



**PREPARING FARMER  
GROUPS TO ENGAGE  
SUCCESSFULLY  
WITH MARKETS**

**A field guide for  
five key skill sets**

*July 2007*

# **PREPARING FARMER GROUPS TO ENGAGE SUCCESSFULLY WITH MARKETS**

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*July 2007*



**A product of the CRS and RII-CIAT Agroenterprise Study Tour Group**

**Catholic Relief Services, Baltimore, USA**

**The Rural Innovation Institute, CIAT, Cali, Colombia**

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# INTRODUCTION

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## Why this field guide?

The question that prompted preparation of this guide is:

***What are the required skill sets that poor farmers need to engage successfully with markets, and what is the best way for them to acquire these skill sets?***

The field guide aims to provide pointers for program managers and field staff on how to foster several skill sets crucial for preparing groups of poor farmers who are at a very early stage of engaging in markets and who aspire to successful agroenterprise development.

The transition from semi-subsistence to commercial agriculture is difficult and risky for poor farmers. To succeed, they require new skills and knowledge, such as, how to: do book keeping, find market information, carry out

market analysis, manage savings, experiment with new technology and even develop new products. While skills alone are no guarantee of success, poor farmers benefit from using the skills described in this guide when they are taking their first steps in the transition to managing their farms as a business. The five key skill sets considered in this field guide include:

- Group organization and management;
- Internal saving and lending;
- Experimentation and innovation (knowing how to access and apply new technology);
- Basic market skills; and
- Sustainable production (including improved natural resource management).

A brief rationale for the focus on these particular skill sets is provided later in this document. More extensive background can be found in the CRS and RII-CIAT working paper entitled, *The Organization and Development of Farmer Groups for Agroenterprise: Conclusions from a CRS and RII-CIAT Study Tour in Asia, Africa and Latin America* (CRS/PQSD, 2007).

Reaching the poorest in large numbers means forming farmer groups among the poor for several reasons:

- Groups can help lower support costs per farmer, and the poorest farmers are seldom organized appropriately to make the shift to producing for the market without considerable support
- Successful market engagement by poor farmers will depend on their capacity to organize collective marketing and improve their bargaining power
- To have an impact on reducing poverty, very large numbers of groups of poor people have to participate

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## Who is this field guide for?

The field guide is written for facilitators and community leaders working in poor rural communities who want some practical advice on strengthening the five skill sets among poor farmers aspiring to engage successfully with markets.

## How was this field guide prepared?

### *Need for a new approach*

In 2002, Catholic Relief Services (CRS) and the Rural Innovation Institute (RII) at the *Centro Internacional de Agricultura Tropical* (CIAT) formed an Agroenterprise Learning Alliance. The purpose of the Learning Alliance is to strengthen both organizations' capacity to advance and refine approaches to agroenterprise development. Today, 35 CRS Country Programs across three continents (Africa, Latin America and Asia) are participating in the Learning Alliance and are using agroenterprise as a component of their relief-to-development efforts. The Learning Alliance identified the need for a new approach to improve the capacity of the poorest farmers to link effectively to markets and to sustain and manage these linkages in the long term.

### *Organization of a study tour*

To address this need, the Learning Alliance organized a Study Tour in 2005 that visited five different types of farmer groups in Uganda, Bolivia and India to improve understanding of the formation and development of groups linking poor producers to markets. The Study Tour team of eight scientists and technical advisors drawn from both organizations reviewed literature on five different approaches to farmer group formation and visited successful examples of each. Their aim was to look for common elements in farmer groups that are successfully achieving their goals.

Approaches to forming farmer groups that were visited included:

- Farmer Field Schools (FFS)<sup>1</sup>
- Producer or agribusiness groups<sup>2</sup>
- Self-help groups for internal savings and lending
- Watershed management groups
- Farmer research committees (CIALs)<sup>3</sup>

### *Finding five skill sets*

From their visits to farmer groups, the Study Tour team observed that independently of the country, the cultural setting or the original purpose for forming their group, poor farmers who wanted to increase their incomes were proactively trying to acquire one or more of five skill sets (shown in Box 1). Over 70 percent of groups interviewed by the Study Tour had three or four of the five skills sets, although none had all five.

Regardless of their original purpose, all groups were struggling to acquire the skill sets they were lacking, often without the knowledge of their



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facilitators. For example, some that started as self-help groups (with savings and lending) were trying to learn how to do marketing as well as technology experimentation and innovation. Other groups that started as field schools or research committees had subsequently learnt how to do internal savings and lending, and were linking to markets. In many cases, farmers commented on the difficulty of making progress from their original purpose such as savings (self-help group) or experimenting with technology (farmer research committee) into market engagement, unless they had acquired several other skill sets.

Even though all groups were receiving external assistance in developing or strengthening at least one skill set in a formal way, *no one group was receiving facilitation in all five skill sets*. Although there is nothing new about any one of the skill sets on its own, the novel insight from the Study Tour was the discovery of a demand from farmer groups for all five skill sets *in combination*.

The Study Tour team concluded that the ***five essential skill sets combined will effectively contribute to successful and sustainable market engagement by the poor***.

This field guide was drafted by the team during a “write shop” in 2006 where all the findings from the Study Tour were analyzed and the conclusions and lessons for future work were drawn up. After revision, this version is being shared so that the ideas can be tested and evaluated in practice.

## How the guide is organized

As noted in the introduction, the **five key skill sets** are:

- Group management skills
- Internal savings and lending (ISL)<sup>4</sup> skills
- Innovation and experimentation skills
- Basic market skills

- Sustainable production skills, including natural resource management

These are not the only skills required for enterprise development. But for the very poor, they represent “five first steps” that can be acquired through organizing in a group and that will help prepare the group for enterprise development.

The first part of the guide is a detailed description of each skill set in four parts:

1. A brief definition of the skill set and its importance for agroenterprise development
2. A series of tips for facilitators on how to develop or strengthen the skill set with a farmer group
3. Indicators for tracking progress of a group in achieving the skill set
4. Resources for additional information on each skill set

At the end of the guide, tools can be found for:

- Identifying some basic characteristics of existing farmer groups in an area prior to working on the five skill sets
- Assessing the extent to which a group has any of the five skill sets

## How to use this guide

The advice given in this guide is not written in stone. We are still learning about enterprise development with the very poor. For this reason, it is important that users of this guide experiment with and adapt its suggestions to their own circumstances. We encourage users of the guide to document their experiences, especially any adaptations developed, describing the context and the reason(s) why the adaptation was needed, and how the adaptation performed. These experiences can be shared through the CRS and RII-CIAT Agroenterprise Learning Alliance.

# THE FIVE SKILL SETS

## *Combining skill sets*

The key to this approach for strengthening capacity of poor farmers for market engagement is the combination of the five skill sets. Each set strengthens a specific capability that complements and reinforces one or more of the other skill sets. For example:

- Group management skills are strengthened when a farmer group does internal savings and lending, or when the group learns together in a farmer field school.
- Once a group learns to analyze market opportunities they often feel the need to learn experimentation and innovation skills because they need to improve some aspect of their production or post-harvest technology in order to compete in the market.
- Planning how to meet market demand often stimulates farmer groups to tackle aspects of sustainable production because they need better pest or disease control, soil fertility or irrigation.

## *Flexibility*

A flexible approach to forming and using the five skill sets is important because a farmer group may have strengths and weaknesses in different areas. Some groups may need strengthening in one or two skill sets; some groups may be starting from scratch; and yet other groups may have elements of several skill sets but not be strong in any one.

There does not seem to be any obvious sequence in which the skill sets need to be acquired—except for the fact that the group needs to have the basic skills for self-management and decision making before they can effectively take on the other skill sets. But so long as they are able to organize and manage themselves effectively, the order in which they obtain the other skills can be quite flexible. For the very poor, the starting point for formation of these skill sets—whether they start with market

engagement or sustainable production, for example—seems to be less important than encouraging the group to understand how and why the skill sets are complimentary. With this understanding in place, a farmer group is in a position to take advantage of flexible facilitation that encourages a pro-active effort by the group to add skill sets according to their own felt needs and priorities.

## **Skill Set #1: Group Management Skills**



### *Description and importance*

*What are the skills necessary for managing a functional group?*

A functional group ready for agroenterprise is one that has basic capabilities and procedures for internal democratic management. These include knowing how to develop a shared vision, define common objectives, build mutual trust and responsibility, resolve conflict and sustain learning. The development of these skills builds solid groups.

*Why are functional groups important for agroenterprise?*

Many poor people find it difficult to engage successfully in markets. The barriers poor people face in markets include lack of financial and physical assets, lack of access to key information and services, lack of negotiating power and

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competitiveness due to the production of very small volumes of low-quality products, and a lack of self-confidence. They also often lack a “voice” or equity in interactions with other market actors.

*Functional groups* have to be inclusive and democratically managed in order to help poor people to overcome these barriers to market entry. A common vision of collective marketing can enable the poor to supply the minimum volume required by buyers who reach a wider consumer base. Membership in a group can enable the weak and powerless to access services collectively which are denied to them as individuals. Overall, groups can harness the strengths of each individual by sharing responsibilities and allowing specialization to occur. Finally, *functional groups* may be an effective way for poor people to increase their self-confidence, manage conflicts and to advocate for themselves in the community, in the market and at political levels.

### **Tips for facilitators**

➤ *Promote participatory group formation*

Help group members to develop a shared vision for the group that includes both long- and short-term benefits. The newer the group or the poorer the members, the more immediate and tangible the benefits need to be.

Reduce group time commitment and promote efficiency by promoting objectives that are simple and are few in number. This is especially important for the poorer group members who will require more of their time for other livelihood activities.

**Do not** impose outsiders’ ideas of what is good for the group, remember you are a facilitator.



➤ *Encourage a group to develop its own management capacity*

Promote basic planning skills within the group. Groups should learn to define specific objectives and create a detailed plan to reach them within a given time frame.

➤ *Emphasize and develop record keeping skills*

The group will need at least a few members with basic literacy skills to maintain written records. At the same time, promote a record-keeping system (memory based) in which all group members, regardless of literacy, can participate. This will help promote transparency and accountability.



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➤ *Build participatory monitoring and evaluation into all group activities*

A shared vision helps a group to track progress towards collective goals. This also allows the group to hold its members, leaders and facilitator accountable for their obligations to the group in a timely fashion.

➤ *Encourage the group to share all learning broadly among its members*

This helps to minimize dependence on the facilitator as well as on those group members who hold more power in the local community.

**Do not** interact with only a selective few of the group members and ignore the rest. Be inclusive.

**Do not** skip internal monitoring and evaluation—detect problems early before they get out of hand. Be proactive in problem solving.

➤ *Establish order and trust within the group*

Develop internal rules and sanctions for rule-breakers. Ensure that the procedure for resolving internal conflict is locally acceptable.

➤ *Focus on building trust among group members*

Trust among group members is as important as trust between the group members and their facilitator. This requires that all group members and the facilitator meet their obligations, provide mutual support to one another, are faithful to the group's internal rules, adhere to the group's planned activities or change planned activities in a transparent way.

**Do not** ignore hidden agendas of group members. Create a democratic environment.

### ***Tracking progress in group management skills***

A group needs time to make progress in forming group management skills. Box 1 summarizes six characteristics of group management to look for in a functional group.

#### **Box 1. Group management**

##### **A functional farmer group:**

- Has a shared vision
- Has mutual trust
- Is capable of resolving internal conflicts
- Sustains and shares learning internally
- Has democratic management and the capability to follow its own internal rules
- Is inclusive

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### *Resources for strengthening group management skills*

**Using participatory learning methods.** 1997. Rome: FAO. <http://www.fao.org/DOCREP/003/T1965E/t1965e02.htm#Chapter%203:%20Using%20participatory%20learning%20methods>

**Group formation.** 1997. Rome: FAO.  
<http://www.fao.org/DOCREP/003/T1965E/t1965e03.htm#Chapter%201:%20Group%20formation>

Narayan, D. 2002. **Empowerment and poverty reduction. A sourcebook.** World Bank. This Sourcebook gives 20 Tools and Practices, which concentrate on a wide-range of topics to encourage the empowerment of the poor from poor people's enterprises, information and communication technologies to diagnostic tools including corruption surveys and citizen report cards. [http://publications.worldbank.org/e-commerce/catalog/product?item\\_id=1256877](http://publications.worldbank.org/e-commerce/catalog/product?item_id=1256877)

**Preparing for income generation.** 1997. Rome: FAO. <http://www.fao.org/DOCREP/003/T1965E/t1965e03.htm#Step%201:%20Preparing%20for%20income%20generation>

**What is a small farmer group association?** 2001. Rome: FAO. [http://www.fao.org/DOCREP/003/X9121E/x9121e04.htm#P0\\_0](http://www.fao.org/DOCREP/003/X9121E/x9121e04.htm#P0_0)

**Farmer groups for food production.** This guide explains the advantages farmers can gain by using small group approaches. <http://www.rdfs.net/oldsite/en/News/Farmergroups-e.htm>

J. Cook and G. Thomas (eds.). 1997. **The Group Promoter's Resource Book.** Rome: FAO. <http://www.fao.org/DOCREP/003/T1965E/T1965E00.HTM>

**Appreciative enquiry for community development.** <http://www.iisd.org/ai/>

**Social Analysis Sourcebook.** World Bank. PDF version in several languages. <http://lnweb18.worldbank.org/ESSD/sdvtex.nsf/61ByDocName/SocialAnalysisattheProjectLevelSocialAnalysisSourcebook>

The Intergroup Resource Book. **A Guide to Building Small Farmer Group Associations and Networks.** 2001. Rome: FAO. In English, Spanish and French. <http://www.fao.org/DOCREP/003/X9121E/X9121E00.HTM>

**Small Group Communication.** <http://www.abacon.com/commstudies/groups/group.html>

**Small Group teaching.** <http://www.uchsc.edu/CIS/SmGpChkList.html>

**Agency for Agricultural Exchange and Study Tours.** [http://www.ingabo.peasantsworldwide.net/?website\\_id=7165](http://www.ingabo.peasantsworldwide.net/?website_id=7165)

**Skills for Rural Development** (knowledge-sharing). <http://www.skilldevrural.net/login>

Gastil, J. 1997. **Common Problems in Small Group Decision Making.** Rome: FAO.

Westberg, J. and J. Hilliard. 1996. **Fostering Learning in Small Groups: A Practical Guide.** New York: Springer Publishing Company.

**Small Group Communication.** [http://en.wikipedia.org/wiki/Small\\_group](http://en.wikipedia.org/wiki/Small_group)

Feldstein, H. and J. Jiggins. 1994. **Tools for the Field: Methodologies Handbook for Gender Analysis in Agriculture.** Bloomfield, CT: Kumarian Press.

**The group enterprise resource book.** 1995. Rome: FAO.

**Participation in practice.** 1990. Rome: FAO.

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## Skill Set #2: Internal Savings and Lending Skills



### *Description and importance*

*What are internal savings and lending skills?*

This skill set includes the ability to save regularly, to manage these savings so that they are protected, to lend group savings to members of the group at a reasonable interest rate. The group should be able to follow and enforce its own rules so that the savings and lending decisions of the group are transparent to the group as a whole.

*Why is internal savings and lending important for agroenterprise?*

Internal savings and lending skills contribute to agroenterprise development by developing people's capacity to maintain and grow their financial assets in groups. Poor households and poor women in particular generally lack ways to safeguard and grow their financial assets. This intensifies their poverty as well as their vulnerability to risk. Internal savings and lending can help to reverse this in several ways. It can help households to accumulate income by practicing thrift instead of draining it in non-productive ways (such as cigarettes). It can act as a kind of insurance policy against household

emergencies such as sickness, funerals, weddings, school fees, or natural disaster, because members can borrow for immediate needs. At the same time, it supports longer-term investments in productive enterprises.

Internal savings and lending also provides benefits beyond increased savings and income. It teaches group decision making and can lead to group cohesion in times of need. It can also lead to the increased power of group members within the household and the community due to their increased control over financial resources. Participating in internal savings and lending teaches financial management skills which can be applied to agroenterprise activities.

### *Tips for facilitators*

- *Be aware of important resources in internal savings and lending*
- *Promote flexible and voluntary savings*
- *Encourage regular savings*  
Some groups may prefer to save weekly, others monthly.
- *Base the contribution level on the financial ability of the poorest members*  
This will promote participation of the poorest. The group can decide whether all members will contribute the same or differing amounts; as well as whether the contributions will be in cash or in kind.
- *Only group members should determine the specific size, terms, interest rate and use of the loans.*  
**Do not** direct the size or schedule of group savings—these should be decided by the group. Remember, you are a facilitator.

➤ *Promote safe internal lending*

You can ensure group members develop a capacity to govern their lending activities if they follow these pointers:

- Encourage flexible terms on group loans. This will help maximize the chance of successful repayment. Then both the group and individual borrowers avoid the negative consequences of high loan defaults.
- Promote loans that match the needs of the borrowers. In particular, promote smaller loans while a group is just beginning to experiment with lending. Over time, loans may increase as group members gain more experience and if their enterprises grow. This helps to ensure that each member gets what he or she actually needs, with realistic terms for repayment.
- Set interest rates that are low enough to encourage repayment but high enough to grow the group's capital visibly. This will help group members to receive a real return on their savings.
- Make sure every member who needs and is able to repay a loan receives one from the group over time. In other words, promote equitable lending within the group.

**Do not** encourage internal lending when the group has not decided so. Facilitate the decision. Be sure that trust among members and management capacity exists.

**Do not** direct how loans will be used or what groups should charge for interest rates. Facilitate the development of rules for internal lending.

**Do not** direct the size of loans or loan terms. Train group members on how to analyze and evaluate internal loan applications.

➤ *Manage external lending gradually*

Wait until internal lending functions smoothly before encouraging groups to link to



external sources of credit. In particular, ensure that group members have learned financial management skills and have demonstrated healthy group functioning.

Make sure that all group members are clear about the purpose of external lending, how it relates to the group process and their responsibilities for repayment.

**Do not** encourage groups to link to other sources of credit until they have mastered internal use of their group funds. Define criteria to evaluate group readiness for borrowing from external sources.

➤ *Manage transparency and accountability in the group by following these principles:*

- Promote trust and gratification by creating opportunities for members to withdraw all of their savings and their share of the interest accumulated on the loans, elect new

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leaders and change the membership. Do this early on with a new group (within a year from start-up) to renew commitment.

- Create ways of tracking resources that all members can understand. Have group members do their own books or find a trusted local person with bookkeeping skills to do them.
- Have groups hold their own cash in a safe place and create mechanisms for accountability between the holders of the cash, the bookkeepers and the rest of the group.

**Do not** offer to hold or transfer group cash. Facilitate the development of internal rules for cash management.

**Do not** do group bookkeeping. Encourage self sufficiency and look for local support.

### *Tracking group progress in internal savings and lending skills*

Box 2 provides five characteristics of this skill set that you should look for in a group that is successfully managing internal savings and lending.

#### **Box 2. Internal savings and lending**

##### **A farmers group that successfully practices savings and lending:**

- Saves regularly and manages savings so that they are protected
- Grows group funds by lending savings to group members at an interest rate decided upon by the group
- Has an equitable internal lending system
- Manages group funds transparently
- Keeps good records

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### *Resources for internal savings and lending*

**MicroSave.** This website offers practical guidance, research papers, briefing notes, training toolkits and other resources on market-led microfinance. <http://www.microsave.org/>

Siebel, H. 1992. **Self Help Groups as Financial Intermediaries. A Training Manual for Self Help Groups, Banks and NGOs.** CGAP. <http://www.microfinancegateway.org/content/article/detail/1963>

**How to Build Self Help Groups for Successful Banking with the Poor.** 1995. FDC. Draws on the experience of NGO MYRADA in India. <http://www.microfinancegateway.org/content/article/detail/1559>

**A Handbook on Forming Self Help Groups.** 2005. NABARD. <http://www.microfinancegateway.org/content/article/detail/35017>

**Indian School of Micro Finance for Women (International Training Program).** <http://www.schoolofmicrofinance.org/>

Karunakaran, C., G. Jayaraj, T. Venkiteswaran, and R. Nazar. 2005. **Microenterprise development with innovative community and market linkages.** New Jersey: Montclair State University. <http://www.microfinancegateway.org/content/article/detail/27820>

Kabeer, N. and H. Noponen. 2005. **Social and economic impacts of PRADAN's Self Help Group.** Microfinance and Livelihoods Promotion Program. Brighton, UK: The Institute of Development Studies, University of Sussex. Retrieved March 2006. <http://www.microfinancegateway.org/content/article/detail/27899>.

Wilson, K. 2002. **The New Microfinance: An Essay on the Self-Help Group Movement in India.** Journal of Microfinance. 4(2). [http://marriottschool.byu.edu/microfinance/view\\_archive.cfm?id=74&issue=fall02](http://marriottschool.byu.edu/microfinance/view_archive.cfm?id=74&issue=fall02)

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## Skill Set #3: Basic Market Skills



### *Description and importance*

*What are basic market skills?*

Farmer groups with basic market skills have the ability to carry out a rapid appraisal to identify and then prioritize promising market opportunities or customers, to engage in collaborative post-harvest management of product volume and quality, and to sell collectively. In other words, they understand the basic strategy of producing the right product for the right buyer at the right time and price. As these basic market skills develop over time with experience, farmer groups learn to negotiate with customers as well as other actors in the market chain, such as traders or distributors. Agroenterprises build on basic market skills but require farmers—usually in formal associations, cooperatives or federations—to have a sophisticated capacity to manage negotiations with other actors in a commodity or value chain, to plan how, when and where to supply products of a required volume and quality and to ensure members compliance with these standards. Market skills also include understanding

concepts of profit and loss and re-investing profits to expand a business.

*Why are basic market skills important for agroenterprise?*

Basic market skills prepare farmers in small groups to produce effectively for the market by organizing their production (for example, the crop variety, the planting dates, the area to plant, etc.) to satisfy market demand. These skills also help farmers to organize harvest and post-harvest management to collectively present their products with the quality, amounts and timing requested by the buyers. As a result, farmers can improve their sale price, and their cash income. Acquiring basic bargaining skills helps poor farmers to improve their market power, challenge barriers to selling their products and realize higher profits.

### *Tips for facilitators*

- *Identify existing groups that are motivated to enter the market*

Focus on existing grassroots groups interested in increasing their incomes through improving their basic market skills, regardless of the group's original focus. Farmers in many types of groups, such as internal savings and lending groups or watershed management groups, will want to find ways to increase their income through better marketing skills.

- *Start with small, informal groups*

A rule of thumb is less than 25 people: this will support more efficient and effective learning about basic market skills.

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- *Promote participatory learning in planning, monitoring and evaluation of market activities*

Participatory approaches to planning and carrying out a market activity, such as visiting local markets to understand customer preferences, help to develop the group's own capacity to do these activities on their own without the facilitator. Participation should be inclusive of, if not mandatory for, all group members (if the group already exists). Encourage the group members with the most interest in agroenterprise to get involved with the marketing activities.

- *Enable the group to develop skills for participatory monitoring and evaluation of their marketing activities*

Ideally, every member of the group should have a role in evaluations. These should occur after each market cycle to make sure the group learns from experience and develops fresh approaches.

- *Focus on skill development, not just sales*

It is important for the group to work on short-term collective marketing so that its members obtain tangible benefits from developing their basic market skills, but the facilitator should focus on long-term development of the group's market skills rather than just on short-term production and sales by a group. This will better promote sustainable increases in the income of the farmers.

- *Encourage collective marketing of a small number of products*

Encourage the group to choose no more than one or two initial products—ideally ones that they already understand how to produce—through a participatory process of identifying and analyzing market opportunities. Limiting the number of products will minimize initial risk. Over time, expand into new products and new markets.

- *Encourage the group to choose market opportunities appropriate for the poorest households and women*

For example, identify market opportunities that have a low financial barrier to entry.

- *Avoid signing exclusive sales contracts*

It is advisable to avoid promising exclusive sales to any organization—at least initially. This protects the earning power of the group by allowing them to attract the best price without worrying about breaking a contract through side-selling.

**Do not** rush the process—the development of basic market skills takes time. Groups' capacity defines the speed of the process.

**Do not** seek out new products and new markets initially. Start locally and market existing products.

- *Support groups to develop their networking skills*

The group facilitator has a key role to play in helping farmer groups to link up with other service providers that can provide training in, for example, internal savings and lending and business management. However, be clear that this is a temporary form of subsidy.

- *Promote group independence*

The group facilitator should stay out of the marketing process, both directly and indirectly. For example, the facilitator should not assist farmer groups in transport or storage (direct assistance) or recommend farmer groups to enter certain markets (indirect assistance). Never act as the buyer of the group's product.



➤ *Recognize that some groups may fail at marketing*

The group facilitator should allow the failure of some groups to occur so that other groups (and group members) can learn from the experience. It is unwise to subsidize to avoid failure and then involve a group in the potentially more serious consequences of an inadequate marketing strategy in the future. However, do intervene if the proportion of failed groups rises above approximately 30%.

➤ *Only federate farmer groups when they are strong enough*

Federation of farmer groups into second or third order associations has to be a step requested by the smaller groups. Facilitators should be very cautious and patient about taking this step. If not done well, federation can hinder rather than help the small groups succeed in the market.

**Do not** intervene in the marketing process directly or indirectly. Farmers are responsible for taking their own final decisions (what to produce, where and when to sell)

**Do not** encourage dependency on loans or subsidies, especially those directly provided. Subsidies should be a component of an empowering plan, define the beginning and the end of each subsidy.

**Do not** prevent the natural failure of some groups. Groups should be free to fail; failure strengthens the learning and can become an example for others.

### ***Tracking group progress in basic market skills***

Box 3 provides six characteristics of the basic market skill set that you should look for in a farmer group that is on the right track in the early stages of marketing their products.

#### **Box 3. Basic market skills**

##### **Farmer groups have good basic market skills when they can:**

- Identify and analyze profitable market opportunities
- Collectively market their products
- Add value to their products to satisfy customer demand (for example, better market presentation)
- Build a network of market relationships with buyers and suppliers
- Keep records that track their costs, income and profitability
- Adapt production and post-harvest practices to meet market demand

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### *Resources for basic market skills*

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**Producing for the market.** <http://www.fao.org/docrep/008/a0185e/a0185e09.htm#bm9>

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**Questions for market research.** <http://www.fao.org/docrep/007/y4532e/y4532e0b.htm#bm11>

**A consumer questionnaire.** <http://www.fao.org/docrep/007/y4532e/y4532e0b.htm#bm11>

**Creation of Enterprises Through Formation of Entrepreneurs** (CEFE International). In English, Spanish and Portuguese. Learn by doing business management training and methodologies provided by a world-wide network of over 1300 organizations. <http://www.cefe.net/>

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Bhatt, E. 2006. **We are Poor but So Many. The Story of Self-Employed Women in India.** Ahmedabad, India: Self Employed Women's Association (SEWA). [http://www.sewa.org/index\\_files/we\\_are\\_poor\\_but\\_so\\_many.htm](http://www.sewa.org/index_files/we_are_poor_but_so_many.htm)

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## Skill Set #4: Innovation and Experimentation Skills



### *Description and importance*

*What are innovation and experimentation skills?*

Innovation and experimentation skills enable farmers to access, test and adapt new technical options to improve production, processing, marketing and the natural resource base on which productivity depends. For example, a women's group in the Dominican Republic needed a way to store tomatoes before sending them to market. Using experimentation skills, they compared storing tomatoes in a box (the usual storage) with tomatoes wrapped individually in newspaper alone and with the addition of wood ash. Their objective was to see which storage method increased the shelf life of tomatoes without refrigeration judged by the time before spoilage.

*Why are innovation and experimentation important for agroenterprise?*

Environmental, marketing and growing conditions change over time. These can be especially volatile for the poor who tend to be more vulnerable to changing markets, environmental degradation and volatile weather conditions. In a changing environment,

experimentation and innovation enable farmers to adapt to change and thus to manage risk. Experimentation is also important because it helps farmer groups respond to markets by changing or improving what they already produce, as well as their costs of production, and so make a profit more quickly.

### *Tips for facilitators*

- *Allow the farmers to decide the purpose and scope of the innovation*

Work with farmers to develop their visioning and diagnostic skills as a group (see Guidelines for Functional Groups above). The goal of visioning and diagnosis is to identify a problem to solve or an innovation to pursue through experimentation.

- *Encourage experimentation*

Experimentation should be a habit. Encourage farmer groups to search for and test out new ways to improve profitability, competitiveness and sustainable use of natural resources. The group should not wait passively for outsiders to suggest ways to make improvements or only experiment in reaction to a change or crisis in the market.

Encourage experimentation to create market opportunities. Organic production requires special skills and knowledge, experimentation can help develop these skills in the group and with that create a new market opportunity.

**Do not** limit experimentation and innovation only to times of crisis. Be proactive trying to anticipate market changes or trying to take advantage of the existing resources (water, soil and climate)

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➤ *Keep experiments simple*

Simplicity means designing experiments that change only one aspect at a time. The facilitator can assist one group or several groups to compare many similar technologies or practices at the same time but only under the same conditions and management. For example, numerous different varieties might be compared but they all should be managed in the same way. This includes testing them all in the same field and applying the same practices to the whole field.

**Do not** encourage groups to compare only one “best bet” alternative with the current practice or technology—be open to several options that may be suggested by local people as well as by outsiders. Promote consultation by the group with neighbors, local research institutions and other sources of ideas.

**Do not** encourage groups to adopt an untested new practice on a full commercial scale without experimenting with it first on a small scale and then progressively increasing the size of their investment in it. This will enable them to adjust it and fix problems along the way.

➤ *Evaluate experiments and move forward*

Ensure the group keeps track of what is being learnt from experimentation—this will speed up innovation. Promote participatory monitoring and evaluation of the experiment as it is happening so that the learning is captured and shared quickly.

➤ *Have the group test whether an innovation works well in different conditions*

The usefulness of the innovation will be made more evident if the group experiments with it under different conditions. For example, test how an innovation works in different types of fields, processing facilities or forms of transportation.

➤ *Make sure the experimentation includes different points of view*

Help groups realistically judge the success of an experiment by including the points of view of all the people likely to interact with the innovation. For example, include the growers, traders and consumers of a new product in the evaluation.

**Do not** stop experimenting after you have one successful innovation. Encourage the group to take the experience and apply its lessons to new experiments. Experimentation should be part of the group’s development plan.

**Do not** forget the usefulness of the experimental results depends on the cost of implementing it. Teach the group to apply simple cost-benefit analysis to each experiment (see resources below).

➤ *Help groups manage the risk of experimentation*

Do recognize that experimentation itself is risky—it involves investments of time and money that may or may not yield an improvement. Help the group to develop ways to decrease this risk, especially in terms of its consequences for the poorer farmers.

➤ *Learn from past mistakes*

Encourage the group to gather information about the experience of other farmers with similar experiments in order to learn from past mistakes.

➤ *Start small*

Start experimentation on a small scale and then build up progressively to a larger scale in order to minimize the risk of losses.

➤ *Spread the financial risk of experimentation among group members*

One way to do this is to help the group develop an agreement for sharing the labor and cash costs, as well as the losses or profits that may result.

➤ *Find “risk takers”*

Not everyone in a farmer group can afford to devote time or other resources to experimentation. Identify a few farmers that have the desire and resources to take on the role of a “risk taker” to develop specific new technologies, such as seed varieties [see Resources section below]. Ensuring that the “risk takers” always share the results of their experimentation with the whole group is vital.

➤ *Share the results and lessons of experimentation widely*

Ensure that the results of experimentation are shared among all the people who need to know them. Those who “need to know” will vary by the context of the farmer group, the community and the experiment. They may include other farmers, traders, transporters and credit suppliers. Develop a routine with the farmer group for sharing experimental results in the community and with other interested parties (service providers, buyers, government institutions, seed companies, local traders, researchers, etc.)

***Tracking progress in the development of the innovation and experimentation skill set***

Box 4 provides six characteristics you should be able to observe in a farmer group that is successfully developing its skills for innovation and experimentation.

**Box 4. Experimentation and innovation skills**

**Farmer groups with good experimentation and innovation skills:**

- Can experiment using simple comparisons
- Keep a register of important data about the experiments
- Involve other people in the experiment who have knowledge or experience useful for evaluating an innovation
- Create market opportunities rather than simply reacting to them
- Share the results of an experiment among all people who need to know them
- Are proactive in seeking new ideas



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### *Resources for innovation and experimentation skills*

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**Honeybee Innovation Database.** SHRISTI. [http://knownetgrin.honeybee.org/innovation\\_database.asp](http://knownetgrin.honeybee.org/innovation_database.asp)

**Participatory Technology Evaluation Guide.** CIAT. [http://www.ciat.cgiar.org/ipra/pdf/Instructio\(ARV\).pdf](http://www.ciat.cgiar.org/ipra/pdf/Instructio(ARV).pdf)

**CIAL Innovation Database.** [http://www.ciat.cgiar.org/ipra/db\\_cial\\_lista\\_pais.htm](http://www.ciat.cgiar.org/ipra/db_cial_lista_pais.htm)

**Handbooks for Local Agricultural Research Committees.** [http://www.ciat.cgiar.org/ipra/ing/cial\\_primers.htm](http://www.ciat.cgiar.org/ipra/ing/cial_primers.htm)

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## Skill Set #5: Sustainable Production and Natural Resource Management Skills



### *Description and importance*

*What are natural resource management skills?*

Sustainable production and natural resource management skills are the knowledge and skills that enable farmers to sustain the soil, water, fauna and vegetation upon which their agricultural livelihoods depend. Natural resources may be managed individually or collectively. The skills needed to manage natural resources require the understanding that changes in the environment depend on the way natural forces and agricultural practices interact (like soil erosion and grazing for example), as well as on how individuals and communities interact (like water users at the head and tail of an irrigation channel, for example).

*Why is natural resource management important for agroenterprise?*

Often, the natural resources upon which poor farm families depend are degrading. Soil is eroding, its fertility is being exhausted, vegetation is being removed and water tables are dropping. Gains in income via agroenterprise development will be short lived unless the

natural resource base for farm production is protected or improved. Investments in natural resource management are necessary to ensure positive and sustainable enterprise results and poverty alleviation. Since the returns on immediate investments in sustaining natural resources often happen in the future, it is often unattractive for poor farmers to devote scarce resources to natural resource management. At the same time, wise investments in natural resource management can improve the productive potential of the environment. Therefore, teaching the skills for natural resource management together with agroenterprise activities and supporting this with some smart subsidies is very important.

### *Tips for facilitators*

- *Build farmers understanding of the ecosystem*  
Support farmers to acquire a basic understanding of how land, water, plant and animal resources are interlinked using ecosystem concepts (see Resources for natural resources management below).
- *Assist farmers to develop the skills for simple mapping of the landscape that matters for their farming and to maintain an inventory of its natural resources*  
First, ensure that farmer groups identify the landscape, such as a watershed, that matters for the sustainability of their farms (see Resources for natural resources management below). Next, facilitate groups to inventory resources in this area. This increases awareness and enables farmers to track important changes. Support them to carry out simple agro ecosystem analyses that evaluate the nutrients, soil loss and water cycle in the local ecosystem (see simple tracking techniques in Resources for natural resources management below).

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- *Assist farmer groups to develop the skills for understanding how changes in the way natural resources are managed can affect various interest groups inside and outside their communities*

Many solutions to problems of sustainable production and resource degradation require farmers to work together. For example, integrated pest management and reducing pesticide abuse requires coordinated management among neighbors. Reforestation and recuperation of water sources often requires communities in lower and upper watersheds to negotiate and then enforce agreements. So it is important that farmer groups have the skills to assess who is likely to favor or oppose a proposed change in management.

- *Promote broad participation in resource management*

Encourage all farmer groups in the landscape of mutual importance, such as a watershed, to get together and take active roles in planning how to manage natural resources—for example, how to recuperate and protect degraded land or forest. This may involve federating farmer groups so they can work together at the larger scale required by their landscape. Active participation in natural resource inventorying and management should include consideration of the environmental effect of changing land use or adoption of new agricultural technologies that may be occurring as farmers engage in markets.

- *Phase in natural resource management interventions over time rather than all at once*

This will help farmer groups to adapt to new ways of doing things and increase the chances for success.

- *Promote the participation of farmer groups along with other groups in monitoring natural resource management interventions*

Farmer groups need to develop and then apply skills for monitoring and evaluation on a number of fronts.

- *Link resource management to agroenterprise development*

Make sure that farmer groups understand that the planning, monitoring and evaluation of the environmental effect of their farming practices and natural resource management interventions should be an integral part of their agroenterprise development. They need to visualize negative consequences of mining poor soils, running out of raw materials harvested from forests, degradation of grazing lands and loss of water resources as potential threats to the viability of their future income from agroenterprise development. Sustaining income from natural resources is a tangible motivation for communities to preserve and manage them well.

- *Meet minimum standards of environmental management*

Do bring in enough expertise to help groups understand and meet the minimum standards for managing natural resources. In particular:

- Assist communities to ensure that individuals receive fair compensation if they lose land because of community decisions about natural resource management.
- Encourage farmers to avoid the overexploitation of natural resources.

- *Be careful when using subsidies*

Consider providing subsidies only for those natural resource investments with a delayed return. The subsidy may be needed to make the investments attractive to poor farmers.



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Ensure subsidies are not excessive or open-ended in order to discourage dependency.

**Do not** consider a subsidy without ensuring community participation, commitment and contribution. Groups and communities should know the purpose of the subsidy and be ready to assume their responsibility when the subsidy ends.

### *Tracking progress in the development of natural resource management skills*

Box 5 provides four characteristics you should be able to observe in a farmer group that is successfully developing its skills for sustainable production and natural resource management.

#### **Box 5. Sustainable production and natural resource management skills**

##### **Farmer groups have good natural resource management skills when they:**

- Have the capacity to visualize the interconnections between their own farms and the landscape
- Have the capacity to interact and negotiate with other households and communities about natural resource use
- Design and implement effective rehabilitation plans for natural resources
- Have collective rules to efficiently and fairly manage their natural resources. Efficient and fair management of natural resources means to:
  - a. Manage crops to decrease erosion and the loss of soil fertility
  - b. Optimize the capture, use and protection of water sources
  - c. Avoid overexploitation and promote the diversity of flora and fauna

### *Resources for natural resource management skills*

**How to do stakeholder analysis.** 2003. EDAIS (DFID). <http://www.enterprise-impact.org.uk/informationresources/toolbox/stakeholderanalysis.shtml>

**Building Environmental Impact Assessment for Small and Large Enterprises.** 2003. EDAIS (DFID). <http://www.enterprise-impact.org.uk/informationresources/application/EnvironmentalIAGuidelines.shtml>

**Sustainable Agriculture and Rural Development (SARD).** <http://www.fao.org/SARD/en/init/970/1589/index.html>

# TOOLS

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## *Purpose of the tools*

The tools in this section can be used to get started on strengthening the five skill sets with farmer groups. They can be used by field staff to plan this work, or they can be used by farmers, with support of a facilitator, for participatory planning and evaluation. The first tool, “Find out about groups” is designed to help those planning to work with farmer groups to carry out an initial assessment of what groups already exist in an area, their purposes, their membership and their history. The second tool “A five skill set checklist” can be used to assess the skills of existing groups or newly formed groups and can be applied before, during and after interventions to improve the five skill sets.



## **Tool #1 Find out about groups**

In many rural communities, active groups already exist among the poor that have formed for a variety of purposes and that may want to get involved in agroenterprise development. As a first step, it is important to identify these groups and assess their potential by understanding their status, quality and functions. Then you have the information needed for answering the following questions:

- Can existing groups be ‘retrofitted’ to learn those components of the five basic skill sets that they currently lack?
- Do new groups need to be formed?
- Do existing groups need to be encouraged to include more poor people, women or ethnic people?
- Do new groups need to be formed to give poor people a chance of linking to markets?
- Should existing groups with complementary skill sets be merged to form new agroenterprise groups?

This assessment can be guided by the questions outlined in Box 6 that explains what the information is for. Of course, other questions can be added to provide other information that may be important for making these decisions about group formation in a specific situation. The information can be obtained from knowledgeable informants.

**Box 6. Explanation of the tool “Find out about groups”**

Question	Why is this question important?
<p>How many groups are in the community or village and who is a member? What percentage of the households do the groups collectively cover?</p>	<ul style="list-style-type: none"> <li>• If groups already exist, they may include very poor farmers. These groups might be a good platform for including the poor in agroenterprise activities.</li> <li>• If there are no groups in the village, then the field agent may want to begin forming them.</li> </ul>
<p>How many years have these groups been functioning well, what are the trends (are the groups stable, strengthening or declining) and who supported their organization or is currently supporting them?</p>	<ul style="list-style-type: none"> <li>• The age of the group sometimes (not always) indicates the level of organizational maturity and quality of internal and external social capital in that group.</li> <li>• If the groups are mature and of good quality, the field agent may have better success with an agroenterprise activity.</li> <li>• If not, he or she may want to take the time to improve the social organizational aspects of the groups before focusing on agroenterprise activities.</li> <li>• Knowing the origin of the groups and the actual support they are having can help to identify opportunities and/or threats for an agroenterprise process.</li> </ul>
<p>What activities are the groups currently engaged in and which components of the five basic skill sets have they already acquired or are they actively seeking to learn?</p>	<ul style="list-style-type: none"> <li>• Groups may have components of one or more of the five basic skill sets whether or not they are already doing agroenterprise activities. A field agent can build on the existing skill sets.</li> </ul>
<p>What interest do they have in doing agroenterprise activities?</p>	<ul style="list-style-type: none"> <li>• Some individuals and groups may have more interest than others. The field agent should always begin with the most interested people. Agroenterprise is not appropriate for all small producers, or all kinds of groups.</li> </ul>
<p>Are there segments of the rural community that are commonly excluded from social and/or developmental activities (the marginalized and under-served)?</p>	<ul style="list-style-type: none"> <li>• The more vulnerable among the poor are often excluded from groups because they lack the time to participate (they are busy working or migrating); there is discrimination against women or ethnic minorities or lower castes; they lack assets and are seen as high risk by better endowed people; they lack skills; or they lack self-esteem.</li> </ul>

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***“Find out about groups” A diagnostic questionnaire***

**A. Complete these questions yourself:**

1. What is the area to be assessed? \_\_\_\_\_
2. Name of the informant interviewed: \_\_\_\_\_

**B. Obtain the answers to these questions from at least two knowledgeable informants:**

1. How many groups are there in the area? \_\_\_\_\_
2. Are there groups with any of the following as their primary objective:
  - \* Internal savings
  - \* Internal lending
  - \* Credit from outside agencies
  - \* Collective marketing
  - \* Agribusiness
  - \* Seed production
  - \* Sustainable production
  - \* Organic farming
  - \* Irrigation
  - \* Collective management of natural resources (forest, land, grazing, water, etc)
  - \* Other objectives of groups? \_\_\_\_\_\_\_\_\_\_
3. Are any of the existing groups interested in adding new functions or activities?
  - \* Yes: Go to Question 4.
  - \* No
  - \* Don't know
4. What new activities or functions are groups looking for?
  - \* Internal savings
  - \* Internal lending
  - \* Credit from outside agencies
  - \* Collective marketing
  - \* Agribusiness
  - \* Seed production
  - \* Sustainable production
  - \* Organic farming
  - \* Irrigation
  - \* Collective management of natural resources (forest, land, grazing, water, etc.)
  - \* Other (specify): \_\_\_\_\_

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**5. What percentage of households in the area participates in one of more groups?**

- Over 80%
- 50-80%
- Less than 50%
- Don't know

**6. Do any of the groups' membership include:**

- Women only
- Men and women
- Men only
- Ethnic minorities (specify as needed)
- The poorest households in the area

**7. How many years ago were the oldest groups formed?**

- More than 10 years ago
- 5-10 years ago
- 2-4 years ago
- 1 year or less

**8. Is the number of groups in the area:**

- Declining
- Stable
- Increasing

**9. What kinds of organizations are supporting groups in this area? Check any that apply:**

- NGOs
- National government program
- Religious organization
- Local Farmer cooperative
- Watershed organization
- Bank
- Local government program
- Public agricultural research or extension
- National farmer cooperative
- Other: \_\_\_\_\_

Note names of any organizations you may want to contact here:

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*Thank you*

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## Tool # 2 A five skill set checklist

This checklist is based on the points suggested for tracking progress in the development of each skill set (found in the Boxes). The tool is still under development and items on the checklist can be adapted or substituted for by other items that you find more useful. The checklist can be filled in by one or more informants who know the group well. It can also be filled in by the group and the group's facilitator as a tool for self-evaluation. Ideally, both these approaches will be used. The checklist should be completed by more than one informant. Disagreement among informants or between informants and the group about responses should be treated as an opportunity for learning.

This tool can be applied with a group on several occasions over time, depending on how fast the group is evolving and acquiring new skills. However, each group is different and it is important to recognize that several of the skills can take months or even years to develop, while others may develop much more quickly.

Section A of this tool is designed to identify the group so that you can go back to the same group later on and repeat the same tool if desired. The questions also track how the group's definition of its primary activity may be changing over time because this will indicate which skill set may be of emergent or forthcoming importance to the group.

If you want to use a more sophisticated tool that will track the level of any given item on the checklist then use Version B. This enables you to distinguish levels of accomplishment on any given item. The scaled assessment depends on a subjective judgment as to whether an item on the checklist is done effectively or "well." For this reason the checklist should be completed by an informant who is very familiar with this group and other similar groups.

To conduct this assessment **CIRCLE ONE NUMBER** for each item to indicate you consider the skill level is:

**1=Early:** the group does not fully understand how to use this skill and is not able to do it well, even with facilitation

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

**3=Advanced:** the group can do this well but depends on outside facilitation

**4=Fully-developed:** the group can do this well AND independently, without outside facilitation

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*A five skill set checklist*  
*Version A.*

**A. Identification of the group**

1. Name of the group: \_\_\_\_\_

2. Name of the most important organization supporting this group:  
\_\_\_\_\_

3. What types of organization does this group work with to achieve its goals? Check any that apply:

- \* NGOs
- \* Local government program
- \* Religious organization
- \* Local farmer cooperative or similar organization
- \* National farmer cooperative
- \* Bank
- \* Public agricultural research and extension service
- \* Watershed organization
- \* Other: \_\_\_\_\_

4. Number of members: Total \_\_\_\_\_ Women \_\_\_\_\_ Men \_\_\_\_\_

5. Main purpose of the group today? Check one:

- \* Internal savings, or savings and lending
- \* Collective marketing
- \* Technology testing
- \* Collective natural resource management
- \* Other \_\_\_\_\_

6. When did the group form? Year: \_\_\_\_\_

7. Main purpose for which the group originally formed?

- \* Original purpose is the same as its purpose today [**Go to Part B**]
- \* Original purpose is different from its purpose today; **check one:**
  - \* Internal savings, or savings and lending
  - \* Collective marketing
  - \* Technology testing
  - \* Collective natural resource management
  - \* Other \_\_\_\_\_

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## B. Assessment of the five skill sets: CHECK IF YES

### 1. Group management skills: Does the group ...

- Have a vision of its goals shared by all its members
- Demonstrate capacity to resolve internal conflicts
- Support continuous learning for its members
- Make decisions democratically with the participation of all its members
- Follow its own internal rules
- Include a diversity of people who can contribute to the group
- Initiate problem solving without waiting for external support to do so
- Monitor and evaluate its progress towards its goals

### 2. Internal saving and lending skills: Does the group...

- Save regularly
- Manage group savings so that they are protected
- Grow group funds by lending savings to group members
- Charge an interest rate decided upon by the group
- Lend equitably so that all members have an equal chance of getting a loan
- Manage group funds transparently so everyone knows the procedures
- Keep good records

### 3. Basic market skills: Does the group ...

- Identify market opportunities
- Analyze the profitability of market opportunities
- Collectively market their products
- Improve their products to meet customer demand
- Build relationships with buyers
- Build relationships with suppliers
- Keep records about their business
- Adapt production practices so they can respond to market demand
- Adapt post-harvest practices so they can respond to market demand

### 4. Sustainable production and natural resource management skills: Does the group....

- Locate or visualize their own farms in relation to a wider landscape
- Understand how practices on one farm may harm or help neighbors and others located elsewhere
- Monitor the status of at least one vital resource over time
- Negotiate with others about use of natural resources
- Design and implement conservation or rehabilitation plans for natural resources
- Have agreed rules for managing their natural resources
- Enforce these rules



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**5. Experimentation and innovation skills: Does the group...**

- Know how to conduct simple, experimental comparisons between current practice and new technologies
- Start small when trying out an innovation that is risky
- Test the same innovation in different conditions
- Keep a record of important data from their experiments
- Involve knowledgeable people like farmers, consumers or traders in experimenting with new ideas
- Create market opportunities rather than simply reacting to them
- Share the results of experimentation widely
- Proactively seek new ideas
- Monitor and evaluate use of its innovations by members or others

*A five skill set checklist*

*Version B (Scaled)*

**A. Identification of the group**

1. Name of the group: \_\_\_\_\_

2. Name of the most important organization supporting this group:  
\_\_\_\_\_

3. What types of organization does this group work with to achieve its goals? Check any that apply:

- NGOs
- Local government program
- Religious organization
- Local farmer cooperative or similar organization
- National farmer cooperative
- Bank
- Public agricultural research and extension service
- Watershed organization
- Other: \_\_\_\_\_

4. Number of members: Total \_\_\_\_\_ Women \_\_\_\_\_ Men \_\_\_\_\_

5. Main purpose of the group today? Check one:

- Internal savings, or savings and lending
- Collective marketing
- Technology testing
- Collective natural resource management
- Other \_\_\_\_\_

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6. When did the group form? Year: \_\_\_\_\_

7. Main purpose for which the group originally formed?

- \* Original purpose is the same as its purpose today [Go to Part B]
- \* Original purpose is different from its purpose today; **check one:**
  - \* Internal savings, or savings and lending
  - \* Collective marketing
  - \* Technology testing
  - \* Collective natural resource management
  - \* Other \_\_\_\_\_

**B. Scaled assessment of the five skill sets**

This assessment depends on a subjective judgment as to whether an item on the checklist is done effectively or “well.” For this reason the checklist should be completed by an informant who is very familiar with this group and other similar groups.

**CIRCLE ONE NUMBER for each item to indicate you consider the skill level is:**

- 1=Early:** 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
- 2=Intermediate:** the group fully understands how to use the skill but is not yet able to do this well even with facilitation
- 3=Advanced:** the group can do this well but depends on outside facilitation
- 4=Fully developed:** the group can do this well AND independently, without outside facilitation

**CIRCLE ONLY ONE NUMBER FOR EACH QUESTION:**

1 = EARLY	2=INTERMEDIATE	3 = ADVANCED	4 = FULLY DEVELOPED
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**1. Group management skills: Does the group ...**

- Have a vision of its goals shared by all its members .....1 2 3 4
- Demonstrate capacity to resolve internal conflicts .....1 2 3 4
- Support continuous learning for its members .....1 2 3 4
- Make decisions democratically with the participation of all members .....1 2 3 4
- Follow its own internal rules .....1 2 3 4
- Include a diversity of people who can contribute to the group .....1 2 3 4
- Initiate problem solving without waiting for external support .....1 2 3 4
- Monitor and evaluate its progress towards its goals .....1 2 3 4

CIRCLE ONLY ONE NUMBER FOR EACH QUESTION:

1 = EARLY	2=INTERMEDIATE	3 = ADVANCED	4 = FULLY DEVELOPED
-----------	----------------	--------------	---------------------

**2. Internal saving and lending skills: Does the group...**

- Save regularly ..... 1 2 3 4
- Manage group savings so that they are protected ..... 1 2 3 4
- Grow group funds by lending savings to group members ..... 1 2 3 4
- Charge an interest rate decided upon by the group ..... 1 2 3 4
- Lend equitably so that all members have an equal chance of a loan ..... 1 2 3 4
- Manage group funds transparently so everyone knows the procedures ..... 1 2 3 4
- Keep good records ..... 1 2 3 4

**3. Basic market skills: Does the group ...**

- Identify market opportunities ..... 1 2 3 4
- Analyze the profitability of market opportunities ..... 1 2 3 4
- Collectively market their products ..... 1 2 3 4
- Improve their products to meet customer demand ..... 1 2 3 4
- Build relationships with buyers ..... 1 2 3 4
- Build relationships with suppliers ..... 1 2 3 4
- Keep records about their business ..... 1 2 3 4
- Adapt production practices so they can respond to market demand ..... 1 2 3 4
- Adapt post-harvest practices so they can respond to market demand ..... 1 2 3 4

**4. Sustainable production and natural resource management skills: Does the group...**

- Locate or visualize their own farms in relation to a wider landscape ..... 1 2 3 4
- Understand how practices on one farm may harm or help neighbors and others located elsewhere. .... 1 2 3 4
- Monitor the status of at least one vital natural resource over time ..... 1 2 3 4
- Negotiate with others about use of natural resources. .... 1 2 3 4
- Design and implement conservation or rehabilitation plans for natural resources ..... 1 2 3 4
- Have agreed rules for managing their natural resources ..... 1 2 3 4
- Enforce these rules ..... 1 2 3 4

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**5. Experimentation and innovation skills: Does the group...**

Know how to conduct simple, experimental comparisons between current practice and new technologies . . . . .	1	2	3	4
Start small when trying out an innovation that is risky . . . . .	1	2	3	4
Test the same innovation in different conditions . . . . .	1	2	3	4
Keep a record of important data from their experiments. . . . .	1	2	3	4
Involve knowledgeable people like farmers, consumers or traders in experimenting with new ideas . . . . .	1	2	3	4
Create market opportunities rather than simply reacting to them . . . . .	1	2	3	4
Share the results of experimentation widely . . . . .	1	2	3	4
Proactively seek new ideas . . . . .	1	2	3	4
Monitor and evaluate use of its innovations by members or others . . . . .	1	2	3	4

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## Endnotes

- <sup>1</sup> The Farmer Field School (FFS) approach was initially developed in Asia in the late 1980s and early 1990s to train smallholder farmers in integrated pest management using a discovery learning approach. Since then it has been widely used in Asia and Africa to assist farmers in understanding and adopting new production technology. In Africa FFS have taken on marketing functions and have formed networks to assist farmers with marketing. For more information consult <http://www.fao.org/>.
- <sup>2</sup> These groups had been formed using either the CLUSA approach (<http://www.ncba.coop/clusa.cfm>) or the Territorial Approach to Agroenterprise Development (for more information see <http://www.ciat.cgiar.org/>).
- <sup>3</sup> The Farmer Research Committee (known as CIAL, in Spanish) approach was developed to improve the capacity of groups of poor farmers to manage the risk of trying out locally unproven technologies and adapting these to local conditions. It has been widely used by national research programs, NGOs and farmer associations in Latin America. Further information at <http://www.ciat.cgiar.org/>.
- <sup>4</sup> Two models for ISL currently used by CRS include self-help groups (primarily in India) and Savings and Internal Lending Communities (SILC)—primarily used in Africa.



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