

**Governance of Producer Groups: A case study on Horticulture and Livestock  
Project, Ministry of Agriculture, Irrigation and Livestock**

Khulm District, Balkh Province – Afghanistan

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Affectionately Dedicated to

My Beloved

**Parents**

Honest Brothers

And

**My dear Family**

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## ABBREVIATIONS

AHDR	Afghanistan Human Development Report
ANDS	Afghanistan National Development Strategy
ARTF	Afghanistan Reconstruction Trust Fund
CDC	Community Development Council
DDA	District Development Assembly
EC	Executive Committee
FT	Farmer Trainer
FOD	Farmer Organization Development - HLP
FD	Focus District
FA	Facilitating Agency
FO	Farmer Organization
FPs	Facilitating Partners
GDP	Gross Domestic Product
HLP	Horticulture and Livestock Project
HIG	Horticulture Interest Groups
HIH	Hand in Hand – an NGO
ICB	Institutional Capacity Building – HLP
MAIL	Ministry of Agriculture, Irrigation and Livestock – Afghanistan
MRRD	Ministry of Rural Rehabilitation Development –Afghanistan
NLAP	National Literacy Action Plan
NESP	National Education Strategic Plan
NADF	National Agriculture Development Framework
NGOs	Non Government Organizations
NSP	National Solidarity Program
PO	Producer Organization
PG	Producer Group
PDC	Provincial Development Council
SWOT	Strengths, Weaknesses, Opportunities, Threats
VFUs	Veterinary Field Units

## ABSTRACT

The economy of Afghanistan basically revolves around its agricultural base. However, agricultural practices are traditional, rudimentary and often unacceptable, but modern practices are being introduced, accepted and adopted at a reasonable pace and on a significant scale. It is estimated that agriculture provides employment and livelihood for about 80% of the total population, while 75% of the total population lives in rural areas.

In recent years, the rural development facilitating agencies realized that providing services to the rural farmers in group approach is effective and bring future sustainability. Therefore, the concerns of working with existing or forming new producer organizations have become a very popular subject in rural development.

The most common formal structure of producer organizations in Afghanistan are cooperative and associations which distinguished by a formal constitution and the legislation that applies. While, the informal POs which work together in a form of group that is similar to a cooperative or associations, but is not registered and smaller then a cooperative and association.

This research is conducted to find out the governance of the producer groups promoted by the HLP project in Khulm District of Balkh Province. In total five male and five female producer groups were investigated which made 60 respondents (30 male and 30 female). Data have been collected from the key informants and the member of the producer groups through prior checklist and questionnaires.

The key findings of this research are:

- Considering the development characteristics of POs, the HLP producer groups are in early development stages in term of development path, governance and management, and business development.
- HLP initiated the formation of PGs, and during the process of formation the interest of farmers were build up and now most farmers take this as the initiate of both HLP and the farmers themselves. Before HLP form these PGs, HLP realized the existence of cooperative and CDCs in the area but they still preferred to form new PGs. HLP organized farmers who were involved in horticulture (orchard) and livestock (dairy and poultry) into PGs in order to assist them increase their production in quantity and quality.
- The major achievements farmers had in the last two years were: knowledge and skills gained on horticulture and livestock, developed savings box, facilitate small internal loans to the group members, and the female PGs received poultry training and inputs. All these supports have been provided/facilitated through HLP project. Therefore, the PGs more rely on the HLP and during the study it found out that the group do not meet and contribute to the savings box if there is no facilitator from HLP.
- Farmers are still facing many problems in individual farm level and group level. The priority problems reported by farmers were: access to irrigation water, access to market, illiteracy, and access to quality agricultural inputs, technical trainings and pests and disease.

- These PGs still have no legal status; farmers are intended to form cooperative or association. With the support of HLP, farmers are organizing themselves to legalize their organization in order to get maximum benefits from the opportunities they have.
- In general farmers were satisfied from the groups and support received from HLP, but they still cannot meet their objectives and they don't get financial support in order to make profit for the group and the members.

**Key words:**

Producer organizations, formation, functions, achievements, and the future prospects

## CHAPTER ONE

### 1.0 INTRODUCTION

The Islamic Republic of Afghanistan is a land locked country with the area of 652,230 square km located in the south Asia. Afghanistan has border with Pakistan (2,430 km) in south and south east, China (76 km) in the north east, Tajikistan (1,206 km), Uzbekistan (137 km) and Turkmenistan (744 km) in the north and Iran (936 km) in the west. The country has an estimated population of 30 to 30.9 million, and it is estimated that 75% of the total population lives in rural areas with about 50% below the age of 18. Afghanistan is rich in natural resources such as gas, petroleum, coals, and copper; however, due to the longstanding conflict most of the resources have not been utilised (UNESCO-Kabul, 2010-11).

For nearly three decades, Afghanistan has been in a state of conflict, which has destroyed the country's physical and social infrastructures, as well as the loss of human capital and capacity, through death, migration and the lack of access to even basic education. After the toppling of Taliban regime (December, 2001), the government of Afghanistan with the support of international community made significant progress. According to UNESCO-Kabul (2010-11) recently, the government of Afghanistan has developed several key frameworks to address the country's socio-economic challenges, i.e., the Afghan National Development Strategy (ANDS) (2008 – 2013), the National Agriculture Development Framework (NADF) (2009), the National Education Strategic Plan (NESP 11) (2010–2014), Media law, policies in the culture sector, and the National Literacy Action Plan (NLAP) (2010–2014), which provide strategic guidelines and targets for Afghanistan's wider growth and development.

ANDS (2008 – 2013) identified three critical and interdependent areas of activities for the next five years, which consists of 1) security, 2) governance, rules of law and human rights, and 3) economic and social development. These are clear signs of international commitment to the goal of the reconstruction of Afghanistan.

UNESCO-Kabul (2010-11), reported that Afghanistan is one of the fastest growing countries in the region; with an annual population growth rate estimated 2.1%. According to AHDR (2007) Afghanistan is ranked 174 out of 178 countries and has made inroads into achieving some of its key development goals. In 2001, Afghanistan had an average per capita GDP estimated at less than US \$200, and was one of the poorest counties in the world. According to World Bank, gross domestic product (GDP) has risen from less than US\$6 billion in 2001 to US\$8.4 billion in 2006 GDP per capita has increased from USD\$683 in 2002 to US\$964 in 2005. While GDP growth is now 9% per annum, inflation has been contained by responsible monetary policies and by the introduction of a new currency, which has retained its stability during the past four years.

One of the cross-cutting issues hampering the progress of Afghanistan is gender disparity. Gender equality is at the heart of achieving Afghanistan's MDGs. The Convention on All forms of Discrimination against Women (CEDAW) has been legally in force in Afghanistan since 2003 (AHDR, 2007). The government of Afghanistan also provides a framework for mainstreaming gender intervention in all sectors address the position of women in society, their socio-economic empowerment, and access to education and other development opportunities (ANDS, 2008-2013).

## **1.1 Agriculture Sector – Afghanistan**

Agriculture forms the largest sector of Afghanistan's economy, contributing an estimated 53% of gross domestic product (GDP) and providing employment and livelihood for about 80% of the population. Within the sector, horticulture and livestock industries play a key role (USAID, 2006). The arable agricultural resource based is about 7.5 million ha. Of cultivable land, which is divided into rain fed and irrigated land; the rain fed area is estimated at about 4 million ha. which is largely undertaken in Northern provinces, while the actual cultivated in a given year varies considerably depending upon the climatic factors such as precipitation and the area left to fallow (Miller 2006).

Rebuilding Afghanistan's Agriculture Sector (2007 p.3) reported that "approximately 70% of Afghanistan's agriculture sector is made up of women, particularly in the livestock and horticulture sector. Women are a large contributor to the country's poverty, and to improve this situation it is suggested that gender-specific programs be implemented. Programs would be aimed training women on marketing livestock and horticulture products, which in turn allows them to better control their income".

Decades of war and civil conflict, have left Afghanistan's agriculture sector in ruins. Since 2002, economy of Afghanistan has improved significantly with the assistance of international community, as well as dramatic improvements in agricultural production and the ends of the four-year drought in most parts of the country (Elsevier 2005).

## **1.2 Horticulture and Livestock Project (HLP)**

In order to expedite the fast release of funds required for the rehabilitation of the agricultural sector and to implement the projects with minimum delay, some projects, including the Horticulture and Livestock Project (HLP), were designed as "emergency" projects. This status that provided them with an excuse to forego some considerations normally associated with participatory approaches to rural development.

The Horticulture and Livestock Project (HLP) is one of the largest development projects of the Ministry of Agriculture, Irrigation and Livestock (MAIL) in Afghanistan under the umbrella of its National Agriculture Development Framework (NADF). This project started its operation in the year 2006 with the financial support of World Bank and the Afghanistan Reconstruction Trust Fund (ARTF). The project aims to stimulate marketable output of perennial horticulture and livestock in focus areas by improving the incentives framework for private investments and by strengthening institutional capacity in agriculture. The project is designed as the first stage in a program that will unfold over the coming decade to support the horticulture and livestock sub-sectors nationwide.

HLP has two major components which are perennial horticulture crops and livestock. The project areas for the first phase are 11 provinces (7 in the north and 4 in the centre regions) of Afghanistan. During the World Bank's Mid Term Review (2008), it emerged that given the nature of the project interventions, wide geographical spread of the project interventions, limited capacity of the MAIL, and the adopted project implementation modalities, the project's visibility

and impact were likely to be slow to develop and might remain somewhat diffused. Therefore, it was agreed that one district should be identified in each of the eleven provinces covered by HLP, known as Focus Districts (see table 1), in which the formation and mobilization of farmer groups will be undertaken and their needs would be addressed more comprehensively and intensively with synergy with allied projects (MAIL,HLP Protocol 2011).

**Table 1.1** HLP Project Areas – Focus District, FOD PG Mobilization Programs

HLP Focus Districts Central region			Producer Groups Mobilized			HLP Focus Districts Northern region			Producer Groups Mobilized		
	Province	District	Male	Female	Total		Province	District	Male	Female	Total
1	Kabul	Mir Bacha Kot	75	68	143	5	Baghlan	Pul-e-Khumri	0	0	0
2	Kapisa	Mahmod Raqi	24	16	40	6	Samangan	Ayback	49	40	89
3	Panjsher	Bazarak	25	25	50	7	Balkh	Khulm	75	65	140
4	Parwan	Sheikh Ali	50	40	90	8	Jawzjan	Sheberghan	48	42	90
						9	Sar-e-Pul	Sozma Qala	25	15	40
						10	Kunduz	Imam Sahib	0	0	0
						11	Takhar	Farkhar	50	50	100
<b>Grand Total</b>			<b>174</b>	<b>149</b>	<b>323</b>				<b>247</b>	<b>212</b>	<b>459</b>

**Adapted:** HLP Focus Districts and PG's Mobilization Program - 2011

### 1.3 Cooperatives/Associations

The agriculture cooperative movement in Afghanistan first started in 1955 with the program support of UN-FAO and International Labor Organization (ILO). The objective of that programme was to contribute to the Government's efforts to develop a strong cooperative movement with the aim of improving the standard and quality of life of the small-scale farmers' and other groups (RUMP 2003). Since that, several developments have been made in regards to the agriculture cooperatives in Afghanistan; Table 2 provides the following statistics of the cooperative movements in Afghanistan (IMF 2008).

**Table 1.2** Agricultural Cooperatives, 2002/03–2006/07

Islamic Republic of Afghanistan: Agricultural Cooperatives, 2002/03–2006/07 (In units as stated)						
	2002/03	2003/04	2004/05	2005/06	2006/07	2009
<b>Number of agricultural cooperatives (in units)</b>	52	243	597	597	1,114	2000
<b>Number of member in active cooperatives (in units)</b>	7,400	30,000	74,423	74,800	142,600	300,000
<b>Total area which is under control of cooperatives (in hectares)</b>	13	77	68,500	68,500	518,000	
<b>Selling of products in foreign market (in tons)</b>	7	36	100	100	8,700	

**Adapted:** Data provided by the Afghan authorities; and fund staff estimates cited by IMF 2008

These agriculture cooperatives provide services in supply of production inputs, seasonal credit and marketing/market. MAIL usually distributes wheat seeds and agriculture machinery on credit basis to farmers, who are organized into cooperatives (HLP 2010).

Besides agriculture cooperatives, there are producer associations registered with the Ministry of Justice (MoJ), and informal producer groups formed by different organization under different names such as farmer groups, agriculture interest groups, and producer groups etc in the country sides and they all provide agricultural services to the farming community.

#### **1.4 Problem Background**

As an “emergency” project, HLP proceeded to operate in an “emergency mode” with preponderance on quantities, on deliverables that would show tangible results and direct impact. This was understandable, given the high level of devastation of orchards all over the country over three decades of war. The emphasis would therefore be on the number of rehabilitated orchards, the number of new established orchards, the numbers of chickens distributed; the amounts of eggs laid and other quantitative indicators. The project was slated with the ambitious target of reaching 100,000 farmers in 17 provinces over a period of 3 years.

Both components, horticulture and livestock, were expected to deliver these quantitative outcomes. Apart from a small training unit which would focus on training staff in the English language, computer literacy and support services offered by Finance, Procurement, Operations and Monitoring and Evaluation. The two capacity development components, the Farmer Organization Development (FOD) and the Institutional Capacity Building (ICB) were not part of the original project design.

Government institutions were considered too weak to be useful in the implementation of the project. The project was therefore encouraged to work outside of Government structures and as result, there was little, if any, coordination or collaboration between HLP and MAIL.

By the end of the first year of the project, it had become clear that preponderance on quantities alone was not enough, for both the achievement of those quantities and the adoption and future sustainability of improved practices among farmers, a strong capacity development intervention was lacking to infuse organizational development practices among stakeholders, particularly the farmers themselves. It was also realized that gender should be considered in the project, since there is clearly defined roles for men and women in agricultural activities.

In May 2008, therefore, the FOD Component was introduced into HLP. FOD would work to transform the existing horticulture interest groups (HIGs) into farmer organizations which would be taken through social and economic mobilization to equip them with self-organizing development skills and group empowerment strategies for joint input supply, credit, savings and marketing services. By the end of 2010, a total 782 farmer groups had been formed, 46% being women groups. These groups became the entry and rallying point for HLP horticulture and livestock activities in the district (HLP, MAIL 2007-2011).

### **1.4.1 Research Problem**

Right from the beginning, HLP has been providing services in group approach and HLP formed PGs with the clear understanding that they would not have the legal status and privileges that agriculture cooperatives and Community Development Councils (CDCs) enjoy in Afghanistan. Having legal status would open up several opportunities for them, such as group credit/loan schemes for joint input supplies. Despite this, HLP chose to encourage the formation and promotion of such groups. What is more, the farmers who chose to join such groups also did so knowing that they would not have such legal status, what then were the motives of HLP and farmers to form new PGs and how these PGs are governed now?

### **1.4.2 Research Objectives**

Based on the above descriptions, the objective of this research is to analyse the formation, functions, achievements, and future prospects of PGs promoted by HLP and MAIL. Both institutes aim to use this analysis for the development of future policies and projects.

### **1.4.3 Research Questions**

The research questions for this project have been formulated as follows:

- 1. What is the governance of producer groups (PGs) in Khulm District, Balkh Province?**
  - 1.1 What are the motives of HLP and farmers to form new PGs?
  - 1.2 What are the functions and workings of PGs?
  - 1.3 How PGs have gone about working towards meeting their objectives?
  - 1.4 What PGs have achieved both at the individual member level and at the group level?
  - 1.5 To what level are the members of the PGs satisfied with their group performance?
  - 1.6 What challenges PGs face both at the individual member level and at the group level and how they have addressed those challenges?
  - 1.7 What are the future prospects and sustainability of PGs?

### **1.4.4 Research Framework**

The framework of this research project consists of four parts, which is used as guidance throughout the thesis project. The given framework does not include the introduction section of the thesis project.

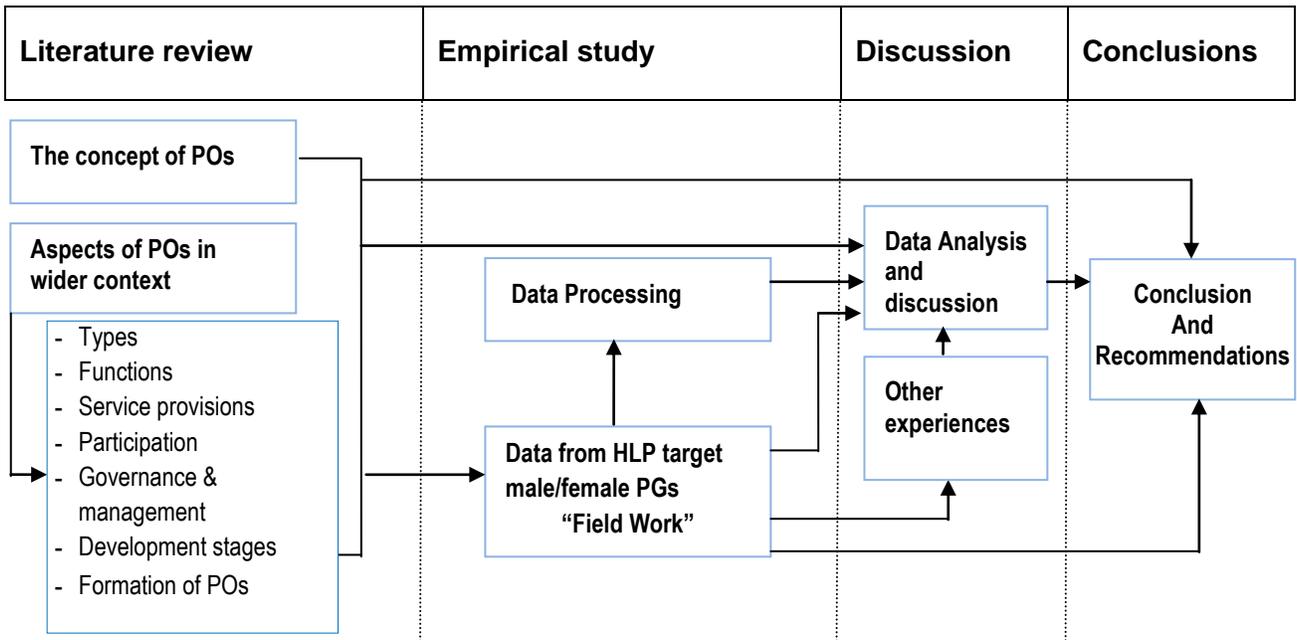
The first part is the literature review which described the governance of producer organizations in wider context.

The second part of this research project is the empirical study. The results from the literature study are used to inform the data gathering about the PGs promoted by HLP and MAIL. The empirical study led the practical data on the different aspects of the governance of PGs in Khulm District of Balkh Province.

Thirdly, the findings from the literature and practice is compared and further analyzed.

The final part of the project is the conclusion of the study and policy recommendations for HLP and MAIL. For better understanding the research framework is shown in Figure 1.

**Figure 1.1** Research framework



**Source:** Researcher's own work

## CHAPTER TWO

### 2.0 PRODUCER ORGANIZATIONS

In order to analyse the different aspects of the Producer Organizations (POs) in a wider context, a review of the related literature is made, keeping in view the specific topics of the POs.

The purpose of this chapter is to review the earlier research work done. In view of the fact that very limited systematic studies have been initiated relating to the producer groups (informal POs) organized by government and non-government organizations, studies available on POs in general and other related studies have been reviewed and presented in this chapter.

#### 2.1 Concept of Producer Organizations (POs)

Producer organizations are a group of any category of rural producers that come and work together voluntarily and found organization based on the principle of free membership and to pursue common interests of their members in developing technical and economic activities that benefit their members and developing relations with partners operating in their economic and institutional environment (Hussein 2001).

Bijman and Wollni (2008) defined "a producer organization is an association, a society, a cooperative, a union, a federation, or even a firm that has been established to promote the interests of farmers. As each producer has its own farm, the main goal of the producer organization is to provide services that support producers in their farming activities, including the marketing of the farm products". According to Penrose-Buckley (2007) one of the most important strategies of the small-scale producers is to have access for market, which can be fulfilled in collective action among producers in the form of POs.

Producer organizations and cooperatives are important institutional vehicles for promoting social, economical and political development (Rouse 2006). Producer organizations come in many different forms. Formal POs which have legal status; such groups have to be officially registered as cooperatives, farmer associations, union or commercial company and informal POs, which has no legal status such as informal producer groups and village associations and they can function as a purely oral agreement among farmers. Both the formal and informal POs provide a variety of services to their members (Penrose-Buckley 2007, Banaszak 2005, and Bijman and Wollni 2008). According to Bijman and Wollni (2008) different names are used for the same or similar types of organization, such as farmer organization, rural producer organization, agricultural producer organization, agriculture cooperative, farmer association, producer group, and producer association.

According to Bijman and Wollni (2008) and Stockbridge et al. (2003) the above terminologies are said to be collective action organizations, which accure when individuals cooperate as a group in order to solve a share problem. Producers get together and forming groups because they have a common purpose of coordination and collaboration with one another and strengthen the position of smallholder farmers at grassroots, national and international level.

According to Veld (2004) and Koopmans (2006) small scale-producers achieve more by working together and cooperates each other, which can be done in a form of a cooperatives or a group. A group is normally smaller and less formally organized then the cooperative. In general,

working together and cooperation among small-scale farmers has the advantages of; improvement of negotiating position when buying or selling products, access to credit, better access to information, more opportunities to sell products to supermarkets, processing and in transport.

In conclusion, in the context of Afghanistan, a PO has the advantages above stated by Veld and Koopmans and a PO can be defined by the following characteristics:

- Rural cooperatives or associations that are member-owned
- Membership is based on a shared interest in a specific activity
- Controlled by farmers and engaged in collective activities which serve as one purpose or multipurpose goals
- Building upon a collective knowledge of organizations
- Use their social capital to transfer their social organizations into an economic organization which enables the pooling of interest, coordinated action, decrease of transaction costs of taking risks that are not open to an individual.

## **2.2 Types of Producer Organizations (POs)**

POs can be distinguished on the basis of their legal status, functions, geographical scope and size. In term of functions POs can be divided into commodity-specific organizations, advocacy organizations and multipurpose organization (Bijman and Ton 2008) or they can be classified as *community-based organizations* which provide combined functions; economic, social, and political and *commodity-based organization* which primarily concentrates on the economic functions. There are many types of commodity based organizations which are single purpose cooperatives and multipurpose cooperatives and they are mainly focusing to the production, marketing (and processing) of the members' products (Ton and Bijman 2006). In term of legal status POs are classified on formal POs which have legal status and privileges, such as cooperatives, associations etc, and the informal POs such as producer groups and village associations which have no legal status and privileges. There are advantages and disadvantages to formalization of POs which depending to the particular political and legal context (Bijman and Ton 2008).

According to Penrose-Buckley (2007 p.38) the most common legal structures of POs are: "informal organization, associations, cooperatives, hybrid structures and private companies". The above structures are defined differently in every country and even in some countries not exist. In order to understand how a PO operates, it is essential to know the registered legal structure of the organization. Usually POs can decide between different types of legal structure. The kind of legal structure will influence the ownership structure, membership, voting rights, regulation, and distribution of profits, risk, taxation, investment incentives and share transfer.

In Afghanistan POs are classified into agriculture cooperatives (registering with the MAIL), associations (registering with MoJ) and informal POs mostly promoted by the non-government organizations under different names such as farmer groups, agriculture interest groups, and producer groups etc.

### 2.2.1 Formal POs

The most common formal structure of POs in developing countries are cooperatives and associations (Penrose-Buckley, 2007). These POs are distinguished by a formal constitution and the legislation that applies. Formal legal status would open up several opportunities for POs, such as group credit/loan scheme for joint input supplies and establish a sustainable trading relationship. Also, a formal POs and its membership can more easily protected from abuses such as the fraudulent use of funds or the misuse of the POs name and identity. The legal status also clarifies the liability of the organization and its members (Bijman and Ton, 2008).

Association: associations are common legal structures of POs. Associations are membership based organizations where members receive certain benefits in the form of services. Associations are not really designed for business activities and in many countries they are registered as non-profit organizations, which mean that associations are not permitted to distribute business profit to their members. The main advantages of association are their independence, freedom, and flexibility. This is because the members of the association can decide how they like to manage and structure the organization (Penrose-Buckley 2007).

Bijman and Ton (2008) described association as a non-profit membership based organization that enables members to collaborate for services, exchange of knowledge, information, experiences and representation. Otimodoch (2008) said that through association, members would be able to take advantage of group savings and credit schemes. The capital then could be available for loans that can be reinvested in their farms, or use to buy new machinery or inputs such as fertilizers that will lead to higher outputs. Moreover, associations can provide or facilitate training for farmers to help them bargain for better prices, increase their incomes, and save money to reinvest in their farms.

Cooperatives: Cooperatives are the most widely recognized and best known formal POs, which aims to provide services to their members in a competitive price (Bijman and Ton 2008 and Penrose Buckley 2007). Cooperatives are profit making POs in which all members have equal rights, in the business and decision making. The profit made by the cooperative should be distributed according to patronage, which means they divide profit according to how much the members used the PO services. This is different in comparison with investor-owned companies where profits are distributed according to each member's investment in the company (Penrose-Buckley 2007).

McTigue-Floyd (2000 p.53) and the ICA (2009 p.35) defined "cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspiration through a jointly owned and democratically-controlled enterprise". An alternative definition is given by Koopmans (2006 p.10) "cooperative is a member-controlled association for producing goods and services in which the participating members, individual farmers or households, share the risks and profits of a jointly established and owned economic enterprises".

ICA and Cooperative Group (2009 p.35&2) described “Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.” The given definitions and the cooperative values are in line with the following seven principles of the cooperatives that are regarded as the best guide by which cooperatives put their values into practice (ICA and Cooperative Group 2009).

- Voluntary & Open Membership: Cooperatives are voluntary organizations; open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discriminations.
- Democratic Member Control: Cooperatives are democratic organizations, controlled by their members, who “actively” participate in setting their policies and making decisions.
- Member Economic Participation: Members democratically control the capital of their cooperative.
- Autonomy and Independence: Cooperatives are autonomous; self-help organizations controlled by their members. If they enter into agreements, with say governments, they do so on terms that ensure democratic control by their members and that maintain their cooperative autonomy.
- Education, Training and Information: Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative.
- Co-operation among Cooperatives: Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structure.
- Concern for the Community: Cooperatives work for the sustainable development of their communities through policies approved by their members.

In term of membership cooperatives are categorized into three levels; primary—the member of which are natural persons, secondary-the member of which are primaries, and the tertiary-the member of which are secondary cooperatives (CDA 2009). These cooperatives can be single purpose such as input supply, marketing or production or can be multipurpose enterprises that offer a wide variety of services to their members (Koopmans 2006). In general, cooperatives may fall into different types; such as credit cooperative, consumer cooperative, producer cooperative, marketing cooperative, service cooperative, multi-purpose cooperative, agrarian reform cooperative, cooperative bank, dairy cooperative, water service and many others (CDA 2009).

### **2.2.2 Informal POs**

Producers can also work together in the form of a group that is similar to a cooperative, but is not registered and often smaller than a cooperative or association. Many producers can work

together in such a group to improve their negotiating position, access to agriculture inputs, information, savings, processing and better market price (Koopmans 2006). Many POs initially start off as an informal organization because at the start up the benefits of registration are smaller than the additional costs and efforts associated with registration (Penrose-Buckley 2007). Informal POs are more flexible in adapting to the changing environments, particularly in countries where legislation such as cooperative law is rather restrictive, poorly defined or only permit certain types of structure that are not appropriate for small-scale producers, in such cases it may be easier for a PO to operate informally (Bijman and Ton 2008 and Penrose Buckley 2007).

### 2.3 Functions of Producer Organizations

A successful producer organization function as vehicles for change and should be well embedded in networks that generate ideas, resources and opportunities for the PO and people living in the area (Berdegue 2008). According to the domain of function the activities led by the POs are numerous and can be grouped into three types; technical-economic functions (access to agricultural inputs and market their products), representation (defending the producers' interest against public or private structure upstream and downstream of the sector on the local or national scale), and social functions (providing certain number of social services such as health, education, supplying essential goods etc) (DFID 2001).

The examples of services that the POs with economic function give to the members are (Penrose Buckley 2007);

- **Input supply:** POs often buy input in bulk, which is lower price and supply them to members. This can help small scale producer to get better inputs in the cheaper price.
- **Production services:** Small scale producers have limited asset and resource to perform activities that require expensive equipments. POs can help their members to improve the quality and productivity by providing extension services or access to equipment such as tractors or chilling container.
- **Financial service:** Since small producers do not have strong financial resources to improve the quality and productivity of the product, providing the access to cash loan or credit is very important service for POs.
- **Implementing quality assurance program:** In order to meet the required quality and food safety standard of some markets, POs need to monitor and control the quality of their members. Not only for the quality and safety standard, but they also need to be retained.
- **Training:** In order to help the small producers to manage their activities well and improve the quality of their product, extension training in new technology and managerial aspects are provided by the POs.
- **Processing:** Some POs engage in processing activities in order to add value to their produce and access along the market or value chain.

For the smooth operation of a cooperative, it is important for the cooperative members to work together. To make this possible, the cooperative must function well and focus on the interest of

the members; in order to make this happen the following requirements should be met (Veld 2004 p.68-69);

- “Sufficient communication
- Limited number of goals
- Limited costs
- Clarity about the rights and responsibility of the members and
- Clarity about the functioning of the cooperatives”

DFID (2001) described, rural POs are not solely concerned with primary production but with broader activities that directly contributes to the rural livelihoods. The activities and functions carried out by the POs are illustrated in Table 2.1:

**Table 2.1** Activities and Functions of POs

S/N	Functions	Activities
1	Natural resource management	Negotiation, regulation and enforcement of rules for access to and use of Natural Resource Economic functions (not always) and Advocacy
2	Supporting agricultural production	Input supply, Marketing Linkages with international markets
3	Marketing	Technical change, Advocacy, Capacity building Policy making and Financing
4	Social functions	Capacity building Policy making regarding safety nets and social services
5	Voice, advocacy, Representation	Proposal building for policy making Provision of public goods in case of market or State failures, Information Support to member organizations and Capacity building
6	Information sharing, communication and capacity building	Information, capacity building and Support to member organizations

**Adopted from:** DFID 2001

## 2.4 Service Provision to the PO members

Penrose Buckley (2007) “when producers come together to form a POs, often the initial aim is to work together and collectively perform the tasks individual members previously undertook on their own”. POs can improve producers’ access to services in two ways. *Firstly*; to lower transaction costs and economies of scale involved in providing services to groups rather than to individual producers. *Secondly*; “organized groups of producers, especially if they are legally registered, are likely to have greater credibility and a higher profile than individual producers”. In both cases, it will be much cheaper and easier for businesses and service providers to identify and work with producers and can also improve access to financial services, as rural banks are more likely to offer credit to a registered organization than to individual farmers.

We see farmer organizations as a more formal expression of collective action (Hellin 2007 p.9). Fundamentally, POs should provide services that deliver to their members' clear and continuing benefits that members recognise and want. The services offered by the POs should not be accessible to their members from other sources on similar terms and conditions, nor should the PO offer them to non-members on the same terms as to members (Hellin 2007 and Chirwa et.al. N/Y). There are many success stories of farmer organization leading to active and effective farmer participation in the service provision. Farmer Organizations provide a wide range of different services which include (Stockbridge et al. 2003 p.3);

- “Marketing service (input supply, output marketing and processing, market information)
- Facilitation of collection production activities
- Financial service (savings, loans and other forms of credit)
- Technology service (education, extension, research)
- Education service (business skills, health, general)
- Welfare services (health, safety)
- Policy advocacy and
- Managing common property resources (water, pasture, fisheries, forests)”.

Penrose-Buckey (2007) described that PO can provide many different business-oriented services to their members such as input supply, production services, financial services, training, quality control, coordination, output marketing, processing, trading and retailing. Moreover, PO sometimes provides social services to their member and the wider community. If social objectives drive business decisions they can undermine the PO's business, therefore, the social activities should be best managed separately from the PO's business activities.

## **2.5 Participation of farmers/members in POs**

Different authors defined participation from different perspectives. Leeuwis C. (2004) and SAIEA/IAP2 (2005) defined participation is taking part in or become involved in a particular activity; a process through which stakeholders influence and share control over development initiatives and the decision and resources which affect them. Sidorenko (2006) described different forms of participations, direct, representational (through selecting representative from membership based groups or associations), political (elected representatives), and information based.

SAIEA/IAP2 (2005 p.2) defined “public participation is the involvement of all parties who may potentially have an interest in a development or project, or be affected by it”. The authors reported that participation accurse in a continuum, expressing different degrees of power and influence in decision making. The continuum is in five levels inform, consult, involve, collaborate and empower.

SAIEA/IAP2 (2005) defined “the public” any individual or group of individuals, organizations or entities who are interested in the outcome of a decision and they may be affected directly or indirectly by the outcome of the decision.

Sidorenko (2006 p.2) analyzed “empowerment and participation are closely inter-related and these two notions in social policy are indivisible: empowering people means promoting opportunities for participation, while participation requires empowering people to enable them to this human rights. Both the empowerment and participation can be economic, social, or political. People can be empowered through participation”.

Adnan (1992) cited by Pretty et al. (2002) described seven types of participation which can be applied under the context of the producer organizations.

- *Passive Participation*: people participate by being told what is going to happen or has already happened.
- *Participation in Information Giving*: people participate by answering questions. People do not have opportunity to influence proceedings. This would mean member of POs are just being kept informed by the leaders while the leaders make decision on behalf of them.
- *Participation by Consultation*: people participate by being consulted, and external people listen to their views.
- *Participation for Material Incentives*: people participate by providing resources for example labour, in return for good, case or other materials incentives.
- *Functional Participation*: people participate by forming groups to meet predetermined objectives related to the project, which can involved the development or promotion of external initiated social organization.
- *Interactive Participation*: people participate in joint analysis which leads to action plan and the formation of new local institution or strengthening of the existing once.
- *Self Mobilization*: people participate by taking initiatives independent of external institution to change system.

The descriptions given above are applicable in the context of Afghanistan. In particular case, in this study, the focus is given to the informal producer groups, who participate in agriculture development activities in their areas. These produce groups are basically following the interactive participation, participation by consultation and to some extend participation in information give.

## **2.6 Governance and management of POs**

The internal governance and management of POs are mainly focusing on how POs manage decision making, what factors affecting the governance of POs, and how POs managing their business activities or profits (Penrose-Buckley 2007).

As POs are member controlled organizations, all decisions should be taken by the producers-members or their representative in the interests of producer-members. In order to govern and manage a PO efficient and effectively; the commitment of the members are very important for several reasons; such as financing the cooperative, efficient coordination, sustainability of cooperative, efficient and effective decision making and control, building and maintaining common norms and values (Bijman 2007).

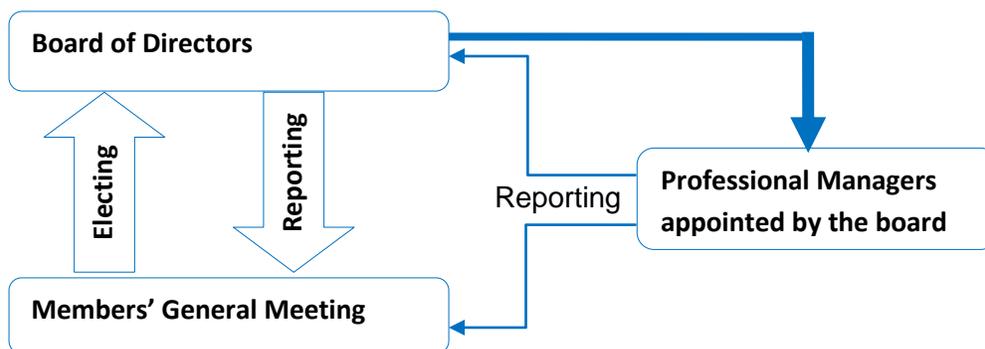
## 2.6.1 Decision-making structure and systems

Small POs are usually involved in managing the business and making day-to-day decisions. As POs are growing up and the numbers of members are increasing, it is difficult for every member to be involved in decision making. Therefore, the PO should identify their representative to manage the PO on behalf of the members. The governance of a PO has the following two level structures:

- General members of the PO. Their power lies in the decision made at the general meeting. The general meeting occurs at least once a year. Decision making in members general meeting is usually conducted by vote: each member has equal right “one person one vote” and it is often proportional to each member’s investment in the business. At the general meeting the members elect their leader, board of directors, decide on PO’s profit, and develop business plans or other investment projects
- Leaders elected by the general members. In most cases these leaders are elected for a time range of 2-3 years and together they form a management team, which is often the board of directors. The main tasks of the board is to govern the affairs of the PO and lead the organization in the right direction.

In some cases, the POs hire professional manager to fulfil this role. The professional manager could be from the organization or outsiders. The reason of hiring a professional manager is that when PO grow, it becomes difficult for the elected leaders to govern, manage and have time to manage their own production. The professional manager should have the skills to manage the POs affairs. He/she works under the supervision of the management group and responsible to govern the PO, manage and expand the business (Penrose-Buckley 2007).

**Figure 2.1** Illustrates the structure that most POs in developing countries adopt



Adapted from: Penrose Buckley 2007 p. 48

## **2.6.2 Grassroots ownership**

For effective functioning of the POs, the sense of ownership and trust between the leadership and grassroots members are important. This depends on the POs being driven by producers' own initiative, the organic growth of the POs, transparent leadership, and grassroots capacity to participate in decision making (Penrose-Buckley 2007).

## **2.6.3 Managing profits**

The primary objective of a PO is to help improve the quality of life of its members and it should be seen as a private business organization that is jointly owned and controlled by the members (Koopmans 2006). Making profit and deciding what to do with the business profit is a difficult task. There is often a conflict between the short-term interests of members and long-term sustainability of the business. This is a common struggle within POs and it is most often during the early stage of development, when members have limited understanding of the PO's business, and/or when there is lack of trust and confidence among PO's management team and the grassroots members (Penrose-Buckley 2007).

The POs should develop a system for profit distribution that satisfies members without weakening the business. One of these principles should be chosen by the POs a) Profit are distributed according to members' share of ownership, and b) Profits are distributed based on patronage, i.e. how much each member has sold or bought through the POs. Both principles affect members' incentives and motivation to invest in the PO or use the PO's services, therefore, the choice of principle is important (Penrose-Buckle 2007).

## **2.7 Development Stages of POs**

POs are dynamic organizations that evolve over time, and in this process they often change their governance and management structure, activities, and strategy. The development stages of the POs are categorized into three different stages; early stage, intermediate stage and advanced stage. Each stage assigns certain characteristics of a PO on the level of general development, governance structure and business development (Penrose-Buckley 2007).

Rouse (2006) reported seven key issues that influences the slow development of the farmer groups these include: inadequate group management, leadership skills and education; unclear understanding of benefits of the organization; insufficient start-up capital; lack of innovations, value added activities and entrepreneurial spirit; small farm size and unclear land ownership, unclear and conflicting cooperative legislation and inappropriate taxation policies and ineffective marketing and market access.

The three development stages set by Penrose-Buckley (2007) does not mean these are paths, even the advanced stage, which will match all producer organization. The POs need to find the right fit. They need to develop and adapt their structure, size, services, and strategy to find the best fit with their priorities and capacity, target market and market environment.

The business development of PO depends on many aspects such as the product, market and the local context. One of the most important functions of PO is to develop business and make profit for the member and to the PO as a social capital (Penrose-Buckley 2007).

Bijman et al. (2007) pointed out that the efficient and effective governance is not only obtained by formal structure of the POs, but also it can be achieved by social mechanisms such as social control, commitment and trust. Penrose-Buckley (2007 p.38) supported this fact by saying “Poor governance and the breakdown of trust between members, leaders, and managers is one of the main reason POs run into difficulties or collapse. Managing, a group of producers with different priorities is a difficult task, especially when POs become larger. A lot of time and resources have to be spent on consulting with members, communicating between the different levels of the organization, and developing a consensus on important issue. Sometimes this trust and commitment or ‘social capital’ already exist among members when the PO is formed, but often POs have to invest considerable time to develop and then maintain this social capital as the organization grow”. Table 2.2, provides an idea of the desired grow path of a PO, where POs can grow into a sustainable and financially independent organizations.

**Table 2.2** Desired growth path of a PO

Early Stage	Intermediate Stage	Advance Stage
<b>A Potential Producer Organization Development Path</b>		
<ul style="list-style-type: none"> <li>▪ Informal organization</li> <li>▪ Local, first-level organization</li> <li>▪ Local markets</li> <li>▪ Low-value commodities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Formal legal status</li> <li>▪ Regional, 2<sup>nd</sup> level organization</li> <li>▪ Value adding and diversification</li> <li>▪ High-value products</li> </ul>	<ul style="list-style-type: none"> <li>▪ National, 3<sup>rd</sup> level organization</li> <li>▪ PO-owned company</li> <li>▪ Processing and branding</li> <li>▪ Export marketing</li> <li>▪ Social and advocacy services</li> </ul>
<b>Producer Organizations Governance and Management at Different Stages of Development</b>		
<ul style="list-style-type: none"> <li>▪ Weak trust and confidence in leadership and management</li> <li>▪ No rotation or change in selected leaders</li> <li>▪ Women and majority group excluded from active decision-making</li> <li>▪ Weak sense of ownership over PO's activities</li> <li>▪ Leaders have weak control over the</li> </ul>	<ul style="list-style-type: none"> <li>▪ General trust in the work of leaders and managers</li> <li>▪ Occasional to frequent change in elected leaders</li> <li>▪ Women and majority group participate in decision-making</li> <li>▪ Growing sense of ownership over many of the PO's activities</li> <li>▪ Leaders have some ability to monitor and control the business</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong grassroots trust and confidence in leadership</li> <li>▪ Routine change of elected leaders</li> <li>▪ Women and other minority groups participate in decision-making</li> <li>▪ Strong ownership and sense of responsibility for the PO</li> <li>▪ Leaders have capacity and experiences to control the business</li> </ul>
<b>Producer Organizations Business Development at Different Stages of Development</b>		
<ul style="list-style-type: none"> <li>▪ Business does not cover its costs &amp; PO relies on external grants</li> <li>▪ Business depends on single products, market</li> <li>▪ Business depends on grant-funded market services</li> <li>▪ PO does not have capacity or market position to influence prices</li> <li>▪ PO has weak relationships with other actors in value chain</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business breaking even and PO receiving some service costs</li> <li>▪ Business has more than one product or market in its portfolio</li> <li>▪ Business able to access some independent market services</li> <li>▪ PO able to influence terms or prices with some buyers</li> <li>▪ PO has some good relationship within the value chain</li> </ul>	<ul style="list-style-type: none"> <li>▪ The business is profitable and PO recovers costs on service to members</li> <li>▪ Business has diversified products, markets</li> <li>▪ Business has financially sustainable access to market services</li> <li>▪ PO has the capacity &amp; market position to negotiate fair prices</li> <li>▪ PO has mutually beneficial relationships in the value chain</li> </ul>

**Adopted from:** Penrose Buckley, 2007: 48

## 2.8 Formation of Producer Organizations

In recent years, the rural development facilitating agencies realized that providing services to the rural farmers in group approach is effective and bring future sustainability. Therefore, the concerns of formation of POs have become a very popular subject in rural development and today it is difficult to find a policy paper on rural development that does not encourage promoting POs (Penrose-Buckley 2007). The motives and aims of establishing the POs are the economic character, such as earning higher profit and gaining higher prices. The external factors leads to the formation of POs are; (Banaszak 2005).

- “Prices are too low
- Marketing services are not performed effectively
- Prices are subjected to too much variability or uncertainty
- Marketing outlets do not exist or is undependable
- Individual farmers lacked bargaining power
- Campaign in the mass media promoting producer groups
- Possibility of obtaining subsidies”.

Setting up a cooperative enterprise is a difficult and complicated process. The formation of cooperative requires a two-fold balancing act. Outside support must be balanced with local initiative, at the same time; the organization development should go hand in hand with business development, often the outsiders responsible to maintain these balances (Holtland 2007). In some cases, the outsider or facilitating agency (FA) finds difficult to judge whether the producers really want to organize themselves which leads to a strong foundation, ownership, and initiatives to address their own problems or they view to organize themselves in order to get access to the external assistance (Penrose-Buckley 2007). Having outsiders will give the advantages; facilitate the setting up of cooperative, provide cooperative with access to technical, organizational expertise and to capital, while the disadvantages could be lacking knowledge on local realities, opinions and relation when setting up the cooperative (Holtland 2007).

According to Penrose-Buckley (2007 p.136 - 138) in the formation of new POs, the facilitating agency aims to facilitate the process rather than to drive. In this process the facilitating agency should consider the following steps:

- “Raising awareness: Producers may already have the interest of formation of POs, and may even collect a group of interested producers. In such case, the FA should explain how the POs work and what steps are required to form a new PO.
- Identify participants: the success of the PO depends on the ownership and social capital; therefore, the FAs should avoid imposing their own criteria and closely involved in the selection of members and PO structure. The more freedom the producers have on decisions making the more likely the group will work well together and take the ownership.
- Group size: ideally, groups should be between 15 to 30 members, to facilitate good communication and regular internal interactions.

- First meetings: the new PO's needs to define the group's objectives, rules and regulations of group management, functioning and decision making processes.
- Pilot activities and consolidation: the FAs facilitate with the POs to start from a very simple collective activities and services to the members, which should be based on the existing livelihood activities.
- Financing: mostly new POs depend on external assistance at the beginning. Generally, the FAs should provide access to loan rather than to offering grants. Offering grants can exaggerate the profitability of the PO and undermine the initiatives, sense of ownership and responsibilities of the members.
- Shared asset: managing share assets requires social capital and management skills. The FAs should avoid granting share assets, such as agriculture machinery and other equipments, until the PO is well organized, experiences and develop their capacity”.

## 2.9 Conceptual Framework

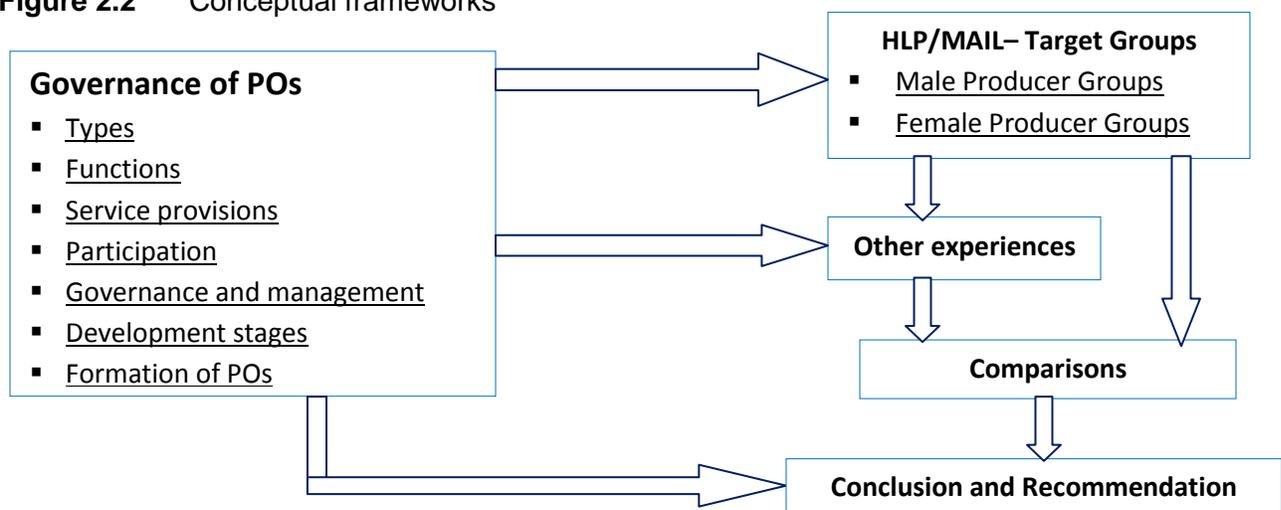
The conceptual framework of this research project consists of;

A literature review has been done in regard to the governance of POs in wider context with particular focus to the situation of Afghanistan.

Keeping in mind the literature review as well the research problems stated in chapter one, a field study is conducted with male and female PGs in Khulm District, Balkh Province.

In this study, a comparison is done among the male and female PGs in between, and with other POs in wider context. Keeping in view, the findings of the study, literature review, and POs in wider context, the conclusion and recommendation is made, which is helpful for both institutes (HLP,MAIL) for development of future policies and projects.

**Figure 2.2** Conceptual frameworks



**Source:** Researcher's own work

## CHAPTER THREE

### 3.1 RESEARCH METHODOLOGY

This research is a practice-oriented research which includes a case study conducted on HLP–Afghanistan. The research has quantitative and qualitative approach based on interviews, survey, observations, literature review and documents from different sources. The primary data for this research was collected through interviews, survey and observation.

Keeping in view the specific objective of the research and the analysis of POs in wider context an in-depth study of HLP documents were carried out in order to understand the situation of the PGs and the context of the problems stated in chapter one.

#### 3.1.1 Discussion with Key Informants

Discussions with key informants were useful to collect key insights about the research area and the governance of the PGs. These key informants were basically the general director of cooperative in MAIL, head of cooperative department at the province level, head of extension department at the district level, the team leader, project coordinator, ICB specialist (HLP), FOD staff in headquarter and district level, and Hand in Hand (HiH) HLP facilitating partner in Khulm district. Information were collected through prior managed checklists in order to have their views on the HLP PGs and response to the research questions.

#### 3.1.2 Selection of Sample

Considering the time range of the data collection (July 20 to Aug 15), availability of farmers and the security situation; the researcher in close consultation with the HLP and Hand in Hand staff selected 10 PGs (5-male and 5-female) from different geographical locations and with different development experiences. In each of the groups three the executive committee members (chairman/women, secretary, and treasurer) which made 30 respondents were selected and three ordinary members of the group who were randomly selected from the list of the PGs also made 30 respondents), in total 60 respondents were interviewed. Table 3.1 provides information about the selected groups and the number of respondents in each category.

**Table 3.1** List of villages, producer groups, and different categories of respondents

	Villages	Name of PG	Respondents		Gender
			Executive Committee	Members	
Province: Balkh	Shorabi	[1] Shorabi Hort. LS	3	3	Male
	Chochman Qala	[2] Hort. LS	3	3	Male
	Chaghier	[3] Chaghier Hort. LS	3	3	Male
	Rozi By 02	[4] Rozi Bay Hort. LS	3	3	Male
	Mola Saidi	[5] Zardalo 02	3	3	Male
	<b>Subtotal:</b>		<b>15</b>	<b>15 = 30</b>	
District: Khulm	Jahangir Biek	[6] Jahangir Biek Hort. & LS	3	3	Female
	Chaghier	[7] Morsal No. 7	3	3	Female

	Baghchai Moh. Ali	[8] Baghchai Moh. Ali	3	3	Female
	Sert	[9] Morsal No. 6	3	3	Female
	Said Motaher	[10] Morsal No. 13	3	3	Female
	<b>Subtotal:</b>		<b>15</b>	<b>15 =</b>	<b>30</b>
Grand total:			<b>30</b>	<b>30 =</b>	<b>60</b>

**Source:** Researcher's own work

### 3.1.3 Data Collection

Data has been collected from both male and female PGs. As the culture do not allow male to work and communicate with female in Afghanistan, particularly in rural areas, the researcher requested the HLP female field staff to conduct interviews with the female PGs. Moreover, the researcher also used HLP male field staff during data collection from the PGs. Before starting the field data collection, the researcher organized workshop for HLP field staff on developed questionnaires, and how to communicate with farmers in order to collect accurate data. The researcher himself was also involved in data collection as well as supervising both male and female facilitators who were involved in data collection.

### 3.1.4 Questionnaires:

During data collection each respondent were asked to answer or fill out the questionnaire individually. The questionnaire consisted of two parts: part one contain general information about the respondent and the PG. Most of these questions were asked in close and open forms. The second part was the self-assessment (statements) about the governance of the PG which was sub-divided into seven categories/subjects:

1. Membership base
2. Governance, leadership and internal democracy
3. Management of financial resources and development of savings box
4. Collaboration and networks
5. Service provision to members
6. Stakeholder collaboration
7. Entrepreneurial skills and costs and marketing

The major outcome of the self-assessment was used to identify the strengths and areas for improvement leading to action planning of the PG.

In self-assessment the likert-style rating scale was used in order to assess if the respondent agreed or disagreed with the statement. The respondent had to give a grade to the statement, ranging from one (1) to four (4) where one (1) was totally disagree, two (2) disagree, three (3) agree, and four (4) totally agree with the particular statement. All statements were designed in a certain way that they could act as positive hypotheses about the governance of the PG. An example of one of these statements is: "I am familiar with the election process of the executive committee members" in this statement the respondents had the option to score either (1), (2),

(3), or (4), the higher it scored, determine the higher satisfaction of respondent. The questionnaire can be found in appendix 10.

The questionnaires were translated into Dari (Persian) to make sure all respondents understood what was being asked.

### **3.1.5 Observation**

Through observation, it was noticed from the feelings, impressions and the response of farmers that they are very much intended to work in groups and were looking forward to get the support of outsiders in order to achieve their objective. It was also observed that the groups had some basic administration such as meeting minute's book, visitor's book and savings and loan distribution books.

### **3.1.6 Data Processing**

The data collection from the members of the PGs was analyzed with the use of Ms. Excel. These analyses were made in frequency counting, dummy tables and result tables. In all cases calculations were made of total and average scores. In addition, these scores were converted into percentages enabling the analysis and the interpretation results into the result table.

### **3.1.7 Analysis of Survey**

Less than 50% or a score lower than 2: a very low score, caused by the disagreement of the respondents with the statements. It is unsatisfactory and there is an urge for improvement or change.

Between 50% and 62.5% (between score 2 and 2.5): a low average score, dissatisfaction of the respondents is present, therefore improvement is necessary to meet the needs and wishes of the respondents and the PG.

Between 65% and 75% (between score 2.6 and 3): a positive average score which shows the satisfaction of respondents are not optimal. Improvements in the PGs are not obligatory, but advisable in order to increase satisfaction among members.

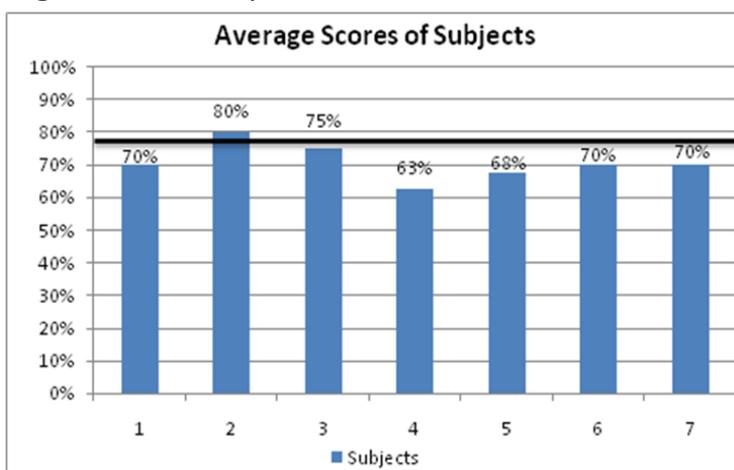
Between 77.5% and 87.5% (between 3.1 and 3.5): the respondents are satisfied with the governance of the PG. Adjustments could be made to lift the level of satisfaction to the final stage.

90% or more (3.6 or more): A very high score, the respondents are fully agreed with the statement and indicates a high level of satisfaction. Change or improvement is not needed.

The following figure provides an example, in order to be able to properly read the graphs about the self-assessment which are indicated in chapter 4:

The black line in the graph is set at a margin of 77.5%, which refers to adequate satisfaction of the respondents and no necessary change is needed. The categories which score below the line but with 65% or more can still be counted as a positive score; though improvement is advisable in order to increase members' satisfaction (Modderman 2010 and Schrader 2009).

**Figure 3.1** Example of self-assessment of PGs



### 3.1.8 Comparison

The results of the male PGs were analyzed and compared with the result of the female PGs in different aspects of the governance. Additionally; these results were further analyzed and compared with the case study of Kyrgyz Republic (the balancing act of creating a cooperative (Holtland 2007) and the literature reviews focusing on POs in wider context.

## 3.2 THE STUDY AREA

### 3.2.1 Balkh Province

**Geography:** Balkh province is located in the northern part of Afghanistan. It has border with Uzbekistan in the North, Tajikistan in the North-East, Kunduz province in the East, Samangan province in the South-East, Sar-e-Pul province in the South-West and Jauzjan province in the West. This province is divided into 15 districts and 1,182 villages. The capital city of Balkh is Mazar-e-Sharif which is one of the biggest and commercial cities of Afghanistan (ASAP 2008).

**Demography and Population:** Balkh province has a total population of 1,123,948. It has 119,378 households in the province with an average of 7 members. Out of total population 66% lives in rural districts while 34% lives in urban areas and around 51% of the population is male and 49% is female. The major ethnic groups living in this province are Tajiks (50%) and Pashtons (27%) and the remaining are Turkmani (11.9%) and Uzbaki (10.7%) (NABDP 2010).

### Agriculture

Agriculture represents the major source of income for the households in the province. The total cultivated area is 113,212 hectares and the most important field crop grown in Balkh province include; wheat, barley, maize, flax, melon and water melon and the common crops grown in garden are fruit and nut trees (67%), grapes (13%) and vegetable (4%). In average, 67% of the households have access to irrigated land, while 28% of the rural and 14 % of urban households have access to rain-fed land. The main types of fertilizer used by the households in their crops are shown in Table 3.2 (NABDP 2010).

<b>Table 3.2 Main Types of Fertilizer Used by Households</b>					
<b>Human</b>	<b>Animal</b>	<b>Urea</b>		<b>DAP</b>	
<b>%</b>	<b>%</b>	<b>%</b>	<b>Average Kg per household</b>	<b>%</b>	<b>Average Kg per household</b>
<b>21</b>	<b>35</b>	<b>56</b>	<b>448.1 Kg</b>	<b>50</b>	<b>488.4 Kg</b>

**Source:** NRVA 2005, cited by NABDP 2010

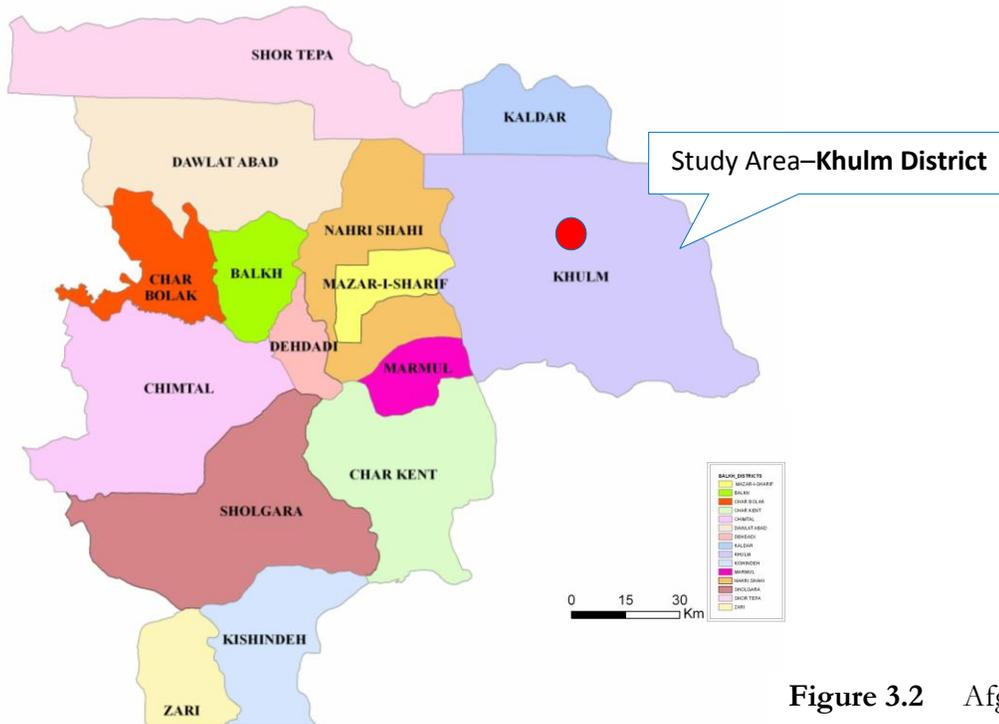
### **3.2.2 Khulm District**

Khulm is an agricultural and farming district in Balkh province. This district has borders with; in the North, Kaladhar District; in the South, Feroz Naghsir District (of Samangan Province); in the East, Hazara Sultan District (of Samangan Province); and in the West, Mazar-e-Sharif City of Balkh Province.

The population of Khulm is 49128 persons, and the total area is 3043 Sq. Km. The majority of Khulm population engaged in agricultural activities and earns their daily necessities from this field. In average each household owns 8 Jaribs of land. In term of agricultural production, Khulm ranked first in 2008 among 15 districts. The main agricultural crops are: fruits such as pomegranate, almond, mulberries, apricot, grapes, melon and water melon. Khulm led pomegranate production with 91% in the entire province. The main vegetables are onion, tomato, eggplant and carrots, Khulm also produce a large amount of Wheat, Barely, Maize, and Pea (ASAP 2008).

The District Development Assembly (DDA) of Khulm reported the following problems in agriculture sector: lack of irrigation water, widespread of agriculture and livestock disease, shortage of veterinary clinics, lack of knowledge and skills, lack of market and mechanization and supplies of quantity and quality agricultural inputs (NABDP 2009)

**Figure 3.2** Balkh Province Standard Map 2009



**Figure 3.2** Afghanistan Map 2009



Source: ASAP – Balkh Provincial Agricultural Profile, 2009

## CHAPTER FOUR

### 4.0 RESULT

This chapter presents the findings of the field research with the member of producer groups (PGs) and the key informants. The Horticulture and Livestock Project (HLP) had an interest in the research as they are involved in forming and promoting PGs. The interest of the HLP is with the general results to understand the perception of farmers in the governance of their PGs. These results identified the strengths and areas for improvement leading to the action planning of the PG.

The first part of this chapter describes HLP PGs in general based on the information I got from HLP project staff and the PGs. After that, the male PGs and female PGs investigated separately followed by general description and the findings of the interviews carried out with male and female PGs.

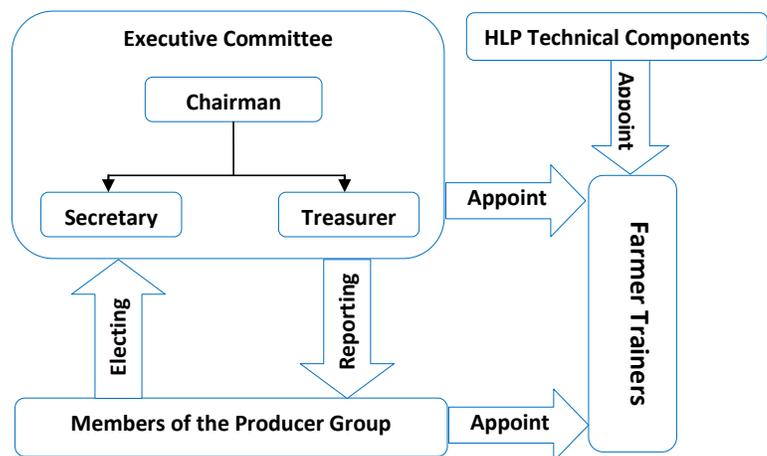
### 4.1 HLP Producer Groups

Right from the beginning, HLP has been providing horticulture and livestock services to the farming community in group approach. In 2008, HLP realized that there is a need for additional support with PGs in term of group management and development to make them able to decide about their leadership, sharing of responsibilities and become the driver and manager of their own development.

**Membership status:** HLP and the PGs agreed that the number of farmers in each of the PGs should be in a range of 20 – 30 and/or maximum 35. Which mean that the PGs do not follow the principle of the volunteer open membership, in order to allow farmers to participate in the group activities; the study showed that the maximum numbers of farmers in the PGs are 33 while the minimum numbers are 20.

**Management structure:** The investigated PGs are young and undeveloped, and they still have no legal status. These PGs are having Executive Committee (EC) (chairman/women, secretary, and treasurer), farmer trainers; one for horticulture and one for livestock activities and the ordinary members. The EC was democratically elected by the group members, and the farmer trainers were selected based on the criteria developed by HLP technical components (see Figure 4.1). All the member of a PG forms general assembly that has the ability to discharge the EC or the farmer trainer in case of unsatisfactory performance.

Figure 4.1 Organization Structures of PGs



Source: Own research

**Decision rights:** The PGs use the 'One Man/Women, One Vote' principle. They state that each member deserves the same rights and values in decision making and voting process, because each member has equal rights in the groups.

As the groups are having few numbers of farmers (average 25 in each), therefore, they meet once a month to discuss the progress, technical and financial issues. Major decisions which affect the whole group are always made by the general assembly. Usually these monthly meetings are facilitated by the outsider.

**Membership fees:** Till this time, the PGs had no membership fees at all. Most farmers realized the importance of paying membership fees, while most PGs established and contributes money to the savings box. Farmers reported that at this moment they don't need to pay the membership fees as well the farmers cannot afford it. So, if there is need for money for the operation of the PGs, they will contribute as separately and/or use the savings box money.

**The formation and mobilizations process of PGs:** The outsider played major role in the formation of groups. All respondents said that the groups were formed by the HLP facilitators through organizing ten meeting sessions (appendix 9a). After concluding these meetings, the groups were handed over to the technical component of HLP. At the same time the FOD organized another training program on provision of integrated service delivery which focused on: input provision, collective marketing, savings and access to credit (appendix 9b).

**Gender:** Organizing rural women into group have a considerable impact on improvement of farm income and livelihood. In this way, HLP addressed to the entire farming household for achieving most of synergies. As culture do not allow male to work and communicate with female in Afghanistan, particularly in rural areas; therefore, HLP works separately with male and female farmers in all project aspects.

**Activities:** HLP organized farmers into PGs who were involved in crop production (fruits) and livestock (dairy and poultry) activities. HLP has been delivering services to the farmers through the groups which includes; establishment of new orchards, rehabilitation of old orchards, extension service on horticulture and livestock, horticulture package, veterinary services and poultry inputs only for the female groups. Additionally, HLP facilitates development of savings box in the groups, linkages of PGs with agriculture depots, microfinance institutions, and merchants, wholesalers for better marketing of the products.

**Objectives of the PGs:** To organize farmers into groups and able to collectively address their common needs for extension services, quality inputs, credit and marketing services toward increasing productivity and income in a sustainable manner.

## **4.2 Male Producer Groups (PGs)**

**Demographic composition:** In total 30 male farmers were interviewed from five PGs, out of which 23 (77%) were the head of households. Out of 30 farmers 18 (60%) attended school (*in which 12 (72%) were the executive committee and 5 (28%) were the ordinary members*), and the remaining 12 (40%) were illiterates. The age of the respondents categorized in the following ranges: 10 members (33.3%) were in the range of 18–35 years, 11 members (36.6%) range between 36-55 years, and 9 members (30%) were older than 56 years.

### **4.2.1 Formation**

In 2008, the Farmer Organization Development (FOD) component was introduced into HLP in order to meet HLP's development objectives, FOD aims "to organize the project beneficiaries into groups to enable them collectively address their common needs for extension services, quality inputs, credit and marketing services towards increasing productivity and income in a sustainable manner". In 2009, the FOD component started its activities in Khulm district. According to the farmer's view, the formation of the PGs were initiated 3% by the farmers themselves, 33% by outsiders (NGOs/projects) and 63% both the farmers and the NGOs/Projects.

All respondents (100%) reported that the groups were mobilized and formed through ten (10) meetings conducted by the HLP/FOD facilitators (appendix 9a). HLP acknowledged this fact and reported that after concluding the formation and mobilization meetings, the PGs received further trainings on provision of integrated services in which the focus was given to collective input supply, marketing, savings and access to credit; and they were handed over to the HLP technical components.

The role of farmers in the formation process was to actively participate, share their views and ideas in the organization and management of the group.

### **4.2.2 Why to Form PGs**

HLP reported that, before they facilitate the formation of the PGs, they realized the existence of cooperatives and CDCs in the area. They also realized that many of HLP beneficiaries were the members of the cooperatives and/or CDCs. As cooperatives were already experienced by the farmers that they did not do so well and they are weak enough and their development hindered by the following constraints:

- Little participation of members in the management of the cooperatives
- Cooperatives don't have qualified management and administrative staff
- Limited capacity of service provision of the cooperatives, in particular storage facilities and marketing services.

HLP also realized that the members of the PGs are active in the CDCs of their villages, which care for general community development issues. These CDCs were formed by National Solidarity Program (NSP) and recognized by the government. The CDCs relied on NSP projects and fund and they were not structured in a way to look at each development sector separately.

Considering these facts, HLP decided to work with farmers who are interested and involved in horticulture and livestock sub-sectors as an independent entity.

Farmers also realized this fact; according to the farmers' view, out of 30 respondents, 11 farmers (37%) confirmed the existence of cooperatives only in their villages, while 9 farmers (30%) confirmed both the cooperative and CDCs, and the remaining 10 farmers (33%) neither have cooperative nor CDCs in nearby area. Moreover, out of the total numbers, 3 farmers (10%) already have the membership of the cooperative, 7 farmers (23%) the CDCs, 2 farmers (7%) both the cooperative and the CDCs and 18 farmers (60%) reported that they neither have the membership of the cooperative nor the CDCs.

Above findings showed that there were possibilities for both farmers and the HLP to work with the exiting cooperatives and/or CDCs. While, farmers motive to form PGs were; they had no agriculture cooperatives in their areas (said 7 farmers, 23%), the existing cooperatives and CDCs did not response to the needs of farmers (said 15 farmers, 50%), and 8 farmers (27%) reported that they did not know why they formed new PGs while there were already existing cooperatives and CDCs.

The respondents were also asked to name the most important reasons for jointing the PG: Out of 30 respondents 26 (86.7%) reported they joint PGs for the acquisition of knowledge and skills about horticulture and livestock; 24 (80%) for collective action on input provision, marketing and agricultural credit; 16 (53.3%) for social interaction; 16 (53.3%) to increase profitability and 15 (50%) respondents reported that we formed PG to benefit from the support and materials given by the outsiders.

The initial expectation of farmers from the PGs were the followings: out of total number 34% were expecting to learn new farming techniques in horticulture and livestock in order to increase their production, 26.7% reported to find a good market, 26.7% reported to get access to the quality agricultural inputs in reduced prices, and 13.3% reported to get access to the agricultural credit. Moreover, 17 farmers (57%) reported that they are achieving their expectation, while the remaining 13 farmers (43%) said that they did not get what they were expecting from the group.

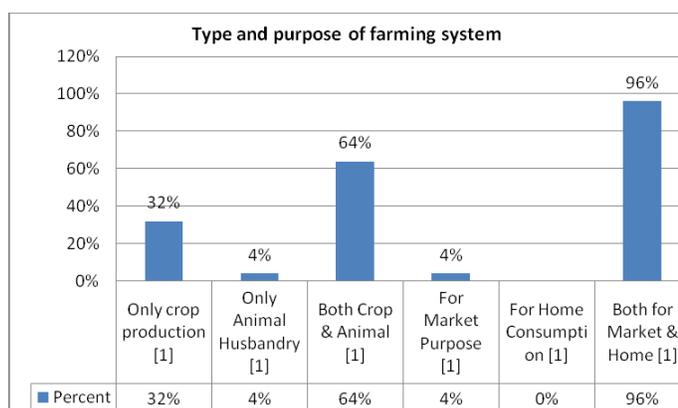
In order to improve the situation and meet their expectations, 33.3% farmers said to have access to quality agriculture inputs, 26.7% said access/improve the irrigation system, 23.3% said get training on horticulture and livestock activities, 20% said collective marketing and access to credit, and 13.3% said that above expectation and improvement can be made if there is support from outsiders.

### **4.2.3 Farming System**

Now a days, farmers understand the importance of integration, producing crops as well keeping animal for home consumption and market purposes. The study showed that 32% farmers have only crop production, 4% only animal production and 64% have both crops as well animals. The study also showed that 4% produce for market purpose only and 96% produce for both market and home consumption.

In order to collectively address the needs of farmers, the study showed that out of 30 farmers, 7 farmers (23.3%) are having collective input procurement; 6 farmers (20%) having collective marketing; and 18 farmers (60%) are having communal irrigations. Moreover, in marketing 7% farmers sell their products through the PGs (collectively), while 93% sell their products by their own.

**Figure 4.2** Types and purpose of farming system



Source: Own research

#### 4.2.4 Transparency and Record Keeping:

The PGs have been trained by the HLP project on transparency and record keeping. The EC of the PGs are responsible to keep and update the record. Most farmers responded that they keep and update the records of group meetings (participants, agenda), visitors' book, saving box deposit and internal loan distributed to the group members. And they still do not record the production produced by the farmers, marketing of the products (person, price, market...etc). Most farmers understand the importance of record keeping and they always do it, while the others said that "I don't know how to keep the records, but I would like to learn" and "it takes too much time, therefore, I don't record much".

#### 4.2.5 Training and New Ideas

To the question would you like the PG to provide more trainings and new ideas about certain aspects? The respondents of the male PGs answered with a variance and were able to choose from 1 till 4, where:

[1] = to "Yes, I would need it very much and I already made a requested for it"

[2] = to "Yes, I would need it, but I did not request for it"

[3] = to "Yes, I would like it but it is not necessary or highly needed"

[4] = "No, it is not necessary to provide more knowledge".

**Table 4.1** Provides percentages of the respondents who choose for the scores 1 till 4.

No.	Improvement of knowledge	[1]	[2]	[3]	[4]
1	Improvement in production (quantity)	79%	21%	0%	0%
2	Improvement in the quality of products	63%	37%	0%	0%
3	Integrated Pest Management (IPM)	73%	17%	10%	0%
4	Farm record keeping in general	4%	64%	50%	0%
5	Awareness of government policies	0%	14%	46%	39%
6	Buyers	59%	22%	11%	7%
7	Inputs, markets/marketing	69%	15%	4%	12%

Source: Own research

### 4.3 Female Producer Groups (PGs)

**Demographic composition:** In total 30 female farmers were interviewed from five PGs, out of which 11 (37%) were the head of households, in Afghan society the widows lead the families and they are mostly poor of the poor. Out 30 farmers 11 (37%) attended school (*in which 6 (55%) were the executive committee and 5 (45%) were the ordinary members*), while the remaining 19 (63%) were illiterates. The age of the members categorized in the following ranges: 14 members (47%) were in the range of 20–40 years, 12 members (40%) range between 41-50 years, and 4 members (13%) were older than 51 years.

#### 4.3.1 Formation

In a society like Afghanistan, it is difficult for men to work with women. HLP initially started its mobilization activities with male farmers. During this mobilization, farmers realized the importance of women in improvement of farm income and livelihood. Within sometimes, HLP in consultation with male farmers start similar process of the group formation, social and economic mobilization program with women farmers (said by HLP). According to the female farmers' view, the formation of the PGs were initiated 13% by the outsiders and 87% both the farmers and the outsiders.

HLP added that the female PGs also received trainings on provision of integrated service as well after the formation phase they were handed over to HLP technical components in order to provide horticulture and livestock services.

During these processes the roles of farmers were active participation, encouraging other women to participate, and to provide local knowledge and share experiences with the group and the outsider.

#### 4.3.2 Why to Form PGs

According to HLP, there was no existing female producer organization in the district of Khulm, while HLP started its activities with female farmers. HLP organized women farmers who were engaged in horticulture and livestock activities into groups and supported them throughout the process of the group formation, social and economic mobilization, provision of integrated service delivery trainings as well as technical trainings on horticulture and livestock and provide inputs and facilitating linkages of these PGs with the chains actors.

According to the farmers view, out of 30 respondents; 8 (27%) farmers confirmed the existence of cooperatives only in their villages, 7 (23%) confirmed the existence of CDCs, 13 (43%) confirmed both the cooperative and CDCs, and only 2 (7%) reported that they neither have cooperative nor CDCs in their area. Moreover, out of the total numbers, 6 farmers (20%) already have the membership of the cooperative, 9 farmers (30%) the CDCs, and 15 farmers (50%) reported that they neither have the membership of the cooperative nor the CDCs.

Above analysis showed that there were even more possibilities for both farmers and the HLP to work with the exiting cooperatives and/or CDCs. While, the motive to form new PGs; 54%

reported that the existing organizations are not performing well, 23% the new PG will do better than the existing once, and the remaining 23% reported that we were asked to form new PGs and get support of the project.

The three most important reasons for joining the PG mentioned by the respondents were: 30 (100%) reported they joint PGs for the acquisition of knowledge and skills about horticulture and livestock; 25 (83%) for social interaction, 21 (70%) to get benefit of the support and materials given by the outsiders, 17 (56%) reported to benefit from the collective actions on input provision, marketing and credit.

The initial expectation of farmers from the PGs were the followings: out of total number 46.7% were expecting to learn new farming techniques in horticulture and livestock, 33.3% reported to solve the current irrigation problem, 26.7% to solve the problems of pests and disease, and 26.7% reported to get access to agricultural inputs and collectively market the products. Moreover, 16 farmers (53%) reported that they are getting their expectation, while the remaining 14 farmers (47%) said that they did not get what they were expecting from the group.

In order to improve the situation and meet their expectations, 43.3% farmers said to upgrade the knowledge capacity of the group, 26.7% said access/improve irrigation system, 20% said outsiders support in order to response to the farmers' needs, and 20% said to get access to agriculture inputs and marketing services.

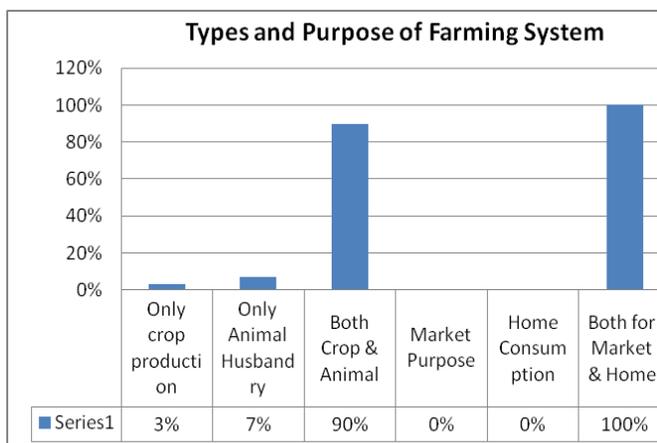
### 4.3.3 Farming System

Figure 4.3 indicates that women are more involved in integrated farming than men. It showed that 3% women farmers are having only crop production, 7% only animal production and 90% have both crops as well animals. The study also noticed that women farmers produce for the purpose of market and home consumption.

The PGs aim to address the needs of farmers through collective activities. In this regards, the respondents reported that so far they have no collective input procurements, 19% said they recently started collective marketing, and 28% said they have communal irrigation, while the remaining 35% reported that they have no collection activities at all.

Moreover, 7% farmers reported that they sell their products through the PGs, while 93% sell by their own.

**Figure 4.3** Types and Purpose of Farming System



Source: Own research

#### 4.3.4 Transparency and Record Keeping

The PGs have been trained by the HLP project on transparency and record keeping. The EC of the PGs have the responsibility to keep and update the record and update the group members in regular base. The respondents were asked about the transparency and record keeping: most farmers said that they keep the record of meetings (participants, agenda), visitors' book, saving box deposit and internal loans. While, they are still not able to record the volume of the produce and marketing of the produce (person, price, market...etc); and they understand importance of record keeping and they always do it, while the few others said that "I don't know how to keep the records, but I would like to learn" and "it takes too much time, therefore, I don't record much".

#### 4.3.5 Training and New Ideas

To the question would you like the PG to provide more trainings and new ideas about certain aspects? The respondents of the female PGs answered with a variance and were able to choose from 1 till 4, where:

[1] = to "Yes, I would need it very much and I already made a requested for it"

[2] = to "Yes, I would need it, but I did not request for it"

[3] = to "Yes, I would like it but it is not necessary or highly needed"

[4] = "No, it is not necessary to provide more knowledge".

**Table 4.2** Provides percentages of the respondents who choose for the scores 1 till 4.

No.	Improvement of knowledge	[1]	[2]	[3]	[4]
1	Improvement in production (quantity)	83%	17%	0%	0%
2	Improvement in the quality of products	43%	53%	3%	0%
3	Integrated Pest Management (IPM)	62%	27%	4%	0%
4	Farm record keeping in general	14%	41%	38%	7%
5	Awareness of government policies	4%	41%	22%	33%
6	Buyers	63%	33%	4%	0%
7	Inputs, markets/marketing	52%	44%	0%	4%

Source: Own research

### 4.4 Self Assessment of Male and Female Producer Groups

#### 4.4.1 Membership base

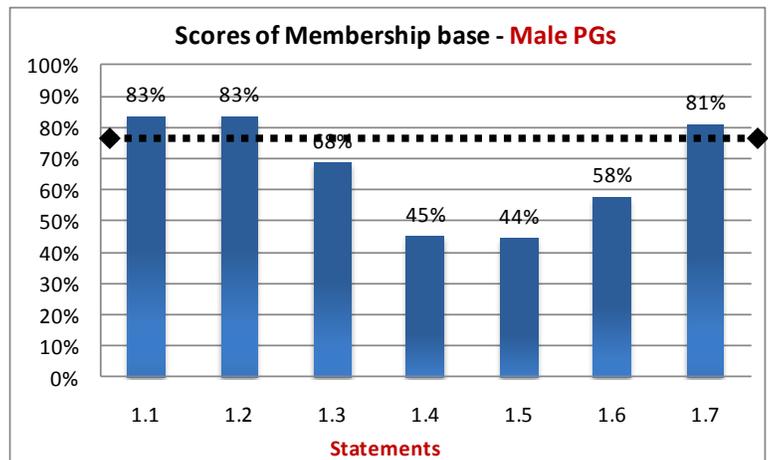
Description of statements:

- 1.1 Our PG has clearly formulated the objectives.
- 1.2 These objectives are shared with all members.
- 1.3 I am totally aware of the objective and the planning of our PG.
- 1.4 People who want to can be member of our PG.
- 1.5 Our PG actively seeks the adherence of new members.
- 1.6 I know that we have a membership register that is up to date.
- 1.7 All members actively participate in the activities of our PG.

**Male PGs:** The Executive Committee (EC) and the ordinary members in the PGs had similar views in order to response to the above statements. Statements 1.1, 1.2 and 1.7 showed the satisfaction of the respondents.

Statement 1.3 rated positive averages, though improvement is advisable in order to increase members' satisfaction. A big gap has been seen in statements 1.4, 1.5 and 1.6 indicates low scores, it means the PGs do not follow the principle of voluntary and open membership, in this case improvement or changes are must. The researcher also noticed that the number of farmers in each of the PGs did not increase and change beginning till now.

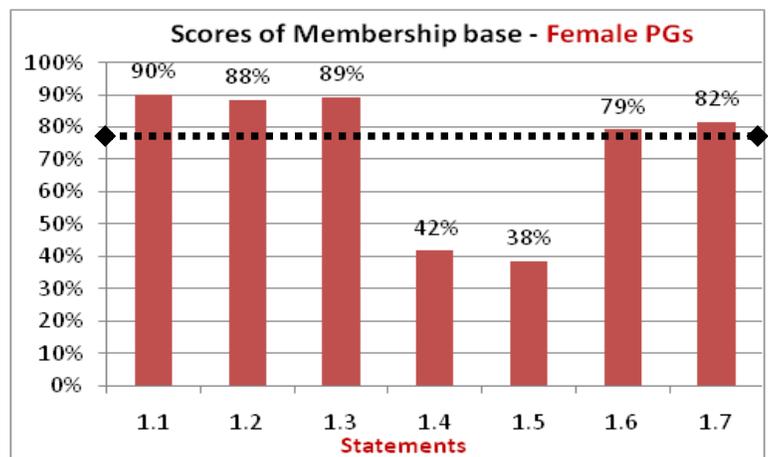
**Figure 4.4** Scores of membership base of male PGs



Source: Own research

**Female PGs:** Figure 4.5 showed that the female PGs are satisfied with statements 1.1, 1.2, 1.3, 1.6, and 1.7. While, similar big gap is noticed in statements 1.4 and 1.5, which means that the female PGs also do not follow the principle of voluntary and open membership and the number of members did not increase as well.

**Figure 4.5** Scores of membership base of female PGs



Source: Own research

**Comparison:** Above analysis showed that the female PGs are more positive than the male PGs and they have higher interest in the organization, management and development of their groups. The findings of each of the PGs (male and female) further analyzed in order to find out the differences and similarities in the perception of EC members and ordinary members in between and with one another at different levels (appendices 3 to 8). Both male and female PGs do not follow the principle of voluntary and open membership; though strategic improvement is required to allow non-members to participate in the group. As well, the PGs don't have membership fees at all, instead 88% of the male and all 100% of female PGs started and contributing to the savings box.

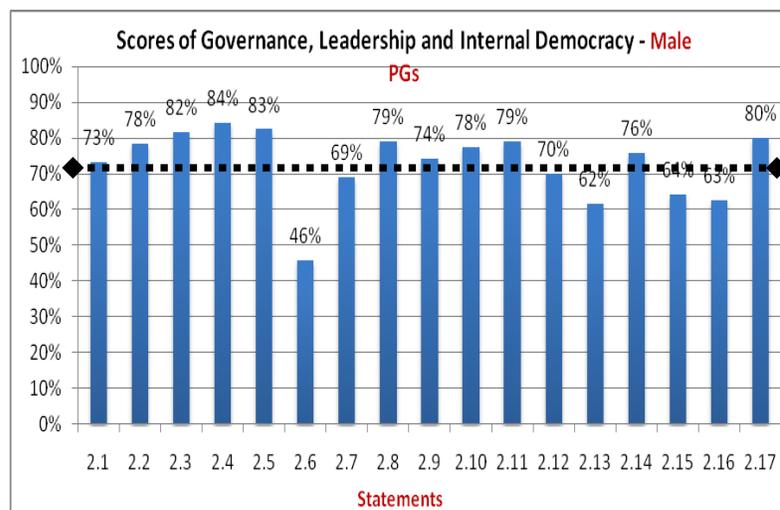
#### 4.4.2 Governance, Leadership and Internal Democracy

Description of statements:

- 2.1 All members know the internal regulations of the PG and it is well documented
- 2.2 The general assembly, EC functions according to the mandates of PG
- 2.3 I am familiar with the election process of the EC members
- 2.4 The governing board of the PG has been democratically and transparently elected
- 2.5 Selection criteria and responsibilities for EC is well defined
- 2.6 The duration and mandate of the leadership position is well defined
- 2.7 EC sufficiently technically trained to do their jobs
- 2.8 Internal communications within our PG is well organized
- 2.9 Each member is aware of his/her responsibilities
- 2.10 During meetings all participants share their point of view and taken into consideration
- 2.11 Every member in our PG is involved in decision making
- 2.12 The frequency of meetings to discuss our progress and problems is good
- 2.13 Our PG is very good in problem solving
- 2.14 I organize and see the importance of the meetings we have
- 2.15 Every year, our PG elaborates a plan that indicates what we are going to do
- 2.16 Seasonal base or every year we evaluate the result that we have obtained
- 2.17 Overall, I am happy with the objective, plan and management of the PG

**Male PGs:** Out of the total number, eight statements **2.2, 2.3, 2.4, 2.5, 2.8, 2.10, 2.11** and **2.17** reached or above the margin 77.5%, which indicates satisfaction of the respondents. Others which are very close to the line or rated above (65%) are; **2.1, 2.7, 2.9, 2.12,** and **2.14,** indicates that the respondents are positive about the statements, in which improvement is not obligatory but advisable. Statements rated 50% to 65%, **2.13, 2.15,** and **2.16** indicates low average scores, dissatisfaction of the respondents, here improvement is necessary to meet the needs and wishes of the respondents. The last but not least, **2.6** indicates very low score (less than 50% which caused by disagreement of the respondents); in this case improvement or changes are must.

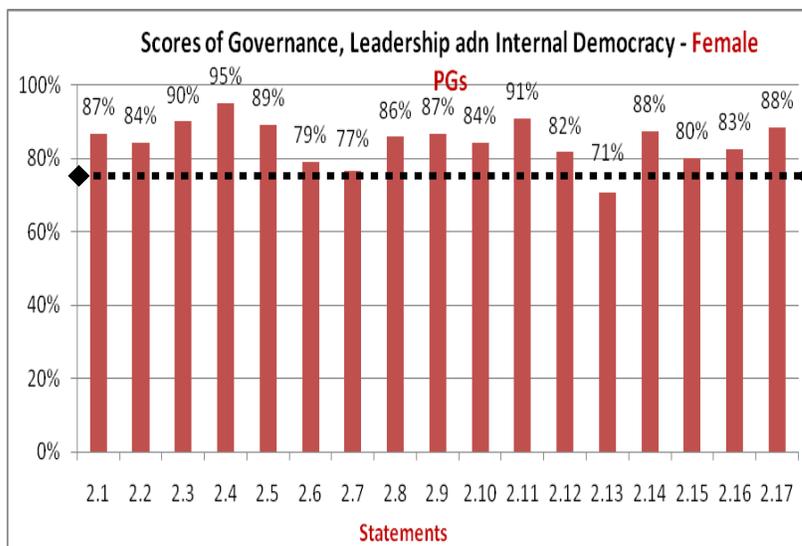
**Figure 4.6** Scores of governance, leadership and internal democracy -male PGs



Source: Own research

**Female PGs:** As it can be depicted from Figure 4.7 that almost all statements scored over the margin 77.5%, which indicates satisfaction of the respondents, while only two statements **2.7**, and **2.13** are very close to the satisfaction level but not optimal as the others. Adjustments could be made to lift the level of satisfaction to the final stage.

**Figure 4.7** Scores of governance, leadership and internal democracy - female PGs



**Source:** Own research

**Comparison:** A big difference has been noticed between male and female PG in regard to the governance, leadership and internal democracy. Further analysis in appendices 3 to 8, indicating that EC members and ordinary members have almost similar views in the group, but while comparing male with female PGs, it can be noticed that female PGs are more positive and responsive to the above statements compare to the of male PGs.

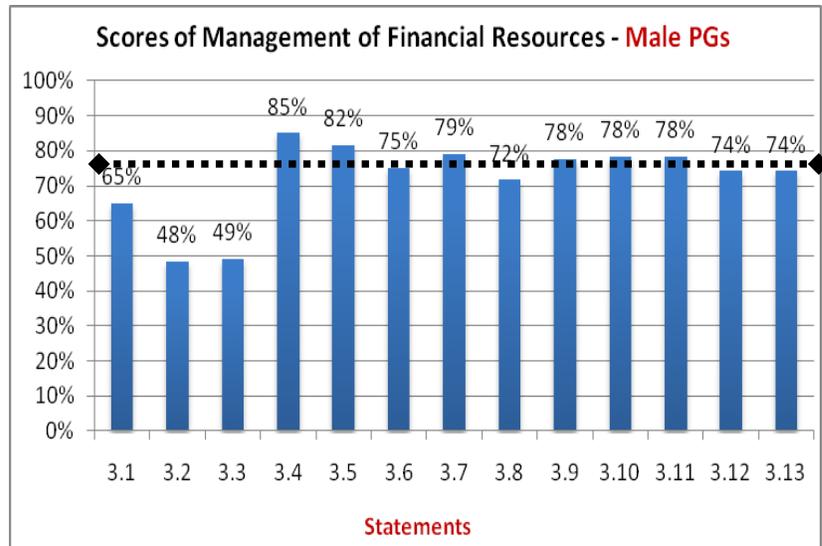
### 4.4.3 Management of Financial Resources

Description of statements:

- 3.1 The PG functions on the basis of the financial contributions of the members
- 3.2 Our PG functions on the basis of the business profit made by the PG
- 3.3 Our PG can function well without outside financial support
- 3.4 We have elected a treasurer who can keep the books correctly
- 3.5 The EC controls, how the expenditures have been done & how the financial books are kept
- 3.6 The treasurer/EC received training on financial management and book keeping
- 3.7 If I want to, I am also allowed to check the records
- 3.8 Every year, the EC or the treasurer reports about the finance of the PG
- 3.9 Overall, I am very happy how the financial resources are managed by the PG
- 3.10 The purpose of having saving box is clear
- 3.11 The PG is trained on savings, management of saving boxes, internal lending & repayment
- 3.12 The group members regularly pay their contribution to the savings box
- 3.13 The PG provides loan to their members from the saving boxes

**Male PGs:** The results in Figure 4.8 showed that respondents are satisfied or positive with the majority of the statements. Statements scored satisfactory are **3.4, 3.5, 3.7, 3.9, 3.10** and **3.11**, while four other statements **3.6, 3.8, 3.12**, and **3.13** scored positive and almost reaching to the margin 77.5%. Statement **3.1** scored positive average and the two other statements **3.2** and **3.3** which scored lower than (50%) indicate the disagreement of the respondents. Improvements are advisable to the statements scored positive and positive average, and in the case of **3.2** and **3.3** the PGs must take strategic actions in order to make benefit for the group and members as well the PGs should be able to work without outsiders' support.

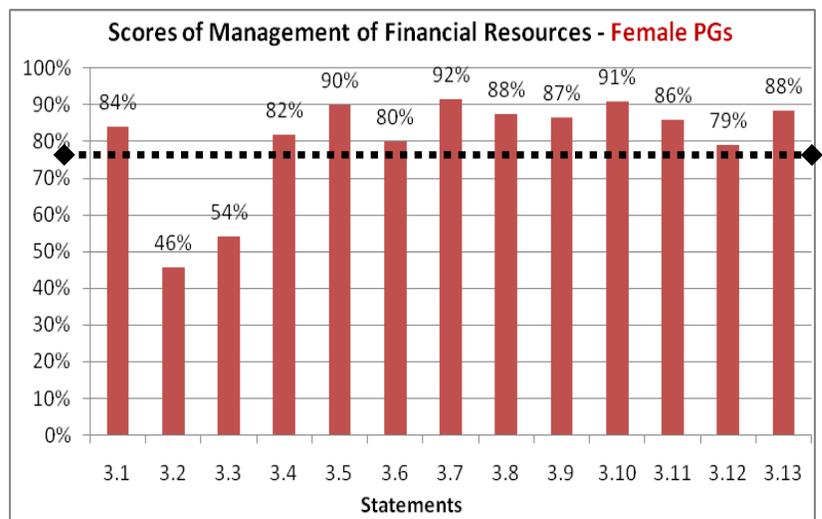
**Figure 4.8** Scores of management of financial resources—male



Source: Own research

**Female PGs:** The results in Figure 4.9 showed that almost all statements scored over the margin 77.5%, which indicate the satisfaction of the respondents. Statements reached the margin are; **3.1, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12**, and **3.13**. Statements which scored very low **3.2** and **3.3** showed the disagreement of the respondents. So, improvements and changes are required at this stage in order to make benefit for the group and members as well the PGs should be able to work without outsiders' support.

**Figure 4.9** Scores of management of financial resources—female



Source: Own research

**Comparison:** Above analysis showed that female PGs are more positives than male PGs. Statements which scored very low in both male and female PGs (3.2 and 3.3) indicated that they have no business at all and they still rely on outsiders support. Further analysis of the management of financial resources can be found in appendices 3 to 8.

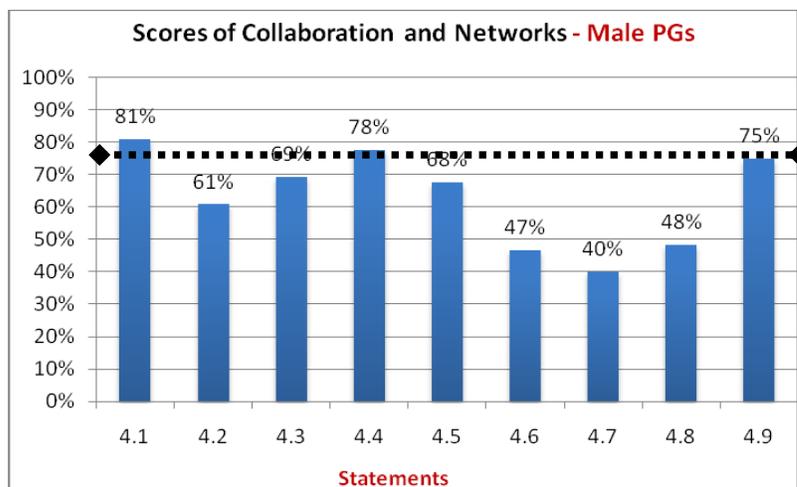
#### 4.4.4 Collaboration and Networks

Description of statements:

- 4.1 Collaboration between members is good
- 4.2 Collaboration with other producer organizations
- 4.3 Collaboration with local authorities is good
- 4.4 Collaboration with NGOs and projects is good
- 4.5 Relation with private enterprises (input suppliers, traders, money lenders)
- 4.6 Our PG has formal agreements with banks, facilitating members' access to
- 4.7 Our PG had written project proposals to get support and funding for our activities
- 4.8 Our PG has established agreements with input providers, to buy agriculture inputs for the members in reduced prices
- 4.9 Participation in development meetings at district level

**Male PGs:** As can be seen in Figure 4.10, out of 9 statements, two statements **4.1** and **4.4** scored satisfactory, while three others **4.3**, **4.5**, and **4.9** scored positive and almost reaching to the satisfaction rate. Statement **4.2** (61%) indicates dissatisfaction of the respondents and a big gap can be noticed in statements **4.6**, **4.7**, and **4.8** which scored below 50%, indicating the disagreement of the respondents. Improvements are advisable to the statements scored positive and in the case **4.2**, **4.6**, **4.7** and **4.8** the PGs must take strategic actions in order to reach the level of satisfaction.

**Figure 4.10** Scores of collaboration and networks-male PGs

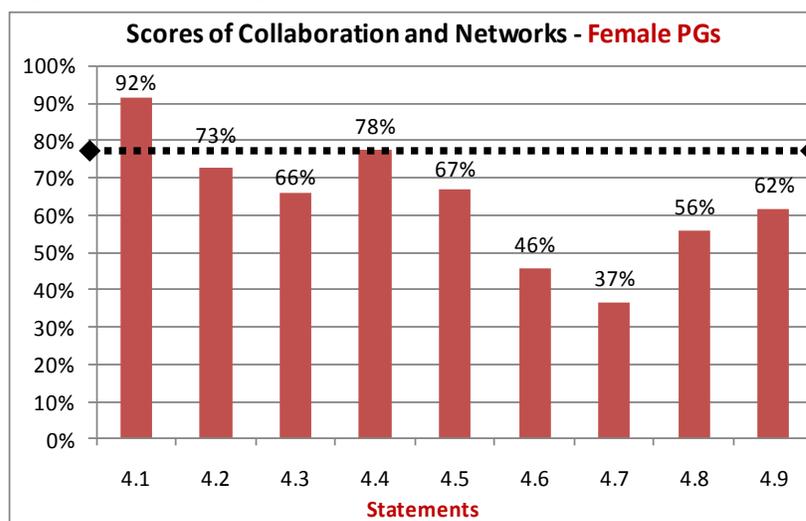


Source: Own research

**Female PGs:** Almost similar results can be seen in female PGs. Figure 4.11; showed that the respondents are fully agree with the statement **4.1**, and satisfied with **4.4** statement. The other three statements **4.2**, **4.3**, and **4.5** scored positive in which improvements are not obligatory but advisable in order to get the satisfaction of the respondents. Statements scored low average are **4.8** and **4.9**, in which improvements are necessary to meet the needs and wishes of the respondents. The two other statements which rated very low **4.6** and **4.7** indicates the disagreement of the respondents, in this case improvements and changes are must to be considered in the performance of the group.

**Comparison:** From the above analysis, it can be noticed that there is collaboration among members and with NGOs/project with the PGs. Both male and female PGs gave very low score to the statements 4.6, 4.7, and 4.8, which indicates that the PGs have no agreement with credit banks; input suppliers as well as they did not write any proposal to the outsiders in order to get their support. Further analysis of the comparison among executive committee members and ordinary members at the group level and groups in between can be found in appendices 3 to 8.

**Figure 4.11** Scores of collaboration and networks-female PGs



Source: Own research

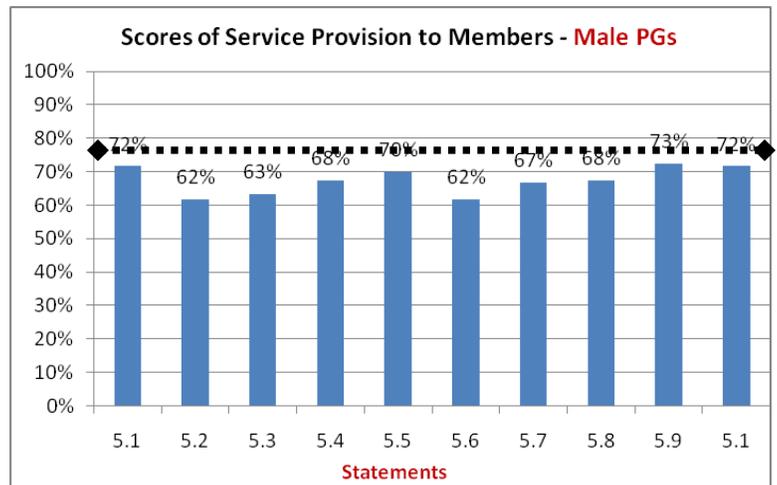
#### 4.4.5 Service Provision to the Members

Description of statements:

- 5.1 PG delivers continuous services to the members
- 5.2 PG develop coordination and linkages with public and private service providers e.g. microfinance agencies, agriculture depots, Veterinary Field Units (VFUs), district and other extension services
- 5.3 PG provide marketing services (input supply, output marketing, processing and marketing information)
- 5.4 PG provide/facilitate financial services (savings, loans, and other forms of credit)
- 5.5 PG provide/facilitate technological services (education, extension, research)
- 5.6 PG provide/facilitate collective production activities
- 5.7 The services offered/provided through the PG respond to the needs of farmers
- 5.8 I am benefitting from the information and trainings organized by/through the PG that make me a more professional farmer
- 5.9 The EC receive training to improve the competencies and skills that are needed to perform their tasks
- 5.10 Overall, I am very happy with the services offered by the group

**Male PGs:** Ten statements were asked from the male PGs in regards to the service provision to the members. None of them were scored satisfactory. Statements which scored above (65%) indicate that the respondents are positive about, these statements include; **5.1, 5.4, 5.5, 5.7, 5.8, 5.9** and **5.10**. The remaining three statements which scored low average are **5.2, 5.3,** and **5.6**, which indicates the dissatisfaction of the respondents. Improvements and changes are not obligatory but advisable for the statements scored positive, whereas for the statements which scored low average improvements are necessary in order to meet the needs and wishes of the respondents.

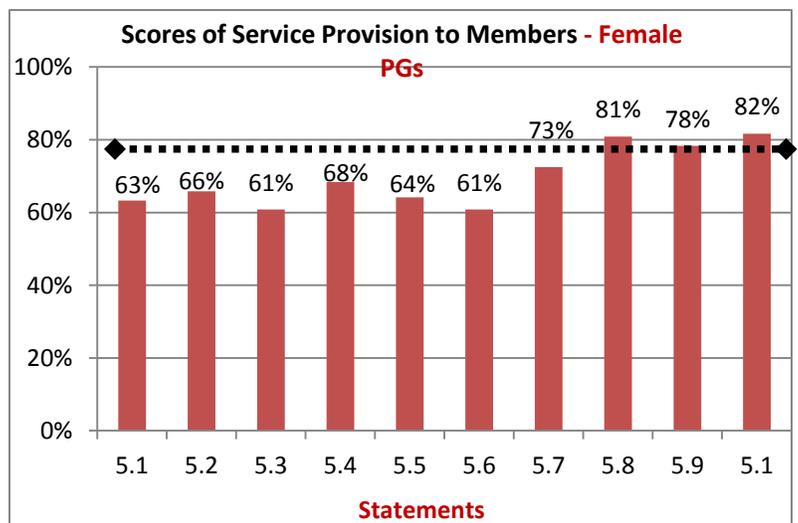
**Figure 4.12** Scores of service provision to members-male PGs



Source: Own research

**Female PGs:** Figure 4.13 showed that out of ten statements, three statements **5.8, 5.9,** and **5.10** scored satisfactory, while the remaining statements scored positive and low average. Statements which scored positive are **5.2, 5.4,** and **5.7** for which improvements and changes are not obligatory but advisable. And statements which scored low average **5.1, 5.3, 5.5,** and **5.6** indicate the dissatisfaction of the respondents for which improvements are necessary in order to get the satisfaction of the respondents.

**Figure 4.13** Scores of service provision to members-female PGs



Source: Own research

**Comparison:** In regards to the service provision to the members, it seemed that both male and female PGs have almost similar views and perceptions. Most statements were scored positive while very few reach the level of satisfaction and few others low average. Further analysis of this category “service provision to the members” can be found in appendices 3 to 8, in which the perception of EC members are compared with ordinary members within the group and in overall.

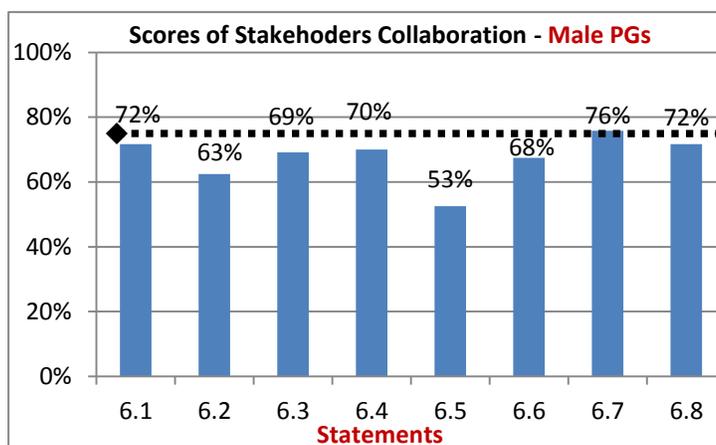
#### 4.4.6 Stakeholder Collaboration

Description of statements:

- 6.1 Input suppliers give me advice on how best to use the agricultural inputs
- 6.2 PG discusses with service providers to support the value chains
- 6.3 PG discuss with chain actors about what we can do for each other
- 6.4 PG discuss with chain supporter about what they could do for us
- 6.5 PG deal with reliable input suppliers and traders
- 6.6 The service offered by the stakeholders adequately address the needs of PG
- 6.7 Some of our members are our trainers/advisors
- 6.8 Within the district, different stakeholders are discussing how best to develop coordination and collaboration among each other

**Male PGs:** As it can be depicted from Figure 4.14 that none of the “Stakeholders Collaboration” statements reached the level of satisfaction (77.5%). However, most statements **6.1, 6.3, 6.4, 6.6, 6.7,** and **6.8** scored positive average (higher than 65%) and almost reaching to the satisfaction line, in which improvements are not obligatory but advisable. The two other statements **6.2** and **6.5** which scored low average indicates the dissatisfaction of the respondents, in this case improvements and changes are necessary in order to meet the needs and wishes of the respondents.

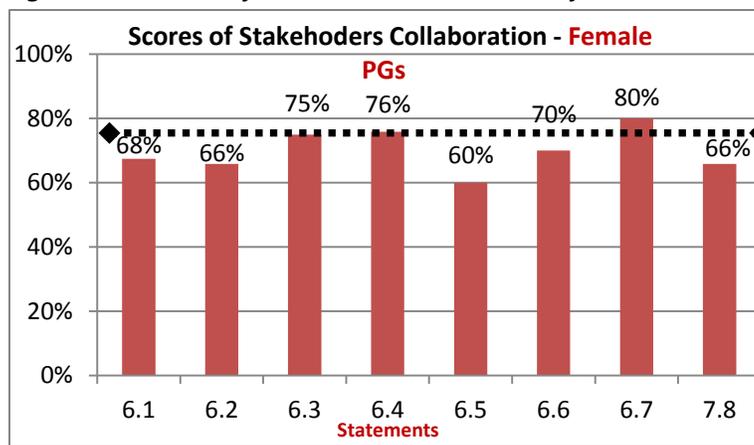
**Figure 4.14** Scores of stakeholders’ collaboration – male PGs



Source: Own research

**Female PGs:** Figure 4.15 indicates that out of 8 statements only one **6.7** reached the level of satisfaction (77.5%). The remaining statements **6.1, 6.2, 6.3, 6.4, 6.5, 6.6,** and **6.8** scored positive average, in which two statements **6.3** and **6.4** are very close to the level of satisfaction. Improvements and changes are not obligatory but advisable in order to increase satisfaction among members.

**Figure 4.15** Scores of stakeholder collaboration-female PGs



Source: Own research

**Comparison:** Above analysis showed that the respondents are positive about all statements of the stakeholders' collaboration, except **6.2** and **6.5** which scored low average in male PGs. Improvements are advisable for positive scored statements and necessary for the low average scored statements. Further analysis on the perception of farmers can be found in appendices 3 to 8.

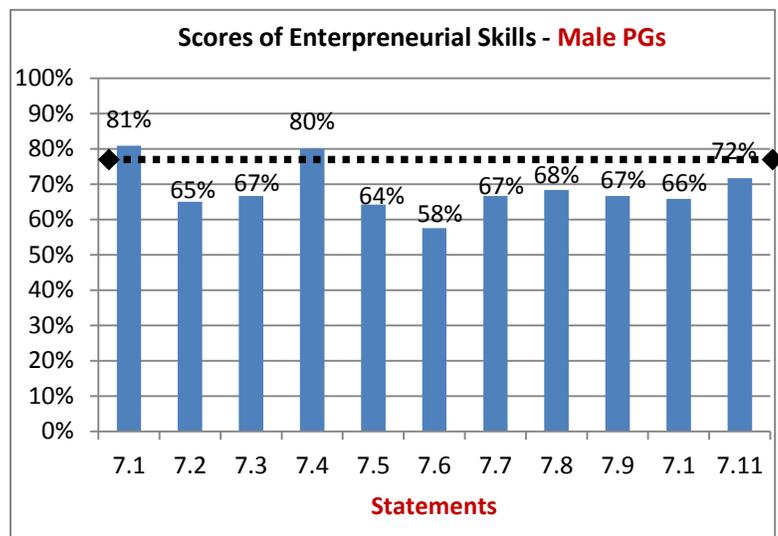
#### 4.4.7 Entrepreneurial Skills

Description of statements:

- 7.1 Our PG is multi-functional organization
- 7.4 I am always able to sell my products
- 7.2 Our PG is very good in identifying market possibilities
- 2.3 The PG is good in identifying risks and opportunities
- 7.5 The PG provides enough information about where to sell the product
- 7.6 Our PG is engaged in collective marketing and sells at a better price
- 7.7 The PG knows about the products and volumes of the members
- 7.8 I know the prices of agricultural products in different markets
- 7.9 I always get the same price for my products
- 7.10 I am happy with the price I get for my products
- 7.11 I am happy with the procedure how I get paid for my products

**Male PGs:** In total 11 statements were explored on entrepreneurial skills. Out of which two statements **7.1** and **7.4** were scored satisfactory while most others **7.2**, **7.3**, **7.7**, **7.8**, **7.9**, **7.10** and **7.11** scored above (65%) which indicates that the respondents are positive about. Only two statements **7.5** and **7.6** scored low average showing the dissatisfaction of the respondents. Improvements and changes are not obligatory, but advisable for statements scored positive, and statements which scored low average i.e. **7.5** and **7.6** needs improvements and changes in order to increase the satisfaction of the members.

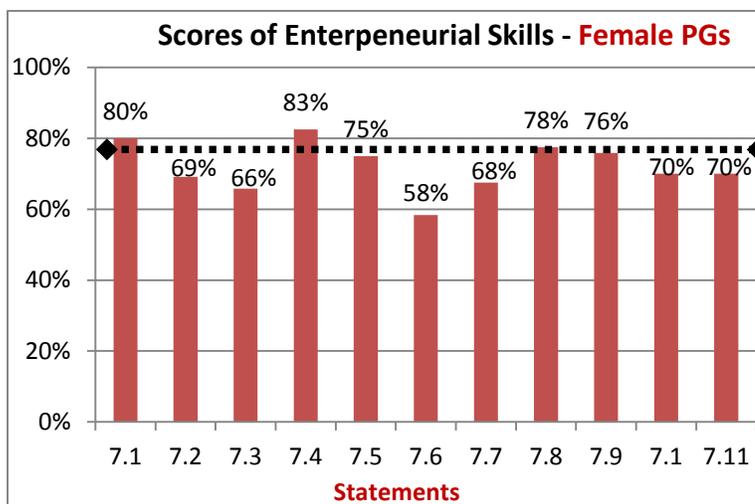
**Figure 4.16** Scores of entrepreneurial skills – male PGs



Source: Own research

**Female PGs:** Figure 4.17 showed that out of total numbers, three statements 7.1, 7.4, and 7.8 scored satisfactory. Most others such as 7.2, 7.3, 7.5, 7.7, 7.9, 7.10, and 7.11 scored above (65%) indicating that the respondents are positive about. One statement 7.6 scored low average which indicates the dissatisfaction of the respondents on collective marketing. Improvements are advisable for the positive scores while for the low average scores it is necessary in order to meet the needs and wishes of the respondents.

**Figure 4.17** Scores of entrepreneurial skills – female PGs



Source: Own research

**Comparison:** Above analysis showed that most statements scored positive by the respondents. While few reached the satisfaction line and only statement on collective marketing and selling products in better prices scored very low which indicates the disagreement. Further analysis of the entrepreneurial skills can be found in appendices 3 to 8.

#### 4.5 Main Problems of the PGs (Male and Female)

Farmers are facing many problems in horticulture and livestock sub-sectors in the district of Khulm. A long list of problems has been produced from both male and female PGs, out of which the followings were prioritized for each, which suffering farmers at individual and group level:

**Table 4.3** Prioritized problems identified by the male and female PGs in Khulm District

No.	Male PGs	Percent	No.	Female PGs	Percent
1	Irrigation water	63	1	Irrigation water	83
2	Proper market	30	2	Illiteracy	47
3	Technical knowledge`	30	3	Quality agricultural inputs	40
4	Quality agricultural inputs	27	4	Proper market	23
5	Pests and disease	23	5	Pests and disease	20

Source: Own research

#### **4.6 Major Achievements of PGs**

Farmers were asked to report the major achievements and valuable benefits gained through the PG. According to the respondents of male PGs, the major achievements at individual level are; knowledge and skill gained on horticulture and livestock (56.7%), development of savings box (36.7%), and having access to internal loan (16.7%). Almost similar achievements have been reported at the group level which includes; learned new techniques about orchard (70%), development of savings box (53.3%), organizing monthly meeting to discuss the horticulture and livestock issues (20%), and distribution of small internal loan to the members (16%), and contact credit banks (10%).

The female PGs reported their major achievements at the individual and group level are; development of savings box (80%), having access to internal loan (50%), received trainings on horticulture, livestock, and savings (43%) and received poultry trainings and inputs (33%).

#### **4.7 Future Prospects of the PGs**

As reported earlier by HLP and the farmers that due to several reasons they preferred to form new PGs instead of working with the existing cooperatives and/or CDCs. Till now these PGs have no legal status and privilege with any institutions in order to get maximum benefit from opportunities. In order to be a strong sustainable producer organization, farmers gave first priority to legalize their organizations in a form of cooperative or associations in the district level. Secondly, access to quality inputs, access to market and look for external supports to get fund and other supports in order to achieve our objectives. According to HLP and the farmers, the future cooperative/or association will aims:

- To supply its members with agricultural inputs and tools and consumable materials as required.
- Procuring and providing production loans and marketing for members.
- To support the marketing and processing of farm products of its members by providing suitable services.
- To raise capital by building up its internal funds or by borrowing funds from outside sources for the purpose of achieving its objective.
- To acquire, hire or lease buildings, farm machinery, agricultural tools and equipment, transport, irrigation, and other facilities that are required and also to help its members acquire or hire such faculties themselves.
- To promote and encourage thrift among its members and
- To organize and cooperate among cooperatives and the associations.

#### 4.8 SWOT Analysis of the Male and Female PGs

In order to compare the governance of male and female PGs, and provide an overview of the strong and weak points leading to their opportunities and threats, a SWOT analysis of the PGs was made. The SWOT followed by a comparison of male and female PGs in between by showing their differences and similarities.

**Table 4.4** SWOT analysis of the male and female PGs

Male PGs	Female PGs
<b>Strengths</b>	
<ul style="list-style-type: none"> <li>▪ Well experienced in horticulture and livestock</li> <li>▪ Regular group meetings</li> <li>▪ Established savings box and use this money for common purpose</li> <li>▪ High interest in group work</li> <li>▪ United</li> <li>▪ Active participation in group activities</li> <li>▪ Cooperate with each other</li> <li>▪ Identification of problems</li> <li>▪ Solving small problems through the group</li> <li>▪ Support of Horticulture and Livestock Project</li> </ul>	<ul style="list-style-type: none"> <li>▪ Having a strong group</li> <li>▪ Strengthening the savings box</li> <li>▪ Distribution of small internal loans</li> <li>▪ Integrated farming (Horticulture and Livestock)</li> <li>▪ Group members' interest and active participation in group activities</li> <li>▪ Identification of problems in crops and animal</li> <li>▪ Participation in social activities</li> <li>▪ Interest of farmers in collective actions</li> <li>▪ Involvement in semi poultry program</li> <li>▪ Learned new techniques in horticulture &amp; livestock</li> <li>▪ Cooperation among members</li> </ul>
<b>Weaknesses</b>	
<ul style="list-style-type: none"> <li>▪ Access to market</li> <li>▪ Some of the members do not contribute to the savings box</li> <li>▪ Little amount of money in the group</li> <li>▪ Lack of quality inputs</li> <li>▪ No pasture for animal grazing</li> <li>▪ Lack of knowledge on pesticide application.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The PGs have no legal status</li> <li>▪ Lack of knowledge on pesticide application.</li> <li>▪ Little amount of money for collective procurement and selling of the products</li> <li>▪ PGs have no business to make money for the group and members</li> <li>▪ Access to agricultural equipments/tools</li> <li>▪ Losing of members interest</li> <li>▪ Illiteracy</li> <li>▪ Access to quality inputs</li> </ul>
<b>Opportunities</b>	
<ul style="list-style-type: none"> <li>▪ Bringing of Canal from Amu river</li> <li>▪ Expand support of HLP in group organization, management and development and other supports in horticulture and livestock.</li> <li>▪ Develop linkages with the existing service providers in the district.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Legalize the PG/s in a form of cooperative or association</li> <li>▪ Develop linkages with input suppliers, banks, traders and other chain actors.</li> <li>▪ Start business for the group</li> <li>▪ Propose fund and other support from the funding agencies operating in the district.</li> </ul>
<b>Threats</b>	
<ul style="list-style-type: none"> <li>▪ Pests and disease</li> <li>▪ Drought and access to irrigation water</li> <li>▪ Low prices for the products</li> <li>▪ Cooperation of outsiders</li> <li>▪ Low economy</li> <li>▪ Irrigation water</li> </ul>	<ul style="list-style-type: none"> <li>▪ Insecurity in the area</li> <li>▪ Pest and disease</li> <li>▪ Low economy of the farmers</li> <li>▪ Inexistence of external support</li> <li>▪ Finance/fund for the group</li> <li>▪ Irrigation water</li> </ul>

Source: Own research

## CHAPTER FIVE

### 5.0 DISCUSSION

The role of POs in farming productivity has received increasing attention in recent years, both from government and donors, and it is emphasized that agricultural cooperatives and formal business associations are having important role in supplying production inputs and market support functions.

Supporting farmers in developing countries in a form of cooperatives, requires a two-fold balance, the initiative of insiders (members and directors) and the support of outsiders (NGOs and donors), at the same time, organizational development must go hand-in-hand with business development. While considering these balances, the POs can become a powerful vehicle for the economic development and empowerments. These balances often maintained by the outsiders (Holtland 2007).

In ideal world agriculture cooperatives are created by farmers, using their own ideas and resources, in reality outsiders often play a decisive role. In the context of Afghanistan these outsiders are the government and non-government organizations.

### 5.1 Formation of Producer Groups

The results of the study showed that HLP derived the formation of the PGs rather than to facilitate the process. HLP formed and empowering these PGs in order to achieve its development objectives “to assist producer households in adopting improved practices so as to increase horticulture and livestock productivity and production in the focus area” and bring future sustainability in the groups. In order to achieve this objective, HLP organized two phases of trainings: group formation, social and economic mobilization and provision of integrated service delivery to equip farmers with self-organizing development skills, group empowerment strategies for joint input supply, credit, savings and marketing services. After concluding phase one, the groups were handed over to the HLP technical components to implement horticulture and livestock activities.

According to Penrose-Buckley (2007) in formation of new POs, the outsider should facilitate the process and consider the following steps: raising awareness, identify participants, group size, first meetings, pilot activities & consolidation, financing, and shared asset (for details refer to page 19).

Holtland (2007) began the formation of potato producer cooperative in Kyrgyz Republic with, training of project staff on how to communicate with farmer. Secondly, they made the inventory of all factors and actors affecting the possible creation of the cooperative. Third, organized informal meetings at village level to discuss the options for any form of cooperation, this followed up with development of criteria for the leaders and members. After sometimes, these issues were discussed in formal meetings in each of the villages. In each village two

temporary leaders were elected and these elected leaders together with the experts developed a draft charter document. Till this time the cooperative was not formally registered but in order to create a strong sense of ownership and opportunities for learning, the temporary leaders were empowered to jointly decide on some basic issues. At the same time, the project started its support with farmers (cultivation of potatoes), and organized credit groups to buy fertilizers and pesticides. Farmers who participated in project activities became the members of the cooperative and start paying the membership fees. In year after, farmers elected their permanent board of directors, who then elected the manager, and the cooperative was registered and became a legal entity. Project kept on its support on organizational and business development, since the cooperative was performing well, by third year the project was handed over to the cooperative.

Considering the experiences and views of Penrose-Buckley and Holtland (2007), HLP followed a different approach in formation of PGs. HLP has been supporting these PGs in horticulture and livestock in a more concentrated manner so that impact can be felt among the farmers and their groups. Moreover, HLP is promoting opportunities for farmers/groups to participate in development activities. According to Sidorenko (2006) participation is closely inter-related with empowerment and they are indivisible and people can be empowered through participation.

## **5.2 Functions and Service Provision to the Members**

The investigated PGs were multi-functional and they were involved in horticulture and/or livestock activities. The producers aim to become a strong farmer organization, able to collectively address their common needs for extension service, quality inputs, credit and marketing toward increasing productivity and income in a sustainable manner.

In order to achieve these objectives, the PGs need external assistance. In this regard, HLP has been supporting these PGs in trainings on provision of integrated services in which the PGs were trained on management of extension services, transparency and record keeping, supply of production inputs, collective marketing, savings and access to credit. HLP facilitates the development of savings box; collecting marketing and develop linkages of the PGs with private sector players and other stakeholders in the chain.

According to Penrose-Buckley (2007) when producers come together in the form of organization, often the initial aim is to work together and collectively perform the tasks; such as input supply, production services, financial services, training, quality control, coordination, output marketing, processing, trading and retailing.

According to Holtland (2007) the functions of potato producer cooperative in Kyrgyz Republic outlined as:

- Providing high quality of potato seeds
- Farming inputs (fertilizer/crop protection chemicals)
- Mechanization services
- Loans
- Quality control system, certification and

- Improving marketing channels

Considering the experiences and views of different authors (Penrose-Buckley and Holtland (2007)) in comparison with the result of the study, it can be concluded that the PGs are new, informal, weak trust and confidence in leadership and management, weak sense of ownership, and they need external assistance to become a strong and sustainable organization.

### **5.3 Governance of PGs**

PGs democratically elected executive committee which is consisted of chairman/women, secretary, and treasurer. Male PGs reported that the duration and mandate of leadership positions are not well defined, while female PGs were clear on the duration and mandate of their leadership positions. In average 25 farmers are gathered in each group, HLP regularly meet these groups in technical and management issues. All members of the PGs are involved in decision making; the groups are new and they still have no business at all. With the support of HLP the groups established savings box in which the members contribute a certain amount of money, during interviews with farmers it was found out that the groups contribute money to the savings box while the HLP facilitators are having meetings, and in their absence the groups do not contribute to the savings box. Factors affecting the governance of PGs are the lack of knowledge, skills, finance, and trust among members, confidence and commitment of the members.

### **5.4 Development Stages of POs**

Producer organizations are dynamic organizations that evolve over time, and in this process they often change their governance and management structure, activities, and strategy. Penrose-Buckley (2007) reported three development stages for the POs; early stage, intermediate stage, and advanced stage. Each stage assigns certain characteristics of a PO on the level of general development, governance structure and business development. Keeping in mind these characteristics, the investigated PGs fits in early development stage, and their slow development influenced by inadequate group management, leadership skills and education; unclear understanding of benefits of the organization; insufficient capital; and value added activities and entrepreneurial spirit etc.

### **5.5 Self Assessment of PGs**

In self assessment the members of the PGs were asked in the following categories; membership base; governance, leadership and internal democracy; management of financial resources, collaboration and networks, service provision to members, stakeholder collaboration and entrepreneurial skills. Chapter four presents in detail of the results of these categories and the comparison of male and female PGs in per statement and category in between. In general, it seemed that the female PGs are having higher interest in group management, organization and development, than the male PGs. Both, male and female PGs have no open membership; they are new, informal, have weak sense of ownership, have no business at all and they rely on outsiders support.

## **5.6 The role of Outsiders**

Advantages of having outsiders support (HLP): The formation of the PGs investigated in this study were initiated by the outsider (HLP), so since then HLP has been providing technical and organizational support to the PGs but not financial support to provide supply of production inputs, collective marketing and/or other business activities. Recently, HLP started the facilitation of District Agricultural Service Provision System (DASPS) meeting in the district of Khulm, in which government administration, private service providers and international donors and last, but not least, representatives of PGs and cooperatives are coordinating their different activities. According to Holtland (2007) in developing countries the outsiders are development organizations, and they provide cooperative with access to technical, organizational expertise and often financial support. Moreover, outsiders can also facilitate socio-political discussions between farmers and the other stakeholders.

Disadvantages of having outsiders support (HLP): HLP took the initiative and played main role in the group formation, HLP lacks knowledge on local realities, opinions, and relations. Most importantly, HLP wanted quick results which lead to an over-emphasis on tangible short-term results. And the existence of power differences between outsider and the insiders, which leads to the unclear allocation of the responsibilities and miscommunication.

## CHAPTER SIX

### 6.1 CONCLUSION

The development characteristics of a producer organization stated by Penrose-Buckley (2007) showed that the investigated PGs are in early stage in term of development path, governance and management, and business development.

Initially, the formation of the male PGs were initiated by the outsider (HLP). However, during the process of formation the interest of farmers were build up and now most farmers take this as the initiative of both farmers and the outsider. While, HLP was forming the groups, HLP realized the existence of cooperatives and CDCs in the area, and HLP assumed that the existing cooperatives and CDCs do not perform well and HLP will not achieve its objectives if they approach the existing organizations. The farmers also experienced the weak performance of the existing cooperatives and CDCs; therefore, HLP and farmers motive to form new PGs which mainly focus on horticulture and livestock activities.

Having PGs or working in collective approach contributes to the empowerment of farmers in all aspects of development. The HLP PGs are planning to legalize their organization in a form of cooperative or association. This legal entity will represent all PGs in the district level, and the representative of all groups will be in the board of directors and decision making body. The motives of farmers to join PG and make it a legal entity is for the acquisition of knowledge and skills about horticulture and livestock, collective action on input provision, marketing and agricultural credit, and to increase profitability.

Moreover, the PGs reported their major achievements in the last two years; knowledge and skills gained on horticulture and livestock, development of savings box, internal loans within the groups, and received poultry trainings and inputs. The major problems that they still face at the individual farm level and group level are indicated; lack of irrigation water, lack of market, illiteracy mentioned only by female respondents, lack of quality agricultural inputs, technical knowledge on horticulture and livestock, and pests and disease.

In general, female farmers are performing better than male farmers in the group, and the reason is that male farmers are experienced being member of cooperatives, CDCs and other type of village organizations. Therefore, they don't care much about the outsider, outsiders' support, work in the group, contribute savings box etc. while, for the female farmers it is the first time that they have this opportunity to come together into group, help each other and get support from outsiders in horticulture and livestock farming.

Considering these female farmers were more positive than male farmers in term of membership base; governance, leadership and internal democracy; management of financial resources; collaboration and networks; service provision to members; stakeholders collaboration; and entrepreneurial skills. A brief summary of each of the category given below:

- Membership base: The investigated PGs do not follow the principle of voluntary and open membership; though the group should decide to allow non-members to participate in the group's activities.

- Governance, leadership and internal democracy: Most respondents were satisfied and positive about the statements; internal regulations of PG, election process and the responsibilities of the board, internal communication within the group, involvement in decision making, problem solving and planning of activities and the evaluation of developed plan in a seasonal or early base. The male PGs reported that the duration and mandate of the leadership position is not well defined, while female PGs showed their satisfaction with this statement.
- Management of financial resources: Most respondents were satisfied and positive about the statements; treasurer to keep financial record, control of members on financial issue, development of savings box, contribution of members in savings box, offering internal loan to the members and trainings on financial management. Statements which scored very low and respondents were disagreed about; the business profit of the PG and function of PGs without outside financial support. It seemed that the PGs are fully relying on outsiders and they have no business at all in order to make benefits to the members and group.
- Collaboration and networks: Out of nine, five statements scored positive in this category which include; collaboration between members, local authorities, NGOs/Project, and with private enterprises. The male PGs also participate in development meeting in the district level while female PGs do not. Four statements scored very low showed the disagreement of the respondents were; agreement with bank for getting credit, write proposal to get support and funding for the group activities, and establish agreements with the input suppliers to buy inputs in reduced prices.
- Service provision to members: In overall, most statements on; services offered by/through the group, benefit from information and training, services are respond to the needs of farmers (demand driven) were scored positive. While few statements were scored low average. In general, the PGs were somewhat happy with the services they received. This should be kept in mind that all these services offered by the outsiders and the groups only facilitate the process to reach to the farmers.
- Stakeholder collaboration: Most respondents were positive on stakeholder collaboration (advice on agricultural inputs, discuss with service providers to support the chain actors, supporter, and develop coordination and collaboration among these players). Both male and female PGs indicated that they have very weak collaboration with input suppliers.
- Entrepreneurial skills: Few statements (multi-functionality of PG, selling of products, and prices in different market) were scored satisfactory while most other statements (on identification of market possibilities, information provision) were scored positive. Respondents showed disagreement with the statement “engagement of farmers in collective marketing in order to get better price”.

## 6.2 RECOMMENDATIONS

These recommendations are based on the findings of the research and discussions that have been presented herein. They are recommended to the HLP; MAIL its facilitating partners and other organizations supporting PGs, cooperatives, associations or other type of POs in a situation or country like Afghanistan.

Establishment and Registration of Cooperative/Association: The PGs should be registered in a form of cooperative or association. This will give opportunities to get access to the credit, collective supply of inputs, marketing, and enter into contracts with private businesses. In order to establish a strong PO in the district level, the facilitator should be careful with the process; it needs a strong and systematic approach in order to have the consensus of the farmers in general and the Executive Committees (ECs) of the PGs.

Members Interest and Participation: Farmers must get benefits of being the member of PG. The PGs should provide/facilitate services to their members in free or reduced prices i.e. collective input provision, marketing, access to credit/loan etc. The PG is originally made up to do business and make profit for the group and its members. If the PGs perform well, the member of the groups will actively participate in group's activities.

Management Capacity and Systems Approach: A systems approach to the PG's EC and the FTs should be promoted to complement technical trainings. Systematic communication combined with monitoring and evaluation processes will assist the PG to better serve members, facilitate decision making processes and promote learning from doing.

Financial Sustainability: Most of the PGs started savings box (88% of male and 100% of female PGs) and they regularly contributes a certain amount of money to it. It is realized that the farmers meet and contribute to the savings box while the outsider (facilitator) comes for the meeting. It means that the farmers/PG fully rely on outsiders; if this goes on, it assumes that in absence of the outsiders (facilitator), the farmers may not meet as well contribute to the savings box. Therefore, the transition of savings box initiative from the outsiders (HLP or FP) to the PGs should be taken into consideration. The willingness of the farmers to pay membership fees and/or contributes to the savings box is a crucial issue for the financial sustainability and future financial planning.

Inter Institutional linkages: The PGs should be linked in between, with cooperatives, CDCs and private sectors players in the value chains. This will enable the PGs to become respected and influential organization within the agricultural sector. Regular roundtables attended by the group's representatives and private sector players will help and facilitate communications and information flow within the sector.

Technical and Management Trainings: Specific trainings should be targeted to the board, FTs and the members. Topics in technical issues can be organized based on the seasonal calendar. Moreover, basic management, leadership, marketing, and resource allocation trainings are required for the executive committee.

Recommendation for different categories of statements: Statements which scored satisfactory or higher: Adjustment could be made to lift the level of satisfaction to the final stage. Statements which scored positive: Improvements are not obligatory, but advisable in order to increase satisfaction among members. Statements which scored low average: Improvements are necessary to meet the needs and wishes of the respondents. Statements which scored very low average: Improvements and changes are required here.

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## GLOSSARY OF KEY TERMS

- Agricultural sector: This comprises of the entire departments involved with food (crops livestock) production and marketing
- Continuum: Sometimes that changes in character gradually or in very slight stages without any clear dividing points.
- Community: A group of individuals or households often viewed as being small in size, having multi-stranded interactions, and sharing a place. Community members are expected to be united by commonality of purpose, characteristics, beliefs, and/or actions. Nonetheless, most communities are also internally differentiated.
- Community-based: Membership organizations comprising a group of individuals/households in a self-defined.
- Equality: When everyone is treated equally
- Extension services: Extension services are training and advisory services provided to farmers for crop cultivation or animal husbandry.
- Focus District: A district which has been selected by the HLP project where all activities of horticulture and livestock can be applied in a more concentrated manner so that impact can be felt among the farmers and their groups
- Farmer: Any person (man or woman) who engages in one or more farming activities with the objective of producing for home consumption or sale or both.
- Facilitator: An independent or neutral person who guides a discussion, activity, or course
- Impact: The positive or negative effects of a specific project or projects
- Livelihoods: The capabilities and material and social assets necessary for a means of living; includes the idea of coping with and recovery from external stresses and the sustainability of the resource base on which livelihoods depend
- Mandate: The authority given to a group or individual to represent and act for others.
- NGO: A non-governmental organization or non-profit, voluntary group, which is organized on a local, national or international level.
- Producer: Refers to agricultural producers. These include surplus producers who produce for markets as well as subsistence producers who cannot produce to meet their basic needs.
- Participation: To take part in or becomes involved in a particular activity; a process through which stakeholders influence and share control over development initiatives and the decision and resources which affect them.
- Specialist: An expert who is developed to one occupation or branch of learning.
- Social capital: In this project report the term is used to mean mutual trust and commitment between the different members of a PG.
- Stakeholder: Person or a group of people who have a stake in a project or projects. Stakeholders include businesses, government, government and civil society.
- Jarib: The Jarib is an Afghan measure equaling 2,000 square meters of land.

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Project, Ministry of Agriculture, Irrigation and Livestock**

Khulm District, Balkh Province – Afghanistan

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**Appendices to the Thesis Report**

By

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## INTRODUCTION

This additional report contains the appendices of the Thesis Report:

**Governance of Producer Groups: A case study on Horticulture and Livestock Project, Ministry of Agriculture, Irrigation and Livestock**

**Khulm District, Balkh Province - Afghanistan**

The figures and graphs provide further clarification and explanation to the contents of the report.

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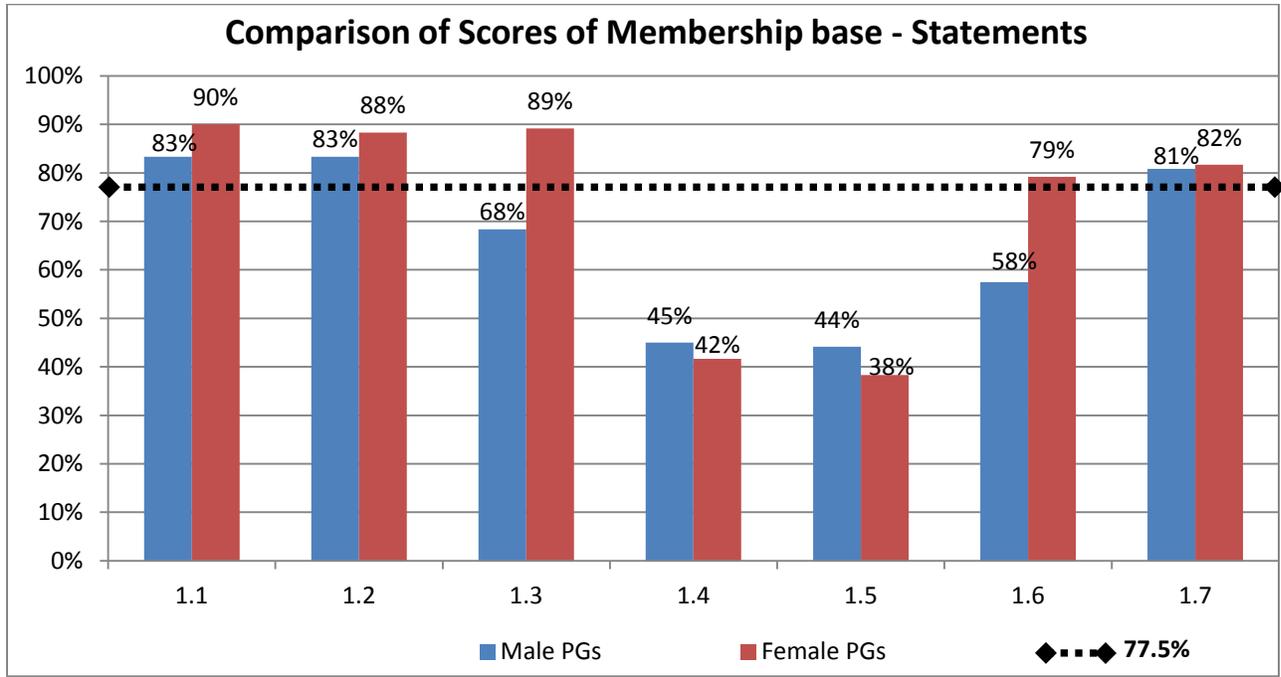
## Appendix 1.

## Meeting held in Afghanistan

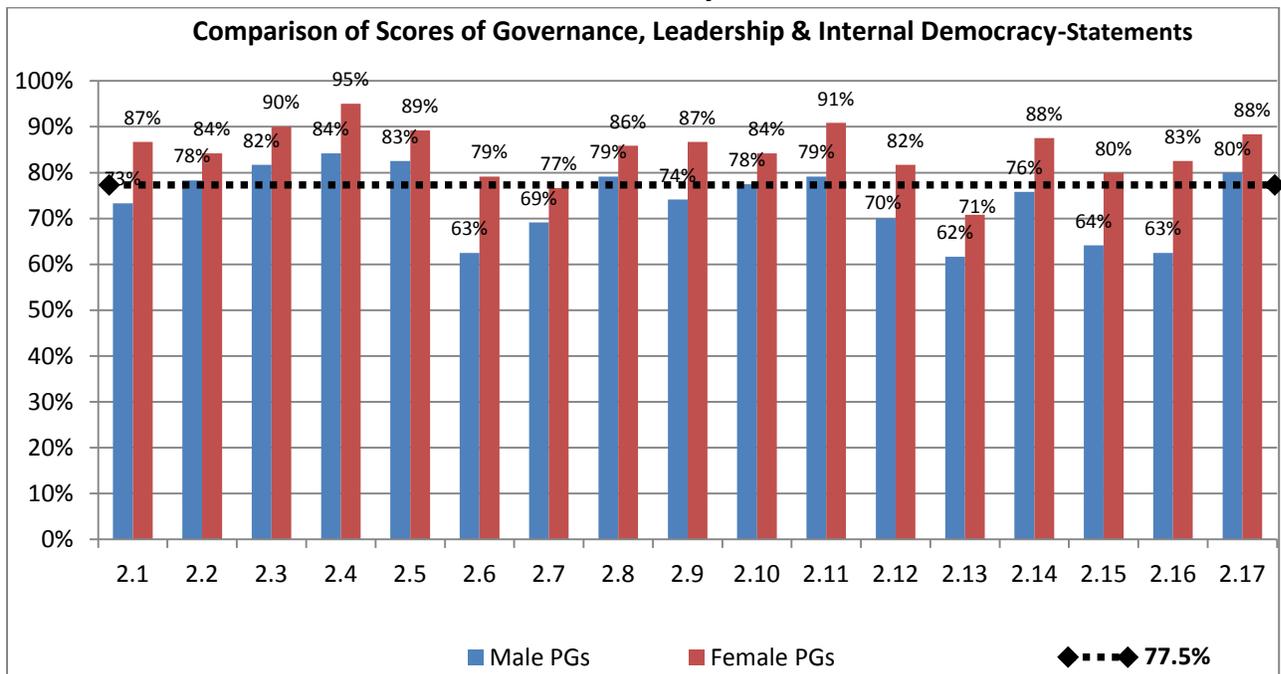
Name	Organization	Position	Issue discussed with
Dr.Wilhelm Ehret	HLP/MAIL	Team Leader	<ul style="list-style-type: none"> <li>▪ An overview of HLP current situation.</li> <li>▪ Research topic, proposal, and a brief overview of the literature study.</li> <li>▪ Draft questionnaires.</li> <li>▪ Open discussion on the work done by researcher–feedback.</li> <li>▪ Role of researcher and the HLP in the field work.</li> </ul>
Mr. Noor “Akbari”	HLP/MAIL	Project Coordinator	
Dr.Ranga Zinyemba	HLP/MAIL	ICB Specialist	<ul style="list-style-type: none"> <li>▪ Objective of PGs formed by HLP</li> <li>▪ Total number of PGs formed in Khulm District of Balkh Province.</li> <li>▪ Motives of HLP to form new PGs</li> <li>▪ Role of HLP in formation of PGs</li> <li>▪ Role of farmers in formation of PGs</li> <li>▪ Role of other stakeholders in formation of PGs.</li> <li>▪ Support HLP provides to the PGs.</li> <li>▪ Future prospects of the PGs.</li> </ul>
Dr.M.Usman “Safi”	HLP/MAIL	Operation Manager	<ul style="list-style-type: none"> <li>▪ Logistical arrangement</li> </ul>
Mr. Khushal “Saifi”	HLP/MAIL	FOD Coordinator – male	<ul style="list-style-type: none"> <li>▪ Overall status of the PGs (male and female)</li> <li>▪ FOD activities with the PGs</li> <li>▪ Major achievements of the PGs</li> <li>▪ Future plan of FOD</li> <li>▪ Marketing support provided by HLP</li> <li>▪ Selection of PGs</li> <li>▪ Selection of respondents</li> <li>▪ Reports produced by the HLP/M&amp;E</li> </ul>
Ms. Sharifa “Wardak”	HLP/MAIL	FOD Coordinator – female	
Mr. Ghulam Rasool Said	HLP/MAIL	Market Support Coordinator	
Mr. Tooryalay “Nasery”	HLP/MAIL	M&E Coordinator	
Mr. Gh. Farooq	HLP/MAIL	FOD Coordinator-North	
Mr. Muhammad Khalid	HLP/MAIL	FOD Project Facilitator-Khulm	
Ms. Parwana “Joya”	HLP/MAIL	FOD Project Facilitator-Khulm	
Mr. M.Taufique	HLP/MAIL	Database Manager	
Mr. Md. Naser	Hand in Hand (HLP/FP)	Horticulture Specialist	
Mr. Abdul Raziq “Mujaddidi”	MAIL	Cooperative Director	
Mr. Enayaturahman	MAIL	Cooperative Head-Balkh	<ul style="list-style-type: none"> <li>▪ Involvement of MAIL staff in HLP/FOD activities.</li> <li>▪ Role of MAIL staff in promoting new PGs</li> <li>▪ Level of coordination and cooperation in program implementation</li> </ul>

**Appendix 2. Comparison of the responses of male and female PGs per category and statement**

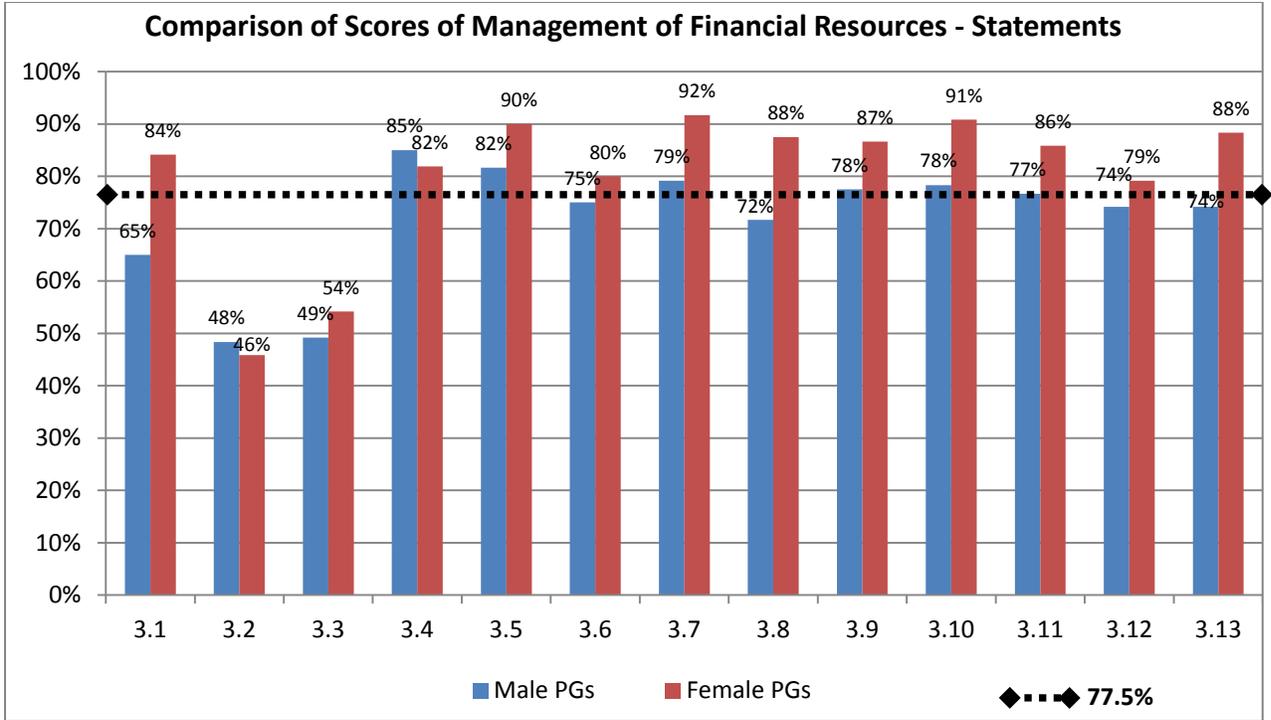
**Figure 1: Comparison of the responses of male and female PGs – Membership base**



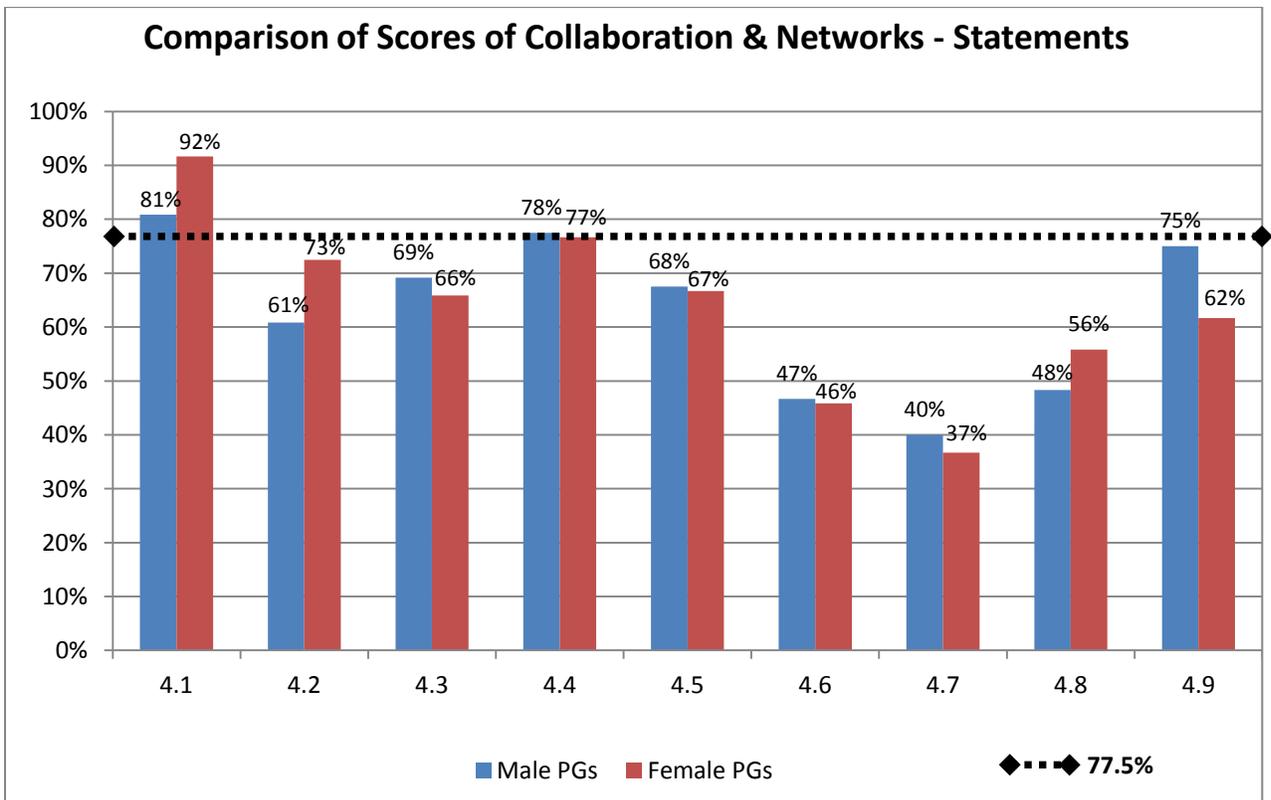
**Figure 2: Comparison of the responses of male and female PGs – governance, leadership, internal democracy**



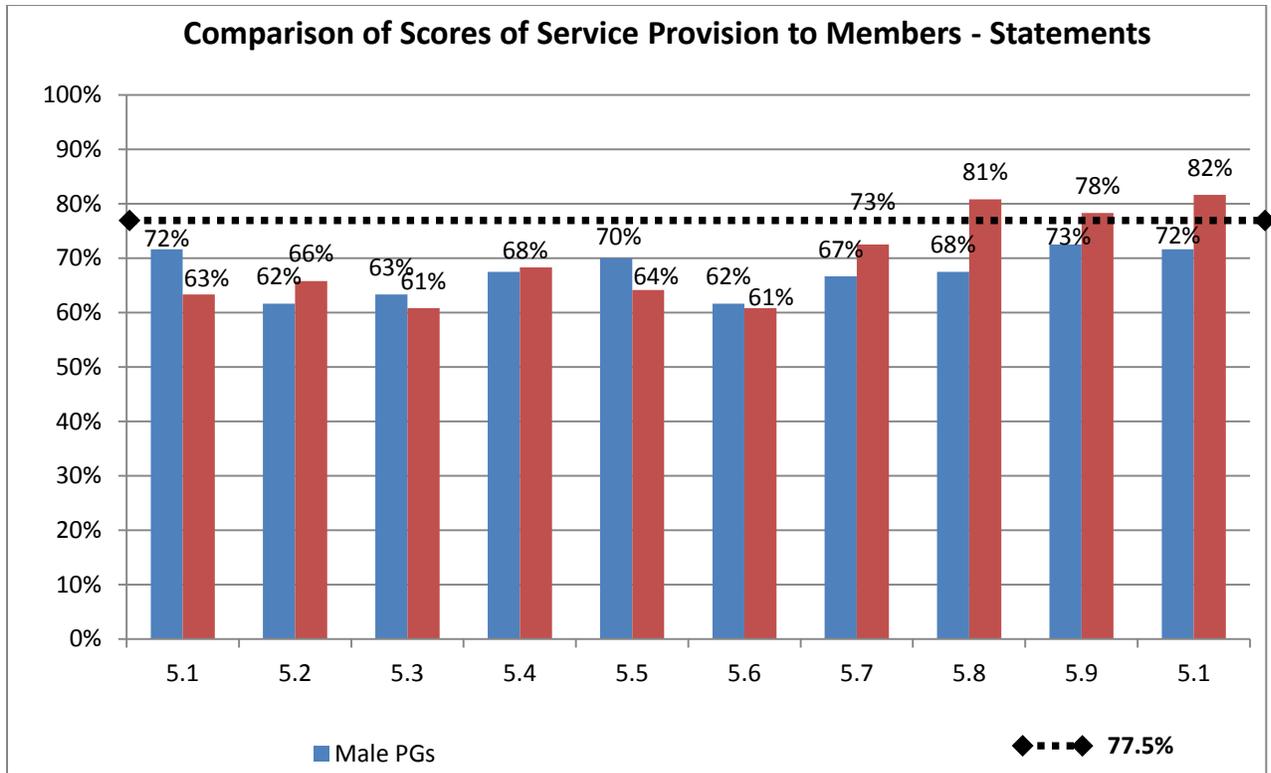
**Figure 3: Comparison of the responses of male and female PGs – management of financial resources**



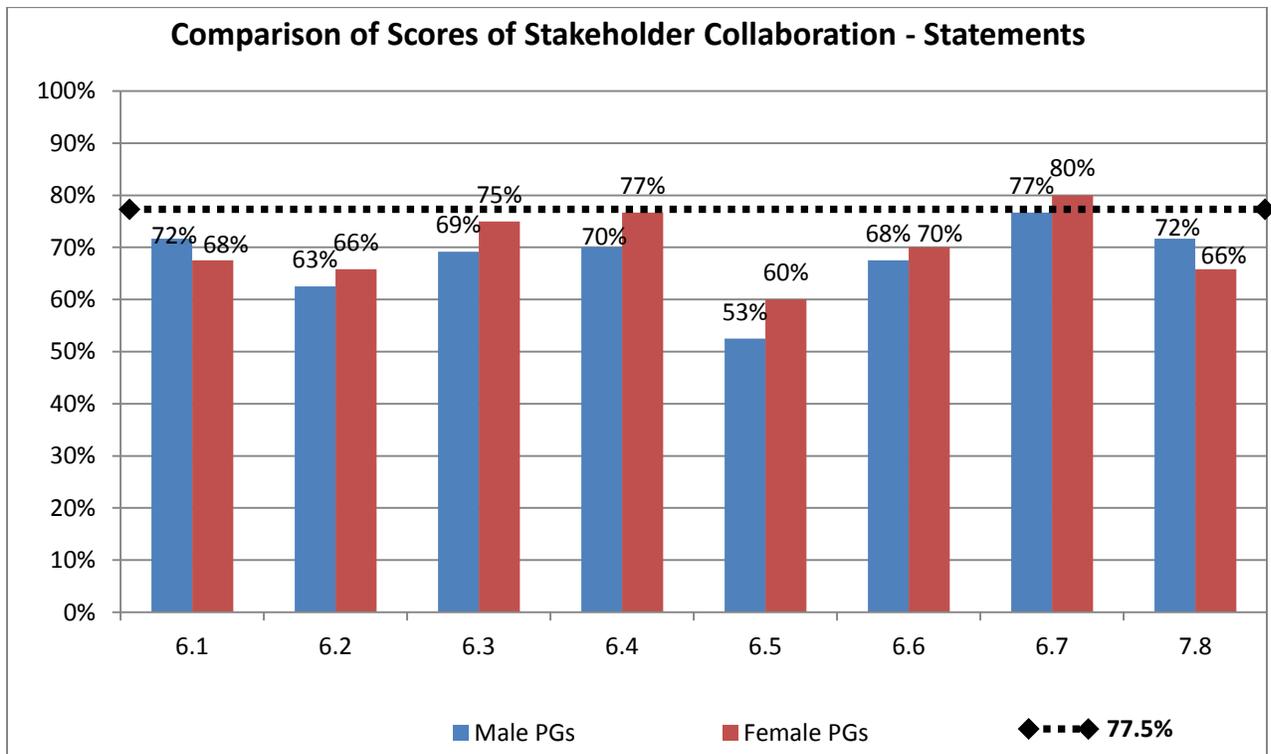
**Figure 4: Comparison of the responses of male and female PGs – collaboration and networks**



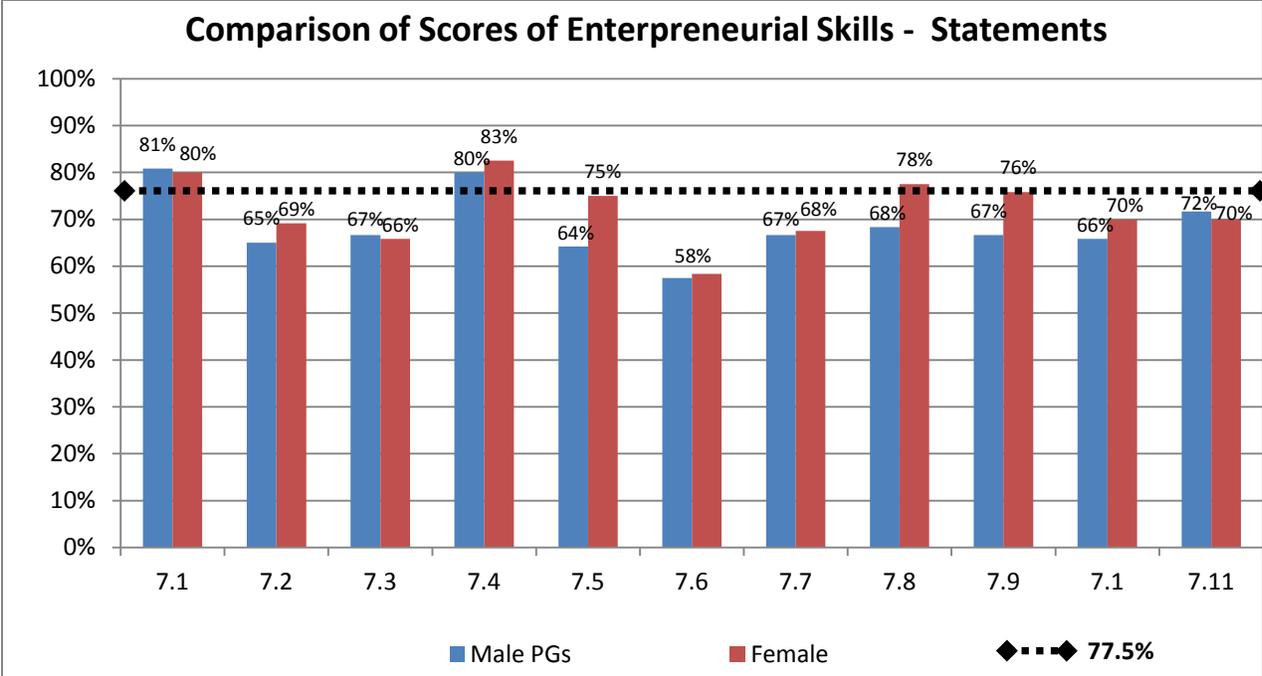
**Figure 5:** Comparison of the responses of male and female PGs – service provision to members



**Figure 6:** Comparison of the responses of male and female PGs – service provision to members

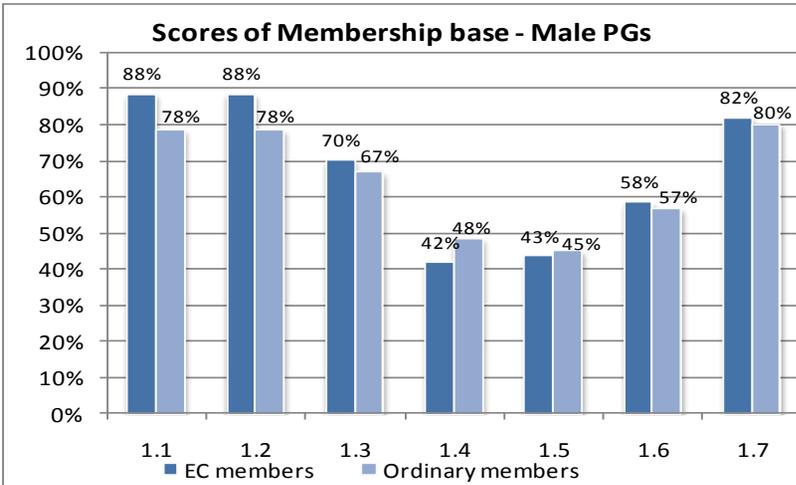


**Figure 7:** Comparison of the responses of male and female PGs – entrepreneurial skills

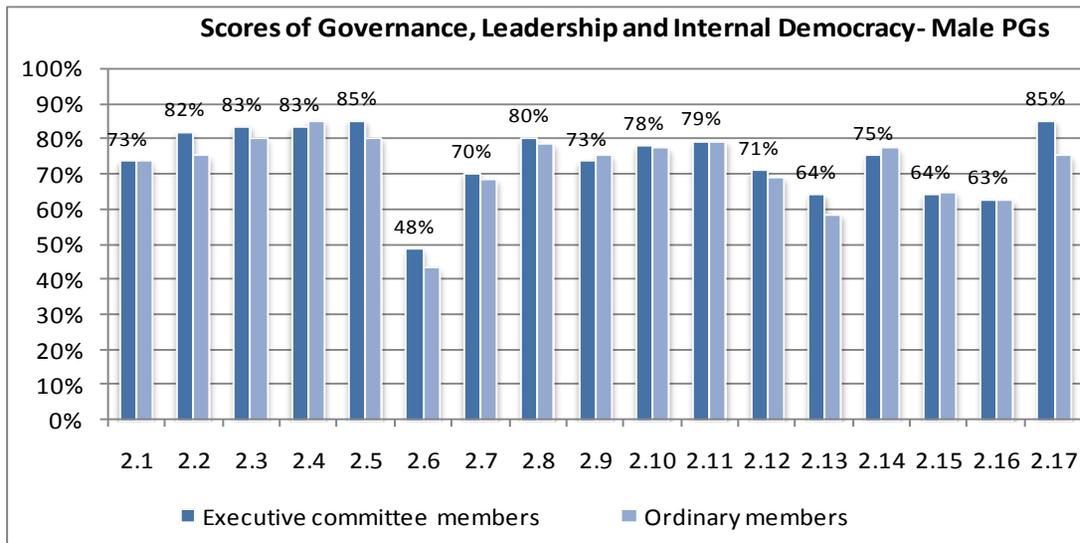
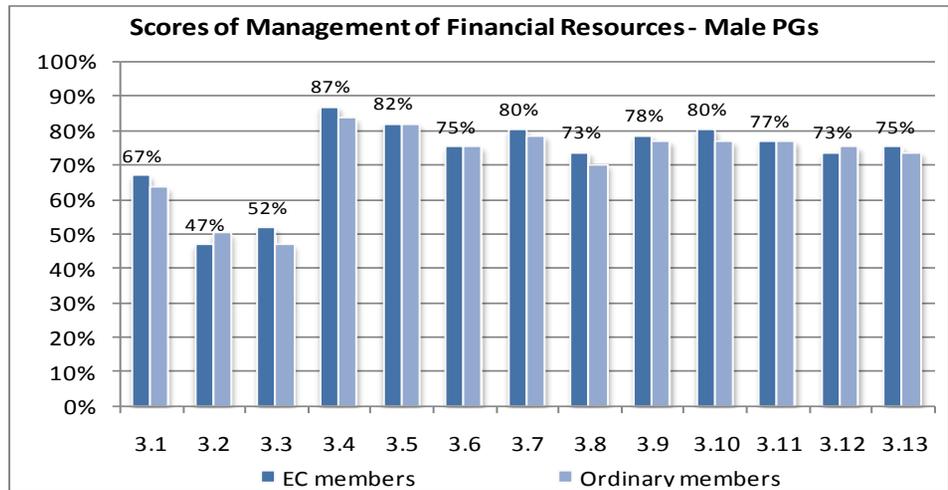


**Appendix 3.** Comparison of responses of executive committee and ordinary members per category and statements  
**(Male Producer Groups)**

**Figure 8:** Comparison of EC and Ord. Members (Membership base)



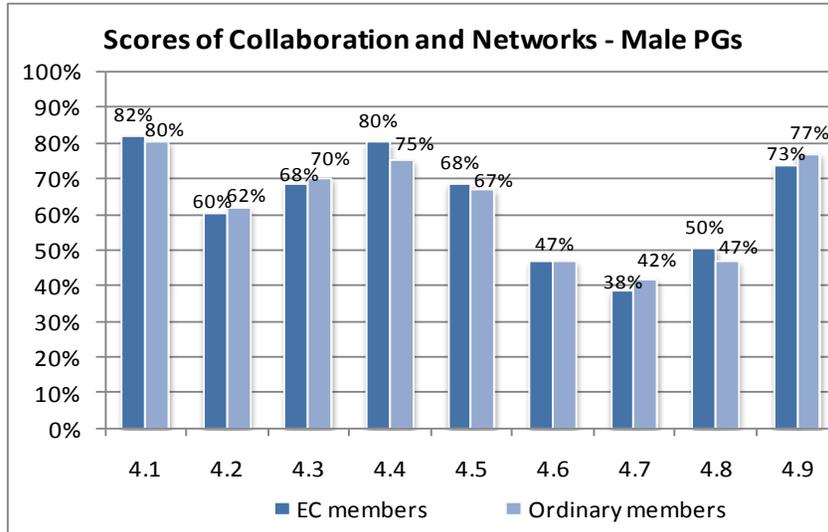
**Figure 9:** Comparison of EC and Ord. Members (management of financial resources)



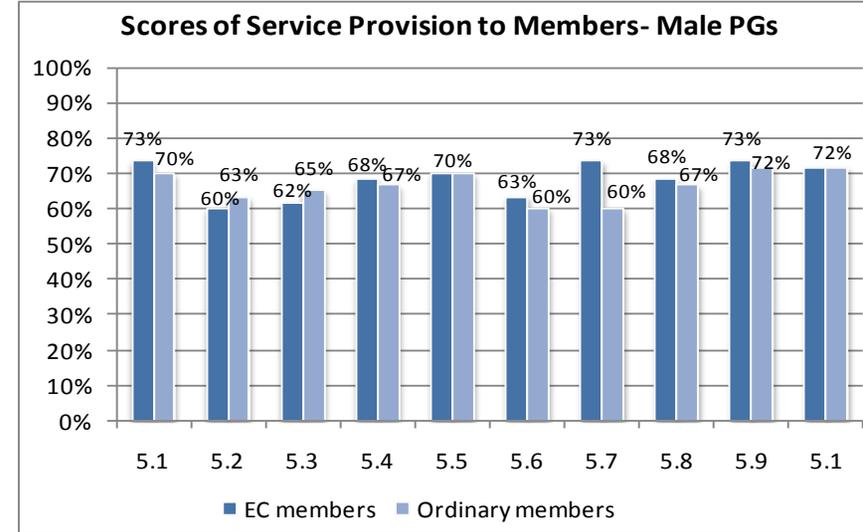
**Figure 10:** Comparison of EC and Ord. Members (governance, leadership and internal democracy)

Sources: Own research

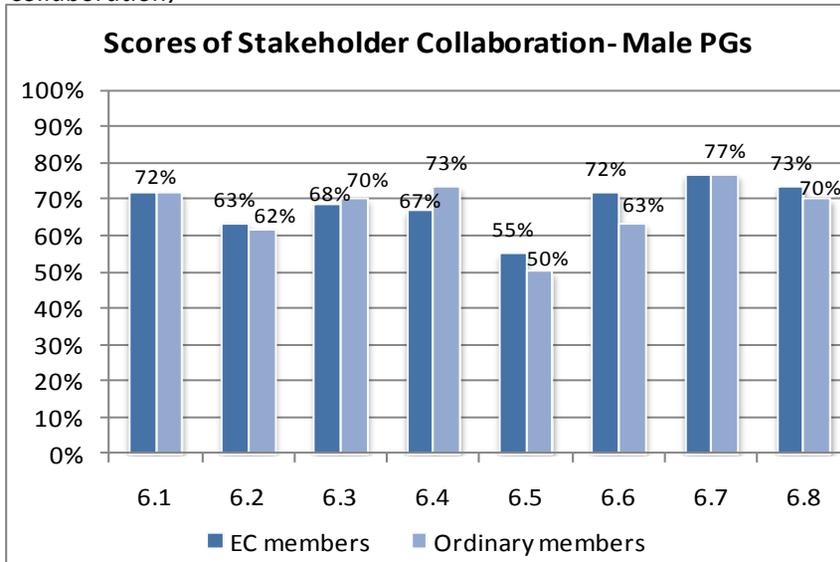
**Figure 11:** Comparison of EC and Ord. Members (collaboration and networks)



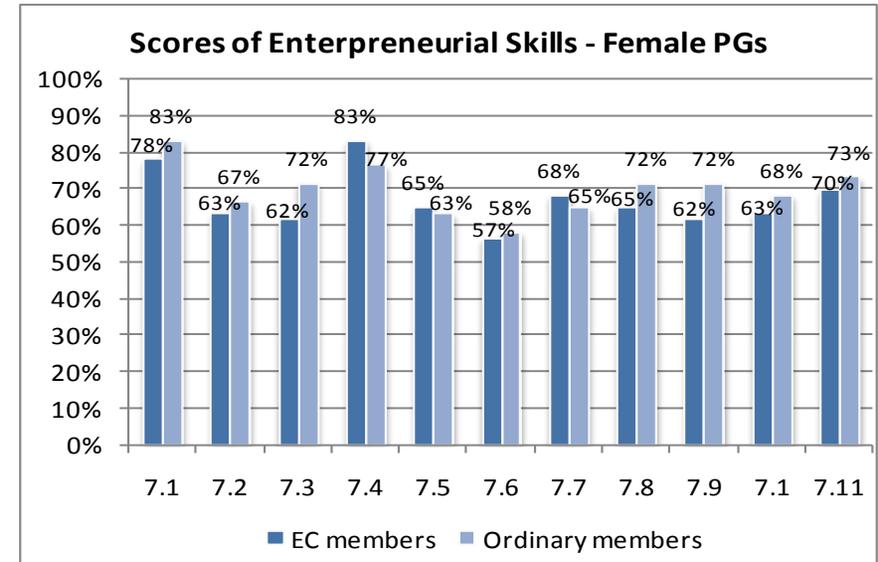
**Figure 12:** Comparison of EC and Ord. Members (service provision to members)



**Figure 13:** Comparison of EC and Ord. Members (stakeholder collaboration)



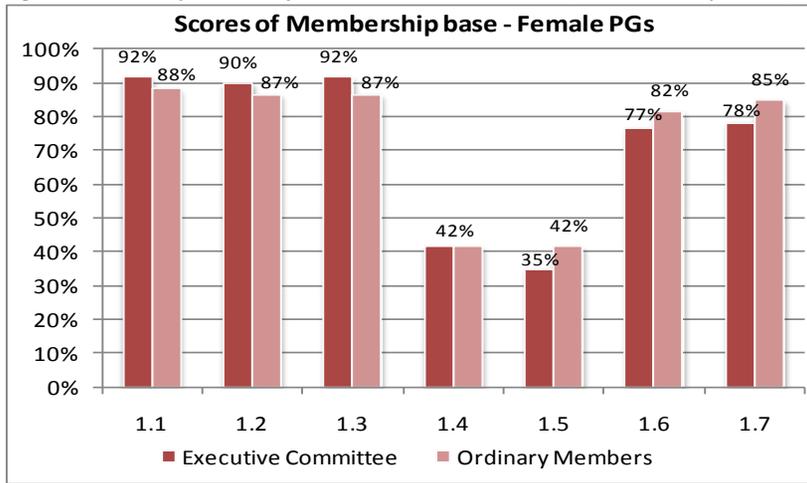
**Figure 14:** Comparison of EC and Ord. Members (entrepreneurial skills)



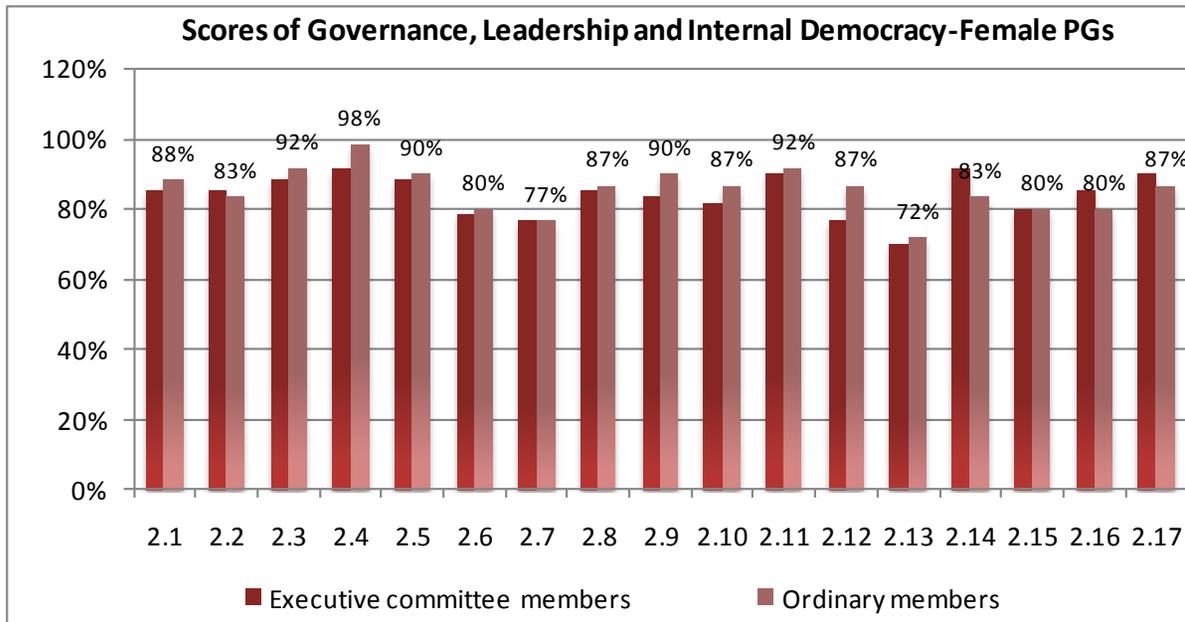
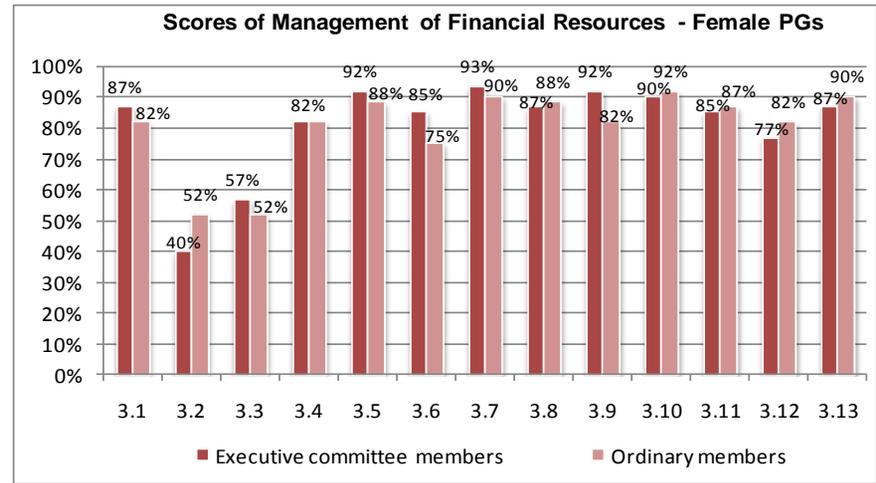
**Appendix 4.**

**Comparison of responses of executive committee and ordinary members per category and statements (Female Producer Groups)**

**Figure 15: Comparison of EC and Ord. Members (membership base)**



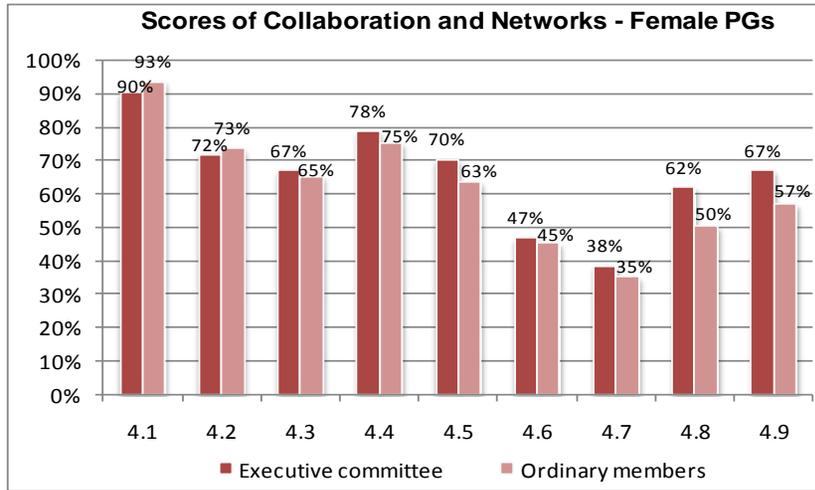
**Figure 16: Comparison of EC and Ord. Members (mgt of financial resources)**



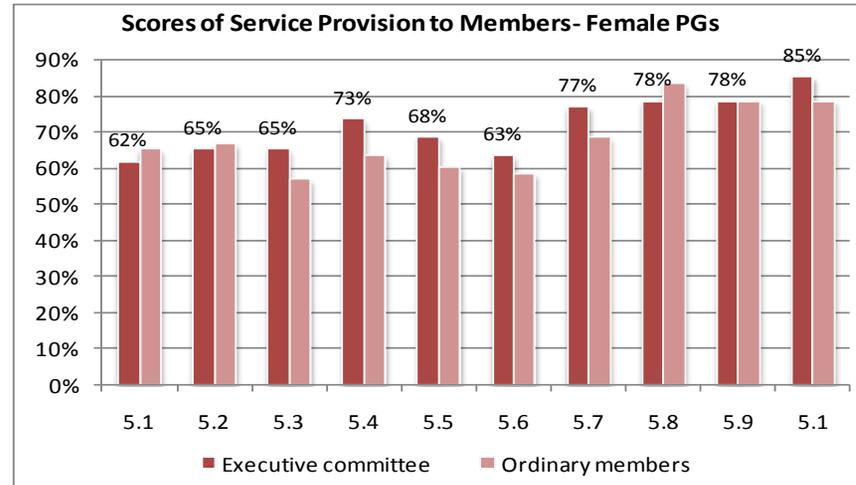
**Figure 17: Comparison of EC and Ord. Members (governance, leadership and internal democracy)**

**Source: Own research**

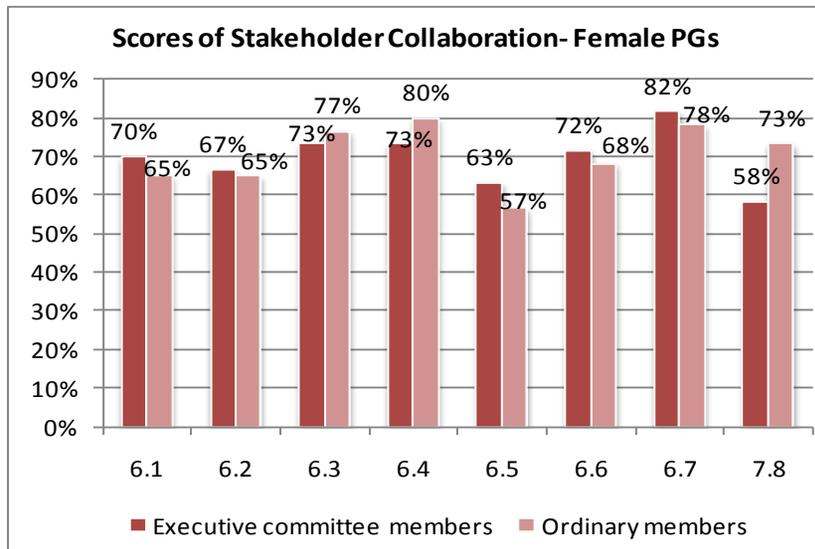
**Figure 18:** Comparison of EC and Ord. Members (collaboration and networks)



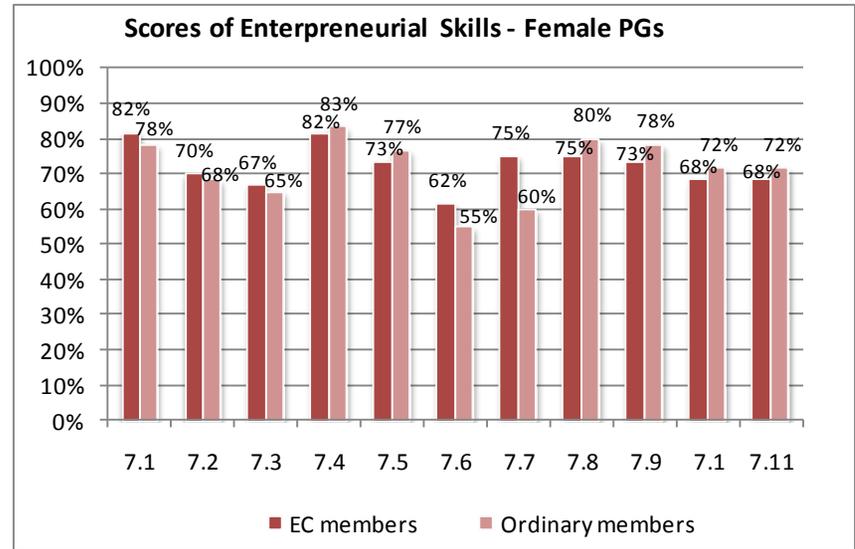
**Figure 19:** Comparison of EC and Ord. Members (service provision to members)



**Figure 20:** Comparison of EC and Ord. Members (stakeholders' collaboration)



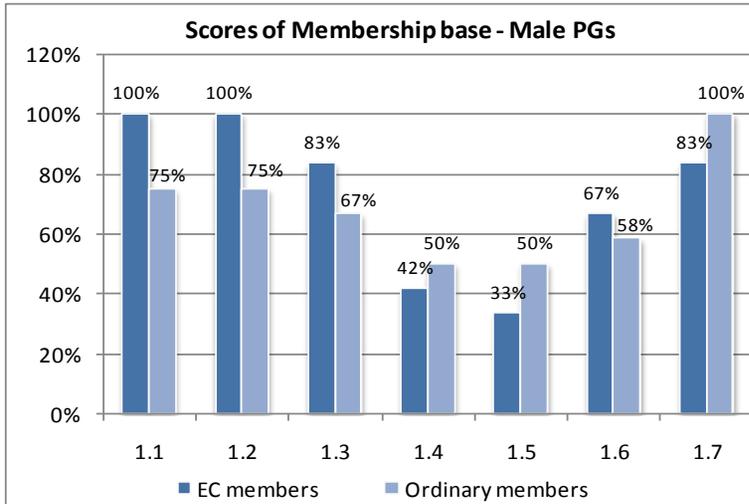
**Figure 21:** Comparison of EC and Ord. Members (entrepreneurial skills)



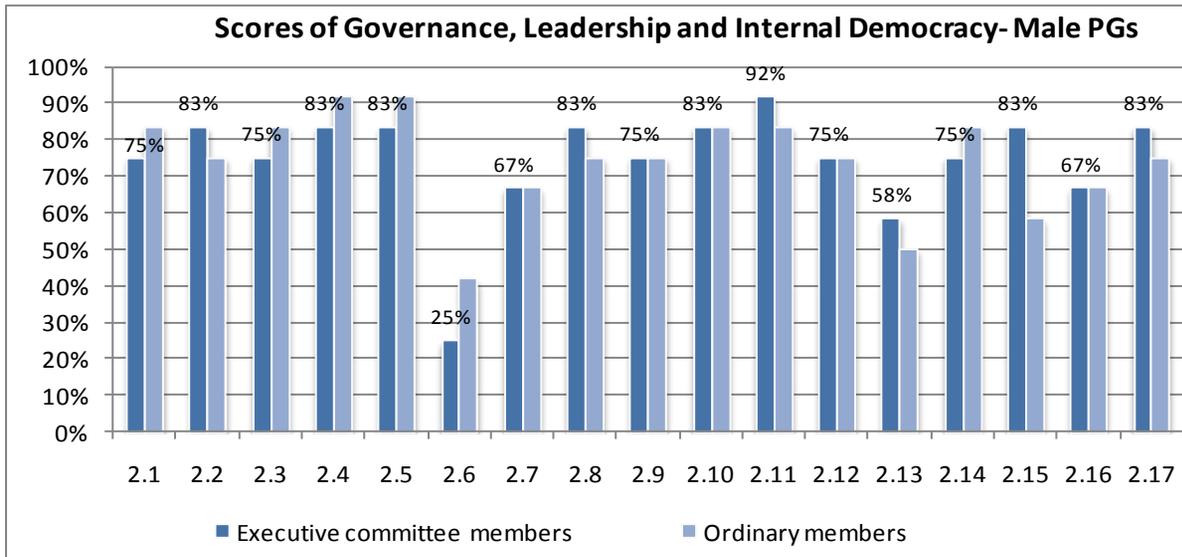
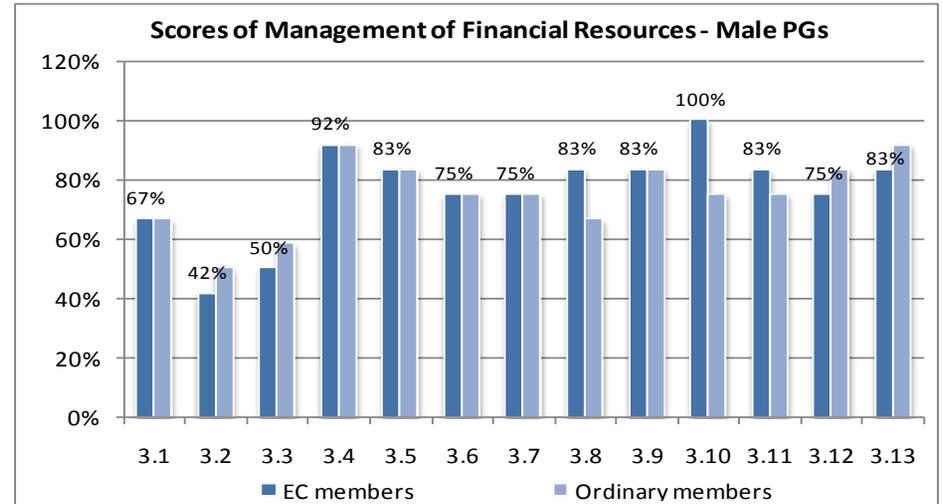
**Appendix 5.**

Comparison of responses of executive committee and ordinary members per category and statements within each Producer Groups (Male)

**Figure 22: Group 1, Scores of Membership base – Male PGs**



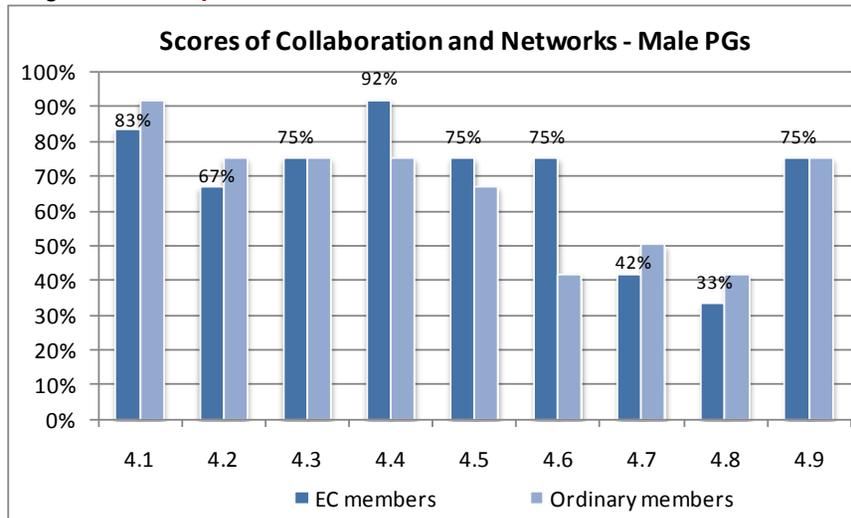
**Figure 23: Group 1, Scores of Management of Financial Resources – Male PGs**



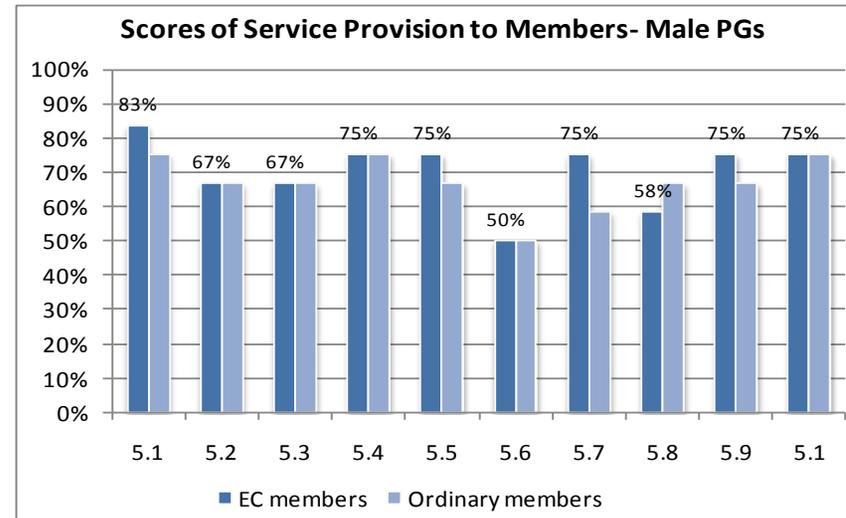
**Figure 24: Group 1, Scores of governance, leadership and internal democracy– Male PGs**

Source: Own research

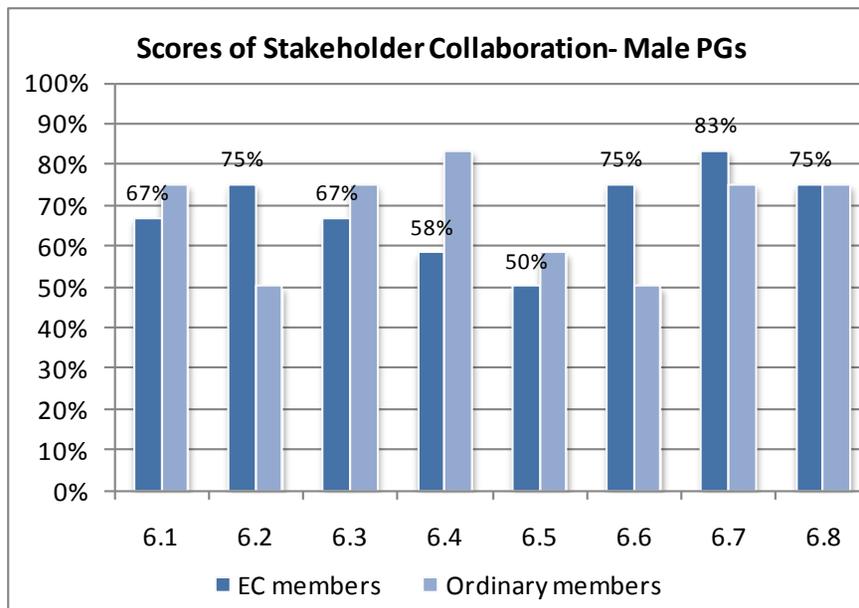
**Figure 25: Group 1, Scores of Collaboration and Networks– Male PGs**



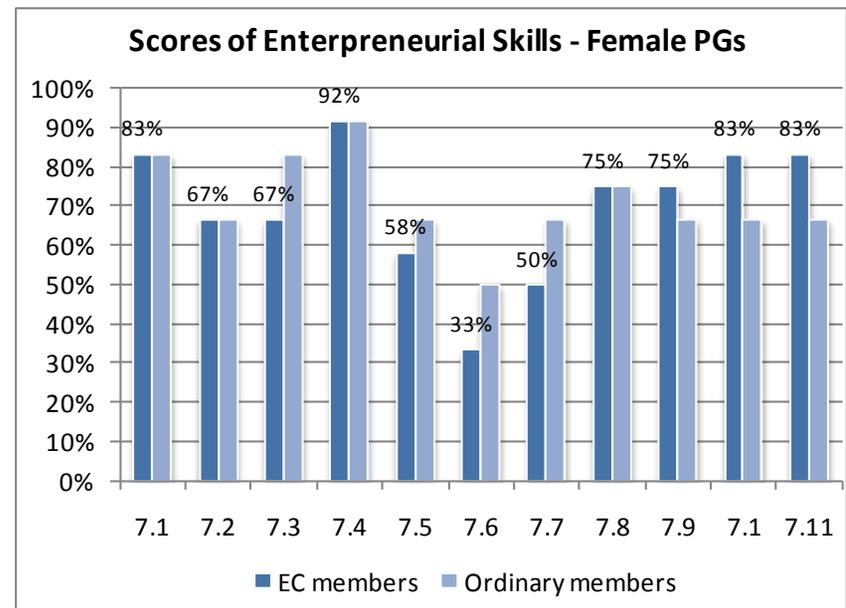
**Figure 26: Group 1, Scores of Service Provision to Members– Male PGs**



**Figure 27: Group 1, Scores of Stakeholders Collaboration – Male PGs**

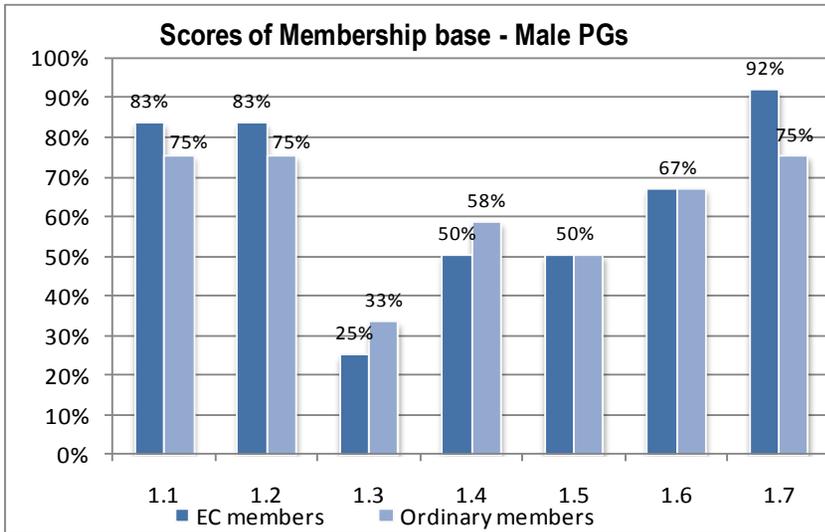


**Figure 28: Group 1, Scores of Entrepreneurial Skills – Male PGs**

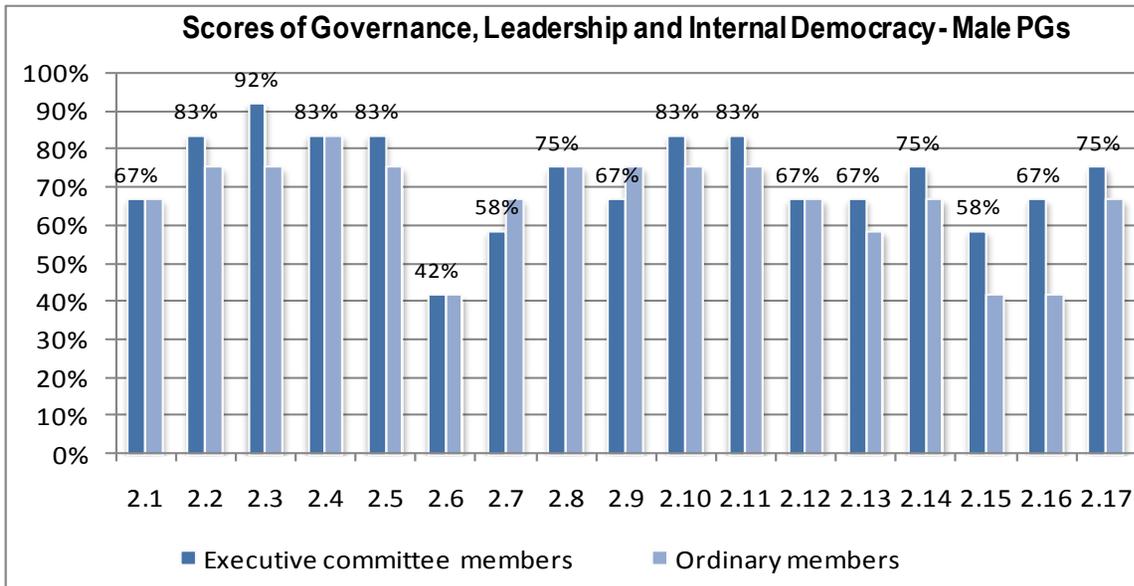
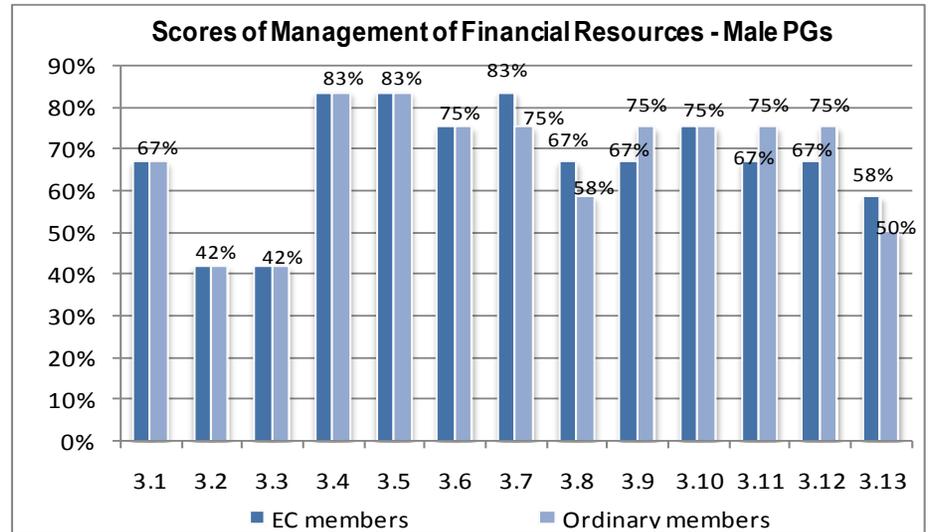


Source: Own research

**Figure 29: Group 2, Scores of Membership base – Male PGs**



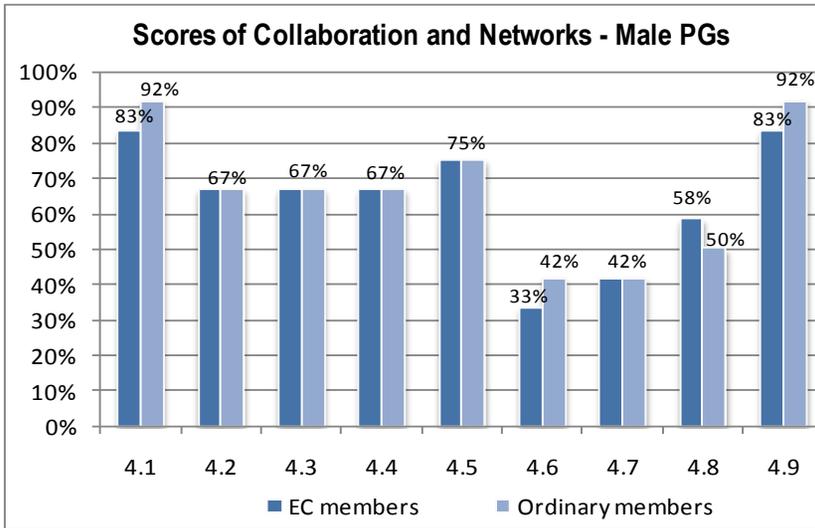
**Figure 30: Group 2, Scores of Mgt of financial resources – Male PGs**



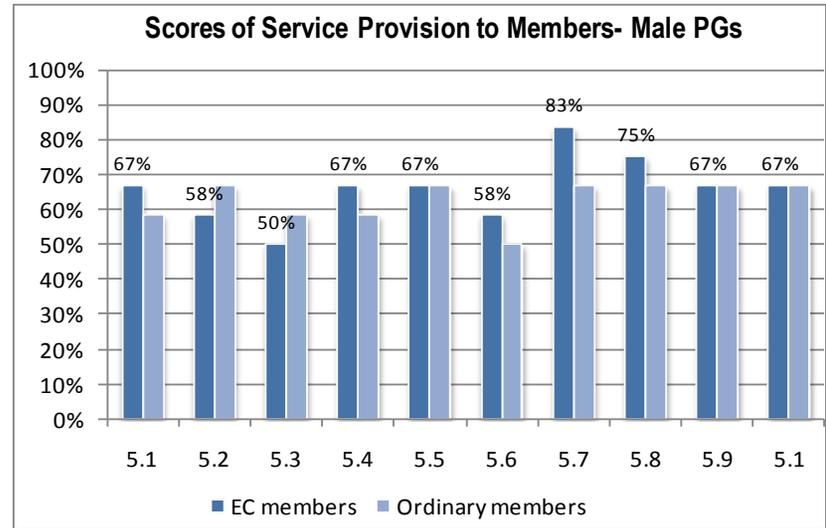
**Figure 31: Group 2, Scores of governance, leadership and internal democracy – Male PGs**

**Source: Own research**

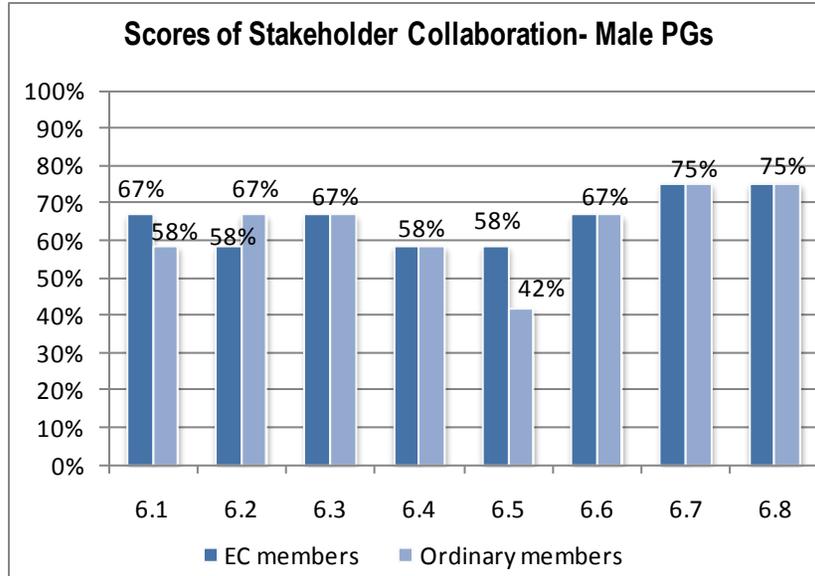
**Figure 32: Group 2, Scores of collaboration and networks – Male PGs**



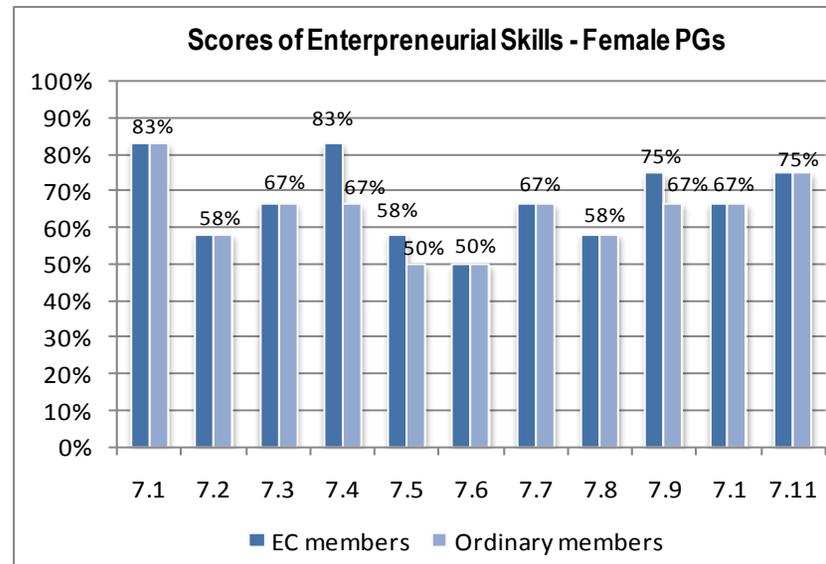
**Figure 33: Group 2, Scores of service provision to members – Male PGs**



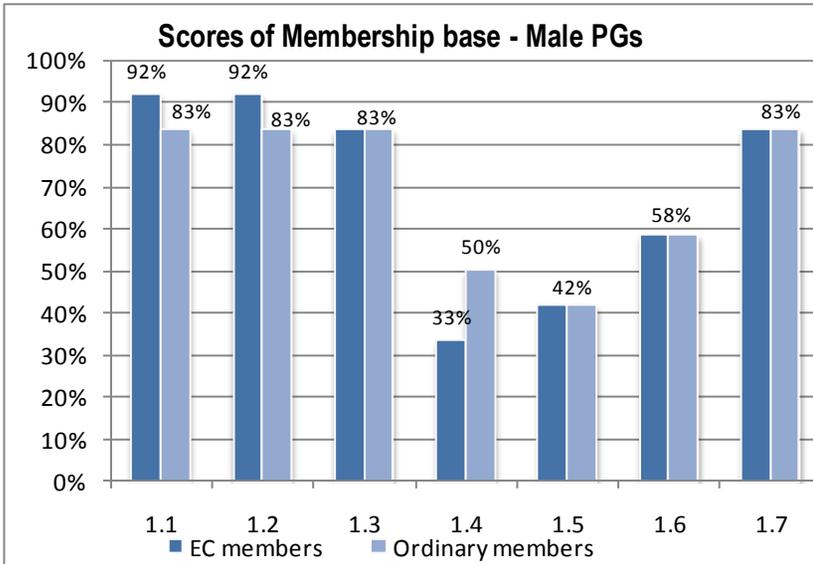
**Figure 34: Group 2, Scores of stakeholders' collaboration – Male PGs**



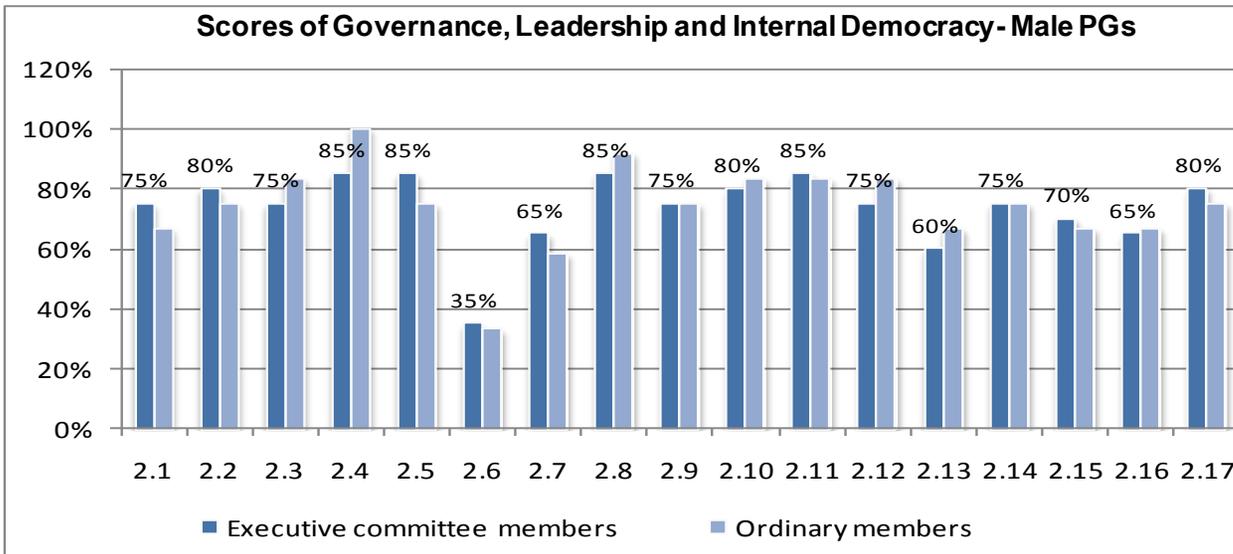
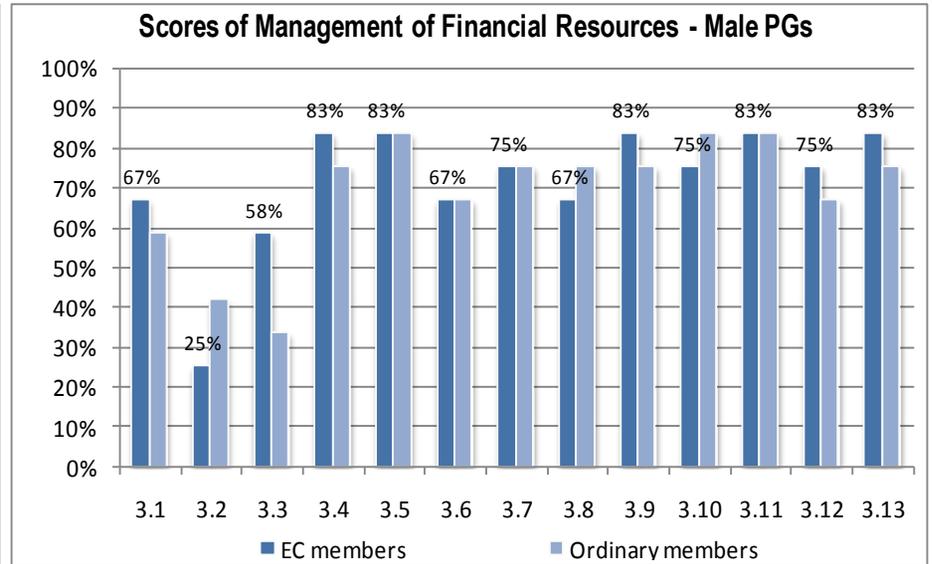
**Figure 35: Group 2, Scores of entrepreneurial skills – Male PGs**



**Figure 36: Group 3, Scores of Membership base – Male PGs**



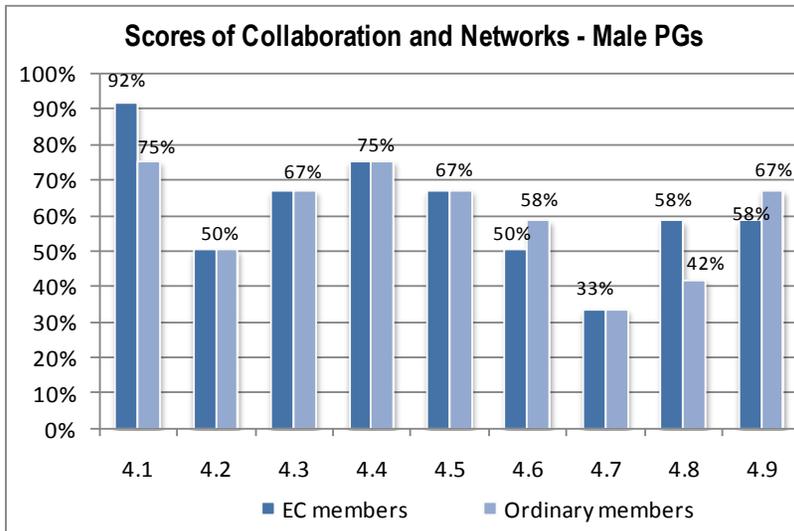
**Figure 37: Group 3, Scores of management of financial resources – Male PGs**



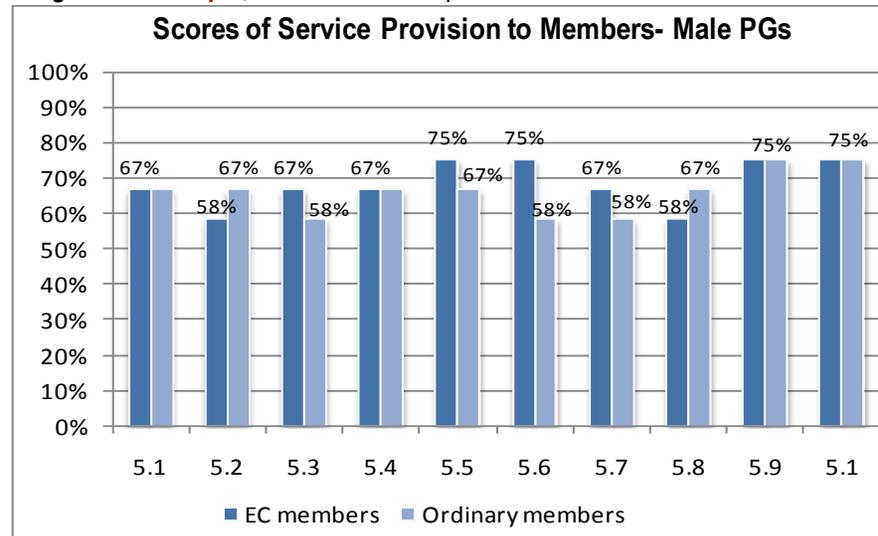
**Figure 38: Group 3, Scores of governance, leadership and internal democracy – Male PGs**

Sources: Own research

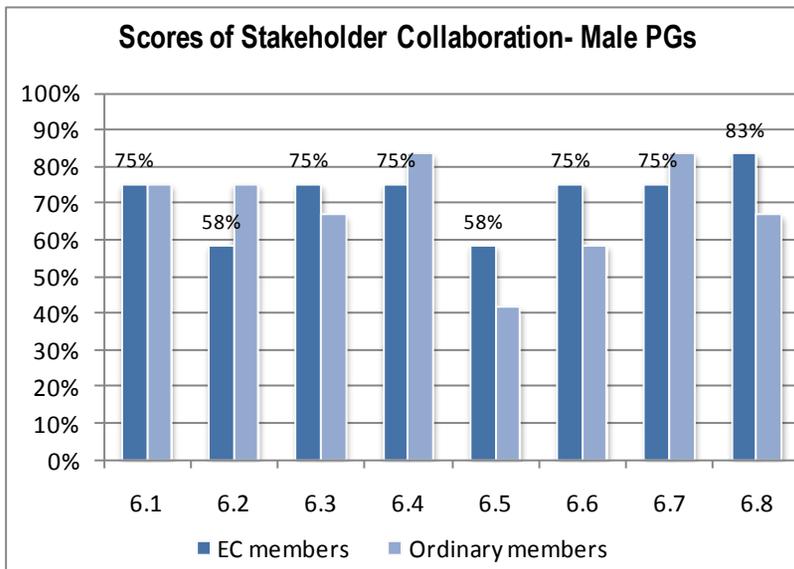
**Figure 39: Group 3, Scores of Collaboration and Networks – Male PGs**



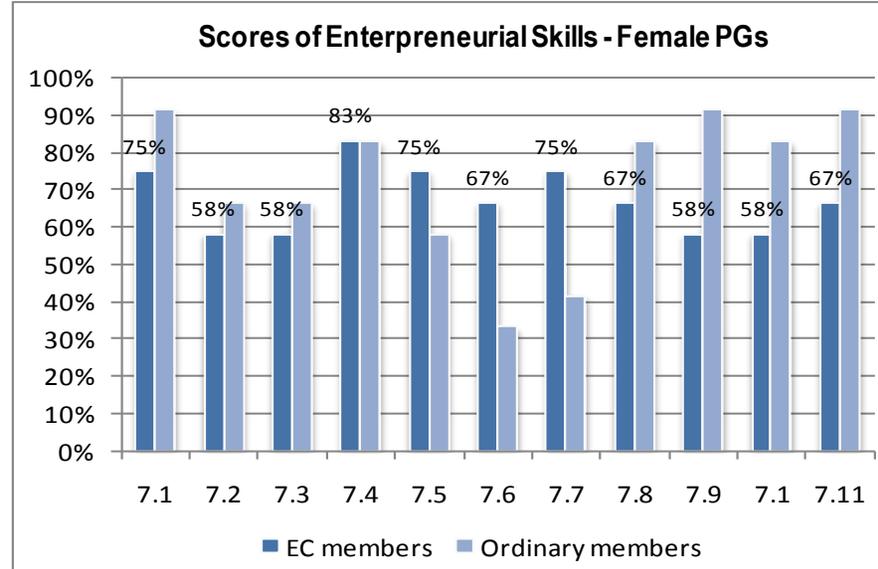
**Figure 40: Group 3, Scores of service provision to members – Male PGs**



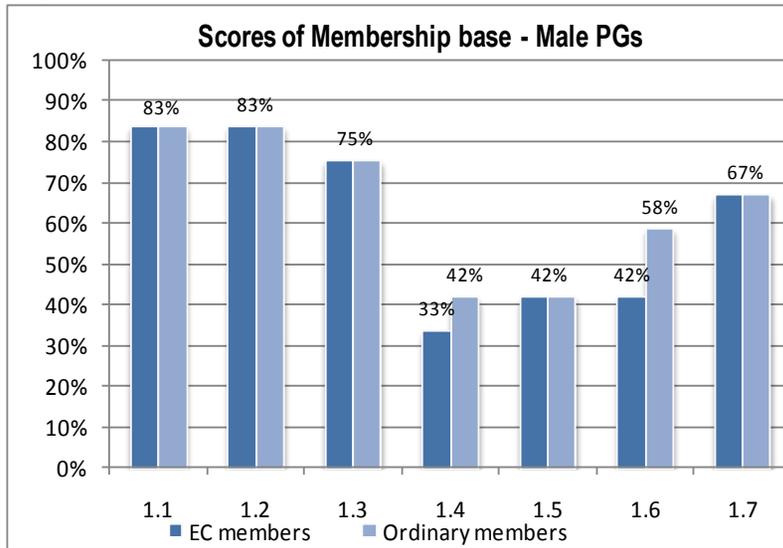
**Figure 41: Group 3, Scores of stakeholders collaboration-Male PGs**



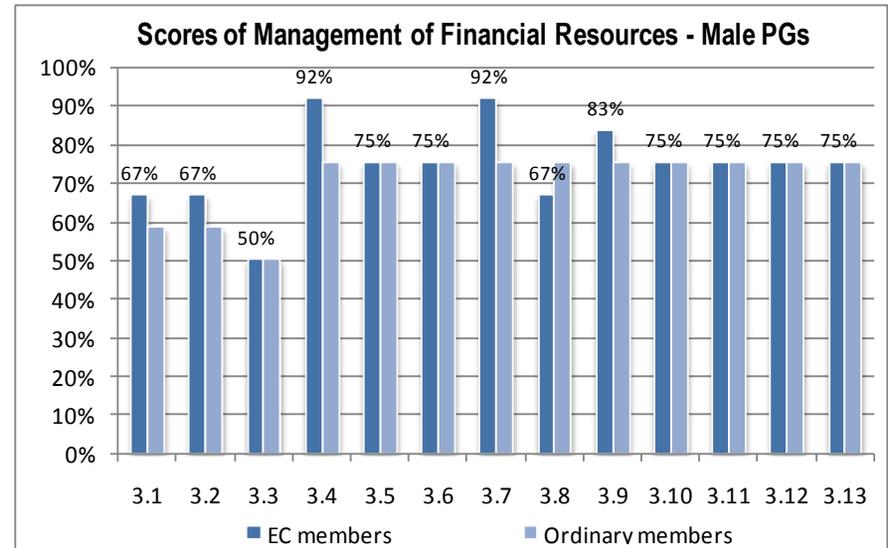
**Figure 42: Group 3, Scores of entrepreneurial skills - Male PGs**



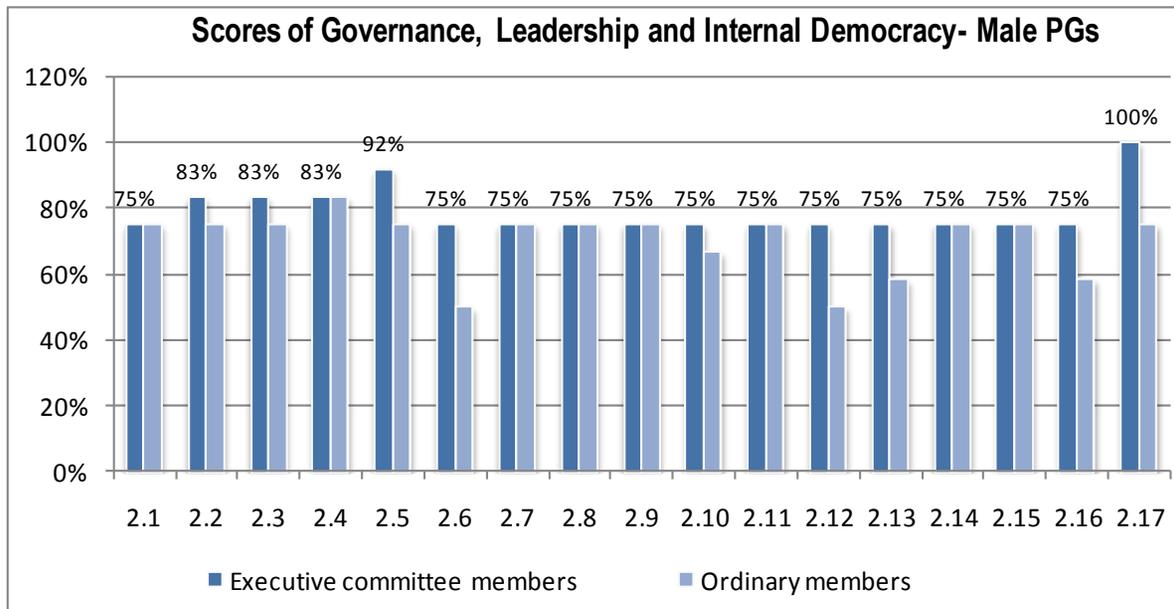
**Figure 43: Group 4, Scores of membership base – Male PGs**



**Figure 44: Group 4, Scores of mgt of financial resources – Male PGs**



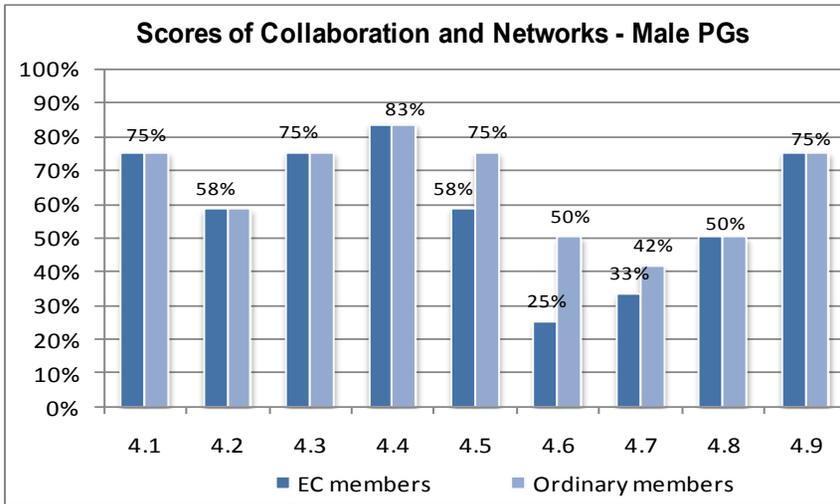
**Scores of Governance, Leadership and Internal Democracy- Male PGs**



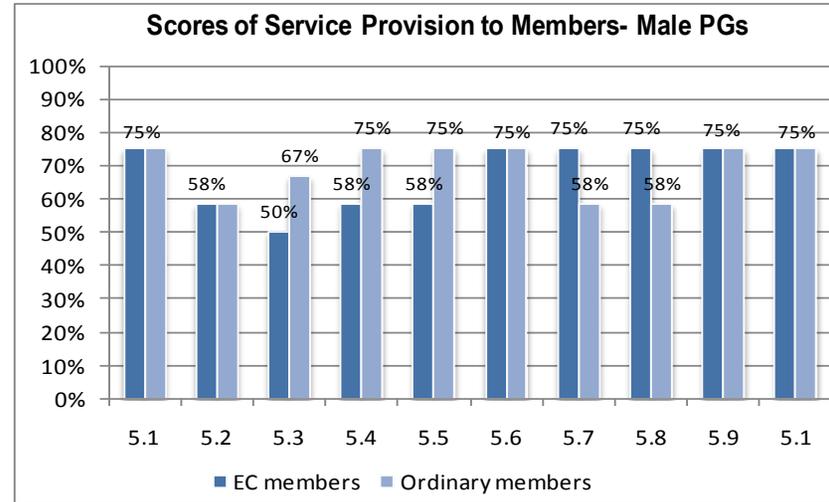
**Figure 45: Group 4, Scores of governance, leadership and internal democracy – Male PGs**

Source: Own research

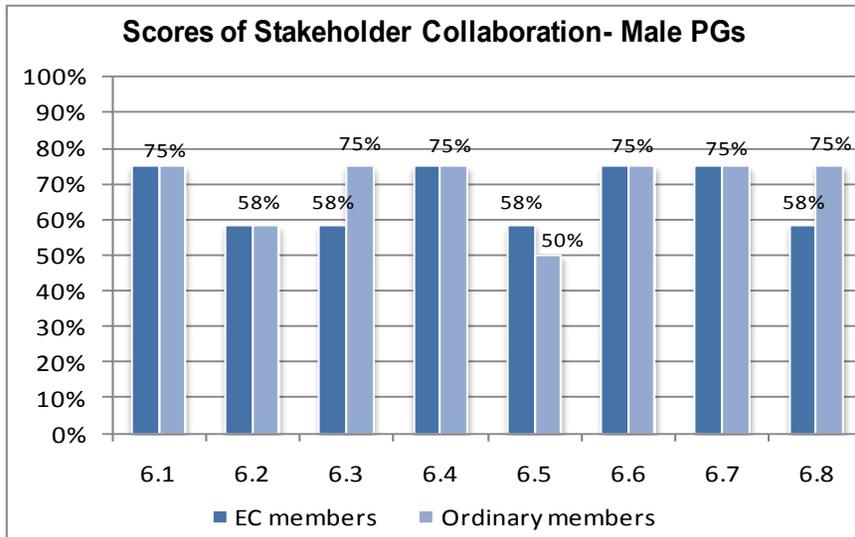
**Figure 46: Group 4, Scores of Collaboration and Networks – Male PGs**



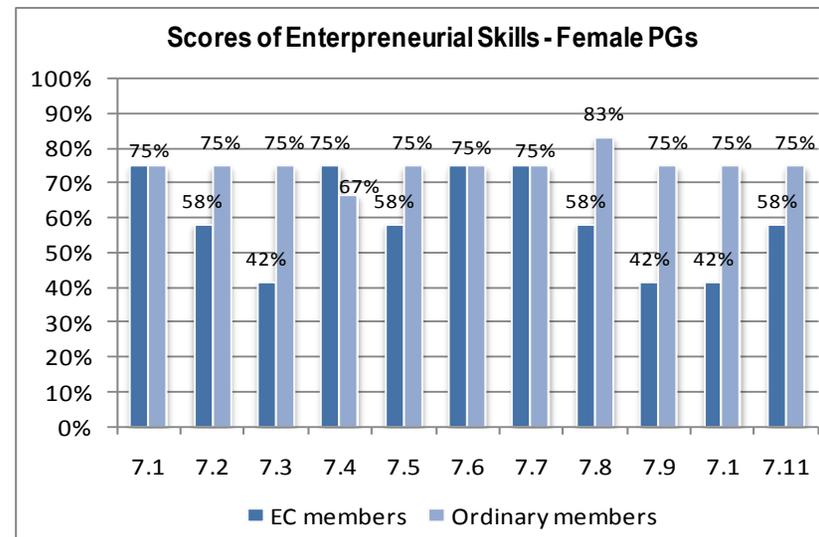
**Figure 47: Group 4, Scores of service provision to members – Male PGs**



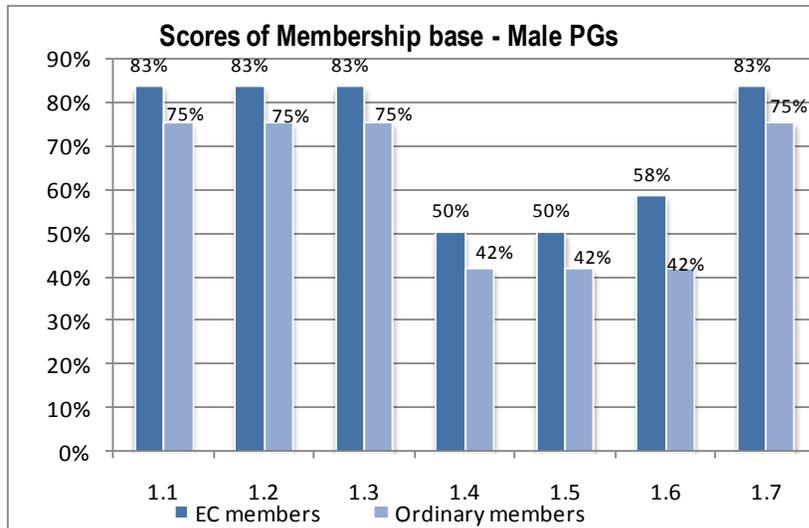
**Figure 48: Group 4, Scores of stakeholder collaboration – Male PGs**



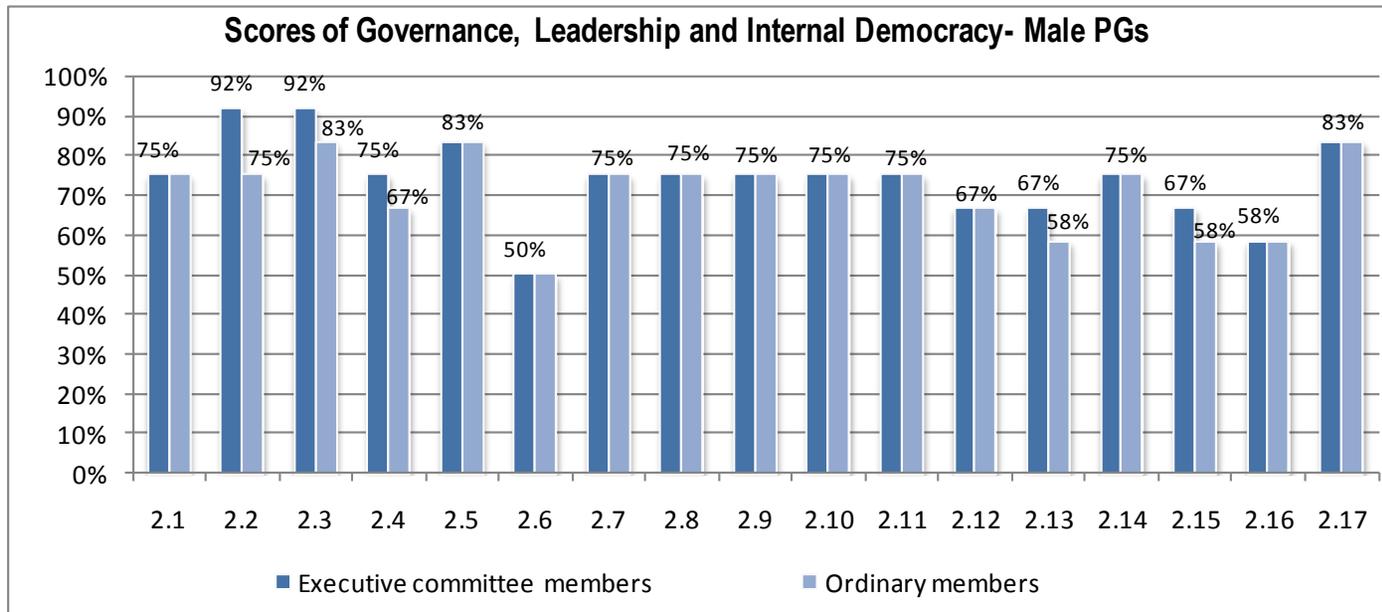
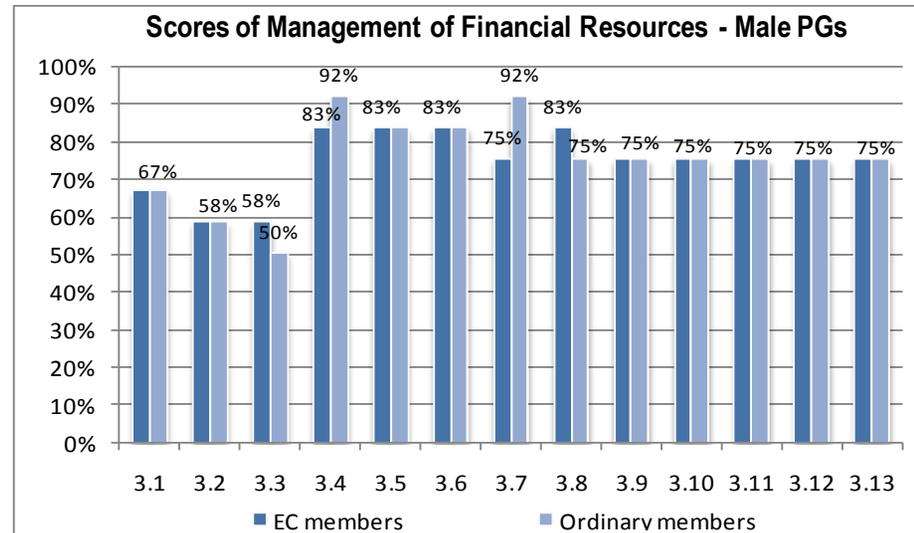
**Figure 49: Group 4, Scores of entrepreneurial skills – Male PGs**



**Figure 50: Group 5, membership base – Male PGs**



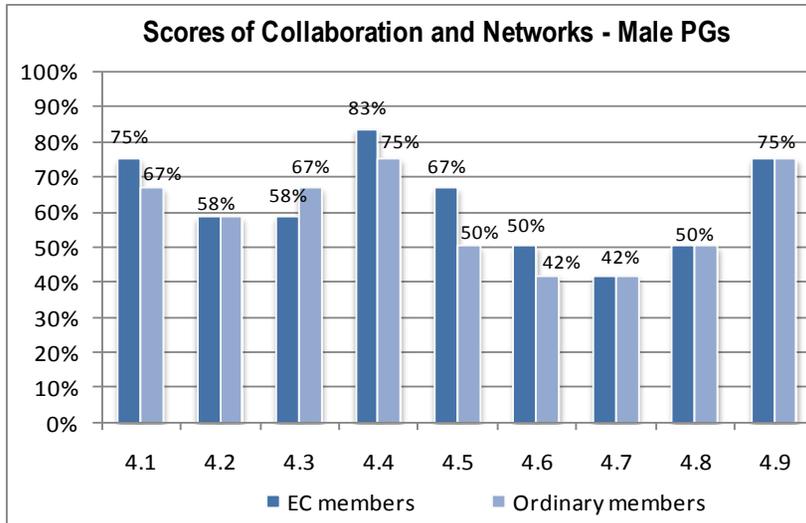
**Figure 51: Group 5, Scores of mgt of financial resources – Male PGs**



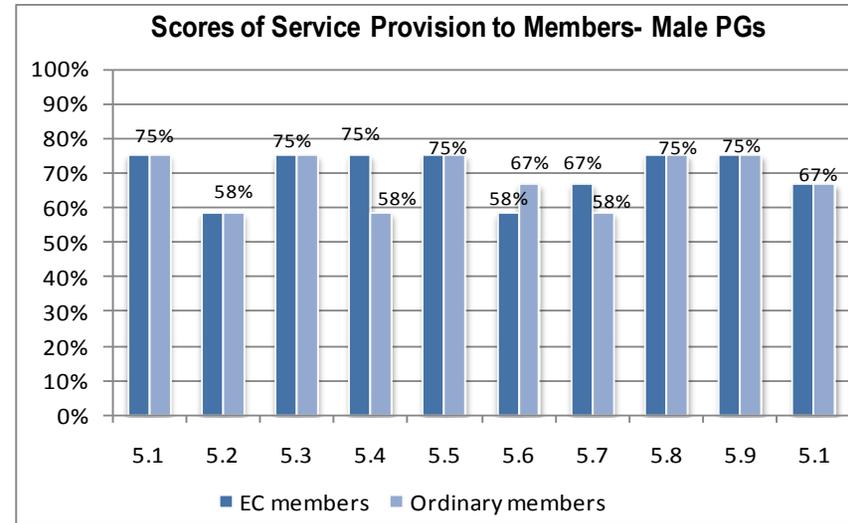
**Figure 52: Group 5, Scores of governance, leadership and internal democracy – Male PGs**

**Source: Own research**

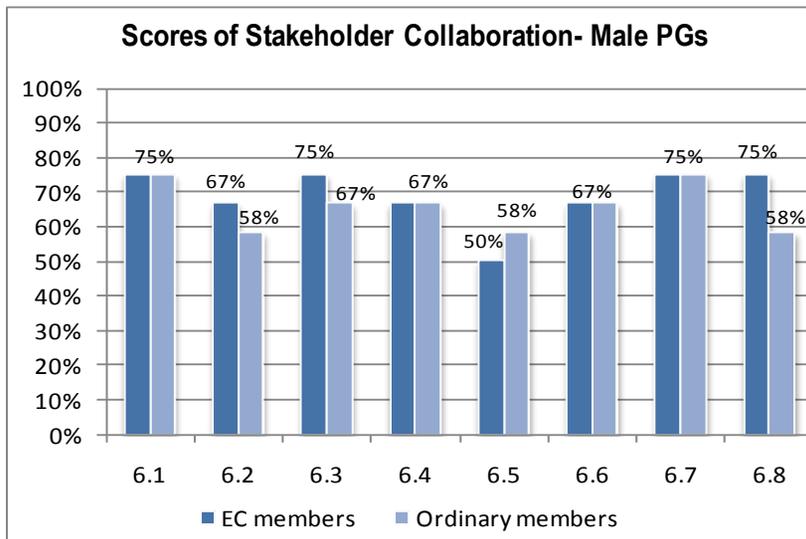
**Figure 53: Group 5, Scores of collaboration and networks– Male PGs**



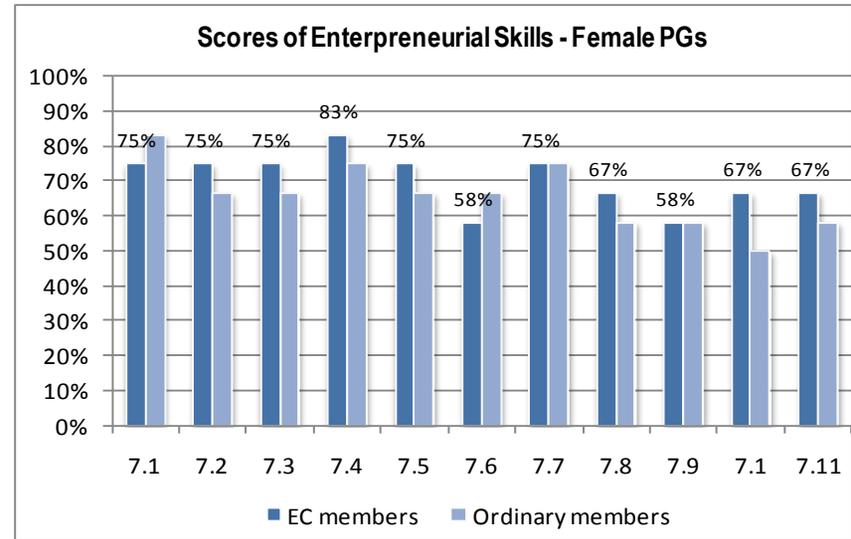
**Figure 54: Group 5, Scores of service provision to members– Male PGs**



**Figure 55: Group 5, Scores of stakeholders' collaboration– Male PGs**



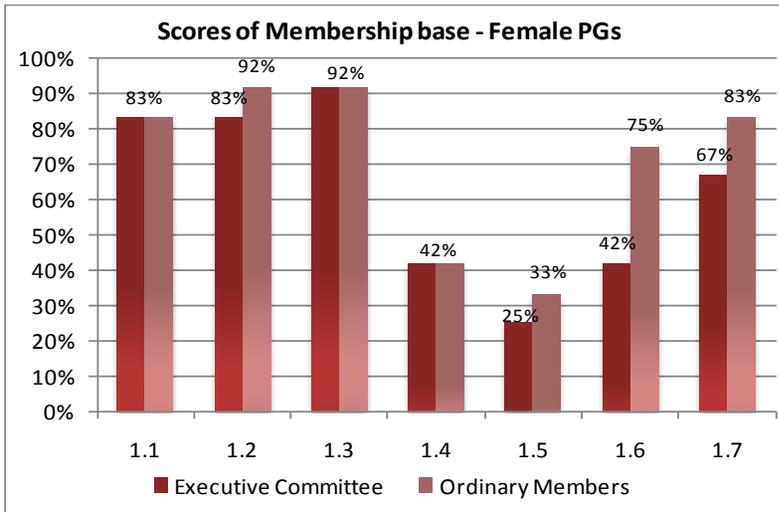
**Figure 56: Group 5, Scores of entrepreneurial skills – Male PGs**



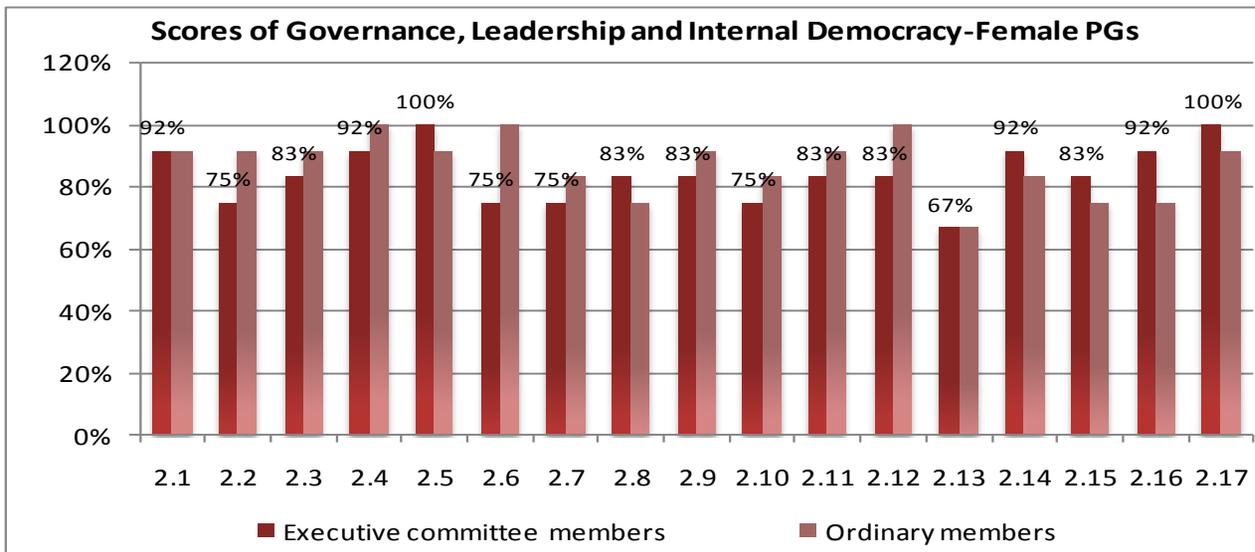
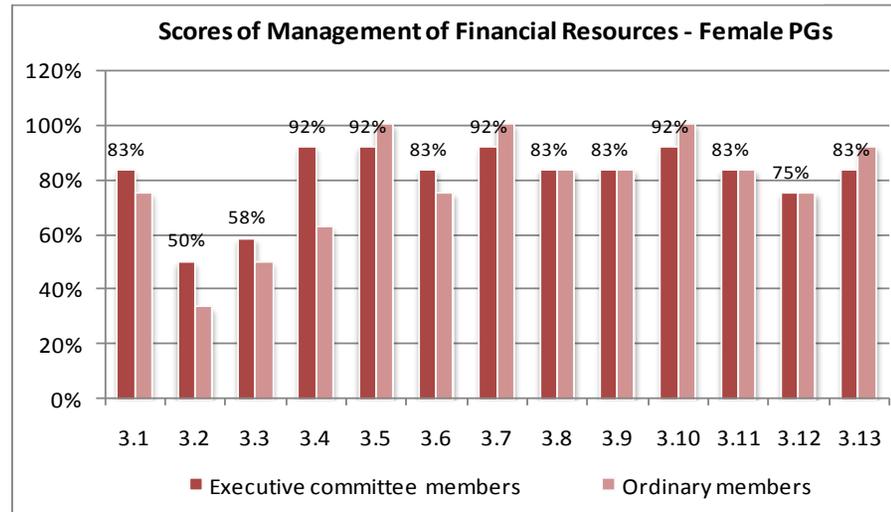
**Appendix 6.**

Comparison of responses of executive committee and ordinary members per category and statements within each Producer Groups (**Female**)

**Figure 57: Group 1; Scores of membership base – Female PGs**



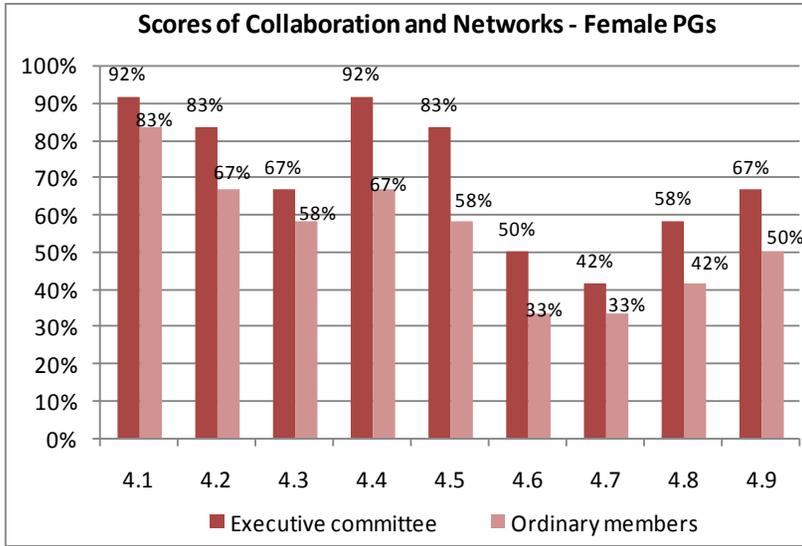
**Figure 58: Group 1; Scores of mgt of financial resources– Female PGs**



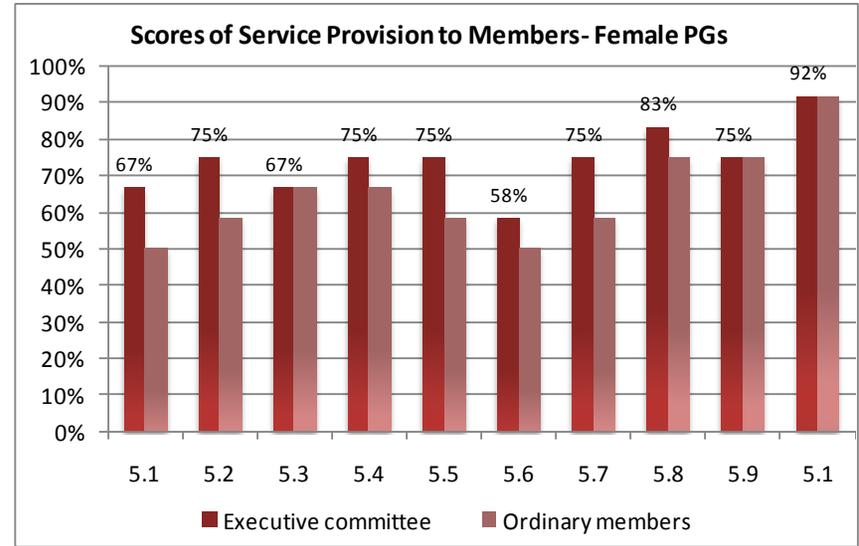
**Figure 59: Group 1; Scores of governance, leadership and internal democracy – Female PGs**

**Source: Own research**

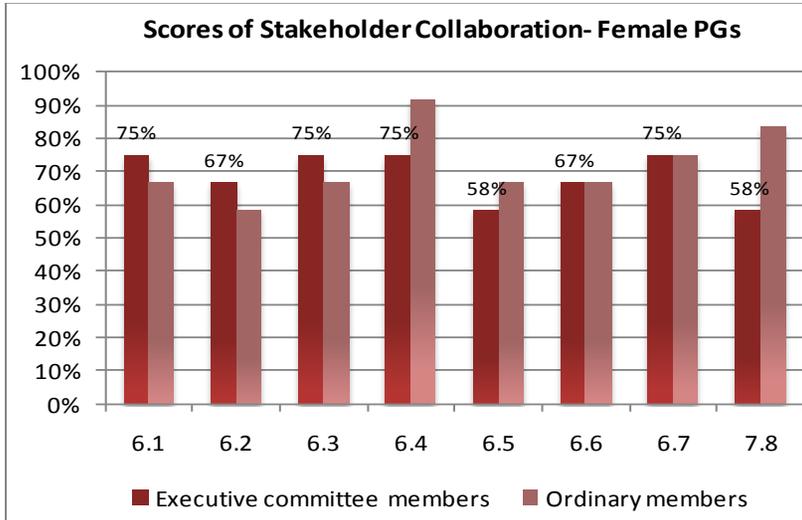
**Figure 60: Group 1; Scores of collaboration and networks– Female PGs**



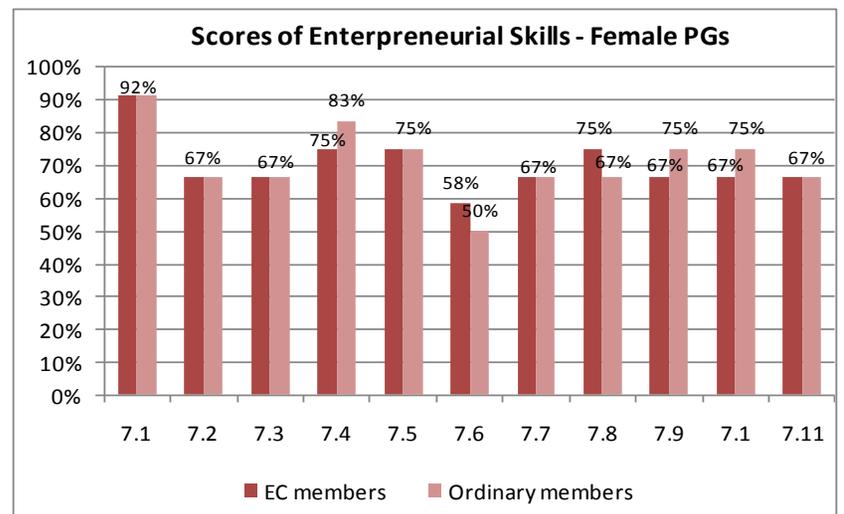
**Figure 61: Group 1; Scores of service provision to members– Female PGs**



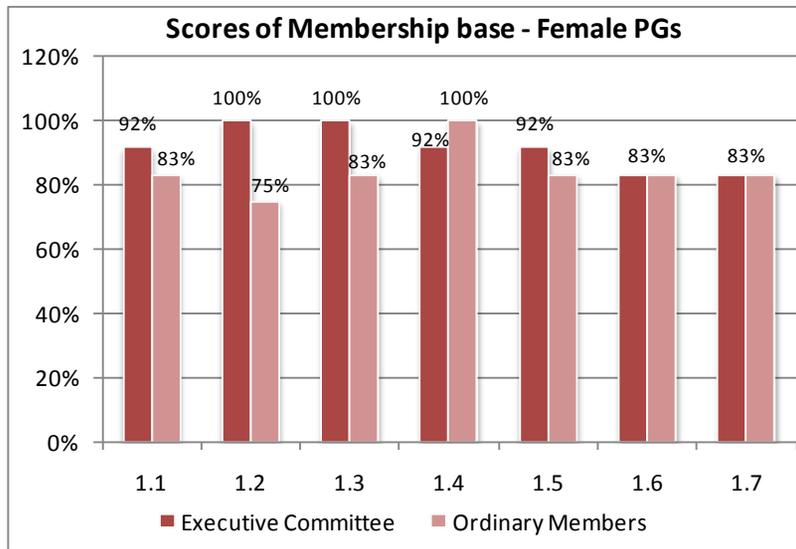
**Figure 62: Group 1; Scores of stakeholders' collaboration– female PGs**



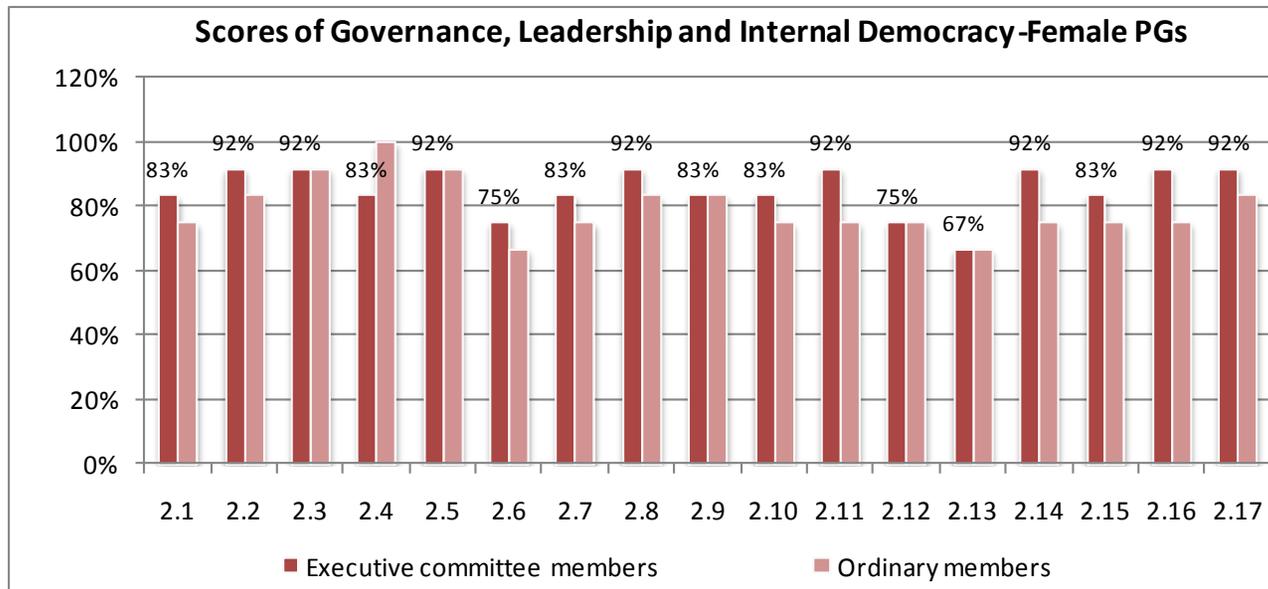
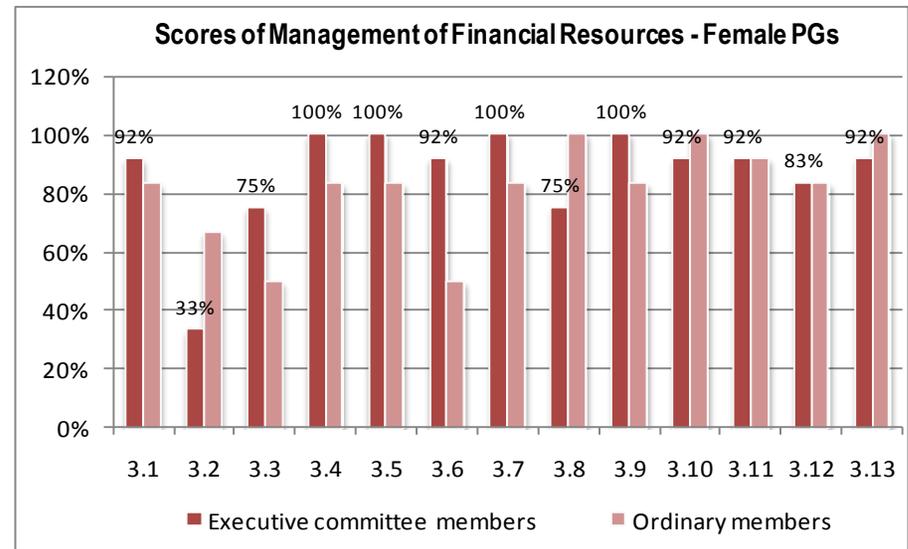
**Figure 63: Group 1; Scores of entrepreneurial skills– Female PGs**



**Figure 64: Group 2; Scores of Membership base– Female PGs**



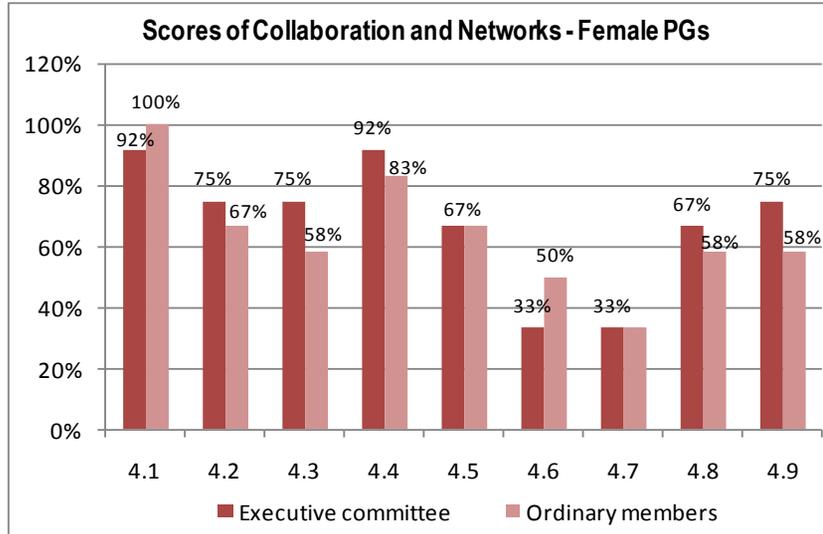
**Figure 65: Group 2; Scores of Mgt of financial resources – Female PGs**



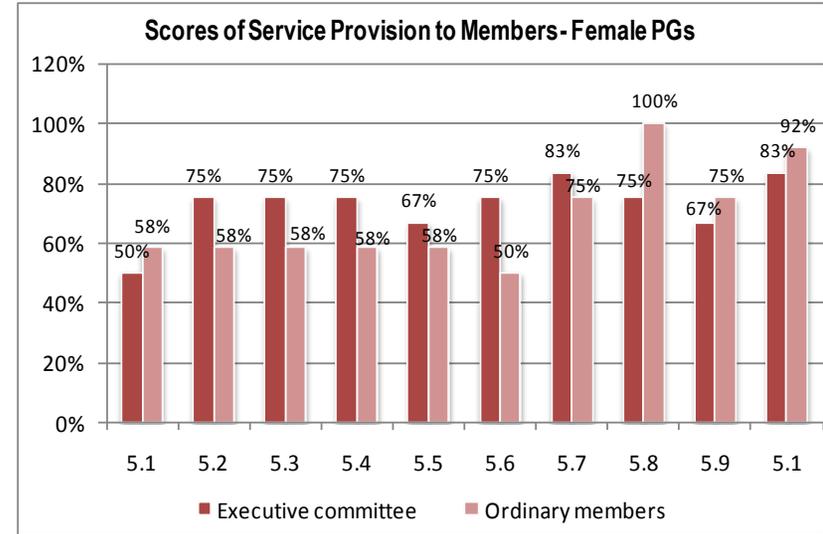
**Figure 66: Group 2; Scores of governance, leadership and internal democracy– Female PGs**

**Source: Own research**

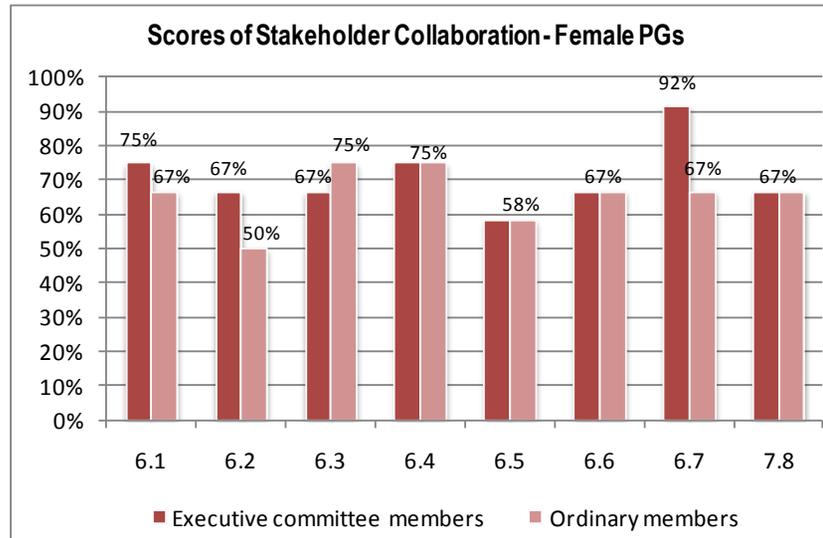
**Figure 67: Group 2; Scores of collaboration and networks– Female PGs**



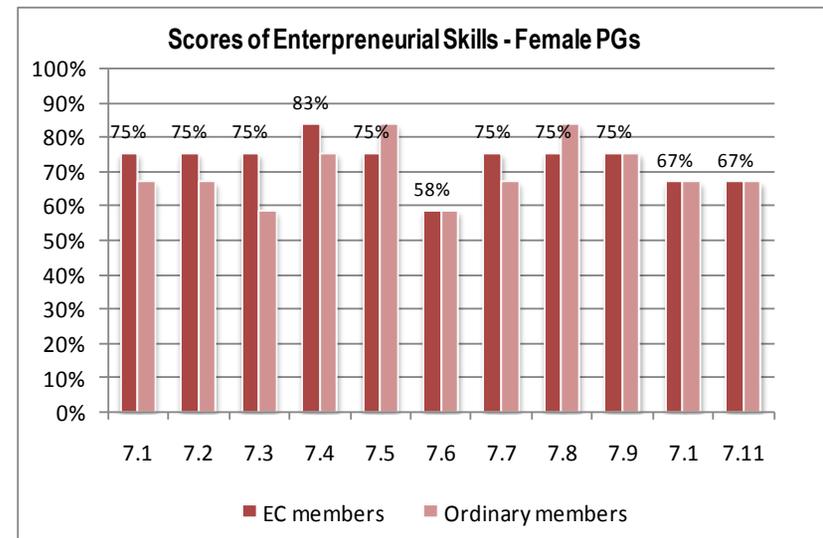
**Figure 68: Group 2; Scores of service provision to members– Female PGs**



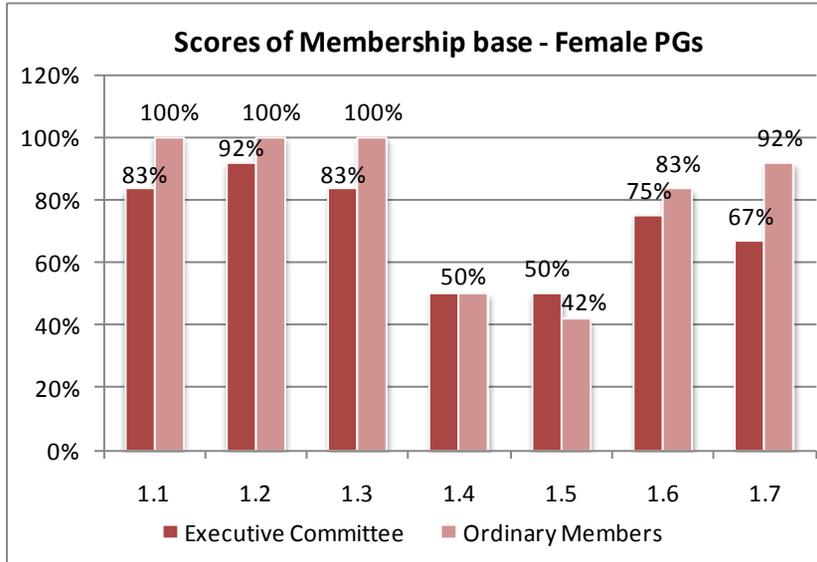
**Figure 69: Group 2; Scores of stakeholders' collaboration– Female PGs**



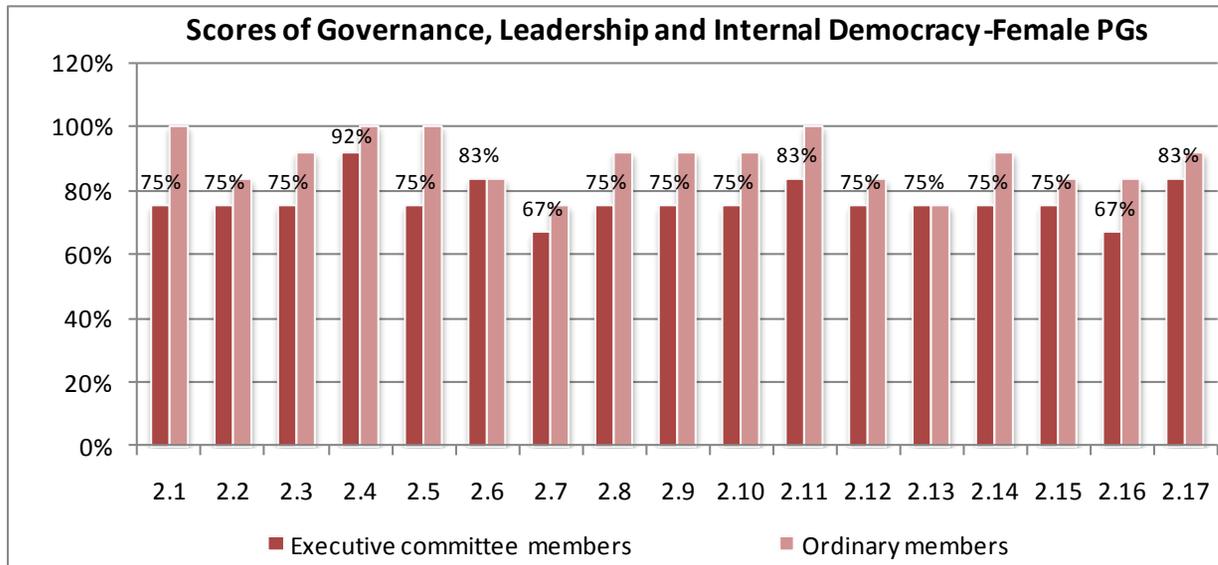
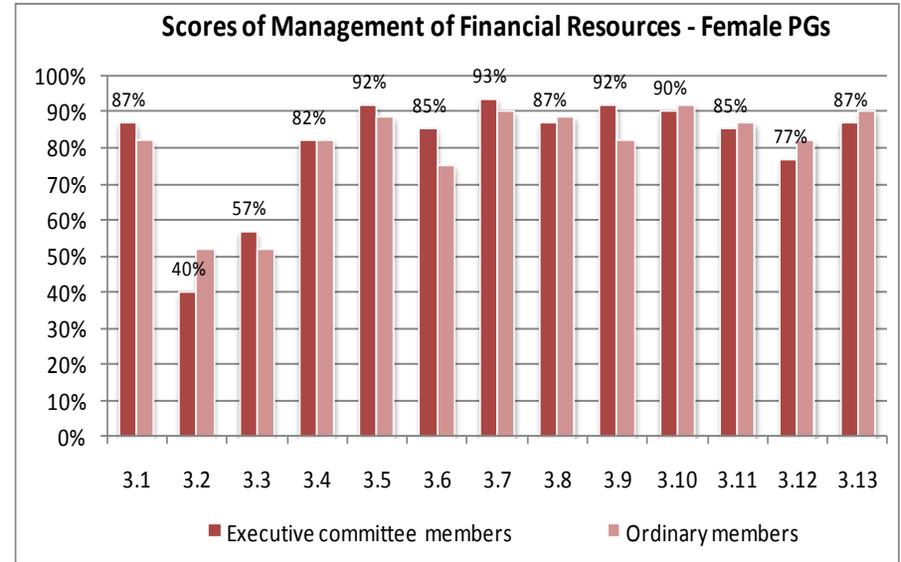
**Figure 70: Group 2; Scores of entrepreneurial skills – Female PGs**



**Figure 71: Group 3; Scores of membership base– Female PGs**



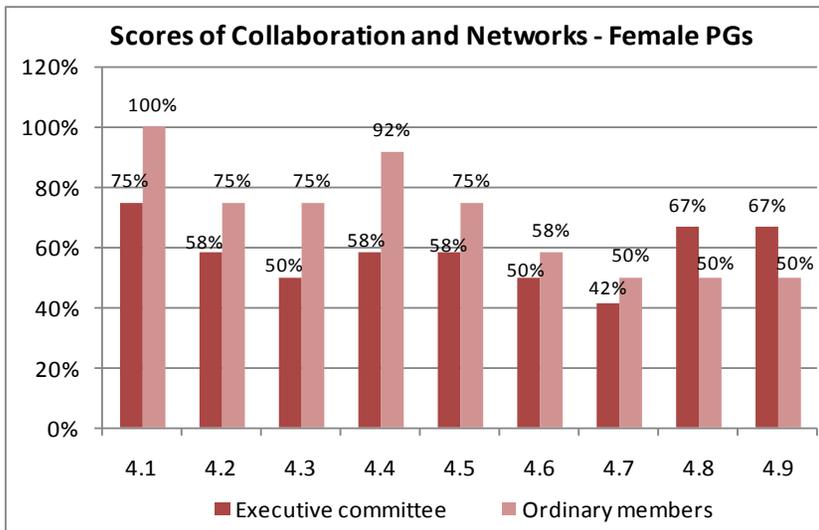
**Figure 72: Group 3; Scores of mgt of financial resources – Female PGs**



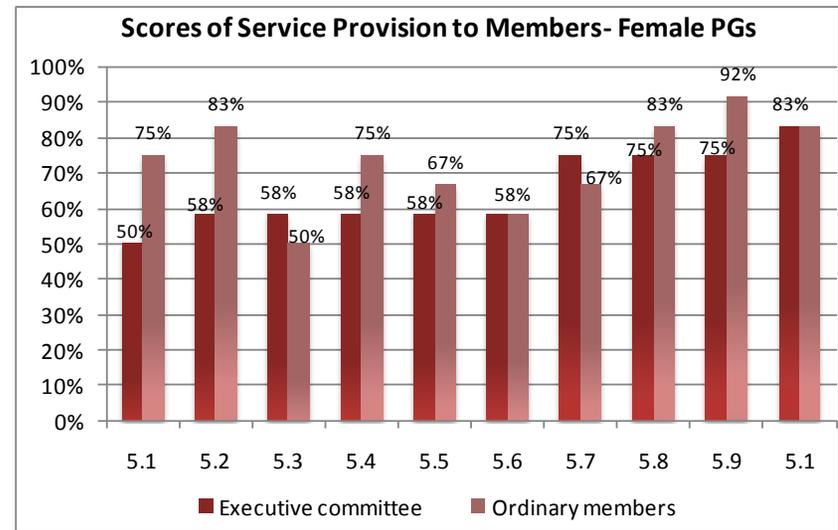
**Figure 73: Group 3; Scores of governance, leadership and internal democracy– Female PGs**

**Source: Own research**

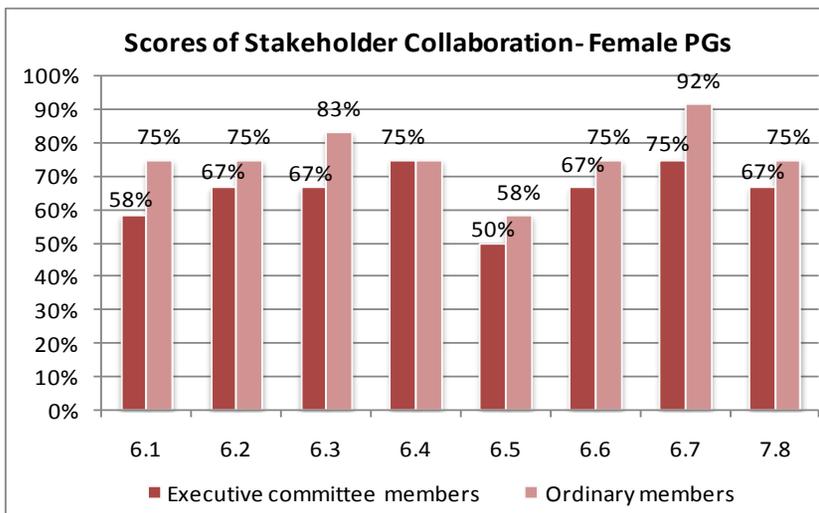
**Figure 74: Group 3; Scores of collaboration and networks– Female PGs**



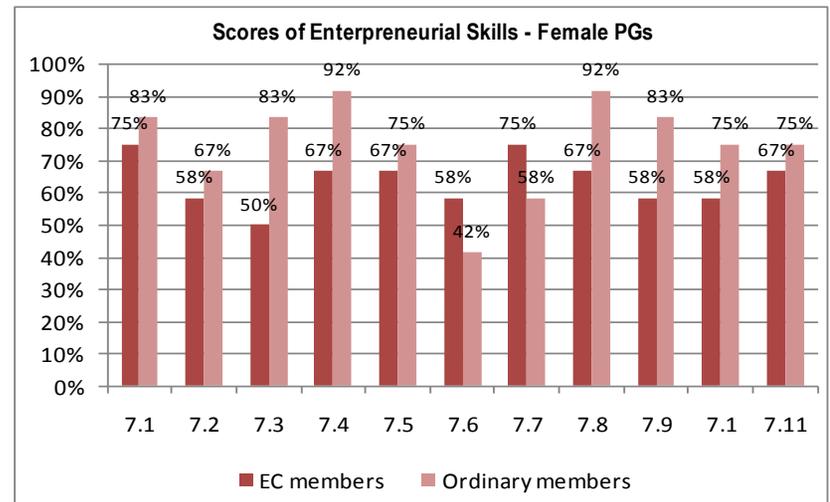
**Figure 75: Group 3; Scores of service provision to members– Female PGs**



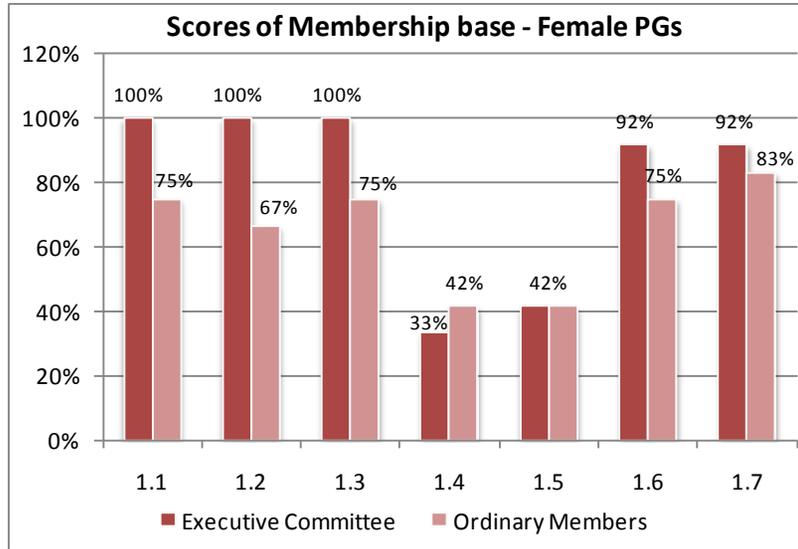
**Figure 76: Group 3; Scores of stakeholders' collaboration– Female PGs**



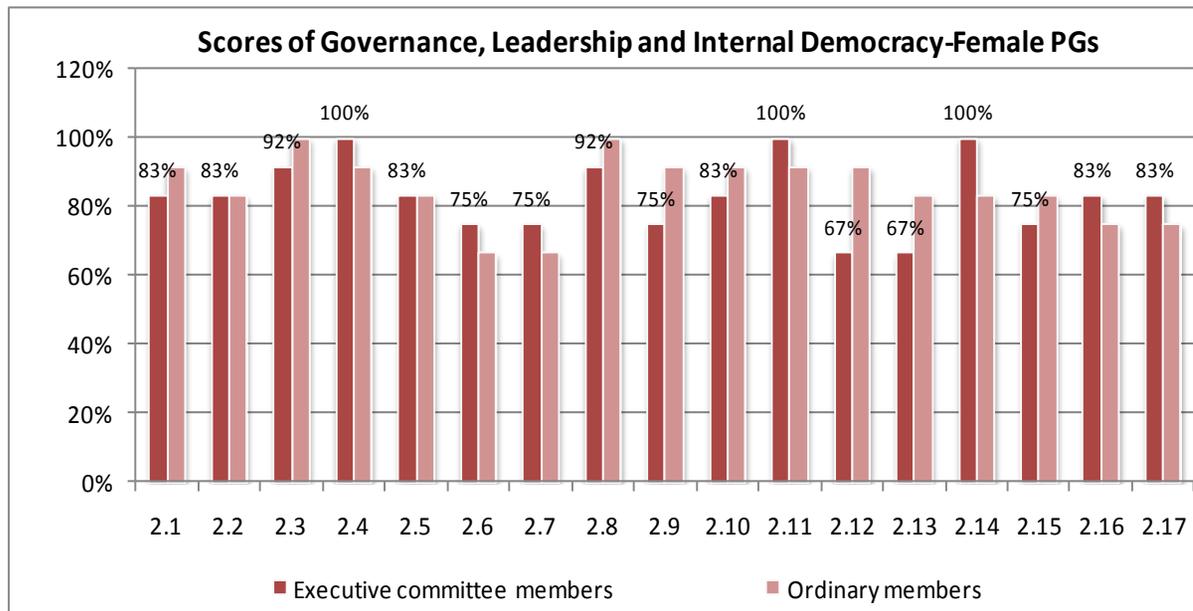
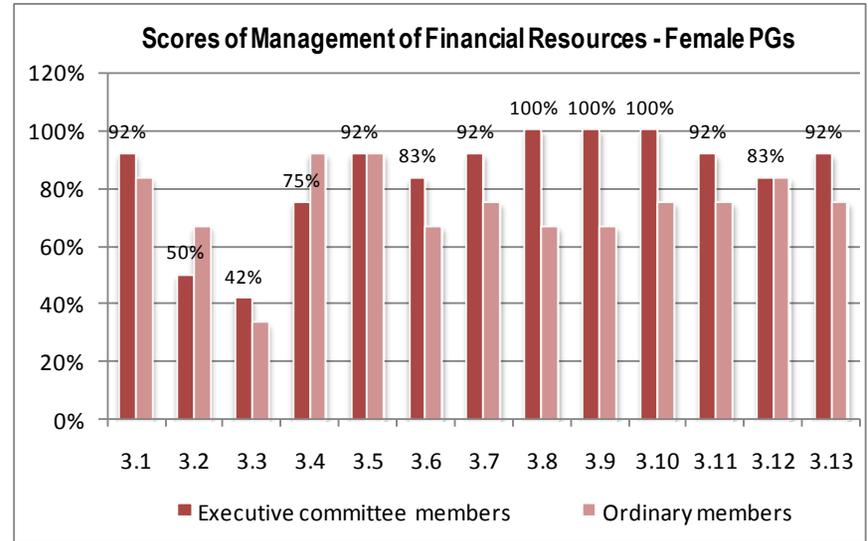
**Figure 77: Group 3; Scores of entrepreneurial skills– Female PGs**



**Figure 78: Group 4; Scores of membership base– Female PGs**



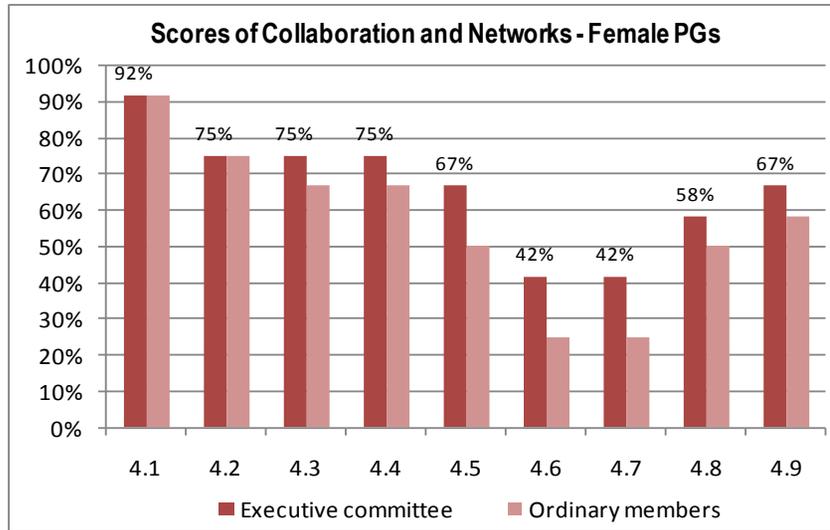
**Figure 79: Group 4; Scores of mgt of financial resources– Female PGs**



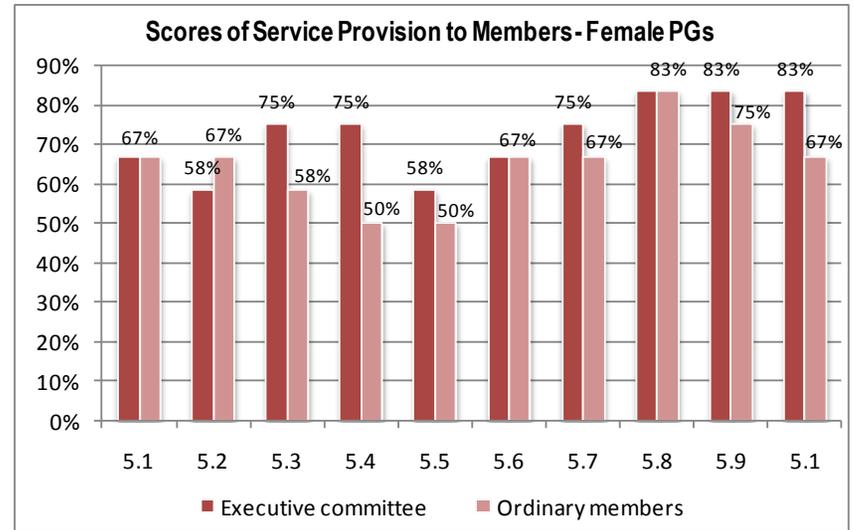
**Figure 80: Group 4; Scores of governance, leadership and internal democracy – Female PGs**

**Source: Own research**

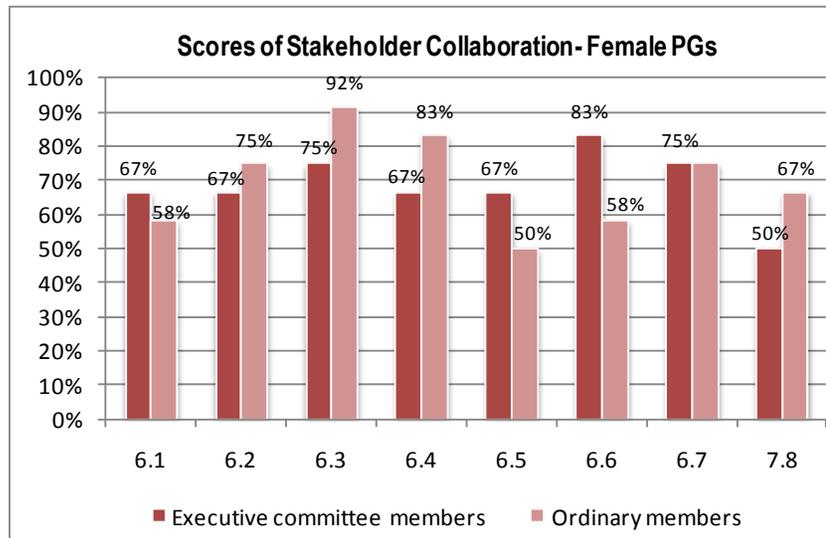
**Figure 81: Group 4; Scores of collaboration and networks– Female PGs**



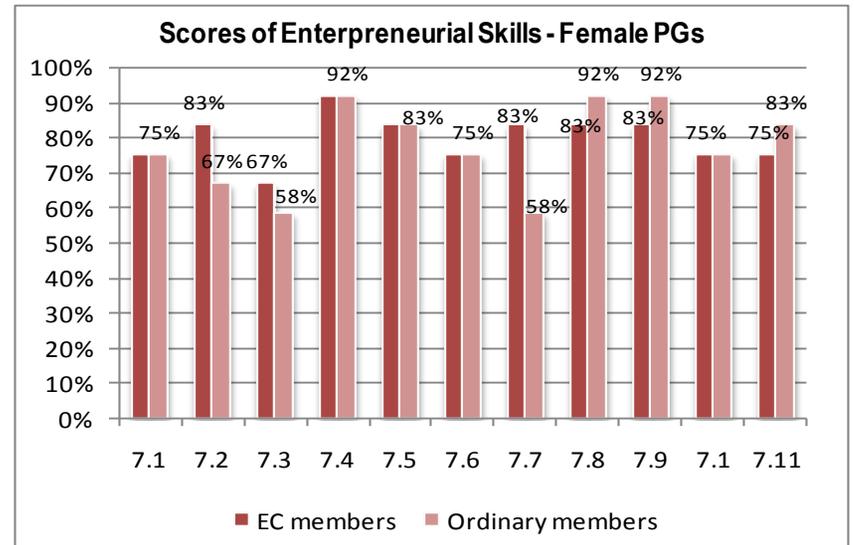
**Figure 82: Group 4; Scores of service provision to members Female PGs**



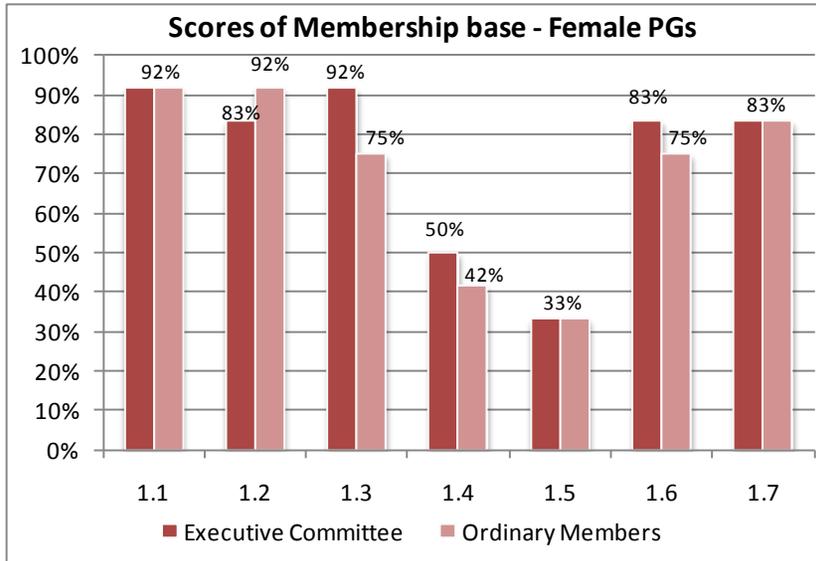
**Figure 83: Group 4; Scores of stakeholders' collaboration– Female PGs**



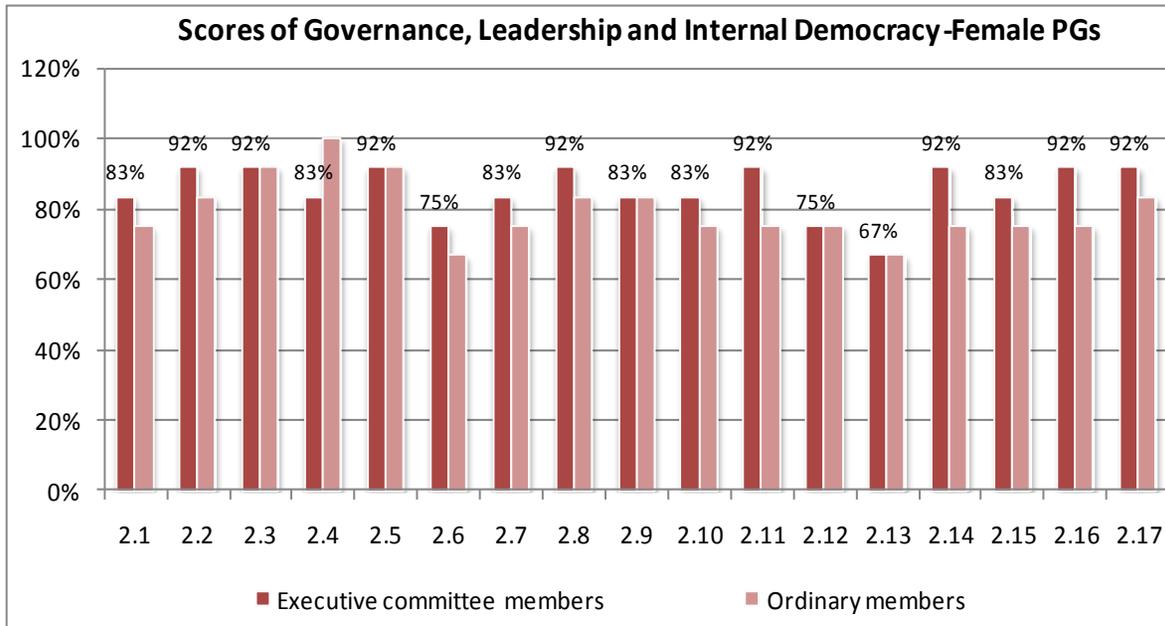
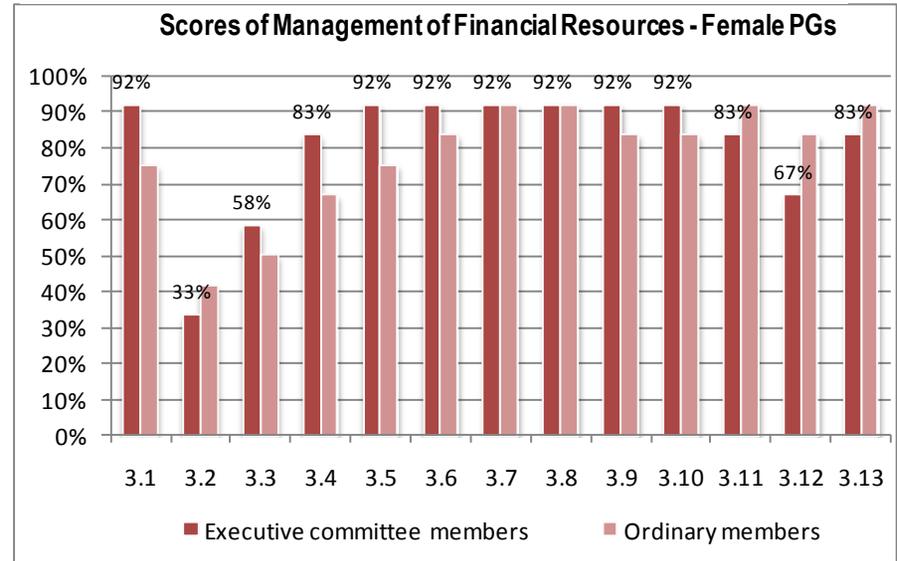
**Figure 84: Group 4; Scores of entrepreneurial skills – Female PGs**



**Figure 85: Group 5; Scores of membership base– Female PGs**



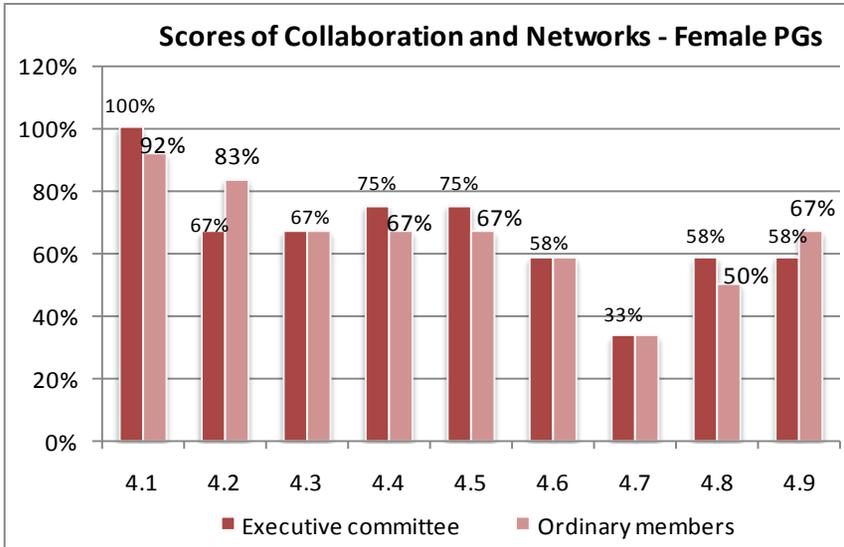
**Figure 86: Group 5; Scores of mgt of financial resources– Female PGs**



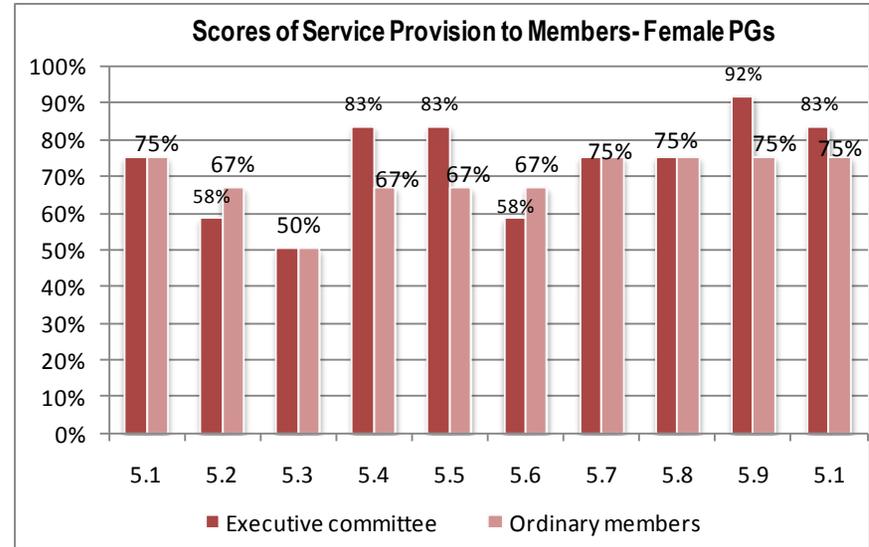
**Figure 87: Group 5; Scores of governance, leadership and internal democracy– Female PGs**

**Source: Own research**

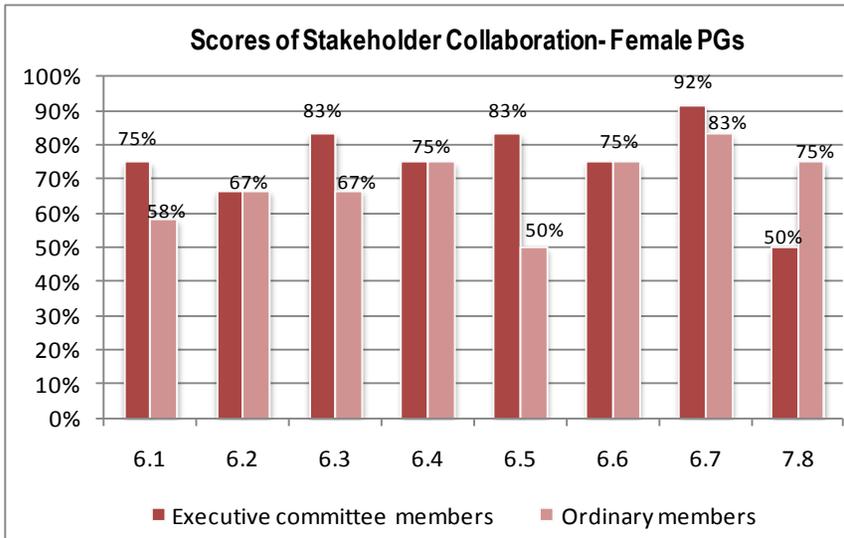
**Figure 88: Group 5; Scores of collaboration and networks– Female PGs**



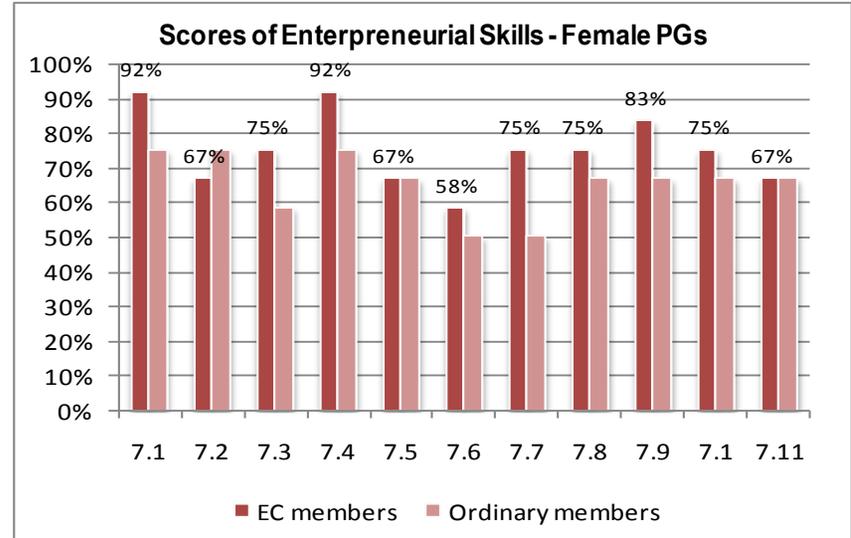
**Figure 89: Group 5; Scores of service provision to members– Female PGs**



**Figure 90: Group 5; Scores of stakeholders' collaboration– Female PGs**



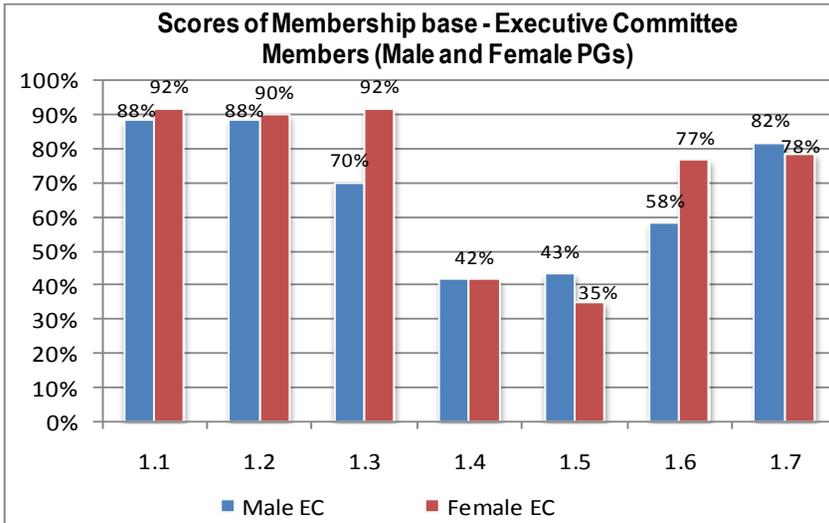
**Figure 91: Group 5; Scores of entrepreneurial skills– Female PGs**



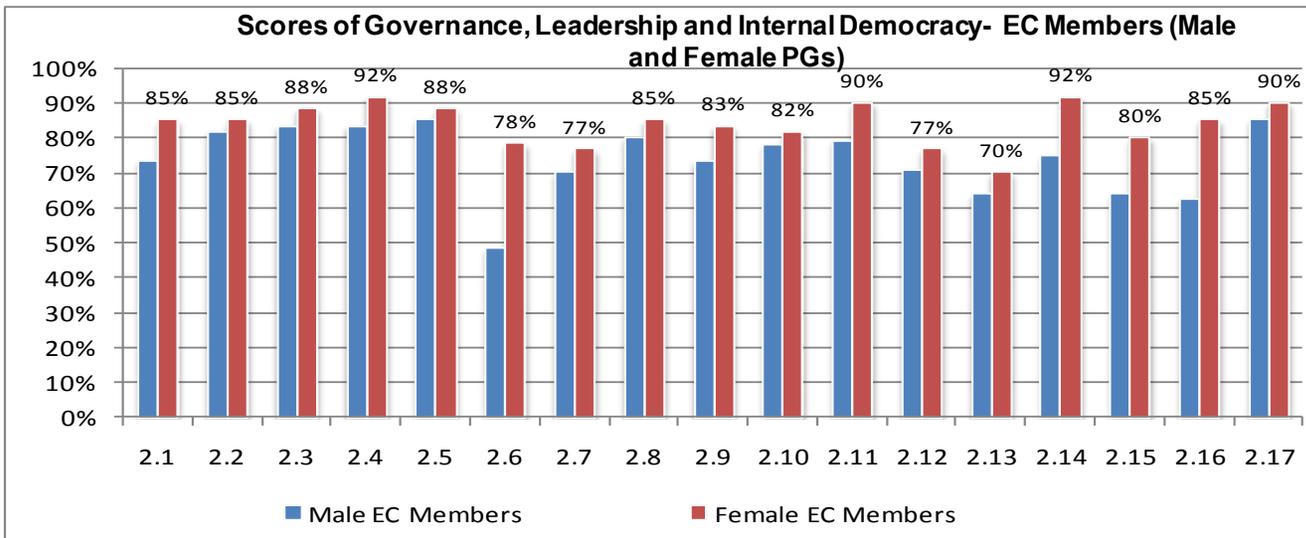
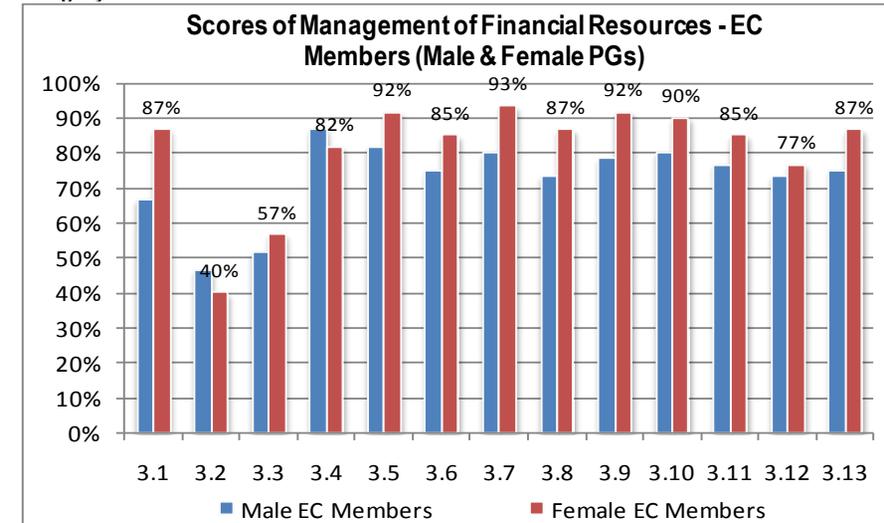
**Appendix 7.**

**Comparison of responses between male executive committee members and female executive committee members**

**Figure 92: Male and Female EC responses to membership base - category**



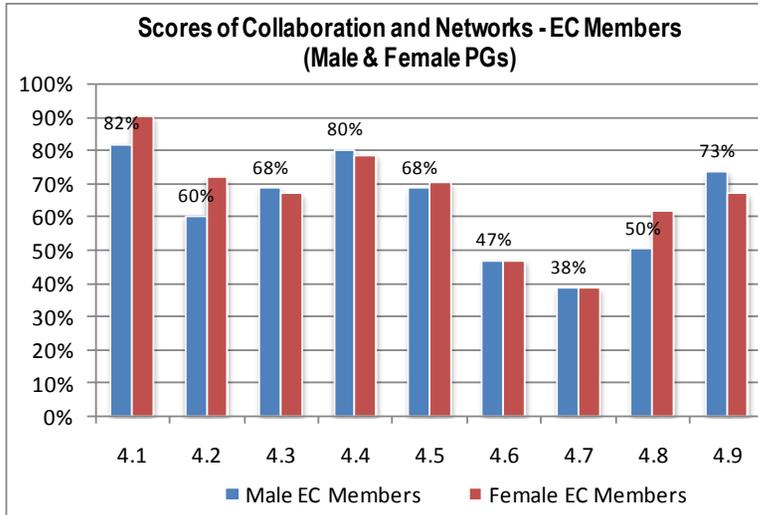
**Figure 93: Male and Female EC response to management of financial resources - category**



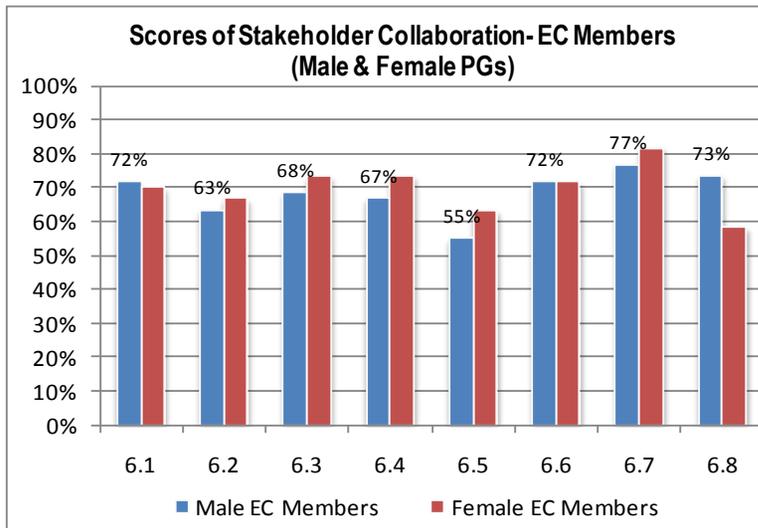
**Figure 94: Male and Female EC members' response to the governance, leadership and internal democracy -**

**Source: Own research**

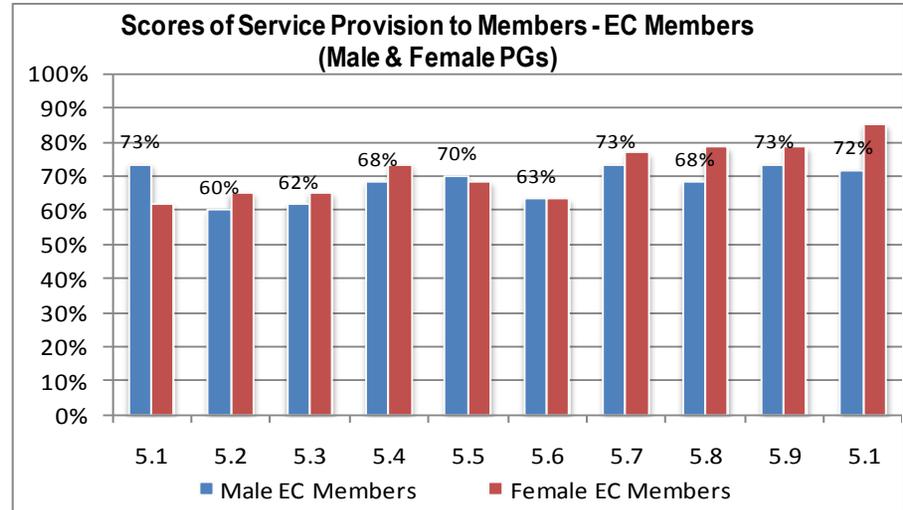
**Figure 95: Male and Female EC members' response to collaboration and networks - category**



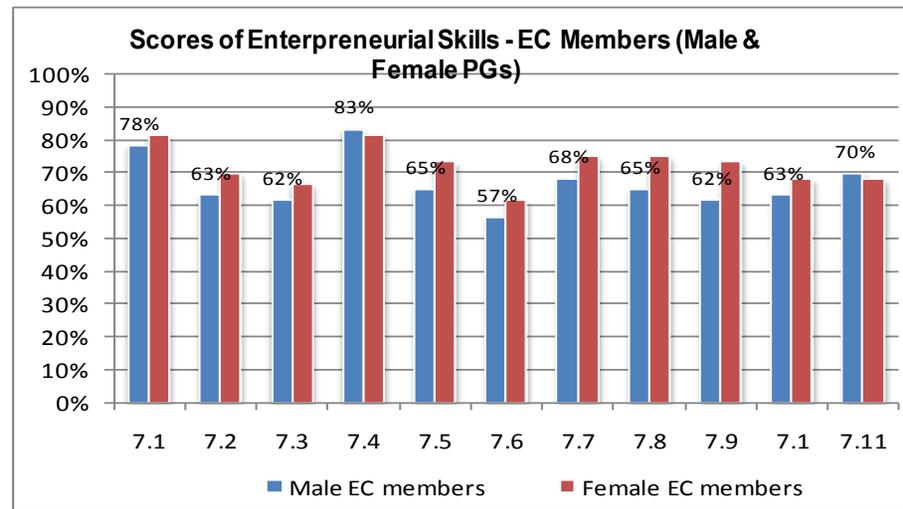
**Figure 97: Male and Female EC members' responses to stakeholders' collaboration- category**



**Figure 96: Male and Female EC members' response to service provision to members - category**



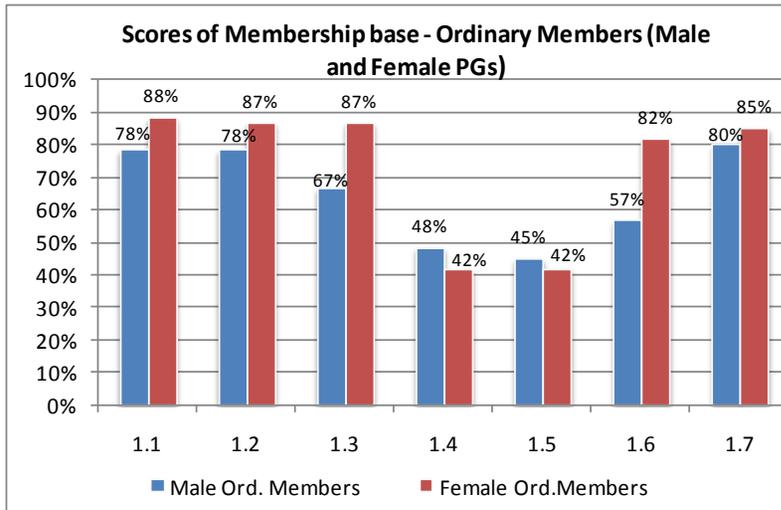
**Figure 98: Male and Female EC members' responses to entrepreneurial skills- category**



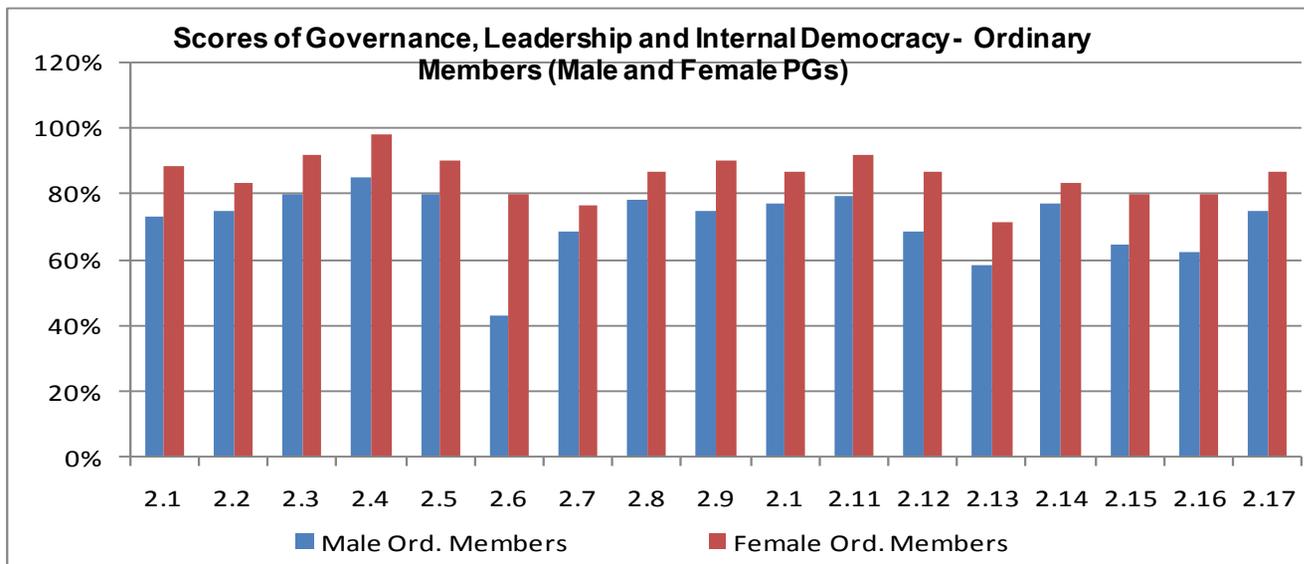
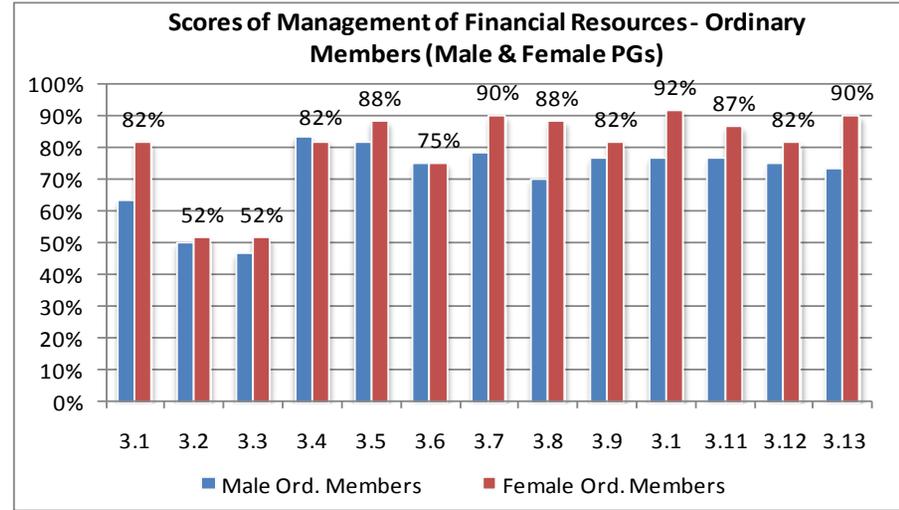
**Appendix 8.**

Comparison of responses between male **ordinary members** and female **ordinary members**

**Figure 99:** Male and Female Ordinary members' responses to membership base- category



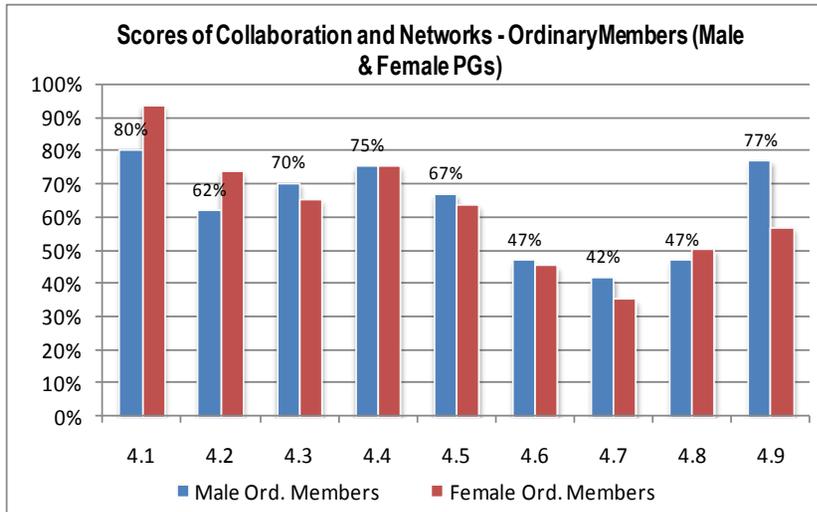
**Figure 100:** Male and Female Ordinary members' responses to management of financial resources - category



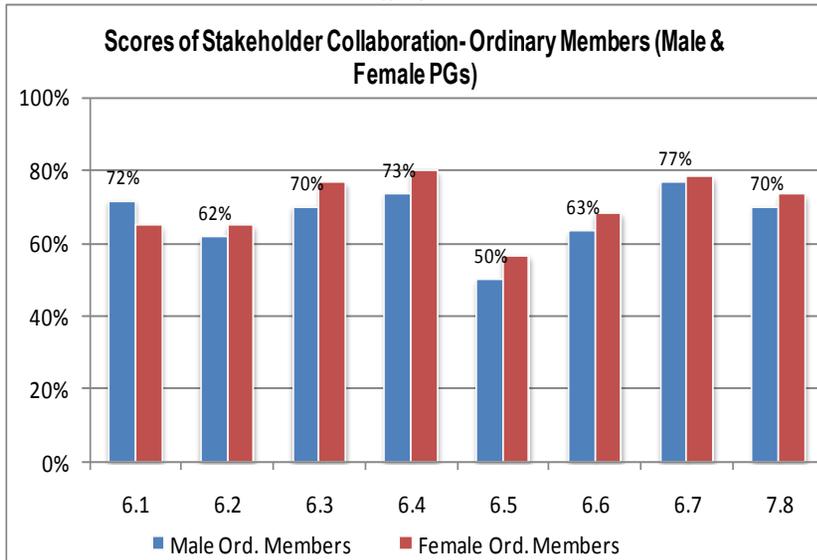
**Figure 101:** Male and Female Ordinary members' responses to governance, leadership and internal democracy- category

Source: Own research

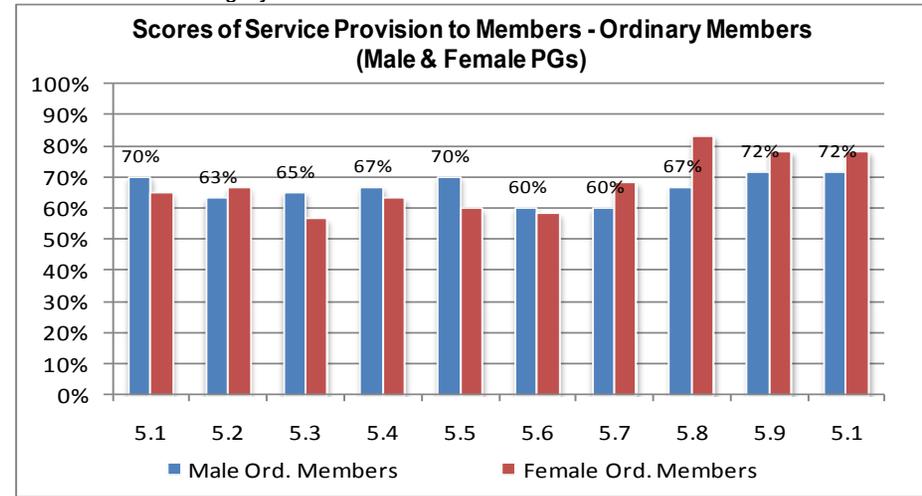
**Figure 102: Male and Female Ordinary members' responses to collaboration and networks - category**



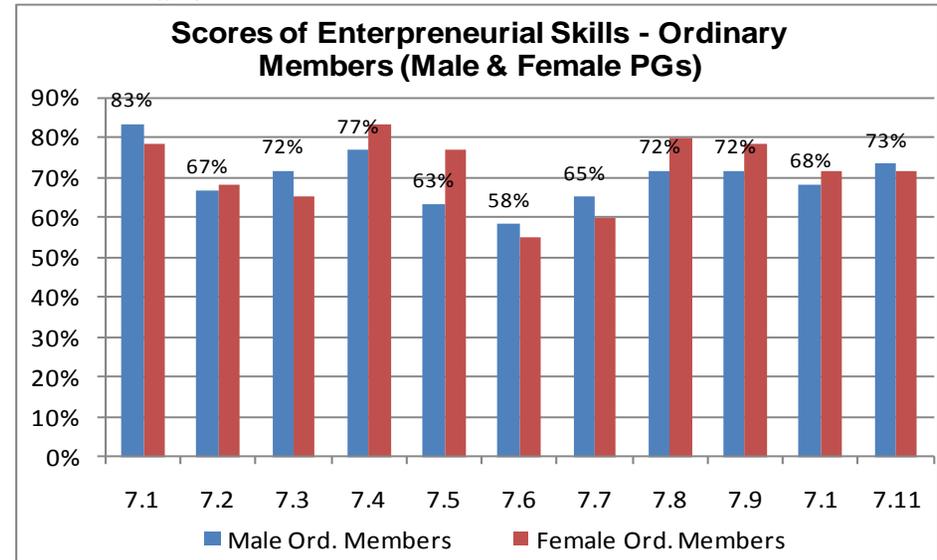
**Figure 104: Male and Female Ordinary members' responses to stakeholders' collaboration - category**



**Figure 103: Male and Female Ordinary members' responses to service provision to members- category**



**Figure 105: Male and Female Ordinary members' responses to entrepreneurial skills - category**



**Appendix 9 (a).** Phase one: Group formation, social mobilization and economic mobilization – the contents of the meetings

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**Step 1:** Addressing to Lead Farmers, Shuras and CDCs; invitation to a community meeting for informing about the program and the criteria of eligibility.

**Step 2:** 1<sup>st</sup> training module: Mobilization for Self-Reliant Self-Help Actions - “The River Code”

- Information about HLP
- Awareness about the advantages of being more self-reliant

**Step 3:** 2<sup>nd</sup> training module: Formation of Producer Groups

- Election of group leaders: Chairperson, Secretary, Treasurer
- Assignment of Farmer Trainers for both horticulture and livestock
- Agreement on forming a separate female producer group

**Step 4:** 3<sup>rd</sup> training module: Identification of Priority Needs and Appropriate Self-Help Actions

- Weaknesses and shortcomings in the horticulture and livestock production
- Options for improvement and the appropriate self-help actions

**Step 5:** 4<sup>th</sup> training module: Savings and Financial Management

- Management of saving box and revolving fund, internal lending and book keeping
- Options how the group can get prepared for qualifying for group credit schemes

**Step 6:** 5<sup>th</sup> training module: Supply of Agricultural Inputs

- Increased access to good quality inputs and services at a reasonable cost to the members
- Benefits of building linkages with input suppliers like Ag-depots, Cooperatives, Veterinary Clinics and Veterinary Field Units

**Step 7:** 6<sup>th</sup> training module: Post Harvest Activities and Marketing of Agricultural Produce

- production according to market requirements / demands: quality, quantity, time
- Importance of reducing post harvest losses (appropriate storage)
- Transaction costs and the role of traders.

**Step 8:** 7<sup>th</sup> training module: Development of a Group Action Plan “Annual Calendar”

- Determined the activities which need to be done during each month of the year
- Determined which activities they as a group or community will do as self-help activities
- Determined which kind of external assistance they need for which improvement

**Step 9:** 8<sup>th</sup> training module: Principles of Farmer Field School (FFS)

- Concept of Experiential Learning
- FFS as an extension service approach; strengthening of knowledge and skills
- Organization and management of FFS on village and district level.

**Step 10:** 9<sup>th</sup> training module: HLP Services for Producer Groups

- Information on the technical assistance and training activities in horticulture and livestock provided by HLP (extension service)
- Information on the service packages in horticulture (new orchards, rehabilitation of existing orchards, other) provided by HLP and criteria of eligibility,
- Information on the services accessible in livestock (poultry program, extension and veterinary services) provided by HLP and criteria of eligibility.

**Step 11:** 10<sup>th</sup> training module: Organization and Management of the Farmer Field School – the Way Forward

- Further clarified the role and responsibilities among group members (executive committee, other volunteers i.e. farmer trainer etc.)
- Been prepared and organized their active participation at the Farmer Field School, both in horticulture and livestock issues, in close cooperation with the HLP extension service
- Clarified how they interact with other organizations such as CDCs and local development organizations (DAIL agricultural directorate, agricultural cooperatives and associations).

## **Appendix 9 (b).** Phase two: Provision of Integrated Service Delivery - The Contents of the Meetings

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### **1<sup>st</sup> meeting:**

Participatory Self-Assessment of Group Performance

- Having a clear understanding of the group needs in terms of horticulture and livestock.
- Having reviewed the role and functions of the group leadership (chairperson, secretary and treasurer) and having re-defined its responsibilities.
- Having reviewed the role and functions of the farmer trainers for both horticulture and livestock.
- Having analyzed the implementation of the group action plan and the importance of such planning for organizing the group activities.

### **2<sup>nd</sup> meeting:**

Development and Update of the Group Action Plan

Determined the activities which need to be done during each month of the year

- For horticulture
- For livestock
- For getting the kind of services needed for the proper accomplishment of the planned activities

### **3<sup>rd</sup> meeting:**

Organization and Management of FFS Activities

- Established the modality of working together according to the farmer field school principles.
- Agreed with the farmer trainers to using their facilities (orchards, coops, farm houses) for meetings and demonstration activities.
- Agreed on being exposed to at least three key technical practices both in horticulture and livestock.

### **4<sup>th</sup> meeting:**

Specific Skills Training for Group Leaders, Office Bearers and Farmer Trainers

- Group leaders know and apply improved techniques on group management and planning
- Farmer trainers and group leaders keep records of FFS observations and conclusions
- Office bearers know and apply basic book keeping and calculation

### **5<sup>th</sup> meeting:**

Supply of Production Inputs: Facilitation of Group Actions

- learned on the different steps how to agree upon and to organize common actions for the purchase of production inputs,
- learned on how to identify the proper products according to the required ingredients and to discard faked, inactive and outdated products

### **6<sup>th</sup> meeting:**

Microfinance I: Assistance for the Development and Consolidation of Savings Boxes

Learned on the purpose of savings boxes for

- providing small and short-term loans for group members
- financing common activities, e.g. the purchase of production and veterinary inputs
- providing financial assistance in case of emergency situations of group members

### **7<sup>th</sup> meeting:**

Microfinance II: Facilitation of Bank Loans

- Learned on the conditions of banks and microfinance institutions, which offer seasonal and investment credit
- Learned how to address the institutions and apply for individual loans

### **8<sup>th</sup> meeting:**

Marketing I: Facilitation of Group Actions

- Learned on how to forecast the harvest and to develop marketing plans
- Learned on how to get reliable and updated information about markets, volumes and prices
- Learned on the quality requirements of the markets regarding sorting, grading and packaging

### **9<sup>th</sup> meeting:**

Marketing II: Facilitation of Market Linkages

- Decided on contacting traders and wholesalers on provincial and national level for offering their products
- Discussed the marketable quantity as well as the quality of their crops and the possibilities of sorting, grading and packaging at farm, village and district level.

### **10<sup>th</sup> meeting:**

Federated Structures: Farmer Organizations on Village, District and Provincial Level

- Understood the importance of the mutual cooperation of producer groups on village and district level
- Assessed the possibilities of organizing the needed services through the local agricultural cooperatives
- Discussed the need for organizing producer groups into district and regional associations for advocacy and for developing common standards of a specific crop on district level.

**Van Hall Larenstein University of Applied Science-WUR  
Management of Development  
Rural Development and Communication**

**Interview Schedule for HLP Producer Groups**

Province: \_\_\_\_\_  
District: \_\_\_\_\_  
Village: \_\_\_\_\_  
Interview date \_\_\_\_\_

Interviewer: \_\_\_\_\_

Name of Facilitator: \_\_\_\_\_

Name of Interviewee: \_\_\_\_\_

Position in Group: \_\_\_\_\_

Gender: *Male* \_\_\_\_ *Female* \_\_\_\_      Age: \_\_\_\_\_

Name of the PG: \_\_\_\_\_

1. Are you the head of the household?      Yes      No
  
2. What is the no. of the household members living under your care?
  - Adults      \_\_\_\_\_
  - Children      \_\_\_\_\_
  - Others (relative, orphans)      \_\_\_\_\_
  
3. Have you attended schooling?      No (Illiterate)      if yes;  
*Up to grade 6*      *up to grade 9*      *up to grade 12*      *University*
  
4. When did the PG formed?      \_\_\_\_\_
  
5. Who initiated the formation of PG?  
*The farmers themselves* \_\_\_\_\_ *Outside NGO/Project* \_\_\_\_\_ *Both farmers and NGOs together* \_\_\_\_\_
  
6. Through what steps the PG was formed?
  
7. What was the role of farmers in forming the PG?
  
8. For what purpose does the PG formed?
  
9. What other producer organizations are existed in the district/area?

Cooperatives: \_\_\_\_\_ how many: \_\_\_\_\_  
 Associations: \_\_\_\_\_ how many : \_\_\_\_\_  
 Others : \_\_\_\_\_ how many: \_\_\_\_\_

10. If yes; do you have the membership of these producer organization or village based development organization? If yes; choose bellow

- Cooperative if yes; what type of cooperative \_\_\_\_\_
- Association; if yes; what type of association \_\_\_\_\_
- Community development council
- Others

11. If 10 yes; what was the need and motive to form a new PG?

12. What were the total members when the PG was formed? \_\_\_\_\_

13. How many total members are in the PG currently? \_\_\_\_\_

14. When did you join the PG? \_\_\_\_\_

15. What were for you the most important reasons you joined the PG?

*(Please write 1 which was the most important reason, then 2 as the second reason and followed by 3)*

- a. I was forced to join the PG by/because of.....
- b. I joined because of the social interaction and activities done by the PG
- c. I wanted to benefit from the knowledge and skills about livestock and horticulture
- d. I wanted to benefit from the support and materials given by the outsiders
- e. I wanted to benefit from the collection action on input provision, marketing, credit etc
- f. I wanted to benefit from the increased profitability because of good markets for products
- g. Other reason, namely.....

16. What was your expectation from the PG?

17. Do you get what you were expecting from the PG?

18. What should be improved/taken into consideration in order to meet your expectation?

19. Are you happy to be the member of the PG? Yes No WHY;

20. What kind of farming system do you have?

Only crop production  Only animal husbandry  Both crop and animal   
 For market purpose  For home consumption  Both for market & home consumption

21. What are the top priority needs in crop and/or livestock?

22. What is PG doing about these priority needs?

23. What collective activities the PG has been undertaking

- a. Collective input procurement
- b. Collection marketing
- c. Communal irrigation
- d. Others

24. How have you been marketing/selling your products for the last one year?

- a. Through the producer group collectively only
- b. Through other project
- c. By your own

25. Who buy the products from you and the group (after harvesting)?

- a) Local trader (independent)
- b) International traders
- c) Regional traders (wholesalers)
- d) Local traders (agent)
- e) Others

26. Do you pay membership fees?                      Yes                      No

27. If No; how do you cover the operational cost of the PG?

**28. Record keeping**

- a) Which records do you keep? Please fill in yes or no in column a
- b) Are they up to date? Please fill yes or no in column b
- c) Please fill in column c by choosing one of the six options, why you do or why you don't keep the records.
  - 1. I don't see the point why we should keep this information
  - 2. I don't know how to keep the records, and I don't want to learn
  - 3. I don't know how to keep the records, but I would like to learn
  - 4. It takes too much time, so I don't record much
  - 5. I know it is important, but I don't do it regular
  - 6. It is very important and I always do it

Records kept by member	a) Records kept: Yes/no	b) Up to date Yes/no	Why 1 till 6
Group meeting (participants, agenda etc)			
Visitors book			
Membership fees			
Saving box deposit			
Internal loans			
Financial expenses			
Production of farmers/every farm			
Marketing of products (person, price, market...etc)			
Profit/lose (profit/lose shares)			
Others, namely....			

**29. Training/new ideas**

Would you like the PG to provide more training and new ideas about certain aspects? Please choose out of:

- 1: Yes, I would need it very much and I already made a requested for it
2. Yes, I would need it, but I did not request for it
3. Yes, I would like it but it is not necessary or highly needed
4. No, it is not necessary to provide more knowledge

<b>Improvement of knowledge</b>	<b>1,2, 3 or 4</b>
Improvement in production (quantity)	
Improvement in the quality of products	
Integrated Pest Management (IPM)	
Farm record keeping in general	
Awareness of government policies	
Buyers	
Inputs, markets/marketing	
Others, namely.....	

30. What are the major achievements of the PG in the last one year?

Individual member level:

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Group level:

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31. What is the most valuable benefit you receive from the PG?

32. What is the future prospect of the PG?

33. What are the main problems/constraints of the PG (*individual member level, group level*)?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

34. What are the strengths of the PG?

35. What are the weaknesses of the PG?

36. What opportunities it has for the future development?

37. What are the threats of the PG?

**Additional comments:**

Below, you will find a list of statements. For every statement, please make up your mind and determine to what extent you agree or disagree with the statement. Please give your opinion on the statement by asking yourself: “Is this statement true or not” and “to what extent is the statement true or not true?”

You can give a score ranging from one (1) to four (4). The score one (1) means: I totally disagree with the statement. The score (4) means: I fully agree with the statement and the scores 2 and 3 are in between.

Please clearly indicate the scores you give (circle the chosen scores). Please answer all statements.

### Scores

- One (1) : Strongly disagree  
 Two (2) : Disagree  
 Three (3) : Agree and  
 Four (4) : Strongly agree

No	Statement	Scores			
<b>1</b>	<b>Membership base</b>				
1.1	Our PG has clearly formulated the objectives	1	2	3	4
1.2	These objectives are shared with all members	1	2	3	4
1.3	I am totally aware of the objectives and the planning of our PG	1	2	3	4
1.4	People who want to, can be member of our PG	1	2	3	4
1.5	Our PG actively seeks the adherence of new members	1	2	3	4
1.6	I know that we have a member register that is up-to-date	1	2	3	4
1.7	All members actively participate in the activities of our PG	1	2	3	4
<b>No</b>	<b>Statement</b>				
<b>2</b>	<b>Governance, leadership and internal democracy</b>				
2.1	All members know the internal regulations of the PG and it is well documented	1	2	3	4
2.2	The general assembly, executive committee (EC) functions according to the mandates of PG	1	2	3	4
2.3	I am familiar with the election process of the EC members	1	2	3	4
2.4	The governing board of our PG has been democratically and transparently elected	1	2	3	4
2.5	Selection criteria and responsibilities for EC is well defined	1	2	3	4
2.6	The duration of the mandate of a leadership position is well defined	1	2	3	4
2.7	EC sufficiently technically trained to do their jobs	1	2	3	4
2.8	Internal communication within our PG is well organized	1	2	3	4
2.9	Each member is aware of his/her responsibilities	1	2	3	4
2.1	During meetings all participants share their point of view and taken into consideration	1	2	3	4

2.11	Every member in our PG is involved in decision making	1	2	3	4
2.12	The frequency of meetings to discuss our progress and problems is good	1	2	3	4
2.13	Our PG is very good in problem solving	1	2	3	4
2.14	I recognize and see the importance of the meetings we have	1	2	3	4
2.15	Every year, our group elaborates a plan that indicates what we are going to do	1	2	3	4
2.16	Seasonal base or every year we evaluate the result that we have obtained	1	2	3	4
2.17	Overall, I am very happy with the objective, plan and management of the PG	1	2	3	4
<b>No</b>	<b>Statement</b>				
<b>3</b>	<b>Management of financial resources</b>				
3.1	The PG functions on the basis of the financial contributions of the members	1	2	3	4
3.2	Our PG functions on the basis of the business profit made by the PG	1	2	3	4
3.3	Our PG can function well without outside financial support	1	2	3	4
3.4	We have elected a treasurer who can keep the books correctly	1	2	3	4
3.5	The EC controls, how the expenditures have been done and how the financial books are kept	1	2	3	4
3.6	The treasurer/EC received training on financial management and book keeping	1	2	3	4
3.7	If I want to, I am also allowed to check the records	1	2	3	4
3.8	Every year, the EC or the treasurer reports about the finance of the PG	1	2	3	4
3.9	Overall, I am very happy how the financial resources are managed by the PG	1	2	3	4
	<b>Development of Savings Boxes</b>				
3.1	The purpose of having saving box is clear	1	2	3	4
3.11	The PG is trained on savings mobilization, management of saving boxes and internal lending and repayment (eligibility criteria, clear savings norms, minimum amounts, withdrawal rules, appraisal, prioritization, repayment schedules, audit...etc)	1	2	3	4
3.12	The group members regularly pay their contribution to the savings box	1	2	3	4
3.13	The PG provides loan to their members from the saving boxes	1	2	3	4
<b>No</b>	<b>Statement</b>				
<b>4</b>	<b>Collaboration and networks</b>				
4.1	Collaboration between members is good	1	2	3	4
4.2	Collaboration with other producer organizations and CDCs (exchange visit..etc)	1	2	3	4
4.3	Collaboration with local authorities is good	1	2	3	4
4.4	Collaboration with NGOs and projects is good	1	2	3	4
4.5	Relation with private enterprises (input suppliers, traders, money lenders)	1	2	3	4
4.6	Our PG has formal agreements with banks facilitating members' access to credit	1	2	3	4
4.7	Our PG had written project proposals to get support and funding for our activities	1	2	3	4
4.8	Our PG has established agreements with input providers, to buy agriculture inputs for the members in reduced prices	1	2	3	4
4.9	Participation in development meetings at district level	1	2	3	4
<b>No</b>	<b>Statement</b>				
<b>5</b>	<b>Service provision to members</b>				
5.1	PG deliver continuing benefits to the members	1	2	3	4

5.2	PG develop coordination and linkages with public and private service providers e.g. microfinance agencies, agriculture depots, FUVs, district and other extension services, NGOs	1	2	3	4
5.3	PG provide marketing services (input supply, output marketing, processing and marketing information)	1	2	3	4
5.4	PG provide/facilitate financial services (savings, loans, and other forms of credit)	1	2	3	4
5.5	PG provide/facilitate technological services (education, extension, research)	1	2	3	4
5.6	PG provide/facilitate collective production activities	1	2	3	4
5.7	The services offered/provided through the PG respond to the needs of farmers	1	2	3	4
5.8	I am benefitting from the information and trainings organized by/through the PG that make me a more professional farmer	1	2	3	4
5.9	The EC receive training to improve the competencies and skills that are needed to perform their tasks	1	2	3	4
5.1	Overall, I am very happy with the services offered by the group	1	2	3	4
<b>No</b>	<b>Statement</b>				
<b>6</b>	<b>Stakeholder collaboration</b>				
6.1	Input supplier gives me advice on how best to use the agricultural inputs	1	2	3	4
6.2	PG discusses with service providers to support the value chains	1	2	3	4
7.3	PG discuss with chain actors about what we can do for each other	1	2	3	4
6.4	PG discuss with chain supporter about what they could do for us	1	2	3	4
6.5	PG deal with reliable input suppliers and traders	1	2	3	4
6.6	The service offered by the stakeholders adequately address the needs of PG	1	2	3	4
6.7	Some of our members are our trainers/advisors	1	2	3	4
6.8	Within the district, different stakeholders are discussing how best to develop coordination and collaboration among each other	1	2	3	4
<b>No</b>	<b>Statement</b>				
<b>7</b>	<b>Entrepreneurial skills</b>	1	2	3	4
7.1	Our PG is multi-functional organization	1	2	3	4
7.2	Our PG is very good in identifying market possibilities	1	2	3	4
7.3	The PG is good in identifying risks and opportunities	1	2	3	4
	<b>Costs and marketing</b>	1	2	3	4
7.4	I am always able to sell my product	1	2	3	4
7.5	The PG provides enough information about where to sell the product	1	2	3	4
7.6	Our PG is engaged in collective marketing and sells at a better price	1	2	3	4
7.7	The PG knows about the products and volumes of the members	1	2	3	4
7.8	I know the prices of agricultural products in different markets	1	2	3	4
7.9	I always get the same price for my products	1	2	3	4
7.1	I am happy with the price I get for my products	1	2	3	4
7.11	I am happy with the procedure how I get paid for my products	1	2	3	4