

# **copac**

## **Strategic Alliances**

Cooperatives, farmers' and  
rural workers' organizations

A COPAC Commissioned Study

**COMMITTEE FOR THE PROMOTION AND ADVANCEMENT OF COOPERATIVES**

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The Committee for the Promotion and Advancement of Cooperatives COPAC is a successful and on-going partnership between representatives of the cooperative movement together with farmers' organizations, and the United Nations and its agencies. Members work together on equal terms to promote and coordinate sustainable cooperative development through policy dialogues, technical cooperation and information, and concrete collaborative activities. Its members include the Food and Agriculture Organization of the United Nations (FAO), International Co-operative Alliance (ICA), International Federation of Agricultural Producers (IFAP), International Labour Office (ILO), United Nations (UN), and World Council of Credit Unions (WOCCU).

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# Strategic Alliances: Cooperatives, Farmers' and Rural Workers' Organizations

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## Forward

This study has been commissioned by COPAC to contribute to work of the ACC Network on Rural Development and Food Security at both international and national level in its follow-up to the recommendation of the World Food Summit of 1996.



Established in 1971, COPAC, the Committee for the Promotion and Advancement of Cooperatives, is a successful and on-going partnership between representatives of the cooperative movement together with farmers' organizations, and the United Nations and its agencies. Members work together on equal terms to promote and coordinate sustainable cooperative development through policy dialogues, technical cooperation, information, and concrete collaborative activities. Its members as of 2000 include the Food and Agriculture Organization of the United Nations (FAO), International Co-operative Alliance (ICA), International Federation of Agricultural Producers (IFAP), International Labour Office (ILO), United Nations (UN), and World Council of Credit Unions (WOCCU).

<http://www.copacgva.org>

COPAC members expressed interest in improving and broadening collaboration to promote rural development and food security by contributing to the work of the ACC Network on Rural Development and Food Security. It is for this reason that this study was commissioned.

The ACC Network was established in April 1997 by the United Nations Administrative Committee on Coordination (ACC) and has since been endorsed and supported by the United Nations Secretary-General and the heads of 20 United Nations' organizations. It is jointly managed by the Food and Agricultural Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD),



<http://www.accnetwork.net>

in close cooperation with the World Food Programme (WFP)<sup>1</sup>. At the country level, the ACC Network consists of national *Thematic Groups*, which include the participation of international and national public and civil society organizations. Together the participants set the agenda and select priority themes for action, based on country-level needs and priorities.

This study was commissioned by COPAC to identify potential new participants for the national *Thematic Groups* and to provide input to their discussion on needs and priorities for promoting rural development and food security. The study consists of a typology of and lessons learnt from existing strategic alliances between civil society organizations in five countries (Bangladesh, Burkina Faso, Kenya, Philippines, and Peru). The strategic alliances described in this study offer insights on what issues are high on the agenda of civil society organizations and what measures they have taken to address the needs of their constituencies and communities. It is hoped that it will assist the ACC Network in promoting new projects, activities and investments in rural development and food security.

COPAC would like to thank the IFAP for preparing the case studies.

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<sup>1</sup> Further information on the ACC Network is available on its web site: <http://www.accnetwork.net/>



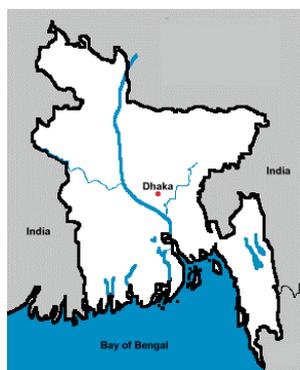
## introduction

A 'Strategic Alliance' is a formal and mutually agreed partnership arrangement that links specific facets of two or more enterprises or organizations. The partners pool, exchange and/or integrate selected resources for mutual benefit while remaining separate and entirely independent. It is a cooperative arrangement which enables partners to achieve goals together that they could not achieve alone. Strategic alliances are generally viewed as mechanisms for producing a more powerful and effective mode for competing in a globalized world.

Strategic Alliance relationships were one of the leading business strategies of the 1990s, a result of increasing competition in a global market. However, strategic alliances are not limited to commercial spheres and can take a variety of forms. Strategic alliances can be forged by a variety of partners – alliances of strong partners who are direct competitors, alliances of the weak to gain strength, alliances between strong and weak partners, alliances between complementary equals, alliances that result in a merger of the partners or formation of a new organization, etc<sup>2</sup>. Their goal is to add value to an activity whether it is focused on trade or competence, information or overcoming barriers for successful activities, and this in any domain.

This study provides information on a series of strategic alliances formed between cooperatives, farmers' organizations, workers' organizations, public entities, non-governmental organizations, and others at the national level. It describes how the alliances were formed (rationale and type), the gains obtained and the challenges for the future.

## Case Studies



### Bangladesh

#### Summary

The case study focuses on the strategic alliances of two organizations: an agricultural development organization, the **Bangladesh Krishok Federation (BKF)** and a non-governmental development organization, the **Integrated Social Development Effort (ISDE)**.

The Bangladesh Krishok Federation is the leading national agricultural organization representing farmers in Bangladesh. It maintains several advocacy programmes, implementing a number of social development programmes which complement these. To attain its ultimate objectives, the BKF has established strategic and ideological alliances with other farmers' and workers' organizations that address common concerns and in particular the landless labourer movement.

The Integrated Social Development Effort is a non-governmental organization which promotes economic and social development in Bangladesh. It seeks to foster cooperation among farmers and to establish partnerships among rural stakeholders by providing financial

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<sup>2</sup> Joyce Young (Indiana State University) and Lour Pelton (University of North Texas). "Strategic Alliances: Are they relational by definition?" 1995.

and technical support to enable them to achieve autonomy and independence.

## **Bangladesh Krishok Federation BKF**

### **A. Introduction**

The Bangladesh Krishok Federation is an organization representing the farmers' movement. Its members include poor farmers, small and medium-sized farmers, and large producers, with the exception of a small percentage of wealthy farmers. Established in 1976, BKF is the country's largest national agricultural organization representing 500,000 members throughout the country. Since its foundation, BKF has worked towards promoting and protecting the rights of Bangladesh's rural population.

The BKF implements several short- and long-term advocacy programmes in addition to a number of social development programmes and offers an array of services to its members.

- Economic services such as production and extension services such as the delivery of traditional seeds to outlying farmlands, and income-generation programmes.
- Financial and insurance services including support through micro-lending to landless labourers.
- Legislative services including the provision of legal council to defend landless labourers and leaders of the movement who are taken to court.
- Representation of its members and the landless labourer movement in government fora.
- Training programmes to strengthen the capacities of leaders and farmers.
- Information and communication services ranging from informational brochures and publications to the organization of meetings and demonstrations. BKF also assists its members to develop their communication by post, since telephone communications are limited.
- Rural education to member communities.
- Development services for rural women.

### **B. Strategic Alliances**

To attain its objectives, BKF has established strategic and ideological alliances with other farmers' and workers' organizations involved in the promotion of the rights of landless labourers in fallow zones or *Khasland*<sup>3</sup>. It formed the *Khasland Occupation Movement* in 1980 to focus attention on the need for legislation to protect the rights of landless labourers. Its members include:

1. Bangladesh Krishok Federation - Bangladesh Peasants' Association
2. Bangladesh Kishani Sabha - Bangladesh Peasant Women's Association<sup>4</sup>
3. Bangladesh Adivasi Samity - Bangladesh Indigenous People's Association

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<sup>3</sup> Fallow zones in the local dialect.

<sup>4</sup> The Bangladesh Kishani Sabha has over 600,000 members.

4. Bangladesh Floating Labourers' Union
5. Bangladesh Floating Women Labourers' Union<sup>5</sup>
6. Bangladesh Rural Intellectuals' Front
7. Ganochchaya Sanskritic Kendra (a cultural organization).

The movement was able to gather enough support to mobilize government action. In 1987 a series of laws entitled "Bangladesh Land Administration Manual", recognized and protected the rights of landless labourers. In the process of developing this law, the leaders of the BKF were included in the drafting committee and a series of national meetings were held. The BKF was invited to each meeting to present its viewpoint.

Despite this, application of the law did not follow. The movement therefore took action and demanded the distribution of fallow land among genuine landless labourers in accordance with the new governmental legislation. Led by the BKF, landless labourers in the Patuakhali district in the coastal belt took possession of fallow land in 1992 in order to make themselves heard. They occupied four *chars* covering 22,000 acres of fallow land and then took possession of 22 *chars* covering an area of 70,000 acres. Following this occupation, the government granted one-year leases to roughly 100,000 families living beneath the poverty line on the *chars*. Very recently, in response to sustained pressure from various organizations, the government granted the right of permanent settlement to the families occupying these *chars*.

Special note should be made that this district level initiative succeeded because the farmers, especially rural women, were actively involved in the process. Local knowledge on farm tenure as well as land issues related to income-generating activities were also taken into account in the land occupation.

The BKF was an active part of the alliance and played a key role by supporting the growing landless labourers' movement. The alliance formulated its own list of demands based on the needs of its constituency. To accelerate implementation of its action programme, it continues to organize various development projects in such areas as education, training, income-generation and health. It also provides financial support in the form of micro-lending which has led to the improvement of the labourers' economic conditions. Links with other Bangladeshi producers' organizations have also been established with a view to broadening the fallow land occupation movement.

The alliance has resulted in promoting solidarity throughout the country and has led a number of organizations in Bangladesh to take similar action. Some of these have succeeded in occupying land but still face difficulties in sustaining their occupation. Ultimately, however, the alliance has helped reduce rural poverty. Landless labourers now have access to land, which they can cultivate in order to, earn a living.

This strategic alliance has also led to the creation of another alliance within the group between the Bangladesh Krishok Federation (Bangladesh Peasants' Association) and the Bangladesh Kishani Sabha (Bangladesh Peasant Women's Association).

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<sup>5</sup> The Bangladesh Floating Women Labourers' Union has over 40,000 members.

## **Integrated Social Development Effort ISDE**

### **A. Introduction**

ISDE is a voluntary, non-profit, non-governmental organization which promotes economic and social development in Bangladesh. It was launched by a group of young people in the Cox's Bazaar district in response to the illiteracy, ignorance, hunger, poverty and health problems in their communities. ISDE was established in November 1987 and began operating as a development organization in 1992.

ISDE has undertaken economic and social development initiatives targeted at underdeveloped segments of rural and urban populations living in inhospitable or disadvantaged areas in the south-eastern portion of the country, including the districts of Cox's Bazaar, Chittagong, Bandarban and Rangamati Hill. Under an urban community development programme, ISDE extended its activities to the residents of shanty towns in the Chittagong, Dhaka and Cox's Bazaar municipalities.

ISDE implements the following programmes:

- The Micro-lending Programme focuses mainly on the establishment and development of organizations which serve underprivileged or underdeveloped populations. The programme provides loans to generate income, create jobs, provide training centred on human development and the strengthening of group members' capacities.
- The Informal Education Programme aims at increasing literacy rates through an adult literacy programme and an educational programme for adolescents and small children.
- The Community Primary Health Care Programme offers preventive, curative maternal and child health services to 5,000 households in the Chakaria sub-district. The programme also provides water and hygiene services to community members. Prevention campaigns on sexually transmitted diseases including HIV/AIDS have been incorporated into the programme.
- The Participatory Environmental Programme helps heighten awareness, train communities, and undertake tree-planting programmes along roads, coastal fills, and unclaimed land. It has also established a partnership with the government's Coastal Greenbelt Project.
- The Family Garden and Nutritional Education Programme promotes food safety and improved nutrition in the home. Under the programme, 9,000 rural residents and underprivileged individuals have benefited from initiatives related to nutritional education and family gardens. Numerous village nurseries have been established and training has been offered.
- The Natural Disaster Prevention Programme seeks to mitigate the unexpected impact of disasters. It provides victims with emergency relief (foodstuffs, grain, medical services) and long-term rehabilitation services (housing, water, health facilities, farm support and loans). It also trains group members, community leaders and staff to deal with emergencies.
- The Human Rights and Legal Education Programme promotes human rights and provides victims with legal support through education and assistance. It focuses on civic education, monitoring of elections and the establishment and training of civic mediation committees.

- The Sustainable Agriculture Programme fosters sustainable regenerative agriculture. ISDE provides training, education and demonstration services. It has begun to introduce highly variegated seeds and modern technology. Under this programme, two central nurseries have been set up for training and demonstrations on alternatives to chemical pesticide usage. ISDE organizes a variety of other training courses for farmers.
- The Partnership and NGO Network Programme has resulted in ISDE acting as the secretariat of the Cox's Bazaar NGO local network. The network seeks to build the capacity and understanding of local NGOs to address issues, such as gender, the environment and human rights.

## **B. Strategic Alliances**

ISDE works specifically with farmers and rural workers. It seeks to broaden collaboration among these groups. Through financial and technical support, it also establishes partnerships between rural stakeholders to assist them in becoming autonomous and independent. Collaborative activities are undertaken in the fields of training, poverty alleviation programmes, through the provision of loans and material, job-creation schemes, farming, fishing, livestock, gardening, etc.

Under the NGO Networking and Partnership Programme or NGOSP, the ISDE acts as a secretariat in the local network in the Cox's Bazaar district. The network has six indigenous local NGOs as members.

1. ISDE
2. Society for Health Extension and Development SHED
3. Palli Progati Sanghtha PPS
4. Gunagari Maohila Samity GMS
5. Nawzoan
6. Phathikrit

The network fosters a broader understanding of gender related problems through training of staff and beneficiaries, and provides access to information and financial assistance. In addition, the NGOs organize joint meetings and the celebration of various official days. Their focus is promoting development initiatives for women and children, the environment and human rights. The ISDE supports these local initiatives by strengthening the capacity and competence of grassroots NGOs.

The ISDE hopes that the activities will become self-sustaining in the near future, but continues the initiatives under the aegis of a federation comprising some of the groups organized by the ISDE in selected sub-districts in Bangladesh.

This new initiative is in the pilot-project stage in the Chakaria sub-district. The groups will pursue the ISDE's activities and the federation will represent the residents of the sub-districts. Moreover, the ISDE will provide technical support to manage the groups' activities and the groups will have decision-making authority at various levels.

The ISDE is helping to institutionalize this process. It is concluding an agreement and establishing procedures governing the management of the federation.

The federation will comprise grassroots organizations from various sub-districts, unions,

central authorities, and their representatives. A number of these organizations have been appointed to the General Committee of the NGO which is responsible for decision-making. This is a great achievement for the ISDE, since the poorest members can now contribute to the decision-making process. However, education levels, skills and solvency continue to pose problems. It is foreseen that technical support and proper training will ultimately make it possible to overcome these problems. Technical support will consist primarily in helping the groups to mobilize community residents.

The federation will reduce costs as well as consolidate a sustainable programme with effective local participation.

In the future, links should be established between local and national government services, the Grameen Bank and other financial institutions, NGO initiatives to develop farming and fishing, and the private sector.

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## Burkina Faso

### Summary

The case study focuses on the strategic alliances of three organizations. The **Fédération Nationale des Organisations Paysannes (FENOP)**, the **Union des Coopératives Agricoles Maraîchères du Burkina (UCOBAM)** and the **Conseil National des Professionnels Agricoles du Burkina (CNPA-B)**.

The Fédération Nationale des Organisations Paysannes was created by 359 farmers' organizations made up of cooperatives, federations, unions of groups, self-promotion associations, etc. which have recognized the importance of establishing a collective ability to represent themselves and engage in negotiations in order to develop within a new political and economic context

The Union des Coopératives Agricoles Maraîchères du Burkina is a federation of cooperatives that includes four regional cooperative unions and four grassroots cooperatives providing agricultural services. UCOBAM has unquestionably had a positive impact on agricultural and rural development.

The Conseil National des Professionnels Agricoles du Burkina, is a farmers' umbrella organization set up by producers' organizations. The CNPA-B provides an institutional framework to represent and defend the individual and collective interests of farmers' organizations. It is based on the shared vision of broadening economic monetarization and improving performance to enable greater market competitiveness and calls on the professionalization of producers and their organizations. Through the CNPA-B, producers are provided a forum for information exchange, discussion, analysis and assistance with strategic planning with regard to policies, legislation and rural development programmes.

Each of these organizations was created through a series of strategic alliances. However, each also maintains alliances individually with other organizations including the International Co-operative Alliance's Regional Office for West Africa (ICA ROWA).

In addition, a number of the above organizations have come together to create a strategic alliance which has resulted in the founding of an organization for joint action among umbrella organizations, the Cadre de Concertation des Organisations Faïtières (CCOF). The CCOF supports the strategy developed by farmers' organizations in order to participate effectively in national dialogue.

In Burkina, this new approach is a reflection of development progress and the changing role of stakeholders due to the emergence of new forms of farmer representation - umbrella organizations, frameworks for joint action, etc.

## **Fédération Nationale des Organisations Paysannes FENOP**

### **A. Introduction**

The Fédération Nationale des Organisations Paysannes was created in October 1996 by 359 farmers' organizations including cooperatives, cooperative and other farmers' federations, unions of groups, self-promotion associations, etc. These recognized the importance of establishing a collective ability to represent their interests and undertake negotiations in the new political and economic context. The aim of FENOP is to help farmers' organizations improve the status of farmers as citizens and assist in transforming the farming profession into a fulfilling, stable occupation.

FENOP takes action when farmers' organizations are unable or have a limited ability to act and provides them access to new outlets for expression. As FENOP is a federation established by farmers' organizations, it must respect the principle of subsidiarity along side the implementation of its mandate.

To fulfil its mandate, FENOP focuses on:

- › information and communications
- › training and organizational reinforcement
- › experimentation
- › quality control with regard to the factors of production
- › fact-finding missions
- › situational analyses

FENOP's structure is based on geographic regions and product chains. In each region activities pertaining to various product chains are negotiated and managed. Eleven structures exist for each product chain. The twofold structure extends from the regional level (the 45 provinces are grouped into six regions) to the national level. FENOP does not maintain structures at the village, departmental or provincial level, where the members (cooperatives, departmental and provincial unions, etc.) launch their own initiatives.

### **B. Strategic Alliances**

The founding of FENOP is the result of a strategic alliance among farmers' organizations. Its establishment was a result of the changing economic and political environment and the "Dédougou initiative".

From a political standpoint, farmers' organizations felt increasing pressure to assume new responsibilities under the Agricultural Sector Adjustment Programme (PASA) while experiencing the withdrawal of government and trade liberalization for certain products. Economically, the situation was aggravated by the devaluation of the CFA franc. Major sub-regional economic integration projects were taking shape against a backdrop of desperately precarious conditions for production - i.e. degradation of the environment, unpredictable precipitation, rising cost of inputs, etc. A number of farmers' bodies considered that individually they were no longer able to effectively deal with the challenges facing them.

At the same time, many of the apex organizations had already attained a level of growth that required them to engage strategic planning. One common conclusion was that the strengthening of structures was necessary and that reinforcing alliances and partnerships with

technical bodies and, in particular, other farmers' organizations was key to their future survival.

However, the Dédougou Initiative proved to be a catalyst for the founding of FENOP.

It began with a study on the farmers' movement commissioned by the international association "Six S" which was based on a participatory approach. Farmers were involved in the definition of the methodology of the study, sampling, and the establishment of an advisory group in which they were included as members. The study was efficiently implemented and included relevant analyses. It had included the participation of farmer members of the advisory group and thirty-four farmers' organizations in the provinces. Although this was not the first study to use a participatory approach, the findings reinforced the notion of the need and positive outputs that can result from farmers' organizations working together.

The participants of the study felt that the findings were relevant enough to share them with a broader group of farmers' organizations. They brought together the necessary technical and financial resources to hold a national farmers' meeting. In October 1994, 101 farmers' organizations (250 farmer delegates representing 30 provinces at the time) assembled in Dédougou.

The main discussion was on establishing a national body to represent farmers' organizations. The result was the establishment of a committee (Comité de Suivi des Recommandations de Dédougou CSRD) to implement follow-up and the appointment of provincial delegates to ensure communications between the provinces and the committee. This marked the beginning of a farmers' movement which was later referred to as the "Dédougou Initiative".

The Comité de Suivi des Recommandations de Dédougou adopted a three-step process to implement its mandate. First it examined in depth the major themes discussed at the meeting in Dédougou from the perspective of 11 sectors as well as from the provincial level. This enabled the committee to pinpoint the challenges faced by individual farmers' organizations and to decide whether a national apex or a sectoral body would better address them. As a second step it formulated proposals on the possible functions and organizational form of a national body. After two years, the committee called a second national farmers' meeting to discuss its proposals.

This second national meeting was also attended by 359 farmer delegates representing farmers' organizations from the 45 provinces of Burkina Faso. Participants defined the functions of a national body based on the farmers' concerns: namely training, information, representation, awareness building, mobilization of technical and financial resources, farmer exchanges, and the promotion of a farm identity. They also adopted an organizational form, statutes and internal by-laws and appointed a board of directors made up of 61 members, i.e. 45 provincial representatives and 16 sectoral representatives. Participants also adopted a transitional programme for the take over of the Board from the CSRD.

The general meeting also defined the broad outlines of an action plan focusing on 11 institutional and operational priority issues namely

- › **Institutional:** representation, legitimacy of farmers' organizations, legislative and regulatory framework, identity of farmers' organizations, organizational strengthening of farmers' organizations, agricultural and land reform;
- › **Operational:** food safety, environment, promotion of women, economic function linked to production, funding the initiatives of farmers' organizations, and economic

management of farm operations.

The alliance created with the founding of FENOP continues to be successful. By conducting studies and analysis, it has been able to define joint strategies to improve technical performance and competitiveness. Its economic studies have also provided cooperatives with negotiating tools and have enabled FENOP to position itself with regard to market supply.

Below are three successful activities made possible by this strategic alliance:

**Rice:** A FENOP study conducted on 38 rice paddies accounting for over 70% of domestic production showed that production costs ranged from 112 CFAF to 116 CFAF per kg of paddy rice. It also showed that the organization which collected and processed over 90% of domestic production, the Société Nationale de Collecte de Riz (SONACOR), only paid producers 105 CFAF per kilo. Producers were thus selling their crops at a loss.

FENOP invited SONACOR to discuss the results of its study with the aim of improving the purchasing price for farmers by 20 CFAF per kg. The difficult negotiations lasted over three months. Rice producers demonstrated their solidarity by blocking deliveries and obliging SONACOR to re-negotiate to find a mutually acceptable solution.

The rice producers recognizing that they also lacked resources (e.g. working capital to purchase fertilizer, warehouses to store the produce and working capital to cover producers' minimum needs until negotiations were completed) accepted a compromise. This was a discount of 1 CFAF per kg to the cooperative, the adoption of single weighing (at the cooperative) for billing purposes, and that SONACOR would cover the cost of packaging (approximately 10 CFAF per kg).

Since this initiative, a genuine partnership characterized by regular collaboration has developed between SONACOR, the rice growers and FENOP. For example, SONACOR shared information and documents with FENOP on the proposed liberalization of rice production initiated by the government in conjunction with PASA<sup>6</sup> prior to FENOP's receiving an invitation to participate in a steering committee to elaborate a plan for the liberalization of the rice market. Today, the government is seeking to liquidate SONACOR as part of its privatization campaign. The plant is closed and the action plans drawn up have yet to be implemented.

**Cotton:** During the 1996-1997 growing season, heavy parasitic infestations of cotton crops caused losses estimated at over 25% of the harvest. SOFITEX, a cotton marketing company, accused producers of improperly following the instructions for applying the pesticides that it distributed. Producers accused SOFITEX of providing them with poor quality products.

With FENOP's support, producers' unions were able to mount an information campaign, which brought the problem to the attention of the media. Awareness was raised on pesticide use. This led to a debate in the Legislative Assembly, which resulted in the sharing of responsibility and losses. Government appropriations for pesticides were also reduced.

**Fruit & Vegetables:** Studies conducted by FENOP encouraged producer cooperatives and associations to mobilize in order to negotiate new forms of partnerships with fruit and vegetable exporting companies for their green bean production. Although these negotiations were initially contentious, gradually a true partnership emerged between producers and the

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<sup>6</sup> Agricultural Sector Adjustment Programme (PASA)

export companies based on the common interest of properly positioning domestic production on the European market.

By giving producer cooperatives, unions and associations the ability to strengthen their strategic capacity and develop bargaining power (through training and access to economic, social and political information, etc), FENOP has enabled them to participate in national and local debates. The expertise of farmers' organization is gradually being recognized, enabling farmers to be accepted as stakeholders with a crucial role to play in rural development.

Through FENOP, farmers' organizations are invited by various government departments responsible for rural development to participate in the elaboration of farm-development policies and programmes. At the local level, FENOP's member producer cooperatives, unions and associations are invited to consultations and decision-making meetings concerning local development initiatives as well as to official events.

## ***Union des Coopératives Agricoles Maraîchères du Burkina UCOBAM***

### **A. Introduction**

UCOBAM is a federation of four regional cooperative unions and four cooperatives which regroup over forty grassroots cooperatives, each having between 50 and 900 members. From a legal standpoint, UCOBAM is a cooperative enterprise governed by private law and enjoys legal and financial autonomy.

In addition to the founding members<sup>7</sup>, several bodies collaborate with it as users including: Périmètre maraîcher de SONG NAABA/KAYA (PMSK), Groupement maraîcher de Konkin II/KAYA, Groupement maraîcher de Konkin III/KAYA, Groupement féminin maraîcher de Koupéla/KORSIMORO, and the Groupement féminin maraîcher de Foula/KORSIMORO.

The organization and operation of UCOBAM is undertaken on three levels: grassroots cooperatives, regional cooperative unions and UCOBAM as the umbrella organization. Regardless of the hierarchical level, the cooperative structure operates according to the same principles. Each also has the following structure: members / general assembly / board of directors / management team.

UCOBAM provides services to its members based on their expressed needs. It provides support for production, the supply of inputs, product marketing, consulting services, training and cooperative education.

**Support for production:** Support is provided in the form of exchanges and periodic cooperation activities. In June and July, members and other cooperatives submit to UCOBAM their anticipated fruit and vegetable production figures. UCOBAM analyses the figures in

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<sup>7</sup> Union Régionale des Coopératives Agricoles et Maraîchères de Ouagadougou (URCAMO)  
Union Régionale des Coopératives Maraîchères du Yatenga (URCAMY)  
Union Régionale des Coopératives Agricoles de Bobo (URCABO)  
Union Régionale des Coopératives Agricoles et Maraîchères de Koudougou (URCOAMAKOU) (dormant)  
Société des Coopératives du lac Bam (SCOOBAM)  
Coopérative Maraîchère de Kongoussi (COOMAKO)  
Coopérative Maraîchère de Bourzanga (COOMABO)  
Société des Coopératives Maraîchères de Guiédougou (SOCOMAG)

light of the market, makes the necessary adjustments and then verifies the forecasts with each cooperative or other body. UCOBAM then assists various bodies organize production through visits to small-scale market-gardening areas and the inspection of irrigation equipment, the detection of breakdowns, the establishment of dates and procedures for inspecting and repairing equipment, e.g. motor-driven pumps, irrigation networks, etc. The result is joint planning for the planting and harvesting of crops that are to be delivered to UCOBAM. Beneficiaries are not billed for this support.

**Support for the supply of inputs:** UCOBAM purchases inputs in bulk to reduce costs to its members and users. It delivers inputs based on jointly established planning figures. No cash payment is made for the inputs at the time of delivery, rather accounts are settled after the cooperative delivers its crops.<sup>8</sup>

**Marketing support:** UCOBAM markets either the crops or products which it processes from the crops on behalf of the cooperatives. It has a refrigerated storage facility (10,000 m<sup>3</sup>) and a fruit and vegetable processing unit (canning and jam production line).

**Support for training, cooperative education and monitoring of production:** Training and the development of a cooperative culture are seen as key to the success or failure of the UCOBAM network. It has therefore established a network of trainers in a number of unions and grassroots cooperatives. The activities of the trainers provided are made possible through the support of donor agencies, e.g. ILO/ACOPAM<sup>9</sup>, CECI<sup>10</sup>, ICA<sup>11</sup>, and CDI Montréal. Throughout the farming year, UCOBAM also ensures technical follow-up for crops and support for the supervisors and processors of cooperatives, regional unions and users. With the board of directors' authorization, it offers supervision to grassroots cooperatives and regional unions that lack this capacity.

## **B. Strategic Alliances**

UCOBAM is an organization that resulted from a strategic alliance of cooperatives. It was formed to address the problems in supply, distribution and sale, storage and marketing of crops resulting from governmental and donor development programmes in vegetable growing.

UCOBAM provides directly or indirectly (a) support activities in crop production, storage and marketing; (b) equipment and agro-output for their farming operations; (c) cooperative training and education for members and supervisors; and (d) credit guarantees or grants credit.

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<sup>8</sup> **Pricing:** UCOBAM's management team proposes to the board of directors a range of purchasing prices that reflects cost studies and market trends for each crops that will be marketed. The board of directors submits a price to the general assembly, which is the forum where the price that each cooperative will be paid for each crop is set. Each cooperative is free to set the purchase price of crops with its members and users.

**Payment for crops:** UCOBAM maintains trade accounts receivable and trade accounts payable for each member. Crops activate the trade accounts payable while services rendered and invoiced (input supply and transportation of goods) are recorded in trade accounts receivable. The reconciliation of both accounts at the end of the farming year produces the balance. Payments to the cooperatives are made on this basis. Members are allowed partial settlements through a series of instalments throughout the farming year to enable them to handle operating costs.

<sup>9</sup> The International Labour Office's ILO ACOPAM Programme is an instrument aimed at poverty alleviation.

<sup>10</sup> Centre Canadien d'étude et de coopération internationale (CECI)

<sup>11</sup> International Co-operative Alliance (ICA)

The successfulness of the alliance is reflected in its over 30 years of fruit and vegetable production, processing and marketing expertise and by the fact that it is considered a model for organizing and marketing fruit and vegetables and is asked to sharing its history and experience with other organizations. Its success can also be seen by its outreach. It is a network of producers organized through grassroots bodies that are found throughout the country.

However, the alliance faces challenges due to inadequate management, insufficient financial resources, the illiteracy of producers, and insufficient training and cooperative education. In addition, UCOBAM has begun losing members due to diversification. UCOBAM's major crop is the green bean which is now facing strong competition both national and regionally. This has resulted in a reduction of UCOBAM's market share. New consumer demands concerning the quality of green beans are also contributing to reduced demand and this to the advantage of other countries that experience fewer problems with airfreight.

What has been the impact of the strategic alliance?

UCOBAM has 5,000 members but its activities affect roughly 30,000 producers. In each farming year UCOBAM distributes nearly 5 million CFAF in cash income to its members, contributes to local farm consumption of green beans (250 tonnes), and benefits enterprises that rely on the growing of green beans<sup>12</sup>, as well as the development of surface trash (green bean plants, 25,000 F/ha). In addition, farming has intensified as agricultural land is now being used for at least two crops per year - one during the dry season (vegetable growing) and the other during the winter (food crops). Yields for food crops have increased by nearly 20% through the residual effect of the fertilizers used for vegetables.

In addition, the partnership between cooperatives has had other impacts on agricultural and rural development including the following:

- › Migration was reduced as workers remain in their regions during the dry season - October to April - to engage in market gardening.
- › Economic activities are more developed in horticultural zones than in others areas.
- › Cash revenues are distributed.
- › Farm income has increased due to the increased volume of farm operations and the technologies used (ploughing with tractors, animals, the use of certified seed, etc.)
- › Local diets have been diversified in terms of quantity and quality.
- › Food safety has been enhanced (availability, accessibility and safety).
- › Poverty has been reduced through the creation of jobs.
- › People are better organized through cooperatives, groups or product chains so as to defend their interests.

## ***Conseil National des Professionnels Agricoles du Burkina CNPA-B***

### **A. Introduction**

Headquartered in Ouagadougou, the Conseil National des Professionnels Agricoles du Burkina is a farmers' umbrella organization established by producer organizations. It is secular, apolitical and non-segregationist.

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<sup>12</sup> Corn and carrots account for 4% and 8% of the cash income mentioned.

The Conseil's founding marked the outcome of a lengthy process. The idea of establishing a national farmers' organization was launched in 1988. In the 1990s, the idea gained the support of farmers' organizations such as the Naam groups and UCOBAM. During a workshop held in 1995, farmers showed sufficiently strong and broad support that a statutory meeting was called in July 1997. This led to the establishment of the CNPA-B.

CNPA-B represents and defends the individual and collective interests of farmers' organizations. Its objective is to improve living conditions and income generating abilities for its members. Its members are legal entities that encompass the entire range of farmers' organizations. Activities with its members and other stakeholders are based on the principles of participation and accountability. Through the CNPA-B, producers exchange information, evaluate and analyze their key concerns and adopt strategies on policy, legislation and rural development programmes. In addition, CNPA-B contributes to promoting the farming profession through specialization and strengthening the strategic and operational capacity of grassroots producers' organizations. It fosters cooperation between producers' organizations, e.g. regular transfer of technology and know-how; assistance in establishing an institutional framework to enhance the quality of producers' organizations and broadens their power to exert influence on all relevant decision-making levels.

The organization has had to take over functions for which the government was formerly responsible. In particular, it now provides its members with information and training to strengthen their capacities and with production-marketing-supply services and research. It also offers them support and advice by mobilizing expertise when requested.

To implement its objectives, CNPA-B has adopted a three-year training plan (2000-2002) to strengthen producers' strategic and operational capacities based on an assessment conducted in the provinces. It also has approved five pilot action plans, i.e. three-year action plans to be carried out in the provinces. In addition, CNPA-B implements a women's programme to promote the development of rural women<sup>13</sup>, and a five-year national action plan. The action plan is the result of a lengthy process of collaboration at several levels, i.e. village, departmental, provincial and national. It outlines 57 actions to be taken on institutional, political and economic issues as well as the promotion of women to improve the livelihoods of its members..

## ***International Co-operative Alliance Regional Office for West Africa ICA ROWA***

### **A. Introduction**

The International Co-operative Alliance (ICA) is an international non-governmental organization which unites, represents and serves cooperatives worldwide. It has regional offices for Africa, the Americas, Asia and the Pacific and Europe. The ICA Regional Office for West Africa ROWA<sup>14</sup> brings together ICA member organizations in the regions and collaborates with a series of partners to implement activities.

In Burkina Faso, ROWA works with UCOBAM<sup>15</sup>, the URC-BAM (savings and credit movement), and women's groups from Tanlili, Manegré, Songtaba, Kossodo and

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<sup>13</sup> Women's organizations account for 32% of the membership of CNPA-B.

<sup>14</sup> ICA ROWA is also known as Bureau régional d'Afrique de l'Ouest (BRAO).

<sup>15</sup> Union des Coopératives Agricoles Maraîchères du Burkina UCOBAM

Manégbzanga. ROWA provides support for these organizations by undertaking activities in training, education, institutional development, seminars, information exchanges, the production of training manuals, income-generating activities, and micro-credit activities.

The system of collaboration is simple. The cooperative or group (a direct or indirect member of the ICA) submits a request to ROWA in the form of a project proposal, which specifies the objectives, approach, anticipated impact, budget, and timetable. ICA ROWA analyzes the request and, based on the priorities established by its members, determines if the project can be integrated into its plan of work and if funding is available or can be sought. Once approved, a memorandum of understanding is signed and funding is released. Progress, technical and financial reports are submitted based on the terms of the memorandum of understanding.

Many of the activities supported by ROWA such as fact-finding missions, become the basis for future strategic alliances. For example strategic alliances have been formed between organizations involved in the priority areas of work of ROWA – poverty alleviation, institution building and inter-cooperative collaboration.

## **B. Strategic Alliances**

In 1988, ICA ROWA provided support to pre-cooperatives in village of Tanlili to purchase a millet mill and a committee to manage its operations. This support was made available through a poverty alleviation programme. The income generated by the mill enabled the village to build community infrastructure including a school, a teacher's residence, and supply stores. Despite its isolation, the village's development was quickly recognized as a model for rural development. Today it regroups 35 groups located in 21 villages to form the Union Namanegbazanga des Groupements Villageois de Tanlili (UNGVT) to offer services to its members.

UNGVT has now requested support from ROWA to replicate the experience of Tanlili in Kossodo. After completing a feasibility study, a memorandum of understanding was signed, funds transferred and the project began. The Union contributed 10% of the project funding. The mill serves approximately 150 women in the Kossodo village women's group and neighbouring villages. It has resulted in increased participation of women in the groups' economic, educational and social activities by reducing the time spent grinding millet.

The support provided to women's and men's groups in the Tanlili region has led to the creation of a regional union, which acts as an intermediary between its members and their partners in development projects.

ICA ROWA also implements an institution-building programme, of which UCOBAM has been a beneficiary. Following the recent restructuring of the Union, ICA ROWA provided support to enable one of the UCOBAM's managers to participate in a 12-day retraining seminar on cooperative organization and management organized by the Institut du Développement Rural at the Université de Ouagadougou.

ICA ROWA has also been promoting inter-cooperative collaboration within the region, establishing the preconditions for strategic alliances to be formed. Inter-cooperative collaboration is defined in the widest sense including fact-finding missions, exchanges of experience, trade, etc.

Collaboration was also initiated between the ICA ROWA, the Fédération Nationale des Coopératives de Consommation du Cap Vert (FENACCOOP), cooperatives in Senegal and

OXFAM Belgium as part of a feasibility study on the establishment of consumer cooperatives in Burkina Faso, Ligue des Consommateurs du Burkina Faso. ROWA provided support for a one-week fact-finding mission to visited consumer cooperatives and initiate contacts.

### **Cadre de Concertation des Organisations Faïtières CCOF**

A number of farmers' umbrella organizations (FENOP<sup>16</sup>, CNPA-B<sup>17</sup>, UNJPA-B<sup>18</sup>) founded the Cadre de Concertation des Organisations Faïtières or CCOF to undertake joint activities. CCOF promotes the effective participation of farmers' organizations in national dialogue. Through CCOF, farmers' organizations in Burkina Faso have collectively managed to elaborate and implement the national programme for the development of agricultural services (Programme National de Développement des Services Agricoles PNDSA).

This cooperation is essential for the development of sustainable farming. Stakeholder input into local and national debate will be required if the policies of trade liberalization, decentralization and integration are to be beneficial. However, this approach is new and ill suited to certain groups of stakeholders, particularly to government, which sees participation as infringing on issues dealing with finance and power. In order to take advantage of the new approach, farmers' organizations must strengthen their strategic capacities through training, information and communication so that they can effectively negotiate and contribute to local rural development initiatives.

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<sup>16</sup> Fédération Nationale des Organisations Paysannes (FENOP)

<sup>17</sup> Conseil National des Professionnels Agricoles du Burkina (CNPA-B)

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NOTE : *In light of their fairly recent establishment, UCOBAM users do not have their own addresses for the time being and receive their mail through UCOBAM.*



## Kenya

### Summary

The case study focused on the strategic alliances of four organizations - **Cooperative Bank of Kenya Ltd (CBK)**, the **Cooperative Insurance Company of Kenya Ltd. (CICK)**, the **International Co-operative Alliance ICA Regional Office for East, Central and Southern Africa (ICA ROECSA)** and the **Kenya National Farmers' Union (KNFU)**. Fourteen other organizational links were identified from these four organizations.

In 1992 the Kenyan government's liberalization policy came into effect under the structural adjustment programme. As a consequence government began withdrawing its support to / involvement with cooperatives and other civil societies with the result that many organizations face financial difficulties. Many organizations are now beginning to view the formation of strategic alliances as a prerequisite for survival and prosperity, for all membership-based organizations require savings and capital to grow.

The development of strategic alliances in the private sector is a recent trend in Kenya, but the trend has not fully caught on in the cooperative movement. However, it is expected that with the onset of further liberalization in the cooperative movement the concept of strategic alliances will be welcomed as a means of ensuring economic survival and prosperity.<sup>19</sup>

Strategic alliances provide the opportunity for organizations to gain resources, experiences and new networks, thus the ability to increase their management efficiency and the quality of services they provide to their members or customers. The benefit from participating in strategic alliances is the circulation of resources within the cooperative movement, thus creating a multiplier effect in terms of growth.<sup>20</sup> However, strategic alliances require effort on

<sup>19</sup> Nelson C. Kuria of the Cooperative Insurance Company of Kenya (CICK).

<sup>20</sup> Ibid.

the parts of the stakeholders to ensure that problems of management and organizational differences are dealt with in a manner that utilizes the different strengths of the players – "...forming alliances is easy, but sustaining them is the difficult part of the process..."<sup>21</sup>

Until recently, the government's involvement and control in the economy has been very high. Therefore, the processes of globalization and the liberalization of markets have to a large extent influenced the trend in strategic alliances. This high-level of government involvement especially within the cooperatives has led to what some have labelled "a dependency syndrome", thus delaying the full adoption of commercial orientation by the cooperatives. The prospects for overcoming the obstacles to forming alliances are good since strategic alliances within the cooperatives can result in more financially secure cooperatives.

### ***The Cooperative Bank of Kenya Ltd. CBK***

#### **A. Introduction**

The Cooperative Bank of Kenya opened in 1968. Its premise was that the savings of cooperative members should be used and invested in their own sector. Today, the bank offers banking services to both the cooperative and corporate sectors. However, given the bank's background, its core customer and major business focus continues to be the cooperative sector. Since its inception over twenty years ago, the bank profits have steadily increased.<sup>22</sup>

#### **B. Strategic Alliances**

The bank does not identify itself as having any strategic alliances with any organizations.

The CBK states,

“The bank does not have strategic alliances with any organization. The bank transacts business with customers, from all segments so long as the business is legitimate and conforms to the bank's ethical policy”

However, the Cooperative Insurance Company of Kenya CICK reports that there is an agreement and an economic alliance between the two organizations. The alliance is in the form of mutual gains from economies of scale and in an enlarged customer base. The insurance company insures the bank and offers its employees reduced premiums, thus CICK benefits from a larger portfolio. In return, the bank receives the monetary deposits of the insurance company. Thus, both organizations are the recipients of an increased base of contacts and customer outreach.

### ***Cooperative Insurance Company of Kenya Ltd. CICK***

#### **A. Introduction**

CICK is aware of the need and importance of strategic alliances as a means of ensuring their "survival and prosperity" in an ever changing economic environment. In fact, their strategic plan for 1999-2003 identified the development of strategic alliances as one of the key strategic issues that needed to be addressed. CICK already has some alliances and the senior

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<sup>21</sup> Mercy Karanja of the Kenya National Farmers Union (KNFU).

<sup>22</sup> KenyaWeb – <http://www.kenyaweb.com/economy/cooperat/index.html>

management in CICK is currently exploring the possibilities of strengthening their existing alliances as well as developing new alliances and collaborative ventures.

Currently, the insurance company's strategic alliances are with farmer-based marketing cooperative societies, rural savings and credit societies, and urban saving and credit societies. The objective of these strategic alliances with cooperative unions, and savings and credit societies is to benefit from economies of scale and to enlarge the customer base and outreach to potential new customers. The cooperative unions, savings and credit unions (i.e. CICK's partners) act as insurance agents in obtaining insurance business.

## **B. Strategic Alliances**

As CICK regards strategic alliances as a means of ensuring their economic survival and future prosperity, they have formed an alliance with the Cooperative Bank of Kenya (CBK). As noted above CICK insures CBK and offers special premium rates to the Bank's employees. This strategic alliance was an initiative of both institutions on the realization of the potential benefits arising from collaboration. The alliance began over 15 years ago and continues today. The continuing alliance is mutually beneficial - CBK benefits by receiving significant amounts of deposits from CICK and CICK benefits from the Bank's large insurance portfolio.

CICK has also formed strategic alliances with seven other organizations, namely:

- › Embu Farmers SACCO Society Ltd. - Insurance Agency
- › Kirinyaga District Cooperative Union
- › Machakos District Cooperative Union - Insurance Agency
- › Meru Central Farmers Cooperative Union - Insurance Agency
- › Mugama Cooperative Union - Insurance Agency
- › Murata Farmers SACCO Society Ltd. - Insurance Agency
- › Nyeri District Cooperative Union - Insurance Agency

The aim of these alliances is to increase outreach and networking capabilities to potential new customers. CICK benefits by achieving economies of scale and increased customer loyalty while the cooperative insurance agencies benefit by earning commission.

Given that the most rapid increase in cooperative development today is in the formation of savings and credit cooperatives or SACCOs<sup>23</sup>, CICK has approached SACCOs to encourage them to start "premium financing" for their affiliates and members. The objective behind the concept of "premium financing" is to help the marketing cooperatives dealing with cash crops, which at times find themselves without any disposable cash, to pay for their insurance premiums. With premium financing, the rural savings and credit societies are able to assist marketing cooperatives with short-term advances (loans). This enables farmers to meet their insurance premium payments. CICK benefits from this arrangement by receiving up-front collection of premiums, while the savings and credit cooperatives benefit from the interest earned from advances in premium financing.

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<sup>23</sup> KenyaWeb – <http://www.kenyaweb.com/economy/cooperat/index.html>

## **International Co-operative Alliance, Regional Office for East, Central and Southern Africa ICA ROECSA**

### **A. Introduction**

The ICA regional office serves ICA member organizations in East, Central and Southern African. It is based in Kenya. The ICA's main alliances and activities are with cooperative organizations, particularly with those that are members of the ICA. However, the ICA also works with organizations that are not members, but who share similar interests and values to those of cooperatives. These organizations include government, farmers' organizations and other civil society organizations. The activities and alliances undertaken by the ICA generally take the form of joint legislative and policy dialogue, as well as studies, research and programme implementation.

### **B. Strategic Alliances**

The ICA maintains alliances with the Cooperative Bank of Kenya Ltd., Cooperative College of Kenya, Cooperative Insurance Company of Kenya Ltd. and the Kenya National Federation of Cooperatives. It regards the main benefit of collaborating and forming alliances as increasing their combined networking capacity. In practical terms, this means that partners are able to share experiences and resources, as well as develop new ideas that result in the ability to project a greater united voice for their shared interests and issues.

The main challenge ICA faces with regard to running a successful collaboration programme arises from the differences in organizational styles, missions and the perceived roles of partners. Practical problems related to decision-making and operating procedures are also often a challenge. However, many synergies are possible largely because the target groups can be involved in a more harmonized and participatory approach. Each of the partners in an alliance has unique strengths that they can contribute to the partnership, thus enhancing the alliance's abilities and resources.

## **Kenya National Farmers Union KNFU**

### **A. Introduction**

The Kenya National Farmers Union was formed in 1947 mainly by and for large-scale European farmers. After Kenyan independence in 1963, small-scale farmers were also able to join the Union. The role of the Union, prior to the government's liberalization policy in 1992, was to lobby the government for services, tax deductions and better prices for agricultural produce. These activities were especially important at the time since the government was the only buyer for the farmers' produce.

KNFU participates in fairly long-standing alliances. As KNFU is one of the oldest farmers' organizations in the country, it is difficult to know exactly when its alliances and collaborations were established. Alliances have been formed with the Kenya Agricultural Commodity Exchange, Kenya Farmers' Association, Kenya National Federation of Cooperatives, Kenya Planters' Cooperative Union and Uganda National Farmers' Association.

## **B. Strategic Alliances**

### **1. Kenya Agricultural Commodity Exchange**

KNFU formed a strategic alliance with the Kenya Agricultural Commodity Exchange in 1997, the year that the exchange was established. At its formation, the board of the commodity exchange recognized that an alliance with the KNFU was important to ensure that farmers learn about the Commodity Exchange. The alliance is based on KNFU's ability, through its resources and contact network, to inform farmers about the commodity exchange and its benefits. In return, KNFU was offered a position on the Board of the Commodity Exchange. Through the partnership, KNFU is able access information on market trends and provide sound advice to their members.

### **2. Kenya Farmers' Association**

The Kenya Farmers' Association was formed in the 1950s to secure inputs for farmers. Given that input supply was a complementary function to those undertaken by KNFU, a strategic alliance was formed. KFA secures inputs and receives credit facilities for KNFU's members. An added benefit of having an alliance based on complimentary services is that together the networks reach nearly the entire farming community. According to KNFU, this was one of the most successful alliances as farmers benefit by having access to credit and KNFU increases its membership. However, with the Kenyan governments no longer able to subsidize KFA with favourable rates and funds, the KFA is no longer in a position to supply strong credit inputs. Collaboration between the two organizations continues today, with KNFU assisting KFA to restructure and obtain financial assistance.

### **3. Kenya National Federation of Cooperatives KNFC**

The KNFC was formed in 1964 as a national umbrella organization for cooperatives in Kenya. Under the encouragement and support of the Kenyan government the cooperative movement was very strong during the 1970s. It is believed that the alliance between the KNFU and the KNFC was also formed during this period. The collaboration between KNFU as the lobby group for pricing and KNFC enabled KNFU to increase its contacts with grassroots cooperatives across Kenya. KNFU and the KNFC continue to work together to support training in such areas as management, book keeping and local level inputs, and attend joint meetings on issues such as settling price disputes and input acquisitions, despite KNFU's current assessment of the cooperative situation in Kenya – i.e. that cooperatives are dissolving.

An example of the types of activities undertaken jointly can be traced back to 1995 when KNFU and KNFC were among the organization that participated in a national workshop on "Linkages between Farmers' Organizations, Agricultural Research and Extension".<sup>24</sup> The purpose of the workshop was to promote closer working links between farmers' organizations, agricultural research and extension institutions. Emphasis was placed on the fact that better linkages would bring greater benefits by ensuring that research results reached all farmers and, that farmers' needs were reflected in the research priorities. The outcome of the workshop was the acknowledgement that linkages between organizations were needed. A Steering Committee for Interaction between Farmers' Organizations, Research and Extension was established in which both KNFU and KNFC participated.

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<sup>24</sup> Other participants included: KGGCU, KCC, KARI, Ministry of Extension, observers from the World Food Programme and resource persons from the International Federation of Agricultural Producers and ISNAR.

KNFU and KNFC also worked together to lobby the Kenyan government to discontinue monopoly farm produce purchasing, and to respect the autonomy of farmers' organizations. The impact of government intervention in farmers' organizations led to high overhead/administration costs and low returns to farmers from the sale of their produce. KNFU and KNFC called for the liberalization of farm products.

#### **4. Kenya Planters' Cooperative Union Ltd.**

KNFU also maintains a strategic alliance with the Kenya Planters' Cooperative Union, a marketing union for coffee. The alliance enables KNFU to widely promote issues that affect coffee farmers especially pricing and expand KNFU's network of contacts.

#### **5. Uganda National Farmers' Association UNFA**

KNFU also maintains an alliance with the Uganda National Farmers' Association UNFA. The alliance was formed in 1995 when a number of Ugandan farmers visited KNFU to learn about the organization and its management in order to form their own farmers' organization. A memorandum of understanding was signed in 1995/96 in which the organizations agreed to work together for the common good of their farmers. As a result of the alliance, KNFU was able to finance the visits of Ugandan farmers to Kenya, provide assistance for networking with Kenyan farmers, and participate in workshops for information exchange. The Kenyan farmers were provided with access to similar arrangements by UNFA. The KNFU regards the alliance with UNFA as a successful one for both countries and organizations have benefited by reciprocal country visits and information and learning exchanges. The friendship between the leaders of the two organizations has moved beyond official ties and this progression is regarded by KNFU as a positive and advantageous opportunity to learn more about each country. Currently, KNFU and UNFA are in the process of forming an East African Alliance, an important step towards forming a stronger alliance between the organizations.

KNFU has recognized that forming alliances is easy. Sustaining alliances is more difficult as it requires both human and finances resources. To assist in maintaining strong alliances, it recently formed "commodity groups" which will attempt to include members from each organization, so as to ensure that all sectors are heard and have the chance to contribute their views and suggestions. This change in collaboration is welcomed, and the organizations have expressed their enthusiasm to work together. The aim is that organizations working with farmers work more closely together so as to better able to share goals and assistance in achieving better livelihoods.

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## The Philippines

### Summary

The case study of strategic alliances in the Philippines focuses on five organizations: the **Coconut Industry Reform Movement COIR**, **Federation of Free Farmers FFF**, **National Confederation of Cooperatives NATCCO**, **National Federation of Peasant Organizations PAKISAMA**, and the **Peoples' Campaign for Agrarian Reform Network AR Now**. Linkages to fifteen other organizations from the five selected organizations were identified.

It is interesting to note that many organizations in the Philippines are the result of previous strategic alliances. These organizations have in turn forged new alliances with other members of civil society. The case studies show that many organizations enter into alliances to increase the reach of their networks, to protect/promote their own interests within the political environment affecting cooperatives, peasant organizations and other aspects of civil society, and/or to access financial assistance to improve and deliver services to their members

NATCCO reports that in some cases, organizations enter into alliances to ensure that their

organization is “not left behind if something good comes out of the coalition”. However, as alliances are made over time, and conditions change, alliances too can remain strong or weaken and later cease to exist.

The case study shows that participating in alliances and collaborating with other organizations leads to increased efficiency, resources and knowledge. Strategic alliances also provide a means for organizations to influence their environment. However, maintaining strong alliances requires resources and entails a certain amount of risk. The impact of the alliances is not always clear and immediate.

The case study also allows us to conclude that partner organizations should have a common understanding and reach common conclusions on the situation with which they are faced. They must have common objectives, mutually agreed methods and plans of action for achieving these objectives. This can be difficult when organizations differ greatly in their operational methods and agendas. Therefore, it is important to find consensus, to be transparent and accountable, especially with regard to finance. Terms of engagement or memoranda of understanding should be drafted to set out principles and guidelines for working together.

A major challenge to maintaining strategic alliances in the Philippines emanate from the fact that there is a tendency for organizations to compete with each other for the limited financial and technical resources available. Competition for funds tends to bring out the survival instinct of each individual organization. As a result problems at the institutional level arise. Internal power structures need to be carefully worked out, and a fair consensus and understanding is required for maintaining strong strategic alliances. Another challenge identified is the lack of awareness among peasants with regard to their importance in society and their potential to contribute to national economic, social and political development. Highlighting concrete examples of mutual collaboration and mutual advantage may help in addressing this challenge.

## ***Coconut Industry Reform Movement Inc. COIR***

### **A. Introduction**

COIR, registered in 1993, is a movement of three national peasant organizations and six NGOs that works toward the revitalization of the coconut industry. COIR envisions a coconut industry that is dynamic and can contribute to national development. Its mandate therefore, is to advocate for political and technological development and capacity building. COIR has maintained links and networks with its member peasant organizations and NGOs as well as with other members of civil society - other NGOs, the church, academia and the science and technology community. COIR's current programme focuses on recovering funds collected through a coconut levy to support small coconut farmers and farm workers, bringing to an end the massive cutting of coconut trees, and advocating agrarian reform for coconut land.

### **B. Strategic Alliances**

COIR is a coalition itself, but strives to collaborate with other organizations. It recognizes that the scope of the Philippine coconut industry cannot be addressed by one organization alone. A statement in COIR's 1998 year-end report illustrates this;

"COIR must not only widen its own reach and broaden its own network. As catalyst for reforms, it should encourage as well the emergence of new players in the coconut reform movement and the broadening of networks other than its own, especially at the local level."

Recently, COIR promoted the formation of autonomous local coalitions in Laguna, Bohol, Davao Oriental and Zamboanga del Norte. Response to the local coalition has been positive and in Davao Oriental it has reached 37 community organizations. The goal for the next eighteen months is to assist these local coalitions in setting up basic operational systems. Opportunities for initiating similar coalitions in neighbouring provinces will also be examined at a later date.

One of the issues addressed by COIR is the coconut levy. This is a highly political issue. Through advocacy and efforts in the media, the public's awareness of the coconut levy issue has been greatly increased to the benefit of COIR. COIR alliances with members has helped to achieve this success by using their networks to raise awareness. Members acted as "multipliers".

The fact that COIR is the result of an alliance with a number of organizations and has itself formed new alliances, proves the positive effect of advocacy. "In the public's eye, the convergence of diverse groups is definitely better taken than any individual group alone."<sup>25</sup> Besides benefiting from presenting a single strong united voice, alliances have given COIR expertise that it might not previously have had. With the addition of legal and paralegal groups into the coalition, COIR is better able to deal with the executive and legislative departments of the government.

However, COIR has experienced a number of challenges including the conflicting political agenda of its various coalition members. This was the case in 1997 when a few organizations left the alliance. Another challenge stems from the very nature of the alliance. Alliances take more time because of the need to build consensus. The longer decision-making process requires more financial resources to ensure that all stakeholders have an equal opportunity to express their views and concerns.

COIR concludes the following about the formation and maintenance of strategic alliances:

- Maintaining strong alliances is time consuming, as it requires that members be given the opportunity to speak and listen prior to taking consensus decisions
- Members of an alliance need to remember that an alliance and its projects are a joint undertaking.
- Transparency in management and communications is a must. COIR holds regular board meetings every two months.
- Internal rules and procedures should be agreed upon, documented and presented to all members, thus allowing them to situate themselves in the alliance. The participants, while representing their own organization's interests, should remember to put their organization in the alliance's framework - unity in diversity.
- Accurate documentation of the work undertaken and details on operations are necessary. All stakeholders must be informed about the situation to allow them the opportunity to

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<sup>25</sup> Jose Marie T. Faustino, Executive Director, COIR

quickly point out any discrepancy.

- › Most importantly, even if the alliance is successful, reforms cannot be achieved alone. The need to cooperate with other members of civil society remains great.

## **Federation of Free Farmers FFF**

### **A. Introduction**

The Federation of Free Farmers was established in 1953 to organize and improve the welfare of small-scale farmers and rural workers. FFF is a national peasant organization, which has a number of links to national and local organizations.

By acting together with other organizations, the Federation of Free Farmers has been able to secure funds from government agencies and institutions that extend services to farmers and the rural population. The alliances formed increase the strength of FFF's voice and the voice of its partners. They ensure sound representation in congressional hearings and in other government forums. One of the benefits of a strategic alliance is the expertise the organizations bring into the relationship. Skills are brought by each partner to enhance member services and the strengths of some organizations fill the weaknesses or gaps in knowledge and technical abilities. One such example is the expertise of research skills the Philippine Peasant Institute PPI brought to the relationship with FFF. Aside from the benefit of shared knowledge and skills, the area of effectiveness can also be expanded through an appropriate division of labour. One of the greatest benefits FFF has so far derived from its alliances is the success of the ABA (the Coalition for Cooperation among Farmers, Farmworkers and Fisherfolk) in the national elections, as well as an expanded network.

### **B. Strategic Alliances**

#### **1. Coalition for Cooperation among Farmers, Farmworkers and Fisherfolk ABA<sup>26</sup>**

Founded in 1997 from an alliance in which FFF was a partner, ABA's aim is to promote social reform and the formal participation of the peasantry in political elections. ABA participated in the 1998 national election under the Party-List System. Certain sectors – i.e. peasantry, labour, women, youth and the elderly - were allowed by law to participate. Under this system, the organization received the second highest number of votes enabling ABA to put a representative in Congress,<sup>27</sup> The alliance of FFF and ABA has increased its opportunities present its views and influence the development of favourable legislation.

#### **2. Cooperative Trading Centre CTC**

Through FFF's relationship with the Federation of Free Farmers Cooperatives Inc. (FFFCI), it has become associated with the Cooperative Trading Centre. FFFCI was part of the group of organizations that founded CTC. Today, the CTC is composed of eighteen federations and farmers' cooperatives from regions one to four.<sup>28</sup> The general purpose of the trading centre is to develop viable and sustainable trading linkages between institutional producers and rice buyers. Given that the General Manager of the FFFCI is the Chairman on the CTC's board,

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<sup>26</sup> Alyansang Bayanihan ng mga Magasaka, Manggagawang-Bukid at Mangingisda ABA

<sup>27</sup> Mr. Leonardo Q. Montemayor represents ABA in Congress.

<sup>28</sup> Ilocus Norte, Ilocus Sud, Kalinga-Apayao, Mountain Province.

FFF - through the FFFCI - benefits from improved trading for its farmers, an enlarged network base and broader opportunities for discussion.

### **3. Federation of Free Farmers Cooperatives Inc. FFFCI**

FFFCI was founded in 1966 with the assistance of FFF. Since then the two organizations have had a very close working relationship. They share many of the same members, but have separate judicial bodies. The FFF-FFFCI alliance complements the activities of each organization. FFF is a socio-political organization, while FFFCI deals mainly with economic issues. FFF's cooperative input supply and marketing activity is implemented by FFFCI. FFFCI provides its members and FFF's members with such services as life and accident insurance, and training and auditing services.

### **4. Philippine National Peasant Caucus PNPC**

The Philippine National Peasant Caucus PNPC was founded in 1996. It is the result of an alliance of nine NGOs and 11 peasant organizations and cooperatives including the FFF. PNPC's aim is to promote favourable government policies and programmes that protect and enhance peasant interests in such area as land conversion, land use policy, agrarian reform implementation, and food security. These activities are undertaken with the objective of "pushing its member organizations' common objectives by a united effort". In 1997, the National Peasant Caucus, FFF and Sanduguan joined with the International Federation of Agricultural Producers (IFAP) and STIPLON to implement a joint programme, "Strengthening and Expanding the Organizational Base and Reach of the FFF and Sanduguan". This programme's aim was to increase cooperation among the Filipino farmers' organizations so that they complement rather than compete with each other, and to bring the principal Filipino farmers' organizations together in cooperation and dialogue on a regular basis.

## **National Confederation of Cooperatives Inc. NATCCO**

### **A. Introduction**

NATCCO is in itself a result of alliances formed in 1977. NATCCO is a service cooperative, whose members include six regional federations, one national mutual benefit cooperative and one national federation. NATCCO focuses on cooperative development, especially through education. It is for this reason that NATCCO was originally a training centre. Since its foundation, NATCCO has broadened its services to include organizing its network into a successful political party under the name Coop-NATCCO. In the 1998 national election, the party received enough votes to elect a representative to the House of Representatives, one of the two law-making bodies in the Philippines.

Since NATCCO is a very large cooperative, it has engaged in many alliances and examined a series of proposals for new alliances. NATCCO enters into alliances for the purpose of protecting its own interests in the political environment affecting cooperatives. It participates in alliances with other cooperatives, international agencies and organizations. In the recent past, its strongest alliances have been with international cooperative organizations, such as the International Co-operative Alliance (ICA), Canadian Cooperative Association (CCA) and the Développement International Desjardins (DID) with the Canadian International Development Agency (CIDA). From these alliances NATCCO shares with its partners a common set of purpose and beliefs. In some instances the alliances also provided financial resources. It is also important to note that NATCCO's member, whether federations or primary cooperatives

are able to enter into their own alliances without the participation of NATCCO.

## **B. Strategic Alliances**

### **1. International Co-operative Alliance ICA**

The ICA is an independent, non-governmental association which unites, represents and serves cooperatives worldwide. Its members are national and international cooperative organizations in all sectors of activity. The ICA-NATCCO alliance is considered by NATCCO as one of its strongest alliances; it shares the same set of principles and values as those of the ICA. NATCCO benefits from its cooperation with ICA by receiving recognition from the international community of cooperative organizations, thus raising NATCCO's own profile in the Philippines. It also enables NATCCO to participate in discussions and decisions-making processes, to access resource persons and the organizational networks of the ICA for training and project implementation. NATCCO contributes to this alliance by providing capable delegates to participate in joint committees to share their knowledge and experiences in democratic environments.

### **2. Canadian Cooperative Association CCA - Canadian International Development Agency CIDA - Development International Desjardins DID**

NATCCO's alliances with these Canadian organizations began with the implementation of a national cooperative development programme in 1987. The initial programme funded by CCA has been completed, but there are currently other on-going projects. Through its alliances with the Canadian organizations, NATCCO receives funding and technical support for its country programmes. Its alliances also provide NATCCO with the opportunity to interact, learn and share with more experienced cooperative institutions that have extensive experience in cooperative and community development. In return NATCCO is able to provide delegates from other Asian countries with technical support, training, and participatory training methods. NATCCO also contributes to the Canadian youth work exchange programme by providing destinations for its participants.

### **3. Alternative Planning Initiatives ALTERPLAN**

This organization is comprised of building specialists promoting housing for the poor. The alliance began in 1991 as a consequence of NATCCO's search for partners to expand its services. As a result of the alliance, NATCCO receives training on cooperative housing and advocacy support for housing cooperative legislation. In return, ALTERPLAN gains access to the cooperative network, to NATCCO's conference facilities, and has the opportunity to undertake joint projects.

### **4. Asian Women in Cooperatives Development Forum AWCF**

AWCF promotes gender awareness and the integration of gender concerns in cooperatives and social development agencies. It was created in 1990 when AWCF was a joint NATCCO-CCA project. The alliance enables NATCCO to benefit from AWCF forums on gender concerns, training, research and advocacy. In return, AWCF has access to NATCCO's office resources, lodging and conference facilities, as well as network resources, including access to experienced trainers and delegates for committees.

### **5. Caucus of Development NGO Networks Code-NGO**

Code NGO is an organization comprised of NGO networks. The alliance provides NATCCO

with a forum for discussion and direction setting on various political issues and concerns related to NGOs. NATCCO contributes to this alliance by providing capable personnel to work on the Code NGO board and its committees.

#### **6. Federation of Free Farmers Cooperatives Inc. FFFCI**

In addition to sharing common views and beliefs, the two organizations also participate in a grains trading project. Through the alliance, FFFCI provides political support to NATCCO, participates in its "inter-cooperative trade project" and allows NATCCO to place funds in its tax-exempt bank account. In return, FFFCI receives lodging and conference facilities and assistance in obtaining funds for projects.

#### **7. Kooperativa Forbundet (KF) Project Centre**

The KF Centre is a Swedish organization with support from the trade union movement. NATCCO maintains an alliance with the KF Centre through NUWDECO. Started in 1998, the alliance focuses on retailing and cooperative housing. Through the alliance NATCCO receives funding and resource persons for training and research from the KF Centre. In return, NATCCO offers its partner entry and access to its other countrywide projects.

#### **8. Land Bank of the Philippines LBP**

The LBP is a universal bank involved with agrarian reform. It provides loans to cooperatives. The NATCCO-LBP strategic alliance enables NATCCO to influence and develop the criteria and procedures on which the Bank bases its decision to provide loans to cooperatives. In return, NATCCO provides the bank with information on cooperative developments, as well as competent representatives for the Bank's executive committee. The alliance provides both partners access to useful and necessary information on the cooperative movement and enables them to share views on cooperative development.

#### **9. National Market Vendors Confederation of Cooperatives NAMVESCC**

This alliance is also based on an understanding of shared purpose and beliefs, as well as mutual benefits. The benefits NATCCO receives from the members of the NAMVESCCO are votes for the Coop-NATCCO party and support for NATCCO's political agenda, as well as participants for NATCCO's training units. NATCCO provides NAMVESCC institutional capability, training resource persons, as well as access to experience and resources for political advocacy.

#### **10. NUWHRAIN Development Cooperative Inc. NUWDECO**

NUWDECO is a cooperative for the hotel and restaurant workers' union. It is active in cooperative housing. The alliance between NATCCO and NUWDECO began in 1993. Through the alliance, NATCCO benefits from the support of NUWDECO's resource persons. In return, NUWDECO has access to NATCCO's countrywide projects and network contacts.

#### **11. Philippine Cooperative Centre PCC**

The PCC was founded in 1995 by Senator Agapito Aquino to satisfy one of the conditions attached to the Senator's donation of land and buildings. It comprises federations and primary cooperatives. Through its alliance with PCC, NATCCO contributes capable delegates to participate on the PCC's board and in its committees. In return, NATCCO is provided with a forum to discuss and interact with cooperative federations that have alignments with the government sector.

## **12. Philippine Partnership for the Development of Human Resources in Rural Areas PhilDHRRA**

The PhilDHRRA is a network of social development organizations committed to agrarian reform and rural development. The alliance with PhilDHRRA provides NATCCO with a forum and with networks to meet other organizations working in similar areas, or having common concerns with the cooperative movement. This alliance enhances both partners' abilities to network and expands their contact base.

### **National Federation of Peasant Organizations PAKISAMA**

#### **A. Introduction**

PAKISAMA was established following the 1986 National Consultation on Agrarian Reform and Rural Development (NCARRD) which identified the need for a strong national alliance of peasant organizations to advocate for genuine reform, rural development and to protect the rights of peasants. PAKISAMA brings together 32 farmer federations. It has two main objectives: institution-building and experience-based advocacy. PAKISAMA unites and collaborates with several groups working at the rural grassroots level to improve the welfare of the rural poor.

#### **B. Strategic Alliances**

##### **1. Coconut Industry Reform Movement COIR**

COIR is an organization that was formed by an alliance between NGOs and peasant organizations whose activities centre primarily on recovering funds that were collected through a coconut levy that were used to support small-scale coconut farmers. These support funds were lost during the Marcos' presidency. The alliance is based on the mutually beneficial aim of recovering funds to support the members of both PAKISAMA and COIR.

##### **2. Cooperative Development Consortium Project**

The Cooperative Development Consortium project is implemented through an alliance between PAKISAMA, NATCCO and PhilDHRRA with the support of Agriterra. Its aim is to strengthen farmers' and fishery cooperatives. Through the alliance, PAKISAMA benefits by tapping NATCCO's strength in cooperative development to provide cooperative and business development to PAKISAMA members. There are many other areas where the partner organizations have interfaces and complimentary abilities all linked by common interests.

##### **3. Laban ng Mangingisda para sa Reporma LAMPARA**

PAKISAMA through its sectoral affiliate, MAMAMAYAN, is a member of the LAMPARA alliance. LAMPARA is a national coalition of fisherfolk organizations that aims to improve the general welfare of the fishery sector. The alliance is beneficial to PAKISAMA members especially those in the fishery sector as it promotes rural development.

##### **4. People's Campaign for Agrarian Reform Network - AR Now**

AR Now resulted from an alliance between NGOs and peasant organizations. PAKISAMA was a founding partner of this alliance. It believed that a united voice was required to lobby the government for land tenure improvement and agricultural support services. AR Now is among the supporters of the Mapalad farmers.

## **5. Philippine Jubilee Network PJN**

PAKISAMA also has a relationship with the Philippine Jubilee Network. Composed of Christian churches and other civil societies, PJN is calling for the five "R"s: *Return the land, Rest the land, Relief from debt, Release the slaves, and Regain the feminist principles.*

### **Peoples' Campaign for Agrarian Reform Network - AR Now**

#### **A. Introduction**

AR Now is the result of a strategic alliance between two peasant federations and twelve non-government organizations. Formed in January 1997, its aim is to coordinate national campaigns to promote pro-Agrarian Reform and Rural Development (ARRD) policies and programmes, to once again put ARRD on the national agenda and make it a development imperative. An alliance was struck to form AR Now based on group consensus that a national campaign to revive the dormant issues of agrarian reform and sustainable development in the countryside was urgently needed. The alliance achieved its first objective through successful lobbying of the government as seen by the adoption of the "Agrarian Reform Augmentation Act" and the "Agricultural and Fisheries Modernization Act". Leaders of the alliance believe that more vigorous campaigns should be undertaken to expedite the implementation of a genuine agrarian reform and rural development programmes.

#### **B. Strategic Alliances**

##### **1. Caucus of Development NGO Networks - Code-NGO**

AR Now is currently collaborating with Code-NGO, an umbrella network of Philippine NGOs, on one of its monitoring projects, "Medium-term Philippine Development Plan" or MTPDP. Currently, the strategic working relationship takes the form of AR Now assessing the performance of the agrarian reform and agricultural sector against MTPDP targets. AR Now has the opportunity to regularly present its views, positions and interests in the various fora hosted by Code-NGO. The benefits AR Now receives from this strategic alliance with Code-NGO are:

- › Access to important information regarding agrarian reform and recent developments
- › Increased visibility through AR Now's participation in the fora hosted by Code-NGO
- › Access to a larger contact base, networks and increased contact with "target groups"
- › Mobilize support for AR Now campaigns from members of Code-NGO.

In return, AR Now provides Code-NGO with the opportunity to work with advocates of a credible network of agrarian reform whose views and interests are similar to theirs. AR Now also provides Code-NGO with information on peasant's perspectives and conditions.

##### **2. Coalition against Hunger and Poverty - Koalisyon Laban sa Gutom at Kahirapan - KALAGAN**

AR Now and a number of NGOs including CARET, PPI, KAISAHAN and CSPDI initiated this tactical alliance for the Food Security Campaign of August 1999. KALAGAN was formed as a response to the Supreme Court ruling of August 1999 on the Mapalad farmers' case which placed the rights of farm workers to own land at risk. The ruling was regarded as questionable. The alliance was formed on the belief that the comprehensive government agrarian reform programme was weakening and needed a more cohesive advocacy programme. The formation of this alliance was significant as it complemented the actions of

peasant organizations which since the 1990's had been alone in advocating for change due to the dissolving of what was once the largest strategic alliance of national peasant federations – the Congress for a People's Agrarian Reform. The formation of KALAGAN is seen as an important initial step in reuniting the national peasant organizations in a cohesive manner.

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## Peru

### Summary

The Peruvian case study focuses on three strategic alliances. Each is very different, however they demonstrate that a variety of alliances are possible in rural Peru. The case study also shows that a genuine Peruvian farmers' movement exists at the local, regional and national levels.

The Confederación Nacional Agraria<sup>29</sup> (CAN) has the status of a producers' organization. It has been the source of numerous farmer initiatives and has established strategic alliances with specialized NGOs, networks, unions and similar organizations in the form of agreements to enhance the effectiveness of its joint activities. It also coordinates activities involving municipalities, the central government and its departmental and regional institutions, and local offices. The CNA collaborates with various bodies and participates in numerous discussion groups.

In 1995 a group of non-governmental organizations (Grupo Yanapai, IDEA-Peru and REDES), agricultural research centres (CEA-UNCP, INIA and IVITA-UNMSM) and rural communities established the Grupo Colaborativo de Investigación Agroecológica Region

<sup>29</sup> National Agrarian Union

Centro (GIAREC - Collaborative Group on Agro-Ecological Research of Central Peru). Its objective was to achieve consensus on the definition of sustainable agriculture and introduce participatory methodologies in human resource development to encourage producers to participate in analyzing local problems. This collective learning process of producers and stakeholder made it possible to better understand rural conditions. The result was a more qualitative analysis of rural problems and the formulation of proposals for change. Strategic decisions were taken and an action plan developed.

IDEA-Peru, a non-governmental organization, formulates and implements development programmes. Its beneficiaries are low-income families in the Central Andes and the inter-Andean valleys of central Peru. IDEA-Peru brings stakeholders with common aims and activities together. It promotes dialogue, cooperation and supports the implementation of joint activities. IDEA-Peru places special emphasis on using local capacities to ensure local control over implementation. It initiated a strategic alliance between producers' groups and private businesses to improve the efficiency of artichoke marketing.

The review of the three organizations indicate that that alliances guarantee the sustainability of properly implemented initiatives since they ensure participation of local organizations with an interest or sufficient experience to contribute extensively to sustainable rural development. In a country where 80% of farmers each own less than 3 hectares of land, the establishment of local farmers' organizations to combat poverty and enhance general living conditions is imperative. Enabling these local organizations to enter into alliances can only strengthen their organizations and contribute to the implementation of effective development initiatives and projects.

## **Confederación Nacional Agraria CNA**

### **A. Introduction**

CNA is an independent farmers' union with 17 member federations. These federations bring together 125 provincial agricultural associations<sup>30</sup> to which 1,338 bodies are affiliated. Together they represent a total of 173,951 families or one million individuals.

CNA brings together a variety of farmers organizations including farming communities from the Andean plateaux involved primarily in livestock (camelidae, Creole cattle and sheep) and agricultural production (products and cereal grains for home consumption); farm producers' committees that focus on the production of profitable valley crops (fruits, *panllevar* and vegetables) for local and regional markets; community enterprises or production organizations owned by the farming communities; coffee, cocoa and sugar cooperatives<sup>31</sup>; and women's village organizations involved in small-scale farming operations, crafts or livestock production.

The aims of CNA are to strengthen the institutional capacity of groups of small-scale farmers and rural communities, to improve profitability through farm financing and access to markets; to promote environmentally-friendly farming practices; to protect community ownership and small farm landowners, to promote the respect for democracy in rural areas and the political

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<sup>30</sup> 187 provincial agricultural associations exist in Peru.

<sup>31</sup> Over the past decade, most agricultural cooperatives have experienced considerable difficulty adapting to new legislation and the free market. Only a handful of co-ops continue to exist.

and economic decentralization of government; to protect and preserve the cultural identity of Peruvian villages; to promote the participation of farm leaders in local, regional and national fora, and to provide training and capacity-building for rural communities.

As a national agricultural organization, CNA has a vertical structure with departmental agricultural federations that are composed of provincial level agricultural federations that in turn work with rural community organizations. When forming a strategic alliance, CNA's structure enables it to rely on organizations at various levels.

CNA's strategic alliances are based on agreements to improve the efficiency of the activities it undertakes jointly with specialized NGOs, networks, unions and similar organizations. The alliances serve to coordinate activities on behalf of its members, the majority of which are located in isolated rural areas. To do so, alliances are formed with municipalities, the central government, its departmental and regional institutions as well as its local offices, universities, NGOs and other stakeholders. CNA maintains institutional relations with the Ministry of Agriculture and the Congress of the Republic of Peru, which also facilitates the implementation of mutually beneficial activities.

One particular success resulting from strategic alliances has been the holding of the first national congress of farming communities.<sup>32</sup> It was organized with the support of member institutions of Grupo Allpa<sup>33</sup> to analyze socio-environmental problems and create a national organization of the groups affected by these problems.

## **B. Strategic Alliances**

### **1. National Association of the Peruvian Agricultural Sector CONVEAGRO**

Established in July 1998, CONVEAGRO brings together producers' groups, agricultural professionals, rural technical, scientific and research entities, and the agricultural press. Its objective is to promote intra-sectoral dialogue and cooperation on areas of common interest for rural communities. CONVEAGRO is not a permanent forum, but rather a group through which participants can address issues on any area of common interest. CNA is a member of the managing board and is its main representative – "primer vocal".

### **2. Coordinadora Rural de Organizaciones Campesinas e Instituciones - Rural coordination of Peruvian farmers' organizations and agricultural institutions**

Founded in 1992, Coordinadora Rural is a private consortium that promotes Andean rural development. Its members include social organizations that bring together farming communities, farmers and small producers, and private rural development organizations. It promotes joint activities by cataloguing promising experiences, improves capacity-building activities, and protects stakeholder rights in development programmes. Moreover, it seeks to achieve a significant increase the participation of Andean rural society in governmental and national affairs. It also promotes the image of Andean rural society and its capacity to

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<sup>32</sup> Peru officially has 5,680 farming communities and 1,192 indigenous communities, which control 54.5% of the country's farmland. The ownership rights of 1,000 farming communities are being called into question by growing mining operations spurred by new processes arising from recent legislation to promote private investment.

<sup>33</sup> See further information on this organization below.

formulate proposals on policy, projects and activities that contribute to sustainable human development in farm communities.

### **3. GRUPO ALLPA**

Grupo Allpa is a working group that focuses on communities and development. Its members include non-governmental organizations and network organizations working with farm communities on issues such as land ownership and rural development. It is a permanent forum open to all individuals and groups interested in rural development. It maintains an organizational form to ensure the implementation of the agreements in which it has entered. The Peruvian Centre for Social Studies (CEPES) acts as the coordinator of the working group. It analyzes and formulates proposals to formalize land ownership in rural communities.

### **4. Permanent Conference of Indigenous Villages COPIP**

This organization coordinates the activities of various groups of indigenous villages. Its aim is to forge a collective determination among indigenous peoples to defend the rights of their villages, their culture and their identity. Its members include farmers' and indigenous organizations such as CNA, the Coordinadora Nacional de Comunidades Campesinas e Indígenas del Perú, Asociación Inter-étnica de Desarrollo de la Selva Peruana, and Confederación Campesina del Perú.

### **5. Thematic Group on the Local Environment GTMA**

The GTMA is a forum for the exchange of ideas and experience with a view to including sustainable development on the agendas of stakeholders in the Chillón and Lurín valleys. It also supports, hosts and promotes events aimed at building capacity, analyzing interests and conflicts, and identifying possible alliances.

One of its recent activities has been carried out over a two-year period in conjunction with the implementation of an integrated management programme for the valleys. GTMA has supported the development of initiatives that assist in identifying guidelines for formulating and validating proposals to have the valley recognized as a territorial management unit for sustainable human development, and/or to support existing development strategies.

GTMA also promotes cooperation between institutions that work with NOVIB and that promote integrated management in the valley.

### **6. Thematic Group on Human Rights GMDH**

This group is composed of counterpart institutions of NOVIB in Peru that are active in promoting human rights.

### **7. Thematic Group on Gender GTG**

GTG brings together organizations that collaborate with NOVIB in Peru. It is a forum for training and the exchanges of ideas and experience on gender issues. Its objective is to improve the conceptual and methodological capacity on gender in order to assist in incorporating the gender perspective in the programmes and projects of GTG member institutions'.

CNA has participated actively in the group's meetings. This year the group focused on defining gender impact indicators to evaluate development projects implemented by NOVIB organizations and institutions.

## **GIAREC Forum for Sustainable Agriculture**

### **A. Introduction**

GIAREC's objective is to promote a participatory and rational management of natural resources through sustainable agricultural development in farming communities in the inter-Andean valleys in central Peru.

### **B. Strategic Alliances**

In 1996, with the support from the ILEIA<sup>34</sup>-ETC Foundation, GIAREC initiated a process of discussion on and analysis of a series of agro-ecological concepts and approaches. During the first three years of the agreement between GIAREC and ILEIA, the collaborative process adopted by the institutions made it possible to:

- › initiate inter-institutional collaboration between NGOs and agricultural research centres in order to launch a participatory process with small producers' organizations to understand and analyze rural conditions and support local capacity-building to achieve technological, social and economic progress
- › establish interdisciplinary initiatives between rural organizations, NGOs and agricultural research centres to contribute to the definition of criteria and alternatives which promote sustainable agriculture with limited external inputs in farming communities in the Central Andes in Peru based on the small producers perspectives
- › provide support for human resource development activities within the member organizations of GIAREC in order to build capacity in management and support democratic participation
- › foster better understanding of participatory approaches and processes to make it possible to strengthen the capacity of rural populations to formulate and implement local development initiatives
- › establish a forum for resources, efforts, experience, future prospects, exchanges on common interests, and joint initiatives based on the principles of solidarity, trust and openness.

This alliance is making it possible to share various stakeholders' points of view on agricultural and rural development.

By 2002, GIAREC hopes to shift from a forum for cooperation to inter-institutional development in central Peru. GIAREC would at that time develop and implement sustainable agriculture programmes, assist in defining research programmes and promotion policies within a framework of fairness, social justice and democratic participation.

#### **1. IDEA-PERU**

A number of GIAREC's member organizations have initiated strategic alliances with producers' organizations including IDEA-Peru<sup>35</sup> - a NGO, Asociación de Exportadores del Perú ADEX - an institution that facilitates exports of farm products, REDES - a non-

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<sup>34</sup> Centre for Information on Low-External-Input and Sustainable Agriculture (Netherlands)

<sup>35</sup> See information the strategic alliance with IDEA-Peru in following section.

governmental organization which works with producers of *maca*<sup>36</sup>, and an US organization that buys the output. This alliance has existed for nearly two years.

## **IDEA-PERU**

### **A. Introduction**

IDEA-Peru, a non-governmental organization, formulates and implements development programmes. Its beneficiaries are low-income families in the Central Andes and the inter-Andean valleys of central Peru. IDEA-Peru brings stakeholders with common aims and activities together. It promotes dialogue and cooperation and supports joint activities. IDEA-Peru places special emphasis on using local capacities to ensure local control over implementation, normally passing full control of its projects to its beneficiaries after three to four year of implementation.

IDEA-Peru is a promoter that encourages organizing producers and developing their capacity, with a view to attaining production that can be marketed domestically or internationally and sold at fair prices.

### **B. Strategic Alliances**

The strategic alliance initiated by IDEA-Peru focuses on improving artichoke marketing.

IDEA-Peru works with farming communities (Huanchar, Santa Rosa de Ocopa, Miravalle Dos de Mayo, La Florida) in the Province of Jauja y Concepción en Junín (located at an altitude of between 3200 m and 3800 m) in the Central Andes of Peru. The producers are farm families who raise crops or livestock (or both), or are individual producers linked to artichoke producers' or women producers' committees in the Nueve de Julio-Concepción district.

Three institutions support the IDEA-Peru programme. CESEM (Huancayo) supports training and provides producers with technical assistance; INIA HUANCAYO (Santa Ana), an agricultural research organization, disseminates technical, commercial and other information; and ADEX PROYECTO MSAP which deals with exports.

The alliance was formed to improve the livelihoods of farmers by increasing their income by obtaining better prices for their crops. It was a way to more directly market their produce, thus enabling them to bypass middlemen who paid them 40% to 70% less than the market price.

The basic premise for the alliance is that raising the volume of local production will allow farmers to together increase their negotiating capacity and/or access a broader number of enterprises that seek higher production volumes (developing economies of scale). The alliance promotes cooperation between various stakeholders in the production process.

The alliance impacts the three levels or phases in artichoke marketing cycle as described

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<sup>36</sup> Maca Maca, (*Lepidium meyenii*) is a root vegetable. Native Peruvians have used maca as a food and a medicine since before the Incas. This sturdy relative of the potato and Mexican yam is cultivated high in the mountains of Peru in an environment of amazingly intense sunlight and fierce winds. It grows at elevations higher than any other crop in the world and it manages this existence in regions that are little more than barren rock with sub-freezing temperatures each night.

below where **P** represents product flow and **E** the economic flow.



Phase one focuses on promoting and strengthening farmers' organizations, i.e. the artichoke producers' committee or the women producers' committee in the Nueve de Julio-Concepción district. Small producers became aware of the importance of a farmers' organization in defending their economic and commercial interests. Through IDEA-Peru's support and the alliance's member organizations, farm producers receive training to improve the quality and quantity of output required by the large enterprises. Artichoke producers are encouraged to engage in production planning to avoid overproduction or insufficient volume, which would affect prices and thus the stability of farm incomes.

During the second phase, handling after harvesting, the alliance cooperates with a processing firm. Given that setting up its own processing firm is not possible due to the lack of financial resources at this time, the alliance has relied on the existing local structure. Concepción Enterprise assures the handling after harvesting of the farm products of local committees.

For the third phase, the alliance signed agreements with PROCESADORA S.A, an agro-processing and agricultural exporting firm, for the regular purchase of the total production of the artichokes of the alliance's members. PROCESADORA maintains contacts with specialized, profitable agricultural markets.

The alliance has eliminated several middlemen, enhanced the profitability of farm products and stabilized farm incomes. In addition, with the assurance of regular income, small producers can engage in medium-term investment planning. The system is sustainable as producers enjoy higher incomes from farm products and the processing company and the agro-industrial enterprise are assured of adequate, stable supplies of quality products. The biggest problem facing the alliance is the constant need to train small producers in order to ensure quality products that can be readily marketed. The participating farm families have not yet been able to produce the level of quality produce required by PROCESADORA; this will require more time, training and resources. Competition is keen and businesses or producers (or both) with more substantial financial resources could easily take over these production options.

As a result, much remains to be done. In this perspective, IDEA-Peru is elaborating with various programmes and initiatives pertaining to handling after harvesting in order to better directly link producers and consumers by strengthening local capacities..

### Contact Addresses

Generally speaking, rural communities and their organizations do not have addresses at which they can be reached and communication by telephone is very difficult. However, it is possible to establish contact through organizations such as IDEA-Peru and CNA.

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## **Conclusion**

### ***Strategic Alliances Add Value***

The forming of Strategic Alliances is one of the new business concepts which has been brought about by changes in the world economy - by globalization, increased competition and the overlapping of hitherto distinct economic fields. Businesses, which would once have seen each other only as competitors and are still by definition competing at the local level, are discovering that by joining forces they can perform more effectively in the global market.

Organizations form alliances for a variety of reasons. Some even view strategic alliances as a means to increase the possibility of success although risk sharing is probably the most frequent motivator. But one of the main benefits of forming strategic alliances is that it gives organizations the opportunity to access complementary resources and contacts, and perhaps most important of all to exert influence on developments without requiring a commensurate resource contribution. During periods when resources are scarce, it makes sense that organizations, enterprises and even governments are turning to each other and forming strategic alliances in order to survive or to achieve often similar or identical aims.

The strategic alliances described in this study show that civil society organizations form alliances to strengthen the overall ability of each of the organizations to fulfill its aims or as noted above as a means of increasing their possibilities for success. Many have formed alliances to increase their ability to participate in dialogue with government whether at the local or national levels. Through these alliances the organizations are more effective in their attempts to influence government policy and action by bringing the voice of civil society to the negotiating table. In others case, alliances are formed to respond to very specific needs, for example, they focus on enhancing business operations to improve the livelihoods of members; they ensure more effective communication of positions and needs with other organizations; they provide networking opportunities; and/or they create opportunities for development in the widest sense of the term.

Strategic alliances in each of the cases have created added-value both to the organizations participating in the alliances as well to their members. Ultimately, the case studies indicate that strategic alliances can improve economic and social well-being and promote the participation of civil society.

### **Critical Ingredients for Successful Alliances**

However, it is worth bearing in mind why some alliances work and others flounder over time.

In his article "Getting Serious about Strategic Alliances" Kirk A. Astroth, of the Montana State University, explains the different levels of building successful alliances as communications, cooperation, coalition and collaboration.<sup>37</sup>

Effective communications is of paramount importance to the survival of any organization, and it is also one of the main ingredients in the forming of strategic alliances. While some collaborative agreements may be reached when two Presidents meet at a high level forum, generally speaking, the first level of contact is forged between individuals within organizations, who come together to exchange information, contacts and other resources.

These initial relationships often lead to short-term alliances when individuals within organizations agree to join forces to achieve short-term goals in areas of mutual interest. These short-term alliances may stay at this level or they very often come to an end once the goal is attained. However, increasingly such initial cooperation will develop into long-term collaboration between the organizations concerned.

As a relationship between organizations matures, coalitions are formed in which organizations participate in a more formal manner so as to amass enough influence and resources to have a greater impact on an issue than they could acting alone. Although each participant shares the responsibility for success or failure of the coalition, there is usually only a moderate level of joint commitment and the coalition will disband once the goals have been reached.

The highest and most difficult level of working with others is collaboration.

"At this level, organizational relationships are formalized and involve a long-term commitment to address critical and complex social issues of wide concern. In this phase, turf protection can be high and the ability to let go of control over the direction of the group is critical. A high level of trust is needed in the group process. ..."

"Collaborations are long-term and focus on a wide variety of issues. Organizations in collaborative ventures share resources; develop, implement, and evaluate programmes together; establish policy; and jointly conduct educational programmes"<sup>38</sup>

Mutual trust is also a pre-requisite for the success of any alliance as the risk of rivalry is high, especially between former competitors. To avoid such problems, the structure for governance of the alliance should be built into the overall strategy so that the participants are clear about

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<sup>37</sup> Kirk A. Astroth, Youth Extension Specialist, Development, Montana State University. "Getting Serious about Strategic Alliances".

<sup>38</sup> Ibid.

their rights and responsibilities and the boundaries governing the relationship,

Continual adjustment over time is also key to building a relationship, which will weather changes in the economic climate, and in the internal management structures of the participating organizations.

Most of all it is worth bearing in mind that successful alliances are based on dynamic and changing relationships between organizations and that they can achieve much more than their original goals. Benjamin Gomes-Casseres, Professor at Brandeis University's Graduate School of International Economics and Finance and author of "The Alliance Revolution" formulates the recipe for success as treating alliances "as an evolving organization embedded in a dynamic strategy".<sup>39</sup> He advises organizations to build "alliance strategies" not strategic alliances. To paraphrase Gomes-Casseres, effective use of alliances does indeed require such a dynamic perspective.

However, alliances may fail. Many do fail because the component organizations have not taken a strategic approach to the forming of such ventures. If the alliance is to develop into long-term collaboration it is necessary that each participant organization is clear about its objectives and asks itself both what it is hoping to gain from the partnership and also what it is willing to contribute. Alliances may also fail because the participating organizations do not have the necessary internal resources to support the alliance and this is a factor that must, therefore, be built into an overall strategy. One has to bear in mind that, as in all forms of negotiations, the most desirable outcome is a win-win situation.

In conclusion, strategic alliances can be useful for cooperatives, farmers' and workers' organizations to realize their needs especially in a world that is increasingly inter-connected and where they have an ever-increasing possibility for influence at the global level. However, in order for such alliances to succeed it is necessary that each participant organization has a good understanding of its own priorities and those of its partners; can demonstrate flexibility and remains aware that these alliances may be short lived if they are not reviewed constantly.

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