's relative performance on key dimensions



The organization has been quite successful in business fundamentals, preparing a budget annually, which is reviewed at the annual meeting between the National Council and the Executive Committee (Secretariat). The SPI also has a qualified person specifically responsible for budget management and engages an independent auditor to conduct internal and external financial audits each year. While SPI lacks a diversified funding base (most capital comes from members' annual Rp. 10,000 fee), it supplements this by sharing resources with similar donor-

⁷⁷ Communication performance was not able to be assessed for SPI or KPA and is not included in the final score. This table is calculated based on the answers to and scoring system of the Profiling Tool shown in Annex 2, as given to the authors by SPI leadership during an in-country visit to Indonesia in October 2014.

funded civil society organizations and accepting in-kind contributions in the form of training, material, and personnel.

The SPI also has adequate communication infrastructure, allowing it to engage effectively with its membership. In the spheres of governance and accountability, the SPI performs relatively well, by regularly engaging members through telephone, SMS, and email. Even more integral to the FO is its annual meeting of the National Council, where the union's operational activities are communicated and members elect their leaders.

Challenges of the SPI

The main challenge the SPI faces is in the provision of technical assistance and other services, especially physical infrastructure and financial services. This is due in part to its constrained resource base (as mentioned, it lacks diversified revenue sources and members' fees are only US\$1 per year). Another challenge is in one component of governance, as the five-year gap between these General Assemblies means that members may not have a direct role in choosing leadership and programmatic direction as frequently as they may like.

3.4.2. The KPA

The KPA is an organization similar in type to the SPI but with a different history and slightly broader membership base, as allied businesses and agrarian service providers are also included in the membership. Characteristics are shown in the following table.

Table 17: Summary of the KPA⁷⁸

| | |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type | National-scale; federation Mixed gender; predominately smallholder |
| Origin | Established on September 24, 1994, as a consortium of women, farmer, and NGO organizations to promote agrarian reform in Indonesia and achieve justice and welfare for poor and marginalized rural people. |
| Purpose | Views itself primarily as an advocacy body that works toward a fair agrarian system in Indonesia, characterized by the following goals: <ul style="list-style-type: none"> • Equality of allocation of agrarian resources to Indonesian rural folk • Assurance of ownership, possession and use of agrarian resources for peasants, fishermen and indigenous peoples • Prosperity of poor rural communities in Indonesia |
| Footprint | Consists of 120 farmer organizations, with regional representation in 23 provinces across Indonesia including: Java (West, Central and East), Sulawesi (Central and South), West Kalimantan, Bali, Sumatra, Bengkulu, Jambi, Papua and Lampung |
| Service provision | Provides the following services for members: <ul style="list-style-type: none"> • Advocates on agrarian reform and land use policy, to ensure land tenure security for its members • Disseminates information on ecologically sustainable production • Provides legal and paralegal services to farmers facing evictions or legal challenges to their land ownership or tenure • Links farmers and FOs to input providers and financial service providers and other related organizations • Provides training programmes such as 'Advanced Villages for Agrarian Reform' or 'Damara', which aims to create integrated collective farming units and joint business entities at a local and community level • Provides training on the development of co-operative and peasant enterprise, with a |

⁷⁸ This table is based on interviews with KPA leadership in Indonesia in October 2014

| | |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | focus on the Social Solidarity Economy method that is based on the principles of shared access to knowledge, market information and resources |
| Membership profile | KPA has 197 organizations, 120 of whom are producer organizations and 77 of whom are NGOs. To become a member, an organization must have a local, regional or sub-regional presence, with a minimum of 500 members working in agriculture, agrarian reform or business services geared towards farmers and farming communities. Most members are the organizations that represent local Indonesian farmers, with an average household farm size of 0.5 hectares |
| Business model | Registered as a civil society organization in Indonesia. Funding primarily comes from membership fees (at USD 1 per member), donor funding (from the Ford Foundation, Oxfam and the International Land Coalition), loans, and in-kind provision of paralegal and legal services underwritten by the State |

Performance of the KPA

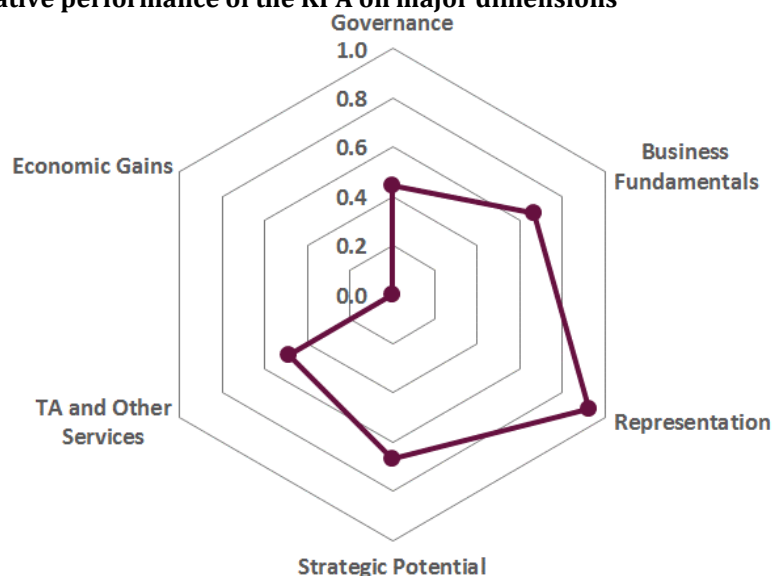
Below, the KPA's performance is assessed across two main areas: organizational setup and impact capacity using the Farmer Organization Scoring Tool. Scores are given out of 1.0, and category scores are a weighted average of the component scores (where weights are based on the total number of points in each category). The KPA performed well in the **technical assistance and other services**, and in **business fundamentals**, and performed less well in terms of **economic gains**.

Table 18: Performance of the KPA in key dimensions⁷⁹

| Organizational Setup (68 points) | Aggregate Score | Impact capacity (51 points) | Aggregate score |
|------------------------------------------|-----------------|-----------------------------------------------|-----------------|
| | 0.63 | | 0.43 |
| Governance (27 points) | 0.44 | Strategic Potential (6 points) | 0.67 |
| Organizational structure | 0.53 | Overall Strategy | 0.67 |
| General Assembly | 0.33 | TA and Other Services (41 pts) | 0.49 |
| Business Fundamentals (27 points) | 0.67 | Market Access | 0.69 |
| Financial Planning and Management | 0.67 | Access to Inputs, Equipment, & Infrastructure | 0 |
| Resource & Revenue Generation | 0.38 | Transportation and Storage | 0 |
| Human Resource Management | 1.00 | Financial Services | 0.50 |
| Systems and Infrastructures | 1.00 | Meeting Member Needs | 0.50 |
| Representation (14 points) | 0.93 | Advisory and Knowledge Services | 1.00 |
| Accountability | 0.93 | Advocacy, Policy & Collaboration | 1.00 |
| | | Economic Gains (4 points) | 0 |
| | | Productivity | 0 |
| | | Quality & Value Addition | 0 |

⁷⁹ This table is calculated based on the answers to and scoring system of the Profiling Tool shown in Annex 2, as given to the authors by SPI leadership during an in-country visit to Indonesia in October 2014.

Figure 12: Relative performance of the KPA on major dimensions



The KPA's technical assistance to members is its strongest function. The KPA conducts assessments of its member's needs, in order to shape its TA offerings; however, it does not yet have the capability to provide much-needed market information to its members. The KPA also offers an extensive amount of legal and paralegal assistance to its members, in response to recent land grabs and other land issues, a service subsidized in great part by the Government. The KPA also provides training to its members in participatory organic farming techniques, which allow farmers to access a potentially higher-value market.

Governance is another strong area for the KPA. The FO gives significant power to members through its deliberative body, the General Assembly. The KPA's communication infrastructure allows it to engage its members frequently, keeping them informed and involved. In addition, the organization also has a Council of Experts comprising agricultural experts, academics and legal experts as well, to advise on its programmatic activities. The organization's financial management system is transparent, and its financial statements are subject to independent audit on an annual basis. The KPA business model is relatively diverse, driven by member contributions and donor funding from the Ford Foundation, Oxfam, and the International Land Coalition.

Challenges of the KPA

However, the FO is unable to provide the resources and clout members need to bargain for better prices and improve their income. In terms of accessing finance, the KPA supplements this gap by linking members to credit and savings unions and other co-operatives for their borrowing needs. In terms of inputs, Iwan Nurdin, the Secretary General of the KPA, stressed that the organization hopes to address this soon by offering more commercial services, in part by establishing a seed bank, which will ensure competitive prices and collective buying and marketing (and thus bargaining) power for members.

Going forward, the KPA wishes to access different markets, in particular the export market, milling and processing, and small-scale agro-processing. It hopes that the opportunities these

markets unlock will be attractive to village youths, who currently choose to labor for low wages in cities or foreign countries, rather than pursue agriculture.⁸⁰ The KPA further believes that small-scale farmers are only able to work 2-3 hours a day productively, due to a lack of inputs and training. They also believe that crop processing can be developed further in rural areas. To counter this, the KPA calls for the creation of more village-level cooperatives that can take on agri-business tasks such as processing.⁸¹

3.4.3. Policy environment for both organizations

Indonesia's history of farmer organizations, and in particular cooperatives, is one marked by extensive state involvement. This has formed an integral part of the nation's development program, as one expert notes:

"The development of farm co-operatives was always in line with the country's food sufficiency program. Specially designed laws and government regulations were introduced to develop and establish the functions of the farm co-operative. Indonesia's farm co-operatives with little exception, were in fact government programme agents which contributed to the success of self-sufficiency in rice."⁸²

At the dawn of independence, the Basic Agrarian Law of 1960 was passed. This law championed the notion of agrarian reform and equitable access to, control, and management of agrarian resources in Indonesia. In the period following this law, agriculture extension policy was centralized, requiring co-ordination between government agencies and local extension officers. In 1967, the Ministry of Agriculture began recruiting village-level agricultural extension workers using the 'train and visit' approach – a process allowed Indonesia to achieve self-sufficiency in rice by 1984.

Farmer organizations existed at this point but were largely government-controlled and used, just like in many other areas, as an avenue for extension delivery. Suradisastra describes FO's role during these years: "The village unit co-operative was given responsibilities in farm credit scheme, agricultural input and incentives distribution, marketing of farm commodities and other economic activities."⁸³ The government guaranteed the marketing and market price to encourage the growth of farm co-operatives. For instance, the Board of Logistics (*Badan Urusan Logistik*, or BULOG), was mandated to stabilize the price of the nation's staple food supply, i.e. rice, corn, soybean, poultry and meat, and other staples. The role of the BULOG was prominent particularly during the harvest period when it bought and stored farmers' produce through the village-unit co-operatives across the country.

This continued until the late 1990s, when trade liberalisation and adjustments to government spending patterns occurred. Local governments were given more responsibilities for agricultural development but had fewer resources to conduct traditional extension. As the market liberalised, there was a perception that Indonesia's rural economy became more concentrated. In the discussion with the SPI, Saragih explained that there is a feeling that land

⁸⁰ Interview with Iwan Nurdin, KPA Offices, Jakarta. Monday 20 October 2014

⁸¹ Rural Transformation through, 'Advanced Villages for Agrarian Reform (Damara)'. <http://www.kpa.or.id/?p=4771&lang=en>

⁸² Suradisastra, K (2006) *Agricultural cooperative in Indonesia*. Indonesian Centre for Agriculture Socioeconomics and Policy Studies

⁸³ Ibid p.1

- and thus the control of the agricultural economy - belongs mostly to transnational corporations and traders, with smaller farmers losing control.

However, recent policy developments have been positive, though implementation is still ongoing. Currently, Indonesia has a broadly focused Ministry of Co-operatives and SMEs aimed at formulating conducive policies and developing the co-operative and small enterprise sector. Since 2003, it has generated a major policy intervention in the FO space - the Land Management and Policy Development Project, which involved the Land Redistribution and Land Reform Plus initiatives. These programmes sought to improve farmers' security of tenure by reforming institutional mechanisms, such as titling and land certification. While this development is welcome, the KPA argues that this process has not fully restructured land ownership and management patterns in rural Indonesia, and that, in their eyes, more work remains to be done. For example, while these programs have an admirable focus improving and strengthening land adjudication and land administration systems, the KPA believes that relatively few smallholder farmers have been able to register their land rights.

In light of this, the two Indonesian FOs interviewed desire support in two major policy areas:

Security of land tenure: The two FOs noted significant disparities in access to land resources in Indonesia. In many instances, the inequity is a result of the country's complex ownership and tenure models. While Indonesian law provides for private land ownership, most of the non-forest land (~30% of total land area, per the World Resources Institute), is vested in the state under the Basic Agrarian Law. Additionally, the profusion of different tenure systems are viewed as perpetuating smallholder insecurity. Land rights are not fully recognized by the state unless one purchases a stipulation of ownership or use, confirming that the land is not state land. Unless such confirmation has been received, the land is presumed to be state land until proven otherwise.

Trade Policy. There is a sense from the farmer organizations interviewed that the country's World Trade Organization (WTO) commitments and trade liberalization have adversely affected its small-scale farmers. When combined with spending cuts across infrastructure, training, and capacity building, these FOs mention that they find it difficult to function effectively. Liberalisation has also meant adverse competition for local producers who now must compete with subsidised agriculture from other areas of the world. Decentralized extension services vested in underresourced local municipalities and greater competition resulting from trade policy have required the farmer organizations profiled here to take on new roles that they do not always have the resources for.

3.4.4. Conclusion and lessons learned

The KPA and SPI are Indonesian apex FOs succeeding in difficult conditions. They have moved away from the traditional demand-led FO model to carve out a much-needed role as advocates for the most fundamental aspect of food security: access to land. While both organizations provide some technical assistance to their members, they acknowledge the dissonance of providing input, financial, logistical, and marketing support to farmers who have no secure land tenure. There is, however, a need to build greater TA capacity within the FOs as demand grows, as the KPA's Nurdin addressed above.

While both the KPA and SPI have much to be proud of, two key achievements should be noted: First, these organizations have proven worthy advocates in key policy and legislative issues,



most recently by SPI's advocacy for farmers in the court system in regards to the 2007 Indonesian Investment Law⁸⁴ This advocacy was, in the eyes of the SPI, driven by strong links with other civil society organizations such as labor unions, as well as with the academic community, and was a product of their willingness proactively engage with the court system (the SPI maintains its own Department of Law and Politics to aid in this effort)⁸⁵. Second, the KPA and SPI have proven their ability to continually improve their product offering by tapping strong alliances with service providers across the entire value chain. However, they readily acknowledge they need to provide more holistic input, credit, logistics, warehousing and storage, and marketing services to their members. Their strengths in resource mobilization and advocacy should help them with this move, although it may not be enough to overcome the effect of trade liberalization on government support resources.

⁸⁴ Fathoni, Yudha, "Challenging the constitutionality of Indonesia's Investment Law", SPI Dept of Law & Politics, 2014

⁸⁵ Ibid.

4. Recent Trends in Strengthening Farmer Organizations at a Global Level

4.1. Basic principles for strong farmer organizations

As discussed in Section 1, strengthening of farmer organizations is an important and relevant goal. The question then becomes: How? “Good communication, a sense of common purpose and cohesion, socio-economic homogeneity, as well as autonomy and freedom from harmful outside interference are factors that contribute towards successful collective action,” writes Ostrom in an analysis of the design of successful rural organizations⁸⁶. The analysis further describes eight design principles that can be applied to strengthen farmer organizations:

- **Clearly defined boundaries.** In specific cases where the right to draw from any common resource pool is reserved for specific members of the community, definite lines should be drawn between individuals and households. (Such lines are often blurred in cases where those same members are part of agricultural households as well.)
- **Congruence between appropriation and provision rules and local conditions.** Appropriation rules restricting time, place, technology and/or quantity of resource units should relate to local conditions and to the provision rules requiring labor, material and/or financial resources.
- **Collective-choice arrangements.** Decisions that impact the collective should be made in consultation with the affected collective group, allowing members to participate in modifying operational rules.
- **Monitoring.** Where applicable, monitors – who actively audit the organizations – should be accountable to the appropriators or should be the appropriators.
- **Graduated sanctions.** Appropriators who violate the agreed-upon operational rules should be given sanctions (depending on the seriousness and context of the offense) by other appropriators, by officials who are accountable to the appropriators, or by both.
- **Conflict-resolution mechanisms.** Appropriators and their officials should have rapid access to low-cost local arenas to resolve internal conflicts that may arise within the cohort.
- **Minimal recognition of rights to organize.** The rights of appropriators to devise their own institutions should not be challenged by external government authorities.
- **Nested enterprises.** In cases where organizations are part of larger systems, appropriation, provision, monitoring enforcement, conflict resolution, and governance activities should be organized in multiple layers of nested enterprises.

Such principles are the bedrock of a thriving FO but even when instituted, seamless operation is not assured. Strong FOs share five characteristics that together help them achieve success.

A trusted, shared agenda. FO members often have divergent goals, which can derail collective progress; as Stockbridge et al. note, “an agreement to participate in collective activities is

⁸⁶ Ostrom, Elinor, “Governing the Commons: The Evolution of Institutions for Collective Action.” New York, 1990.

clearly not a sufficient condition for successful cooperation.⁸⁷ FOs that enjoy the buy in and trust of its members tend to perform better. Strategies to build this cohesion include:

- promoting membership homogeneity in terms of socio-economic status and cultural values
- ensuring the size of the FO matches the organizational abilities of its members
- ensuring that the FO's services reflect the demands of its members and are matched by the its ability to deliver
- ensuring that the FO is able to identify and undertake activities that make good business and commercial sense
- building the FO's self-reliance and autonomy to prevent domination from outsiders (e.g. government, donors and NGOs) in pursuit of their own agendas, and
- avoiding long-term dependence on outside donor support and guidance.

Financial stability is also crucial to FO development, as it ensures the organization to be able to operate autonomously and to invest in long-term objectives. Strong FOs are able to access credit and build capital. Especially in initial stages, FOs must be able to mobilize funds and labor in specific communities. FOs can be strengthened in this manner by providing them with input on credit (payable during the main harvesting seasons), which allows the FO to distribute timely inputs to farmers and validate members' decision to join.

Educated/skilled membership. A farmer organization's members should broadly possess a level of skill and/or education in order to take on the financial and business management tasks required to run an FO, and in order for members to contribute effectively to the governance and long-term sustainability of the organization. In return, the FO should provide strong incentives for members to participate in decision-making and service provision. FOs can be strengthened by help that develops their capacity to enact skills, training and mentorship programs, to ensure an active, informed, and participatory membership.

Good governance. Successful FOs are managed by leaders who are accountable to membership and operate the FO within the framework of strong and reasonable legislation. FOs need support at two levels to achieve this: First, at the organizational level, which lays the groundwork for good day-to-day management. Second, at the strategic level; a solid focus originating from credible leadership enables FOs to target their efforts and achieve their goals.

Resourceful/effective outreach. For many communities where farming activity is scattered, providing extension and other services directly to farmers is often logistically difficult and costly. FOs can circumvent such challenges if they (i) are set up to effectively channel extension and research to farmers, and (ii) deliver services to farmers grouped by location. In Ghana, the Ministry of Food and Agriculture does this by organizing periodic, local field farmer rallies at which information is disseminated and problems identified for further research. In order to effectively execute such a system, however, FOs require investment in the education, professionalism, and capacity of staff, in order to prevent or correct corruption, mismanagement and conflict. They also require appropriate government policies and services, and can be supported in lobbying for such.

⁸⁷ Stockbridge, David, et al., "Farmer Organizations for Market Access: An International Review", 2003.

4.2. Examples of Development Actors Working to Strengthen FOs, and Their Strategies

A number of bilateral and multilateral institutions and agencies have championed the support of FOs as a means to improve smallholder productivity and income. The World Bank, FAO, and other organizations have, through program investment and policy support, highlighted the importance of FOs to agricultural development. These agencies support FOs on a number of levels, using a variety of strategies to enact change.

4.2.1. Overall strategies

Strengthening FOs requires a commitment to developing the capacity of members and empowering leadership and management, while enabling them to maintain autonomy. But the work is not done in a vacuum; it is imperative that an enabling environment be fostered in order for FOs to meet registration requirements, welcome members of all genders and political backgrounds, and offer voluntary membership that empowers smallholder farmers. By understanding the institutional context and supporting conducive policies, agencies can support the government buy-in for FO-strengthening efforts. While varying methods and approaches have been adopted to strengthen FOs, some common, overarching strategies emerge on close examination; they focus on developing (i) technical capacity, (ii) managerial capacity, and (iii) political capacity of FOs.

Technical capacity. Approaches where farmer-to-farmer assistance or mentorship has been offered is most common and promising. The resulting technical capacity includes best practices on farming techniques, affordable access to inputs, and reliable supply. In some cases, the seed and input industry has received specific focus, ensuring that smallholder farmers in remote locations have timely and affordable access to seeds. In other cases, direct funding was channelled to programs for national, regional and local FOs to build professional and financial knowledge and adaptive research capacity, as well as the potential to transfer research findings, technology and know-how to members. Such efforts constantly seek to improve knowledge generation and dissemination, sometimes compiling these “best practices” in print form for members’ easy access.

Agencies are also building these FOs’ technical capacity to get products to markets. Engaging in policy dialogues in some countries, has helped ensure smallholder farmers are not negatively affected by trade agreements. While this type of assistance generally takes the form of advocacy by external agencies, in the future, internal capabilities will hopefully be developed by FO management. An alternative example is the tack taken by the International Fund for Agricultural Development (IFAD), which provides advisory services to FOs as they integrate into value chains and generate, share, and capitalize on experience getting products to market.

Managerial capacity is also being developed for ensuring the cooperative to be able to eventually function completely independently. Donor interventions and capacity building initiatives have focused on the development of core competencies such as activity planning and coordination, training, mentoring, and evaluation, with a view to enhance delivery of planned objectives and accountability.

Common donor intervention strategies in both policy advocacy (working at a national or regional level *on behalf* of FOs) and direct outreach (working *directly with* farmer organizations at a lower level) are described and linked to the specific capacity challenges they are meant to address in Table 19 .

Table 20: Taxonomy of donor interventions to strengthen FO technical and managerial capacity⁸⁸

| Gap | Enabling Environment: Policy advocacy | Technical assistance: Direct outreach |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technical capacity production - | Assist national, regional and local farmers' organizations to build professional and financial knowledge and engage in knowledge sharing with other members. Support the formation of buying groups so that farmers have access to cheaper/ available inputs. | Support " Farmer-to-Farmer " initiatives, individual training and capacity building initiatives that aim to increase the technical skills of smallholder farmers. Secure trade agreements for inputs – especially in areas where access to inputs is low. |
| Technical capacity marketing - | In policy dialogues, put emphasis on social protection and market regulation to build capacity of smallholder farmers. There has also been a shift away from rural market liberalization. Assist cooperative employees to join trade unions , and assist trade unions to establish cooperatives . | Help farmer organizations aggregate their members' produce to sell collectively in order to improve the bargaining power. Provide technical, commercial and financial support services . Promote horizontal and vertical integration of cooperatives . |
| Managerial capacity | Encourage and advocate for FOs to become autonomous and independent – create an environment where managerial capacity can be developed and built. Promote productivity, equality of opportunity and rights of worker-members Work with social partners (employers' and workers' organizations) to create a favorable climate for cooperative development. Advocate for regulations which improve access to financial support | Provide hands-on training to farmers to develop managerial capacity and institutional capacity. Provide coaching and mentorship on financial management, evaluation, and accountability . In some cases, software and printed case studies have been provided. Undertake education and training and invest in human resource development . Provide credit facilities for farmers to get inputs in a timely manner |
| Political capacity | Advocate for the removal of government control or ownership to a large extent; allow farmer organizations to maintain their autonomy Develop partnerships with government where appropriate | Assist FOs in conducting policy studies and analysis and promote meetings to forge common policy position Carry out advocacy and lobbying activities and support the monitoring of policy implementations. Represent cooperatives at the international level and encourage international collaboration |

⁸⁸ This figure is drawn from Dalberg experience in supporting international actors focused on farmer organization development across Africa, Asia, and South America.

4.2.2. Actors working to strengthen FOs and their activities

Numerous multilateral agencies, bilateral agencies, NGOs and private sector organizations have been actively involved in strengthening FOs according to the strategies described in Table 21 above, through direct engagement, grassroots capacity building, advocacy and policy-related interventions, or by providing means for training. IFAD, the World Bank, FAO, African Development Bank (AfDB), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), and others have contributed across all avenues listed above, especially over the past four years. Germany’s Gesellschaft für Internationale Zusammenarbeit (GIZ), the United States Agency for International Development (USAID), and more bilateral donors contribute in a similar nature, while agencies specifically mandated for co-operative development, such as the International Labor Organization (ILO), have created extensive cooperative development networks and legal frameworks. Below, Figure 13 describes the common activities these organizations engage in as they attempt to strengthen farmer organizations.

Figure 14: Common FO-supporting activities of bilateral and multilateral agencies⁸⁹

| | Invest in strengthening service providers | Invest in training and development models for FO networks | Build evidence base and identify lessons learned | Amplify the “Voice of the Farmer” (VoF) and build feedback into partnerships |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Supporting Initiatives | <ul style="list-style-type: none"> • Pilot service provider network to share best practices • Upgrade facilities and FO-focused curriculum of select Colleges, Technical & Vocational centers • Build capacity of public agencies with responsibility for cooperatives and FOs | <ul style="list-style-type: none"> • Support networks of FOs in on-job training, in business skills, governance and accountability mechanisms • Establish and support linkages between FOs and academic research and Ag advisory services • Identify and promulgate models that are more / less effective for FO skill development | <ul style="list-style-type: none"> • Identify lessons learned and best practices in effective FO partnerships and disseminate across countries externally • Develop typology of FO models and diagnostic tool to measure impact of FOs • Develop empirical research-based FO case studies in representative countries • Identify implications for optimal legal & policy environment | <ul style="list-style-type: none"> • Develop and pilot approaches / mechanisms for eliciting the voice of the farmer • Synthesize and share the VoF with key stakeholders, including donors and public agencies • Develop process for incorporating VoF into impact evaluations of programs |

Significant actors and their initiatives and programmes are highlighted below. Most fall into two broad categories: (i) agencies with an agricultural development bent, and (ii) agencies that generally promote cooperative labor models. Below, some of the leading actors and examples of their strategies and recent work are examined.

⁸⁹ This figure is drawn from Dalberg experience in supporting international actors focused on farmer organization development



Agriculture-focused development agencies

IFAD is a specialized agency of the United Nations, established as an international financier of agricultural development projects, primarily for food production in developing countries. IFAD is increasingly engaged in policy dialogue, to increase awareness of how macro-level policies and programmes are linked to micro-level decisions of millions of smallholders, rural entrepreneurs, and farmer organizations. IFAD engages in capacity building on a case-by-case basis and hosts Farmers Forums for information exchange among FOs, donors, and other stakeholders.

One example of IFAD's work is the *Support to Farmers' Organizations in Africa Programme (SFOAP)*, which was piloted in 2009 with US\$1.5m IFAD and EUR 5m from the European Union. The pilot phase, which ran from 2009 – 2012, helped 55 national organizations in 39 countries to increase management capacity and leadership accountability, improve internal farmer organization democracy and governance, and establish policy positions. SFOAP also increased the recognition, reputation and credibility of the FOs with their respective governments, local authorities, and partners by including the FOs in the policy processes. Full details on the SFOAP are given in Section 4.3.4.

The World Bank has played a leading role in the promotion of producer organizations, helping them to further rural development goals, enhance accountability, consolidate local governance, and strengthen market links. In pursuit of their wider development framework to open agricultural markets through increased liberalization and deregulation, the World Bank has actively partnered with associations to develop capacity within FOs.⁹⁰ For example, an FAO evaluation of the Bank's activities found that the World Bank has in past decades established over 500 projects in Africa alone aimed at farmer organizations, including 398 projects to improve smallholder infrastructure, 87 projects focused on capacity building (mainly literacy-related), and a further 48 providing managerial training.⁹¹ One example is the National Agriculture Services Development Programme (PNDSA) II, which invested USD 4.3 million invested in producers' organizations and smallholder-focused rural infrastructure in Burkina Faso.

FAO field projects also support some FOs. A new program to integrate participatory approaches in national agricultural organization has been launched. It is bolstered by the development of software and information management systems for cooperatives, as well as some printed cases, materials, and tools for best practices in the field.

The EBRD is a multilateral development bank that uses investments to build market economies. It has instituted some specific initiatives to expand and intensify the activities of commercial co-operatives. For example, French co-operative Axereal has recently received EUR 38 million in investments from the Bank, intended for strengthening the region's agribusiness sector. Another relevant loan from the bank sent USD 30 million to Ukraine's Desnagrain, a wholly owned subsidiary of French agricultural cooperative Champagne C. Both these investments illustrate the banks' increased interest in developing cooperatives' economic standing. Similar examples can be seen in the AfDB and ADB portfolios.

USAID has committed to strengthening smallholder farmers and their organizations, particularly women, as part of its mandate to fight world hunger. Its New Alliance for Food

⁹⁰ FAO annual report on activities in support of producers' organizations and agricultural cooperatives, 2011

⁹¹ FAO policy brief: producer organizations, 2010

Security and Nutrition, a coalition of more than 70 global and local private sector companies, has dedicated more than USD 3.75 billion to this end.

In 2013, USAID signed cooperative agreements for the provision of farmer-to-farmer volunteer services for international agricultural development. From 2014 to 2018, the program will operate in 22 countries and consist of nearly 3,000 volunteer technical assistance assignments averaging three weeks' duration to respond to the local needs of host-country farmers and organizations. USAID also conducts many agricultural capacity development initiatives and individual country initiatives, such as the five-year project to boost farmer incomes and promote local organizations in Northern Haiti.

Cooperative-focused development agencies

ILO, or the United Nations International Labor Organization, focuses on job creation and enterprise development with an emphasis on cooperatives and gender issues. In recent years, the ILO has among other activities increasingly promoted cooperatives in the Arab States region through technical consultations with government and cooperative movement representations.⁹² It has also helped shape policy and legislation, train government and cooperative staff, and design and implement technical cooperation projects to strengthen the capacities of cooperatives, and continues to offer technical training on cooperative policy and legislation to member governments on request. Within the Decent Work Country Programmes, the ILO's main vehicle for engagement, cooperatives particularly take part in job creation schemes for target groups including women, youth, disabled, indigenous, and tribal peoples.

The ILO also makes use of its Challenge Fund, a financing mechanism to allocate funds to field projects. The CoopAfrica Challenge Fund is set up to be a demand-driven programme, allowing the cooperative community in a given country to influence the investment of available funds, giving grants in response to proposals for amounts between US\$20-50K twice a year. CoopAfrica reported that between 2008 and 2010, cooperatives in 9 African countries created 124,852 self-employment opportunities and 3,954 direct jobs⁹³. The program has supported 1,150 cooperatives directly in this time, benefiting 225,437 members, and supporting 70 projects in Eastern and Southern Africa to date.

The ILO is also the driving force behind Recommendation 193, an internationally-recognized statement of policy principles that encourage strong co-ops and farmer organizations. Recommendation 193 is discussed below in Section 4.3.2.

The Overseas Cooperative Development Council (**OCDC**) is a prime example of collaborative efforts toward sustainable development for agriculture cooperatives and consists of eight member organizations: Agricultural Cooperative Development International, America's Association of Cooperative Insurance Societies, CHF International, Communications Cooperative International, Land O'Lakes Inc., National Cooperative Business Association, National Rural Electric Cooperative Association International, World Council of Credit Unions, Inc. The OCDC aims to combine humanitarian concern with business discipline to create tools and build institutions that can reduce poverty and involve large numbers of people. It is a member-owned body that seeks to improve cooperatives' business practices and membership participation, acts to strengthen national and regional apex organizations, and facilitates an improved economic environment.

⁹² ILO Co-operatives in the Arab World, 2010

⁹³ ILO Co-operatives in the Arab World, 2010

NGO and private actors

Land O'Lakes is a national, farmer-owned food and agriculture cooperative with annual sales of more than US\$11bn. Land O'Lakes has delivered training and technical assistance to and from communities, industry organizations, producer groups, processors, input and service providers, and marketers. Its activities span a wide range of food and agricultural industries in more than 70 countries, as well as provide farmers with an extensive line of agricultural supplies and services.⁹⁴

AGRA, or the Alliance for a Green Revolution in Africa, strives to “fulfil the vision that Africa can feed itself and the world”.⁹⁵ Its programs develop practical solutions to boost farm productivity and income for the poor while safeguarding the environment.

One such program is the Farmer Organization Support Centre in Africa (FOSCA), which aims to transform the lives and livelihoods of smallholder farmers, especially women, by strengthening the farmer organizations that serve them, and doing so in a sustainable and scalable way. FOSCA engages with FOs to help identify their needs, particularly in technical and institutional/managerial capacity, develop a supply of accredited service providers that can meet those needs, facilitate demand-driven delivery of the services to FOs, develop and disseminate knowledge on best practices for supporting FOs, and document evidence of FO impact on livelihoods and economies.⁹⁶ FOSCA's chief goal is to increase the share of farmers belonging to FOs in Sub-Saharan Africa from the current ~10% to ~30% in 2020. To date, FOSCA works with 2,060 registered groups and supports a total of 94,994 smallholder farmers in target countries.

The **Bill and Melinda Gates Foundation** has directed more than USD 2 billion to agricultural development efforts, primarily in Sub-Saharan Africa and South Asia. The foundation has a foundational belief that collective action is increasingly necessary and that strong, transparent, and inclusive FOs are required for smallholders to survive and thrive. Its approach centres on addressing the specific needs of farmers, increasing farm productivity, and fostering sustainable agricultural practices, impactful partnerships and significant collaborations. It invests in FOs so that farmers, through collective action and self-empowerment, can overcome disenfranchisement and improve their livelihood.

AgriCord is a cooperative network of non-governmental agri-organizations with structural links to farmer and rural member organizations in their home countries (eight EU Member states, Canada, Senegal and Asia). These ten agri-agencies (and four associated organizations) support FOs in developing countries by improving both capacity building and concrete operations. AgriTerra, Asia DHRRA, and We Effect are agencies in this network.

- **AgriTerra** supports smallholder FOs in developing countries by promoting, facilitating and supporting long-term cooperation with Dutch organizations.
- **Asia DHRRA**, or the Asian Partnership for the Development of Human Resources in Rural Asia, engages rural development works and practitioners in continuous dialogue around the challenges and responses to rural development. The network facilitates exchanges between 11 social development organizations across Indonesia, Philippines, Malaysia, Thailand, Vietnam, Cambodia, Myanmar, South Korea, Taiwan, and Japan.

⁹⁴ www.landolakesinc.com

⁹⁵ www.agra-alliance.org

⁹⁶ For example, by evaluating improvements in productivity and household income for members participating in FOs, as well as national-scale impacts on productivity

- **We Effect** is a non-governmental and non-profit organization that supports self-help development cooperatives, farmers' associations and informal groups in developing countries.

4.3. Examples of successful institutional frameworks

The enabling environment created by appropriate legal and institutional frameworks has emerged, in the course of this study, as a key factor for FO success. This section explores pro-FO legal and institutional frameworks at three levels: that of the FO itself, that of the country, and that of the larger region. These frameworks can be considered general prerequisites for strong farmer organizations, although local government and economic contexts of course need to be considered.

First, core principles of good governance for an FO, based on principles espoused by the International Cooperative Alliance, are put forth below. Then, at a national level, both the *principles* that enable strong, independent farmer organizations – by looking at legal principles recommended by international FO-focused agencies – and the types of national-level *institutions* that can support FOs – by looking at examples of successful inclusion of FO-strengthening efforts into national agricultural development plans – are examined. Finally, the section ends with a study of pro-FO supranational institutional frameworks, in the form of regional FO bodies.

4.3.1. At an FO level: Respecting core legal principles for strong farmer organizations

Before considering larger institutional frameworks, it is relevant to consider the institution of the FO itself, and examine core principles of good governance. The current state of thinking is that cooperatives, including farmer organizations, around the world function best when they operate according to the core principles and values adopted by the International Cooperative Alliance in 1995 and supported by sound legal frameworks. Of course, these principles are general starting points and, as with any principle, may need to be adapted to local context and traditions. These principles include⁹⁷:

1. **Voluntary and open membership.** The cooperative should be completely voluntary and open to all people who work within agriculture. Every member should accept the responsibilities of membership without gender, social, racial, political, or religious discrimination.
2. **Democratic member control.** The cooperative should be a democratic organization, controlled by its members' (i.e. those who buy the goods or use the services of the cooperative) participation in decision-making.
3. **Members' economic participation.** Members should contribute equally to, and democratically control, the capital of the cooperative. Members benefit in proportion to the business they conduct, not the capital they invest.
4. **Autonomy and independence.** Cooperatives should be autonomous, self-help organizations that are controlled by their members. If the cooperative enters into agreements with other organizations or raises capital from external sources, it does so

⁹⁷ National Cooperative Business Association, CLUSA International

based on terms that ensure continued control by the members and maintains the cooperative's autonomy.

5. **Education, training and information.** The cooperative should provide education and training to members, elected representatives, managers, and employees, so that they can contribute effectively to its development. They should also promote the benefits of cooperation to the general public in order to interest others in joining the organization.
6. **Cooperation among cooperatives.** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
7. **Concern for community.** While focussing on members' needs, cooperatives should also work for the sustainable development of communities through policies and programs accepted by the members.

4.3.2. At a national level: Adopting a guiding framework for the promotion of cooperatives

The first task for a national government seeking to strengthen farmer organizations is to understand core principles of a strong enabling environment – legal principles that will allow strong, autonomous FOs to flourish and work for the benefit of their members, rather than for political or other purposes. The agencies described in Section 4.2 have devoted significant effort to developing recommendations on national level principles, and this section explores two such frameworks: ILO Recommendation 193, and the CLARITY framework developed by USAID.

ILO Recommendation 193

ILO Recommendation 193 is an international convention and standard on the promotion of cooperatives. The Recommendation was adopted by the ILO in 2002 in recognition of the importance of cooperatives in job creation, resource mobilization, and investment generation. The overriding purpose of the Recommendation is to create a workable and actionable guideline to inform and guide interventions aimed at promoting and strengthening cooperatives, which it defines as '*an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise*'⁹⁸.

Recommendation 193 outlines that the promotion and strengthening of the identity of cooperatives should be encouraged on the basis of self-help, self-responsibility, democracy, equity and solidarity. Furthermore, the suggestion that the promotion of cooperatives should be aligned to the cooperative principles reinforces the commitment of the ILO and the international cooperative movement to the values of self-help, democracy and equality, voluntary and open membership and democratic member control. These principles also place a premium on the provision of member education, training and information. These principles have also informed the role that the Recommendation envisages for the government in the promotion of cooperatives. In particular, the government should provide a supportive policy

⁹⁸ International Labor Organisation, Recommendation 193 on the Promotion of Cooperatives. Geneva, June 2002

and legal framework consistent with the nature and functioning of cooperatives. This among other things involves⁹⁹:

- Establishment of an institutional framework allowing for the registration of cooperatives in a rapid and seamless manner
- The promotion of policies aimed at allowing for the creation of appropriate reserves, some of which should be indivisible and some of which will include solidarity funds within cooperatives
- The treatment of cooperatives in accordance with national law and practice, should be on terms no less favorable than those accorded to other enterprise and social organisational forms
- Special consideration should be given to increasing women's participation, and other disadvantaged groups, in the cooperative movement at all levels but in particular at management and leadership levels
- National policies should provide for the facilitation of access to key requirements such as credit, markets, and information. In addition to this, there is a need for policies to provide for the development of technical, vocational, entrepreneurial and managerial skills and the general economic and social policy skills of members.

The Recommendation also aims to define the legal obligations of cooperatives in areas such as registration, financial and social audits. More importantly, the Recommendation, in adopting cooperative values, has proposed a decentralized cooperative governance model, with the formulation and implementations of cooperative policy occurring at a local level¹⁰⁰.

The Recommendation is important, not only because it provides an administrative, regulatory and policy framework that guides the promotion of cooperatives but because it also offers an implementation model that frames the role of the public sector. Historically, cooperatives have been an avenue for the extension of state control and the provision of extension in the case of agriculture and other important social and public goods. However, the values of autonomous and member-controlled governance of cooperatives mean that the state should play a complementary rather than controlling role.

The Recommendation proposes that the governments should facilitate access to cooperatives to support services that will strengthen them, their capacity and the viability of their enterprises. These services include access to finance and investment, accountancy and audit services, human resource development, research and management consultancy services. Governments should facilitate the establishment of these support services and cooperatives should be encouraged to participate in the organization and management of these services, and where possible, finance them. The journey since 2002 hasn't just ended in the adoption of the formal international standard as governance best practice but the involvement of the ILO in making Recommendation 193 a 'living document' has also included providing advisory services to governments and cooperative bodies in numerous countries around the world.

Today, OIC countries such as Guinea-Bissau, Malaysia, Uganda, Benin, Egypt, and Indonesia have all adopted the Recommendation and implemented national cooperative strategies in line with the spirit of the Recommendation¹⁰¹. Indeed, even the francophone *L'Organisation pour l'Harmonisation en Afrique du Droit des Affaires* (Organization for the Harmonization of

⁹⁹ International Labor Organisation, Recommendation 193 on the Promotion of Cooperatives. Geneva, June 2002

¹⁰⁰ Ibid

¹⁰¹ Anthony Murray, *12 Years Later: What has been achieved since the ILO called on governments to promote cooperatives?* Co-operative News 4 July 2014



Business Laws) worked with the ILO to develop a uniform co-operative legal framework, in force since 2011, and covering 17 African countries.

CLARITY

The Cooperative Law and Regulation Initiative (CLARITY), was established by USAID as a means of enabling cooperative development through principles for legal reform. CLARITY seeks to create and disseminate a set of principles for cooperative law reform based on the collective experiences of member organizations.

The CLARITY framework notes that farmer organizations are often unable to comply with regulatory frameworks designed to regulate large businesses or state-owned monopolies. In this way, FOs are prevented from entering certain business areas and expanding their economic influence for members. Thus, one core principle is that legal and regulatory systems should thus be no less advantageous to cooperatives than other businesses in the same sector, while their rights should be protected and sufficient sensitivity given to their mutuality. There should also be reasonable incentives that enable cooperative forms of business within a sector.

It is recommended that regulatory systems be simple, predictable and efficient, while not conflicting with or duplicating other laws. They should also accord due process of law, including applicable rights to hearings, representation, and impartial appeals for state decisions that affect cooperatives or their members. Finally, they should administer the state's role in law enforcement, dispute resolution, licensing, and promotion in a manner that avoids undue influence and minimizes conflicts of interest. In such an environment, good governance of the FO, including the provision of due process in administrative proceedings and the minimization of lengthy bureaucratic processes, can flourish.

4.3.3. At a national level: Including FO-strengthening in national agricultural transformation plans

While in most governments such regulatory systems are customarily the provenance of the Ministry of Agriculture, institutional arrangements that supplement – and occasionally bypass – traditional structures have often been integral in enabling FOs. For instance, agricultural transformation agencies in Ethiopia and Malaysia have been tasked with working with farmer organisations on initiatives and strategies aimed at developing agricultural institutions and value chains and, consequently, improving the incomes and livelihoods of smallholder farmers. These agencies are examined in detail below.

The Example of Ethiopia

In Ethiopia, where poverty and food insecurity continue to be a challenge in rural areas, agricultural development is imperative; the poorest sub-sector of rural households are chronically reliant on social safety net programmes and food aid. However, the country has recently undergone a period of rapid growth within the agriculture sector. The government, structured as a federal parliamentary republic, has committed to improving sector productivity to ensure food self-sufficiency and has allocated more than 15% of its total budget.¹⁰² Although a significant amount of this figure is dedicated to the Disaster Risk Management and Food Security programme, many officials acknowledge the need to reform a sector dominated by subsistence, low-input and minimally productive rain-fed farming and

¹⁰² *Ethiopia Agricultural Sector Policy and Investment Framework 2010-2020*. Ministry of Agriculture and Rural Development. Draft Final Report, 15 September 2010

where droughts periodically reverse performance gains. Therefore, reforms aimed at achieving sustained sector growth, poverty reduction and rural development are engaging the organisations that serve these farmers – i.e. cooperatives.

The Ministry of Agriculture, working with partners and regional bureaus of agriculture, established the Agricultural Transformation Agency (ATA) in 2010 to address the structural issues that constrain the sector despite its recent growth. ATA works in partnership with the Ministry of Agriculture to think about catalytic transformational issues that must be addressed. ATA represents a notable break with the past, as cooperatives and FOs have historically operated in a very different environment. Beginning in the 1970s, cooperatives were encouraged to support the state's policy of collective ownership of property and production. However, cooperatives formed in this period were forced to collectively produce and market output through government-owned marketing agencies. Membership was compulsory, contrary to the fundamental cooperative principle of voluntary participation.

However, beginning in the early 1990s, the state began to see cooperatives in another light. Proclamations in 1998 and 2004 adopted a different tone, and reinforced cooperative principles and incentivized membership by improving members' rights in the areas of ownership, voting, share transfers and risk management.¹⁰³ In many ways, the establishment of ATA was a commitment to cooperative ideals, as the ATA has a mandate to support, rather than control co-operatives.

ATA works at a systematic level with these farmers' cooperatives and associations. After analysing the challenges of Ethiopia's FOs with ATA's help, the Ministry of Agriculture and its agencies and stakeholders launched the Agricultural Cooperatives Sector Development Strategy, which aims to improve the incomes and productivity of smallholder farmers. ATA has been working with the Federal Cooperative Agency and Regional Cooperative Promotion Agencies to implement and introduce the following interventions,¹⁰⁴ as part of the Development Strategy, to strengthen Ethiopia's FOs:

- A new **certification system for cooperatives**, which will recognize the effective and self-sustaining nature and professional governance structure of particular cooperatives. This certification system will serve as a signal to farmers, financiers, and buyers that they need to hold their FOs accountable to best practices in administration, governance, and service provision. Moreover, the advanced certification system will enable various partners to understand their existing capabilities and deficiencies clearly, and foster better-targeted capacity building and training activities.
- A new **auditing system** that will strengthen and expand public sector audit capacity for farmer organisations and their members. Auditors acknowledge the gap between the quality of existing audits and the established standards of Ethiopia's financial and other institutions. An augmented system will involve improving auditors' technical skills and the preparation of an auditing manual. The process will also consider the country's financial reporting system and the demands of financial institutions working with cooperatives, such as credit and savings unions.

¹⁰³ Bezabih Emana, *Cooperative Movement in Ethiopia*. Presentation delivered at the Workshop on perspectives for Cooperatives in Eastern Africa, October 2-3, 2012, Uganda.

¹⁰⁴ Ethiopian Agricultural Transformation Agency Website <http://www.ata.gov.et/programs/system-programs/cooperatives/>

- A fully capable **Co-operative College ‘Centre of Excellence’**, which will be a valuable training centre on cooperative development and approaches to improve farm incomes and productivity. Educational programs and training materials for various high-priority areas have already been developed, followed by pilot training efforts held with sesame unions in 2013.
- **Capacity building** efforts aim to improve the technical and infrastructural capabilities of FOs in Ethiopia, in particular in the Tigray and Amhara regions. These efforts have involved the construction of four warehouses, accompanied by technical training in key areas.
- A **Commission-Based Output Marketing system**, wherein cooperatives market the product of farmers and deduct a commission for the services they provide, paying the net profits to farmers. ATA recommended this marketing system improvement after reviewing the current marketing system, in which surpluses are often not distributed as expected to FO members. In this system, the FO doesn’t take ownership of the product but rather offers the marketing service to members of the cooperative and receives a commission for its service. The amount of commission is also decided by mutual agreement between the cooperative and the farmers, ensuring that agricultural commodity trade will deliver more gains to smallholder farmers.

The above initiatives aim to ensure Ethiopian FOs are operating as high-functioning business organizations. Today, Ethiopia’s Federal Co-operative Agency recognizes approximately 40,000 cooperatives and farmer organisations in the country, 10,000 of which are estimated to be farmer organizations, suggesting significant potential for growth in the sector in the coming years.

The example of Malaysia

Malaysia’s economy is less dependent on farming than Ethiopia, with only 11% of its workforce engaged in agriculture; this nation of 30m people is well on its way to developed-nation status. Malaysia aims by 2020 to have a Gross National Income (GNI) per capita of US\$15,000 as a result of an Economic Transformation Programme (ETP) launched in 2010. The ETP calls for US\$444bn in investments to create 3.3m new jobs across 12 National Key Economic Areas (NKEAs), sectors that contribute significantly to the country’s GNI.¹⁰⁵ However, even in an upper-middle-income country such as Malaysia, agriculture is important to broader economic development, and the government recognizes this fact. The plan for the agriculture sector, identified as an NKEA, “focuses on transforming a traditionally small-scale production-based sector into a large-scale agribusiness industry that contributes to economic growth and sustainability.”¹⁰⁶ This involves four key actions: capitalising on competitive advantages, tapping premium markets, aligning food security objectives with increasing GNI, and participating in the regional agriculture value chain.¹⁰⁷

But even before the ETP, the Malaysian government had recognized that FOs and cooperatives in general face unique challenges. Specifically, small-scale operations, poor understanding of cooperative values, and a lack of entrepreneurial culture and professionalism troubled the country’s cooperatives. In response, the National Cooperative Policy of 2011-2020, aligned with the ETP, was implemented. The policy calls for:

¹⁰⁵ Website of the Malaysian Economic Transformation Programme (ETP).

¹⁰⁶ Pemandu, Government of Malaysia website. 2014

¹⁰⁷ Ibid.

- Stimulating participation of cooperatives in high-value economic sectors
- Strengthen the capacity and capability of cooperatives
- Create and develop the capability of human capital in cooperatives
- Improve public confidence in the cooperative movement
- Strengthen cooperatives through effective supervision and enforcement

The cooperative policy, like the ETP, is broad based but identifies agriculture and agro-based industry as a 'key result area'. The policy encourages agricultural cooperatives (other than FOs for crop farming and the rearing of livestock) to participate in high-value activities such as aquaculture and the cultivation of mushrooms and organic vegetables – lucrative markets for smallholder farmers. Overall, the Malaysian government is taking a novel, multi-stakeholder approach to developing a judicious mix of agriculture and aquaculture, with FOs, large anchor enterprises and government agencies taking the lead.

In this environment, the cooperative movement in Malaysia has grown strongly. According to the National Co-operative Policy, by the end of 2009, the country had 1,362 registered co-operatives representing 290,000 members. This represents more than 40% of the Malaysian agricultural workforce, which, as discussed in Section 2, is in the top fifth of OIC member countries for which data is available. The Malaysian government credits this growth to the mobilisation of internal funding through membership subscriptions and shares and to government assistance in the form of grants and soft loans.¹⁰⁸

4.3.4. Regional level: Supporting regional farmer organizations and collaboration

While national governments can play a major role in developing strong farmer organizations, as discussed above, the interconnected nature of the global economy leaves room for regional efforts as well. Collaboration between FOs in the same region or across regions can unlock significant income and livelihood benefits for smallholder farmers. This section examines two successful regional FOs and collaborative models to draw out lessons that can inform policy.

Support for Farmers Organizations in Africa Programme (SFOAP)

The SFOAP was launched in 2009 by four regional FO networks to strengthen their own capacity and policy involvement and that of their FOs and pan-African networks. The pilot phase, between 2009-2012, involved collaborative work between Eastern Africa Farmers Federation, Plateforme Sous-Regionale des Organisations Paysannes d'Afrique Centrale (representing Central Africa), Réseau des Organisations Paysannes et de Producteurs de l'Afrique de l'Ouest (representing West Africa), and the Southern African Confederation of Agricultural Unions, which led to the creation of a continental FO body: the Pan-African Farmers Organization (PAFO). Funded by the European Union and IFAD, the main thrust of the programme is around developing FOs' economic services to integrate smallholder farmers in agricultural value chains. The program introduced the following:

- Strategic tools such as constitutional texts and membership databases
- Provision of staff, equipment and training resources
- Conduct policy studies and analyses
- Support in carrying out policy advocacy and lobbying activities
- Support in the monitoring of policy implementation
- Provision of advisory services and training for integration into value chains

¹⁰⁸ National Cooperative Policy 2011-2020

The pilot addressed limited cases and assessed its results, impact and scalability, intending to develop good practices from both the successes and failures, which will be disseminated through the regional networks. The main results of the pilot follow:

- **Improved management capacity** through the securing of staff for day-to-day management and financial accounting, which in turn benefitted the national farmer organizations
- **Sharper corporate governance** by developing more than 31 constitutional texts, procedure manuals, strategic plans and institutional databases strengthened
- **Policy position adoption**, with both a national and regional lens, based on more than 40 evidence-based studies that consulted members and various stakeholders
- **Broader recognition, better reputations and increased credibility** with governments, local authorities, and partners, stemming after local, regional and continental policy forums

The final component and result of the programme was the capacitation of PAFO to actively participate in policy dialogue at a pan-African and international level.

The Asian Farmers Association (AFA)

The AFA is a regional alliance of 17 national federations and organizations of small-scale male and female farmers and producers in 13 countries in Asia. The organization was established in 2012 after a series of farmer exchange visits. AFA works with national FOs, as members, and NGOs, which help form national apex farmers' organisations and build their capabilities. The AFA spans four programmatic areas:

- **Advocacy.** The AFA provides consultations among members, helps inform and analyse policy, lobbies decision-makers and other influential individuals and organizations, and campaigns and directs action.
- **Knowledge Management and Sharing.** The AFA develops the knowledge and skills of FO leaders and members by capturing the members' grassroots experiences and sharing them with other farmers through on- and offline activities.
- **Enterprise Development.** The AFA also provides technical and managerial support to members' initiatives in agricultural production, marketing, and enterprise development at a regional level.
- **Governance.** The AFA assists FOs in maintaining and upgrading transparent, democratic, effective, efficient, and sustainable organizational systems and processes for decision-making and organizational management.

SFOAP and AFA indicate that there is scope for collaborative efforts and institutions at the regional level that can support national FOs' efforts to support local farmers. These two programmes make clear that regional efforts can unlock resources for capacity building and policy advocacy. Moreover, these programmes also enable FOs to have a voice at important regional and global decision-making fora. However, while there is the potential for programmes like SFOAP and AFA to improve the bargaining position of smallholders in increasingly transnational and global agriculture value chains, this opportunity has not yet been met.

4.4. Global case studies: Two successful farmer organizations

Before examining the specifics of FOs in OIC member countries, it is worth reviewing some examples of successful farmer organizations around the world. While the universe of farmer organizations is extremely broad, and two examples cannot fully convey the landscape, the two examples discussed in this section should provide a sense for the range of FO structures, services, and models.

The **Zambia National Farmers' Union** is a well-regarded apex body of farmers not restricted to any particular crop, region, or size, while the **Agrarian Coffee Cooperative of the Apurimac River Valley** of Peru is a smaller, local organization focused on a single commodity. Brief outlines of the organizations follow, along with an analysis of their business models, service provision, and a look at the overall policy environment. Each section concludes with keys to the success of the organization and larger lessons that can be learned.

4.4.1. Zambia National Farmers' Union (ZNFU)

The ZNFU is the independent, politically-neutral apex body for farmers and agri-businesses in Zambia. It is a national-scale organization that includes members of all sizes. A brief overview of its history, characteristics, services, and business model is given below.

Table 22: Characteristics of the ZNFU¹⁰⁹

| Type | National-scale | Federation | Mixed-gender, Mixed-size |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------|
| Origin and history | The ZNFU was formed in 1905 as the Rhodesia National Farmers' Union and for most of its early history was exclusively for commercial farmers, predominately white settlers. After independence in 1964, ZNFU membership gradually evolved but was still commercial farmer-dominated until the 1980s and 1990s, when small-scale farmers began to join in increasing numbers. After 1992, the ZNFU officially changed its name to represent its policy of inclusivity and today represents the diverse nature of farmers in Zambia. | | |
| Purpose | ZNFU's chief goal is to represent the interests of farmers in Zambia and to encourage the development of the broader agricultural sector by advocating for pro-agriculture policies, ensuring the spread of knowledge and information, and bringing together stakeholders from across the industry. It is strictly independent and non-partisan. | | |
| Footprint | ZNFU is national in scale and is the largest farmer organization in Zambia. It has approximately 71,000 members, including nearly all of Zambia's commercial and emerging commercial farmers and a significant share of small-scale farmers. ZNFU is organized into 71 "District Farmers Associations", each with an elected Executive Committee. Some of these (depending on the region) represent only small-scale farmers, while others represent both small- and large-scale farmers. The ZNFU also maintains a separate agribusiness forum to bring in the voices of ~100 downstream users of agricultural goods, in order to ensure policy collaboration. | | |

¹⁰⁹ This section is drawn from online documents published by ZNFU (www.znfu.org.zm) and from interviews conducted by Dalberg in July 2014.

| | |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Service provision</p> | <p>ZNFU provides a number of services to its members, most prominently serving as the voice of the farmer and of the broader agricultural sector in discussions with government, where it advocates for increased support to farmers and pro-farmer trade policy.</p> <p>Other services and functions it carries out include:</p> <ul style="list-style-type: none"> • Small-scale input credit support through its Lima credit scheme, where SHF can obtain 50% financing for inputs on favorable terms from commercial banks • Credit support for mechanization for medium-scale farmers • Free dissemination of market prices for a variety of crops and regions, by both website and SMS (updated weekly) • The preparation and dissemination of handbooks, production guides, and farmer budgets to improve farmers' technical and managerial capacity • The coordination and execution of planting and production estimates in all major crops, as an adjunct to the government's less-reliable and less-timely surveys, as well as the production of public knowledge goods such as value chain studies <p>ZNFU has set up a separate unit, the Conservation Farming Unit (CFU), to provide training and technical assistance for small- and medium-scale farmers adopting conservation farming techniques in order to increase yields and reduce costs. Through the CFU, ZNFU brings training and advice to ~140,000 farmers.</p> |
| <p>Membership profile</p> | <p>Membership in ZNFU is open to all farmers, whether small-scale or commercial, in Zambia. In addition to its core domestic farmer membership, ZNFU also features commodity association members and corporate members such as large-scale multinational agri-investors. ZNFU maintains a separate chamber for agribusinesses along the value chain, including suppliers of inputs, traders, and processors of agricultural products, to increase coordination.</p> |
| <p>Business model</p> | <p>ZNFU is supported primarily through membership dues, which are levied on large-scale farmers and agribusinesses roughly in proportion to their revenue. Membership dues are also collected indirectly from small-scale farmers through their District Associations. In recent years, a significant portion of funding, especially for new initiatives like the CFU, and for knowledge production in the form of value chain reports, etc., has come primarily from international donors like Sweden, the Netherlands, and Norway. Around 48% of funds were from donors in 2011 (latest figures), and while still high, this is down from 65% in 2009.</p> |

Results and challenges¹¹⁰

ZNFU is generally well-regarded by Zambian industry participants, including large-scale farmers, small-scale farmers, and agricultural inputs suppliers. It is also well-regarded in the international community, with IFAD citing “capable management and technical staff, and innovative programmes in support of their members,” as well as credibility with the government, industry stakeholders, and its own membership.¹¹¹ An independent evaluation of

¹¹⁰ Other than where noted, this section is drawn primarily from interviews conducted by Dalberg with ZNFU staff and Zambian agricultural stakeholders in July 2014.

¹¹¹ IFAD Country Operational Strategic Outline for Zambia, 2011.

ZNFU by the Swedish International Development Agency (SIDA) was largely positive, citing significant membership growth and frequent, successful advocacy: “The level of [advocacy] activity has been high particularly at the HQ level, where a number of successes have proven the effectiveness of the function.” SIDA also cited generally successful service provision (chiefly in terms of credit access, with marketing support being less successful), noting that “a major motivation for small scale farmers, particularly the women farmers to be members of ZNFU through the DFAs is the access to services. The satisfaction among members for the services that they receive is high and has increased.”¹¹²

One key area of success for the ZNFU has been in avoiding the racial politics that plague many Southern African farmers’ unions and creating an open, inclusive membership base. ZNFU is the only apex organization in the country, and its membership includes both small-scale and emerging-commercial black farmers and large-scale white farmers; there is no offshoot “white” farmers’ union, as there is in countries like Zimbabwe. ZNFU Districts where large numbers of white farmers are headed by a black elected representative, and the converse, are both common and unremarkable in the eyes of ZNFU members. ZNFU is also becoming increasingly gender-inclusive, with a female Deputy Director and female representatives elected across several districts.

ZNFU has also been successful in providing services to farmers that the Zambian Government does not administer or does not administer efficiently. These services include basic knowledge transfer – crop estimates, production handbooks, and value chain studies, etc. – as well as input support. For instance, the Zambian government input support program, which focuses on free fertilizer distribution, has been marred by late deliveries, inconsistent quality, unsuitable fertilizer types for soil conditions, and politicization of access. As a result, industry participants report significant farmer dissatisfaction and overall inefficacy. In response, the ZNFU has in the past several years piloted its own input support program, focusing on subsidized credit access rather than free delivery, and expanded the program to cover all types of inputs using a more flexible electronic voucher program. This Lima Credit Scheme has been generally regarded as successful (albeit still expensive, given the requirement of a 50% down payment) and continues to grow.

These successes, however, do not imply the absence of challenges. One main challenge for the ZNFU is in the area of government policy, specifically in ensuring that farmers’ interests are counted alongside those of urban consumers and downstream industry participants. Small-scale farmers in Zambia continuously struggle with the low price of maize, due in part to long-time government involvement in the market through export bans and purchases at low prices fixed by the Food Reserve Agency. While such actions are partially in response to food security concerns, industry participants say there is a political benefit to ensuring low-cost maize is available to urban voters, which drives maize policy. Similar political advantages accrue from taxing large-scale farmers, who face significant taxes on electricity, fuel, and other inputs that hamper their cost-competitiveness. The ZNFU has made some headway against these taxes and interventions through ongoing dialogue with the government but the policy environment is still unsettled.

The ZNFU’s other challenges include (i) financial sustainability, given the high (although declining) portion of income that comes from international donors, and, according to the

¹¹² Chipeta, Sanne et al, “External Review of Core Support under Joint Financial Agreement to Zambia National Farmers Union”, SIDA, July 2012.

independent evaluation, (ii) ensuring that small-scale farmers are connected to ZNFU lobbying efforts and can both understand and influence these efforts. The SIDA evaluation notes that farmer views on the main purpose of ZNFU are split, with small-scale farmers supporting ZNFU due to its service provision, and large-scale farmers supporting its advocacy role. While currently all sizes of farmers work together in ZNFU, this dual view could create the potential for divisions in the organization.

Keys to ZNFU’s success and lessons for other environments

According to industry participants, the ZNFU has been successful primarily due to the inclusiveness of its coalition and the unified front it is able to present to the government and to other industries. With 71,000 members that encompass small- and large-scale interests and white and black farmers, and with no competing splinter organizations, the ZNFU is able to maintain credibility with both the government and downstream industry participants. ZNFU efforts to build bridges to downstream participants through its Agri-Business Chamber, which provides a consultative, non-confrontational way for farmers and buyers/processors to discuss common issues, also factor into its achievements and could serve as a model for other FOs seeking to advocate more effectively.

Finally, the ZNFU also has continuously innovated on its member services, introducing new programs to expand access to inputs, disseminate information and knowledge, and include new types of stakeholders. This pro-innovation attitude is also cited as an important factor in its successful growth and provides a broadly applicable lesson for other FOs.

4.4.2. Cooperativa Agraria Cafetalera Valle Río Apurimac (CACVRA)

CACVRA, or the Agrarian Coffee Cooperative of the Apurimac River Valley, is a community-scale Peruvian organization dedicated to the production of specialty coffee and cocoa for export. A brief overview of its history, characteristics, services, and business model is given below.

Table 23: Characteristics of CACVRA

| Type | Local-scale | Cooperative / Producers’ organization | Mixed-gender, smallholder-only |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------|
| Origin and history | CACVRA was founded in 1969 in Ayacucho, along the Apurimac River in South-Central Peru. Originally founded as a small organization of local coffee farmers, it expanded rapidly to almost 4,000 members in the late 1970s. ¹¹³ However, coffee production was disrupted within the region throughout the 1980s, which led to the near-collapse of the cooperative. ¹¹⁴ After peace was restored in the early 1990s, membership rebounded and in 2003, the cooperative aligned with the brand-new “Fair Trade” premium coffee and cocoa movement, growing to 1,600 members in the mid-2000s. Today, the cooperative has nearly 3,000 members. | | |

¹¹³ “Producer Profiles – CACVRA” Fair Trade USA, no date. <http://fairtradeusa.org/producer-profiles/cacvra-cooperativa-agraria-cafetalera-valle-rio-apurimac>

¹¹⁴ “Our Partners – CACVRA” – Equal Exchange Co-operative, n.d. <http://equalexchange.coop/our-partners/farmer-partners/cacvra>

| | |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose | CACVRA's focus is producing premium organic coffee and cocoa for export to the US and EU, certified according to Fair Trade standards. |
| Footprint and Membership profile | CACVRA is a local organization based in the Ayacucho region, in the Andes highlands of South Central Peru. It currently consists of ~2,700 small-scale coffee- and cocoa-growing members of both genders. |
| Service provision | CACVRA functions primarily as a marketing organization, investing in transportation, storage, and primary processing (i.e. hulling and drying) assets for its members, and organizing certification under the Fair Trade scheme, which allows its members to earn premiums over standard prices. Through these premiums, it has been able to offer additional services to members, including women's empowerment programs (exchanges and workshops with other women's organizations in Peru) and community educational programs. ¹¹⁵ |
| Business model | <p>CACVRA is a co-operative producers' organization, which means it earns revenue directly from selling products produced by its members. It sells 100% of its coffee and cocoa through the Fair Trade certification scheme to the US and the EU, including to businesses such as Starbucks¹¹⁶, which enables it to earn a Fair Trade premium above standard market prices. This premium is invested in ways chosen by the membership, often educational, social, and environmental programs.</p> <p>CACVRA also maintains a small-scale processing and packaging plant employing 30 people and in 2013 obtained a trademark for the "Coffee CACVRA" brand¹¹⁷, allowing it to capture more of the final value of the coffee it produces.</p> |

Results and challenges

CACVRA faced a very significant challenge in the 1980s when agriculture was disrupted throughout the Andean highlands. From near-collapse, the organization has quite successfully regained stability and strength, recording strong growth in the past decade. It reached 1,600 members in the early 2000s and more than 2,700 by 2011. Given the often short lifespan of small-scale cooperatives, this growth and longevity is a notable success.

CACVRA has also been successful at moving upmarket into higher-value products, transitioning from standard-grade coffee in the 1970s to organic, certified coffee – which was recognized as one of the top 4 Peruvian coffees in 2011.¹¹⁸ In addition, CACVRA has also diversified, adding cocoa production to its mandate and becoming the first Peruvian producer of organic, Fair Trade cocoa.¹¹⁹ The registration of a trademark for its own coffee brand in 2013 signifies continued focus on moving upmarket and capturing more value for its members.

¹¹⁵ "Producer Profiles – CACVRA"

¹¹⁶ "Ministro Jiménez entregó registro de marca a cooperativa cafetalera del VRAEM", *Los Andes*, 11 June 2013. <http://www.losandes.com.pe/Nacional/20130611/72226.html>

¹¹⁷ Ibid.

¹¹⁸ "Producer Profiles – CACVRA"

¹¹⁹ "Peru: cocoa as an alternative to coca", PRONATEC, n.d. <http://pronatec.com/news/87/66/Peru-cocoa-as-an-alternative-to-coca/d,News%20active%20effect.html>

Keys to CACVRA's success and lessons for other environments

While participation in the Fair Trade scheme has apparently been successful for CACVRA, the scheme itself should not be viewed as a panacea or a general policy recommendation. A broader discussion of the impact of Fair Trade is beyond the scope of this paper but it is important to note that many objections to Fair Trade can be found in the literature, where outside observers note that in some cases, participating organizations are not able to sell all of their produce through the scheme despite incurring significant certification costs, and that, in general, only a limited amount of the retail "Fair Trade" markup may actually reach the primary producers.¹²⁰

The issue of Fair Trade aside, however, some lessons from CACVRA seem broadly applicable:

- Continuously increasing the quality of production and the share of value captured is an important goal for organizations that hope to make a significant and sustainable impact on members' livelihoods. This is especially true in the context of liberalized global markets where commodity price fluctuations are no longer absorbed by governments.
- Diversification may also be an important strategy for small-scale cooperatives in the context of liberalized markets – but organizations may need support in diversifying. In CACVRA's case, for example, Pronatec, a German trader of specialty organic goods, provided technical assistance to the organization as it sought to diversify into Fair Trade cocoa in the early 2000s.
- Agricultural co-operatives face significant challenges in post-conflict situations but supporting them through the immediate post-conflict period can help repair the social and economic fabric of a region.

¹²⁰ For a concise summary of the objections, see Griffiths, Peter, "Ethical objections to Fairtrade," *Journal of Business Ethics* July 2011.

5. Policy Recommendations for Strengthening FOs in OIC Member Countries

Overall, the research found that the state of farmer organizations within the OIC is reasonably strong, with a long tradition to build upon and generally appropriate supporting structures. As in much of the rest of the world, however, there exist significant majorities of farmers in many OIC states that are not yet belonging to and receiving the benefits of farmer organizations. In light of this, the next step is to continue building the capacity of farmer organizations through appropriate policies and targeted support actions. This concluding section presents policy recommendations in two areas.

The first area relates to policy actions that can help address the common capacity gaps and challenges faced by FOs (recall from Section 1.4 that these can be technical, institutional and managerial, or political). Actions that OIC Member Countries could consider undertaking include reaffirming the principle of farmer organization independence and autonomy from government control; increasing spending for government extension, input support, and small-scale infrastructure development with the goal of relieving some of the reported financial burdens faced by FOs; and potentially encouraging market research into the design of FO-targeted financing and banking products. It is also noted that a workshop could be held to discuss the appropriate mandate and organizational structure for governmental bodies dedicated to working with FOs, as these exist in many Member Countries and can be a source of value for FOs.

The second area relates to opportunities for collaboration among member countries and between member countries and multilateral organizations. Here, several opportunities are noted, including the possibility of collaborating with the ILO on the inclusion of pro-farmer organization Recommendation 193 principles (discussed in Section 4.3.2) into national policy; the potential to collaborate with the FAO and national and regional statistical bodies to enhance data collection on FO-related issues; and the possibility of organizing a cross-OIC learning workshop where parties from one OIC region (such as the African group, where a number of pro-FO policies have been implemented) may share their findings with parties from other regions.

Full details of the recommendations are given below.

5.1. Policy measures to reduce the challenges inherent in organizing farmers and encourage the strengthening of OIC Member Countries' FO capacity

The strategies pursued by the international and regional FO-strengthening actors described in Section 4.2, along with the institutional frameworks discussed in Section 4.3, together provide the outlines of a framework for helping farmers organize into strong FOs. These strategies and frameworks – especially ILO Recommendation 193, discussed below in Section 5.2 – should be considered a starting point for any OIC action to promote farmer organizations.

Sections 2.1.2 and 2.1.3 describe how the enabling environment for farmer organizations within the OIC is reasonably strong at a high level, with some specific challenges. One area of note is the issue of government involvement in FOs. Research in Section 2.1.3 reveals that 30% of Arab and Asian group countries have an apex farmer organization that is linked to or controlled by the government. Given that, as discussed in Section 4, independence and autonomy are widely considered to be core enabling principles for strong FOs, as a first

principle **the OIC Member Countries should re-affirm the principle of farmer organization autonomy** and publicly affirm the independence of apex farmer organizations. Experts note that excessive government presence may discourage farmers from aligning with FOs, and may reduce members' sense of ownership, which, as discussed, is a crucial component of good FO governance¹²¹.

The case studies revealed that FOs within the OIC suffer from the same types of challenges common to FOs across the world, with access to resources for service provision being a particular challenge. The FOs profiled in Section 3 desire to support their members in all phases of farming, from the provision of inputs and technical knowledge to the negotiation of prices with buyers, to the provision of value-added processing and logistics services that enable their members to obtain a larger share of the final value of their agricultural products. However, these FOs run into resource constraints – both financial and technical – frequently and as a result are not able to achieve their highest ambitions.

Addressing this challenge starts by recognizing that FOs are asked to play a more significant role in today's post-liberalization, globalized agriculture economy than they were in the past. With freer trade flows and less influence in crop marketing, governments face a declining resource envelope and continued financial constraints.¹²² This has meant that many activities traditionally provided by the government – agricultural extension, inputs provision or subsidy, and even social and educational development – must often be provided by FOs if they are to be provided at all. This situation was a prominent concern of the FOs interviewed during this research.

In light of this, some recommendations emerge for the OIC Member Countries. The first is **for Member Countries to advocate for increased budgetary allocations for government extension, input support, and small-scale infrastructure development** that FOs can benefit from, while ensuring that FO voices are heard in consultations between agricultural development funders and the governments of OIC member countries – a policy that IFAD, for example, emphasizes when developing country-level intervention plans¹²³. Related to this, it is recommended that each Member Country's ministry of agriculture establishes a dedicated body to work with farmer organizations and build their capacity. At the moment, such a body was not identified in 27% of countries covered by the research. Even where such bodies do exist, **a workshop could be organized to discuss the appropriate mandate and organizational structure for such bodies** (with participation from FOs and international experts in addition to ministry representatives), so that they can be most effective in their role of supporting farmer organizations.

Another way of addressing the resource challenge is **the advancement of smallholder-focused financial services in the OIC**. As discussed in Section 2.2.3, banks – Islamic and non-Islamic – across the OIC are experimenting with and introducing financial products expressly intended to benefit farmer organizations. This line of experimentation appears to be a very promising one to support, as access to credit remains one of the most critical obstacles to overcome in order to strengthen farmer organizations. Here, **market research could be**

¹²¹ Polat, Huseyin, "Cooperatives in the Arab World: Reaffirming their validity for local and regional development", ILO 2010

¹²² FAO, "Producer organisations: Reclaiming opportunities for development", 2010; also IFAD, "The Farmers' Forum in Asia & the Pacific Region: Consultations In 2005". For a broader discussion on liberalization and its effect on government services to farmers, see Onumah, Gideon et al, "Empowering Smallholder Farmers in Markets: Changing Agricultural Marketing Systems and Innovative Responses by Producer Organizations", 2007

¹²³ IFAD, "IFAD and Farmer Organizations – Partnerships in Progress", 2012

conducted, with the goals of: identifying the needs of FOs in specific regions, understanding what challenges banks face in lending to FOs at present (for example, a perception that risk is too high), and exploring potential financial product solutions for farmer organizations. As access to credit allows FOs to purchase productivity-enhancing inputs for their members and also exercise greater market power by aggregating their members' produce, this could have beneficial effects on the strength and effectiveness of farmer organizations in the OIC.

5.2. Possibilities for co-operation between OIC Member Countries and among Member Countries and multilateral organizations

Given the overall OIC mandate "to promote cooperation among Member States to achieve sustained socioeconomic development for effective integration in the global economy, in conformity with the principles of partnership and equality"¹²⁴, identifying opportunities for OIC Member Countries to support cooperation among themselves and between the OIC and global partners was an important goal. To this end, three such opportunities are described below.

The first opportunity is for **OIC Member Countries to collaborate with the ILO on adapting and implementing Recommendation 193 in the OIC context**. As discussed in Section 4.3.2, Recommendation 193 provides a framework for farmer organization promotion, covering areas such as autonomy and freedom from government interference, ease of registration, equality under the law for co-operatives and other forms of corporate organization, gender equity, and dedication of government resources to capacity-building and service provision. Recommendation 193 has already been adapted by several OIC member countries, including Malaysia, Uganda, Benin, Egypt, Indonesia, and Guinea-Bissau; continuing this work is a way to advance the relationship between FOs and the state. Here, **workshops could be convened involving Members' Ministries of Agriculture and the ILO, with the ILO providing advice on the creation of such policies and Member Countries advising on OIC-specific considerations**.

OIC Member countries could also encourage **better data on farmer organizations and strengthening efforts**. This study found significant gaps in the availability of data on the size and strength of farmer organizations as well as on government allocations for FO-strengthening efforts (note that these gaps are not unique to the OIC but are a common problem in many parts of the world). These data gaps can impair the effectiveness of FO-related policymaking, as, for example, it becomes difficult to calculate the scale of resources required to assist FOs when the total size of the FO landscape in a country is not known. As discussed in Section 2.1.2, reliable data on FO penetration in some form was found in only 29 of 52 countries researched. There could be an opportunity for the Member Countries to collaborate with another OIC body, the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), in this area. Going further, **Member Countries could coordinate with the FAO** (an important source of worldwide agricultural statistics) **on appropriate definitions and methodologies for OIC farmer organization statistics**. There are **three specific, important statistical areas to focus on for the OIC Member Countries**:

¹²⁴ OIC Charter



1. Reporting the numbers of registered farmer organizations on an annual basis
2. Developing and implementing methods to estimate total FO membership and FO membership as a share of the total agricultural workforce, perhaps every five to ten years in line with an agricultural census. In this area, OIC Member Countries could coordinate with the FAO on an appropriate methodology
3. Reporting budgetary allocations to FO-promotion bodies and programs in the interests of transparency and encouragement of greater focus in this area

Finally, an interesting area for OIC Member Countries to drive cooperation within the OIC could be in **convening learning exchanges or policy seminars where African governments and other OIC member governments can exchange dialogue on pro-farmer organization policy**. Research has shown a significant amount of policy and program experimentation – perhaps more so than in other regions – occurs across Africa, including in the 17 OIC member countries of the Africa Group. Section 2.1.2 highlights just a few recent pro-FO policies across African member countries, and others can be found in any international study on farmer organizations. In addition, African FO enabling environments are in some areas further ahead than other OIC regions¹²⁵. One way of implementing such an arrangement would be for **OIC Member Countries to partner with an international body such as IFAD or the Consultative Group on International Agricultural Research (CGIAR) and jointly host an event** focusing on the design and impacts of new pro-farmer organization policies in Africa.

¹²⁵ For example, all apex FO bodies and national farmers' unions operating in African OIC member countries were found to be independent of government control, versus only 70% of Asian and Arab bodies

Annex 1. Farmer Organizations in OIC Member States: Cross-Country Comparative Analysis

This annex provides more details behind the cross-country comparative analysis presented in Chapter 3.1 of this report, including country-specific answers to each of the questions posed, and the corresponding sources used. As described in the body of the report, the analysis aims to capture the country-level picture of Farmer Organization strength through understanding the policy enabling environment, as well as the market structure. To this end, the following questions were researched by reviewing public qualitative and quantitative data sources from across the OIC:

1. *Does the country have a co-operative law that gives legal standing to farmer organizations?*
2. *Does the government have a body with the specific mandate to work with farmer organizations?*
3. *Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations?*
4. *What is the current strength of the farmer organization movement in the country?*

For the fourth and final question to estimate farmer organization strength, additional information on methodology is provided in Annex 1.2.

Country-specific answers to each question follows overleaf, presented by regional group. Note that research for this study was conducted in English, French, and Arabic, which meant that researchers were not able to capture every country within the OIC, as some countries do not publish any documents (e.g. Ministry of Agriculture reports) in those three languages. As a result, the tables below focus on 51 of the 57 OIC member states. Thus, the omission of any one country from the tables below is merely the result of the availability of public research sources and should not be construed as a negative finding on a certain country.

Annex. 1.1 Individual country results from cross-country desk research

| 1. Does the country have a co-operative law that gives legal standing to farmer organizations? | | | | |
|------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group | Country | Y/N | Source | Comments |
| African Countries | Cameroon | ✓ | Cameroun Associations Jeunes | <i>This law was passed in November 1992. The law regulates the conditions required for the creation and organization of FOs and cooperatives. The law also emphasizes transparency and accessibility as important conditions for successful governance of FOs.</i> |
| | Guinea-Bissau | ✓ | International Labour Organization | <i>The first cooperative law in all former French dependencies was the French cooperative law of 1947, followed by a special cooperative legislation for state-sponsored cooperatives introduced in 1955. No relevant law has been implemented since independence.</i> |
| | Benin | ✓ | Memoire Online | <i>This law was originally passed in 1961 and emphasized the role of FOs and cooperatives as structures of political organization in Benin. The emphasis has since been less on political organization and more on economic productivity.</i> |
| | Burkina Faso | ✓ | Roppa Info | <i>Law 014/99 was passed in 1999. This law regulates all rural producer organizations including FOs. The law also emphasizes that FOs must be organized by crops produced and by fields of activity.</i> |
| | Mali | ✓ | Nyeleni full text of the law | <i>The Law on Agricultural Orientation regulates all aspects of agricultural development in Mali. Articles 4 and 30 list cooperatives and FOs as stakeholders in agricultural development that are concerned by this law.</i> |
| | Chad | ✓ | International Labour Organization | <i>The law in question is Decree 318/PR-MTJS-DTMOPS that was passed on the 7th of November 1969. The law regulates agricultural enterprises and is applicable to agricultural cooperatives. The law also regulates farmers' work hours as well as the exploitation of forests and of cattle.</i> |
| | Cote d'Ivoire | ✓ | Ivorian Ministry of Agriculture | <i>Law N 97-721 passed in 12/23/1997. This law addressed the following gaps in previous laws: (i) Decentralization of administrative procedures that farmers must go through in order to create an FO, (ii) Requirements that administrators of FOs be professionals in the organization's field of activity, and (iii) exemption of FOs from taxes.</i> |
| | Senegal | ✓ | Official Journal of the Republic of Senegal, 2010 | - |
| | Gabon | ✓ | Official Journal of the Republic of Gabon, 2009 | <i>Law 028/2008 passed in December 2008 and focuses on sustainable agricultural development and on the development of rural areas. Article 13 states that the Government commits to providing a stipend for farmers who hope to enrol in training programs that would improve their productivity. In addition, Article 14 states that the Government commits to providing a stipend for farmers who utilize environmentally sustainable production methods. This law further regulates the governance and structure of organizations and associations formed by agricultural producers.</i> |
| | Gambia | ✓ | NATLEX, using the advanced search function | - |
| | Guinea | ✓ | International Labour Organization Database | <i>This law was passed in 2005 and regulates all economic organizations that are cooperative in nature. These also non-profit associations and agricultural cooperatives.</i> |
| Sierra Leone | ✓ | International Labour Organization | <i>Co-operative Societies Act 1977</i> | |

| 1. Does the country have a co-operative law that gives legal standing to farmer organizations? | | | | |
|------------------------------------------------------------------------------------------------|------------|-----|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group | Country | Y/N | Source | Comments |
| African Countries (cont'd) | Mozambique | ✓ | Agency for International Development / The cooperative law & regulation initiative (CLARITY) | In 2009, Mozambique did not have a cooperative law. Farmers' cooperatives around the country used a farmer association law to formalize their organizations. However, that law does not envision such associations operating as independent businesses and fails to give them many of the basic powers needed to operate a successful enterprise. |
| | Niger | ✓ | National Network of Chambers of Agriculture in Niger (RECA) | This law was passed on the 6th of November 1996. The law defines cooperatives as organizations formed by individuals with the aim of addressing a shared problem. FOs as well as other producer organizations fall under this definition. See additional resources folder for a full guide to this law. |
| | Nigeria | ✓ | Policy and Legal Advocacy Centre | Nigerian Co-Operative Societies Act aims to provide for the registration and operation of co-operative societies throughout the Federation and for related purposes. |
| | Togo | ✓ | Agriculteurs Français de Développement International | The law on farmer organizations in Togo dates back to September 1971. This law defines the conditions for the creation of FOs and their governance. It is heavily influenced by French legislation that was passed since as early as 1901. Additionally, Togo is part of the "Organization for the Harmonization of Business Law in Africa" (OHADA) and hence adopts legislation passed by this organization. Notably, Togo has adopted OHADA's uniform act for the rights of cooperatives. |
| | Uganda | ✓ | International Labour Organization | Cooperative Societies Statute 1991 / Cap 112(2000); the Cooperative Societies Regulations; and the Cooperative Model By-laws. |
| Arab Countries | Algeria | ✓ | Ministry of Agriculture | Articles 53-56 of the 08-16 Law (2008): (i) allows the creation of FO; (ii) mandates that the FO be a non-profit organization with the goals of facilitating production processes, reducing input prices, and improving the quality of products; (iii) outlines guidelines for FO creation; (iv) allows creation of unions of FOs. |
| | Comoros | ✓ | International Labour Organization | As of 2009, there is no formal law; but agricultural cooperatives exist. |
| | Djibouti | ✓ | La Nation Djibouti | This law dates back to 1901 and forbids cooperatives from making profit. A new law was proposed in parliament in 2013. This law allows for the creation of cooperative enterprises and for farmers to freely create autonomous and independent organizations. |
| | Iraq | ✓ | International Labour Organization | The first cooperative law in Iraq was adopted in 1922. There are currently three co-operative laws in Iraq: Number 202 (1977); number 85 (1982); number 1992 (15). The 1992 law was amended twice in 1994 and 1999. |
| | Jordan | ✓ | International Labour Organization | Jordan has had a co-operative law since 1952. It was amended a couple of times to incorporate comments and recommendations from the ILO, eventually resulting in the adoption of Law No.18 in 1997. |
| | Kuwait | ✓ | Kuwaiti AlDiwan Al-Amiri | Kuwait does have a co-operative law that gives legal standing to farmer organizations. In the first half of the 20th century, the operations of co-operatives were organized by the law of social organizations and clubs, as no specific law for cooperatives existed at the time. However, the issuance of the law No.20 of 1962 brought a law that was specific to the establishment, membership, management, control, dissolving and liquidation issues of cooperatives in Kuwait. |

| 1. Does the country have a co-operative law that gives legal standing to farmer organizations? | | | | |
|------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group | Country | Y/N | Source | Comments |
| Arab Countries (cont'd) | Lebanon | ✓ | International Labour Organization | Lebanon's first ever cooperative law was enacted in 1909. The last amendments on it were made in 1983. |
| | Libya | ✓ | Food and Agriculture Organization | In the late 1990s, the Libyan government established agricultural development policies to create farmers' cooperatives. |
| | Bahrain | ✓ | Food and Agriculture Organization | Bahrain's co-operative law was last adjusted in 2006. The Bahraini co-operative law is divided into 8 chapters and 69 articles that outline different issues ranging from the legal requirements and conditions for establishing a co-operative, to the finance sources and income of co-operatives. |
| | Mauritania | ✓ | Food and Agriculture Organization | Law number 96-010 of January 1996 gives FOs legal standing |
| | Morocco | ✓ | Development of Cooperation Office | Law Number 24-83 defines farmers' organization (cooperative agricole) as a group of people who get together to establish an enterprise that creates goods or services that the group of people needs. It includes: general guidelines (guarantees body independence, legal status, etc.); creation and agreement procedures; membership regulation (admission, retirement, etc.); capital instructions; organization and functions (general assembly, admin office); financial guidelines; control and assistance; integration and dissolution; fiscal obligations; penal provisions; FO unions; National Federation of Cooperatives. |
| | Egypt | ✓ | Government of Egypt | Egypt 2014 constitution establishes government support for cooperatives and guarantees protection and independence. |
| | Oman | ✓ | Shabiba | Despite the fact that Oman has a long history of reliance on the agriculture sector prior to the discovery of oil, there is no law in the country that gives legal standing to co-operatives of any kind, let alone FOs. There were high recommendations given by Sultan Qaboos to start drafting such a law three years ago, however, these recommendations have not been taken into consideration as of today. |
| | Palestine | ✓ | International Labour Organization | This is a complicated issue, given the complex situation of Palestine as a state. In the West Bank, cooperatives still operate under the umbrella of the 1956 Jordanian Cooperative Law. However, this is not the case in the Gaza Strip, where cooperatives work according to the Egyptian cooperatives law of 1934. A new cooperative law was issued in 2009 by the PNA under the recommendations of the ILO, however, its consistency in both the West Bank and the Gaza Strip is still not optimal. |
| | Qatar | ✓ | International Labour Organization | The activities of cooperatives in Qatar are regulated by the Co-operative Law of Qatar that was legislated in 1975. |
| | Saudi Arabia | ✓ | Food and Agriculture Organization | Farmer organizations do have legal standing in Saudi Arabia. However, this is not done through a specific co-operative law. |
| | Sudan | ✓ | USAID 2008 - The Cooperative Law and Regulation Initiative- | Cooperative Societies Act, 33, 2003: |
| Syria | ✓ | International Labour Organization | The co-operative law that still guides the work of co-operatives in Syria today is the 1955 number 65f law. | |

| 1. Does the country have a co-operative law that gives legal standing to farmer organizations? | | | | |
|------------------------------------------------------------------------------------------------|----------------------|-----|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group | Country | Y/N | Source | Comments |
| Arab Countries (cont'd) | Somalia | ✓ | <u>Somaliswiss</u> | <i>In 1973, the government passed a law on national agricultural cooperatives allowing the existing 3 types of cooperatives: (i) multi-purpose (to protect the number of lower-level organizations); (ii) group farm cooperatives, and (iii) producer cooperatives.</i> |
| | United Arab Emirates | ✓ | <u>Etihad Co-operative in Dubai</u> | <i>The UAE does have a co-operative law that gives legal standing to farmer organization. This is the law No 13 established in the year 1976. Due to the federal nature of the UAE, different emirates (constituents of the union) might have different iterations of this law.</i> |
| | Tunisia | ✓ | <u>Legislation Official Journal</u> | <i>Law 84-28 of May 12, 1984, gives legal standing to FOs but requires the Ministry of Agriculture to approve the FO. Law also includes procedures to create FO and administrative laws</i> |
| | Yemen | ✓ | <u>International Labour Organization</u> | <i>The model of co-operatives as known today was introduced to Yemen in the 1960s. Yemen's cooperative law was introduced in 1994 and amended in 1998 for the last time.</i> |
| Asian Countries | Afghanistan | ✓ | <u>Krijnen</u> | <i>Cooperatives can be registered with the government to receive subsidies.</i> |
| | Bangladesh | ✓ | Food and Agriculture Organization | <i>A 2011 cooperative law was drafted but not yet approved (FAO). However, there are three other legislations that affect FOs located across three registration agencies of government: (i) Department of Social Services - Founding Act: Voluntary Social Organization (1961); (ii) Office of the Registrar of Joint Stock Companies and Firms (RJSC) - Founding Act: The Society Registration Act (1860); and (iii) Department of Cooperatives (DoC) - Founding Act: Cooperative Society Ordinance (1984).</i> |
| | Guyana | ✓ | Journal of small business management by Raghunandan, Moolchand; Kistow, Balraj (1998) | <i>On 1 September 1948, Guyana enacted its first cooperative society's acts; The rural agricultural development authority act followed nearly forty years later, on 17 May 1990.</i> |
| | Indonesia | ✓ | Personal communication during case studies | - |
| | Kazakhstan | ✓ | <u>Webmeets</u> | <i>Civil Code: Production Coop (articles 96-101) (1994); Law of Production Cooperatives (1995); Law of Rural Consumer Cooperation (1999); Law of Consumer Cooperatives (2001) and Law of Rural Consumer Cooperatives of Water Users (2003)</i> |
| | Malaysia | ✓ | ICA Research Conference: Enhancing Co-Operative Movement To Achieve Malaysia's Development Goals | <i>There are various Acts that give legal standing to Farmer Organizations in Malaysia. The most notable one is the Cooperatives Societies Act of 1993. There are others such as Farmers' Organization Act of 1973 (it was amended in 1983); Farmers' Organization Authority Act of 1973 (amended in 1999) etc.</i> |
| | Maldives | ✓ | <u>Ministry of Economic Development</u> | <i>Law on Cooperative Societies (Dhivehi).</i> |
| | Azerbaijan | ✓ | <u>Food and Agriculture Organization</u> | <i>A Draft Law on agricultural cooperatives has been discussed (2010-2013) but it has yet to be an official law.</i> |
| | Pakistan | ✓ | <u>Food and Agriculture Organization</u> | <i>The Co-Operative Societies Act, 1925 provides for the formation, registration and regulation of cooperative societies for the promotion of thrift, self-help and mutual assistance amongst agriculturist or other persons with common economic or social interests and for achieving better standards of living and for the matters incidental thereto.</i> |

| 1. Does the country have a co-operative law that gives legal standing to farmer organizations? | | | | |
|-------------------------------------------------------------------------------------------------------|-------------------|------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group | Country | Y/N | Source | Comments |
| Asian Countries (cont'd) | Tajikistan | ✓ | <u>Food and Agriculture Organization</u> | <i>Law of Consumer Cooperation (1992); Civil Code: Production Coops (articles 118-123); Consumer Coops (article 128 (1999);)Law of Production Cooperatives (2002) and Law of Cooperatives 2013</i> |
| | Turkey | ✓ | <u>Food and Agriculture Organization</u> | <i>Turkey has a rich history of cooperative legal framework dating as far back as 1929. The evolution of the cooperative legal framework has seen the introduction of numerous cooperative laws. These include v.i.z i) "Agricultural Credit Cooperatives Law; No. 1470" was passed in 1929. ii) 1935 agricultural sales and credit cooperatives (Laws No. 2834 and 2836); iii) 1969 The Law on Cooperatives (No. 1163); In 1972, due to the scope of existing legislation becoming insufficient, the need for a new and more comprehensive law became apparent. Therefore, Law No.1581 that emulated the German Raiffeisen Cooperatives enacted and replaced Law No. 2836. The Turkish Agricultural Credit Cooperatives (ACC) came under the overall responsibility of the Ministry of Agriculture and Rural Affairs in line the law number 3223 in 1985. As the size, scope and needs of the ACC continued to grow, there was a proliferation of new laws, including Law No. 1581 enacted in 1972 which was further amended by Law No. 533 in 1995</i> |
| | Suriname | ✓ | <u>International Labour Organization</u> | <i>Cooperative Associations Ordinance 1944</i> |
| | Uzbekistan | ✓ | <u>Food and Agriculture Organization</u> | <i>Law of Cooperation (revised 1993-98) and Law of Agricultural [Production] Coops (Shirkats)</i> |

2. Does the government have a body with the specific mandate to work with farmer organizations?

| Group | Country | Y/N | Source | Comments |
|-------------------|---------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| African Countries | Cameroon | ✓ | Ministry of Agriculture | <i>There is no department or body with the explicit mandate to work broadly with FOs. The two main government organizations are the Societe de Developpement du Cacao (SODECAO) and the Fonds de Developpement du Cacao et du Café (FODECC), which deal with producers of specific crops.</i> |
| | Guinea-Bissau | ✓ | N/A | <i>There is no data available to ascertain whether there is any department or body responsible for farmer organizations in Guinea-Bissau. What can be gathered from the very limited information is that there is a Ministry of Agriculture and Rural Development. Its functions are not stated.</i> |
| | Benin | ✓ | Official Website of the Benin Ministere des Affaires Etrangeres | <i>Chambre Nationale d'Agriculture (CNA)</i> |
| | Burkina Faso | ✓ | <i>Fondation pour l'Agriculture et la Ruralite dans le Monde</i> | <i>Confederation Paysanne du Faso (CPF)</i> |
| | Mali | ✗ | Global Forum for Rural Advisory Services | <i>The "Assemblee Permanente des Chambres d'Agriculture du Mali" (APCAM) is a representative body that comprises all nine regional Farmers' Chambers and serves as the official interface between FOs and the Malian Government. APCAM works primarily with the National Directorate of Agriculture. But please note that this organization does not operate within the Malian Government. The co-operative law requires regional chambers to form a representative body that would engage with the different national directorates that are concerned with agriculture. In a way, this is a way for the government to outsource the function of working closely with FOs while at the same time empowering FOs to create and run their own representative institution.</i> |
| | Chad | ✓ | Online News Article: Memoire Online | <i>The Government has two main structures in place for this purpose: (i) On a national level: Direction de l'Action Cooperative, and (ii) On a local level: Comites Locaux d'Agreement (the exact number of these committees is not available). Both structures are under the Ministry of Commerce, Industry, Agriculture, Mines, and Handcrafts.</i> |
| | Cote d'Ivoire | ✓ | Official website of the Ivorian Ministry of Agriculture | <i>The "Direction des Organisations Professionnelles Agricoles" (DOPA), within the Ministry of Agriculture.</i> |
| | Senegal | ✗ | Official Council | <i>The National Council for Rural Co-operation (CNCR) was created in 1993 and consists of 26 member federations.</i> |
| | Gabon | ✓ | Ministry of Agriculture, Breeding, and Rural Development | <i>The "Office National de Developpement Rural" (ONDR) is the body that was created for this purpose. The office operates under the Ministry of Agriculture, Breeding, and Rural Development.</i> |
| Gambia | ✓ | Official Website of the Gambian Ministry of Agriculture | <i>The National Agricultural Development Agency (NADA), is charged with the organization and co-ordination of co-operatives</i> | |

| 2. Does the government have a body with the specific mandate to work with farmer organizations? | | | | |
|-------------------------------------------------------------------------------------------------|--------------|-----|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group | Country | Y/N | Source | Comments |
| African Countries (cont'd) | Guinea | ✓ | Global Forum for Rural Advisory Services | <i>The National Agency Promoting Rural & Agricultural Consulting (ANPROCA) is the government organization responsible for working with and strengthening FOs in Guinea.</i> |
| | Sierra Leone | N/A | N/A | <i>Most publications and websites that profile Sierra Leone's agricultural sector do not reference institutional arrangements apart from the Ministry of Agriculture, Forestry and Food Security. The Ministry does not seem to have a website either.</i> |
| | Mozambique | ✓ | United States Agency for International Development, Food and Agriculture Organization | <i>The Ministry of Agriculture and the Ministry of Planning and Development have various programmes designed to support FOs in Mozambique. They have, over time, been institutionalized with the support of international development agencies such as USAID, IFAD. These programmes include: FSLPD (Family Sector Livestock Development Programme); ASP (Agricultural Support Programme); NADP (Niassa Agricultural Development Project); PAMA (Agricultural Markets Support Programme); RFSP (Rural Finance Support Programme) and PROMER (Rural Markets Promotion Programme). In addition, there is also an Institute for Development of Small-Scale Fisheries.</i> |
| | Niger | ✓ | Réseau National des Chambres d'Agriculture du Niger | <i>This is the National Network of Chambers of Agriculture in Niger (RECA).</i> |
| | Nigeria | ✓ | Federal Ministry of Agriculture and Rural Development | <i>Department of Cooperatives under the Federal Ministry of Agriculture and Rural Development</i> |
| | Togo | ✓ | Ministry of Agriculture | <i>La "Direction des Filières Vegetales" (DFV) is the government body that was created for this purpose.</i> |
| | Uganda | ✓ | Agency of the Ministry of Agriculture Animal Industry and Fisheries | <i>The National Agricultural Advisory Services Organization</i> |
| Arab Countries | Algeria | ✓ | Academic Paper by Professor Benakrat | <i>Les Organisations Professionnelles Agricoles (The Professional Organizations of Agriculture, or OPA) consists of 3 sub-bodies: Agriculture Chambers; Associations; and Cooperatives. This body was created in 1988 under IMF pressure to liberalize the Algerian economy.</i> |
| | Comoros | ✓ | International Fund for Agricultural Development | <i>CEFADER (Centre d'Appui Federal au Developpement Rural) is a government umbrella for all agricultural initiatives</i> |

2. Does the government have a body with the specific mandate to work with farmer organizations?

| Group | Country | Y/N | Source | Comments |
|-------------------------|------------|-----|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Arab Countries (cont'd) | Djibouti | ✓ | Official Website of the Ministry of Agriculture, Water, Fisheries, Animal, and Maritime Resources | <i>Direction de l'Agriculture et des Forets is a government body that is under the Ministry of Agriculture, Water, Fisheries, Animal, and Maritime Resources.</i> |
| | Egypt | × | Academic Dissertation in German University | <i>No specific agency was established to support FOs; administrative authority is directly under the Ministry of Agriculture.</i> |
| | Iraq | ✓ | International Labour Organization | <i>The Green Mada'In Association for Agricultural Development. This non-profit organization gathers more than 800 farmers mainly from the region of East Baghdad. It was formed with the financial and technical help of the United States in 2008 to rebuild Iraq's agricultural sector after the war, specifically through strengthening FOs.</i> |
| | Jordan | ✓ | International Labour Organization | <i>The Jordan Cooperative Corporative (JCC) was created to replace the JCO in promoting and strengthening cooperatives (agricultural and non-agricultural). It is fully financed by the government.</i> |
| | Kuwait | ✓ | Public Authority of Agriculture Affairs and Fishing Resources | <i>The Public Authority of Agriculture Affairs and Fishing Resources is the main body working to improve the conditions of FOs in Kuwait. It is actually the equivalent of the country's ministry of agriculture. However, due to the small size of the sector and its small contribution to Kuwait's GDP added to Kuwait's small population, it remains the only body directly in charge of strengthening FOs.</i> |
| | Lebanon | ✓ | International Labour Organization | <i>The National Cooperative Credit Union (established in 1968) and The Lebanese Federation of Cooperative Societies (established in 1969) play this role.</i> |
| | Libya | ✓ | Food and Agriculture Organization | <i>Law # 375/1975 established a government agency under the Ministry of Agriculture; however, the name of the agency is not available.</i> |
| | Bahrain | × | Food and Agriculture Organization | <i>Actually, according to the co-operative law in Bahrain, the Ministry of Agriculture & Marine Resources Affairs is not legally and directly in charge of cooperatives. This is because cooperatives in Bahrain are under the mandate of the Minister of Labor and Social Affairs. However, the Ministry of Agriculture and Marine Resources Affairs is broadly responsible for co-operatives that operate in the agricultural sector.</i> |
| | Mauritania | ✓ | African Portal on Agriculture | <i>The Service for the Support of Socio-Professional Organizations</i> |
| | Morocco | ✓ | Cooperation Development Office | <i>Development of Cooperation Office, or ODCO (Office du Developpement de la Cooperation) was established in 1962 and is mandated to establish the legal and political framework to help producers' organizations.</i> |
| | Oman | ✓ | Ministry of Agriculture and Fisheries | <i>The Ministry of Agriculture and Fisheries deals with this directly without any specific department.</i> |
| | Palestine | ✓ | International Labour Organization | <i>The General Commission for Regulating Cooperatives was established with the goal of creating and facilitating policies that would make the environment for cooperatives smoother and easier for even the smallest and poorest farmers.</i> |

| 2. Does the government have a body with the specific mandate to work with farmer organizations? | | | | |
|-------------------------------------------------------------------------------------------------|----------------------|-----|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group | Country | Y/N | Source | Comments |
| Arab Countries (cont'd) | Qatar | ✓ | Qatar Embassy | <i>This is the Agricultural Development Department in the Ministry of Municipal Affairs and Agriculture</i> |
| | Saudi Arabia | × | Ministry of Labor | <i>This is done directly through Saudi Arabia's ministry of labor. In other words, there is no special body that only focuses on farmer organizations in the country. However, one of the main mission of the ministry of labors in Saudi Arabia is to promote the activities of local farmer through the co-operative model.</i> |
| | Sudan | N/A | N/A | <i>Data not available</i> |
| | Syria | | International Labour Organization Ministry of Agriculture and Agrariran Reforms | <i>The Ministry of Agriculture oversees the work of co-operatives directly.</i> |
| | Somalia | × | Food and Agriculture Organization | <i>National Technical Committee of Somali Farmer Cooperatives and Traders, the result of a collaboration between the Somali Federal Government in Mogadishu and FAO.</i> |
| | Tunisia | ✓ | Legislation Portal of the Tunisian Government | <i>The Producer's Organization for Agriculture Production, a government body under the Ministry of Agriculture. 1984</i> |
| | United Arab Emirates | × | Ministry of Agriculture and Fisheries | <i>The Ministry of Agriculture and Fisheries is directly in charge of empowering FOs. This is done through the local departments of agriculture in each of the emirates.</i> |
| | Yemen | ✓ | International Labour Organization | <i>This is the Local Counsel for Cooperatives that was established in the 80s and continued to operate after the reunification. Although this is a semi-public institution, it has lost the trust of many farmers that were members, due to heavy government intervention in its operations.</i> |
| Asian Countries | Afghanistan | ✓ | Agricultural Cooperatives in Afghanistan | <i>The Department of Agricultural Cooperative Development (DACD)</i> |
| | Bangladesh | ✓ | Department of Agricultural Extension Bangladesh | <i>The Department of Agricultural Extension</i> |
| | Guyana | ✓ | Guyana Government Ministry | <i>The Agricultural Sector Development Unit (ASDU) is responsible for agricultural extension to smallholder farmers and the provision of support services to farmers in general. There is another agency called the Agricultural Development Authority which is an agency of the Ministry of Agriculture that is semi-autonomous. It is aimed at promoting, facilitating and enhancing sustainable agricultural development in the region through the efficient management of the land resource.</i> |
| | Indonesia | ✓ | Personal communication during field research, October 2014 | N/A |

2. Does the government have a body with the specific mandate to work with farmer organizations?

| Group | Country | Y/N | Source | Comments |
|-----------------------------|------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asian Countries (continued) | Kazakhstan | ✓ | <u>Agricultural Extension and Advisory Services</u> | <i>The Ministry of Agriculture in Kazakhstan does not have a department dedicated to strengthening farmer organizations. However, In 2007, the Ministry of Agriculture established KazAgro Holding (KA) and KazAgroInnovations (KAI). These two institutions are responsible, amongst other things, for providing support to farmers.</i> |
| | Malaysia | ✓ | Ministry of Agriculture and Agro-Based Industry (2014) | <i>There are two governmental bodies responsible for working with FOs in Malaysia: (i) Department of Agriculture, also known as Jabatan Pertanian in Malay and established in 1905; (ii) Farmers' Organization Authority of Malaysia, also known as Lembaga Pertubuhan Peladang (LPP) in Malay.</i> |
| | Maldives | ✓ | <u>Ministry of Fisheries and Agriculture</u> | <i>Agriculture and Forestry Division is located within the Ministry of Fisheries and Agriculture. Its mandate related to strengthening FOs is through provision of Training and Extension Services to farmers. Also located in the Ministry of Fisheries and Agriculture is the Agriculture Advisory Board.</i> |
| | Azerbaijan | × | <u>Global Forum for Rural Advisory Services</u> | <i>"There do not seem to be many farmers-based associations and agricultural cooperatives in Azerbaijan," and there is little support for them. There are agencies under the Ministry of Agriculture that provide consulting services to farmers but no distinct body with such a mandate. There is a World Bank-financed project (2011-2016) supporting the Water Users Associations. In addition, the Government has recently adopted a bill for the creation of agricultural cooperatives and cooperative unions with the expectation that this step would change Azerbaijan's GDP structure and contribute to a new stage of agrarian reforms. Azerbaijan Dairy Processors Association. Livestock Farmers Associations (3). Azerbaijan Hazelnut Farmers Association. Agro investment Credit Union (founded in 2001 by a group of 32 Imishli farmers, and has since then grown into the largest credit union in Azerbaijan, wholly owned by its more than 3,500 borrowers with a portfolio of about US\$ 5 million.).</i> |
| | Pakistan | × | <u>Pakistan and Dairy Farmers Association</u> | <i>Pakistan does not have a specific department that is mandated to work with FOs. There are various associations / agencies that are primarily response for research and regulatory controls.</i> |
| | Tajikistan | × | <u>International Food Policy Research Institute</u> | <i>Agroprom is a Department under the Ministry of Agriculture. The primary mandate of Agroprom is to work with FOs in Tajikistan. However, its work is limited to supervisory services and data collection for statistical purposes. There other public bodies that offer support to farmers in Tajikistan. They co-exist with other private sector firms that also provide agricultural extension to farmers.</i> |
| | Turkey | ✓ | Turkish Cooperatives Strategy and Action Plan 2012-2016 | <i>Republic Of Turkey Ministry Of Customs And Trade Directorate General of Cooperatives</i> |
| | Suriname | × | Government of Suriname | <i>Based on information from the government website and FAO there does not seem to be any department dedicated to assisting Farmer Organizations in the country. The Ministry of Agriculture</i> |
| Uzbekistan | ✓ | <u>International Water Management Institute</u> | <i>Agricultural Service Centre and Rural Advisory Service are two government bodies responsible for supporting farmer organizations and individual farmers in Uzbekistan. Part of the responsibilities of these state bodies is to provide agricultural extension to farmers.</i> | |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
|----------------------------------------------------------------------------------------------------------------------|---------------|-----|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group | Country | Y/N | Source | Comments |
| African Countries | Benin | ✓ | Elvirevignon | Yes. In 2011, the Government passed a new law organizing the governance of FOs. This law made the creation and day-to-day administration of FOs simpler and more supple. For example, farmers are no longer required to sign an agreement with the Ministry of Agriculture, Livestock, and Fisheries to create a cooperative. In addition, cooperatives now can be registered on a local level and can be granted permission to operate by the city council or the local prefecture instead of the central Ministry of Agriculture, Livestock, and Fisheries. |
| | Burkina Faso | ✓ | Fondation pour l'Agriculture et la Ruralité dans le Monde | Yes, mostly between 2000 and 2003, the Government announced several policies focusing on decentralizing services to farmers and increasing the participation of farmers in decision-making. These policies include launching the "Projet National de Développement des Services Agricoles" which aims to engage FOs, NGO's, and the private sector in the design and provision of agricultural extension services. Launching the "Plan d'actions pour l'emergence des OPA" with the aim of improving the governance of FOs. And adopting the Strategy of Rural Development (SDR) in 2003 to organize and coordinate all public policies and programs affecting farmers in rural areas. |
| | Cameroon | ✓ | La Voix du Paysan | Yes, including tax exemptions for FOs and cooperatives, as well as the launch of the World Bank-funded "Agricultural Competitiveness Project" to promote the re-emergence of agriculture as a key sector in Cameroon. |
| | Chad | ✓ | Droit Afrique | Yes. According to the 2010 Government budget of Chad, agricultural cooperatives are exempted for environmental protection taxes along with educational institutions and other production cooperatives. This exemption mainly aims to incentivize the creation of organizations (like FOs) that promote efficient and conscious environmental practices. The government also launched the "Projet d'Entreprenariat Cooperatif" (PEC) in 2008. PEC aims to facilitate access to training and funding for FOs and other cooperative organizations. In terms of funding, PEC provided access to micro-finance services for farmers and rural producers with a particular focus on women and youth. |
| | Cote d'Ivoire | ✓ | Ivorian Ministry of Agriculture | Yes. The Ministry of Agriculture conducted a study (the year is not specified) which investigated the economic efficiency of FOs in Ivory Coast. This study found that only 9% of FOs were run efficiently. The study also identified other challenges facing FOs such as the lack of training and accountability. The Ministry of Agriculture pledged to provide extension services for members of FOs to guarantee sustainability, efficiency, and accountability. |
| | Gabon | ✓ | Gaboneco | Yes. In April 2014, the Gabonese government and FAO launched a program that aims to strengthen the entrepreneurial and commercial capabilities of FOs and agricultural cooperatives. The program will cost \$308,000 for the period between 2014-2017. In April 2012, the Gabonese Government and FAO organized a day of workshops and discussion panels with FOs and other organizers of rural producers. The discussions addressed gender issues as well as issues regarding the training of farmers. The Gabonese Government also launched the OLAM Project, which aims to make Gabon the largest producer of palm oil in Africa. |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| African Countries (cont'd) | Gambia | ✓ | Official Website of the Gambian Ministry of Agriculture | Yes. The Department of State for Agriculture (DOSA) has the Agricultural Policy and Regulatory Framework 2007, which makes provision for the state to encourage the organization and co-ordination of cooperatives. In addition to this, there is the Gambia National Agriculture Investment Programme, which finances the strengthening stakeholders (such as FOs) engaged in key agriculture value chains. |
| | Guinea | ✓ | Agriculteurs Français et Développement International | Yes. In 2009, the Guinean government launched a study aiming to evaluate the methods used to provide consulting services to farmers. The study's findings emphasized that there was not one best way of providing consulting services but that the engagement of FOs as key partners was important. In 2007, the Guinean government adopted the National Strategy for Agricultural Development - Vision 2015 (PNDA). The development of the strategy took three years and FOs were heavily involved in this process. FOs were represented in national debates around the strategy and they were responsible for holding local meetings and sessions with farmers all over Guinea. |
| | Guinea-Bissau | ✓ | International Labour Organization | Yes. The Government of Guinea-Bissau in December 2002 passed a new National Policy on Co-operative Development based on ILO Recommendation 193. Guinea-Bissau became the first ILO Member State to translate the new instrument into law. |
| | Mali | ✓ | Nyeleni | Yes. Mali is launching the Strategy of Agricultural Development, which aims to promote the modernization of family farming and local agriculture and to render it an integral part of a competitive sub-regional economy. It is also expanding the mandate of FOs to enable them to identify farmers' problems, advocate for their interests, collect and exchange information, and speak on behalf of farmers in public fora. |
| | Mozambique | ✓ | USAID/ FAO | Yes, on paper but in practice, the priorities are not focused on FO development/support. On paper, the country's two poverty reduction strategies, the Plan for Reduction of Absolute Poverty called PARPA I and PARPA II, as well as to PROAGRI (National Agricultural Development Strategy), include FO support. However, the current policy framework seems to be determined by the policies of the Action Plan for Food Production (PAPA), 2008-2011. PAPA, being a response to the current international food crisis, focuses exclusively on basic food and oilseed crops as well as on poultry and fisheries, and assigns a pro-active participatory role for the state in processing and marketing, including interventions to promote food self-sufficiency and market stability. However, most programme initiatives around the support of FOs in the country have been initiated by international development agencies, NGOs and the private sector. The commentary section highlights a number of programmes by various international development agencies. |
| | Niger | ✓ | United Nations Development Programme Climate Community | In 2003, the government of Niger adopted the National Strategy for Rural Development (SNDR). The strategy's approach was focused on improving food security and alleviating poverty in rural areas. The first strategic pivot of this strategy was the provision of economic opportunities as well as technical training for farmers. The strategy also emphasized the importance of helping farmers form sustainable and well-managed organizations. |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| African Countries (cont'd) | Nigeria | ✓ | <u>Nigerian Government</u> | <i>According to the New Nigerian Agricultural Policy, there is a directional shift in strategy that will lay the foundation for sustained improvement in agricultural productivity and output. The new strategies involve: (i) Creating a more conducive macro-environment to stimulate greater private sector investment in agriculture; (ii) Rationalizing the roles of the tiers of government and the private sector in their promotional and supportive efforts to stimulate agricultural growth; (iii) Reorganizing the institutional framework for government intervention in the agricultural sector to facilitate the smooth and integrated development of the sector; (iv) Articulating and implementing integrated rural development programs to raise the quality of life of the rural people; (v) Increasing budgetary allocation and other fiscal incentives to agriculture and promoting the necessary developmental, supportive and service-oriented activities to enhance agricultural productivity, production and market opportunities; and (vi) Rectifying import tariff anomalies in respect of agricultural products and promoting the increased use of agricultural machinery and inputs through favourable tariff policy.</i> |
| | Senegal | ✓ | Official Journal of the Republic of Senegal; World Wide Extension Study; World Bank | <i>Reforms of the framework law regulating the establishment and governance of FOs requires FOs to be open and accessible. The law also emphasizes the autonomy and independence of Fos as well as the centrality of agricultural extension and training to the role/mandate of FOs. In addition, the National Extension Services Agency was created to provide a system for public-private partnerships that engage FOs in the delivery of agricultural extension and advisory services to farmers. Furthermore, government agencies such as the National Extension Services Agencies were connected to research institutions such as the Institut Senegalais de la Recherche Agronomique.</i> |
| | Sierra Leone | ✓ | <u>Comprehensive Africa Agriculture Development Programme</u> | <i>The programme has a broad-based participation of government, private sector and cooperating partners, which is spearheaded by the President. The SCP (2009 to 2012) seeks to increase agricultural sector growth from the current 4% to 7.7% per annum by 2015; increase incomes of farming households by 10%; and increase household food security by 25%. Its strategic programmes for smallholder commercialization include: production intensification; diversification; value addition and marketing; small scale irrigation development; market access expansion through feeder road rehabilitation; smallholder access to financial services; strengthening social protection, food security, and productive social safety nets; and SCP planning, coordination, and monitoring and evaluation.</i> |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| African Countries (cont'd) | Togo | ✓ | Ministry of Agriculture | <i>In May 2011, Togo launched a wide debate among OHADA countries regarding the implementation of structures and programs that benefit FOs and promote their role in agricultural production across the OHADA zone. Also, Togo participated in the Program for Agricultural Productivity in West Africa (PAAO). This program aims to accelerate the adoption of modern technologies and production methods. A key pillar of the program was the provision of training, funding, and assistance for FOs in Togo. Togo benefited from a \$12M grant from the World Bank to implement this project. Finally, the Togolese government also launched the Assistance Project for Rural Development (PADAT). This project will be implemented between 2011 and 2016 with the aim of improving the food security and profitability of small farmers. The project's prime focus is on women and youth. 350,000 farmers are expected to benefit from this project.</i> |
| | Uganda | ✓ | International Labour Organization | <i>The Policy Planning and Agri-business Development programme, which established a system of accessing information on economic activities for the cooperative movement. It included developing a system that would provide marketing information to be used in price monitoring and identifying potential markets at home and abroad.</i> |
| Arab Countries | Algeria | ✓ | Food and Agricultural Organization | <i>Yes but none recently. There are four distinct historical phases in Algeria's FO policy landscape: (i) During the French colonization, the French government encouraged the establishment of FOs. (ii) After independence and land reform, the government privatized land and encouraged individual exploitation of land. (iii) Before 1987, FOs were under close supervision of the Board of Agriculture, which approved their creation, appointed their directors, and largely subsidized their investments and operating budgets. (iv) Reforms in 1987 suppressed government ownership of FOs and allowed free creation of FOs. Old FOs were restructured to keep their personnel but no longer reported to the government. New, independently-run FOs proliferated. The number of FOs increased from 283 in 1988, to 1298 in 1994, and 1676 in 1999.</i> |
| | Comoros | ✓ | International Fund for Agricultural Development | <i>Yes. There are two: (i) The 2010-2011 "Ylang Ylang Declaration" is a collaborative effort between development agencies (IFAD; FAO; UNIDO; UNDP) and the Comoros government to provide technical and financial assistance to agricultural cooperatives. And (ii) The Reunion Program of Support to economic development in Comoros, or PARDEC (Programme d'Appui Réunionnais au Développement Economique des Comores) is an initiative that would allow the cooperatives in Reunion to offer assistance to those in Comoros. The project has been underway since 2012.</i> |
| | Djibouti | ✓ | Agence Djiboutienne de Developpement Food and Agriculture Organization | <i>Yes. In 2013, the Djibouti Agency for Social Development (ADDS) launched a program that aims to support FOs in the "Ali Sabieh" region. The program supported farmers through the provision of equipments for agricultural production. In 2012, the Secretariat of National Solidarity executed a similar program that benefited the regions of "Tadjourah" and "Obock". In 2005, the Government launched the "Projet de Developpement de l'Agriculture Oasienne" (PDAO). The project aimed to address rural poverty and exodus through: (i) Improving and diversifying agricultural production, (ii) Increasing the total area</i> |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| Arab Countries (cont'd) | | | | cultivated, (iii) Improving irrigation water usage, (iv) Reinforcing extension services provided to farmers, and (v) Reinforcing the capabilities of cooperatives. |
| | Iraq | ✓ | International Labour Organization | Yes, though since the start of the 2003 war. The 1958 Land Reform Act was adopted specifically to encourage FOs and help them increase productivity and returns. This initiative was further empowered and strengthened during the rule of Saddam Hussein, although the Ba'ath Party used agricultural co-operatives as social and political groups as well. After the invasion of Iraq in 2003, these policies were slowed and at times completely disrupted. Following the end of the war on Iraq, government support of FOs has almost completely stopped. Co-operatives still exist; however, they are seen as private entities. Also, with the help of the United States, cooperatives have been recovering in Iraq lately. |
| | Jordan | ✓ | International Labour Organization | Yes, though none recently. There have been multiple policy initiatives launched by the Jordanian government to encourage FOs. Some include: (1) The reform of the Jordan Co-operative Organization to save it from bankruptcy before deciding to finally dissolve it in 1995. (2) Reforming the cooperative sector in 1998 with the assistance of the World Bank with the stated goals of formulating a comprehensive cooperative sector strategy and the design of a cooperative development project to implement this strategy. |
| | Kuwait | ✓ | Public Authority of Agriculture Affairs and Fishing Resources Food and Agriculture Organization | Yes, although not explicitly. The government of Kuwait has adopted several policies to help FOs in Kuwait increase their revenue and their efficiency. Given Kuwait's geographic location and its persistent irrigation problems, many of the policies targeted at the agriculture sector have aimed to solve the problem of water scarcity and training irrigation experts abroad, instead of actually focusing on FOs. However, at a recent meeting between the head of Kuwait's Public Authority of Agriculture Affairs & Fish Resources and the secretary general of the Kuwaiti Farmers' Union, the Kuwaiti minister promised to make more efforts to further support FOs in Kuwait, given the current rise in the expenses incurred by the farmers in the country. |
| | Lebanon | ✓ | International Labour Organization | Yes; Lebanon has announced and implemented many policy initiatives designed to encourage cooperatives in general and FOs in particular. Primary example: Based on a recommendation from the ILO, in 2001, Lebanon launched a project to help boost income generation in the South of Lebanon; empowering FOs in the South was at the core of the project. |
| Libya | ✓ | National Agriculture in Libya Food and Agriculture Organization | Yes. Since 1992, the government relegated importation licenses of certain products to cooperatives (to counter the embargo and UN sanctions). And as part of the liberalization process in the late 1990s, the government supported agricultural associations by providing inputs such as seeds, fertilizer, and foodstuffs -- a process that led to the formation of a great number of cooperatives. More recently, in 2012, the government and FAO developed a joint program to increase food production (total budget is US\$ 71 million); beneficiaries will include farmer cooperatives. | |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| Arab Countries (cont'd) | Bahrain | ✓ | <u>National Initiative for Agricultural Development</u> | <i>Yes, although not exclusively targeted towards FOs. Because of its relatively small contribution to the country's GDP (an average of around 0.6%), agriculture in Bahrain has not been the main preoccupation of the government. However, in the last 10 years, the growth in fisheries, poultry and egg production -- combined with increasing worries about food dependence and insecurity -- led the Emir's government to take on several initiatives to help drive forward the agricultural sector. The main initiative is "The National Initiative for Agricultural Development," which was launched with the aim of conserving arable land, encouraging investors to invest in agriculture and supporting local Bahraini farmers to improve their produce and grow their returns. This initiative works in partnership with the Ministry of Municipalities & Urban Planning & Agriculture & Marine Resources Affairs. However, it is independently run by HRH Princess Sabeeka Bint Ibrahim Al-Khaleefa.</i> |
| | Mauritania | ✓ | <u>Worldwide Extension</u> | <i>Yes but none recently. An historical overview: Starting in 1949, the French colonial government started exploratory agricultural research on date palms and production systems prevailing in the Senegal River valley and oases. Following independence, the National Agricultural Research and Development Center (CNRADA) was established in 1972 at Kaedi by the then-Ministry of Rural Development. A School of Cooperatives (CNFVA) was opened up to educate villagers in cooperative systems and management skills. These institutions were being built at a time when about 70% of the Mauritanian population comprised nomads and subsistence farmers, which continued into the 1980s. Starting in 1974, education programs for farmers became more coordinated, and CNFVA organized a series of seminars to expose farmers to new technologies and farm management skills. Donor-funded programs started mainly in the 1990s, and have focused on establishing and/or working through grassroots organizations like FOs. Special attention has also been devoted to women FOs. But because of harsh conditions, these organizations lack extension and often rely on the public services.</i> |
| | Morocco | ✓ | <u>Development of Cooperation Office (ODCO)</u> | <i>Yes. An historical overview since independence: (i) Between 1956-1983, the state intervened heavily in encouraging the creation and the development of FOs by establishing the legal framework for their creation and establishing the Development Office of Cooperation in 1962. The government also provided subsidies to FOs, which led to FOs becoming dependent on the state support and killed the spirit of enterprise. (ii) In 1983 a policy was announced -- but only implemented a decade later in 1993 -- to help FOs become independent by disengaging the government from its heavy involvement in FO. A law unique to cooperatives (including FOs) was enacted in order to make cooperatives a tool for job creation and free enterprise. This process started in 2000, as new government bodies were set up to finance the creation of FOs such as "Maroc Vert", the National Initiative for Human Development, Ibhar, etc. (iv) Women farmers' organizations are encouraged, leading to a current estimate of 8369 women currently involved in FOs.</i> |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| Arab Countries (cont'd) | Egypt | ✓ | <u>Official Journal</u> <u>Agriculture Cooperation</u> <u>IAMM</u> | Yes. The new, 2014 constitution prohibits the dissolution of cooperatives or their boards, except by virtue of a court judgment. It also sets the representation of small farmers among the board of directors at a minimum of 80% for agricultural cooperatives. The Higher Institute for Agricultural Cooperation was created to train professionals in the agri-food sector. Prior to this, in 2011 when the regime changed, the government issued a decree officially recognizing a national organization that had long been banned by the previous regime: The Union of Egyptian Peasants. |
| | Oman | ✓ | <u>Ministry of Agriculture</u> | Yes, although co-operatives don't yet have legal standing in Oman. However, there are other forms of farmer organizations that are encouraged and empowered by the country's ministry of agriculture and fisheries. Such structures include the "Jamyat Tacharoukiyya" and "Jamyat Ahlyya" which translate to participatory associations and family associations respectively. The government has been committed to helping these organizations prosper through several initiatives that targeted these main points: (1) Sustainable access to water (2) Access to capital and machinery (3) Protection against natural disasters, as Oman has witnessed a number of violent hurricanes in the past decade that caused a lot of damage to farmers. |
| | Palestine | ✓ | <u>International Labour Organization</u> | Yes. Because the cooperative model has always been seen in Palestine as a means of survival in all sectors including agricultural production, any form of authority that was ever established in both the West Bank and Gaza Strip has strived to empower cooperatives in general and FOs in particular. One of these policies was actually the new cooperatives law that was adopted and promoted in 2009 by the PNA, which emphasized making regulations as loose as possible for cooperatives to be easily created. |
| | Qatar | ✓ | <u>Qatar Embassy</u> <u>Qatar Charity</u> | Yes. The ministry of Municipal Affairs and Agriculture is the body that supervises the sector of agriculture in Qatar. This body has been involved in many initiatives that aimed at the promotion of agriculture as an important driver of the Qatari economy. Some of these initiatives target FOs, although these organizations are somewhat different in Qatar given the fact that many of them don't have more than 2 or 3 farmers and cannot really be called co-operatives from a legal point of view. The government's main efforts have been geared towards offering local farmers the assistance needed in terms of technology and capital to overcome Qatar's natural and environmental limitations that form natural obstacles to the development of agricultural activities in the country. Furthermore, another interesting things about Qatar is that the government's excess of capital has enabled it to invest not only in local FOs but in other agricultural co-operatives all over the MENA Region especially in countries where capital is needed the most such as Tunisia and Morocco. |
| | Saudi Arabia | ✓ | <u>Food and Agriculture Organization</u> | Yes. The government of Saudi Arabi has announced several policies aimed at the empowerment of FOs in the kingdom. The biggest of these policies remains the "Future Plan for Agriculture" initiative that was drafted in 2004 with the help of the FAO. This initiative aims to encourage a new dynamic in the work of agricultural associations and co-operatives in order to maximize the benefits local farmers |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| | | | | <i>get from their activities, while making them more actively involved in the government's effort to conserve water resources.</i> |
| Arab Countries (cont'd) | Sudan | ✘ | N/A | Data not available |
| | Syria | ✓ | International Labour Organization Ministry of Agriculture and Agrariran Reforms | Yes. The Syrian government with the help of the UNDP has made several policies to help empower co-operatives in the agricultural sector. One of these policies is the Sanduq initiative. Sanduq means 'box' in Arabic and these Sanadiq were established as independent small financial institutions run by the government to help local farmers gain access to capital to improve their production. |
| | Somalia | ✘ | <i>Analysis of the Economic System of Somalia, Chapter 2 in D. Strangio, The Reasons for Underdevelopment</i> | No. Cooperatives were widespread in Somalia until the War of Ogaden in 1977; after this war, state intervention and support faded out. |
| | United Arab Emirates | ✓ | UAE Encyclopedia | Yes. The different governments of almost all the emirates in the UAE have initiated policies with the aim of empowering FOs. These initiatives differ based on the different crops that can grow in different emirates and on the different challenges that are encountered in these emirates. For example, in Umm-Al-Qaywin, most of these efforts have targeted the empowerment of local fishermen, while in Ras-Al-Khayma, Ajman and Al-Ain, these initiatives were mainly geared towards FOs that produce crops like dates, tomatoes, cucumbers and eggplants. |
| | Tunisia | ✓ | Web Manager Center Babnet | Yes, mainly much-needed legal reforms. The government has historically discouraged the creation of FOs. FO leaders have called for reforms of relevant legal frameworks, which currently do not allow FOs to function according to their structures. Problems include the government's intervention in appointing FO leadership, lack of health insurance, poor management of financial resources, lack of mentoring programs, and the unbalanced regional distribution of population. A member in the Ministry of Agriculture also admitted the difficult legal framework around FOs. A 2005 law reform shut down 21 companies and dissolved 58 cooperatives . There is not enough training from the government; access to capital and information is scarce. In November 2012, the government sought to restructure the legal framework in which FOs operate, sought to create 24 new FOs, and encouraged involvement in FOs. There is no update on a law that passed to allow for favorable legal climate to the establishment of FOs. |
| | Yemen | ✓ | International Labour Organization International Fund Agricultural Development | Yes. The government of Yemen has been particularly invested in the empowerment of co-operative and FOs in general. This is the case now and it was also true before the unification of the country as both the Southern and Northern governments had based their policies to promote agricultural production and activity through empowering the co-operative model |
| Asian Countries | Afghanistan | ✓ | World Food Programme | Yes but cooperatives in Afghanistan are still very weak and inefficient. In the present post-Taliban era, cooperatives are encouraged and their establishment is endorsed and supported by the government. 3000 have been registered and the 2008-2013 Master Plan set a target of 5000 new cooperatives. Cooperatives register to receive free or subsidized inputs but rarely do any collective business. There is a good number of projects (domestic and external) that works with farmers' cooperatives, such as the World |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| Asian Countries (cont'd) | | | | <i>Bank's Horticulture and Livestock Project, The Perennial Horticultural Development Project, The Horticulture Development Project.</i> |
| | Bangladesh | ✓ | Farmers' Organizations in Bangladesh: A Mapping and Capacity Assessment: Bangladesh Integrated Agricultural Productivity Project Technical Assistance Component 2014 | <i>Yes. Starting from 1999, there have been a variety of policies that emphasize FOs (or groups, as they are commonly referred to in the policies). Although not explicitly designed to encourage FOs, these policies have a huge impact on how FOs function in Bangladesh. According to FAO, there are about 10 policies that impact directly on FOs in Bangladesh. They include: two (2) broad policies -- the National Agricultural Policy (NA P) (1999) and the Rural Development Policy (2001); one (1) specific cooperative law drafted in 2011 but not yet approved; three (3) policy tools focusing on agricultural extension as agents are expected to work with and through FOs; and several, more specific sub-sector policies across fisheries, livestock, and water management that also impact the way the government works with FOs.</i> |
| | Guyana | ✓ | A National Strategy for Development of Agriculture in Guyana | <i>Yes, though no real direct ones. The National Development Strategy is a 1996 sectoral policy aimed at transforming the agricultural sector by increasing productivity, output, production and competitiveness. It aims to achieve this through: (i) Providing adequate support services and infrastructure to facilitate development of the sector; (ii) Reducing restrictions on market operations to allow for free mobility of resources and increasing domestic market access; (iii) Providing producers with greater control over productive resources; (iv) Designing and implementing systems for information generation as they relate to market intelligence and research and development; (v) Increasing linkages for information flows to all stakeholders in the sector to inform investment, production and marketing decisions; (vi) Increasing the relevance of agricultural training and education; (vii) Targeting investments to upgrade infrastructure in the areas of drainage, irrigation, roads and other support systems; and (viii) Developing maintenance models and mechanisms for productive infrastructure, in particular drainage and irrigation.</i> |
| | Kazakhstan | | Liportal | <i>Yes. In 2002, the Agriculture and Food Program (AFP) was announced. The AFP provided general services support to agriculture and is aimed at improving infrastructure and product quality. Input subsidies (e.g. on fertilizers, fuel, and seeds) and price support schemes aim to stimulate output.</i> |
| | Malaysia | ✓ | Enhancing Co-Operative Movement To Achieve Malaysia's Development Goals | <i>Yes. The Government of Malaysia introduced the 3rd National Agricultural Policy (1998-2010). This policy is an improvement from the 1st National Policy in 1984 and the 2nd National Policy in 1992. Under the 3rd National Agricultural Policy Initiative, a new scheme was introduced by the Farmers' Organization Authority called 'Entrepreneur Farmer', aimed at creating more farmer entrepreneurs. Under this scheme, enterprising farmers are selected to venture into commercial farming enterprises. The inclusion of the Agricultural Sector in the 9th Malaysia Plan comes with the allocation of USD 3.02 billion.</i> |
| Maldives | ✓ | Rural Poverty | <i>Yes, the Agriculture Development Master Plan (ADMP) of 2006-2020: The ADMP focuses on implementing policies that: Improve food security, nutrition, incomes and employment opportunities; Foster gradual commercialization of the agriculture sector through increased production; Increase the capacity to generate</i> | |

| 3. Has the Government announced any recent policy initiatives explicitly designed to encourage farmer organizations? | | | | |
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| Group | Country | Y/N | Source | Comments |
| | | | | <i>appropriate technologies and improve farmers' and entrepreneurs' access to them; Develop market infrastructure that is supported by functional marketing networks and a market information system; Provide adequate institutional support; Support human resource development; and Promote partnerships among the public, private and NGO sectors.</i> |
| | Azerbaijan | ✓ | Uluchay Social Economic Innovation Center | <i>No but it is in the works. Parliament is discussing the creation of agricultural banks to finance and support FOs. The government understands the necessity of allowing the creation of FO and supporting them but no action has yet been taken.</i> |
| Asian Countries (cont'd) | Pakistan | ✗ | N/A | <i>No. Pakistan does not have an agricultural policy in general. There is a 2013 Agriculture and Food Security Draft policy. Although at its draft stages, the policy has a very sharp focus on smallholder farmers and farmer organisations. It raises prominent challenges facing smallholder farmers and farmers' organisation. As a reaction to these challenges, the draft policy outlines very promising interventions to strengthen the support for farmers' organizations and smallholder farmers in general.</i> |
| | Tajikistan | ✗ | The Hebrew University of Jerusalem: The Centre for Agricultural Economic Research and Department of Agricultural Economics and Management | <i>No, not explicitly. The 2013 Tajikistan Law of Cooperatives does not elaborate the specific functions of either consumer or service cooperatives, simply stating in very general terms that cooperatives may engage in all legal activities involving production and provision of various services (including consumer services). This non-specific attitude toward consumer cooperatives in Tajikistan legislation may be regarded as a carryover from the 1999 Tajikistan Civil Code, which devotes a long article to consumer cooperatives but only says that their function is "to satisfy the material needs of members".</i> |
| | Turkey | ✗ | Food and Agriculture Organization | <i>Yes. In the International Year of Cooperatives (2012), a National Cooperative Strategy and Action Plan-2012-2016 (NCSAP) that was prepared under the leadership of Ministry of Customs and Trade (MoCT) was unveiled. Its purpose was to "redefine" the roles of the public and private sector and present a sustainable policy for cooperatives. The Strategy was prepared in a participatory manner where Ministry of Food Agriculture and Livestock (MFAL), MoCT, the Union of National Turkish Cooperatives (TMKB), Turkish Cooperatives Association (TKK) and Turkish Agency of German Cooperatives Confederation (DGRV) were defined as the partner organizations.</i> |
| | Suriname | ✓ | Food and Agriculture Organization | <i>No. The Multi Annual Development Plan guides agricultural development in the country. There is no specific policy initiative explicitly designed to encourage FOs in Suriname.</i> |
| | Uzbekistan | ✗ | Agrarian Reforms | <i>Yes. The post-Soviet Agricultural policy era indicated the transition towards the establishment of cooperatives, agro firms, corporations, associations of farmer enterprises, and free private farms as drivers of agricultural production in Uzbekistan. The new policy direction was centred on farm restructuring which focused on dismantling state-owned farms into different types of agricultural enterprises, including restructured cooperative farms, joint-stock companies, leasehold farms, agro firms, private livestock farms and others</i> |

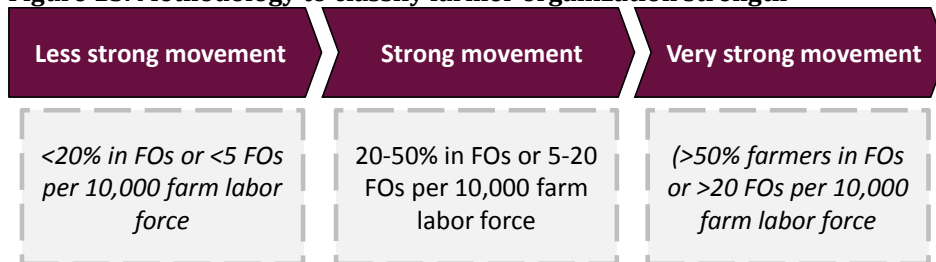
Annex 1.2. Strength of farmer organization classification

Three questions were posed in order to collect three different quantitative metrics to estimate the strength of the farmer organization movement on a country-by-country basis. The three questions are as follows:

- *What percentage of smallholder farmers belong to a farmer organization?*
- *What is the total membership in farmer organizations?*
- *How many farmer organizations are estimated to exist in the country?*

Given data scarcity, the first two metrics were both used to estimate the percentage of farmers in Farmer Organizations, and the third metric was used when neither were available. As such, the final farmer organization classification depends on whether the percentage of farmer organizations or the relative number of farmer organizations fall within certain parameters, and as is subsequently classified as a very strong, strong or less strong.

Figure 15. Methodology to classify farmer organization strength



Country-specific answers to each question follows overleaf, presented by regional group.

Figure 16. Assessment of country-by-country Farmer organization strength in Africa

| Country | What percentage of smallholder farmers belong to a farmer organization? | Source | What is the total membership in farmer organizations? | Source | How many farmer organizations are estimated to exist in the country? | Source | Strength of farmer organization |
|---------------|-------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------|
| | | | | | | | |
| Benin | Data not available | - | Data not available | - | Data not available | - | ○ |
| Burkina Faso | 62% | World Development Report 2008 | 3,720,000 | Fondation pour l'Agriculture et la Ruralite dans le Monde | Data not available | - | ● |
| Cameroon | 47% | Revue 2008 | Data not available | - | Data not available | - | ● |
| Chad | Data not available | - | Data not available | - | 40,000 organizations that operate under the CNCP | - | ● |
| Cote d'Ivoire | Data not available | - | Data not available | - | 3125 | Government of Cote d'Ivoire 2014 | ● |
| Gabon | Data not available | - | Data not available | - | Data not available | - | ○ |
| Guinea | Data not available | - | Data not available | - | Data not available | - | ○ |
| Guinea-Bissau | Data not available | - | Data not available | - | Data not available | - | ○ |
| Mali | Data not available | - | Data not available | - | 9 Farmers' Chambers in Mali. Each chamber consists of a large number of local cooperatives. This number is not available. | - | ● |
| Mozambique | 7% | Document of the International Fund for Agricultural Development | Data not available | - | 1845 | Jeff Dorsey, Ph.D. Sergio P. Muchanga, M.A. 1999 | ● |
| Niger | Data not available | - | Data not available | - | Data not available | - | ○ |
| Nigeria | Data not available | Agriterra 2008 | 500,000 | Inter-reseaux | 121,000 registered ag cooperatives | Daily times 2012 | ● |
| Senegal | 67% | "Rural Producer Organizations," World Bank, 2006 | Data not available | - | 26 large federations that are members of the CNCR. Each federation comprises a large number of smaller associations and organizations. | Le Conseil National de Concertation et de Coopération des Ruraux | ● |
| Sierra Leone | Data not available | - | Data not available | - | Data not available | - | ○ |
| Togo | Data not available | - | Data not available | - | Data not available | - | ○ |
| Uganda | Data not available | - | Data not available | - | Data not available | - | ○ |

Key: ● Very strong ● Strong ● Less strong ○ No data

Figure 17. Assessment of country-by-country Farmer organization strength in Arab countries

| Country | What percentage of smallholder farmers belong to a farmer organization? | Source | What is the total membership in farmer organizations? | Source | How many farmer organizations are estimated to exist in the country? | Source | Strength of farmer organization |
|----------------------|-------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------|
| Algeria | 32% | Academic paper by Ait-Amara H. | Data not available | - | 6000, given FOs cover 14% of agricultural lands | Ministry of Agriculture, 2013 | ● |
| Bahrain | Data not available | - | Data not available | - | Data not available | - | ○ |
| Comoros | Data not available | - | Data not available | - | Data not available | - | ○ |
| Djibouti | Data not available | - | Data not available | - | 40 | Food and Agricultural Organization | ● |
| Egypt | Data not available | - | 5,000,000 | AG Professional 2013 | 7000 | AG Professional 2013 | ● |
| Iraq | Data not available | - | 205,037 | International Labour Organizations | 881 | International Labour Organization | ● |
| Jordan | Data not available | - | 2700-28000 (23% of 117,000 cooperatives are agricultural) | International Labour Organization | 187 | International Labour Organization | ● |
| Kuwait | Data not available | - | Data not available | - | Data not available | - | ○ |
| Lebanon | Data not available | - | Data not available | - | 799 | International Labour Organization | ● |
| Libya | Data not available | - | 116,181 | Historical Dictionary of Cooperative Movement 1979 | 260 | Historical Dictionary of Cooperative Movement 1979 | ● |
| Mauritania | Data not available | - | Data not available | - | Data not available | - | ○ |
| Morocco | Data not available | - | 324,297 | Government of Morocco 2013 | 14662 | Government of Morocco | ● |
| Oman | Data not available | - | Data not available | Inter-reseaux | Data not available | - | ○ |
| Palestine | Data not available | - | 55,000 | 2009, ILO, <i>Co-operatives in the Arab World</i> | 855, only 565 of which are active | 2009, ILO, <i>Co-operatives in the Arab World</i> | ● |
| Qatar | Data not available | - | Data not available | - | 200 | Government of Quatar | ● |
| Saudi Arabia | Data not available | - | Data not available | - | 21 | University of King Saud, 2004 | ● |
| Somalia | Data not available | - | Data not available | - | Data not available | - | ○ |
| Sudan | Data not available | - | Data not available | - | Data not available | - | ○ |
| Syria | Data not available | - | 440,347 | International Labour Organization 1984 | 4050 | International Labour Organization 1984 | ● |
| Tunisia | 5% | Government of Tunisia | Data not available | - | 195 | World Bank 2012 | ● |
| United Arab Emirates | Data not available | - | Data not available | - | Data not available. | - | ○ |
| Yemen | Data not available | - | Data not available | - | 561, of which 427 are agricultural cooperatives and 134 fishery cooperatives | International Labour Organization ; IFAD | ● |

Key: ● Very strong ● Strong ● Less strong ○ No data

Figure 18. Assessment of country-by-country Farmer organization strength in Asia

| Asia | Country | What percentage of smallholder farmers belong to a farmer organization? | Source | What is the total membership in farmer organizations? | Source | How many farmer organizations are estimated to exist in the country? | Source | Strength of farmer organization |
|------------|--------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------|
| | Afghanistan | Data not available | Academic paper by Ait-Amara H. | 378000 | BGP Engineers / Ministerie van Buitenlandse Zaken 2010 | 2891 | BGP Engineers / Ministerie van Buitenlandse Zaken 2010 | ● |
| | Azerbaijan | Data not available | - | Data not available | - | 168 | World Bank 2004 | ● |
| | Bangladesh | Data not available | - | Data not available | - | 198,114, based on national-level FAO census | Food and Agriculture Organization | ● |
| | Guyana | Data not available | - | Data not available | - | Data not available | - | ○ |
| | Kazakhstan | Data not available | - | 1 cooperative for every 6000 farms | Food and Agriculture Organization | 300 | Food and Agriculture Organization | ● |
| | Malaysia | Data not available | - | 699.500 | FFTC-NACF International Seminar 2006 | 285 | FFTC-NACF International Seminar 2006 | ● |
| | Maldives | Data not available | - | Data not available | - | Data not available | - | ○ |
| | Pakistan | Data not available | - | Data not available | - | Data not available | - | ○ |
| | Suriname | Data not available | - | Data not available | - | Data not available | - | ○ |
| | Tajikistan | 71%, includes all private farmers, not just smallholders | FAO Regional Office for Europe and Central Asia Policy Studies on Rural Transition No. 2013-4 | Data not available | - | Data not available | - | ● |
| | Turkey | Data not available | - | Data not available | - | 12,990 | Turkish Cooperatives Strategy And Action Plan 2012–2016 | ● |
| Uzbekistan | Data not available | - | Data not available | - | Data not available | - | ○ | |

Key: ● Very strong ● Strong ● Less strong ○ No data

6. Annex 2. Farmer Organization Profiling Methodology

Annex 2.1. The Bill and Melinda Gates Assessment Tool

The methodology used to assess the performance of farmer organizations in the OIC was based on a profiling tool created by Dalberg to help the Bill and Melinda Gates Foundation better understand and measure farmer organizations' capacity levels, constraints and priority areas for intervention.¹²⁶ A description of the original tool follows below.

In the development stages of the tool, six tools were assessed to identify best practices in FO assessment including Agriterra's 'The Profiling Tool' and Pact's 'Organizational Capacity Assessment tool'. Based on this assessment, the Dalberg tool was developed to account for the peculiarities of local context while providing the user with a comprehensive analysis. Assessment was based a number of indicators in two overarching categories; organizational set-up, and impact capacity. Organizational set-up was broken down into three sub-categories (Representation, Governance and Business Fundamentals) and Impact capacity was broken down into a further three (Strategic Potential, Technical Assistance and Other Services and Economic Gains).

In order to score and assess performance based on these metrics, survey questions were developed to assign numeric scores to each of the key indicators, with final performance levels determined by these scores. Indicator scores range from 0 to 1, based on the number of points the FO receives for that indicator calculated as a percentage of the total possible points for the same indicator. As such, the average of Organizational Setup and Impact Capacity generates the aggregate score with weighted averages attributed to sub-categories. For example, Governance, Business Fundamentals, and Technical Assistance were weighted more heavily than their counterparts because of their relative importance in a given union's ability to participate in markets at scale.

Annex 2.2. The OIC Farmer Strength Profiling Tool

In order to provide a robust assessment of the Farmer Organizations in the OIC member state countries, we used an adapted version of the profiling tool described above. The scorecard used was based on the analytical framework described above, to measure farmer organization performance against two metrics: Organizational Setup and Impact Assessment. In this case, two types of answers were possible, those that were assigned numerical ratings and those aimed at gathering information for qualitative analyses. For the former, the numerical ratings were aggregated for each indicator to determine an organization's relative strength in that area. A higher numerical rating indicates greater strength and a lower numerical rating indicates less strength. For the latter, qualitative responses were not rated but rather provided additional information and context for the assessment.

The scorecard used to measure farmer organization strength in the OIC member state countries follows below:

¹²⁶ The original tool was created for the Bill and Melinda Gates Foundation in 2011.

Figure 19. Scorecard used to measure farmer organization strength in the OIC member states

| Organizational Set-Up | Aggregate Score | Impact Capacity | Aggregate Score |
|---------------------------------|-----------------|-----------------------------------------------|-----------------|
| Governance | | Strategic Potential | |
| Organizational Structure | | Overall Strategy | |
| General Assembly | | TA and Other Services | |
| Communication | | Market Access | |
| Business Fundamentals | | Access to Inputs, Equipment, & Infrastructure | |
| Financial Planning & Management | | Transportation and Storage | |
| Resource & Revenue Generation | | Financial Services | |
| Human Resource Management | | Advisory & Knowledge Services | |
| Systems and Infrastructure | | Advocacy, Policy & Collaboration | |
| Representation | | Economic Gains | |
| Gender | | Productivity | |
| Member Base | | Quality & Value Addition | |
| Accountability | | Sales Turnover | |

The sub-categories highlighted in this scorecard were mapped against a number of different questions, formulated to dig deep into the FOs performance therein. The data collection tool follows below.

Annex 2.3. Survey questions

| Survey questions Organizational set-up (1 of 4) | | | |
|-------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| General Information | | | |
| 1. Name of FO | | 2. Level/ role of representative | |
| 3. Founding Year | | 4. Region | |
| Governance | | | |
| Organizational structure: | | | |
| 5. If the farmer organization is formally registered, what kind of organization is it registered as? (Select only one option) | | <ul style="list-style-type: none"> • Select only one option) • Cooperative Union (=1) • Primary Cooperative (=1) • Other (=1) • Not formally registered (=0) | |
| 6. What are the activities of the following committees and how many people sit on each committee: | | | |
| | Activities | Male members | Female Members |
| Board of directors | | | |
| Financial Committee | | | |
| Sales and Purchase Committee | | | |
| Control Committee | | | |
| General Assembly | | | |
| Other committees (please specify) | | | |
| 7. Are the activities above clearly defined and distinct from one another? | | Yes (=1) No (=0) | |

Survey questions

Organizational set-up (1 of 4)

| | | | | |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|------------------------------|
| 8. How are members of the committee selected? | <ul style="list-style-type: none"> • Federal or regional government nomination (=0) • General Assembly nomination (=3) • Board of directors nomination (=2) • Other | | | |
| 9. When was the last time you changes committee members and when is the next scheduled change in roles? | | | | |
| | Chairman of the board | General Manager | Treasurer/ Accountant | Other Roles (please specify) |
| 10. When was the last time you had elections for the following roles, and when is the next scheduled election? | | | | |
| 11. What are the roles and responsibilities of the following leadership positions? | | | | |
| 12. How are leaders identified? | <ul style="list-style-type: none"> • Federal or regional government nomination (=0) • General Assembly nomination (=2) • Board of directors nomination (=1) • Other | | | |
| 13. When was the last time you had elections for the following roles, and when is the next scheduled election? | <ul style="list-style-type: none"> • Chairman of the board • General Manager • Treasurer /Accountant • Other Roles (please specify) | | | |
| 13. Does the farmer organization have administrative manuals? | <ul style="list-style-type: none"> • Yes (=1) • No (=0) | | | |
| 14. Who wrote/provided these guidelines? (select all that apply, max points 5) | <ul style="list-style-type: none"> • Provided by the regional or federal government (=0) • Developed by founding members (=2) • Revised by the board of directors (=1) • Revised by general assembly (=2) | | | |
| 15. What are the constraints that the management committees face in fulfilling their duties | | | | |

Survey questions
Organizational set-up (2 of 4)

Governance

General Assembly:

16. How many representatives from each member primary cooperatives sit on the general assembly?

| | |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17. Who selects these representatives? | <ul style="list-style-type: none"> • The cooperative union leadership (=0) • The farmers who are members of the primary cooperative (=2) • Other |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

18. How do the representatives change roles?

| | |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19. How often does the general assembly meet to discuss matters concerning the farmer organization? | <ul style="list-style-type: none"> • Twice a year (=3) • Once a year (=2) • Once every 2 years (=1) • Other (please specify) (less than every 2 years = 0; more than twice a year = 3) • Does not meet (=0) |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20. When did the last two meetings take place? | <p>Last meeting</p> <ul style="list-style-type: none"> • Within the last 6 months (=2) • Within the last year (=1) • Over a year ago (=0) <p>Meeting before the last meeting</p> <ul style="list-style-type: none"> • Within the last year (=2) • Two years ago (=1) • Over two years ago (=0) |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 21. How many representatives attended the last meeting? (If they have specific numbers provide those) | <ul style="list-style-type: none"> • More than 80% (=3) • 60-80% (=2) • 40%-60% (=1) • Less than 40% (=0) |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|

22. When is the next meeting scheduled?

23. What are the challenges you face in holding general assembly meetings?

24. How do individual farmers participate/engage with the farmer organization?

Communication:

Survey questions
Organizational set-up (2 of 4)

25. Beyond reports, and general assembly meetings what other types of information is communicated to the members?

26. How do the management committees communicate issues to the general assembly? (1 point per, max 2)

- Adhoc meetings
- Regular newsletter of bulletin
- Telephone
- SMS
- Media (e.g. radio)

27. When does this communication happen outside of the annual general assembly meeting?

- Twice a year (=2)
- Once a year (=1)
- Once every 2 years (=0)
- Other (please specify) (depending)

28. How do members communicate their questions/needs/interest to the management group? (1 point per option, max 2)

- General assembly meeting
- Adhoc meetings
- Regular newsletter of bulletin
- Telephone
- SMS
- Media (e.g. Radio)

29. How often do you receive communication from members?

| Survey questions Organizational set-up (3 of 4) | |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Fundamentals | |
| Financial Planning and Management: | |
| 30. Does the farmer organization have an annual budget? | Yes (=1) No (=0) |
| 31. Does the farmer organization have a staff-person or management unit specifically responsible for budget management? | Yes (=1) No (=0) |
| 32. Has the staff-person or management unit specifically responsible for budget management received/ is receiving finance-specific training? | Yes (=1) No (=0) |
| 33. Does the farmer organization have a clearly defined and effective accounting system | Yes (=1) No (=0) |
| 34. How often does the farmer organization prepare a financial statement? (Select all that apply) | <ul style="list-style-type: none"> • Monthly statement (=1) • Quarterly statement (=1) • Bi-annual statement(=1) • Annual statement(=1) • No Statement(=0) |
| 35. How is the farmer organization audited? (Select all that apply) | <ul style="list-style-type: none"> • Internally (=1) • Externally – government (=1) • Externally – private auditor (=1) • Not audited (=0) |
| 36. When were the last two audits? Who performed them? | |
| 37. How frequent is the audit? (Select all that apply) | <ul style="list-style-type: none"> • Annually (=1) • Every 2 years(=1) • Other (please specify) • Not audited (=0) |
| Resource and Revenue Generation: | |
| 38. Does the farmer organization have a clearly defined business plan for generating revenue? | Yes (=1) No (=0) |

Survey questions

Organizational set-up (3 of 4)

| | |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>39. The farmer organization has a diversified funding/income base:</p> | <p>Yes (=1) No (=0) Please mark all that are applicable and indicate the estimated percentage:</p> <ul style="list-style-type: none"> • Membership fees • Fees charged for services • Credits/loans • Local donations • International donations • Government subsidies • Other (please specify) |
| <p>40. Who does the farmer organization receive technical support from? (Select all that apply, max points 3)</p> | <ul style="list-style-type: none"> • Federal government(=1) • Regional government(=1) • Local donors(=1) • International donors(=1) • Does not receive support (=1) |
| <p>41. What kind of technical support does it receive? (Select all that apply, max points 3)</p> | <ul style="list-style-type: none"> • Market access(=1) • Inputs (=1) • Equipment(=1) • Transportation and storage services (=1) • Financial Services (=1) • Other please name(=1) • Does not receive technical support (=0) |
| <p>Human Resource Management:</p> | |
| <p>42. Does the farmer organization provide staff training (based on the needs of the farmer organization)?</p> | <p>Yes (=1) No (=0)</p> |
| <p>Systems and Infrastructure:</p> | |
| <p>43. The farmer organization has a functioning computer network that they use for record keeping?</p> | <p>Yes (=1) No (=0)</p> |
| <p>44. The farmer organization has a building /office space?</p> | <p>Yes (=1) No (=0)</p> |
| <p>45. The farmer organization uses the following communication infrastructure/technology? (Select all that apply)</p> | <ul style="list-style-type: none"> • Telephone(=1) • Fax (=1) • SMS (=1) • Email (=1) • Website (=1) • No functioning communication system (=0) |

Survey questions
Organizational set-up (4 of 4)

Representation

Membership Base:

46. Number of members

47. Number of farmers represented?

Male members:
Female members:

48. What is the average hectare size of farmers?

49. What are the requirements for becoming a member in the farmer organization? (e.g. minimum productivity, geographic location, commodity)

50. How many new members have signed up last year?

51. How many new members have signed up in the last five years excluding the founding members?

52. How many potential members are there in the relevant geographical area?

Accountability:

53. Please rank the following in order of who has the most authority over the organization?

- Members (=4)
- Local community (=2)
- Regional government (=0)
- Federal government (=0)
- NGOs (=0)
- Organization leadership (=1)
- Other (please specify)

54. (Internal) In answering the previous question what did the organization take into consideration?

- Regulatory authority
- Decision making power
- Financial influence
- Other

Survey questions
Organizational set-up (4 of 4)

| | |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>55. What reports does the organization prepare, how often are they prepared, who reviews them?</p> | <ul style="list-style-type: none"> • Financial report reviewers: • Financial report Timing • Twice a year (=3) <ul style="list-style-type: none"> • Once a year (=2) • Once every 2 years (=1) • Other (please specify) (less than every 2 years = 0; more than twice a year = 3) • Does not submit reports (=0) <ul style="list-style-type: none"> • Activity and Performance report (the organization's impact on members) reviewers: <p>Timing</p> <ul style="list-style-type: none"> • Twice a year (=3) <ul style="list-style-type: none"> • Once a year (=2) • Once every 2 years (=1) • Other (please specify) (less than every 2 years = 0; more than twice a year = 3) • Does not submit reports (=0) |
| <p>56. Is the annual budget of the farmer organization approved by the general assembly?</p> | <p>Yes (=1) No (=0)</p> |
| <p>57. Is the annual plan of the farmer organization approved by the general assembly?</p> | <p>Yes (=1) No (=0)</p> |
| <p>58. Does the general assembly participate in writing:</p> | <p>The annual budget</p> <ul style="list-style-type: none"> • Yes (=1) • No (=0) <p>The annual plan</p> <ul style="list-style-type: none"> • Yes (=1) • No (=0) <p>Organization goals</p> <ul style="list-style-type: none"> • Yes (=1) • No (=0) |
| <p>59. What are the constraints that the management team faces in member participation?</p> | |

| Survey questions Impact Capacity (1 of 3) | |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Potential | |
| Overall Strategy: | |
| 60. Does the farmer organization have a strategy document, including a business plan that guides its work over the medium and long-term (3-5 years)? | Yes (=2) No (=0) |
| 61. Does the strategy document have specific targets and what are they? | Yes (=2) No (=0) Please list targets (i.e. targets for number of members, capital, annual income, volumes traded etc.): |
| 62. Did the farmer organization involve members in the development of the strategy document? | Yes (=2) No (=0) If yes, how did members contribute? |
| Technical Assistance & Other Services | |
| Commodities: | |
| What commodities does the farmer organization trade in? | |
| Meeting member needs: | |
| 63. Does the farmer organization conduct assessments of the needs of its members and the findings are used for planning purposes? | Yes (=1) No(=0) |
| 64. Are these assessments formal? | Yes (=1) No (=0) |
| 65. How is the information gathered? | |
| Market Access: | |
| 66. Does the farmer organization provide market information to its members? | Yes(=1) No(=0) |
| 67. What kind of information does it provide? (Select all that apply, max points 2) | <ul style="list-style-type: none"> • Commodity Prices (=1) • Quality Standards (=1) • Demand Trends (=1) • Supply trends (=1) • Other (please specify(=1)) |

Survey questions

Impact Capacity (1 of 3)

| | |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>68. How is the information disseminated? (Select all that apply, indicate what is used most often, max points 2)</p> | <ul style="list-style-type: none"> • Telephone(=1) • Fax (=1) • SMS (=1) • Email (=1) • Website (=1) • General Assembly Meetings (=1) • Other meetings (=1) • Letters (=1) |
| <p>69. What is the frequency of information dissemination?</p> | <ul style="list-style-type: none"> • Daily • Weekly • Bi-monthly • Monthly • Bi-Annually • Annually • Other (please specify) |
| <p>70. Does the farmer organization aim to increase its supply to current market/buyer?</p> | <p>Yes(=1) No(=0)</p> |
| <p>80. Does the farmer organization aim to access new markets/buyers?</p> | <p>Yes(=1) No(=0)</p> |
| <p>90. What market/buyer does the farmer organization have access to now? (Select all that apply, max points 3)</p> | <ul style="list-style-type: none"> • Individuals(=1) • Consumer cooperatives(=1) • Millers/processors(=1) • NGOs (=1) • Other farmer organisations(=1) • Food reserve agencies(=1) • Traders (=1) • Export market (=1) • Other market (please specify)(=1) |
| <p>100. What other markets would they like to access?</p> | |
| <p>101. How many members sell their commodities to the farmer organization?</p> | <ul style="list-style-type: none"> • 75% -100% (=3) • 50% - 75% (=2) • 25%-50% (=1) • Less than 25% (=0) |
| <p>102. What are the constraints in sourcing commodities from farmers?</p> | <ul style="list-style-type: none"> • Price • Seasonal production fluctuations • Transportation • Other (please specify) |
| <p>103. Do members of the farmer organization sell their commodities to other buyers?</p> | <p>Yes No</p> |
| <p>104. How many members sell their commodities to other buyers?</p> | |
| <p>105. What are the reasons for selling commodities to other buyers?</p> | |

Survey questions
Impact capacity (2 of 3)

Technical Assistance & Other Services

Access to Inputs & Equipment:

| | |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 106. What kind of inputs does the farmer organization provide to its members? (Select all that apply, max points 2) | <ul style="list-style-type: none"> • Fertilizers (=1) • Seeds (=1) • Pesticides (=1) • Other inputs (please specify) (=1) • No inputs provided(=0) |
| 107. How many members in the organization able to supply inputs for? | <ul style="list-style-type: none"> • 75% -100% (=3) • 50% - 75% (=2) • 25%-50% (=1) • Less than 25% (=0) |
| 108. How do members pay for these services? | <ul style="list-style-type: none"> • Free • Cash purchase • Loans • Credit • Other (please specify) |
| 109. What kind of equipment does the farmer organization provide to its members? (Select all that apply, max points 2) | <ul style="list-style-type: none"> • Plough (=1) • Oxen (=1) • Tractors (=1) • Irrigation equipment(=1) • Other equipment (please specify) (=1) • Does not provide equipment (=0) |
| 110. How many members is the organization able to supply equipment for? | <ul style="list-style-type: none"> • 75% -100% (=3) • 50% - 75% (=2) • 25%-50% (=1) • Less than 25% (=0) |
| 111. How do members pay for these services? | <ul style="list-style-type: none"> • Free • Cash purchase • Loan • Credit • Other (please specify) |
| Transportation & Storage: | |
| 112. Does the farmer organization provide transportation services for commodities on behalf of members? | Yes(=1) No(=0) |
| 113. Does the farmer organization have access to a warehouse? | Yes(=1) , indicate how many warehouses No(=0) |
| 114. What are the challenges faced with transportation and storage? | |

**Survey questions
Impact Capacity (3 of 3)**

Technical Assistance & Other Services

Financial Services :

| | |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 115. Does the farmer organization help its member's access financial services from another source (e.g. savings organizations)? | Yes (please specify what kind) (=1) No(=0) |
| 116. Does the farmer organization provide credit to its members? | Yes(=1) No(=0) |
| 117. What is the credit provided for? (max points 3) | <ul style="list-style-type: none"> • Inputs and equipment (=1) • Fixed assets (warehouse, housing etc.) (=2) • Working capital (=2) |

118. What collateral does it ask for?

119 What is the interest rate?

120. What is the average number of members who use the service annually?

| | |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| 121. What other financial services (e.g. insurance) does the farmer organization provide? (max points 3) | <ul style="list-style-type: none"> • None (=0) • Savings (=1) • Insurance (=1) • Other (=1) |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|

Advisory & Knowledge Services:

| | |
|------------------------------------------------------------------------------------------------------------------|-------------------|
| 122. Does the farmer organization provide advisory and knowledge services (e.g. technical training for members)? | Yes(=1) No(=0) |
|------------------------------------------------------------------------------------------------------------------|-------------------|

123. What kind of knowledge services does the farmer organization provide?

| | |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 124 What is the frequency of training? | <ul style="list-style-type: none"> • Monthly (=3) • Annually (=2) • Less than once a year(=1) • Other (please specify)(Less than once a year = 1, more than monthly = 3) |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Advocacy, Policy & Collaboration:



| Survey questions Impact Capacity (3 of 3) | |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| 125. Is the farmer organization a member of other farmer associations or advocacy groups? | Yes (what kind?) (=1) No(=0) |
| 126. Has the farmer organization advocated for a policy change in the past? | Yes, specify (=1) No (=0) Other (please specify) |
| Planned Services (not scored): | |
| 127. Does the farmer organization intend to provide services in the future that it is not providing now? | Yes (please specify) No |
| 128. What are the constraints that the farmer organization faces in providing technical assistance and other services? | |
| Economic Gains | |
| Productivity: | |
| 129. Have members reported an increase in farmer yields in the last 3 years | Yes (=2) No(=0) |
| Quality and Value addition: | |
| 130. Does the farmer organization provide food processing services? | Yes (=2) No(=0) |
| 131. What kind of food processing does the farmer organization provide? | |
| 132. How many members utilize the services? | |
| Income (not scored): | |
| 133. What is the average annual income that members earn from sales to the farmer organization? | |
| 134. What is the value of total dividends paid to members annually? | |

The individual results for each subcategory and FO follow below:

Table 24. Overview of organizational setup country scores¹²⁷

| Organizational Setup <i>(Total of 74 points or 68 points for Indonesia)</i> | Aggregate Scores | | | | |
|---------------------------------------------------------------------------------------|-------------------------|----------------|----------------|----------------------|----------------------|
| | Uganda | Senegal | Morocco | Indonesia SPI | Indonesia KPL |
| | 0.70 | 0.62 | 0.62 | 0.65 | 0.63 |
| Governance (27 points) | 0.88 | 0.64 | 0.73 | 0.52 | 0.44 |
| Organizational structure | 1.00 | 0.87 | 0.80 | 0.60 | 0.53 |
| General Assembly | 0.83 | 0.50 | 0.58 | 0.42 | 0.33 |
| Communication | 0.67 | 0.33 | 0.83 | n/a* | n/a* |
| Business Fundamentals (27 points) | 0.56 | 0.59 | 0.56 | 0.67 | 0.67 |
| Financial Planning and Management | 0.58 | 0.58 | 0.33 | 0.58 | 0.67 |
| Resource & Revenue Generation | 0.50 | 0.25 | 0.63 | 0.50 | 0.38 |
| Human Resource Management | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Systems and Infrastructure | 0.67 | 1.00 | 0.83 | 1.00 | 1.00 |
| Representation (14 points) | 0.57 | 0.64 | 0.50 | 0.86 | 0.93 |
| Accountability | 0.57 | 0.64 | 0.50 | 0.86 | 0.93 |

*It was not possible to measure Communication performance under the Governance area for SPI or KPA and as such, was not included in the final score

¹²⁷ All calculations done by the study authors based on responses to questions on the profiling tool.

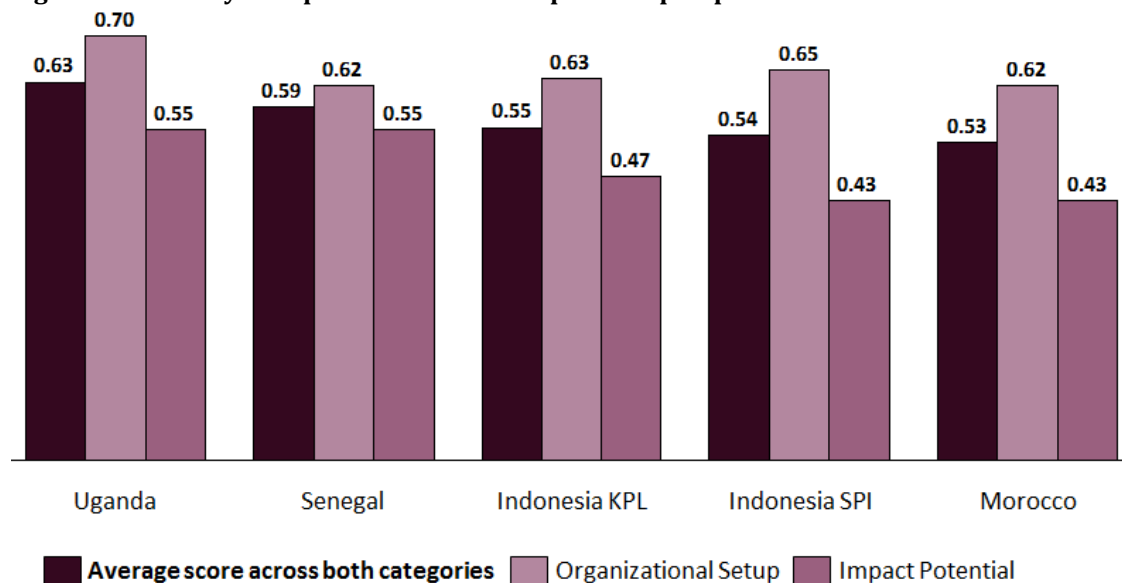
Table 25. Overview of strategic potential country scores¹²⁸

| Impact Capacity (Total of 51 points) | Aggregate Scores | | | | |
|-----------------------------------------------|------------------|-------------|-------------|---------------|---------------|
| | Uganda | Senegal | Morocco | Indonesia SPI | Indonesia KPL |
| | 0.55 | 0.55 | 0.43 | 0.43 | 0.47 |
| Overall Strategy | 0.33 | 0.67 | 0.67 | 1.00 | 0.67 |
| TA and Other Services | 0.54 | 0.49 | 0.39 | 0.34 | 0.49 |
| Market Access | 0.62 | 0.38 | 0.62 | 0.38 | 0.69 |
| Access to Inputs, Equipment, & Infrastructure | 0.20 | 0.30 | 0.00 | 0.20 | 0.00 |
| Transportation and Storage | 1.00 | 1.00 | 0.50 | 0.00 | 0.00 |
| Financial Services | 0.50 | 0.38 | 0.00 | 0.00 | 0.50 |
| Meeting Member Needs | 0.50 | 1.00 | 0.50 | 0.50 | 0.50 |
| Advisory and Knowledge Services | 1.00 | 0.75 | 1.00 | 1.00 | 1.00 |
| Advocacy, Policy & Collaboration | 0.50 | 1.00 | 1.00 | 1.00 | 1.00 |
| Economic Gains | 1.00 | 1.00 | 0.50 | 0.50 | 0.00 |
| Productivity | 1.00 | 1.00 | 0.00 | 1.00 | 0.00 |
| Quality & Value Addition | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 |

In comparison perspective, Uganda performs best across both categories, closely followed by Senegal.

¹²⁸ All calculations done by the study authors based on responses to questions on the profiling tool.

Figure 20. Country case performance in comparative perspective¹²⁹



¹²⁹ Calculated from results shown in the previous two tables.