

Review and the experiences on Market Oriented Agricultural Advisory Services

Case study

Dibra Vision Project, Albania, November 2002 - May 2005

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Country:	Albania
Name of intervention:	Dibra Vision Project
Time period under analysis:	November 2002 – August 2006
Institutions /agencies involved:	Municipality of Bulqize, Burrel and Peshkopia, including the directory of agriculture, Agritra Vision, NGO-Forum from the three municipalities and The Community, Communication and Education Houses in Peshkopia and Bulqize.

Brief summary of intervention objectives

The Dibra Vision Project started in 2002 with a consultation of the local communities on their perspectives and wishes for future development. The results of the seminars led to the development of the “*Dibra Vision Project*” (original working title “*Local development through democratisation, education and job creation*”).

The aim of the project was to establish partnerships consisting of all stakeholders of local development in the three municipalities Bulqize, Burrel and Peshkopia in Dibra Region, the poorest region of Albania, with a view to contribute to local development through the transfer of measures for job creation.

During the project, the partnerships have been established and now constitutes a new democratic decision making structure that integrates the perspectives of all local stakeholders. The main objective of the partnerships was to formulate overall goals for local development, set priorities, select activities to pursue the goals and hereafter plan, realise and evaluate the activities.

The region has been known for their high quality agricultural products (fruit and vegetables) that were even exported to former Yugoslavia. However, the transition and the following harsh economic conditions brought about that most orchards were cut down to heat their houses as well as the producer co-operatives were destroyed. Today the small-scale farmers strive to maintain

their families with small properties resulting in low production rate and very high production costs. Since the free market between Macedonia and Albania was introduced, the Albanian market is flooded by cheap Macedonian products – leaving the Albanians without a market and making their products worthless. The bad competitiveness has many reasons, however the lack of collaboration at all levels, knowledge and understanding of market economy are some of the major reasons. Last but no least, the very bad infrastructure makes it difficult to bring their product to the market place.

In order to support the development strategies developed by the partnerships, capacity building activities took place. The structure and content of the support structure reflect the visions of the partnerships developed during the project and is build with a view to ensure that the participants of the activities has acquired new professional skills that support the future development of the region and personal competences that enables them to adapt to changing circumstances by changing the way of doing things or questioning the basic assumptions. Within agriculture the following capacity building activities took place:

1. Fact-finding regarding agricultural development in the region, taking place 17-24. May 2003
2. Study visit to Lushjne and seminar aiming at understanding how producer groups are organised and the added value they could bring, 12-19. October 2003
3. Training of trainers in developing new co-operative models with regard to processing and marketing of agricultural products. The seminar took place in December 2003
4. Business Planning Course consisting of 3 modules (June-October 2003):
 - 1) Description of the ideas, June 2003 (2 days in each municipality)
 - 2) Sales and marketing aspects, financing of activities, August 2003 (2 days + one joint day with local financing expert)
 - 3) Organisation and making of agreements, September/October 2003 (3 days)
5. Training of Trainers on business planning (June-September 2004): The aim was to make selected participants of the business planning course able to plan and implement training programmes in business planning, and by doing so act as change agents and facilitators in the Dibra region. The programme consisted of a Training of Trainers seminar and a pilot test that took place in August and September 04. The pilot test resulted in the realisation of the following courses:
 - i.Seminar for milk producers interested in establishing producer and marketing groups
 - ii.Seminar for women involved in production of agricultural products
 - iii.Seminar for members of the farmers association
6. Study visit to Croatia for 20 local farmers, NGO's of Agriculture and decision makers, with a view to see practical examples of producer groups, small and medium sized farmers and how they market their production as well as how extension services help farmers extending their production.
7. Projects realised in the agricultural sector:
 - i.Sales and marketing for women farmers in the communes in Peshkopia, organised by the training unit, Agritra Vision and the DAF (department for agriculture in the municipality), 12 participants
 - ii.Course on developing producer groups in the communes of Burrel, organised in collaboration between the training unit, the local NGO's for agricultural development and the DAF, 10 participants.
8. Most important for the future development of the region is the impact that the capacity building and the realisation of their own projects had on the performance of the

representatives of the support structure. As the different activities and the evaluations show, the participants have put into perspective their values, skills and attitudes and have shown that they

- Have become more open to collaborate across sectors and in between individuals and communities
- Can adapt to changes (adaptability)
- Can envision the future and draft realistic initiative and take responsibility for it
- Have achieved professional qualifications regarding linkage between production and market
- A training has been established in the region

The setting and arrangements

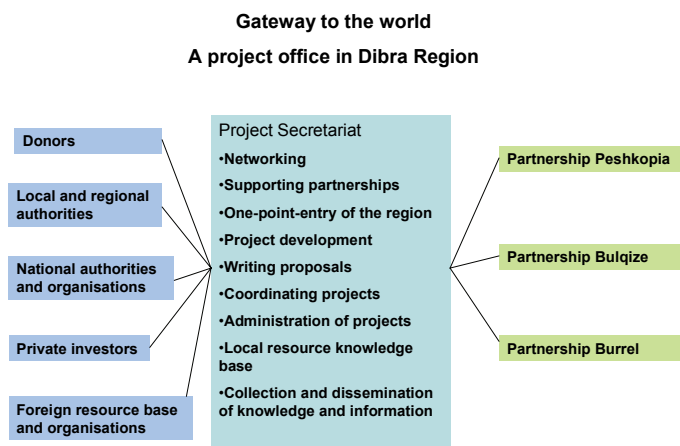
The purpose of the project was to support the local development through democratisation, education and job creation.

The particular constrains for farmers to connect to markets are the following:

- Low quality productions. The main reason is that despite the lack of knowledge to grow and take care properly the farmers keep cultivating many varieties. Therefore not enough time is and no attention is paid specifically to the varieties that can be more profitable.
- Lack of collaboration between farmers.
- Lack of investments needed to improve the production
- High costs of production
- There is no information system in place which would help the farmers to foresee what is required in the market. The local governance structure does not offer any service in this respect.
- There is no possibility for the individual farmers to develop and grow their farms as the economic level is very low.
- There is no human resource qualified in families to orient and insure that production meet market requirements.

Moreover, there are not proper support policies to farmers, even though they go to market with their own production.

Who provides the MOAAS services how do they operate what services are provided?



The services offered by government extension workers are not at the level required. This as result of old practices used and lack of specialists in the area (there is one agronomist offering service in five communes which makes it impossible to offer a good service and advice to the farmers.

There are NGOs offering service to particular target groups (women, fruit producers, etc.)

There are input traders who give advice despite not being specialists in the related field.

During the project period a secretariat worked with the provision and coordination of services to support the initiatives taken. After the project period the partnerships that were formed, the training unit and local NGO's are the main providers of services.

How does the MOAAS support service providers?

The MOAAS aspect of this project was focussed on changing the mindset of the persons, organisations and institutions involved, and thereby making them able to act in a market driven economy. Specific goals for e.g. increase in production, sales volumes etc. have not been set in this project. It was believed that if mentality is changed and capacity is built the actors will be able to achieve such goals on their own after the project period.

During the project period training of trainers seminars were held in cooperative models with regard to processing and marketing of agricultural products, and business planning. Furthermore the following seminars have been held by local trainers, supervised by consultants from the project:

- Seminar about marketing and producer groups for milk producers
- Business seminar for women involved in agricultural production
- Business seminar for members of the local farmers association

Linked to the training of trainers' activities a new Training Unit has been established for the Dibra region.

There is a development of organizations' and structures' capacity related to stimulation and support of farmers association.

The financial or material support is at a very low level. There are no funds from the government and the different donors are not focused in this direction.

Which insights and lessons can be learnt from the case, e.g., good experiences, obstacles, pitfalls?

The farmers could not access the market under the existing conditions as the production is very individual. This includes all the stages. There is no collaboration which will lead them to a better quantity and quality which will match market requirements and bring more economic profit

The lack of information and knowledge on the new ways of cooperation as well as lack of information on what the market requires make it very difficult for farmers to improve their situation. In the other hand, the governmental policies in these respects are not quite supportive at least not practically.

Lesson learnt: The orientation toward working in groups and cooperation as the only solution for overcoming the situation. It is often mentioned that financial support is the key to change the situation, and lack of knowledge added to it makes the situation worse and increases the insecurity in investments. But now we recognize the fact that it is up to the farmers, to pull together their resources and efforts to change the situation.

The clients of MOAAS

The clients that use the services are both individual and organised farmers. The farmers are primarily subsistence farmers but with a mixture of subsistence and market orientations. Some training courses are engaging youth particularly.

The clients are marketing different types of vegetables, fruits and dairy products. They are typically selling on spot market. There are no formal contracts between producers and traders.

At the moment there is no added value to the products in terms of processing and grading stocking. Farmers are also not organised and go to the market individually - therefore their bargaining power is very low and in favour of the traders.

The motivation for farmers to use MOAAS is to increase income. They fear that they are losing the market due to increasing demands for quality and quantity. The farmers are searching for opportunities to expand and transform their farm enterprise and increase profitability of production by reducing costs, improving bargain position and adding value.

Are there other clients of MOAAS services than farmers?

Local NGO's also use the services to build capacities in the fields where the project has focused, especially related to the collaboration, business planning development and marketing planning orientation. They collaborate with farmers with focus on increasing the production in farms. The indirect benefit is the awareness of other actors that to support farmers and local production is an absolute necessity.

There is a direct impact on rural income opportunities and poverty alleviation as this has a direct influence on increasing the income of poor families and as such in poverty alleviation.

Insight and lesson learnt from the case

Having actors from all the sectors as well as from central and local level, being involved in the process, meant that the problems were not only identified within the group but also brought up to local and central government through their representatives, making different stakeholders aware that there are different possibilities to support the local producers and these facts has to be considered when making decisions that has an influence on the local development.

Still the lack of supporting policies and information bring up front the need for new ways of collaboration, which can increase the information on different matters related to local development. "Nothing is coming to you through the chimney"

Approaches and methods

The project delivers services such as advice and extension, training and information. It assists with linking to markets, organisational development and assistance with contract research.

How does the MOAAS providers and the clients relate to each other?

- How do the providers and the clients get in the contact with each other?
- Through participation in common activities as they are situated in the same area
- How are the demands or needs for service identified?
- The partnerships, local NGO's and specifically the training unit are directly connected to the farmers
- What are the contractual arrangements (formal and informal) between providers, clients and other actors?
- There is no formal contract for offering the service – but reflecting the need of farmers and collaborating with them for a long period gives what is called - formality
- How is it ensured that the delivered services respond to demand?
- There are evaluations from the users. Related to the project the knowledge and experience gained is being used on creating and empowering farmers groups

How are the innovations in MOAAS being up-scaled?

- Are systems in place to replicate experiences on regional or national levels?
- There is no system in place to support replication of good experiences
- Have initiatives been up-scaled (with or without donor funding)?
- There is up-scaling of initiatives for the producer groups supported by foreign donors, Oxfam – UK, and Oxfam Germany. The knowledge gained has enabled different organisations in the field to make practical demonstration of this knowledge and have success. There is hope that the work started will go further as the model is seen very interesting and profitable. In this respect there are at least two groups legalised recently

Which insight and lesson can be learnt from the case, e.g. good practices, obstacles, pitfalls?

Working in groups is not the easiest thing to teach to people, but what we learned during the process is that when the needs are identified properly, the methods are appropriate and the theory and practice are combined then the farmers can see that possibilities for success is higher and risks are reduced when they cooperate with each other.

The project itself was a model of how the theory and practice can be integrated to show how things could to be done.

Outcomes and impacts of MOAAS

What are the outcomes /impacts of different types of services in terms of:

- Changes in household income (gender differentiated if possible)
- Yes. This is noticed in two directions: As result of increasing the production in the farm the family will have more income, in a way more money to improve the food situation and have savings too.

- The income is increased from the success in the market. The position of women is improved. Working and bringing an income to the family is an important factor which improves the woman's position in the family.

- Changes in food security situation (household, local and national level)
- Yes- the increase in production has improved the household food security situation. It has not only provided enough food for the family but increased the amount of family production from the farm to go to the market as well.

- Changes of equity – distribution of income and social capital in the area?
- Yes- As result of positive outcome, a number of family members or people from the community are involved in the work. This has its influence in supporting working in the area and not immigrating to urban areas.

- Employment creation?
- Yes – Against the fact that employment is a big issue in the area and not easy to be solved from the government, the possibilities for self employment within family farms or in cooperation with other farmers is seen as a good possibility by the farmers. Working with farmers in this respect has increased their interest.

- Changes in yield and productivity?
- Yes – Being oriented towards market, planning their production and cooperating with others, has improved the quality of work in terms of effectively and efficiency.

- Use of external inputs?
- It has a positive result. New practices have made the farmers use other factors to support their work, such as getting information on the new practices and how to influence the decision makers at both levels national and local.

- Changes in marketing practices?
- Yes. Using of labels and packaging is a new practice being used by women's groups. There have been 3 local fairs recently with the local productions and 2 national fairs when representatives from the groups have brought the local products successfully. In this way they also tested the market at a different level and found out what there is a market demand for their production.

- Change in production or management practices?

- Yes. The farmers are trying to change the “model mix of production” when they plant all kind plants on small surface to the demanded product in a bigger surface and get a better result.
- Introduction of new products? Environmental changes and natural recourse management?
- Yes. As result of knowing the market demand the farmer's groups are focused on what is really needed and on organisation. So far there are two groups legalised - one working on nuts cultivation, dried fruits and preserved vegetables, and the other group on producing the local spaghetti.
- The dairy group and wine production group are on the way to be legalised.
- Use of different advisory services (number quality)?
Yes, the groups as well as individual farmers has seen y the support from the advisors as a necessity in order to get specific services on different direction and very much depended on the activity. The women’s groups are assisted in each step of the process in terms of organisation as well as production.
- Increasing value addition for products through, e.g. processing, grading, etc.? Yes. Please refer to 4.1.7/ 4.1.8/ 4.1.9
- Other
- The most important factor is related to the “change in mentality” or attitude to influence on the product/outcome. We refer to change of mentality as from the past is inherited a “waiting” attitude to solve the problems, (which mean that everything was planned in details by decision makers and was them who will always find a solution to the problem). Through the project, people got the model to how they can take the initiative themselves and find the way to solve their problems.

Which insight and lessons can be learnt from the case, e.g., good practices obstacles, pitfalls?

The influence of the MOAAS services has a positive impact on the local development as mentioned in 4.1. These services are seen as a tool that brings the empowerment of farmers as well as specific groups such as woman and we hope it will increase the influence on the policy makers to support development of local production.

The roles of development cooperation and other stakeholders

What are the roles and functions of development agencies in MOAAS?

- Initiators – Yes
- Design interventions? - Yes
- Funding? – Yes/NO (funding of training activities and pilot projects)
- Technical advice? Yes
- Organizational development? - Yes
- Supply input? -
- Ensuring poverty orientation? – Yes
- Promoting inclusion of small farmers and gender equity? - Yes
- Risk reduction/ management? - Yes
- Methodology of advisory services? – Yes

- Policy development? – **Not directly**
- Other?

What are the roles and functions of government (local and national in MOAAS)

- Initiators
- Creation and enabling environment **Yes**
- Design interventions
- Funding **Yes**
- Technical advice -
- Organizational development
- Supply of inputs
- Ensuring poverty orientation – **yes**
- Promoting inclusion of small farmers and gender equity? – **yes**
- Risk reduction/ management? – **yes**
- Regulation / inspection/ certification of service providers? **Yes**
- Information/ market transparency - **yes**
- Public research? – **no**
- Service coordination -
- Regulatory and policy framework? **Yes**
- Donor coordination? **Yes**
- Other?

What are the implications of these roles and functions?

In terms of:

- Equity and poverty orientation (including food security)
- Market distortion /evolution? **Yes**
- Economic viability and sustainability? **Yes**
- Local and national policy? **Yes/No**
- Farmer learning process and organisations? **Yes**
- The institutional setting?
- Effectiveness of services and of intervention as a whole? **Yes**
- The creation of a enabling environment? **Yes**
- Sustainability of the advisory services? **Yes**
- General development of rural areas? **Yes**
- Other?

Which insight and lessons can be learnt from the case, e.g., good practices, obstacles, pitfalls?

Even though different projects are implemented and many organisations are working in the field it is not easy to influence central and local policy makers. The service level is at a very low standard and exercising of functions is just superficial. The project activities was at a right place at the right moment and at the right people, which created the base for further development and empowerment of local people. This is one of the most important lessons from this process

Linkages between MOAAS and other type of services

What other relevant services exist and how are they linked to MOAAS?

The Training Unit that has been established will assess the need for future capacity building in the region and will if possible arrange training sessions and seminars.

Insights and lessons

The knowledge and the practice presented and used during the Project in order to get new ways of cooperation and to enhance new development reflected the need and are shared among different interested stakeholders in the region. The most important factor is that this knowledge is being used and is part of the daily activities and is part of their practice. The project was exactly focused on what were the most important factors that bring development - the cooperation and knowledge.