

Sharing seeds for the Future: the experience of the Bolovens Plateau Coffee Producers' Groups Association (AGPC)



REPORT

Systematization and share of good practices in rural development

Champassak province, Paksong district
Laos PDR, March 2012

Lao's People Democratic Republic
Ministry of Agriculture and Forestry, Department of Planning and Investment
Sustainable Natural Resource Management and Productivity Enhancement Project
(SNRMPEP)
International Fund for Agricultural Development (IFAD)
PROCASUR Corporation

ACKNOWLEDGMENT

This report presents the innovative and successful experience of the Bolovens Plateau Coffee Producers' Groups Association (AGPC- *Association des Groupements de Producteurs de Café du Plateau des Bolovens*) in the production of organic certified coffee.

The systematization of this experience has been possible thanks to the cooperation between the Ministry of Agriculture and Forestry, Department of Planning and Investment of Lao's People Democratic Republic, the Sustainable Natural Resource Management Productivity Enhancement Project (SNRMPEP), the International Fund for Agricultural Development (IFAD) and the PROCASUR Corporation, that provided technical and methodological support in the process of documentation of the experience.

The systematization process had place between March 26 and 30 2012 in Champasak province, Laos PDR; it involved the Bolovens Plateau Coffee Producers' Groups Association and 14 staff from SNRMPEP. Activities have been carried out using PROCASUR know how on South to South Cooperation through exchange of best practices and innovations, as part of a regional IFAD financed Learning Route Programme for Asia and the Pacific. Moreover, the IFAD-funded Rural Livelihood Improvement Project (RLIP) in the Attapeu province took active part in the complete learning cycle.

TABLE OF CONTENTS

1. Background and Rationale	4
2. Sharing seeds for the future: the experience of the Bolovens Plateau Coffee Producers' Groups Association (AGPC)	5
2.1 Contextualising the experience	5
2.2 Learning from AGPC	6
2.3 AGPC story: background and development over time	6
2.4 AGPC structure and key actors involved	9
2.5 Membership and fund management	11
2.6 Organic Market	12
2.7 Future Plans	13
3. Analysis of AGPC experience: good practices, lessons learned, challenges and opportunities	14
Appendix I. List of participants	16
Appendix II. Training agenda	17

1. BACKGROUND AND RATIONALE

1. In the frame of the IFAD- PROCASUR Learning Routes Programme for Asia and the Pacific, PROCASUR Corporation is supporting knowledge management and capacity building strategies for scaling up best practices and innovations for poverty reduction among IFAD stakeholders in the Asia and Pacific Region. The programme aims to increase knowledge sharing and learning capacities at project and country levels by building up human capital, facilitate the adoption of best practices and improve the results and impacts of IFAD operations in the region. This will be done by identifying, systematizing and disseminating existing knowledge on innovations and best practices; indentifying local champions who are playing a key role in promoting innovations and enabling them to organize and sharing their experience using Learning Routes (LR) methodology, to make it available to other people; designing and implementing LR and furthering the dissemination and scaling up of the knowledge acquired.

2. In this context, in November 2011 a first mission in Laos PDR was carried out by PROCASUR Corporation in order to present the LR Programme to IFAD partners and carry on an initial assessment of training demands and innovations in the country. As result of the mission, partners from the Sustainable Natural Resource Management and Productivity Enhancement Project (SNRMPEP) and the Rural Livelihoods Improvement Programme (RLIP) showed interest in the Learning Routes methodology. In order to follow up on these agreements, from March 19 to 30 2012 a specific knowledge management and capacity building process has been carried out by PROCASUR Corporation. It has involved local champions and their association of two successful experiences in Attapeu and Champasak provinces and trainees from RLIP and SNRMPEP projects respectively.

3. The objective of the process was to identify, systematize and pedagogically package the existing and generated knowledge, innovations, best practices and lessons learned of two selected experiences from RLIP and SNRMPEP projects, in order to disseminate and scale them up by using the Learning Routes methodology. This provided an opportunity for the projects to acquire new capacities in terms of knowledge management and participatory research techniques directly on the field, strengthening at the same time collaboration between project staff and producers and enable these last to efficiently communicate their knowledge to a broad public. To this aim, two specific case studies (one from RLIP and another one from SNRMPEP) were selected for their learning potential by RLIP and SNRMPEP staff; both cases revolved around innovative experiences in Public-Private-Partnership (PPP) that demonstrated to be successful in generating opportunities for farmers to access organic markets.

4. The learning process was carried out from the 19th to the 23rd of March 2012 in Attapeu province, Sanxay district, involving representatives of the Organic Asparagus Producers Group and 9 trainees from RLIP (farmers and project staff) , and; from the 26th to the 30th of March in Champasak province, Paksong district, involving AGPC representatives and 14 participants from SNRMPEP. On the 31st of March, a wrap-up event had place in Paksé town, Champasak province; the event hosted representatives of RLIP and SNRMPEP, representatives of the Organic Asparagus Producers Group and AGPC, the Director of the Provincial Agriculture and Forestry Office (PAFO) Champasak Province, governmental authorities as well as representative of private sector and international organizations.

5. The following paragraphs report the outcomes of the systematization process of the AGPC experience in the production of high quality, FairTrade certified, organic coffee. The contents presented below are therefore the result of the research and analysis conducted by the farmers themselves with the support of SNRMP staff who conducted the whole participatory research process.

2. SHARING SEEDS FOR THE FUTURE: THE INNOVATIVE EXPERIENCE OF THE BOLOVENS PLATEAU COFFEE PRODUCERS' GROUPS ASSOCIATION (AGPC)

2.1 CONTEXTUALISING THE EXPERIENCE

The Bolovens Plateau Coffee Producers' Groups Association (AGPC) includes 2.700 families and 55 groups in 3 provinces (Champasak, Sekong and Salavan), mainly based in Champasak (32 groups). Over time AGPC has become a model for the production of certified organic coffee in the region. Their Robusta and Arabica coffee is certified by the FairTrade and Organic Agriculture Certification Thailand (ACT) and is being exported to many European countries, as well as New Zealand and Korea, among other countries. In the last 5 years AGPC has been able to duplicate the production and commercialization volume and finance a Social Development Fund with a portion of the coffee revenues. In Laos, AGPC is the only Association of coffee producers structured as a cooperative and regularly registered as Non-Profit Association (NPA) at national level.

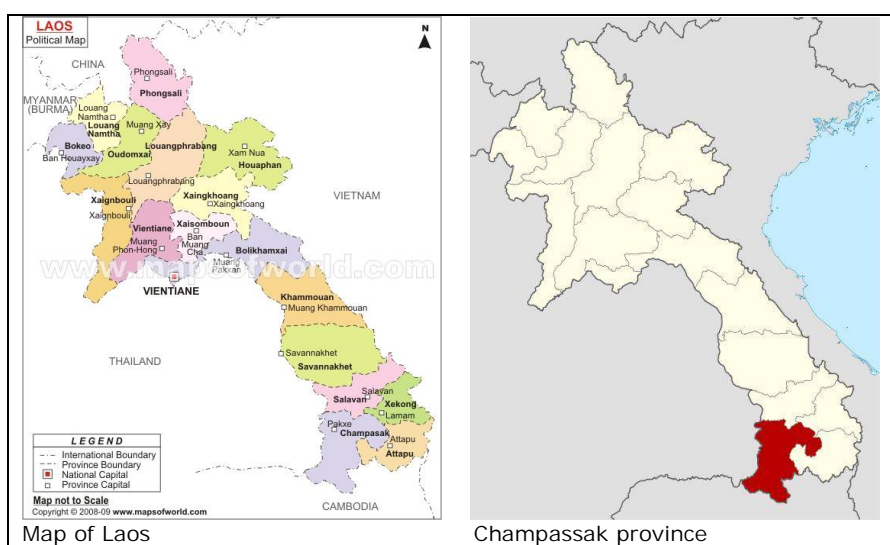
AGPC headquarter is based in Paksong district, Champasak province, Laos PDR.

Located in the south-western Laos, Champasak province shares borders with Salavan, Xekong and Attapeu provinces to north-east, Cambodia to the south and Thailand to the west. The province is made up of 10 districts, being Paksé the capital of the province. More than 600,000 people live in the province; approximately 80% of the population is Lao Loum while 20% belong to other ethnic groups.

Champasak has two main production areas: upland

areas, which covers around 74% of the province, and lowland areas, covering the remaining 26%. Agriculture is centred around individual farmers running small-scale operations. Subsistence farmers growing mainly rice create the base of these individual farmers. However, on the plains and riverbanks of the Mekong River and its tributaries, maize and peanuts are cultivated in irrigated rice fields (secondary crop) as commercial crops. Maize, soybeans, sesame are also cultivated in dry fields. Rice is the main crop produced in lowlands areas, while coffee and tea are widely grown in uplands areas.

The Bolovens Plateau is famous as a centre for coffee production. It extends mainly in Champasak, covering also parts of Sekong and Attapeu provinces at an elevation of 1.000 – 1.500m. The name Bolovens (or Bolaven) makes reference to the Laven ethnic group which has historically dominated the region, even if recent migrations resulted in the multi-ethnic composition of the region. The French first began farming and other agricultural techniques in the Bolovens Plateau including the production of coffee, rubber and bananas in the early 20th century. During colonization, the French introduced the production of high quality stock of both Arabica and Robusta. Coffee production has grown over time and over the last 20 years several international organization, development agencies and Lao government have worked to sustain the production of organic coffee in the region. Coffee production has also been an attractive for tourism, increasing opportunities for income-generating activities for the people of the Plateau.



2.2 Learning from AGPC

The experience of AGPC has demonstrated to be successful in generating new market opportunities for farmers by establishing sustainable partnership between public and private sector. In this framework, the experience of AGPC can offer the opportunity to learn about good practices in group creation and management, good mechanisms of fund management, strategies for access new market (specifically organic market) and integrating social components into value chains.

In particular, what is possible to learn from the experience of AGPC are:

- ✓ Good practices in group creation and group management, including strategies for people's inclusion in groups' activities;
- ✓ Mechanisms to mobilise resources through group participation and good practices in fund management;
- ✓ Strategies to access new market by establishing sustainable partnerships between public and private sector;
- ✓ Good practices in integrating social development components into value chains.



2.3 AGPC story: background and development over time

During time, the socio-environmental characteristic of the Bolovens Plateau and its high potential for coffee production have attracted an increasing number of development agencies and private enterprises to invest in the region. Since the first 1990ies, international agencies and foreign embassies started supporting the building of infrastructure and the increasing of high quality coffee production. Coffee producer groups have been supported on the Bolovens Plateau, among others, by the Lao – French Programme called PCADR – PAB (Point Application

Bolovens)¹. Since 2005, PAB project has helped establishing 55 coffee producer groups in the districts of Paksong (Champasak province) Laongam (Salavan province) and Thateng (Sekong province). The groups were put together in order to produce and market high-quality coffee, aiming at improving producer incomes, as well as contributing to recognition of a local skills base and promoting environmental preservation². In 2006 the groups joint a second level association, AGPC, whose mission is to provide political representation for coffee producers in the groups and encourage the production and marketing of quality coffee.

1992- 1998: World Bank, French Embassy and Australia Embassy start supporting road construction and coffee production in the Bolovens Plateau.

1998: the French Development Agency (AFD – *Agence Française de Développement*) starts supporting the development of the coffee value chain and the improvement of the coffee quality (Robusta and Arabica). Since 1998 up to today, AFD has been active in the Plateau; an overall amount of about Euro 3,3 millions has been already disbursed (as a grant) to structuring and improving coffee value chain in the region.

1998- 2004: French Embassy and AFD continue working in the region, mainly supporting the improvement of coffee quality.

2005: launch of the Lao- French Programme PCADR- PAB, funded by AFD with a grant of Euro 0,7 million, aimed at improving the technical skills of coffee producers, supporting at the same time the purchase of equipment, the improvement of infrastructure and the creation of producers' groups. 80% of the funds are invested by communities in the coffee value chain, while 20% is invested in livestock.

2006: on the 16th of April, with the support of local government and AFD, the Bolovens Plateau Coffee Producers' Groups Association (AGPC) is set up. In order to encourage local producers to joint the Association an awareness campaign is carried out in the villages by coffee producers. AGPC comprehends 55 groups, and 2.700 families, located in 3 provinces: Champasak province, Paksong district (32 groups), Salavan province, Laongam district (20 groups) and Sekong province, Thateng district (3 groups).

2007: signed agreement with the Ministry of Agriculture and Forestry for the creating of the Association and approval by local government at provincial level for the recognition of the farmers' association (3 provinces). The recognition at provincial level allow the creation of the AGPC Executive Board. In November 2007 AGPC is temporary registered at national level as Non-Profit Association (NPA). The Association starts buying new equipments and a first coffee mill to process coffee is purchased. At this point, AGPC starts looking for external markets to sell their now increasing coffee production.

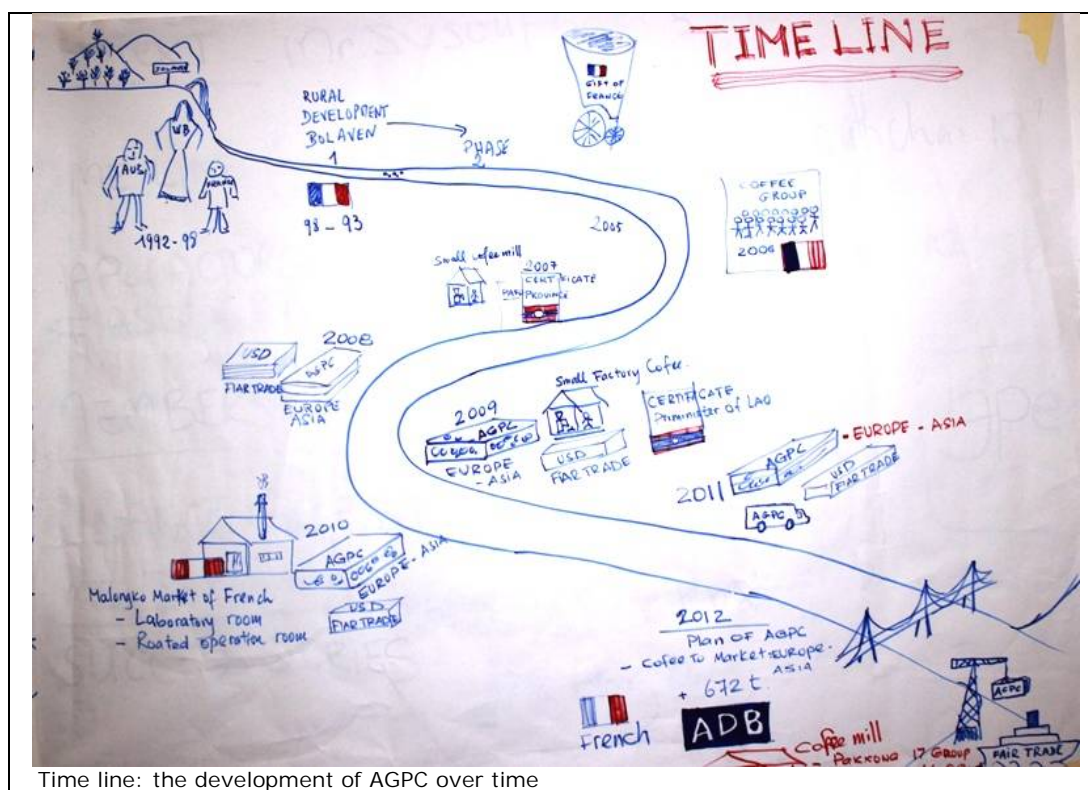
2008: AGPC receives a bonus from AFD to start exporting. Coffee is exported to Europe (mainly France) and other foreign countries, such as New Zealand, Korea and Japan. The Association starts to get profits from the sell of coffee and establishes a Fund Management Unity.

2009: on the 9th of April AGPC receives for the first time the certification from Organic Agriculture Certification Thailand (ACT), followed on the 14th of April by Faire Trade certification. The purchase of coffee by FairTrade allows producers to sell their coffee at a fixed price, avoiding market fluctuations. On the 29th of April, and again on the 08th of December, AGPC receives the agreement by Prime Minister to legally constitute the Association as NPA. AFD supports the creation of a warehouse to stock and process coffee and new coffee mill is

¹ Rita Gebert (2010) Farmer Bargaining Power in the Lao PDR: Possibilities and Pitfalls, Report for the Joint sub-working group on farmers and agribusiness, Laos PDR

² Virginie Diaz Pedregal (2008) "Socio-Economic Study of the Coffee Producer Groups Functioning Under PCADR – PAB", Laos PDR (only summary available in English; main report is in French).

purchased by the Association. In the same year AGPC creates a Social Development Fund to sustain livelihoods development in the communities. As part of the initiative, USD 44 cents per kilo of coffee sold are invested into social development projects that directly benefit communities. A school and a health centre are built in the following years using these funds. End of the PAB project.



Time line: the development of AGPC over time

2010: the provincial governments issue a letter to the Departments of Finance accepting the exporting licence without taxation. AGPC starts to sell organic coffee to Malango (a French enterprise) which also provides technical training for coffee quality check. ADB grant for technical support.

2010-2014: second grant project by AFD of Euro 1,2 millions aimed at improving the technical skills and market capacities of AGPC members and at strengthening the National Lao Coffee Council (CNCL - *Conseil National de Café du Laos*). The grant is part of an overall investment of Euro 1.460.000, where the main contribution is provided by AFD while Euro 200.000 correspond to the AGPC's counterpart and Euro 60.000 are funded by the CNCL. 60% of the grant is destined to support the Association, ensuring high quality and organic certified coffee that can meet international standards, while the remaining 40% is invested in the strengthening of the CNCL and in the promotion of the Lao coffee at international level³.

2011: on the 7th of December AGPC receives the official approval by the Ministry of the Interior Affairs to officially register the Association as NPA. AGPC is the first NPA for coffee production in Laos PDR. Fund generated by the sell of coffee are invested to buy a track. In the frame of the activities sponsored by SNRMPEP, IFAD started supporting AGPC.

2015: expected improvement of the coffee production in the Plateau for about 65.000 ha of coffee plantation that should give 55.600 tons in 2015.

³ <http://www.afd.fr/webdav/site/afd/shared/PORTAILS/PAYS/LAOS/Fiches%20projets%20Mars%202012/fiche%20PRCC2.pdf>

AGPC in Champasak province, Paksong district

The main component of AGPC, 32 groups on 55, is located in Champasak province. The head office of the Association is based in Paksong district. 137 families live in the village, of whom 30 are associated to AGPC. Mr Somyong, former head of the village, is the current chairman of the Association. Elected in 2006, when the Association was first set-up, he has been re-elected in 2009 for other 3 years mandate. In 2006, as chief of the village, Mr Somyong played a crucial role in promoting the idea of the Association among farmers; thanks to the support received by the local government and the French cooperation he started raising awareness in the villages to encourage coffee producers to establish production groups and to associate together.

In the village, the current area of coffee production is about 84.5 ha, cultivated by the 30 groups' members. The size of land is variable and depends on the individual property of each family. As Mr Somyong points out, when the Association was first established farmers were reluctant to sell their entire production to AGPC; generally, only half of the production was destined to the Association, while the rest was sold to middlemen. This situation can be related to the "cash hungry" of many farmers that can not wait long to be paid for their products. Over time, however, the Association was able to increase its incomes considerably.



Mr Somyong in his coffee plantation

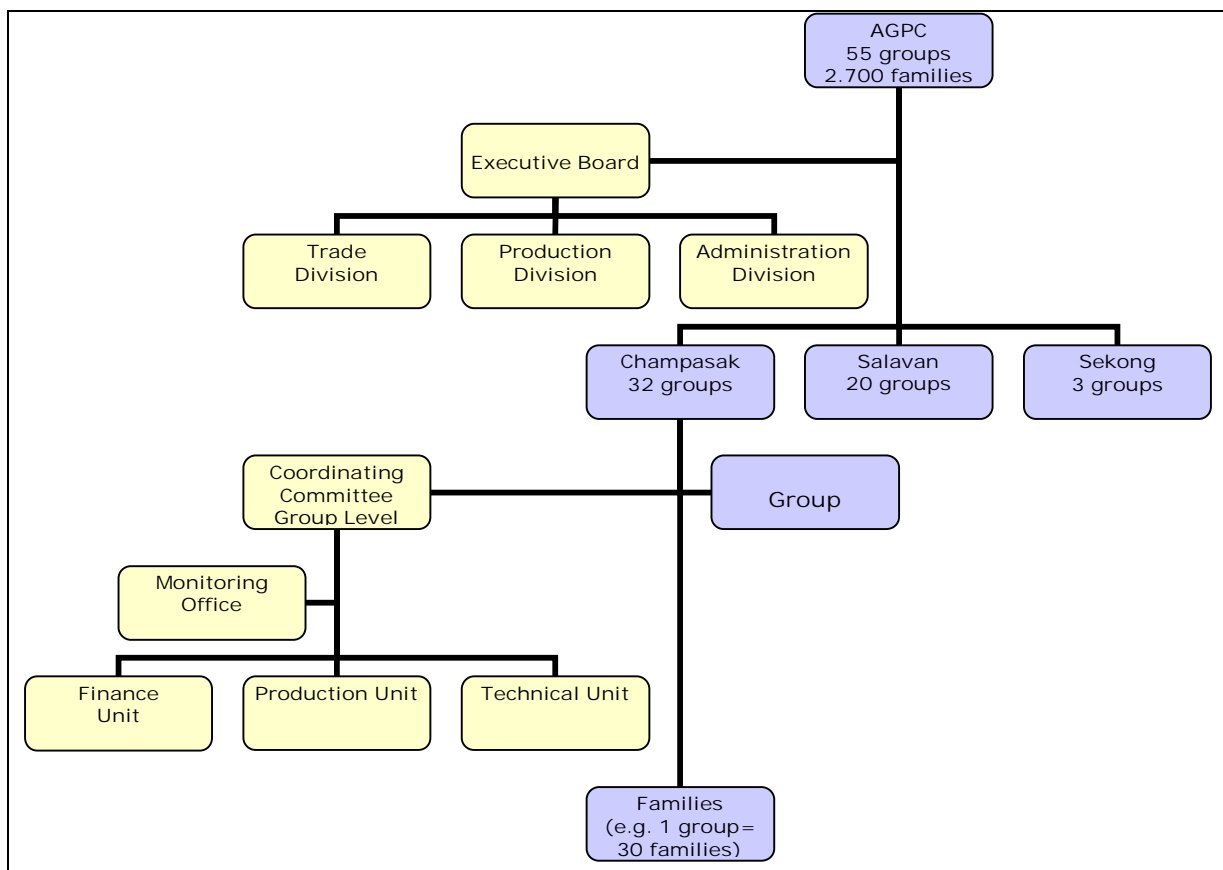
The table below show the increment of coffee production over the past 5 years, the overall amount gained in USD and the increasing profit. If in 2007 only 102 tons of coffee beans were produced and no surplus was generated by the sell of the coffee, today this figure has increased to more than 500 tons with a net profit over USD 100.000. The last line show projection for the forthcoming years, where production is expected to double. In addition to the increment of coffee product, the organic certification obtained by the Agriculture Certification Thailand (ACT) and FairTrade and the exclusive relation established with this last one, has allowed producers to sell at a fixed price, avoiding market price fluctuations.

# ຂໍ້ມູນຜົນການເຮັດວຽກງານກຸ່ມ			
ປີ	ຈຳນວນຜົນການ	ມູນຄ່າ USD	ຜົນຊັບ USD
2007-08	102	339.000	0
2008-09	156	1.092.000	343.000
2009-10	443	1.552.000	96.700
2010-11	500	2.370.000	109.000
ລວມ	1.201	5.353.000	257.400

AGPC Paksong group financial prospect

2.4 AGPC structure and main actors involved

AGPC is composed by 55 groups based in the provinces of Champasak, Sekong and Salavan, involving 2.700 families of coffee producers. The Association is coordinated by an Executive Board, whose representatives are elected by groups' members, and it comprises 3 Divisions: (1) Trade, (2) Production and; (3) Administration. Every year the Board meets for a general assembly together with representatives of the groups. The Association supports training in finance and administration for its members as well as capacity building in coffee production and delivery systems.

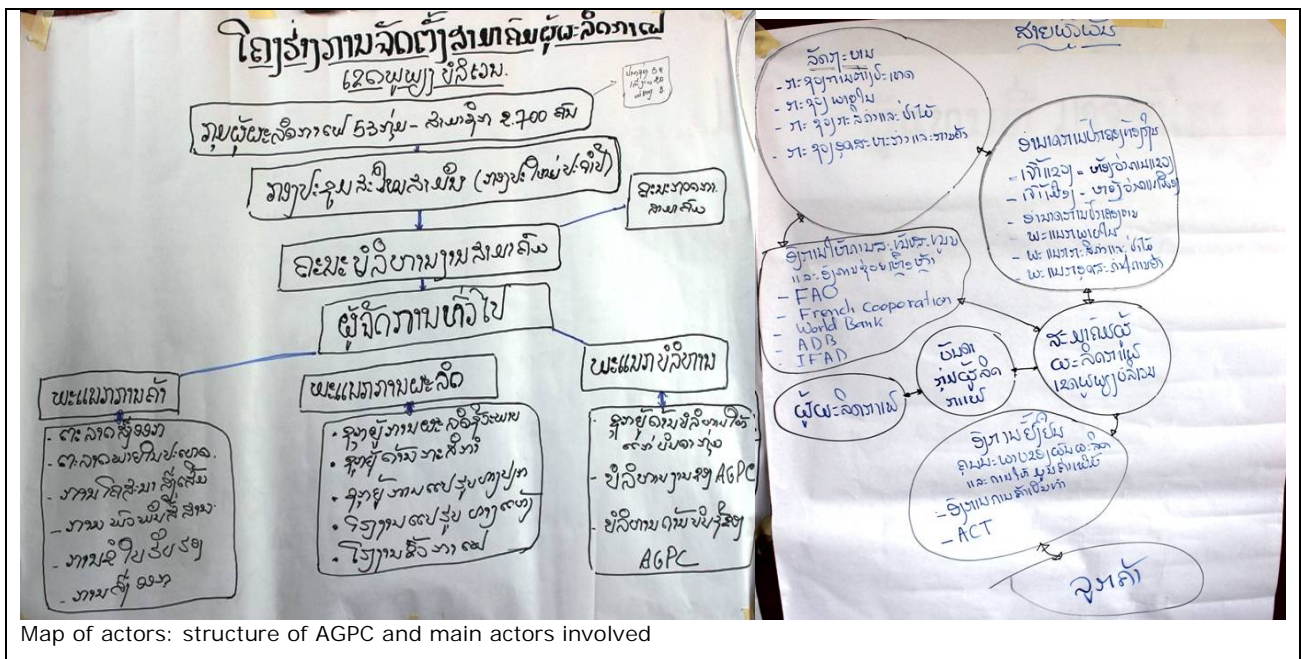


Every group is led by a Chairman, with 3 years mandate, that manage a Coordinating Committee together with 2 executive members, one responsible for the Finance sector and another one for the Technical sector, plus 2 consultants of which one is a retired person from the local government while the second one is the secretary of the village. The group also includes a Monitoring office (3 people), a Finance Unit, a Production Unit and a Technical Unit. Every Unit comprehends 5 people, including the Head of the Unit.

Over time, local government, international agencies, rural development institutions and private enterprises have played a key role in the establishment and development of AGPC. Among the main actors involved, a fundamental role has been played by Lao Government, at national, provincial and district level, particularly by the Ministry of Agriculture and Forestry (MAF), that supported PAB project in partnership with French cooperation, and by and the Ministry of Planning and Investment that legally approved the registration of AGPC as NPA in 2011. The French cooperation (through the French embassy and AFD) has been the main foreign actor involved in AGPC initiatives since its inception, supporting the establishment and the strengthening of the Association, the technical training of its members, the improvement of coffee quality in the region and the development of trade relations with external markets. During time, other international agencies started supporting the Association: among them, FAO, IFAD and ADB have played a major role in funding AGPC's initiatives.

Recently, in the frame of the activities supported by IFAD in Laos PDR, SNRMPEP is playing an important role in the consolidation of the Association, in the establishment of enabling institutional environments for the development of AGPC activities and in the promotion and scaling up of the Association's best practices, innovations and lessons learned. This is particularly key to ensure the replication of innovative solutions and the spread of good practices at national level, in order to extract applicable lessons for contexts with similar needs. Since 2009, when the coffee produced by AGPC members first received the organic certification, FairTrade and Organic Agriculture Certification Thailand (ACT) have become important actors; their certification, in fact, ensure the access of the Association to organic market. Private enterprises, such as FairTrade and Malango also ensure the selling of the

coffee, for a certain amount and at fixed prices, allowing producers to expand their coffee production.



2.5 Membership and Fund Management

There are few requirements for a farmer that want to become member of the Association: to have a piece of land to produce coffee, labour force to maintain production and to be enthusiastic to work for the Association. Every member has to register to the Association, which implies the acceptance of its regulation policy. This identifies work responsibilities and rights of AGPC members. Members have the right to borrow money from the Association, to select groups' coordinators and the members of the Board and to receive bonus; at the same time, they declare to attend Association's meetings and to sell their products only to the Association. A registration fee, equal to 30.000 kips per year (about USD 3,8⁴), is paid by the members. For each family, only one representative (with valid ID card) is needed to register the household.

AGPC provide loans to its members at both at collective (group) and individual level: at collective level, AGPC funds groups' proposals (e.g. one group in Paksong composed by 30 families could ask for loan to the Board of the Association), while at individual level a single group can support families' needs.

A group level, in order to get a loan, the head of the group has to present a proposal to the AGPC Executive Board and it has to be approved by the 70% of the Board members. The amount of the loan is calculated on the base of the group's coffee production and on the estimated profit of its sale.

The time to reimburse the loan is agreed with group's members and it is based upon the harvesting cycle; during the raining season the interest rate is between 1% and 3% and it depends on the group's strengths and capabilities to repair the loan (stronger groups are asked to pay more). During the harvesting season the loan is free of interest.

At individual level the procedure to get a loan follows similar rules. Three kind of loans are available: (1) loans destined to improve farming and increase coffee production (including the employment of extra workers during the harvesting season); (2) life insurance for family members; (3) loans for the development of social initiatives (e.g. payment of school fees for

⁴ The rate has been calculated on the base of the currency of May 2012.

children). To get a loan, a farmer has to present a written proposal, with clear work plan, to the group's Coordinating Committee explaining which kind of loan he is applying to. If the loan is destined to increase coffee production, and additional workload is required, this has to be specified in the proposal. During the harvesting season the loan is free from interest rates, while during the raining season there is an interest equal to 1%. In order to get the loan, the proposal has to be accepted by the Committee and the signature of all its representatives is required.

A group's Coordinating Committee is composed by six members that rotate every week. Loan proposals can be submitted by group members every weekend which implies the commitment for the members of the Coordinating Committee to be available during the week they are in charge of this position.

Every group establishes its financial policy. In Paksong, for instance, the life insurance for families members groups has been fixed as the following: if the head of the family dies, the family get a reimbursement of 1.000.000 kips (about USD 125); 500.000 kips (USD 62) if a child dies. If a family member get sick, the family can ask up to 300.000 kips (USD 38) for medical expenses (illness must be certified by a doctor). If these expenses overcome 300.000 kips the family can ask for an extra loan than can be refunded without interests.

2.6 Organic Market

Since 2009, the Robusta and Arabica qualities produced by AGPC members are certified as organic by both Organic Agriculture Certification Thailand (ACT) and FairTrade.

Based in Nonthanburi, Thailand, Organic Agriculture Certification Thailand (ACT) is an independent organization operating under the Organic Agriculture Certification Foundation⁵; since 2001 ACT is accredited by the International Foundation for Organic Agriculture (IFOAM), being the first certification body based in Asia IFOAM accredited. ACT is committed to support organic agriculture, a farming system in harmony of ecology that avoid the use of synthetic chemicals and artificial fertilisers. Following the basic principles of organic agriculture, ACT promote and certifies the establishment of self-reliant production systems that can improve and maintain natural resources, avoiding practices that can cause pollution to the environment and promoting the management of production system with care of social justice.



The FairTrade certification system, instead, is run by a separate company called Flo-Cert, that provides assurance about compliance with FairTrade social and economic standards. In this sense, when a product carries the Fair Trade mark it means the producers and traders have met FairTrade standards. These standards are designed to address the imbalance of power in trading relationships, unstable markets and the injustices of conventional trade⁶.

FairTrade has different standards, regarding small-scale producers organizations and products, trade, contract production and hired labour. In relation to small-scale producers organizations, FairTrade applies two main standards: (1) the majority of the members of the organization must be smallholders who don't depend on hired workers all the time, but run their farm mainly by using their own and their family's labour and, (2) profits have to be equally distributed among the producers and all members must have a voice and vote in the decision-making process of the organization.

⁵ <http://www.actorganic-cert.or.th/>

⁶ <http://www.fairtrade.net/>

In this framework, the certification of ACT and FairTrade guarantees consumers that the coffee purchased from AGPC is not only high quality organic coffee, but also that it has been produced in the respect of human rights and that producers can benefit from stable prices for the selling of their coffee and from an equal distribution of the profit.

FairTrade also provides a “premium” (bonus) to producers that it is paid on top of the agreed price. Producers can decide democratically how to use it; generally the bonus is invested in education, healthcare, farm improvements or processing facilities to increase income. AGPC has invested part of this revenue to support the Association and the Social Development Fund. Organic coffee beans are sold by AGPC to European country mostly (80%), Korea and New Zealand. Roasted and already processed coffee is sold only in Laos.



Certification from FairTrade and ACT

2.7 Future Plans

In the future AGPC would like to increase the number of the groups and to expand the volume of the coffee production. Members would like also to improve 17 coffee mills in Paksong and 11 in Salavan, and to reconstruct a coffee mill in Sekong province. In Paksong producers would like to increase the production of Arabica to 25 containers per year and to ensure a deposit of 1.500.000 kips (USD 188) for the Fund. Thanks to the new project approved in 2010 by the French government, AFD will support AGPC until 2014. The grant is being disbursed to ensure AGPC financial sustainability: Association's expenses were covered up to a 90% by AFD during the first year of the project, to gradually decrease to a 70% during the second year, a 45% for the third year and only a 25% for the forth year, being AGPC responsible to cover the economic counterpart.

Members also express the wish to improve capacity building among farmers in order to best share responsibilities. The number of field visit should be also increased in order to improve farmers' technical skills.

The successful story of Mr Ki, AGPC member

Mr Ki is 40 years old and he has 3 children. Before joining the Association he used to sell his coffee beans to local buyers at low price, a very unstable situation for a family with aspirations. He didn't know how to take good care of its plantation in order to increase production; at the same time, as access to market was not secured, he was afraid to expand his production. Therefore, he was producing a little amount of coffee and selling it a very low price to middlemen. In 2006 he heard about the recently created coffee producers Association and he decided to join it. As AGPC member Mr Ki received technical assistance and training; he learned how to make organic compost and how to ensure a high quality coffee production. Today Mr Ki has expanded his coffee field, from ½ ha to 2.5 ha, built a new house, secured the children education and alimentation. For the future, he would like to expand its coffee production, improve water system in the plantation and get access to electricity. The new challenge now is to find a piece land to buy! "Nobody wants to sell land anymore", he says "everyone wants to grow coffee now".



3 ANALYSIS OF THE AGPC EXPERIENCE: GOOD PRACTICES, LESSONS LEARNED, CHALLENGES AND OPPORTUNITIES

In the course of the last years, AGPC has been able to establish transparent ways to manage funds and to distribute resources among its members; this, together with a clear policy regulation agreed among farmers' representatives, constitutes one of the main strengths of the Association. The good management of financial resources, the equal distribution of the benefits and the share of responsibilities among members, are good practices that have been key to the success of AGPC over time. As part of the capacity building provided by the Association to its members, producers are also gradually being trained to improve their skills; technical trainings are focussing on coffee production, while other trainings are delivered in order to enhance members' communicational skills to deal with costumers, as well as their financial and administrative skills. In the future, this will allow a better distribution of power within the Association, ensuring the sustainability of the same.

Another strength of AGPC can be found in the ability to include the economic development of the groups into a broader social setting, looking at community as a whole. In this sense, the establishment of a Social Development Fund, through which health and educational programmes at community level are supported, creates the conditions for the improvement of the livelihoods of poor households. The improvement of life condition in the community should also constitutes an incentive for farmers to join the Association.

AGPC is an association of groups. In this sense, each group has its individual dynamics and problems can vary in nature and degree from one group to another. In some cases, groups are well-organised and structured while others face more challenges in terms of economic balance to secure farmers' livelihoods and attend their expectations. Indeed, farmer's groups and organizations operate in a complex, interacting context, in which government, external agencies, the private sector and local authorities play a key role; indeed, the interactions between these settings strongly impact farmers and their initiatives. In this sense, the good interaction among parties, the share of a common vision and objectives and the efficient cooperation between these bodies are fundamental in order to ensure the development of sustainable pro-farmers initiatives over time.

Many factors can influence the success of a farmers' group or association; some internal factors can be found in the social characteristics of the villages prior to group establishment, such as the presence of a strong and respected leadership, the existence of networks at cluster level that can be used to activate and maintain new initiatives (such as the formation of producers' groups), but also the presence of roads and other infrastructures that can facilitate exchanges between villages and the access to markets for small producers.

There is also another important factor that determines the success of the failure of a group, meaning the motivation of the people to commit and to cooperate, sharing risks and benefits. In this sense, when people are self-motivated in getting together, with clear goals and objectives to achieve, groups are more likely to succeed; on the contrary, when the creation of a group is imposed by outsiders or it is encouraged to achieve objectives determined by outsiders, people's motivation can be low and groups are more likely to fail. This can occur more often when people are brought together to start new initiatives in fields where they have no experience. In the case of AGPC, its members used to be coffee-growers since a long time, before external agencies started their activities in the region. This was certainly an advantage as people had skills and experience prior to the formation of the groups; in this sense, as groups have been formed on the base of existing potentials and people's needs, that are good chances that they can sustain over time.

Other characteristics for the success of farmers' groups can be highlighted, such as the cohesiveness of the group, the transparency in the decision-making processes and in fund management, the ability to solve internal problems and to overcome obstacles and the presence of a strong social capital within the group, which allows the sharing of responsibilities and the distribution of power among members. This last element is particularly crucial, as

often village headmen or other village's representatives end up acting as group leader as well, preventing other potential leaders to emerge⁷. In this framework, the AGPC system, that previews the rotation of responsibilities within the groups' Coordinating Committees, may be identified as a good mechanism to enable other people to take the lead within the group.

If in the past challenges were mostly related to members "cash hungry", that was forcing them to sell at low prices to middlemen, today challenges mainly concern the possibility for farmers to expand their coffee production. Indeed, this would implies the purchase of new land (not always available in the immediacy of the villages where farmers are located) and the need of extra (paid) workload during the harvesting season. The increment of production maintaining at the same time high quality standards is a crucial matter for the Association, that should be able to be economically sustainable by 2014 when the French financial aid will end. Members recognize the need to involve more families and create more groups in order to expand coffee production. To this aim, awareness should be raised among farmers to encourage them to join the Association and more training would be required to improve technical skills of producers; this should be linked to a clear strategy and vision for the future for the forthcoming years, including the strengthening of new leaderships within groups.

Looking at the AGPC experience from a farmer's perspective, the fundamental relation is the one with markets. Farmers should be able in the future to sell their products without intermediaries, at fair prices, to secure their livelihoods. In this framework, the certification by FairTrade and ACT and the possibility to maintain the access to a select market, such the organic one, would give farmers the possibility to ensure a sustainable relation with external markets over time.

In this framework, the institutional support provided by the Lao government and by the international organization working in cooperation with it, it is fundamental in order to ensure the sustainability of this experience over time. A long-term vision and commitment to cooperate from local government, development agencies and the private sector is key to maintain successful Public-Private-Partnership over time. At the same time, the support of international partner organizations is important to guarantee that innovative solutions are replicated in contexts that share similar needs. In this sense IFAD, through SNRMEPEP, has the added value to be in the position of promoting the spread and the scaling up of AGPC best practices at national level, in the frame of its area of intervention. Linked to this, is the possibility to give increasing visibility to those actors that have played, and continue playing, a key role in the development of the Association, as the talented local practitioners that are at the core of AGCP experience. These people have been able to lead successful initiatives, such as the creation and the development of the Association, that have positively impacted their communities. Their knowledge and skills should be employed to promote the development of similar experiences in other contexts, as potential providers of training in rural environments.



⁷ See also, Rita Gebert (2010), cit.

ANNEX I
LIST OF PARTICIPANT - SNRMPEP

Location/province	Name	Role	Contact
NPCO	Mr. Hongngern Sudarpew	NPD Assitant	55 42 21 82
	Visay Phiathap	NPD Assitant	28 11 17 44
Savannakhet	Mr. Phaisane Kaisone	Implementation officer	96 37 73 29
	Mr. Saysavath Sitthichack	Technical of Monitoring and Evaluation	99 11 31 11
Salavanh	Mr. Southchai Vongsalee	Team leader of GIS	22 28 06 76
	Mr. Kaisone Inthilath	Implementation officer	22 62 62 15
	Mr. Somxay Keovongsa	Team leader of Subproject	22 24 32 56
Champasak	Mr. Bounlone Inthavongsone	Deputy PPD	55 73 00 99
	Mr. Bousong Phetmanisone	Implementation officer	22 75 48 88
Sekong	Mr. Simone Souliya	Team Leader of GIS	99 59 78 79
	Mrs. Anongsith Phonthanalay	Vice GIS	98 37 72 48
Attapeu	Mr. Phosay Sylephanyo	Technical Project	23 71 13 33
	Mr. Sonepaserth Sengsoulichan	Vice GIS	22 45 76 51
	Mr. Sisouphan Phommachan	Technical of DAFO	99 51 41 46

ANNEX II TRAINING AGENDA

	Time	Activities	Additional Information
Monday 26/03/2012	Morning	<ul style="list-style-type: none"> o Introduction to the training o Group exercise: present yourself by playing the “potlatch” o Discussion: identification of trainees’ learning expectations for the training o Group exercise: puzzle game o Presentation: PROCASUR – who we are, what we do, which methodologies we use + watch the cartoon o Presentation by Mr Chansamone (General Manager AGPC): AGPC history and structure 	<p>The first day of the training is aimed at providing trainees with the theoretical and methodological framework in which the systematization process is undertaken and to get them familiar with knowledge management tools that will be used to reach the objectives of the systematization process.</p> <p>Exercises aim at creating a collaborative atmosphere among trainees, identifying trainees’ learning expectations and potential contributions to the training.</p>
	Afternoon	<ul style="list-style-type: none"> o Presentation and discussion: the systematization process, main steps, concepts and tools o Group exercise: define learning objectives of the systematization process and identify guiding questions for group interviews 	
Tuesday 27/03/2012	Morning	<ul style="list-style-type: none"> o Recap of the previous day and briefing on the daily agenda – prepare trainees for the community meeting o Travel to Paksong o Community meeting at AGPC headquarter in Paksong o Field visit to coffee plantations o Group work with AGPC members o Travel back to Pakse 	<p>The first field visit allows trainees to understand and analyse the context, contact key stakeholders and collect relevant material on the experience.</p> <p>The meeting with AGPC members was aimed to: (a) present the objectives of the systematization process to AGPC; (b) reconstruct AGPC experience together with local actors, using the methodology and the tools previously identified, and (c) agree with AGPC members on the modalities, timetable and strategies to carry out the activities of the following days.</p> <p>After the meeting, trainees work at the analysis, compilation and presentation of the information gathered, using KM tools, and identify missing information that could be collected on the next day.</p>
	Afternoon	<ul style="list-style-type: none"> o Group work: analysis of the information gathered, preparation of the information using knowledge management tools (time line, map of actors, etc). o Presentation of the groups’ outcomes o Group work: identification of missing information and structuring of leading questions for semi-structured individual/ group interviews o Planning of the agenda for the day three. 	

Wednesday 28/03/2012	Morning	<ul style="list-style-type: none"> ○ Presentation: identify local talents ○ Recap of the previous day and briefing on the daily agenda ○ Semi-structured interviews and research work: work in 4 groups 	<p>Semi-structured individual/ group interviews are aimed at reconstructing AGPC experience through direct testimonies, collecting different perspectives and voices.</p> <p>Four groups have been organised: (1) interview with AGPC members (farmers) and visit to their plantations, in Paksong; (2) AGPC management office in Pakse, interview to representative of financial and administrative division; (3) AFD office in Pakse and marketing-trade division of AGPC; (4) documentation and research, using Internet and other documentation sources (books, reports, documents)</p> <p>The information collected by groups are shared during plenary sessions.</p>
	Afternoon	<ul style="list-style-type: none"> ○ Group work: integration and preparation of the information gathered ○ Presentation of groups' outcomes ○ Fill up the local talents forms 	
Thursday 29/03/2012	Morning/ Afternoon	<ul style="list-style-type: none"> ○ Presentation: review of the systematization process ○ Group work: analysis of the experience, integration of additional information and preparation for the presentation of the systematization outcomes to community members 	<p>The day four is aimed at preparing the presentation for community members, during which information collected will be validated. This day also offers the opportunity to collect extra information, if needed, and to revise the main steps, objectives and achievement of the systematization process undertaken so far.</p>
Friday 30/03/2012	Moring	<ul style="list-style-type: none"> ○ Travel to Paksong ○ Presentation of the work to AGPC members and validation of the information ○ Structure of a field visit with local talents ○ Delivery of certificates to AGPC members ○ Travel back to Pakse 	<p>The objective of the second community meeting is to return the information to local people and validate the contents with them. At the same time, trainees works together with local talents in order to enable them to communicate their knowledge to others. A potential field visit is structured together with community members.</p> <p>Key people have been also selected to participate at the closing workshop of the 31st in Pakse.</p>
	Afternoon	<ul style="list-style-type: none"> ○ Writing workshop: preparation of the systematization work for the presentation of the 31st. ○ Presentation: review of the whole systematization process, main steps, objectives and tools used and analysis of the experience ○ Cloture: delivery of certificates to trainees 	<p>Preparation of the outputs of the systematization process. Learn how to present the information in a systematization file form.</p> <p>A recap of the entire process undertaken is carried out.</p>
Saturday 31/03/2012	Morning/ Afternoon	<ul style="list-style-type: none"> ○ Presentation of the systematization process at Hotel Pakse, SNRMPEP and RLIP projects 	<p>Presentation of the outcomes of the training to SNRMPEP and RLIP staff, governmental authorities, representatives of the private sector.</p>