



# THE AGRIBUSINESS LEADERSHIP PROGRAMME AND FARMER ORGANISATION ASSESSMENTS

**EXPERIENCE FROM PRIVATE SECTOR-LED PROGRAMMES IN  
COTE D'IVOIRE AND CAMEROON**

An AMEA brief based on an agriculture human capital case study prepared for FAO and IFPRI  
Ann Gordon, 7<sup>th</sup> December 2020

# PURPOSE

This brief is for current and potential AMEA members and partners, especially users of assessment and training tools. It aims to:

- develop awareness of IFC's Agribusiness Leadership Programme (ALP) used with SCOPEinsight's farmer organisation assessment tool (SCOPE Basic)
- present evidence on this approach to capacity development and its potential for impact at scale
- encourage the design of new projects with the features recommended, and
- promote discussion on the future direction of the AMEA Working Groups and Local Networks i.e. which are the areas of learning and improvement that require most focus?

## CAPACITY DEVELOPMENT OF FARMER ORGANISATIONS: AN INTEGRATED APPROACH DRIVEN BY MARKET ACCESS

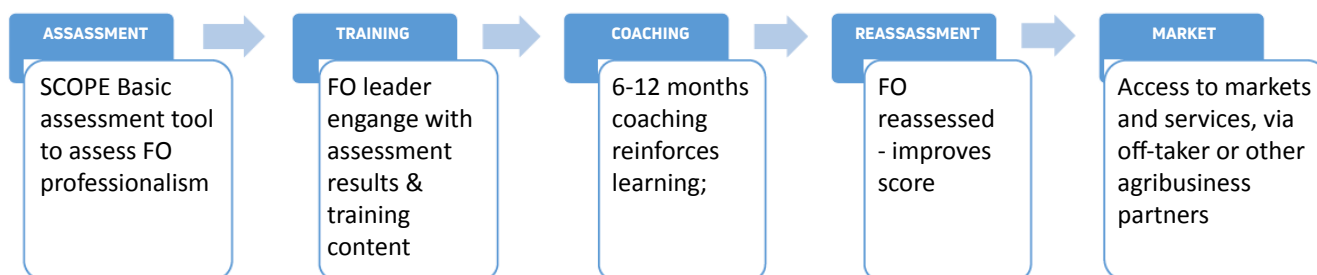
Farmer organisation (FO) assessment tools and training curricula can be used separately, but this brief describes experience in combining these tools in an integrated approach to FO capacity development.

### THE INVOLVEMENT OF THE OFF-TAKER IS KEY:

to drive and partly fund the intervention and – critically – to provide a market linkage that acts as an important incentive for FOs to engage and make investments.

## INTEGRATING THESE FIVE COMPONENTS MAKES THE CAPACITY DEVELOPMENT MORE EFFECTIVE:

the assessment addresses topics the FOs recognise as important and informs the focus of training, driving stronger FO ownership and engagement with the training and coaching; the coaching helps reinforce the learning and supports the FOs in implementing a development plan, which addresses weaknesses identified in the assessments and helps embed the process in the FO; whilst the prospect of improved access to markets and agribusiness services motivates the FOs.



# HOW THE APPROACH WORKS

The three IFC projects explored here, in Côte d'Ivoire and Cameroon, work with around 550 FOs sourcing cocoa and cotton for three off-takers. Together, they have a combined potential reach of 275,000 farmers (members of those FOs).

The off-takers partly fund the programme, in a cost-sharing arrangement with IFC. Off-taker field teams receive training of trainers from IFC, and training in the assessment process from SCOPEinsight, so that they can assess, train and coach the FOs. **The training is just one of many ways in which those companies are investing in the FOs.** Other support includes providing agronomic advice, setting up traceability and certification platforms, introducing digital payments). Clearly they view the training as important, but impacts occur as a result of a multi-faceted programme. **Such a programme, with increasing complementarity among those activities, is identified in the literature as critical in linking small-scale farmers to markets.**

The model does not include any direct programming focused on capacity development of FO members. Farmers nonetheless acquire beneficial skills, knowledge and habits - partly through improved FO services to farmers but probably more through FO improved business professionalism and the way the **FOs engage their membership** (improved follow-up, participation and information, problem-solving).

## THE ASSESSMENTS AND TRAINING FOCUS ON EIGHT DIMENSIONS OF FO COMPETENCE:

- *internal management* (legal compliance, governance, internal organisation, business planning)
- *financial management* (record-keeping, financial planning and monitoring)
- sustainability (including representation of women and youth in the organisation)
- operations (e.g. good agricultural practices, processing, environmental practices, logistics)
- *production base* (performance related to supply and upstream value chain actors)
- market (related to the organisation's markets and downstream value chain actors)
- external risk (managing biological and environmental, weather and climate related risks etc)
- enabling environment (entities that enable the value chain and/or the organisation, such as business development services providers, technical assistants, financiers).

Those in italics have greater weight in the overall scores, as they are considered essential to further growth. Dimensions and an overall score are in a continuous range 1-5, where 4 is "professional".

The training involves 1-2 weeks "contact time", over 6-12 months, with 4-5 leaders from each FO trained with other FOs in groups of roughly 20. Each FO then receives individual coaching over 6-18 months.

## SUMMARY OF RESULTS

The table gives an indication of scale of reach of the projects (all are on-going).

	Proj 1 Apr/20	Proj 2 Feb/20	Proj 3 Feb/20
<b>Farmer Organisations (FOs) covered by project*</b>	140	248	160
<b>FO members and/or farmers reached*</b>	140000	87965	50000
<b>of which women*</b>	3000	5242	2500
<b>FOs reassessed after their leaders have been trained</b>	78	117	83
<b>Trainers trained</b>	59	31	25
<b>Assessors trained</b>	32	23	12
<b>Individuals trained by project-trained people or institutions</b>	851	496	927
<b>of which women*</b>	79		38
<b>% of FOs that improved assessment scores after training</b>	77%	90%	98%
<b>average score at 1st assessment (scale of 1-5)</b>	3.2	3.2	2.8
<b>average score on reassessment (scale of 1-5)</b>	3.7	4.0	3.7
<b>number of FOs receiving loans</b>	62	15	16
<b>increase over project life?</b>	yes	yes	yes
<b>Increase in % women members over project life?</b>			yes

Project costs/FO member or farmer reached in range\*: \$12-\$42 (project duration and components vary)  
(project costs include both public and private components)

### Notes

Data are drawn from internal reports and monitoring data (date of most recent report indicated above)

The case study was conducted with all three projects on-going (i.e. final results not available)

Variables marked \* include targets for 2 of the 3 projects (all other data reflect results achieved)

**FOS TEND TO MAKE SIGNIFICANT GAINS IN FINANCIAL MANAGEMENT.** Trainers indicate that the FOs find the content challenging but really engage since the finances give rise to so many problems within the FOs.

Key informants representing multiple perspectives repeatedly commented on **newly trained FOs recruiting qualified staff (particularly accountants), establishing organisational premises, improving record-keeping, holding regular meetings, being more transparent** (sharing information with members), and holding elections – all aspects of internal and financial management. There were also reports of small FOs merging with others to be more viable. FOs were also more likely to support community investments and member services. These changes (described by some as a transformation) give members more confidence in their FOs and promote stronger participation and inclusion.

**THE GROWING USE OF ICT.** The off-takers use ICT platforms that service their certification and traceability requirements, into which they incorporate extension messaging (via the FOs) and other features (e.g. digital payments). **While the FOs and farmers may not own, use or control the technology, they benefit from the information it provides (e.g. accurate measurement of plots and yields, recommendations on input use and timing).**

**COST EFFECTIVENESS.** Although the projects are not complete and some of the relevant reporting was considered confidential, so could not be shared, there are **a number of indicators that suggest the approach is cost-effective:**

- the off-takers are willing to part-fund the approach, suggesting there are net gains for them
- the overall costs per FO member are in the range \$12-\$42 (project duration and components vary) – suggesting this is cost-effective if relatively modest improvements are achieved at scale
- the FOs are willing and able to make new investments – in staffing, services and community.

**THE ALP IMPROVES FINANCIAL MANAGEMENT AND ABILITY TO ACCESS FINANCE.** The FOs learn what to expect from a loan application process, how to manage loans (including member input credit) and what information a bank will require to assess their creditworthiness. In Côte d'Ivoire, this is important to individual farmers too, as financial institutions there see cocoa farmers as an important new market, but require a reference and loan repayment guarantee from a respected FO. One of the projects is implementing a digital payment system with FOs and farmer members, with the potential to significantly extend financial inclusion at the level of individual farmers, providing some of the infrastructure constraints can be addressed (farmers have the required official identification documents, cell phone coverage is sufficient in the project area and there is sufficient market development for farmers to access outlets that can cash digital payments, including possibly the FOs themselves).

**FOs REVENUES CAN GROW** by attracting a greater share of their members' crop, by improving services (extension and inputs) that help farmers produce more or meet higher standards. They may also attract new members. Overall, the scope for improved incomes lies in the potential for:

- higher volumes produced and traded
- higher prices achieved by meeting standards or certification requirements
- FOs commanding a larger share of the margin by offering additional services (e.g. in one project 62 FOs bought trucks in a leasing arrangement, so reducing transportation costs)
- efficiency gains that can be realised if the stronger FOs can engage with e.g., digital payments
- FOs to access more services and help develop other livelihood activities (including other crops).

**A KEY GAP IN THE INFORMATION SHARED IS HOW THESE GAINS ARE DISTRIBUTED AMONG MEMBERS.** Generally the FOs include a range of farmers, with the largest producing significantly more than the smallest. Nonetheless, where information was available, members reported fairly equal access to FO services (inputs and extension). Some projects include **farmer-level training delivered via lead farmers or Farmer Field Schools** on “Farming as a Business” and “Cooperative Spirit” (focusing on cooperative values and what members can expect from and contribute to a cooperative or FO). **Although developed for new FOs, this training is a useful farmer-level complement to the training of FO leaders, for all FOs.**

## POTENTIAL FOR REPLICABILITY AND SCALABILITY

The arguments for success of this approach are based on the following outcomes and characteristics:

- It is capable of reaching large numbers of small-scale producers and their organisations
- it focuses on capacities that have widespread application as a foundation for on-going development (business development skills, engaging members, accessing services)
- It attracts private funding to rural capacity development
- It contributes to deeper engagement by small-scale farmers in global value chains (e.g. in access and roles, in the technology used and potentially via independent business initiatives)
- the ALP is modular with standardised core content and additional optional content, so it can be customised to different needs, and is potentially cost-effective and widely relevant
- its use in numerous contexts (25 projects to date and a further 12 in the pipeline) suggests it is scaleable and replicable across multiple commodities, countries and types of agribusiness
- it depends on support (in implementation and funding) from off-takers, but that market link provides the incentive for FOs to make investments of time and money
- it potentially addresses two critical issues for small-scale farmers - access to markets and finance
- although anchored in a business partnership focused on a single commodity, it addresses wider socio-economic development and empowerment within rural communities, and
- it potentially addresses power within the value chain – empowering both FOs (who are mostly not contractually tied to the off-takers) and their members.

The approach aims to improve the integration of small-scale producers into global value chains, so it is **most relevant where small-scale farmer production is a significant source of supply and where aggregation is problematic**. Buy-in from an off-taker to drive implementation and - critically - to provide the market incentive for change (including investment) at FO-level is extremely important. Yet the relatively modest costs mean that the approach can repay quite quickly, which broadens its appeal.

Experience of the approach without off-taker involvement (funded by a donor with a number of smaller traders providing forward purchase contracts) was not successful: the approach was abandoned when traders did not honour the contracts and the FOs became disillusioned.

**MOST OF THE FOS SEEM TO HAVE ENGAGED ENTHUSIASTICALLY WITH THE TRAINING AND COACHING.** The leaders of cocoa FOs seeing the first project with cocoa FOs linked to Cargill requested the same of other off-takers. In Cameroon, the off-taker provided a second round of more advanced training to all the FOs (not just those which were stronger and more likely to benefit) because of the demand from the FOs.

**OFF-TAKERS ARE ALSO VERY INTERESTED.** When the approach was first launched in Côte d’Ivoire starting in 2014, other off-takers soon requested to use the same approach. As of November 2020, the ALP has been used by IFC and its AMEA partners in 25 completed or on-going projects. Both the ALP and the SCOPEinsight assessment tools have been adapted for capacity building of last mile retailers linked to agro-processors. **The ALP, moreover, is modular, so can be adapted to different needs and audiences.**

**NONETHELESS, EFFORTS TO REDUCE THE IMPLEMENTATION COSTS WILL WIDEN ITS APPLICABILITY.** The development of more in-country expertise is important – particularly at the “master trainer” level (providing training to off-taker field teams) – and exploring ways to reduce assessment costs. (The assessment takes place during a 6-8 hour interview with the FO leaders at their base – costs can creep up when travel time is factored in). More basic FOs, for whom much of the SCOPEinsight assessment is irrelevant, could use lower cost on-line assessment tools but work would be needed to adapt or develop training content to match their needs. (The linking of the different components affects the training outcomes).

**THE THREE PROJECTS INCLUDE EXPERIENCE OF IN-HOUSE TRAINERS AND COACHES AND SUB-CONTRACTED TEAMS.** Both have advantages. Sub-contracted teams may assimilate and deliver the new material more quickly – and be in a strong position to replicate that training in the context of subsequent initiatives with other companies. However, in-house teams offer an advantage to the off-taker beyond the project life, as well as the ability to link the training more directly to other activities and interaction between the FOs and the off-taker. Their first-hand knowledge of the FOs is also useful. Links to other activities with the FOs mean that there are likely to be both cost-savings and efficiency gains with the use of an in-house team, as well as more opportunity for the FO leaders to build a stronger relationship with their trainers.

## SUSTAINABILITY

### **SUSTAINABILITY CAN BE CONSIDERED FROM SEVERAL ANGLES:**

- first and foremost, are the outcomes and achievements sustainable?
- do those outcomes catalyse further development and growth? and
- are the mechanisms by which they are achieved sustainable?

At present, these projects (the earliest of which began in 2014) do not reveal much about what happens to the FOs over time. The approach **aims to build foundational skills that contribute to self-reliance.** The off-takers undoubtedly want to recover their costs (through e.g. reduced costs, higher volumes of crop or improved quality), but if the off-taker/FO

**SO BOTH OUTCOMES ARE POTENTIALLY BENEFICIAL TO FOS AND THEIR MEMBERS I.E. OVER TIME, THE FOS WILL BE BETTER EQUIPPED TO STAND ALONE AND/OR GAINING MORE FROM THE EXISTING TRADING RELATIONSHIP.** However, at present, there is little information on (a) whether or how those FO competences are sustained over time and (b) if there are circumstances under which FOs do not respond well to the training programme.

relationship should not be sustained, if the approach is successful, the FO will still be better placed to be a more effective business partner, for its members and others. After training, many FOs are also reported to invest in community projects, e.g. in schooling, health and sanitation. It is also possible though that the FO/off-taker relationship breaks down for those FOs who do not perform well – and these FOs would also be limited in their other business activities.

Where off-taker investment costs are higher because more components are included, whilst the FOs are not obliged to work with an off-taker over time, if there are sufficient gains from collaboration, shared so that both parties benefit, the relationship will probably endure. This means that the greater the off-taker investment, the more pressure there is for the off-taker to develop win-win solutions.

With respect to sustaining the approach to capacity development, there are other considerations. IFC is aware of the central role it has played in the development of this approach and recognises a need to identify other vehicles to steer and promote the approach. Moreover, although relatively generic, over time the training will need to be adapted to address new needs and circumstances, or risk obsolescence. It is not clear where the **long-term “home” for the ALP curriculum** and its further development will be. IFC has started to explore this with universities but has not yet identified the appropriate partner.



**HOW WILL THE SKILLS AND KNOWLEDGE OF TRAINERS, AND QUALITY OF DELIVERY WILL BE SUSTAINED**, particularly when there is staff turnover? At present in-country trainers do not participate in any annual “recertification”, but this is under review. The development of an in-country cadre of Master Trainers is also proposed. The AMEA country networks may be able to play a role promoting the development of in-country expertise in assessment, training and coaching, to meet local demand and help reduce costs.

**IN THE LONG RUN, APPROACHES WILL CHANGE TOO.** Farmers, even small-scale farmers, and their organisations, will be drawn into value chains that are more “big data” driven (so less dependent on e.g. a formal assessment process). The groundwork for this is already evident in, for example, the move towards digital finance linked to the same platform used for certification and traceability. That connected world is also likely to use additional approaches to behaviour change, to reinforce other messages. Indeed the messaging capability of the companies’ ICT platforms is already used to remind or “nudge” the FOs when certain actions are needed or imminent.

## RECOMMENDATIONS FOR FUTURE WORK

The case study identified **seven “implementation lessons” that off-takers, NGOs and capacity-builders may wish to heed.** These relate to: the importance of off-taker involvement (providing a market incentive); making sure to clearly link and integrate the assessment and training process; the importance of coaching to reinforce the learning; benefits from off-takers using in-house training teams; the need for careful consideration in choosing an appropriate assessment tool and the reporting of assessment results; the potentially inspirational nature of training on cooperatives and collective action; and benefits of including complementary training for farmers alongside that of FO leaders.

AMEA, as part of its mission to promote the professionalism of FOs, and donors, should **support initiatives that may contribute to reduced costs** (particularly training and assessment costs) and hence widen the accessibility of the approach.

**AMEA AND OTHER STAKEHOLDERS PROMOTING RURAL DEVELOPMENT WILL ALSO BE INTERESTED IN OTHER KEY AREAS WHERE MORE INFORMATION IS NEEDED**, relating to: the retention of skills within FOs and how the FOs develop over time (does this catalyse a virtuous cycle of further development, through FO initiatives including proactive access to other private and public services?); information on how the gains are shared within FOs and how individual farmers’ livelihoods – including women - are affected; how this approach works with very weak FOs and whether adaptation is needed (e.g. if a lower cost simpler assessment tool is used, is the ALP still relevant or does it need further adaptation?); under what circumstances smaller companies (off-takers) are willing or able to engage with this type of approach; and how much public subsidy is needed under different circumstances to support these initiatives.

Researching those topics will be easier where there is close collaboration with off-takers (whose supply chain ICT platforms include large amounts of data on individual small-holder suppliers) and where all relevant parties agree that information can be shared (even if anonymised). Tracking outcomes over time will also need consideration of how that can be done (perhaps FOs can play a role?), how this can be anticipated in new projects, and how this might be funded, particularly as this would extend beyond a normal project life. As supply chains and the work of key actors become increasingly data-driven, with much more data collected, consideration of how to engage those with the data will be very important.

# AREAS FOR FURTHER DISCUSSION AND DEVELOPMENT

- identification of circumstances, if any, where the approach works without off-taker involvement
- understanding how the tools perform and what they offer when used as stand-alone components (i.e. not in the type of integrated approach explored here).

<https://www.ameaglobal.org/>

[https://www.ifc.org/wps/wcm/connect/industry\\_ext\\_content/ifc\\_external\\_corporate\\_site/agribusiness/advisory/agribusiness+leadership+program](https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/agribusiness/advisory/agribusiness+leadership+program)

<https://scopeinsight.com/>

<https://www.iso.org/standard/75808.html>

<https://www.ica.coop/en/cooperatives/cooperative-identity>

<https://farmforce.com/wp-content/uploads/2020/05/Cargill-Cocoa-Farmforce-Case-Study-Cargill-Cocoa-2019.pdf>

Davis, K., J. Gammelgaard, J. Preissing, and R. Gilbert. Forthcoming. *Investment in Human Capital in Agriculture: Synthesis Report*. Rome: FAO

Gordon, A., Forthcoming. *Private sector-led models for professionalising farmers and their organisations in Côte d'Ivoire and Cameroon*. (A case study of Agriculture Human Capital Investment). Rome: FAO

- understanding impacts (particularly over time, and for different groups) as elaborated above
- reducing the costs of the approach and exploring other cost-sharing arrangements
- the use of more basic assessment tools with weaker FOs and the selection of training materials to match those needs

## FURTHER READING