

**Trade Standards Practitioners Network (TSPN) Workshop  
*African Smallholders and the Challenge of Assured Compliance:  
What Have We Learned From Our Interventions?*  
Report**

World Bank  
Washington D.C., June 19-20, 2007

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## I. Workshop overview

The Trade Standards Practitioners Network (TSPN) meeting on “*African Smallholders and the Challenge of Assured Compliance: What Have We Learned from Our Interventions?*” took place at the World Bank in Washington D.C. from June 19-20, 2007. The workshop had 40 participants from 18 practitioner organizations. The two day workshop provided background on the TSPN, outlined a conceptual framework for understanding the challenges and opportunities that are encountered when upgrading smallholder-based supply chains to meet emerging market standards, and posed a series of questions pertaining to the effectiveness and efficacy of donor interventions geared toward addressing these challenges. The goal of the workshop was to challenge participants to share their experiences and document good practices associated with their interventions in order to define and document operational lessons and outline future work areas for the TSPN.

The workshop opened with a presentation on the results of a survey of practitioners, researchers, and recipients of technical assistance related to African smallholder linkages to higher value supply chains. The survey gauged perceptions pertaining to:

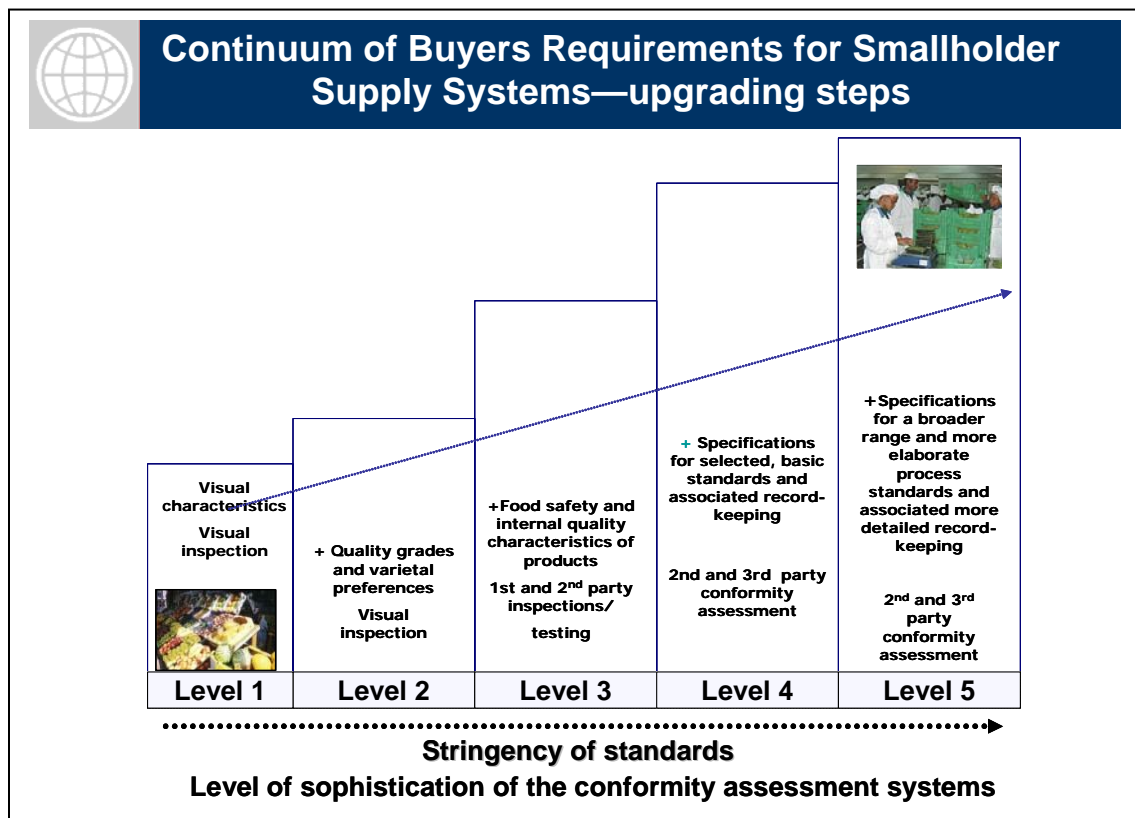
- (i) anticipated economic impacts of linking smallholders to high-value markets
- (ii) key farmer and agribusiness firm constraints in forging and maintaining linkages
- (iii) appropriate/necessary roles of the public sector, private sector, and donor agencies in forging linkages
- (iv) actual and potential indicators to gauge the success/effectiveness of ‘interventions’
- (v) key factors determining the actual success of such interventions

While the survey data has not been analyzed completely preliminary findings indicate that the principal constraints limiting the willingness of African exporters, processors, and retailers to source from smallholders are the high transaction costs associated with infrastructure deficiencies, lack of scale economies, and raw material traceability. Indicators used by projects to measure impact were most often associated with the numbers of participating and/or trained farmers and current volumes of product throughput. Very few projects measured the development of local technical and administrative capacity, which has been shown to be a critical aspect of long term sustainability. In general, survey respondents strongly downplayed the role governments/public agencies in facilitating smallholder compliance with emerging standards.

Subsequent panels highlighted implementation experiences related to programs to support smallholder compliance with standards pertaining to horticulture, dairy products, organic products, and coffee. Presentations addressed country specific and multi-country programs. Presentations focused on lessons associated within particular commodity fields. The case/thematic presentations were made by several TSPN members including the Food and Agricultural Organization, United Nations Commission on Trade and Development, GTZ, Fintrac, Pesticide Improvement Program, Natural Resource Institute, Land O’Lakes, AgroEco, ACIDI-VOCA, Chemonics International, and the Rainforest Alliance. Copies of these presentations and associated papers are posted on the TSPN website, [www.tradestandards.org](http://www.tradestandards.org).

## II. Workshop conceptual framework and key discussion points

Workshop presentations and papers were drafted in the context of participant organizations implementation experiences. Experiences that were discussed were either dedicated or involved substantial attention to addressing the challenges of ‘assured compliance’ facing African smallholder farmers in their attempts to gain/maintain participation in higher-value domestic or export supply chains. Each presenter highlighted their general philosophy or orientation toward this type of work to promote ‘assured compliance’ by smallholder farmers, and indicated how this type of work was incorporated into their overall approach to value chain or broader rural economic development efforts. Annex 1 contains the guidelines given for the preparation of case studies. The case study material was compared and contrasted through the lens of a framework postulating a continuum of buyer requirements outlined in the following diagram:



**Lessons being learned from on-going implementation experience.** Presenters were asked to highlight certain lessons which are emerging from their current technical assistance and other efforts to strengthen smallholder compliance with prevailing standards (and thus improved participation in higher value supply chains).

*-Incentives facing farmers and firms:* The clarity of incentives was highlighted as an important factor motivating farmer and firm investments and adjustments in practices. There are some circumstances where price premiums provide clear inducements (i.e. for organic or fair trade produce); yet other circumstances where farmers or firms are not rewarded with price premiums for meeting higher product standards (i.e. milk in domestic markets) or complying with process

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protocols (i.e. EUREPGAP). In the latter circumstances, the incentives needed to induce adoption may require a combination of subsidy, threat of supply chain exclusion, and evidence of broader (productivity, safety or other) benefits.

*-Interventions need to be closely tailored to the ‘development stage’ or maturity of an industry:* The current market setting and structural features of an industry need to be carefully considered together with the prevailing regulatory framework and technical and administrative capacities within the industry and within government. Subsequent needs assessment work should consider realistic trajectories for the industry and underlying capacities, and carefully distinguish between near and longer term priorities. Incremental upgrades in systems and capacities will be far more likely to succeed than ‘great leaps forward’.

*-There are evident trade-offs in the ‘targeting’ of interventions:* Development strategies oriented to linking smallholders to markets should consider the opportunities for upgrading small farmers within the continuum of buyer requirements (e.g. in the scale from 1 to 5 as presented in the workshop’s conceptual framework and the annex below). Who is in a position to participate in such upgrades and who is not? Within development assistance, what trade-offs are evident? What are the benefits of these upgrades, from the perspectives of growth and poverty reduction objectives? And, what balance can be struck in terms of the targeted beneficiaries, supply chains, and focal compliance challenges? What contributions are made to growth and to poverty reduction by interventions focusing on upgrades to the more extreme (level 5) end of the market/regulatory continuum? Is there greater development impact from upgrades achieved at the lower end of the continuum, due to the wider scope for participation and the lower costs per beneficiary receiving direct or indirect support? These types of questions need to be raised both at a general level and in the context of (designing) particular country/industry interventions.

*-Emphasize compliance (and better practices) rather than certification per se:* Some interventions in this field have placed primary emphasis on achieving formal certification of particular products or production systems to achieve/maintain access into a particular market or supply chain. Sometimes this could be done without requiring any substantial changes on the part of farmer agronomic, resource management, or record-keeping practices. The certifications were a signaling device yet most of the ‘activity’ was done by players other than farmers (i.e. buying companies, third party service providers, etc.). The impacts of such interventions are likely to be ephemeral as farmers are learning very little and not making adjustments which could improve their productivity, safety, etc.. These learning and adjustment processes—and not certification per se—are what give rise to the developmental benefits of standards.

*-The challenge of sustainability in service provision:* Many presenters emphasized the uncertain sustainability of certain services which are being provided or subsidized under donor-supported projects in this field. Farmers and agribusiness firms are bearing only part of the costs of these advisory, testing, organizational, certification, and other services. The ‘willingness to pay’ for commercial services may still be weak. At the same time, the domestic supply of such services may be artificially distorted by opportunities for donor financing. Strengthening local capacities in key services is an important challenge for many such projects in this area. A realistic ‘exit strategy’ needs to be considered from the very beginning when considering who should pay for services and at what levels.

**The elusive understanding of impacts of standards**— The discussions emphasized the need for much better understanding of the impacts/outcomes from standards adoption as a tool for better directing (and properly prioritizing) investments and interventions by donors and implementing practitioners in this field. In essence, we still only have a vague and largely anecdotal sense of the development impact of trade-related agricultural standards.

- *Methodological difficulties of measuring impacts:* From the presentations on the impacts of EUREPGAP, it is clear that there is no such thing as unique costs and benefits from standards, in general, as several factors are influencing these (including the commodity, the farm/firm starting point, the industry's maturity, the level/scope for collective action, etc). The methodological complexities involved in the attempts to estimate the impacts of standards were highlighted. Compliance with standards is part of on-going production and governance systems development (ie. out-grower systems, internal control systems, etc.) and thus, it is difficult to separate out and attribute the specific costs and benefits pertaining to one particular standard or protocol. Clearly, developing a consensus on appropriate methodologies to assess impacts in this area is needed.

- *The importance of assessing economic, yet also social and environmental impacts of standards.* Most analytical efforts thus far have grappled with the economic costs and benefits of particular standards. Yet, the social and environmental impacts may be just as significant and significant methodological issues constrain the short and longer term identification and quantification of these. Increasingly, private standards are packaging together provisions for food safety, environmental management, and progressive social/labor policies. Impact assessments which ignore the latter elements will thus provide only a partial picture.

- *Assessment impacts of standards in a broader context:* The assessment of the impacts of standards needs to be done in a wider context that considers the poverty reduction impact of the changes in the agro-food systems, rather than only focusing on the evaluation of the cost/benefits of specific schemes. Plus, we need to better understand the practical outcomes from the adoption of these standards/protocols. Via the adoption of these processes and conformity assessment measures, are food products generally more safe for consumers, production processes leaving a lower environmental imprint, the health of farmers/farm workers improved, etc?

- *The need to start looking at the long-term impacts rather than just focusing on short term costs/benefits of compliance:* Attempts to assess impacts of standards have been very focused on short-term impacts (e.g. investments versus number of certified farmers, etc); but very few efforts, if any, have been made in trying to measure/capture the broader, longer-term impacts of standards, i.e. the benefits derived from the process of creating awareness, applying generic 'good agricultural practices', improving record-keeping and cost accounting, changing broader management practices at farm and firm levels, etc.. Efforts to disentangle only the short-term costs and benefits from standards adoption may provide a biased (and generally negative) assessment, while a longer term perspective may bring out more fundamental developmental and competitiveness gains.

### III. Reflecting on implementation experiences: lessons learned and general principles

#### - Group discussions: practical exercise

Aiming to identify ‘good practices’ in the design of interventions for linking smallholders to markets, an exercise was undertaken that simulated different circumstances and had sub-groups of participants design their own program and then report back to the overall group on the steps they took and their results. Each sub-group was assigned a particular horticultural industry context, one being a small nascent industry, another being a medium-scale ascendant industry, and the third being a large mature industry, all with various defined structural features. Each sub-group was given a project ‘budget’ and asked to design a suitable program than would span three years for implementation.

In designing their programs the sub-groups needed to consider two scenarios of objectives. Under the first scenario, the primary objective of the program was to maximize the number of smallholders that would be incorporated into the horticultural export supply chains, while spending the entire allocated budget. Under the second scenario, the objective was to maintain or increase the number of smallholders involved in export-oriented horticulture, yet it was deemed necessary that any interventions (and outcomes) would need to be financially sustainable after the close of the project.

#### Alternative Industry Contexts for Project Design

Large/Mature Industry \$100 m (25 yrs)	Med Emergent Industry \$25 M (10 yrs)	Small Nascent Industry \$5 M (5 yrs)
Mixed SS + LS; Trend to LS	Lead firms own farms; small ones with out-growers	Dozen exporters; small; 2 lead firms-50%
Dozen exporters = 90%	2 dozen exporters; 6 have 50% of the market	Lead firms own farms + outgrowers
Pockets of good local service capacity	Very selective local service cap	No private services
Several government agencies function	Pocket of pub sector-lab	No government extension; no conf assessment

During the designing process the groups were asked to concretely consider:

- diagnostic/prioritization process
- targeting (firms and farms)
- locus of interventions
- content of interventions
- sequence of implementation
- who provides services
- capacities that will be strengthened
- public and private sector roles

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- exit, phase out strategy
- tools/indicators for 'success'

**Key points arising from the exercise:**

The exercise was interesting, not only from the perspective of the 'project proposals' designed by the groups, but from the perspective of the methodological approach to designing the interventions adopted by each group, within the constraints imposed by the context.

Commonalities were observed in the approaches followed by the groups in designing the interventions. For example, significant time, efforts and resources were allocated to the assessment of the situation/diagnostic-phase and a market-oriented approach was clearly adopted by the groups when designing the interventions. Under the first scenario, each of the sub-groups set about 'picking the winners', starting with the lead firms in the industry and identifying types of technical support, direct subsidy or other means to induce such firms to incorporate more smallholder farmers within their supply chains. Considerations were also given to alternative markets for which smallholder farmers might have comparative advantage in supplying. In the first scenario, relatively little attention was given to strengthening local support services and practically no attention was given to the role of (or investments in) governments. Under the second scenario, longer lead times were envisioned, more attention given to cost-sharing (i.e. 'willingness to pay') and more investments made in strengthening local capacities—within the industry, among service providers, and within government.

Some points can be taken from the discussions that took place during the exercise:

- The design of the project is highly dependant on several factors—the donors' expectations, the nature of the commodity, the maturity of the industry, the supporting public and private infrastructure, the farm/firm starting point—thus, difficulties arise when trying to define 'best practices' that are appropriate to different contexts.
- The importance of taking into account previous experiences/interventions carried out in the field/area as the starting point to minimize the risk of failure and avoid duplication of efforts.
- Although the success of the interventions is highly determined by the capacities of the implementer, there are no doubts that the actions/expectations of donors (time frame, selection of the industries to be supported, etc.), represent a critical element constraining the abilities of implementers in determining the most effective actions to achieve sustainable results. Therefore, the need to create an interface with donor organizations, to better shape and influence projects' design and objectives that have more possibilities to be sustainable and appropriate to specific contexts, was highlighted.
- There is a temptation to jump into interventions to build/support private or public infrastructure for conformity assessment; significant resources are going into the acquisition of lab equipment, training of lab personnel, etc; without taking into account the sustainability of these initiatives within the frame of growing demands for these services in dynamic local, national and/or regional markets.

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- A reflection was proposed on the importance of keeping the balance between the creation of public and private goods through interventions. Are the capacities created being captured by only a small group of beneficiaries? What is the replicability and sustainability of the interventions promoting compliance with private standards? Certainly, interventions oriented to strengthening/creating the broaden set of institutional capacities that are required to ensure compliance with market requirements, are desirable as a way of generating long-term benefits to a wider range of stakeholders.

- A topic that also arose from the exercise is the dichotomy that still exists between public and private sector roles, in the context of small farmer participation in high-value and differentiated chains. Certainly, the supply chains can leverage private sector investment but cannot fill the gap of public sector investments (e.g. infrastructure). Therefore, there is a clear need to build partnerships with the government during the design and implementation of interventions. Similarly, there was a clear consensus that opening market access for new products (e.g. through pest risk analysis), research and development, eliminating or reducing market distortions, etc., are clear roles of the government and therefore, a very appropriate use of public resources, which generates positive impacts for many farmers and actors.

- It is fundamental to continue the dialogue on ‘what works and what doesn’t’ in this field; to learn from our failures and of the possible ways to overcome them; to reflect on the implementers’ decision-making process for designing interventions and on the possible ways to improve this process to make better decisions that ensure more successful and sustainable results.

#### **IV. Conclusions and next steps**

From the presentations and discussions it was clear that the foci of many of the initiatives linking smallholders to markets are targeting export opportunities in higher-value and differentiated products. Yet, the meeting served as a space to reflect on the importance of widening this view, by trying to identify the opportunities to promote small farmer linkages to regional and domestic markets, where, from a poverty reduction perspective, there may be larger impacts.

The upgrade of small farmer and firm operations to comply with market requirements should be understood as a step-wise process. The planning of interventions in this realm should be based upon a clear notion of the ‘starting point’ of the farms/firms, an understanding of the gap that the intervention is trying to bridge, the delineation of appropriate public and private sector roles, and considerations of sustainability of efforts and likely distributional consequences. The meeting succeeded in generating a space to exchange lessons learned and experiences, and in identifying common constraints that limit the achievement of the desired results of interventions.

The need to continue the dialogue on ‘what works and what doesn’t’ in this field is certainly evident, as a way of ensuring better outcomes of interventions. Yet, in doing so, it is also fundamental to bring to the discussion the views and perspectives of key actors, especially the private sector and farmer representatives from developing countries.

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Through the discussions the group identified a series of thematic topics where further analysis and dialogue is highly desirable. Examples of those are:

- **Interface between public and private sectors**—it is apparent that the model of development, in the short-term compliance field, has moved towards a paradigm centered on private sector activity, with comparatively little regard given to the roles and capacities of governments. Yet, there are fundamental public sector roles in facilitating (and/or enforcing) improved production and supply chain practices plus important areas of interface between official regulatory frameworks and private governance. These interfaces and examples of good practice in public and private sector collaboration need to be better elaborated.

- Defining appropriate **'indicators for measuring success'** from interventions targeting assured compliance. Probably, there is no shortage of indicators, but what is lacking is a collective methodology to gather and analyze information.

- **Addressing failures and documenting really good success stories**—The need to document failures and the methods/ways to overcome them, as well as to identify really good success stories, as a way of generating a learning process based on implementation experiences, in order to minimize the risk of future failure.

- **Considering the evidence regarding the developmental effectiveness of various (trade-related environmental, social, or food safety) standards**—There is a growing body of anecdotal evidence on this subject as well as some attempts at more systematic impact or other assessments. The Group could commission some reviews of the available evidence and/or convene a meeting where such evidence is tabled and discussed.

The above topics are among those which could be foci of future workshops or conferences organized by the TSPN. The Group could also organize a series of e-discussions on selected topics, coordinate a 'working paper' series on selected themes, and develop and implement training modules for developing country and practitioner organization stakeholders. The Group's shared website will be further developed and used as a communication vehicle within the Group and to other country and technical partners.

Since its formation about two years ago, the TSPN has operated on an informal basis, without any dedicated secretariat or pre-committed budget. Its informal structure and communications have been sufficient for the level of activity thus far undertaken. Yet, many members of the Group consider there to be much unrealized potential for the TSPN—in terms of knowledge management and advocacy. Towards this end, it was agreed that several members will draft a new 'business plan' for the TSPN that could form the basis for a more formal structure and the search for funding to support that structure and a series of planned events/outputs for the coming years.

## Annex 1

### **African Smallholders and the Challenge of Assured Compliance: What Have We Learned From Our Interventions?**

#### **Guidelines for the Identification of Lessons Learned from Interventions**

##### **Background**

One of the core objectives of the Trade and Standards Practitioners Network (TSPN) is to share lessons from past and on-going work to strengthen the capacities of developing country producers, firms, and other stakeholders to apply and benefit from improved standards. One important sub-topic is the challenge of assisting smallholder farmers to comply with emerging standards-- and thereby successfully participate in markets for higher value and differentiated products. Many TSPN members (and other organizations) are active in this field, providing technical assistance, training and other support to producer groups, to the buyers that source commodities from such farmers, and/or to the business/technical service providers that work with these farmers. For some organizations, these efforts to facilitate small farmer standards compliance are a core line of activity; for others, these efforts form part of a broader range of activity pertaining to value chain or rural economic development. However, to date there has been limited effort to share lessons from past and on-going work in strengthening pertinent capacities in this area.

As many of you are aware, last year the World Bank, University of Guelph, and several African research partners launched a study to examine the *forms, efficacy, and characteristics of 'good practice' associated with public, private, and NGO 'interventions' to better link African smallholders with domestic and international markets for higher-value and differentiated commodities*. In this study, we are devoting particular attention to interventions which center upon (or substantially address) the challenges of facilitating smallholder compliance with emerging product and process standards and supporting the associated system for conformity assessment and assurance.

A large part of this study will involve field-based case studies, including interviews and surveys of implementing parties, agribusiness entities, farmers, government officials, and others. The research team will seek guidance from TSPN members to help identify suitable case studies within Africa, the (further) assessment of which could shed light on a range of operational and/or economic development issues.<sup>1</sup>

*One important step in this process is to work with TSPN members and others to reflect on some of our implementation experiences, and meet to discuss our respective insights and explore common themes and generalizable principles. Each of us approaches this topic from a somewhat different angle, deploying different mixes of intervention approaches and instruments, and with varying thematic/commodity foci. Based on experiences (and hopefully existing documentation),*

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<sup>1</sup> The research will most likely include case studies pertaining to domestic and export-oriented horticulture, domestic higher quality dairy products, edible groundnuts, spices, natural products, and specialty coffee. Case study countries will likely include Ghana, Senegal, Uganda, Kenya, Zambia, and perhaps selected others for particular products (i.e. Rwanda and Tanzania for specialty coffee; perhaps Madagascar for spices and natural products).

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*TSPN members and selected other organizations should be able to develop some powerful insights on ‘what works and what doesn’t’ in this field, and why.*

### **Context**

There are many constraints inhibiting African smallholder entry and sustained participation in (domestic or export) supply chains for higher value or differentiated products. Many smallholder households are constrained by having very limited assets for production, including access to land, reliable water, sufficient labor, and financial resources. Logistical constraints are common, especially for farmers located in relatively remote locations and where perishable commodities are involved. Any of the above could act as severe barriers to (high value) market participation.

Yet, even for those smallholder farmers who may have sufficient access to production assets and that operate in nearby or relatively well-connected location, a necessary (yet not sufficient) condition for entering and maintaining participation in higher-value supply chains is achieving compliance with emerging product and process standards. Although the level and type of the standards that are applied will clearly differ, assured compliance is certainly an issue in supplying the quality end of the domestic dairy or horticultural markets, or for export markets for higher value foods or differentiated versions of traditional commodities (i.e. specialty coffee; organic honey). Some development organizations are targeting their assistance to addressing the challenges of assured compliance. Others are putting attention to farm and downstream quality, food safety, and environmental management into their broader ‘value chain’ portfolio of interventions.

As a TSPN member or other practitioner organization in this field we invite you to reflect on some of your pertinent implementation experiences in this area, to prepare a short paper highlighting the findings from this reflection, and subsequently, participate in a TSPN workshop that will serve to compare and contrast these organizational observations and identify a range of common themes and lessons. The various organizational reports would be posted on the TSPN website plus brought together as a compendium—together with a joint introduction and conclusions—for dissemination within the development practitioner and research communities.

### **Suggested Approach to Analyzing Implementation Experiences**

Organizations are invited to prepare short (around 6 to 10 page) reports and Powerpoint presentations that summarize the main findings. The reports could be a combination of text, bullet points, and tables. The reports should relate to implementation experiences that were either dedicated or involved substantial attention to addressing the challenges of ‘assured compliance’ facing African smallholder farmers in their attempts to gain/maintain participation in higher-value domestic or export supply chains. Each organization is free to choose the pertinent examples that can best highlight the types of themes that will be outlined below. Each organization is requested to:

1. Briefly highlight their general philosophy or orientation toward this type of work to promote ‘assured compliance’ by smallholder farmers, and indicate how this type of work fits into their overall approach to value chain or broader rural economic development efforts. This would also include some insights on the time-frame over which the organization has been involved in this specific line of work, especially in Africa.

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2. Provide more detailed analysis of two cases/projects of implementation experience in Africa. It would be very useful for one of those cases to reflect a (relatively) highly successful experience and the other to reflect a relatively less successful intervention experience. For these cases/projects, the analysis would highlight:

- *Opportunity/Constraint*: The opportunity or constraint which was identified in relation to ‘assured compliance’ and how this was identified. This would include identifying the level of type of ‘upgrading’ that was being sought in order to re-position African smallholder farmers in existing or different market segments (see Attachment 1 to identify the type of context associated with your intervention);
- *Pre-existing Gaps*: The various technical, administrative, financial or other ‘gaps’ that were identified to be causing the pertinent problems or constraining farmers from realizing available opportunities;
- *Targeting*: The nature of the targeting of project/program interventions—whether according to geography, commodity, types of farmers, etc. and what considerations went into this targeting;
- *Locus of intervention within supply chain*: The loci of intervention points (i.e. in input markets; at farm level; with farmer organizations; at company (buyer) level, in government, etc.) that were deemed to be essential to address these gaps;
- *Content of interventions*: The range of instruments that formed the content of the ‘interventions’, including training, technical assistance, financial resources, activity subsidy, infrastructure development, institution-formation, and why this portfolio was needed or appropriate;
- *Division of roles and responsibilities*: The determination of which entities were in a position to undertake critical functions (see Attachment 2) to contribute to ‘assured compliance’ and how these roles and responsibilities evolved over the course of the project/program. Especially interesting here would be an analysis of whether and how pertinent responsibilities progressively shifted from the ‘project implementer’ to local players (including buying companies, farmer groups, local business service operators, government agencies, industry associations, etc.)
- *Implementation problems*: The main problems/bottlenecks experienced during the course of implementation, distinguishing between those which were largely external to the activity (i.e. wider commodity market developments; wider macroeconomic circumstances) and those which were directly related to implementation;
- *Indicators of smallholder compliance*: Illustrations of the types of results achieved related to smallholder compliance with product/process standards and pertinent supply chain participation.
- *Exit Strategy*: The nature of or scope for ‘exit’ by the project and the challenges of sustainability following this exit; and
- *Lessons Learned*: Key operational lessons which could be drawn from these experiences and how these lessons have or could influence your organization’s approach to this type of work in the future. Some of these lessons might be idiosyncratic for certain types of

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operating conditions, while others may be more generalizable.<sup>2</sup> Among the lessons should be the identification of ‘key success factors’ in achieving sustainable results in this field.

- In an annex, the report would identify one or several possible case studies that might prove to be useful foci for more empirical assessment, especially related to the efficacy and impact of different types of interventions in this field. Ideally, case studies should enable some comparison among different types of approaches to addressing standards compliance opportunities/challenges in particular country/industry contexts.

It is assumed that all the participating organizations already have some extensive documentation on these projects/programs. The exercise here would involve some further reflection on those experiences in order to re-cast the storyline according to the above themes and put this on paper in the form of a short report. We estimate that the level of effort needed to do this would be three or four person-days per organization.

We would like to receive the draft organization reports by the second week in May. This would enable some feedback and the completion of final reports by the end of May. Members of the ‘smallholder research team’ would be available to interact with organization colleagues to clarify the objectives of this effort and the likely suitability of particular projects/programs for this type of reflection.

### **Workshop to Share and Compare Organizational Insights**

A workshop would be convened in mid-June 2007 at the World Bank in Washington to enable TSPN and other practitioner organizations to share their insights and lessons and for the convened participants to draw out common themes. The organization reports and presentations would be posted on the TSPN website (which will be officially launched at this workshop) and the group would agree on the format and contents of a document that would include this documentation and be disseminated among the development practitioner and research communities.

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<sup>2</sup> For example, pertinent lessons might relate to (i) the importance of direct ‘buyer’ involvement, (ii) direct or facilitative roles of government, (iii) realistic time frames for adoption of improved standards/practices and associated institutional capacity development, (iv) the importance of prior crop or market-oriented experience by targeted farmers, (v) the ‘most critical’ constraints faced by farmers or buyers in attaining assured compliance, etc.

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**Attachment 1: Continuum of Buyer Requirements for Smallholder Supply Systems**

Continuum of Buyer Requirements				
Level 1	Level 2	Level 3	Level 4	Level 5
Basic physical, visible product characteristics*	Physical, visible product characteristics +	Physical visible product characteristics +	Physical visible product characteristics +	Physical visible product characteristics +
	Quality grades and varietal preference**	Quality grades and varietal preference +	Quality grades and varietal preference +	Quality grades and varietal preference +
		Food safety and internal quality characteristics of products***	Food safety and internal quality characteristics of products +	Food safety and internal quality characteristics of products +
			Specifications for selected, basic process standards and associated record-keeping****	Specifications for a broader range and more elaborate process standards and associated more detailed record-keeping *****
Visual inspection	Visual inspection	1 <sup>st</sup> or 2 <sup>nd</sup> party inspection/testing	2 <sup>nd</sup> or 3 <sup>rd</sup> party conformity assessment	2 <sup>nd</sup> or 3 <sup>rd</sup> party conformity assessment
		‘Specialty’ segments (i.e. organic, fair trade, environmental attribute) normally would involve 3 <sup>rd</sup> party conformity assessment		
<p>*External appearance for commodities sold in open, spot markets (i.e. color, size blemishes)  **Particular varietal preferences plus grades according to uniformity of sizing, ripeness, texture, condition, moisture context and presence extraneous materials.  ***For example, microbiological or chemical contamination, presence of toxics, sugar levels, fat content.  ****Basic ‘good agricultural practices’ and basic good hygiene.  ***** GAP, hygiene, environmental management and, perhaps additional process requirements. The more detailed record-keeping would include traceability of inputs and outputs.</p>				

## **Attachment 2: Tasks and Functions for Assuring Compliance of Smallholder Products and Production Processes**

There are a range of tasks or functions that need to be carried out in the process of incorporating smallholder farmers into higher value supply chains and assuring that those farmers comply with buyer/market/official product and process requirements. Of the tasks listed below, not all may be necessary in the context of particular supply chains or prevailing standards. In addition, some of the listed functions aren't specific to standards compliance per se, although are still essential in any 'market linkage' scenario.

The listed tasks or functions could be performed by various parties including the farmers themselves, producer groups/organizations, market intermediaries, input supply companies, downstream agribusiness companies, official extension services, private advisory services, NGOs, project implementation agencies, and others. One of the interesting set of insights from project/program experiences would relate to how one assesses the capabilities of these different entities to perform such roles and *what are good practices* in strengthening these capabilities through training, technical assistance, incentives, or other means.

The pertinent tasks and functions include:

- Properly screening/targeting/selecting producers able to supply for a particular market/buyer;
- Negotiating the terms of trade; the nature of transactions + relationships with buyers
- Informing selected farmers of product specifications;
- Informing selected farmers of necessary investments and production practices/changes;
- Facilitating selection and access to prescribed inputs;
- Facilitating implementation of prescribed on-farm investments;
- Facilitating adoption of prescribed production and resource management practices;
- Monitoring and recording that prescribed practices have been applied;
- Certifying that infrastructure/management systems/production practices have been applied;
- Screening/grading farmer product at aggregation points;
- Maintaining quality through the aggregation, storage, and transport processes;
- Screening/grading/testing raw material/product delivered at buyer reception point;
- Price discovery;
- Final settlement of accounts for each transaction/consignment;
- Instituting changes in any of the above to address shortcomings