

- Credit, Market and Voice

[illegible]

Microfinance

Democratic Rural Organisations

- Credit, Market and Voice

**Guide to Civil Society Organisations involved in
promoting, developing and following up on Democratic
Rural Organisations in the Global South**

By Kristine Kaaber Pors (ed.), Karen Ingrid Schultz, Kristina Due

March 2018

Published by

The Danish Forum for Microfinance (DFM)

www.mikrofinans.dk

The Danish Forum for Microfinance is an umbrella organisation of Danish NGOs, private companies, and institutions working with microfinance and microenterprise development in developing countries. The Forum was founded in 2009 and has more than 30 member organisations. The objective of the Forum is to facilitate capacity building, networking and advocacy for the benefit of the member organisations.

March, 2018

Photos: Danish Forestry Extension, Caritas Denmark, Danish Ugandan Friendship Association, Danish Mission Council's Development Department, Kristina Due - Organic Denmark, Edward Otimhene – PHCS.

Layout: Mette Olsen

Acknowledgments

Danish Forum for Microfinance would like to thank key contributors to this guide:

Jesper Juel Rasmussen, Caritas Denmark

Mette Olsen, Action Child Aid

Sinne Ørtenblad, Action Child Aid

Vibe Jensen, Danish Forestry Extension

Shivaram Kanathila, Caritas North-East India

Caritas Uganda

Caritas North-East India

Alternative for Rural Movement

SATNET - Sustainable Agriculture Trainers Network

NOGAMU – National Organic Agricultural Movement of Uganda

PHCS - Plant and Health Cooperative Society

More Trees/DDS Vietnam, Farmer unions Ha Tinh og Hoa Binh, NVCARD

Evangelical Lutheran Church of Tanzania North-Western Diocese

IAS International Aid Services, Tanzania

Sanjaranja Bible College, Rural Development Department

Globalt Fokus' Pool for Capacity development and pool advisor Rina Lauritzen Trautner

Mette Vaarst, Århus Universitet

Åge Dissing Inge Lis Dissing, Organic Denmark

Funding for the development of the Guide was made available by Danida through Global Focus. Danida also supports most of the Danish civil society organisations that have contributed case stories in this guide.

The following people reviewed drafts of this Guide and provided case inputs and photos. These include:

Dominick Ringo, RECODA

Njoroge Kimani, Organisation Development Professional

Steffen Johnsen, TROFACO

Jørgen Skrubbeltang and Helena Brønserud Christensen, Danmission

Per Rasmussen, Organic Denmark

Peter Blum Samuelsen, DMCDD

Peter Oluke, Independent consultant

Jane Nalunga, NOGAMU



Table of Contents

Acronyms	1
Introduction.....	2
Why write a guide for monitoring and capacity development of Democratic Rural Organisations?	2
The background of this guide	3
The purpose of this guide.....	3
The Global Focus supported learning process 2016-2017	4
The structure of the guide.....	4
Chapter 1 - Methodological Reflections	6
Documentation and aggregation – Caritas Denmark as example.....	6
Self-assessment of new DROs in Tanzania – how metaphors ease participation.....	6
Focus on organisational learning at workshops with DUFA’s and DFE’s partners.....	7
Reflection - Qualitative/ quantitative data, and how aggregation is possible.....	7
Chapter 2 - How to assess and develop Democratic Rural Organisations	9
Democratic Rural Organisation	9
Many forms: DROs, cooperatives, farmers’ associations.....	10
Three dimensions of a Democratic Rural Organisation	10
Proposed generic indicators for Democratic Rural Organisations	12
Chapter 3 - Seven Danish civil society organisations and their partners share experiences about thresholds in Democratic Rural Organisation promotion and development	14
Introduction	14
Thresholds.....	14
Final reflection.....	23
Chapter 4 – Case of Caritas Denmark in North-East India	24
Where and how.....	24
Brief presentation of DRO programme	24
Experience regarding successful development of DROs.....	24
CARITAS North East India - Criteria and Indicators for Assessing Producer Organisations	27
Chapter 5 – Case of CARITAS Denmark in Uganda	33
Where and how.....	33
Strategic approach to DROs over time.....	33
Using M&E for organisational development.....	34
Experience regarding successful development of DROs.....	35
CARITAS Uganda - Criteria and Indicators for Assessing Producer Organisations	37
Chapter 6 – Case of Action Child Aid	41
Where and how.....	41
Experience regarding successful development of DROs.....	41
Contextual indicators from the Action Child Aid case	43
Chapter 7 – Case of Danish Ugandan Friendship Association	47
Where and how.....	47
Experience regarding successful development of DROs.....	47
Using M&E for organisational development.....	49

Chapter 8 – Case of IAS/ DMCDD and Danmission Tanzania.....	54
Learnings on successful application of DROs	54
Using M&E for organisational development.....	54
Chapter 9 – Case of Danish Forestry Extension	58
Where and how	58
Experience regarding successful development of DROs	59
Using M&E for organisational development.....	61
Chapter 10 – Case of Organic Denmark	67
Where and how	67
Experience of successful promotion of DROs	67
Using M&E for organisational development.....	71
Indicators.....	72
Annexes.....	82

Acronyms

ACA: Action Child Aid

ARM: Alternative for Rural Movement

CSO: Civil Society Organisation

DFE: Danish Forestry Extension

DMCDD: Danish Missions Council's Development Department

DRO: Democratic Rural Organisation

DUFA: Danish Ugandan Friendship Association

FFLG: Farmer Family Learning Group

FFS: Farmer Field School, approach to agricultural development amongst small-scale farmers

IAS: International Aid Services

M&E: Monitoring and Evaluation

NABARD: National Bank for Agriculture and Rural Development (India)

NERM: North Eastern Rural Marketing Company (India)

NGO: Non-Government Organisation

NOGAMU: National Organic Agricultural Movement of Uganda

OD: Organic Denmark

PGS: Participatory Guarantee Systems (participant based certification system)

PHCS: Plants and Health Cooperative Society

PRA: Participatory Rural Appraisal

RECODA: Research, Community and Development Associates

SATNET: Sustainable Agriculture Trainers Network

RIPAT: Rural Initiatives for Participatory Agricultural Transformation

VSLA: Village Savings and Loan Associations

Introduction

*By Kristine Kaaber Pors, Karen Ingrid Schultz,
Kristina Due*

Why write a guide for monitoring and capacity development of Democratic Rural Organisations?

Democratic Rural Organisations (DROs) in the Global South are smallholder farmers' own groups and organisations with a democratic set-up. They are unique community based organisationsⁱ acting as a gateway to a strengthened voice, and enhanced access to credit and market opportunities.

Such DROs are often supported by Danish and other Northern civil society organisations (CSOs), as this is at the heart of the Danish Civil Society Policyⁱⁱ, and furthermore contribute to several Sustainable Development Goals, i.e. fighting poverty (1), hunger (2) and creating jobs and economic growth (8).

Smallholder farmers, DROs, and donors alike have, however, experienced a certain fatigue with East African cooperatives after national political interference in the 1970's and 1980's and a felt bureaucratisation and ineffectiveness on part of the members.ⁱⁱⁱ Yet, the cooperative values and principles are still relevant as they provide a development model suiting the needs of the smallholder farmers.^{iv}

The focus of this guide is how to measure and support the development of DROs. What are the preconditions for supporting DROs to be strongly anchored and sustainable civil society actors, reaching above the grassroots level? The task, however, is not easy, as DROs need to fulfil several distinct functions and manoeuvre in a complicated reality. We hope this guide can assist in guiding the development of sound and sustainable DROs.

As the formation of grassroots farmer's groups and Village Savings and Loan Associations (VSLA) are relatively well-described, and these experiences have been shared both within Denmark and internationally,^v this guide focuses on the second-tier organisations, that is associations and cooperatives of farmers' groups of which less literature can be found and where experiences are more mixed. In this guide, we understand associations as federations of farmers'

Danish CSOs working with inspiration from the DRO study

Participating organisations in the Democratic Rural Organisations Learning Process 2015-17 funded by Global Focus, Denmark:

We are seven Danish civil society organisations working with southern partners to promote democratic rural organisations (DROs) in the Global South.

Caritas Denmark working amongst others in North East India and with several partners in Uganda to promote DROs;

Danmission works in several countries; partners in Tanzania with the Evangelical Church of Tanzania in Kagera Region to facilitate the programmes to promote DROs;

International Aid Services supported by Danish Missions Council's Development Department (DMCDD), partnering with Itigi Local Church and Sanjaranda Bible College, Singida, Tanzania to promote DROs in Singida area;

Danish Ugandan Friendship Association (DUFA) partnering directly with the North Ugandan Cooperative Plants and Health Cooperative Society (PHCS) in Apac District, Uganda;

Action Child Aid, working in India with Alternative for Rural Movement to support the creation of farmers' groups and potentially DRO's in the future;

Danish Forestry Extension (DFE), working with partners in Nepal Farmers Unions and The North Vietnam College of Agriculture and Rural Development in Vietnam to promote DROs;

Organic Denmark (OD) working with partners in South Western, Central and Eastern Uganda and in Zanzibar promoting so-called Farmers Family Learning Groups and to facilitate DROs;

The faith-based umbrella organisation **Danish Mission Council Development Department (DMCDD)** hosted the facilitation of the learning process.

groups with any purpose defined by the farmers themselves, while cooperatives are understood as enterprises jointly owned and run by farmers through democratic constitutions, with the purpose of marketing their produce. However, the countries involved have by-laws that the cooperatives are obliged to follow to operate legally.

The background of this guide

In 2014, Caritas Denmark and Danmission asked Esbern Friis-Hansen to undertake a closer study of the DROs, cooperatives and federations of smallholder farmers' groups, which the two CSOs supported in Uganda, India, Bangladesh and Cambodia.^{vi} Inspired by the study's insights, and by a growing need amongst Danish CSOs to collect experience and to formulate indicators for DROs, Caritas Denmark invited six other Danish CSOs - Danmission, DMCCD, DUFA, Organic Denmark, Action Child Aid and Danish Forestry Extension - to join hands in support of networking among Danish NGOs engaged in the formation of DROs in the Global South. Since January 2016, representatives from the seven organisations have met regularly and consulted with Southern partners to discuss the findings from the DRO study and compare them with the experiences from our partners' work. This guide is a result of this cooperation.

Friis-Hansen and research colleagues outlined eight so-called thresholds understood as important processes and critical transitions experienced by smallholder farmers when they build up DROs, during which the federation process is particularly challenged and risky. These thresholds describe the pathway of the federating process, from the smallholder farmers mobilising into farmers' groups of different kinds. They can be focused on savings and production skills, smaller agribusiness, or Farmer Field School training towards federation into producer associations or cooperatives, developing a vision, an organisational structure, key services in storing, processing and marketing and building relations to important stakeholders in the market as well as the government sector. These thresholds and our key experiences so far from working with DROs in the federating process are described in chapter four.

The purpose of this guide

The development of a guide for capacity development and the indicators for the same reflects four different purposes, which are mutually interlinked:

- 1. Documentation for accountability downwards to constituencies and important stakeholders in the local context.** There is a need for indicators which make visible the added value of the DROs to their own members, in terms of service delivery (to do), organisational capacity (to be) and relating to relevant market and government actors (to relate).
- 2. Documentation for accountability upwards to donors.** Indicators play a role in justifying the value of our approaches vis-à-vis donors and the public, in terms of proving the worth of working with DROs pushing for greater accountability and accuracy of methods. Selected illustrative cases can also form part of such documentation. There is a growing need for documentation, particularly regarding institutional and private donors, as well as the broader Danish public, where scepticism towards development aid has become more and more notable in recent years.
- 3. Aggregation** to direct and to prove the value of a programme or a strategy. Particularly the larger Danish CSOs, due to their number of partners and projects, have a need for generic indicators and general monitoring forms to aggregate and systematise documentation for their institutional donors, as well as their own leadership. Aggregated data to prove the value of, as well as to direct a bigger programme, does often not fit with the DROs' or the local NGO partners' needs for organisational learning. Good management and the wish to have measurable data do not always fit well together.^{vii}
- 4. Learning for improved performance** with the aim of improving the work of their partnerships supporting DROs, and the circulation of lessons learned with other Danish organisations. Specifically, the representatives from the seven organisations have endeavoured to develop monitoring tools and a guide for capacity development, which are generic across contexts. It is hoped that such a general monitoring tool will inspire the practice of supporting DROs in North-South partnerships, leaving it to the individual organisations to adapt their monitoring tools to reflect the challenges of meeting with partners, the national context, the history of the partnership, and the relevant experience and capacity of the partner. For example, important considerations regarding the national context could be the ability of smallholder farmers to access legally guaranteed

services locally or nationally, the procedures for approval of cooperatives, their access to markets and to financial capital. Further, in some contexts, political regulations decide which type of advocacy work can be conducted by an organisation.^{viii} Another important differentiation to consider is whether the partner is an NGO supporting DROs or a DRO itself. It makes a difference whether monitoring activities are conducted by a NGO partner or whether it is conducted in cooperation between the DRO and the Danish organisation, where the monitoring activities must include an assessment of the DRO's capacity for financial management and project implementation.

The Global Focus supported learning process 2016-2017

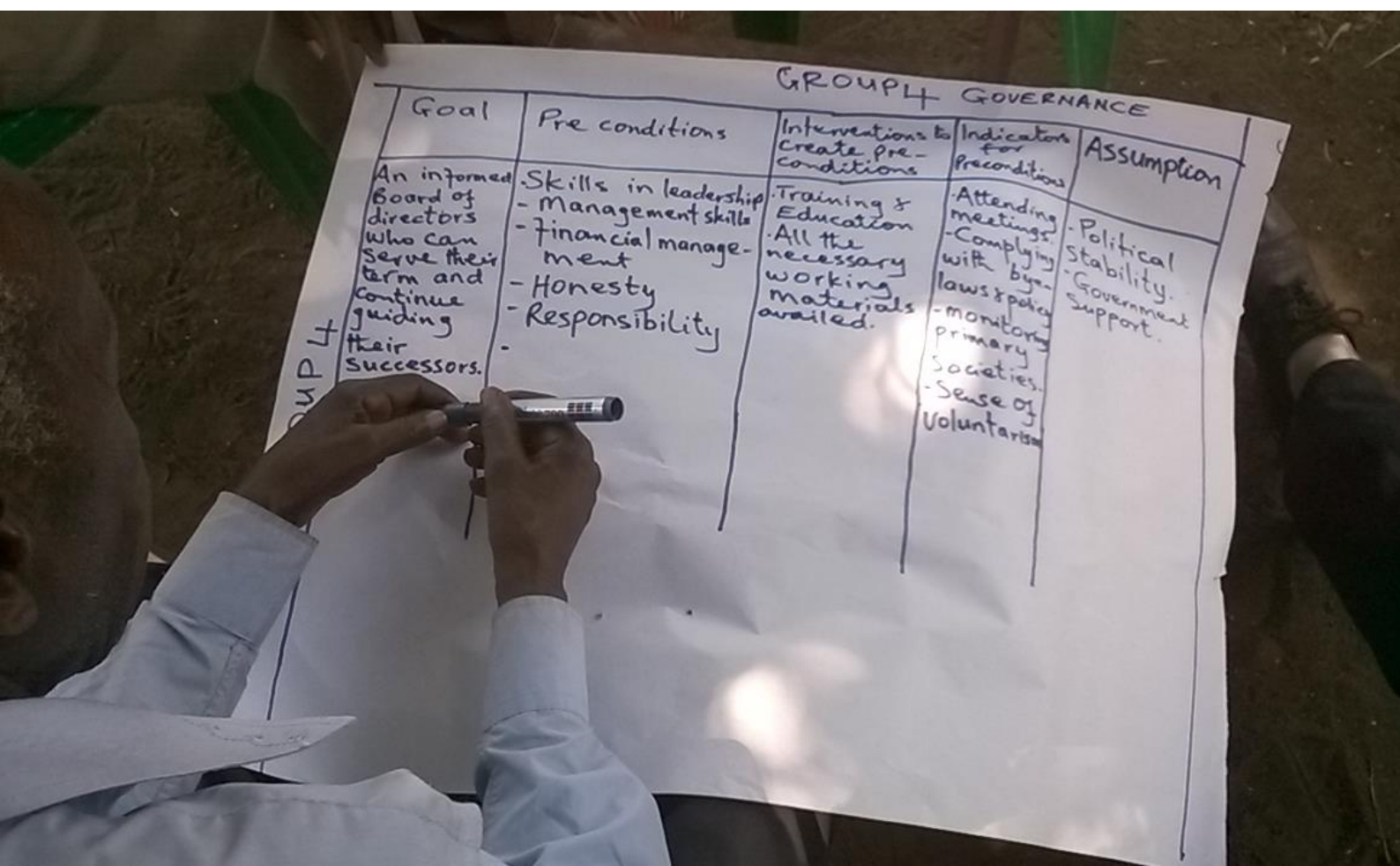
The Danish Civil Society umbrella Global Focus accepted to fund a learning process on Danish organisations' and their partners' experiences with Democratic Rural Organisations. As part of the learning process, the participating Danish organisations conducted workshops with their partner(s) in the Global South to get their feedback on the DRO study's thresholds,^{ix} as well as the capacity assessment tools used for second-tier DROs, which were already in use among the federations promoted by Caritas Denmark's Indian partner, Caritas North East India.^x

The participating organisations have different approaches. The larger organisations, in strategic partnership with Danida, support several DROs through their partners and have both a national level and local level partner organisation between them and the DRO, and have a need for documentation and aggregation, as well as some qualitative insights. The smaller organisations spend voluntary time cooperating directly with the DRO's, and accompany them in their process of organisational learning.

The structure of the guide

Chapter 1: Methodological Reflections, looking at selected participating organisations' experiences from the learning process. How did they document progress, aggregate data and create learning in partnerships?

Chapter 2: How to assess and develop Democratic Rural Organisations is a result of the discussions in the working group after working alongside partners in a learning process, based on experiences with the outcome first seen after programmes/projects have been successful in building up capacity in DROs. The indicators reflect capacity areas that, according to our experiences, need to be in focus in order to develop sustainable DROs. We have looked back at the processes with the DROs and agreed on the areas reflected in the indicators and found them common across the DROs we worked with. The set of



generic indicators we present are grouped according to INTRACs model To Do, To Be, To Relate. It is our hope that they will be useful for other organisations in terms of gaining an overview and inspiration in planning and monitoring processes and in the documentation of DROs' capacities. They might also be useful in developing tools for the aggregation of results.

Chapter 3: A Practitioner's Perspective - Seven Danish civil society organisations and their partners share experiences about thresholds in Democratic Rural Organisation promotion and development . The contributing organisations present hands-on experiences with development of DROs structured according to the eight thresholds, developed by the research team led by Friis-Hansen (2015 and 2018).

Chapter 4-10 are reflections from the organisations' individual learning processes relevant for the development of the capacity to act as a DRO. The focus is on areas that have been considered the most important in the context of these specific partnerships.

Chapter 4: Caritas Denmark, North East India – long experience with organisational development of DROs, and how this work is being renewed, and how M&E helps.

Chapter 5: Caritas Denmark, Uganda – how Indian inspiration was translated into and East African context and used for aggregation of results for large-scale donors.

Chapter 6: Action Child Aid – how a new Danish-Indian NGO partnership working in India learned from Caritas on how to start up farmers' clubs and design a M&E system.

Chapter 7: DUFA – how a theory of change approach guided grass roots organisational development of a DRO in Northern Uganda in a reflective partnership.

Chapter 8: DMCDD – IAS and Danmission, Tanzania – how strong metaphors can assist in organisational development and strategic planning for relatively new DROs.

Chapter 9: DFE, Vietnam – how DFE developed their own thresholds of DROs for their work with small-holder farmers to strengthen local reforestation/small holder acacia plantations.

Chapter 10: Organic Denmark – many years' experience in developing DROs in the organic agricultural sector in Uganda.



Chapter 1 - Methodological Reflections

By Kristine Kaaber Pors, Karen-Ingrid Schultz

Documentation and aggregation - Caritas Denmark as example

In North East India, Caritas aims to build the capacity of the DROs, amongst other purposes to qualify for a loan from the National Bank for Agriculture and Rural Development (NABARD). As part of this process to achieve qualification to access outside support, Caritas needed to monitor the capacity of the DROs, and as such developed a monitoring format to assess the organisational capacity of the DROs, based on experiences at field level. Shivaram Kanathila, Caritas North East India, presented a monitoring template for Indian federations in Copenhagen April 2016, to inspire the Danish organisations and their East African partners.

The monitoring formats list six capacity areas, 1. Vision and Purpose, 2. Organisational Management, 3. Financial Management 4. Organisational Accountability, 5. Links and Networking, 6. Learning and Evaluation, each with several questions and five categories of answers for each question. After discussions with a group, a facilitator marks the respective responses on the form. The few pieces of data are taken out for aggregation (reference to chart).

Caritas Denmark brought this chart to Caritas Uganda, where farmers' groups are organised in looser associations, with some developed into more regulated cooperatives. Each Ugandan cooperative has subsequently developed their own strategic plans and acts accordingly. With the purpose to aggregate results from the DROs, Caritas Uganda and Jesper Juel Rasmussen, from Caritas Denmark, used the inspiration from the Indian chart and the DRO study as an opportunity to develop a general monitoring tool for all of their member groups. They asked the monitoring and evaluation (M&E) staff in Uganda to develop the new general monitoring form that will be used, while at the same time, the cooperatives will continue to use their own indicators (reference to Caritas case nr. three). Caritas' generic indicator formats use a scale with the following five grades: *achieved beyond expectations*, *expected level*, *achieved to some extent*, *poorly achieved*, *not at all met expectations*. Caritas, so far, reports satisfactory results in terms of assessing the

various stages of the groups and federations in North East India as a tool to keep track of group/federation development, but suggests that more qualitative studies should supplement those results. The Ugandan format is to be used from February 2018 and onwards.

A significant challenge, particularly when data is collected for aggregation by using a scale of five grades, is the reliability of the data as the answers from staff, farmers etc. always will be influenced by what they understand as their interest in the situation. Another challenge when using the rating system is the possibility of different interpretations between the respondents, the facilitators, and the M&E staff as well as internally in the groups.

M&E Expert Nigel Simister, INTRAC, proposes to base aggregated data on facts only – accounts and records of activities undertaken, number of produce gathered, number of advocacy issues raised, etc.

Aggregation of data demands an effort to ensure a mutual understanding of the grading system. However, as the aggregated data is used in a cross-cultural setting and across different social and educational levels, and eventually also translated from one language to another, the use of the data as indicators requires some reservations.

Self-assessment of new DROs in Tanzania - how metaphors ease participation

Caritas North East India has good experiences with self-assessment and learning based on organisational charts with rating scales, where the DRO members rate their own performance (See case one). These charts are useful as self-assessment tools as well as to generate discussion in an organisation, and to set new targets e.g. for the next six months.

Another illustrative way of assessing the growth of an organisation's capacities can be the picture of a tree's growing stages (see figure in chapter 2). The Tanzanian facilitators Njoroge Kimani and Dominick Ringo used the development of a fruit tree (from seeds sown, young plant, mature plant and the fully developed harvesting tree) in Danmission's and DMCCD's workshops with partners in North-Western and Central Tanzania.

This categorisation allows the participants to include different dimensions in their choice. The tree model also bears the promise of growth, and needs to take the

context and environment of the trees, such as the soil quality, watering, weeding, pruning and other conditions, into account. In terms of learning processes, data gathered from a metaphor like the fruit tree forces people to think creatively. The picture of the growing plant might illustrate the dream the participants have, and let them assess: where are they – at first, second, third, fourth stage – with the plant picture? What does it take for them to move from a seed to a young plant and other subsequent stages? For a farmer used to growing sunflowers and a true expert on that, the plant picture speaks strongly, e.g. What does it take, “to water every day”, then moving to: “What is the water in your case?”. According to Kimani’s experience, quantification can actually hamper further reflection, and actually the numbers do not make sense to participants.” See case eight for more.

Focus on organisational learning at workshops with DUFA’s and DFE’s partners

Methods gained from using a *theory of change approach* triggered a learning process for both partners in the Danish Ugandan Friendship Association’s (DUFA) and Plant Health Cooperative Society (PHCS)’ joint workshop. During this workshop, farmers’ groups leaders, which represent the collective members of the cooperative society, discussed the objectives for the work of PHCS and what the relevant indicators could be. Instead of going straight to developing indicators for the objectives, DUFA and its partner used a format from the theory of change approach. This format asked for the preconditions to reach the objectives, and for indicators for fulfilment of the preconditions. For example, according to the group leaders the objectives for the cooperative were to increase the number of smallholder growers delivering their harvest to the cooperative, and increase the number of kilograms delivered by the members. The preconditions could be seeds of high quality and the distribution of the seeds at the right time for sowing. The input to the indicators will be the farmers’ answers concerning the quality of the seeds, and whether they got them at the right time, by taking the group leaders backwards from their objectives of economic and organisational *growth* to the organisational *capacity* and how to *cooperate* to increase the growth.

This process contributed to a strengthening of a sense of ownership amongst the group leaders, and affected their leadership style to include an awareness about the sustainability of the organisation. At the same time,

DUFA was better able to understand the challenges the group leaders are facing when mobilising members and motivating them to follow the rules of the cooperative, with positive experiences with the cooperative organisation being key. Based on the discussion of thresholds and indicators for success, the cooperative made a strategic plan for the coming years.

Danish Forestry Extension (DFE) and their partners in Vietnam conducted a workshop with representatives from the Farmers Union and managers and board representatives from three cooperatives. During the workshop DFE used outcome mapping to define seven development steps.^{xi} Outcome mapping allows for monitoring and evaluation to focus on the changes that have taken place in each period and investigate what caused the changes. Changes might be caused by factors outside the project, but often the study of the changes provide useful information for future planning.

The workshop representatives worked backwards from the present outcome (three established cooperatives) and investigated the steps that led to the establishment of these cooperatives. As a result, DFE gained a better understanding of the thresholds that could delay the associations from moving from one step to another, and this information was used to adjust the project activities based on the challenges described. The learning from the representatives for the farmers contributed to a stronger downwards accountability, and furthermore, the defined thresholds of DRO development became a monitoring framework to report back to donors. In this way, the experiences from the establishment of the present three cooperatives will be used to monitor coming cooperatives. See cases seven and nine.

Qualitative/quantitative data, and how aggregation is possible

The motivation behind formulating generic indicators is to have some general and measurable tools to enable comparisons to be made between DROs beyond the local setting, and even across nations. By having standard parameters, it is possible to gain an overview and some degree of representability. However, to understand these general figures, it is necessary to have an understanding and interpretation of the various geographical and political contexts. A direct comparison between organisations with different objectives and of different ages based only on the generic indicators is not always possible or relevant. The context needs to be taken into account.

An ambitious attempt to apply qualitative indicators for aggregation is the Local Monitoring Tool System, meant to be used across Danmission's different partners and different national contexts. The tool aims to allow participants to set their own indicators. The tool aims to respect the differences between the DROs by letting each DRO identify 10 statements that are important to them, and thus measure progress in relation to the chosen statements. Danmission plans to compare a number of indicators with progress, and in this way, compare the progress of DROs with various indicators. Through this approach, Danmission intends to avoid the dilemma comparing new and inexperienced DROs with the more mature DROs.

To compensate for the weaknesses of quantitative data, some organisations give priority to change stories as a supplementary source of information. An example is Organic Denmark (OD), where interviews, story-telling and cases have supplemented surveys as documentation. In relation to monitoring, OD uses a bottom-up approach where both the monitoring and development of monitoring formats are part of a learning process intended to be useful at all levels: farmers, facilitators and Danish project leaders. In this way, OD has developed a template for internal monitoring in the farmers' groups.

Regarding OD's support for the establishment of cooperatives (and unions) in Uganda and the monitoring of this process, a further development of indicators has taken place regarding organisational development. However, after discussions with all levels of actors, OD have concluded that the organisation has a need for more robust information to advocate for organic food systems, and are debating the best methodology for uniting learning with the need for documentation, and qualitative with quantitative data.

Qualitative data is needed for a deeper understanding, including explaining the reasons behind the made decisions or the growth stage of the DRO. During the DRO learning process, the participating organisations reflected on the DRO study, listened to experiences from other organisations, and compared thresholds and success stories. Often the illustrative examples and stories from other organisations caused more interest and discussion than the figures. However, for qualitative data to have a value as part of the documentation and aggregated data, it is necessary to investigate and reflect on the character of the cases. There needs to be a reflection as to why the case is selected, and what value it adds. Is it the best/most promising case, a representative case, or a specific case, which demonstrates a particular lesson?



Chapter 2 - How to assess and develop Democratic Rural Organisations

By Kristine Kaaber Pors, Kristina Due

Democratic Rural Organisation

A Democratic Rural Organisation is an association of smallholder farmers with bylaws working as an agent for its members' interests, vis-à-vis the different administrative levels of the state, region and district in which the association works, and vis-à-vis the market. Generally, the DROs have three main aims, namely:

Aims of DRO's

1. *Gaining economy of scale regarding value-added processing and marketing of joint production*
2. *Access to finance*
3. *Political voice^{xii}*

DROs have a better chance of being successful if they build on existing groups and structures, and work in congruence with existing values. The smallholder farmers have regarded the historic cooperatives with a certain scepticism, for example as the hand of the state leaving the least attractive role of underpaid producers to the farmers.

Through the learning process, Caritas Denmark, DMCDD, Organic Denmark, DUFA, Danmission, DFE and Action Child Aid and partners have identified what are the main challenges and what are the main functions of a DRO serving the needs of its members. Throughout the learning process, it became clear that established cooperative values can be used as a reference point for the DROs, as the DROs we have worked with are also value-based entities, based on the values of **self-help, self-responsibility, democracy, equality, equity and solidarity**. The important thing is, however, that these values are appreciated and interpreted by the members themselves.

The DROs subscribe to ethical values of honesty, openness, social responsibility and caring for others. More specifically, the cooperative principles which apply are, namely:

Principles of DRO's

1. *Voluntary and Open Membership*
2. *Democratic Member Control*
3. *Member Economic Participation - e.g. buying of shares*
4. *Autonomy and Independence - controlled by members*
5. *Education, Training and Information - provided to members*
6. *Co-operation among Co-operatives - e.g. learning exchange applies*
7. *Concern for Community - through member approved policies^{xiii}*

By applying these principles, the DROs attempt to be at once a member-led organisation and market actors, and the balance between these functions is challenging to strike. Our focus is mainly the second-tier DROs, which are themselves associations of smaller farmers' groups and/or savings and loan associations. With the metaphor of the plant (see figure below), the second-tier organisations are more complex plants with higher and sometimes conflicting demands from the context and eco-system (members and stakeholders) than is the more simple-structured grass-root level organisations as e.g. savings and loan associations. The more complex, the higher demands for strong joint values, and accompanying systems for how To Do - deliver services, To Be, - lead and manage and To Relate, to market and government and other civil society actors.

How to assess a DRO – A tree's growing stages



Seeds



Young plant



Mature plant



Harvesting

The context of a challenging eco-context is always present, demanding the plants to adapt.

Many forms: DROs, cooperatives, farmers' associations...

We know the status of cooperatives and the status of farmer's associations may not be the same. The legal framework behind DROs differs from country to country and DROs include not only smallholder farmers' organisations. In many cases, a cooperative may have a status close to the one of a company and the objective is business. Yet, a cooperative may start, develop and function in many ways like an association for its members. Other rural organisations may have a different "take off" and may facilitate the establishment of a cooperative later in their history – or not at all. In cases where DROs include both member organisations and cooperatives, the organisations may have a broader scope of policy and advocacy, whereas the focus of the cooperatives is on business activities. Cooperatives or cooperative societies are a type of company

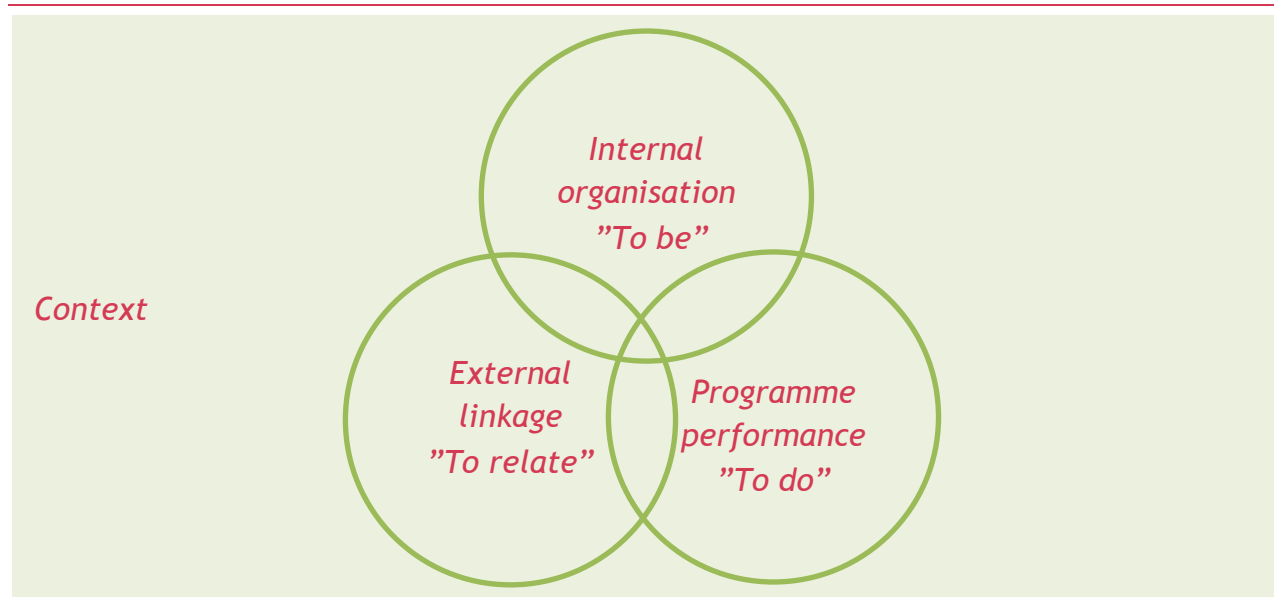
characterised by a set of principles, favouring the control and influence of members regarding the management of the company and the management of the surplus according to shares and shareholders.^{xiv}

In Denmark, there is a history of cooperatives and cooperative movements, which has played a very important role in the economy; the cooperative company is still a sustainable business model and is part of research on value-based business models and innovation.^{xv}

Three dimensions of a Democratic Rural Organisation

There are three dimensions of a Democratic Rural Organisation, which can be visualised as in the following figure.

Figure 2: INTRAC model



To Do: As seen from the smallholder farmers' point of view, the basic functions of the DRO are key, namely the ability to carry out practices, which are meaningful and important for their members, e.g. to help smallholder farmers in developing production methods, to collect produce, to add value, to store and market them collectively and efficiently, etc. If these basic services are not in place, the members will not be interested in taking part.

To Be: The ability of a DRO to meet the basic expectations of their members depends on the organisational capacity of the association/cooperative, which reflects a combination of the leadership capacity and the managerial capacity of the organisation. If leadership is not trusted or the capacity of the DRO to manage a sound organisation and economy is not in place, it will eventually affect basic practices and activities and the DRO will lose members and eventually collapse. Our partner organisations have a

variety of different characteristics and are at different organisational levels. All of them include farmers' groups, while some consist of a single cooperative and others are bigger associations embracing member organisations, as well as unions of cooperatives and individual cooperatives. Therefore, DROs may differ in size and organisational complexity but the cooperative, as well as the bigger association, needs to learn to "walk on two legs" by developing its capacity to fulfil the objectives of the organisation and at the same time develop its capacity within financial and organisational management. The question of participation and ownership is important; what do the members expect from a cooperative/an organisation, what is their motivation, how and why do they participate.

To Relate: As Danish CSOs, working with the Danish Civil Society Policy, the focus has sometimes concentrated on governance and advocacy, which might leave the context of farming behind, and might deflect too much from the smallholders' perspectives. Yet access to the market and ability to advocate may rapidly shift from abstract to very pragmatic matters e.g. when farmers are facing inadequate access to water resources, roads, etc.

Example of "To Relate": Access to finance

The financial sustainability of a cooperative/ organisation might require external capital. The income from membership fees and shares may not cover the activities that the cooperative/ organisation wants to execute.

In many cases the farmers would like to receive payment immediately after sale or before if they hand over their products to be stored for a period before sale is conducted by the cooperative/ organisation. It means that the cooperative /organisation has to look for some kind of external capital to pay the farmers, and a loan may be the solution to these financial challenges, but in many cases a cooperative/ organisation faces difficulty when dealing with banks. They may have to find a relevant financial institution, which can be hard, and negotiate to obtain a loan on affordable conditions, deal with high interest rates and expensive accounts.

Therefore, abilities to advocate and link to financial institutions are of key importance.



Example of “To Relate”: Uganda’s president listens to small-holder farmers and puts a temporary stop for GMO bill

By Maj Forum and Naja Mammen, translated by Kristine Kaaber Pors. Published in Globalnyt.dk, February 2018

Smallholder farmers’ own advocacy platform UFCVP (a network of 17 Ugandan NGOs hosted by Caritas Uganda) has through proficient lobby work managed to get President Museveni to put a new Genetically Modified Organisms (GMO) bill on temporary hold for a closer scrutiny.

The bill had already been passed by the Ugandan Parliament but through lobby work UFCVP succeeded to get into dialogue with President Museveni. The Network presented their concerns and recommended not to sign the bill. In UFCVP’s view, the proposed GMO bill did not take health-related, environmental and economic risks into account. Just before New Year 2017-18, as a consequence of the lobby work by UFCVP, Museveni chose to vote against the Parliament and refused to sign the bill. Instead of signing, he presented a range of UFCVP’s proposed amendments to the Parliament. The Parliament is now obliged to consider these concerns and UFCVP has even been invited to present the network’s points of view in the parliament and to take part in a working group which will revise the bill.

This is a big victory for UFCVP. The freedom of speech and the civic space is under pressure in Uganda, where many NGOs find it difficult to work if their ideas or activities are not in line with the central government’s official approach. In a time where it is difficult to get political influence in Uganda, UFCVP has achieved good results.

Indicators for processes, outcome and impact

It should be noted that the indicators we have been working on throughout the learning process are suited to guide the development process of Democratic Rural Organisations, but that the **impact** of the DROs on the ground will need more basic indicators, e.g. on income generation and food security. Please see some suggested indicators at that level in annex 1 with some examples from RIPAT projects.

Proposed generic indicators for Democratic Rural Organisations

A well-known model in the Danish CSO environment, is the Change Triangle or the Development Triangle, developed by Ibis, DMCDD and CISU, and utilised as a major reference point for applications for pool funding such as CISU or DMCDD. The Change Triangle works with three major categories, namely strategic service delivery, organisational capacity development and advocacy. These categories resemble the INTRAC basic organisational model of To Do, To Be, To Relate, which form the parameters for assessing an organisation.

In the world of DROs, these areas would, in practice, look like the following list, which aims to be generic, but to a large degree is based on DROs from Uganda and Tanzania, and might need to be modified according to context.



INTRAC Model & The Change Triangle

TO-DO (SERVICE)	TO BE (ORGANISATIONAL CAPACITY/GOVERNANCE)	TO RELATE (ADVOCACY AND NETWORKING)
<ul style="list-style-type: none"> ■ Stimulate saving schemes (microfinance) among members ■ Have and manage conflict resolution procedures ■ Facilitate agricultural extension services (sustainable farming techniques) to its groups/members (or link effectively to government services) ■ Manage agro-input (or link effectively to these services) ■ Manage bulk produce, storage (shorter or longer periods) on time, and sell collectively ■ Use transparent digital payment methods ■ Price per kg compared to middle men ■ #kgs delivered per member to cooperative ■ The association or cooperative adds value to farmers' produce ■ The association or cooperative ensures that quality is maintained at each stage of the value chain in which they are involved (production, post-harvesting, processing, and marketing) ■ The association or cooperative knows about the effect of climate-change adversities and mitigation measures are in place by individual members and collectively in terms of sound production methods and natural resource management. 	<p>Values</p> <ul style="list-style-type: none"> ■ Vision and mission is in place and communicated to members ■ Governance is based on democratic values, e.g. Annual General Meeting elects the Board as provided for in the constitution ■ Social funds are available to care for the poor and marginalised <p>Leadership</p> <ul style="list-style-type: none"> ■ Leaders are democratically elected ■ Leadership is trusted by members ■ Accountability and transparency is in place <p>Ownership and participation</p> <ul style="list-style-type: none"> ■ Youth, women and men are represented on the Board, maybe quantified (at least 40 pct. women) ■ Ownership – participation in Annual General Meetings (AGM), activities, board meetings ■ Degree of side-selling (as a negative indicator for how much trust members have in the DRO's services) ■ Strategy and ability of keeping members mobilised and informed <p>Legal registration</p> <ul style="list-style-type: none"> ■ Cooperative complies with legal requirements, including The Cooperative Act requirements ■ Legally registered, a written constitution, which is complied with <p>Professional/management</p> <ul style="list-style-type: none"> ■ Visibility/accessibility of office ■ The Board is financially accountable to its members ■ The association/cooperative (of a certain size) employs qualified staff (f. ex. a qualified manager/accountant to run the business affairs of the association) ■ The association/cooperative has financial, procurement and HR policies and applies them consistently <p>Financial sustainability</p> <ul style="list-style-type: none"> ■ The association/cooperative is financially sustainable (i.e. able to meet expenses through income generation, member fees, selling of shares, regular funding, or through loans to pre-finance crops from members to be stored before selling) 	<p>Advocacy strategy in place</p> <ul style="list-style-type: none"> ■ The association/cooperative is working according to its own advocacy strategy ■ The association/cooperative uses pre-defined indicators to monitor progress on advocacy issues <p>Advocacy with others</p> <ul style="list-style-type: none"> ■ The association/cooperative has a track record of working together with other like-minded community based organisation/civil society organisation on issues of common interest within the last 12 months <p>Linking to stakeholders</p> <ul style="list-style-type: none"> ■ The association/cooperative is linking with government institutions (at appropriate level) ■ The association/cooperative is linking with financial institutions ■ The association/cooperative manages to attract external funding, enter, fulfil and exit contractual commitments ■ The association/cooperative manages links with the market

Please see the cases in chapters 4-10 for various applications of to do – to be – to relate, in different contexts by Danish CSOs and their Southern partners.

Chapter 3 - Seven Danish civil society organisations and their partners share experiences about thresholds in Democratic Rural Organisation promotion and development

By Kristine Kaaber Pors, with Kristina Due, Peter Blum Samuelsen, Dominick Ringo, Shivaram Kanathila, Jesper Juel Rasmussen, Mette Olsen, Sinne Ørtenblad and Helena Brønserud Christensen.

Introduction

During the leaning process, Danish, Indian and East African civil society professionals^{xvi} shared and reflected on their experiences of hands-on work with Democratic

Rural Organisations and their development. In this chapter, we present the outcome of this reflection process and lessons learned for how to address the eight thresholds of DRO development, from the early mobilisation to entering into complex organisational development, and linking to the market as well as in the political arena.

Thresholds

The thresholds were defined by the Danish Development Researcher Dr. Esbern Friis-Hansen et al. from 2014-17, and are described further in the book: “Democratic Rural Organisations: Market, Credit and Voice”^{xvii}, where this chapter is also printed in a slightly different edition.

Please find below first an oversight over the different thresholds and then a description of our experiences from East Africa and South Asia, one threshold at a time.

Overview of the thresholds

THRESHOLD	DESCRIPTION
1st threshold	Mobilising rural populations to organise in groups and higher level DROs
2nd threshold	CSO-fostered empowerment of rural people
3rd threshold	Pathways to federation of first-tier groups to second-tier federations. What to federate over, when and how
4th threshold	Governance. Adjusting aims and leadership to address market challenges and satisfy members’ aspirations
5th threshold	Access to and utilisation of external capital. Shifting from internal savings to reliance on external finance
6th threshold	Balancing between upward and downward accountability
7th threshold	Private-sector challenges
8th threshold	Navigating political challenges

1st threshold: mobilising rural populations to organise in groups and higher level DROs

In our experience, participants' own will and resources are the key to a successful process of mobilising for DROs.

Mobilising around a combination of savings and loan activities and support in terms of skills and technologies for a portfolio of profitable enterprises was generally agreed to be a feasible approach for mobilising DROs. However, equally important is a perception of ownership over the microfinance, as well as a sense of flexibility over what it is used for. In our experience, poor people are excellent managers of the limited financial resources that allow them to keep some control over their expenses. The assumption held by early micro-loan providers that if poor women received loans they would rapidly become entrepreneurs and would be able to sustain their families has proven wrong. For some members, their highest priorities are to meet essential household reproduction costs, such as school fees and ensure household food security, and this increased resilience is indeed very important. In some areas, the perceived priority of the community could be food security first, as a hungry person has only one wish – food; and later may consider income generation/cooperative participation.

One example of successful mobilisation was by the Organic Denmark's Farmer Family Learning Group approach (FFLG) in Uganda, where OD mobilised farmers around their own land and resources and facilitated knowledge sharing about organic farming techniques. Another example is from the Danish Forestry Extension, working with forestry farming in Vietnam, and mobilised participants for learning forest cultivation methods without any joint savings.

Another example of mobilisation, that was discussed during the reflection meetings, combining savings and loans and technology options, is the RIPAT (Rural Initiatives for Participatory Agricultural Transformation) model^{xviii}, supported by the Tanzania CSO RECODA (Research, Community and Organisational Development Associates) and long-time partner of the Danish Rockwool Foundation (RF). Farmers' groups that are mobilised under the projects applying the RIPAT approach are mobilised around a need for food security and access to profitable enterprises combined with microfinance schemes (Village savings and loan associations – VSLAs).

The group members are sensitised on having a developing dream lingering on the utilization of locally available resources and opportunities brought by the project so that they improve their livelihoods independently. The groups provide land and labour, whereas RECODA supports the groups with planting materials and animals, for learning on group fields, while materials are provided to individuals under a payback agreement and/or a so-called solidarity chain, where e.g. kids of a donated goat are handed on to other needy people.

The indications for the sustainability of interventions using these approaches are positive^{xix}, through the inbuilt recruitment of community based experts (community based facilitators/lead farmers and extension officers) who become instrumental in the uptake and up-scaling of the technologies beyond the project lifespan. The key to ownership is that participants contribute to the intervention with own means in cash, kind or labour.

2nd threshold: CSO-fostered empowerment of rural people

Empowerment processes associated with DROs take place both at the individual and collective level. South Asian self-help groups, in particular, consciously promote empowerment with an economic, social and political aspect. Self-help groups themselves also work as a basic organisational 'school', where this empowerment is articulated and practised and where the leadership abilities of the group's members are developed. In East Africa, the focus for the basic groups is initially economic, including access to finance and adding value, but also here group empowerment gradually becomes social and sometimes even political.

The reflection workshops revealed three very different approaches to *enhancing gender equity*: (i) organise women only; (ii) organising mixed gender groups; and (iii) organising by household family units. What is most appropriate depends on the local socio-economic context: In North and East India, a very male-dominated context, men and women need their separate spaces, whereas in northern Tanzania, where women enjoy a greater degree of freedom, it is already possible at the basic level to have both genders in one group.

In the case of Caritas North East India and the Alternative for Rural Movement, partner of Action Child Aid, in Odisha State of India, people of similar gender, class and religious affiliations form groups at

the grassroots level, and then join others when the grassroots groups federate at a higher level.

Since women in Odisha, India, are likely to be dominated by men when it comes to group dynamics, leadership and the openness to speak up and engage in group discussions and activities, groups are separated into male and female. This ensures that the views of the women are voiced and to an adequate extent, and hence ensuring women's meaningful participation. In this manner, women gain the opportunity to receive training, to influence the training sessions, to be responsible for savings and possibly even influence household investment decisions. Starting farmers' clubs with women also conveys the message that female farmers are entitled to the same agricultural schemes and programmes as male farmers; it signals to the communities that women farmers are equal to men farmers, and that the government views them as such. As women adopt the technical training in practice and improve their agricultural yield, it sends a clear message to the male community that women are equally skilled and qualified for receiving training. Having their own clubs, on their own terms, is also more likely to help women take a crucial step toward regarding themselves (and men to regard women) as farmers on an equal footing with male farmers, rather than as secondary farmers or support staff^{xx}.

Another example has been Caritas' support for DROs in North East India, which has contributed to improving gender equality among its members, using the principle 'walk the talk'. As men increasingly appreciate their wives' economic contributions, female social empowerment (which is dependent upon husbands' attitudes) is enhanced. By working with the husbands to enhance their support for their wives' space and opportunities, both genders learn about human rights and gender equality. From that basic experience at the household and community level, general political empowerment through the self-help group federations is developed.

In 2013, Danmission and the Evangelical Lutheran Church Tanzania (ELCT) applied the South Asian success by promoting separate spaces to assist joint understanding between men and women in the ELCT's Women Men Farmers project in northwest Tanzania. In this area, there is a tradition of strong entrepreneurial women, and there have also been challenges elsewhere in East Africa with husbands becoming increasingly violent at home if their wives become too independent. Therefore, ELCT opted to form separate women's and men's groups. The men then had a "safe space" to meet and share thoughts and issues, then husbands and wives reflected independently on the fact that everyone can contribute more economically to their families than previously. After several years' experience, however, while there are still more segregated gender groups,



mixed groups with men and women appear to be functioning just as well financially as segregated groups. Narratives indicate that mixed groups contribute to the improved rights and status of women, but the long-term impact on gender equality is not documented.

Yet another basic mobilising principle is that used by Organic Denmark with their FFLG approach in Uganda and Zanzibar. This involves whole farmer families, that is, not only men and women but emphasising participation across the generations, including the elderly, the young and children, to stimulate interest in developing organic agriculture as a profession. Another important rationale for these activities is the conviction that every farmer (man or woman or whole family) possesses a lot of knowledge and know-how about local farming and the use of the local landscape, which is of high value and should be integrated further in the development of agricultural expertise. For all the organisations involved, it is stressed that the creation of smallholder farmers' groups is based on interest and that no one is paid for participation by the project budget. Neither the group members nor the facilitators (in the case of Organic Denmark) or the lead farmers (in the case of RIPAT) are paid. However, it does occur that that group members or local people wishing to form a group pay for facilitation from e.g. a RIPAT lead farmer. The training and wages of staff involved in training the facilitators or lead farmers in the first place are most often donor-paid, and this is an essential investment to get the process started. There are good experiences of transferring the facilitation function to the community based facilitators/lead farmers.

The FFLG as a pedagogical tool, focusing on facilitated learning and rotational visits among all group members, has produced very positive results at different organisational levels. The practice of being a host, speaking in public about farming matters and receiving advice from a group creates a social space for building confidence and posing challenges. Experience suggests that the principles of rotation and the involvement of the whole family stimulate commitment and ownership.

The reflection workshops emphasised the importance of *facilitating a prominent level of trust and connections at first tier level*, including joint norms for interaction, before federating into second-tier DROs. Through the practices of, for example, the VSLAs strict rules^{xxi} enabling weekly meetings, regular savings of a fixed amount, transparency in incomes and pay-outs, and support to small projects in turn, a discipline is internalised which assists members in using their groups for other purposes as well.

One such case is the ELCT Women Men Farmers project in northwest Tanzania, where the non-literate participants place a high importance on rules, as they gave them a space in which they felt they were in control because of the forced transparency of the process of depositing savings and taking out loans. These rules constituted a new fellowship, a new Protestant ethic, so to speak. However, it should also be noted that, in particular, the participants appreciated this because they had a long track record of being cheated, particularly by middlemen.

Arguably, the basic rules of the groups also build capacity, since discipline is strengthened, and free-riders are excluded. The combination of belonging to the group, building up savings, taking out loans, managing projects and reverting to the group seems to build up organisational and financial capacity simultaneously. In South Asia at this basic level, Caritas India uses capacity indicators whereby groups can measure their achievements through self-assessment.

The recruitment and training of leaders at the grassroots level cannot be emphasised enough. Experience indicates that it is not necessarily the most educated who are the best suited as DRO leaders. A respected and dedicated person who has been part of the empowerment process may emancipate into a great DRO leader. A promising practice is to train and use community-based mobilisers, recruited and trained locally, to attend the group weekly in the beginning and then gradually let the group leaders themselves take over. As for facilitation, a balance of power will develop between the community-based facilitators, employed by the national CSO and reporting back to it, and the group leaders. In the view of RECODA, the facilitators should ideally engage strongly at the beginning of the training for savings and farming technology, and then gradually draw back and let the group leadership take over.

3rd threshold: pathways to federation. What to federate over, when and how

The motivation and timing of federation constitutes a threshold for the evolution of DROs. In principle, the decision to federate should be taken by the members of first-tier DROs and by not the international or national CSO. Caritas North East India presented an interesting example from Arunachal Pradesh, northeast India, where people said no to federation because they felt it was difficult enough to start up the basic farmers' groups, and the work continued at the basic level. In Tanzania, with its history of very strong cooperatives right after independence, the nationalisation of these cooperatives gave them a bad reputation and low

ownership among member farmers. Today smallholder farmers are reluctant to form new cooperatives. In Tanzania, in our experience, for farmers to cooperate, they need to start from the grassroots again and form smaller groups to build trust. One challenge is that Tanzanian legislation regarding cooperatives has not changed, so new independent cooperatives will need to fit in with legislation that is in many ways in need of updating. In Uganda, this is also the experience of Organic Denmark, and Caritas notes that the government is positive towards the creation of new cooperatives and legislation is expected to become more flexible.

The reflection workshops revealed a general contrast between South Asia and East Africa in the sense that the members of East African DROs emphasise marketing as the main purpose of federations and cooperatives, whereas in South Asia there is a greater emphasis on capacity-building, networking and advocacy, which Indian legislation facilitates. For federations to be a success, members need to experience that it pays to cooperate. In other words, the cost of federating should be lower than the benefits. In RECODA's experiences from Tanzania, the decision to federate depends on the cost analysis, benefits and foreseen risks, i.e., each DRO want to know first the costs which might need to be incurred and their associated risks.

Generally, even after federation as second-tier level DROs, the first-tier level DROs are still important as this is the level where the individual farmers meet others and gain support. In Caritas' experience, where the first-tier level DROs keep functioning, this has been a good precondition for maintaining the farmers' support for the second-tier level DRO. Therefore, the functions of the first-tier level DRO need to be clearly identified and separate from the functions of the second-tier level DRO.

In summary, while the influence of supporting CSOs over decisions to federate can be very important, especially in facilitating mobilisation, as well as coordination and capacity-building, particularly in respect to leadership, the decision must be reached by the members and not overly influenced by supporting CSOs. Supporting CSOs, arguably, have an ethical responsibility to continue with the facilitation and coordination roles in the longer run where needed.



4th threshold: governance. Adjusting aims and leadership to address market challenges and satisfy members' aspirations

There was a general agreement during the reflection workshops that *transition of governance is an important threshold for the evolution of DROs*. During the process of federating, there is a need to change from a mainly charismatic form of leadership to one that also has more administrative skills. While this often means replacing the first set of often older charismatic but less educated leaders, with new more modern and educated and often younger leaders, the stakeholders emphasised the importance of facilitating the transition in a way that appreciated the work carried out by the founding leaders. The reflection workshops concluded that it was important to keep the charismatic founder on board when the need for professionalisation arises.

There needs to be a timely appreciation of both roles and skills: it is important for sustainability that the charismatic leaders do not feel they should “bow to the project managers”, yet those with the professional administrative skills should also be respected. Whereas the charismatic leader’s power base will be his status with the local community, the administrator can be recruited from outside, if he or she demonstrates the proper respect for the founders and traditions.

Another governance issue discussed during the reflection workshops was *how to address the challenge of elite capture*. There was agreement that the challenge can only in part be addressed through institutional design, and that such administrative regulations, e.g. a principle of rotational leadership, must be complemented with democratic checks and balances. Several examples of institutional design were put forward during the reflection meetings. One case in South Asian, every first-tier DRO elects one or two members to the general committee of the second-tier, the federation. To avoid particular individuals from acquiring too much power, it is not possible to simultaneously be chairman of his or her first-tier groups and a member of the federation committee. Another preventative measure is to forge a relationship between the smaller groups over time, e.g. in the case of Caritas North East India, where a federation of ten to twelve groups formed a rather loose network, but where the horizontal relationships between the grassroots self-help groups prevent the federation from acquiring too much power. In MVIWATA^{xxii}, the Tanzanian national network for smallholder farmers’ cooperatives, the

constitution requires leaders to be smallholder farmers themselves, as a way of avoiding urban-based politicians capturing the network and using it as a platform for election, as has sometimes happened in Tanzanian cooperatives and CSOs.

While downwards accountability mechanisms that ensure internal democratic checks and balances were acknowledged as a crucial measure for avoiding elite capture, as well as minimising economic mismanagement, stakeholder reflections revealed limited experience with implementing such measures. The CSO Organic Denmark that supports DROs in Uganda, has valuable experience with facilitating participatory governance within DROs. This is particularly important when major governance decisions are taken, such as the transition of leadership within the DRO. It is the experience of Organic Denmark that the DRO constitution is more respected and valued when it has been formulated as the result of a participatory governance process. The use of skilled community-based facilitators is crucial for facilitating participatory governance processes within DROs.

5th Threshold: Access to and utilisation of external capital. Shifting from internal savings to reliance on external finance

Finance is obviously a threshold for evolution of DROs and there are severe challenges for external CSOs to assist without undermining the ownership of DRO



members. We have experienced, that grants in the form of direct financial assistance and production, processing and marketing infrastructure can create a white elephant, reduce the sustainability of the DRO and eventually cause it to default.

However, the reflection workshops also revealed considerable differences between Asia and Africa. South Indian self-help groups and East African VSLA projects use only savings funds at the beginning, true to the philosophy that only after some years of “standing on their own feet” will it be time to take up loans.

For individual entrepreneurs, once they find the loans of their VSLA too small, they are in a better position than before to use established banks. In the case of Caritas North East India, however, raising external funds is a fundamental part of the training and support of self-help groups. The most common resource that groups advocate for is external loans from banks based on their track record in respect to savings and loans. The system of banks giving loans to self-help groups is a distinct policy of the Indian government, one that is widespread, since the loans are refinanced from the central bank, which sets targets for what they call priority sector lending. In this way, self-help groups are leveraging their own savings substantially, resulting in a growth in economic activities, which would otherwise not have been possible.

It is a global phenomenon, that where external, donor-provided loans to savings groups are perceived as “cold money”, groups are reluctant to repay. This is in stark contrast to the groups’ own “hot money” (savings), which is taken more seriously when it comes to repayment. However, external commercial loans from banks are generally taken more seriously, as they are perceived as an important source of ongoing financing. If circumstances arise such that loans cannot be repaid on time, it is the internal loans that are postponed – not defaulted on, but just rescheduled. The logic is that “friends are patient, but the bank is not”. This system of “bank linkage” is well established and recognised as best practice both inside and outside India. In addition, self-help groups, as well as officially registered village committees and cooperatives, can access many schemes for rural development made available by the Indian government. Caritas’ partners train the groups and committees and assist them in applying for access to water, electricity and roads. In these cases, the groups do the work but are given the materials as a grant. The CSOs can still play a very important role in training and mentoring groups and linking them to banks.

6th Threshold: Balancing between upward and downward accountability

During the reflection workshop, there was an acknowledged need for more thorough downwards accountability within the Danish CSOs as well as within the DROs, representing a shift away from hierarchical traditions and structures. The Danish CSOs further recognised that their strong demands on the Southern CSOs and DROs for upwards accountability for the financial support they receive, may undermine their capacity to develop a sound downwards accountability focus. While there is agreement about the importance of downwards accountability among all participating stakeholders, the reflection workshops used more effort on developing better capacity indicators that assist in upwards accountability, particularly targeted towards international CSOs needing to aggregate results for back donors. During the workshops, it was recognised that there is a danger that a too strong focus on upwards accountability in the increasingly competitive international CSO environment takes away the focus from downwards accountability.

In civil society policy in Denmark, for example (Danida 2014), the human rights-based approach (HRBA) standards of participation, accountability, non-discrimination and transparency (PANT) imply a degree of downwards accountability in the monitoring of outcomes. Processes of learning which set aside time to include participants at lower levels of understanding and to determine which basic areas of capacity are needed by the DROs can be useful. During our learning process in 2016, several organisations took the opportunity to take some time with the Southern partners to undertake such processes.

The reflection workshops identified the involvement of community-based facilitators in monitoring of activities and activating members, as a successful mechanism for downwards accountability within DROs. Community-based facilitators are widely used in CSO support for DROs. In the VSLA method, the best individuals in the groups are trained to train new groups, and often their results are even better than those of the CSO’s employees, since they speak from their own stories and experiences. It is, however, important to reflect on which functions the community-based facilitators undertake and to whom they report. The reflection workshops revealed that most often, the community-based facilitators were unilaterally employed by and reported to the supporting CSOs. This fact limits their value as a downwards accountability mechanism. While community-based facilitators are highly useful and are a

cost-effective method for CSOs to support DROs, they could have a much higher use for downwards accountability if they reported to the DRO as part of a continuous monitoring activity. Furthermore, the CSOs currently shift the community-based facilitators to new DRO groups, when the initial support is completed. They are thereby not a permanent institution within the DRO.

7th. Threshold: Private-sector challenges

The reflection process revealed that CSOs, compared to ten years ago, have become more pessimistic and perhaps more realistic of their ability to assist DROs overcome their market challenges. On the one hand, many attempts to address the private market challenges have been less successful and on the other hand value chains have become more complex and difficult to access in a profitable manner for DROs. Two different approaches were identified: (i) support the capacity of DROs to engage with the market in a profitable way; or (ii) develop a 'pro-poor value chain' and link members to these markets.

The lowest hanging fruit for engaging with the market is to build storage capacity allowing DRO members to bulk their produce and allowing members to delay selling their products. This is a market advantage, as

the prices are often at their lowest immediately after harvest. The next step is to organise producers into an association that can negotiate deals with traders in the value chain from a position of strength. The challenges experienced are many. DRO members have to be disciplined, adhering to the conditions of the market contract between the DRO and traders. Such conditions typically require DRO members to deliver a set quantity at regular intervals and at a given quality. This is challenging for some DRO members, who may have to improve their crop husbandry and may be challenged by disparities in the weather.

When the market is not profitable for farmers, for example where value chains are non-transparent and the monopoly of traders is difficult to penetrate, CSOs may choose to support the DROs by developing a pro-poor market. One example is Caritas North East India's support for the Amull dairies. By federation, the DROs were able to transport milk between production units and gradually develop simple and profitable dairies. Another example is provided by Organic Denmark, who is playing a significant role in formulating standards, promoting healthy food and working to create certifying mechanisms for organic products in East Africa.



A third example is RECODA in Tanzania, who reported the assistance from World Vision Tanzania in developing a market for pigeon peas^{xiii} in collaboration with local government extension officers and other local CSOs. The support included mobilising farmers into producer groups and higher level producer associations, where five to ten groups per village were tasked to collect the harvest at the collection centres and warehouse. Based on the market (buyer) requirement, the smallholder farmers themselves learned to sort the produce, weigh, grade and pack it in special bags, label it, record accurately the weights/kgs per center and individuals and load them on to the trucks. Payment is made through a voucher system through the bank.

A final reflection is that CSOs, within challenging areas where there are no clear best practices, can gain much by collaborating and exchanging experiences instead of competing. Danmission supported exchange visits for smallholder farmers in Kagera Tanzania so they could learn from established cooperatives in Mbeya in the other end of Tanzania and from Caritas Denmark's partner in southwest Uganda. These exchange visits had the consequence that new ideas and methods were effectively shared. The farmers who participated in the exchange visits were motivated and ready to implement new ideas as they returned home.

8th threshold: navigating political challenges

In the funding provided under the framework of the Danish Civil Society Policy, it is a requirement that civil society work should include the promotion of human rights and ensure influence as civil society organisations. As a result, we as Danish CSOs have often promoted a strong civil society element in CSO and DRO work. We must ask ourselves whether this HRBA agenda is sometimes too forcefully imposed, as it of course needs to be owned by the DROs themselves if it is to be effective. Pushing Southern partners into political work can indeed be dangerous.

Advocacy can be defined as strategic action aimed at producing sustainable structural changes in favour of the poor and marginalised, for example, changing legislation or implementing existing laws. Advocacy takes place in steps, from awareness to mobilisation to making sustainable changes at the political level, whether locally, regionally or nationally. There are many good examples of advocacy for better conditions for smallholder farmers or the more specific implementation of relevant legal rights for DRO members, such as access to infrastructure and water at the local and district levels in Tanzania and at the

county level in Uganda. Caritas Denmark and its Ugandan partners have had some successes in securing access to relevant schemes at county level.

In Tanzania, at the village and ward levels, there are some low-hanging fruits to harvest in the sense of working for better by-laws locally with the aim of, for example, protecting farmers' crops from free-grazing livestock. At the district level, as in Uganda, improving access to different schemes is relatively easy. In the experience of RECODA in Tanzania, the main areas for advocacy includes participatory analysis, drawing up and/or enforcing by-laws so as to facilitate a certain demand for a change. Given that some smallholder farmers are illiterate, they will only see a by-law (not to speak of national legislation) as meaningful and functional if the community (its beneficiaries) understand and own it, because they realise and accept that a certain benefit will come to them either directly or indirectly. Therefore, it is good to identify the short- and long-term benefits that can come from a certain by-law. For example, a by-law on environmental conservation stressing the creation of contours, cultivation and tree-planting for future generations while people are currently suffering from hunger will not be observed. However, if the by-law is properly identified with both short- and long-term success – for example, creating contours for rainwater harvesting to improve maize production, while trees are planted to strengthen the contours will mostly likely be a success.

Experiences from India also covered the election of many female members of the self-help groups to local or regional committees, which was very encouraging. However, Caritas Denmark recalls that there was a reaction at the following election, apparently since many voters felt that the women had become too strongly represented. The challenge seems to be how to enter the political systems without exposing members to danger.

Many of our organisations subscribe to a principle which can be termed 'collaborative advocacy' (Caritas), that is, that the DROs and the national CSOs act as partners of the government, and work dialogically and mobilise for change without being confrontational. It is a matter of understanding what is possible and how long something very concrete and basic can be pushed, as matters can easily be taken too far and not be productive.

CSOs should recognise the potentially considerable power of DROs to mobilise people. Extraordinarily, at the national level Caritas Uganda, with the umbrella organisation Uganda Farmers Common Voice, is working for a more restrictive use of GMOs, but also to improve the national agricultural extension services, and it has succeeded in promoting access to credit for Ugandan farmers. This is understood by Caritas to be possible because of the large basis of cooperatives and the efficient links to other agricultural stakeholders in Kampala.

Final reflection

The reflection meetings have been a fantastic opportunity to share experiences about DRO development amongst different stakeholders from the DROs themselves, the promoting CSO/ICSO/church development programmes and the supporting CSOs in the North. A main learning for the Northern participants is that we need to set time aside for reflection, if ownership and downwards accountability should be more than buzzwords in an increasingly competitive development world, where results defined by back-donor parameters tend to drain all our efforts.



Chapter 4 - Case of Caritas Denmark in North-East India

By Shivaram Kanathila

In North East India, Caritas is working with ethnic minorities, combining civil society empowerment with income generation and private sector work. Caritas has extensive experience in monitoring and developing groups at grass roots level up to regional level and many relevant tools for doing so. Caritas Denmark in North East India has learned the other participants in the learning trajectory a lot.

Where and how

Caritas Denmark supports poor rural communities and poor families in their efforts to improve their livelihoods and to reduce rural poverty, primarily through supporting their participation in civil society. The programme in Northeast India, 'Improving Rural Livelihoods through empowerment of civil societies', has been implemented in partnership with local implementing partners, namely five diocesan social organisations, spread across three states (Assam, Arunachal Pradesh and Manipur). The programme reaches across 304 villages and works with self-help groups/farmer's groups to achieve inclusive sustainable livelihood development by strengthening civil society in rural areas. The self-help groups/farmer's groups, or community based organisations (CBOs), are supported to engage their local communities in joint initiatives for improved access to basic services and equal rights.

Brief presentation of DRO programme

The programme activities are mainly designed to address the problems faced by small and medium sized farmers, predominantly engaged in subsistence farming with potential for market-oriented production. The activities work specifically with capacity building of farmers and advocacy. Self-help groups and farmer's groups are promoted at the community level as first-tier organisations, whereas self-help group federations are promoted as second-tier organisations for networking, leverage and collective advocacy. The apex body of farmer organisations acts as a platform for regional level advocacy, networking, marketing farm products and policy decisions. From 2006 onwards, the programme focused on strengthening second-tier community based organisations to be democratically

stable organisations for interaction, sharing, enhanced knowledge and overall development. The federations are supporting the self-help groups and farmer's groups with group dynamics, financial monitoring, leveraging local resources from government, banks and other development institutions for self-reliance. Family level income and food security has increased through the projects' activities.

Experience regarding successful development of DROs

Since the beginning of the project self-help groups and farmer's groups have been the target group. Presently, 1,705 self-help groups are functional and active, and approximately 1,500 groups are showing positive indicators of being financially sustainable. The project is supporting 75 federations, who are in turn supporting the self-help groups with internal monitoring, capacity building, and addressing social and community issues. Federations are also promoting new self-help groups and providing monitoring and training for weaker groups. CBOs are showing key indicators of sustainability and self-reliance for the eventual project phase out. Approximately a decade ago, the promotion of CBOs was very challenging, as communities were used to direct support and service delivery from government schemes. These practices, in combination with the ethnic, tribal, cultural and geographic diversity of the target population, significantly challenged project staff and demotivated cooperation between community groups. Motivation and awareness of group formation improved after Caritas Denmark's partners and community leaders, volunteers and motivators were exposed to and interacted with pre-existing, well-managed self-help groups in other Indian states. Group formation and the identification of needy target families was conducted through the application of the Participatory Rural Appraisal (PRA) methodology and techniques for community mobilisation. The National Bank for Agriculture and Rural Development (NABARD) and government, who had established guidelines for the formation of community groups and federation, also conducted trainings and provided some financial support.

Government schemes backed up the work

Government schemes and programmes promoted the use of self-help groups for poverty alleviation. However, many groups were substandard in quality. Groups were placed under high expectations without sufficient

support, capacity building or and group appraisals, undermining the establishment of further groups in the future. Partner organisations faced group disintegration and internal conflict. The Participatory Rural Approaches/PRA approaches^{xxiv} have encouraged group promotion and the development of well-founded and stable groups.

Self-help groups, federations and apex bodies all show the basic indicators of functional and financial sustainability. Every year, more and more groups have improved annual organisation performance reports, and the number of groups graduating and becoming sustainable has increased. Functional groups conduct regular meetings, collect regular savings, maintain record books, sustain internal lending and full loan repayment is observed. Groups also conduct weekly meetings (if geographic distances allow) and conduct saving and credit activities. Accumulated savings are considered as a common fund for the group, used for internal loaning among members. Group have their own structures, rules and regulations/by-laws framed and agreed upon by all members in democratic way. Monthly financial reviews, financial transparency and accountability is also observed.

Members of the self-help groups are primarily women, approximately 85% of all members. Their confidence and decision making capacities are often enhanced through these groups, empowering them to solve their socio-economic problems both by themselves and within the groups. Women are also being greater represented in higher level institutions, where community decisions and plans are made.

Market-led approach

The project has used a market led approach to livelihood improvement, whereby farmer's skills and knowledge on marketable dynamics, quality procurement and product value chains have been improved through training and market information. The partner organisations, North Eastern Rural Marketing Company (NERM) and the grassroots farmer syndicate in Manipur, have supported farmer producer organisations and they are showing indicators or being well functioning. NERM has also established good linkages with various marketing, finance and government schemes at the regional level to further promote the farmer's organisations. Throughout the life of the project, the CBOs have observed simple financial norms and practices to manage and monitor both internal and external funds. Up until 2015, approximately INR 13.53 million was accumulated through savings from members, with even further funds accumulated from local mobilisation, bank linkages, networking and advocacy. Most groups have established minimum financial standards and practices and agreed financial norms are set and followed by all member. Many groups faced challenges with book and record keeping on a regular basis, largely due to illiteracy, and consequently most groups hired a book keeper. Caritas' partner organisations have subsequently supported group leaders with the necessary financial management and book writing skills. It is now the responsibility of the federations to facilitate book keeping training and monitor the financial systems and practices on a regular basis.



A Human Rights Based Approach

The Caritas Denmark programme approach and strategies empower women and the human rights-based approach has empowered women to understand and claim their needs and rights. Women are increasingly being represented in higher-level institutions where community decisions and plans are made. Women are also being effectively represented in various other committees, local government, and community forums, where they are raising their voices and asserting their rights. Women's participation in the self-help groups and federations are gaining them respect in the community and their situations are greatly improving through the access to credit and other economic activities, by which household and social needs are being fulfilled.

Using M&E for organisational development

The participation of stakeholders and communities in implementation and monitoring systems has improved the ownership and accountability of the programme. The self-help and federation group members have been able to approach local authorities without the assistance of partners, and negotiate programme elements. Documentation and monitoring processes at community level has also improved, as the community members are able to manage the programme on their own by applying systematic participatory monitoring and evaluation approaches, emphasising local resource mobilisation. Experience from the programme has shown that the CBOs are capable of handling and planning activities and solutions for the issues affecting them and overcoming such issues.

The CBOs were measured and assessed according to pre-defined performance measurement tools and approaches, which were based on participatory and self-monitoring processes. The broader parameters by which they were measured were:

Performances parameters

1. *Vision and purpose of organisation;*
 2. *Organisational management;*
 3. *Financial Management;*
 4. *Organisational Accountability;*
 5. *Linkage and Networking;*
 6. *Organisational Learning / Self-learning.*
-

Under each broad parameter, indicators relating to the 'to do', 'to be' and 'to relate' parameters are defined to

measure organisational performance. These indicators are generic in nature, and the most common indicators are defined by the policy guidelines established by NABARD and evolved best practices. Each CBO was assessed and graded every year, comparing the performance from previous years. The capacity building strategies for the following year was based on the results shown through these assessments.

Partners have adopted the participatory monitoring and evaluation processes, where the communities, stakeholders, and partners together plan, implement and evaluate the programme. At the CBO level, the participatory assessment and grading tool and methodology adopted ensured that project staff and the CBO members jointly assessed their performance and progress annually. Project field staff, community facilitators and federation leaders were trained in methods of assessment and organisational performance tools. The results and action plans were reviewed and designed in learning workshops to plan for future support, tailored to the CBO. The participatory assessments/grading processes to assess CBO performance become a routine exercise in the programme to enhance the sustainability of the CBOs.

At partner level, annual programme review exercises are conducted every year after the completion of the programme year. During annual reviews, partner organisations, CBOs, programme stakeholders, external stakeholder and the Caritas Denmark jointly assess the progress of the programme, according to the log frame, strategy and financial parameters (each of the tools and methods are provided as annexes). This was first initiated by the regional level farmer's organisation (FO) in Guwahati, to create a common platform to share knowledge, undertake policy level advocacy, lobby for pro-farmer policies and to become a part of the national level farmer's forum.

Partnership has enabled cross learning and practice of the various aspects of participatory monitoring and evaluation systems at various levels. These approaches and learnings have been shared with various NGO forums, government departments and other development practitioners. This has supported the capacity building of staff, community members, the self-help groups, stakeholders and government authorities.

Caritas NEI's contextual indicators can be seen on the next pages.

CARITAS North East India

- Criteria and Indicators for Assessing Producer Organisations

PRODUCER COMPANY – IDENTIFICATIONS			
1.	Name of the cooperative Society		
2.	Address		
3.	Registration No.: Date of Incorporation		
4.	No. of Director		
5.	Name of Chairperson Name of the Secretary		
6.	Name of the Cooperative Manager/CEO		
7.	No. of Farmer producer group/SHGs/ Federations under Society		
8.	Total No. of shareholders	Male:	Female: Total:
9.	Farmers Institution/Projects		
10.	Area of Services		

Achievement of Capacity areas

Assessment guidelines

1. Refer to the capacity areas and indicators set at the start of the review period. Take each in-turn, summarise the progress.
2. For each result use the rating scale 0-4 (see left column).
3. Multiply the score (S) on each Key Result with the weight (W) agreed upon at the start of the year to arrive at a weighted score (SxW) for each result indicator.
4. Add all the weighted scores to arrive at the overall score on Achievement of Results Indicators. Do not round off the decimal points to arrive at the total score.

Rating	Definition
4	Extraordinary performance in that area
3	Exceeds expectation
2	Met expectations satisfactory, still to do more
1	Partially met expectations
0	Did not meet expectations
NA	Not applicable due to changed circumstances or other considerations

CARITAS North East India – Format for Performance Assessment Indicators of Mature Producer Group

Capacity areas	Indicators	Justification & Means of Verification	Score (S)	Weightage % (W)	Total (S x W)
1.Membership Characteristics	<ul style="list-style-type: none"> ■ Size: Good number of members, enough to be viable and socially cohesive ■ Social homogeneity of farmers: affinity or other social ties ■ Non-dominated by politically/economically powerful members ■ Poor and farmer women are included (if mandated) ■ One member represents one household ■ 75% of farmers have a stake in the management of the society 			8	
2.Objectives and Goals	<ul style="list-style-type: none"> ■ Clear objectives of the society are clear to all shareholders ■ Livelihood development through cooperative principles ■ Defined annual goals and adopted actions ■ Developed shared objectives and collective articulation ■ Members know the purpose of forming a society ■ Objectives of the society are met fully or strives to be achieved shortly ■ Objectives are revised and adjusted based on learnings from the past 			10	
3.Organisational Management Systems	<ul style="list-style-type: none"> ■ Periodic meetings with more than 80% attendance of members ■ Annual general meeting held with 80% attendance ■ CCS has a set of rules (by-laws) which have been discussed and agreed upon as well as sanctions for rule breakers ■ Regular Board of Director (BOD) meetings and Annual General Meetings (AGM) take place with significant attendance ■ The majority of members (75%) contribute to BOD/AGM discussions and decision making ■ All members have the opportunity to express, exhibit and exercise their duties and rights ■ Participatory and democratic decision making processes are adopted ■ Society has records/profiles of shareholders/farmers and clients and are monitored from time to time 			10	

4. Leadership Clarity	<ul style="list-style-type: none"> ■ Leadership roles change, rotation ■ Fixed tenure and opportunity to become leader on rotational basis ■ Leaders have been elected/selected by the members in a democratic, transparent way ■ Selection/election of leaders based on desired characteristics ■ Leaders/executive members take responsibility in day to day management of CCS 			8	
5. Organisational Accountability	<ul style="list-style-type: none"> ■ % of meetings of BOD/AGM regularly takes place (also in the absence of promoting institution or with diminishing support) ■ All members can give an account (general) of the CCS's finances ■ 80% of decisions are taken independent of the promoting agency ■ Audit report presented in the BOD/AGM on an annual basis ■ Progress of CCS presented in AGM and action plan ■ Printed annual progress report produced and shared with members ■ Meeting all the statutory requirements and file returns on time to relevant authorities ■ Society effectively oversees/manages the work of executives working as salaried persons ■ Budget control, transparency in operations 			10	
6. Financial Management Practices	<ul style="list-style-type: none"> ■ Records are maintained without support from the Promoting Agency (PA) ■ CCS keeps minimum and important accounting, booking keeping systems and practices ■ CCS observes financial management practices as per the demand of the business conditions and requirement ■ Better control and monitoring system of its assets and inventories ■ Periodic reviews and actions of better financial practices ■ Annual audit as per the statutory norms, by qualified auditor ■ Society prepares annual business plan and cash flow/budget 			10	
7. Resource Mobilisation and Management	<ul style="list-style-type: none"> ■ CCS raises funds to carry out business on its own ■ Overhead expenditure met with own resources, reserve/common funds builds up ■ CCS mobilises specialist skills or services from the government and private sector ■ CCS obtains government scheme to meet identified needs (convergence with other schemes) 			7	

	<ul style="list-style-type: none"> ■ CCS has shown ability to negotiate with the various stakeholders ■ Linkage with technical, line department and other stakeholders 				
8.Skill Acquisition and its use	<ul style="list-style-type: none"> ■ 90% of farmers have attended training programmes (including specialised training) ■ BOD has used planning skills to identify and solve operational problems ■ CCS has community level skilled resource persons/technical team ■ CCS has ability to address internal and external risks (market) 			6	
9.Distribution of Benefits	<ul style="list-style-type: none"> ■ Equitable distribution of benefits (dividends and services) to stakeholders all times ■ Mechanism of benefits-sharing developed and adhered to ■ Learnings, skills and technology transformation to non-members of community 			8	
10.Visibility, Identity and Human Resources	<ul style="list-style-type: none"> ■ CCS has its separate office for HO and outlet with sufficient infrastructure ■ Operating in convenient and accessible location for members and clientele ■ CCS office has minimum operational facilities and equipment ■ CCS identity and recognitions among outside stakeholders and community (- is the board displayed?) ■ Adopts technology and digital support - computers and software, email etc. ■ CCS adopts minimum HR norms – attendance, leave register, wage slips, salary register, movement register, PF, insurance, recruitment policy, hiring, resignation policy (more), etc. ■ Office has displayed important notifications, sign board, registration certificates and activity reports etc. 			5	
11.Statutory requirements	<ul style="list-style-type: none"> ■ CCS has all income tax registrations and licenses obtained (TAN, PAN, Service Tax, Trade License etc. depending on the business activities) ■ Fulfil all statutory requirement reports, filing returns annually and copies of the same properly filed and kept 			8	
12.Learning and Evaluation	<ul style="list-style-type: none"> ■ Self-monitoring and sharing mechanism among the member/shareholder, stakeholder and department ■ Operation self-sufficiency ratio 120% (see explanation below) 			10	

	<ul style="list-style-type: none"> ■ Financial self-sufficiency ratio 100% ■ Profit/break even analysis and reviews 120% ■ Regular outlet monitoring systems and review ■ Farmer/stakeholder profile monitored ■ Produce and publish annual reports ■ Customer/clients/stakeholder/farmer's feedback and review systems 				
Total Scores					100
Sum of weighted score for (total score/100)					

Obtained score _____

Supervisor/Assessor Remarks and Recommendation:

Signature Date: _____

KEY RESULT INDICATORS		
Rating	Definition	What it could mean
4	Extraordinary performance	CCS has exceeded expectations on 75% of the measures of indicators and met the remaining. However, these measures have a degree of complexity and level of resistance and hence create difficulty in achieving them
3	Exceeds expectation	CCS has exceeded expectations on 75% of the measures of indicators and met the remaining
2	Met expectations	CCS has met all the defined measures of performance of the indicators
1	Partially met expectations	CCS has met only few measures of performance of indicators (ex: met only 1 out of 3 and not the rest)
0	Did not meet expectations	CCS did not meet any of the defined measures of performance

Operation Self Sufficiency Ratio

OSS refers to the Producer company/organisation whether or not enough source of income or revenue earned to cover the cost of operational expenses and financial cost sufficient to manage the day to day operation expenses generated through its activities or business. It is computed as seen below.

Operational income

Operation Cost + Loss Provision + Financing Price

The organisation or PC should show OSS ratio more than 100% is equal to level the breakeven point and OSS ratio is more than 120% is good indication of self-reliance.

Financial Self-Sufficiency ratio (FSS)

Financial Self-Sufficiency ratio (FSS) is an important measure of sustainability organisation operations.

Looking at this Ratio as a self-sufficiency figure allows determination of the extent to which operations are becoming (increasingly) self-sustaining.

Operating income (Grant + Loan + Investment)

*Operating cost + loan provision financing cost +
Adjusted cost of capital*

Both the operational and financial self-sufficiency ratio are important to monitor the sustainability of an organisation those are involved in business, financial and marketing activities. The ACA promoted Producer Organisation/Company is involved in business/trade and marketing of farmer products. Presently ACA promoted PCs are in initial stages but later stages activities are likely to increase in high volume. If these are indicators are monitored it attracts more and investors, farm suppliers and exhibit the high degree of accountability.



Chapter 5 - Case of CARITAS Denmark in Uganda

By Jesper Juel Rasmussen

Caritas Denmark in Uganda have applied the tools for measuring development of DROs from Caritas in North East India for the Ugandan context. Here you can read how this is relevant in an Ugandan context, and how the indicators can be used by larger organisations which need to aggregate information about their development for donor purposes.

Caritas Denmark in Uganda - where and how

Caritas Denmark is working with several Ugandan partners in a joint Danida-supported programme. The immediate strategic objectives are (2014-2017):

Objective 1: To strengthen joint initiatives taken by poor rural families to pursue their right to be food secure and to have sustainable livelihoods.

Objective 2: To strengthen community based organisations, and emerging networks of organised rural populations in supporting local livelihoods and securing equal access to basic rights through active engagement of local decision makers

Objective 3: To strengthen community based organisations' and their CSO partners' advocacy on a national level for a sustainable development that will include rural areas on an equal basis.

Caritas Denmark supports the development of farmers' organisations in all of its programme countries. Caritas Denmark does not work directly with second-tier partners (associations, cooperatives, federations) but supports local partner organisations' day-to-day work with the second-tier community based organisations. That being said, Caritas Denmark gives priority to following the development of the associations closely through regular field visits and continuous monitoring of the associations' strategic plans. The same partners have been working for a number of years with first-tier organisations, like farmers' groups, self-help groups, VSLA-groups, etc., but as the groups gradually grew stronger, more self-sustainable and the idea of federating on a higher level formed, the partners increasingly have given their attention to the second-tier level. In some cases, the second-tier organisation's main *raison d'être* is to strengthen the marketing

capability and capacity of the groups and their members (Uganda), in other cases the main purpose is to function as a service provider/capacity builder for the groups (India).

Strategic approach to DROs over time

Caritas Denmark and its Southern partners have been working with rural populations for decades. The strategic focus, however, has changed over the years and the challenges have become more diverse as activities have spread from targeting relatively simple first-tier organisations, like farmer's groups, water committees, self-help groups, savings & credit groups, etc., to more complex second-tier organisations, like farmers' associations, cooperatives, federations, etc.

The first major shift in strategic outlook occurred when Caritas Denmark recognised that what it was involved in was not agricultural development, but rather the development of rural populations with agriculture as the main entry point. This change of view helped Caritas Denmark strengthen the human rights-based approach and view agricultural development as one aspect of many of importance for rural development and poverty eradication.

From a relatively narrow focus on increased production and income generation in rural communities, Caritas Denmark and its partners realised that it would also be necessary to take an interest in the support for sustainable social structures in the rural communities, giving the farmers a more solid ground for continued growth, and for increased influence in their local communities. A major turning point in our thinking came with the introduction of the Change Triangle model, which helped us conceptualise what it was that civil society organisations do to make their contribution to development unique^{xxv}. This model explained in very simple and clear terms that the dissemination of new technologies and improved agricultural practices (thematic competencies – "to do") would not create lasting development results without the simultaneous development of effective and sustainable organisational structures ("to be") and the capacity for efficient advocacy ("to relate").

In the process of getting ready to become a programme partner of the Ministry of Foreign Affairs, Caritas Denmark developed its own version of the Change Triangle, the Change Diamond^{xxvi}, and set out together with its partners to design its interventions according to the principles of this model. This was becoming even

more relevant when the farmers' groups started to come together in second-tier organisations (associations, cooperatives, federations, etc.). Measuring progress and sustainability of these larger and more complex organisations was even more difficult than it had been on the group level.

Using M&E for organisational development

Initially in Uganda, in the name of local ownership, it was decided that instead of measuring progress according to a handful of common indicators, each of the farmers' second-tier organisations would be supported to elaborate on their own strategic plan, with their own goals and milestones, and this would serve as the tool for the farmers themselves to measure the progress of each of their 42 organisations. After this monitoring system had been in place for some years, it was evident, that it had its advantages as well as its problems. The advantage was that the ownership of the monitoring system was firmly in the hands of the farmers' organisations. They had been given the chance to dream about and plan for their own future as an organisation and it was in their own interest to follow up on these plans. The annual revision of the organisations' plans was, at the same time, an opportunity for the members to hold their management accountable. The downside of the system was that from

Caritas Denmark's and the partners' view, it was very time and resource consuming. The management of the 42 farmers' organisations still needed continuous support and guidance on how to report on results and to revise the strategic plans annually. The close collaboration with each of the farmers' organisations regarding their strategic plans gave the partners and Caritas Denmark a unique understanding of the progress of the individual organisation, however, it left us more or less in the dark with regards to the general progress of the 42 farmers' organisations and of their general challenges. It became clear that the current system was good for ownership and accountability, but there was a need for a second system that could provide us with more generalised and cross-cutting knowledge of the challenges. It was necessary for the monitoring system to provide us with solid data regarding the most prominent thresholds and bottlenecks, and consequently which types of support should be prioritised and budgeted for in the following year.

Whilst various indicators and monitoring systems had been tested in Africa, and in particular, Uganda, Caritas Denmark's partners in Northeast India had followed their own path of indicator development for second-tier organisations. The major type of rural organisation in India is the formation of (first-tier) self-help groups, and eventually (second-tier) federations. In order for self-help groups and federations to tap into e.g. government development programmes, they must



comply with a set of preconditions, and these preconditions, which were originally formulated by the development bank NABARD, became the backbone of the monitoring system for Caritas' partners in Northeast India in order to measure progress of both first- and second-tier organisations. The advantage of this being that the system was based on a set of indicators that were widely recognised by both government and civil society, and that compliance would give access to resources otherwise not accessible. The refined monitoring system that was developed by Caritas' partners in India gave the management of the federations a tool for identifying their own weaknesses, and at the same time gave the partner organisations a useful overview of the general progress of the supported federations and of the fields where most weaknesses were detected, which was used effectively for planning next year's support and budgets.

Experience regarding successful development of DROs

When Caritas Denmark joined the learning initiative regarding the thresholds for DROs, it was with a view to try to consolidate the experience of Caritas Denmark and other Danish CSOs who work with second-tier rural organisations and the findings of the original study done by Esbern Friis-Hansen's team, and perhaps create a set of more or less common indicators, which are crucial for monitoring the development of such organisations. Friis-Hansen's study names four overall parameters (ownership, financial and managerial sustainability and democracy) as key to the well-being of second-tier organisations. The second-tier organisations that Caritas Denmark and its partners support have met several of the underlying thresholds that the Friis-Hansen study identified:

Threshold 3: Federation

One of the farmers' organisation in Uganda provided a good example that the decision of moving from one tier to the next tier can sometimes be rushed. A farmers' association, which was being supported by one of Caritas Denmark's local partners, made a decision to formalise their organisation further by registering as a primary cooperative. The requirements for becoming a primary cooperative are quite demanding, and the local development partner was not sure if the association was ready to live up to those requirements. The groups under the association were still struggling with their own sustainability and the development partner, and Caritas Denmark, felt that those issues should be solved before further steps were taken towards registering as a

cooperative. As it turned out, part of the reason why the association had taken the decision to register as a cooperative, even if they were not quite ready to take that step, was the fact that the local development partner's budget had been shared with the association in the name of transparency and accountability, and in that budget there was a provision for some additional support to those associations, which during the coming year were deemed ready to register as cooperatives. In other words, the association decided that in order not to miss the opportunity for some extra financial/organisational support, it would be best to register as a cooperative, ready or not, and hope for the best. In the end it became evident, that the association had indeed registered too soon, but the local partner still had to commit funds from their budget in order to help the new cooperative live up to the required standards, and save it from possible collapse and failure.

Two other cases illustrate the difficulties arising when a second-tier association decides to cross the threshold 4 regarding moving from trust-based to legal based governance

A farmers' cooperative in Uganda was enjoying increased volumes and turn-over in their coffee business, however the leadership was having difficulty managing affairs efficiently on their own, and it was realised that it was probably needed to hire a management team to handle the business affairs of the cooperative. The cooperative hesitated doing so, citing the high costs of hiring such a team. In order to help the cooperative to take the sensible decision, Caritas Denmark's local development partner offered to pay 100% of the management team's salary the first half year if the cooperative would commit to gradually paying for all management costs on their own. The cooperative agreed to this arrangement. A manager and an accountant, both well-qualified, were hired and started working. After a couple of months, Caritas Denmark and the local partner met with the leadership of the cooperative to hear how the new management team was doing. The leadership praised the performance of the management team and acknowledged the positive impact it had on the business management. Nevertheless, the leadership and the members of the cooperative were worried that one day, when the support and monitoring of the local partner was phased out, they would not be capable of monitoring the work of the management team on their own, thereby leaving them vulnerable to any attempts

by the management team to embezzle the cooperative. They realised that they had solved one problem by addressing the leadership's lack of capacity to handle the growing business of the cooperative professionally by hiring a professional team to manage affairs, but that was now giving them a second problem: When the cooperative leadership's educational level significantly below the manager's, how can they themselves then undertake the monitoring of that manager with confidence? The leadership's employment of an expert to handle business affairs had replaced part of the trust between leadership and members with a layer of technocratic expertise, which through its expertise has been entrusted with some of the power and legitimacy that used to reside with the leadership.

Caritas Denmark and its local programme management committee in Uganda had come to the conclusion that most of the partners under the country programme, who worked with farmers' groups, farmers' marketing associations and emerging farmers' cooperatives, had limited access to expert knowledge regarding support to cooperatives. It was therefore decided to adopt an innovative approach to the capacity building of these emerging cooperatives. Contacts were made to already existing, successful cooperatives who willingly accepted to act as capacity builders of the emerging cooperatives, drawing on their own extensive hands-on experience with the issues that confront newly established cooperatives. In some cases, the experienced

cooperatives were hired as 'sub-contractors', with formal contracts, specific ToRs and deliverables. In other cases, the set-up was an informal partnering of one cooperative with the other, with a view to facilitating a more organic transfer of knowledge from the experienced cooperative to the newer cooperative. The experience from the sub-contracting, as well as the partnering arrangements, was generally positive, but an important lesson learned was that it is extremely important for the sustainability of the results, that the staff of the local partners participate in all trainings and meetings, regardless of the modality. Delegating the practical transfer of knowledge to external partners was effective, but if the local partner does not ensure that its own staff acquire the same new knowledge in cooperative management from interacting with the experienced cooperatives, and thus able to resume its role as mentor to the new cooperatives, then the results can be lost after the sub-contracting or partnering arrangements end. Another unplanned positive spin-off from the approach was, that the coming together of old and new cooperatives in some cases also provided the basis for practical marketing cooperation between the old and the new cooperatives, which might not have happened otherwise.

CARITAS Denmark's Ugandan partners developed the following contextual indicators.



CARITAS Uganda - Criteria and Indicators for Assessing Producer Organisations

Date of Assessment:
 Name of Assessor:
 S/county of location:

Name of Agency/Partner:
 Name of Farmer Association:
 Chairperson Tel:

Item	Organisation Capacity Standards	Score attained	Documentation that supports the attained score (examples provided, but assessor to fill out for each association)	Additional information that supports the attained score	Recommendations for improving score
Governance					
1.	The Association or Cooperative is legally registered, has a written constitution, and complies with it in all aspects		Copy of constitution, copy of registration certificate, AGM minutes		
2.	The Annual General Meeting elects the Board as provided for in the Association or Cooperative's constitution		Attendance lists & minutes of AGM		
3.	The Association or Cooperative has an approved strategic plan and is undertaking activities in line with this plan		Statements displayed on wall, work plans, periodic reports		
4.	The Cooperative complies with legal requirements, incl. the Cooperative Act requirements, incl. annual audits.		Copy of annual audit (stamped received), copy of cooperative registration documents,		
5.	Youth, women and men are represented on the Board		Minutes of meetings, AGM minutes, list of board members		
6.	The Board is financially accountable to the members		Financial reports, minutes from meetings		
	Total score for Governance				

Management and Operations					
7.	The Association or Cooperative provides services to its members/groups (saving schemes, conflict resolution, agro-input shop, etc.)		Record evidence depending on service mentioned as being offered		
8.	The Association or Cooperative has financial, procurement and HR policies and applies them consistently		Copy of financial manual, bank statement, copies of financial records (requisitions, payment vouchers), personnel files (staff register, appointments letter, etc.), copies of HR guide, Copies of the procurement guide procurement minutes, filled bid evaluation forms		
9.	The Association or Cooperative employs a qualified manager/accountant to run the business affairs of the Association		Employers' files with Job descriptions & staff signed contracts		
10.	The Association or Cooperative is financially self-sustainable (it is able to meet all expenses through income generation, member fees, selling of shares, etc.)		Copy of business plan/s, financials and shares register		
	Total score for Management and Operations				

Marketing					
11.	The Association or Cooperative adds value to farmers' produce		Marketing/sells records, receipts from buyers, delivery notes, goods received notes, bank statements, etc.		
12.	The Association or Cooperative ensures that quality is maintained at each stage of the value chain in which they are involved (production, post-harvest handling, processing, and marketing) in which they are involved		Moisture meters records, physical observation of drying platforms, graders' report,		
13.	The Association or Cooperative provides agricultural extension services to its groups/members		Work reports from CBT/CF/CBF?		
14.	The Association or Cooperative has contract buyers and/or a track-record of regular non-contract buyers		Copies of contracts		
15.	The Association or Cooperative bulks and sells collectively		Copies of business records (stock register, receipts, cash books, ledger books, yield estimate forms, visitors' books, sales day book & payment voucher) Physical verification		
Total score for Marketing					
Advocacy and Networking					
16.	The Association or Cooperative is working according to its own advocacy strategy		Copy of advocacy strategy + CSC annual report		
17.	The Association or Cooperative uses pre-defined indicators to monitor progress on advocacy issues		List of advocacy issues advanced		
18.	The Association or Cooperative has a track-record of engaging local gov't, other stakeholders, or service providers in dialogue on		Copy of correspondences, copy of budgets on display, MoUs, reports, agreements, photos, newspaper articles		

	human rights issues and service delivery within last 12 months				
19.	The Association or Cooperative has a track-record of working together with other likeminded CBOs /CSOs on issues of common interest within the last 12 months		Photos, interviews, MoUs, etc.		
	Total score for Advocacy and Networking				
Learning and Knowledge Management					
20	The Association or Cooperative files reports in a well labelled system for easy access and retrieval		Filing cabinets/shelves, labeled files		
21	The Association or Cooperative facilitates the sharing of information among its members		Semi-annual reports, Feedback report, Correspondences, Minutes of general meetings & AGM		
22	The Association or Cooperative actively seeks out new knowledge and new technologies for testing, with a view of dissemination among the members		Observation of the technologies being piloted		
23	The Association or Cooperative reviews its strategic plan every year and revises it according to lessons learned and changing context		Copy of up-to-date strategic plan		
	Total score for Learning and Knowledge Management				

Score: 1 = No achievement at all/did not meet all expectations/very poorly/ needs immediate support; Score 2 = Achieved to small extent/poor/needs a lot of support; Scoring 3 = Achieved to some extent/fair; Score 4 = Achieved expected level/good

Chapter 6 - Case of Action Child Aid

By Mette Olsen and Sinne Ørtenblad

Action Child Aid is a relatively new player in this field, and to a large extent based on voluntary work. In this case, it is clear how the experiences from Caritas in North East India are applicable also for smaller organisations, and can encourage others to begin using their capacity indicators to improve work with small-scale farmers.

Action Child Aid in India - where and how

Action Child Aid (ACA) is a NGO working in India in cooperation with long-term local partner organisations, amongst them Alternative for Rural Movement (ARM) in India. ACA's values are based on the UN Convention on the Rights of the Child and our work falls under the UN's Sustainable Development Goals. ACA's main areas of expertise are health and education targeted vulnerable children and adolescents, based on criterions of economic poverty or marginalisation. In 2014, ACA turned its focus towards agriculture as a cornerstone of ACA's future development work, a process that has led to thematic prioritization of "food security" in the program strategy 2017-2022. Hence, the thematic prioritizing of Action Child Aid now consists of "education", "health" and "food security". The objective of food security is first and foremost to increase nutritional health at household level. The main focus of ACA's general work is to strengthen local communities by building on a rights-based approach with focus on capacity building and empowerment, local involvement and advocacy.

The inclusion of food security into the strategy has led to a start-up phase in ACA in which it became relevant to network with other Danish organisation working within this field. Hence, ACA joined the learning trajectory to learn from the practical experiences of organisations having broader and more thorough experience in collaborating with and supporting south partners on promoting and forming DROs. ACA wished to bring the insights and hands-on experiences gained through the learning trajectory into play when supporting our partner in their work with farmers' clubs and when facing potential future stages in development of second tier organisation, as part of the development

strategy on improving food security, nutrition and improved livelihoods for the local communities.

One of ACA's main partners, ARM, has previously been highly engaged in agricultural and food security incentives. Consequently, a main task for ACA in building up our focus on food security is to analyse the existing knowledge and agricultural projects of ARM to assess strengths and weaknesses. ARM is working with development projects in Balasore District, Orissa State in India. In 2012 they launched a large-scale pilot project on augmenting agricultural production for poor farmers in the area, supported by the National Bank for Rural Development (NABARD). Included in this project has been establishing 202 farmers' clubs (FCs).^{xxvii} Building on the foundation of these FCs, ARM has recently commenced a project, also supported by NABARD, with the objective to form a second tier organisation of farmers, establishing a "Producer Company" (PC). The PC, currently including 82 FCs was incorporated early 2016. The Producer Company is a legally registered body formed by groups of producers (FCs), who are shareholders in the organisation or company. The FCs get support in the form of grant, loans, or a combination of these, capacity building, strengthened market linkage and market intervention support through the PC. The PC deals with business activities related to the primary produce/agricultural products.^{xxviii}

Experiences from the learning trajectory support the point that FCs should be sufficiently mature when organising into second tier PCs. As the PC was established in early 2016 and has been running for roughly 1,5 years, ARM only has experience with the initial stages of second tier farmers' organisation. Therefore, the main focus is on matureness and functioning of the FCs, which is crucial when forming second tier organisation. The input is the result of workshops, field visits and analysis conducted by Mr. Shivaram Kanathila, development consultant and Programme Coordinator in Northeast India for Caritas Denmark, during two visits at ARM including representatives from FCs and PCs; in July 2016 and January/February 2017.

Experience regarding successful development of DROs

Part of the learning trajectory for ACA and ARM has included shedding light on the challenges with organising farmers in FCs and in securing their functioning. This is, as mentioned, crucial in the stage

of establishing second tier organisation and will therefore be addressed at the outset in the following.

Ownership

In terms of transfer of farming technologies and introduction of biological and more sustainable methods, ARM has, with the support from NABARD, been quite successful with conveying training and capacity building based on the FC platform. Meetings in the FCs have generally been held monthly in commonly agreed places and times, with good member attendance. Moreover, there has in many of the FCs been observed good practices regarding saving and contribution collection from the members often on a monthly basis or for ad hoc purposes. However, often the savings are kept idly in a bank account for long periods. This money could have used for internal lending among the farmer for agricultural investments. The members generally often lack a sense of concept and function with organising in FCs and the motivation building has not been entirely participatory.

Managerial sustainability

Where the FCs have functioned relatively well as a platform for agricultural technology transfer, there has been insufficient focus on group dynamics, group building and managerial capacities. ACA's consultant from Caritas - North East India, Mr. Shivaram concluded from the workshops and field visits that the leadership in the FCs is often static in nature, and there have not been documented any practices of leadership change or rotation since the inception of the FCs. He observed that the decision making process is not participatory and that these often only include a few members. The member strongly believe in and trust the leaders regarding their actions, decisions and activities and are not used to operate under conditions of shared responsibility, which results in passiveness of some members, again leading back to the above mentioned issues on ownership. Moreover, group resolution, and rules and regulations of the FCs, which should be developed jointly by all group members, are rarely found. Crucial to achieving group maturity is enabling and empowering group members to be leaders through group facilitation, such as given everybody a voice which helps develop confidence, interpersonal skills and the group getting to know each other. This process occurs simultaneously with social group development process.

Gender equality

Women have equal access to and control of agricultural and production operations as men. However, they are

often excluded from decision making regarding farming activities and investments and economic decisions. Women participating in examined FCs were total absent; Shivaram observed no female members in any FCs. Consequently, there is lacking a space for women to represent and share their opinions on agricultural activities and investments; and thus there is potential for an exacerbation of their exclusion from decision making processes. ARM and Action Child Aid have discussed this issue in relation to our future collaboration on food security. It has been mutually agreed that women farmer clubs – exclusively for women – are required to ensure women's meaningful participation. Gender-homogeneous groups are important as women otherwise (in mixed groups) are likely to be dominated by men or refrain themselves. The women farmer clubs will ensure openness to speak up and that the views of the women are voiced by themselves, and that they actively engaging in group discussions and activities. It will further ensure that the women get to take full advantage of trainings, the opportunity to decide amongst themselves and influence the training sessions. This is supported by a study of farmer clubs by Care India who states that starting farmers' clubs with women conveys the message that female farmers are entitled to the same agricultural schemes and programs as male farmers; it signals to the communities that female farmers are equal to male farmers, and that the government views them as such. As women adopt the technical training in practice and improve the agricultural yield it will send a clear messages to the male community that women are equally skilled and qualified for receiving training. Having their own clubs, on their own terms, is also more likely to help women take a crucial step toward regarding themselves (and men to regard women) as farmers on an equal footing with male farmers, rather than as secondary farmers or support staff.^{xxix}

The Producer Company

As the PC is newly formed, there has throughout the learning process been focus on activities towards formation. Mobilising FCs to form a second tier organisation is identified by Shivaram as a major challenge in this regard, including awareness building and participation from FCs, and this relies on the functioning of FCs. Other challenges that have been observed as part of the learning trajectory, at the current initial stage of the PC - and thresholds for proceeding successfully to the next stages of PC formation and development:

- Mobilisation of working capital for business development, agricultural extension services and strengthened market linkages and value addition (including branding of products, infrastructure, improved product storing, handling and processing as well as the PC having working capital to buy up products from the producers). The current working capital is raised from member FC equity shares. External loans or investor attraction can therefore be postponed.
- Ensuring proper capacity building regarding the key functions and managerial capabilities of directors and Chief Coordinator and Asst. Coordinator of the PC for efficient management of company activities and effectively implementation of the plans.
- Establishing linkages and collaborations with line departments e.g. the Agriculture Department, for technology development, demonstration plots of crops, seed distribution and agricultural extension work. Establishment of a PC can stimulate broad-based interaction with government agencies, banks, pesticides wholesalers and host of other institutions.

Contextual indicators from the Action Child Aid case

As part of the assessment made by Shivaram Kanathila, a set of indicators was developed in 2017 as suggestions for ARM to follow in the future in their work with farmers' clubs and Producer Companies.

Farmers' Clubs

Assessment Indicators and thresholds tool for Monitoring and assessment (farmers' club performance assessment and grading methods and tool) can be seen in the next table.

Every attribute/indicator is graded and given scores, justifications and/or remarks should be given. The grades are evaluated as defined:

Scores for indicators

4 = Met beyond expectation/fully developed: the group can do this well and independently, without outside facilitation

3 = Met expectation/advanced: the group can do this well but depends on outside facilitation

2 = Intermediate: the group fully understands how to use the skill but is not yet able to do this well even with facilitation

1 = poorly performed: if the group is just formed, showing little indicator of grow further can be given 1, 0 = E the group has no knowledge of or does not fully understand how to use this skill and is not able to do it well even with facilitation.

0 = Very new/beginning (below 3 months of operation)

Indicators evaluation/checklist should be completed by an informant who is very familiar with the respective group and other similar groups using participatory methods, involving the member in the course of discussion; all members should be present during discussion.

Producer Companies

Assessment Indicators for producer companies can be seen in the second next table.

Against each of these indicators, the institutional performance of the PC can be assessed according to different time frames and upgrade or revision can be done. The timing of the assessment is context specific and therefore difficult to prescribe. However, it is suggested that some criteria can be used in the initial stage of PC formation and be repeated once in a year to assess the development.

It is most appropriate if the assessment is done in a participatory manner, especially involving the members of the BoD, so that discussions on the spot analysis, etc. can be incorporated. This assessment and analysis can enable identifying the strengths and limitations, which can guide the development and facilitation forward. Since the assessment is qualitative in nature, the facilitator for the assessment can use different scales according to what is most appropriate, e.g. 1 to 12, percentages, attributes like very good, good, satisfactory, poor, etc. or similar scale of assessment.

Farmer's Clubs Assessment Indicators

To be	<p>I. Group Composition of Group</p> <ul style="list-style-type: none"> ■ Have a shared goals and objectives of FC framed by all its members. ■ Have implementing its activities as per the objectives/goal(at least one activity) ■ Have selected membership democratically with equal socio-economic, homogeneous characterizes. ■ Have manageable size with fair representation of Gender balance(10-20 ideal size) ■ Have fair representation of all sections/farmers in the village/community. <p>II. Group/Club organisation management skills</p> <ul style="list-style-type: none"> ■ Framed and follow its own internal rule & Regulations effectively. ■ Group conduct regular/periodic meeting with 80% participation of members ■ Office Bearer/Leaders are discharge duties & responsibilities efficiently, transparent way. ■ Demonstrate capacity to resolve internal conflicts with external support ■ Make decisions democratically with the participation of all members
To Do	<p>III. Internal Fund and finance management</p> <ul style="list-style-type: none"> ■ Save regularly, manage group savings for internal lending and invest agriculture activities. ■ Charge and decide the rate of rate decided upon by the FC agreed by all. ■ Lend (credit) equitably so that all members have an equal chance of a loan and 95% repaid. ■ Manage group funds transparently so everyone knows the rule/procedures and fund status. ■ Kept minimum books, register and documents are kept update.
	<p>IV. Sustainable farm development and productions management skills. Does the group...</p> <ul style="list-style-type: none"> ■ Design, plan and implement the at least one or more agriculture/farming system practice. Monitored the status of at least one vital agriculture/farm or over time, and increased productivity of individual and FC ■ Application and use of organic cultivation method farming and practice(at least one crop) ■ Share the technology and skills to other fellow member of FC or the community, where farmer equally applied. ■ Identify market opportunities and collectively market their products. Keep records about their business and producers inventory.
To Relate	<p>V. Linkage, leveraging and advocacy</p> <ul style="list-style-type: none"> ■ Linkage with relevant departments and financial institutions and got services ■ Technical knowledge and skills availed from departments and NaBARD, have properly utilized. ■ Network with representation with various institutions, marketing agency along with other FC/CBOs. ■ Social actions and community action programme (Networking and Advocacy) ■ Have FC become member of Federation/Producer Organisation
	<p>VI. Accountability and self-monitoring</p> <ul style="list-style-type: none"> ■ Monitor and evaluate use of its innovations by members or others ■ Share the results of experimentation widely & proactively seek new ideas. ■ Mobilize and application of technical expertise, training and skills from external/departments. ■ Monitor and evaluate its progress towards its goals. ■ Supported continuous learning for its members and learnings (Training) effectively used.

Indicators for assessing Producer Club formation process and functioning

1.Membership Characteristics	<ul style="list-style-type: none"> ■ Have a shared goals and objectives of FC framed by all its mem ■ Size: large enough to be viable and socially cohesive ■ Social homogeneity: kinship or other social ties ■ No dependency on relations ■ Not dominated by politically/economically powerful members ■ Poor and women are included (if mandated) ■ Members represent their households ■ There is continuity in household representatives ■ All members can give an account of all the PC' s activities
2. Objectives and Goals	<ul style="list-style-type: none"> ■ Clear objectives of farm production and technology development ■ Livelihood development through farm productivity ■ Defined annual goals and adopted actions ■ Developed shared objectives and these can be articulated collectively ■ Members know the purpose of forming PC
3.Organisational management system	<ul style="list-style-type: none"> ■ Periodic meeting with more than 80% attendance of members ■ Annual general meeting held with 80% attendance ■ PC has a set of rules (by-laws) which have been discussed and agreed upon as well as sanctions for rule breaker ■ Regular BOD meeting and AGM take place with significant attendance ■ The majority of members (X%) contribute to BOD/AGM discussion and decision making ■ All members have opportunity to express, exhibit and exercise their duties and rights ■ Participatory and democratic decision making process adopted
4.Leadership clarity	<ul style="list-style-type: none"> ■ Leadership roles change ■ Fixed tenure and opportunity to become leader by rotation basis ■ Leaders have been elected/selected by the members ■ Selection/election of leader based on desired characteristics
5.Organisational Accountability	<ul style="list-style-type: none"> ■ % meetings of BOD/AGM regularly take place in the absence of promoting institution or with diminishing support ■ All members can give an account (general) of the PC's finances ■ % decisions are taken independent of the promoting institution ■ Audit report presented in the BOD/AGM annual basis ■ Progress of PC presented in AGM and action for future discussed ■ Printed annual progress report produced and shared to member ■ Meeting all the statutory requirements and returns on time ■ PC effectively oversees/manages the work of executives who are employed as salaried persons ■ Budget control ■ Transparency in operations

6. Financial Management practices	<ul style="list-style-type: none"> Records are maintained without or with little support from the promoting institution PC handles accounting, booking keeping systems and practice PC implement financial management practices as per the demand of the business conditions and requirement Well-functioning control and monitoring system of PCs assets and inventories Periodic reviews and actions towards improved financial practices Annual audit as per the statutory norms, by qualified auditor PC prepares annual business plan and cash flow/budget
7. Resource mobilization & management	<ul style="list-style-type: none"> PC raises funds to carry out business Overheads expenditure met with the own resources, reserve funds builds up to X% PC mobilises specialist skills or services from the government and private sources PC obtains government schemes to meet identified needs (convergence with other schemes) PC has shown ability to negotiate with the various stakeholders Established linkage with technical, line department and other stakeholder
8. Skill acquisition & its use	<ul style="list-style-type: none"> % of BOD members have attended training programmes (including specialised training) BOD has used planning skills to identify and solve operational problems PC has community level skilled resource persons/technical team
9. Distribution of benefits	<ul style="list-style-type: none"> Equitable distribution of benefits (dividends and services) Mechanism of benefits-sharing developed and adhered to Learning, skills and technology transfers to non-members in the local community
10. Visibility and Identity	<ul style="list-style-type: none"> Operating from a location convenient and accessible to members and clientele PC office has minimum operational facilities
11. Statutory requirements	<ul style="list-style-type: none"> PC has obtained all income tax registration and licenses (e.g. TAN, PAN, Service Tax, Trade License etc. demanded from the business activities) Fulfills all statutory requirement reports, filing returns annually
12. Learning and Evaluation	<ul style="list-style-type: none"> Self-monitoring and sharing mechanism among the members /shareholder, stakeholder and departments Scope for learning new things and revisiting the strategy as result learning and training Customer satisfaction review and feedback system in place Review of methodology and practices Operation self Sufficiency ratio^{xxx} Financial self-sufficiency ratio Break even analysis and reviews MIS and monitoring systems and review established and followed Annual reports are produced and published

Chapter 7 - Case of Danish Ugandan Friendship Association

By Karen Ingrid Schultz

DUFA is largely voluntary based, yet have some skilled development researchers who have utilised their anthropological skills to develop the work of the DRO PHCS at the grass roots level. This is the story about how this development has been at grass root level, through a practical researcher gaze.

DUFA and PHCS, Apac, Uganda - where and how

As a cooperative in Northern Uganda, Plants and Health Cooperative Society (PHCS) had several thresholds to take into account to become a successful organisation. They are both specific and rather generic for the development of organisations in Africa (or at least in rural Uganda). Significant thresholds come under the “to be” category, including the institutionalisation of leadership following the rules of law at both national and village level; “to do”, being able to demonstrate a positive outcome of cooperation at group (first-tier) level, as well as federal level (second-

tier); and “to relate”, as possibilities for financing economic activities, cross-cutting issues, such as women’s rights and their implementation in the family, and the low level of education amongst the rural population. These thresholds do not fully comply with the thresholds identified by Friis-Hansen, however, they can be categorised according to his four parameters for successful organisations: ownership, managerial sustainability, financial sustainability and democracy.

Experience regarding successful development of DROs

Motivation for subscribing to following principles and rules of cooperatives

Before PHCS transformed into a cooperative, the members, with support from the board as well as DUFA, agreed upon the rules and regulations for the cooperative. Many of these rules have been taken from the more authoritative national by-laws for cooperatives, which has been a strength as they are widely recognised and accepted as fair, despite not all members always following them.

Early in the capacity building process, all farmers’ groups participated in workshops focusing on the international principles for cooperatives. The facilitator



explained the principles, and afterwards the members participated in group discussions, where they compared the principles with the practices in PHCS at that time. In this way, the workshops acted as a learning process for the members, while at the same time revealing the weaknesses in the groups and PHCS. At that point in time, very few members had bought shares in the cooperative, and the cooperative had not yet started its business of selling the members' harvest.

After the group discussions, the facilitators asked the members if they were willing to buy shares and cultivate soya to be sold by the cooperative for an income. Most groups were interested in implementing the principles and rules and in joining the cooperative business.

Start of empowerment process finally leading to change in leadership

PHCS came from a situation where a loan fund had collapsed because of a lack of repayments. The groups discussed how this had happened. In some cases, leaders had been given money from members, but never paid them to the office. In other cases, influential persons in the group had been given loans after which they disappeared or simply denied paying them back. In relation to the board, the members complained about a lack of communication and visits. The workshops revealed a need to elect new leaders. However, this only happened after 2 years of capacity building. Finally, after the elections, PHCS seems to have a board with members with a good record in following the rules.

Revealing the value of group work

The first year of the new project, 2014, had a strong focus on agricultural methods in soya cultivation. However, the average outcome in form of yield brought to PHCS was rather low, but with big differences in yield between the farmers' groups. Exploring the reasons behind these stark differences was the main

concern of workshops with the farmers in 2015. At the workshops, DUFA and PCHS distributed questionnaires to each individual farmer. The farmers answered that those of them who had received seeds had also received instructions on how to sow, weed, and harvest, and that they had done their best to implement the new knowledge. As both DUFA and PHCS wanted to encourage group work among the farmers, they also asked the farmers if sowing and weeding had been done as a group or only with family members. The correlation between group work and good yield was striking, as was the correlation between individual (family) work and low yield.

In 2016, the DUFA and PHCS facilitators divided the farmers' groups into smaller groups of four to six people. The answers from the groups in 2016 confirmed the correlation found in 2015.

Learning about the differences in empowerment processes for women and men

A very interesting finding is that a majority of the groups with high yield measured by delivery to PHCS are groups with a strong female leadership. Generally, the groups with a strong female leadership are better in group work and following the rules from the cooperative by delivering their harvest to the cooperative. It also looks as the women are more honest than men also when it comes to answering the questions about cooperation in the group.

In 2017 the former relationship between yield delivered to PHCS and high level of group work had disappeared at least at the first glance when looking at the answers from group work. Looking a little deeper at the answers it seems that the change was caused by a change in methodology. In 2015 and 2016 the facilitators had used questionnaires where the members were asked to write



down the areas for cooperation themselves and afterwards give marks for the level of cooperation. This method led to a heavy work burden with translation and categorisation. To avoid that the questionnaires distributed in 2017 had categories based on the answers the year before, where the groups just had to tick the areas for cooperation. It seems that this change in methodology made some male headed groups make a lot of ticks what spoiled the overall picture.

The facilitators had also asked the groups to estimate the level of side selling – sale where the farmers break the contract with the cooperative by selling individually to middle men coming to their door. When looking at their estimate of side selling it becomes visible that groups with a high level of side selling deliver few kg/acre to PHCS. This means that groups with low yield measured by delivery to PHCS actually could have had a better result. Only did PHCS not receive the full harvest. The groups with low delivery were male headed groups or groups with female leaders lacking authority.

The learning is that women empowerment and increased cooperation between women and men back in the families is very important for the success of the cooperative. The challenge for the women is their general low level of education which make it difficult for them to participate in government structures. They are easy to cheat when not able to read and write.

Some days of training over a couple of years as it can be delivered in a project, cannot replace a years' long formal education but the experiences from PHCS show that it helps together with the mutual learning in the group. The women have during the project period got an understanding of the principles and rules for cooperatives, and some of their leaders are talking with a stronger voice.

The men also learned by participating in the project. Some of them stick to a more individualistic way of running their farms, and to a male relationship way of selling by maintaining their relationships with the middlemen. They eventually go for short time gains. By seeing the result of the women cooperation in cultivation, and rule keeping in relation to the cooperative the men learn by seeing that cooperation earns. The women are able to save and to contribute to paying school fees. The more cooperative practices among the women have been an eye opener not only at the group level. The male staff and the male executives of the board have also expressed their surprise about the success of the women and recognise it. Since its start PHCS have had a gender quota system for board

members, staff and facilitators aiming at a fifty-fifty representation, which has ensured the women a voice, but it did not translate in equal power and influence. The unequal work burden at household level, inequality in level of education and the tradition for men to form a community for political decision making have supported the masculine domineering. The success for the women as producers and group leaders can over time translate in more respect for women as leaders.

The differences between men and women are significant, but do not count for each and every man and woman or each group. Some men have already for a long time see the advantages of the cooperation in the family, keep the rules, and allow their women to have their own income.

Financing the activities of the cooperative

PHCS invested the share capital and other savings in seeds, which the farmers borrowed and paid back with interest in kind after harvest. The access to good seeds made the cooperative popular, and already in year two, a high number of farmers signed a contract on soya cultivation for the cooperative. However, to the surprise of the leadership and DUFA, the farmers expected PHCS to collect and pay for their soya immediately after the harvest, and before it could be sold at a good price. Delay in collection and payment led to a high level of side selling that year, and consequently the borrowed seeds were not returned. PHCS has learned from this, signing contracts with fewer farmers and collected and sold the harvest in smaller portions, allowing the smaller crop capital rotate several times in a season.

At the same time, PHCS was struggling to be approved for a crop finance loan from the Uganda Microfinance Centre (UMC), a government institution with lower interests than the business banks. After a number of years, PHCS succeeded in fulfilling the demands from UMC and received a loan. Despite the victory in meeting the loan requirements, the pay-back conditions have been tougher than expected and PHCS had been better served if a cash credit to draw on until the harvest is sold had been offered.

Using M&E for organisational development

It is DUFAs experience that it is important to make project monitoring a participatory process where the process contributes to capacity building, particularly in relation to ownership and democracy. Consequently,

DUFA and PHCS use indicators developed during the meetings with members, elected leaders, PHCS staff and DUFA representatives.

Furthermore, the rules and regulations for cooperatives provided a framework for the use of the indicators. The indicators below have been used during the three year capacity building project, 2014-2017. Esbern Friis-Hansen's success criteria and the format from Caritas North East India have acted as another check list for inspiration. The annual monitoring in PHCS has taken the form of workshops on all levels of the organisation. To some extent, they have added to the members' level of general education. The general level of education among members is low, contributing to, for example, the acceptance of cheating leaders, as the members do not feel strong enough to implement a rule following regime.

The dilemmas about choosing qualitative or quantitative methods

The experiences from PHCS illustrate that answers to questionnaires with predefined categories are coloured by what the different groups see as their interests in the situation. The workshops and other qualitative methods give a better picture, but leave the researcher with a cumbersome work of translation, interpretation and categorisation when a general picture is wanted.

Joint reflection and learning with PHCS through the DRO learning trajectory

A strategic planning exercise in 2016 was funded by the

DRO learning trajectory. It was facilitated by the consultant Peter Oluka, who has many years of experience with cooperatives, and Karen Ingrid Schultz from DUFA. The workshop played an important role in empowering the group leaders. They discussed the relevance of Esberns Friis-Hansen proposals for indicators for ownership, managerial sustainability, financial sustainability and democracy, and afterwards they made their own indicators for the success of PHCS.

The group leaders found that yield delivered to PHCS and increase in membership are important indicators for the success of the cooperative. Both are signs of ownership among members and the local population. The first because increased yield is a sign of group cooperation and reduced side selling. Increased yield delivered to PHCS also can be related to democracy as in our experience, the yield increases with a more equal distribution of knowledge, respect and representation.

At DUFAs own workshops earlier in 2016, the groups noted down and ranked the activities undertaken at federation level. Out of this came a number of indicators relating to managerial and financial sustainability: ability to deliver quality seeds and deliver them in time, and to collect the harvest and pay for it immediately after harvest. Preconditions for those indicators are well organised transport systems and storage, agreements with dealers, well-functioning information flow, and not at least capital (share capital and bank loans) to pay the farmers until the harvest is sold.



Indicators used in relation to DUFA's reports to CISU (2014-17)

To do – service delivery indicators

Indicators	Source	Measure
Indicators of member's taking ownership which are interpreted as indicators of the level of service delivery to the members		
1. Number of members with paid membership fee	Record PHCS	Number
2. Number of members with shares	Record PHCS	Number
3. Percentage of members cultivating soya	Record by cooperative officer	%
4. Repayment rate for seeds loans	PHCS' accounts for seeds loans	%
5. PHCS made members understand cooperative principles	Rated by sub groups (5-6 persons) during monitoring of farmer's groups (FC)	Rating 1-5
6. PHCS created cooperation between 25 groups	-	-
7. Price/kg. compared to middlemen	-	-
8. PHCS' ability to pay farmers immediately after harvest	-	-
9. Level of side selling to middlemen	Estimated by sub groups during monitoring of FC	%
Direct service delivery indicators interpreted as indicators of managerial sustainability		
1. Quality of agricultural supervision from PHCS	Rated by sub groups during monitoring of FC	Rating 1-5
2. Quality of postharvest supervision from PHCS	-	-
3. Attitude of staff	-	-
4. Availability of seeds in time	-	-
a. At main office	-	-
b. At group level	-	-
5. Quality of seeds for sowing	-	-
6. Involvement of TOTs as facilitators in exchange of knowledge	-	-
7. Availability and quality of storage facilities	+ information from cooperative officer	-
8. Organisation of transport of harvest	+ information from cooperative officer	-
Indirect service delivery indicators interpreted as indicators of managerial sustainability		
1. Farmers selection of fertile land for soya	Rated by sub groups during monitoring of FC	Rating 1-5
1. Farmers sow in time	-	-
2. Farmers sow with correct distance	-	-
3. Farmers weed in time	-	-
4. Farmers clean of harvested seeds	-	-
9. Level of cooperation between group members during cultivation	Number of areas for cooperation in the groups	Number

Indicators used in relation to DUFA's reports to CISU (2014-17)

To be – indicators for the financial sustainability of the cooperative and democratic leadership

Indicators	Source	Measure
Indicators for financial sustainability		
1. Harvest per acre (delivered to PHCS)	Records by cooperative officer	Kg/acre
2. Quality of seeds delivered to PHCS	Rating by cooperative officer	Qualitative data
3. Total kg. bought by PHCS	Records by cooperative officer	Kg.
4. Total kg. sold by PHCS	-	Kg.
5. Number of growers	-	Number
6. Share capital	PHCS records	Figure
7. New share capital	-	Figure
8. Loan capital available	-	Figure
9. Total capital available for paying farmers immediately after harvest	-	Figure
10. Number of groups with VSLA	-	Figure
11. VSLA funds used in relation to the cooperative business	-	Figure
12. Total income from business	-	Figure
13. Total expenses including paying farmers, storage, transport, cleaning seeds, salaries, administration, governance, interests, and repayment of loans	-	Figure
14. Surplus for investments, employments, and interest on shares	-	Figure
15. Income from group registration	-	Figure
16. Income from membership fee	-	Figure
17. Cooperation with business partners	Information from manager	Qualitative data
18. Cooperation with private financial institutions	Information from manager	Qualitative data
Indicators for democracy		
1. Regular board meetings	Quarterly reports PHCS	Yes/No
2. Attendance at board meetings	-	Number
3. AGM conducted according to the rules (including elections)	-	Qualitative data
4. Workshops/meetings with group leaders	-	Number
5. Information flow	Rating by members	1-5
6. Meetings conducted with farmers' groups	Quarterly reports from PHCS	Number

Indicators used in relation to DUFA's reports to CISU (2014-17)

To relate - Indicators for advocacy

Indicators	Source	Measure
Indicators for Advocacy		
1. The cooperative is included in the work plans of district and sub county	Quarterly reports from PHCS	Qualitative data
2. Cooperation with public supported financial institutions	-	-
3. Support from government funds	-	-
4. Cooperation with Ministry of trade, work, and cooperatives	-	-
5. Cooperation with civil society actors	-	-



Chapter 8 - Case of IAS/DMCDD and Danmission Tanzania

By Kristine Kaaber Pors

Learnings on successful application of DROs

DMCDD's member organisations working in East Africa have worked extensively with savings- and loan associations but are still relatively new in the field of DROs. Yet the interest is there and the learning process came in handy to try out some organisational capacity tools with selected Tanzania partners.

Using M&E for organisational development

As part of the learning process, DMCDD and IAS held a workshop with an IAS partner initiated DRO, based on smaller farmers' groups, called AMCO, in mid-Tanzania, working towards becoming a full-fledged Democratic Rural Organisation. While very well-known in the area, due to its history, the AMCOs is struggling to work independently from the promoting organisation. To help the organisational development, workshops were held in August 2016 and again in November 2017 to measure progress and to translate the capacity areas into a strategic plan. Through self-assessment helped by the metaphors of a seed, a seedling, a young tree and a mature tree, it was possible for the AMCOs members in 2016 to contribute to the assessment of otherwise rather dry capacity areas of vision, mission, strategy and so on, with very useful results.

The below excerpt of the report from the workshops shows how capacity areas and strategic planning can be put into the same template and give a good overview of where to go. The DRO members themselves give the assessment and point out the direction.





An organisational development tool helped to steer the direction and to involve the AMCOs members in doing so. Please see the tool on the next pages. **On the far left**, the capacity areas are listed. Here is picked a few: (from "TO DO": "Marketing", from "TO BE": "Membership development", "Presence", and from "TO RELATE": "Presence" and "Relationships"). **Second column** describes what the members entail is important in that category. Then **third column** is the actual assessment, How far are we? Seed, seedling, young plant? And then the **fourth and fifth columns** summarises first the resources available and actions taken, and then for the future some action points and a timeline are inserted. Then, the template can be used again after six months to assess status.

It is notable, that the visibility and the relationships of the DRO is actually relatively well-established, whereas the internal organisational dynamics lack behind. It is high time for this DRO to work on the TO DO/delivery of services (here bulking and marketing) and the TO BE (the internal democracy and membership development), so that the assets it enjoys in terms of relationships to local stakeholders and donors are translated into benefits on the ground for the members to continue a good and sound development of the DRO. Otherwise the DRO cannot sustain in the longer run.

The case shows, how the analysis of the different aspects of the DRO – to do, to be, to relate, need to go together to give a full picture, and how the DRO members can give their assessment by using metaphors during the assessment. Furthermore, a strong follow-up by the DRO leadership, supported by the partnership is needed, to make sure the necessary steps are taken.



IAS/Danmission - Example of monitoring tool which combine capacity indicators and strategic planning

CAPACITY AREA	Description	Assessment				What has been done	What will be done and when to assess again
		Rudimentary level of capacity in place (seedling) 	Basic level of capacity in place (young plant) 	Moderate level of capacity in place (mature plant) 	High level of capacity in place (harvesting) 		
TO DO: Economic Sustainability	Marketing <ul style="list-style-type: none"> ■ There is collective marketing and bulking. ■ The AMCO fetches the best price in market. ■ Market intelligence is carried out continuously. ■ Market linkages are explored and utilised. 		✓			<ul style="list-style-type: none"> ■ So far products have been marketed as a cooperative, as no pooling together has started. ■ Sold for first time in bulk as cooperative towards end of 2016. 	Marketing <ul style="list-style-type: none"> ■ Develop marketing strategies for searching internal and external market i.e. to gather market information on what is needed, quantity, quality and at what time. Indicators <ul style="list-style-type: none"> ■ Market information available



<p>TO BE:</p> <p>Membership Development</p>	<p>Membership Development</p> <ul style="list-style-type: none"> ■ Members have clarity of the purpose of the cooperative business. ■ Members share common interests in forming a cooperative. ■ The needs of members and the interests of members for supply, processing and marketing are catered for. ■ The AMCO delivers effectively the activities of the cooperative. ■ Members understand the advantages of becoming a member in the AMCO. 		<p>✓</p>			<ul style="list-style-type: none"> ■ No membership development in place and new members per year is about 7 per year since it was formed. ■ No membership services since there is no co-operative activities in place at the moment. They still sell individually. ■ The members are yet to gain knowledge of the basics of democratic principles of co-operatives, and as enshrined in the Co-operatives Act 2004 of Tanzania. ■ The board is in place managing its affairs is still appointed through “founder dynamics”. Democratic elections are yet to be held. 	<p>What should be done</p> <ul style="list-style-type: none"> ■ Capacity building assessment and AMCOS regulations will be used to guide the training/capacity required by AMCOS Members <p>Indicators</p> <ul style="list-style-type: none"> ■ Capacity building program to AMCOS Members are in place by Dec. 2016 ■ Number of training to AMCOS members
---	---	--	----------	--	--	--	---

<p>TO RELATE:</p> <p>Presence</p>	<p>Presence</p> <ul style="list-style-type: none"> ■ AMCO widely known within larger community, and perceived as actively engaged with and extremely responsive to its members and sector issues. 			<p>✓</p>		<ul style="list-style-type: none"> ■ Well known to the government, and minimally by some donors, hence the support for warehouse by government and support for organisational activities from DMCDD of Denmark. 	<p>What should be done</p> <ul style="list-style-type: none"> ■ Imagine building AMCOS based on harmony and accountability in implementing activities in a proper manner according to the constitution and the desires of the AMCOS members. <p>Indicators</p> <ul style="list-style-type: none"> ■ No conflict endangers life of the AMCOS and in case of any challenges are solved promptly
<p>TO RELATE:</p> <p>Relationship</p>	<p>Relationships</p> <ul style="list-style-type: none"> ■ Built, leveraged, and maintained strong, high-impact, relationships with variety of relevant parties (District, Regional, and National level government entities as well as for-profit, other non-profit, and community agencies); relationships deeply anchored in stable, long term, mutually beneficial collaboration. 			<p>✓</p>		<ul style="list-style-type: none"> ■ They have cultivated good relationships with the government. ■ Nevertheless, this determines the advocacy approaches as least aggressive towards the government, since it is between 'friends'. 	<p>Relationships</p> <ul style="list-style-type: none"> ■ Develop collaboration and networking with other reputable like-minded organisations (cooperatives/NGOs) and government institutions) <p>Indicators</p> <ul style="list-style-type: none"> ■ Number of meetings and activities conducted with other organisations.

Chapter 9 - Case of Danish Forestry Extension

By Vibe Jensen

This chapter address how the thresholds were applied in a setting of private smallholder forestry in Northern Vietnam with a project aiming to train and organise farmers in forestry cooperatives to improve access to quality seedlings, technical assistance and markets, knowledge on relevant laws and engagement with relevant authorities. The indicator exercise has functioned to reflect upon challenges in this development process and sets a direction for further strengthening of the farm forestry cooperatives. The developed indicators now serve as a mini guide to steer the direction of the cooperatives and illustrate thresholds and solutions to establish farm forestry cooperatives.

Where and how

Danish Forestry Extension (DFE) was established in 1992 and is the international department of the Danish Forest owner's association *Skovdyrkerne*. DFE's vision is to be a recognised international forestry organisation, which contributes to self-governance, empowerment and sustainable development through land-use-related initiatives. DFE's mission is to contribute to sustainable and equitable development, livelihood improvement, social resilience and improved and democratic forest and natural resource management. DFE always works in partnership with local civil society organisations and often with the objective to organise farmers in groups,

associations and cooperatives among others to improve their connection to the market. DFE has been working with farm forestry in Vietnam since 2011 and two commercial farm forestry cooperatives have been established under the project More Trees I and II. In 2016, the project was transformed into a programme.

More Trees project addresses the serious problems of forest and land degradation in the mountainous areas of the provinces of Hoa Binh and Ha Tinh in northern Vietnam. The project promotes trees for income increase and diversification, for sustainable land use and erosion control and for climate adaptation in a way that also contributes to capacity building of local institutions and to democratisation and civil society strengthening. This has been a process of first securing the availability of local knowledge and extension services by developing a technical Training of Teachers (ToT) manual with practical guidance and knowledge of commercial farm forestry and agroforestry. The possibility of farmers to be trained in the manual and become field facilitators were hereafter announced in the province communes with support from the local Farmer Unions (FU). Approximately 30-40 participants were selected to take part in the TOT over four months to become educated both in commercial forestry as well as to be a facilitator and pass on the knowledge to local farmers.

DFE supported the project both with technical aspects of creating the ToT manual, as well as to conduct trainings of the field facilitators. After the ToT, a six to nine month training programme of local farmers was planned and implemented in the local communes. Again, the FUs helped select areas where farmers were interested in engaging in forestry activities. Field



facilitators were placed in the communes in pairs to conduct the local training in Farmer Field Schools (FFS).

Farmers who signed up for the training participated in weekly training sessions on different technical topics (weeding, planting, harvesting, etc.). Hereafter, the participants were encouraged to form groups. Both groups and individual farmers received support from the field facilitators during their work with small scale planting of acacia trees. With the support from FUs, the farmers and groups were later encouraged to join forces with the aim to establishing a “network”. The project supported the activities of the farm forestry groups, such as harvesting operations, seedling production in nurseries, management, etc., to illustrate the activities of a cooperative. Parallel to this, the legal setup of a cooperative and the ideal organisational solution was discussed while the farmers cooperated as a “network”. However, due to the history of politically forced membership in centrally controlled cooperatives, farmers were reluctant to form new cooperatives.

Experience regarding successful development of DROs

When the timing was right, the project established the first cooperative through a general assembly, the establishment of by-laws for approval, a business plan, the election of board members and a chairman, and with interested farmers signing up for membership. In 2016 an additional cooperative was established, thereby having three local farm forestry cooperatives, each with a cooperative manager and assisting manager paid by the project. Each cooperative has a business plan, but has not yet established full economic self-reliance. External technical and financial support is still needed to reach the objective of having three self-financed and independent farm forestry cooperatives with 1500 members covering 120 farm forestry groups in ha Tinh and Hoa binh provinces, functioning as independent civil society organisations who are capacitated to provide extensions service, marketing of wood and seedlings for increasing income for farmers in farm forestry. In discussion with the various project partners, the following main challenges of the project have been identified.

Step 1: Selection and training of Field Facilitators

The project experienced low technical knowledge and teaching skills among some of the field facilitators, as well as hesitation among farmers to become facilitators

due to low salaries. The partners suggest to overcome this challenge by making use of fewer but more professional field facilitators who can conduct field visits in pairs and provide trainings locally on a full-time basis to increase their teaching experience and receive a decent salary for their work effort. Based on the experiences from 2017, this has been a good decision as the field facilitators also function as the main link between farmers and the cooperative and can both promote the cooperative and communicate the training needs and tree planting interests of the farmers. Follow up training of the field facilitators must continue, increasing their technical capacity.

Step 2: Mobilise farmers to participate in Farmer Field School (FFS)

One experienced challenge during the mobilization process was low interest among farmers to participate in FFSs and apply the knowledge in their own fields afterwards. The suggested mitigation is to do focused mobilisation with close coordination of local leaders, to prioritise mobilizing interested farmers rather than mobilizing all farmers. Further to secure adequate training facilities and keep training modules short and intensive, taking place outside working hours and specifically focus on the production stage (planting, thinning, harvesting etc.) relevant and applicable to the farmers as they tend to pay attention and remember what can be used directly after the training.

Step 3: Establish farm forestry groups

The project experienced some resistance among farmers to work in groups and become group facilitators without receiving additional payment. Also, the relatively long rotation of acacia (seven years) conflicted with the time horizon of the farmers and their need for quick money and created reluctance among farmers to plant trees. Further, several forestry groups developed over ambitious business plans, which could not be met in reality. To mitigate these challenges, partners suggest to clearly communicate the work-related benefits of group cooperation (e.g. workload sharing) as well as creating the softer/social benefits of being a group leader. Further, the farmer groups should be sufficiently supported by the field facilitators to design and revise their business plans to be practical and straight forward to secure execution and understanding among the farmers.

Step 4: Establishment of the cooperative

When establishing the cooperative the project partners faced limited knowledge about the capacity of the forest groups which made it difficult to select the strongest

groups to form the start of the cooperative. Due to the history of Vietnam, the project feared hesitation among farmers to join a cooperative, why it was consequently referred to as a “network”. This, however, created confusion about what a “network” was and if it could function as a legal entity. The name was later changed to “cooperative”. Despite having several agricultural cooperatives in Vietnam there was limited local experience with forestry cooperatives and lack of access to sufficient human resources (i.e. managers). These challenges can be mitigated by working closely with local Farmer Unions (representing the project partners) to select the strongest forest groups as the Farmer Unions are very well represented locally. Confusion should be avoided by selecting a commercial organisational term known by all of the potential members. It is essential to train local cooperative managers in relevant forestry and cooperative laws and regulations. Capacity building should be continuous and stepwise (one topic at the time) and be supported by close supervision.

Step 5: Beginning stage of cooperatives

For the project to create a strong foundation for commercial forestry it required to define demand and adjust the cooperative to supply forestry service demanded by the local farmers. This was challenged by limited local management experience, technical and commercial forestry knowledge to calculate and generate income from the cooperative activities. The project had limited investment funds for machinery, salaries etc. Further, the hesitation among farmers to join the cooperative limited the cooperatives to generate capital to scale up. In order to overcome these challenges and attract more members, the project should secure very close coordination between the forest groups and the cooperative, i.e. through focal persons (field facilitators) to secure demanded services were met by the cooperatives and that the profit sharing model between the cooperative and its members was attractive. Further, it is necessary to provide close project support and follow up with the cooperative managers to revise the business plans constantly review profitability of services offered and economic attractiveness of membership. A key lesson is to select local managers based on the best field facilitators trained in farm forestry to have adequate technical knowledge.



Step 6: Strengthen and develop the cooperative

In start 2016, the social and financial capacity to run the cooperatives commercially and compete with the quality and prices of local wood purchasing middlemen, transportation options, seedling nurseries, etc. was still relatively weak. Without a clear economic attractiveness, farmers remained resistant to join which challenged expansion of members to scale-up activities and the economy. These challenges were addressed through close monitoring and revision of business plans and support of the cooperative managers to run the cooperative professionally and optimise income. Among other this included trainings focused specifically on using excel, budgets, work plans, seedling surveys and production planning, outreach and marketing. Training in 2018 focuses specifically on building capacity to plan and execute harvest operation and engage with relevant forestry industry to strengthen the market linkage. This has paid off and, in particular, one of the cooperatives is undertaking a very positive development process with highly improved management capacity. Maintaining a close dialogue with local stakeholders (existing members, new farmers, local farmer unions and competing middlemen) has helped adjust activities and prices according to local interests, mobilise more farmers to join the cooperative as members and gain information about local trade rules and market shares.

Step 7: Exit of external support. Economic self-reliance of the cooperatives

The project is approaching the stage where withdraw of direct external financial support to the cooperatives is a reality. The challenge is clearly to secure the financial sustainability of the cooperatives to cover all operational costs, the salaries of the field facilitators and the supportive coordinators from the Farmer Unions while also participating in trade fairs, etc. This requires the project to communicate and plan a gradual decrease in financial support such as sharing the cost of the salaries jointly by the project and the cooperative. The project will continue a close follow up on income generation and membership increase and has set up a micro fund which will secure access to cash flow capital and investment to scale up the cooperatives. The project will continue to increase the capacity of management through trainings and supervision, as well as supporting the cooperatives to develop both capacity and contacts to stable and attractive wood purchasers.

Using M&E for organisational development

Involving the project partners in the process of reflecting over challenges and jointly develop indicators of success has been a very positive experience, drawing attention to the focus of project and illustrating the important steps for the cooperative to become independent self-reliant organisations. Involving the partners at this level appears to have increased their sense of ownership over the cooperative and from the evaluation meeting of 2017, progressive results have been made. Having a clear focus, deadlines and sharing results, successes and challenges is a very good way to secure the project is moving in the right direction and that all partners are on track with implementation of activities, results and required adjustments. It seems further important to divide the monitoring and evaluation (M&E) workload between the different partners in order to allow the cooperative managers and assistants to focus on their daily work with the cooperative. Their monitoring role is to present the results of their yearly business plans (budgets) and set targets for the following year. Thereby their budgets function as a guide for the economic performance of the cooperatives. Other project partners collect data on service satisfaction of the farmers, and evaluating the cooperatives according to the jointly developed key performance indicators. DFE is responsible for the overall programme monitoring, overview of the sub-activities and securing the project to move in the right direction to meet the ambitious goals. This is, amongst others, based on the local monitoring and involved yearly partner meetings to present results and develop the forthcoming yearly activities and targets.

Joint reflection and learning with partner through the DRO learning trajectory

The above mentioned reflection process took place on a workshop in September 2016 with presence of DFE and all the Vietnamese programme partners: DDS Hanoi, Farmer Unions (Hoa binh and Ha Tinh), NVCARD (Forestry college) and the three cooperatives in Hoa Binh and Ha Tinh. Prior to the workshop DFE had developed a preparation document with two specific exercises to gather information from the relevant local partners regarding:

- The process steps, challenges and best practice from the establishment of the Farmer Field Schools into independent cooperatives;

- Specific success criteria and indicators to capture these for each of the process steps.

The exercises were conducted by three teams, each consisting of the cooperative manager, assistant manager, 1-2 board members and representatives from the two local farmer unions. Facilitated by the Vietnamese programme manager, the three teams met individually prior to the planned workshop to conduct the two exercises and prepare their presentation. The presentations fed into a joint discussion during the partner workshop in September. The workshop consisted of a two-day session with presentations of the monitoring exercise and project objectives, relevance for the project M&E, team presentations and plenum discussions of results. This was followed by visits to two of the three cooperatives to follow up on the workshop discussions especially related to income generation, board engagement and individual plantations. The generated data was combined into an overall process stage and a list of indicators.

Since the workshop, the previously developed indicators have been slightly revised and have served as an evaluation tool for the progress and development of the three cooperatives. It, thereby, functions as a sub M&E tool to the overall programme LFA with specific indicators for all the yearly planned activities under the programme. During 2017, extensive follow up on the development progress of the cooperatives was conducted, with technical training provided by DFE to ensure the sufficient technical capacity of the cooperative managers, including the capacity to develop and update their business plans and budgets. The organisational structure, with clear role divisions between the board and managers of the cooperatives, has been implemented and understood and from the evaluation meeting in 2017, two out of the three cooperatives were able to cover their running expenses without support from DFE. The DFE support will, however, continue to secure scale up and a continued positive increase in the number of cooperative members.



Danish Forestry Extension – Developed Indicators to Guide Cooperatives and Illustrate Thresholds

Step 1: Select and train Field Facilitators		
Main activities	Indicators of success	MoV
Select potential facilitators among local farmers	<ul style="list-style-type: none">■ 5 farmers selected per commune as potential FF■ 25-30 farmers per FFS trained in the TOT■ 1 pair of FF per 5 commune have sufficient professional capacity to be sent to the field	FU reports at district and commune level. Reports of ToT. Pictures
Organise TOT to train 20 facilitators		
Required external support	<ul style="list-style-type: none">■ Finance: Fund from the project to organise FFS■ Human resource: Technical support: forestry knowledge and experiences, teaching methods.■ Material facilities: FU to organize location for learning and practical training.	
Step 2: Mobilize farmers to participate in Farmer Field School (FFS)		
Main activities	Indicators of success	MoV
Select geographical area and participants for the FFS	<ul style="list-style-type: none">■ 60 farmers with high technical and interest potential are mobilized and trained per FFS■ 3 FFS organized per commune■ 50 % of trained farmers are women■ 80 % of trained farmers believe the FFS training corresponds to local needs and demands■ 80 % of the trained farmers are satisfied with the technical skills and teaching methods of the FF■ 60 % of the trained farmers apply the skills they have learned in the FFS	List of farmers in the FFS. Reports from FFS. Field visits. Local FU reports. Interview with trained farmers. Pictures
Announce the trainee selection for FFS via FU at commune and village levels to mobilize farmers		
Implement the FFSs at selected areas		
Manage and monitor the FFS class		
Required external support	<ul style="list-style-type: none">■ Finance: Fund to organise FFSs and implement training activities■ Human resource: Monitoring to secure quality of FFS. Communication support to raise awareness and create trust. Support techniques, content and methods of the FFS■ Material facilities: Local authorities provide area to organise FFS. Village leaders announce information about FFS	

Step 3: Establish farm forestry groups		
Main activities	Indicators of success	MoV
Encourage the trained farmers to establish forest groups	<ul style="list-style-type: none">■ 2-3 farmer groups per commune established■ Each group consists of 10-15 groups members (ideal no. 12)■ 90 % of the groups have a realistic and approved Business Plan of a 7 years’ rotation■ 30 % of the groups generate a satisfactory income to the members after the first year	Progress reports. Group structure documents/ List of group members. Production and business plans of the groups. Interview with group members
Establish groups and internal group regulations		
Develop and conduct the group activity plan (business plan)		
Required external support	<ul style="list-style-type: none">■ Finance: Purchase of tools and equipment for production; seedlings, working allowance etc.■ Human resource: Support to facilitate group establishment, techniques and skills to improve group management and development.■ Material facilities: Local authorities to provide meeting place, spread information to local villagers, pilot models etc.	
Step 4: Establishment of cooperative		
Activities	Indicators	MoV
Survey and evaluate group status to form cooperatives	<ul style="list-style-type: none">■ The organizational structure and purpose of the cooperative are clear, understood and approved by the members■ Local authorities support the coop establishment■ Local farmers are mobilized to join the coop■ Minimum 10 of the local farmers (or one farmer group) per commune join the coop■ The coop has sufficient equity share to start up■ A general assembly is held■ Bylaws are understood and approved by the members■ The cooperative is established and the Business Plan is approved by the economic sectors at district level■ The cooperative offers a minimum of 3 main services to its members: i.e. sale of seedlings and fertilizers, harvest & sale of wood, transport, local garbage collection etc.	Meeting minutes of the cooperative. Interview with coop members. Cooperative regulation. Production and business plans. Decision paper to establish the cooperative. Economic and activity progress reports from the cooperative
Encourage farmer groups to become members of the cooperatives		
Study tours and knowledge exchange to other forestry cooperatives in nearby provinces.		
Establishment of the cooperative		
Required external support	<ul style="list-style-type: none">■ Finance: Fund to establish the cooperative and the initial production■ Human resource: Support the cooperative to understand the official guidelines from different local departments (Department of ARD, Finance Planning Committee Division). Support to access relevant government policies■ Material facilities: Lands for cooperative office and nurseries	

Step 5: Beginning stage of cooperatives		
Activities	Indicators	MoV
Organise meetings and MoU to establish collaboration between farmer groups and cooperatives	<ul style="list-style-type: none">■ 100 % increase in membership (no. of farmer groups and individuals)■ 100% of the members follow the rules of the coop■ Min. 80% of the business plan is realistic to the production capacity and local market (demand)■ 70% of the planned business plan and development activities are implemented■ 30% of the established groups have signed agreements with the coop■ The coop generate income to cover min. 25% of the running costs■ 100% of the members uses min. one of the coop services■ Min. 70% of the members are satisfied with the services and function of the coop	Financial and activity progress reports of the cooperatives. Interview/meetings with cooperative members. Contracts between cooperatives and farmer groups.
Implement articles in the MoU		
Plan commercial activities and develop a business plan.		
Look for alternative sources for activity funding through local policies.		
Mobilize more farmers and groups to increase memberships of the coop and production activities.		
Implement the business plan		
Required external support		
Step 6. Strengthen and develop the coop		
Activities	Indicators	MoV
Finalize the cooperative structure (filling out positions)	<ul style="list-style-type: none">■ The cooperative is under 100% strict, democratic, responsible and transparent management■ Members can influence 90% of the cooperative structure & management■ 50% increase in membership no. (farmer groups and individuals)■ The coop offers diversified forestry activities	Minutes from the member and management meetings in the coop. Business plans. Activity and financial progress reports.
Mobilize members and capital to implement planned activities, diversify		

and expand service area and increase number of field facilitators and districts of presence.	<ul style="list-style-type: none"> (seedlings, plantation, fertilizers, insecticides) ■ The coop provides social and economic benefits to the community (i.e. transport and trash collection/garbage handling) ■ The coop follows the national laws ■ 80% of the business plan is relevant to the production capacity and local market (demands) ■ The coop generate income to cover 40% of the running costs ■ 80 % of the members are satisfied with the services and function of the coop 	Interview with coop managers and members. List of members.
Establish relationship with business partners and enterprises (fertilizer, seedlings, pesticide, harvesting, processing.)		
Required external support	<ul style="list-style-type: none"> ■ Finance: Continues budget support to the cooperatives to conduct planned activities and provide salary for key staff ■ Human resources: Support search for other funding sources and up-date the cooperatives with relevant information. Close supervision of the performance and needs of the cooperative managers and staff. Inputs to production orientation and business plan revision. Support to access a stable market and mobilize members 	
Step 7: Exit of external support. Economic self-reliance of the coops		
Activities	Indicators	MoV
Phase out financial and human support from the project towards the cooperatives: decrease salary support from the project towards project staffs and incorporate their costs into the budgets of the cooperatives	<ul style="list-style-type: none"> ■ The coop generate income to cover 100% of the running costs ■ The profit sharing model between the coop and members is followed and generate economic benefits for the members ■ 100% Professional management capacity (board of directors) ■ 90 % of the business plan is relevant to the production capacity and local market (demand) ■ 50 % increase in membership no. (farmer groups and individuals) ■ The coop is contributing to local social and environmental development (i.e. trash collection) 	Activity and financial progress reports. DDS Hanoi evaluation reports. Interview with managers and members. Membership list
Build capacity for the Board of Director and fully handover the cooperative management.		
Required external support	<ul style="list-style-type: none"> ■ Finance: Gradual phase out of salary support of project staff in close dialogue with the cooperative managers. ■ Human resources: Support to up-date the cooperatives on relevant policies, establishment of partnerships to increase business etc. 	

Chapter 10 - Case of Organic Denmark

By Kristina Due

Organic Denmark (Økologisk Landsforening) has many years of experience in the field of small-scale farmer empowerment, and has more recently worked with federations (2nd tier) and even a higher 3rd tier level. Organic Denmark works particularly with organic certified farmers but the lessons learnt are more general and inspiring for others wishing to move into empowerment of small-scale farmers at different levels.

Where and how

Organic Denmark (OD) organises approximately 800 organic Danish farmers and about 200 private companies dealing with processing, trading, and consultancy in/for organic agriculture, etc. Additionally, OD embraces approximately 3,500 individuals supporting organic agriculture and food production. The policy of OD is to include the whole value chain from production to consumption.

Since 2008, OD has conducted organic development projects in Uganda and in 2011 OD established a department for development cooperation. A part of the strategy within development cooperation is to establish partnerships at the national level i.e. with organic umbrella organisations at the national level. In Uganda, OD collaborates with the National Organic Agricultural Movement of Uganda (NOGAMU). In Kenya, OD has worked with the National Organic Agricultural Movement of Kenya (KOAM) from 2013-2015 and in Tanzania OD has worked with the National Organic Agricultural Movement of Tanzania (TOAM) since 2013 (related to Zanzibar project).

At the same time, OD has partnerships with regional and local organisations with deliberately different characteristics and who are situated in different geographic areas. Behind this decision is a wish to test the same methodological approaches across a wide variety of areas. Some partner organisations called themselves 'networks' and they are or have the potential either to develop into bigger farmers associations, for example, Sustainable Agriculture Trainers Network (SATNET) in Uganda has been a partner since 2008 and UMAMWIMA in Zanzibar since 2013. Other organisations focus more on educational activities and are a sort of agricultural school or training centre, with professional staff, including the Uganda Rural Network

& Training Programme (URDT). Thirdly, OD has a partnership with a private company, Sulma Foods, in Uganda collaborating with groups of out-growers. Finally, OD has partnerships with local divisions of international organisations who support farmer's groups and agricultural development with organic methods, including the Africa 2000 Network, which is an international NGO, and Caritas Kampala, which is a part of Caritas Uganda.

Experience of successful promotion of DROs

The focus of OD regarding development projects is to facilitate the development of organic agriculture, local food sovereignty by using organic and cost effective methods and to develop national and regional markets for organic products. In general, the main target groups are small scale farmers, but also include a number of families cultivating kitchen gardens (the majority are farmers cultivating one to three acres, but in some areas up to 10-20 acres).

The basic methodological approach used by OD has been similar across geographies and contexts. It is defined by a bottom up intervention at grassroots level, i.e. addressing groups of farmers or producers, supporting their development into strong social collective entities and training facilitators. Ownership over change must occur among farmers in order to be sustainable, but they also need to be supported by an organisational framework and their leaders. Since 2014, on the basis of five to six years of experience in partnership with SATNET in west Uganda, OD has taken steps to support further organisational development, i.e. cooperatives for primary processing and selling.

The harvest of experiences regarding the development of DROs in this context is mainly based on the projects realised together with the partner organisations SATNET in Uganda and UMAMWIMA in Zanzibar. SATNET has approximately 50 member organisations and is a second-tier DRO, whereas UMAMWIMA is a first-tier DRO.

Ownership and participation

The OD experiences with mobilising have the character of an invitation addressing farmer families to participate in developing food security, food sovereignty and boosting their productivity by organic cultivation techniques. The concept (used since 2008) is named Farmer Family Learning Groups, the FFLG-method.

Each FFLG (25-30 representatives of families) is guided by its own group facilitator, and a master facilitator provides mentoring for two to three FFLGs. The general approach of OD is that the facilitators should function without payment and thus assure that the driver is interest and not salary.

A basic methodological principle is that the family and households are the key entities in most rural communities. The success of the FFLG relies on active participation of family units including men, women, the elderly, youth and children. Experience has shown that when a family is hosting a meeting all members of the household will take part and it thus contributes to active participation and ownership.

The FFLG-method is put into focus on the fields/farm of each participating family. The FFLG itself is constituted as “the expert” and has a mutual responsibility for learning and its own development. The challenges identified are ‘internal’ to the group, i.e. the problems of the participants. Ownership over challenges leads to willingness to hear advice coming from the group, implementing, experiencing results and thereby change, improvement and development.

Rotational visits as drivers of dynamic

The key elements in the process of learning in a FFLG are motivation, active participation and willingness to take part in rotational visits among members of the group. One family will start by hosting a meeting, identify one to two main challenges at the farm together with the facilitator and receive advice from the other group members. The process of rotational visits among all group members and their individual farms can be viewed as a new, unknown challenge in the beginning. The visits demand opening up your home and living space for all members of the group. The groups may experience initial shyness and scepticism, but after a while the benefits of the collective practice tend to be obvious.

The experiences of SATNET after five to six years using the FFLG-method reflect a high degree of popularity and ownership among the farmer families. SATNET is now very familiar with the FFLG-method (approximately 400 FFLGs are operating) and new FFLGs have started on their own initiative. The FFLGs are part of the SATNET member organisations.

In Zanzibar, where OD began its partnership with UMAMWIMA in 2013, the farmers had used a Farmer Field School approach before and were rather reluctant towards the practice of rotational visits. It has taken a

number of years to overcome feelings of shyness before the FFLGs started hosting visits in turn. The FFLGs have now experienced the benefits of knowing the farms of each member, working collectively, on identifying challenges, advising, implementing, discovering results, commenting, giving/taking critique, and practicing actions collectively, etc.

Democracy

FFLGs - ‘communities’ of practice and democratic learning

A fundamental principle of the FFLG-method is that members of a learning group may be different but also need to be socially equal, otherwise the group cannot function as ‘a community of practice’. All group members need to have more or less the same practice. OD, in general, collaborates with small scale farmers who normally own or rent access to a few acres of farmland, with few small variations between families and producers. It would be impossible for a FFLG to function properly if it were to also include a number of large scale farmers or estate owners. Mutual respect is also fundamental to the FFLG-concept and no group member is worth more or has a higher status than others within the group.

A very important rationale for organising is the conviction that every participant has considerable knowledge and know-how about local farming and local resources. Occasionally, valuable knowledge has been utilised for many years, and then suddenly is no longer practiced, risking it being lost.

When people of different genders and age organise into a FFLG, consisting of representatives from 12-25 families, they step into an alternative kind of ‘classroom’. Talking, discussing and exchanging on different topics is free and there is no strict authority coming from outside. The practice of being in a group, together with the facilitator, produces knowledge and learning. In this way, the FFLG-method stimulates the creation of a social ‘room’ governed by democratic rules.

The FFLG must define their own rules and decide on an agenda for meetings. They must also formulate their own objectives and practice self-monitoring. This last part has taken some time to come into being. Tools for participatory monitoring have been developed together with the facilitators and were finalised in 2016. The tools are now being tested by all partners in Uganda. Discussions about the value and meaning of monitoring at group level have resulted in a lot of discussion about

the value of monitoring and documentation in OD and amongst the partner organisations.

Leadership and democracy in FFLGs

A key principle of the success of the FFLG is the successful function of the group facilitator, named the 'internal facilitator'. From the start of a project, each FFLG will identify and select their own facilitator, who is respected by the group and is able to ensure that discussions and exchanges keep their focus on the chosen, agricultural topics. The experiences from SATNET suggest that if the internal facilitator does not function, the FFLG fails to practice and a new facilitator must be found.

A group of master facilitators is also trained, functioning as mentors for the FFLG-facilitators, each looking after two to three FFLGs. During the project, the master facilitators, as well as the internal facilitators, will receive training in facilitation and organic farming techniques. After three years, the master facilitator will stop mentoring their assigned facilitators and FFLGs and start with a new group of

internal facilitators and FFLGs. Each FFLG has the possibility of continuing to work with their internal facilitator or to stop if they do not see the need.

The internal facilitators, as well as the master facilitators, can be perceived as a kind of (democratic) leader in charge of canalising development and their approach and performances are very important. The facilitators must not turn into dominant 'teachers' or 'experts', but must be loyal to the practice of facilitating sessions of advising and communication and to mentor the dynamics of the group. For this reason, the identification of persons to become internal and master facilitators is very important and must be done with delicacy by the partner organisation.

Experience has shown, especially from SATNET that the capacity building of the internal facilitators is of critical importance, as they tend to stay as a part of the FFLG. The master facilitators may turn into very fine leaders but might leave after some time. It can also be a significant pedagogical challenge for some master facilitators to assist and mentor the internal facilitators.



Leadership and democracy in new cooperative market associations within DROs

The approach of OD and the partner organisations has been that the FFLGs must work, mature and start to bulk and practice collective sale for a period of five to six years, before it is wise to support them in establishing bigger entities such as market associations or cooperatives (with 100-300 members).

It is a significant change coming from an FFLG, with a simple set of rules and agenda, working on a few objectives and lead by a facilitator, and then suddenly working as a large entity of two to three FFLGs together, forming a cooperative or market associations with a demand of a formal constitution, by-laws, general assemblies, with an elected board as well as committees for different tasks and formal record keeping.

Similar to the FFLGs, the cooperative or market associations can build on previous practices in regards to regular meetings, and in many cases the FFLG-facilitators will also participate directly or indirectly in the governance of the cooperative or market association. It would be interesting to assess to what extent the FFLG-facilitators develop into leaders in the new cooperatives or market associations, however indicators are still needed in this field.

In the case of SATNET in West Uganda, the organisation has expanded considerably since 2014. Between 2008 and 2013, the number of member organisations grew from 30 to 40 and about 200 FFLGs were established. From 2014 to 2017, the member organisations have increased to 50, with the number of FFLGs reaching approximately 400, although not all are directly related to OD-projects. OD supports SATNET in the establishing and formal registration of 20 cooperatives and market associations, with another 10 ready and waiting to be established. The new cooperatives and market associations had to respond to a number of criteria outlined by SATNET and OD when they wished to become one of the 20 cooperatives or market associations receiving project support (2014-2018). The leaders of SATNET assisted the FFLGs in how to collaborate and form the cooperative or market association, which can include between 30 to 300 members.

It is important to follow closely and monitor how the cooperative or market association handles their practices, how they manage to recruit and register

members, hold general assemblies, elect members of the board, put committees in place to manage different tasks, encourage female leadership, manage employment and payment to helpers, etc. A substantial number of indicators are used in the monitoring processes, particularly in regards to agricultural and commercial management. When the cooperative or market association turns into a formally registered cooperative, they must also respond to an official standard managed by the authorities at district level.

Agricultural and financial management in cooperatives and market associations

A central category of activities for the cooperative or market association regards the handling of the agricultural (organic) products and the management of bulking, performing quality control of the products delivered (further supervised according to the organic PGS^{xxxi}-scheme), the organisation of some primary processing (peeling, fermentation, drying, selection and grading, milling), and establishing facilities for storing and packaging. The cooperative or market association may also offer members advice on organic farming techniques and eventually help farmers in record keeping.

A core category of activities for the cooperative or market association is commercial management and the control of finances. The registered cooperative or market association has to open a formal bank account in a recognised bank and maintain adequate record keeping. Financial management is diverse and includes the payment of membership fees, selling shares to members, identification of buyers, buying product from members, handling sales, managing repayments to members and handling profits. When the cooperative or market association turn into an official cooperative, they must also respond to certain obligations, such as putting money aside for a social fund and/or a disaster fund.

In relation to the OD-project, the 20 cooperatives and market associations receive a financial contribution (approximately US\$ 2000), corresponding to the amount in savings by the cooperative or market association. The financial contribution can be used for building a storehouse and/or investing in machinery for primary processing, however, it is often the case that the cooperative or market association must contribute further savings in order to fulfil the task. The majority of the 20 cooperatives and market associations received contributions in 2016. In many cases storehouses have been built and some have invested in machines for peeling and grading coffee or cocoa and maize millers.

The cooperative or market association now has collective possessions to maintain and they employ people when primary processing takes place.

Using M&E for organisational development

Internal FFLG facilitators and master FFLG facilitators - new member groups in a DRO

The use of the FFLG-method has led to the creation of a multitude of FFLGs or producer groups at grassroots level and the number of meetings and activities and sense of ownership in general is very high. It has been emphasised that the principle of organising into FFLGs is free so that people who want to form and practice a FFLG can do so. The experiences from 2008-2017 have shown that farmers copy the method and form FFLGs on their own initiative. The partner organisation, SATNET in west Uganda, a DRO with approximately 50 smaller member organisations spread out in the Rwenzori region, now has approximately 400 FFLGs and only half of them have been directly involved in the OD projects.

One of the indicators of organisational sustainability of a DRO deals with the question of payment practice used by the DRO, particularly regarding the activities of farmers' groups and their leaders or facilitators. In the approach of OD, it has been underlined in general that in order to assure that interest and not salary is the driver and to stimulate genuine ownership, the FFLGs and the facilitators (internal facilitators and master facilitators) should not be paid. This principle has been practiced in SATNET. In other OD partner organisations, such as URDT in Uganda, the master facilitators tend to become part of the hired staff.

Experience suggests that the internal FFLG facilitators are of a high value for the organisational sustainability of the FFLGs as social, independent entities. The internal facilitators tend to continue working with the FFLG and thus continue to function as leaders over more than 3 years. In some cases, they end up being paid by the FFLG for their services and capacity. The way the member organisations of SATNET handle the internal facilitators of their FFLGs is also important. The ability of SATNET to value and integrate the internal facilitators in the organisational framework and make use of them for training more facilitators is

very relevant, however, this is area of capacity that deserves further documentation.



Experiences also show that the fact of having worked for a number of years as a FFLG-facilitator is recognized positively on CVs and appreciated in the local context. SATNET and their member organisations have worked with the FFLG-method for nine years and are experiencing that the master facilitators tend to leave the project and utilise their experience for starting careers at local banks or as political leaders within the local councils.

The anchoring of the group of master facilitators with the skills and capacity they have, both in relation to the member organisations of SATNET and of SATNET as a whole, thus constitute a challenge to the future momentum of the organisation.

To support the consolidation and anchoring of the FFLG-capacities within facilitation and organic know-how, the facilitators are now supported by OD in building up networks across DROs/partner organisations in Uganda and to develop a mutual platform for communication and collaboration.

New cooperatives/market associations - and unions

The 20 cooperatives and market associations supported by OD were assisted by a consultant in establishing a business plan, which describes the purpose, goals and the products in focus. The cooperatives and market associations had approximately two years to work (2014-15) and if they functioned according to their plan, they requested for official registration as a cooperative during 2016-2017. They were also encouraged to establish a M&E plan, but only a few have done so.

The organisational challenges are growing, not only for the 20 cooperatives and market associations but also in regards the member organisations and their FFLGs as the heterogeneity of SATNET develops at high speed.

The leaders of SATNET have integrated the cooperatives and market associations at the same level as the existing member organisations. In time it will be clear if the two types of organisations, each having different objectives, are able to co-exist within SATNET or if the new cooperatives and market associations compete with the member organisations and eventually be more successful.

The creation of cooperatives and market associations has also resulted in the forming of bigger unions, with some cooperatives and market associations dealing with the same products (cocoa, coffee) have joined and formed two bigger unions, which comes with other challenges in managing these entities of several hundred members. Cooperatives and unions have to work and practice for several years in order to consolidate and prove sustainability, and so it is still unclear what role SATNET will play in this process.

Indicators

Monitoring - control & learning

The indicators used in relation to the cooperatives and market associations are focusing on the central categories of activities – the agricultural and the commercial. Inspired by the discussions from the reflection meetings in Denmark, more attention to organisational matters seems highly relevant, for example, leadership, democracy, gender, governance and the function between the board, committees and members, communication and marketing, etc.

During 2016-2017, the reflection meetings in Denmark initiated fruitful discussions within OD and with partners about the value of (self) monitoring at group/FFLG-level. It has led to discussions about the use of qualitative (case stories) and quantitative methods in order to support and produce knowledge about the work of FFLGs, the importance of participatory methods to assure ownership (by the FFLGs), the value of monitoring (defining objectives and having indicators) for FFLGs and for partners and donors, how to work with illiteracy, and the value of FFLG-documentation related to organic achievements and advocacy, etc.

Internal and master FFLG-facilitators /leaders - new member groups?

Discussions during the reflection meetings revealed that the most common practices among NGOs seems to be that facilitators and trainers are often paid, either by an on-going project or by the partner organisation. However, OD's experience has been that the practice of encouraging facilitators to work for free often works throughout a project period and might also be the most sustainable solution for internal FFLG-facilitators. Yet, when it comes to master FFLG-facilitators, the DRO might look for ways to keep the capacity within the organisation.

Financial management - in new cooperatives (market associations)

During the reflection meetings, the importance of record keeping was discussed, particularly when farmers' groups/FFLGs form cooperatives, or even as they might develop into bigger unions. The importance of practicing loan and savings groups or eventually being members of a SACCO seems effective in building capacity among farmers. In Uganda, a lot of farmers do practice a system of savings and loans, but the capacity building process tends not to be documented, despite

the important role it plays in healthy financial management at the cooperative level.

Accountability to donors, to DRO-leaders and to members in new cooperatives (market associations)

Occasionally, the demand for accountability is most outspoken from donors, however, in order to assure sustainability it should come from the grassroots level, i.e. either from the FFLGs or from the members of a cooperative. Additionally, the top leadership of a DRO must also ensure the quality of accountability of its member organisations and cooperatives. It is a field demanding attention at all organisational levels.

Organisational capacity of DROs (Collaboration between different levels - FFLGs- facilitators - member organisations -cooperatives and marketing associations - unions - central leadership)

The organisational development of a DRO can accelerate very quickly, as has been the case with SATNET. New cooperatives are formed and they quickly react and form unions because of profitable markets situations. Within two to four years, a lot of organisational changes have occurred and it has

resulted in several challenges for the capacity of SATNET to ensure organisational sustainability and linking between the different levels and entities.

Learning forum

Participating in a network where NGOs meet, exchange, formulate challenging questions and discuss their practices regarding a selected topic like the development of DROs, indicators and documentation is very stimulating. It has initiated new discussions among the Danish organisations as well as in the collaboration with partner organisations, which generates a greater dynamic and inspires new innovations and developments.



Organic Denmark – Cooperative Market Association – Indicators for capacity (2017)

Coop MA Name: Location: District:		Contact info:
Date of monitoring/assessment:		
Name & Tel. of facilitator:		

TO BE (Organisation) – Part 1	Verification Doc
■ Legal status of the Coop MA (CBO, Coop)	Copy of constitution, certificate
■ Mission	Copy
■ Vision	Copy
■ Business Plan	Copy, reports on use
■ Annual Work Plan	Copy, reports on use
MEMBERSHIP	Verification Doc
■ Number of members - Men - Women - Active (selling) - Not active	List, Records
■ Age of members - Men under 18 - Women under 18	Lists, Records
■ Number of members coming from FFLGs	Statements, interviews
■ Number of FFLGs involved in the Coop MA	Statements from Member Organisation
■ What entrance fee does the Coop MA asks from members	Constitution, Accounting doc.
■ What is the annual subscription for a member	Constitution, Accounting doc
■ What is a member share	Constitution
■ How many shares can a member max. buy	Constitution
■ How many members have more than 1 share	Constitution, Register of shares, Accounting doc.
■ Is the MA open for new members - for all members ■ Or do you have some demands	Constitution, Interviews with members
■ What fee does the Coop MA asks from none members	Constitution, accounting doc.

ORGANISATION	Verification Doc
■ Number of members of the Board in the Coop MA	Attendance list, Minutes of meeting regarding annual General Assembly
■ Number of women and men members of the Board	Attendance list, Minutes of meeting
■ What activities has the Board and when are meetings taking place	Attendance list, Minutes of meeting, Action Plan
■ How is division of work within the Board ■ (or committees for example for marketing, value addition, finance)	List of committee members, Attendance list, Minutes of meeting
■ What does the Marketing Committee do	Minutes of meeting
■ What does the Value Addition Committee do	Minutes of meeting
■ What does the Finance Committee do	Minutes of meeting
■ How is the relation between the Coop MA and the FFLGs	Interviews with the Coop MA Board and representatives of the FFLG-Board/s
■ What role have the internal Facilitators in the Coop MA	List of internal facilitators active in Board and Committees
■ What role have the external Facilitators in the Coop MA	List of internal facilitators active in Board and Committees
GOVERNANCE – LEADERSHIP – DEMOCRACY – GENDER	Verification Doc
■ Annual General Assembly is hold ■ When	Attendance list, Minutes of meeting,
■ Any other meeting for members during a year ■ What purpose	Minutes of meeting, report
■ Election of the Board – how ■ Members of the Board – elected for how many years ■ Possible to renew – how many times	Constitution, Minutes of meeting, Interviews with Board members
■ Election of men and women – any notice	Interviews with member representatives, List of participants in GA
■ How is the relation between the Coop MA and the Member Organisations of SATNET	Minutes of meeting regarding meeting between the Coop MA and representatives from Member Organisations, Evidence of contact, collaboration etc.
■ How is the relation between the Coop MA and the central administration of SATNET	Minutes of meeting regarding meeting between the Coop MA and representatives from SATNET central, interviews with SATNET, interviews with representatives from the Coop MA, Evidence of mutual contact, reports etc.
■ How is the relation to other Coop Mas	Evidence of exchange, visits, meeting, collaboration

<ul style="list-style-type: none"> ■ Have you employed staff (qualified manager, accountant) ■ If yes for what purpose ■ When and what period 	Contracts with staff, accounting doc, interview
TO BE (Organisation) – Part 2	Verification Doc
FINANCIAL MANAGEMENT	Verification Doc
<ul style="list-style-type: none"> ■ Who are responsible for management of the finances of the Coop MA 	Interviews with Board, Financial Committee, ordinary members
<ul style="list-style-type: none"> ■ Who does the record keeping of the Coop MA 	Interview with Accountant, Financial records and reports
<ul style="list-style-type: none"> ■ Is there the person/s for doing the record keeping paid/ formally employed 	Contract, Job description, Interview, Financial Record
<ul style="list-style-type: none"> ■ Do farmers keep records on their product ■ Do you see the benefit of on farm record 	Interviews with Board, Financial Committee, ordinary members
<ul style="list-style-type: none"> ■ Does the Coop MA assist members/farmers in record keeping ■ If yes how (peer system) 	Interviews with Board, Financial Committee, ordinary members
<ul style="list-style-type: none"> ■ When do buyers pay the Coop MA ■ How do they pay 	Interviews, receipts from buyers
<ul style="list-style-type: none"> ■ Who receives the payment from the buyers 	Interviews, Financial records, receipts from buyers
<ul style="list-style-type: none"> ■ Do you make profit / loss ■ How much 	Interviews with Accountant, Financial Committee
<ul style="list-style-type: none"> ■ What do you do with profit/loss 	Interviews, Records
<ul style="list-style-type: none"> ■ Where does the Coop MA have its bank account 	Copy regarding bank account
<ul style="list-style-type: none"> ■ Who in the Coop Ma have access to the bank account ■ Are the same people transporting money to the account – and taking out 	Copy of signature holders, Interviews with Board, Financial Committee
<ul style="list-style-type: none"> ■ Do you use payment by mobile phone ■ If yes how 	App, System of record
<ul style="list-style-type: none"> ■ Do you have compulsory savings ■ (How much and when are they paid (monthly/annually) 	Written doc, Financial record
<ul style="list-style-type: none"> ■ Do you have a disaster fund ■ (How much and when is the fee paid (monthly/annually) 	Written doc, Financial record
<ul style="list-style-type: none"> ■ Who decide the payment of the employed people ■ How much are the paid 	Interviews with Board, Financial Committee, Financial record
<ul style="list-style-type: none"> ■ Who pay the employed people and when 	Interviews, Payment documentation, Financial record
<ul style="list-style-type: none"> ■ Are there any experiences with the practice of loans and savings groups within the members of the Board or committees ■ If yes, how many participate in loans & savings groups 	Interviews, Copies of VSLA-documentation
<ul style="list-style-type: none"> ■ Are there any experiences with the practice of SACCOs within the members of the Board or committees ■ If yes, how many are active members of a SACCO 	Interviews, copies of SACCO-documentation

<ul style="list-style-type: none"> ■ Do the Coop MA have loans ■ If yes how much and from where whom: <ul style="list-style-type: none"> - From a bank - From members - From shareholders - From others 	Written documentation, Copy of bank loan agreement
<ul style="list-style-type: none"> ■ Has the Coop MA got financial support from the project (8 mill. Ush support + 8 mill. Ush own savings) ■ What is the money used for (storehouse, machines, other) 	Financial record, concrete realisation on location
<ul style="list-style-type: none"> ■ Have the Coop MA been able to implement their plan (storehouse, machines etc.) on the basis of the savings + project contribution ■ If not what do you do ■ Why 	Interviews, Action plan
ACCOUNTABILITY	Verification Doc
<ul style="list-style-type: none"> ■ Who are responsible for the accountability in the Coop MA 	Interview with Accountant, Financial Committee, Accounting doc, Financial reports
<ul style="list-style-type: none"> ■ Who inform the members of the Coop MA about the economy and the accounts of the Coop MA and when 	Interviews with Board, Financial Committee, ordinary members
<ul style="list-style-type: none"> ■ Do you make a financial report to the central administration of SATNET and when 	Financial reports
<ul style="list-style-type: none"> ■ Is the financial report published to the members of the Coop MA during the General Assembly 	Financial reports, Accounting doc
CHALLENGES	Verification Doc
<p>CHALLENGES - Financial (ex. Market prices, price fluctuations, access to loans)</p> <ul style="list-style-type: none"> ■ What are main challenges ■ How do you plan to address challenges 	Interviews with Board and Committees, Strategy, Action Plan
<p>CHALLENGES – Organisational activities (member-leader relations within the Coop MA, relations between Coop MA and Union, relations to FFLGs, relations to SATNET central, relations to Member Org.</p> <ul style="list-style-type: none"> ■ What are main challenges ■ How do you plan to address challenges ■ On which other issue do you need help and from whom 	Interviews with Board and Committees, Strategy, Action Plan

TO DO (Services for members)	Verification Doc
AGRICULTURAL PRACTICES	Verification Doc
<ul style="list-style-type: none"> ■ What postharvest or primary processing methods/ activities do occur - at farm/ member level and for what products : <ul style="list-style-type: none"> - Peeling - Fermentation - Drying - Preparing - Cleaning - (Selection - grading) - Milling - Storing - Packaging - Transport - Other 	Interviews with representatives of Board, Value Addition Committee and ordinary members
<ul style="list-style-type: none"> ■ What postharvest or primary processing methods/ activities do occur - at Coop MA level and for what products : <ul style="list-style-type: none"> - Peeling - Fermentation - Drying - Preparing - Cleaning - Selection - grading - Milling - Storing - Packaging - Transport - Other 	Interviews, Records, Work reports, machines/material owned by the Coop MA, Accounting doc.
<ul style="list-style-type: none"> ■ If the Coop MA practices storing – what product, quantity and how long time 	Record tracking, Accounting doc.
<ul style="list-style-type: none"> ■ What possessions does the Coop MA have and what is the value: <ul style="list-style-type: none"> - Structures/Storehouse - Equipment/Materials - Machines - Transport - Office 	Buildings/Machines/Materials/Machine s on location, Receipts
<ul style="list-style-type: none"> ■ How have the possessions been financed 	Receipt, Doc of sponsoring
<ul style="list-style-type: none"> ■ How is the care of the maintenance of the possessions organised 	Interview with Board, Reports, Minutes of Meeting
<ul style="list-style-type: none"> ■ How is the bulking organised 	Interviews with Value Addition Committee
<ul style="list-style-type: none"> ■ Is there a quality check and if yes, who performs that 	Interviews with Value Addition Committee, Marketing Committee
<ul style="list-style-type: none"> ■ What do you check about quality and how 	Moisture meters records, observation of drying platforms, graders' report, Interviews with Value Addition Committee, Marketing Committee

<ul style="list-style-type: none"> How do you handle not good quality 	Interviews with Value Addition Committee, Marketing Committee, Reports
<ul style="list-style-type: none"> Do you have a system for checking organic quality (PGS) If yes how is the practice What are the experiences 	Interviews with Value Addition Committee, Marketing Committee, Reports, Interviews with ordinary members
<ul style="list-style-type: none"> What organic cultivation techniques do the members use (Manure, Green manure, Mulching, Intercropping, Crop rotation system, organic pest and disease techniques) 	Interviews with members, Board, representatives of Value Addition and Marketing Comm.
<ul style="list-style-type: none"> What anti-erosion techniques do the members use 	Interviews with members, Board, representatives of Value Addition and Marketing Comm.
<ul style="list-style-type: none"> What water management techniques do the members use 	Interviews with members, Board, representatives of Value Addition and Marketing Comm.
<ul style="list-style-type: none"> Support from Coop MA to FFLGs If yes how 	Interviews with members, Board, representatives of Value Addition and Marketing Comm., Manager, FFLG-facilitators, etc.
<ul style="list-style-type: none"> Are you performing Participatory Monitoring in the Coop MA, FFLGs or on farm level (When and how) 	Interviews with members, Board, representatives of Value Addition and Marketing Comm., Manager, FFLG-facilitators, etc.
COMMERCIAL PRACTICES– SALE	Verification Doc
<ul style="list-style-type: none"> Can none members sell via the Coop MA (If yes on what conditions) (Why can none members sell) 	Constitution, Interview with Board
<ul style="list-style-type: none"> Number of none members selling via MA 	Register
<ul style="list-style-type: none"> Does the Coop MA have a Business Plan Is the Business Plan followed If no why If yes in what way 	Business Plan, Business records, Action Plan, interviews with Board
<ul style="list-style-type: none"> Does the Coop Ma sell only organic products If also conventional – how many % organic 	Receipts, Financial record, Interviews with Financial Comm, Marketing Comm., Manager
<ul style="list-style-type: none"> Amount of product sold per period/season and year (fx. coffee, maize flour, beans) 	Receipts, Financial record, Interviews with Financial Comm, Marketing Comm., Manager
<ul style="list-style-type: none"> Average selling price per product, period and year 	Receipts, Financial record, Interviews with Financial Comm, Marketing Comm., Manager

<ul style="list-style-type: none"> ■ Are there any difference in prices for organic products and conventional products ■ If yes what product ■ What prices 	Receipts, Financial record, Interviews with members, Marketing Comm.
<ul style="list-style-type: none"> ■ What price does the Coop MA pay the members 	Receipts, Financial record, Interviews with members
<ul style="list-style-type: none"> ■ Are the members satisfied with the price ■ If not what product and when ■ What do you do if members are not satisfied with the prices 	Receipts, Financial record, Interviews with members,
<ul style="list-style-type: none"> ■ What price does the Coop MA pay non-members 	Receipts, Financial record, Interviews with non-members
<ul style="list-style-type: none"> ■ Are products sold to other buyers than the Coop MA ■ If yes why 	Interviews with ordinary members
<ul style="list-style-type: none"> ■ How much is not sold via the Coop MA 	Interviews with Board, Financial Committee, Interviews with ordinary members
<ul style="list-style-type: none"> ■ Where do you find the buyers 	Interviews with Board, Financial Committee, Statements,
<ul style="list-style-type: none"> ■ Do you contact the buyers or vice versa 	Interviews with Board, Financial Committee, Statements,
<ul style="list-style-type: none"> ■ How many buyers do the Coop MA have (per product) ■ Is that enough or do you want more buyers 	Interviews with Board, Financial Committee, Statements,
<ul style="list-style-type: none"> ■ How do you select buyers 	Interviews with Board, Financial Committee, Statements, copy of contracts
<ul style="list-style-type: none"> ■ Are there negotiations : <ul style="list-style-type: none"> - about the price - about the quality - about the quantity - about the period of delivery ■ What parameter/s is/are most important 	
<ul style="list-style-type: none"> ■ Who are responsible and who do the negotiations (what committee) ■ Contracts with buyers 	Interviews with Board, Financial Committee, Statements, copy of contracts
<ul style="list-style-type: none"> ■ What happens if the members of the committee not agree on prices and sale 	Interviews with Board, Financial Committee, Statements
CHALLENGES	Verification Doc
<p>CHALLENGES – Climate (rain, drought, flood, access to water, storms)</p> <ul style="list-style-type: none"> ■ What are main challenges ■ How do you plan to address challenges (ex. Planting trees in coffee plantations, water catchment ditches) 	Interviews with Board and Committees, Strategy, Action Plan

CHALLENGES – Agricultural <ul style="list-style-type: none"> ■ What are main challenges ■ How do you plan to address challenges (ex, mulching (elephant grass, mucuna beans, improved handling of manure, ...)) 	Interviews with Board and Committees, Strategy, Action Plan
CHALLENGES – processing & transport (quality, machines, storing facilities, trucks) <ul style="list-style-type: none"> ■ What are main challenges ■ How do you plan to address challenges 	Interviews with Board and Committees, Strategy, Action Plan
CHALLENGES – Commercial (buyers, prices, competition, marketing, branding) <ul style="list-style-type: none"> ■ What are main challenges ■ How do you plan to address challenges 	Interviews with Board and Committees, Strategy, Action Plan

TO RELATE (External linking & advocacy)	Verification Doc
<ul style="list-style-type: none"> ■ Participation in national or regional events (ex. Agricultural fairs) 	Reports, Photos, Interviews with participants
<ul style="list-style-type: none"> ■ Collaboration with local authorities 	Minutes of meeting, Plan, Outcome of exchange
<ul style="list-style-type: none"> ■ Input to local development planning – <ul style="list-style-type: none"> - at District level - at village level 	Reports, Minutes of Meeting, Development Plans
<ul style="list-style-type: none"> ■ Participation in radio programs 	Interviews with participants and listeners
<ul style="list-style-type: none"> ■ Different Donors/support 	Project doc, Records, MOUs
CHALLENGES	Verification Doc
CHALLENGES – Political (ex. in relation to organic products, laws that stop or favor agricultural development) <ul style="list-style-type: none"> ■ What are main challenges ■ How do you plan to address challenges 	Interviews with Board and Committees, Strategy, Action Plan

Annex 1: Example of simple indicators on livelihood Rural Integrated Participatory Approach to Transformation, RIPAT, dry mountain area, Kilimanjaro, Tanzania

1: By the end of the project, the graduated RIPAT farmers are at least 25 percentage points less likely to experience hunger (1-2 meals a day compared to having 3 meals a day) than others are during the hunger season

2: By the end of the project period 60% of RIPAT farmers, producing improved introduced crops using new technology

3: By the end of the project period 60% of RIPAT households, with increased yield of local banana varieties and 40% of household with improved banana varieties

4: By the end of the project period 50% RIPAT households, have improved poultry breeds and 10% have received 1 improved female goat

5: By the end of the project period 80% RIPAT VSLA farmers accessing loans from VSLA for crop/animal production.

Annex 2: RIPAT Manual - Indicators for Improvement and Organisational Development

Along with this process, RECODA and Dominck Ringo was also involved in reviewing the RIPAT manual and inspired by this process and the experiences from World Vision, these indicators were developed. Indicators like those have worked well in World Vision's programmes in Tanzania.

Rating on image



Seeds



Young plant



Mature plant



Harvesting

Rating on number

A scale from 1 -5, where 1=weakest and 5 = strongest

Stage	Indicators	Rating
Formation stage	<ul style="list-style-type: none"> ■ Leaders elected democratically and in place ■ PA subcommittees in place and capacity building activities carried out ■ PA meetings held at least once per quarter ■ Potential value chain prioritized ■ PA constitution under development 	
Growth stage	<ul style="list-style-type: none"> ■ PA constitution in place and functional ■ Farmers gradually organized to prioritize selected value chains in accordance with market demand ■ PA members gradually getting out to search for markets for their produce ■ PA members starting networking with other service providers and stakeholders such as input suppliers, transporters, buyers, etc. ■ PA subcommittee meetings held to formulate strategies and present their plans ■ Awareness growing as to how the PGs contribute to the operation of the PA ■ PA adopting several creative innovations such as water pans, bee-keeping, drip irrigation, savings groups, etc ■ PA influencing PGs to take care of orphans and vulnerable children ■ Ongoing capacity-building in entrepreneurship for the PGs 	
Maturity stage	<ul style="list-style-type: none"> ■ PA starts selling members' produce collectively. ■ PA engaged in market search through the market and value addition subcommittee ■ PGs contribute willingly to the PA's operations ■ PA is registered ■ PA is accessing inputs sustainably ■ PA adopting several creative innovations such as water pans, bee-keeping, drip irrigation, savings groups, etc ■ PA requires minimum support to operate ■ PA has achieved better understanding of entrepreneurship ■ PA influencing PGs to take care of orphans and vulnerable children ■ An active local Market Facilitator (LMF) has been selected. 	

Graduation stage	<ul style="list-style-type: none"> ■ PA is registered and has an account. ■ PA is organizing collective marketing independently; farmers selling regularly to reliable buyers ■ PA is independently connecting and networking with other stakeholders ■ PA is making significant efforts to prompt PGs to care for orphans and vulnerable children ■ Organic scaling up of several innovations and businesses is in progress ■ PA has started taking collective community responsibilities, e.g. helping Most Vulnerable Children (MVCs), carrying out community work, etc. ■ PA meets regularly in accordance with the constitution ■ All committees fully functional ■ PA is operating independently of IO support ■ PA is in the processes of registering as a company ■ Excellent understanding of entrepreneurship evident 	
------------------	--	--

It can be organization capacity assessment (OCA) with parameters like:

- 1. Organizational foundations** /Aspirations (Vision, Mission, Values, strategy & goals);
- 2. Operational Processes & systems;** Financial planning and management, Resource Mobilization, Documentation and communication and decision-making
- 3. Governance** - Board composition and commitment, Leadership & Management, Relationship of the Board to management/secretariat/members, CEO & Senior Management, Human Resource Management , M&E, Membership Development
- 4. Presence and Relationships** Presence, Relationship
- 5. Economic Sustainability** Marketing, Value addition, Quality of products, Record management, Climate adaptation

Notes

- ⁱ ILO definition: Recommendation 193: cooperatives are defined as group-based, autonomous enterprises with open and voluntary membership and democratic governance. This definition was also acknowledged by the International Labour Office (World Bank Institute 2008), in which it was also stressed that, to qualify as a cooperative, the organisation must realize its objectives through economic transactions in a market environment.
<http://www.ilo.org/global/topics/cooperatives/lang-en/index.htm>
- ⁱⁱ Danida Civil Society Policy, Copenhagen 2014
- ⁱⁱⁱ Please see the history of cooperatives in Asia and Africa in “Democratic Rural Organisations, Credit, Market and Voice, based on the studies, published by Routledge Development Series 2018: Introduction.
- ^{iv} See more about the cooperative values in chapter three.
- ^v Please see VSL Associates, vsla.net, Pors (ed.): Savings and Loan Associations: Combining Short term benefits with long term structural change, DMCD and Danish Forum for Microfinance 2011. Please also see Vaarst et al.: Participatory monitoring for Farmer Family Learning Groups and Marketing Associations, Organic Denmark and NOGAMU 2016.
- ^{vi} The study “Thresholds in the evolution of Democratic Rural Organisations: Markets, Credit and Voice - Lessons from India, Bangladesh, Cambodia and Uganda” (Copenhagen 2015), became the basis for the book named “Democratic Rural Organisations, Credit, Market and Voice, based on the studies, Routledge Development Series 2018.
- ^{vii} The dilemma was underlined by Nigel Simister at a lecture in Copenhagen (Global Focus, Nov.24 th.2016). See Simister, N and James R (2015). M&E of Capacity Building. INTRAC, Oxford, UK.
- ^{viii} Relevant is here e.g. the difference between India where organised farmers have access to national schemes supporting them, and Uganda where the government schemes suffer from politicians’ direct intervention, and the farmers often depend on the market success.
- ^{ix} See the case stories from Plants and Health Cooperative Society, Uganda, and Danish Forestry Extension’s partnership with farmers’ associations in Vietnam.
- ^x See the case story from Caritas, Uganda.
- ^{xi} DFE’s seven steps are: 1. Select and train field facilitators, 2. Mobilise farmers to participate in Farmer Field Schools, 3. Establish farm forestry groups, 4. Establishment of cooperatives, 5. Beginning stage of cooperative, 6. Strengthen and develop the cooperative, 7. Exit of external support, economic self-reliance of the cooperative. Estimated time: 3-6 years.
- ^{xii} Friis-Hansen 2018: Introduction
- ^{xiii} See more about the cooperative principles: <https://ica.coop/en/whats-co-op/co-operative-identity-values-principles>
- ^{xiv} See more at: <https://www.slvrec.com/content/7>
- ^{xv} Ref. Dr. Florian Lüdeke-Freund, Uni. Hamburg, CBS, October 2017
- ^{xvi} We are three main groups of stakeholders, international “funding and supervising” CSOs, national “implementing” CSOs and the DROs themselves – have acquired from the thresholds for DRO development. The methodology has been first to conduct a series of six stakeholder review meetings in the South in 2016, with the participation of Danish CSOs, national CSOs and local DROs. At the stakeholder review meetings, participants shared their experiences regarding the thresholds set up by Esbern Friis-Hansen et al., and furthermore worked on developing contextual indicators for their DROs’ organisational capacity. In December 2016 and January 2017, reflection meetings were held in Denmark with the physical participation of the Danish CSOs and the book authors, combined with

written inputs from and Skype calls with the Southern partner CSOs.

^{xvii} Friis-Hansen et al. Routledge Development March 2018.

^{xviii} Rural Initiatives Participatory Agricultural Transformation; see details at www.RIPAT.org

^{xix} Reference evalueringer RIPAT: Lilleør, H.B.+Larsen, A.F.: beyond the Field: The Impact of Farmer Field Schools on Food Security and Poverty Alleviation. I: World Development Vol. 64, pp 843-859, 2014; Organic Denmark/NOGAMU: External evaluation of ECOSAF Project, CARITAS Uganda, Wakiso and Mpigi districts. Report Submitted To National Organic Agricultural Movement of Uganda (NOGAMU). Investing in Agricultural Innovations Limited (Invagri Ltd), 2015.

^{xx} Rosenberg, J.S, 2013; "Farmers' Clubs As A Model For Empowering CARE Pathways' Impact Group" <http://www.carepathwaystoempowerment.org/wp-content/uploads/2013/02/CARE-India-Farmers-Club-Report.pdf>

^{xxi} See more with VSLAssociates at www.VSLA.net

^{xxii} Muungano wa Vikundi vya Wakulima Tanzania

^{xxiii} That is, the required variety is no. 0040 introduced by the Selian Agricultural Research Institute (SARI), Tanzania.

^{xxiv} PRA/PALM is a semi-structured and relatively quick way of learning with the rural people about their situation, problems and opportunities, originally developed by Prof. Robert Chambers.

^{xxv} This model was developed by a working group under *Fagligt Forum*, a precursor of *Globalt Fokus in Denmark*.

^{xxvi} The Change Diamond added a fourth dimension to the triangle-model: The advocacy done by the Danish CSO on the political level in Denmark and in Europe.

^{xxvii} The aim of promoting FCs is to support capacity building regarding agricultural technology development and technology transfer, awareness building as well as credit transfer (by enabling the FCs to take loans from

local bank branches) and saving structures, based on the farmer organisation forum. FCs are organised by rural branches of Banks, NGOs, etc. with support and financial assistance from NABARD, for mutual benefit of banks and the farmers.

^{xxviii} The basic purpose of the PC is to collectivize small farmers or producers for; a. backward linkage for inputs like seeds, fertilizers, credit, insurance, knowledge and extension services and; b. forward linkages such as collective marketing, processing, market led agriculture production etc. At the heart of this effort is to gain collective bargaining power for small farmers/producers. The Producer Company is formed with the equity contribution by the members. The day to day operation is expected to be managed by the professionals, hired from outside, under the direction of the Board of Directors who are elected by the General Body of the PC (representatives from the FCs) for a specific tenure.

^{xxix} Rosenberg, J.S., 2013; "Farmers' Clubs As A Model For Empowering CARE Pathways' Impact Group" <http://www.carepathwaystoempowerment.org/wp-content/uploads/2013/02/CARE-India-Farmers-Club-Report.pdf>

^{xxx} These are figures which can be calculated by: Operational self-sufficiency: dividing the operational income with (Operation Cost + Loss Provision + Financing Price); whereas the financial self-sufficiency can be calculated by dividing Operating income (Grant + Loan + Investment) with (Operating cost + loan provision financing cost + Adjusted cost of capital). Both figures are important for sustainability in a business sense, according to Caritas NEI's experience.

^{xxxi} Participatory Guarantee System



Danish Forum for
Microfinance