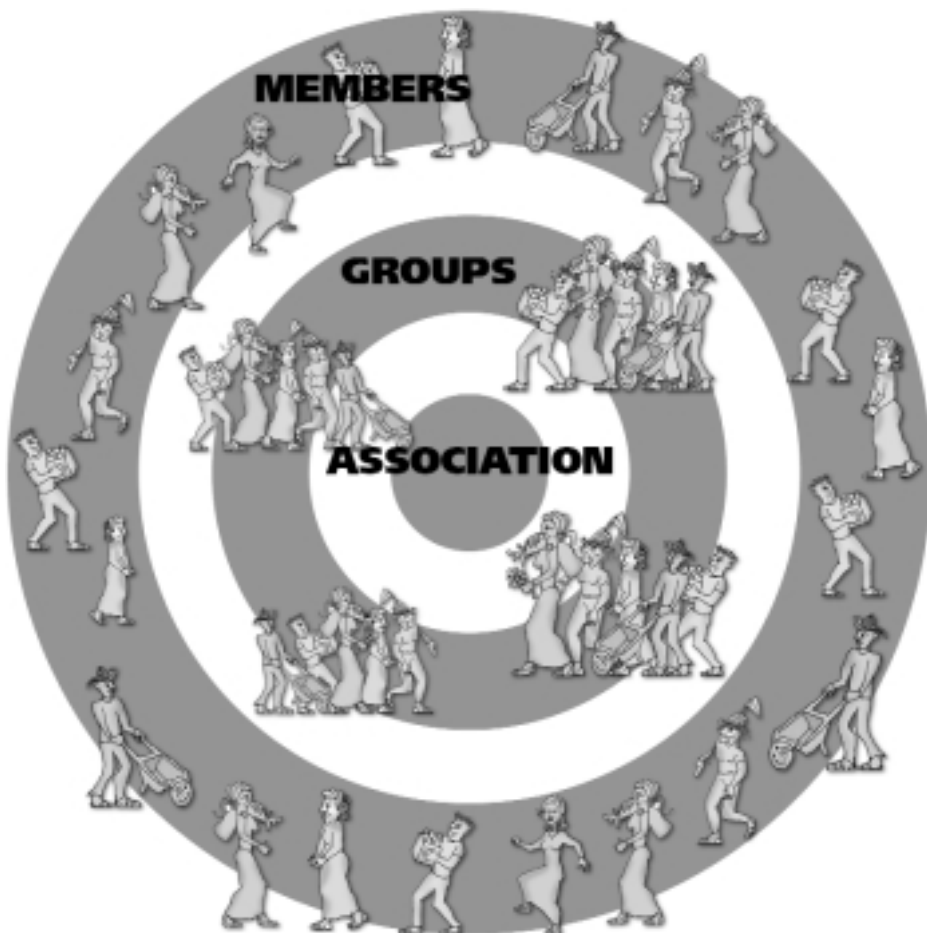


# The **inter-group** resource book

A guide to building small farmer group  
associations and networks



Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

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**A guide to building small farmer group  
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FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS  
ROME, 2001

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# Preface

FAO's Strategic Framework for 2000-2015 identifies market imperfections, weaknesses in support institutions and an unfavourable policy environment as key factors that hamper the mobilization of resources for agriculture and rural development. They discourage investment in productive assets and services, and impede the adoption of appropriate technology and practices. Needed is to create a policy and institutional environment that encourages resource mobilization, more efficient support institutions adapted to changing conditions and more accessible to users, and greater responsiveness to the market on the part of farm, fisheries and other production units, agribusinesses and marketing enterprises.

For FAO, the challenge is generally not to optimize the production of one commodity in isolation, but to promote comprehensive system approaches and to recognize the economic and social – including gender – dimensions of appropriate technology transfer and adoption. In particular, FAO's contribution is oriented towards the production of normative tools and guidelines on strengthening agriculture and rural development support institutions and facilitating their adaptation to changing conditions, and structural adaptations in production, processing and marketing systems so as to respond to evolving consumption patterns.

Regarding poverty and food security, FAO addresses key factors that contribute to worrying trends in the external environment - the persistence of poverty, the widening of the gap between the affluent and the poor, the inequality in access to the benefits of economic and technological progress, and the continued risk of disaster-related and complex emergencies. In this respect, FAO's strategy is oriented towards:

- improving the opportunities available to the rural poor to strengthen, diversify and sustain their livelihoods
- supporting efforts to strengthen local institutions and to

enact policies and legislation that will provide for more equitable access by both women and men to natural, economic and social resources

- improving the efficiency and effectiveness by which the public and private sectors respond to the multiple and differing needs of disadvantaged rural populations
- promoting gender-sensitive, participatory and sustainable strategies and approaches, based on self-help, capacity building and empowerment
- and assisting in the targeting of investment in the agricultural, fisheries and forestry sectors.

As part of this far-reaching strategy, FAO actively promotes small farmer group associations (SFGAs) as a means of delivering services and strengthening small producers' capacity to help themselves. SFGAs are built by networking informal small groups, which have proven to be reliable vehicles for participatory, sustainable rural development. In the mid-1970s, FAO pioneered the use of the small group approach in Asia through its Small Farmer Development Programme (SFDP) and later in Africa and Latin America under the People's Participation Programme (PPP). In both these programmes, formation of small groups was seen as the first step in a longer process of building more viable and sustainable organizations serving the needs of small-scale rural producers.

The second step is the forging of cooperation links among the small groups to strengthen their economies-of-scale and marketing power. Seen in this light, SFGAs are regarded as an important intermediate step towards the development of more participatory, member-controlled and financed farmer cooperatives and producer associations. In the early 1990s, FAO carried out a series of case studies on emerging group associations in Ghana, Indonesia, Kenya, Nepal, Sierra Leone, Sri Lanka and Zambia. In 1998, the Rural Development Division held a global e-mail conference on the topic in which more than 400 specialists participated. Drawing on the studies and the e-mail conference, FAO prepared a draft outline of the present Resource Book and circulated it to a team of international contributors for final comments.

In short, cooperation in developing this publication has spanned the globe. Based on more than two decades of FAO experience, it provides detailed advice for inter-group promoters on fostering more effective small farmer organizations that are financially sustainable.

**Santiago Funes**

Director,  
Rural Development Division  
Food and Agriculture Organization  
of the United Nations



# Acknowledgements

This publication represents the work of a host of collaborators, many of whom gave freely of their time. While it is impossible to acknowledge everyone who has been involved in this enterprise, we would like to thank particularly:

- First and foremost, the many SFDP and PPP project field staff who helped to nurture and develop small farmer group networks. They are the ones “on the front line” who helped create – and, hopefully, will benefit from – this manual.
- Cameron Clark, the former FAO coordinator of SFDP in Asia, who led case studies on small farmer networks in Sri Lanka and Zambia.
- Sudath de Abrew, former manager of the PPP project in Sri Lanka and Deputy Director of the Small Farmer Group Development Unit of the Sri Lankan Ministry of Agriculture, who conducted similar studies in Indonesia and Nepal (ably assisted in Nepal by Kalash Pyakuryal).
- The more than 400 participants in our global e-mail conference on small farmer group associations, the resource persons who helped guide and stimulate the discussions: Peter Oakley, Norman Uphoff, Gerrit Huizer, Colin McKone, Verona Groverman, Cameron Clark, Sudath de Abrew, Bernard Van Heck, Christine Kahanda, Antoine Fayossewo, Otto Hospes, Rosantan Panjaitan, and Thorgeir Lawrence, who moderated the conference and helped prepare the detailed draft outline on which this manual is based.
- Last, but not least, those who provided valuable and substantive comments on the draft of this manual – Enrique Andrade, Christine Kahanda, Eric Koper, Masood Ul Mulk, Pekka Jansen and especially Bernard Van Heck – and to the publication production team: Graeme Thomas (editor), Giulio Sansonetti (layout) and Leonardo Ferri (illustrations).

**John Rouse**

Senior Officer

FAO Rural Institutions and Participation Service

# Introduction

## Why this resource book?

This publication is the third in a series of FAO field manuals on small farmer group development. The first two, *The group promoter's resource book* (FAO, 1994) and *The group enterprise resource book* (FAO, 1995), cover group formation and group enterprise management. Both manuals dedicated some space to the topic of developing inter-group associations, but not in great depth. This third manual seeks to fill that gap.

Over the past 25 years, many development agencies and NGOs have promoted small groups in order to strengthen the collective self-help capacity of small farmers. Due to their limited size (usually 8-15 individual members), small groups have proven to be excellent vehicles for helping small farmers to acquire basic skills in problem-solving and small-scale enterprise management. They are also an efficient channel for delivering development services provided by governments, NGOs and financial institutions.

### TERMINOLOGY



The term "small farmer" (meaning "small-scale farmer"), used throughout this manual, applies to all other categories of rural disadvantaged producers, including artisanal fishing communities, nomadic pastoralists, landless labourers, small artisans and low-income earners.

However, individual small groups often do not have the resources needed to pursue broader objectives – for example, improving community facilities, gaining access to external markets, or influencing political processes. In those cases, some sort of inter-group cooperation is usually needed to achieve results.

In many countries, this process is already taking place as small groups come together in a variety of informal cooperation networks that we call small farmer group associations (SFGAs). These networks aim at benefiting their affiliated small farmer groups and individual members by increasing their know-how, economies-of-scale, and bargaining power to attain their common development objectives or goals.

Until now, those interested in promoting SFGAs have had no practical guidelines or field manual on how to develop and manage these more complicated organizations. The aim of this publication is, therefore, to provide more in-depth, practical information on the subject. Specifically, it aims at helping groups to build inter-group associations that are capable of financing and managing their own activities, using their own resources and without need of outside help.

This resource book does not pretend to answer every question related to developing SFGAs. Nonetheless, we hope its general guidelines can be refined and improved to suit local situations. With this in mind, we encourage users of the manual to translate it into their own language and to adapt its contents according to your own socio-economic and cultural conditions. Adaptation might include, for example, modification, abbreviation or simplification of the text, and use of other, more appropriate illustrations to highlight important points.

## Intended readers

The resource book is expected to be useful for:

- **Small farmer groups, and group promoters**

The primary intended users are group members and leaders, together with the group promoters (GPs) who work directly with them. GPs - including rural animators and other change agents - are the main intermediaries in SFGA development, as they are in direct contact with the groups that are trying to develop themselves.

- **Agencies that promote small farmer group development**

Staff in government agencies and national NGOs may gain a better understanding of how to foster sustainable inter-group associations. They might also use the resource book to help train GPs in SFGA development.

- **International development agency staff**

Staff in international agencies may gain new insights into the role that SFGAs could play in strategies for sustainable, democratic development.

## Structure of the resource book



The resource book is divided into two Parts:

- **Part A:** Forming an SFGA discusses preconditions for successful development of inter-group associations, how to get started in creating an SFGA, setting the SFGA's objectives, and defining its structure, constitution and procedures

- **Part B:** Developing the SFGA focuses on managing inter-group services, record-

keeping, planning for growth, member education, and SFGA cooperation networks

It concludes with an **Annex** on a GP salary incentive scheme and a list of publications for **Further reading**.