



EMPOWERING SMALLHOLDER FARMERS IN MARKETS

A Farmer Driven Research and
Policy Development Programme

IFAD Grant Number I-R-1077-A-AGRIN
EL&I Project number BO-10-010-129

Progress report: January – December 2011

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December 2011



1. INTRODUCTION

During the reporting period, January – December 2011 many activities in the countries got on track. The elaboration of the country plans and the contracting of the research followed a two-stage process, starting with a first contract (pending the formal co-financing from Dutch Ministry EL&I) of €7,500. In the first-half of 2011, the activities around these contracts were finalized in most countries with a second contract of €22,500 signed based on adjusted work plans.

Based on the series of workshops and adapted ESFIM country plans in 2010, most ESFIM partners prepared and have started the implementation of the research on the specific themes as defined under the Collaborative Research component. The preliminary results of the studies have been discussed in stakeholder workshops in most countries in order to share and validate the findings and craft advocacy strategies. A number of national farmer organizations (NFO) started explicit advocacy activities related with the outputs of the research, including key meetings with governments, information dissemination to the members, mobilising networks and contacts in the policy arena for consultation and dialogue and public events. The results of these first rounds of local research support, the practical experience of incorporating external research support to the NFOs strategizing process, have led to new contacts and networks between NFOs and researchers, and may be a first step to a more institutionalized collaboration between local research institutes and the NFO. Also NFO members and staff have become more familiar with the need to articulate for research, the use of research outputs and developing advocacy strategies informed by evidence.

The activities under the Comparative Research have continued and focus on the four prior identified themes: Innovative Financial Models, Market Information Systems, Incentives in Collective Marketing and Risk Insurance. This resulted in the production of three Policy Briefs which are available on the ESFIM website and copies have been distributed at events such as seminars and workshops. Notably, the activities around "incentive systems for collective marketing" have transcended the initial phase of drafting policy briefs and have contributed to a larger case-studies research process in Bolivia.

The programme started to roll out an assessment to monitor the advocacy capacity and empowerment of NFO in markets in the different ESFIM countries. A concept note and an assessment instrument have been developed in 2011. This will be implemented in the first quarter of 2012 and results are expected in the second quarter 2012. The assessment will be facilitated by external local consultant.

During 2011, ESFIM gained considerable external visibility. ESFIM researchers and farmer leaders were invited to various international conferences to present emergent findings, such as the EU Forum on Rural Development in Palencia, the PAEPARD meeting on 'Farmers' organizations and agricultural research for development in Africa: roles, complementarity with others stakeholders', and the International Conference on Innovation in Extension and Advisory Services in Nairobi.

Apart from communication efforts in each of the participating ESFIM countries on their programme's activities, an ESFIM update-bulletin has been issued for an external audience. ESFIM has further revamped and updated the website www.esfim.org. The website is now in three languages and includes for each of the countries a video with the AGRINATURA researchers reflecting on the ESFIM research support process. ESFIM is also preparing for a side event at the Farmers Forum 2012.

AGRINATURA and IFAD managed to find a suitable solution to continue the programmes' activities and coordination after the liquidation of IFAP in November 2010. Formal contracting has been finalized and additional funds have been mobilized with the Dutch Ministry of Economic Affairs, Agriculture and Innovation (ELI) and the Dutch Development Cooperation (DGIS) to enable the implementation of the planned activities. ESFIM is developing a concept note for a proposal for funding of collaborative research activities under the EU-FSTP 2011 call for proposals.

2. PROJECT COORDINATION

AGRINATURA-EEIG in Paris has been active with the re-contracting with IFAD, substituting IFAP as beneficiary of the grant to ESFIM. During the first half of 2011, the ESFIM research coordinator of the ESFIM Programme, Giel Ton from Wageningen UR, was mainly engaged in contracting and re-contracting the ESFIM activities funded under the ELI-DGIS funding to the National Farmer Organisations (NFOs). For administrative reasons, the Dutch Ministry EL&I committed this funding through LEI Wageningen UR, not through AGRINATURA-EEIG. LEI Wageningen UR, therefore, had to assume most of the coordination work. In July 2011 the new Grant Agreement has been signed. Delegation to the respective AGRINATURA members (Wageningen UR, NRI, CIRAD) is ongoing, but largely defined by the earlier division agreed upon under the IFAP-AGRINATURA subcontract.

After serious delays in implementation in India (lack of commitment and communication) and South Africa (discontinuation with NAFU and shift to AgriSA still problematic), it has been decided to withdraw from these countries. As a new country, Bolivia has been included in the ESFIM program with the NFO CIOEC-Bolivia (National Platform of Economic Smallholder Organisations of Bolivia). The next table shows progress of the contracting:

COUNTRY	STATUS DD. 15-DEC-2011						
	WORKSHOP & PLAN	CONTRACTED 7,500	DISEMBURSED 6,000	DISEMBURSED 7,500	CONTRACTED 30,000	DISEMBURSED 24,000	DISEMBURSED 30,000
BENIN							
UGANDA							
KENYA							
MALAWI							
MADAGASCAR							
SOUTH AFRICA							
INDIA							
PHILIPPINES							
BOLIVIA							
PERU							
URUGUAY							
COSTA RICA							

= not yet done, and plan not yet available
 = pending finalisation contract
 = on schedule
 = not relevant

The various AGRINATURA researchers responsible for and supporting the NFO in each country work in pairs to support the increasingly dynamic NFO-led activities in each country. Several new researchers are involved to the core team. This gives a boost to exchange between various institutes and expertise within AGRINATURA. In October 2011, a two-day workshop in Wageningen took place with the AGRINATURA members (CIRAD, NRI and Wageningen UR) to discuss progress, prepare the final activities of ESFIM Phase 2, prepare the monitoring assessment and explore funding opportunities for ESFIM Phase 3.

In several of the ESFIM countries, efforts are being made to further integrate the ESFIM activities with other existing research and advocacy initiatives of the participating NFOs, in view of complementarity and efficiency. In East-Africa, contact has been established with the East African Farmers' Federation (EAFF), to make use of the ESFIM experiences for regional exchange and learning. In Benin, ESFIM supported a major endeavour of FUPRO and partners to develop a larger support program on maize. In Bolivia, ESFIM builds on a process facilitated by AGRITERRA on participative processes of policy generations.

2.1 ESFIM Programme Management

The ESFIM Programme management met in Rome on 10-11 March 2011, complementary to the meeting with IFAD. The logistics and coordination between lead and supplementary researchers were discussed. As the Programme Management, without IFAP, was reduced to AGRINATURA only and without major programme management funds, coordination was largely based on e-mail and telephone. In October 2011 a two-day workshop with the Programme Management and associated researchers took place in Wageningen.

2.2 ESFIM - IFAD Coordination meeting

The ESFIM-IFAD coordination meeting took place on the 10 March 2011 in Rome. The contractual situation was resolved with the legal department in IFAD. In addition to the IFAD Regional Coordinators, the coordinator of GFAR had been present in a lunch meeting where progress on ESFIM Phase 2 was presented and discussed, and the future of a tentative ESFIM Phase 3 was explored. IFAD indicated that, to be eligible for future funding from IFAD-Headquarters, a relationship with the IFAD monitoring and evaluation efforts would be necessary. The use of the ESFIM network to evaluate IFAD-supported policy interventions in each country, could offer a good entry point. Plans were discussed to add to the process of the Farmers' Forum and GFAR-regional research networks, presenting outcomes of the ESFIM programme. GFAR promised to explore the possibility for an African Regional Farmers' Forum with complementary FARA-activities. These discussions on a possible ESFIM Phase 3 with IFAD support are planned to continue during the Farmers' Forum in February 2012.

2.3 Contract issues Phase 2

The budget ESFIM-programme is covered by two donors. The International Fund for Agricultural Development (IFAD) and AGRINATURA signed the Large Grant Agreement I-R-1077-A-AGRIN with the project completion date 30 June 2012 and for a total amount of 579,600 USD, covering the cost of mobilization of researchers from AGRINATURA in ESFIM activities, agreed programme activities and programme management.

The Dutch Ministry Economic Affairs, Agriculture and Innovation (EL&I) provides a total amount of €400,000 (contract BO-10-010-129 with LEI Wageningen UR), with a completion date of 30 June 2012, largely subcontracted to the participating NFOs to cover the cost of collaborative research activities and contract management.

2.4 Prepare for a ESFIM Phase 3

The EU opened a call for proposals on 15 October 2011, where an ESFIM Phase 3 proposal would seem to fit. Based on the earlier developed pre-proposal, submitted in 2011 to EU-FSTP and endorsed by the NFO as partners, AGRINATURA will prepare the concept note to be submitted in February 2012. The current NFOs are invited again as programme partners and where possible the team propose to include regional farmer platforms. The new funding opportunities will fund 80% of eligible costs. In case of success, we, therefore, need to find at least an additional 20% of co-financing.

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3. COLLABORATIVE RESEARCH

The 'Support to advocacy agenda through collaborative research' component of the ESFIM programme assists NFOs in developing countries with formulating feasible, evidence-based propositions for changes in key elements in the institutional environment that will enable effective market access for small-holders. In the following paragraphs, an update of the progress of AGRINATURA research support is presented for the year 2011.

Most participating NFOs have prepared and implemented the commissioned studies on the identified themes as presented in the previous progress report. Initial findings have been reported and validation workshops with their members and other relevant stakeholders have taken place. The first advocacy activities are prepared and implemented.

3.1 Benin

In Benin FUPRO participates in the ESFIM programme. Back in 2009, the NFO identified several themes for research and advocacy, based on member consultation. FUPRO therefore realized two studies on cross-border trade, for maize and for cashew nuts. Parallel to the fact-finding assignments, much effort has been spent on merging the ESFIM programme with another action research program which the Embassy of the Kingdom of the Netherlands (EKN Cotonou) awarded to FUPRO. This action research programme, referred to as *Avant Projet Mais (APM)*, concentrates on levers for making cereal food value chains more competitive, sustainable and inclusive. Specific attention is given to maize value chains, as this is the most important staple food for Benin. Together with FUPRO and WUR-CDI, SNV, AGRITERRA and KIT also partner in this action research project.

The research programmes of APM and ESFIM complement each other, not only in terms of human and financial resources, but also in terms of outlook: ESFIM is more oriented at strategy and lobby and advocacy, whereas APM is more oriented towards practical action for farmers and their partners in agribusiness. These two orientations are needed for moving towards the development of more competitive and inclusive value chains. Due to these joint efforts, FUPRO has managed to recruit a programme officer responsible for the action research agenda as from April 2011.

AGRINATURA (WUR-CDI) assisted FUPRO in developing a systematic action research approach and in preparing an integrated (APM and ESFIM) consolidated work plan and budget (see annex 1 for more details). Specific work sheets for launching specific action research activities were elaborated for each of the possible action research subjects (22 in total).

The overall action research framework and agenda include the three ESFIM priorities that were selected in May 2009: (i) Improving the adoption of storage and conservation techniques; (ii) Developing farmers' relations with private and institutional buyers of food crops and (iii) Making cross-border trade relations and opportunities work for small farmers. FUPRO updated its specific ESFIM work plan and submitted it to WUR (May 2011), who approved and transferred the first instalment.

Since this planning, FUPRO launched and coordinated several additional studies, harnessing available information on maize value chains and collecting information and experiences in neighbouring countries. In June, FUPRO started workshops at regional level for capitalizing farmers' experiences with storage and conservation and marketing of maize products. In total, the FUPRO team organized six regional workshops with members in all parts of the country by the end of July 2011. This is part of the developed methodological approach in which six young professionals are recruited and guided by FUPRO to work in each of the six regions of the country. The member consultation is composed of four major elements: focus group interview with maize producers' associations or cooperatives (4 in each of the 6 regions), data collection on individual maize farmers (360 in total), member assessments of 24 associations/cooperatives and 36 qualitative 'profiles' of maize farmers in Benin.

FUPRO developed four Terms of Reference for studies that have been implemented in August-September 2011. The literature study report was debriefed and validated in the third week of June 2011. Another 8 specific studies are launched and implemented in the third quarter of July 2011. Much attention is given to the analysis of specific case studies with the major aim to propose convincing options for action.

ESFIM and APM - Advocacy and action agenda

The literature study, member consultation and specific action research will lead to 10 summary documents (one per area) that are structured in four parts: (i) current situation and observed tendencies; (ii) challenges to be addressed; (iii) strategic orientations and pursued goals; and (iv) possible options. All summary documents will lead to practical proposals for action. More specifically, key challenges that must also be tackled through policy change – and thus require advocacy – are:

- Direct purchase of food crops of institutional buyers responsible for food stocks;
- Institutional measures for improving service provision to farmers and their local organizations (research and extension, credit, ...);
- Transparency/monopoly of fertilizer sector;
- Investment in seed production and multiplication;
- Incentives for stimulating effective adoption of storage and conservation practices;
- Respect of regulations for cross border trade and reduction transaction risks and costs;
- Institutional measures for encouraging private enterprises to directly source food crops with (organized) farmers.

It is anticipated that the combination of farmers' advocacy for institutional change, when coupled to practical proposals for actions they can undertake themselves, is likely to have a positive effect on the recipients of lobby and advocacy messages.

In the last quarter of 2011 the APM programme, of which ESFIM is now a partner, organised a write shop for all involved local researchers and consultants. This resulted in various research reports and a distillation of key findings and messages as a basis for popular articles and policy briefs. According, two strategic workshops have been organised in North and South Benin for further validation and defining strategic orientations and the necessary policy changes. Both these activities have fed into the development of a programme focussing on cereal food and market crops. This has been submitted to the Dutch Embassy for funding.

The progress so far shows that FUBRO actively leads the action research programme and strongly emphasises on member consultation. The ESFIM research activities are embedded in an integrated action research programme, resulting in advocacy activities and a programme focussed at improving market access.

3.2 Costa Rica

In Costa Rica, the ESFIM partner is the NFO CMC (Coordinadora Mujeres Campesina), a rural women organisation. In 2010, the CMC had identified two research themes as a basis for the advocacy strategies. These are:

- assessing the market information system for small farmers; and
- analysing constraints and successful initiatives to facilitate market access for small holders including for export markets.

Early 2011, the specific terms of references were identified for the studies and the implementation started. The first study results on the market information system were presented to the representatives of CMC and leaders of other farmers organizations such as MNC and ANAMAR. This resulted in a selection of main problems and ideas of solutions, which were drafted and validated in the ESFIM workshop with a broader platform of CMC representatives and members. The second study on restrictions related to access of export market has been conducted as well.

Together with the preliminary analysis of these two commissioned studies, CMC gathered and analysed information on two related laws: 1) law of good and real properties; and 2) the reform of the fiscal law. For both, CMC analysed the consequences and legislative constraints for small holders' market access. The law on goods and real properties is of major influence for farmers because it may raise actual land tax paid by farmers, which may as a consequence reduce competitiveness of small farmers. Further the fiscal law may affect farmers' incomes negatively as the tax on farm inputs such as water, electricity, gasoline will be higher.

At the same time, CMC teams up with UPANACIONAL, another NFO which leads and coordinates more farmer organizations in a platform to discuss on the reform of the fiscal law. The reform is currently discussed in the National Assembly and since this fiscal reform process is global, the voice of small holders is very limited. UPANACIONAL, together with the platform partners such as CMC, have developed an active lobby strategy. This has resulted in a regular forum with the Ministry of Agriculture to discuss the current policies together with a large panel of POs representatives.

Accordingly, CMC has organised a workshop in October 2011 with members and representatives to draft a strategy to influence political decision making to better enable small farmers' access to markets. The strategies apply for the sectors of livestock, vegetables and coarse grains. To feed these sectoral initiatives into an integrated advocacy effort together with other NFOs, like MNC and UPANACIONAL, CMC has now developed a more focussed advocacy plan to elaborate a proposal for Law on Food Sovereignty and Food Security. This plan has been agreed as part of ESFIM action plan in 2012.

CMC works strategically on strengthening relations with policy makers and decision makers. They invited sector policy representatives to their workshops. However, the mobilisation of key actors of the policy process remains a challenge. Drawing lessons from this meeting, CMC has prepared an active strategy to have follow-up meetings with these representatives, especially with deputies in charge of the agriculture affairs commission in the National Assembly, as well as specific inter-professional bodies of the key sectors and civil servants of relevant ministries.

3.3 India

Following agreement made in 2010 between the ESFIM programme and the ESFIM partner organisation in India - the Federation of Farmers Associations (FFA), and in response to the demand of national, state and commodity based Farmer Organisations, the proposed work plan focussed on better understanding of relevant laws and conducive policies relating to inclusive business development of Farmer Organisations. Six case examples of farmer organisations and inclusive new business models which link farmers to markets were identified and the methodology agreed to review these cases in order to learn lessons and share such lessons on what works well and why. The draft work plan was completed and early stage budget for the implementation phase was presented by FFA in early 2011.

Nevertheless, despite various attempts to start the case studies review, no further progress to engage with the work was taken by FFA. This reached a point where AGRINATURA partners decided to stop further engagement with ESFIM activities through FFA in India.

3.4 Kenya

The ESFIM partner in Kenya is KENFAP. KENFAP has completed two Collaborative Research studies. The first study involved an assessment of Kenya Government's interventions in agricultural input and output markets, focusing on maize seed, fertilizer and maize grain. Its aim was to determine the impact and sustainability of the interventions involving delivery of subsidised fertiliser and certified seeds to smallholder farmers. The study, which included desk reviews as well as collection and analysis of primary data from farmers in the study area, was undertaken by KENFAP staff. NRI, of the AGRINATURA partners, provided advisory and editorial inputs to KENFAP.

The results of the study were validated during a stakeholders' workshop held on 15 March 2011 in Nairobi (see Box 1 below). The study concluded that that only 12% of the target smallholder farmers benefited directly from the government interventions. As a result of using the inputs provided, the beneficiaries obtained 74% increase output and their production costs were reduced by over 40%. However, persisting infrastructure and marketing constraints substantially reduced the net benefits to beneficiary farmers. For instance, market prices were distorted as a result of the price of maize grains being arbitrarily fixed by Government without consideration of farmers' production costs. Most smallholder farmers were also unable to access formal markets due to stringent quality requirements and their lack of capacity to comply with them. It was further noted that interventions in the inputs markets undermined the development of private inputs distribution systems, thus making input supply more uncertain for most smallholder farmers. On the whole, the report raised significant doubts about the sustainability of the Government programme. The workshop participants endorsed the conclusions of the report and resolved that the observations and conclusions should be brought to the attention of the

Government of Kenya. They further resolved that Government should address the identified weaknesses in the existing programme before expanding to cover other crop sub-sectors.

Box 1: Participating institutions at the KENFAP Validation Workshop on Kenya Government Interventions in Grain Input and Output Markets held on 15 March 2011 in Nairobi, Kenya

Participants included members of KENFAP, other farmers' organisations such as the Cooperative Alliance of Kenya (CAK) and the Eastern Africa Farmers Federation (EAFF) as well as representatives of private sector organisations such as the Eastern Africa Grain Council (EAGC), the MEA Fertilizer Company, Kenya Seed Company, Seed Traders Association of Kenya (STAK). Other participants were from policy organizations including the Kenya Institute of Public Policy Research and Analysis (KIPPRA), Tegemeo Institute of Agricultural Policy and Development (Tegemeo) of Egerton University, Kenya Agricultural Research Institute (KARI) and the Ministries of Agriculture and Finance, the National Cereals and Produce Board (NCPB), National Agricultural Accelerated Input Access Programme (NAAIAP) and the Agricultural Sector Coordinating Unit (ASCU). NRI was represented at the Workshop by Dr. Gideon Onumah. In addition, the KENFAP National Chairman held a one to one meeting with the Minister of Agriculture on the issues. An additional farmer leaders' meeting will be held soon to discuss further the issues on grain input and output market.

The report formed the basis of presentation by a representative of KENFAP – Ms. Daphne Gatwiri Muchai – at a side-event on ESFIM at the third European Forum on Rural Development held in Palencia, Spain, between 29 March and 1 April 2011 (see annex 2). KENFAP also presented a formal resolution, which in part reflected the conclusions and recommendations contained in the report, to the President of the Republic of Kenya in June 2011. The main platforms through which KENFAP is pursuing further policy advocacy action related to the issues raised in the report are the Kenya Private Sector Alliance (KEPSA) as well as the Prime Minister's Quarterly Round Table and the biannual Presidential Forum. In response to the resolution, the Ministry for Livestock Development met with KENFAP representatives to discuss issues pertaining to drought response and management in arid and semi-arid lands in Kenya. The Ministry of Agriculture has also agreed to schedule a meeting with KENFAP to discuss issues related to programmes affecting grain marketing as well as input supply to resource-poor farmers.

In response to member demands, KENFAP initiated another policy research study on its priority thematic areas, which is supported under ESFIM 2. The studies comprised two topics:

- The role of Warehouse Receipt System (WRS) in improving produce marketing by smallholders in Kenya;
- The role of Financial Services in improving produce marketing by smallholders in Kenya.

The studies have been implemented in June – September 2011 by KENFAP staff, with specific emphasis to the following objectives:

- understand the operations, risks, challenges and enabling environment for WRS
- identify the capacity needs of smallholder farmers to engage in WRS
- determine how best WRS can improve grain management and marketing
- identify existing financial credit sources and insurance services available for smallholders.
- examine terms and conditions of loans targeting smallholders and identify impediments or difficulties
- identify the hidden costs embedded in bank loans and identify the cost of risk participation by Banks and Micro finance Institutions

A validation workshop has been organized early November 2011. The study resulted in insights on experiences and limitations of current WRS and financial services in Kenya and valuable recommendations for a more conducive policy environment as well as recommendation to further develop these services and the necessary capacity of NFO to engage. Outputs from this work feed directly into the Government-supported process to develop an accessible and regulated WRS in Kenya. The report from the study provides the necessary evidence to support contributions made by KENFAP in the on-going consultation process with the government.

3.5 Madagascar

The first half of the 2011 has been devoted to prepare the research on the three priority issues identified by the CPM: i) farmers' capacity for decision making in the field of marketing, ii) market information system and iii) collective marketing experiences in Madagascar. The Terms of References have been formulated with the AGRINATURA-EEIG supporting researchers. CPM eventually decided to combine in one consultancy the issues (i) and (ii). In June, an additional mission took place to assist CPM in the inception phase of the studies. Two consultants have been selected and started their research in June 2011.

The two studies have been carried out from August to September 2011 combining the review of available data and information and interviewing stakeholders in selected areas. Two preliminaries reports have been presented and discussed in September 2011 during a workshop with representatives of major Malagasy Farmer Organisations and resources persons from development institutions. After the presentation of the results, the participants were divided into smaller groups to elicit the issues that deserve specific attention in terms of advocacy. These included:

Market information systems and the specific claim for a broader broadcast of information collected by the different operating market information systems. Participants pointed out that it was rather difficult to reach a firm conclusion about the type of market information system that should be privileged. While they acknowledge the interest of decentralized, tailored made systems such as the SIEL (market information system on vegetables), however, aware that such systems are more costly than the more classical one limiting their information broadcast to traditional media. The assembly came to the conclusion that even though radio broadcast was not the most satisfactory way to enhance farmers' knowledge about market dynamics it would be worthwhile to expand the use of this media in both terms of price, broadcast duration and of information coverage. Participants emphasized that the segmented dissemination of price records through different media by each market information system constitutes a loss of resources and limits the potential of each system in terms of their utility and impact for farmers' empowerment. It was therefore decided to launch an action targeting public administration to request:

- i) a longer time for broadcasting the price information with explanations about the meaning of price changes and differentials, and
- ii) a comprehensive dissemination of all type of prices collected on a regular basis across the country.

The results of the study on collective action for marketing didn't lead to any clear conclusion that could be formulated into collective advocacy action. Farmers' representatives pinpointed that while Malagasy smallholders clearly perceived the benefit of collective action for managing resources such as water or agricultural inputs procurement, output marketing was still considered as an individual decision. The farmers' organizations decided to further pursue the discussion within their own institutions rather than attempting to formulate an unfounded claim for collective action.

Interactions between the so called financial and technical institutions (development and funding agencies, NGOs, etc) emerged as a specific issue from the discussion. Given the uncertainty that characterizes the political environment in which the FO evolves, those institutions have played a key role in providing a continuous support to rural communities. However the debate about the topics selected within the ESFIM revealed that the respective role of farmers' organization and other stakeholders involved in supporting smallholders is not clearly articulated. It was decided that this issue requires further consultations between the various parties involved. Another outcome of the ESFIM supported process is the increasing awareness of the farmers' organization leaders that they need to establish a permanent capacity in monitoring and evaluation of the impact of projects aiming at supporting farmers' livelihood. This capacity is considered as critical to sustain and enhance the FO's capacities to effectively contribute to the policy dialogue.

3.6 Malawi

The National Smallholder Farmers Association of Malawi (NASFAM) identified two research themes to elaborate on in the ESFIM programme:

- 1) Identifying lessons learnt about smallholder commercial seed multiplication
- 2) Reviewing existing experiences with market information systems (MIS)

In the first months of 2011, the implementation of these studies was further prepared by elaborating the Terms of Reference and recruiting consultants. During this process, NASFAM further specified and articulated specific constraints related to these two themes.

Through consultation with their members, NASFAM identified that one of the major challenges that smallholder farmers in Malawi face is access to certified quality seed, especially for legumes. Low production of certified seeds makes it scarce on the market hence the price is mostly high. As a result most of the farmers resort to saving their own seed and this greatly affects productivity and yield. Yield potential of the available seed is reduced by 80% due to reduced vigour and increases pest and disease incidence. In other parts of the country, availability of seeds in the right quantities before the first rains becomes a challenge due to poor distribution. This is also impacted by the poor road infrastructure that renders most of the roads impassable during the rainy season. Coupled with this is the issue of packaging into quantities that farmers are able to afford. The project seeks to redress the issues of access to seed through advocacy and lobbying.

Concerning the second theme, information asymmetry is clearly indicated as one of the major hindrances to market access by smallholder farmers in Malawi. Farmers do not have relevant information to guide their production and marketing decisions. Whilst efforts in gathering and distributing of market information through the Ministry of Agriculture and Food Security (marketing section), the Agricultural Commodity Exchange (ACE) and Malawi Agricultural Commodity Exchange (MACE) and donor supported Farming Early Warning Systems (FEWS-Net) are acknowledged, MIS are aimed mostly at contributing to improved trade and marketing of agricultural commodities through:

- facilitation of linkages between sellers, buyers, exporters and importers of agricultural commodities;
- empowering farmers, traders, processors and other market participants with relevant and timely marketing information and intelligence that enhances their bargaining power and competitiveness in the market place; and
- provision of transparent and competitive price discovery mechanism.

There has however been little progress on getting appropriate information to the farmers in a relevant form and in a timely manner in order to facilitate their decision making processes. It was reported that smallholder farmers lack information that informs them of the required agricultural commodities by volume, where demanded, the prices being offered and quality standards required. This type of information is not usually available to the farmers for their use and to guide their production and marketing decisions. Utilisation of current MIS by smallholder farmers in Malawi has met with limited success.

The field work started in May 2011. NASFAM was involved in refining the research study tools and in identifying the two case studies on seed multiplication and market information systems to be included in the study. The desk research on Seed Multiplication and the field work have been completed. The Market Information System study is in progress. The consultants have submitted the draft reports of the two case studies. The findings of these reports will be discussed during a national stakeholder meeting to be organized early 2012. Following the discussions and recommendations from the workshop, NASFAM will use the findings to inform its advocacy agenda.

3.7 Peru

In Peru, ESFIM works through the Junta Nacional de Café in the strengthening of a platform of economic farmer organizations. This platform exists as an informal group, and in November 2010, the JNC become elected to the board of the major Peruvian agricultural policy think-tank CONVEAGRO. The five issues prioritised as ESFIM themes during the ESFIM meeting with the NFO Junta Nacional de Café (JNC) and the broader associative platform of farmers organisations were taken up to a large extent by the new

board of CONVEAGRO. CONVEAGRO changed leadership and presidency in December 2010. The issues include:

- Cooperative Law and VAT on internal transaction
- Government procurement procedures
- Quality requirements and internal control systems
- Organisational intelligence on collective marketing arrangements
- Improvement of the PCC grant fund for competitiveness

A key advocacy issue, on which JNC had been working the last two years, relates to the Cooperative Law, opposing the new interpretation for the fiscal authorities to tax internal transaction between members and the organisation. The cooperative sector, both the cooperative banks and the coffee cooperatives would be severely affected by such taxation. Some of the coffee cooperatives faced charges and were threaten with bankruptcy for not paying these taxes. After years of lobby to the parliament, in May 2011 the Peruvian parliament restated the intention of the law to exonerate VAT on these internal transactions (Decreto Legislativo Ley 29683). Legal and evidence-based support in this strategy has been given by specialized lawyers contracted by JNC with other funding. This advocacy started before ESFIM entered the stage but has been discussed with the other sectors within the context of ESFIM-project. But, in August 2011, unexpectedly and without notice, as one of his first policy intervention, the government rescinded the tax regulation that the sector (led by JNC) had managed to retain in May. Since then advocacy efforts have been intensified e.g. through an emergency session on 22 August 2011 in Congress and a march to the Congress on 23 November 2011. The latter was successful and the Government formally withdrew the new interpretation of the tax issue from the agenda of the Congress. An historic victory for the cooperative sector.

The second advocacy issue is a critical reflection on the government procurement policies. Peru has an extensive legal framework to target government procurement to small farmers. The most prominent programme is PRONAA that procures for nutritional programmes and has the explicit task according to the law (Ley N° 27060 and Decreto Supremo N° 005-2008-MIMDES) to procure from local small farmers. However, in practice this does not happen. To analyse the constraints, but also the legal obligations of government, a sequence of workshops have been organized with members and legal specialists in 2010 and an ESFIM Policy Brief on the subject has been prepared (see <http://www.esfim.org/collaborative-research/peru/documents/?lang=es>). To further feed the advocacy agenda on government procurement policies, four case-studies were commissioned of successful experiences where organized producers managed to provide to government procurement programmes. These organized producer groups include Asociación Civil de Productores Agropecuarios El Progreso, Churucana, Cajabamba, and Agro Servicios y Producción de Alimentos San Juan de Pisco SRL. Provincia de Huaraz.

As for the third theme, on quality, identified, during 2010, JNC developed a quality assurance system for coffee nurseries and developed a manual on standards and certified coffee plants. Through practical assessments, a number of seedling producers demonstrated their competences and in July 2011, 17 producers, technicians and workers received an official certification that confirms their ability to perform their work on coffee seedlings production- this activity being the first step towards achieving adequate productivity in coffee plantations. These growers were evaluated by the National Coffee Board (JNC) and Environmental Management for Agriculture (GEMA). These entities are authorized by the Peruvian Institute of Evaluation, Accreditation and Certification of Quality (IPEBA). This consolidates a process that began in February 2010 as a pilot program, supported by ESFIM, through which the JNC and IPEBA joined efforts to certify the skills of the producers of coffee seedlings.

Concerning the fourth theme of collective marketing, AGRINATURA will synthesize the organisational trajectory of the cotton organisation COSTACH in Piura, as a promising model for strengthening an associative sector, which engages in collective processing and the development of specific quality parameters to gain a niche market for Piura cotton. Also, an open call for "good practice case-studies of collective marketing" has been launched as a national call with awards for the most interesting case-studies. The framework for this has been developed in comparative research ("incentive structures in collective marketing").

On the fifth issue, prioritized in 2010 in the advocacy plan, there has been significant improvement. The PCC grant fund changed its requirement that was most disturbing for the associative sector i.e. no individual member could have a pending payment with the agricultural bank. This change made most associations and cooperative eligible. The first round of grants resulted in several associations related to the platform, being selected for a supporting. proved promising for an PCC that could be helpful for development of the associative sector.

Overall, the specific ESFIM activities are well embedded in the on-going advocacy initiatives of JNC and the larger platform CONVEAGRO. CONVEAGRO has a weekly meeting to monitor agricultural policies and discuss advocacy strategies. In these meetings, farmer leaders and NGOs discuss the current political situation and prepare communications. CONVEAGRO has support staff from the NGO CEPES, especially for coordination and process issues. Farmer organisations, however, claim that the prioritized issues are somewhat donor-driven and that ESFIM provided a needed and complementary source of support to change these priorities. To improve advocacy efforts, consultants and NGOs elaborate background documents. The history of CONVEAGRO and the role of JNC within it, has been systemized by the AGRINATURA researcher with the coordinator of JNC, through a series of recorded interviews. For the end 2011, an ESFIM brief is being developed based on this experience, to document a successful advocacy experience for the wider ESFIM network.

In March 2011, CONVEAGRO organized, with ESFIM co-funding, a dialogue with all presidential candidates. It presented a ten points advocacy agenda "priorities in agriculture", with several issues directly related to the support of farmers and farmer organisation in markets. The intention was to encourage all candidates to publicly endorse all (or parts) of the lobby agenda of CONVEAGRO. The election of Humala in the presidential elections promised to be conducive. An important person in CONVEAGRO became vice-minister and is now in a good position to support taking the CONVEAGRO agenda further. This has however translated into some organisational frictions within and around the CONVEAGRO board that have to be resolved in the coming months.

3.8 Philippines

In the Philippines, the ESFIM collaborative program focuses on the improvement of rice (palay) and corn (maize) marketing through a contribution to the implementation of an Agricultural Commodity Exchange System (ACES). The ACES initiative is implemented by the National Food Agency (NFA) and is supported by the ESFIM partner NFO, the Free Federation of Farmers (FFF). The ACES is at a pilot stage with the development of Enhanced Electronic Trade System (EETS) for corn and rice. ESFIM resources are devoted to assess how farmers can access to this new marketing services and its impact on their marketing practices and their livelihood. Accordingly, two actions are currently implemented by the FFF through consultation services:

- (i) a baseline survey to gather the material needed to assess how the ACES, once fully operational, will impact farmers marketing capacities, and
- (ii) the design and testing of training devices to enhance the capacity of small-scale farmers and local traders in using the ACES.

Remaining ESFIM resources are used to monitor the development of the ACES in order to document constraints and issues addressed throughout its establishment and to share findings with other farmers' organization in the Philippines and abroad

As from May 2011, the baseline survey has been carried out in seven provinces covering 700 rice or corn producers. A preliminary report on the analysis of the baseline survey about farmers' marketing practices for rice and maize has been circulated among FFF partners and the final version is under completion. The survey provided additional insight into the prevalence of private marketing channels for farmers' sales of corn and rice and factors that hinder the attractiveness of other marketing options (cooperatives, NFA outlet...). It will assist the FFF and its partners in better understanding constraints faced by small farmers to enable them to benefit from the ACES and to design possible mechanisms or institutional arrangements that could facilitate farmers' better access to this service.

Related to the second action, a training material kit has been designed to facilitate the understanding by farmers and local traders of the opportunities provided by the ACES. It includes a game played by

farmers and traders to simulate the impact of the ACES on transactions and price formation. Four training sessions on the utilization of EETS have been organized in three major corn producing areas and in the capital city. The objective of these training sessions was to test the training material that has been designed to explain to farmers and other stakeholders how the EETS operates and how they can benefit from this marketing system. One major outcome of these training sessions in addition to the assessment of the training material was the identification of several critical issues on the feasibility of the system.

Stakeholders suggested several improvements on the price matching mechanism. The size of the basic contract for the price quotation has been also discussed since there is a trade-off between the transaction costs that would increase if the volume of the basic contract is low while a larger volume may prevent smaller farmers from using the EETS.

Another major outcome of these training sessions was the gathering of stakeholders including farmers, traders and agro-food industries managers that seldom exchange on marketing related issues. Hence, each session offered a platform where farmers and other stakeholders were able to discuss openly price formation mechanisms, quality standards, quality reward and penalties. Thus, stakeholders have had an opportunity to improve their knowledge about constraints faced by other stakeholders in terms of marketing.

The last quarter the 2011 will be devoted to the writing and validation of the report on the baseline survey outcomes. A work session is planned early 2012 by the FFF and NFA with AGRINATURA researchers to contribute to the formulation of a road map toward the full implementation of the ACES.

A final seminar is scheduled for early 2012 where the outcome of the various ESFIM funded actions will be presented and discussed with FFF partners. The seminar will provide an opportunity to draw lessons about the process followed to establish the EETS and to identify actions that should be undertaken, beyond the training, to ensure that corn and rice producers could benefit from this emerging marketing system.

3.9 South Africa

Implementation of the project in South Africa remained very slow. Following discussions in August 2010 between officials of AgriSA, the AGRINATURA-NRI lead researcher responsible for South Africa and the local consultant, AgriSA took over local management of ESFIM 2 from the National African Farmers Union (NAFU). The local consultant was directly commissioned by NRI to review the report and the three thematic areas identified during the ESFIM I National Workshop as priority issues for smallholder farmers in South Africa. His report indicated that those thematic issues, summarised below, remained very relevant:

- a) Farmer mobilization for collective action: the issues to be investigated include determining the forms of farmer organization that facilitate collective marketing by smallholder farmers and, related to that, the policy and regulatory reforms required to promote collective marketing groups. Further to the above, identifying opportunities for public and donor investment in promoting collective marketing by smallholder farmers in the identified markets.
- b) Business Partnerships between farmers and agribusiness: Identifying types of partnerships between smallholder farmers and major market players that assure access to remunerative market opportunities, as well as the policy and regulatory framework required to foster and sustain the partnerships.
- c) Policy and Programme Review: Identifying factors hampering implementation and/or enforcement of existing policies and regulations intended to improve access to remunerative markets and entrepreneurship by smallholder farmers. Related to this, identify any gaps in enabling policies and regulatory systems and propose feasible reforms.

It took well over six months for AgriSA to confirm endorsement of the report and recommendations following discussions by its executives and representatives smallholder farmers' organisations at the provincial level. Their endorsement was confirmed in May 2011. However, implementation has been further hampered by the demise of the local consultant. The AGRINATURA lead researcher is assisting AgriSA officials in recruiting a new local consultant, following which new time lines for undertaking the research studies will be agreed. The ESFIM programme management is considering a go/no-go decision in South Africa.

3.10 Uganda

In Uganda, the ESFIM partner Uganda National Farmers Federation (UNFFE) has decided to focus on the implementation of NAADS (National Agricultural Advisory Services). NAADS is a government-run program to improve the Ugandan agricultural sector. However, there are serious constraints which hamper the efficient implementation of the programme and concerns about the benefits for small holders from the programme.

Therefore, UNFFE decided to task itself with the action-research theme: "Auditing the effectiveness of legislation and policies that affect farmers with specific reference to the National Agricultural Advisory Services (NAADS)". UNFFE's other partners (UCA, the Agriprofocus-Uganda network, SNV and Pelum Uganda engaged in further articulating this agenda. In July 2010, a project consultant and former advocacy officer was hired to facilitate the process and coordinate research with UNFFE, UCA (Uganda Cooperative Alliance), the Agriprofocus-Uganda network, SNV and PELUM Uganda. The four research themes that were identified during the workshop held in December 2008 served as the basis for several rounds of discussions and consultations with the mentioned organisations. This led to the decision that UNFFE would start with one priority theme: "Auditing the effectiveness of legislation and policies that affect farmers with specific reference to the National Agricultural Advisory Services (NAADS)".

A detailed proposal was developed for this theme in consultation with UNFFE, UCA, the Agriprofocus-Uganda network, SNV and PELUM Uganda, by title: "*Action Research to Audit the Effectiveness of NAADS and proposals for Reform: The NAADS that farmers want*".

- To facilitate a data driven consensus on the effectiveness/ineffectiveness of NAADS from the farmers' point of view
- To benchmark and analyze different extension model scenarios with a view of recommending progressive models that deliver that which takes care of farmers concerns
- To deliver farmers' NAADS blue print detailing a road map for reform
- To provide evidence so that UNFFE can conduct effective advocacy
- Map the power/influence matrix to underpin reforms in NAADS

UNFFE has hired a consultant to do a preliminary survey with farmers in order to get their opinion on NAADS, resulting in "The NAADS that farmers want – dialogue report". This served as an input into the first Focus Group Dialogue, held on February 3, 2011. This first Focus Group Dialogue brought together key stakeholders, from the private sector, (inter)national NGOs, government including representatives of Ministry of Agriculture and the NAADS secretariat, farmers and researchers. UNFFE has also engaged the Ministry of Finance where improving NAADS was one of the key issues discussed. Both the research theme and workshop initiative were well received by government and NAADS officials. They welcomed the audit from UNFFE and stated that it is the first (locally) of its kind.

During the Dialogue, the results of the dialogue report were discussed as well as the implementation of NAADS. The main results of the consultations on key issues and constraints on NAADS have been so far:

- Overpricing of inputs / poor quality technologies to farmers
- Poor public relations at local government level
- A flawed selection process for the six model (only rich farmers or those in political influence benefited from NAADS).
- Annual growth in the Ugandan agriculture sector continues to fall, despite the investments made by NAADS

After the Dialogue, a fact finding survey was done to analyse the effectiveness of the NAADS programme. This included developing the questionnaire, selecting regions and respondents. Farmers groups that do and do not participate in NAADS were interviewed about their experiences with NAADS in so-called 'fire-place meetings'. The information was collected in progress reports which will serve as a basis to craft an advocacy strategy to improve NAADS.

Meanwhile, UNFFE is also consolidating relations and is participating in consultations with key policy stakeholders such as Ministry of Agriculture and NAADS secretariat, Ministry of Finance, Planning and Economic Development, Parliamentary Committee on Agriculture.

UNFFE further participated in the National Farmers Council which brought together national stakeholders, development partners (specifically FAO) and Farmer leaders from all districts. They discussed farmer related policy and other issues.

UNFFE also participated in the launching of the Eastern Africa Agriculture Productivity Program (EAAPP), which attracted participants from Kenya, Ethiopia, Tanzania and Uganda. UNFFE pushed for the farmer involvement in research and Technology dissemination activities of the EAAPP.

3.11 Uruguay

Uruguay has a vibrant agricultural sector with an important cooperative sector. However, the sector is decreasing in influence, as their traditional economic services (input supply, storage and marketing) are increasingly delivered through contract farming arrangements by corporate food companies. The main instrument of family farmers for collective action in markets, the cooperative, needs to adjust its internal structure to the changing dynamics of markets and service provisioning. Traditional ways of serving the membership and the generation of investment and working capital e.g. through the State Development Bank, face strong disincentives that affect their competitiveness.

During 2009-2010 ESFIM activities concentrated on the good practices that exist in the cooperative sector and the possibilities and constraints for adopting these in other sectors. A survey on differences in members' commitment to the cooperative was held in February 2010.

In 2011, the research has broadened towards the study on the capacities in the cooperative for "agricultural innovation" and its use for small holders. The relevance of this theme is based on the fast development and growth in the Uruguayan agriculture sector. The sector is booming, primarily through the corporate sector mostly international companies that benefit from their strength in generating investments, attract highly skilled personnel and access to low cost forms of financing. This results in a high density of technological innovations and high levels of specialisation. Economies of scale result in high productivity.

Earlier 2009 workshops in Uruguay with the ESFIM partner CAF (the Federation of Agricultural Cooperatives), identified the need to research case-studies and best practices in cooperative management and comparative research on incentive structures in collective marketing. This resulted in a telephone survey and research report in 2010, reported on in earlier reports. Complementary to the national workshop in December 2009, research had been done on the situation of the cooperatives compared to other institutional arrangements that link smallholders to markets, especially contract farming arrangements with agribusiness. A telephone survey was held to explore the loyalty of the members with their cooperatives. This survey on "Belongingness of cooperatives members with their organization" has been object of the analysis of the MSc thesis of Sabrina Samson (WUR), between March and July 2010. Sabrina Samson analyzed a random sample of nine cooperatives. As part of the ESFIM-Program, the study also focused on "Finance, capitalization and membership of cooperatives", related to difficulties of Uruguayan cooperatives to generate their own capital.

In 2011, the research has broadened towards the study on the capacities in the cooperative for "agricultural innovation" and its use for small holders. The relevance of this theme is based on the fast development and growth in the Uruguayan agriculture sector. The sector is booming, primarily by the corporate sector, mostly international companies that benefit from their strength to generate investments, attract highly skilled personnel and access to low cost forms of financing. This results in a high density of technological innovations and high levels of specialisation. Economies of scale result in high productivity. Uruguay economic policies gear around innovation. The National Agency on Research and Innovation (ANII) is an inter-ministerial agency, created in 2007, and has commissioned a study on innovation in agriculture in 2010. The scope of that study is broad. Since the theme is relevant to CAF, it was decided to complement the ESFIM research activities to study innovation from the perspective of the cooperative sector. Attention will be focused on the social capital in the agricultural sector (including cooperatives, contract farming, etc.) necessary to link to the innovation system and improve competitiveness; and to the limitations of the innovation system from the perspective of cooperatives. The board of CAF contracted the lead consultants in July 2011. The team is composed of two researchers that undertook a range of interviews with the key persons in Uruguay's innovation system. They are

closely involved with the key persons from ANII/INIAA as advisors of the study. In September they developed the conceptual framework for the study, and discussed this with the CAF board.

In November, additionally, CAF contracted three sectorial experts to focus the research to the innovation obstacles most relevant to the cooperatives in four sectors: agriculture, dairy, livestock and sheep products. Each sector has its own characteristics, as the relative competitiveness of the cooperative sector and the logistics and challenges in each of the value chains is different. The field research on innovation in the cooperatives will start in January 2012 and the research will be validated in a national workshop in March 2012.

3.12 Bolivia

ESFIM works with the National Platform of Economic Smallholder Organisations, the *Coordinadora de Integración de Organizaciones Económicas Campesinas de Bolivia* (CIOEC-Bolivia). This apex organisation comprises more than 200 economic grassroots organisations that are organized around collective marketing and processing. Since its constitution, the organic objectives of CIOEC-Bolivia have referred to an integrating role of the OECAs in political terms and, as a service role so they can better achieve social and economic strength. The 1991 to 1999 period became highly important due to the service role and direct actions with the aim of strengthening the organizations (by means of training, technical assistance and commercialization). This proved the need of promoting not only individual, but more coordinated strategies so as to create policy conditions more favorable to the peculiar characteristics of these types of organisations, that operate under different legal formats: cooperatives, associations and farmer-led enterprises. With the purpose of accomplishing major sector integration and participation, CIOEC's Organic Statute was renewed in April, 2002, and CIOEC-Bolivia changed its name to *Coordinadora de Integración de Organizaciones Económicas Campesinas de Bolivia*.

In 2004 CIOEC submitted an initiative Law for the legal recognition of OECAs, filed on September 1, 2011 with the National Congress and with support from the Ministry of Agriculture. It aims to achieve legal recognition of OECAs and to promote their development through production, processing and / or joint marketing of goods and services.

After years of stagnation this 'OECA Act', initially by the political upheaval in Bolivia in 2004 and 2005, and, from 2006, as a result of the Constituent Assembly that had priority and was considered as an alternative pathway for the OECA Act to be approved.. approved priority, work done in 2007, 2008 and achieving approval in 2009. CIOEC re-introduced the initiative during the consultations about the *Ley de Revolución Productiva Comunitaria 144* in 2011.

In this framework, the CIOEC Bolivia decides to table discussion of the OECAs Act and seek approval for adoption in 2012. One of the main strategic lines of work of the CIOEC-Bolivia since its creation is the impact on public policy. In this framework, with the support of AGRITERRA (Dutch institution), it has initiated a participatory process of formulating public policy proposals for the benefit of small farmers. Through the workshop "Participatory Process of Policy Generation (PPPG)" CIOEC formulated its core focus for ESFIM in a workshop 25 to 27 October in La Paz, with the participation of national leaders, departmental and sector organizations and technical staff. This workshop identified the need for the approval of the Draft Law on OECAS, with emphasis on the regulation of the constitution, organization and organizational functioning of the Rural Economic Organizations (OECAs) and tax rules (special rules for OECAS).

Complementary to this, as part of the ESFIM Comparative Research component, a series of 50 case-studies have been completed on the membership of CIOEC and AOPEB to study the incentive mechanisms and organisational intelligence in collective marketing that the organisations have developed in the last 5 years. This research is co-funded by ICCO, and is part of an impact study of a small-grant fund FONDOECAS (www.fondoeocas.org).

3.13 Monitoring and assessment of strengthened advocacy capacity of NFO

The ESFIM programme aims to strengthen smallholder farmers' capacity to generate remunerative cash income from markets by strengthening the lobby and advocacy capacity of national farmers' organisations (NFOs). ESFIM stimulates this through a combination of action research and evidence

collection, policy and case-study analysis, dialogue and cross-learning between participating NFOs and other NFOs in developing and developed countries. With these activities it contributes to the capacity of national farmer organisations to pro-actively formulate evidence-based policy propositions to adapt the institutional environment of markets for the benefit of smallholder farmers.

In order to gain more insights in the results and effects of the programme activities, ESFIM has developed a set-up for monitoring to assess the strengthening of capacities of the NFO to steer the research and advocacy process to contribute to favourable policies and institutional arrangements enhancing market access for small holders. After crafting a results chain logic, relevant outcomes and indicators, and use the five Cs (capacity) framework have been proposed. These have been operationalized into the following methodology:

- Self-assessment with AGRINATURA researchers: video on the process of building a research-advocacy interface
- Self-assessment with board members of NFO, linked to discussion on learning history
- Semi-structured interviews with related stakeholders to the NFO.

In Annex 1 the protocol for this monitoring and assessment exercise provides more details on this. The monitoring will be implemented with the support of local consultants in the first quarter of 2012. Results are expected to be available mid-2012. As an interim report and conference paper, Giel Ton and Karin de Grip wrote about the emerging findings on ways to build a working research-advocacy interface (Annex 2).

3.14 Overarching activities in 2012

The collaborative research activities per ESFIM country continue as indicated in the previous sections. In addition, some overarching programme activities are planned for the first half year of 2012. These include:

- Implementation of baseline measurement on 'advocacy capacity of the participating farmers organisations in pro-active policy development and advocacy' (January – March 2012)
- Initiate and prepare a side-event on IFAD's Farmer Forum (February 2012) to share initial findings and lessons from the collaborative research.
- Prepare network and concept note for ESFIM Phase III, responding to EU-FSTP call (February 2012).
- An international seminar with all ESFIM-partners in April/May 2012 to close ESFIM Phase 2 and define Phase 3.

4. Comparative research

In 2009, based on the assessment of research priorities and research proposals from the collaborative research phase, IFAP and AGRINATURA identified a set of overarching issues that will be addressed transversely. Through desk research and case study analysis of examples in different countries, the AGRINATURA partners synthesized the insights into various policy briefs.

The National Farmers' Organizations can use these policy briefs with systematized information on innovative and replicable policies and institutional arrangements to empower their role in fostering market access. Based on these outputs, farmers' organizations can tailor solutions to a set of specific key issues in their institutional environment, based on a collection of insights obtained from other organizations that are facing or have faced the same issues.

The following topics and policy briefs have been developed:

4.1 Innovative Financial Models

AGRINATURA partner NRI has taken lead in this comparative research theme. Based on a literature review, a policy brief is developed. This analyses the factors limiting access to finance by smallholders, its limited successful financial models and innovative new products and approaches to make finance more accessible for rural farmers. This includes:

- linking community-based financial organisations to larger formal financial intermediaries,
- rural banking,
- group-based and mutual credit guarantee schemes,
- easing access to collateral
- financial services through mobile technology
- value chain financing: Low purchase order, Lead firm financing, third party mitigation of risk.

This review concludes that innovative tools exist or are emerging to enhance financing in agricultural value chains. Replication of these innovations, however, depends on whether the required enabling regulatory and policy environment can be created to support the development of sustainable market delivery. Some of these contextual issues are further explored in on-going studies being undertaken under ESFIM. The policy brief is available in English on the website and will be translated and distributed to a larger audience soon.

4.2 Market Information Systems

In 2010, Market Information Systems has been selected as one of the theme for the comparative research component of the ESFIM project. Progress with this policy brief is slow. The central focus in the review is the relevance and the impact of MIS for enhancing farmers' position into agricultural market, and more particularly the situation of smallholders. CIRAD was the designated AGRINATURA institute in charge of coordinating this research. Reference material has been collected and is reviewed and resulted in the writing of a draft policy paper. This brief will be available on the website soon in different languages.

4.3 Incentives in Collective Marketing

The conceptual framework for comparative research on incentive structures, developed in 2010 and published in ESFIM Policy Brief 4, is applied in Bolivia in a research of 50 economic farmers organisations. It is expected to be applied in the Call for Documenting Successful Experiences, planned in Peru, and in a study in on farmers' organisations in cocoa in Ghana. The case-studies in Bolivia (17 of 50 are finished by now) are supported with funding from ICCO, but will feed into the searchable database that is being developed for the ESFIM-website.

An MSC-student has used the framework to analyse differences in four coffee groups in Bolivia. Based on interviews and extensive data on the coffee qualities supplied by farmer (groups) in each organisation, the research showed that the quality of the coffee seems indeed related to the internal governance of the groups, through effective regulations and (related) trust-building. The policy brief on this study is available online.

4.4 Risk Insurance

The AGRINATURA researchers from NRI and WUR finalized their paper on risk and translated that to a Policy Brief Innovation in Risk Insurance Models (June 2011). The paper provides a brief summary of the types of risks that smallholder farmers are exposed to: including both pre and post-harvest risks and uncertainties. It describes typical insurance and risk mitigation models, including traditional crop insurance systems; re-insurance systems and government-funded calamity funds as well as micro-insurance systems. The paper analyses why most of the insurance products are unavailable to smallholder farmers in developing countries. It discusses why these instruments may be effective in markets in the developed countries but generally have been ineffective or inaccessible in developing countries; and it identifies innovative instruments which have been supplied in markets in developing countries and are accessible to smallholder farmers. It also documents why these instruments have been successful and what needs to be taken into account in replicating any success. The brief is also both made available in French and Spanish.

4.5 Development of training material

The comparative study results and the progress of the collaborative research led to a few other results. Insights from literature study on agency dilemma's related to collective marketing have been integrated in ILO pilot training and revised training material. The ILO cooperative training is available from the ESFIM website.

ESFIM contributed also to the development of a new training manual on agricultural cooperatives: My.COOP. The training package aims to strengthen the management of agricultural cooperatives so that they can offer high quality, efficient and effective services to their members. The package draws on the successful ILO training series developed by the Materials and Techniques for Cooperative Management Training Programme between 1978 and the early 1990s. Today, My.COOP is a broad partnership initiative initiated by the ILO Cooperative Facility for Africa and ILO's Cooperative Branch. Partners include, amongst others: Agriterra, the Cooperative College of Kenya, the Food and Agriculture Organization of the United Nations, the International Training Centre of the ILO, the Kenyan Federation of Agricultural Producers, the Moshi University College of Cooperative and Business Studies, the Nigerian Cooperative Development Centre, The Royal Tropical Institute, the Uganda Cooperative Alliance, ESFIM and the Wageningen University and Research Centre.

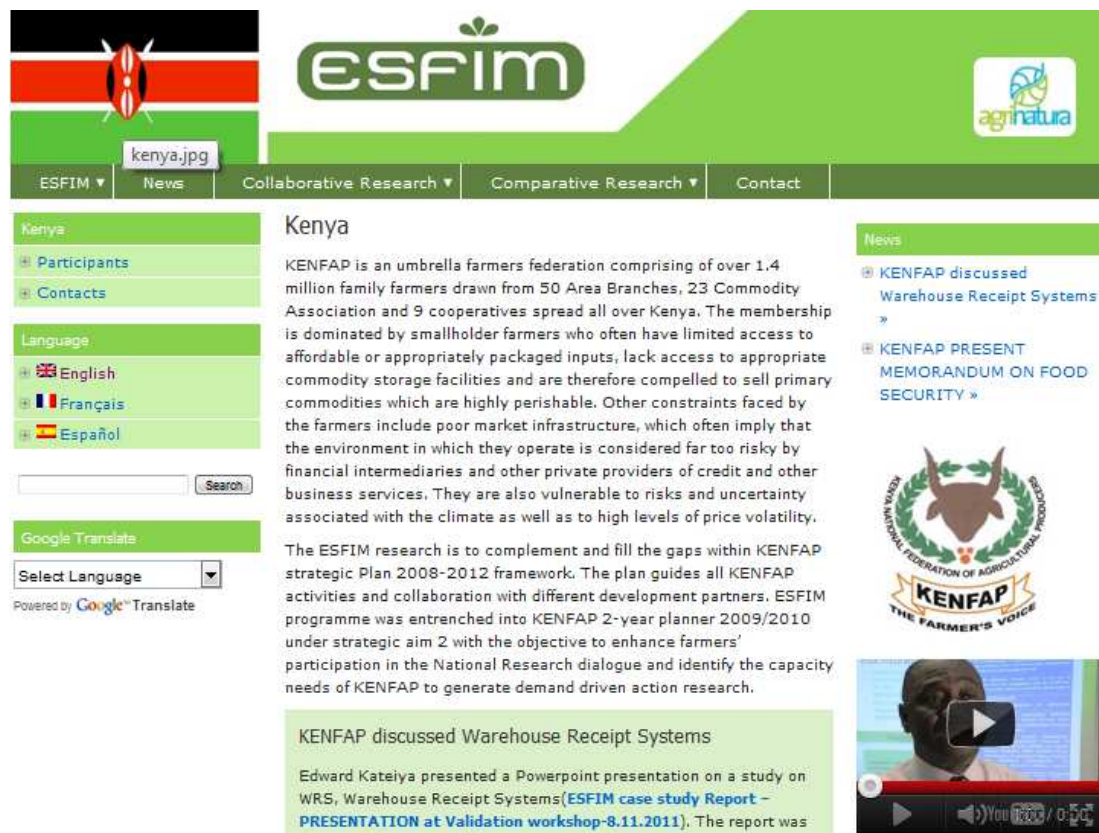
5. Outreach and knowledge sharing

ESFIM Phase II has no specific result area formulated concerning outreach and dissemination. However, various activities are elaborated to increase the visibility of the ESFIM programme and its preliminary results. The highlights are:

- Updated website in three languages (www.esfim.org), with country specific news
- The first 'ESFIM Update', a hardcopy and electronic newsletter distributed amongst a large network of stakeholders <http://www.esfim.org/wp-content/uploads/ESFIM-newletter-March-2011.pdf>
- Narrative videos of AGRINATURA researchers on progress of 'ESFIM process'

5.1 Website and narrative videos

The ESFIM website (www.esfim.org) has been constantly updated to present the outcomes of the national workshops and the research results in the different countries. The multi-language website facilitates international exchange of information on successful experiences on policies and economic strategies that empower smallholder farmers in markets. The website is managed in open-source (WordPress) and has an average number of 150 views per day. Views peaked during the III European Forum on Rural Development in Palencia in March/April 2011, the PAEPARD meeting on research partnerships in September 2011, and the International Seminar on Innovation in Extension and Advisory Services in Nairobi in November 2011.



The screenshot displays the ESFIM website interface. At the top, there is a header with the ESFIM logo and the AGRINATURA logo. Below the header is a navigation menu with options: ESFIM, News, Collaborative Research, Comparative Research, and Contact. The main content area is titled 'Kenya' and contains the following text:

Kenya

KENFAP is an umbrella farmers federation comprising of over 1.4 million family farmers drawn from 50 Area Branches, 23 Commodity Association and 9 cooperatives spread all over Kenya. The membership is dominated by smallholder farmers who often have limited access to affordable or appropriately packaged inputs, lack access to appropriate commodity storage facilities and are therefore compelled to sell primary commodities which are highly perishable. Other constraints faced by the farmers include poor market infrastructure, which often imply that the environment in which they operate is considered far too risky by financial intermediaries and other private providers of credit and other business services. They are also vulnerable to risks and uncertainty associated with the climate as well as to high levels of price volatility.

The ESFIM research is to complement and fill the gaps within KENFAP strategic Plan 2008-2012 framework. The plan guides all KENFAP activities and collaboration with different development partners. ESFIM programme was entrenched into KENFAP 2-year planner 2009/2010 under strategic aim 2 with the objective to enhance farmers' participation in the National Research dialogue and identify the capacity needs of KENFAP to generate demand driven action research.

KENFAP discussed Warehouse Receipt Systems

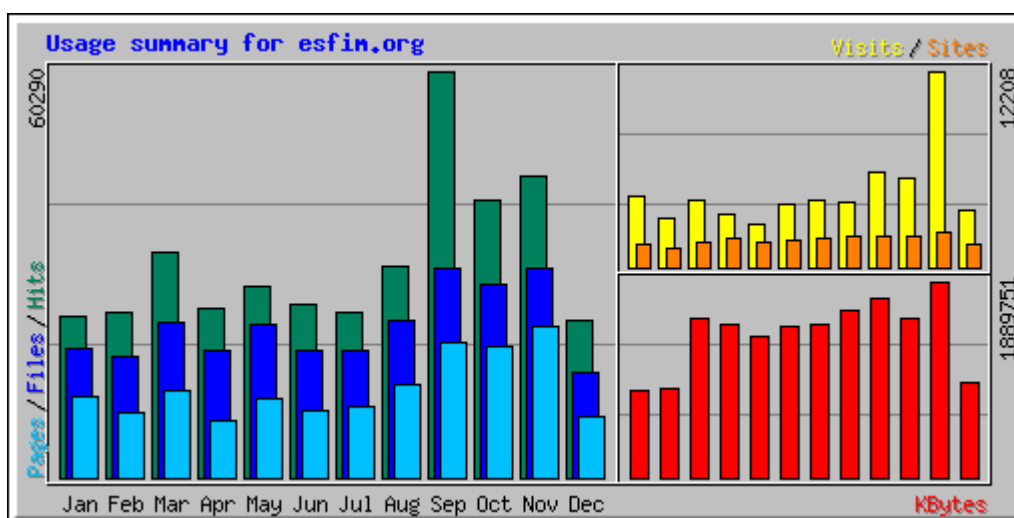
Edward Kateiye presented a Powerpoint presentation on a study on WRS, Warehouse Receipt Systems ([ESFIM case study Report – PRESENTATION at Validation workshop-8.11.2011](#)). The report was

On the right side of the page, there is a 'News' section with two items:

- [KENFAP discussed Warehouse Receipt Systems](#)
- [KENFAP PRESENT MEMORANDUM ON FOOD SECURITY](#)

Below the news section is the KENFAP logo, which reads 'KENFAP THE FARMER'S VOICE'. At the bottom right, there is a video player showing a man speaking, with a play button in the center.

ESFIM Web statistics per 20 December 2011



Summary by Month										
Month	Daily Avg						Monthly Totals			
	Hits	Files	Pages	Visits	Sites	KBytes	Visits	Pages	Files	Hits
Dec 2011	1222	813	477	187	1455	915139	3556	9068	15459	23233
Nov 2011	1493	1038	747	406	2190	1889751	12208	22434	31146	44799
Oct 2011	1323	923	631	176	1965	1527603	5484	19587	28618	41039
Sep 2011	2009	1030	668	196	1896	1723632	5890	20066	30918	60290
Aug 2011	1006	753	446	130	1904	1611830	4047	13844	23362	31213
Jul 2011	785	606	340	133	1867	1466078	4145	10568	18797	24355
Jun 2011	856	626	330	130	1659	1448046	3908	9909	18789	25688
May 2011	918	733	378	86	1601	1354232	2678	11724	22749	28470
Apr 2011	835	631	279	111	1752	1479669	3336	8380	18944	25061
Mar 2011	1080	737	415	134	1588	1534863	4184	12866	22872	33493
Feb 2011	872	646	344	109	1173	862400	3053	9657	18096	24419
Jan 2011	767	613	390	144	1384	835237	4466	12110	19028	23807
Totals						16648480	56955	160213	268778	385867

5.2 Participating at seminars and conferences

Various opportunities are used to present both the ESFIM programme as well as preliminary findings of the collaborative research. A successful presentation on ESFIM has been made by a representative of KENFAP – Ms. Daphne Gatwiri Muchai – and several ESFIM-researchers, at a side-event of the III European Forum on Rural Development, held in Palencia, Spain between 29 March and 01 April 2011.

The lessons learnt from ESFIM, specifically on the institutional arrangements to create an linkage between researchers and farmer organizations, are presented in the PAEDARD workshop on "Farmers' organizations and agricultural research for development in Africa: roles, complementarity with others

stakeholders and partnerships institutionalization ". This workshop was organized by CSA (Collective Strategy Alimentaire) in Brussels on September 27th 2011.

At the International Conference "Innovations in Extension and Advisory Services" in Nairobi Kenya (15-18 November), AGRINATURA LEI researcher Giel Ton presented the ESFIM experiences. The conference paper is called "Empowering Smallholder Farmers in Markets: experiences in collaborative research with national farmer organisations to improve pro-active advocacy for smallholder market access" (Annex 2). The conference was organised by, among others, CTA, FARA, IFAD, GFRAS, FAO, AGRA, APAAS, NEPAD, ICRA, and ICRAF.

5.3 Contributions and special issue on ESFIM in ILEIA

The AGRINATURA LEI researchers decided to write various contributions on ESFIM to *Farming Matters* journal, published by ILEIA. In the March and June 2012 edition two pages will be published, and more highlights will be presented in the September 2012 issue. This will also give an opportunity to participating NFO to share on experiences and results.

Farmer Matters is distributed to a network of more than ten thousand readers in the research, policy and development arena.

5.4 Preparing participation at side conference at Farmers Forum 2012

Currently, the AGRINATURA partners are elaborating a proposal for an ESFIM side event of the Farmers Forum 2012, organized by IFAD. The NFOs of ESFIM will participate in this event.

The side event aims to achieve:

- raised awareness of the value of farmer organisation driven research based evidence in policy and institutional change at the national level
- shared experience on key policy initiatives to empower smallholder farmers in markets
- deepen understanding of the challenges and opportunities of linking farmer organisation driven research and policy advocacy
- recommendations made to the Farmer Forum on how to facilitate research that is supportive to the advocacy on smallholders empowerment in markets

6. Looking ahead – Finalising phase 2, preparing ESFIM Phase 3

The current ESFIM Phase 2 will continue till mid-2012. Currently, the EU opened a call for proposals on 15 October 2011, where an ESFIM Phase III proposal is feasible. Based on the earlier developed pre-proposal, submitted in 2011 to EU-FSTP and endorsed by the NFO as partners, AGRINATURA will prepare the concept note to be submitted in February 2012. The current NFOs have voiced a preference of AGRINATURA to be the applicant, with the NFOs as partners and where possible to include activities that link-up to regional farmer platforms.

The Phase 3 will elaborate on the achievement of Phase 2. It is proposed to establish country specific grant funds, with specific support to the advocacy activities of farmer organisations, based on the research on the issues of market access and food security of smallholders. Next to these research and advocacy activities, there will be more emphasis for regional exchange, learning and outreach through participatory workshops in each country, and for regional knowledge exchange. The new funding opportunities will fund 80% of eligible costs. Additional co-funding (20%) will be needed, plus co-financing of the staff costs of AGRINATURA member institutes.

7. Publications

<http://www.esfim.org/esfim/documents/>

ESFIM Programme information:

- ESFIM Update – Newsletter, March 2011. <http://www.esfim.org/wp-content/uploads/ESFIM-newletter-March-20111.pdf>
- ESFIM Progress report December 2010
- ESFIM Programme Set-Up Brief
- ESFIM International Workshop Meeting Tunis (oct 2007)

Comparative research Policy briefs

- Policy Brief 1: Empowering Smallholder Farmers in Markets: National and International Policy Contexts
- Policy Brief 2: Empowering Smallholder Farmers in Markets: Changing Agricultural Marketing Systems and Innovative Responses by Producers' Organizations.
- Policy Brief 3: Synthesis of ongoing and planned development initiatives in support of rural producer organisations and their role on making markets work for pro-poor development
- Policy Brief 4: Resolving the challenges of collective marketing – incentive structures that reduce tensions between members and their groups
- Policy Brief 5: Innovation in Risk Insurance Models
- Policy Brief 6: Innovative Financial Models

Training modules

- ILO cooperative training module: MY COOP - a training manual on agricultural cooperatives

Collaborative research reports

- Documents and workshop report available from the website: www.esfim.org, under each country (link 'Documents' and/or 'News')

Presentations

- At: PAEDARD workshop in Brussels on September 27th 2011, '*Farmers' organizations and agricultural research for development in Africa: roles, complementarity with others stakeholders and partnerships institutionalization*'
- At: Innovations in Extension and Advisory Services Conference, Nairobi 15-18 November 2011, *Empowering Smallholder Farmers in Markets: collaborative research with national farmer organisations to improve advocacy for smallholder market access.*

Conference papers

- Paper Nairobi - Empowering Smallholder Farmers in Markets: experiences in collaborative research with national farmer organisations to improve pro-active advocacy for smallholder market access