



Smallholder farmers assessing organizational capacities and entrepreneurial initiatives

The case of farmer groups and networks
engaged in contract farming with Equator
Products (Coastal Province, Kenya)

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BO Project "Development of smallholders' production and supply chains in Kenya"

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1. INTRODUCTION

General background

In 2008, Equator Products Ltd (EP) has started the production of solar dried African Bird Eye (ABE) chilies in the relatively poor Coastal Province of Kenya. The company offers smallholder farmers access to promising international niche markets. EP currently sources with some 300 farmer groups, most of them organized in higher tier organizations (Kilifi and Lamu Farmer Field School networks and CODO, the latter also operating in Lamu District).

The objective of EF is to expand production and to extend the number of contracted farmers from 2000 to 4000. The short-term objective is to arrive at break-even point. For 2009, EP has set the target of exporting 200 tons of (dried) chilies, as compared to 60 tons in 2008. The increased volume of supplied and processed chilies would increase farmers' incomes and make the ABE chilies an engine for rural economic development and innovation.

The development goal of the BOCI project is to contribute to poverty reduction and livelihood improvement through improved and sustainable access of smallholder horticulture producers to export markets of processed horticultural products. The action research project specifically targets the optimization and outscaling of the EP smallholder sourcing business model in the Coastal Province of Kenya. It also adopts a comparative perspective with the aim to translate lessons learned with the roll-out of the EP business model into recommendations for a wider range of horticultural products, processing techniques and markets.

Mission objectives

This WUR mission sought to contribute to the following objectives:

- Further description of the organizational elements of the EP business model, with specific focus on the current and potential roles of smallholder producers in the business model and changes processes in the business model;
- Further description and analysis of producers' organizations involved in the EP business model;
- Further identification of critical issues and challenges, both from the perspective of producers and from the perspective of Equator Products, with specific attention for (i) the internal organization of the producers involved; (ii) their perception of the contract farming arrangement and (iii) critical factors determining the success or failure of the (different stages of the) smallholder based sourcing system of Equatorial Products
- Identification of possible answers to identified bottlenecks and opportunities as identified/suggested by producers, their organizations and Equator Products.
- Suggest strategic business-led improvements that are beneficial to both parties involved, creating a win-win situation.

Focus on farmers' self-assessment

In the field, after further discussion with EP, the objective of the mission was focused on two major subjects: (i) sharing views and experiences on farmer group dynamics with chili farmers participating in contract farming with EP and (ii) applying a self-assessment tool allowing farmers to reflect on the functioning and performance of their organization and the contract farming relations they have with Equator Products.

This report shares the results of the self-assessments that took place in the first week of June 2009 (start rainy season, before second chili production season). In total 81 respondents of 4 different chili production areas and farmer group networks filled out the self-assessment form:

- Kilifi Farmer Field School Network (KIFFSNET) : 21 zones, each represented by 3-6 farmers
- Lamu Farmer Field School Network (LAFFSNET) : 27 respondents; Board members and/or facilitators;
- Community Development Organization (CODO): 17 respondents, board members and/or facilitators;
- Witu production area (WITU) : 16 facilitators of farmer groups.

The self-assessment exercise was joined to a training on sound pesticide use that EP organized in the same week. This facilitated the mobilization of farmers, facilitators and board members, reduced costs and traveling time and eased the restitution of self-assessment results. After having processed the scoring data¹, restitution reports were made available to all four groups. Debriefing meetings of one to two hours took place with representatives of Laffsnet, CODO and Kiffsnet².

The results are first of all the property of the participating farmer groups, zones and networks. The results of the self-assessment also contribute to the analysis of the EP-FO business model, bringing in their viewpoints and perception of critical issues.

which will be discussed in a separate document. That document will succinctly and more explicitly address the five specific mission objectives.

Structure of this report

This report focuses on the self-assessment exercise. Chapter two introduces the self-assessment methodology, especially the operational phases and steps the process went through. Methodological issues are discussed along the way. Methodological lessons are summarized in chapter 6.

Chapter three presents the overall results of the self-assessment. Chapter four and five presents the results for the assessment areas relating to organizational functioning and performance (4) and contract farming relations between the farmer groups and Equator products (5). Annex 1, presenting the results for specific subjects (related to statements in the questionnaire), supports chapters 4 and 5. Chapter six presents some general conclusions and suggestions regarding the EP business model and the self-assessment methodology.

¹ Both for KIFFSNET, LAFFSNET, CODO and WITU, these restitution reports had the following title: "Looking in the mirror: results assessment organizational performance and contract farming with Equator Products"

² Witu farmer groups are not (yet) organized in a higher tier organization; farmer group facilitators had gone home after the training and self-assessment session.

2. SELF-ASSESSMENT METHODOLOGY AND PROCESS

This chapter discusses the methodological aspects of the self-assessment tool that was used in the Kenyan Coast Province. This tool seeks to be a tool for farmers' organizations that is easy to use, flexible, efficient, cost-effective and action-oriented. The goal is that farmers' organizations use and adapt the tool themselves, for instance a regional network assisting local branches in self-assessment. The field work went through 5 steps that are discussed in the next paragraphs:

- Adapting the self-assessment exercise and statements to the situation at hand (e.g. EP business model and contract farming arrangements with farmer groups);
- Introducing the self-assessment to farmers;
- Farmers scoring the statements;
- Data processing and preparing restitution
- Restitution meeting with farmer representatives.

2.1. Adapting self-assessment tool and statements to situation at hand

The self-assessment had previously been used and tested in Rwanda, Niger and Mali and is still in development. The objective is to arrive at a tool that can be easily adapted to specific local situations, in this case the EP business model in Coastal Province, Kenya.

Taking earlier 'questionnaires' as a starting point, the total number of statements was reduced and their phrasing adapted to the specific context of the EP-farmers business model. The major adaptations, done after extensive talks with the EP managing directors in Malindi, were:

- The reduction of statements especially concerned those referring to organizational functioning and performance;
- Statements on contract farming relations of farmer groups with Equator products were added;
- Adaptation of the formulation of statements to the specific context.

The questionnaire that was used contained 88 statements distributed over two main sections and further sub-divided over different subject areas, which we will call 'assessment areas'.

A. Organizational functioning and performance	B. Contract farming relations with Equator Products
1 Membership base 2 Governance, leadership and internal democracy 3 Management of human and financial resources 4 Collaboration and alliances 5 Service provision to members	6 Production risks 7 Relation farmers-company 8 Default risks

The five clusters of statements relating to organizational functioning and performance are based on a basic model for describing farmer group dynamics and performance of farmers' organizations. This basic model proved useful, both at the introductory stage of the self-assessment and during debriefing the results. The model may also prove relevant for eventual subsequent phases, for instance strategic planning.

The three clusters of statements relating to the contract farming relations were largely based on the case-specific critical issues (as reported in the inception report³ and as revealed during the inception talks with the managers of Equator Products.

³ De Jager, A & Nijhoff, H. (2009) Development of smallholders' production and supply chains in Kenya. Wageningen, March 2009.

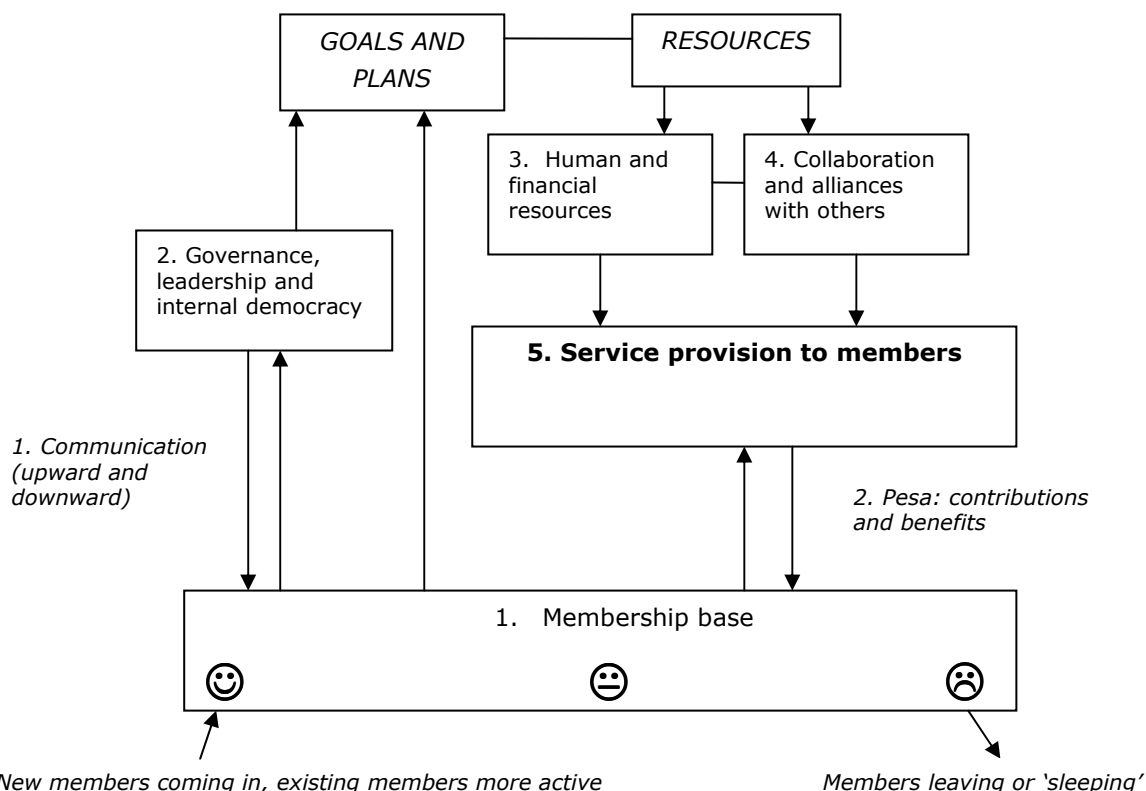
Box 1: Storyline 'organizational functioning and performance'

1. Farmers' organizations are established, governed and controlled by farmers, in view of realizing joint activities for the benefit of associated members.
2. Among themselves, members elect the committee or board members. These elected farmers occupy the functions of chairperson, secretary, treasurer and other relevant functions. The elected persons are given the responsibility to govern and represent the organization according to the established internal rules and regulations. The elected persons and bodies need to account for their activities to the members.

Together, farmers and committees define the goals and operational plans of the organization. This is why farmers' organizations are self-help organizations. Goals and plans relate to the results to be attained, activities to be undertaken and the use of resources.

3. For attaining the goals and expected results, farmers' organizations need human and financial resources. Human resources (watu) refer to qualified people (farmer-members, committee members and staff). Financial resources refers to money (internal and external). Both human and financial resources should be managed in a transparent manner.
4. In order to get the desired results, farmers and their organizations also need to collaborate with others (think of: banks, input dealers, trading & processing companies, local government, research, NGO's,).
5. If these preconditions are met, farmers' organizations can provide good services to their members (training, marketing, input supply,).

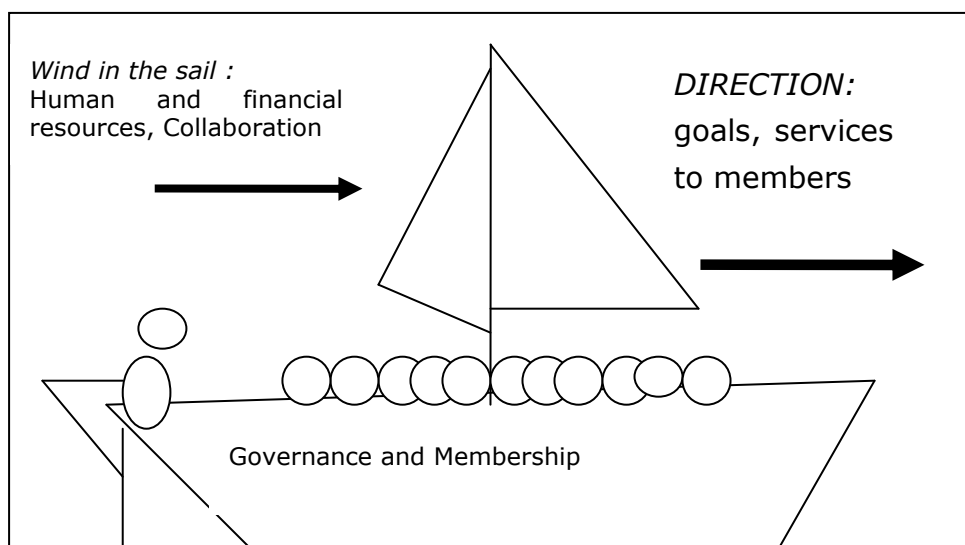
If the services and benefits are good, farmers are likely to remain members of the organization and contribute to it. If not, they may leave the organization or become 'dormant' members.



2.2. Introducing the self-assessment

The self-assessment was preceded by a session during which some insights and experiences were shared. These related to : (A) farmer group dynamics; (B) contract farming and business relations and (C) farmers' self-assessment of the functioning of their organization.

Experiences with farmer group dynamics were share and visualized in the form of a diagram (cf. preceding page). It was also exemplified with a metaphor (sailing boat). The diagram and metaphor indicate the 5 assessment areas, but this was not much stressed.



More emphasis was put on organizational and financial autonomy, self-help initiatives and the challenge of ongoing organizational capacity building and performance improvement. Examples from the Netherlands and Kenya were used to show that farmers' organizations (wherever they are and whatever they do) find themselves in a certain stage of development. They are never 'totally zero', nor are they ever 'perfect'. The challenge is to find out what the key challenges for further organizational strengthening and performance improvement are. It was explained that the assessment tool seeks to contribute to that.

The subject of contract farming and business relations was introduced by using the example of dancing (lady and man dancing together as they do in Europe), whereby farmer groups and Equator Products need to move together on the rhythm of the music. The story-line of this section was as follows:

- Farming is business, farmers are (small) entrepreneurs
- Business transactions require trust and coordination;
- Business is like dancing : you cannot dance alone, you need to know each other first, you need to coordinate the movements to move complementary and in the same direction, you need to go with the rhythm.

To explain 'self-assessment', the metaphor of looking in a mirror was used (do I need to comb my hair, shave my beard, redo my make-up, ...?). It was suggested that assessing oneself generally precedes next steps: making decisions and taking action. Self-assessment is therefore a step in a dynamic process of internal reflection, discussion, action and learning.

On request of the farmers, this presentation has been put on paper after the field visits⁴. This was done in June 2009. In July, the note was then translated in Kiswahili and made available to the farmer groups and networks⁵.

⁴ Schrader, T.H. 2009. About farmers' organizations and their business relations; "Kuzungumza kidogo kuhusu vikundi vya wakulima na biashara zao", June 2009.

⁵ Schrader T.H. 2009. VYAMA VYA WAKULIMA NA MAHUSIANO YA BIASHARA ZAO "Mazungumzo kuhusu vyama vya wakulima na biashara zao", June 2009 (translated by of Equator Products & Zaina Mamu of Wageningen International)

2.3. Farmers scoring the statements

Representativeness of respondents

Ideally, a representative sample of FO members fill out the form. A member register would allow for a random sample or a stratified sample⁶.

In this case study, we followed a practical and cost-efficient approach and managed to collect, process and restate quite some data in a short time (81 respondents from 4 major production areas, out of a population of 2500 farmers engaged in contract farming with EP as from 2008). The results of the self-assessment are however not really representative:

- Number of respondents not commensurate with the membership base of the different farmer organizations. Even with scores for zones (each represented by some farmers), the sample of Kiffsnet should have been much larger, for instance.
- Representation of larger farmers, female, male, young and old farmers not checked;
- Likely over-representation of Board members (case of CODO and Laffsnet). For the case of CODO two scores have been calculated, clearly showing that board members significantly scored higher than facilitators; cf. chapter 3)
- The Witu farmer groups were 'scored' by the facilitators. It is likely that the facilitators have certain atypical characteristics like higher education level and exposure to other experiences.

The question is if insufficient representativeness is a serious problem. The answer is 'yes' if indeed the outcomes of the survey are biased because of over-representation of one particular group and only their priority problems are addressed as a result. The answer may be 'no', I main objective is to (more or less) systematically bring up issues for further discussion and action within farmers' organizations and/or among business partners. This tool is clearly in that second category of operational tools. The major methodological challenge is to identify practical options to assure as much as possible the representativeness of the results, by

- distinguishing different farmer categories and have them represented in the survey (size of holding, gender, livestock ownership, ...);
- covering geographical area of the farmers' organization and have more remote living members being represented;
- having a sufficiently large sample.

Ultimately, the self-assessment tool should be owned by those using it, especially farmers' organizations that operate at national, provincial or district level. In that case, larger samples are more feasible.

Scoring form and scoring scale

The scoring form had the following basic outline :

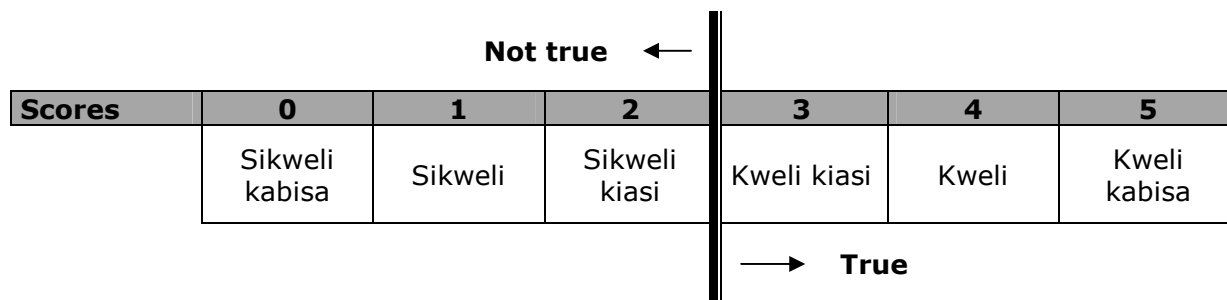
No	Statement	Score					
1	SUBJECT						
1.1 STATEMENT	0	1	2	3	4	5

The respondents (members of farmer groups) were asked to give their opinion on the statement by asking two basic questions:

"Is this statement true or not true ?"

"To what extent is this true or not true ?"

⁶ Not further developed in this document.



The self-assessment tool uses a Likert scale, which is commonly used in questionnaires. When responding to a Likert questionnaire item, respondents specify their level of agreement to a statement. In this manner, the level of agreement or disagreement with statements is measured.

Most often, five response levels are used, ranging from 'strongly disagree' (1) to 'strongly agree' (5), with 'neither agree or disagree' in the middle (3). For two major reasons, preference was given to six response levels (ranging from 0 to 5; cf. figure above) :

- When using six (or 4) response levels, the option of 'neither agree nor disagree' can be avoided. Respondents have to choice for either a (slightly) positive or negative response to a statement.
- Scores can be translated on a scale from 0-10 or 0-100, by multiplying the scores with 2 or 20. In this case, the second option was chosen: results are presented on a 0-100 scale. This avoids presenting scores of 2.23 or 3.8 which are less attractive than presenting the same result as 45 or 76 on a 0-100 scale.

The scoring of Likert items is known to be subject to different biases:

- Respondents avoiding extreme response categories (central tendency bias). This bias has been somewhat reduced by using six response levels and by the translation of the response levels in Kiswahili, clearly showing three levels of agreement and disagreement.
- Respondents agreeing with statements as presented (acquiescence bias). The fact that most statements were positively keyed is likely to have contributed to this bias.
- Respondents portraying themselves or their organization in a positive manner (social desirability bias). This bias is likely to have appeared, especially with Board members (cf. CODO case). The phenomenon of board members scoring higher than 'ordinary' members is also known from other experiences (Rwanda, Niger).

In a self-assessment survey, farmers score their organization comparing the current situation to what they it could or should be. It is often observed that maturing farmers' organizations, after having been exposed to capacity development and experiences of other farmers' organizations, subsequently score themselves lower, whereas young, unexposed farmers' organizations tend to give themselves high scores.

Among others, this phenomenon would argue for including objective criteria in the questionnaire. This could be done in different manners:

- Searching for factual information using binary scores (yes-no answers).
- Specifying what scores mean by using numbers and amounts (for instance : only incidental board meetings, at least one meeting per year, quarter, month).
- Putting objective benchmarks in the statements.
-

For several reasons, the use of more 'objective' indicators was not considered for this self-assessment. The first and most important reason is that using quantifiable indicators easily gives the impression that the tool is an external assessment, which it isn't. The aim of self-assessment is not to move farmers' organizations towards higher scores on predefined scales.

The essence of a self-assessment tool for farmers' organizations is to facilitate internal analysis and discussion among its members. Self-assessment results should be a mirror showing how farmers perceive the strengths and weaknesses of their organization. Self-assessment results are the summary of subjective perceptions of farmer members. If an organization is 'objectively' weak on a certain subject, but does not perceive it as such, the chances for internally motivated organizational change are slim. Self-assessment first helps to systematically identify those subjects that members seem to prioritize for improvement. That perception is the starting point for discussion and change. This discussion may include exchanges with or advice from outsiders. In these discussions, options for improvement may be suggested.

The formulation of statements that were used in this questionnaire could have included more measurable indicators. This would have required more preparation for getting locally relevant benchmarks.

Selection and phrasing of statements

A vision on the dynamics, functioning and performance of farmers' organizations and on farmers' business relations and contract farming underpins the structure of the questionnaire (two sections, 8 assessment areas). For every assessment area, statements are indicators (proxies) for certain subjects that are seen as relevant for that area. The fundamental questions and challenges are of course : (i) whether a statement measures the subject and (ii) whether a cluster of statements measure the subject/assessment area.

Individual statements

- The formulation of statements is of key importance for the first challenge. A statement should only deal with one issue, otherwise respondents do not know what they should score.
- A statement should be well understood by the respondents: formulated in clear language and related to farmers' livelihoods and farmers' organization's realities.
- In the questionnaire that was used, most statements are positively keyed. For the few negatively keyed statements, it appeared that these often created confusion.
- Analysis of standard variation may help to check whether questions were well understood. High standard variation may indicate strongly differing perceptions of respondents or very different interpretations of the statement.
- To avoid dependency on only one statement per 'subject', two or more different statements could be formulated, with the aim to get more information of farmers' perceptions on a certain subject and to compare notes (congruency, contradictions, internal variation in answers, ...). In the questionnaire that was used, this strategy was sometimes applied.

Clusters of statements relating to a particular assessment area

- In the questionnaire that was used, the number of statements per assessment area ranged from 8 to 13⁷.
- There are certainly omissions in the subjects covered, leading to incomplete 'area scores'. In fact, a list of statements can never be complete and may always be criticized for being too limited for really measuring the perception of the functioning and performance of a farmers' organization. On the other hand, a questionnaire can easily be too extensive: taking too much time and/or being too long for maintaining the concentration of farmer-respondents.
- Some kind of trade-off therefore has always to be found. A self-assessment is always based on a more or less extensive set of 'proxies' for assessing certain areas. The challenge is to have a balanced set of proxies allowing to arrive at area scores that make sense.

⁷ In this report, the statements as submitted to respondents are presented in annex 1. In the main report, the subjects to which the statements refer are summarized in the first tables of paragraphs 4.1 to 4.5 and 5.1 to 5.3.

Language and time needed for scoring

Due to the on-site adaptation of the scoring form, time did not allow to translate the statements in Kiswahili. Farmer-respondents used the English 'questionnaires' that were photocopied in the towns of Kilifi and Mpeketoni. In most cases, informal arrangements were found to translate the questions in Kiswahili. For Kiffsnett, this was done during a long plenary session that took 3-4 hours. In the case of Laffsnet, the translation was organized in a more informal manner, with a retired teacher (now farmer) taking the lead. For the CODO and WITU sessions, most respondents scored the English statements without major difficulties. This took 30 to 60 minutes.

2.4. Data processing and preparing restitution

Data processing

After the questionnaires were filled out, the data were entered in Excel worksheets, generally in the evening of the same day. For each item/statement, highest and lowest scores, average scores and standard deviation were calculated. In addition, the following scores were calculated: area and total average scores, average standard deviation.

Working with Likert scales allows to analyze each item/statement separately. It also allows to calculate scores for a group of items. In our case, clusters of statements were used for indicating area scores (8 areas, composed of 8 to 13 items) and total scores (88 statements). Other intermediary levels used for analytical purposes were the perception of organizational functioning and performance (5 areas, ...51 statements) and contract farming relations (3 areas, 37 statements).

The following calculations with the self-assessment scores were prepared:

- Highest and lowest scores
- Average scores
- Dispersion of scores, indicating level of consensus or disagreement within group of respondents (standard deviation)
- Ranking of items within assessment areas.

Preparing debriefing

The results were presented in a Word document presenting tables, column-bar diagrams and column-line diagrams.

- The scores are presented on a scale from 0 to 100, which are easier to understand and compare than scores with digits behind the comma (3.72 or 1.63 for instance). The scores are obtained by simply multiplying the average score (between 0 and 5) with 20.
- The graphs are relatively easy to produce by the facilitator and easy to read by farmers.

For each of the 4 groups of respondents, specific reports presenting the major results, were 'composed'. These reports⁸, had the following structure:

1. Introduction
2. The mirror : overall overview of the results (total average scores, interpretation of scores, scores per assessment area, general picture that arises)
3. Perception of organizational performance (5 paragraphs, one for each assessment area)
4. Perception of contract farming arrangements with Equator products (3 paragraphs, one for each assessment area)

⁸ Title: *Looking in the mirror: results assessment organizational performance and contract farming with Equator products'*

What do the scores represent ?

A score of 40 or 60 reflects means that an average score of 2 or 3 has been given by the respondents. This does however not mean that all respondents have given a 2 or 3. On a 6-point scale different levels of (dis)agreeing can be shown: 3, 4 or 5 points show different levels of agreement with a statement, whereas 0, 1 or 2 points show different levels of agreement.

A score therefore shows the level of agreement and not the percentage of respondents agreeing with the statement. It is for instance possible that 10 persons give 5 points for a statement (very strongly agreement) and 10 persons slightly disagree with the same statement. In this case the average score would be 70, whereas the 50% disagrees ! In actually practice, scoring proves not to be that skewed and often has a 'normal distribution'.

When reading the scores in the subsequent chapters, expect the following levels of agreement or disagreement :

Score	Level of agreement	Level of disagreement	
0	0%	100%	Majority disagrees with statement
30	15-33%	67-85%	
40	25-45%	55-75%	
50	35-65%	35-65%	
60	55-75%	25-45%	Majority agrees with statement
70	70-85%	15-30%	
80	80-95%	5-20%	
100	100%	0%	

How to interpret the scores ?

Roughly speaking, the scores can be interpreted as follows :

- Less than 40 : very low score. There is a widespread level of dissatisfaction or even disappointment, likely to be coupled to a feeling that something must be urgently done.
- Between 40-50% : low score, agreement that something must be done ;
- Between 50-60% : Low average score. Members are not really satisfied nor completely dissatisfied. Recognition that there is room for improvement and likelihood that there is motivation to take action.
- Entre 60-70% : Average score. There is no major dissatisfaction, but there is room for improvement.
- More than 70% : High or very high score, indicating satisfaction with the current situation. Respondents are not very likely to perceive reasons to change.

Relative scores and ranking

When scoring different subject areas (in this case 8 assessment areas) or doing assessments with different sub-groups of farmers (in this case 4 farmer groups), it is useful to find ways to compare scores.

- Considering the different biases in scoring that are possible, it may be useful to analyze to what extent scores are below or above average (area scores or total scores). A score of 65 may be a high score for an organization with an average of 55, whereas it is a low score for an organization with an average of 75.
- Highlighting relative scores is most useful for internal priority setting within producers' organizations as well as for comparison among farmer groups.
- Identifying subject areas and/or specific subjects that get relatively high or low scores helps to identify priorities. Graphs showing the item scores (columns) and the average area score (line) allow to see the (positive or negative) distance to the average.

With the tool, the following presentations of data can be easily produced, both in form of tables and graphs :

- Item scores in relation to average area scores;

- Ranking order of assessment areas;
- Ranking order of items/subjects within areas;
- Comparison of area ranking orders of different farmers' organizations ;
- Comparison of ranking of items/subjects within areas.

Column-line graphs were prepared, restituted and explained to respondents (cf. par 2.5). The establishment of ranking orders and the comparison of results among different farmers' organizations was done for this report.

2.5. Debriefing meeting with farmer representatives

The debriefing sessions were 'giving back' or restitution meeting. Emphasis was explicitly put on understanding how the data were processed and the understanding of the presentation formats (reading of graphs, linking scores to specific statements and performance clusters).

During debriefing, advice or suggestions related to the results of the self-assessment were not given.

The debriefing meeting took at least one hour. The following procedure was followed:

- Step 1: Understanding data entry, processing and the presentation of the results
- Step 2 :Using graphs and tables for discussing contents
- Step 3: Discussing next steps

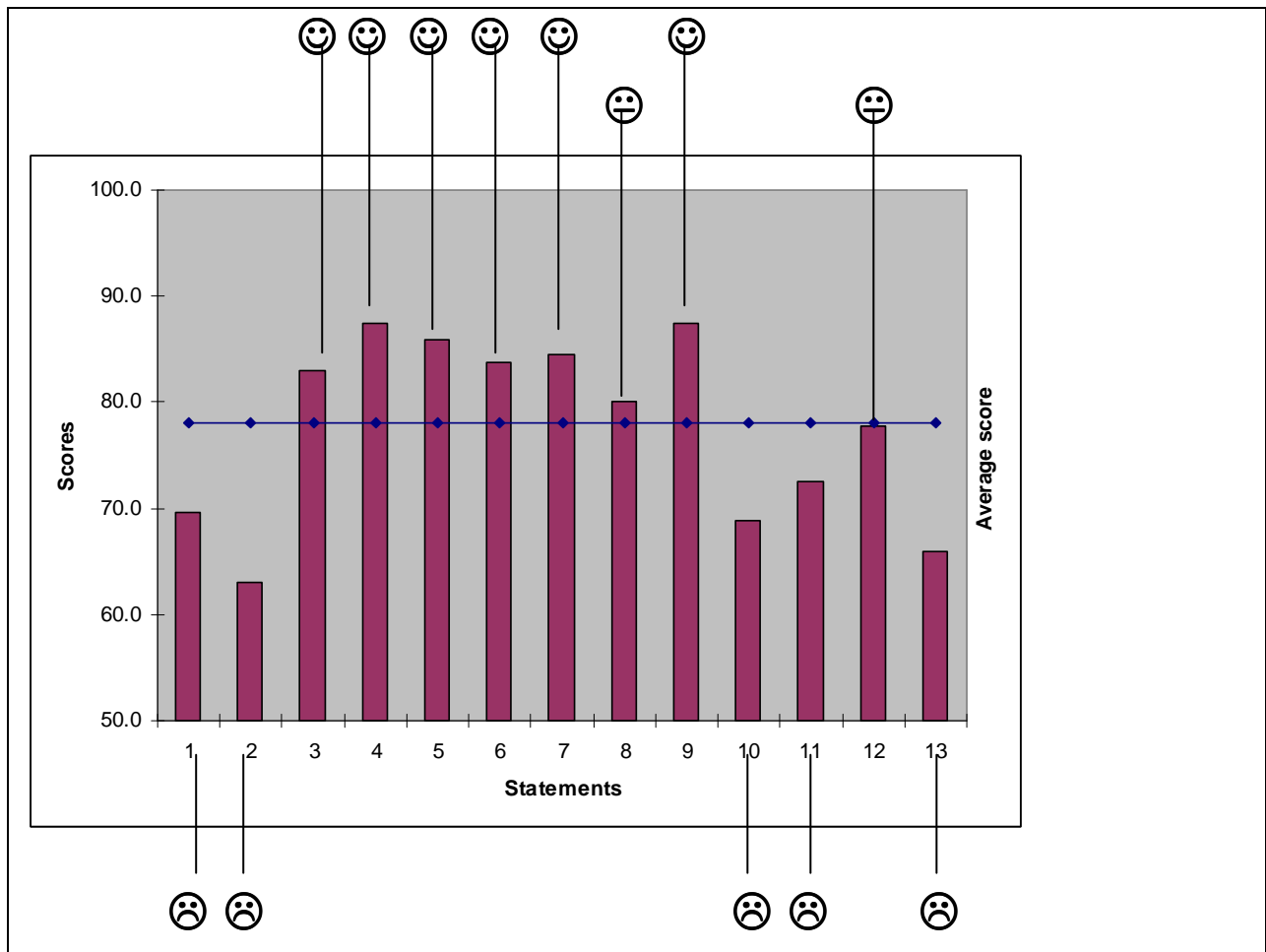
Step 1 : Understanding data entry, processing and the presentation of the results

- The meeting started by giving back the filled out forms to the farmer organization. This was felt important for showing that the FO 'owns' the self-assessment. And it allowed to make sure that every participant had a copy of the questionnaire.
- The next step was the verification of data entry, making the link between the scoring form and the Excel work sheet. One or two participants would read the scores of a randomly chosen questionnaire, while some others would verify if indeed these 'numbers' are entered in the computer.
- To the farmers it was then explained that the computer can transform numbers and scores in graphs. This was again supported by showing the Excel worksheet on the laptop. Farmers understood the computer screen showing the graphs as the mirror that was talked about in the meeting before the scoring exercise.
- For column-line graphs, it was explained that every bar corresponds to the score given to a certain statement and shows to what extent members are happy or unhappy. It was then explained that the horizontal line represents the average score that was given to the entire subject area. On that basis, one of graphs was read and reference was made to happy and unhappy members (cf. figure next page):
 - Item score well above the average : members are apparently happy !
 - Item score well below the average: members are apparently not so happy or even unhappy.
 - If more or less at the average line : members are somehow neutral, not happy nor unhappy.
- It was also explained that there may be need for improving on subjects that already get high scores, whereas it is possible that subjects that get low scores are not very important for taking action.
- During the three debriefing meetings, farmers proved to readily understand that:
 - o the graphs are like the pictures of their organization t
 - o they (collectively) made these pictures by filling out the questionnaires
 - o 'Scoring the statements' is like members giving their points of view
 - o the tables and graphs are means for communicating and discussing these viewpoints within the organization.

Step 2 : Reading the graphs and discussing contents

- Once it is clearly established that the self-assessment exercise arrives at the members' perception of their organization, the second part of the restitution meeting concentrated on reading the results.
- For the graph presenting the overall scores of the organization, it was asked which assessment area scored highest or lowest (reading the graph and legend). When this was established, the discussion went on by discussing the meaning of these results, in terms of 'we think that we are best/weakest in the area of'.
- The next step was to arrive at the understanding of the general picture that arises, by using three smileys (happy, unhappy and neutral).
- It was generally quickly agreed that the unhappy faces need to be transformed in happy ones. This was the bridge for looking into more detail at the level of specific assessment areas.
- For each assessment area, the feedback report presents two graphs: (i) the area scores of the respondents (showing the diversity of points of view) and (ii) the average scores per statement (showing the diversity in appreciation of the different statements). The horizontal line in both graphs show the average total score for the assessment area.
- The first discussion concerns the diversity of points of view within the farmers' organization. Is it a problem or an asset ? Why are there different opinions ? How to go about with it ?
- The second discussion concerns the appreciation of the statements. Which statements got the highest score, which one the lowest ? To what subject do the statements relate (participants move back to the questionnaire).

During the three debriefing meetings, farmers proved to easily understand the graphs.



Step 3: Discussing next steps

- The farm groups that participated in the self-assessment (scoring and feedback of results) were enthusiastic about the tool and the quick results that were obtained.
- Having given back the results and recalling that farmers' organizations are member-based self-help organizations that are governed by their members, it was underlined that it is up to the farmers' organizations to analyze and discuss the results of the assessment.
- The farmer groups and networks were invited to do so and to continue reflecting on the self-assessment results and to ask questions like :
 - What is the image that we see of ourselves in the mirror?
 - What are the issues that need attention ?
 - What can we do ?
 - What needs to be done in the first place ?
- The participants understood well that this kind of questions would help to identify "burning issues" for capacity strengthening and performance improvement of their organizations (farmer groups, zones and networks) and for improving business relations with Equator Products. On the basis of that understanding, it was explained that the tool (the mirror) helps members to CARE about their organization, e.g. the tool helps to **C**ommunicate, **A**nalyze, **R**eact and **E**valuate.
- It was stressed that responsible leaders should regularly ask themselves if they indeed CARE enough, because caring about the organization is about searching to be effective and to earn money, for instance through doing fair business with Equator products.

2.6. Follow-up

Already during the debriefing sessions, farmers asked for advice on next steps. My answer was that at this stage external advice is premature. Although outsiders (like WUR and all those that are not member of the organization) may give suggestions and even advise, it is the responsibility of farmers to think about further optimizing the functioning and performance of their organizations and further improving the relations with Equator Products. It is first the organization itself that should discuss the results and follow-up action. At a later stage, others (business partners like EP, other farmer organizations, resource persons from WUR, etc) may give their suggestions or advice.

Follow-up action at FO level

After debriefing, the self-assessment enters into the last and most important phase: analysis of the results and discussion of follow-up action within the farmers' organizations concerned.

Although it is important to give time to the farmer groups to discuss the results, it is also important to come back to it:

- Were the farmers' organizations able to discuss the results and, if so, what was the outcome of internal discussion ?
- Can the self-assessment results be an input for defining strategic orientations for organizational capacity and performance improvement ?
- For which issues can collaboration with Equator products offer potential for improving organizational performance ?
- ...

Presentation of self-assessment results at three levels of analysis

In this report, we present the self-assessment results of the four groups in 3 subsequent steps, corresponding to three levels of analysis.

1. Overall results. results for the four groups per assessment area (total average scores for the 8 assessment areas and comparison of the results (chapter 3).
2. More detailed results per assessment area (chapters 4 and 5). The objective of this level of analysis is to interpret and compare results and make them meaningful for farmers' and EP strategies.
3. Detailed analysis and discussion of the results per subject/statement (annex 1). For each statement that figured in the self-assessment, the scores are accompanied by observations, including:
 - Comments on the scoring results (are average or relative scores high or low?)
 - Differences between different groups of respondents, e.g. networks of farmer groups;
 - Differences in perceptions and scores of respondents (which might indicate different situations in the field or different perceptions on the subject);
 - Questions that arise and that seem important to consider and address. The questions seek to deepen the discussion on the subjects addressed in the questionnaire. Questions of course address lowly scored statements, but also highly scored statements. Often respondents may be satisfied with current practices, whereas improvement is possible. The questions and remarks are input for pursuing discussion with the farmers' organizations.

Detailed analysis is of course time consuming. However, further analysis of the assessment results revealed insights that are relevant for detecting tendencies in the scoring patterns and to generate conclusions for the second and first level of analysis.

WUR action research

In addition to the primary objective of organizational self-assessment, the results of the self-assessment serve two additional purposes:

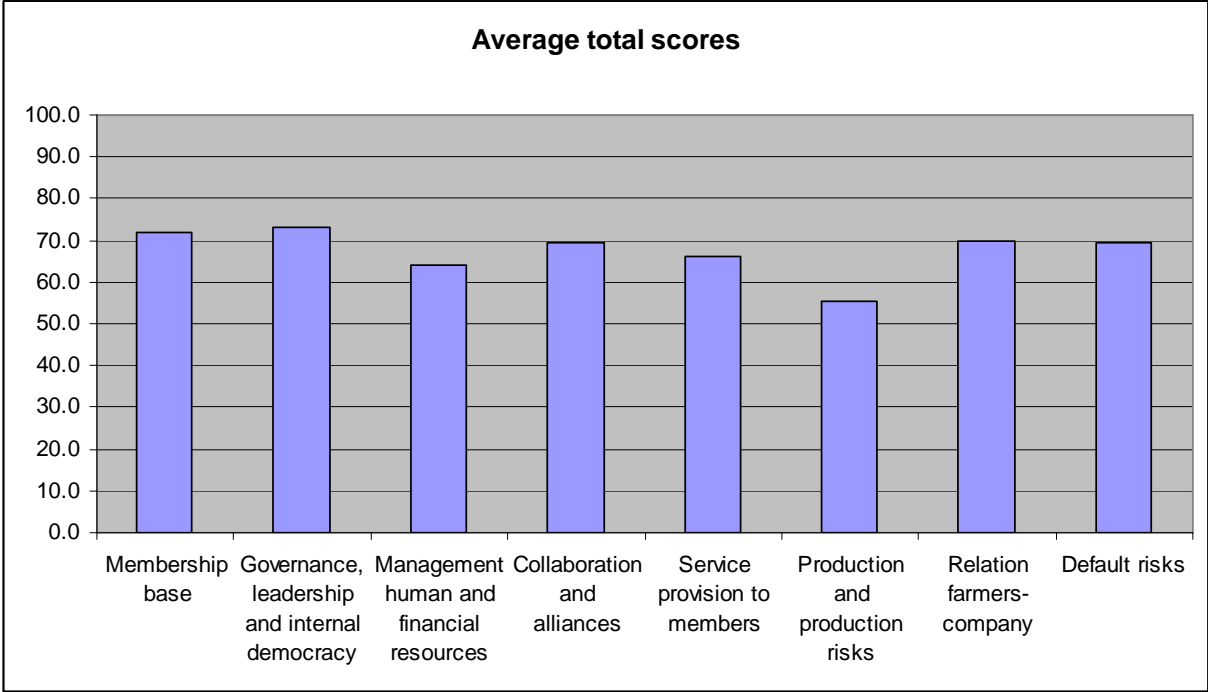
1. *Action research on the EP business model.* The results of the survey provides input to incorporate farmers' views in the analysis of the business model. In this report the self-assessment results are interpreted in the context of the EP business model (chapters 4 and 5). The assessment results are also input for the description of the EP business model and identification of critical issues.
2. *Further development of the assessment tool.* The experiences during this mission have been most useful for methodological reflection. Some methodological lessons learned are summarized in chapter 6 (conclusions and recommendations). Together with experiences obtained in Rwanda, Niger and Mali, it is now envisaged to further develop the tool and to present it in a publication⁹.

⁹ Schrader, T.H. & B.H. Wennink, 2009. FORCE: a self-assessment tool for farmers' organizational capacities and entrepreneurial initiatives (in prep.)

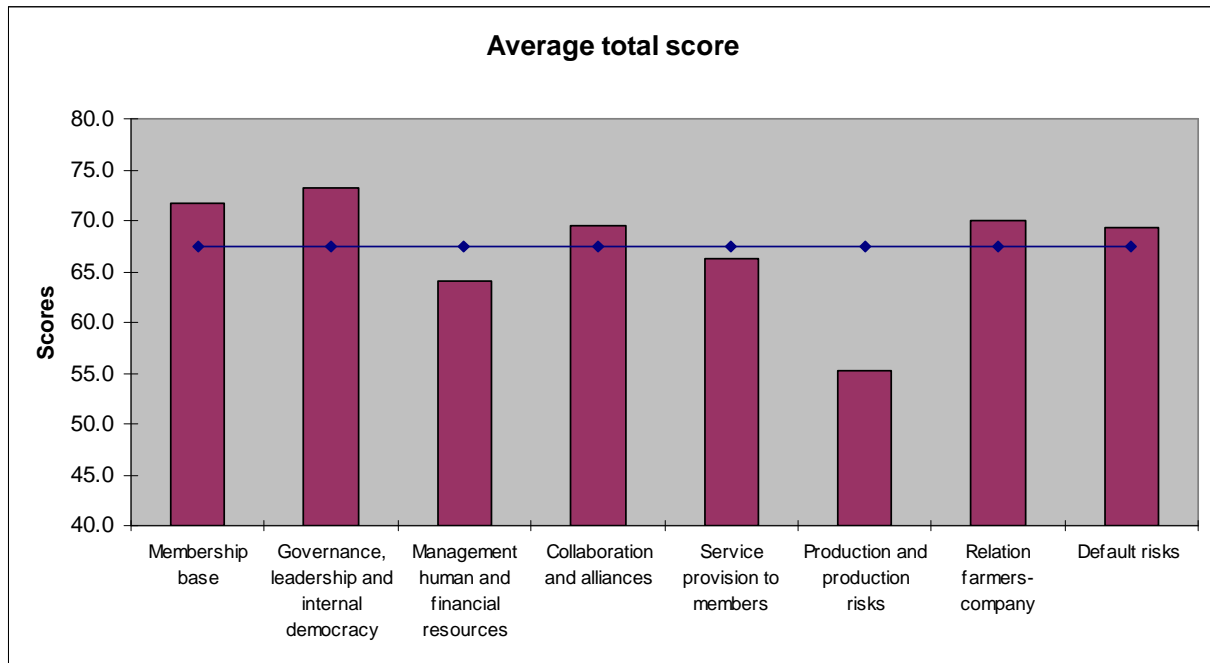
3. OVERALL RESULTS OF THE SELF-ASSESSMENT

3.1. Average total scores

On a scale from 0 to 100, the overall average score of 81 respondents are as follows:



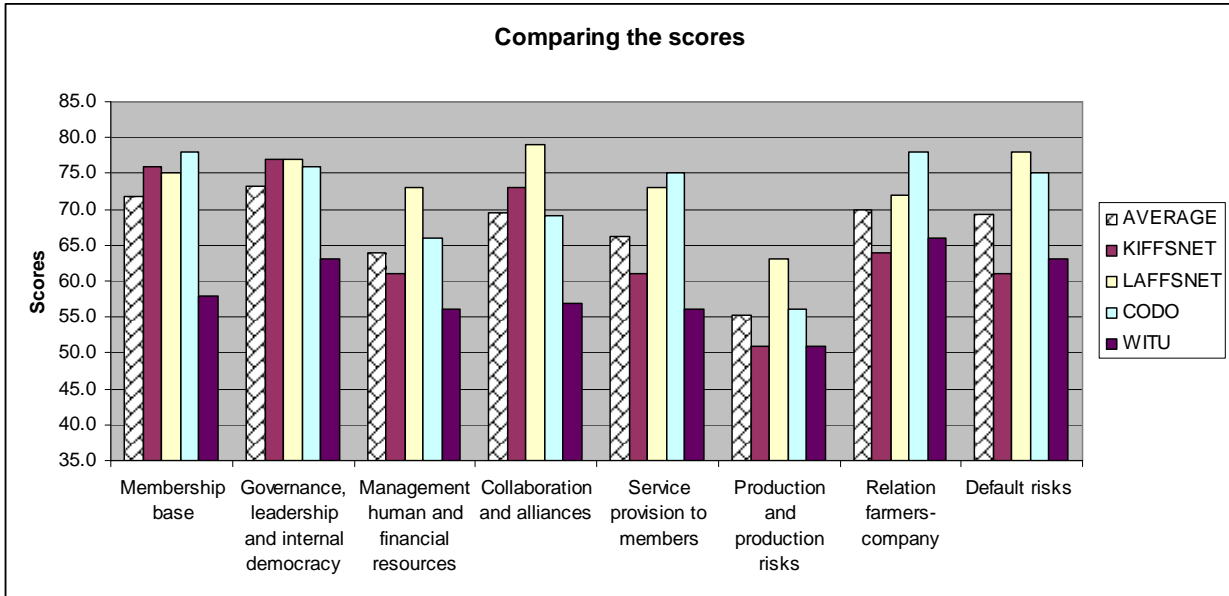
At first sight, these results seem to be rather homogeneous with area scores oscillating around the total average score of 67.5. On average, the respondents gave 3.4 points on a scale from 0 to 5. The same results can be set out in a bar/line graph with a scale ranging from 40-80, whereby the bars show the assessment area scores and the line showing the overall average score of 67.5. This allows for easier comparison between assessment areas and in relation to the overall average score.



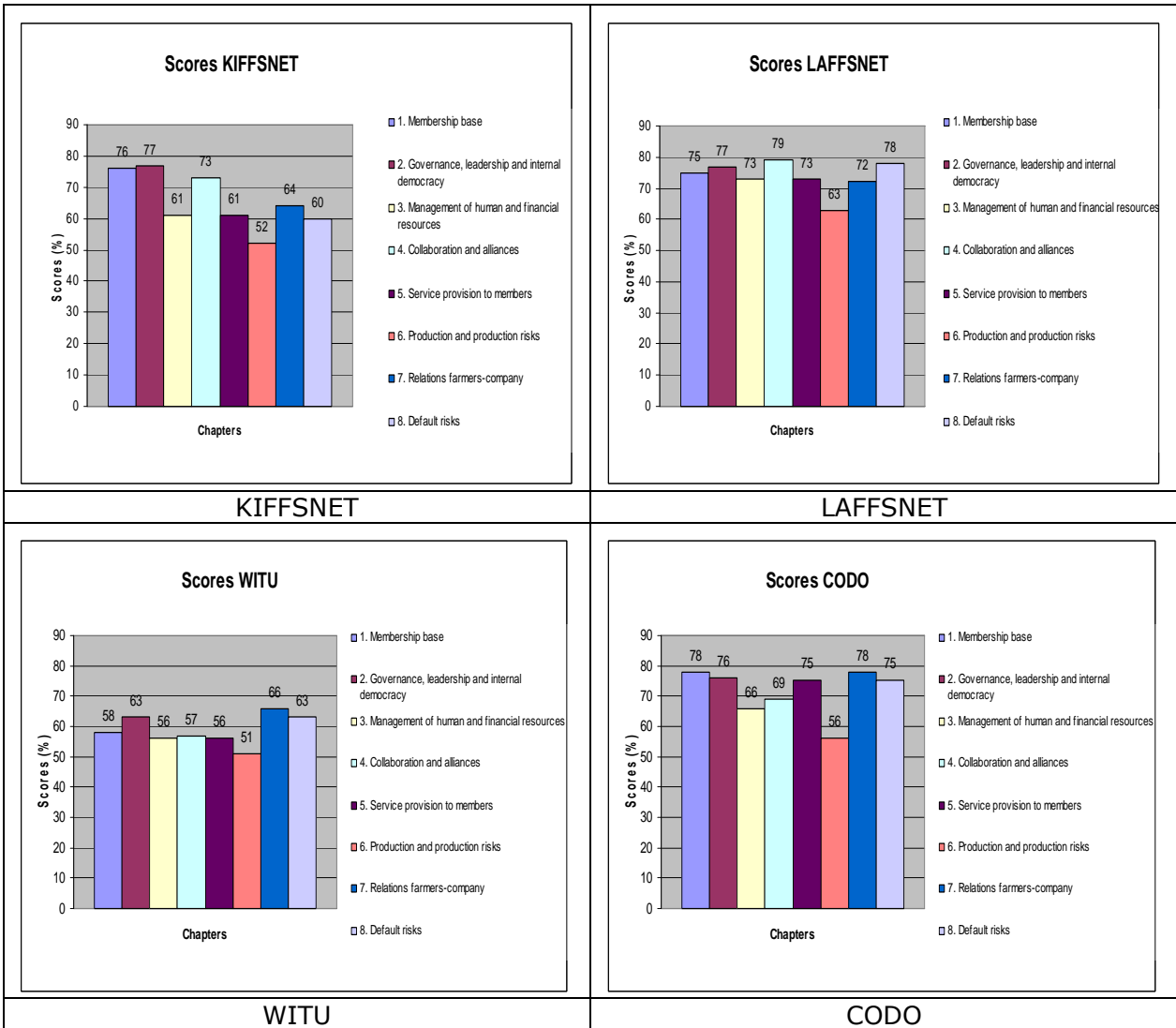
3.2. Comparing the scores

The following table and graph shows remarkable differences between the different groups of respondents, with low overall scores for the Witu production area, high overall scores for both Laffsnet and CODO and slightly below average for Kiffsnet.

Assessment areas	Kiffs-net	Laffs-net	Codo	Witu	AVERAGE
1. Membership base	76	75	78	58	71.8
2. Governance, leadership and internal democracy	77	77	76	63	73.3
3. Management of human and financial resources	61	73	66	56	64.0
4. Collaboration and alliances	73	79	69	57	69.5
5. Service provision to members	61	73	75	56	66.3
6. Production risks	51	63	56	51	55.3
7. Relation farmers-company	64	72	78	66	70.0
8. Default risks	61	78	75	63	69.3
Average total score:	65	74	72	59	67.5



The difference in scoring is also highlighted in the figures below:



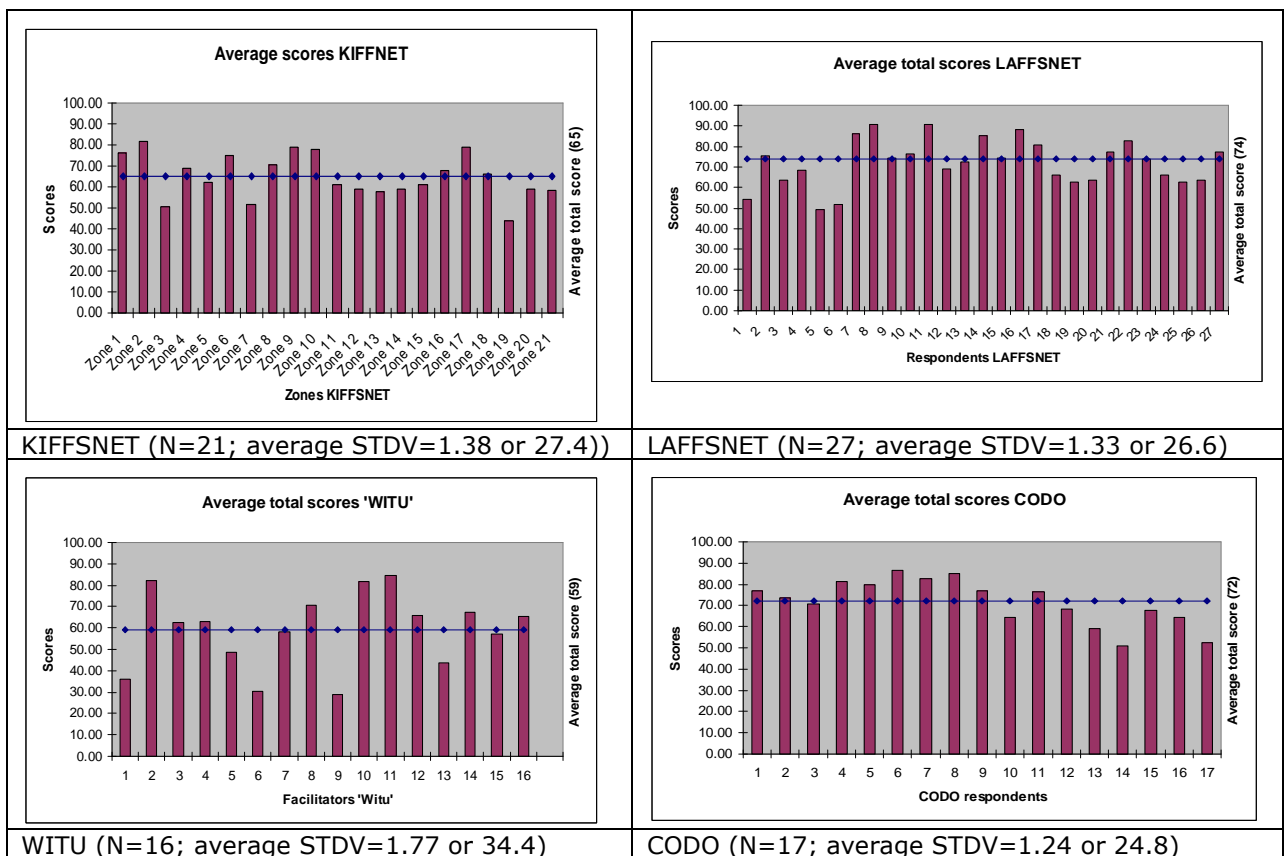
Observations on overall results

The scores of the WITU production area are structurally lower than the three networks. This difference especially concerns the assessment of organizational functioning and performance. Scoring of contract farming relations with Equator products is relatively higher and comparable with Kiffsnet. Witu facilitators participating in the self-assessment seemingly perceive organizational capacity building of the Witu farmer groups as a key priority.

The overall score of Kiffsnet is quite lower than those of Laffsnet and CODO. The differences especially concern : management of human and financial resources (area 3), service provision to members (area 5), relation farmers-company (area 7) and default risks (area 8). Kiffsnet’s respondents seemingly stress the development of professional organizational capacities and suggest paying attention to the business relations with Equator Products.

3.3. Variability in scoring within the same farmers’ organization

The following graphs show the average total scores given by the 81 respondents participating in the self-assessments. The WITU respondents clearly manifest most diversity in answers; some respondents score significantly lower than the average, while others score significantly higher. For the other groups, these differences in points of view are also observed, but to a lesser degree.



The variability in the scores of the Witu respondents can be partially attributed to the fact that they were all scoring different local farmer groups, whereas Kiffsnet, Laffsnet and CODO respondents are part of a common frame of reference (higher tier network).

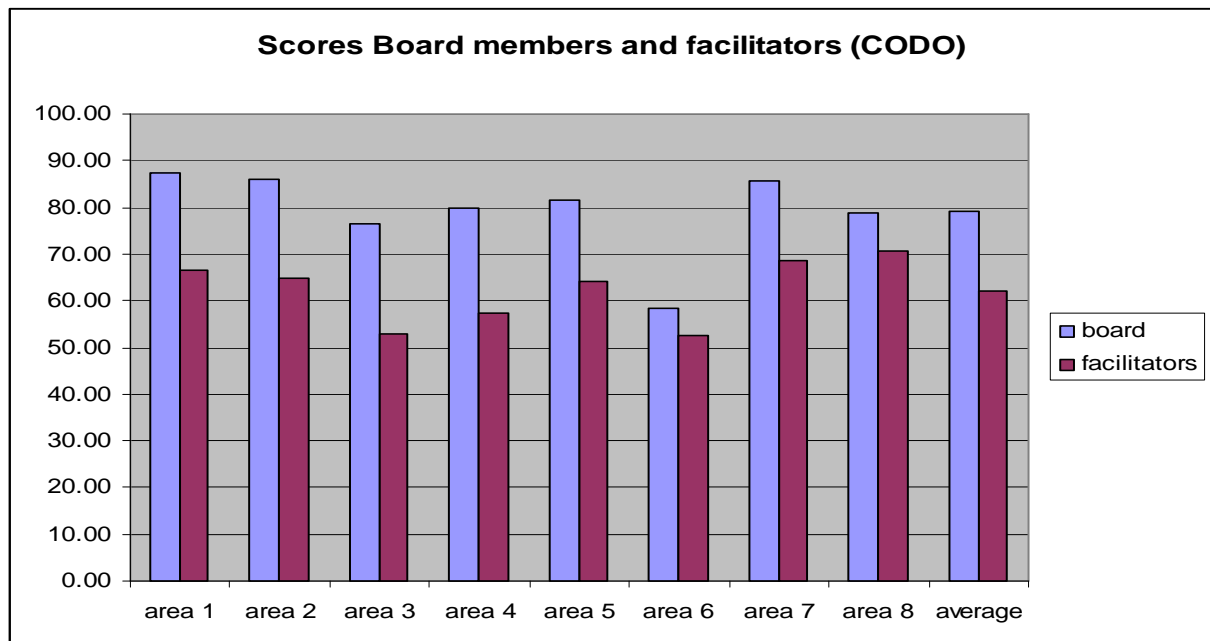
Standard deviation

Standard deviation (STDV) is a measure indicating the level of variability in the scores given by respondents. Low standard deviation indicates a high level of consensus: most respondents tend to give comparable scores for the statements. High STDV indicates a low level of consensus, manifested by variability in the scores that are given (e.g. spread over the scoring range of 0 to 5). On a scale from 0 to 5, standard deviation ranges between 0 and 2.5. On a scale from 0 to 100, standard deviation ranges between 0 and 50.

Examples of STDV

- All respondents give the same score : STDV = 0. This means a totally unanimous point of view without one single exception.
- The opposite of all respondents giving the same score is the extreme situation wherein half of the respondents give 5 points and the other half gives 0 points. In this case the STDV is 2.5 (or 50), indicating that the respondents are divided in two totally opposed sub-groups.
- Another situation is when there is quite some consensus, for instance all respondents give either 2 or 3 points. This leads to an average of 2.5 (50). In this case the STDV is 0.5 (or 10), indicating a very high level of agreement.
- Respondents have spread their scores (ranging from 0 to 5) equally. This also leads to an average score of 2.5 (50). In this case, STDV = 1.8 or 36%, indicating high diversity in points of view.

Within the same organization perceptions can differ among different member categories. The following graph shows significant differences in the scoring results of CODO board members (including some facilitators) and facilitators (who are not board members).



CODO board members score significantly higher than the CODO facilitators. The results of CODO and WITU suggest that facilitators, having been exposed to training sessions, are more critical in their assessment of the functioning and performance of farmer groups. Acknowledging the differences of point of view within farmer groups suggest that it is important to distinguish scoring results of important sub-groups, for instance:

- Board members, staff members (or facilitators) and ordinary members
- Male and female members
- Farmer groups near towns/collection points versus remote farmer groups
- ...

The choice of sub-groups depends of course of the specific context.

3.4. Ranking and priority setting

Assessment areas	Kiffsnet		Laffsnet		Codo		Witu		Average	
	Sc	Rank	Sc	Rank	Sc	Rank	Sc	Rank	Score	Rank
<i>Organizational functioning and performance</i>										
1. Membership base	76	2	75	4	78	1-2	58	4	71.8	2
2. Governance, l'ship & internal democracy	77	1	77	3	76	3	63	2-3	73.3	1
3. Management human & financial resources	61	6	73	5-6	66	7	56	6-7	64.0	7
4. Collaboration and alliances	73	3	79	1	69	6	57	5	69.5	4
5. Service provision to members	61	6	73	5-6	75	4-5	56	6-7	66.3	6
<i>Contract farming relations with Equator products</i>										
6. Production and production risks	51	8	63	8	56	8	51	8	55.3	8
7. Relation farmers-company	64	4	72	7	78	1-2	66	1	70.0	3
8. Default risks	61	6	78	2	75	4-5	63	2-3	69.3	5
Total average	65		74		72		59		67.5	

The four groups of respondents have somehow different views on the ranking order of the assessment areas. Regarding the ranking orders, the following observations can be made:

Assessment area	Observations
<i>Membership base</i>	Highly ranked by all groups, although Laffsnet and Witu seem to have some concerns
<i>Governance, leadership and internal democracy</i>	Highly ranked by all groups, especially Kiffsnet
<i>Management of human and financial resources</i>	Low ranks by all groups. This seems to be an area that would require attention in order to improve organizational functioning and performance
<i>Collaboration and alliances</i>	Two cases seem to exist. Kiffsnet and Laffsnet rank it high, while CODO and Witu rank lower. This may reflect the longer establishment of the FFS networks.
<i>Service provision to members</i>	Relatively low ranking score. This area also seems to require attention.
<i>Production and production risks</i>	Consensus that production and production risks are important to address. This area needs further probing to identify critical issues and bottlenecks.
<i>Relation farmers company</i>	Highly ranked by CODO and WITU, but lower by Kiffsnet and Laffsnet.
<i>Default risks</i>	Generally highly scored (meaning that perceived default risks are not very high), but the score and rank of Kiffsnet are somewhat exceptional.

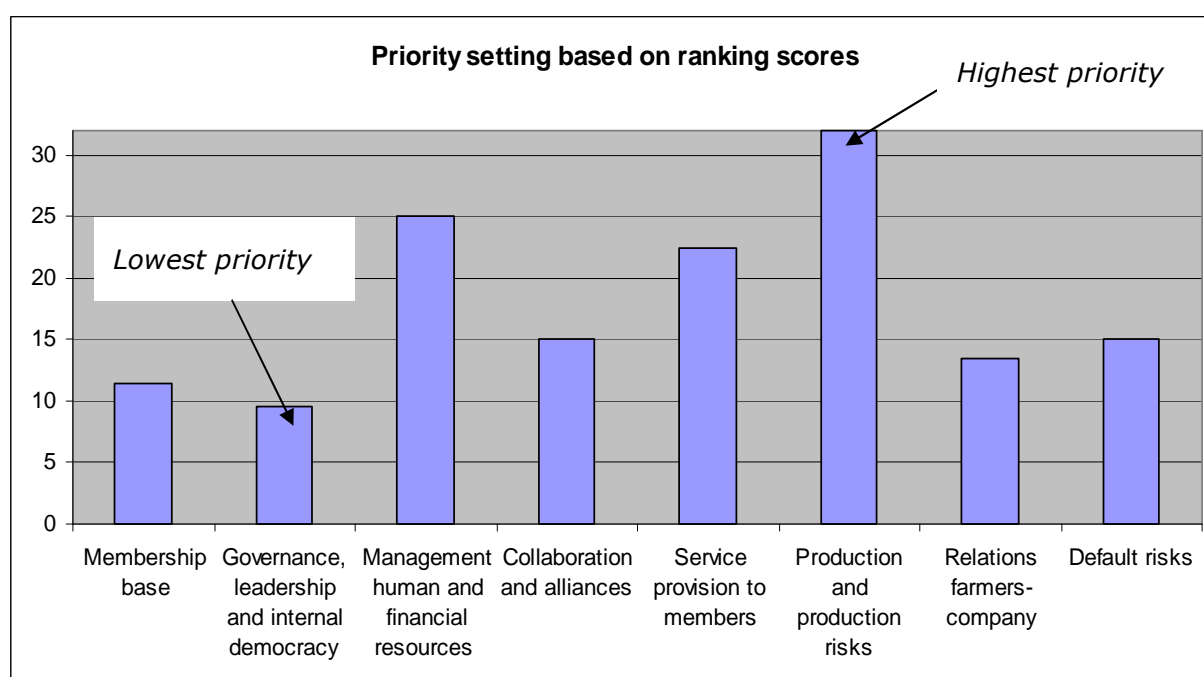
From ranking to priority setting

If a subject or subject area is highly ranked, it is as if respondents do not perceive it as a subject or a subject area that needs much or immediate attention for improvement. On the other hand, subjects and subject areas that get low scores and a low ranking are likely to be perceived as areas that need improvement. The ranking order can be used to give 'priority points' : highly ranked areas get few priority points, whereas lowly ranked areas get many priority points.

Having 8 ranked assessment areas, the area that has the highest score could be rewarded with 1 point and the area with the lowest score with 8 points. In case of equal ranking the points are shared. This 'award system' results in the situation that the subject area with most points is likely to need most attention for action and improvement. In this case (8 subject areas and 4 groups), the highest possible score is 32 and the lowest possible score is 4. Transforming ranking order in priority ranking is a simple operation :

Assessment areas	RANKING and POINTS				Total points	PRIORITY
	Kiffs-net	Laffs-net	Codo	Witu		
1. Membership base	2	4	1.5	4	11.5	7
2. Governance, leadership and internal democracy	1	3	3	2.5	9.5	8
3. Management human and financial resources	6	5.5	7	6.5	25	2
4. Collaboration and alliances	3	1	6	5	15	4-5
5. Service provision to members	6	5.5	4.5	6.5	22.5	3
6. Production and production risks	8	8	8	8	32	1
7. Relation farmers-company	4	7	1.5	1	13.5	6
8. Default risks	6	2	4.5	2.5	15	4-5

This table can be transformed in a graph showing the priority areas emerging from the self-assessment:



Three areas clearly emerge as priorities:

- production and production risks;
- management human and financial resources;
- service provision to members.

Taking the differences in scoring into account, the ranking scores suggest the following general priority setting for the different networks and production areas:

Priorities	KIFFSNET	LAFFSNET	CODO	WITU
1	Production and production risks	Production and production risks	Production and production risks	Production and production risks
2	Management human and financial resources	Relation farmers-company	Management human and financial resources	Management human and financial resources
3	Service provision to members	Management human and financial resources	Collaboration and alliances	Service provision to members
4	Default risks	Service provision to members	Service provision to members	Collaboration and alliances
5	Relation farmers-company	Membership base	Default risks	Membership base
6	Collaboration and alliances	Governance, leadership and internal democracy	Governance, leadership and internal democracy	Governance, leadership and internal democracy
7	Membership base	Default risks	Membership base	Default risks
8	Governance, leadership and internal democracy	Collaboration and alliances	Relation farmers-company	Relation farmers-company

In comparison to the overall priority setting, major particularities are:

- CODO and WITU stressing 'Collaboration and alliances' more than KIFFSNET and LAFFSNET.
- KIFFSNET and LAFFSNET stressing 'Relation farmers-company' more than CODO and Witu.
- KIFFSNET perceiving higher default risks.

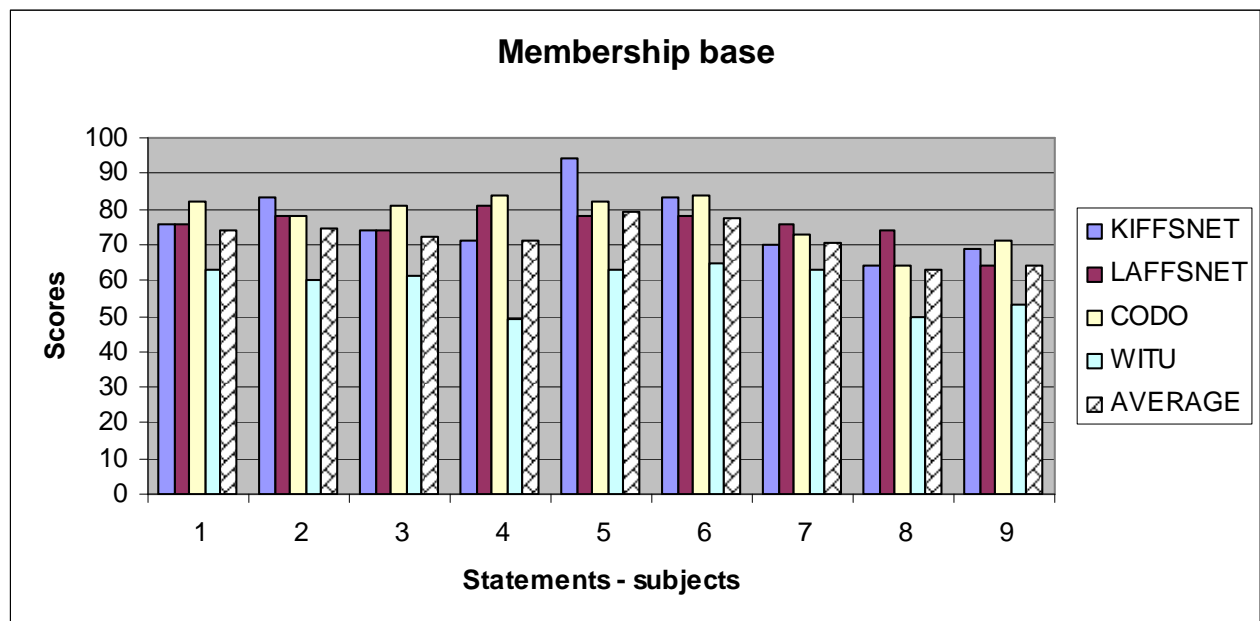
4. ORGANIZATIONAL FUNCTIONING AND PERFORMANCE

4.1. Membership base

The table below presents the scores given to the statements related to 'membership base' and the difference of the item score with the average area score:

Subjects to which statements refer:	Kiffs-net		Laffs-net		Codo		Witu		Average score	
	Score	Difference	Score	Difference	Score	Difference	Score	Difference	Score	Difference
1. Formulation of organization objectives	76	0	76	-1	82	+4	63	+5	74	+2
2. Sharing of organization objectives with members	83	+7	78	+3	78	0	60	+2	75	+3
3. Definition membership conditions	74	-2	74	-1	81	+3	61	+3	73	+1
4. Openness of organization	71	-5	81	+6	84	+6	49	-9	71	-1
5. Search for new members	94	+18	78	+3	82	+4	63	+5	79	+7
6. Member register	83	+7	78	+3	84	+6	65	+7	78	+6
7. Information flow to members	70	-6	76	+1	73	-5	63	+5	71	-1
8. Payment membership dues	64	-12	74	-1	64	-14	50	-8	63	-9
9. Active member participation	69	-7	64	-11	71	-7	53	-5	64	-8
Average area score :	76		75		78		58		72	

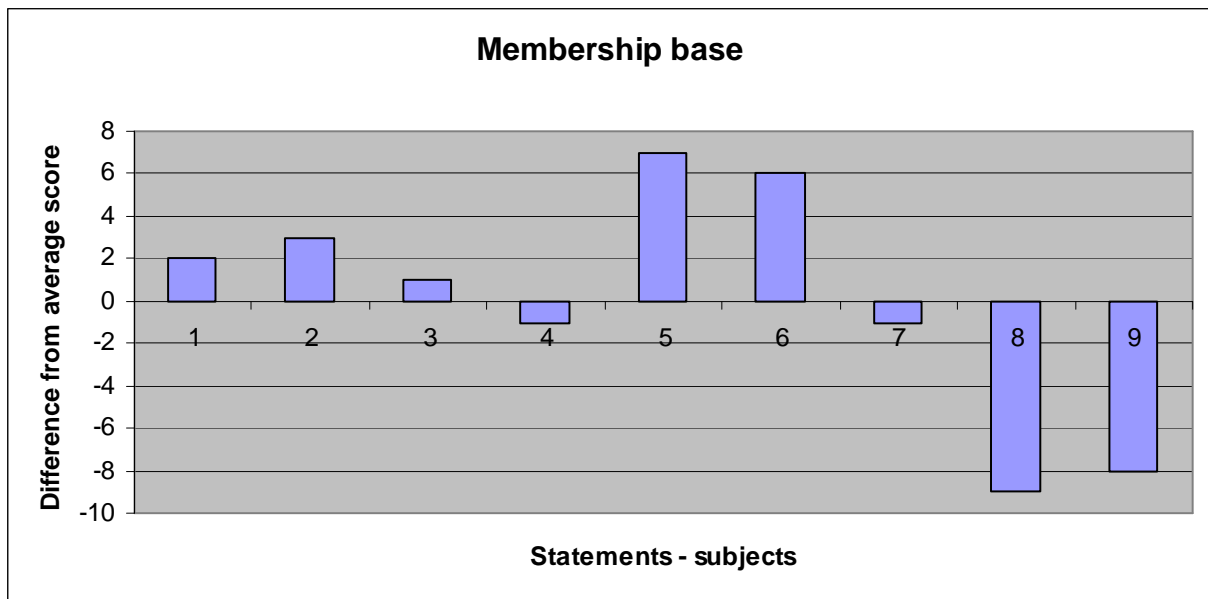
The next figure visualizes the scores that the four groups of respondents gave to the nine statements:



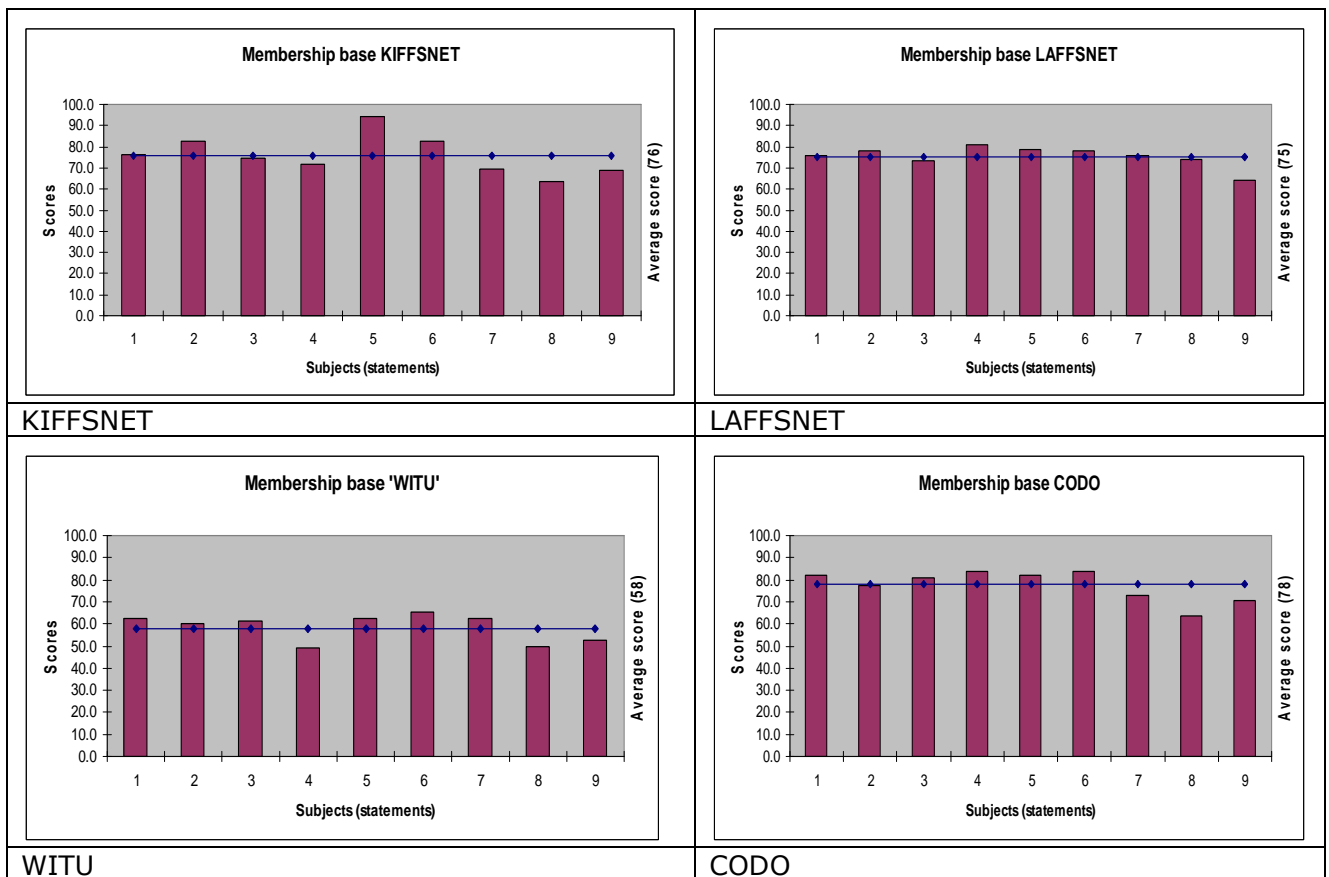
The graphs on the next page show the subjects/statements that got high, average and low scores (as compared to the average score for the performance area):

- Overall results (large graph)
- Specific results for Kiffsnet, Laffsnet, CODO and Witu (smaller graphs)

General results 'Membership base' :



Specific results Kiffsnets, Laffsnets, CODO and Witu:



Emerging farmers' priorities regarding membership base

- Respondents are quite happy with the performance of their organization in this assessment area. The area gets high scores, but relatively less so for Laffsnet and Witu.
- The self-assessment results clearly suggest that the payment of membership dues (8) and active participation of members (9) need most attention. These priorities raise questions regarding the member ownership of farmer groups.
- Insufficient internal communication is a cross-cutting issue, coming to the fore in this and other assessment areas. Improving two-way communication between ordinary members on the one hand and board members and higher tier levels on the other hand is a challenge.
- Cf. annex 1 for more details.

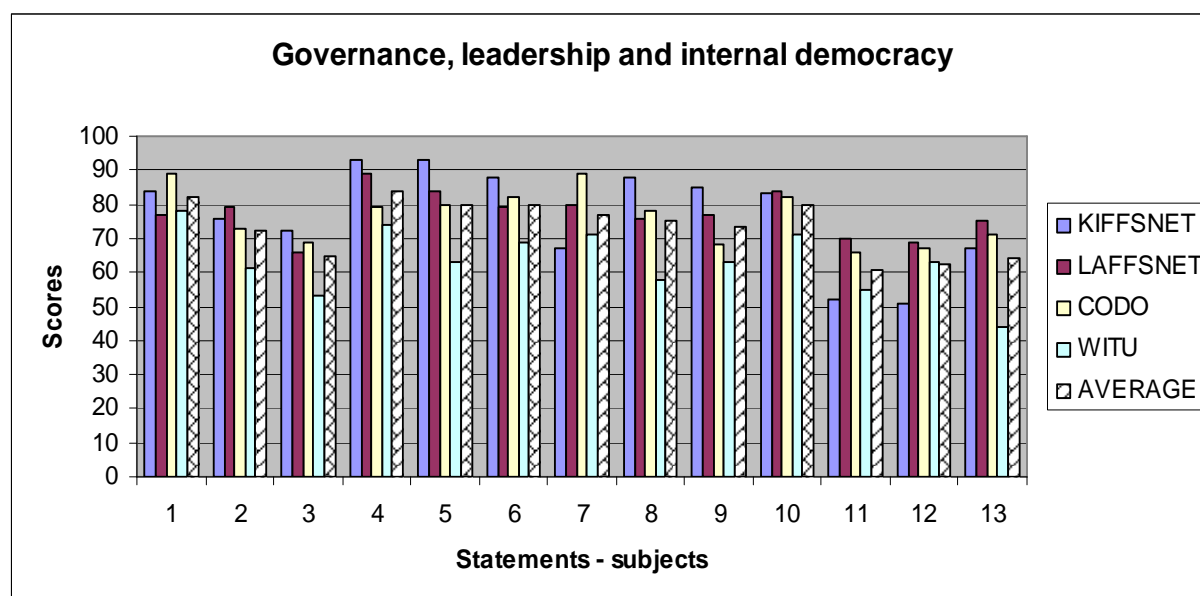
Interpreting assessment results in context of EP business model

- The farmer groups are growing: they actively look for new members (especially Kiffsnet) and are especially attracting new members because of profitable chili production. The introduction of chilies and access to the European market is a boost to existing farmers' organizations and leads to a rapid increase of farmer groups and associated members.
- Support to organization building efforts for recently established farmer groups is necessary to get the 'machinery' of contract farming working. The key message of the Witu respondents is to support organization development in their production area.
- The assessment results reflect that Kiffsnet, Laffsnet and CODO are existing for some time and are capable of ensuring basic organizational activities (elections, meetings, administration, ...). This has facilitated the take-off of the chili growing and marketing activities.
- Defining membership adherence conditions is especially important for young and growing organizations. What are the characteristics, rights and obligations of a member? This does not seem to be critically addressed by the farmer groups and networks.
- Good knowledge of the membership base and member characteristics is essential for internal governance purposes, for also for matching service provision to member needs and for associating members to the activities of the organization.
- Equator Products, in the context of its data collection and M&E activities, may support farmer groups to establish member registers indicating key characteristics of members. This would help FO's to provide good services to members, but also help to monitor the reach and impact of FO's and EP's activities.
- If the focus, goals and services of the farmer groups are clearly defined and understood, the issue of member contribution is more easily addressed.
- Membership fees would need to be discussed in detail, putting organizational autonomy at the centre stage. What are the experiences with the existing system of fee collection? Are there other options? Can economic activities of members and marketing of produce (ABE chilies) be linked to collecting fees?
- The discussion of membership fees would need to be related to the bonuses EP pays to the networks and is proposing to pay for facilitators. These fees are in relation to the marketed produce, e.g. the economic performance of the farmer groups. Could the farmer groups and networks raise the same fees themselves?
- Facilitators play an important bridge function between different groups: both ordinary members, board members and EP. The issue of facilitators is further discussed in 4.3.
- Member participation is most easily promoted when linked to their economic and social activities. In the context of the EP business model, this means concrete activities related to chili growing and marketing, especially technical roles (facilitators, graders), and administrative roles (board functions, data collection on fields and collection points, ...).

4.2. Governance, leadership and internal democracy

Subjects to which statements refer:	Kiffs-net		Laffs-net		Codo		Witu		Average area score	
	Score	Change	Score	Change	Score	Change	Score	Change	Score	Change
1. Documentation of internal regulations	84	+7	77	0	89	+13	78	+15	82	+9
2. Member knowledge of internal regulations	76	-1	79	+2	73	-3	61	-2	72	-1
3. Functioning statutory bodies according to mandate	72	-5	66	-11	69	-7	53	-10	65	-8
4. Election process Board/committee members	93	+16	89	+12	79	+3	74	+11	84	+11
5. Definition of duration of leadership mandate	93	+16	84	+7	80	+4	63	0	80	+7
6. Criteria good chairman	88	+11	79	+2	82	+6	69	+6	80	+7
7. Capacities secretary	67	-10	80	+3	89	+13	71	+8	77	+4
8. Capacities treasurer	88	+11	76	-1	78	+2	58	-5	75	+2
9. Representation women and youth in elected bodies	85	+8	77	0	68	-8	63	0	73	0
10. Decision-making process	83	+6	84	+7	82	+6	71	+8	80	+7
11. Annual planning	52	-25	70	-7	66	-10	55	-8	61	-12
12. Annual evaluation of results	51	-26	69	-8	67	-9	63	0	63	-10
13. Follow-up board decisions	67	-10	75	-2	71	-5	44	-19	64	-9
Total average area score	77		77		76		63		73	

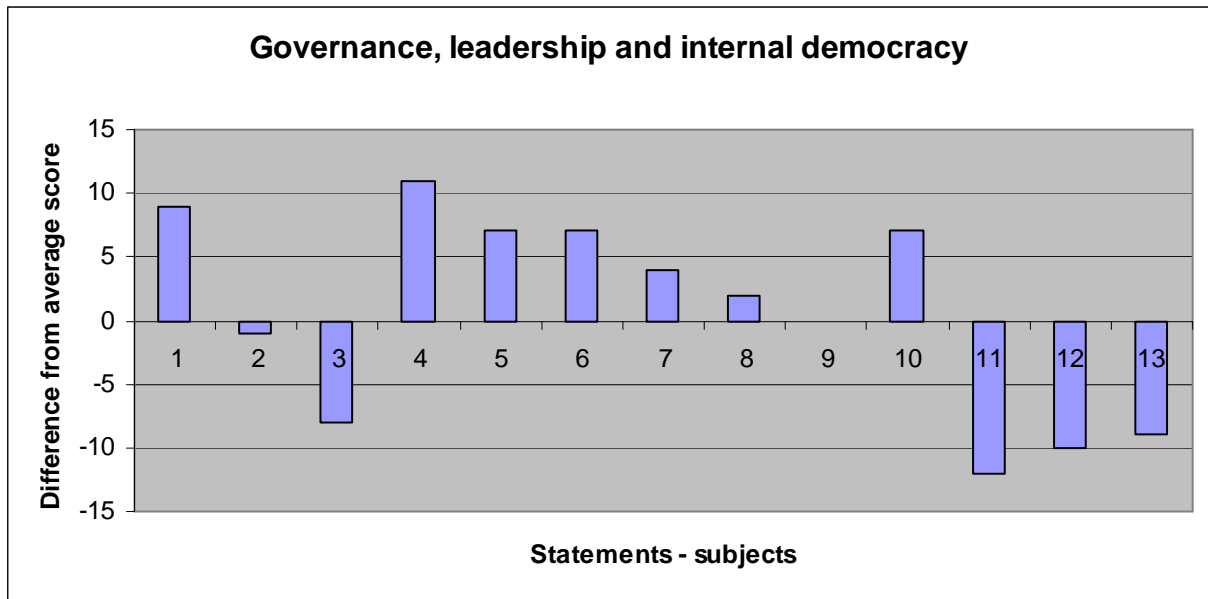
The next figure visualizes the scores that the four groups of respondents gave to the thirteen statements:



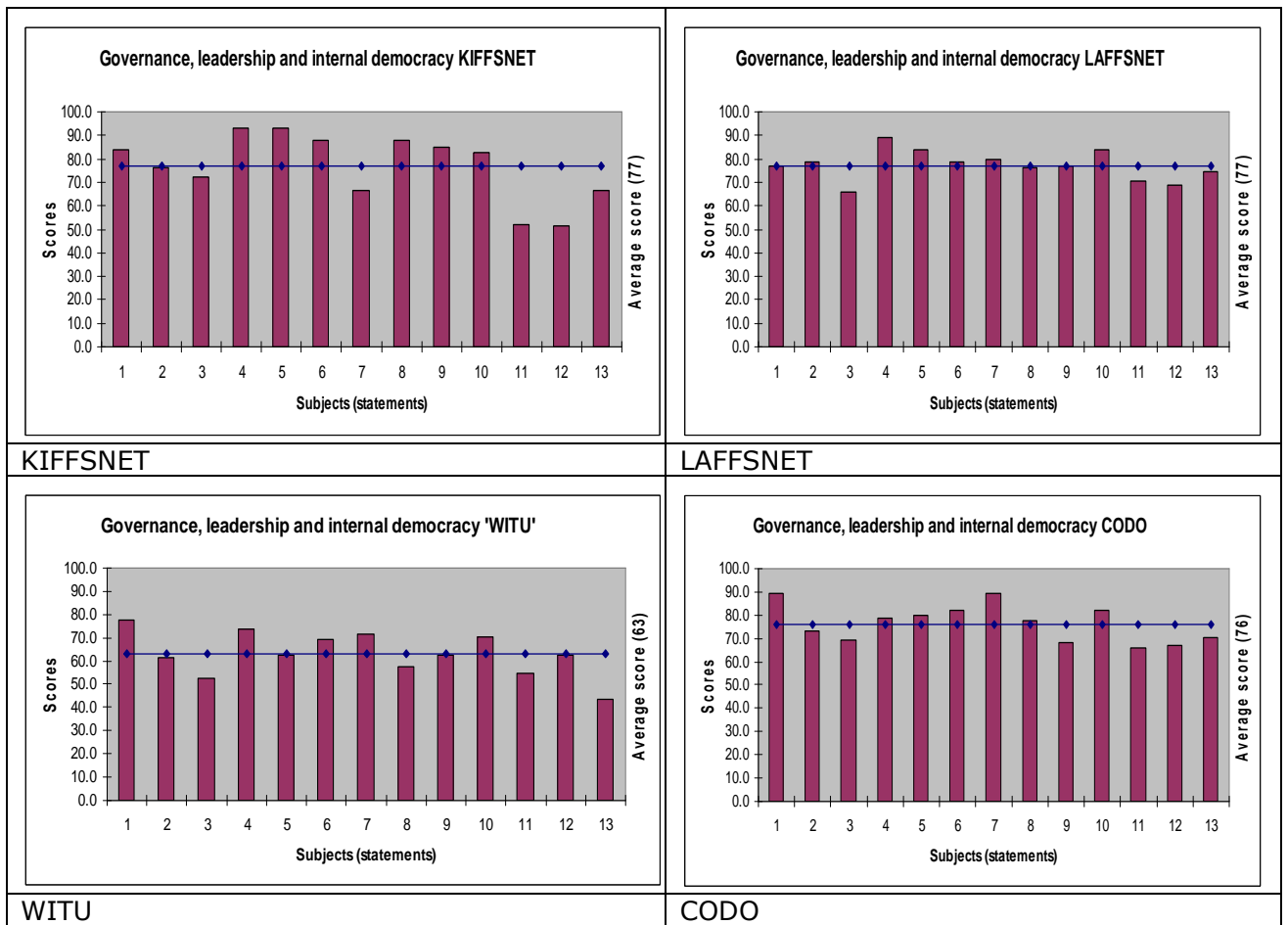
The graphs on the next page show the subjects/statements that got high, average and low scores (as compared to the average score for the performance area):

- Overall results (large graph)
- Specific results for Kiffsnet, Laffsnet, CODO and Witu (smaller graphs)

General results 'Governance, leadership and internal democracy'



Specific results Kiffsnet, Laffsnet, CODO and Witu:



Emerging farmers' priorities regarding internal governance, leadership and internal democracy

- Respondents are quite happy with the governance, leadership and internal democracy of their organization. The respondents are especially happy about the formal rules and regulations that are in place. Elections are organized to the satisfaction of respondents and decision-making involves membership.
- Most concerns seem to be with the functioning of board members after election. The self-assessment results clearly suggest that strategic operational issues need most attention: annual planning (11), annual evaluation of results (12), follow-up on board decisions (13) and the functioning of statutory bodies (3).
- In terms of the 'sailing boat metaphor' these priorities relate to the definition of the direction and the targets of the organization. In fact, respondents are asking for improved accountability. This relates of course to the cross-cutting issue of internal communication.
- Although happy about the way the farmer groups and the network are established, members are represented and communicating, Kiffsnet members are relatively less satisfied with the governance (annual planning and evaluation, chairmanship).
- For Laffsnet and CODO the level of professionalism seems to be higher, but there are somewhat more concerns about member representation and communication.
- Witu is especially concerned about implementation and getting operational activities up and going.
- Cf. annex 1 for more details

Interpreting assessment results in context of EP business model

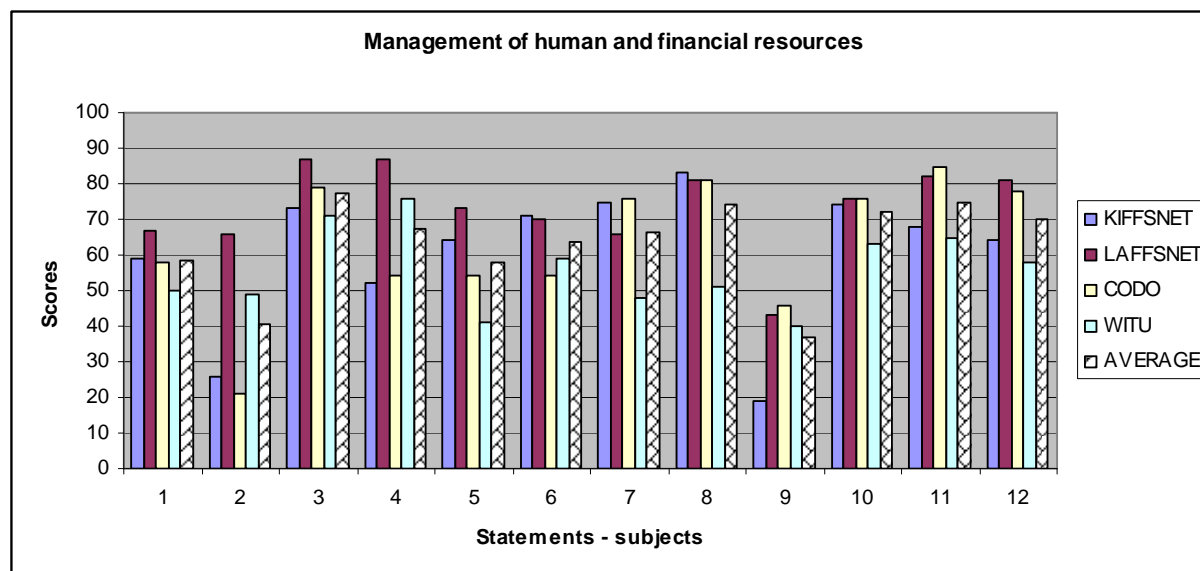
- Certain issues regarding internal governance do not seem to be critically addressed by the farmer groups and networks. This is of course a gradual process. Over time, the issues related to regulations, elections, implementation of measures, etc. can be addressed. The involvement in contract farming puts many operational issues on the table. By producing chilies according to Good Agricultural Practices and collectively marketing the produce, many governance issues are likely to be 'automatically' put on the table.
- This also applies for planning and evaluation. EP (and most farmer groups for that matter), will focus on the planning and evaluation of the chili production and marketing season. This already raises many planning and evaluation subjects: acreage, production and productivity, number of farmers (m-f), seeds and fertilizer, crop protection, access to credit and relation with bank(s), quality and grading, management of collection point, contractual issues, prices, payment, communication EP (HQ, extensionists) – farmers (network, zones, farmer group officials, farmers), training priorities, market development,
- In joint planning and evaluation, the tasks and responsibilities of farmers and EP, set out in the contracts, can be evaluated. Gradually, roles and tasks can be adapted and certain tasks may be transferred to the farmer groups and networks.
- EP is respecting mandates and roles of FO officials and intensively communicates and works with them. Through its staff members it has the possibility of interaction with farmers (especially on technical issues). This offers opportunities to check interaction between FO officials and farmers. Again, the position and role of facilitators seems to be delicate here.

4.3. Management of human and financial resources

General results:

Subjects to which statements refer:	Kiffs-net		Laffs-net		Codo		Witu		Average area score	
	Score	Change	Score	Change	Score	Change	Score	Change	Score	Change
1. Competencies and skills board/committee members	59	-2	67	-6	58	-8	50	-6	59	-5
2. Training of board/committee members	26	-35	66	-7	21	-45	49	-7	41	-23
3. Procedures for recruitment staff / facilitators	73	+12	87	+14	79	+13	71	+15	78	+14
4. Qualifications and skills facilitators	52	-9	87	+14	79	+13	76	+20	67	+3
5. Performance evaluation of advisors	64	+3	73	0	54	-12	41	-15	58	-6
6. Financial administration	71	+10	70	-3	54	-12	59	+3	64	0
7. Manual for financial management	75	+6	66	-7	76	+10	48	-8	66	+2
8. Archiving documents	83	+22	81	+8	81	+15	51	-5	74	+10
9. Financial independency	19	-42	43	-30	46	-20	40	-16	37	-27
10. Procurement procedures	74	+13	76	+3	76	+10	63	+7	72	+8
11. Bank account	68	+7	82	+9	85	+19	65	+9	75	+11
12. Transparency of financial management	64	+3	81	+8	78	+12	58	+2	70	+6
Total average area score	61		73		66		56		64	

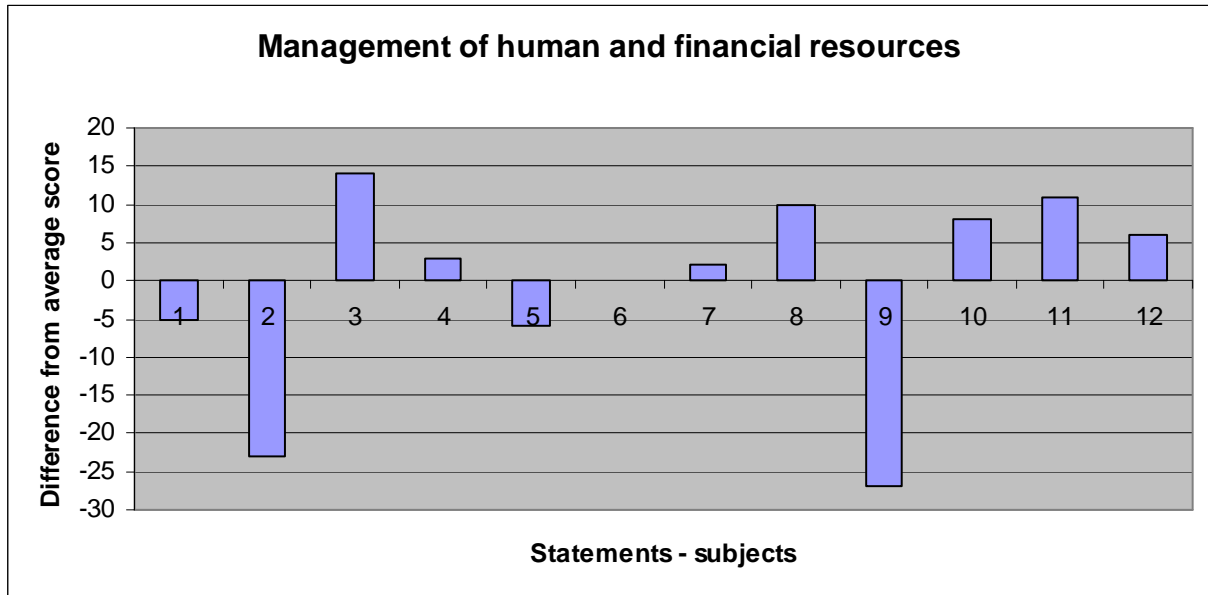
The next figure visualizes the scores that the four groups of respondents gave to the twelve statements:



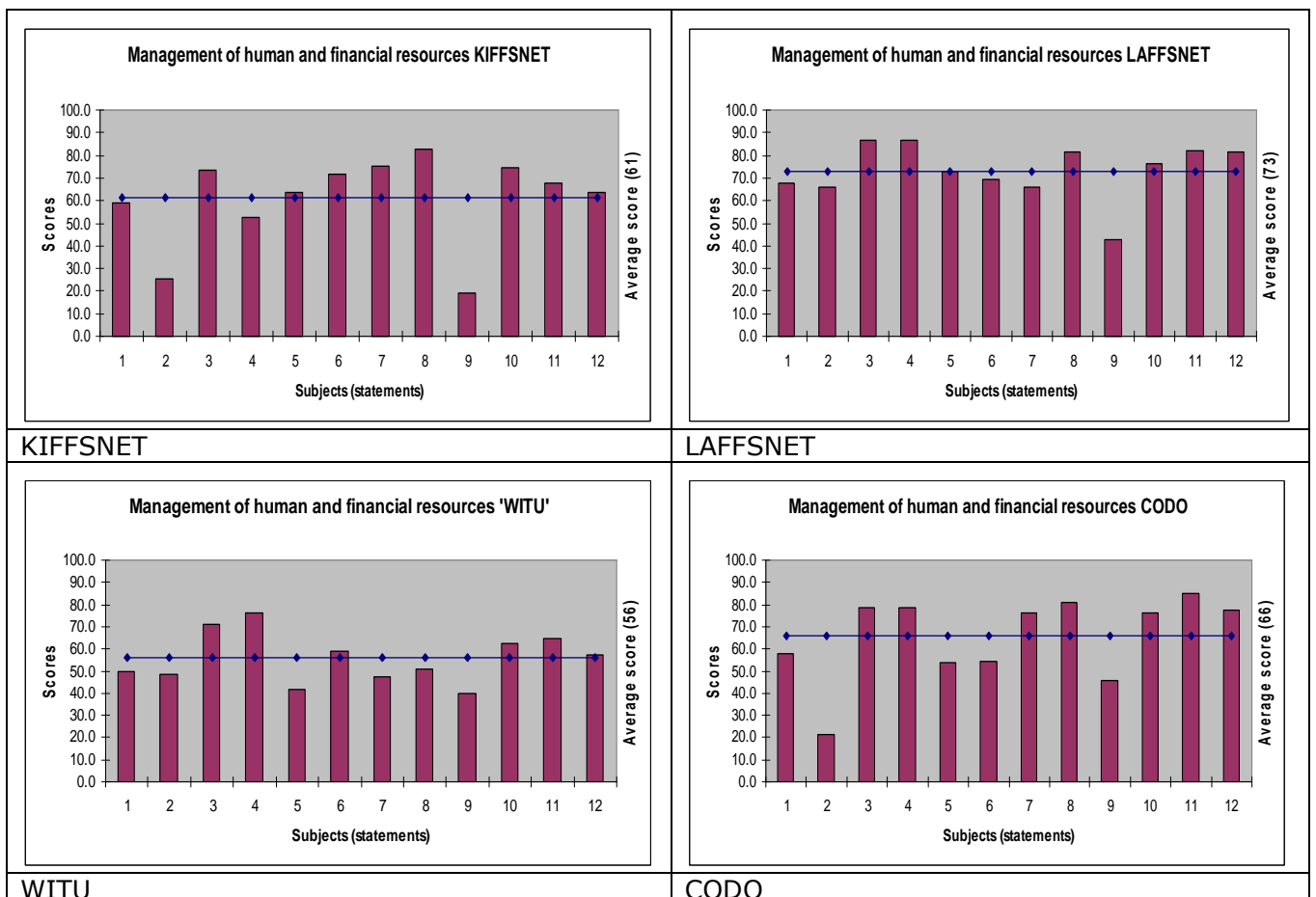
The graphs on the next page show the subjects/statements that got high, average and low scores (as compared to the average score for the performance area):

- Overall results (large graph)
- Specific results for Kiffsnet, Laffsnet, CODO and Witu (smaller graphs)

General results 'Management of human and financial resources'



Specific results Kiffsnet, Laffsnet, CODO and Witu:



Emerging farmers' priorities regarding human and financial management

- Respondents are relatively critical about the way human and financial resources are managed. The relatively low overall score is especially due to very low scores for 'training of board/committee members' (2) and 'financial independency' (9).
- Concerning the training of board/committee members, it is remarkable that Laffsnet and Witu are relatively happy with training opportunities, whereas respondents of Kiffsnet and CODO almost all disagree with the statement.
- 70% of all respondents are of the opinion that their organization cannot function well without external financial support. This is especially the case for Kiffsnet and – to a lesser extent – Laffsnet, who both have a donor funded project history. Witu and CODO are relatively much more confident in economic autonomy.
- All groups of respondents appreciate the recruitment process of facilitators, but Kiffsnet expresses serious concerns about their skills and qualifications.
- The following overview indicates subjects where certain groups express more concern than others:

Concerned with:	Kiffsnet	Laffsnet	CODO	Witu
- Training opportunities board	x		x	
- Capacities facilitators	x			
- Financial administration			x	
- Financial manual		x		x
- Archiving				x
- Financial independency	x	x		
- Transparency financial management	x			x

- Cf. annex 1 for more details.

Interpreting assessment results in context of EP business model

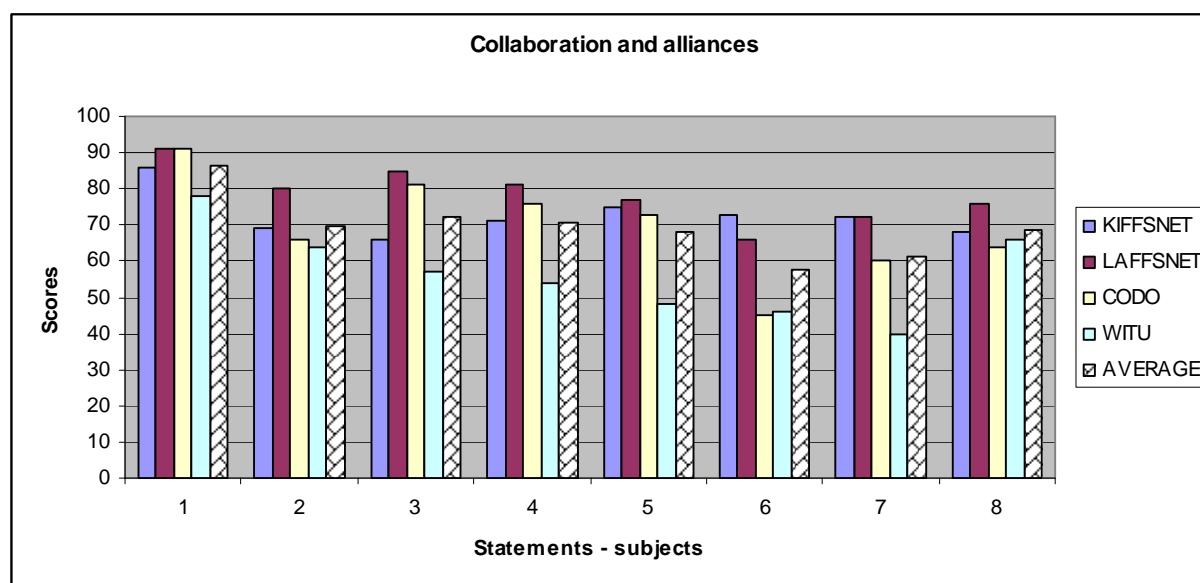
- The assessment results suggest a certain characterization of the different networks, which would need to be taken into account in accompanying measures and training:
 - o Kiffsnet: donor funding background, still in dependency mode, member view that organization needs to apply professional management modalities.
 - o Laffsnet: donor funding background, moving toward economic autonomy mode,
 - o CODO: economic orientation, member view that organization needs to professionalize.
 - o Witu : economic orientation, view that the basics of organizational management need to be put in place.
 - o All organizations show signs of mistrust between board and members and/or board and facilitators. These signs are least apparent for Laffsnet, where different categories (board, facilitators, members) seem to operate most as a complementary team.
- Concerning the two major priorities that emerge (training board/committee members and financial autonomy), it is challenging to engage further discussion on the basis of empirical data (cf. annex 1 for more details).
- The issues of financial management and training are closely related to planning and evaluation (cf. 4.2).

4.4. Collaboration and alliances

Collaboration and alliances

Subjects to which statements refer:	Kiffs-net		Laffs-net		Codo		Witu		Average area score	
	Score	Change	Score	Change	Score	Change	Score	Change	Score	Change
1. Legal status	86	+13	91	+12	91	+12	78	+21	87	+18
2. Collaborative orientation	69	-4	80	+1	66	-3	64	+7	70	+1
3. Collaboration with local authorities	66	-7	85	+6	81	+12	57	0	72	+3
4. Collaboration with research and extension	71	-2	81	+2	76	+7	54	-3	71	+2
5. Collaboration with NGO's and projects	75	+2	77	-2	73	+4	48	-9	68	-1
6. Relations with private enterprises	73	0	66	-13	45	-24	46	-11	58	-11
7. Participation in meetings of other organizations	72	-1	72	-7	60	-9	40	-17	61	-8
8. Collaboration with other producers' organizations	68	-5	76	-3	64	-5	66	+9	69	-1
Total average area score	73		79		69		57		70	

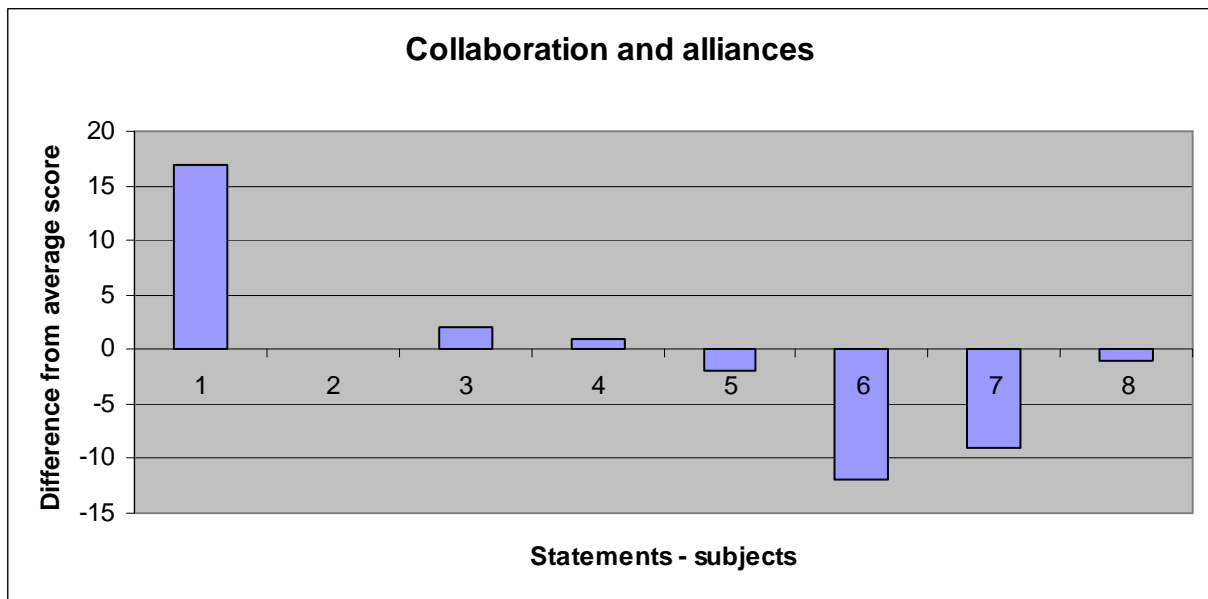
The next figure visualizes the scores that the four groups of respondents gave to the eight statements:



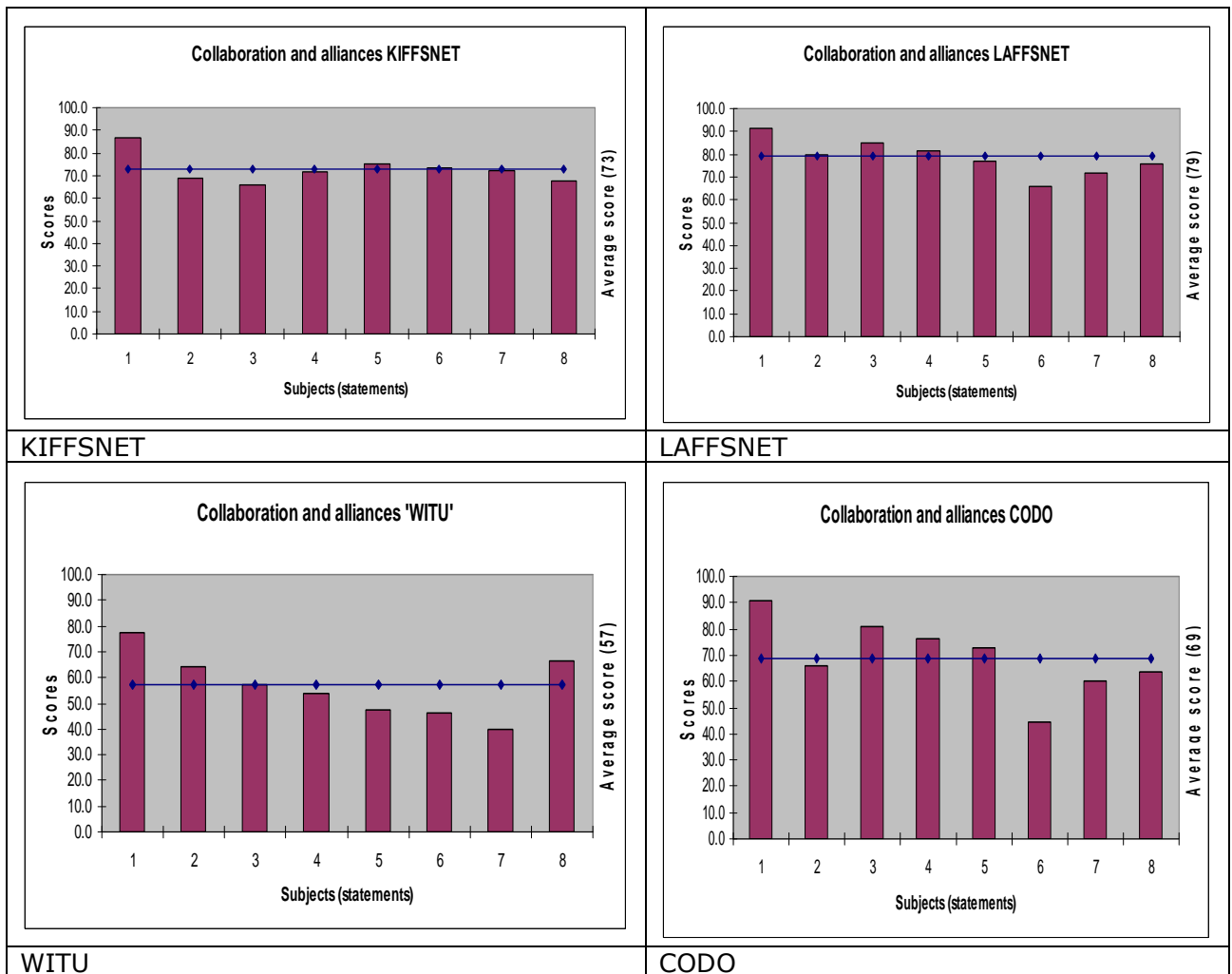
The graphs on the next page show the subjects/statements that got high, average and low scores (as compared to the average score for the performance area):

- Overall results (large graph)
- Specific results for Kiffsnet, Laffsnet, CODO and Witu (smaller graphs)

General results 'Collaboration and alliances' :



Specific results Kiffsnet, Laffsnet, CODO and Witu:



Emerging farmers' priorities regarding collaboration and alliances

- The assessment results indicate that respondents are quite happy with the performance of their organization in this assessment area. Kiffsnet and Laffsnet rank their performance in this area however quite higher than CODO and Witu.
- It is remarkable that collaboration with local authorities is much better appreciated in Lamu (Laffsnet and CODO) than in Kilifi and Witu.
- Relatively speaking, Kiffsnet seems to prioritize improved relations with local authorities, whereas the other groups prioritize relations with private sector.
- Cf. annex 1 for more details.

Interpreting assessment results in context of EP business model

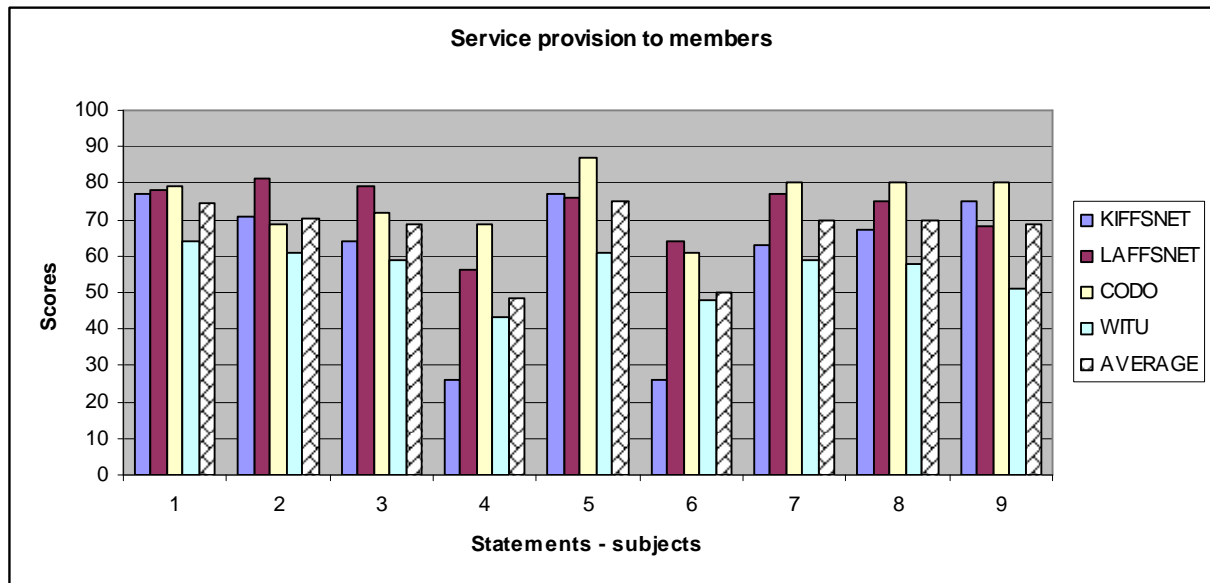
- Kiffsnet and Laffsnet are longer established as networks and score themselves higher in this area. Codo and Witu have a collaborative orientation and seem eager to improve their performance in this area.
- The EP business model is based on stakeholder collaboration. Farmers are responsible for organizing production and collection of produce. This requires collaboration with providers of production factors (seeds, fertilizers, chemicals, credit) and with local authorities.
- EP has made many pro-active efforts to facilitate these relations. This is to be pursued, preferably with increased understanding of farmers.
- Specific modalities for collaboration with local research, extension, banks, input suppliers (etc.) are to be developed, while focusing on specific challenges.

4.5. Service provision to members

General results:

Subjects to which statements refer:	Kiffs-net		Laffs-net		Codo		Witu		Average area score	
	Score	Change	Score	Change	Score	Change	Score	Change	Score	Change
1. Member need responsiveness of services	77	+16	78	+5	79	+4	64	+8	75	+9
2. Defense of interests and needs of members	71	+10	81	+8	69	-6	61	+5	71	+5
3. Provision of information and training	64	+3	79	+6	72	-3	59	+3	69	+3
4. Input supply	26	-35	56	-17	69	-6	43	-13	49	-17
5. Collective marketing	77	+16	76	+3	87	+12	61	+5	75	+9
6. Access to credit and other financial services	26	-35	64	-9	61	-14	48	-8	50	-16
7. Member satisfaction analysis	63	+2	77	+4	80	+5	59	+3	70	+4
8. Activity reports and evaluation	67	+6	75	+2	80	+5	58	+2	70	+4
9. Income improvement due to services of organization	75	+14	68	-5	80	+5	51	-5	69	+3
Total average area score	61		73		75		56		66	

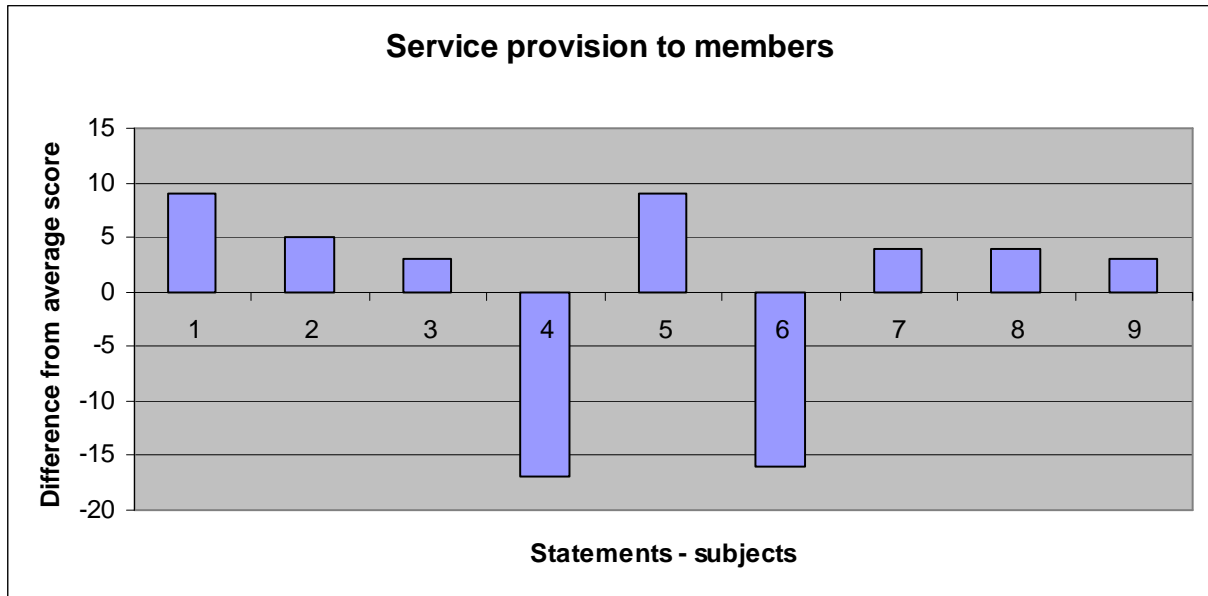
The next figure visualizes the scores that the four groups of respondents gave to the nine statements:



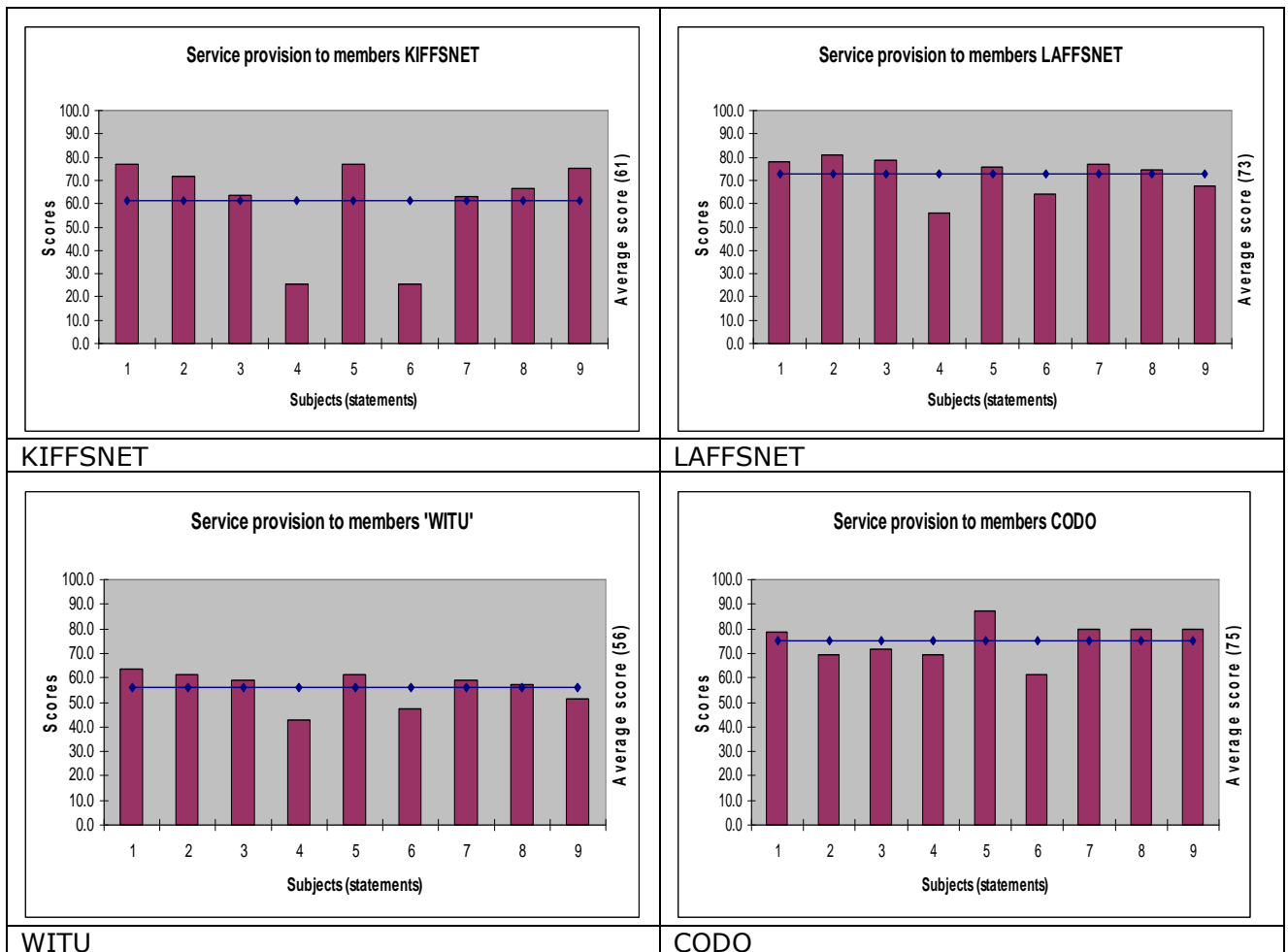
The graphs on the next page show the subjects/statements that got high, average and low scores (as compared to the average score for the performance area):

- Overall results (large graph)
- Specific results for Kiffsnet, Laffsnet, CODO and Witu (smaller graphs)

General results 'Service provision to members' :



Specific results Kiffsnet, Laffsnet, CODO and Witu:



Emerging farmers' priorities regarding service provision to members

- Respondents do recognize that their organizations respond to members' needs and have contributed to income improvement. However, the overall score and ranking of this assessment area is not that high. Average scores and ranking scores are relatively lowest for Kiffsnet and Witu.
- The self-assessment results clearly suggest that respondents of all farmer groups require improved access to inputs and to credit. It is however especially an issue for Kiffsnet, respondents feel that their organization is not managing to facilitate access to inputs and credit.
- Access to inputs is more important for Laffsnet and Witu than access to credit. For Codo, access to credit is more important than access to inputs.
- In addition to higher levels of dissatisfaction concerning access to inputs and credit, Kiffsnet respondents are also relatively unhappy with the provision of information and training services to members (which is congruent with other scores)
- CODO respondents indicate a lower appreciation for the defense of members' interests and needs.
- Cf. annex 1 for more details.

Interpreting assessment results in context of EP business model

- Improving performance in this area especially means improving access to seeds, chemicals, fertilizers and credit. The latter is of course important for paying for the inputs. The success of the business model largely depends on it.
- Also in this assessment area, Kiffsnet's operational difficulties come to the fore. Combining results from this assessment area with others, it increasingly seems that Kiffsnet is less entrepreneurial. The social and organizational base is existing (maybe more so than for CODO), but is not translated in economic initiatives. Much can probably be learned from experiences in Lamu district.

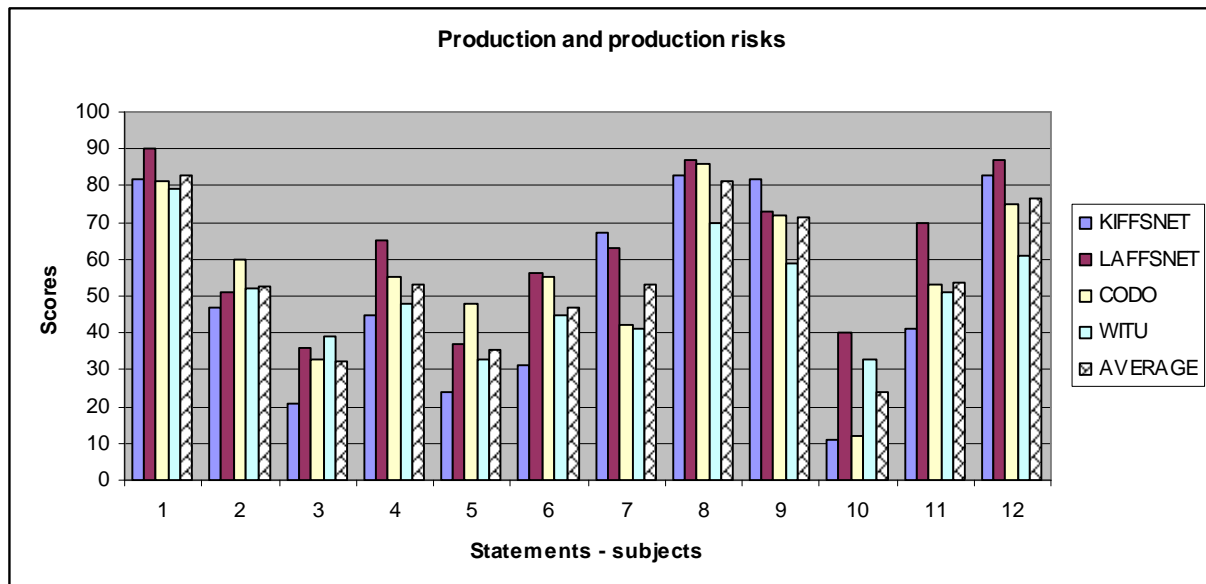
5. CONTRACT FARMING RELATIONS WITH EQUATOR PRODUCTS

5.1. Production and production risks

General results:

Subjects to which statements refer:	Kiffs-net		Laffs-net		Codo		Witu		Average score	
	Score	Change	Score	Change	Score	Change	Score	Change	Score	Change
1. Land suitability for chili production	82	+31	90	+27	81	+25	79	+28	83	+28
2. Dependency on chilies (importance chilies in farm plan)	47	-4	51	-12	60	+4	52	+1	53	-2
3. Climate risks (deficient, irregular rainfall)	21	-30	36	-27	33	+23	39	-12	32	-23
4. Profitability of smallholder production	45	-6	65	+2	55	-1	48	-3	53	-2
5. Production costs	24	-27	37	-26	48	-8	33	-18	36	-19
6. Delivery obligation	31	-20	56	-7	55	-1	45	-6	47	-8
7. Predictability of production	67	+16	63	0	42	-14	41	-10	53	-2
8. Ensuring good quality of produce	83	+32	87	+24	86	+30	70	+19	82	+27
9. Information on buyer's demand	82	+31	73	+10	72	+16	59	+8	72	+17
10. Input provision by company	11	-40	40	-23	12	-44	33	-18	24	-31
11. Access to bank credit for production costs	41	-10	70	+7	53	-3	51	0	54	-1
12. Knowledge of quality requirements of firm	83	+32	87	+24	75	+19	61	+10	77	+22
Total average area score	51		63		56		51		55	

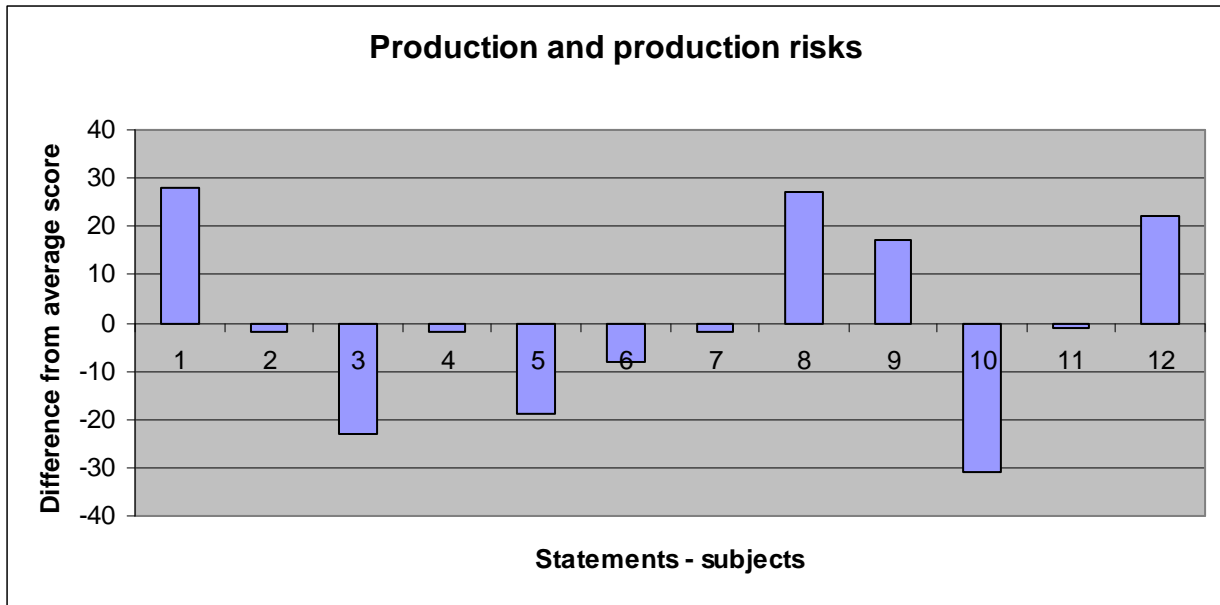
The next figure visualizes the scores that the four groups of respondents gave to the twelve statements:



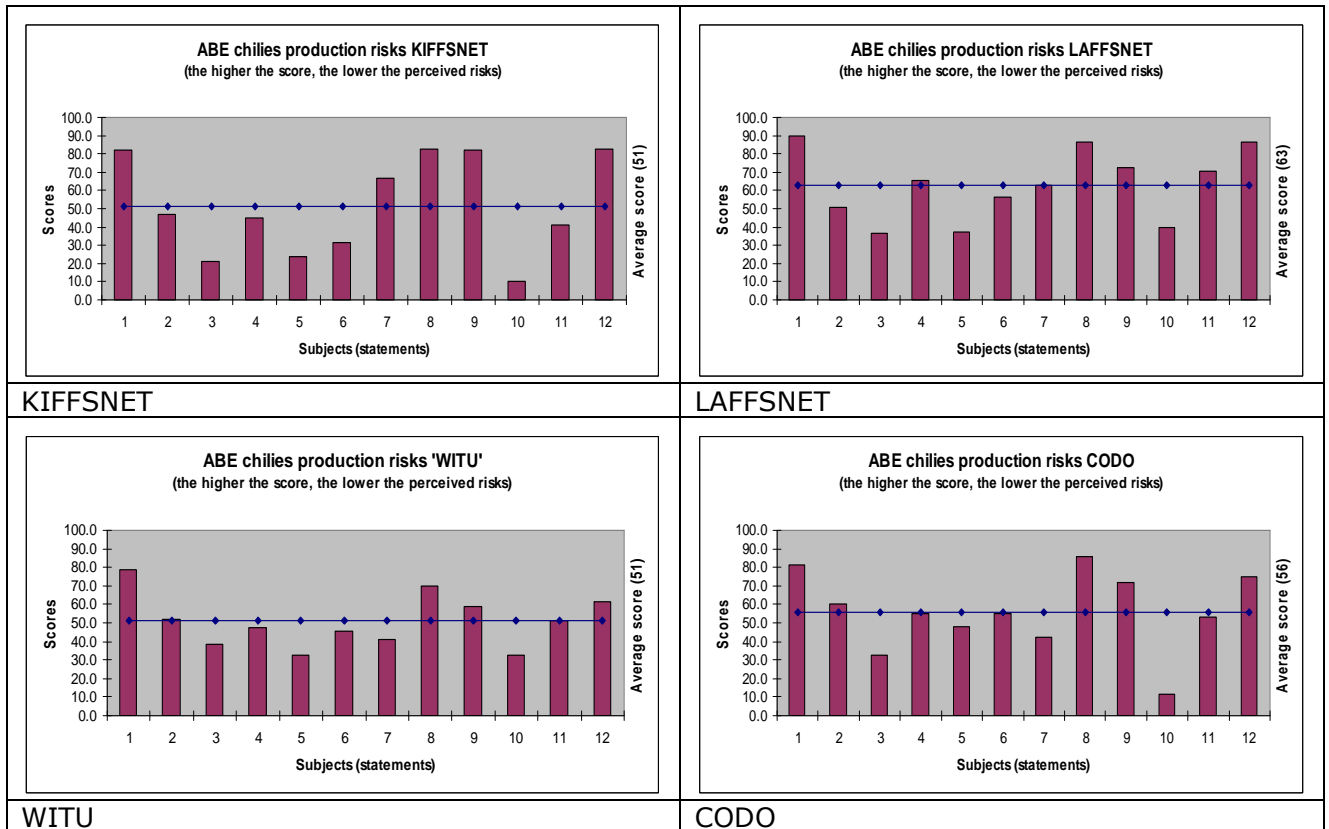
The graphs on the next page show the subjects/statements that got high, average and low scores (as compared to the average score for the performance area):

- Overall results (large graph)
- Specific results for Kiffsnet, Laffsnet, CODO and Witu (smaller graphs)

General results 'Production and production risks' :



Specific results Kiffsnet, Laffsnet, CODO and Witu:



Emerging farmers' priorities regarding production and production risks

- This assessment area is scored and ranked lowest by all groups of respondents. In many cases, respondents disagreed with statements.
- The major risks that come out are: climate risks (3), production costs (5 and 10)
- Although more than 90% of the respondents state that their land is suited for growing chilies, 75% of respondents find that climate risks are high (95% in Kilifi).
- In all groups, most respondents (59-81%) qualify production costs as being high. CODO respondents seem to find production costs more affordable than others.
- The statement for measuring access to inputs as a production risk was not appropriate. However, it can be confirmed that it is a priority (cf. assessment area 5).
- Access to credit did not come out as clearly as one of the major other constraints. In fact, some 50% of the respondents indicate that they can get credit at the bank to finance production costs.
- Cf. annex 1 for more details.

Interpreting assessment results in context of EP business model

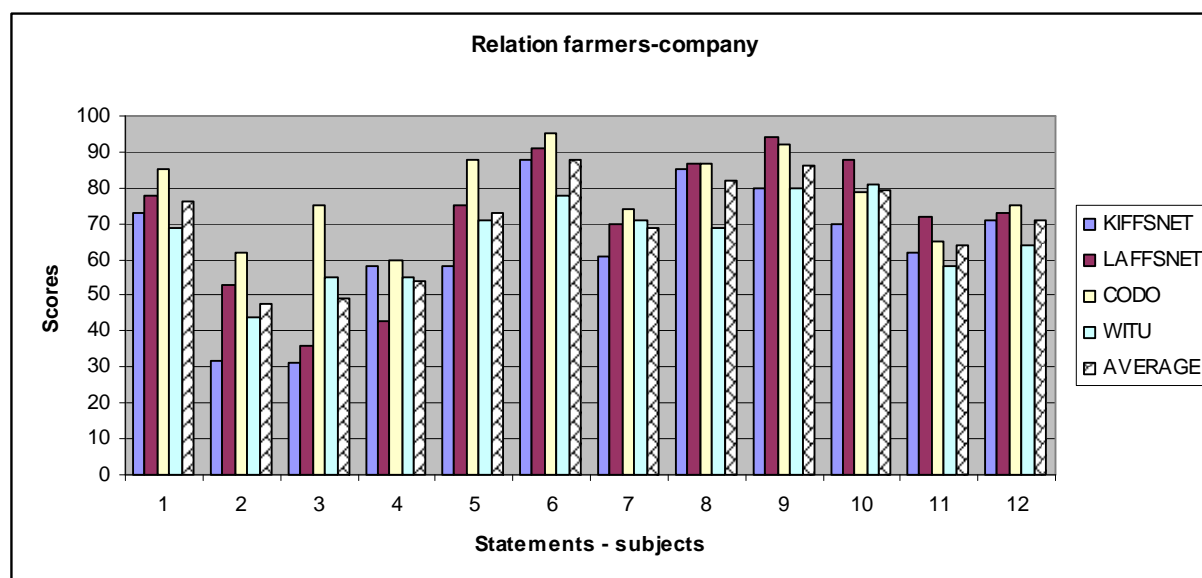
- Farmers are clear: their land is suited for chili production, but the climate is a risk. If rainfall is okay, they will produce chilies of good quality and they'll know (more or less) how much.
- Erratic rainfall puts investments in production at risk. The production costs and risks that farmers face touch upon their fundamental entrepreneurial risks in chili production.
- Especially the expenditures for seeds, fertilizer and chemicals are risky, because they have to be made before harvest and without being secure about production. This requires credit.
- Family and hired labour costs up to firm establishment of the crop are part of these production costs. However, most labour costs are made at harvest time.
- The production risks are not negligible, considering the (increasing) acreage the crop takes and the related expenditures that are to be made. It is useful to further study production costs and risks for different types of farmers (cf. annex 1, statement 6.2 and 6.5).
- Opportunity costs for land allocation to chilies are relatively low for different reasons: (i) land availability; (ii) quasi non-existence of other cash crops.
- As for now, there are no limits to the buying and drying capacity of EP. the contractual arrangement only indicates that farmers sell whatever they produce to EP. They do not have to reach a certain production level.
- Predictability of production volumes is therefore not (yet) an issue. However, it is both potentially important for EP and farmers. EP: planning collection, transport, drying and marketing strategies. Farmers: calculating cost-benefit ratios. Cost-benefit analysis would need to include the critical production factor 'labour'.
- The assessment suggests the following priorities :
 - o ensuring access to production factors, especially fertilizers and chemicals. Options for action could be: collaboration with input dealer network, collective procurement, arrangements with local banks, quality control of products, etc)
 - o Ensuring access to credit (contract farming arrangements serving as collateral, payment through bank, reimbursement of input credit through sales, ...);
 - o Technical options for reducing climate risks and drought stress.
 - o Cost-benefit analysis and analysis of options of cost-price reduction, considering all production factors including labour costs, which, from farmers' perspective are likely to be perceived as the most important.
 - o Analysis of optimal acreage according to household characteristics.

5.2. Relation farmers-company

General results:

Subjects to which statements refer:	Kiffs-net		Laffs-net		Codo		Witu		Average score	
	Score	Change	Score	Change	Score	Change	Score	Change	Score	Change
1. Knowledge of content contract	73	+9	78	+6	85	+7	69	+3	76	+6
2. Knowledge of company's chili drying process	32	-32	53	-19	62	+16	44	-22	48	-22
3. Satisfaction with price that is paid	31	-33	36	-36	75	-3	55	-11	49	-21
4. Understanding of farmer level price changes	58	-6	43	-29	60	-18	55	-11	54	-16
5. Price incentive for quality (premium on quality)	58	-6	75	+3	88	+10	71	+5	73	+3
6. Price incentive for quantity (premium on volume)	88	+24	91	+19	95	+17	78	+12	88	+18
7. Satisfaction with payment modality	61	-3	70	-2	74	-4	71	+5	69	-1
8. Quality control before delivery	85	+21	87	+15	87	+9	69	+3	82	+12
9. Training from company to professionalize production	80	+16	94	+22	92	+14	80	+14	87	+17
10. Timely delivery of produce at collection point	70	+6	88	+16	79	+1	81	+15	80	+10
11. Registration of delivery at farm group level	62	-2	72	0	65	-13	58	-8	64	-6
12. Understanding/acceptance of rejection (insufficient quality)	71	+7	73	+1	75	-3	64	-2	71	+1
Total average area score	64		72		78		66		70	

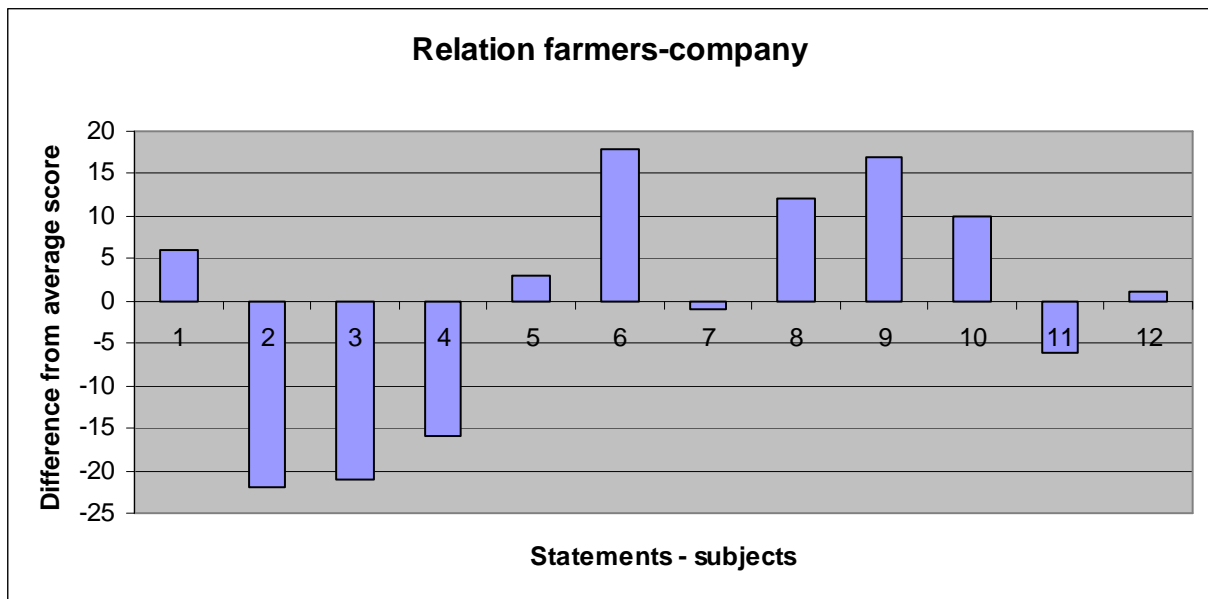
The next figure visualizes the scores that the four groups of respondents gave to the twelve statements:



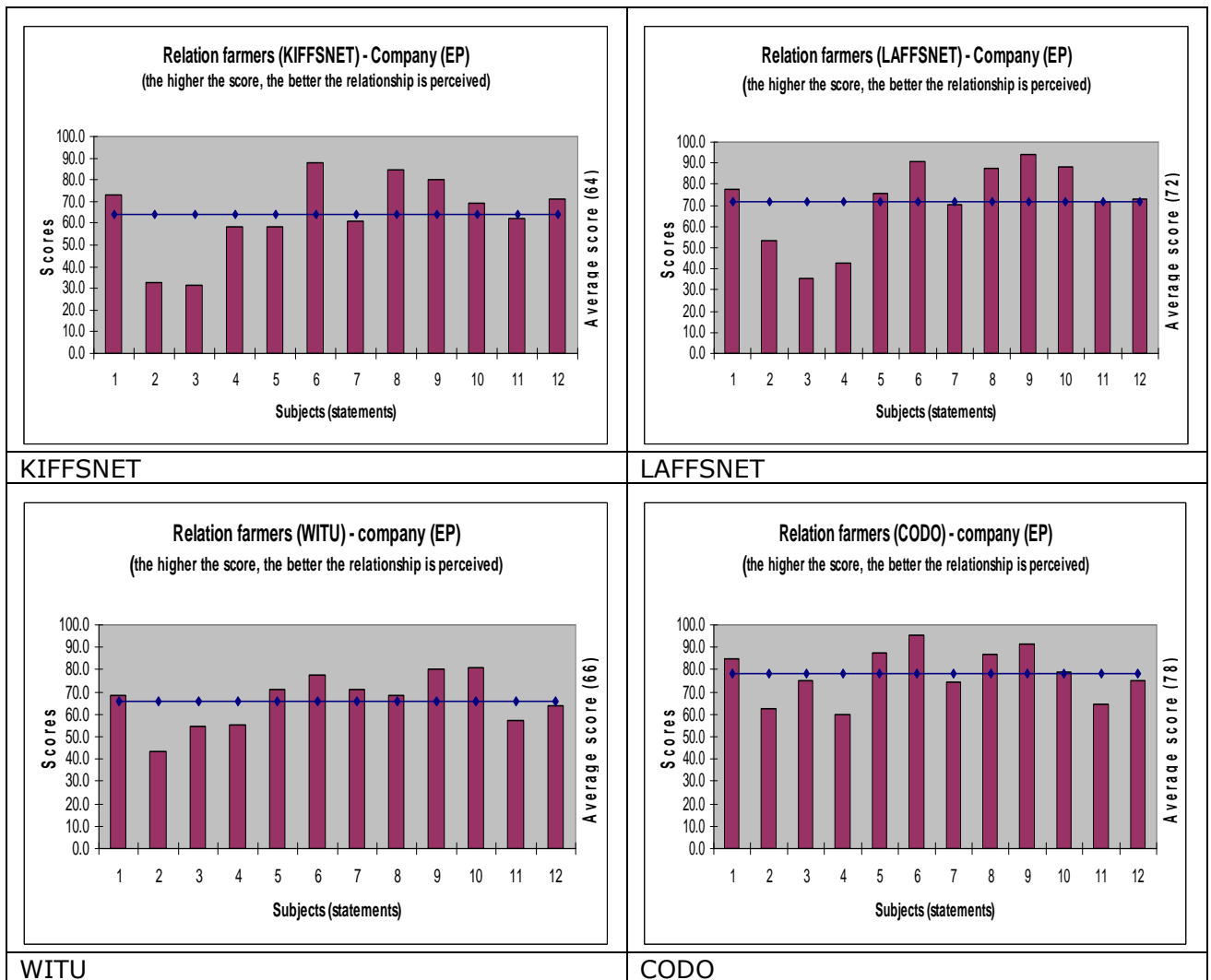
The graphs on the next page show the subjects/statements that got high, average and low scores (as compared to the average score for the performance area):

- Overall results (large graph)
- Specific results for Kiffsnet, Laffsnet, CODO and Witu (smaller graphs)

General results 'Relation farmers – company' :



Specific results Kiffsnnet, Laffsnnet, CODO and Witu:



Emerging farmers' priorities regarding relations farmers - company

- Respondents qualify the relations between farmers and the company (EP) as good. Especially CODO and Laffsnet give high scores. Considering ranking scores, CODO and Witu respondents highly appreciate the established relations. This means that Kiffsnet is somehow an exception.
- Although there are some exceptions, the results of the assessment suggest that the level of mutual understanding is remarkably high, especially when it is considered that issues like price setting, payment modalities and quality grading are sensitive.
- At first sight, the self-assessment results suggest that price setting (2 and 3), understanding of the company's drying process (2) and registration of sales at farmer group level (11) need most attention.
- Concerning satisfaction with the price that is paid there is a remarkable situation: especially Kiffsnet and Laffsnet do not seem to be happy.
- Mutual understanding was established in a short time. Results of the assessment suggest that some misunderstanding may be due to the recent start of contract farming relations. Understanding of some contractual modalities is better in the first production areas.
- The training efforts of EP are highly appreciated.
- The relation between Kiffsnet and EP is somehow affected by the suboptimal functioning of collection points. Quite some Kiffsnet zones indicate: (i) farmers' late delivery (7.10); (ii) EP's late collection (8.3) and late payment (8.5).
- Cf. annex 1 for more details.

Interpreting assessment results in context of EP business model

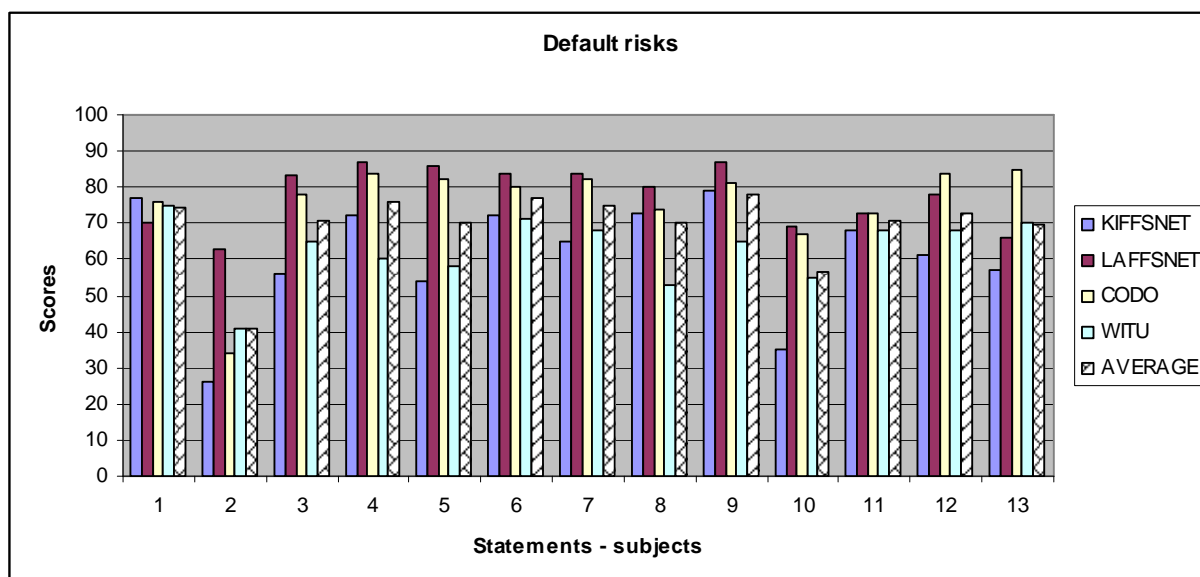
- Respondents quite firmly indicate that they know what's in the contract. There are however indications that some important elements are not known or understood by all farmers (premium on quality and quantity, exclusive delivery to EP, ...). Although all farmers sign the contract as a witness, more should apparently be done to reach the farmers. The key issue is that it is not evident that the message passes from the board to ordinary farmers. Exploring different and complementary options for communication seems to be important.
- Over time, more can also be done to explain the value chain and different operations after collection to farmers. EP could consider different options (cf. annex 1, statement 7.2).
- Considering the high percentage of persons disagreeing with the statement on prices, it is worth investigating the reasons. Annex 1 suggests some questions for exploring reasons of (dis)satisfaction with prices, premiums and payment modalities.
- In order to address and mobilize different farmer categories, it is important to target training and information. EP is sensitive to this and addresses officials and facilitators. Ongoing attention for tensions between officials on the one hand and facilitators or members on the other hand is necessary. The challenge is to arrive at a situation wherein both board members and facilitators perceive each other as complementary and facilitate each other's roles.
- EP management cannot be everywhere at the same time, as the attention for Lamu versus Kilifi seems to indicate. With the extension of acreage and number of farmers, the role of local staff members will be increasingly important.
- The operational issues in Kilifi have to be addressed. Two pathways are important:
 - o Equator Products: regular communication of EP Kilifi team with Kilifi farmer groups and Kiffsnet, field level monitoring and training and intensive communication between EP Kilifi team with EP HQs.
 - o WUR-ETC/others : supporting organizational capacity strengthening of the Kilifi network, zones and farmer groups.

5.3. Default risks

General results:

Subjects to which statements refer:	Kiffs-net		Laffs-net		Codo		Witu		Average area score	
	Score	Change	Score	Change	Score	Change	Score	Change	Score	Change
1. No outstanding loans with company	77	+16	70	-8	76	+1	75	+12	75	+6
2. Company's delivery of inputs according to contract	26	-35	63	-15	34	-41	41	-22	41	-28
3. Company's timely collection of produce	56	-5	83	+5	78	+3	65	+2	71	+2
4. Sanction to farmer group (delivery to other buyer by one of group members)	72	+11	87	+9	84	+9	60	-3	76	+7
5. Timely payment after delivery	54	-7	86	+8	82	+7	58	-5	70	+1
6. Importance of chilies as source of income	72	-11	84	+6	80	+5	71	+8	77	+8
7. Company's credibility (living up to promises made)	65	+4	84	+6	82	+7	68	+5	75	+6
8. Clarity of contract for handling disputes	73	+12	80	+2	74	-1	53	-10	70	+1
9. Open discussion of problems that arise	79	+18	87	+9	81	+6	65	+2	78	+9
10. Sanction to farmer group in case of individual default)	35	-26	69	-9	67	-8	55	-8	57	-12
11. Willingness to contribute part of chili income to farmer group	68	+7	73	-5	73	-2	68	+5	71	+2
12. Relation European market demand, company's profitability and prices for chilies	61	0	78	0	84	+9	68	+5	73	+4
13. Stability of supplier-buyer relation (sale company offering higher price)	57	-4	66	-12	85	+10	70	+7	70	+1
Total average area score	61		78		75		63		69	

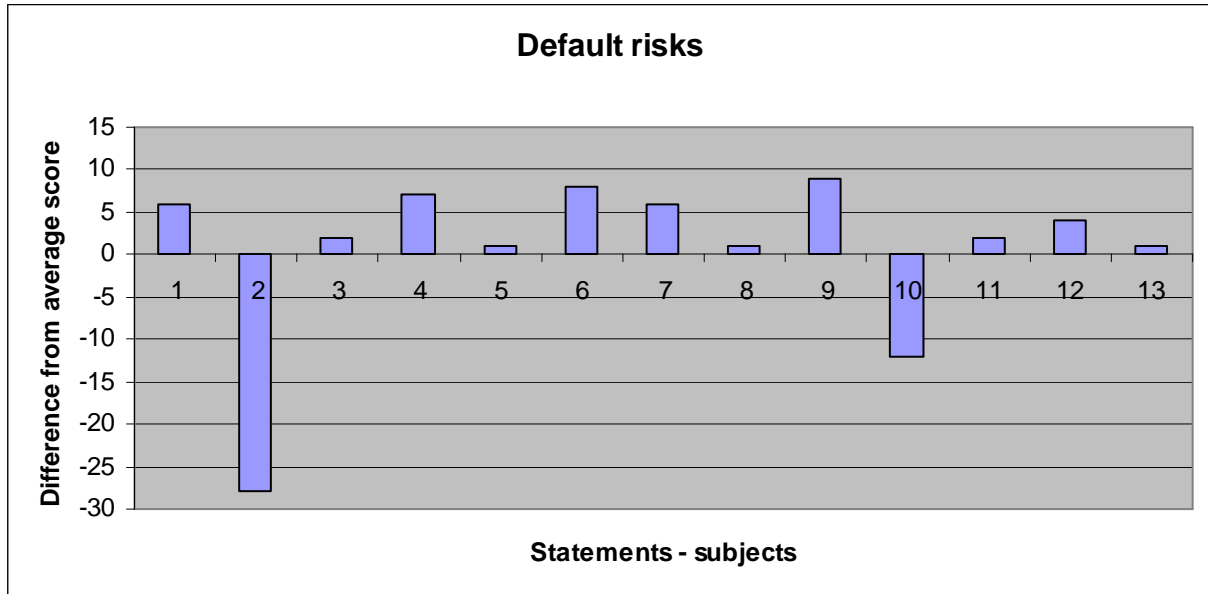
The next figure visualizes the scores that the four groups of respondents gave to the thirteen statements:



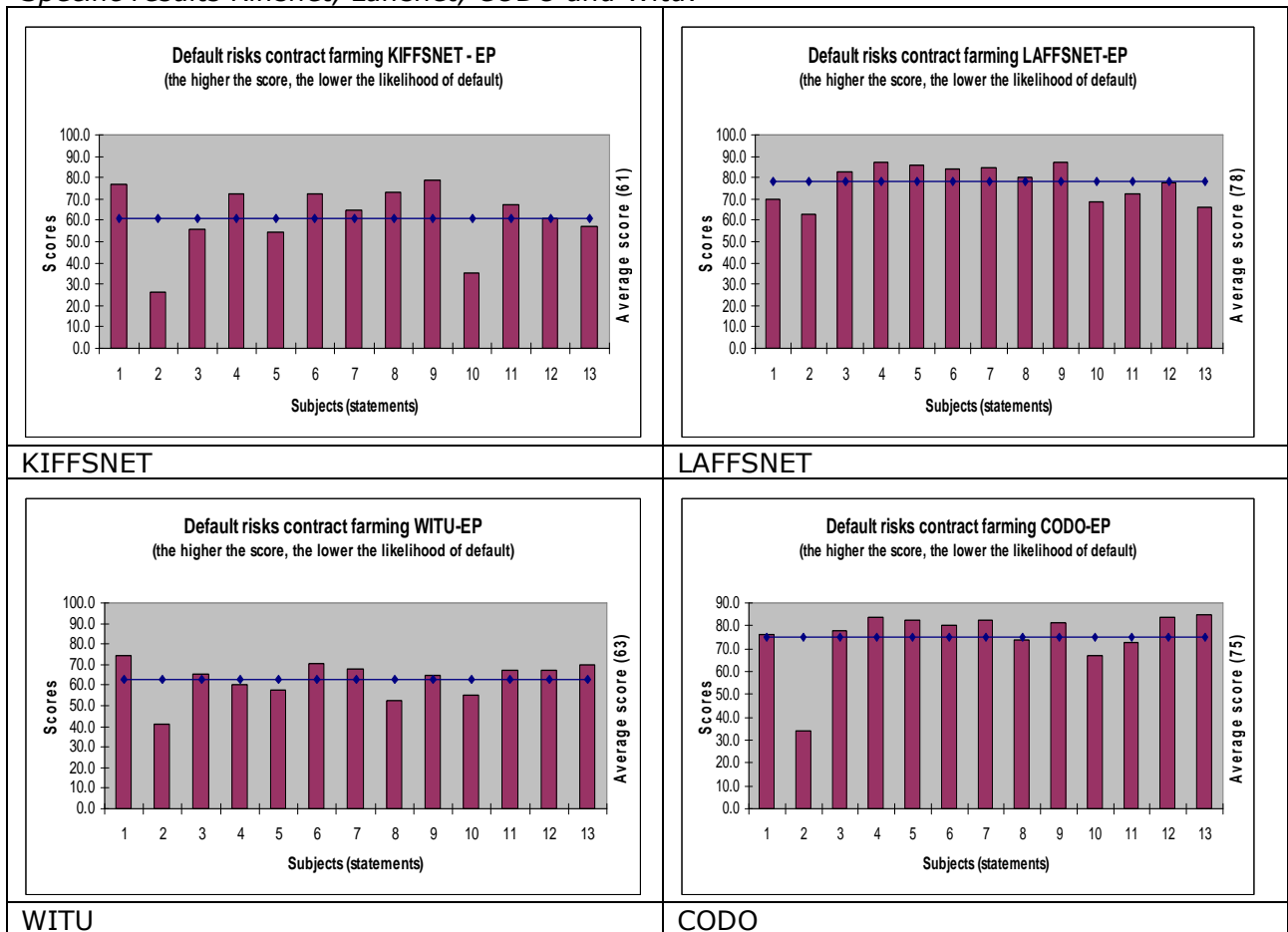
The graphs below show the subjects/statements that got high, average and low scores (as compared to the average score for the performance area):

- Overall results (large graph)
- Specific results for Kiffsnet, Laffsnet, CODO and Witu (smaller graphs)

General results 'Default risks':



Specific results Kiffsnet, Laffsnet, CODO and Witu:



Emerging farmers' priorities

- The default risks are not perceived as high. However, Kilifi is somehow an exception. It's average and ranking score are low as compared to the other groups of respondents.
- The risk of default is highest in Kilifi: Quite some Kiffsnet zones indicate: (i) farmers' late delivery (7.10); (ii) EP's late collection (8.3) late payment (8.5); chilies not being main source of income (8.6); selling to other company in case of higher price (8.13).
- In Lamu (Laffsnet and CODO), there is great satisfaction with timely collection and payment, as well as higher understanding of value chain (drying; 7.2 and world market prices; 8.12).
- The risk of CODO selling to another company is less than the risk of default of the other groups.
- Measuring the perception of the contractual stipulation of exclusive delivery to EP was not easy. The results suggest that EP sanctioning a farmer group because of default of an individual member is less accepted than a farmer group sanctioning the individual defaulter. Especially Kiffsnet and Laffsnet are following that logic.
- Cf. annex 1 for more details.

Interpreting assessment results in context of EP business model

- The default risks in Kilifi have of course to do with other issues and need to be addressed together.
- Without real competitors, the contractual obligation of exclusive delivery to EP is not an issue now.
- EP's strategy is to be a credible partner that is in advance on competitors and competes on quality on the European market. This is a sound entrepreneurial strategy, which is highly appreciated by farmers.
- Profitability is however likely to attract competitors. If these competitors link up with authorities and politicians, a totally different playing field may emerge. This is for now not an issue. Maintaining good relations with authorities is however of strategic importance.
- Most respondents indicate to be willing to allocate some revenues to their farmers' organization. This is a proxy for group cohesion, but not necessarily indicating that individual farmers are likely to propose increased contributions for collective purposes. It is in this context that the EP contributions to the networks and facilitators of 0.5 and 1 Ksh per kg have to be discussed. It strongly relates to the subjects of organizational and financial autonomy. Rewarding the services of Boards and facilitators should be in line with efforts, otherwise (low or high) economic gains will induce reluctance of eagerness for functions.
- It is striking that the EP contracts do not contain articles on conflict resolution. They only anticipate on some possible problems and indicates responsibilities and alternatives to react to these problems (maintenance of collection points, agreement on grading, change of collection site in case of unapproachable roads, sale to competitors,). The contract thus anticipates on problem solution but not on conflict management once these occur. Although juridical complications need to be avoided, the issue of conflict management may need further attention, as does the role of the Ministry of Agriculture (DA)/DEAO, who signs the EP-farmer group as a witness. It is not clear whether MoA will intervene in case of conflict and what will be its role (intermediate or judge?)

6. CONCLUSIONS AND SUGGESTIONS

This chapter presents some concluding remarks from different perspectives :

1. Farmers' perspectives: what image emerges from the scoring results ? (6.1);
2. EP business model perspective: what are the critical issues that can be deducted from the farmers' assessment ? (6.2);
3. Methodological perspective: what lessons can be learned after having applied the tool in the Eastern province ? (6.3).

6.1. Summary of self-assessment results

In the preceding chapters, the paragraphs on 'Emerging farmers' priorities' highlighted the key results in the different assessment areas. These results are based on analysis of assessment area scores and more detailed analysis of results per subject/statement (as presented in annex 1). This paragraph summarizes the major self-assessment results. At first, the general image is presented. This image that is largely valid for all farmer groups and chili production areas engaged in contract farming with EP. The general outcomes suggest general priorities that are important for all farmers' organizations. Comparative analysis allows to make some more specific remarks and suggest specific action. In addition to the 'general outcomes', particular results for the different farmer networks are summarized under 'specific outcomes'.

General outcomes

Organizational functioning and performance

- In the area of organization development, management of human and financial resources gets the highest general priority. The low overall score is especially resulting from very low scores for financial independency and training of board/committee members. Professionalization of organization management and mechanisms for improving organizational income are priorities.
- Service provision to members gets a relatively low average total score. In this area, facilitating access to inputs (fertilizers and chemicals) and credit are key priorities.
- In relation to their expectations, respondents are satisfied with the membership base, leadership and internal governance of their organizations. Members appreciate the existence of formal principles, rules and regulations. They are however more critical about the actual functioning of the organization, both at member level (payment of membership dues, active member participation in organizational activities, follow-up on board decisions) and at the level of board members and statutory bodies (annual planning and evaluation, accountability relations).
- Deficiency in internal communication is an important cross-cutting issue. The need for improved internal communication comes to the fore in different assessment areas. Knowing the membership base and communication are important for improving sensitivity to the needs of different member categories and for improving member participation in general.

Contract farming relations with EP

- Concerning the contract farming relations with EP, farmers of all production areas are most concerned about production risks. The major risks that come out are climate risks and production costs. These are key priorities for sustaining contract farming relations.
- Equator Products is perceived as a trustworthy organization. Respondents qualify the relations between farmers and the company as good and training efforts of EP are very high rated. There are however important differences between different networks/production areas in the appreciation of the contract farming relations.
- Understanding of contract farming arrangements seems to be better in first production areas, suggesting processes of learning by doing.

- Communication about price setting mechanisms, bonuses, collection, ABE chili value chains and markets is important for maintaining trust. Ensuring that information is correctly transmitted to 'ordinary farmers' and discussed at farmer group level is crucially important in this context.
- The risks of default are not alarming, although Kilifi seems to be relative exception.
- EP sanctioning a farmer group because of an individual member selling to a competitor is less accepted than a farmer group sanctioning an individual defaulter.

Specific outcomes

The remarks below refer to assessment scores that are relatively higher or lower for a particular group of respondents, as compared to average scores and/or scores of other farmer groups. Individual networks that are not in a position to compare themselves with other farmers' organizations conclusions can of course not make this kind of comparative analysis. This methodological issue is discussed in paragraph 6.3.

Particularities Kiffsnet

Organizational functioning and performance

- Members perceive Kiffsnet as a well established organization and give relatively high scores on internal communication indicators. However, members have relatively important concerns about internal governance and professional management of the organization. Nevertheless, Kiffsnet farmer groups are eagerly looking for new members.
- Human and financial management is a priority for all farmer groups and networks, but seems to be particularly important for Kiffsnet. There are concerns about the capacities both board members and facilitators. Transparency of financial management and proactive search for more financial independency also emerge as priorities that are particularly important for Kiffsnet.
- Kiffsnet members are relatively less satisfied with the services that are provided to members. In addition to access to inputs and credit, respondents are also relatively unhappy with the provision of information and training services.
- (As compared to Lamu District), the appreciation of collaboration with local authorities is relatively low in Kilifi District.
- Kiffsnet seems to prioritize improved relations with local authorities, whereas other groups prioritize relations with private sector.
- (As Laffsnet), Kiffsnet members give relative high scores regarding capacities to collaborate and build alliances, but very low scores on possibilities to become independent of external funding.

Contract farming relations with EP

- Kiffsnet respondents rate climate risks higher than respondents in the other production areas.
- Although there is trust, several indicators suggest that Kiffsnet members feel that business relations with EP need improvement.
- As Laffsnet and compared with CODO and Witu, Kiffsnet respondents give relatively scores for their satisfaction with prices that are paid for the chilies.
- Scores suggest that – especially in comparison with other production areas - the functioning of collection points is suboptimal in Kilifi. Quite some Kiffsnet zones indicate farmers' late delivery, EP's late collection and late payment.
- Several indicators suggest that perceived default risks are highest for Kiffsnet. In addition to the problems related to the collection and payment of chilies, respondents also seem more inclined to sell to another company in case it offers a higher price.

Particularities Laffsnet

Organizational functioning and performance

- Members appreciate the level of professionalism of their organization, but have concerns about member representation and communication.
- Laffsnet seems to be particularly concerned with access to inputs.
- (As Kiffsnet), relative high scores regarding capacities to collaborate and build alliances, but lower relative score for possibilities to become independent of external funding.
- Compared to the Kilifi FFS network, the Lamu FFS network seems to be more oriented at building relations with partners in private sector.

Contract farming relations with EP

- As Kiffsnet and compared with CODO and Witu, Laffsnet respondents show relative dissatisfaction with the prices that are paid for the chillies.
- In Lamu (Laffsnet and CODO), there is great satisfaction with timely collection and payment. Scores also suggest more understanding of value chain and world market dynamics.

Particularities CODO

Organizational functioning and performance

- Members appreciate the level of professionalism of their organization, although there are concerns about financial administration. There are concerns about member representation and communication.
- CODO seems to be particularly eager to improve access to credit facilities.
- Compared to the longer established networks, CODO perceive a relatively lower performance in the area of collaboration and alliances. Respondents also indicate a relatively lower appreciation for the defense of members' interests and needs.

Contract farming relations with EP

- CODO respondents are relatively less concerned about production costs.
- In Lamu (Laffsnet and CODO), there is great satisfaction with timely collection and payment. Scores also suggest more understanding of value chain and world market dynamics.
- The risk of CODO selling to another company is less than the risk of default of the other groups.

Particularities Witu

Organizational functioning and performance

- Witu respondents (facilitators) have important concerns about the operational capacity of the (recent) farmer groups. The key message is organizational capacity building, especially through the implementation of practical roles and tasks related to the production and sale of ABC chillies.
- Witu respondents seem to be particularly concerned with access to inputs.
- Compared to the longer established networks, Witu perceives relative weakness in the area of collaboration and alliances, but is relatively less concerned about possibilities for increasing financial independence.

Contract farming relations with EP

- As compared to the assessment areas relating to organizational functioning and performance, Witu respondents give relatively high scores for the 3 assessment areas relating to contract farming relations.

6.2. Critical issues and further development of EP business model

During field research, the survey method was essentially applied at the service of the farmer groups and networks involved in contract farming with EP. The main purpose is farmers' action research : collection of member views, discussion of assessment results within the farmer groups and networks and subsequent action to improve organizational functioning and performance and business relations with EP.

The self-assessment exercise has much in common with a survey. In the preceding chapters 4 and 5, the self-assessment results were discussed with the aim to further describe, analyse and develop the EP business model (cf. paragraphs 'Interpreting assessment results in context of EP business model'). It must be stressed that this is the interpretation of an external observer. However, by harnessing the self-assessment results, WUR aims to arrive at an analysis that systematically incorporates farmers' views.

A review of the business model and its challenges, which is based on different sources of information including the farmers' self-assessment results, will be presented in a separate note. The discussion of the assessment results in chapters 4 and 5 will not be repeated here. In this paragraph, we limit ourselves to a summary of critical issues and important action points that emerge from the self-assessment results.

Organization development

Basic organizational capacities. Earlier organizational capacity development has facilitated contract farming with Equator products. Supporting basic organizational capacities of young and growing farmer groups is essential for getting the 'contract farming machinery' working.

Membership and governance. Membership adherence conditions and the roles and obligations of members do not seem to be critically addressed by the farmer groups and networks. This also holds for governance issues like planning, evaluation, transparency and accountability. The involvement in contract farming puts many operational issues on the table. As a business partner, focusing on good agricultural practices, quality produce and fair prices, EP can discuss organizational issues with the farmer groups and networks with aim to correct or prevent sub-optimal performance. Attention for internal communication within the FO's (between FO officials and ordinary farmers and communication of facilitators with both) is a key issue.

Operational planning and evaluation. Operational planning and evaluation of chili production and marketing will raise many questions (cf. 4.2; page 29). In joint planning and evaluation, the tasks and responsibilities of farmers and EP, set out in the contracts, can be evaluated. Gradually, certain tasks may be redefined and/or transferred to farmer groups. The critical issues of financial management and training of board members and farmers are closely related to planning and evaluation.

Economic orientation and member involvement. The FFS networks have a different background than the more recent farmer groups. This influences the economic orientation of the farmer groups. For all groups, chili production and marketing is now however the main activity of all farmer groups, also those that are part of the Farmer Field School networks. The farmer groups are growing and attract new members because of profitable chili production. The introduction of chilies and access to the European market is a boost to existing farmers' organizations and leads to a rapid increase of farmer groups and associated members. Member participation, which was not positively assessed, is most easily promoted when linked to clearly defined economic and social activities. EP could pursue thinking about concrete farmer roles in the business model (board functions, communication, facilitation, grading, data collection, seed production,).

Member characteristics, service provision and M&E. Further development of the membership register of FO's is important as is the analysis of member characteristics and needs. EP, in the context of its data collection and M&E activities, may support farmer groups in this endeavor. For the farmer groups, this is not only important for internal governance purposes, but also for matching service provision to member needs (larger/smaller farms, gender, youth, ...) and for associating members to activities of the organization (board functions, facilitator, grader,). For EP, it is very useful for production planning and evaluation, adaptation of communication to different groups and evaluation of optimal production conditions.

Financial autonomy and transparency. The issues of membership dues, economic objectives, financial autonomy of the farmer organizations and payment modalities of marketed chillies need to be discussed in detail, putting organizational autonomy at the centre stage. The central questions and challenges concern the options and modalities for enhancing organizational income and for improved planning, budgeting and evaluation of collective activities. The discussion of organizational income, activities and expenditures would need to be related to the rewards EP is paying for the services of the Boards and facilitators. Payment of organizational services makes sense from a business point of view and is a potential source for improving financial autonomy of the farmers' organizations. The payment of the services of Boards and facilitators should be in line with efforts, otherwise (low or high) economic gains will induce reluctance or eagerness for functions.

Internal communication. For improving communication it can be considered to use different information bearers and communication channels (plastified posters, technical notes, radio,)

Role of facilitators. The basics for well functioning facilitators are largely in place: the modalities for selecting facilitators were positively assessed and (except for Kiffsnet) there is a high level of confidence in the capacities of the facilitators to assume their (technical) roles. However, facilitators find themselves in a delicate position. They have to deal with ordinary members (training and information services), board members (burning issues in the field, accommodating training sessions to board meetings, ...) and with EP staff. Self-assessment results suggest tensions between facilitators and board members. The challenge is how to make sure that facilitators play a complementary role within the farmers' organizations and ensure a bridge function in the EP business model¹⁰.

Collaboration and alliances. The self-assessment results suggest that there are important differences in stakeholder collaboration histories, contexts and strategies. Kiffsnet and Laffsnet are longer established and members score this area higher. Laffsnet is more economically oriented than Kiffsnet. CODO and Witu are more recently established and show stronger orientation on economic collaboration. Relations with local authorities are better established in Lamu district as compared to Kilifi district. It is in this context that EP will pursue its facilitating role for establishing relations between farmers and banks, input dealers and other firms.

Stakeholder collaboration. In the EP business model, EP does not provide inputs and credits, but is ready to play a very active intermediary role. Contracts can serve as security for business partners of farmers. The EP support notwithstanding, it is in this model up to the farmers and their organizations to build relations with banks and input providers. Access to inputs and credit come indeed out as top priorities for farmers. The self-assessment results suggest that innovative arrangements for economic collaboration are probably most easily realized in Lamu District. Experiences of CODO and Laffsnet may serve as an example for other production areas. It is however important to assess success and failure factors, before copying and pasting models for stakeholder collaboration. The self-assessment results suggest different elements (professional capacity, economic orientation, relations with local authorities, trust in EP, ...) but this must be backed by more empirical data.

¹⁰ The issue of the bonus of 1Ksh per marketed kg. of ABE chillies will be extensively discussed in the note on the EP business model. It will be argued that there are important risks.

Particularities. Most critical issues are important for all farmer groups and networks. However, the last issue indicates that the different groups and their contexts are also quite different. When planning accompanying measures and training, it is useful to take the following characterizations, which emerge from the self-assessment results, into account :

- Kiffsnet has a donor funding background and seems to be still in a dependency mode. It is less oriented at business and economic partnerships. Members strongly indicate the need for professionalizing management practices. There are concerns about the capacities of board members and facilitators.
- Laffsnet also has a donor funding background, but seems to be moving towards a more entrepreneurial attitude and economic activities. It also seems to have relatively harmonious relations among farmers, facilitators and board members. What is Laffsnet different in this respect and/or what is Laffsnet doing differently as compared to other farmer networks ?
- CODO has a relatively strong economic orientation. However, there seems to be a certain distance between Board members and ordinary members. What is the source of this distance (resources, communication, ...?). How can internal communication be improved ?
- Witu farmer groups also seem to have an economic orientation, however the basics of organizational management have to put in place in order to get better practical and economic results.
- All organizations show signs of mistrust between board and members and/or board and facilitators. These signs are least apparent for Laffsnet, where different categories (board, facilitators, members) seem to operate most as a complementary team.

Need for empirical data. Member perceptions, as measured through proxy indicators, suggest priorities for action. For the most important critical issues it is however also important to engage in further discussion on the basis of empirical data (trainings received by board members, financial situation of FO, size of holdings, ...).

Contract farming relations

- For further developing the business partnership, it is important that EP recognizes farmers' production risks and farmers recognize EP's processing and marketing risks and continues supporting farmer groups in acceding inputs and credits.
- For access to inputs, critical issues are farmers' relations with input dealers, the range, price and quality of the products that input dealers offer, timeliness of ordering and delivery, farmers' access to credit for purchasing inputs, contract farming arrangement as guarantee for banks, quality control of inputs.
- For access to credit, there are different options: collective ordering, input shops, qual tripartite collaboration This includes working on options for improving access to
- The payment modalities may include a variant of warehouse receipt mechanisms (EP playing the role of the 'warehouse' confirming to the bank the reception of chilies of good quality, and bank paying the agreed price and deducting outstanding loans for inputs).
- Climate risks are another risk that are on farmers' shoulders. In its quest for technical innovation and quality improvement, EP can prioritize finding ways and means to reduce the risks of deficient and erratic rainfall.
- Although it does not really represent a production risk, labour expenditures constitute the largest part of the cost price of fresh ABE chilies. It is suggested to intensify cost price analysis with explicit attention for modalities for reducing labour costs. This is a key issue for farmers, but is also important for EP in order to face eventual price competition.
- In the context of the M&E system, it is suggested to analyze production costs and risks for different categories of farmers and different production areas. This may lead to recommendations for optimal production modalities for different types of farmers (larger/smaller, men-women, ...).

- Although it is not yet an issue, it is worth starting to work on increased predictability of production volumes. This is important for input procurement, land allocation, management of labor, planning of collection, transport and drying of chilies and for marketing strategies. It also helps to build farmers' capacities for cost-price calculations and investment decisions.
- The contents of the contract are likely not to be sufficiently understood by ordinary farmers, especially in newer production zones or new members of existing farmer groups. It is not evident that messages pass down to individual household level. The self-assessment makes clear that some important elements are not known or understood by all farmers (premium on quality and quantity, exclusive delivery to EP, ...).
- A large part of the respondents indicate that they are not happy with the price EP pays for the chilies high percentage of persons disagreeing with the statement on prices, it is worth investigating the reasons. Annex 1 suggests some questions for exploring reasons of (dis)satisfaction with prices, premiums and payment modalities.
- In order to address and mobilize different farmer categories, it is important to target training and information. EP is sensitive to this. For obvious reasons, it is mainly targeting officials and facilitators. It is their role to pass on information, knowledge and skills. EP should however anticipate on possible tensions and internal communication problems within the organizations.
- EP management cannot be everywhere at the same time, as the attention for Lamu versus Kilifi seems to indicate. With the extension of acreage and number of farmers, the role of local staff members will be increasingly important as is the shifting role of EP management, from piloting and hands-on training, communication and supervision towards consolidation of the working modalities, intermediation for strategic partnerships, training content development and delegation of tasks to production zone managers.
- Specific attention is needed for the operational issues in Kilifi (internal management of farmer groups, organization of collection points, access to inputs and credit, default risks).
- The strategy of banking on offering dried chilies of top-end quality for the European market, linked to trustful relations with primary produces and the gradual development of relations with other stakeholders (local authorities, banks, input dealers, ...), is a sound competitive strategy. Profitability of the EP business model is likely to attract competitors. If these competitors link up with authorities and politicians, a totally different playing field may emerge. This is for now not an issue. Maintaining good relations with authorities is however of strategic importance.
- The contracts EP concludes with farmers do not as such contain articles on conflict resolution. They anticipate on possible problems that might emerge and indicates responsibilities and alternatives to react to these problems (maintenance of collection points, agreement on grading, change of collection site in case of unapproachable roads, sale to competitors, ...). Although juridical complications need to be avoided, the issue of conflict management may need further attention, as does the role of the Ministry of Agriculture (DA)/DEAO, who signs the EP-farmer group as a witness.

6.3. Self-assessment tool : methodological lessons learned

Adapting the self-assessment exercise and statements to the situation at hand

- It is only useful to expose farmers to statements that are relevant to their specific situation. The adaptation of the more extensive and general 'mother questionnaire' was very necessary and worked out well for > 90% of the statements.
- Time constraints may lead to some omissions (missing indicators/proxies for assessment areas) and/or to statements that are still too general or insufficiently formulated.
- The facilitator of the self-assessment must have at least a rough impression of the farmer groups, their background and challenges ahead.

Introducing the self-assessment to farmers

- The rather improvised session on farmer organizations and their experiences, suggested by EP, led to a session with 3 elements: farmer dynamics, business relations and looking in the mirror (self-assessment). This helps to introduce the rationale of the self-assessment and is also helpful as framework when debriefing the results.
- An external facilitator can contribute to enhancing communication within the farmer organization, create a climate for change and facilitate change process.
- Facilitating change processes would mainly consist of asking questions, offering tools and teaching skills for farmers assessing their situation and potential.
- Farmers may accept a facilitator that strictly adheres to its role of facilitator and does not provide answers to questions raised upon condition that he/she demonstrates subject-related experience (e.g. FO capacity strengthening) and follow-up steps are sufficiently clear.

Farmers scoring the statements

- The time needed for scoring oscillated between approximately 30 minutes (respondents fluent in English) and 4 hours (plenary translation of every statement and discussion by small group of farmers).
- Negatively keyed statements or statements with conditional tense often create confusion. Short positively keyed statements are best understood.
- Scoring on 6 point scale, ranging from 0 to 5, does not lead to major difficulties, especially if the two basic questions "Do I agree or disagree" and "to what extent" are clearly explained and translated. Respondents used the range of scoring opportunities.
- More randomly selected respondents, preferably on basis of an up-to-date member register indicating basic characteristics of members, would definitely add to the representativeness of the data.
- Differences in farmer characteristics and functions within farmer organization need to be taken into account. There were for instance relevant differences in scoring levels of board members and facilitators.

Data entry, analysis and preparing debriefing document

- Data entry goes quite quick if the Excel worksheets and formulas are well prepared.
- The excel worksheets can be easily adapted to a questionnaire that is adapted to a new situation.
- Scores on a scale from 0 to 100 are easier to understand than scores with digits behind the comma (3.72 or 1.63 for instance).
- Because of the 6-point scale and different levels of (dis)agreeing, a score on a 0-100 scale shows the level of agreement, which is not to be confused the % of respondents agreeing with the statement.
- It would be very useful to automatically calculate the number and percentage of respondents agreeing and disagreeing with a statement, preferably disaggregated for (dis)agree slightly, (dis)agree and strongly (dis)agree.
- Standard deviation alerts to diverging scores within the group of respondents that is considered.
- Generating graphs is quite easy in Excel.
- Relative scores (distance to average area scores) and ranking scores are helpful to define priorities.

Debriefing meeting with farmer representatives

- Demystifying the computer is important. It is possible to invite farmers to check the data entry and follow how quantitative data were transformed in graphs.
- When showing the graphs on the computer screen, the farmers easily recalled the mirror metaphor. The tool is a mirror for an organization.
- More time should have been given to facilitating the discussion of the results.

Follow-up actions after restitution

- The self-assessment survey, leading to scores on proxy indicators and composed indicators for assessment areas, is normally part of a broader methodological package.
- After debriefing of self-assessment results, these have to be internally discussed. An internal survey, like the tool that was applied in this case, may be accompanied by an organization description (with empirical data), SWOT analysis, farm-life histories, and other methods and tools. Self-assessment can also be an input for strategic and operational planning and for monitoring organizational development processes.
- After restitution, it is important to plan time for internal discussion and reflection within the farmer organization(s) concerned. This should not be too short nor too long (2-6 weeks).
- After that period, it seems important to organize a discussion meeting, where farmer groups and facilitator present their 'reading' of the self-assessment results. In the case of a focus on contract farming and two questionnaires and two assessment results, the company could be present as well.
- It is important to link the questions that are raised by the self-assessment results to factual information, processes and trends.
- Exchanges between different farmer groups that were engaged in self-assessment can eventually be considered.

Comparative analysis

- Comparison between groups of respondents show remarkable differences and were helpful for analyzing the EP business model.
- Linking scores on different statements also provides more insight and helps to detect tendencies.
- In case of several organizations that are engaged in self-assessment, it is interesting to make a comparative analysis. This reveals a lot of information, but is again time-consuming.
- Comparative analysis can be delicate, because it leads to comparison between farmers' organizations (member of a same network or operating in the same geographical area). Results of comparative analysis should be used with care, but can help to define priorities and set benchmarks.

PO ownership

- Essentially, the FO self-assessment tool supports internal reflection and discussion. It can be facilitated by own staff members or external resource persons. The ultimate aim is ownership at FO level. This may seem feasible for larger organizations that have engaged some staff members.
- Currently, the tool is well adapted for use by single organizations. Data entry and the production of a debriefing report do not take long and can be subsequently discussed in the organization.
- More in-depth analysis of the data (down to item level) and comparative analysis (for instance between the farm groups of a network) takes more time. Most farmer organizations are not likely to have staff time for that.

Other uses and purposes

- The self assessment tool is flexible and can be used for different purposes. If time would have allowed, the questionnaire could have been adapted in such a manner that the statements make sense to Equator products. By answering the statements, EP could have given its views on the contract farming relations. The two perspectives could then be compared and be the starting point for dialogue. In that case, the FO self-assessment tool would become a 'contract farming assessment tool'.
- The dataset could eventually be extended to include other knowledgeable actors (such as banks, local authorities, ...). These stakeholders could also fill out questionnaires (adapted to their situation) and be part of a multi-stakeholder dialogue. In that case, the FO self-assessment tool would become an 'agribusiness cluster assessment tool'.

Annex 1 : Specific results and possible discussion points

In this annex the average scores of the four groups of respondents of Kiffsnet (21), Laffsnet(27), CODO (17) and Witu 16) are presented. This information is completed with the percentage of respondents that disagreed with the statement concerned (giving score of 0, 1 or 2) and information on high standard deviation (in case three groups of respondents had an average area STDV that was equal or higher than 1.3 on the 5 point scale (or 26 on 100 point scale). Referring to these results and the graphs presented in the main document, some possible discussion points are raised for further reflection within the farmer groups and between the farmers and Equator Products.

1. Membership base

Statement	Results				
1.1. Our farmer group has clearly formulated the objectives it wants to reach		Kiffsnet	Laffsnet	CODO	Witu
	Scores	76	76	82	63
	% disagree	0%	7%	6%	25%
Possible discussion points					
<ul style="list-style-type: none"> - Most respondents agree that objectives are clearly formulated, - What does formulating objectives entail ? How did your group/organization formulate the objectives ? - How are the objectives formulated? - Are objectives readapted now that FFS networks are involved in contract farming arrangements that are reviving the farmer groups ? - To what extent are objectives translated in practical results to be achieved and monitored? - Does organization building process in WITU production area need specific attention ? 					

Statement	Results				
1.2. These objectives are shared with all individual members		Kiffsnet	Laffsnet	CODO	Witu
	Scores	83	78	78	60
	% disagree	0%	15%	24%	31%
Possible discussion points					
<ul style="list-style-type: none"> - Except for Kiffsnet where all respondents agree with the first two statements, not all respondents agree that the objectives are sufficiently shared. Difference between statement 1.1. and 1.2. is largest for CODO. This may indicate insufficient internal communication. - Suggestion: ask ordinary members to formulate the objectives of the farmer group, zone or network. 					

Statement	Results				
1.3. The conditions for adhering to our organization are clearly defined		Kiffsnet	Laffsnet	CODO	Witu
	Scores	74	74	81	61
	% disagree	14%	9%	6%	41%
Possible discussion points					
<ul style="list-style-type: none"> - What are the requirements for adhering ? Being somebody from the community ? Being a farmer? Participating in FFS activities ? Being a chili farmer ? - What are the obligations for being recognized as a member ? Membership fee ? Acceptance by board ? 					
Statement	Results				

1.4. In our community, all people who want to, can be member of our farmer group		Kiffsnet	Laffsnet	CODO	Witu
	Scores	71	81	84	49
	% disagree	19%	7%	18%	47%
Possible discussion points					
<ul style="list-style-type: none"> - This statement relates to the preceding one and also shows that the conditions for adherence are not precisely defined. - The scoring of this statement showed high standard deviation in three cases, which may indicate different points of view within the organizations (K, L, W) 					

Statement	Results				
1.5. Our organization actively seeks the adherence of new members		Kiffsnet	Laffsnet	CODO	Witu
	Scores	94	78	82	63
	% disagree	0%	0%	0%	31%
Possible discussion points					
<ul style="list-style-type: none"> - In the context of farmers having observed the first chili growing season, farmer groups of the three 'networks' are clearly actively expanding their membership base. This seems particularly the case for Kiffsnet. - The case of the more loosely organized Witu production area is different. Are some farmer groups in this area just starting chili growing and therefore not ready yet for new members ? Are some farmer groups not functioning well ? 					

Statement	Results				
1.6. We have a member register that is up-to-date		Kiffsnet	Laffsnet	CODO	Witu
	Scores	83	78	84	65
	% disagree	14%	15%	12%	28%
Possible discussion points					
<ul style="list-style-type: none"> - Most people agree that the members are registered. How is this done ? What is recorded ? - The high standard deviation in three cases (K, L, W) may indicate differences in understanding on what is a member register or different perception whether it is up to date. - A qualitative question is whether the farmer organization analyzes member characteristics (gender, age, size of holding, livestock ownership, ...) and more importantly, how to adapt services to the needs of different members. 					

Statement	Results				
1.7. Internal communication within our organization is well organized : members are well informed		Kiffsnet	Laffsnet	CODO	Witu
	Scores	70	76	73	63
	% disagree	24%	15%	24%	38%
Possible discussion points					
<ul style="list-style-type: none"> - This seems to be a point of attention. Relatively many respondents do not seem to be too happy with internal communication. - High standard deviation for Codo and Witu (C, W) 					

Statement	Results
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1.8. All members regularly pay their membership fees and other contributions		Kiffsnet	Laffsnet	CODO	Witu
	Scores	64	74	64	50
	% disagree	29%	19%	18%	50%
Possible discussion points					
<ul style="list-style-type: none"> - This is also a point of attention. High standard deviation for three groups of respondents (K, L, W) and consensus on moderate score within CODO. - What are the membership fees and other contributions ? Are the fees fixed rates for all or do they vary with services people get (f.i. quantity of marketed chilies) ? - How are they collected ? By whom ? Is collecting fees through marketing an option ? Would this create default problems ? - Are there sanctions ? Are these applied ? 					

Statement	Results				
1.9. All members actively participate in the activities of our organization		Kiffsnet	Laffsnet	CODO	Witu
	Scores	69	64	71	53
	% disagree	29%	22%	12%	56%
Possible discussion points					
<ul style="list-style-type: none"> - This is point of concern for all groups. What can be done to improve member participation ? - What are the activities that could be undertaken by the farmer groups ? - How could tasks be divided ? What can be done to avoid that board members and/or facilitators are the active and informed members ? - High standard deviation (K, W) 					

2. Governance, leadership and internal democracy

Statement	Results				
2.1. The internal regulations of our organization are well documented		Kiffsnet	Laffsnet	CODO	Witu
	Scores	84	77	89	78
	% disagree	10%	11%	0%	13%
Possible discussion points					
<ul style="list-style-type: none"> - Most respondents agree that the internal regulations are well documented. - What are the internal regulations ? What do they prescribe ? - How were the regulations elaborated ? - Are internal regulations adapted, because of new contract farming arrangements with EP ? - Are there examples of violated regulations and sanctions that were taken ? 					

Statement	Results				
2.2. All members know the internal regulations		Kiffsnet	Laffsnet	CODO	Witu
	Scores	76	79	73	61
	% disagree	10%	15%	18%	31%
Possible discussion points					
<ul style="list-style-type: none"> - Lower scores than scores for statement 2.1. also refer to internal communication deficiencies. - High standard deviation (L,C, W). 					

Statement	Results				
2.3. The statutory bodies of our organization (general assembly, committee/ board, etc) function according to their mandates		Kiffsnet	Laffsnet	CODO	Witu
	Scores	72	66	69	53
	% disagree	24%	27%	29%	44%
Possible discussion points					
<ul style="list-style-type: none"> - This is seems to be a serious point of concern for all groups, especially Laffsnet (lowest score in this assessment area) - High standard deviation (L, C, W) 					

Statement	Results				
2.4. The members of the board/committee are democratically and transparently elected		Kiffsnet	Laffsnet	CODO	Witu
	Scores	93	89	79	74
	% disagree	0%	4%	12%	19%
Possible discussion points					
<ul style="list-style-type: none"> - The election procedure does not seem to be a major issue for none of the groups of respondents, including Witu. Most concerns seem to be with the actual functioning of board members after election. - This raises questions on corrective mechanisms within the organization. How can things be improved during mandate periods of boards and committees ? 					

Statement	Results				
2.5. The duration of the mandate of a leadership position is well defined		Kiffsnet	Laffsnet	CODO	Witu
	Scores	93	84	80	63
	% disagree	5%	4%	18%	25%
Possible discussion points					
<ul style="list-style-type: none"> - For this aspect, the FFS networks seem to be most clearly established. 					

Statement	Results				
2.6. Criteria for being a good chairman are clearly spelled out		Kiffsnet	Laffsnet	CODO	Witu
	Scores	88	79	82	69
	% disagree	5%	15%	6%	21%
Possible discussion points					
<ul style="list-style-type: none"> - Most respondents agree that the criteria are well defined. - What are the criteria ? Are they evolving over time ? - Within Laffsnet, there seem to be some doubts (only average score). 					

Statement	Results				
2.7. Somebody who can't write cannot become a secretary		Kiffsnet	Laffsnet	CODO	Witu
	Scores	67	80	89	71
	% disagree	33%	22%	12%	25%
Possible discussion points					
<ul style="list-style-type: none"> - This negatively keyed statement seems to have created some confusion. High standard deviation (all groups, especially K). Translation and understanding of the statement may have been a problem. - The statement could have read : 'our secretary can correctly write and read'. But this formulation would look like an appreciation of the secretary, likely participating in the self-assessment. - Also for this function, it would be important to discuss the role and tasks of the secretaries of farmer groups, zones and networks. 					

Statement	Results				
2.8. We have elected a treasurer who can correctly keep the books		Kiffsnet	Laffsnet	CODO	Witu
	Scores	88	76	78	58
	% disagree	0%	15%	18%	38%
Possible discussion points					
<ul style="list-style-type: none"> - There is an average level of satisfaction (3-4 points given on average, but with high standard deviation for three groups of respondents (L, C, W) - The important qualitative question is of course: what does correctly keeping the books entail ? What can or what must be improved, now that 'business' is getting more important ? 					

Statement	Results				
2.9. Women and youth are sufficiently represented in the elected bodies of our organization		Kiffsnet	Laffsnet	CODO	Witu
	Scores	85	77	68	63
	% disagree	5%	19%	29%	25%
Possible discussion points					
<ul style="list-style-type: none"> - Within Kiffsnet there is clear consensus that women and youth are sufficiently represented. - The other groups of respondents do not entirely agree ; high standard deviation (L, C, W). - It would be interesting to have actual figures on representation of women and youth in boards at different levels. - How come that Kiffsnet respondents are giving a particular high score, whereas CODO gives a relatively low score ? Are there indeed higher and lower levels of women and youth representation, or is the perception of what is sufficient representation different ? 					

Statement	Results				
2.10. Important decisions are taken during meetings during where everybody can share his point of view		Kiffsnet	Laffsnet	CODO	Witu
	Scores	83	84	82	71
	% disagree	5%	11%	6%	21%
Possible discussion points					
<ul style="list-style-type: none"> - High absolute and relative scores given by all groups of respondents. - How can this high score be related to some concerns about internal communication ? - Do delegates in meetings inform other members about decisions that were made ? 					

Statement	Results				
2.11. Every year, our organization elaborates an annual plan that indicates what we are going to do		Kiffsnet	Laffsnet	CODO	Witu
	Scores	52	70	66	55
	% disagree	38%	30%	24%	47%
Possible discussion points					
<ul style="list-style-type: none"> - This is a point of concern of most groups of respondents, especially Kiffsnet. - How can planning and evaluation be improved (without falling into the trap of 'project planning and evaluation formats') - High standard deviation (K, L, W) 					

Statement	Results				
2.12. Every year we evaluate the results that we have obtained		Kiffsnet	Laffsnet	CODO	Witu
	Scores	51	69	67	63
	% disagree	43%	30%	18%	38%
Possible discussion points					
<ul style="list-style-type: none"> - This is a point of concern of most groups of respondents, especially Kiffsnet. - How can planning and evaluation be improved (without falling into the trap of 'project planning and evaluation formats') - High standard deviation (all), indicating internal differences of point of view of 'what is an annual evaluation of results'. 					

Statement	Results				
2.13. Board/committee decisions get immediate follow-up and are implemented		Kiffsnet	Laffsnet	CODO	Witu
	Scores	67	75	71	44
	% disagree	10%	11%	18%	56%
Possible discussion points					
<ul style="list-style-type: none"> - Although the relative scores are not very high, it is especially in the Witu production area that there is much concern about the implementation of measures that are decided upon. The 'witu machinery' does not seem to work. It has however to be noted that the Witu respondents are facilitators who often depend on the go-ahead of board members (to give training for instance). - High standard deviation (L, C, W) 					

3. Management of human and financial resources

Statement	Results				
3.1. The board/committee members have adequate competencies and skills to perform their tasks		Kiffsnet	Laffsnet	CODO	Witu
	Scores	59	67	58	50
	% disagree	33%	19%	35%	44%
Possible discussion points					
<ul style="list-style-type: none"> - The groups of respondents give slightly less than average scores, indicating somehow limited levels of confidence in the competencies and skills of the board/committee members. - This is a point of attention: board members are governing the organization and are the contact persons for the outside world, including EP. - Trust that board members operate for the farmers and not for themselves is generally a key issue. 					

Statement	Results				
3.2. We have a training program for our elected board/committee members		Kiffsnet	Laffsnet	CODO	Witu
	Scores	26	66	21	49
	% disagree	76%	33%	88%	50%
Possible discussion points					
<ul style="list-style-type: none"> - Laffsnet and also Witu seem to be relatively happy with the training opportunities for board members, whereas in the case of Kiffsnet and CODO respondents almost all disagree with the statement ? - What have actually been the training sessions given to board members ? Do ordinary members know about it ? Are training sessions linked to operational activities ? - What are the factors explaining the large differences in perception ? Although operating the same area, it is challenging to understand the big difference between Laffsnet and CODO respondents. - High standard deviation (K,L, W) 					

Statement	Results				
3.3. Recruitment of staff / facilitators follows transparent procedures that are known to the members		Kiffsnet	Laffsnet	CODO	Witu
	Scores	73	87	79	71
	% disagree	14%	7%	12%	25%
Possible discussion points					
<ul style="list-style-type: none"> - There is a high level of satisfaction on how the facilitators were chosen/appointed: highest score in this assessment area. - What are the key steps that were followed ? What explains this high level of satisfaction ? 					

Statement	Results				
3.4. Our facilitators have adequate qualifications and skills to perform their duties		Kiffsnet	Laffsnet	CODO	Witu
	Scores	52	87	79	76
	% disagree	43%	7%	6%	19%
Possible discussion points					
<ul style="list-style-type: none"> - While three groups of respondents show a high level of confidence in the capacities of facilitators, Kiffsnet shows significant doubt on their qualification and skills. - Is it because the relative importance of the facilitators in the group of respondents is less in the case of Kilifi FFS network ? The high STDV for Kilifi indicates that there apparently was a lot of discussion <u>or</u> the situation in Kilifi is that some farmer groups have facilitators that do not have the right knowledge, skills and attitude for the role of facilitator. - Although the average and relative score do not indicate much need for concern, the functioning of facilitators seems to be something to explore further. 					

Statement	Results				
3.5. The committee and members regularly evaluate the performance of our advisors		Kiffsnet	Laffsnet	CODO	Witu
	Scores	64	73	54	41
	% disagree	33%	15%	35%	60%
Possible discussion points					
<ul style="list-style-type: none"> - This score suggests that board and facilitators operate most as a 'team' in Laffsnet and Kiffsnet. Kiffsnet has the highest score and lowest percentage disagreeing), whereas Kiffsnet is the only group with a slightly above average score. - Are facilitators indeed 'handled' differently in the FFS networks, as compared to CODO and Witu ? Does it have to do with a longer experience with field level training and demonstrations ? - High standard deviation (K, C, W) 					

Statement	Results				
3.6. We write down important financial data of the organization		Kiffsnet	Laffsnet	CODO	Witu
	Scores	71	70	54	59
	% disagree	19%	26%	35%	31%
Possible discussion points					
<ul style="list-style-type: none"> - Although the respondents think the treasurers can keep the books, the overall satisfaction on how the financial data are recorded is less high. Kiffsnet is most satisfied, CODO is least satisfied. - Opinions do however differ: high standard deviation (L, C, W) 					

Statement	Results				
3.7. Our organization has a manual describing how money is handled		Kiffsnet	Laffsnet	CODO	Witu
	Scores	75	66	76	48
	% disagree	10%	22%	12%	50%
Possible discussion points					
<ul style="list-style-type: none"> - Average score, with relatively low scores for Laffsnet and Witu. - High standard deviation (L, C, W) 					

Statement	Results				
3.8. Important documents are well kept		Kiffsnet	Laffsnet	CODO	Witu
	Scores	83	81	81	51
	% disagree	10%	11%	12%	47%
Possible discussion points					
<ul style="list-style-type: none"> - This statement is highly scored. - What does 'keeping important documents' entail ? 					

Statement	Results				
3.9. Our organization can function well without outside financial support		Kiffsnet	Laffsnet	CODO	Witu
	Scores	19	43	46	40
	% disagree	90%	67%	41%	60%
Possible discussion points					
<ul style="list-style-type: none"> - 70% (56 out of 81 respondents) think that their organization cannot function well without external support. This is especially the case for Kiffsnet and – to a lesser extent – Laffsnet, who both have a donor funded project history. - Witu and CODO, newer organizations, are relatively more confident in economic autonomy. Although the score of Witu is low, it is not so much below the average score the Witu respondent give for the area 'human and financial management'. - It is interesting to get more information in the actual budget that the different organizations are handling (now and in preceding years) and to qualitatively deepen the issue and perception of financial (in)dependence of the different (levels of) farmer organizations. 					

Statement	Results				
3.10. When the organization needs to buy something, the procedures for the procurement of goods and services are transparent		Kiffsnet	Laffsnet	CODO	Witu
	Scores	74	76	76	63
	% disagree	14%	22%	6%	38%
Possible discussion points					
<ul style="list-style-type: none"> - Above average scores for all groups of respondents, but high standard deviation (K, L, W). Not really a point of concern 					

Statement	Results				
3.11. Our group has a bank account		Kiffsnet	Laffsnet	CODO	Witu
	Scores	68	82	85	65
	% disagree	29%	15%	12%	31%
Possible discussion points					
<ul style="list-style-type: none"> - Kiffsnet and Witu are apparently less advanced with opening a bank account. - The statement refers to a fact. The subject is suited for a yes-now answer (binary score). - The high standard deviation observed in all groups most likely indicates that some farmer groups do not have a bank account. 					

Statement	Results				
3.12. Every year, the board/committee explains how resources and income of the organization have been used		Kiffsnet	Laffsnet	CODO	Witu
	Scores	64	81	78	58
	% disagree	29%	15%	6%	44%
Possible discussion points					
<ul style="list-style-type: none"> - Laffsnet and CODO members seem to be happy with the accountability relations the Board has with members (high absolute and relative scores). - Kiffsnet and Witu are much less happy. - High standard deviation, likely translating differences in points of view and different practices at farm group and/or zone level (all) 					

4. Collaboration and alliances

Statement	Results				
4.1. Our organization is legally recognized		Kiffsnet	Laffsnet	CODO	Witu
	Scores	87	91	91	78
	% disagree	14%	0%	6%	19%
Possible discussion points					
<ul style="list-style-type: none"> - Only some exceptions (probably newly created farmer groups) 					

Statement	Results				
4.2. If we want something to be done we seek collaboration with others		Kiffsnet	Laffsnet	CODO	Witu
	Scores	69	80	66	64
	% disagree	19%	4%	18%	27%
Possible discussion points					
<ul style="list-style-type: none"> - Average score are given for this statement, with a relative positive assessment of the collaborative orientation of Witu farmer groups. - High standard deviation (K, C, W) - 					

Statement	Results				
4.3. We work together with local authorities		Kiffsnet	Laffsnet	CODO	Witu
	Scores	66	85	81	57
	% disagree	24%	4%	12%	31%
Possible discussion points					
<ul style="list-style-type: none"> - Collaboration with local authorities is much better appreciated in Lamu District (Laffsnet and CODO) than in Kilifi district or the Witu production area. - What does explain this (quite remarkable) difference ? What has been done in collaboration with local authorities in Lamu ? 					

Statement	Results				
4.4. We approach researchers and extension workers to find answers to some of our problems		Kiffsnet	Laffsnet	CODO	Witu
	Scores	71	81	76	54
	% disagree	14%	7%	18%	56%
Possible discussion points					
<ul style="list-style-type: none"> - Average score are given for this statement. - Differences in interpretation of the statement and/or the information about contacting research and education may explain high standard deviation (K, C, W). - Are there concrete examples of collaboration with research and extension ? - Are there issues that would require research efforts ? Are there possibilities for research agenda setting ? - What do government extensionists do ? What could they do better ? 					

Statement	Results				
4.5. Our organization works together with non-governmental organizations and projects		Kiffsnet	Laffsnet	CODO	Witu
	Scores	75	77	73	48
	% disagree	14%	11%	18%	44%
Possible discussion points					
<ul style="list-style-type: none"> - Average score are given for this statement, except for Witu (low and below average score). - Kiffsnet and Laffsnet, but also Codo seem to work with NGO's and and projects. The high standard deviation observed for all respondents is somehow peculiar. The reason might be that specific farmer groups or zones do not have (direct) relations with NGO's and projects or do not get or perceive benefits. 					

Statement	Results				
4.6. Our organization has formal relations with private enterprises		Kiffsnet	Laffsnet	CODO	Witu
	Scores	73	66	45	46
	% disagree	14%	26%	59%	50%
Possible discussion points					
<ul style="list-style-type: none"> - Being engaged in contract farming with EP, the factual answer to this statement was expected to be 100% affirmative, whereas Laffsnet, CODO and Witu give below average scores. Especially the low - High standard deviation observed for all groups likely indicates problems of interpreting the statement. Is the paper we signed with EP (or other companies) a formal agreement with a private enterprise ? Is EP perceived as a private enterprise ? - score of CODO is peculiar. - Why is the score significantly higher for Kiffsnet ? 					

Statement	Results				
4.7. Our organization actively participates in meetings of other organizations		Kiffsnet	Laffsnet	CODO	Witu
	Scores	72	72	64	66
	% disagree	14%	19%	35%	56%
Possible discussion points					
<ul style="list-style-type: none"> - The scores seem to reflect the longer establishment of Kiffsnet and Laffsnet. - High standard deviation (all groups) indicates differences in understanding of the statement or varying situations according to localities. 					

Statement	Results				
4.8. We exchange our experiences with other producers' organizations		Kiffsnet	Laffsnet	CODO	Witu
	Scores	68	76	64	66
	% disagree	19%	11%	24%	25%
Possible discussion points					
<ul style="list-style-type: none"> - Slightly below average scores, except for Witu that scores relatively high (congruent with scoring of statement on collaborative orientation (4.2). - High standard deviation (K, C, W) 					

5. Service provision to members

Statement	Results				
5.1. The services of our organization respond to the needs of its members		Kiffsnet	Laffsnet	CODO	Witu
	Scores	77	78	79	64
	% disagree	10%	7%	12%	25%
Possible discussion points					
<ul style="list-style-type: none"> - In general terms, the respondents are very happy with the service provision to members. All scores are well above average. - What are then the services that are most appreciated ? 					

Statement	Results				
5.2. Our organization defends the interests and needs of the members		Kiffsnet	Laffsnet	CODO	Witu
	Scores	71	81	69	61
	% disagree	10%	4%	24%	38%
Possible discussion points					
<ul style="list-style-type: none"> - The positive assessment also holds for the defense of interests and needs in front of others. - On this issue, CODO respondents are somehow less positive. What could CODO have done ? 					

Statement	Results				
5.3. Our organization is efficient in providing information and training to the members		Kiffsnet	Laffsnet	CODO	Witu
	Scores	64	79	72	59
	% disagree	43%	11%	12%	31%
Possible discussion points					
<ul style="list-style-type: none"> - Although the score is more or less average, the % of respondents of Kiffsnet that are not satisfied with the provision of information and training services is high (43%). The standard deviation suggests that some zones are not satisfied whereas others are. The Excel worksheet would allow to identify the zones that disagree with the statement. 					

Statement	Results				
5.4. Thanks to our organization we can have inputs (seeds, fertilizer, pesticides) we would otherwise not have		Kiffsnet	Laffsnet	CODO	Witu
	Scores	26	56	69	43
	% disagree	86%	37%	29%	60%
Possible discussion points					
<ul style="list-style-type: none"> - This is especially an issue for Kiffsnet. Respondents feel that the organization is not managing to facilitate access to inputs. - The scores for the other three groups are significantly higher, but still with a high number of respondents disagreeing with the statement and a total score that is well below the respective average scores for the assessment area. - Access to inputs is more important for Laffsnet and Witu than access to credit (cf. statement 5.6), whereas it is the other way round for CODO. - What is explaining this difference ? Were Kiffsnet farmer groups indeed not able to buy inputs with input dealers ? What can EP do to support Kiffsnet in establishing relations with input dealers (and banks) ? - What can be learned from the experiences in Lamu District ? - How come that Witu respondents are more positive than Kiffsnet ? - High standard deviation (all). Issue that needs broad discussion within farmer groups, zones and networks and open discussion with EP. 					

Statement	Results				
5.5. We collectively sell our products through our organization		Kiffsnet	Laffsnet	CODO	Witu
	Scores	77	76	87	61
	% disagree	19%	15%	6%	34%
Possible discussion points					
<ul style="list-style-type: none"> - Being engaged in contract farming with EP that buys and pays with farmer groups, the factual answer to this statement was expected to be 100% affirmative. - CODO seems to be best appreciating the marketing of chilies as collective marketing. Why is the score significantly higher for CODO ? Is it because farmers are physically closer ? - High standard deviation (K, L, W). Why does a significant number of respondents <u>not</u> perceive the marketing (of chilies) as collective marketing ? 					

Statement	Results				
5.6. Our organization facilitates access to credit and other financial services		Kiffsnet	Laffsnet	CODO	Witu
	Scores	26	64	61	48
	% disagree	81%	30%	35%	44%
Possible discussion points					
<ul style="list-style-type: none"> - This is especially an issue for Kiffsnet. Respondents feel that the organization is not managing to facilitate access to credit and financial services. - The scores for the other three groups are significantly higher, but still with a high number of respondents disagreeing with the statement and a total score that is well below the respective average scores for the assessment area. - Access to credit and financial services is more important for CODO than access to inputs (cf. statement 5.4), whereas it is the other way round for Laffsnet and Witu. - What is explaining this difference. Are Kiffsnet farmer groups indeed less able to get credit with banks ? What can EP do to support Kiffsnet in establishing relations with banks ? - What can be learned from the first experiences in Lamu District ? - How come that Witu respondents are more positive than Kiffsnet ? - High standard deviation (all). Issue that needs broad discussion within farmer groups, zones and networks and open discussion with EP. 					

Statement	Results				
5.7. Our organization asks its members if they are happy with the services that are provided		Kiffsnet	Laffsnet	CODO	Witu
	Scores	63	77	80	59
	% disagree	19%	15%	0%	38%
Possible discussion points					
<ul style="list-style-type: none"> - This statement get slightly above average scores. - How is member satisfaction actually monitored and evaluated ? 					

Statement	Results				
5.8. Our organization timely produces activity reports and/or discusses the activities during official meetings		Kiffsnet	Laffsnet	CODO	Witu
	Scores	67	75	80	58
	% disagree	24%	15%	0%	38%
Possible discussion points					
<ul style="list-style-type: none"> - This statement get slightly above average scores, but high standard deviation for three groups (K, L, W). - What does it entail ? - It is challenging to relate the positive assessment of this statement with the less positive statements on planning and evaluation (cf. 4.11 and 4.12). Can reporting be combined with making an evaluation of what was done and achieved and proceed with planning for next period ? 					

Statement	Results				
5.9. If I were not member of the farmer group, I would have earned less		Kiffsnet	Laffsnet	CODO	Witu
	Scores	75	68	80	51
	% disagree	10%	20%	18%	50%
Possible discussion points					
<ul style="list-style-type: none"> - Respondents do in majority think that they earn more, especially Kiffsnet and CODO. Witu and also Laffsnet are seemingly a bit less convinced that member need responsiveness (cf. statement 5.1) is translating in income improvement. - High standard deviation (K, L, W) 					

6. Production and production risks

Statement	Results				
6.1. Our land is suited for growing chilies		Kiffsnet	Laffsnet	CODO	Witu
	Scores	82	90	81	79
	% disagree	5%	0%	12%	13%
Possible discussion points					
<ul style="list-style-type: none"> - All respondents, with comparable scores, agree that land suitability is good. 					

Statement	Results				
6.2. The production of chilies takes a large part of our land		Kiffsnet	Laffsnet	CODO	Witu
	Scores	47	51	60	52
	% disagree	52%	50%	41%	40%
Possible discussion points					
<ul style="list-style-type: none"> - Almost half of the respondents (38 out of 81) disagrees with this statement: chilies do not take a large part of their land. However, the others think that it does. - In the questionnaire, the statement read: 'the production of chilies does not take a large part of our land'. The scores were inversed and then taken as the score of the positively key statement. The reason was to make sure that for all statements in this assessment area, a higher score would translate a lower perceived risk. It is not amazing that standard deviation is high for all groups. - Important to get more empirical data : <ul style="list-style-type: none"> o What is the average size of holding in different production areas ? o What are the differences between larger and smaller farms ? o What are the differences between men and women ? o What is considered a large part of the land, for different types of farmers o What is actually observed regarding the extension of the acreage of chili fields ? o Which crops are becoming less important ? o Etc 					

Statement	Results				
6.3. We can produce enough chilies even if the rains are bad		Kiffsnet	Laffsnet	CODO	Witu
	Scores	21	36	33	39
	% disagree	95%	67%	71%	60%
Possible discussion points					
<ul style="list-style-type: none"> - This statement relates to climate risk and failure of harvest. It gets very low scores (only 21 out of 81 respondents agree), meaning high perceived climate risks. - Perceived climate risks are highest in Kilifi, whereas factual rainfall seems to be more erratic to the North - High standard deviation (L, C, W) 					

Statement	Results				
6.4. Even with small production we make benefits		Kiffsnet	Laffsnet	CODO	Witu
	Scores	45	65	55	48
	% disagree	52%	30%	35%	50%
Possible discussion points					
<ul style="list-style-type: none"> - This statement sought to explore options of smallest farmers with tiny plots to profitably participate in chili production. - If the statement measures this, it seems that this is most perceived as a feasible option in Lamu district. - High standard deviation (K, C, W) 					

Statement	Results				
6.5. The costs of production (seeds, fertilizer, pesticides) are low		Kiffsnet	Laffsnet	CODO	Witu
	Scores	24	37	48	33
	% disagree	81%	74%	59%	75%
Possible discussion points					
<ul style="list-style-type: none"> - People do not agree that production costs are low; 59 out of 81 respondents disagree, especially Kiffsnet zones. - CODO respondents are somehow an exception. Is their capital endowment a bit better ? - The statement actually refers to inputs for production and does not mention labour. This may have created a bias in answering the statement. Labour costs are high, but especially for harvesting (when production is assured). 					

Statement	Results				
6.6. If my harvest fails I do not need to deliver chilies to the firm		Kiffsnet	Laffsnet	CODO	Witu
	Scores	31	63	42	41
	% disagree	67%	39%	41%	53%
Possible discussion points					
<ul style="list-style-type: none"> - This statement had a high standard deviation (all groups). There are likely two major reasons: it is negatively formulated and it may have confused the respondents. In the case of delivering to EP, farmers sell all ABC chilies to EP. - Looking at the scores that are given, it seems as if farmers in majority perceive a risk of having to deliver produce in case of failed harvest. - Kiffsnet (longest relation with EP) and Witu (facilitators as respondents) seem to have best understood the (complicated) statement. 					

Statement	Results				
6.7. Our production is predictable: we know how much we will produce		Kiffsnet	Laffsnet	CODO	Witu
	Scores	67	63	42	41
	% disagree	19%	37%	71%	54%
Possible discussion points					
<ul style="list-style-type: none"> - Kiffsnet and Laffsnet seem to be more or less confident on the predictability of production. - CODO and Witu are much less convinced. - How come that Laffsnet and Codo, although operating in the same area, how such diverging points of view ? - High standard deviation (all) 					

Statement	Results				
6.8. I am sure of producing good quality		Kiffsnet	Laffsnet	CODO	Witu
	Scores	83	87	86	70
	% disagree	5%	4%	0%	19%
Possible discussion points					
<ul style="list-style-type: none"> - There is not much concern about the risk of not producing good quality. - What were the quality standards respondents had in mind when scoring the statement ? - Are these quality requirements the same as those of EP (think of pesticide residues, colour of chilies, ...) ? 					

Statement	Results				
6.9. We know how much the firm wants to buy from us		Kiffsnet	Laffsnet	CODO	Witu
	Scores	82	73	72	59
	% disagree	10%	19%	18%	34%
Possible discussion points					
<ul style="list-style-type: none"> - Positive assessment of the communication of the quantity requirements, but slightly lower scores than scores for quality requirements (cf. statement 6.12) - Kiffsnet scores this statement highest, the others somewhat lower. - This seems to correspond with the duration of the relationship with EP (start in Kilifi in 2008, later start in the other areas) 					

Statement	Results				
6.10. The company provides all necessary inputs we need for the production of chillies		Kiffsnet	Laffsnet	CODO	Witu
	Scores	10	40	12	33
	% disagree	95%	70%	94%	73%
Possible discussion points					
<ul style="list-style-type: none"> - Respondents disagreed with the statement. Except for some seed material, EP has never provided inputs. - This is a choice an a risk of EP. Insufficient production affects volume, quality and profitability. - In the business model, farmers are responsible for providing all production factors necessary for producing ABC chillies. The production risk related to access to inputs relates to the success of the farmer groups in accessing inputs (cf. statement 5.4) 					

Statement	Results				
6.11. If I need, I can get credit at the bank to finance production costs		Kiffsnet	Laffsnet	CODO	Witu
	Scores	41	70	53	51
	% disagree	57%	33%	47%	47%
Possible discussion points					
<ul style="list-style-type: none"> - Within each group of respondents, the points of view differed between those who think they can and other who think they can't. - In majority, Kiffsnet respondents disagreed with the statement. This is in line with the assessment of the organization's effort to facilitate access to credit. - Laffsnet is most positive about the statement; 2/3s of the respondents think it can manage to get a bank loan. - Considering the importance of the subject, it should be further investigated: - In the business model, the actual production risk related to access to credit relates to the success of the farmer groups in establishing relations with banks (cf. statement 5.6). - Important to get more empirical data : <ul style="list-style-type: none"> o What collaterals are demanded ? o Are there differences in access opportunities between richer and poorer farmers ? o What are the differences between men and women ? o Are there differences in banks ? o What role for EP ? o Contracts as guarantee for bank ? o Use of chili income for other farm activities ? - High standard deviation (all) 					

Statement	Results				
6.12. We know the quality requirements of the firm		Kiffsnet	Laffsnet	CODO	Witu
	Scores	83	87	75	61
	% disagree	5%	4%	12%	34%
Possible discussion points					
<ul style="list-style-type: none"> - Positive assessment of the communication of the quality requirements, slightly higher scores than scores for quantity requirements (cf. statement 6.9) - Still some work to do in Witu production area. - Are all quality requirements and good agricultural practices indeed known and understood by farmers ? 					

7. Relations farmers - company

Statement	Results				
7.1. I know precisely what is written in the contract we have with the company		Kiffsnet	Laffsnet	CODO	Witu
	Scores	73	78	85	69
	% disagree	10%	11%	0%	19%
Possible discussion points					
<ul style="list-style-type: none"> - Positively assessed. All groups score above average in relation to their assessment area score. - Looking at the scores on other statements, some questions may be raised in relation to this assessment: premium on quality, quantity, delivery to other buyers, ... 					

Statement	Results				
7.2. I know how the company is drying the chilies		Kiffsnet	Laffsnet	CODO	Witu
	Scores	32	53	62	44
	% disagree	76%	41%	35%	56%
Possible discussion points					
<ul style="list-style-type: none"> - 50% of the respondents (42 out of 81) did not agree with the statement. These were especially from Kiffsnet. - The statement is a proxy for the efforts of the company to explain the next steps in the value chain after having bought the primary produce. Understanding of these steps can contribute to chain development co-ownership. - Differences in scores are likely to coincide with the position of the respondent. Facilitators and board members are more likely to visit the central drying unit. - Are there other opportunities of showing the drying process (film, photocopies with photos of the premises, machines, process and output) ? - <i>High standard deviation (all)</i> 					

Statement	Results				
7.3. I am happy with the price that is paid for the chilies		Kiffsnet	Laffsnet	CODO	Witu
	Scores	31	36	75	55
	% disagree	76%	81%	6%	34%
Possible discussion points					
<ul style="list-style-type: none"> - 55% of all respondents (44 out of 81) did not agree with the statement (whereas they all at least signed the contract between EP and the farmer group as a witness). The ones disagreeing were largely from Kiffsnet and Laffnet. - How come that Kiffsnet and Laffsnet are less satisfied with the price that is paid ? <ul style="list-style-type: none"> o Former donor support background ? o Less economic orientation ? o Longer working with EP and hoping that 2009 price would be higher than the 2008 price ? o More facilitators in Codo and Witu respondents group ? o Clearer communication to newest farmer groups participating in contract farming ? o ... 					

Statement	Results				
7.4. I understand the reasons when the firm changes the price they pay for our chilies		Kiffsnet	Laffsnet	CODO	Witu
	Scores	58	43	60	55
	% disagree	38%	67%	29%	38%
Possible discussion points					
<ul style="list-style-type: none"> - Also for this statement there are less differences between farmer groups than for statement 7.3. - The majority of respondents asserts to understand the reasons, with exception of Laffsnet where 67% says not to understand. - <i>High standard deviation (all)</i> 					

Statement	Results				
7.5. The better the quality of the chilies, the higher the price I get		Kiffsnet	Laffsnet	CODO	Witu
	Scores	58	75	88	71
	% disagree	33%	26%	6%	25%
Possible discussion points					
<ul style="list-style-type: none"> - EP does not (yet) pay a quality premium. Bad quality leads to rejection of part of the production. - Kiffsnet assessment of the statement reflects the contractual arrangement best. - <i>High standard deviation (K, L, W)</i> 					

Statement	Results				
7.6. If I deliver more, I get a higher price per kg (premium)		Kiffsnet	Laffsnet	CODO	Witu
	Scores	88	91	95	78
	% disagree	5%	4%	6%	19%
Possible discussion points					
<ul style="list-style-type: none"> - Almost all agree. EP does indeed have different prices for different weekly farm group volumes. - It is another discussion, whether the farmers all agree with the price differentials based on volume (even though they have signed the contract). The reasons for these price differentials may not be clear to all. 					

Statement	Results				
7.7. I am happy with the current method of payment		Kiffsnet	Laffsnet	CODO	Witu
	Scores	61	70	74	71
	% disagree	24%	19%	6%	25%
Possible discussion points					
<ul style="list-style-type: none"> - Quite comparable scores for all groups of respondents. The statement gets an average score. The number of people disagreeing is not high nor negligible. - Considering that the subject of the statement is sensitive, the score, although average, can be interpreted as a rather high appreciation of the payment modalities effectuated by EP. - High standard deviation (all). There might have been confusion about 'current method of payment' since many farmer groups are in the process of moving from cash payment to bank transfer. 					

Statement	Results				
7.8. We control the quality of the chilies before delivering it to the company		Kiffsnet	Laffsnet	CODO	Witu
	Scores	85	87	87	69
	% disagree	5%	4%	6%	19%
Possible discussion points					
<ul style="list-style-type: none"> - This statement refers to an article in the contract referring to farmers having to employ a clerk/grader who will be at collection points at times of loading and grading. - High score. Seems to work well. - Is it observable in the chilies that are rejected by EP ? - Witu performance needs some attention, as compared to the other production zones. 					

Statement	Results				
7.9. We get sufficient training from the company to produce more and higher quality		Kiffsnet	Laffsnet	CODO	Witu
	Scores	80	94	92	80
	% disagree	5%	0%	0%	19%
Possible discussion points					
<ul style="list-style-type: none"> - Very high score. - EP especially invests in training services, that are really appreciated (also by Kiffsnet, where the group of respondents included many 'ordinary members'). 					

Statement	Results				
7.10. We always deliver our produce on time at the collection points		Kiffsnet	Laffsnet	CODO	Witu
	Scores	70	88	79	81
	% disagree	24%	4%	6%	6%
Possible discussion points					
<ul style="list-style-type: none"> - Timely delivery is not a big issue, apparently except for some Kiffsnet zones. 					

Statement	Results				
7.11. We have books where we write down the quantities of chilies that we delivered		Kiffsnet	Laffsnet	CODO	Witu
	Scores	62	72	65	58
	% disagree	24%	26%	18%	56%
Possible discussion points					
<ul style="list-style-type: none"> - Statement refers to article in contract indicating that the farmer group has to document group and individual famers' deliveries according to format provided by EP and to provide these records to EP. - Farmer groups registering what they sell and receive is apparently not a habit in all farm groups. - High standard deviation (all groups) probably indicates variability in answers because some groups do register and others don't - What can and should be done in this respect ? (for checking EP receipts, but also for internal transparency of collective marketing) 					

Statement	Results				
7.12. We accept it when our chilies are rejected because of insufficient quality		Kiffsnet	Laffsnet	CODO	Witu
	Scores	71	73	75	64
	% disagree	14%	11%	12%	38%
Possible discussion points					
<ul style="list-style-type: none"> - Considering that it is not nice to have part of production you can't eat being rejected, the given scores are quite high, indicating trust between the business partners. - Witu is (still?) an exception. 					

8. Default risks

Statement	Results				
8.1. We do not have outstanding loans with the company		Kiffsnet	Laffsnet	CODO	Witu
	Scores	77	70	76	75
	% disagree	19%	30%	18%	25%
Possible discussion points					
<ul style="list-style-type: none"> - Apparently, some 25% of the respondents seem to indicate that there are outstanding loans with the company. - Outstanding loans may increase default risk (farmers preferring to sell to other buyers and to avoid repayment). However, this is not really the case in this business model : EP does not provide loans and farmers hardly have other marketing channels. - High standard deviation (all very high), indicates confusion about this question. 					

Statement	Results				
8.2. The company always delivers the inputs according to the contract		Kiffsnet	Laffsnet	CODO	Witu
	Scores	26	63	34	41
	% disagree	76%	33%	71%	63%
Possible discussion points					
<ul style="list-style-type: none"> - Still a large number of respondents answers affirmative, whereas EP does not deliver inputs. - This statement was meant to relate to default risk that farmers incur. - High standard deviation indicates confusion about this question. 					

Statement	Results				
8.3. We do not have to wait long for the company to collect the produce		Kiffsnet	Laffsnet	CODO	Witu
	Scores	56	83	78	65
	% disagree	43%	7%	12%	27%
Possible discussion points					
<ul style="list-style-type: none"> - The level of satisfaction of respondents is high: EP shows up in time to collect the produce. Especially the system in Lamu is working well. - The Kiffsnet area is an exception: 9 out of 21 zones disagreed with the statement. - High standard deviation (K, C, W) 					

Statement	Results				
8.4. If a member of our farmer group delivers to another buyer, he will be kicked out		Kiffsnet	Laffsnet	CODO	Witu
	Scores	72	87	84	60
	% disagree	19%	4%	6%	44%
Possible discussion points					
<ul style="list-style-type: none"> - This statement relates to an article in the contract stipulating that the farmer group will offer for sale all its produce. - Most respondents agree with this statement, indicating that the farmer group will take sanctions against members who violate the above mentioned article in the contract. - Are there examples of incidents and sanctions (e.g. delivery to competitor) ? - High standard deviation (K, C, W), indicating different points of view within the same group of respondents. 					

Statement	Results				
8.5. I do not have to wait long to get paid for the produce I delivered		Kiffsnet	Laffsnet	CODO	Witu
	Scores	54	86	82	58
	% disagree	52%	7%	6%	38%
Possible discussion points					
<ul style="list-style-type: none"> - According to the contract, there are normally weekly deliveries and monthly payments. - Assessment of the implementation of these payment modalities is positive for Lamu District. - The scores of Kiffsnet are much lower. The management of collection points (timely delivery, timely collection and timely payment are problems in at least a number of zones (cf. also answers on statements 7.10 and 8.3). 					

Statement	Results				
8.6. The sale of chilies is my most important source of income		Kiffsnet	Laffsnet	CODO	Witu
	Scores	72	84	80	71
	% disagree	24%	4%	0%	27%
Possible discussion points					
<ul style="list-style-type: none"> - ABE chilies are clearly one of few options for cash income in Lamu district. - This is less the case in Kilifi District, and (probably ?) not yet the case in Witu - There is now a low risk of default : farmers are eager to grow chilies. 					

Statement	Results				
8.7. The company does what it promises to do		Kiffsnet	Laffsnet	CODO	Witu
	Scores	65	84	82	68
	% disagree	19%	4%	6%	33%
Possible discussion points					
<ul style="list-style-type: none"> - An image that is also suggested in other scores: trust between farmers and EP is highest in Lamu. - Is this a time-bound score, reflecting the intensive work in Lamu of the past months ? - Has the investment of time and effort in Lamu affected work and trust in Kilifi ? - Does it have something to do with the performance and attitude of EP staff ? 					

Statement	Results				
8.8. The contract is clear about how to handle disputes		Kiffsnet	Laffsnet	CODO	Witu
	Scores	73	80	74	53
	% disagree	19%	11%	18%	47%
Possible discussion points					
<ul style="list-style-type: none"> - Average, but high scores, few people disagree, except for Witu facilitators. - It is striking that the contract does not have articles on conflict resolution. It only anticipates on some possible problems and indicates responsibilities and alternatives to react to these problems. (maintenance of collection points, agreement on grading, change of collection site in case of unapproachable roads, sale to competitors). The contract thus anticipates on problem solution but not on conflict management once these occur. - Does the fact that the Ministry of Agriculture (DA)/DEAO signs as a witness indicate that the MoU will intervene as intermediate or judge ? 					

Statement	Results				
8.9. If there is a problem, we first openly discuss matters with the company staff		Kiffsnet	Laffsnet	CODO	Witu
	Scores	79	87	81	65
	% disagree	10%	4%	6%	33%
Possible discussion points					
<ul style="list-style-type: none"> - The scores show a high level of trust that farmers place in EP (above average scores given by all groups); this also holds for Kiffsnet that, for other statements, seemed to show less trustful relations with EP. - EP seems to be accessible for the farmer groups. Practical examples of discussing problems are the identification of burning issues during EP meetings with facilitators and boards. This also contributes to problem prevention. - Are there examples of conflict handling ? 					

Statement	Results				
8.10. If I sell to another buyer my farmer group will no longer be able to sell to the current company we do business with		Kiffsnet	Laffsnet	CODO	Witu
	Scores	35	69	67	55
	% disagree	71%	30%	24%	44%
Possible discussion points					
<ul style="list-style-type: none"> - A second statement trying to be a proxy for measuring the respect of the clause in the contract (cf. statement 8.4). this time, it was about own behavior and consequences for entire farmer group. In this case, the level of agreement was much lower. - EP sanctioning the group because of individual default is apparently less accepted than the group sanctioning the individual defaulter. Especially Kiffsnet and Laffsnet are following this logic. - High standard deviation (all; problem of negatively keying of statement) 					

Statement	Results				
8.11. I would be happy to contribute some Shillings per kg for the benefit of my farmer group		Kiffsnet	Laffsnet	CODO	Witu
	Scores	68	73	73	68
	% disagree	19%	19%	12%	19%
Possible discussion points					
<ul style="list-style-type: none"> - This statement relates (partially) to the practice of EP paying a bonus to the farmer group (1/2 Ksh per kg delivered) and to facilitator (1 ksh/kg proposed). Would farmers, earning money with the chilies be ready to contribute to their farmer group ? - The scores are average and almost the same for all groups : on average 3.5 or between agree and slightly agree. A minority does not agree. - High standard deviation indicates that the principle of financial contributions for making a farmer group more performing and independent needs further discussion. - In the current situation it is EP that is directly making a contribution to the farmer group and to the farmer group 'staff member' for services provided. 					

Statement	Results				
8.12. If the prices for chilies go down in Europe, the company will make a big loss		Kiffsnet	Laffsnet	CODO	Witu
	Scores	61	78	84	68
	% disagree	48%	15%	6%	31%
Possible discussion points					
<ul style="list-style-type: none"> - This statement also has to do with understanding of the entire value chain, from producers to consumers. - Laffsnet and CODO indicate to understand the importance of end-market prices for the company (and the field level prices). - Kiffsnet seems to understand less. Has this to do with relative high level of dissatisfaction of price that is paid (cf. statement 7.3), non understanding of drying (statement 7.2), less intensive communication and trust, ... ? 					

Statement	Results				
8.13. If another company would offer a better price, we would sell to that company		Kiffsnet	Laffsnet	CODO	Witu
	Scores	57	66	85	70
	% disagree	38%	30%	12%	38%
Possible discussion points					
<ul style="list-style-type: none"> - Clearly a less explicit risk for default with CODO, and higher with Kiffsnet and Laffnet. - The difference in perception between Laffsnet and CODO is remarkable because operating in the same area. - Kiffsnet score is congruent with scores on other statements related to prices and default. - What is the actual exposure to competitors of EP ? - <i>High standard deviation (all). Question does not seem clear (conditional formulation ?)</i> 					