



**BRIEFING  
NOTE 20  
ON:**

**Five Progressive Policies for  
Sustainable Market Development**

**Five Policy Objectives**

The lessons we have learned over the last year point towards a new set of progressive policy objectives that would see governments and donors support the emergence of: 1) bottom-up mandated farmer organizations and alliances; 2) reliable commercial operations of the hardware required for connectivity even in remote areas; 3) on-the-job learning opportunities for marketing skills; 4) commercially viable local "Rural Service Companies"; and 5) national company to support local market service companies.

**Progressive Policy 1: Support the emergence of bottom-up mandated farmer organizations and alliances that can more effectively access the markets.**

Farmers soon realize the importance of forming higher level organizations to improve their access to markets. Getting the higher prices that big buyers can offer requires regular supplies of large volumes of product that are beyond the capabilities of a group of fifty or so small farmers. Many of the commodities small farmers produce do have national associations representing producers. However such associations tend to be dominated by larger producers and small farmers are suspicious of large 'top down' organizations. Small farmers wanting to improve their access to markets realize they must travel the difficult road of negotiating alliances across many small groups to reach a level of organization capable of negotiating with big buyers. Recommendations for action are:

- Provide resources for small farmer groups to purchase capacity building services to enhance their ability to organize themselves and run effective farmer associations.
- Provide resources for local service providers to assist farmers negotiate alliances and set up higher level organizations for joint marketing and export.
- Support higher level organizations set themselves up and start their operations including communication equipment.

**Progressive Policy 2: Support the emergence of viable commercial services that ensure the reliable operations of the hardware required for connectivity even in remote areas.**

The role of modern ICTs in accessing markets is now obvious to all. Farmers use mobile phones regularly to contact key players in the market chain. The internet has proved to be instrumental in the peer-exchange among district core groups and farmer networks. Modern ICT connectivity achieves the level of market transparency that allows trust relationships to break through the prevalent exploitation. Trust and collaboration substantially increase market efficiencies to the benefit of all actors, particularly small farmers. However, what is clear is that the initial investments for communication equipment and infrastructure are beyond the reach of most rural entrepreneurs. The lack of reliable servicing of this equipment is the single most important limiting operational factor to enhanced connectivity. Recommendations for action are:

- Support the launch of commercial operations of rental services for communication equipment where the servicing is included in the rental package.
- Provide resources for local commercial service providers to invest in skill-building to use modern communication equipment.
- Provide resources for local commercial service providers to develop and maintain information that is relevant for the local population and make it accessible through all suitable means.

**Progressive Policy 3. Develop and operate on-the-job learning for marketing skills among all actors.**

The successes of LLL have almost exclusively been achieved through "learning on the job" as opposed to classroom training that terminates with a certificate of attendance. In LLL participants' learn through applying their ideas on the ground and then staying in contact with each other and the mentors online in order to analyze and discuss their experiences and continue to learn from those. On-the-job mentoring is the new paradigm that needs to be pushed in order to continue. The reason for this is clear:

There is no standard way of improving market linkages; each situation requires different operational details. Furthermore, the dynamics of the fast changing scene of rural marketing makes standard training modules obsolete at short notice. Today, the rapidly growing penetration of ICTs into rural areas allows people to stay in contact and exchange experiences provided the mentoring is usefully done. Achieving success in the marketing chains and providing successful business development services to actors along these chains requires sustained 'on-the-job' learning with regular contact with peers and mentors. Recommendations for action are:

- Provide resources to farmer associations and other key players along the market chain to engage in on-the-job training that is linked to peers and mentors.
- Support the development of local mentoring capacities in commercial service providers to deliver peer-to-peer learning opportunities.

***Progressive Policy 4. Support the emergence of commercially viable “Rural Service Companies” that can continue to provide the services that maintain small farmer knowledge assets.***

So far market linkage activities have been done by project “core groups” comprising of district government staff, NGO, and farmer group representatives. Similar ‘core group’ collaboration between farmers and government and or NGO staff were organized by Farmer Field School networks and farmer unions. For a sustainable continuation of the effort, the market linkage functions that the core groups have picked up need to be developed further and put on a sustained organizational and financial footing. The transition from project funding of these activities to sustained independent funding from those directly benefiting from the service, ie., farmer associations and market intermediaries, is a key to continuation of the impact of the efforts so far. Participants using LLL concluded that private commercial “Rural Service Companies” is the guiding principle which needs to be followed for successful organizational change. Recommendations for action are:

- Support groups who want to take up the challenge of launching and operating commercially oriented market services that provide all kinds of services required for marketing chains to become more efficient.
- Start right away with commercially registered service companies aiming for a commercially viable business plan, no transition via NGOs.

- Enter into local Public-Private-Partnerships with such companies that supports both the required operational R&D and capacity building of themselves as well as capacities of actors along the market chain.

***Progressive Policy 5. Support a national back-up company to support local service companies to conduct the required business-oriented R&D, quality control and capacity building.***

Project core groups, Farmer Field School networks and farmer unions so far have been strongly backed up by the national managers and international mentors. Our recent assessment pointed out that the peer exchange between core groups has been instrumental in triggering new ideas and new approaches and achieving success. Furthermore, a need emerged for intensive coaching of district core groups to achieve the transition from an NGO-type of operation to a commercial operation. Business development services for launching, developing and growing the local commercial services into viable businesses is a recognized need. Recommendations for action are:

- Support the launch and commercial operation of a national level company to support the local rural service companies.
- Set up Private Public Partnerships with national support companies which provide the resources for capacity building and R&D for commercial operations and developing investment opportunities for local entrepreneurs.

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