



## ***International Federation of Agricultural Producers***

### ***IFAP Development Cooperation Committee (IFAP DCC)***

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## **IFAP DCC Programme on Farmers' Organisations and Trade Capacity Development**

Application for programme funding “THEME-BASED COFINANCING “ (TMF)  
Ministry of Foreign Affairs (Netherlands), July 2002

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## 1. Introduction

### The applicant: organisational setting

The International Federation of Agricultural Producers (**IFAP**) is a global network of some 100 national farmers' organisations, founded in 1946. Most of these organisations (60) are from the developing countries. One major objective of IFAP is to facilitate the creation and strengthening of independent organizations of farmers throughout the world. Other objectives<sup>1</sup> deal with IFAP's role as an international forum for policy making, for co-ordinated action as a recognized spokesperson for farmers, for development of understanding of farmers' situation and concerns, for exchanges of information and experiences.

In November 2000, IFAP assigned the mission of "strengthening farmers' organisations from developing countries" to its Development Cooperation Committee (**IFAP DCC**). At the same time, IFAP increased the membership and participation of farmers' organisations from developing countries. In recent IFAP DCC meetings (2001-2002,) farmers' organisations from developing countries (FO's South) formulated their priorities for capacity building, among which the capacity to deal with trade issues is a major one.

So FO's South decide upon the agenda of IFAP DCC, and its priorities for development co-operation work. For the implementation of programmes, IFAP DCC has established a partnership with the **AgriCord alliance of agri-agencies**<sup>2</sup>, a group of development NGO's with a specific focus and experience in development co-operation for the strengthening of farmers' organisations.

We can summarise the organisational setting for this programme as follows:

- the applicant (IFAP DCC) is embedded in a world-wide platform organisation (IFAP) where farmers' organisations from both South and North participate;
- the priorities and policies of IFAP DCC are fixed by FO's South;
- the implementation of IFAP DCC development programmes is entrusted to organisations specialised in this type of work, the agri-agencies, working within their alliance AgriCord.

The start of this "new" DCC was and is also a challenge for the agri-agencies. They started a process of intensified co-ordination, including the setting up a formal alliance, AgriCord. For the implementation of this first programme, AgriCord will work according to the well defined rules and procedures of Agriterrra, to make sure that we can meet the quality requirements for monitoring, reporting and evaluation.

### Executive summary

Trade capacity covers a lot of areas. This programme proposal has the ambition to address the critical ones, with the following **objectives and expected outputs**:

- (1) capacity to monitor markets of specific commodities and to provide relevant and timely information to farmers;
- (2) capacity to prospect markets and to open new markets, including all aspects of commercial transactions (logistics, financial aspects, negotiations with traders...);
- (3) capacity to participate in farmer-led economic initiatives, to control agro-business activities, and to defend farmers' interests within commodity chains;

<sup>1</sup> <http://www.ifap.org/about/objectives.html>

<sup>2</sup> Agri-agencies are development NGO's with a structural link to the farmers' and rural people's organisations of their own country. Examples are Agriterrra (Netherlands), AFDI (France), IVA (Belgium), IDACA (Japan)... A full list is given in Appendice 3. They have established an alliance under the name of AgriCord.

(4) capacity to develop and promote policy positions on trade issues (advocacy work).

Supporting organisations of small farmers in developing countries to build up their capacity in these areas also contributes to broader **development strategies** or **themes** such as

- economic development, food security and small farmers' interests within economic development; the focus on resource-poor farmers and poverty reduction is central for IFAP DCC;
- communication and participatory processes within civil society;
- good governance as far as the role of membership organisations in national and international policy development is concerned.

IFAP DCC's **approach** is characterised as follows: (a) farmers' organisations are enabled to start "learning by doing" processes within their organisation, (b) they can work closely with farmers' organisations in the North (FO's North), and (c) the involvement in concrete trade operations will lead to a stronger participation of farmers' organisations in trade negotiations. Through such processes, involving e.g. focused training of the permanent staff involved, operational capacities will increase, and will allow farmers' organisations to play the role they are expected to play.

A **partnership with the specialised institutions**, such as the European Centre for Development Policy Management (ECDPM) for this programme is considered as a key element for proper design and monitoring of specific processes. External institutions will be involved for specific instruments such as credit and financing, for facilitation of dialogue and consultation of relevant "non-farmer" stakeholders, for promotion of practical research on capacity building processes, and for dissemination of relevant information within and beyond the IFAP DCC network.

**Programme implementation** will be based upon the partnership between IFAP and the agri-agencies (AgriCord), bringing together IFAP's worldwide network of farmers' organisations, and specifically the IFAP DCC platform for capacity building, with the expertise of AgriCord-members in the field of financing of activities abroad, involvement of experts from rural membership organisations from North and South, and networking between these organisations.

IFAP DCC is requesting **financial support for a period of 4 years**. The cost 48 selected "trade capacity processes, constitutes the bulk of the programme budget granted to farmers' organisations from developing countries, either as seed money or as venture capital (via specialised external institutions). The cost of these projects, covered for 25% by contributions of the farmers' organisations, is € 3,360 million (subtotal I). The cost of trade related farmer-to-farmer consultancies, technical advisors, training and networking, special services to trade projects, consultancies by external support institutions, a.o. is € 3,907 million. This budget (subtotal II) creates the necessary environment to enable individual projects, to support the initiating farmers' organisations, and to facilitate exchanges, networking and lobbying. The cost of programme co-ordination (subtotal III) is budgeted at € 0,610 million.

## **2. Mission, objectives and external relations of IFAP DCC**

### **2.1. Historical background and mission**

#### **IFAP DCC**

IFAP DCC is a Specialized and Permanent Committee of the International Federation of Agricultural Producers (IFAP). IFAP is a worldwide organisation of national organisations of family farmers, founded in 1946. IFAP has about 100 members, 60 of which are from developing countries<sup>3</sup>. Members of IFAP are recognized as being representative of family farmers at the national level in their country. There can be several member organisations from one country.

The role and mandate of IFAP DCC were discussed within IFAP in 1999 and 2000. From the beginning, several agri-agencies were associated. The Constituent Session of the IFAP DCC took place in November 2000<sup>4</sup>, and the first regional DCC meetings took place in 2001. Farmers' organisations from Norway, the Netherlands, Sweden, Denmark and Belgium, and their agri-agencies, were the initiators.

#### **Strengthening farmers' organisations in developing countries**

IFAP formulates its mission as follows: "to secure the fullest cooperation between organisations of agricultural producers in meeting the optimum nutritional and consumptive requirements of the peoples in the world, to work to improve the economic and social status of all who live by and on the land." Specifically, IFAP's mission is "to develop farmers' capacity to influence decisions that affect them at both the domestic and international levels"<sup>5</sup>. The strengthening of farmers' organisations in developing countries is a major policy goal within the IFAP, clearly linked to its mission. The DCC is IFAP's main instrument for this policy.

#### **IFAP DCC is a partnership between FO's from developing countries and agri-agencies**

Under the presidency of G. Doornbos (1998-2002), the IFAP has initiated some important changes with respect to the role and place of developing country farmers' organisations: e.g. the reduction of the contributions of the organisations of these countries, and the acceptance of the agri-agencies as partners of the DCC. The result is a significant increase in the membership (85 members in 2001, 99 members in 2002), and also the effective start of the IFAP DCC.

The added value of the partnership with the agri-agencies lies in the combination of the direct steering role of FO's from developing countries, with the experience of agri-agencies in implementation of development programmes, and with their mobilisation and campaigning through their constituencies in the North.

#### **AgriCord**

AgriCord was set up early 2002, after a 5-year period of gestation. Members of AgriCord started contacting each other and exchanging experiences in 1997. First meetings took place in Arnhem (Netherlands) and in Oslo (Norway). They were initiated by Agriterra and by NorgesVel, the Norwegian NGO for development linked to the Norges Bondelaget (Norwegian Farmers Association).

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<sup>3</sup> List of members of IFAP in appendice 6.

<sup>4</sup> See appendice 2, "Establishment of IFAP's new Development Cooperation Committee", Summary Report of the 135th Session of the Executive Committee of IFAP, Paris, November 2000.

<sup>5</sup> See appendice 7, presentation of the International Federation of Agricultural Producers.

Twelve agri-agencies are actually involved in the process, 10 of them have signed a letter of intent to constitute AgriCord. AgriCord is in the process of registration as a non-profit organisation according to the Belgian law, formally to be concluded in October 2002 with the nomination of a president, two vice-presidents, and a Board of Directors by the General Assembly, and with the nomination of a managing director by the Board of Directors.

At the same time, agri-agencies started a process for enhanced co-operation and specialisation within their ongoing programmes. The participating agri-agencies already support more than 200 farmers' and rural people's organisations, and activities in a large number of developing countries. Members of AgriCord support very similar programmes with the same target group of farmers' and rural people's organisations in the South. Within each agri-agency, the yearly reports, audited accounts and external evaluations are produced and submitted to the respective governments and institutions<sup>6</sup>.

Members of AgriCord manage budgets averaging between € 1,5 million and € 5 million per organisation, on a yearly basis. They have operational staff and infrastructure.

Most agri-agencies have been created more than 30 or 40 years ago. Agriterra is an exception, but builds on the history and experience of its "predecessor"-organisations. All agri-agencies have a track record of co-financing with their own governments as well as with international institutions over the last 5 to 10 years or more.

### **Funding of IFAP**

Over the years, IFAP itself has been financed by the voluntary contributions of its members, the farmer organisations. IFAP operates as a "network" organisation, with a minimum of central staff, and a maximum of activities taken up by member organisations and their staff. Total income for 2001 was € 0,869 million, subscriptions by members representing 90% of total income. Total expenditure for 2001 was € 0,826 million, with salaries and related expenses representing 65% of total expenditure.

Above this, IFAP mediates for development assistance to farmers' organisations in developing countries. In 2001, such funding has been mobilised through ACIDI (Canada), Agriterra (Netherlands), SCC (Sweden), FAO, World Bank and Danida (Denmark). Total of support mobilised ranges between € 0,5 million and € 1,5 million per year. For the start of IFAP DCC, and for its future development programmes, support has already been and will further be mobilised from IFAP members from industrialised countries, from the agri-agencies, from national governments in industrialised countries, and from specialised and international donors.

### **Involvement of FO's from industrialised countries**

Farmers' organisations from industrialised countries explicitly supported the setup of IFAP DCC<sup>7</sup>. Since 2001, financial support for IFAP DCC co-ordination work is provided by the farmers' organisations from Belgium (Boerenbond), the Netherlands (LTO/Agriterra), Denmark (Danish Agricultural Council), Iceland (Baendasamtök Islands), Norway (Norges Bondelaget) and Sweden (LRF). The IFAP Executive Committee has explicitly endorsed the DCC policy, as did e.g. the Trade Committee of IFAP.

Recent IFAP documents (speeches, statements, position papers<sup>8</sup>) indicate that the motivation of FO's from industrialised countries has different aspects:

- as social organisations, they are convinced of that civil society, and democracy, all over the world needs broad-based organisations, representing major stakeholders in society;
- as farmers' and rural people's organisations, they feel directly concerned with hunger and poverty in the world, and they want to assume their part of the responsibility;

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<sup>6</sup> AgriCord is currently establishing a list of such documents (reports, accounts, evaluations) available within each agri-agency.

<sup>7</sup> See the comments of members of the Executive Committee on the establishment of the DCC, appendice 2.

<sup>8</sup> The letter of IFAP to Heads of State at the FAO World Food Summit, Five Years Later, is a good example. See <http://www.ifap.org/news/openletter.html>.

- in a context of globalisation and conflicting interests on issues such as agricultural trade, they realize that farmers should defend common interests, understand different positions, and develop new ideas and strategies. But they also realize that FO's from developing countries must be strengthened and enabled to participate in this process.

### **Agri-agencies and their constituencies**

A clear indication of the involvement of FO's from industrialised countries are the activities and the growing role of their agri-agencies, not only with respect to programmes in developing countries, but also for their capacity to raise awareness and to mobilise support within the farmers' organisations and the general public in the North.

Most of the agri-agencies even have a broader constituency in the North than the farmers' organisations alone: Agriterra, IVA, AFDI, Norges Vel, SCC and others are mandated by broad-based organisations of rural people, rural women, rural youth... and/or they are mandated by co-operatives and other farmer controlled economic initiatives (NCR in the Netherlands, AVEVE in Belgium, "Groupe des Céréalières" in France, JA Zenchu in Japan, consumer cooperatives in Sweden...). The latter part of the constituency of the agri-agencies is of course a strong element in the approach for this programme.

## **2.2. Development strategy**

### **Civil society, stakeholder involvement and development**

IFAP DCC strongly believe that genuine stakeholder involvement, and especially the participation of representative farmers' organisations, is essential for development. Globalisation has given rise to a series of both opportunities and to serious challenges for the agricultural sector, and in particular for small and medium-scale producers. Farmers need market opportunities, fair prices, a more level playing field in international trade, markets that function fairly and competitively, etc. Stronger farmers' organisations are necessary to advocate these issues, and to create such opportunities<sup>9</sup>.

### **Core strategy**

IFAP DCC's mandate and mission is about strengthening FO's in developing countries. The composition of the DCC itself, and its governance (office holders, see 3.1) as such reflect the core strategy of the DCC: a dynamic partnership between FO's South and agri-agencies.

### **Objectives and expectations of FO's South**

More than 70 farmers' organisations from developing countries participated in regional DCC meetings for Africa (Cairo, Egypt, January 2001), Latin America (San José, Costa Rica, July 2001) and Asia (Tokyo, Japan, September 2001)<sup>10</sup>. The objectives of the DCC translate their conviction that they have a key role to play in development, as major stakeholders and especially as representatives of resource-poor farmers. In particular, FO's in developing countries indicated that they expect to become stronger actors in the following areas:

- they want to provide better services (input supply, training and extension services, credit, marketing of agricultural products...) to their members, and especially to resource-poor farmers;
- they want to play a significant role in civil society (nationally and internationally), defending the interests of farmers and rural members;

<sup>9</sup> Opening address by G. Doornbos, President of IFAP, DCC Regional Meeting for Asia, Tokyo, November 2001.

<sup>10</sup> The list of farmers' organisations, participants in the 2001 DCC regional meetings in Cairo (Egypt), San Jose (Costa Rica) and Tokyo (Japan), is in appendice 4.

- they want to develop economic activities in support of their members.

Progress in each of these, very different but complementary issues, will have an impact on the living conditions of farmers and of the rural areas, will improve food and livelihood security, and will contribute to poverty reduction.

### **Priorities as formulated by FO's South**

Priorities for the IFAP DCC were fixed by farmers' organisations participating in the 2001 meetings of the regional DCC meetings. In terms of their own capacity building, they decided to focus on the following issues:

1. Capacity and resources to organize farmer-to-farmer exchanges on technology of farming, biotechnology, development alternatives, quality of produce, success stories of farmers.
2. Capacity to lobby national governments and international institutions on food security, on production methods, on new marketing possibilities, on agricultural policy issues.
3. Capacity to develop and manage trade operations and other income generating activities.
4. Capacity to use information technology in all its applications - organization, management, accountancy, human resources.
5. Capacity to follow-up and monitor agricultural markets of specific commodities - prices, trading, quality standards.
6. Dynamic organizational development, federation building, profiling, membership and organizational strengthening, staff training.

IFAP DCC activities are developed within this mandate.

### **Impact of the strategy on the position of FO's South**

IFAP DCC allows for a stronger position for FO's South:

- Within IFAP DCC, FO's South have put forward their priorities for development work. On specific issues such as "profiling of organisations" and "trade capacity", a process of reflection and exchanges on strengths and weaknesses has started.
- It is also clear that the IFAP DCC has opened the door to the IFAP network for farmers' organisations from developing countries. They also participate in meetings of Commodity Group meetings (Grains and Oilseeds, Sugar, Tropical Commodities, Dairy Products, Meats and Feeds) and meetings of the Standing Committees on Agricultural Cooperatives, on Women in Agriculture, on Young Farmers. The fact that a significant number of representatives from FO's from developing countries has been elected for office during the last General Conference in Cairo (May 2002), is an indication of this impact.
- A growing number of FO's from industrialised countries, and a growing number of agri-agencies, have shown interest in IFAP DCC activities. After one year of mobilisation, 12 agri-agencies were concerned, of which 10 have confirmed their intention to intensify their co-operation and activities within the IFAP-DCC. This means increased opportunities for FO's South to see their priorities and their needs taken up.
- The "return" of their participation and stronger position within the IFAP, for individual FO's South is seen (by these FO's South) in terms of access to information through direct contacts, better mutual understanding through direct contacts within the platform, participation in policy debates and positions, improved negotiating position in each own country, and learning from experience of colleagues and from external inputs. The "hot" issues, mainly linked to trade, are at the forefront of most policy debates. But an increasing number of FO's from developing countries are working on strategies for their own strengthening, and addressing the IFAP DCC and the agri-agencies with their particular project ideas.

## 2.3. Dynamics of relations with stakeholders in the South and in the North

### Increasing participation of FO's South

FO's from developing countries can either become full members of IFAP, or direct members of the Development Co-operation Committee. Full members pay a formula subscription rate<sup>11</sup>, they are automatically members of the IFAP DCC. Direct members of the DCC only pay a flat fee annual contribution of \$ 200. They can take part in all IFAP activities, except voting on matters regarding the budget of the organisation and standing for office in IFAP.

As a result, IFAP DCC regional meetings in 2001 have been successful. The 2002 DCC meeting was global, and had also a significant participation from industrialised countries. Regional meetings in 2003 will be held in Mali, Sri Lanka and Peru.

IFAP DCC's members can be "any organisation or combination of organisations recognised by the Federation as substantially and nationally representative of the agricultural primary producers within a country". Regional organisations within a country can become member if substantially representative for the primary producers in that region. Result is that IFAP DCC mainly works with organisations on the regional and national level.

### Consolidation of the participation of agri-agencies

The IFAP DCC can rely on its partnership with the AgriCord alliance of agri-agencies. The essential role of this partnership has already been detailed. It is relevant that, over a period of 2 years, a growing number of agri-agencies participated in the process, resulting in the start of AgriCord end of January 2002.

For AgriCord, the trade capacity programme will constitute its first development programme. The preparation has mainly been the work of IVA and Agriterra. We indicated that programme implementation by AgriCord will follow the rules and procedures of one of its members, Agriterra, for obvious reasons of management quality, and for transparency and accountability towards the funding institutions in this programme.

At the same time, the experience within this programme creates the opportunity for AgriCord-members to consolidate their existing strategies, working methods and procedures, in accordance with the AgriCord 'Letter of Intent', signed in January 2002.

### How this is put to work within the IFAP DCC?

The IFAP DCC operates as the main orientating body of activities implemented by agri-agencies, where priorities are set and updated. Effective participation of farmers' organisations is crucial, and exchanges between representatives from different countries will certainly enrich the debate. Beyond the necessary direct human contacts during meetings, and beyond communication via e-mail and mailing lists (the "campo-l" list for Latin American farmers organisations is operational since June 2001), IFAP DCC will increasingly rely on internet-based exchanges.

Within AgriCord, the agri-agencies have asked Agriterra to develop this communication tool and working method in the PeasantsWorldwide website<sup>12</sup> ([www.peasantsworldwide.net](http://www.peasantsworldwide.net)). The "AgriTeam" section of

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<sup>11</sup> Membership fee calculation is based upon the country's GDP. Members from industrialised countries pay fees ranging between approx. € 14.000 (Spain) and € 115.000 (USA). The full fee for Uganda is € 4.425, and for Nicaragua € 3.285.

<sup>12</sup> "PeasantsWorldwide" has been introduced by Agriterra "a meeting place on the internet exclusively for Rural People's Organisations". The site is operational. Other sections (than AgriTeam) allow for looking up data on experts (AgriPool), reports (AgriStudies), events (AgriTime), news (AgriNews), organisations (AgriUnion) and

this website is of particular interest for IFAP DCC's trade development programme: it has been developed at the demand of the regional producers' union WLTO (Netherlands). Through AgriTeam, producers and organisations can find the counterparts they need for their business. An English version will soon be operational, and will be followed by versions in Spanish, French and German. This website includes dynamic links with websites of individual farmers' organisations and agri-agencies, and with the IFAP website ([www.ifap.org](http://www.ifap.org)).

### **Involvement of other stakeholders**

IFAP offers interesting opportunities for lobbying, through its active policy of linking to international organisations and institutions:

- United Nations. IFAP has General Consultative Status with the Economic and Social Council of the United Nations.
- OECD. IFAP has regular consultations with OECD, and agreed upon follow-up of specific issues of common interest through the DCC and the DAC (Development Assistance Committee) of OECD. Constituent session of the new DCC (November 2000, Paris) was linked to a first DCC-DAC consultation, jointly chaired for DAC by J.C. Faure and for DCC by K. Vaerdal. It was agreed to prepare a work program for cooperation between DAC and IFAP, to exchange invitations to each other meetings, and to meet every two years for a special Consultation meeting in Paris.
- WTO. During the last 12 months, direct contacts have taken place (IFAP President and Secretary General, WTO Director General), IFAP participated in the 2001 High-Level Symposium on Trade and Environment, WTO Director for Agriculture and Commodities addressed the IFAP General Conference on the Doha Round Negotiating Agenda.

In § 4.2. we give details on the relations and involvement with a series of other stakeholders, which are of direct relevance for this trade capacity building programme.

On other issues, not directly linked to trade, IFAP has similar working relations with FAO, IFAD, the Popular Coalition to Eradicate Hunger and Poverty, GFAR and ISNAR, and the World Bank<sup>13</sup>.

## **2.4. Focus on demand and innovative capacity**

### **Agenda setting and involvement of FO's South**

It is clear that FO's South are in a position to control the DCC. Having formulated the above-listed priorities, the challenge for the IFAP DCC was and is to be the place where valuable experiences can be shared, new activities can be discussed, and new alliances can be build, among farmers' organisations and with agri-agencies.

The agenda of the 2001 and 2002 meetings, the startup period, has been set by the chair, vice-chairs and co-ordinator. It allowed for discussion on the following issues:

- Results of the Profiling of Asian Farmers' Organisations;
- Technology transfer in a Peasant-to-Peasant Programme;
- Information on the PeasantsWorldwide databases and on Profiling of Organisations;
- Trade Capacity for Development: the case of farmers' organisations from developing countries.

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others. Farmers' and Rural People's Organisations can create their own website in a space provided by PeasantsWorldwide with their own personalized address.

<sup>13</sup> Rondot, Pierre, and Marie-Hélène Collion, 2001. "Agricultural Producer Organisations. Their Contribution to Rural Capacity Building and Poverty Reduction" – Report of an IFAP & World Bank Seminar Washington DC, June 28-30, 1999, at the World Bank, Washington.

Agenda-setting in the future will be decided upon by all participants during DCC meetings, and will focus on organisational strengthening, on relations with agri-agencies and other stakeholders, on exchanges of experiences, etc.

### **Opportunities for effective lobbying**

During the IFAP DCC meetings of 2001 and 2002, FO's South had the opportunity for direct discussion and confrontation with the representatives of international institutions and organisations such as (a.o.) FAO, World Bank, IFAD, ISNAR, OECD, ACWW (Association of Country Women of the World), WTO. Two specific issues were raised during the last meeting in Cairo (May 2002):

- With representatives of the World Bank, a special meeting was organised with African FO's and agri-agencies from France and Belgium, on smallholder contract farming.
- With the President of IFAP, West African FO's and agri-agencies from France, the Netherlands and Belgium had a working session on the cotton market.

### **Regular meetings are a must**

Participation of farmers' organisations in the first DCC meetings of 2001 and 2002 has been effective, in terms of both numbers of participants and in terms of outcome. DCC meetings are combined with the IFAP General Assembly every two years (2002, 2004, 2006), but are held at regional level in the years in-between (2001, 2003, 2005).

### **Value added by the agri-agencies**

The agri-agencies can add value to the IFAP DCC through their networking with economic and commercial partners, with governments, and with their own constituencies.

- AgriCord members have already shown their capacity to establish and to facilitate links between FO's South and economic partners in the North. AFDI mobilised potatoe growers in France to assist Western African farmers on production, transport and packaging issues. IVA (Belgium) has mobilised technical assistance and funding from AVEVE (Boerenbond-controlled agri-business) to support UNFFE (Uganda National Farmers Federation) in retailing of agricultural inputs. DGRV (Germany) supports extensive training programmes involving German financial institutions. Agriterra and IVA have successfully established a commercial link between quinine-growers in Congo D.R. and a Swiss processing and trading company.
- Bilateral aid programmes generally involve government bodies. Participation of farmers' organisations and focus on farmers' issues can be strengthened. IDACA (Japan) works with FUPRO (Benin) to examine the JICA programmes in Benin, and to obtain a stronger participation of farmers and their organisations in bilateral (Benin/Japan) agricultural development programmes, especially dealing with cotton.
- Agri-agencies have a mandate from civil society organisations within their own country, who are represented in their ruling bodies (general assembly, advisory board...). The continuous and direct feedback on the activities, the problems, the successes... of FO's in developing countries is an important factor for the mobilisation of public and political support. Especially in the present context of rural and agricultural policy reform in industrialised countries, this direct involvement of the farmers' and rural people's organisations seems of particular interest.

## **2.5. Public support**

The potential of the agri-agencies for mobilisation of public support and awareness, through their own constituencies of broad-based or grassroots farmers' and rural people's organisations, is real.

Basic fact is that every agri-agency has ongoing programmes and activities to inform and to mobilise support either for specific projects or partners in the South, or for broader issues such as food security or fair trade. The fact is also that the agri-agencies only recently started to realise their huge potential for mobilisation. However, the first results are encouraging.

We particularly stress the fact that members of AgriCord are generally supported by a general public in rural areas, not so much by the well informed and already highly motivated people.

- In 2001, IVA (Belgium) had more than 5000 participants in evening meetings on topics related to developing countries and food security.
- Norges Vel and SCC (agri-agencies from Norway and Sweden) were the initiators of an exchange programme in Nicaragua, involving farmers' and rural people's organisations. In 2000, Agriterra (Netherlands) established connections between 42 sections of Dutch rural people's organisations with a partner abroad. The deployment of approximately 60 experts from Dutch organisations and the long-term collaboration between the organisations, that evolves from this, ensure a fresh approach to the stimulation of awareness in the Netherlands.
- In France, AFDI can count on 18 regional groups of volunteers, most of them being active members of the local (département, région) farmers' union. Each of these regional groups develops its own programme of "farmer-to-farmer" exchange with farmers' organisations from Benin, Burkina Faso, Mali, Senegal and Madagascar.
- Within AgriCord, members already started exchanges on common activities. AFDI, Agriterra and IVA are working on a common programme for awareness raising on agricultural policies and on co-operation between farmers from the South with their European colleagues. Target group of this programme will be farmers and rural people in Europe.
- In June 2002, UPA-DI (Québec, Canada) published a special issue of its largely distributed "Semences de Solidarité", on NEPAD and the future of African agriculture, including contributions of different IFAP DCC members and partners, such as CNCR (Sénégal), IVA (Belgium).

### 3. Internal organisation of the applicant

#### 3.1. General organisational aspects

##### IFAP DCC's status and office holders

IFAP DCC is a permanent committee of the IFAP. Chair and vice-chair of IFAP DCC hold office for periods of 2 years, with a balanced representation of FO's North and South, as well as agri-agencies. Only farmer representatives can serve as the Chair of the DCC. Elected for 2002-2004 are:

- Chair: Caroline Trapp, president of LRF, the Swedish Farmers Union
- Vice-chair: Philip Kiriro, chairman of KNFU, Kenya National Farmers Union
- Vice-chair: Kees Blokland, director of Agriterra (Netherlands).

Not elected, but mandated by IFAP<sup>14</sup> and by the agri-agencies is the Co-ordinator of the DCC, Ignace Coussement, head of IVA (Belgium).

##### IFAP DCC and AgriCord within a "network" organisation

The IFAP as a whole is a non profit organisation, according to the French law (Association Sans But Lucratif, loi de 1921), published in the "Journal Officiel de la République Française" of 18<sup>th</sup> June 1985<sup>15</sup>. with a secretariate based in Paris. IFAP is governed by a General Members Conference (every 2 years) and an Executive Committee (every 6 months). The General Conference elects the President, the Executive Committee and other office holders. The General Conference also nominates the Secretary General, the chief executive officer. Each country has one vote. It is important to mention that IFAP operates as a network organisation: staff at level of the Secretariate is kept minimal, but the level of mobilisation of individual members for the work of the organisation is very high. Following the same approach, IFAP counts on its partnership with the agri-agencies to implement its development co-operation activities.

##### Agri-agencies in charge of programme implementation

IFAP DCC's partnership with agri-agences provides has been specifically set up to allow for implementation of development activities via these agencies. Implementation will be ruled by programme agreements between IFAP and AGRICORD, specifying

- the steering role of the farmers' organisations, members of the IFAP DCC
- the objectives, expected outputs and activities of the programme
- the operation of a specific account for all transactions related to the programme
- the standards and obligations with respect to reporting and justification of expenditure.

##### Key responsibilities

For this particular programme, IFAP DCC has set the overall framework of objectives, strategies and approach. IFAP DCC will be the steering body: it will monitor and evaluate progress.

The implementation of the programme is entrusted to the agri-agencies within AgriCord. The AgriCord co-ordinator is the programme director. He contracts, for implementation of the activities, the following participants:

1. Farmers' unions in developing countries (on project basis)

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<sup>14</sup> IFAP mandate to the Co-ordinator: see appendice 2 (mandate as DCC Co-ordinator), and appendice 13 (mandate for this programme).

<sup>15</sup> Original text of publication in the Official Journal is in appendice 14.

2. CTAs<sup>16</sup> (on consultancy basis)
3. Special CTAs on trade or trade negotiation (on consultancy basis)
4. Liaison officers from agri-agencies (on project and or consultancy basis)
5. Specialised institutes (on project an or consultancy basis).

### 3.2. Efficiency and effectiveness

#### Build upon existing experience

The existing activities of agri-agencies confirm their capacity to effectively respond to the needs and demands of FO's South. Their strategies of farmer-to-farmer work, networking and linking similar organisations... do mobilise a growing number of FO's South, looking for effective support. But the challenge, in terms of numbers of farmers, of organisations, of cooperatives... in developing countries all over the world, is enormous. The agri-agencies, acting on their own, will be too small to realize economies of scale that will enable them to cope with this challenge and with the expectations of major back donors<sup>17</sup>.

For this programme, AgriCord will "play safe" by adopting the internal policies, rules and procedures of Agriterra. AgriCord will benefit from and build upon the experience of one agri-agency.

Programme management is entrusted to the AgriCord managing director.

Specific training sessions will be organised whenever necessary. Agri-agencies as IDACA, Agriterra, DGRV, AFDI, FERT... organise specific trainings for permanent staff members from FO' South, focusing on organisational interests rather than individual skills. Specific training sessions for CTA's have already been organised by Agriterra in 2001 and 2002.

#### A real potential for improved co-ordination

It is felt that further coordination of working procedures will be quite a challenge for all staff (agri-agencies, FO's) involved. However, it is clear and accepted by all agri-agencies that further coordination between agri-agencies will ultimately benefit our partners in the South: less differences between donor procedures make project management easier. Networking and co-ordination among agri-agencies allows for specialisation, for economies of scale, for broadening the public support base, for improvement of partnership choices, etc.

All agri-agencies have a proven record of years of work with FO's in developing countries. Within AgriCord, they have similar management cultures and internal organisation structures, which facilitates exchanges and co-operation.

This process of co-ordinated improvement of working procedures, specialisation with respect to countries and regions in the South, specialisation with respect to themes, has started in 2001 through

- increased regular contacts between liaison officers working with partners in the same countries or regions (e.g. UPA-DI, Agriterra and IVA for Central Africa, DGRV and IVA for Vietnam, AFDI and Agriterra for West Africa);
- discussion among AgriCord members on future thematic complementarity: some agri-agencies focus on training (IDACA and DGRV for co-operative issues), others on farmer-to-farmer exchanges (AFDI, Agriterra), on farmer-controlled economic initiatives (IVA, FERT, Agriterra), on professionalisation of farmers (UPA-DI), etc.;

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<sup>16</sup> The CTA, Chief Technical Advisor, is a senior expert, employed by or with duties in a farmers' organisation in the South, who can only exercise his/her functions in a direct relation with one of the agri-agencies after the concerning FO has given a mandate to the CTA and to the agri-agency to engage in a direct relation. CTA's are contracted by and report to the programme director, in close co-operation with the liaison officers of the agri-agencies concerned.

<sup>17</sup> This is one of the arguments formulated in the AgriCord "letter of intent", see appendice 10.

- building on each others experience for improvement of internal working procedures, tools and skills: UPA-DI has improved its website based upon the work done by Agriterra, models of contracts and internal documents have been exchanged between several agri-agencies;
- adaptation of existing studies and background material to support awareness raising in other countries: AFDI has further developed a series of presentations initially prepared by IVA; these (Powerpoint) presentations use the same figures and examples, but are translated and adapted to the specific background of farmers and other rural target groups in Belgium and in France; the following subjects have been commonly developed:
  - o “farmers and the world sugar market, Everything But Arms”;
  - o “the cashew story of Mozambique”;
  - o “EU export subsidies and the meat market”;
  - o “staple food, farmers and the world market”.

### **3.3. Monitoring, evaluation and quality management**

#### **Approval and management of trade projects**

The programme will enable a number of FO's South to implement their trade project.

Individual proposals are submitted by the FO South to the programme director directly or via one of the agri-agencies, member of AgriCord. FO South, agri-agency and programme director consult to clarify and to document the proposal. They can consult third parties and involve specialised institutions such ECDPM, CTA, or other stakeholders mentioned in 2.3. They also formulate a proposal for project monitoring.

Project proposals are approved upon decision by the Board of Directors of AgriCord.

After approval, the programme director contracts the FO South and agri-agency. They agree on project management responsibilities and on the involvement of CTA(s), liaison officer(s) from agri-agencies and participation from specialised institutions.

The contract stipulates content, timing and other requirements for monitoring, reporting and evaluation of the project. Within AgriCord, the agri-agencies will agree upon a coordinated procedure and standard contract, based upon procedures (and contracts) already operational within Agriterra.

#### **Profiling of producers' organisations**

In its 2001 regional meetings, IFAP DCC has attached extensive importance to the “profiling” of producer organisations, an exercise developed by Agriterra and AsiaDHRRA, a Philippine based NGO, and already implemented by Agriterra and by IVA. In this programme, focusing on capacity building of organisations, this profiling is seen as an essential monitoring tool or instrument. It

- generates a reliable and updated individual profile of the producer organisation covering specific organisational data;
- identifies the issues, problems and needs of these farmers' organisations in pursuing their vision and goals for the organisation itself and society in general
- draws conclusions for improvement
- publishes some basic information on the organisation on the internet.

The profiling exercise<sup>18</sup> offers a method and instruments to the organisation's directors and staff in order to work on future improvement of its performance. It also facilitates the screening of organisations, and can be used to support project demands from the organisation.

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<sup>18</sup> “IFAP DCC Profiling of Producers: <http://www.agriterra.org/documenten/nr8.pdf> .

The profiling operation is based upon data gathered concerning contact information, a basic organisational description, and an inventory of organisational needs. The organisational description covers the basic attributes, processes and setup of the organisation, including: its history, aims, strategies, programs and services, organisational structure and leadership, membership size, membership description, resources, systems and procedures, linkages.

### **Procedures**

Agriterra's "Guidelines"<sup>19</sup> gives detailed description of procedures for each step of the project management cycle: identification, formulation, appraisal, implementation, monitoring and evaluation. The document is the result of intensive methodological work within Agriterra, and reflects the inputs of several experienced liaison officers. It takes into account specific characteristics of farmers' organisations and integrates results of profiling. Responsibility of follow-up will be assigned to one officer within staff of participating agency. A common procedure of reporting, monitoring, justification of expenditure... will be followed, this will be the procedure actually practiced by Agriterra. Specific training for each of the staff members (FO's South, agri-agencies) concerned will be made possible by Agriterra.

### **Policy development backing and evaluation**

In trade capacity processes, farmers' organisations are one of the stakeholders among others, like governments, private traders, other professional organisations, etc. Success and failure of trade activities and of the "learning by doing" capacity building will largely depend on the links to other stakeholders and their role in the same processes. These aspects have been stressed recently by ECDPM work on capacity building for trade issues. The programme will include regular involvement of ECDPM staff in order to evaluate general approaches of the programme.

### **3.4. Financial management structure**

The Agriterra financial management structure, that will be adopted by AgriCord, is based on the following principles:

- Budgeting follows the zero account budgetting principle and the internally developed Service Oriented Method for Budgetting and Planning (SomPlan) <http://www.agriterra.org/documenten/nr3.pdf> ); accounting is based on the fund accounting principle. A quarterly statement of losses and profits and balance are produced. The yearly balance and statement is published.
- Due to the SomPlan method, all project activities can therefore be monitored both financially (by the financial department) as in quantity (by account managers).
- All financial commitments and reports are seen by officials on three positions, i.e. the liaison officer who prepares the commitment proposal; the controller who checks the proposal both as far as procedures are concerned, and with regards to financial framework set by board or management; and the manager who authorizes the payment.
- Procedures, accounts and results are annually audited by a well-known accountant (Deloitte & Touche).
- The financial management procedures are an integral part of the Agriterra guidelines for project management.

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<sup>19</sup> The document "Agriterra Handboek Procedures" will be translated into English, French and Spanish before November 2002. The instruments of the profiling exercise (guide to scanning of people's organisations, interview guide, session guide for group discussion, are available in 4 languages.

- Instructions, procedures, instruments of the guidelines are available for liaison officers through Internet, as well as (results of) the activities are increasingly made available on Internet. This makes their use in the alliance of agri-agencies easy and logical.

## 4. Grant proposals

### 4.1. Justification of the grant proposal

#### Stakeholders in trade processes

Strengthening the capacities of developing countries in trade and international negotiations has been widely recognized as a priority for the coming years. However, a successful trade policy process within a developing country requires an inclusion of all relevant actors within civil society<sup>20</sup>. Not only government and its ministries, the business sector, the NGO-community... are to be involved, but also farmers' organisations are directly concerned.

The programme aims at strengthening the role of farmers' organisations within civil society. Farmers' organisations are key stakeholders for trade in most developing countries. They can act at different levels: they can support their members via market information or via market prospection, they can take economic initiatives themselves, on behalf of their members, for processing and for trading agricultural produce, or they can advocate the interests of farmers nationally and internationally.

#### The programme involves the relevant actors

Directly (through trade related activities) and indirectly (through the participation of stronger actors or stakeholders within civil society), the programme's aim is to contribute to poverty reduction and to livelihood security of smallholder farmers.

FO's from the North are clearly involved, as initiators of the agri-agencies but also as partners in programme implementation.

IFAP DCC as such, and through this programme in particular, creates an international network allowing FO's South to advocate the case of their farmers in the North.

The partnership with the agri-agencies facilitates this process. Their networking within AgriCord creates room for specialisation, and this must benefit their specific target group, the farmers' and rural people's organisations in the South.

#### Trade: policy issues

Farmers' organisations from the South themselves do realise that a huge gap exists between the expectations (of their members, of their governments, of international organisations...) and their actual resources. They simply do not have the means to play the role they are expected to play<sup>21</sup>. Farmers' organisations very often are young, they lack organisational skills, but they clearly want to face the challenge. This was a major conclusion of last year's IFAP DCC meetings. Trade capacity building is a priority.

On the issue of trade policy and international trade, the last General Conference of IFAP allowed for some interesting developments:

- a keynote contribution by R. Monteymayor, Free Farmers Federation (FFF) and FFF Co-operatives (FFFCI), Philippines, on "Issues and Concerns of Developing Countries in the Ongoing Agricultural Trade Negotiations";
- the Trade Committee re-opened a debate on trade policy, and gave the floor to the IFAP DCC on the issue of strengthening FO's from developing countries; the Trade Committee also supported the idea of activating a specific commodity group on tropical products;

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<sup>20</sup> H.B. Solignac Lecomte, "Building Capacity to Trade: A Road Map for Development Partners", ECDPM Discussion Paper No. 33, July 2001.

<sup>21</sup> Report of the Development Cooperation Committee (DCC) meeting in Cairo, May 2002 (see annex 5).

- IFAP Chairman Doornbos, Trade Committee Chairman B. Friesen (Canada) and IFAP Secretary General D. King reported on their 2001-2002 discussions with WTO-top in Geneva, on the Doha meeting, and on other trade relevant meetings;
- a background note on the possibilities of the AoA for Farmers' Organisations from Developing Countries, prepared by the Dutch-based Consortium on Food Security, Sustainable Agriculture and Trade, was made available to developing country participants;
- a contribution by L. Cord of the World Bank, largely discussed by participants, on "Strengthening Participation of Farmers' Organisations in Poverty Reduction Strategies";
- in the "Dairy Commodity Group" a contribution from Canadian FO's on "Market Access or Market Protection, which is the way forward for developing countries?"
- the IFAP DCC initiated an internal discussion on trade capacity, via a keynote contribution of ECDPM<sup>22</sup> (K. Van Hove).

Participants from developing countries took every possible opportunity during this conference to voice their positions, mainly focusing on agriculture and trade policy issues, either in the plenary meetings (discussions on NEPAD, questions to WTO representative and discussions on recent policy changes in US, new Farm Bill, and EU, CAP review, and their impact on developing countries), in Committee meetings, or in specially organised meetings on topics such as the recent problems in the cotton market. It is obvious that farmers' organisations from developing countries need the resources allowing them to participate in such debates, to prepare and to document their positions. This is the first part of the justification of this programme. Projects such as enabling a continued dialogue and market monitoring on cotton in West Africa, or the production of background notes specifically aiming at the subjects of interest and positions of farmers' organisations, have already shown their usefulness. The production of a similar background document for the next WTO Ministerial in 2003 is proposed. ACIDI/CIDA (Canada) recently granted cofinancing to AgriCord-member UPA-DI for trade policy-related training for farm leaders from West Africa; other agri-agencies have been invited to participate.

### **Trade: commercial issues**

Another part of the justification deals with the commercial aspects of agricultural trade. Farmers in developing countries are definitely looking for new market opportunities and for stronger positions within commodity chains. They expect their organisations to play an active role.

Direct links between professional organisations from the South and the North, but also between organisations from the South, have an interesting potential to explore new opportunities, to examine conditions and product specifications, to learn from each others practices and to mobilise relevant networks. An inventory of existing commercial initiatives, supported by members of AgriCord, and involving one or several members of IFAP, will be updated in September 2002.

We expect a further increase in demands from FO's South, since pressure from producers is real. IFAP DCC wants to mobilise the different agri-agencies and their networks within their respective countries, as well as their combined strength towards international institutions. It is important that more trade experience is being accumulated and shared by FO's, and that more FO's can start playing the role they are expected to play: support the commercial interests of their members.

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<sup>22</sup> "Capacity Building for Trade", presentation by K. Van Hove of ECDPM at the 35th World Farmers Congress – IFAP, Cairo 25 May '02, including comments on a checklist for trade capacity building.

## 4.2. Targets and resources

### 4.2.1. Operational goals and expected outputs

Over a period of 4 years, the programme will allow FO's South to initiate 48 "learning by doing" trade processes (12 each year). Processes can cover most aspects of trade, provided they have an impact in terms of capacity building for the FO and in terms of the interests of small and resource poor farmers.

The intention is to give approx. 50% of IFAP-members the opportunity to engage in such process. The total figure of 48 individual projects is considered as realistic, taking into account the priorities of FO's South as expressed in recent meetings.

The programme will thus be based upon proposals from individual FO's or groups of FO's from developing countries, and can include "pilot" operations as well as (contributions to) full scale trade operations.

FO's, who have identified and presented a proposal, will receive support from the programme management team for further formulation. In general, the programme management team will also support FO's South for the analysis of trade issues and further identification of relevant proposals.

Trade capacity covers a lot of areas. This programme has the ambition to address the critical ones. The examples of projects given below are chosen from recent demands and expectations formulated by FO's South during Regional Committee and DCC meetings in 2001 and 2002.

Each of the expected 48 trade processes will aim at one or several of the following capacities for FO's South:

goal 1: monitor markets and provide relevant and timely market information.

#### Priorities

Access to commercial and market information for specific commodities is an important instrument for farmers. Bargaining power is based upon information. On-line information can be made available and, in specific cases, has shown concrete interest for producers.

But access to information is only one element of a strategy of monitoring of agricultural markets. Producers' organisations from developing countries can join forces with their colleagues from industrialized countries, and monitor specific markets for agricultural products as well as for agricultural inputs (seeds, fertilizer, agro-chemicals).

#### Examples of projects

- Monitoring of the cotton market by FO's from West-Africa in view of recent price drops and policy changes in the North (proposal of FO's West Africa).
- Monitoring of agricultural markets by a network of economists working within FO's South, each being responsible for one product: cocoa by FO in Ivory Coast, cotton by FO in Mali, groundnut by FO in Senegal, red meat by FO in Zambia, etc. (proposal of FO's Africa).
- Analysis and dissemination of information on fertilizer markets and suppliers by FO's from West-Africa (proposal of FO's West Africa, task force proposed by the World Bank)
- Constitution of a data base with ready accessible resource persons within organisations and companies, having excellent knowledge of specific product or market; suggestion for new feature of PeasantsWorldwide (proposal World Bank, demand from CNCR Senegal for fertilizer market, agreement of AVEVE Belgium with 4 resource persons for key agri-business sectors)
- Production of trade related information (mainly trade policy issues) as document or CD-ROM by the Consortium BBO (suggestion of the Consortium).

goal 2: prospect and open new (national, regional, international) markets.

#### Priorities

The aim is to increase the capacity to prospect markets and to open new markets. The latter includes all aspects of commercial transactions (logistics, financial aspects, negotiations with traders...). Specific demands are related to quality requirements (non-tariff barriers).

Generally speaking, the availability of information (via internet, via other sources) is enormous, but selective access and the capacity to use and interpret the information is still a problem for most FO's.

#### Examples of projects

- Export of bio-labeled panela sugar from Venezuela (demand of FO).
- Improvement of the access of FO's South to existing databases and information networks. Selection of information relevant for farmers' organisations, taking into account their fields of interest, their needs and their capacity to work with new information (proposal made by FO's during IFAP's Trade Committee, Cairo, May 2002).
- African farmers' organisations participated in Trade Fairs, such as the Foir Internationale de l'Agriculture & des Ressources Animales (FIARA, Senegal), Hortexa (Uganda), AGF (Netherlands) for the export of African Fruits and Vegetables (Agriterra's ongoing programme).
- linking of FO's South with relevant business partners in the North as well as in the South: within their ongoing programmes, more than 20 projects have been initiated the last 2 years by members of AgriCord. An "overview of commercial activities supported by agri-agencies" will be prepared in the next months.

goal 3: manage farmer-led economic initiatives in trade, processing with trade, finance for trade.

#### Priorities

FO's South have shown increased interest in economic activities, as a strategy to increase prices paid to farmers, marketing conditions for farmers... but also to become self-sustainable as an organisation and to strengthen the financial independence of the organisation. We focus on the management capacities within farmers' cooperatives, and on capacities of FO's to manage agro-business activities.

In such "farmer-led economic initiatives"<sup>23</sup>, which can be private companies controlled and/or initiated by FO's, the interest of the producer is central, but has also to be seen in a longer-term perspective. The scope of activities is broad: FO's South can improve access to inputs and financial services (credit, insurance, savings), they can improve processing and marketing of products, etc.

#### Examples of projects

- Import and retailing of agricultural inputs using existing infrastructures by UNFFE (Uganda).
- Farm service centers (retailing and agricultural extension) and micro-finance institutions operated by regional farmers' organisations in Kagera Region, Arusha Region, Iringa Region, Tanzania.
- Rice marketing by regional cooperatives in the Philippines.
- Congo DR. Collecting and marketing of quinine bark by IFAP DCC member SYDIP, including negotiation with Switzerland based company (started 2000, with support of Agriterra and IVA).

goal 4: develop and promote trade policy issues (advocacy work).

#### Priorities

Recent international negotiations on trade and agriculture, mainly in and around WTO meetings, were followed by donor efforts to increase trade related capacities of developing countries. However, FO's

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<sup>23</sup> Agriterra, "Economische Initiatieven en Coöperatievorming in ontwikkelingslanden", Beleidsnotitie, 2002.

South are rarely involved. They lack capacity to develop and promote policy positions on trade issues (advocacy work) and to lobby their national governments as well as international institutions.

A specific and very important priority area deals with farmers' interests within commodity chains. Smallholder farmers especially are the weakest elements in commodity chains. Increasing their bargaining power in the negotiations with (often monopolistic) buyers, traders as well as processors, is a major task for FO's South. International negotiations and advocacy through international fora and international commodity groups.

#### Examples of projects

- Development and lobbying for farmers' position in national Poverty Reduction Strategy Papers and national positions in the WTO negotiations (on the agenda of IFAP DCC, has been discussed during last General Conference).
- Preparation of farmers' positions on SPS measures and other trade related issues, for the Meeting of SADC - EU Ministers of Agriculture (BBO-Consortium activity and EU-proposal).
- Improvement of the conditions of smallholder contracts with sugar factories (proposal backed up by FO's from Senegal, Benin, Kenya and South Africa, and discussed with ICCO, Cordaid and Agriterra, and with INCOFIN).
- Linking up the agenda's of FO's with international organisations through the partnership agreements of IFAP with UNCTAD<sup>24</sup>, with IFAD and others.
- Trade related capacity building for farm leaders in West Africa (UPA-DI and other agri-agencies with the support of ACIDI/CIDA Canada).

#### Summary of goals and expected outcomes

After 4 years, 48 different trade processes are implemented, directly involving a significant part of the national farmers' organisations in developing countries. These 48 trade processes will cover the different trade areas we have formulated under the 4 goals above, with a minimum of 6 projects for each area.

Indirectly, more farmers' organisations are concerned, either through the support they mobilize from permanent trade programme officers and CTA's, from agri-agencies and from external institutions, or through their participation in trade-related meetings and events.

The involvement and training of permanent staff (12) within FO's South, their networking with farmers' organisations in the North and with trade institutions, opens a realistic perspective for sustainability of trade activities within the FO's South.

Through the farmer-to-farmer exchanges, through the intensive mobilisation of the IFAP platform, and through the facilitation by agri-agencies, the programme will directly involve farmers' and rural people's organisations in most industrialised countries.

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<sup>24</sup> The agreement between the IFAP and the UNCTAD concentrates on the theme of "risk management instruments and finance tools". It aims at credit at lower cost, access to inputs on credit terms, facing the withdrawal of Governments from the provision of inputs, and protection against extreme price volatility, through the use of insurance-type products.

#### 4.2.2. Planning and budgeting

##### I. Trade projects

The cost of the projects or processes ranges from 15.000 up to 100.000 € per year. We have budgeted an average per project of 40.000 € per year, and an average duration of 2 years.

Over the 4 years and for 48 projects, the total amount of funding is € 3,360 million (subtotal I).

##### II. Consultancies, training and networking

Regional trade programme managers (CTA's), members of staff of FO's South, will operate resp. in Asia, Latin America, Africa (West) and Africa (South and East). Their role is to support their colleagues within other FO's through the whole process, from needs assessment up to full implementation. They will operate as staff members of their own organisation, in charge of part of the programme. The budget covers their overall cost (including related administrative costs, local travel, etc.) and costs related to networking, participation in specific training sessions, etc.

Under heading II we also table the budgets for farmer-to-farmer consultancies, for trade promotion & monitoring, for participation in trade-related meetings and networking.

For each "project" or "trade process" a programme/liaison manager within an agri-agency will do the account management. Procedures of project follow-up and management are the procedures of Agriterra. This programme manager will liaise with the regional programme manager. He/she will also promote linkages with partners who are relevant for each trade process (FO's, agri-agencies, agricultural cooperatives, agri-businesses...) in the North.

Other aspects of stakeholder involvement will be covered by specialised institutes, such as ECDPM.

Subtotal II: € 3,907 million.

##### III. Programme co-ordination

The programme co-ordination includes the programme director, and travel and networking costs related to programme direction.

Subtotal III: € 0,610 million.

#### 4.2.3. Contributions

On average, FO's South themselves are required to contribute 25% of the cost of their project.

External funding will rely on the contribution from the Ministry of Foreign Affairs for the first year. This contribution will be reduced by 25% from the 2<sup>nd</sup> year on, and by 50% from the 3<sup>rd</sup> year on. The situation with respect to the other contributions is as follows:

- The effort of promoting the role and the agenda's of the FO's from developing countries within the IFAP DCC has been supported by members of Agricord. Financial support came from Agriterra, SCC, UPA-DI and IVA, and from the farmers' organisations from Belgium, the Netherlands, Sweden, Norway, Denmark and Iceland. They have funded and are still funding the preparatory work for this programme.
- This programme is the first programme to be implemented by the IFAP DCC in its new structure and partnership with the agri-agencies. Agri-agencies operate as individual NGO's, working with a mix of private and public funds. Their yearly overall budgets range between approx. € 1,5 million and € 5 million. The examples of trade projects that were already initiated have been supported in the framework of these existing budgets. Agri-agencies participating in this

programme are required to mobilise additional funding for trade projects, either by supporting FO's to contribute their part, or by directly co-funding AgriCord.

- For a series of specific trade processes, other donors already showed interest: specific support came from. A proposal on "smallholder contract farming" has also been submitted by IFAP DCC to other farmers' organisations, such as the Australian National Farmers Federation (NFF) and the U.K. National Farmers Union (NFU). NFF (Australia) is currently contacting AusAid, and supported this trade capacity development programme within the Trade Committee of IFAP.
- AgriCord had a first contact with the EU Commission, at the level of the Deputy General Director of EuropeAid. AgriCord met with Mrs. Hebberecht, the Head of Unit "Food Security" of EuropeAid on 25<sup>th</sup> May 2002, with a positive outlook on the eligibility of AgriCord and on the priorities of IFAP DCC within EU aid programmes.

Further contacts with these and other organisations and institutions will be taken in order to discuss their eventual participation in this programme. IFAP DCC aims at a substantial contribution by other organisations and donors. Over the 4 year period, a contribution of € 2,311 million is expected, nearly 50% of the € 4,725 million demand submitted to the Ministry of Foreign Affairs of the Netherlands.

#### 4.2.4. Strategies

IFAP DCC's approach has the following understandings:

- (a) it is based upon "learning by doing" processes by and within farmers' organisation: the programme aims at longer-term processes, and mainly relies on development of permanent staff positions within FO's South for the management of these processes;
- (b) it involves international co-operation among farmers' unions, both South-South and South-North: through the IFAP DCC, FO's South cooperate with agri-agencies and, through the agri-agencies, with the FO's from the North and their networks.
- (c) the involvement in concrete trade operations will also lead to a meaningful and stronger participation of farmers' organisations in trade negotiations.

A partnership with the following external specialised institutes will allow for mobilisation of specific know-how and expertise.

- **ECDPM.** The partnership with the European Centre for Development Policy Management<sup>25</sup> for this programme focuses on goal 4 "develop and promote trade policy issues", through
  - (i) practical and policy oriented research and systematization on the substance of international trade negotiations and capacity building for trade
  - (ii) facilitation of dialogue between a wide variety of relevant farmers and non-farmers actors and stakeholders
  - (iii) targeted knowledge and information provision to policy makers, practitioners and a broad variety of non-state actors (farmers) within and beyond the IFAP DCC network
  - (iv) elaboration and application of methodologies for capacity building for trade.

This partnership has been discussed in a recent meeting (Maastricht, July 1<sup>st</sup>, 2002) with ECDPM Director P. Engel and members of the ECDPM Trade Programme Coordination Team (G. Laporte, S. Bilal, K. Van Hove, for IFAP DCC and AgriCord: I. Coussement (IVA) and K. Blokland (Agriterra). Even if ECDPM's aim is to improve relations between the EU and ACP-countries, its partnership with the Overseas Development Institute (ODI) on issues related to ACP-EU trade relations gives an excellent background for this programme.

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<sup>25</sup> See appendice 15 for a presentation of ECDPM.

- **The Consortium on “Food Security, Sustainable Agriculture and Trade”.** Along with other Dutch and Belgian NGO’s (ICCO/SOH, SNV, Vredeseilanden), AgriCord members Agriterra and IVA form a consortium for the strengthening of the agricultural organisations’ lobby on the theme of “Food Security, sustainable agriculture and trade”. BBO (Office for Policy Formulation in Development Co-operation) acts as the executive body for the consortium. Up to now, consortium activities were primarily geared to a series of pilot projects and definition of working methods. BBO produced a background note on developing countries and WTO. This background note has been widely distributed during the last IFAP General Conference in Cairo, and will be made available in French and Spanish.
- **INCOFIN** and its specific expertise in fields such as venture capital and the operation of small agro-businesses<sup>26</sup>. The Belgian Farmers Union Boerenbond is shareholder of INCOFIN. This investment company supports entrepreneurship among small and medium sized enterprises in the southern hemisphere. Incofin facilitates the provision of financial services, management training, advisory service as well as linking up local enterprises with the business community, either national or on international.
- **The Euro-Retailer Produce Working Group (EUREP)** and the EUREPGAP (EUREP Good Agricultural Practice) business-to-business (suppliers and retailers) agreement or protocol. Links already exist via AgriCord-linked farmers’ organisations like Boerenbond (Belgium), and their representatives as “suppliers” in the Steering Committee and in the Technical and Standards Committee of EUREPGAP. It is certainly within reach to mobilise EUREPGAP’s commitment “to assist growers in developing countries and tropical growing conditions in meeting the requirements of EUREPGAP and thereby creating an equal opportunity for these areas, always on the level playing field that is accepted by all participants”.
- **International Commodity Bodies (ICBs)**, but in the first place the Common Fund for Commodities (CFC). The Fund concentrates on commodity development projects, and co-operates with private sector and civil society. IFAP President Doornbos and Secretary General King discussed future cooperation with the CFC in Amsterdam, in April 2002. The Fund’s activities comprise commodity market development, in particular in Least Development Countries (LDCs), including physical market development, enhancement of market infrastructure, facilitation of private sector initiatives and commodity price risk management, commodity trade financing, micro-policy advice on commodity market development. Project proposals within this programme will be submitted to the Fund through the relevant ICB<sup>27</sup>.
- **UNCTAD.** A partnership agreement has been signed between UNCTAD and IFAP as an outcome of the UNCTAD summit “Partners for Development” in 1998. A high level segment on “Preparing farmers for the 21st century or how modern risk management and financing tools can be put to use” was part of the summit. The agreement covers the area of “risk management instruments and finance tools”. It aims at credit at lower cost, access to inputs on credit terms, facing the withdrawal of Governments from the provision of inputs, and protection against extreme price volatility, through the use of insurance-type products.
- **CTA**, Technical Centre for Agricultural and Rural Cooperation ACP/EU . CTA has developed a very well documented internet site “AgriTrade”. CTA’s programmes offer excellent opportunities for training and information dissemination. A first contact for mutual information has taken place in April 2002 between CTA, AgriCord (represented by Agriterra), and ECDPM. During the last meeting of IFAP’s Trade Committee in Cairo, May 2002, FO’s agreed that an enormous amount of information was available at the moment, but that IFAP could try to establish its own “filter” and draw attention of members to information specifically relevant for farmers’ organisations and for the issues currently discussed within the organisation.

<sup>26</sup> Appendice 11 gives a general presentation of INCOFIN.

<sup>27</sup> ICB’s are listed in <http://www.common-fund.org/facts/factsuk.htm>.

- **The World Bank**, together with the International Fertilizer Industry Association (IFA) and FCIB (an Association of Executives in Finance, Credit and International Business) have organized a meeting between producer organisations and fertilizer and seed companies in Paris, March 5-7, 2001. IFAP DCC was asked to set up a working group in order to deal with subjects such as procurement processes, market information and price discovery, legal and regulatory environment, working capital facilities, support for marketing crops, and others. In relation with this particular subject, IFAP has established links with **Croplife International**, and with the International Fertiliser Development Centre (**IFDC**).
- In recent months, regular consultations have taken place between IFAP and the main international institutions (WTO, World Bank, IFAD, FAO, OECD...). The IFAP DCC has the possibility and the support of the IFAP Secretary General to submit project proposals to those institutions that are relevant for each particular project.

4.2.5. Detailed budget: year 1 - 4

#### 4.2.6. Detailed budget: details year 1

Expenditure for year 1 is expected to be evenly distributed over the year.

### **4.3. Sustainability and leverage**

It is clear that the FO's themselves, supported by experts (e.g. CTA's) from FO's, are realizing their projects within this programme. Implementation is their business. The fact that the programme focuses on permanent staff building, on the responsibility and mandate of the FO, and on "learning by doing" processes, gives the best possible guarantee for sustainability.

We also indicated that every participating FO will have the opportunity to define its position among other relevant stakeholders (government, private sector, NGO's...), and that the role/situation of all stakeholders is an essential element for a successful trade process.

IFAP DCC itself, in its annual and regional meetings and through publications and especially through the internet (PeasantsWorldwide), will create the necessary opportunities to feedback and to share lessons learned and best practices with other FO's. Other IFAP Committees, and other fora outside IFAP, will be addressed. This will also broaden the scope of those farmers' organisations that are directly involved.

Agri-agencies will inform their constituencies and the general public about the agenda's and the challenges faces by farmers and their organisations in international agricultural trade.

The very nature of part of the trade projects in this programme is income-generation, for the farmers in the first place, but also for the cooperative or the FO as economic actor. FO's expressed hope that this might contribute to their financial autonomy.

### **4.4. Monitoring, Reporting and Evaluation (MRE)**

#### **Critical issues**

The following elements are considered as being critical for the success of the programme:

- The capacity of FO's South to translate their trade intentions into real operations, and the capacity of the programme management to facilitate project identification and formulation.
- The availability of human resources suitable for the jobs, willing to work with farmers' organisations.
- Readiness of FO's South to look into its own strengths and weaknesses, through a profiling exercise.
- The capacity and the willingness to adopt internet-based networking and communication methods, and to use the potential of the PeasantsWorldwide website.

#### **Policy dialogue**

The most indicated moment and place for a policy dialogue between all parties involved (FO's, agri-agencies, DGIS, other donors, external resource persons and experts, evaluators...) are the 3 regional and the global DCC meetings (every 2 years). The agenda of these meetings will be prepared accordingly.

The dialogue will focus on

- progress in projects and translation into networking on (best or other) practices;
- effectiveness of programme strategies;
- impact of the programme in terms of capacity building and in terms of improvement of livelihood security of farmers.

**Reports**

Progress reports will be produced for individual trade projects, covering the pure trade aspects as well as the capacity improvement of the farmers' organisation involved.

The programme director will produce annual reports and "lessons learned", based upon the overall outcome of projects in the programme.

## **5. List of appendices (separate file)**

1. Constitution of the International Federation of Agricultural Producers, IFAP.
2. Establishment of IFAP's new Development Cooperation Committee, Report 135th Session of the IFAP Executive Committee, Paris, November 2000.
3. List of agri-agencies, members of AgriCord.
4. Participants 2001 DCC regional meetings in Cairo (Egypt), San Jose (Costa Rica) and Tokyo (Japan)
5. Report meeting Development Cooperation Committee (DCC) of IFAP, Cairo, May 2002.
6. IFAP, List of Members, May 2002.
7. IFAP, General Presentation Brochure, May 2002.
8. AGRICORD vision and mission, presentation brochure.
9. BBO, "Agriculture in Developing Countries and WTO", Background Note with Special Focus on the Possibilities of the Agreement on Agriculture for Farmers' Organisations in Developing Countries, Prepared by the Consortium of Food Security, Sustainable Agriculture and Trade for the IFAP DCC, May 2002.
10. Letter of intent, AgriCord.
11. General Presentation of Incofin.
12. World Bank, "Summary of a Meeting between Producer Organizations and Fertilizer and Seed Companies", Paris, March 5-7, 2001, prepared by M.-H. Collion and P. Rondot (appendice 12)
13. IFAP mandate to I. Coussement, Co-ordinator of the Development Cooperation Committee (DCC)
14. Official text IFAP registration French Official Journal.
15. General Presentation of ECDPM.