INDONESIA: Empowering Rural Producers Organization

Mr Robin Bourgeois  
Mr Franck Jesus  
Mr Marc Roesch  
CIRAD, France

Ms Nena Soeprapto  
Mr Andi Renggana  
Gemilang Consulting, Indonesia

Ms Anne Gouyon  
Ideforce, France

May 2003

This report was prepared for the World Bank by CIRAD. Its objective is to carry out an in depth assessment of the status of empowering rural producers organizations (RPOs) and their possible future in Indonesia. The findings of this report will be used in the design of the proposed Farmer Empowerment for Agricultural Technology and Information Project (FEATI).
Table of Contents

EXECUTIVE SUMMARY ......................................................................................................................... 5

ABBREVIATIONS........................................................................................................................................ 9

Introduction ............................................................................................................................................. 10

Chapter I. Concepts and principles for the empowerment of rural organisation ......................... 12
  1. Concepts ............................................................................................................................................. 12
  1.1. Rationale and principles for the development of active farmer organisations .................. 13
  1.2. General principles for working with the organisations ......................................................... 13
  1.2.1. Lessons and experience from other countries ................................................................. 13
  1.2.2. Specific aims related to Indonesian RPOs ......................................................................... 18
  1.2.3. Specific aims related to Indonesian RPOs ......................................................................... 18
  1.2.3.1. Start from existing situations and build up specific strategies adapted to the diversity of situations in which Indonesian organisation find themselves ......................................................................... 18
  1.2.3.2. Improve the supply of information to the organisations and their control of this information ................................................................................................................................. 18

Chapter II. The current "empowerment" of RPOs in Indonesia ......................................................... 20
  2.1. Case studies ..................................................................................................................................... 21
  2.1.1. Farmer organisations case studies .................................................................................... 21
  2.1.2. NGOs case studies ............................................................................................................... 26
  2.1.3. Private sector case studies .................................................................................................. 32
  2.1.4. Local government and RPOs case studies ....................................................................... 35
  2.1.5. Research and RPOs case studies ....................................................................................... 36
  2.1.6. Agricultural services and RPOs case studies ................................................................... 36
  2.1.7. Government institutions and RPOs case studies ............................................................... 38
  2.2. Projects review case studies ....................................................................................................... 40
  2.2.1. ARMPII ................................................................................................................................. 40
  2.2.2. DAFEP ................................................................................................................................. 41
  2.3. Projects review case studies ....................................................................................................... 42
  2.4. Deriving principles for the sustainable empowerment of RPOs in Indonesia .................... 46
  2.4.1. Specific implementation principles .................................................................................. 46
  2.4.1.1. Basic principles ........................................................................................................... 46
  2.4.1.2. Specific implementation principles ............................................................................. 47

Chapter III. Visions on RPOs empowerment .................................................................................. 49
  3.1. Current Visions from various stakeholders on RPOs’ future ................................................. 49
  3.1.1. Advanced RPOs visions (refer to Annex for detailed case studies) ................................. 49
  3.1.2. “Local” RPOs visions (refer to Annex for detailed case studies) ...................................... 50
  3.1.3. NGOs vision ....................................................................................................................... 51
  3.1.4. Government institutions vision ........................................................................................ 53
  3.1.5. Private sector vision ......................................................................................................... 55
  3.2. Indonesia RPOs in 2020: Proposed vision and Conditions to make it happen .................. 56
  3.2.1. A vision of Farmers, RPOs and the Indonesian society .................................................... 56
  3.2.2. Commodity related RPOs ............................................................................................... 57
  3.2.3. Local development related RPOs .................................................................................... 58
### 3.2.4. Conditions identified to fulfil this vision

<table>
<thead>
<tr>
<th>Condition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition 1:</td>
<td>Building self-confidence and awareness</td>
</tr>
<tr>
<td>Condition 2:</td>
<td>Opportunities for rural producers to build common plans</td>
</tr>
<tr>
<td>Condition 3:</td>
<td>Acknowledgement of RPOs’ role and importance</td>
</tr>
<tr>
<td>Condition 4:</td>
<td>Access to services</td>
</tr>
<tr>
<td>Condition 5:</td>
<td>Experiences and knowledge on RPOs for RPOs</td>
</tr>
<tr>
<td>Condition 6:</td>
<td>Meeting opportunities with other stakeholders</td>
</tr>
<tr>
<td>Condition 7:</td>
<td>Legal support</td>
</tr>
</tbody>
</table>

### 4.1. Essential activities

- Condition 1: Building self-confidence and awareness
- Condition 2: Opportunities for rural producers to build common plans
- Condition 3: Acknowledgement of RPOs’ role and importance
- Condition 4: Access to services
- Condition 5: Experiences and knowledge on RPOs for RPOs
- Condition 6: Meeting opportunities with other stakeholders
- Condition 7: Legal support

### 4.2. A strategy for nation-wide RPOs empowerment

A national conference on RPOs
EXECUTIVE SUMMARY

1. The objective of the study on “Empowering Rural Producers organization” as stated in the Terms of Reference is “…to carry out a more in depth assessment of the status of empowering rural producer organizations (RPOs) and their possible future in Indonesia. …to provide indications for the future construction of the FEATI project (Farmer Empowerment for Agricultural Technology and Information) in particular concerning: (1) the conditions necessary for rural producer organizations (RPOs) to emerge in Indonesia, (2) the interest of a better linkage between RPOs and government organizations or public service providers and (3) the conditions for such linkage to work”.

2. This objective was set up in a context where Bank supported agricultural research (ARMPII: Agricultural Research Management Project Phase II) and (DAFEP: Decentralized Agriculture and Forestry Extension Project) extension projects are getting closed or approaching their term. The World Bank consider that the achievements of these projects as “Satisfactory” but raised the issue of their longer term sustainability and impact on the agricultural sector, especially in terms of their contribution to the ultimate Bank objective, poverty alleviation.

3. Since literature and case studies demonstrate that the efficiency of public or private services is increased when rural producers are organized and can dialogue with government institutions and private sector providers, the Bank formulated the idea that strengthening rural producers organisation could be an instrument for boosting the quality of services to agriculture. As a result they suggested to define what a Farmer Empowerment for Agricultural Technology and Information project could be.

4. The French Centre for international Cooperation in Agricultural Research for Development (CIRAD) was first contracted through a French Trust Fund to conduct an assessment of the current conditions of rural producer organisations in Indonesia. The results from this first fieldwork were published in 2002. This report present the results of a second study, also supported by a French Trust Fund, conducted by CIRAD in January-February 2003 with the above-mentioned objective.

5. Experience around the world shows that active and genuine farmers organisation have played an essential role in the modernisation of agriculture, in the respect of farmers rights, in the capacity to voice their needs and negotiate with other stakeholders, all finally contributing to increase the welfare of farmers and reducing poverty in rural areas. In Indonesia, as pointed out in the first report, rural producer organisation development is mostly at a mushrooming stage. Not surprisingly rural poverty is still an acute problem; a strong farmer-based agriculture is still in the making, farmers’ rights are still largely ignored and farmers’ voice and negotiation power frequently denied. However, collective farmers initiatives flower more and more, sometimes successfully, sometimes to be crushed.

6. The results of the first mission and the additional work during the second mission evidenced some strengths and weaknesses in empowering RPOs in Indonesia. First, while the number of farmer groups is important, there are not so many structured organizations with active members that are functioning regularly. They are operating mostly in the following domains:
   - Marketing, where farmers get together for collective selling of their products,
   - Advocacy and land tenure, where farmers defend their interests to get access to land,

---

2. Cite Report from First Phase fieldwork.
Natural resource management, where farmers organize the access, utilization and conservation of natural resources.

7. More advanced rural producers’ organizations can be found, though in very limited number. They have developed a variety of services to their members, capacities to raise and defend their members’ opinions and a vision on the future of RPOs in Indonesia. They are becoming multipurpose organizations. Although these organizations continue to develop and to express their aspirations, they also recognize that important hindrances remain for the emergence and development of RPOs in Indonesia, in particular: An inadequate bargaining position in dealing with the traders and the local authorities; A lack of recognition and acceptance of their role from the public and the private sector.

8. Their aspirations, what they would really like to achieve and how they would like to develop their activities, are constrained by the fact that they face stakeholders (government, traders) whose logics are different and prevail in the current socio-political and economic system. Top-down intervention has long been the dominating logic, and has led to the passivity of most government-promoted farmer groups and strong cautiousness toward external intervention from the others. They are not usually recognized by Government services and private stakeholders, beyond an instrumental role, as real partners for the development of agriculture, except as instruments for the use of the former.

9. Many NGOs claim to play a role in empowering farmers groups and make them become genuine farmers or rural producers organization. However, it may still happen that NGOs modus operandi reflect some paternalistic behavior where farmers groups are led rather than supported. This tendency to act out on behalf of the RPOs can limit (as well as control) RPOs’ ability to express themselves as a group. This attitude can also hinder the emergence of leaders. Nevertheless, there are many valuable experiences among NGOs on how to approach and develop RPOs’ potential and capacity to analyze their own needs and find solutions by themselves.

10. Agricultural research has weak linkages with farmers and especially with RPOs. As a result of a strong hierarchical structure and the ‘top-down’ vision of their mission, research institutions mostly make contact with other government services agents or a few selected farmers. On the other side, most RPOs are not aware of potential benefits of research activities and do not really trust research officers. Exceptions exists, especially with researchers from universities who can have regular collaborations with RPOs or with NGOs working with RPOs.

11. The extension services are often mistrusted since it has a long record of defending government policies and the interests of government officials without sufficiently taking into account the needs and priorities of the farmers. The recent changes introduced by DAFEP project intend to modify the relationship between farmers and extension workers and seem to be rather well received by the farmers. However it is not sufficient to deeply modify farmers’ reservations relating to extension. Extension agents are still largely approaching farmers on the basis of a “top-down” vision, and for this reason continue to be regarded by farmers as messengers of the government rather than service providers. Moreover, there has been an increasing trend of private companies hiring government agents to conduct testing and promotional activities of their products (e.g. seeds, fertilizers, chemicals, etc.) and farmers sometimes view extension officers as agents of commercial corporations.

12. The attitude of private sector is very diverse. On one side some private stakeholders consider the RPOs as commercial partners. They regard the RPOs as partners in organizing and ensuring the regular supply and respect of the product quality standard. On the other side, many private corporations consider RPOs merely as a means for obtaining products in
large quantity with a lower price. They adopt opportunistic behavior and tend to take advantage of the weaknesses of the farmers groups they are dealing with.

13. Farmers groups and RPOs vision of their future is constrained by the fact that for many years they were not permitted to express and to develop themselves except under strict government control. In front of the market, they feel poorly equipped. In this context, many RPOs find difficult to elaborate a vision about what they would like to be in the future and how to achieve it. This in turns, except for IPPHTI, impacts usually on their willingness to mobilize for their development. In addition, by being largely excluded from political decision-making processes, they fail to access to important potential sources of funds.

14. The vision of NGOs about RPOs is more diverse. It ranges from a limited vision of RPOs as a client for the service they provide and they are paid for up to a genuine commitment to facilitate the emergence of independent strong farmer organizations. However, NGOs often face two dilemmas: one between acting as facilitators and acting as project leaders, and one between providing assistance and fostering independence.

15. Local governments usually show little interest for the development of farmers’ organizations and they hardly consider building close links with them. The local government is too busy with the decentralization process and still not paying attention to the aspirations of poorly organized farmer groups. Exceptions exist, more frequently linked to the charisma and vision of a local official rather than to a fair balance of power between local government and local RPOs. Besides, even in these exceptional cases, farmers invited to provide opinions are often advanced farmers, sometimes NGO local representatives, but rarely true representatives of a farmer organization.

16. The research and extension service keep having a ‘top-down’ vision about the role of RPOs in the future, still seeing them as instruments for the dissemination of technical information or research output, rather than partners with whom they have to negotiate. Exceptions exist, with some research or extension officers aware of the potential role of RPOs. But even then, these persons do not really know how to work in favour of or in partnership with RPOs.

17. Given the current situation of RPOs in Indonesia and the national context in which they are expected to develop, this report proposes to the involved stakeholders (farmers groups, government, NGOs, and other private actors, donors) to establish a strategy for empowering RPOs in Indonesia with the ambition that:
   - RPOs become acknowledged and accepted as organization of professionals (farmers) with their own objectives, knowledge and capacity.
   - RPOs act as independent stakeholders and partners of public as well as private sectors. Accordingly, their say has to be recognized as equally important as the opinion of government services or any other partners in the society.

18. To achieve this, the report identifies several conditions that have to be fulfilled to provide a propitious environment for the emergence and development of RPOs:

- Building self-confidence and awareness;
- Sharing experience to build common plans;
- Acknowledgement of RPOs role and importance;
- Access to services;
- Experiences and knowledge on RPOs for RPOs;
- Meeting opportunities with other stakeholders;
- Legal support.
19. The necessary means to fulfil each condition are discussed in the report.

20. Practically, meeting these conditions implies that the RPOs themselves play the key role in the empowerment process. The success in any action directed to empower RPOs depends on the active participation of RPOs in the construction of the empowerment program. That may happen only if the RPOs become the promoters of the program, because they decide to do it. This approach has to start from the base and has to involve all potential RPOs partner institutions, namely government services, local government and private sector.

21. For that reason, it is proposed to build an empowerment process step by step and with sufficient time to set a pace consistent with the rhythm of the RPOs. We suggest initiating this process by organizing nation wide consultations, starting from the base level (village), on the role and place of RPOs in Indonesia’s agricultural development. This consultation would progressively scale-up to culminate in a national conference during which a common view could emerge along with the path of actions needed to make this view a reality.

22. In this approach, it is recommended, in the early stages, (i) to use donor’s financial support through grants to hire independent facilitators to act as catalysts to initiate the process, and (ii) to rely on a steering forum made of representatives of already advanced RPOs to decide on the practical implementation of the process. Other direct stakeholders such as the government services and the private sector will accompany the move as participants but should not take the leadership.
**ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEZ</td>
<td>Agroecological zones</td>
</tr>
<tr>
<td>AFDI</td>
<td>Association des Agriculteurs Français et Développement International; French Association of Farmer for International Development</td>
</tr>
<tr>
<td>AGRITERRA</td>
<td>International co-operation between rural peoples</td>
</tr>
<tr>
<td>AIAT</td>
<td>Assesment Institute for Agricultural Technology</td>
</tr>
<tr>
<td>APTR</td>
<td>Asosiasi Petani Tebu Rakyat; &quot;Association of Sugarcane Farmers&quot;</td>
</tr>
<tr>
<td>APTI</td>
<td>Asosiasi Petani Tembakau Indonesia; Indonesian Association of Tobacco Farmers</td>
</tr>
<tr>
<td>AEKI</td>
<td>Asosiasi Eksporit Kopi Indonesia; Association of Indonesian Coffee Exporter</td>
</tr>
<tr>
<td>BPD</td>
<td>Balai Perwakilan Desa, Village Representative Board</td>
</tr>
<tr>
<td>Bina Swadaya</td>
<td>Badan Pengembangan Swadaya Masyarakat; Community Self-Reliance Development Agency</td>
</tr>
<tr>
<td>BIPP</td>
<td>Balai Informasi dan Penyuluhan Pertanian; Agricultural Information and Extension Center</td>
</tr>
<tr>
<td>BPTP</td>
<td>Balai Pengkajian Teknologi Pertanian; Assesment Institute for Agricultural Technology</td>
</tr>
<tr>
<td>DAFEP</td>
<td>Decentralized Agriculture and Forestry Extension Project</td>
</tr>
<tr>
<td>FAS</td>
<td>Forum Adil Sejahtera; Forum for Justice and Welfare Foundation</td>
</tr>
<tr>
<td>LATIN</td>
<td>Lembaga Alam Tropika Indonesia; Indonesian Association for Tropical Nature</td>
</tr>
<tr>
<td>FEATI</td>
<td>Farmer Empowerment through Agriculture Technology and Information</td>
</tr>
<tr>
<td>FIELD</td>
<td>Farmer Initiatives for Ecological Livelihoods and Democracy</td>
</tr>
<tr>
<td>HKTI</td>
<td>Himpunan Kelompok Tani Indonesia; Federation of Indonesian Farmer Groups</td>
</tr>
<tr>
<td>IPM TP</td>
<td>Integrated Pest Management Training Programme</td>
</tr>
<tr>
<td>IPPHITI</td>
<td>Ikatan Pe tani Pengendali Hama Terpadu Indonesia; Network of Integrated Pest Management Farmer</td>
</tr>
<tr>
<td>IPM</td>
<td>Integrated Pest Management</td>
</tr>
<tr>
<td>KTNA</td>
<td>Kelompok Tani dan Nelayan Andalan; Advanced Farmer and Fishermen Organization</td>
</tr>
<tr>
<td>KUD</td>
<td>Koperasi Unit Desa; Village Unit Cooperative</td>
</tr>
<tr>
<td>KBM</td>
<td>Fictitious acronym of a private company</td>
</tr>
<tr>
<td>KUT</td>
<td>Kredit Usaha Tani; Credit for Farming Activities</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>PRA</td>
<td>Participatory Rural Appraisal</td>
</tr>
<tr>
<td>PSAOP</td>
<td>Project for Agricultural Services and Producers Organizations</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>RPO</td>
<td>Rural Producer Organization</td>
</tr>
<tr>
<td>STAM</td>
<td>Serikat Tani Merdeka</td>
</tr>
<tr>
<td>UPKG</td>
<td>Unit Pengelola Kegiatan Gabungan; Unit for Management of Joint Activities</td>
</tr>
<tr>
<td>YPRI</td>
<td>Yayasan Pendidikan Rakyat Indonesia; Indonesian Assodation for People Education</td>
</tr>
</tbody>
</table>
Introduction

1. This report presents the results from a study called “Empowering Rural Producers Organisations” undertaken by a Team of Cirad scientists with the collaboration of Indonesian counterparts between January and February 2002, upon request of the World Bank and with the support of a Trust Fund from the French Government.

2. The objective of the study on “Empowering Rural Producers organization” as stated in the Terms of Reference is “...to carry out a more in depth assessment of the status of empowering rural producer organizations (RPOs) and their possible future in Indonesia. …to provide indications for the future construction of the FEATI project (Farmer Empowerment for Agricultural Technology and Information) in particular concerning: (1) the conditions necessary for rural producer organizations (RPOs) to emerge in Indonesia, (2) the interest of a better linkage between RPOs and government organizations or public service providers and (3) the conditions for such linkage to work.”.

3. This objective was set up in a context where Bank supported agricultural research (ARMPRII) and (DAFEP) extension projects in Indonesia are terminated or approaching their term. The World Bank consider that the achievements of these projects as “Satisfactory” but raised the issue of their longer term sustainability and impact on the agricultural sector, especially in terms of their contribution to the ultimate Bank objective, poverty alleviation.

4. Since literature and case studies demonstrate that the efficiency of public or private services is increased when rural producers are organized and can dialogue with government institutions and private sector providers, the Bank formulated the idea that strengthening rural producers organizations could be an instrument for boosting the quality of services to agriculture. As a result it suggested considering the rationale and feasibility of a possible World Bank-supported project tentatively entitled “Farmer Empowerment for Agricultural Technology and Information” (FEATI).

5. The French Centre for international Cooperation in Agricultural Research for Development (CIRAD) was first contracted through a French Trust Fund to conduct an assessment of the state and conditions of rural producer organisations in Indonesia. The results from this first fieldwork were published in 2002.

6. In the spirit of the FEATI project empowering farmers/rural producers through improving the capacity of their organization is considered as a possible instrument in Bank’s strategy towards its investment in supporting agricultural research and extension. In the triangular relationship between farmers, researchers and extension workers, farmers organisations are considered as a way to enhance the quality and responsiveness of services provided by research institutions and extension services, and more generally as a way to make government services more client-responsive. Elaborating from this starting point, the CIRAD Team considered the farmers organisation from a broader standpoint.

7. History and experiences around the world show namely that active and genuine farmers organisation have played an essential role in the modernisation of agriculture, in the respect of farmers rights, in the capacity to voice their needs and negotiate with other stakeholders, all elements finally contributing to increase the welfare of farmers and reducing poverty in rural areas. In Indonesia, as pointed out in the first report, rural producer organisations

---

3. TOR for a study on Empowering RPO: current situation and possible future in Indonesia p 1 december 2002
4. A first reference to the idea of a follow-up project to ARMPRII can be found in the Final supervision Team Report
5. Cite Report from First Phase fieldwork.
development is mostly at a sprouting stage. Not surprisingly rural poverty is still an acute problem; a strong farmer-based agriculture is still in the making; farmers’ rights are still largely ignored and farmers’ voice and negotiation power frequently denied. However, collective farmers initiatives flower more and more, sometimes successfully, sometimes to be crushed.

8. This report intends therefore to provide first a more detailed assessment of the opportunities and constraints for the empowerment of RPOs in Indonesia and second to identify a possible pattern of actions that could lead to genuine process of empowerment.

9. In a first chapter “concepts and principles”, we draw from worldwide knowledge and experience to highlight the rationale for promoting active farmer organisations and some basic principles linked to the success of these organisations. This chapter sets a benchmark to which the analysis of the current opportunities and constraints to RPOs empowerment in Indonesia can be referred.

10. This assessment of opportunities and constraints is presented in chapter 2. It is essentially built from direct interviews with key stakeholders (RPOs, NGOs – Non-governmental Organisations, government services, private sector enterprises) and the review of relevant documents. The first section of this chapter synthesizes the results of more than thirty direct discussions with various stakeholders ranging from local farmer groups to internationally supported programmes, local government officials, private sector businessmen, etc. More details can be found in the Annexe part of the report. Then, section 2 highlights opportunities for empowerment of farmers’ organisations, while section 3 stresses the constraints. Finally, section 4 presents additional principles to add to those presented in Chapter 1. These principles guide the orientations proposal developed in Chapter 3 and discussed in Chapter 4.

11. In addition to the assessment of the current constraints and opportunities for the empowerment of RPOs in Indonesia, the interviews intended also to project the respondents in the future in order to identify their visions in relation with the development of RPOs. The results are presented in the first section of Chapter 3. In its second section, chapter 3 presents a rather ambitious vision of what RPOs empowerment would be desirable to lead to in Indonesia, a vision based on the results of the fieldwork and consistent with the lessons learned from other countries. It details also some preliminary conditions needed associated with this vision.

12. Then, chapter 4 focus on a strategy to make this vision come true, identifying first the tools and means to achieve the conditions required and then proposing some concrete steps to initiate a process of RPOs empowerment that is consistent with the principles identified in chapter 1, feasible in the context of opportunities and constraints identified in chapter 2, and responding to the visions expressed in chapter 3.
Chapter I.

Concepts and principles for the empowerment of rural organisation

1.1. Concepts

In this report, several terms are used to describe and discuss the situation of organisations in the agricultural sector. In order to clarify these concepts the following definition and explanation are used.

**Farmer**: this term refer to a person working in a rural area and whose livelihood directly depends from agricultural, animal production or fishery activities. A farmer maybe owner, tenant or landless and is involved in the production of physical outputs.

**Farmer group**: this term is used as a generic term to refer to any kind of association of several farmers as defined above. This term does neither predetermined how the group emerged nor its status, organization nor functioning.

**Kelompok tani** (specific name for the farmer groups in Indonesia): this denomination refers specifically to the groups induced by the government during the New Order era. Many of them are still active. This type of group is also called elsewhere “functional group”.

**Farmer organization**: when a group of farmers is “active” (i.e. it has regular meeting, it handles different activities like buying or selling product together, exchanging information on techniques, managing together a nursery, a rice mill) and if it has some elements of an organization (regular meeting and activities organized by the members, a board, identified and regular members …) it is called a farmer organization. Its activity may not systematically be related to agricultural production. It can be an organization with political, religious or cultural objectives. A farmer organization can be a traditional “adat” (custom) community group, an active kelompok tani, a cooperative, a “farmer field school" alumni group…

**Rural producer organization (RPO)**: Rural producers are agents of the private economic sector, who are directly connected to primary production or to processing animal and plant products. Rural producers include: farmers, herders and fisher folk and, among them, those responsible for the management of resources linked to or used in production systems (e.g. water, forests, pastures, soil fertility); rural craftsmen, agro -food processors and traders who have direct links with primary producers (Bosc et al., 2001, The Role of Rural Producers' Organizations in the World Bank Rural Development Strategy, a background study).

“**Their essential function is to organize relationships with the outside. They are interface structures conceived as being:**

- Either a means of facilitating/accelerating the integration of rural dwellers into the market and into society at large, or
- A means of improving the relationships of rural societies with their environments (market, society at large)…

**They are generally organized around two types of issues:**

- Creation/management of the services producers need due to modernization of techniques (for example procurement of supplies and equipment, loans) and to their integration to the market (product marketing);
- Representation of the producers and promotion of their interests in front of other economic and institutional stakeholders, and the government”

---


7 Bosc et al., 2001, The Role of Rural Producers’ Organizations in the World Bank Rural Development Strategy, a background study
13. A RPO can be initially a “functional or instrumental” organization created by government (such as most Kelompok tani), by NGOs or donor projects. It can evolve into a more “independent” behavior; members became active in this role of interface between rural producers and the other stakeholders in their economic, institutional, and political environment. In this way a “functional organization” evolves in a RPO.

14. It may happen also that an RPO “emerges from the local society, at the initiative of specific individuals, around technical, economic, social, or cultural issues, and becomes structured around objectives that are more or less precisely defined, and a differently constructed global or sectoral project”.

15. While RPOs contribute to a variety of public goods, their essence can be resumed in three characteristics:
   - they are private sector organizations;
   - linked to primary production;
   - controlled by a group of rural producers.

1.2. Rationale and principles for the development of active farmer organizations

1.2.1. Lessons and experience from other countries

1.2.1.1. Organisation is inseparable from the history of agriculture

16. Since the beginnings of agriculture, the question of organisation has been an intimate implicated part of farmers’ lives. There has always been some form of organisation in agriculture. By putting the means of production (labour force, farming equipment) in common, farming families were able to face periods of intense labour more efficiently and with less effort, to confront crucial stages in the cropping season, or to make important investments. These forms of organisation relied on social mechanisms of reciprocity and mutual aid which themselves were based on proximity and belonging to the same social and working community.

17. In recent times, new forms of organisation have appeared. Sometimes founded on these old forms of interdependence at the local level, they have grown quickly and assumed increasingly complex functions, which have sometimes implied specialisation. They have responded to the increasingly greater demands of their members, and have therefore often got themselves organised above the local level.

---

1.2.1.2 Long-term experience

18. **In industrialised countries**, farmers’ unions, cooperatives and farmer associations played a fundamental part in the modernisation of agriculture. They date from the late nineteenth century, when local organisations and the cooperative movement sprang up after favourable laws concerning the right of association were put in place. Although their history varies from one national context to another, the main characteristics can be summarised as follows. Rooted in the local networks of interdependence, based on neighbourhood or kinship ties, these local unions were at the heart of local collective action, carrying out many and varied functions ranging from bargaining with traders to health insurance, credit, and defending the interests of farmers. Most often, the increasing complexity of the tasks performed and the changing environment led these multi-purpose organisations to create more specialised organisations, over which they conserved control through the leadership and governing bodies. By getting organised on a national level, they contributed to the process of modernisation that took place after World War II and influenced the policies put in place to support technical, economic and social change that accompanied this process. Through the development of large cooperative groups, these organisations have acquired considerable weight in western countries, particularly with respect to the management of the agricultural sector and in the economy. Some of these groups are very large, virtually on the scale of multinationals.

19. **In developing countries**, interest in the Rural Producers Organisations (RPOs) varies considerably according to the period considered, and the economic, institutional and political contexts. It is closely related to how long the Nation-State has existed, as can be seen in Latin America. Many cooperative movements failed following Independence in Africa and Indonesia for example. The reasons for these failures are complex, but can be summarised as follows: top-down approach, excess administrative control, political interference, loss of control by the farmers. However, some RPOs have succeeded, and among them are a few that have proved remarkably durable (such as the Coffee Growers Federation of created in 1927 in Colombia). Since the period of structural adjustments, new areas have opened up for RPO initiatives. RPOs have steadily taken on new functions and are increasingly called upon to play a part in negotiations with the public authorities and donors. These organisations have benefited, some for over twenty years, from support programmes, and certain lessons may be drawn from them.

20. Based on the analysis of these experiences – from industrialised countries as well as from the countries of the ‘South’ – the following general guidelines for RPO support may be proposed.

1.2.2. General principles for working with the organisations

1.2.2.1. Take into account the situation of the existing organisations

---


21. Strengthen the organisations, whether or not they concern a strategic sector. While it is true that organisations within a country’s strategic sectors are important, it is fitting - for reasons of equity in the fight against poverty\textsuperscript{15} - that organisations concerned with local development should not be neglected. Grassroots organisations of producers in areas that are not integrated in the main commodity channels of strategic products should therefore also be supported.

22. Support all organisations, whatever their performance. Support programmes must not discriminate between “virtuous” organisations, which merit support, and others of less merit and which will therefore be deprived of support. Whatever the causes of dysfunction that are encountered in the organisations, it is only by accepting to work with ‘imperfect’ organisations that they will be helped to progress, through the establishment of clear regulations concerning both internal operations and dealings with external operators. Approaches that start from the grassroots members, and that take into account the diversity of situations and capacities, may appear from the outside to be ‘less efficient’ in the short-term; but experience shows that this is the type of approach that works best in the long run.

23. Take into account the diversity of functions assumed by the RPOs. While it is true that the task of the organisations is not made any easier by multiplying the number of functions, it is not for the support structures to decide what the organisations should or should not do. In particular, the support structures should not incite the RPOs to specialise in technico-economic functions, as is often the case.

24. The organisations are often led to engage in social actions, due in particular to inadequate State provision. The role of support programmes is therefore to help the organisations to manage all their activities head-on, for instance, by assisting them to set up an analytical accounting system, enabling them to identify the charges and products related to each of their functions and so manage their balances better.

25. This problem is especially acute concerning the function of defending producers’ interests, which is usually carried out by second level organisations (RPO federations for different commodity chains for example). Experience shows that isolating this (trade union) function, amounts to taking away the organisations’ negotiating power by jeopardizing its financial base. It is important that organisations maintain total autonomy over this highly sensitive type of function.

1.2.2.2 Build on this base as partners

26. The diversity of situations in which organisations find themselves excludes any standardisation of support systems. The content of support programmes must be adapted to the situation of each organisation, and in order to do this, it is imperative that the content and modes of support can be defined by the “beneficiary” organisations. In general, these organisations are hardly consulted at all over the definition of the programme content and design, and the practical implementation of the actual support given\textsuperscript{16}.

27. When programmes of support are being designed it is important that the following points be made clear: Who should have the overall responsibility for the programme (choice of supervisory body and composition of direction committee)? Who should be in charge of the general management of the programme (choice of operator)? Who

\textsuperscript{15} Mestrum F “Mondialisation et pauvreté. De l’utilité de la pauvreté dans le nouvel ordre mondial”, Paris, Harmattan, 2003

should implement the concrete actions of support (project team? specialised services? RPOs?) How should the funds be managed (choice of activities and authorisation to spend the funds)?

28. The organisations must a have a say on all of these questions and the choices made must tend towards helping the organisations become responsible for the programmes.

1.2.2.3. Together, establish clear rules specifying the conditions of support

29. Sometimes, collaboration between RPOs and development support structures meets with difficulties because it is built on initial misunderstandings, which become progressively apparent later, making communication between the partners difficult and strained. Four precautions may be taken to limit misunderstandings.

30. **Take time to establish the collaboration.** Even it takes time to materialise. Collaboration is often decided after a few meetings and quick visits. Both parties agree to work together on a project without sufficient explanation of what results each side expects, what the precise objectives of the planned collaboration are, or how, in practical terms, it will be carried out and evaluated. This over-eagerness may come from the development agents and institutional constraints (project duration, modes of funding attribution; requirements for results at fixed dates etc.). It may also be the result of impatience on the part of RPOs that have an urgent need of material and financial resources, information, training, etc.

31. **Know your partner well.** Outsiders often have difficulty in understanding the reality of the economic and social situation covered by the RPOs with whom they wish to work. For their part, many (especially grassroots) organisations show little interest in knowing about the institution with which they are planning to collaborate. They do not always measure up the constraints implicit in the proposed support and often have little information on how the institution views RPOs, or what its working principles or its evaluation criteria consist of.

32. **Draw up precise agreements.** In the agreements drawn up between the supporting bodies and the organisations the content and the modes of the planned collaboration are sometimes described in very imprecise terms. The parties concerned seem to make do with this imprecision, either because they themselves lack a firm idea of the nature of the collaboration and the practicalities of its implementation, or because the imprecision leaves some room for manœuvre, from which both parties wish to benefit. However, hasty and imprecise agreements can be a source of ambiguities, tensions or even conflicts. All effort should therefore be made to remove ambiguities from the collaboration at inception.

33. **Seal the partnership with a ‘contract’.** Used very widely, the notion of ‘partner’ (and ‘partnership’) warrants clarification. A partnership supposes:

   o the existence of a common goal (the reason why the partners associate together);
   o the mutual recognition of the different parties, particularly the recognition of their legitimacy;
   o the expression of the mode of collaboration in a ‘contract’. This is understood to be an agreement in which the different parties concerned are specified, as well as the mutual obligations of each of the parties, etc.

---

34. Thus defined, the partnership between the RPOs and the actors from institutions cannot be established directly – it results from a collective construction and is designed to last.

1.2.2.4. Build up lasting partnerships

35. Building-up the capacities of the producers’ organisations is a long haul job. This is especially true in Indonesia because of the accumulated delays due to:
   - the low level of responsibility held by the organisations over several decades within a restrictive political context,
   - the far-reaching and rapid changes underway in the country, implying fresh responsibilities for the organisations to take up tasks that were previously attributed to the State,
   - and finally, the farmers’ and their leaders have a low level of basic training, are very poorly informed and have little possibility of accessing information.

36. In consequence, faced with the scale of the task, the support programmes involved in RPO capacity-building must be designed to be long-lasting, that is to say over a period of 10 -15 years rather than on a 3 to 5 year time -scale. This is independent of the fact that it should be possible for certain functions carried out by the organisations to be totally or at least partially remunerated by the community once sustainable funding mechanisms are established.

1.2.2.5 Let the organisations make their own decisions

37. In many countries, including Indonesia, the failure of the organisations controlled by the State (through the administration and/or political parties) has brought discredit to the very idea of organisations. When elaborating new programmes, care should therefore be taken to avoid the errors of the past. The independence of the organisations must be sought in the actions to be implemented.

38. It is for the organisations themselves to make the decisions concerning their choice of strategy, and to define how and under what conditions the support given to them should be implemented. The quest for the organisation’s independence must be a guiding principle, whatever the organisation and its level of action.

39. This is in fact an imperative condition for the RPOs to be able to gradually develop positions on more complex questions of agricultural policy.

40. Independence does not mean absence of a posteriori control mechanisms for the activities of the organisations.

1.2.2.6. Take into account the organisations’ own rate of development

41. All too often, the timetables of the projects lead to dysfunction within the organisations because the projects are negotiated without consulting the organisations or because they do not take into consideration the fact that responsibility for functions should, by necessity, be taken by the RPOs only through a gradual process. It is therefore important to take the time needed to draw up programmes founded on partnership (see above) and to adapt this partnership according to the rate at which the organisations increase their skills. Appropriate training should accompany this process in accordance to a schedule defined with the organisations.
1.2.3. Specific aims related to Indonesian RPOs

42. The proposed orientations for Indonesia were the foundation of most farmers' movements in industrialised country. For example in France, a strong capacity building movement took place in through a grassroots network of civil organisations within the rural societies that supported the raising of a new generation leaders through the following principles: “see, judge and act”. This innovative pedagogic orientation is still an important levy for capacity building throughout the world.

1.2.3.1. Start from existing situations and build up specific strategies adapted to the diversity of situations in which Indonesian organisation find themselves

43. The study shows that RPOs already exist in Indonesia. They have different origins and operate in various contexts like organisations working in commodity channels, water users associations or organisations related to the local authorities and agricultural services. The strategy regarding strengthening RPOs should be to focus on these emerging organisations bringing them support in order to increase their autonomy.

1.2.3.2. Improve the supply of information to the organisations and their control of this information

44. It is important to start by getting the organisations better informed, so as to widen the scope of what is possible. This can be attained in various ways:

45. By developing exchanges between RPOs around the country. The study has shown the existence of emerging organisations with various skills

46. By organising study trips and exchanges with other countries and continents so that the experiences and the paths followed by other organisations in different contexts can be taken into account. Operators such as Afdi (France) or Agriterra (Netherlands) have successfully supported similar projects in numerous countries.

47. Building-up the capacities of RPOs, especially capacities for making decisions on strategic choices orientations, must begin with the organisations understanding the key issues of time and being more informed about:

48. Concerning the commodity channels (the formation of prices and added value in the global commodity channels at the local level, the distribution of roles and tasks between the actors within the commodity channel, asymmetries between different actors etc.), as a first step, it is important to get the leaders of different commodity based organisations in different channels in Indonesia to meet with each others so as to develop comparative analyses, which are generally lacking. Later, and depending on the key issues of the commodity channels concerned, it may be worthwhile to widen this exchange to the sub-region, and then the international level.

49. Concerning the reforms of the agricultural services in different contexts: how and why were these reforms brought in? How, in different countries and according to pathways followed by the organisations, have the roles and domains been distributed between the private commercial sector, the private sector run by producers (cooperatives, producer groups etc), and the public sector? How, and under what conditions, did these changes take place?
50. Training should also be given on the issue of the elaboration of agricultural policies on national, sub-regional and international levels, as well as follow-up sessions on developing the skills of critical judgement and the elaboration of proposals.

51. Information on the various donors and the operators (projects, research consultancies, NGOs, private or public service providers, etc.) likely to give them support: who they are, their strategies, their fields of action and their ways of operating.
Chapter II. The current "empowerment" of RPOs in Indonesia

52. The conclusions of the assessment of farmer groups and organizations conducted in the first field mission highlighted the following key issues:

   a. **A need for independent organizations beyond the village.** Most existing farmers groups are limited by their inability to allow space for democratic exchange or to provide a coordination network beyond the village level. For sustainable participation of the farmers from the village level up to a national level a network extending over the whole range is necessary. This network could be used as a vector for information, discussion, coordination and negotiation with other stakeholders.

   b. **A lack of formal status.** Based on the existing as well as rapidly evolving legal framework, farmers organisations must choose a formal status among cooperative, mass organization, association, foundation (which is regulated by a new law dating from 2001). With a general history of distrust towards former government-induced organizations such as “kelompok tani” or KUD (village unit cooperatives), most farmers organisations tend to remain informal. This “lack of status” is a strategy to avoid the possible predatory behaviour of official services in charge of granting legal status and the interference of government that is often associated. Furthermore, if a legal status is imposed from outside it is likely to be rejected by the the RPOS. For instance, micro-credit organisations in West Africa have worked with several governments until they reached an agreement (Parmec Law) that defines the status and the regulations of these organisations in the countries of UMOA. If we do not want to repeat mistakes from the past, informal organization may represent a viable alternative to keep control over farmer organisations limited until they grow sufficiently to be able to let them be respected.

   c. **Insufficient coordination mechanisms with other actors.** Farmer organisations lack the recognition of the authorities, and coordination mechanisms between them and with other stakeholders are almost inexistent. As a result, they suffer from isolation, from a lack of access to information and a lack of the specific skills to become active stakeholders.

   d. In a few cases, there is a **tendency to over-stretch the capacity of RPOs.** These tend to progressively take in charge an increasing number of services. Also, external actors (State, donors, or NGOs) can be tempted to promote such evolution process in an attempt to take over, for instance, failing extension or research systems. Such trend towards multi-purpose activities has to come from the RPOs members’ pressure and will, in order to be adapted to their demands. External actors should not push it since this would tend to over-stretch the limited resources available and push RPOs to develop activities beyond their real capacities.

53. During the second mission, the interviews with the RPOs focused on how they envisage their future. These interviews have helped to further detail and understand the opportunities and constraints in view of their empowerment. The first section of this chapter briefly presents the results of these interviews. More details can be found in the Annex part of the report. Then, section 2.2 highlight opportunities for empowerment of farmers organisations, while section 2.3 stresses the constraints. Finally section 2.4 presents additional principles to add to those presented in Chapter 1. These principles guide the orientations proposal developed in Chapter 3 and discussed in Chapter 4.
2.1. Case studies

This section presents a series of case studies conducted during the mission. It is structured in five parts: farmer organisations case studies, NGOs case studies, private sector case studies, government services case studies and project document review.

2.1.1. Farmer organisations case studies

**IPPHTI (Network of Integrated Pest Management Farmer)**

**Organization**

54. IPPHTI is a network of farmers, starting from farmers’ groups at local level working together with specific objectives (technical, training, research, marketing…) with coordinators elected at sub-district level, district level, provincial level and national level.

55. Their first objective is to strengthen farmers’ role in the Indonesian society, developing farmers’ own abilities and self-confidence so that they become independent strong stakeholders, partners for the other stakeholders. The objectives of ecological balance only come second.

56. At each district or provincial level they have coordinators specifically working on a topic. There are coordinators for administrative matters, for financial aspects, on advocacy, on gender issues, science and research, marketing and public relation. When a question or problem is raised on one of these topics, the coordinator concerned will try to find information among IPPHTI members and contact outside experts if necessary.

57. Coordinators at all levels have time-limited mandates (with a maximum of two successive mandates for the same person) and can not cumulate two positions (newly appointed national coordinators have to leave their provincial mandate to another member).

**Activities**

58. Their activities are very diverse (12 different activities identified), ranging from technical aspects (such as plant protection, soil management, etc.) to social awareness and marketing. These activities are designed and implemented by the farmers of the network. Regular meetings are organised at all levels, with more meetings at local level and only one meeting every 2-3 years at national level.

**Relations with other stakeholders**

59. *With government*: Relations with governments are very diverse depending on the perception government representatives have of RPOs. In some districts, like Sleman, the local government support some of their activities and invite them to consultation forums on local policies. In other localities or at provincial level, it is more difficult: there are still considered as a project or as provocateurs. IPPHTI makes efforts to socialise their activities and aims. They also try to push for specific policy decisions at local or national level. There are invited sometimes at national level to present their activities.

60. *With agricultural services* they are very critical of these services. IPPHTI finds easier to work with local district governments than with local agricultural services. Only Plant protection specialists (PHP) seem to have good collaborations with IPPHTI.
61. **With NGOs**: A lot of support from and good relations with NGOs exist but IPPHTI leaders say they should stay separated from RPOs to avoid having NGOs (or even agricultural services) using the image of RPOs for their own promotion.

**Strengths…**

62. IPPHTI is one of the rare Indonesian RPOs ruled by farmers & for farmers, where farmers build their awareness, knowledge and decision-making capacity. They participate to local decision-making through direct invitation by government or by pressing on policy decisions (demonstration, medias). They participate to raising awareness among farmers about the capacity of farmers to become professionals and partners in public decision-making. They have developed abilities in training and facilitation, community organisation. They try to involve all farmers’ type (IPPHTI has a declared policy of positive discrimination towards the inclusion of poor farmers, to the voluntary detriment of rich farmers’ participation).

**… and weaknesses**

63. IPPHTI is still dependent on outside donors for its functioning activities (meeting, coordination, secretariat…). Efforts are on the way to diversify donor sources (including local government), and to develop collective group activities to fund the coordination expenses.

64. IPPHTI seems willing to diversify its activities and may be able to do it but membership to IPPHTI seems much related to IPM (Integrated Pest Management) training and good IPM practices, which may not be of interest for all farmers.

**APTR (Association of Sugarcane Producer)**

**The figures**

65. 243,000 members. Based on its own calculations APTR consider that sugarcane activity sustains 10,000,000 people (households, factory workers, transportation and traders).

**Organisation**

66. Until 1998 most of the technical assistance, credit and marketing related to sugarcane production was under control of the state (principally through BULOG). Following the political reform taken by the new government, BULOG stopped to buy sugar, supply fertilizer and rural credits. The sugar factories tried to take up BULOG’s function, but they had neither competence nor resources to provide farming inputs and credits to the farmers. The difficulties in supplying farming inputs, fluctuating prices and insufficient income from sugarcane have discouraged the small farmers.

67. Some farmers, who are exceptionally dynamics and lead by an outstanding leader, decided to establish an association. The status of association was chosen for the following reasons:

- there are already some associations based on commodity (cacao, rubber and coffee);
- registration process for an association at the Kabupaten level needs no more than a simple declaration;
- the association members can enrol and quit without any obligation to renew the declaration (contrary to the foundation type of ‘yayasan’).
an association is not authorized to perform commercials activities. Therefore, it can prevent its leaders from being accused of using the association for their own business.

68. Each member/producer pays a contribution of Rp. 2/kg of sold sugar (= 0.03 to 0.06 % of sugar price). Rp. 1 goes to the association for its operations and another Rp. 1 goes to the federation for transportation, and general organization.

69. The objective is to get the best price conditions from the factories and the government (as factory owner).

Activities

70. If at the beginning the action was essentially to claim for their rights, rapidly they put in different mechanisms to participate in the sugarcane price construction process. Not only they developed their claims to modify the price formulation components, but they also participated in finding necessary solutions and desired modifications and they ensured its applications (sugarcane collect network, sugarcane sample analysis, some element of the factory management, some experimentation on sugar cane). To get a better price they decide to ask factory to pay the farmer with sugar and APTR organize the sugar selling. Farmers sell the sugar, but APTR look for traders and prepare the contract and the payment.

71. Evolution prospects of APTR aim at two major activities. The first one is the establishment of a cooperative. Since an association is not allowed to have business activities, APTR intends to create a separate cooperative for selling the sugar, buying fertilizers, seedlings, etc. Participation in sugar factory capital is the second activity. APTR links the survival of the sugar commodity chain to the survival of the factories. They hope to have some share in the capital, so they can contribute in the decisions on the factory’s future.

Strengths…

72. Organization and dynamism. In the Indonesian context, the association seems to be the only farmer organization based on a commodity that has a democratic structure from the basic level to the national level. They have frequent debates about any subject, as much techniques as political subjects. In addition, the dynamism of their leaders has created an active structure, capable of providing initiatives in all domains.

… and weaknesses

73. A vulnerable foundation. The major weakness of this organization is that its 230,000 base members, a majority of small producers, as a low-level education. Information and training to inform and to encourage participation in such a colossal organization and such enormous members is a huge and costly work. APTR leaders give attention to this point but they don't put it as a top priority in APTR activities. Without a control of APTR from the base activities and the renewal of its leaders, there is a risk that the base members won't understand any longer the rationale of their leaders response to their needs.

74. As the conclusion, APTR is a very good example of a farmer organization oriented on ‘a commodity network’, which is still developing. It is sufficiently well managed to serve as illustration of what is possible to do and at the same time it is still so young to accept and to support important changes at organization and strategic levels.
APTI (Association of Indonesian Tobacco farmers)

Organisation

75. In 2000, three local tobacco associations joined in the formation of APTI, the national association of Indonesian tobacco farmers. In 2002 APTI regroups associations from 6 provinces. APTI is a new association, aware that a long path is still ahead to build a strong association.

76. The membership basis and process for the choice of leaders did not appear very clear. Leaders are organised from kecamatan (sub district) up to national level. No APTI leaders exist yet at village level for Jember district, but they do exist in other localities (in Lombok especially).

Activities

77. APTI leaders try to put pressure on the district heads and on provincial governors to have their voice heard and to have reforms favourable to tobacco producers designed.

78. Local assemblies (DPRD) sometimes invite representatives of APTI to discuss technical or marketing issues.

79. One objective of APTI is to have closer relations with tobacco processing industries and even to get shares in their capital. But up to now, a common interest between APTI and tobacco industries seems to have been identified but no common action has been successfully taken yet.

Strengths...

80. APTI leaders (at least the one met) are farmers who have gained access to information, who can understand and process them and are willing and able to participate to policy decision-making and to discussion forums. They are also willing to have more active participation (and empowerment) of their members, but it has not been achieved yet.

... and weaknesses

81. The first weakness acknowledged by APTI leaders is the lack of information of root members, the lack of strong regular interactions between members and leaders.

82. The second weakness concerns, like IPPHTI, the functioning means of the association: coordinators are not paid, travel fees have to be found outside and no real budget for meetings and discussions exists. This is true both for relations at local level and among associations at district or provincial level.

83. Two other weaknesses are acknowledged: the low bargaining power of farmers facing local collectors and the lack of training for members on business issues and prospective vision.
Apple Cooperative in Malang

Organisation

84. This “cooperative” has only the name of cooperative, but not the status. It is actually a Kelompok Tani founded by village officials in 1986 following a recommendation from central authority.

85. Officially, the structure is as follows:
   - A chairman, a secretary and a treasurer
   - Five sections: food crop, fruit products (mainly apples with a sub-section of ‘organic’ apples), floral and vegetables products, animal husbandry, savings and credit.
   - A cooperative that sells agricultural inputs
   - Around 3,000 members.

Activities

86. The farmers of every section will gather each time they face a technical problem. There is no regular meeting and the meetings are usually on the chairman’s initiative. For example, the meeting in October discussed organic fertilizer, while the last meeting in December discussed the price of apples and KUT (Government credit scheme for farming activities).

87. Every month, the personnel from BPTP (Assessment Institute for Agricultural Technology) hold a meeting with all section’s leaders. These leaders disseminate the information to the members only when the BPTP’s personnel ask them to do so. Relationships with local authorities are non-existent. The farmers state that after decentralization, the elected authorities know only little about agriculture and have no interest in that subject. Relations with the private sector concern mainly apple marketing issues. Apple traders employ the offspring of local farmers as collectors to ensure a close control over farmers trading decisions. The farmers are not willing to sell the apples themselves directly to consumers or to create a cooperative to sell apples together due to some reasons:
   - If they tried to sell it themselves outside the local market, they risk having a boycott from their usual buyers.
   - Their own offspring are the collectors, paid by the traders. Thus, the traders are promptly informed of all possible changes on the farmer’s side.
   - To sell products in the cities, they have to stock and this requires refrigerated storerooms that need a good deal of funds.

Weaknesses

88. This is a case where the farmer organization is only a name without a reality. Farmers gather merely for technical purposes and often the initiative comes from the administration’s side. Traders also dominate them. Under such circumstances farmers adopt an inertia strategy. The organization members have no project on their activities and develop no ‘vision’ for their future. An external intervention that proposes funds to support an initiative may induce opportunistic behaviours.

Conclusion.

89. Empowerment of such farmer groups would take firstly to make them realize their interest in a real organization and arrange them to meet well-organized RPOs like IPPHTI or APTR and other producers from neighbouring Kecamatan. It is essential to break their isolation and initiate their awareness prior to taking up a completely new strategy.
**KTNA (Advanced Farmers and Fishermen Organization)**

90. During both missions to North Sumatra and East Java, the experts met several KTNA leaders. The information presented here are based on these meetings and on information obtained from the authorities and from other non-KTNA farmers. This document should not therefore be taken as being exhaustive or representative of the entire KTNA organisation. As in any long-established organisation or organisation on a national scale, it must harbour a large variety of ways of operating and attitudes within it, depending on the personalities of its members.

**Organisation**

91. KTNA is an association created by the government in 1971. Each farmer is automatically a member. Each year, the government (especially during Suharto period) used to identify and reward the ‘best farmers’ (on a technical basis), based on the recommendations of the local authorities, party members and a few KTNA leaders. Prize-winners were considered as ‘KTNA model farmers’.

**Activities**

92. These ‘model’ farmers were given priority in the distribution of government assistance such as credit or equipment, to implement proposals from research and extension and to serve as examples to other farmers.

93. Over time, these ‘model’ farmers or the local KTNA leaders have been able to develop their farms or branch out into to other activities. The KTNA leaders encountered all had another activity in addition to farming (food processing, fertiliser production, trading, training centre etc.). For some, farming had become a secondary activity.

94. Up until 1998-99, the association benefited from government subsidies and could organise regular meetings and agricultural events, and lobby the local or national authorities. The national representation of KTNA has its offices in the Ministry of Agriculture building.

95. Subsidies have now been drastically reduced and the association is undergoing transformations. A process of reflection has been set in motion to redefine its role in the changes under way, and to find the resources needed to keep it operational.

**Weaknesses and potential strength**

96. KTNA’s strength lies in its core members, the actual or previous ‘model’ farmers. These are generally farmers who have a good level of training, and are enterprising and inventive. But the fact that they were closely associated with the old regime and so were able to develop more than the other farmers, means that they are no longer a model, but a group ‘apart’. They are therefore not very credible in the eyes of the vast majority of smallholders.

97. Within a consultation process, the leaders of KTNA can bring an interesting point of view and contribute to the reflection, but because they only represent a minority, some of the best rural entrepreneurs, it would be unwise to give them a leading role. This opinion should of course be adjusted according to the local context and the character of the KTNA representatives.

98. In certain regions, it may happen that some KTNA leaders can help set up the process of dialogue. This will depend more on the character of the person than on his function as a KTNA leader.
2.1.2. NGOs case studies

YPRI (Indonesian Association for People Education)

Organisation
99. YPRI was created by former members of the NGO “Mitra Tani” as an alliance between NGOs and people associations including RPOs to foster reflection and information exchange between stakeholders focused on farmers’ interests and stakeholders focused on urban poor or wage-workers interests.
100. Among the RPOs participating to their alliance, most have only a local basis. Only three are organised up to national level: IPPHTI, STAM (Serikat Tani Merdeka) and SPTN-HPS (Sekretariat Pelayanan Tani dan Nelayan Hari Pangan Sedunia).

Activities
101. They do not have direct intervention or activities but enable NGOs and RPOs to build common reflections, programs and activities.

Opinion on the relations between RPOs and other stakeholders
102. Relations between RPOs and local government (district level) vary according to the position of the local government itself. Some district governments pay attention to farmers and try to help them get a stronger bargaining position when facing traders, investors or processors, but many just don’t bother and leave farmers in their weaker position.
103. The role of agricultural services is seen as less and less important because more and more alternative actors (industries, distributors, NGOs…) provide services for access to technology or market, often in a better way than extension workers.
104. No real coordination mechanisms between farmer organisations exist and investors can use this weakness to foster dissensions among local stakeholders in order to support their lobbying with local authorities. Conflicts then occur among RPOs with different objectives or membership basis.
105. Sometimes RPOs are building under investors’ pressure, as a formality for investors to be able to enter local areas. In such cases, local elites often take advantage of the system.

Current strengths in terms of empowerment
106. YPRI regularly organise facilitation, training for awareness raising and community organisation support at local level.
107. YPRI is of the rare actors to be aware of the diversity of objectives among farmers (local populations) and of the potential conflict that may arise from there.

Current weaknesses in terms of empowerment
108. As in many cases in Indonesian, YPRI is a small organisation, with little functioning means and is therefore limited in its current scope of activity, which deals mainly with local (village) problems.
Consortium on water user associations

Organisation

109. It is a forum of NGOs and universities working as a network in 13 provinces with one main objective: strengthen and empower civil society organisations, especially Water User Associations (WUA) so that they can build their own network, become partner for the government and control government action and decisions. It was designed to accelerate reforms in the irrigation sector, to push the emergence of autonomous farmer organisations.

Activities

110. Their members participated to the design of the water resource reform in Indonesia, to its implementation and monitoring.

Opinion on the relations between RPOs and other stakeholders

111. At national level, although there is an official support for the water resource reform and the emergence of strong local WUA, high ranked officers oppose the development of the process to all irrigated areas. Relations with local government have been made easy by facilitators hired for the purpose. WUA, which has been empowered through the activities of such facilitators, now participate actively to the district irrigation commissions and raise their voice when local government try to develop activities or investment on irrigation without their agreement or participation. Still, many bureaucrats do not consider WUA as real potential partners yet.

112. Water Users Associations are organised from tertiary to secondary and primary irrigation scheme levels. They are based on irrigation groups created by government for its irrigation policy, but they have been helped by facilitators to develop their own mode of organisation and management. Currently, WUA are well organised and strong up to secondary level. For primary level, WUA are only beginning to participate to an efficient management of water.

Current strengths in terms of empowerment

113. It appears that in places where facilitators were used WUA have developed strong self-designed organisations and are starting to be real partners, discussing face to face with local government officials for matters related to irrigation activities.

Current weaknesses in terms of empowerment

114. The WUA are mainly focused on irrigation system activities management and haven’t yet managed to go beyond this sector or to go beyond local district level.

115. They seem to have difficulty in being recognised and accepted as partners, not to mention in matters beyond local irrigation systems.

LATIN in East Java (Indonesian Association for Tropical Nature)

Organisation

116. LATIN is a NGO initially established by forestry students (refer to the LATIN file in the annex of RPO 1 report). In East Java LATIN took the initiative to contact villages from Kiningan area and propose to farmers to assist them in dealing with forestry services to present their land claiming issue. The villagers wish to acquire some terrains so they can cultivate or plant the trees in the areas. They also claim some parts of revenues obtained from trees exploitation,
basically from the trees that they maintained previously. In 2000, the responsible personnel at Kabupaten supported the idea and assisted the process.

117. The program benefit mainly from funds from Bupati of Kabupaten Kuningan. A British NGO provided also some funds for a specific program. Meanwhile, LATIN and the local NGO search complementary funding. At the moment, LATIN is self-financing their activities in this program and they are not remunerated from the aforementioned budget.

Activities
118. LATIN started this activity in a village in 2000 and three years after 15 villages are concerned of a total of 139 villages that are related to the forest.

119. LATIN has developed a working method, recruited and established community organizers and assisted a local NGO to carry on all activities and the program management. The local NGO adopted the method and maintained the work commenced by LATIN. Now LATIN continues to assist in short-term missions and trainings.

120. The method relies on community organizers. These are farmers recruited from the villages and trained by LATIN at first, then by local NGO. They are in charge in meetings arrangements at villages and in identifying issues and ways to claim their demand. They are also in charge in the application of negotiated activities. The farmers participate in determining limits of the areas, zone characterization, natural resource inventory and eventually in defining the general plan of land management.

121. A consortium (Bupati or his representative, Forestry Services, Ministry of Environment Services, Local NGO, Latin facilitator, resource persons recommended by LATIN) was formed to proceed in managing this forest issue (the conditions of negotiation, identification and zones cartography, inventory, etc.) and to serve as mediator between the state-owned company and the villagers. It is also responsible in composing required documents and to support village communities.

122. In average, a meeting at village level is held once a month as information meeting, a discussion or a group working to compose necessary documents. The community organizers, the NGO and the villagers attend this meeting. Usually a meeting at Kabupaten level with the consortium is held when the villagers require it or proposed by consortium members.

123. Based on their experience and after one year working on one village, LATIN proposed a package of training program. However, it is the consortium that decides which training program to be applied (called community planning) as well as the trainers. The principal focuses of trainings are: (i) to create a common vision of the objectives to be achieved at the village level (ii) training on negotiation skills (iii) trainings on information collecting and management (inventory, operational cost, consequences of decisions, project application, how to obtain financial aids, etc.) (iv) organizational skill and how to run bigger organization (bigger than village level).

Conclusions
124. The method applied by LATIN is interesting because it stresses on four fundamental points:
   - Awareness of RPOs let them participate in negotiations.
   - Training is targeted on community, not only on leaders.
BINA SWADAYA (Community Self-Reliance Development Agency)

Organisation

125. Bina Swadaya is one of the biggest NGOs in Indonesia. It is a people-centered development agency managing a number of services oriented towards the development of self-reliant communities.

126. **Bina Swadaya’s mission** is: (i) To help in developing human resources, institution, capital and enterprises (ii) to strive for development policies which benefit the poor in order to achieve a more equal distribution of welfare (iii) to bridge the gap in socio-economic field of society in order to achieve a fairer social structure

127. The strategy of Bina Swadaya in supporting farmer organizations is to work with poor people at the village level to increase their welfare. By doing this, it expect that the farmer organizations could reach another step, called “conscientization”, equivalent to awareness and self-confidence and finally could attain “public participation” in decision making process.

128. Bina Swadaya works with Field Officers, staff who work directly with the farmers. Under its policy, field officers should become organizationally and financially independent in 3 to 4 years. Through micro finance services and trading assistance activities the field officers get some fees. This fee is considered as their income. Up to now, there are around 120 field officers especially in Java and southern Sumatra. One officer usually works with 30 farmer groups, consisting each of 20 to 30 members. Each field officer is under the supervision of technical assistants. There are technical assistant for Financial Management, Organizational management, micro enterprise etc.

Activities

129. The overall development programs cover various sectors such as: agribusiness, community forestry, health and environment, micro-finance, small business management, low cost housing, water resources, education and training.

130. “…Bina Swadaya gives direct assistance to 2,322 self-help groups (SHGs - one SHG has around 20 to 30 members) spread out in 13 provinces, 49 districts and 193 sub-districts in Indonesia. Meanwhile, in consultancy and policy dialogue activities, Bina Swadaya assisted around 158,500 SHGs, in coordination with governmental institutions such as National Planning Board and Home Affairs Department and with other NGOs”.

131. Field officers conducting PRA (Participatory Rural Appraisal) to identified farmers need and he refer to the technical assistant to be helped in the identification f activities to be conducted with the farmers. Bina Swadaya also encouraged the groups (considered as RPOs by Bina Swadaya) to implement the new technology related with seeds, fertilizers, pesticides, etc.

---

18 Bina Swadya : www.binaswadaya.org
19 www.gdrc.org/icm/bina-swadaya.html
132. Bina Swadaya is adjusting its strategy in facilitating the RPOs by driving them to get some influences on public decision-making process at least up to the provincial level. A lot of decisions at this level have big impact to the farmers’ life. HKTI (Federation of Indonesian Farmer Groups), a RPO with an organizational structure from village up to the national level is considered as a political machine to mobilize the farmers for a certain political use. Mr. Siswono Yudohusodo, former minister, member of Bina Swadaya, chairman of HKTI, is working a lot to revitalize the HKTI, especially from the organization side at Kabupaten, Provincial and National level, while Bina Swadaya worked at the grass root level.

The “Partnership for Governance Reform in Indonesia” program

Organisation

133. This is a donor-supported-programme hosted by UNDP under the auspice of BAPPENAS and funded by a trust fund from donors. Through this Indonesian Governance Trust Fund it delivers funds directly to agencies active in the national governance reform effort. It is planned to be in operation until 2004.

Activities

134. The Partnership supported, among many other activities, the development of a network of village heads and BPDs (Village Representative Boards) chair people in Lebak and Pandeglang districts, in the newly created Banten province, in order to strengthen their political position in front of district government and DPRD. As a result, a PERDA was negotiated to rule the distribution of authority among district, sub-district and village levels; the allocation of grants from the local government was modified according to clear criteria to take into consideration the specific situation of each subdistrict and village; and the traditional indigenous ruling system was revitalised and incorporated in the existing one.

135. The implementation of this activity, called Asosiasi Kepala Desa Lebak (Lebak Villages Heads Association), relied on the intermediation of an NGO that was granted with funds from the Programme to implement it. The NGO operated through PRA (participatory rural appraisal), community meeting and workshops. They provided training to different categories of people (circles): regular members and those they identified as “champions”, able to promote and keep with the pace of the reform.

Opinion on the development of farmer organizations in Indonesia

136. A major failure of farmer organisations so far in Indonesia is that they have been mostly induced though top-down approaches. The building of genuine grassroots organisation, whether for agriculture or governance has to start from decentralised levels, village levels and be build progressively to expand and cover a wider geographic area through the promotion of a common interest.

137. Two elements are key in this process according to their experience:

- the presence of a strong facilitator (or intermediary institution)
- the use of a Pilot approach, starting at small-scale and expanding progressively the scope.

138. The role of the facilitator is to raise public awareness concerning the issue at stake (in their case the application of the reform law and governance principles by local government, in our case the right to build organisation to defend the interest of the farmers through collective action). Raising awareness means especially informing people about their rights and also bridges the gap between grassroots level and local government and/or other parties. Another key activity of the facilitator is the organisation of multi-stakeholder forums for raising awareness and building consensus among key stakeholders. Theses forums are usually
organised at district level and involved 20 to 30 participants. They last two to three days and have a general organisational pattern where the facilitator first presents the issues at stake, then the current situation is discussed and actions to be implemented are defined. The forum concludes with an agenda and a work plan.

139. Pilot project approach is rated as a very effective and complementary way to raise awareness and expand the scope of activities beyond location-specific implementation area. As an example, the Partnership Programme promoted a new accounting system in Semarang and Sleman and cities from the UNDP BUILD project, with the support of the Gadjah Mada University and the Indonesian Institute for Accounting. The Pilot work conducted in Semarang was used as a “showcase” and now 13 more municipalities or districts have learned and are using it, while it is currently in process in another fifty. The Central Government will use this system by 2005. This clearly shows how locally designed and implemented institutional innovation can expand beyond administrative and geographic boundaries to become nation-wide. Here the key for success was a combination of the skills of a committed individual, reformist officials and a professional organisation. In front of this success, the Partnership has helped to make it known to other donors and organisations.

2.1.3 Private sector case studies

140. The expression “private sector” refers basically to business-oriented private companies. Among them those that are potentially concerned with the development of RPOs in Indonesia are essentially upstream and downstream enterprises. Farmers are either their clients (upstream furnishing of goods and services) or their providers (downstream purchase of agricultural products). The nature of the relation between any farmers’ organisation and such private companies is therefore trade-oriented and goes through economic transaction.

141. From the viewpoint of individual farmers, developing stable trading relations is always a key issue. The concept of “kemitraan” (partnership) is used to characterise the nature of the expected link with traders. However, past experiences with the traditional farmer groups and cooperatives usually do not entice farmers to naturally consider a grouping as the best way to establish partnership. Furthermore the traditional collection systems in Indonesia often tend to block farmers initiatives usually seen as threats to well-established dominant position in the marketing system.

142. However, some private sector companies start to have a different perception and seek to establish more sustainable links with farmers. This happens essentially when these companies have secured an access to a specific consumer market and need to ensure both quality and regularity of products. In this case any opportunistic behaviours from the company or the farmers would put in jeopardy the access to this market and result in a loos-loos situation. From the viewpoint of these companies, a group of well-organised farmers with a professional behaviour is an asset. Two examples highlight this particular situation.

AEKI (Association of Indonesian Coffee Exporter)

Organisation
143. AEKI is grouping Indonesian companies exporting coffee. AEKI is expected to play three functions: advocacy for Indonesian coffee exporters, facilitation especially through the diffusion of information to its member, and some people expect AEKI to be involved in R&D and conduct study, but the latest is felt by AEKI leader as a government task. No coffee producer organisation is member of AEKI, although some exporters maybe also be (big) farmers.
144. AEKI has some decentralised bureaus operating in the most active provinces in terms of coffee production, in particular in Lampung. In theory AEKI does not deal directly with farmers since the marketing channel goes through intermediary traders making the link between coffee growers and exporters. Respondents have highlighted the lack of visibility of these intermediaries and the important role they play in causing dysfunctions in the quality chain.

Activities

145. A local bureau has a MoU (Memorandum of Understanding) with the local government to promote actions and guidance for the coffee producers apparently in relation with the local BPTP. They have bought land to set up field trial demonstration and establishment of a training centre in order to improve the efficiency of production and the quality of the product. They have some actions on drying with farmers but all this remains isolated activities. They insist very much on the key role played by the local government and in particular Bupatis (District Heads).

Relation with RPOs

146. As far as relation with RPOs is concerned, the main organisation system they link with is the farmer group at village level. However, it was mentioned during the interview that in Lampung where more dynamics farmers are found (ex Javanese transmigrants) a Coffee Farmer Association was created (Asosiasi Petani Kopi Indonesia). It is not clear whether this represents all farmers or only Lampung producers. Nobody else seems to know about this association, and the matter will probably need further investigation.

147. The interest of AEKI is to promote Indonesian coffee on the international market. Their problem is that farmers are too many and dispersed and intermediaries not enough transparent. By status, mandate and experience, they don’t feel competent for providing direct guidance to farmer organisations. However, they would be willing to participate in activities strengthening the capacity of farmers (including providing technical guidance) to produce higher quality coffee. They consider in effect that gourmet coffee production will much more benefit to farmers and therefore is much more attractive to develop initiative with them, than “commercial” coffee, which prices are essentially driven by the international market trends.

KBM

Organisation

148. KBM started in 1994 as a company providing vegetables for restaurant in the Lembang/Bandung area, in West Java. In 1998, they start to supply a chain of supermarket in Jakarta, buying products from farmers or local traders. They had some bad experience with individual farmers to whom they had lend capital but failed to result. KBM started to help farmers to group together because it could not deal with each of them individually, and soon had three operating producer organisations. One organisation is linked to a village though in one case producers from another village are members. Most of the producers are small farmers with an average of 0,5 ha. This is a deliberate strategy form KBM since small farmers have more interest in grouping than big own (see Box…). Thus, private sector interest here seems to fit with some poverty alleviation concern.

149. In 2001 an agent of the supermarket company who was in charge of developing a reliable network of provider to supply the growing Jakarta market contacted KBM. After a short period of mistrust, when this person was suspected to have the intention to plant directly for the supermarket, an agreement was reached to provide guidance to farmers groups in order to ensure regular supply of the requested quality for specific products.

---

20 This is not the real name of the company. While respondents did not request anonymity, it was the decision of the Team not to mention the real name of private sector companies.
Activities
150. The type of agreement between producer groups and KBM cover several aspects. The company works as the unique intermediary between the producers and the supermarket chain in Jakarta. It specifies the quality requirement and quantity needed. It helps the producer organisation to get capital by connecting producers to reliable investors who are interested in a fair benefit (usually 25% of the investment). Usually investors provide the working capital and get 60% of the share while farmers get 40% in addition to receiving a payment for their labour. KBM organises also meeting where input suppliers meet with producers and invite the former to provide some free services in order to convince producers to improve their technical skills. Actually, in this association marketing is not anymore a concern for the farmers or for KBM; the priority now is to increase product quality and diversity.

151. There was some failure in the implementation of this system. For instance at peak demand times, some farmers preferred to sell their products to local middlemen for the prices were higher, in spite of a gentleman’s agreement with KBM. In the case of one group, management problems occur with the opportunistic behaviour of the manager who left the group indebted and ran with the money. The positive point from these setbacks is that now the groups have been consolidated into really committed farmers whose loyalty to the agreements has been ascertained through adversity.

Relation with RPOs
152. One group located in Subang has developed with the help of KBM with some funding from UNDP under the leadership of an NGO. The type of agreement with KBM is a kind of MoU. KBM establish minimal quantities required and floor and roof prices are defined every six months. The cultivation system is also specified as well as the provision of data for monitoring. Even support for finding capital from investor is included in the agreement.

153. This is a clear example of a partnership based on a win-win perception between two key stakeholders: producers represented by their organisation and a trading company. However, this is not the common case.

154. An interesting element is the way KBM has been selected by the agent of the supermarket from the existing list of providers. Three criteria were applied: the volume of supply, the apparent professionalism and dynamism and the links with the existing traditional trading system. KBM was selected because 1) it belonged to the list of the ten biggest suppliers of the supermarket chain, 2) it was dynamic and really interested in developing a high level of professionalism, and 3) not yet stuck within the traditional trading system. A very operational criterion was the age of the company and its management staff.

In a nutshell
Some private sector stakeholders may have a genuine will to see farmers set up strong organisations with real skills and power, but their main interest is generally different. For a private trader, dealing with numerous small farmers is cumbersome: quantities traded are small, quality is often heterogeneous and transaction costs are high. Therefore, as the different interviews show, they often see farmers’ groups development as something positive and even promote such grouping.
Such attitude does not mean that the process fosters RPOs’ empowerment. The positive aspect is that access to market can be improved for farmers. But there is no reason for private traders to see a direct interest in empowering RPOs per se. It is very likely, for instance, that they will see no interest in strengthening farmers’ bargaining power, increasing retailing price share or providing alternative access to market.
The private sector is likely to be a necessary partner in the development of commodity oriented RPOs, but RPOs’ empowerment cannot be achieved and sustained by such means.
2.2. Government institutions and RPOs case studies

Local government and RPOs

155. Local government at district level have gained a strong role in policy-making since the implementation of the decentralisation reform. They have acquired an important autonomy in terms of decision-making and funding sources. As a result, it appears that the district head (Bupati) has gained a determining role and that the way agriculture and RPOs are considered by the different services in the district strongly depends on his personal vision and decisions.

156. In most places, RPOs are not recognised and accepted as potential partners while in some, the personality of the Bupati leads to a stronger involvement of RPOs in the decision-making process and the different activities related to agricultural development.

157. Thus, when the problems raised by advanced RPOs are not strictly technical and need to be directly solved through negotiations with local government, this can lead to different outcomes. In the best cases, local district assemblies or the district head can invite them, in other cases, they organise demonstrations, protests and go to see local policy decision-makers themselves, or even they turn into confrontation.

158. However, in most cases, the absence of recognition of RPOs as partners and the continuing top-down behaviours leads to public services unable to fit with rural producers real needs and demands. There is still a lot of progress to be made. It starts from improving the staff capacities and awareness and extend to developing operational plans in common with RPOs (and not only KTNA).

Influence of local government leaders

The district of Magelang is often considered as an outstanding one: the Bupati has a strong personality and a strong will to help farmers. This district thus gives an image of one of the “best” probable state of relations currently existing between RPOs and local governments. It is interesting to look at but do not represent the majority of cases. The local government, along with the agricultural services tries to provide support to RPOs by training Farmers’ groups (through the old Kelompok Tani system), by supporting the activities of Training centres (P4S) designed and managed by advanced farmers (often leaders in KTNA organisation), by inciting farmers groups to build stronger links with product buyers, investors or processors.

Farmers’ groups and local farmers’ associations can access financial support from the local government budget, can be helped to access bank credit, receive technical information from extension workers or are provided contacts with potential buyers, investors by officers of the local government services.

RPOs are sometimes invited in the “decision-making process”. Examples concern situations where decisions have been made by local authorities to support a specific production. In these cases, representatives of the RPOs working with the concerned production are invited to give their opinions on technical aspects such as the type of seeds or inputs that will be bought for the activity. RPOs representatives are not invited, though, to participate to the discussions that lead to decide which production should be supported and how. Invited RPOs are mostly commodity associations. The persons invited are the leaders who are advanced farmers. In the case of Bina Swadaya, it is the local field officer of the NGO that is invited, not a farmer.

An interesting point is the fact that the local government sent extension workers to be trained by farmers of IPPHTI.

In other districts, it seems that the relations of RPOs with local government are mostly limited to top-down extension activities or to the consultation of local population through administrative officers at the different levels or to the consultation of KTNA or HKTI leaders who, according to
several government officers, do not really represent farmers’ interests. Promoting association building, supporting RPOs activities or consulting with them for decisions, may it be only technical, is not common practice.

Among government administration officers, the word “empowering” is often used without reference to a real improvement of rural producers’ capacity to become strong social partners. And the word “facilitation” of RPOs emergence is often used to speak about “motivating conditions” with funding schemes in which access to fund is conditioned by the formation of a group, association. With a few exceptions, government administrations have not yet shifted their perceptions of RPOs to consider them as equal partners. Their activities still focus on top-down processes, and still rely on advanced farmers, leaving thus most poor rural producers aside.

In a nutshell

Most government administrations do not consider RPOs as equal partners. Their activities still focus on top-down processes, and still rely on advanced farmers, leaving thus most rural producers (especially the poor) aside.

Consultation of local population is done through the administrative officers at the different levels or through the consultation of KTNA or HKTI leaders who, according to several government officers, do not really represent farmers’ interests. Promoting association building, supporting RPOs activities or consulting with them for decisions, may it be only technical, is not common practice.

There is still a lot of progress to be made. It starts from improving the staff capacities and awareness and extend to developing operational plans in common with RPOs (and not only KTNA).

Agricultural services and RPOs

159. We present here a brief review of the range of activities government services (Agriculture, Plantations, Information et Vulgarisation) implemented in relation with RPOs in the different district visited. More details are available in Annex.

Extension

160. The recommended techniques originate from research bodies (through BPTPs) and are usually decided by agricultural service officers without participation of RPOs. Field activities and technical advises may also be funded and designed by private companies who then use extension workers to promote their products among farmers. Extension officers acknowledge that they are more effective when commodity associations that emerged directly from farmers come directly to them to require technical advice.

Facilitation of RPOs construction

161. The traditional way to promote RPO building goes through credit or fund access. Different procedures exist in which farmers or villagers are informed that grouping together can help access credit or investment budget. They are helped to identify a project, to write it down and to present it to a bank or to a specific fund or program (P4K for poor farmers, KPD for villages). As is often the case in such scheme, it is very likely that farmers groups induced in the process can not sustain a group activity beyond the mere necessity to access funds.

162. Some agricultural services consider that they provide incitation to the emergence of RPOs. Extension workers sometimes promote the idea of building commodity association with farmers and explain to farmers what is the role of an association leader, an association secretary, etc. They often admit that such induced RPO only remains as a group if the extension worker pushes them to meet regularly.
163. In other cases, agricultural services have provided direct investment for equipment to KTNA members hoping it will foster the development of groups or association to collectively manage the equipment. However, results are disappointing.

164. Often these efforts lead to the emergence or strengthening of organisations lead by already advanced farmers who organise other farmers to collect bigger quantities of product and who deal directly with buyers. They have access to market information, contact with local officers and sometimes also involve in selling inputs to farmers of their associations. Local officers recognise that there is a very strong risk that these association leaders take advantage of the situation in disfavour of the other poorer farmers.

165. Furthermore, most activities remain rather top-down and paternalistic: farmer groups are used to facilitate extension activities, to disseminate information from officers to farmers (from “those who know”, supposedly, to those who are considered “not to know”), or to improve product collection through some forms of contract farming.

**Farmers link with market**

166. In several districts, agricultural services focus on developing better links between farmers and product buyers. They facilitate the contact between possible investors (or buyers) and farmers. The existence of an existing farmer group makes it easier, but in the case no group exists for the commodity the investor is interested in, agricultural services may motivate farmers (advanced farmers especially) to build one in order to be able to get a contract.

167. Farmers within such association may gain from a facilitated access to market, but no real empowerment, awareness or self-confidence and management is achieved. This can generate situations favourable to an unfair exploitation of farmers by leaders or buyers controlling information and contracts as indicated above.

**Access to information**

168. Some agricultural services can provide training costs for RPO members (including outside of province). In the best cases, the request for training originates from RPOs themselves.

169. In Jember, the plantation crop services plan to build up local “participatory information centres” on tobacco. Located at sub-district level (not at village level because of a lack of fund) they would provide farmers with updated data on tobacco prices, market demands, techniques, area planted, etc.

170. In this initiative however, the word “participatory” indicates that information will be provided directly to farmers. As of now, no direct involvement of RPOs or farmers had been planned in the management of these centres or in the choice of data to be disseminated. This may change since the system has not started yet and there is already a request from APTI to be more strongly involved in the process through the creation of a common management board including farmers.

**Relations with advanced RPOs**

171. The relations with advanced RPOs show what could be interactions between farmers’ organisation build by farmers, for farmers and officers from different services.

172. In some cases, they directly facilitate the activities of RPOs by providing funds and facilities for their meetings. It happens also that agricultural services may not have the possibility to answer RPOs demands. This is particularly the case when marketing problems or policy issues are at stake.
In a nutshell
Activities of agricultural services in relation with the empowerment of RPOs range from traditional field activities to more institutional building such as helping organisation to form in order to gain access to information, discuss with traders.

For most activities, though, farmer groups are conceived with a descending one-way point of view (to facilitate extension activities, to disseminate information from officers to farmers, to improve product collection, etc.). With very rare exceptions, there is no procedure providing opportunities for farmers or RPOs to influence agricultural services activities (for instance, it is not the farmers who choose the technical topics for extension).

However, extension officers acknowledge that their work is always more effective when RPOs, that emerged directly from farmers, come directly to them to require technical advice. An important problem is that, extension staff often lacks the necessary skills to work as effective facilitator providing services enabling the blossoming and strengthening of RPOs. The emphasis is on “empowering”, while it should be on “providing favourable conditions for empowerment”.

Working with advanced RPOs is a factor of change in extension workers perceptions but remains still limited to specific areas and commodities. In this case, agricultural research and extension services strive to be more client-responsive.

Research and RPOs

173. In this section we present the results of interviews on the current state of the links between RPOs and agricultural research and extension conducted at AIATs (Assessment Institutes for Agricultural Technology).

174. The inclusion of formal farmers organisations beyond the traditional level of farmers group has to be started yet. In West Java for instance, AIAT field staff work with farmers groups called “assessment collaborators” besides the existing traditional farmers groups. Usually, most of the “assessment collaborators” belong to KTNA. KTNA is acknowledged by AIAT as a farmer organisation that represent the interest of the more advanced farmers.

175. Little links have been established with farmers’ organisations beyond the village level. Only recently did AIAT staff contact the local dairy cooperative, though some AIAT assessment collaborators belong to the cooperative. The reason invoked was the need to ensure accurate technologies were available before contacting this cooperative. Altogether at field level the way AIAT staff work with farmers has improved with more participatory tools used. However, the general approach remains essentially top-down as indicated below.

Involving farmers in participatory research: still a top-down process

176. AIAT Lembang classifies West Java province agro ecology into three priority agro-ecological zones (AEZ): Irrigated rice lands, Dry lands, and Highlands. For the Highlands, technology assessment aimed at the promotion of farming in hilly areas.

177. Within the defined AEZ, a village is selected after checking with local authorities and agricultural services the characteristics of the various districts and sub districts included in the AEZ. Contact with the selected village is then established with the help of the local extension worker, the village elders and spokespeople (“tokoh masyarakat”) and existing
farmers groups. The AIAT field team perform a multi-purpose rapid rural appraisal in order to identify the problems of the farmers they could provide solution to.

178. In the case of Alam Indah village, Ciwidey sub district, Bandung district, two main issues were identified: the production of bio-pesticides for vegetable production and the production of animal feed at local level for animal husbandry purpose. Farmers were asked about their willingness to participate as groups of collaborators. Priority was given to a limited number of group to start. Selected farmers have characteristics such as capacity to diffuse innovation, willingness to cooperate. They are in large number KTNA farmers. Activities include demonstration plots, field days where farmers and other stakeholders are invited.

179. Although farmers input is actively thought after, this process still reflects a largely research oriented and research led approach. While significant results have been achieved in terms of informing and socialising technology including some cases of adoption, rare are the cases where farmers have been able to handle themselves the process of problem identification, self-organisation and research planning.

180. The AIAT in Jogjakarta organises socialisation meetings to present its planned activities. Agricultural and extension services along with NGOs and farmers are invited to these meetings. Their intention is to present possible techniques and to have farmers decide which of these they want to try and use. The farmers present to these meetings are also KTNA members.

181. It seems that this AIAT would like to strengthen agricultural development by working more closely with farmers. However, the vision is again still on disseminating information to farmers, i.e. on a descending approach where farmers are recipient of knowledge, information and techniques devised by upper bodies.

182. In this view, RPOs are seen as useful bodies to facilitate the dissemination process: they help go beyond the diversity of farmers’ situation through key farmers. There is almost no research or extension activity decided by farmers and based on their demands.

183. The lack of trust from farmers towards official services limit the extend to which RPOs development can depend on BPTP or extension workers activities. Besides, the opinion expressed is that research and extension officers are either lacking of adequate technical knowledge, which leads to a lack of self-confidence and thus avoidance of contacts with farmers or they are too proud of their knowledge to go down and discuss with farmers.

184. For both AIATs, research and extension activities need to be more assessed and made more adapted to farmers needs, as acknowledged by AIAT staff. However, there is still a long road to go and in such context, a potential role for BPTP in terms of RPOs empowerment is still beyond reach.

185. More generally, there is a need for the extension services in relation with research and government officials to develop, refine and socialise a shared vision of RPOs in Indonesia in relation with the development of the agricultural sector from all levels, not from the leaders of the central organisations.
In a nutshell

Activities of research bodies regarding the empowering of RPOs have very similar characteristics and shortcomings as those of government administration.

Looking at AIATs activities, it appears that there is still an important gap between the ideas advocated and the real actions. On one side, the importance of farmers’ participation, empowerment and the potential role of non-governmental RPOs are recognised. But on the other side, projects do not elaborate actions to work with farmers’ organisations as a key component and AIATs mainly use descending approaches where farmers are recipient of knowledge, information and techniques devised by upper bodies.

RPOs are not seen as partners but rather as useful bodies to facilitate the dissemination process: they help go beyond the diversity of farmers’ situation through key farmers. There is almost no research or extension activity decided by farmers and based on their demands.

Besides the capacities and commitment of research and extension officers needs is often questioned by research administration themselves. There is a strong need to assess the adaptation of research and extension activities to farmers needs, but so far no satisfying procedure to involve farmers and their RPOs has been set up yet.

2.3. Projects review case studies

ARMP II

186. Although the rationale of the ARMP II project was to “generate, test, and integrate location-specific technologies based on farmers’ needs and circumstances” through decentralisation of R&D, reorganisation did not directly nor implicitly focus on producer organisation.

187. The review of the Staff Appraisal Report shows that the concept of producer or even farmer organisation is not used. At best farmers’ groups are mentioned, separately from the so-called community or bically-based organisation, reflecting the prevailing idiosyncrasy at the time of the proposal.

188. In project’s assessment documents, there is little information about the links between the research system and farmers organisations. Farmers are usually referred to in a generic way and either considered as individuals belonging to a category, or at best under the global term “farmers groups”. This is not surprising since the design of the project itself did not really focus nor emphasize the work with farmers’ organisation as a key component.

189. Among the lessons learned however, some could be used as inputs for a reflection on the emergence of farmers’ organisation. The first one relates to the interest shown by farmers in farmer-to-farmer exchanges as a way to learn from each other. Second, practices are more widely disseminated when they are integrated into a small business enterprise framework.

190. With the closure of ARMP II, there is a rising concern about the future of agricultural research in Indonesia. “The overall support to research and development in this country is one of the lowest in the Asian region” as stated by the World Bank (Second Agricultural Research Management Project, Final Supervision and ICR mission report, December 2002). Since ARMP II provided more or less 7 million dollars to agricultural research during seven years, the future capacity of research to keep working, and in particular to work with farmers in the field of technology innovation and transfer is questionable.

21 For more detailed information of ARMP II, refer to Annex 4.2.
In search for possible directions to provide further support from the World Bank to agricultural R&D, the concept or the idea of FEATI (Farmer Empowerment through Agriculture technology and Information) was born. Some of the lessons learned from ARMP II may have influenced the pre-conception of a FEATI proposal, in particular the fact that:

- Testing and validating technological innovations in a participative manner make them more likely to be useful and adopted
- Farmer-to-farmer exchanges are effective mechanisms to improve technology introduction
- New production practices are better adopted when linked to commercialisation of output

This helps understand why FEATI and by extension the RPO component is mainly seen as an activity to be managed within the Ministry of Agriculture: RPO development is seen a priori as an instrument to ensure a sufficient level of funds directed to agricultural research and development after completion of ARMPII and DAFEP.

**DAFEP**

The Decentralized Agricultural and Forestry Extension Project (DAFEP) aims at enhancing the farmers' capacity to participate in extension activities, and at improving integrated agricultural and forestry extension system at district level to promote economically viable, environmentally sustainable, and socially acceptable farming practices and increased farmers income.

The underlying concept of DAFEP is to empower farmers so that they become able to define their own extension needs and to provide them with some funds so that they contract the services they need as long as these relate to a learning process. It operates through the village UPKG (Unit Pengelola Kegiatan Gabungan: Unit for Management of Joint Activities). This is an organisation that is set up at the village level (one per village) at the request of the DAFEP extension worker in order to benefit from DAFEP support.

The concept seems appropriate to empower farmers since it gives them the feeling that “they are treated like human being (“dimanusiakan”) in the sense that they are no longer told by someone else what they have to do.

Somehow UPKGs may become roots for emerging RPOs (as defined in the first phase report). The concept is potentially successful for that it gives farmers more confidence in them, confidence that is directly and ultimately supported by entrusting them with some money to be used as they define it. There are still risks of dysfunctions as evidence more generally by the Overview Draft Report on “Findings from the Second Indonesian Local Level Institutions Study” (2002). UPKGs are not immune from the well-known problems linked with the establishment of collective institutions in Indonesia, such as diversion of objective and funds, corruption, graft. One of the main criticisms perhaps to UPKG scheme is that it relies on the distribution of money in one of the most corrupted country in the world (Indonesia is ranked among the three most corrupted countries worldwide along with Bangladesh and Nigeria). The fact that the local extension worker supervises the functioning of the UPKG is less than an absolute warranty of transparency and good governance.

---

22 For more information on the analysis of DAFEP refer to Annex. 4.3
In a nutshell

The DAFEP intends to promote a new vision of extension services through the empowerment of farmers as contractors. Village Units for Management of Joint Activities make the institutional set up to achieve this goal. So far, results are mixed:

- the concept seems to fit with farmers empowerment since it gives participants more confidence by being treated as responsible individuals
- success is very strongly associated with the personality and vision of the local leadership
- many units exist on the paper but are not operating effectively as expected, or they tend to reproduce the traditional top-down non participatory pattern of the farmer groups
- Some UPKGs may become roots for emerging RPOs under following conditions:
  - they operate genuinely as organisation where farmers interests are democratically defended by their elected representative
  - they link with BPDs so that the latter can ensure the accountability of the UPKG leader
  - they receive support to develop beyond the village limits

2.4. Opportunities: farmers awareness about the need to act as groups

197. The strict control over farmers’ groups and the automatic or compulsory membership to government-promoted groups (Kelompok Tani or KTNA) have made the farmers cautious in establishing organizations even after 1998. In the KTNA, a government-led farmer organization created in 1971, each farmer is automatically a member, and leaders are generally chosen by the authorities among what they perceive as the “best farmers”, “the most advanced farmers”, i.e., the ones who are the most ready to comply with the government’s agenda. Hence farmers have inherited a perception that groups are in most cases created in order to manipulate them and not to serve their interests. However, for some issues regarded as crucial (irrigation management, fertilizer supply, access to a forest or lands, access to a market), farmers have worked in groups. Even before the liberalization in 1998 and despite the risks and difficulties, there are three specific domains they have tried to handle together as indicated below. These domains are considered as a good basis or opportunities to raise farmers’ awareness on the benefits of working together.

198. MARKETING: For several years and particularly since BULOG discontinued to buy agricultural products, farmers have realized that they should deal directly with the marketing of all their agricultural products. The government sharply reduced its intervention in agricultural products trading and price setting. The farmers understand that they have to face the global market. They have less protection against importation and no more support for exporting. They become very dependent from the collectors or traders. To get better prices they try to get as close as possible to the consumers or the exporters. The farmers then try to form a group for collective selling of their product in larger volumes or to find ‘intermediaries’ who will negotiate with the traders on behalf of the farmers. An increasing number of farmers form groups for selling their products together. Besides, they are no longer compelled to join KUD to sell their products. This trend can be observed in all production type like food crops, tree crops and livestock. This phenomenon is very positive for the creation by farmers of organisations dealing with specific commodities for example for marketing, extension, research, and negotiation.

199. The case studies (see Annex) indicate that two factors limit the emergence of RPOs for linking farmers with the trading segment: negative producers experience with cooperatives and trade groups, and reluctance of traders to deal with organised farmers who might threaten well-established dominant position in the marketing system.

200. Hope relies with new types of traders who seek for agreements with organised farmers to ensure supply of products for specific markets.
201. **Advocacy on Land Tenure.** The decentralization has transferred a part of the responsibility on land use planning and management to district level. During Soeharto's era, the land reform issue was suppressed by the central administration. Protests on land policy were organized sporadically in specific areas where the problems occurred. It was not structured. The transfers of responsibilities from the government to the state-owned institutions with lesser control from central authority and the ongoing decentralization have shifted the conflicts to district level. The conflicts are often handled locally, sometimes by asking support to local police forces or local militias. They are not necessarily less violent than before, but the protagonists are nearer and known to local people with a real negotiation power. Since the beginning of the 90s, the farmers themselves or with support of local NGOs assemble to claim what they consider as their rights. They realized that in groups, they have more power in claiming their rights. They also recognize their lack of information and negotiation skill. They ask the NGO or facilitators to assist them in collecting information or in negotiating.

202. **Natural Resource Management.** The ongoing degradation of natural resources (soil fertility, forest, erosion, contamination of waters) and the progressive withdrawal of government from natural resource management (illustrated by its incapacity to solve the problems) have led farmers to realize that they had to take up this task. Still, they turn to local government for support in handling natural resources management. As for the case of land tenure issues, it is often the local NGOs (like LATIN or FAS - Forum for Justice and Welfare Foundation) who support the farmer organizations to prepare and to defend their claims over natural resources. The mobilization around these issues is very strong because as producers, farmers witness the degradation of their production conditions or natural resources, while they feel that they don't receive a fair share of the benefits of this use of the resources or an adequate compensation. This brings a strong motivation to form organizations to defend their interests.

203. After a few years, farmers that have regrouped and the NGOs who support them recognize the need to create new services to support their activities such as purchasing and selling activities or collective production (seeds, nurseries, etc.) and small-scale credit. The NGOs and RPOs that were interviewed conveyed this need. The development of new activities witnesses the dynamism of farmers when their environment is favourable. This dynamism paves the road to larger more structured organisations.

2.5. **Constraints: top-down attitudes of external stakeholders**

204. **“We Know and They Don’t Know”**. For 30 years, the role of government services was to give directives to the farmers and to transmit decisions made by the central power. In agriculture, the government still tends to consider that the role of extension agents is to provide instructions to the farmers about how to manage their production. In order to justify this domination, government extension services worked under the hypothesis that farmers' knowledge and practices, based upon tradition and empiric in nature, were backwards and inefficient. Farmers were supposed to change their practices by adopting “scientific”, “modern” methods of agriculture, based on standard packages of selected varieties and

23 « there were many thousands of land disputes across the country, each was essentially a specific, hence isolated, ‘case’… organizing on land disputes took the form of a proliferation of small groups, whether NGOs, student groups, or groups of peasants and landholders themselves. There was a great deal of very effective networking among them, but the overall pattern was characterized by ad-hoc, informal, underground and semi-underground methods. Unlike in the 1960s, when associational life in rural society consisted of large, cohesive blocks, the associational efforts of the 1980s and 1990s are better imagined as forming a kind of spiderweb, faint to the eye, but nevertheless remarkably resilient”. Civil Society and Democratization: from aliran struggle to civil society in the countryside of Indonesia. Draft communication Edward Aspinall 2002 p038

chemical use. Farmers who questioned these recommendations were intimidated by being publicly made feel backwards, ignorant or even stupid.

205. In relation to this dominating pattern, many farmers adopted a pattern of silent resistance, accepting the instructions of the extension services without questioning them in appearance, and submitting themselves to this top-down pattern rather than trying to challenge it openly. During the interviews, farmers often said that "they know and we don't know", reflecting the extension agents perception of “we know and they don’t know”. They followed the instructions of the extension agents partly, where it suited the local ecosystem and socio-economic conditions. This was the case in most of the irrigated rice areas of Java and similar rice bowl areas. In other areas, where the government’s recommendations did not lead to significant increases in income, farmers rejected them, even at the risk of being accused of backwardness.

206. For this reason, farmers did not develop trusting relations with the extension agents, and did not necessarily rely on them for assistance. For assistance, farmers turn to other people or organizations they trust and that have shown the capability to assist them. Sometimes it turns up that assistance comes from government agents. In this case farmers regard them not as government representative, but as individuals or facilitators to deal with the government services. For that reason, not all extensions agents should systematically become facilitators, only selected individuals with required skills and trusted by the villagers, unless a true participatory paradigm modifies the mandate and behaviour of the extension workers, as it is the case in the IPM training programme. Indeed, IPM TP (Integrated Pest Management Training Programme), shows that once extension agents are trained and entrusted by their employer with a role of facilitators, they are usually able to do it. As long as the dominant paradigm is “top-down”, only a few extension agents will become facilitators at their own initiative.

207. Farmers feel like they lack a number of skills and understanding of the legal framework needed to negotiate with external institutions. Hence, tend to call for assistance to facilitators, NGOs and students, to defend their interests. This may however make it difficult for a potential leader to emerge within existing groups, since leadership seems to be ensured by the supporting facilitators. It is a general weakness for the emergence of a RPO that were actually directed by its members.

208. **Weakness of the ‘Vision’.** The consequence is that the ‘kelompok tani’, the cooperatives and most of the RPOs that were interviewed have an incomplete vision of what they can achieve or ask for. Besides, their isolation reinforces this situation. Often, under specific conditions owing to a reliable private individual (APTR, APTI, UPKG Magelang) or government service agent (SAE Susu, Kopi Robana or some NGO/ private institutions) the farmers become aware that, as a group, they acquire an initiative or proposition force. This vision doesn’t come out spontaneously. On the contrary, it often happens too, that the NGOs or the private institutions maintain this dominated position by claiming to defend the farmer’s interests while excluding them in the process. The intention is to keep their influence over the farmers group and to control the evolution of its organization.

209. **Bargaining Positions**: Since farmers groups mostly operate within the limits of a village or even a sub-district they may not give their members enough power to negotiate with the

---

These remarks can’t be applied to farmers that are integrated in the structure of KTNA. These farmers were selected because they are considered as ‘advanced farmers’. They gain benefits of technical, material and financial support from the government services. It then allowed them to develop another business beside their agricultural production activities. BPTP and the extension agents then oriented their missions around these advanced farmers. During the interviews, it is obvious that often they are the only farmers who received government support (refer to Rice mill cooperatives section. It was also the case for the president of the Apple Coop, the president of the Coffee Coop, the KTNA representatives in Lumajang district).
traders. They mostly deal with collectors who have themselves a limited room for manoeuvre. However, all groups acknowledged their need for information about market organization and prices. The current lack of information brings about rumours and leaves farmers unconfident when dealing with traders. They expect some ‘protection’ from the government to face the traders, and they prefer to ask facilitators to make contact with traders.

210. **The lack of awareness and acknowledgement from government authorities.** During the Soeharto Era, there was no room for the development of organizations that were not under the control of the government. The government considered all organizations at the village level (in particular kelompok Tani, and KUD cooperatives) as instruments in policy implementation. Since the start of decentralization, the power of the existing local authorities has been strengthened but not the emergence of other local powers. From farmers point of view, the effect of this decentralization on their everyday life is not always sensible and if it is not always positive as witnessed by the Programme “Partnership for Governance Reform”. This may prevent those organizations to try to influence local policies and keep them depending on external individuals who care (or care not) for defending their interests. However, while in general acknowledgement of the community organizations and awareness of their power by local government is uncommon, the situation in Indonesia is rather complex and varies from a place to another. District regents (Bupatis) whose offices are permanently under the siege of demonstrations organised by farmers organisations, or estate crop firms whose buildings or equipment are invaded or destroyed by the farmers may become very much aware of the power of local rural communities. Elsewhere, in East Kalimantan, the government has issued a decree stipulating that all logging companies have to pay an ‘adat tax’ to the traditional rural communities.

211. **Functioning means.** Only a small number of farmers groups have expanded beyond a simple group at village level. The financial or management problems that farmers’ organisations often face are actually only small parts of the real problem. Many groups, when asked why they don’t gather with other groups having the same problems say that either they never thought about it or if they did, they had no means to do it. It is not their first concern, but this problem exists (or is already indicated) and will be the first obstacle to any activities. In the case studies about IPPHTI and APTR (see Annexes for full details), strengths and weaknesses specific to these organizations are highlighted, but they also can be found in many other RPOs all over the world.

212. **As a conclusion, for RPOs to emerge,** the first problem to be solved is to move out of the top-down, dominating pattern of relations that still prevail between the government services and the farmers. Farmer groups need time to gradually develop their own vision, and may benefit from the support of adequate organizations to achieve this. During the interviews, farmers expressed interest in these matters, which indicates that adequate support could help them to become more autonomous in handling their concerns and interests. The experience of the IPM-TP shows that it is totally possible to move out of this dissymetric pattern and to evolve towards real partnerships based on mutual respects and trust between farmers and extension agents. The IPM-TP worked under a totally different paradigm than the prevailing extension’s one. The basic paradigm of the IPM-TP is to empower the farmers by recognizing that they have the capacity to learn and become experts in the management of their own agro-ecosystem. Therefore the extension agents are facilitators in a shared

---

26 For instance in the agrarian reform sector for which farmers have a « vision » : « In the rural sector, new NGOs formed and there was a rash of seminars and conferences to discuss issues of agrarian reform (Lucas -and Warren- 2000, 227). The most striking development, however, -was the rapid expansion and formation of peasants’ unions (serikat petani). Usually formed on the basis of the subterranean networks established during land dispute campaigning in the preceding fifteen years, several dozen such organizations were formed or declared themselves openly for the first time. In some cases, they quickly swelled into organizations able to mobilize large numbers: for example, a Lampung Peasants’ Association was launched at a mass meeting of 12 thousand farmers; in March 2001 (Kompas, August 20, 2001) » in Civil Society and Democratization: from aliran struggle to civil society in the countryside of Indonesia. Draft communication Edward Aspinall 2002 p 44
learning process. Farmers members of Farmers Field Schools developed within the IPM-TP indicated how liberated they felt by this change of paradigm. They complained that the traditional, top-down extension agents made them felt ignorant and silly, and forced them to abandon some traditional practices (for example the use of insecticides made of local plants), while the IPM-TP encouraged them to learn from these practices and share them with other farmers. Extensions agents also felt liberated and empowered, since they discovered that once they acquired the skills for facilitation, it was much more enjoyable for them to help organize a shared learning, observation and trial process rather than to repeat a standard set of “orders” to an apparently passive, silently resisting class of farmers.

213. Some experiences within the current DAFEP seems to fit with this observation, however still on a limited scale. Farmers who participate in the project have notices some changes in the attitude in the extension workers that have made them responding positively. They welcome the approach giving the farmers a more important role through the UPKG and farmer-managed activities since they feel treated as human being (see review of DAFEP and interview of key respondent in the related annex).

2.6. Deriving principles for the sustainable empowerment of RPOs in Indonesia

214. In addition to the general principles exposed in Chapter 1, the review of the case studies presented in section 2.1 and the analysis of opportunities and constraints developed in Section 3, lead to propose some more specific principles to guide the empowerment of RPOs in Indonesia. Some basic principles are presented first, followed with implementation principles.

2.6.1. Basic principles

215. The first basic principle is that RPOs have to discuss and decide on the content and the agenda of any empowerment program. In order to ensure that such a principle can be applied it is necessary to prepare different forum in which RPOs members can debate on what kind of empowerment they want, and how they want to be “empowered”. In this process, training, discussion and facilitation will be key factors. A pragmatic approach is required in order to avoid standard models and to take into consideration the diversity of cases and elaborate from them. Multi-stakeholder forums, as in the case of the Partnership for Governance Reform Programme are a means to set a conducive environment for the development of farmers organisations.

216. “Farmer organization empowerment program” have been developed elsewhere for several years. They are characterised by a “bottom up” approach and by programs constructed step by step. The funds allocated are very flexible. It’s for example the IFAD program in Cameroun, Agriterra in Philippines and Benin, FAO in Senegal, World Bank through PSAOP project in Guinea, Bukina Faso and Mali.

217. The second basic principle is to help RPOs to become progressively self-sufficient, provide services and develop their membership. RPOs need funds to function, to develop services for their members. No RPO is self-sufficient in its infancy. However, receiving funds from outside create dependence. It will be needed for the RPOs to:

- Develop and sustain services to keep good level of membership
- Generate income to cover functioning expenses
- Put into operation member contribution based on production traded
- Create collective economic activities
218. **Third, the cost of “democracy” has to be assumed.** Empowering RPOs requires a large consultation process, which is costly to set up and sustain. Thus, means must be tailored to the further capacity of the organization to assume the costs in the future. Any empowerment strategy must therefore operate on “sustainable” assumptions making possible for the organization to further bare the cost of democratic process. This does not mean that all decisions must be discussed extensively, but the strategy of the organization and the process to establish it must be as broad as possible.

219. **Fourth, the process of RPOs empowerment is a separate activity that has to be dissociated from any support project to government research and extension services.** However, success will depend on actions undertaken also to change the paradigm of government services toward farmers and RPOs, since case studies show that there is still a lack of awareness, recognition and understanding concerning farmer organisations in Indonesia by government officials. The idea of combining the empowerment of RPOs as a way to strengthen agricultural research and service within a same project approach will be counter-productive.

220. Our analysis of DAFEP appraisal document indicates that so far extension workers will not be always the most accurate candidates for facilitating farmers’ empowerment through the emergence of genuine organisations. However, when conditions are favourable, they could actively support this process. The systematic recourse to extension workers should be thus avoided and only a careful selection on an individual basis should lead to the active involvement of extension service staff in empowering farmers through the emergence of organisations.

### 2.6.2. Specific implementation principles

221. A first implementation principle is to rely on the existing leadership and networks within RPOs. This is essential to foster the capacity of people to address the problems they face. Their emergence should be facilitated and, once present, actions should be based on them. The case studies show that organisations such as IPPHTI, or APTR, that NGOs such as LATIN or Bina Swadaya have developed to a stage where they can handle empowerment and become a key partner in the decision making process.

222. Second, when problems extend beyond the scope of the local community, (for instance dealing with parties outside of the village) then “a capable facilitator becomes instrumental”. This means that empowerment of farmers and farmer organisation at the required scale will rely on the capacity of skilled and committed external agents. IPPHTI again witnesses this fact, as well as the Programme “Partnership for Governance Reform” or the Water User Associations.

223. **Third, beneficiaries of the empowerment actions control the use of funds and resources** to ensure that implementation works effectively and efficiently. Information on budget expenses and resource allocation must be made available and verified by an independent and trustworthy body. Furthermore, rule enforcement has to be supported by clear sanctions to prevent leaking and graft.

224. Fourth, though progressive leadership is almost always a guarantee of success today, it entails the intrinsic risk of failure of the future, if the members heavily and solely depends on
the vision of a dynamic and committed leader. Thus, empowerment of members is as important as the identification of true leaders.
Chapter III. Visions on RPOs empowerment

3.1. Current Visions from various stakeholders on RPOs’ future

225. The following section illustrates the vision of various farmers organisations about their future, as well as the vision other institutions (government services, research and development, private sector companies) have about their relations with RPOs in the future.

226. Each RPO has its own vision on what it would be in the future, how it may evolve and what it needs to reach it goals. However, two main types of vision can be found among RPOs: a rather limited vision shared by most RPOs, and a rather farseeing vision found among a few advanced RPOs.

227. Most RPOs (the small or recent RPOs, or the RPOs under some NGOs guidance) have a rather limited vision, bound to solving the problems for which they were created. Their scope of interest is often confined to their immediate surroundings. They have no real ambition as they don’t know whether others are facing or have experienced the same problem elsewhere, or because they don’t have any knowledge, means or willingness (because they feel weak or dependent) to search for solutions beyond their immediate environment. For that reason, they are often dependent on the assistance of facilitators.

3.1.1. Advanced RPOs visions (refer to Annex for detailed case studies)

228. The advanced RPOs (those with experience of large-scale action and, sometimes, multipurpose activities) such as IPPHTI, APTR and APTI consider that RPOs have two main roles: (1) helping rural producers build their own abilities and self-confidence, and (2) providing the link and the leverage to work with other stakeholders such as local and national governments or traders and processors. They realize that to continue their actions they have to (i) keep aware of and fill the needs of their base member in order to maintain an active membership, especially through training and developing various services, (ii) develop sustainable and independent means of functioning and (iii) reach a national scale.

229. The “vision” of RPOs with experiences and/or organized at a national level is less related to “outreach” than to reinforce their position “vis-à-vis”:
   - their members, by strengthening theirs capacities, awareness and self-confidence, and, by the way, increasing their commitment and efficacy;
   - the local, regional and national authorities with the aim of being recognised and accepted as a partner in the decision making of policies. They want to be recognised as “the voice of the farmers”, and be consulted before decision about agriculture and more broadly, rural life;
   - other stakeholders of concerned commodity chains, with a similar aim as in the previous point in order to lift members interest and benefits beyond the sole production activities and concerns.

230. Besides they are aware that the question of the sustainability of their organization (training, operational finance, information system, commitment) is important and should be ensured in an independent way.
3.1.2. “Local” RPOs visions (refer to Annex for detailed case studies)

231. Membership of many local RPOs encountered during the fieldwork (for instance Coop ROBANA, Apple producers group in Malang, Kelompok Tani “KTL”, “STL” or “SBL”), was usually limited to farmers from one or a few villages in the same sub-district. These RPOs stemmed from farmer groups (usually Kelompok Tani). Their ambitions are limited to finding solutions to the initial problems for which they were founded. Their most frequent request concern information and training related to the problem they try to solve as a group.

232. This is due to the fact that they are still in the initial stage of their understanding (or awareness) of what can be the benefits of a farmers organisation, or because they count very much on the help from external parties in solving the existing problems (asking for assistance to KTNA, to extension services or NGOs). Most of them do not envisage expanding their action outside the actual groups. The absence of reference concerning other RPOs prevents them from anticipating their evolutions.

233. These small and/or young RPOs seem to have a limited “vision” and ambition. They expect a lot from “outside” (government, private or NGOs services). As the case below illustrates, even when a member of a kelompok tani gets support and is able to increase his skills, knowledge, network of relation and economic welfare, it does not make him leader.

---

Technical skills and welfare does not make you a farmer leader… yet.
This is in short the story of Pak A. a vegetable farmer in Lembang.

Pak A. is a young wealthy ex-landless farmer. He rents several hectares from a landowner with a fixed amount paid each year, on which he grows various crops. Go to Lembang and take a look at is “Tumpang Sari” system combining chilli and cauliflower on small plastic-covered mounds, or its tomato plots. Pak A. has now five workers who help him taking care of his plantations. Son of farmers, he is an active outstanding farmer belonging to the local KTHA (Hydroponics Farmer Group of Cibodas). He benefited from several training including IPM and worked as a wageworker with local projects experimenting various production systems in the area. With his contact farmer status he was given plastic foil at promotional rate with credit by a private company selling this product and willing to develop its activities in the area. Well endowed with skills and equipment, he lacked capital. Thus, Pak A. asked to a private company involved in commercialisation of vegetables with a secure outlet a venture with a 50-50 benefit sharing. Since Pak A. is every day in his fields controlling pests and diseases monitoring the growth of his crops, giving instructions to his workers, preparing seedlings and seeds, he presents all guaranties of seriousness and capacity and had no difficulties in obtaining capital. Often he has visitors, usually brought by an extension worker who knows him well. Farmers in buses visit him.

Before Pak A. was also member of a farmer group, but his interest in this group has subsided as his skills and economic welfare rose. It is not contempt; it is just that Pak A. operates at a different level; he has outrun the needs for a group. Pak A. could become an outstanding farmer leader: he has everything for that. He is experienced, he is enthusiastic about vegetable production, he has knowledge and access to market and information, many people recognise his capacities. But Pak A. is not interested. As he says, “I am too stupid, I can’t talk to people”. But still he is not afraid of the visit of dozens of farmers at once, he is not afraid to go for training or to contact a company for capital. It is just that Pak A. maybe to busy consolidating his economic situation (most of parcels he cultivates belong to a landlord) for spending time with the burden of farmer leadership. He may have his own opinion on the benefits of farmer organisations based on his experience so far and maybe not willing to mix with already established older leaders who are well integrated in the existing local system of vegetable production and trade. He may also lack the specific skills needed to become a leader: knowledge about how organisation works, what are their benefits, how to manage them.
KTNA vision

234. The vision expressed by interviewed leaders is mainly focused on marketing and commercial management. They proposed the following topics:
   o farmers have to be trained in business and management
   o farmer organization should be organised according to a commodity base
   o the main objective of farmer organization must be marketing of the product
   o Rural producers organization have also to create cooperatives (KUD), mainly for fertilizer marketing
   o But the state should provide the initial funds for the KUD
   o KTNA has not an advocacy vocation, but a facilitator role.
   o KTNA has his own training center which should be developed.

235. As it appears, KTNA’s vision is very similar to the vision expressed by government officials (KTNA seen as the main RPO to link with farmers, focus on commodity based RPOs and no importance given to advocacy). This tends to support the conclusion that KTNA has not managed to develop as an independent organization.

236. The role of KTNA in a future project for RPOs’ empowerment being discussed, this adds to the fact that KTNA represents the opinion of only few very specific farmers. It is thus proposed not to consider KTNA as one of the leading RPOs or as the RPO to link government and farmers but rather to consider it as one RPO among others.

3.1.3. NGOs vision

YPRI

237. RPOs can have two different aims and roles: one related with farming and production directly and the other dealing with social and political expression and participation.

238. Among existing RPOs a diversity of farmers exist, some are “pure” farmers living mainly on agricultural activities but more and more develop non-agricultural activities and have had experiences outside the agricultural sector. While the former might be interested in activities of RPOs related to agriculture only, the latter will pay more attention to socio-political participation and to matters that go beyond agriculture (electricity, roads…). Separation may occur, and dialogue and coordination should be made possible for them to avoid conflict or outsiders taking advantage of these conflicts.

239. Something similar is true on a broader scale in Indonesia when farmers associations and poor urban associations press for opposite decisions on rice price for example.

240. Existing and emerging RPOs are mainly negotiating with government representative. They are getting used to relations with government bodies. The new challenge for them in the future will come from the liberalisation process: more and more private investors and traders will intervene on agriculture and RPOs are not used yet to discuss and bargain with them. They will have to develop experiences on the matter to avoid being taken advantage of.

241. Other risks or challenge that RPOs will or must face in the future concern:
   o Their scope of activity: RPOs must go beyond local level to sustain a strong role both in term of economic efficiency improvement and in term of control and pressure on government bodies;
   o Their rural basis: land access is not secured for farmers and it is likely that exodus will accompany farmers’ selling of land thus weakening RPOs membership;
o Their inner organisation: RPOs need to develop real membership otherwise internal oligarchies will develop;

242. For more RPOs to emerge and to develop, NGOs, such as YPRI and its members, have a crucial facilitation role to play: facilitation at village level for training and awareness raising among farmers on the interest of building RPOs, facilitation through community organisation building and facilitation of a dialogue between the different types of RPOs.

243. For a new project on empowering RPOs to work, its organisation and implementation should be discussed at an early stage within a multi-sector forum before any action is started. If RPOs do not exist yet to participate in such forum, local hamlet leaders (RT, RW) should be involved.

Consortium on water user associations

244. The vision of RPOs by the consortium group interviewed seemed a bit limited to the development of WUA. Discussions focused on the difficulty to have the WUA movement spread to all irrigation areas in Indonesia because of opposition within the national government itself. Still, interesting views on the future or RPOs were proposed.

245. Concerning the conditions for RPOs to emerge and develop, they consider that the role of facilitation is crucial. Facilitation should be organised with independent facilitators hired for a limited period of time to train farmers and promote community organisation reflection and activities, as it has been done for WUA. This facilitation process should not be limited to irrigation aspects, it should be proposed for broader scopes or different topics.

246. Besides, because different types of RPOs are and will emerge with different views, a facilitation process would also be needed to facilitate discussions among them and to help them design an inter-RPOs coordination process.

247. As for WUA themselves, they consider that the role of WUA will become larger with time, going beyond irrigation to deal with agricultural price and crop choice.

BINA SWADAYA: vision for RPO

248. Traditionally there are many RPOs in the village, but with different type of name. According to Bina Swadaya (BS) the RPOs used to be called as Kelompok Tani.

o The RPOs, in BS concept, should follow some principles:
  o The RPO should serve their members.
  o The RPO should enhance participation in the decision making process (political process).
  o The RPO should maintain the sustainability (organizationally and financially).
  o The RPO should become “learning organization” which allowed them to adopt a new technology etc.

249. RPOs under BS structure are classified into category: (a) based on commodity and (b) based on area. In working with the RPOs, BS policy favors existing RPOs and avoids the establishment of a new one. BS is trying to develop a network among them in order to make them stronger.

250. Even though it claimed that farmer movement has already emerged from long time a go, (mitra cai and subak for example), but in many aspects, the farmer movement in Indonesia actually is quite new. Farmer groups are fighting for their own interest, there is no solidarity yet among the different farmers’ interest. According to BS, the NGO could be an agent of
awareness to faster the movement to make the farmer unite. NGO could be the trendsetter for the farmers. But, the NGO should be more proactive.

**LATIN : vision for RPO**

251. LATIN expresses its vision of farmer empowerment through a gradual process where the first step is to help the group to build their own vision, where they want to go, what is their common interest.

252. Then, a second step is “negotiation”; people have to define how they want reach their target. It is followed by information so that they better understand where they want to go, how they want go, and what they need to reach their objectives.

253. The fourth step is “organization understanding”. People need to know what organization, they want. Generally they know how to organize themselves at village level. But very few have an idea on what organization beyond village.

254. LATIN emphasizes also the principle of “farmer to farmer” contacts as the best way to induce changes and develop farmers’ capacities.

**3.1.4. Government institutions vision**

**Government administration and agricultural services**

255. The vision most actors from district governments and agricultural services have of the role of RPOs focuses on technical aspects: information, trade or credit. They do not consider a role for RPOs in policy decision-making and do not consider them as equal partners for the development of Indonesia.

256. This perception is changing (at least for some people). More detailed roles for RPOs as government officers perceive them concern:
   - information dissemination down to small farmers
   - strengthening of bargaining power and organisation of products selling
   - improvement of product quality and continuity
   - facilitation of contact with banks and credit sources
   - organisation of production

257. However, several government officers consider that, to be strong and effective, RPOs must focus on one specific activity or production not on all aspects otherwise it will not work.

258. Government and agricultural services officers consider they have and important role to play in the emergence and development of farmer organisations. They usually want to “motivate” and “stimulate”. Motivation and stimulation would mainly go through extension workers and focus on:
   - verbally promoting to farmers the interest of forming groups and associations;
   - helping groups of farmers or villagers write down projects to present them to banks or specific funds;
   - helping farmers to make contact with potential buyers or investors;
   - improving farmers knowledge (on technology) through existing RPOs.

259. A few also consider that the main problem of RPOs in their early stage of development is to support their own functioning expenses and, therefore, that the role of local government and services could be to provide funds and facilities for meetings or more generally for the functioning expenses of RPOs.
260. Some local government or agricultural services leaders are aware of need to design and develop new ways to interact positively with RPOs. For them, the perception local officers have of RPOs is crucial and very often, they say it should be changed so that all government and agricultural services officers would understand the importance of RPOs and how to strengthen them. They propose to organise meetings, discussions within and among districts leaders and officers, with follow-up decisions and funds to implement the actions decided on these occasions. Others also consider that the capacities of extension workers need to be improved so that they can become facilitators.

In a Nutshell

Overall, local government or agricultural services perceive the interest of having RPOs emerge from the direct will of farmers themselves and are quite open to promote the development of RPOs. But they do not perceive all the potentials RPOs may have and mainly see them as local entities (village or sub-district level) with only technical or marketing goals. They do not see yet RPOs as potential partners for decision-making on policy, investment, research or extension.

In general government and agriculture services face a contradiction: on one hand they are aware that the strongest and most interesting RPOs are those that originate from farmers direct will, and on the other hand they want to organise farmers (either by duty, conviction or by interest). They do not know yet what role government officers could play to support RPOs development without intervening too much on farmers’ decisions to build these RPOs. As explained previously, the emphasis is on “empowering” while it should be on “providing favourable conditions for the empowerment of”.

Some leaders appeal for a change of paradigm within extension staff to promote a better understanding of the role and importance of RPOs. Overall, there is a strong need for training and raising awareness of all official staff, from extension workers to local and national government leaders.

Research

261. AIATs have a vision where RPOs have essentially technical roles: strengthening the bargaining power of farmers with traders, sharing information, improving production efficiency, facilitating input provision and organising the link between production and market.

262. An emphasis is put on the need to go beyond agricultural production towards marketing activities and the potential role of BPTPs to promote the idea of building RPOs among farmers and working with advanced farmers is again seen as the first step they can reach today.

263. It is felt that RPOs will develop without an intervention from any governmental body. Meanwhile, government officers will have to change their perception of RPOs, and work on improving farmers’ trust towards them through practical actions. This may imply a change in the attitude of government officers from the top. Low salaries make it difficult but psychological tests on the matter should be used to select which person can become government officer or not.

264. In this strategy, there is still a patent lack of recognition that farmer organisation could actively play a role that is not necessarily induced by the deeds of the AIAT.

DAFEP Vision

265. With the DAFEP, it seems that the different vision of farmer organisations appealed by some government or agricultural service leaders might emerge, at least as far as their link with
extension services are concerned. The idea of making farmers able to contract extension services, be they from government, NGOs or private sector, undoubtedly contributes to raising farmers' capacity to handle their needs by themselves. However, in spite of some clear cases of success, the general trend is that this idea rather remains in a textbook form than becomes the new standard for extension workers activities.

266. In their majority extension workers have not yet put into practice the new paradigm promoted by DAFEP, even within the project itself. Reasons are various: lack of information, lack of specific skills, lack of understanding, attitudes anchored in routine, lack of incentives to change, lack of leadership, adverse local conditions or policies. They all contribute to maintain among extension officials at various levels a general vision of farmers as the objects of extension and of themselves as the providers of guidance and recommendations to be applied.

**In a nutshell**
The new vision of extension services promoted by DAFEP has yet to impact on the way of thinking of most extension staff in Indonesia. The still prevailing attitude does not allow for the extension services in general becoming the engine of farmers’ empowerment through the emergence of RPOs. Unless, a shared vision rises from the government services about RPOs role and place in the development of Indonesia rural sector, and is widely socialised at all levels, only a limited number of selected individual extension staff will be able to actively contribute in the process of empowering RPOs so far.

3.1.5. Private sector visions

**AEKI**

267. When asked about what could make coffee producers and production more competitive in the future the respondents answered that it was necessary for the traders to build up an association but that was very unlikely to occur.

268. AEKI is not against the emergence of a strong coffee grower organisation and would be even ready to accept them as members of AEKI if they exported. They would not refuse to have some representative of such organisations becoming observers in AEKI if this could facilitate the relationship with farmers and improve the situation of the whole commodity system. In fact, they envisage a future where an Indonesian Coffee “Industry” could be a development reference and asked for a more integrated analysis of the whole coffee sector including farmers, traders and exporters. This is very close to the concept of “interprofession”. They mentioned in particular the fact that there is no “Commodity Board” in Indonesia in contrast to other countries where such institutions take care of the interest of an integrated sector. Somehow, the capacity of the people in the Ministry of Agriculture is questioned in the sense that they are considered as “generalists” who cannot address the specific problems of each sector by lack of specific technical capacity.

**KBM**

269. KBM has a vision of itself as to become the middleman of the farmers in charge of marketing producer outputs. In this vision, they see their role as a facilitator to help producer to adapt to the market requirements. They would like to become the selling agent of a network of farmers groups. In this vision, producer organisation must switch from a “looking for food” role to a “leading” role. For instance, they expect that one of their groups could be able to self-finance most of its activities instead of waiting to be financed. When asked what key
factors condition such a change, two are mentioned: land ownership and skills. Land ownership is felt as strong constraint limiting the financial capacity of the producers since most of them must rent the land they cultivate. In turn, the money spent on renting land cannot be used for purchasing input and productive investment. Skills do not refer to technical agricultural skills but to management and leadership. In this area, they rate local agriculture services relatively unable to perform such training, and are suspicious about NGO’s capacity. They suggest that workshops or meeting where farmers can discuss together about their experience could be one efficient way to increase awareness.

270. Asked to what could happen if producer organisation develop and invest in trading; making KBM not any more necessary, they replied that this is a risk, but at the same time trading and marketing is a specialised operation that require specific skills to which they have an advantage. They consider that stronger producer organisation could also provide an opportunity to have a more integrated enterprise, with production and trading/marketing activities.

3.2. Indonesia RPOs in 2020: Proposed vision and Conditions to make it happen

271. Based on the different interviews conducted during the two missions and on past experiences in several countries, we tried to combine here what the various stakeholders (especially RPOs) see as necessary and possible. This provides the bases to a discussion among Indonesian stakeholders on what could be their shared vision of the actual role of RPOs in the future.

272. Two important parts make up this vision: the first one relates to how farmers and RPOs could be considered and the second presents the potential roles of RPOs in Indonesia.

3.2.1. A vision of Farmers, RPOs and the Indonesian society

273. The former development era of Indonesia was characterised by hierarchical top-down decision making where farmers were controlled and organised by government bodies. Since this occurrence still has a strong influence in the country, it is considered very important to develop and disseminate a different view of farmers and RPOs.

274. In this new vision, farmers would be recognised and accepted (1) as professionals, with their own technical and management skills, and their own knowledge, (2) as important stakeholders and partners for economic and social development. For the latter, this means a recognition of their potential role in all forms of policies and planning orientations, not only as final beneficiaries or implementers, but also as partners in the decision making process, with specific responsibilities over the management of natural resources, and over the quality and safety of production.

275. It would be important for all stakeholders, including farmers themselves but also and especially government leaders and officers, agricultural services, research and development offices, to develop and share this vision.

276. From the observation of emerging RPOs in Indonesia, two different orientations can be differentiated. Firstly, farmers may feel the need to build organisations working around a particular product, for example coffee or rice. These organizations usually start from the need to find solutions for a better marketing of their products, and then later can develop to work on other aspects of commodity-development, such as technical assistance, sourcing of
varieties and inputs, influencing trade policies, etc. Secondly, farmers may want to group themselves to participate as active partners in local development, in this case the focus of interest is not a particular commodity, but the integrated management of natural resources in an area. For this reason we consider that the emergence and development of RPOs in the future will lead to two main types of RPOs: (1) commodity related RPOs and (2) local or national development related RPOs. The former would regroup farmers producing a specific commodity, could be organised up to national level and would deal, for a given commodity, with production, trade, processing and policy making aspects. The latter would regroup farmers of the same geographical area, be it a village, district province or the whole nation, to enable them to become active stakeholders in policy decision-making processes and natural resources management.

277. These two types of organisations are broad types that can be distinguished ideally. They are presented as a kind of benchmark and should not be considered as models to be implemented without taking into account the realities in each situation. One should keep in mind that RPOs in Indonesia – like elsewhere in the world – will be built upon existing or emerging organisations. The facilitators’ competence will be to understand the logic of these emerging organisations and to help them decide what will be their own path for development by providing them with the best information on other experiences - success stories as well as failures – and with adequate tools to analyse their environment and define their own position.

278. This distinction into two broad categories of organisation will be used in this report as an analytical tool to develop proposals for the strengthening of the organisational development process. The co-ordination between these different types of organisations will be addressed through the development of mechanisms of consultation between stakeholders and will also be implemented through the members themselves that often belong to various organisations since their objectives are generally complementary.

3.2.2. Commodity related RPOs

279. Commodity related RPOs could become a driving forces in production but also in trade and processing.

280. For production, their role could extend to:
   o Collection and dissemination of information on techniques. RPOs could have a key role in identifying their needs for information, in deciding which information is important (beside the classical activities of disseminating it to its members). Moreover, it could also include information dissemination from grass-root members to leaders, from region to region and from one organisation to another;
   o Extension activities. The role of RPO members could be to expand the geographical scope of extension itself and to participate in the design of extension activities to ensure a match between farmers needs and available techniques for extension;
   o Extension program definition. RPOs can share responsibilities to decide on the techniques that should be disseminated and how, on how extension budget are decided and they would be given the opportunity to bring to the attention of research bodies the problems on which new technical development are needed;
   o Research activities. RPOs could participate in field research activities themselves, develop more area-related results, to the design of research activities to ensure a match between farmers needs and research orientations;
   o Research program definition. RPOs could have a say on what research focus should be, on how research budget are decided and would be given the opportunity
to bring to the attention of research bodies the problems on which new technical development is needed.

281. For trade and processing, the role of RPOs could extend to:
   o Develop contacts, local agreements with traders, processors
   o Collection and dissemination of information on markets. RPOs could have a key role in identifying precisely their needs for information, in deciding which information is important beside the classical activities of disseminating it to its members. Moreover, it could also include information dissemination from grass-root members to leaders, from region to region and from one organisation to another;
   o Participation to forum of stakeholders concerned by the commodity chain. Representative of farmers (RPOs) would discuss, negotiate and collaborate with representatives of traders, processors, exporters, consumers, regulating government bodies and related services. This could enable the emergence of inter-professional organisations allowing farmers to get involved in more than production and facilitating the improvement of aspects such as the quality of a product over the whole commodity chain.
   o Policy decision-making regarding a specific commodity, in which RPOs would not only be consulted but could also share a voice in policy decision-making.

3.2.3. Local development related RPOs

282. Local development related RPOs could become active stakeholders in decision-making for natural resource management, agricultural policies, and local or national policies. As they gradually develop into nation-wide networks, they can also have a participation in decision-making at the national level.

283. For natural resource management, the role of RPOs could cover the management of irrigation networks, forests, coastal areas, etc. This has already started in several places in Indonesia but further development could occur in terms of geographical scope, national organisation of the various RPOs and in terms of acquired decision-making power.

284. For agricultural policies and management, the role of RPOs could extend to land tenure, land management but also, research and extension policies and actions.

285. For local or national policies, the role of RPOs could extend to the identification of development stakes, the definition of (investment) priorities, the government budget allocation, taxes, retributions and to import and export restrictions.

286. Again, for all of this, RPOs would not only be consulted but would also share a voice in the decision-making process and its assessment.

**In a nutshell**

Taking advantage of the potential roles of RPOs Indonesia in the 20 years is a challenge that implies an important change: reforming the past and current hierarchical top-down decision making where farmers were and are controlled and organised by government bodies. Perceptions should be lead to recognise and accept farmers (1) as professionals, with their own technical and management skills, and their own knowledge, (2) as important stakeholders and partners for economic and social development.

The future development of emerging RPOs in Indonesia could lead to two main orientations: (1) commodity related RPOs and (2) local or national development related RPOs. In both cases, RPOs have potentials to help rural producers improve their capacities, to develop their own service, and to become equal partners in the agricultural services management, in the policy decision processes and in the commodity chains organisations.

This is a proposed vision and has to be discussed by farmers and RPOs themselves in order to modify and adapt it to their own perception of what the role of RPOs in Indonesia should be.
3.2.4. Conditions identified to fulfil this vision

287. Having RPOs emerging and developing in Indonesia to fulfil the vision presented above will be slow and/or difficult to achieve if the current situation is not changed. From the interviews of the various actors and experience gained from other countries, seven main conditions have been identified that would be necessary to meet in order to see the vision above become a reality. These conditions concern three main topics: (1) the coming out of a real recognition and acceptance of farmers as professionals and as important stakeholders and partners, (2) the development and strengthening of RPOs, and (3) the development of relations between RPOs and other stakeholders.

Recognising and accepting farmers as professionals and important stakeholders

288. The three first conditions are related with the recognition and acceptance of farmers as professionals and as important stakeholders and partners for economic and social development. To achieve this it is necessary to (i) build awareness and self-confidence among farmers themselves, (ii) provide opportunities for farmers to build common plans, and (iii) improve the awareness of other stakeholders on the role and importance of RPOs.

   **Condition 1: Building self-confidence and awareness**

289. This condition concerns awareness of farmers themselves. It is considered that they should become aware of their abilities and potential roles. This would concern all farmers that are not yet self-confident and self-reliant and who are not aware of what RPOs (both commodity related and local development related ones) can be, can do, of how they can emerge, organise and develop.

   **Condition 2: Opportunities for rural producers to build common plans**

290. The second condition concerns the emergence of RPOs. For this, it would be necessary for farmers to have possibilities to meet each other, to identify common interests and devise common plans of action. This concerns both farmers producing the same commodity (for commodity related RPOs) and farmers from the same geographical area (for development related RPOs).

   **Condition 3: Acknowledgement of RPOs’ role and importance**

291. This third condition concerns the other stakeholders, and especially the government and agricultural services officers and leaders. With them, it is important to reach a true acknowledgement of the existence and role of RPOs as detailed previously so that they would be prone to approve the development of RPOs and prone to work with RPOs as partners.

Developing and strengthening RPOs

292. The fourth and fifth conditions would focus on giving the possibilities to RPOs to develop and strengthen themselves. For this, access to service and access to others’ experiences is necessary.

   **Condition 4: Access to services**

293. This fourth condition concerns the availability and access of services for information and training for farmers and RPOs. To be able to maintain or develop a good capacity as partners and important stakeholders in the society, farmers and RPOs will probably require various types of information and training. Sources of information and training thus need to be
available and accessible to them and they need to be adapted to their needs. Farmers and RPOs therefore need both access to such services and a determining role in their definition, mode of implementation and adaptation. These services, hence, could be government owned, private or managed by RPOs themselves.

**Condition 5: Experiences and knowledge on RPOs for RPOs**

294. The fifth condition is the development of information databases on how to manage, develop and sustain strong RPOs. Such databases should collect and make available detailed information on the experiences of RPOs and their members from all over Indonesia. It should be easily accessible for all farmers and regularly updated.

**Relations between RPOs and other stakeholders**

295. The two last conditions concern the development of relations between RPOs and other stakeholders. RPOs only represent rural producers and to be active and efficient partners of the Indonesian economy and society, they have to build good relations with the other stakeholders. To do so, two conditions are necessary: meeting opportunities and legal support.

**Condition 6: Meeting opportunities beyond RPOs**

296. This sixth condition concerns the possibility for RPOs to meet with other stakeholders and construct a common vision and plan of action. It could be achieved along two ways. For commodity related RPOs, this would mean: facilities to meet, discuss and design actions with other stakeholders concerned by the same commodity chain (traders, processors, exporters, consumers, regulating government bodies and related services). For development related RPOs, this would mean facilities to meet, discuss and design actions with other stakeholders concerned by the same area, be it a village (with, for instance: villagers, village associations, village authorities and services), a district, a province or the Indonesian country itself.

**Condition 7: Legal support**

297. The seventh condition is the availability of means for clear transaction settlement and compliance. Because traders can easily deny their obligation to comply with a trade agreement, there is a need for a special institution to solve market relation problems. This would concern law enforcement stakeholders working with farmers to design adapted solutions.

298. These seven conditions may not have to be all fulfilled at the same moment. For instance, some, especially the first ones, may have to be implemented first. Moreover, all conditions may not apply to all situations. It is clear, for instance, that a village with already strong RPOs and villagers that have reached a high level of awareness will not require Condition 1 like villages where no RPO activity has started.

299. As will be indicated in the next chapter, how to fulfil these conditions, in which order in time and with what type of actions will vary depending on the situations met in the various regions. More important even, it should be adapted by the stakeholders themselves, especially the RPOs or their potential members.
In a nutshell

Effectively fostering the emergence and development of RPOs implies providing the necessary conditions for such emergence and development. This cannot be done by “organising” the rural producers. It has to be done through the construction of a “fertile” environment in which rural producers will be able to build their own RPOs the way they want to.

This “fertile” environment should, at least, have three components:

(1) A clear recognition and acceptance of farmers as professionals and as important stakeholders and partners for economic and social development, through rural producers awareness building and meeting facilitation and through government officers awareness building as well;

(2) Means and conditions for RPOs to develop and strengthen themselves in particular through service design and experience and knowledge access and sharing;

(3) Means and conditions to develop strong relations between RPOs and other stakeholders, in particular with policy-making bodies, commodity chain actors and local areas stakeholders.
Chapter IV. Towards a shared collective vision: proposals

300. A set of seven conditions has been identified in the preceding chapter for the realization of the proposed vision. These seven conditions, if fulfilled, would provide a favourable environment for the emergence and development of RPOs. Fulfilling these conditions requires specific tools and activities that are presented in the first section of this chapter. For each condition, we will present the public concerned, the objective of the actions to be implemented, the tools and activities proposed and the resource persons to do so. In the second section, we will discuss a practical strategy for the nation-wide empowerment of farmers in view of developing rural producer organisations.

4.1. Essential activities

Condition 1: Building self-confidence and awareness

Public:
301. This condition is aimed for individual rural producers, existing RPOs whose activities are limited only to village or sub-district level and that have no interactions with other groups, RPOs' members whose active participation needs strengthening.

Objective:
302. The objective is to help rural producers improve the awareness they have of their own abilities and potential roles. It includes informing them on what an RPO is, what it can be, what it can do, and what interest it can have for RPOs members.

Activities
303. To fulfil this condition we propose to:
   - Adapt the awareness and community organization basic training of IPPHTI to the two main topics that are commodity related RPOs and local or national development related RPOs. The mission assessed that IPPHTI had gained experience in the domain. Their activities, though, have often been related to integrated pest management. All rural producers may not be interested in this topic and, therefore, adaptation is necessary to take advantage of IPPHTI's abilities and adapt them to different topics. Besides IPPHTI, it may also be possible to find actors with a capacity in the domain similar to IPPHTI's. In this case as well, adaptation should be necessary;
   - Train facilitators to these adapted techniques of awareness raising and community organization;
   - Implement the facilitation process where needed.

Resource persons
304. For this activity, IPPHTI trainers would have a crucial role in adapting their training and providing it to future facilitators.
305. For the facilitators-to-be, we suggest a selection of former extension workers, NGOs’ technicians, skilled farmers, skilled individuals. This selection should avoid any potential conflict of interest. The objective involves raising rural producers’ awareness of their potential role as partners in the society. Therefore, it is important to avoid choosing facilitators coming from government bodies or from NGOs with strong activities in the location because they would have difficulties to discuss the necessity of RPOs developing an independence from government and NGOs.
Condition 2: Opportunities for rural producers to build common plans

**Public**
306. This condition is aimed for rural producers trained through condition 1, or for rural producers who have already gained such awareness, self-confidence through experience or other means.

**Objective**
307. The objective is to provide rural producers with possibilities to meet each other, identify common interests and devise common plans of action. It would imply enabling rural producers to exchange experiences, ideas and to learn from other producers about RPOs, how they work, how they develop, what the conditions of sustainability are. Progressively, it would allow, through strategic planning methodology, bringing the group to analyse their own situation and, accordingly, define the strategic steps and means to improve it.

**Activities**
308. To fulfil this condition we propose to:
   - Prepare the discussions. In trying to take advantage of the potentials of building RPOs, it is important for rural producers to think about what they would like to discuss with other producers;
   - Transportation for producers to meet other producers, with a scale that could progressively expand.
   - Places to meet where all producers can feel at ease to discuss, independently from all form of authority;
   - Facilitation of discussion, with the aim of helping producers expressing what they really want to discuss and not topics defined by other actors;
   - Techniques of participative implementation in order to build coherent plans from the grass-root, with the aim of helping producers designing plans that really fit their interests and wills.

**Resource persons**
309. For this activity, the role of facilitators is also crucial, and we suggest selecting them from RPOs with experience (APTR, HPPHTI, RPOs supported by LATIN), former extension workers, NGOs’ technicians, skilled farmers and skilled individuals (facilitators trained from condition 1 for instance).
310. Again, the potential conflict of interest should be taken into account. For instance, the participation of extension workers to such meetings could be interesting for further activities, but they should attend as passive observers.

Condition 3: Acknowledgement of RPOs’ role and importance

**Public**
311. This condition is aimed for Government services, AIATs, local government officers, selected government representative, traders, NGOs and persons who influence RPOs acknowledgment process.

**Objective**
312. The objective is to raise their awareness on the role and importance of RPOs so that they would approve the development of RPOs and be willing to work with RPOs as partners.

**Activities**
313. To fulfil this condition we propose to:
   - Develop awareness campaigns on the role, importance and potentials of RPOs;
o Develop awareness training programs for officials (Government representatives, agricultural service officers) on similar topics;

o Promote inter-regional and inter-institutional visits of existing RPOs and innovative initiatives;

o Design adapted status and registration procedures. This would have to be done with the RPOs’ representatives, with their consent and strong involvement in the design and implementation of such status. Moreover, from the result of the interviews, it is likely that the development of such status might be more suited at the end of a process where RPOs have gained strength and power. In fact, current opinions of RPO leaders in the subject vary widely and are all referring to the risk of being more controlled through a new status.27

Resource persons

314. For the awareness and training programs, we suggest involving selected officials with experience in working with RPOs and RPOs and NGOs involved in local policy decision. For the visits, we suggest to involve RPOs and NGOs involved in local policy decision.

315. For the design of a status, RPOs and NGOs should be involved along with selected officials specialised in the legal aspects implicated.

Condition 4: Access to services

Public

316. This condition is aimed for any RPO

Objective

317. The objective is for RPOs to have access to information and training services, adapted to their needs. This can imply enabling RPOs building their own services, and it can imply enabling them to have a determining say in modifying the existing government or private services.

Activities

318. To fulfill this condition two sets of action are proposed: one aimed at developing well structured training and information services and the other one aimed at providing immediate means for the immediate information and training needs.

319. For the development of well constructed and structured training and information services to strengthen RPOs’ capacities regarding services provision, we propose:

- An identification of needs by RPOs and their members themselves;
- An identification of the gaps between:
  - The identified needs and the existing services (from RPOs, government or private)
  - The location of these needs & the location of services (producers with needs being sometimes far away from the service providers that could be of help)
- An analysis of the comparative advantages of having RPOs providing the services needed and unavailable yet;
- A definition of the necessary activities to adapt the existing or new services:
  - To define its content,
  - To define its location,
  - To decide on its creation and implementation,

27 Currently, several RPOs just register their names on a national or provincial list that is not associated with any binding status or obligation. This system seems to satisfy many RPOs and local governments. This may change over time, but such change has to be demanded and designed by RPOs themselves. Besides, there is no a priori reason to have only one RPO status; several may be needed to accommodate the diversity of situation.
To identify the role of each stakeholder in such service;
An implementation of the activities identified in 4;
A regular assessment of the different services, by the users themselves.

320. For the immediate information and training needs, we propose to set up:
A special training fund with easy access for RPOs and their members;
An easily accessible trainer network.

**Resource persons**
321. The task would befall to:
- for the identification of training needs, RPOs and rural producers themselves, with the help of a neutral facilitator (one not involved in information or training service provision).
- for the identification of the existing gaps, the comparative advantage assessment and the definition of activities, RPOs, existing services, NGOs and government representatives with the help of a neutral facilitator.
- for the implementation of the activities defined in 4, the actors identified there.
- for the regular assessment of services, a neutral expert (one not involved in information or training service provision).
- for the special training fund, defining the actors in charge of managing such fund should be done with RPOs themselves.
- for the trainer network, a network facilitator with the help of existing service providers, and any actor with adapted training abilities.

**Condition 5: Experiences and knowledge on RPOs for RPOs**

**Public**
322. This condition is aimed for any RPOs.

**Objective**
323. The objective is to build an easily accessible information databases for RPOs on the experiences of RPOs and their members from all over Indonesia, providing them with sources of information and contacts to understand how to manage, develop and sustain strong RPOs.

**Activities**
324. To fulfil this condition we propose to develop databases on experiences of commodity based RPOs, natural resources based RPOs and local development RPOs, and to develop media for farmers, with contributions by farmers under professional guidance by skilled journalists.

**Resource persons**
325. For the databases, the task would befall to facilitator with the help of a database specialist team, technical services from different ministries, researchers, NGOs and RPOs, under the supervision of representatives from RPOs.

326. For media: the task would befall to RPOs, with the help of journalists (already developed by IPPHTI and Bina Swadaya), using the most widely available and adapted media (TV, radio…) and the participation of NGOs, local government and facilitators.

**Condition 6: Meeting opportunities with other stakeholders**
Public
327. This condition is aimed for (1) actors from the same commodity chain (RPOs, traders, processors, exporters, consumers, related government bodies and related services) or (2) actors from the same geographical area (RPOs, local authorities, research and extension services, related government services, local NGOs, associations…)

Objective
328. The objective is to provide RPOs with the possibility to meet with other stakeholders and construct a common vision and plan of action.

Activities
329. To fulfil this condition we propose:
   o An identification of the stakeholders concerned (either by the same commodity chain or by the same geographical area)
   o A preparation of the discussions by the different concerned actors;
   o The transportation of stakeholders from one place to another
   o The provision of places to meet where all actors can feel at ease to discuss, independently from all form of authority;
   o A facilitation of discussions among actors to help them build the common plan of action they want to implement;
   o The construction of discussion forums with their rules and procedures to provide the different actors with a more perennial mean to meet and work together;
   o Trainings in negotiation for the different actors including:
     o Commodity-chain analysis (value-added distribution, stakeholders’ strategies, international and national comparisons)
     o Strategic analysis of RPOs place in commodity systems, comparative advantage, strategic planning
   o Study trips and exchanges with a pedagogical purpose

Resource persons
330. For all these activities but activity 7, the task would befall to: facilitators with the participation of all stakeholders and of extension workers or local government as passive observer if they are not part of the stakeholders identified in activity 1. For the activity 7, skilled trainers from research or universities (Indonesian or foreign) could be used.

Condition 7: Legal support

Public
331. This condition is aimed for RPOs

Objective
332. The objective is to increase the bargaining power of RPOs and protect them against market and contract related problem.

Activities
333. To fulfil this condition we propose:
   o Trainings on negotiation and contracts for rural producers and RPOs;
   o An identification of the transaction problems faced by RPOs in Indonesia;
   o An identification of the possible solutions to these problems;
   o Pilot testing of the identified solutions;
   o An assessment of their success and a further development if successful.

Resource persons
334. For the first four activities, the task would befall to facilitators with the help of transaction settlement experts and the participation of the concerned stakeholders. For the assessment of the pilot testing, RPOs should be involved. For the development and implementation, the task should befall to the actors identified for the implementation.

4.2. A strategy for nation-wide RPOs empowerment

335. As seen in Chapter 1, economic, geographical and agronomic conditions as well as the size of the country explain the large diversity of the environments in which RPOs emerged and grew. Experiences learned from many places in the world show (mettre ref ici??) that there is no standard method for the empowerment of RPOs. Thus, a farmer organization empowerment policy should consider:
   o The wide diversity in the nature and the organization of RPO (whether it is related to a specific commodity or to a territory; carrying out a specific function or providing various services, etc.)
   o The wide diversity of visions on the role RPOs intend to play; this vision depends on the history of organization, the environment where it exists, its members, etc.
   o The wide diversity of experiences learned during the construction and the development of RPOs.

336. Experiences in other countries have showed that RPOs\textsuperscript{28} empowerment policies:
   o Are built and developed over a long-term period.
   o Are built and developed in collaboration with all actors involved (RPOs, government services, local government and private sector).
   o Are built on agreement systems.

337. The setting up of conditions for the emergence of RPOs (and thus the utilization of instruments for their implementations) presented in the above section requires time, collaboration with all actors and transparency.

338. Therefore, as the first phase of the implementation of national policy on empowerment of RPOs, it is proposed to promote a national forum involving all the stakeholders interested in RPOs empowerment. This forum will act as a catalyst for the development of a nation-wide consultation process.

339. This consultation starts from root level (village, sub districts, districts, and province level) and would be concluded by a national conference on RPOs within three years. This delay will ensure that the preparation of this conference becomes itself a step in empowering farmer organizations. Through a large spectrum of activities, the participants to the consultations and to the conference will acquire skills, information and capacity to express their needs and wishes on an equal basis.

340. This conference should be considered as a crucial preliminary part of a “RPOs’ empowerment project”. Crucial because one cannot decide to empower another person, it is a process where the leading role has to be taken by the actors to be empowered. Therefore, providing an opportunity for a majority of stakeholders (especially farmers and RPOs) to express themselves on the matter and be an inner part of the construction of such project must be considered as the initial step, the firm basis on which the rest can lean and build up.

A national conference on RPOs

\textsuperscript{28} Cf chapter 1
341. The objectives of this conference are:

- To publicly debate at national level about people’s aspiration on the role and position of farmer organizations. The most important questions that will be discussed during the national conference would be identified from a bottom-up process starting at the village level (see organization below), and would become the topic of working sessions and commissions. As examples (indicative and not preemptive) these topics could include the role of RPOs in:
  o Commodity development
  o Land tenure reform
  o Local decision making

Or their relations with:
  o Service providers (cooperative, insurance, training, extension, research)
  o Local and central government

- To use the preparation phase of the conference for:
  o Registering experienced persons (Indonesian) on RPOs issues
  o Informing and training farmer groups on what can be expected from RPOs
  o Raising awareness on the role of RPOs among government officers
  o Encouraging the RPOs to share their experiences
  o Encouraging the RPOs to discuss with other actors on what their role can be
  o Facilitating the RPOs to create a vision
  o Facilitating the RPOs to identify their needs in order to accomplish their ambitions

- To organize working sessions between RPOs, between RPOs and other actors at different levels (kecamatan, kabupaten and provincial) to encourage ideas from the basic level and at the same time to prepare the leaders to the national debate.

**Activities**

342. The actions to be taken in this preparation include some necessary conditions listed in the previous chapter. In the following section, the listed conditions are indicated by C1, C2, C3 and so forth.

At village and sub district level:
- To recruit and to train facilitators (C1)
- To make a census on RPOs experience in different regions (C4 et C5)
- To present the program for the preparation of the conference to these RPOs
- To organize visits between RPOs with similar characteristics, and between young RPOs and advanced RPOs (C2)
- To level farmers information with other participants’ in the discussions. The objective is to reduce the gap in knowledge between farmers and other participants and the increase the information level of all the people involved in the brainstorming process
- To assist brainstorming process to encourage them in constructing together a vision (internal discussion between RPOs, discussion with the local representatives of the government services and/or representative of BPD and Bupati) (C2, C3 and C6)
- To prepare interested persons to participate in brainstorming process at district level (C1, C3 and C6)

For experienced RPOs:
- To reflect on their experience (C4)
- To build a vision (C1 and C6)
- To define an action program and to envisage its funding (C1)
- To share their experiences with other RPOs and other actors (C2 and C5)
- To train leaders able to present and defend their experiences and their visions
At district and provincial levels:
- To bring all information necessary to the participant and prepare the district and provincial discussions
- To animate meetings and organize preparatory sessions for the conference between different actors (C6)

At DAFEP and other projects level:
- To continue with successful experiences
- To ponder on how RPOs can become pillars for the DAFEP program (C3)
- To prepare the leaders or trainers of UPKG, P4S projects and other projects to participate in the working sessions for the conference (C3)

At the ministry level:
- To circulate information and organize an internal debate about the definition of RPOs, their role, their contribution in national politic (C3)
- To build a vision
- To think over the role of ministers and government services in the empowerment process of farmer organization

Examples of the types of activities that can be undertaken with a village RPO:
- to prepare the discussions to be held between the RPO and the government services, local government and the private sector
- to start strengthening the organization following village meetings and while discussions are continuing on district, provincial and national levels.

The initial discussions held in the villages enable the organizations and the institutions supporting them (government services, local government, NGOs, private actors) to develop a common vision.

The next step involves using the dynamics set up during the preparation of the discussions in the village to undertake the concrete actions that will have been identified during these discussions. Empowerment actions and frameworks for discussion can thus be initiated even before the provincial or national conferences have been held.

Once the RPOs have identified the tasks they wish to undertake, a range of examples of support actions and training may be proposed.

In the last few years many support and capacity-building programs have been set up, for RPOs as well as for the services responsible for assisting them, especially in Republic of Guinea, with extension programs, in Senegal with RPO networks and the “Université Paysanne Africaine” (ENAE Dakar, African Peasant University), in Burkina Faso for groups within the cotton production chain, in Côte d’Ivoire with groups in the Coffee-Cocoa commodity chain.

The following is an example of a possible type of program:
- Separate training for the RPOs, government services, private stakeholders (NGOs along with industry and commodity traders) to prepare them to form an idea of the respective roles of the RPOs, government services and the private sector
- Roles played by RPOs in production:
  - research and extension
  - input supply (fertilizers, pesticides, sack trade, irrigation)
  - institutions providing credit; advice on how to get access to credit
  - the circulation of information, information services, how to access information, how to exchange information.
- **Roles played by RPOs in marketing:**
  - Produce collection
  - Processing
  - Packaging
  - Marketing

- **Roles played by RPOs in the local decision-making process:**
  - Land tenure questions
  - Road access
  - Local taxation …

b- Discussions between these three types of stakeholder to identify the place of the RPOs in local development (C1, C3)

c- Discussions between one or two RPOs to develop a 2 year working programme comprising a training component and the establishment of activities and services for RPO members (learning by doing).

d- Run training and activities for a number of RPOs. These could serve as showcases to illustrate what can be achieved in a national program for the empowerment of RPOs.

Examples of the types of training that the RPOs might choose are:

- Internal organization of the RPO
- How to finance and manage a RPO
- How to choose a legal status
- Choice of leaders and internal democracy
- How to prepare negotiations
- Information on the structure and the organisation of the national and international market for a product (e.g. coffee, vegetables, etc), from production through to sale to a the final consumer
- How to find a market for a product

IPPHTI and APTR are very experienced in these areas and can therefore assist in the training programs aimed at RPOs or in the training for trainers, according to the « farmer to farmer » principle. NGOs have been running some of these training sessions (LATIN, KSPPM, Bina Swadaya …) for several years. An inventory of what training skills are available could be made during the preparatory phase of the discussions.

343. As shown in this example, from the national conference process will come out concrete proposals of activities at local levels before the whole process is completed. It is suggested here to consider these proposals as potential pilot actions designed by village-level stakeholders once the conference process is achieved at this level (or by sub-district, district and provincial stakeholders once the process is achieved at their level).

344. As presented in C4, it is also suggested to make funding available for these pilot actions. Such funding should be as independent from government and other non-RPO stakeholders as possible. A special fund could be set up, without pre-identified activities attached to it. Restrictions and conditions of fund management should be the same as those applied to the independent steering forum presented below (see points 353-354).

**Organization**
Arguments in favour of an independent steering forum

345. As indicated in chapter 2, the Indonesian experience shows that government services have organised and used farmer groups to implement agricultural policies. Such an approach today will be rejected by the emerging RPOs and would become counter-productive. As such, any direct intervention of the government in leading and implementing this consultation and conference would be interpreted as an other attempt to impose the vision or the views of a few central authorities through another top-down mechanism.

346. It is essential therefore that parties that are not linked to the government handle the whole operation. At the same time, by accepting to be involved in the consultation and conference as a participant among others, the government will enhance the credibility of the process and the likeliness that it results into a genuine benchmark for building strong RPOs in Indonesia.

347. Since no existing private organisation (NGO nor RPO) covers the whole territory, one first issue is to help identify a series of operators willing to work as a consortium in charge of this operation (NGOs like LATIN, FAS and RPOs like IPPHTI et APTR). This consortium will then decide upon the methods, agenda, activities of this consultation and conference at national level. Government agencies will not be members of the consortium; however the latter will have to regularly report about its activities to inform these agencies.

348. Each member could be in charge of implementing the consultation in one or several provinces through the establishment of adequate approaches (including local consortium operating similarly). Whatever the organisation form selected by the consortium to operate directly with farmers and their organisations, a body has to be in charge for coordinating the consultation programmes at district level.

349. The details of the consultation programme, visits, training, and information will be discussed with the participation of institutions that represent farmers needs at various levels.

Rationale for group selection

350. While the consultation has to be nation-wide, it is unmanageable to involve all and any farmers groups, especially those that are reputedly government induced. A selection of advanced farmer groups and representatives will be made by facilitators based on village level and sub district level meetings, specially trained for this purpose. Advanced Indonesian RPOs and NGOs with successfully experience in community development will be in charge of this training.

351. The number of facilitators needed could easily become very large. As an indication, with the hypotheses that:

- one of five or six villages could host a farmer organisation in the sense given to these terms in the first chapter,
- at district level one representative will speak for five groups,
- at province level one representative will speak for five district representatives,
- the province representative will be the participants of the national conference,

then around 1000 facilitators will be needed if one facilitator work with a group of five village level representatives and one district representative. However, these numbers are only indicative and decision will belong to the consortium.
352. Selection criteria for including farmers’ organisation in the consultation from the village level on will be defined by the consortium members and included in the training of the facilitators. The consortium members will also set up appropriate criteria for the selection of facilitators.

Funding and fund management

353. The whole operation consists mainly in opening spaces for meeting and discussion opportunities for farmer organisations. It will not generate any income to the State or the farmers. Therefore it should be funded through grants from donor countries and funds allocated from the national budget, not from loans. Independent control over funds is needed to ensure transparency in management and independency from State intervention.

354. Some of the consortium members will be in charge of the financial management assisted by an independent body. Funds will be made available to RPOs under the control of consortium members and an independent control mechanism. An option is to use the technical assistance of the National Accountant Association in a similar way as what was done in one program of the “Partnership for governance reform”.

Agenda

Objective: Conduct a national conference in the first quarter of 2006.

At the end of 2003: definition of working program and selection of a consortium consisting of local institutions covering most of the country

Mid 2004 to the beginning of 2005:
- Inventory of RPOs experience, training, information, organization of visits and debates between RPOs.
- Training, information and visits for the government services and local government.

Beginning of 2005:
- Preparation of working sessions at subdistrict level.
- Training of representatives at district or provincial levels

Mid 2005:
- Working sessions at district or provincial level
- Training of representatives and preparation of thematic sessions for the national conference
Conclusion

355. Farmer groups in Indonesia are still in their majority in an early stage of development. Most of them, derived from the traditional government induced kelompk tani are embodied in a socioeconomic and political environment that strongly limits their capacity or willingness to emerge as farmer organizations. More advanced RPOs show on the contrary that successful experience can be achieved as for instance in the case of IPPHTI.

356. Case studies show that the empowerment of RPOs in Indonesia requires some principles to be applied.

357. These include three general principles taken from international experience. The first one is that all organizations can be empowered, whatever its function, whatever its problems. The second principle is that the organizations’ right to auto-determination and their diversity must be respected. Finally, the nature of support to RPOs by third parties in the empowerment process must be of a lasting partnership, allowing the RPOs to evolve at its own pace.

358. Then, specific but basic principles to be applied to the case of empowering RPOs in Indonesia were identified. One is that RPOs have to discuss and decide on the content and the agenda of any empowerment program. Then, RPOs must to become progressively self-sufficient. Third, the cost of empowerment has to be assumed since empowering RPOs requires a large consultation process, which is costly to set up and sustain. Fourth, the process of RPOs empowerment is a separate activity that has to be dissociated from any support project to government research and extension services. However, success will depend on actions undertaken also to change the paradigm of government services toward farmers and RPOs, since case studies show that there is still a lack of awareness, recognition and understanding concerning farmer organisations in Indonesia by government officials.

359. Implementation principles were also identified in the light of field experience. The first one is to rely on the existing leadership and networks within RPOs. The case studies show that organisations such as IPPHTI, or APTR, that NGOs such as LATIN or Bina Swadaya have developed to a stage where they can handle empowerment and become a key partner in the decision making process. Second, facilitators will be needed, since the current scope and scale of empowering RPOs in Indonesia largely exceed the capacity of existing advanced RPOs such as IPPHTI that could take over this role. Third, beneficiaries of the empowerment actions control the use of funds and resources to ensure that implementation works effectively and efficiently. Information on budget expenses and resource allocation must be made available and verified by an independent and trustworthy body. Fourth, empowerment of members is as important as the identification of true leaders. Strong leadership is important but precarious.

360. Given the current situation of RPOs in Indonesia and the national context in which they are expected to develop, this report proposes to the involved stakeholders (farmers groups, government, NGOs, and other private actors, donors) to establish a strategy for empowering RPOs in Indonesia with the ambition that:
   o RPOs become acknowledged and accepted as organization of professionals (farmers) with their own objectives, knowledge and capacity.
   o RPOs act as independent stakeholders and partners of public as well as private sectors. Accordingly, their say has to be recognized as equally important as the opinion of government services or any other partners in the society.
361. Practically, this implies that in the empowerment process the RPOs themselves play the key role. The success in any action directed to empower RPOs depends on the active participation of RPOs in the construction of the empowerment program. That may happen only if the RPOs become the promoters of the program, because they decide to do it. This approach has to start from the base and has to involve all potential RPOs partner institutions, namely government services, local government and private sector.

362. For that reason, it is proposed to build an empowerment process step by step and with sufficient time to set a pace consistent with the rhythm of the RPOs. We suggest to initiate this process by organizing nation wide consultations on the role and place of RPOs in Indonesia's agricultural development, starting from the base level and culminating in a national conference during which a common view can emerge as well as the path of actions needed to make this view a reality. This process would develop under the control of a consortium of advanced RPOs and NGOs, acting as a steering forum to decide on the practical implementation of the process. Other direct stakeholders such as the government services and the private sector will accompany the move as participants but should not take the leadership.

363. The bottom-up consultations in preparation of the conference will provide the opportunity:
   o To carry out the first part of a nation-wide farmer empowerment program
   o To review the ongoing programs and improve their coordination
   o To hold a dialogue with all different actors on the elements that will give new viewpoint for the agricultural policy and to start the implementation of shared policy.
Methodology and organisation of the study

Following the methodology included in the terms of reference, the study was organised in three steps.

**Phase 1**

1. Definition of a region and a specific number of fields in which there are already well organized RPOs which have given thought to their medium- and long-term future.

Based on the first phase report and after discussion with the Ministry of Agriculture (Wednesday January 22) the list of region and organizations selected for the study included:

- three regions:
  - East Java, where existing well structured RPOs can be found
  - Yogyakarta, a DAFEP site that had not been visited during the first study
  - Bandung, a region not visited for first study where RPOs with good market link can be found

- a list of key stakeholders to be interviewed including representatives from
  - RPOs & NGOs, at local and national level (including particularly representative from APTR, IPPHTI, ASKI …)
  - research, agricultural development and extension organizations, including BAPPENAS, BPTP & DINAS,
  - local government, district heads

2. Review of selected World Bank supported projects in agriculture through documents analysis and staff interviews at central and local level in order to highlight how far they are RPOs supportive and to what extent the implementing agencies from the Ministry of Agriculture has the capacity to involve RPOs.

This included review of documents concerning the DAFEP project & the ARMII project, and interviews of key staff involved in these projects in the ministry of agriculture.

**Phase 2**

This phase concentrated on field visits and interviews with the selected stakeholders:

The objective of this phase was:

(i) to present the results of the first survey (in May June 02) and to test the typology and the hypothesis elaborated during the first phase.

(ii) to provide information on the current activities performed by the organizations, their strategies and their relationships and co-ordination with the other stakeholders in rural development (see below the guideline for interviews)

(iii) to produce insights on the co-ordination mechanisms and the implication of the rural producers organizations in the local, regional and national consultations
Interviews were conducted using a simplified version of the PACT\textsuperscript{29} method interviews to identify how the various stakeholders perceive: (1) the current conditions of RPOs emergence and their current links with government organizations and public service providers, (2) the actions currently undertaken that have a positive or negative influence on these issues, (3) the possible evolution of the issues, (4) the possible actions that would need to be implemented to improve the situation.

**Phase 3**

After analysis, the preliminary results of the study were presented for discussion to the Ministry of Agriculture (January 31st). A draft version of the final report and results was then presented to a meeting organised by the Ministry of Agriculture and where selected RPOs, NGOs and Government Staff attended and discussed it (March 20th).

**Member of the team conducting the interviews :**

- Mr Robin Bourgeois, Policy and institutional analyst CIRAD
- Mr Sjarifuddin Hattab, Ministry of Agriculture/Extension service
- Mr Franck Jesus, Institutional-economist CIRAD
- Mr Andi Renggana, Sociologist GEMILANG Consulting
- Mr Marc Roesch, Agricultural Economist (RPO) CIRAD
- Ms Nena Soeprapto, Socio-economist GEMILANG Consulting

**List of the key persons interviewed:**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>BINA SWADAYA (NGO)</td>
<td>Riza Primahendra</td>
<td>Head of Study and communication Bureau</td>
</tr>
<tr>
<td></td>
<td>Ferdy S. Nggao</td>
<td>Study and Communication Bureau</td>
</tr>
<tr>
<td>FIELD (Farmer Initiative for Ecological Livelihoods and Democracy) – (NGO)</td>
<td>Nugroho Wienarto</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr. Simont HT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr. Dwi Munthaha</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr. Arief Lukman Hakim</td>
<td></td>
</tr>
<tr>
<td>IPPHTI</td>
<td>Mr. Kustiwa Adinata</td>
<td>West Java Provincial Coordinator (former National Coordinator)</td>
</tr>
<tr>
<td></td>
<td>Mr. Eet</td>
<td>IPPHTI Farmer from Kerawang</td>
</tr>
<tr>
<td></td>
<td>Mr. Juhari</td>
<td>IPPHTI Farmer from Brebes Member</td>
</tr>
<tr>
<td></td>
<td>Widyastama Cahyana</td>
<td>National Coordinator</td>
</tr>
<tr>
<td></td>
<td>Mr TO. Supratpo</td>
<td>Staff member Lumajang</td>
</tr>
<tr>
<td></td>
<td>M Khoirul</td>
<td></td>
</tr>
<tr>
<td>LATIN Bogor</td>
<td>Arif Aliadi</td>
<td>Excecutive director</td>
</tr>
<tr>
<td>University Bogor IPB</td>
<td>Dr Ahmad Satari</td>
<td>Rector ISTA</td>
</tr>
</tbody>
</table>

\textsuperscript{29} Pro-Active Conciliation Tool
<table>
<thead>
<tr>
<th>Organization</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPTP Malang</td>
<td>Dr. Ir. Suyamto H.</td>
<td>(Director of BPTP Malang)</td>
</tr>
<tr>
<td></td>
<td>Dr. Ir. Soleh</td>
<td>Staff</td>
</tr>
<tr>
<td></td>
<td>Ir. Pudji Santosa, MS.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ir. Yuniarti, MS.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ir. Sukarno R., MS.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ir. Baswarsiati, MS.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ir. Endang Widiyati</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ir. Ruly Hardianto</td>
<td></td>
</tr>
<tr>
<td>World Bank</td>
<td>Guy Alaerts</td>
<td>Senior Water Resources Specialist</td>
</tr>
<tr>
<td>World Bank</td>
<td>THON Maria</td>
<td>Microfinance</td>
</tr>
<tr>
<td>Training Center P4S Lumajang</td>
<td>Kadir Rayidi</td>
<td>Director</td>
</tr>
<tr>
<td>KTNA Jember</td>
<td>M Solikin</td>
<td>Secretary AKTI/KTNA Jember</td>
</tr>
<tr>
<td>Indonesian Sugar Research Institute Pasuruan</td>
<td>Mirzawa Pon and 4 researchers</td>
<td>Director</td>
</tr>
<tr>
<td>Koperasi Sarba Usaha Malang</td>
<td>Ismail</td>
<td>Secretary</td>
</tr>
<tr>
<td>Sugar Factory Pasuruan</td>
<td>PG Kedawoeng</td>
<td>Staff member</td>
</tr>
<tr>
<td>APTR (Sugarcane farmer association) Jember and Pasuruan</td>
<td>Muhamad Arum Sabil and 5 staff member in Jember and President in Pasuruan</td>
<td>President</td>
</tr>
<tr>
<td>Kelompok tani Bumi Jaya I Tulungrejo</td>
<td>Kadir Rasyidi and Heryanto</td>
<td>President and Member</td>
</tr>
<tr>
<td>Konsortium of Water User Associations</td>
<td>Dr Ir Mochammad Maksum, M. Sc.</td>
<td>Director (PSPK-UGM)</td>
</tr>
<tr>
<td>Assessment Institute of Agricultural Technology (BPTP) – Yogyakarta</td>
<td>Dr Suparyono</td>
<td>Head of BPTP</td>
</tr>
<tr>
<td>Kabupaten Magelang</td>
<td>Head of Kabupaten (Bupati)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Representative of BAPPEKAB</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Representative of BIPP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Agricultural information and Extension Centre)</td>
<td></td>
</tr>
<tr>
<td>YPRI (Yayasan Pendidikan Rakyat Indonesia)</td>
<td>M. Amir Sutoko</td>
<td></td>
</tr>
<tr>
<td>Kabupaten Lumajang</td>
<td>Mr Imam Muslim</td>
<td>current head of Dinas Pertanian (Agricultural Services)</td>
</tr>
<tr>
<td></td>
<td>Mr Umar Roviie</td>
<td>Third assistant of Kabupaten head – Human resources</td>
</tr>
<tr>
<td></td>
<td>Mr Yandi</td>
<td>head of staff department</td>
</tr>
<tr>
<td></td>
<td>Mr Eddy Prasetyo</td>
<td>new-to-be head of Dinas Pertanian head of economy departement – Bappekab</td>
</tr>
<tr>
<td></td>
<td>Mr Paiman</td>
<td>Coordinator of extension workers of Kunir sub-disctrict</td>
</tr>
<tr>
<td></td>
<td>Mr Eko</td>
<td></td>
</tr>
<tr>
<td>Kabupaten Jember</td>
<td>M. Mifarno</td>
<td>head of Dinas Pertanian (Agricultural Services)</td>
</tr>
<tr>
<td>Organization</td>
<td>Name</td>
<td>Position</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>------------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>Indonesian association of tobacco farmers (APTI)</td>
<td>Abdus Setiawan</td>
<td>General secretary</td>
</tr>
<tr>
<td>Assessment Institute of Agricultural Technology (BPTP) – Lembang West Java</td>
<td>Bram Kusbiatnoro M. Rangkuti</td>
<td>Food technologist (acting on behalf of AIAT Head) Advisory Specialist</td>
</tr>
<tr>
<td>KSP Bimandiri</td>
<td>Achmad Hidayat Achmad Rivani</td>
<td>Head</td>
</tr>
<tr>
<td>AEKI Association of Indonesian Coffee Exporter</td>
<td>Rachim Kartabrata Saroso</td>
<td>Executive Secretary</td>
</tr>
<tr>
<td>UNDP Partnership for Governance Reform in Indonesia</td>
<td>Edi Suhardai</td>
<td>Program Officer</td>
</tr>
<tr>
<td>BPP Lembang (Sub-district Agricultural Extension Office)</td>
<td>Head of BPP</td>
<td>Head of BPP Extension workers</td>
</tr>
</tbody>
</table>

**SCHEDULE**

<table>
<thead>
<tr>
<th>Day</th>
<th>Jan 19</th>
<th>Jan 20</th>
<th>Jan 21</th>
<th>Jan 22</th>
<th>Jan 23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sunday</strong></td>
<td>Robin</td>
<td>Frank</td>
<td>Marc</td>
<td>Andi</td>
<td>Nena</td>
</tr>
<tr>
<td></td>
<td>Bourgeois</td>
<td>Jesus</td>
<td>Roesch</td>
<td>Renggana</td>
<td>Soeprapto</td>
</tr>
<tr>
<td>AM</td>
<td>Team</td>
<td>AM</td>
<td>AM</td>
<td>AM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>meeting:</td>
<td>Team</td>
<td>Team</td>
<td>Team</td>
<td>Mission</td>
</tr>
<tr>
<td></td>
<td>preparation:</td>
<td>meeting:</td>
<td>meeting:</td>
<td>meeting:</td>
<td>organization</td>
</tr>
<tr>
<td></td>
<td>appointment</td>
<td>preparation</td>
<td>preparation</td>
<td>preparation</td>
<td>and contacts</td>
</tr>
<tr>
<td></td>
<td>for</td>
<td>for</td>
<td>for</td>
<td>for</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yogyakarta</td>
<td>Yogyakarta</td>
<td>Yogyakarta</td>
<td>Yogyakarta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and East-Java</td>
<td>and East-Java</td>
<td>and East-Java</td>
<td>and East-Java</td>
<td></td>
</tr>
<tr>
<td>PM</td>
<td>Meeting with</td>
<td>PM</td>
<td>PM</td>
<td>PM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>World Bank</td>
<td>Meeting with</td>
<td>Meeting with</td>
<td>Meeting with</td>
<td>Mission</td>
</tr>
<tr>
<td></td>
<td>mission P.</td>
<td>World Bank</td>
<td>World Bank</td>
<td>World Bank</td>
<td>organization</td>
</tr>
<tr>
<td></td>
<td>Rondot</td>
<td>mission P.</td>
<td>mission P.</td>
<td>mission P.</td>
<td>and contacts</td>
</tr>
<tr>
<td></td>
<td>MH Collion</td>
<td>Rondot</td>
<td>Rondot</td>
<td>Rondot</td>
<td></td>
</tr>
<tr>
<td><strong>Monday</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AM</td>
<td>Meeting at</td>
<td>AM</td>
<td>AM</td>
<td>AM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>World Bank</td>
<td>Meeting at</td>
<td>Meeting at</td>
<td>Meeting at</td>
<td></td>
</tr>
<tr>
<td></td>
<td>office with</td>
<td>World Bank</td>
<td>World Bank</td>
<td>World Bank</td>
<td></td>
</tr>
<tr>
<td></td>
<td>World Bank</td>
<td>office with</td>
<td>office with</td>
<td>office with</td>
<td>Mission</td>
</tr>
<tr>
<td></td>
<td>Project Team</td>
<td>Project Team</td>
<td>Project Team</td>
<td>Project Team</td>
<td>organization</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>and contacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AM</td>
<td>General</td>
<td>General</td>
<td>AM</td>
<td>AM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>meeting in</td>
<td>meeting in</td>
<td>Meeting</td>
<td>General</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ministry of</td>
<td>Ministry of</td>
<td>with IPPHTI</td>
<td>meeting in</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agriculture</td>
<td>Agriculture</td>
<td>and FIELD</td>
<td>Ministry of</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Trip</td>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>to Yogyakarta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PM</td>
<td>Mission</td>
<td>Mission</td>
<td>AM</td>
<td>Mission</td>
<td>Mission</td>
</tr>
<tr>
<td></td>
<td>preparation</td>
<td>preparation</td>
<td>AM</td>
<td>preparation</td>
<td>organization</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AM :</td>
<td></td>
<td>and contacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>General</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>meeting in</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ministry of</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PM :</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>preparation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AM :</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>General</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>meeting in</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ministry of</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PM :</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>preparation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

78
<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday</td>
<td>January 23</td>
<td>Meeting with WAHLI, Magelang District, Central Java</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Discussion with head of District, farmers associations representatives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Discussion with BIPP representative, Yogyakarta District, D.I.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Interview of IPPHTI national coordinator, IPPHTI provincial coordinator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Field trip to East Java, Travel to Malang, PM : BPTP Malang</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Presentation and discussion on RPO I study conclusion</td>
</tr>
<tr>
<td>Friday</td>
<td>January 24</td>
<td>Meeting with AEKI, PuslitKOKA, Yogyakarta</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Interview of Head of AIAT of D.I. Yogyakarta</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Debriefing with WB mission team, Short interview of KARSA program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Interview of Vegetable producers, Interview of Apple Producers</td>
</tr>
<tr>
<td>Saturday</td>
<td>January 25</td>
<td>AM: Yogyakarta, Interview of representatives of the WUA Consortium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...PM: Yogyakarta, Interview of YPRI head (NGO)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Interview of Rice cooperative transfer to Surabaya</td>
</tr>
<tr>
<td>Sunday</td>
<td>January 26</td>
<td>Transfer to East Java, Surabaya, Lumajang</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Transfer Surabaya, Lumajang</td>
</tr>
<tr>
<td>Monday</td>
<td>January 27</td>
<td>AM: Lumajang, Interview Agricultural Service &amp; the third assistant of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Kabupaten head, PM: Bappekab representative, Interview of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...AM: Lumajang, Interview of representative of IPPHTI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Interview of P4S group, Visit of KTNA Secretary, A P4S centre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...AM: Lumajang, Interview of representative of IPPHTI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Interview of KTNA Secretary, Visit of a P4S centre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...AM: Lumajang, Interview of representative of IPPHTI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>...Interview of KTNA Secretary, Visit of a P4S centre</td>
</tr>
<tr>
<td>Date</td>
<td>Activity Description</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Tuesday</strong></td>
<td><strong>January 28</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Jember Interview of the head of the Agricultural Service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Transfer to Jember</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Interview of the President and staff members of APTR</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Interview of representatives of three Tobacco association and KTNA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Pasuruan Interviews of APTR sub-districts representatives (Farmers’ organisation)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Preparation of preliminary results</td>
<td></td>
</tr>
<tr>
<td><strong>Wednesday</strong></td>
<td><strong>January 29</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Field trip to Bandung Vegetable producers, Karsa,Yandu Zakaria</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Pasuruan Interviews of APTR sub-districts representatives (Farmers’ organisation)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Interview of researcher from Sugarcane Research Institute</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Pasuruan Interviews of APTR sub-districts representatives (Farmers’ organisation)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Interview of researcher from Sugarcane Research Institute</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Preparation of preliminary results presentation</td>
<td></td>
</tr>
<tr>
<td><strong>Thursday</strong></td>
<td><strong>January 30</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bandung, BPP, Dinas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Preparation of preliminary results presentation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Transfer to Jakarta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Preparation of preliminary results presentation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Transfer to Jakarta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Debriefing on preliminary results with WB mission team</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Ministry of agriculture, Jakarta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Debriefing on preliminary results with WB mission team</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Ministry of agriculture, Jakarta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Debriefing on preliminary results with WB mission team</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Ministry of agriculture, Jakarta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Debriefing on preliminary results with WB mission team</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PM: Ministry of agriculture, Jakarta</td>
<td></td>
</tr>
<tr>
<td><strong>Friday</strong></td>
<td><strong>January 31</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Preliminary results presentation &amp; discussion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Preliminary results presentation &amp; discussion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AM: Preliminary results presentation &amp; discussion</td>
<td></td>
</tr>
<tr>
<td>Saturday February 1</td>
<td>Drat Report preparation</td>
<td>Drat Report preparation</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Sunday February 2</td>
<td>Jakarta Paris</td>
<td>Draft Report preparation</td>
</tr>
<tr>
<td>Monday February 3</td>
<td>Bibliographie and Draft Report preparation</td>
<td></td>
</tr>
<tr>
<td>Tuesday February 4</td>
<td>BOGOR : Interview of LATIN Executive Director Interview of IPB/ISTA Rector</td>
<td></td>
</tr>
<tr>
<td>Wednesday February 5</td>
<td>Jakarta Paris</td>
<td></td>
</tr>
<tr>
<td>Robin Bourgeois</td>
<td>Frank Jesus</td>
<td>Marc Roesch</td>
</tr>
</tbody>
</table>
Annex 2. RPOs Case studies

Annex 2.1 IPPHTI

What are they?
IPPHTI is a network of farmers, starting from farmers’ groups at local level working together with specific objectives (technical, training, research, marketing…) with coordinators elected at sub-district level, district level, provincial level and national level.
At each district or provincial level they have coordinators specifically working on a topic. There are coordinators for administrative matters, for financial aspects, on advocacy, on gender issues, science and research, marketing and public relation. When a question or problem is raised on one of these topics, the coordinator concerned will try to find information among IPPHTI members and contact outside experts if necessary.
Their objective is first to empower farmers’ role in the Indonesian society: build farmers’ own abilities & self-confidence, become a sustainable, independent strong stakeholder, a partner for the other stakeholders. The objectives of ecological balance only come second.
Their activities are very diverse (12 different activities identified), ranging from technical aspects (such as plant protection, soil management, etc.) to social awareness and marketing. These activities are designed and implemented by the farmers of the network.
They are present in 11 provinces.

Current interactions within the organisation:
Regular meetings are organised at all levels, with more meetings at local level and only one meeting every 2-3 years at national level. Coordinators at all levels have time-limited mandates (with a maximum of two successive mandates for the same person) and can not cumulate two positions (newly appointed national coordinators have to leave their provincial mandate to another member).
It seems a lot of information and training circulates among the members of the network.

Relations with other stakeholders
With government Relations with governments are very diverse depending on the perception government representatives have of RPOs. In some districts, like Sleman, the local government support some of their activities and invite them to consultation forums on local policies. In other localities or at provincial level, it is more difficult: there are still considered as a project or as provocateurs. IPPHTI makes efforts to socialise their activities and aims. They also try to push for specific policy decisions at local or national level. There are invited sometimes at national level to present their activities.
They managed to push the national government on making a law on pesticide at national level.
With agricultural services they are very critical of these services, “a waste of money” as some IPPHTI members consider them. They area not interested by farmers’ participation, their staff is too old, too generalist, not updated on techniques, they try to manipulate farmers and data and they are more interested in selling input and credit. In fact IPPHTI says it is easier to work with local district governments than with local agricultural services. Only Plant protection specialists (PHP) seem to be different and have good collaborations with IPPHTI.
With research services: BPTPs are not mentioned at all. When farmers identify technical or scientific needs and if no member of the network can help on the topic, they ask outside experts to help. These experts mainly come from Universities or Research and development centres.
NGO: A lot of support from and good relations with NGOs exist but IPPHTI leaders say they should stay separated from RPOs to avoid having NGOs (or even agricultural services) using the image of RPOs for their own promotion.

**Their current capacities in terms of empowerment**

IPPHTI is one of the rare Indonesian RPOs ruled by farmers & for farmers, where farmers build their awareness, knowledge and decision-making capacity.

They participate to local decision-making through direct invitation by government or by pressing on policy decisions (demonstration, medias).

They participate to raising awareness among farmers about the capacity of farmers to become professionals and partners in public decision-making.

They have developed abilities in training and facilitation, community organisation.

They try to involve all farmers’ type (including poor).

**Weaknesses**

IPPHTI is a strong organisation, but it is still dependent on outside donors for its functioning activities (meeting, coordination, secretariat…). Efforts are on the way to diversify donor sources (including local government), and to develop collective group activities to fund the coordination expenses.

IPPHTI seems willing to diversify its activities and may be able to do it but membership to IPPHTI seems much related to IPM training and good IPM practices, which may not be of interest for all farmers.
Annex 2.2 APTR (Association of Sugarcane Producer)

Plasma and nucleus:
The first sugarcane plantations in Java were established during the era of colonization. Before the Second World War, Indonesia was the second largest sugarcane producer in the world. At that time, private companies or the colonial administration owned the sugar refineries. The production was essentially maintained by the smallholders. After the independence, the State continued to invest in the sugar refineries, while at the same time started to give concessions to the privates companies notably in Sumatra and Sulawesi. Since 1975 the government launched a sugarcane intensification program. This program encouraged the farmers in Java to plant sugarcane and hence, provided necessary supply to the state-owned sugar factories. The agricultural services were responsible for this ‘incitement’ process, while the government decided the areas where the plantation should be grown. This was the case, particularly in East Java, Central Java and Lampung. In Kalimantan and Sulawesi, sugarcane was grown by big agricultural companies and processed by middle-size processing plants. In Java, this type of mechanism can be seen in other big plantations types like those of palm oil and rubber plantations.

In the sugarcane case, at the centre there are sugar refineries. The plantations exploited directly by the factory units are called ‘nucleus’ plantation; local workers were employed to cultivate on the rented land. The factory also collects supply from smallholders producing sugarcane individually (called ‘plasma’). The terrain cultivated as ‘nucleus’ and ‘plasma’ varied over the time; in Java, a majority of terrain cultivated by small producers as ‘plasma’. Small producers cultivate half of total terrain of sugarcane and two-third of it is located in East Java. In average, the ‘nucleus’ represents 17% of sugarcane plantation in Java against 92% in other provinces.

This condition explains the establishment of farmer organization capable to negotiate with factories launched in Java. In other provinces, both state-owned and privately owned factories have a strong position since they are not dependent to smallholders for their sugarcane supply.

<table>
<thead>
<tr>
<th></th>
<th>Small holders</th>
<th>Government</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ha</td>
<td>%</td>
<td>Ha</td>
<td>%</td>
</tr>
<tr>
<td>Sumatra</td>
<td>10.000</td>
<td>2.6</td>
<td>36.000</td>
<td>9.3</td>
</tr>
<tr>
<td>East Java</td>
<td>127.000</td>
<td>32.8</td>
<td>25.000</td>
<td>6.5</td>
</tr>
<tr>
<td>Total Java</td>
<td>186.000</td>
<td>48.1</td>
<td>15.000</td>
<td>11.1</td>
</tr>
<tr>
<td>Sulawesi+</td>
<td>3.000</td>
<td>0.8</td>
<td>15.000</td>
<td>3.9</td>
</tr>
<tr>
<td>Kalimantan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>200.000</td>
<td>51.7</td>
<td>94.000</td>
<td>24.3</td>
</tr>
</tbody>
</table>

BULOG and credits:
The government agent of agricultural products marketing, BULOG, was the only buyer of sugar produced by factories. It was also the supplier of agricultural inputs (like fertilizer and treatment products) to credits. The factory furnished sugarcane cuttings to be planted as well as technical advises, provided by factory’s agents. The purchasing price of sugarcane was fixed in advance before the plantation process. On the deliverance of sugarcane to the factories, the farmers were remunerated based on the weight of sugarcane furnished. The tax of sugar was the same for all farmers and was invariable along the years (farmer’s declaration).

Disengagement of BULOG in 1998:
Following the political reformation taken by the new government, BULOG stopped to buy sugar in 1998. It stopped also supplying fertilizer and rural credits as well. The factories tried to take up BULOG’s function, but:

The sugar was sold directly by the factories to domestic market and became the competitor for the imported sugar. The price then fluctuated based on the importations.
The farmers were paid once the factory sold the sugar. There were no more guaranties for farmers on the price.
The factory had neither competence nor sufficient funds necessary to provide farming inputs and credits to the farmers.

The difficulties in supplying farming inputs, fluctuating prices and insufficient income from sugarcane have discouraged the small farmers. They started to search for other productions. The factories were forced to increase the renting of the land in order to ensure the minimum supply. Currently, twenty percent of sugarcane plantation in the collecting areas of sugar factory in Pasuruan is used as ‘buffer’. Eighty percent of the total plantation area belongs to 24,000 farmers (with an average of 0.2-0.5 ha/farmer).

The establishment of an association

Facing this difficult situation, some farmers, who are exceptionally dynamics and lead by an outstanding leader, decided to establish an association. Their objective is to get the best remuneration conditions from the factories and the government (as the owner). If at the beginning the action was essentially to claim their rights, rapidly they put in different mechanisms to participate in the sugarcane price construction process. Not only they developed their claims to modify the elements involved in price construction, but they also participated in finding necessary solutions and desired modifications and they ensured its applications.

Claim and actions

Price and taxes: This is the first claim. The farmers knew exactly that the USA taxes the imported sugar up to 250% while it is up to 100% in Australia. When the Indonesian government, with a demand from the Ministry of Industry, decided to remove the 20% importation tax, the producers demonstrate as far as Jakarta, with the “unofficial” support from Ministry of Agriculture. The president then gives in their demand by re-establishing the tax. In 2002, following a demonstration, they obtained a promise of financial support of Rp. 500/ kg sugar.

Taxes on sugar importation (content?): The farmers obtain to assist and to control the weighing of sugarcane and sample taking at the arrival of factory’s trucks to verify the reliability of taken measures. They demanded to the researchers to explain the sugar tax calculation and the justification of the obtained figures. Unfortunately, they don’t have any means to re-check the analysis.

The ‘factory’ coefficient: There is a ‘factory’ coefficient applied to the ratio of sugar contained in sugarcane. This is to obtain the quantity of sugar per kilogram of sugarcane that will be paid to the farmers. This coefficient is determined following a factory audit. Officially, the coefficient is 0.68 as minimum ratio applied by the State as factory owner. But in actual fact, the coefficient is 0.56\(^{31}\). Then the factory is not capable to apply this coefficient and has to minimize the sugar ratio to achieve their balance. When the leaders at APTR were informed on this matter, they manifested

\(^{30}\) H. Muhamad Arum Sabil (around 35 years old) is a son of a smallholder. Endowed by a sharp sense of organization and communication, he is also someone who has a ‘vision’. As farmer without land, he started very young in sugarcane production by convincing village officials to let him managing unexploited community lands. He planted sugarcane He also created a small company. The revenues obtained from both activities allowed him to have necessary sources to help in establishing the association and to assure the actual financial balance. To avoid the accusations that he used association’s funds for his own profits, he regularly informs on his activities and his account to the whole members of association.

\(^{31}\) According to interviewed researchers
for an improvement on factory efficiency. First task is, by collaborating with factory managers, to apply a (sugar cane collection organisation to the factory and to avoid loss of production of sugar due to a prolonged stock of sugarcane in the factory. Second task is to intervene so the State will carry out necessary investment for modernizing the factory.

Credits, quality and research: APTR is positioned at the Sugar Board that assembles different factory managers and researchers and decides the research program to be implemented. The researchers proposed some techniques and various action types to improve the sugar ratio in sugarcane. Those techniques have their own costs. Poor performance of factories doesn’t favour this effort on quality. On the other hand, this system favours the farmers who have sufficient funds to imply this effort. For a while, it seemed that neither APTR who defends smallholders (which is their basis), nor the factory has any interest for quality improvement of sugarcane products as long as the factory efficiency is low. Meanwhile the credits provided by the State for the farmer to help them to plant and improve their techniques (credit with annual interest rate of 16% against 22% of the bank) represent only a quarter of total demand in credit. Efforts on quality production improvement need a real effort on the amount of these credits, and only few credit are available. “Quality improvement” seems to need a global approach from all participant (individual farmers, APTR, factory and state) and need coordination in the effort. Who will take the lead of this coordination?

Structure and functions of association:

The association status was chosen for the following reasons:
There are already some associations based on commodity (cacao, rubber and coffee)
Registration process for an association at the Kabupaten level needs no more than a simple declaration.
The association members can enrol and quit without any obligation to renew the declaration (contrary to the foundation type of ‘yayasan’).
An association is not authorized to perform commercials activities. Therefore, it can prevent its leaders from being accused of using the association for their own business.

The membership is automatic. In fact since the association organizes sugar marketing, all sugarcane producers have to become the members. Therefore each factory has its own association and each association is registered separately. Each has its own status and its own rules.

The structural level: the base of association is placed at village level. Each village elects its representatives. Then the village representatives elect two representatives for each Kecamatan (sub-district). Every year the ‘kecamatan’ representatives elect their representative at the association level (at the factory). Collecting area of a factory can cover two Kabupaten. The factory level is more adapted to the organization’s scheme than the Kabupaten level. At higher level, provincial or national level, these associations are regrouped as one federation. This federation has also its status as association. The president of this federation is elected for five years without any possible extension. Actually, the motor for matters related to technical questions is the base association (at factory level). For economical aspects the principal leader is the federation of East Java province.

The figures: The association at national level counts 243.000 members. Based on calculations done by the association, sugarcane activity sustains the life about 10.000.000 people (family members, factory workers, transportation and commercial workers).

The association members and their information
The Pasuruan association (in the Pasuruan factory surrounding) counts 24.000 members. According to the statement of its leaders, the information disseminates very well between the
central level and the Kecamatan level. However, there are some difficulties between the 
Kecamatan level and the base members at village levels. The elected representatives are obliged 
to pass through the responsible personnel at village level (one Kecamatan can have about 20 
villages and there are often 3 farmers group for every village), the information goes essentially 
decreasing. This information was confirmed by the researcher from P3GI (Research Institute for 
Sugarcane). They stated that although the majority of sugarcane farmers declared that they mostly 
received the information from the press. But they declare also that they are satisfied with the 
actions carried out by APTR.
A forthcoming study of IPB Bogor will lay emphasis on the observation that in fact the smallholders 
were hardly consulted. They even had the impression of ‘taken as hostage’ by the lessers from 
Kecamatan. Some of these persons monopolized for their own profits the limited credit offered by 
the factory or by the government and they don’t inform the farmers neither about the organization 
of the funds nor their activities at the factory32.
It seemed that in certain cases, there were a ‘nomenklatura (list of several persons that receive 
special privileges) of APTR’ at Kecamatan and Kabupaten levels. These personnel used their 
position to have an access to rented land and hence expanded their lands, to obtain from the 
factory more profitable ‘sugar ratio’ and they monopolized the information33.
It is also true that the factories, a certain number of government officers and some members of 
KTNA (farmer organization created by the State) are envious of the APTR’s influence and try to 
find every possible way to discredit this organization at all level from farmers to national level. More 
detailed information should be available in the study accomplished by researchers of IPB that will 
be published at the end of February.
From our own interviews, it appears that APTR focuses effectively and mainly on the ‘claiming’ 
aspects and on farmer’s participation in the organization of production process. It failed to include 
in its program an effort targeted to train their base members so they can participate actively in the 
association. It has no specific action on ‘smallholder empowerment’.

The financing of the association:
Each member/producer pays a contribution of Rp. 2/kg of sold sugar (1 kg = 1.500 rp). Rp. 1 goes 
to the association for its operations and another Rp. 1 goes to the federation for its operations, the 
financing of ‘claiming’ actions and sugar marketing. Officially the factory pays each producer with 
sugar. Then each one is supposed to sell his-own sugar. In practice, it is the association who is in 
charge to do this and the selling contracts were passed on behalf of each APTR leader at 
Kecamatan level. These persons then hand over the money to the groups in the villages. This 
system is not satisfying, but the establishment of a commercial cooperative is constraining. . The 
idea is still under consideration.

Relationship with research and extension
There are almost no extension services concerned by sugar cane. It is the factories that provide 
technical guidance to farmers. The implication of APTR representatives in organization of 
production and in factory ‘controlling’, have placed these agent indirectly at the farmer’s service. It 
will be interesting to carry out a more profound analysis concerning organization and tasks of these 
agents to identify ideas on how establish relations between farmer organizations and extension 
agents.
Moreover, at the moment, it is not favourable to utilize a payment method based on sugar cane 
quality since there is vagueness on the technical efficiency of factory, the production systems, the 
payment mechanism for the farmers and on the sugar price itself. More or less, this vagueness is 
of advantage to all actors involved since it prevents finger pointing on some practices or 
mechanisms whereas the solution is not yet available. 
Actually the role of the extensionist is more on production organization than on technical advices.

32 Interview with a researcher from IPB
33 ‘Statement’ of government staff of BPTP and members of KTNA
The research can contribute to a great extent on the sugarcane quality improvement, but at the moment since different actors seem unwilling to engage on this matter, the intended research receives not enough support, as it would need. The factories continue to finance minimum operation of research institution and the few research programs were funded by the AARD. The demand for research is potentially strong. Right now the APTR has no obvious idea of what could be produced from the research. For example they invited the researchers to explain about different controlling procedures of sugarcane contents. One of the researchers of the institute is studying a new type of contract between producer and factory. APTR is very much interested on this topic.

**Evolution Prospects for the Association:**

At the moment APTR is working on two subjects: Establishment of a cooperative. Input supply was initially done by BULOG and then by the factories. The producers regarded it as unsatisfying (tardy delivery, higher prices, dubious quality, etc). The APTR are trying to carry out that activity. The cooperative can also organize the sugar marketing. Besides the problem of status, the most important question to be solved is the capital constitution. Considering the sugar price and a multitude of small producers, it is impossible to ask to the producers to paid through another deduction on sugar payment. Capital endowment that comes from external party seems to be the only possible solution. Participation in factory capital. The survival of ‘the sugar network ’ is linked to the survival of the factories. The farmers hope to have some share in the capital, so they can contribute in the decisions on the factory’s future. Here also, APTR has not the capital. So they make a demand to the State to ‘give’ them some share in the capital.

Until today, both options are the prospects mentioned by the APTR leaders. Their strategy of association development is mostly intuitive. They advance based on ‘feeling’ without any real strategy or a long-term plan. They ‘sense’ which direction to take without being sure about the arrangement to achieve what they want to improve.

**Strength and weaknesses of APTR**

Organization and dynamism. In Indonesian context, the association seems to be the only farmer organization based on a commodity that has a democratic structure from the basic level to the national level. They have frequent debates about any subject, as much techniques as political subjects. In addition, the dynamism of their leaders has created an active structure, capable of providing initiatives in all domains.

It is a ‘multipurpose’ association. Having only ‘advocacy’ activities does not satisfy APTR; they also involve in the organization of production, factory supply, product transformation and the marketing of sugar. Their ambition of cooperative establishment and their involvement in the factory capital structure are two signs of this openness towards complimentary activities that are necessary for the production.

A vulnerable foundation. The difficulty of this organization is that there are 230.000 members at its base with a majority of small producers with a low-level education. Information and training to inform and to encourage participation in such a colossal organization and such enormous members seems not in the top priorities of the leaders of APTR. It is coming mostly from a lack of experience and lack of money to organize this. The most essential in their action is to organize mass manifestation to provide information. There is a concern that progressively there will be a rupture between uninformed base members and the leaders who continue to evolve their way to think and to react. There is a risk that one day the base members can’t understand any longer the logic behind which the leader act in response. It can create mistrust of the base members towards
the leaders\textsuperscript{34}. It can also hinder the team regeneration process from lower level members and a creation of a ‘class’ from which the future leaders will be chosen.

There is a tendency of elitism. The APTR actually focus on all technical and economic aspects of ‘their networks/members’. It forgets the social basis. Its lack of information and training organization is one subject that is unobserved by APTR among the wide-ranging tasks of this organization. The huge number of their members and their territorial dispersion makes the task more difficult and costly. Even if they wanted to, the APTR wouldn’t be able to initiate that action in a significant way. But for the meantime, they don’t even anticipate it. This ‘principle’, however, is at the base of IPPHTI organization, which makes those two organizations very different.

As the conclusion, APTR is a very good example of a farmer organization oriented on ‘a commodity network’, which is still developing. It is sufficiently managed to serve as illustration of what is possible to do and at the same time it is still so young to accept and to support important changes at organization and strategic levels. Like all young organizations, it needs fresh ideas from external parties, more advanced organization and financial support to help it develop. This association is also an interesting foundation to establish more new organizations. A project of farmer organization reinforcement can help to improve this association and then count on it to assist others… on condition that this association has to clarify some obscure points that still exist.

\textsuperscript{34} It is necessary to clarify these points incited by IPB once their report is available, especially the question concerning the credit monopoly by the APTR’s leaders.
Annex 2.3 APTI (Association of Indonesian tobacco farmers)

What are they?
In 1999, local tobacco farmers created APTR2 (Asosiasi Petani Tembakau Rajang Rengani) in Jember district. It is one of the 4 tobacco farmers associations of the district. The leading factor for their emergence was the fact that farmers felt they got little from a commodity chain that made a lot of money, with collectors using unfair buying procedures (non-transparent price definition and quality assessment) and production increasing quickly in a market were European demand was decreasing.

In 2000, three of these associations joined in the formation of APTI, the national association of Indonesian tobacco farmers. APTI regroups associations from 6 provinces. APTI is a new association, aware that a long path is still ahead to build a strong association. The leader of APTR2 is also the general secretary of APTI and the general secretary of a forum for the collaboration of plantation crop farmers (regrouping farmers’ associations of 12 different plantation crops).

Current interactions within the organisation
The membership basis and process for the choice of leaders did not appear very clear. It seems the association is lead by a few, willing to find solutions to marketing or policy problems on tobacco.
Relational among members seems limited to the provision of information by the association leaders to the village members. For this they use different medias including radio (they have their own radio broadcast).

Leaders are organised from sub district up to national level. No APTI leaders exist yet at village level for Jember district, but they do exist in other localities (in Lombok especially).
Relations among associations of different provinces appear feeble up to now.

Relations with other stakeholders
With government, APTI seems to have more interactions with local governments, either at district or provincial level than with the national government. These interactions follow two paths: on one hand APTI leaders try to put pressure on the district heads and on provincial governors to have their voice heard and to have reforms favourable to tobacco producers designed; on the other hand local assemblies (DPRD) sometimes invite representatives of APTI to discuss technical or marketing issues and district government can provide funds for meetings held in Jakarta (such as the APTI national meetings). There is a will to be more active at national level (for instance, at the time of interview: to oppose decisions regarding the increase of taxes on cigarettes) but it still has to be developed.

With agricultural services. In Jember district, APTI seems to have developed good relations with the Plantation Crop Services (Dinas Perkebunan). The Dinas plans to develop a participatory information network on tobacco with information centres at sub-district level providing farmers with information on production needs from factories, prices... This is a new project, it should begin in march this year. APTI would like to have farmers in the management board of these centres and is trying to discuss this with the Dinas. Beside, when APTR2 was founded, the association leaders invited extension workers to inform them. They say that extension workers do not provide much help to farmers but blame the lack of research results rather than extension workers themselves. Moreover, the problems APTI tries to solve deals more with the relations with traders than with techniques, and these problems are not managed by the Plantation Crop Services.

With research services: APTI appears to have relations with several university professors & deans who, for instance, participated in the design of the participatory information centres project.
With Traders and processors. One objective of APTI is to have closer relations with tobacco processing industries and even to get shares in their capital. This will is related with difficult relations farmers and industries have with traders. The later appear to withhold important information & disseminate false one (telling farmers to go on planting well over the planed quantities required by industries). It is also said that they are well acquainted with tobacco graders and thus regularly cheating farmers on tobacco quality assessment. Up to now, a common interest between APTI and tobacco industries seems to have been identified but no common action has been successfully taken yet.

With Journalists. Some journalists help APTI provide information to farmers through newspapers & radio broadcast.

Current empowerment capacity
Clearly, their leaders (at least the one met) are farmers who have gained access to information, who can understand and process them and are willing and able to participate to policy decision-making and to discussion forums. They are also willing to have more active participation (and empowerment) of their members, but it has not been achieved yet.

Their leaders are often quoted in local newspaper concerning policy discussions (especially on cigarette taxation increase).

Weaknesses
The first weakness acknowledged by APTI leaders is the lack of information of root members, the lack of strong regular interactions between members and leaders.

The second weakness acknowledged concerns, like IPPHTI, the functioning means of the association: coordinators are not paid, travel fees have to be found outside and no real budget for meetings and discussions exists. This is true both for relations at local level and among associations at district or provincial level.

Two other weaknesses are acknowledged: the low bargaining power of farmers facing local collectors and the necessity to provide further training to members on business issues and prospective vision.
Annex 2.4 Apple Cooperative in Malang

It is actually a Kelompok Tani (farmer organization) founded by village officials in 1986 following a recommendation from central authority.

Structure of the cooperative

Officially, the structure is as follows:
A chairman, a secretary and a treasurer
Five sections: food crop, fruit products (mainly apples with a sub-section of ‘organic’ apples), floral and vegetables products, animal husbandry, savings and credit.
A cooperative that sells agricultural inputs
Around 3,000 members.

Activity

The farmers of every section will gather each time they face a technical problem. There is no regular meeting and the meetings are usually on the chairman’s initiative. For example, the meeting in October discussing organic fertilizer, while the last meeting in December discussed the price of apples and the credit of KUT. Once in a month, there is a visit of extension agent.

Relationship with research and extension activities

Every month, the personnel from BPTP hold a meeting with all section’s leaders. But these leaders disseminate the information to the members only when the BPTP’s personnel ask them to do so. Actually the farmers need the information from the extension agents and from the research output to decide what they should do and how.

Relationship with local authorities

None. On the contrary, the farmers said that after decentralization, the elected authorities know only a few on agriculture and they have no interest in that subject.
Relation with private sector is concerning the marketing issue, particularly apple marketing issue.
There are around forty traders involved in apple marketing in Indonesia. They employ the offspring of local farmers as collectors. The farmers are not willing to sell the apples themselves due to some reasons:
At the moment, they can sell their apples. If they tried to sell it themselves outside the local market, they risk having a boycott from their usual buyers.
Their own offspring are the collectors, paid by the traders. Thus, the traders are promptly informed of all possible changes on the farmer’s side.
To sell products in the cities, they have to stock and it requires refrigerated storerooms that need a good deal of funds.
Between Malang and Jakarta there are at least 65 controlling points, which means 65 possible points for illegal and legal taxation.
The apple-packaging unit is in hand or controlled by the buyers. For example, a group of farmers found a seller of apple-packaging net with a good. The seller then rapidly faced a bankruptcy; his Chinese supplier (probably contacted by other packaging seller) has blocked its supply of material.

Still, the farmers know very well how to produce a high quality apple. Apple with A1 quality is sold in Jakarta at Rp. 12,000/ kg, while apple of A and B qualities are sold at Rp. 6,000 to Rp. 7,000/kg. The collectors buy the apple in whole region at Rp. 1,200/kg. To produce a high quality apple, the farmers have to reduce the number of fruit on each tree, which means that it diminishes the total production.
The A1 quality apple found in the market nowadays is actually imported apple. The same buyers of local apples in Malang control the importation and the State taxes this importation. Neither the government nor the traders have interest to improve the local products with high quality. There is a market for low and middle price apples, and traders have an interest in buying all apples at the same price and sort them after transportation and storage.

**Relationship between apple producers from other neighboring or distant sub district:** None.

**Weaknesses**

It is difficult to talk about farmer organization when there is behind only a name without a real organization. It gathers the farmers merely for technical purposes and often the initiative comes from the administration’s side. The organization members have no project on their activities and develop no ‘vision’ for their future. They seem to be so submissive. An external intervention that proposes some funds to support an initiative will only create some opportunist manners. The proposed plan to be applied in such organization is firstly to make them realize their interest in an real organization and arrange them to meet well organized RPOs like IPPHTI or APTR and other producers from neighbouring Kecamatan. It is essential to break their isolation and initiate their awareness prior to taking up a completely new strategy.
Annexes 3 NGOs Case studies

Annex 3.1 LATIN

A short history

There is a 3-million ha forest in West Java province where 60% of its area is located in Kuningan district. The forest was managed under the provincial forestry service until 1975. Since 1975 it was handed over to the state-owned company (Perhutani). The company then exploited the existing trees and started a teak plantation. The villagers were employed as plantation workers. In exchange for their maintenance services they were allowed to cultivate land in between the teak lines for 20–30 years. Now the teak has been full-grown and the farmers are obliged to stop cultivating in the forest area.

Intervention of LATIN (NGO)

LATIN, initially established by forestry students (refer to the LATIN file in the annex of RPO 1 report), who works in the area, took the initiative by proposing to farmers to assist them in dealing with forestry services to present their land claiming issue. The villagers wish to acquire some terrains so they can cultivate or plant the trees in the areas. They also claim some parts of revenues obtained from trees exploitation, basically from the trees that they maintained previously as remuneration for trees maintenance. In 2000, the responsible personnel at Kabupaten supported the idea and assisted the process. LATIN started this activity in a village in 2000 and three years later, it grows to be 15 villages involved. In total, there are 139 villages that are related to the forest. LATIN has developed a working method, recruited and established community organizers and assisted a local NGO to carry on all activities and the program management. The local NGO adopted the method and maintained the work commenced by LATIN. Now LATIN continues to assist in short-term missions and trainings.

Community organizers are the farmers recruited from the villages and trained by LATIN at first, then by local NGO. They are in charge in meetings arrangements at villages and in identifying issues and ways to claim their demand. They are also in charge in the application of negotiated activities. The farmers participate in determining limits of the areas, zone characterization, natural resource inventory and eventually in defining the general plan of land management.

Bupati (Head of Kabupaten) supports their activities, probably for political reasons (and/or electoral reasons), by providing some funds for their activities.

State-owned company (Perhutani), accepted to discuss the claim to settle down the situation, aware that doing the opposite will invite accusations of forest destruction from environmental NGOs. So far, they agree to let the farmers cultivate lands that have no teak plantation.

Consortium. A consortium was formed to proceed in managing this forest issue (the conditions of negotiation, identification and zones cartography, inventory, etc.) and to serve as mediator between the state-owned company and the villagers. It is also responsible in composing required documents and to support village communities.

The consortium consists of:
- Bupati or his representative
- Forestry Services
- Ministry of Environment Services
- Local NGO recommended by LATIN who is responsible for management and training
Resource persons recommended by LATIN who are responsible to assist the negotiation process between farmers and the state-owned company (consists of former government officers who have good relations with the villagers and the government administrations).

Objective. Program development: after commencing with one village in 2000, the program involves 15 villages in 2003. The consortium organizes inter-village visits to promote the understanding and adoption of the program to the villagers. In the long run, the objective is to associate the 139 villages around the forest and to encourage them to participate in a wide-range forest management.

Organization:

Meetings. In average, a meeting at village level is held once a month as information meeting, a discussion or a group working to compose necessary documents. The community organizers, the NGO and the villagers attend this meeting. Usually a meeting at Kabupaten level with the consortium is held when the villagers require it or proposed by consortium members.

Trainings. Based on their experience and after one year working on one village, LATIN proposed a package of training program. However, it is the consortium that decides which training program to be applied (called community planning) as well as the trainers.

The principal focuses of trainings are:

- To create a common vision of the objectives to be achieved at the village level
- Training on negotiation skills
- Trainings on information collecting and management (inventory, operational cost, consequences of decisions, project application, how to obtain financial aids, etc.)
- Organizational skill and how to run bigger organization (bigger than village level)

Finance. Bupati of Kabupaten Kuningan allocated a fund of Rp. 200 million in 2002 and Rp. 500 millions (around $ 60,000) in 2003 for the program activities. These funds are allocated for trainings and transport. A British NGO provided a Rp. 80 millions grant for 6 months intended for transport and per diems of villagers during their inter-village visits. Meanwhile, LATIN and the local NGO search complementary funding. At the moment, LATIN is self-financing their activities in this program and they are not remunerated from the aforementioned budget.

Strength and Weaknesses:

The method applied by LATIN is interesting because it stresses on 4 fundamental points:

- Awareness of RPOs by let them participate in negotiations.
- Training is targeted on community, not only on leaders.
- Involvement of local government officials from all ranks (from village to Kabupaten) and from all government services (forestry agents, environmental services and extension agents) since the beginning of the program.
- Expansion of references for villagers by inter-village visits and visits to other regions.

Forestry Approach or Territory Approach. The approach proposed by LATIN (territory management approach) receives diverse reactions from the villagers. According to LATIN, most of the villagers are not so enthusiast about the proposed approach. They consider it as too time-consuming and it needs several preliminary actions. They want to have access to the forest for land utilization and trees exploitation without further ado. This attitude is supported by the fact that the villagers have managed their own community forest for a long time and the community forest is better managed and in better condition than the state-owned forest. As a result, the villagers consider themselves more than ready to manage the state-owned forest areas. Furthermore, many villages want the NGO to help them only in dealing with the forest issue. There is merely one village that is interested in learning and applying the comprehensive management plan covering all village resources in the whole village areas. They asked LATIN to assist them in dealing with Ministry of Tourism to discuss the possibility in managing a tourist site in their village. But this case is really an exception.
It seems that mobilizing the villagers on forestry issue has made the villagers to collaborate to start a community organization. But the process needs more than a year or two to advance. It needs a longer time to progress. The experience on this kind of organization process in this region is still in early stage. On the contrary, LATIN has been working on these forestry management aspects in East Java since 1993. They acted as mediator for a project to support farmer organizations in forestry subject. However, LATIN has limited team personnel (actually around 35 persons) in handling a numerous activities. In short term, they can only provide a limited support to a capacity reinforcement project of farmer organization.
Annex 4.1 Detail activities of government services with farmer groups

Looking more in detail at the activities of agricultural services (Dinas Pertanian, Dinas Perkebunan, BIPP) in the different district visited provides an idea of the range of activities implemented in relation with RPOs. From the most usual and classical activities to the more innovative ones we can find:

Agricultural extension activities:
Through demonstration plots or direct technical advises, extension workers provide technical information to farmers. It is usually done through the old Kelompok Tani system but also with new RPOs such as the commodity associations. In these activities, working with an RPO facilitates the task: it is supposed that informing RPOs' leaders suffice to disseminate information to all farmers. Most of the time, the techniques to be demonstrated originates from research bodies (through BPTPs) and are decided by agricultural service officers without participation of RPOs in the choice of techniques to be demonstrated. Demonstration plots and technical advises can also be funded and designed by private companies who then use extension workers to promote the use of their products to farmers. The best situation, as acknowledged by extension officers, is when commodity associations that emerged directly from farmers come directly to extension workers to require technical advise.

Facilitation of RPOs construction
Some agricultural services consider that they provide incitation to the emergence of RPOs. Extension workers sometimes promote the idea of building commodity association with farmers and explain to farmers what is the role of an association leader, an association secretary, etc. They often admit that such induced RPO only remains as a group if the extension worker pushes them to meet regularly.

The second way they use to promote RPO building goes through credit or fund access. Different procedures exist in which farmers or villagers are informed that grouping together can help access credit or investment budget. They are helped to identify a project, to write it down and to present it to a bank or to a specific fund or program (P4K for poor farmers, KPD for villages). As is often the case in such scheme, it is very likely that farmers groups induced in the process can not sustain a group activity beyond the mere necessity to access funds.

In some cases, agricultural services even provide direct investment of machines to KTNA members hoping it will foster the development of groups or association to collectively manage the equipment.

Farmers link with market
In several districts, agricultural services are very focused on developing better links between farmers and product buyers. This may lead to various types of activities.

The basic activity implemented by agricultural services in this field is to make the contact between possible investors (or buyers) and farmers. The existence of an existing RPO makes it more easy, but in the case no RPO exists for the commodity the investor is interested in, agricultural services may motivate farmers (advanced farmers especially) to build one in order to be able to get a contract.

Regarding empowerment issues, unfortunately, it seems that many commodity related RPOs correspond in fact to organisations build with the sole objective of facilitating some form of contract farming. Farmers within such association may gain from a facilitated access to market, but no real
empowerment, awareness or self-confidence and management is achieved. It is not the objective of the process. This, of course, can generate situations favourable to an unfair exploitation of farmers by leaders or buyers controlling information and contracts. (see. rice mill coop as example) In some cases, agricultural services involve themselves directly in the marketing process with RPOs. It has been the case in Lumajang, when the agricultural services tried to support the construction of a contract between an association of farmers producing organic rice and a buyer in Jakarta. When the buyer did not honour his contract, the agricultural services convinced the local government to buy the rice from farmers and store it until they could find a buyer. This case, unresolved yet, shows that some agricultural services can have a real commitment in helping RPOs but may lack experience in how to do it and face, like RPOs themselves, difficulties with traders insensitive to the respect of a contract.

Access to information
Some agricultural services can provide training costs for RPO members (including outside of province). In the best cases, the request for training originates from RPOs themselves. Another interesting innovation in term of information is being prepared in Jember. There, the plantation crop services plan to build up local “participatory information centres” on tobacco. These centres would be located at sub-district level (not at village level because of a lack of fund) and would provide farmers with updated data on tobacco prices, market demands, techniques, area planted, etc. The officers in charge have selected 22 types of data they think are of interest for farmers and would like to disseminate them to farmers through local sub-district RPO leaders. One important objective of this system is to avoid having farmers being mislead by collectors information and planting more tobacco than needed by factories. Informing farmers directly of the real demands from factories so that they can organise their planting areas accordingly would thus be useful. In this interesting initiative, from the plantation crop services, the word “participatory” is used to indicate that information will be provided directly to farmers. As of now, no direct involvement of RPOs or farmers had been planned in the management of these centres or in the choice of data to be disseminated. This may change since the system has not started yet and there is already a request from APTI to be more strongly involved in the process through the creation of a common management board including farmers.

Relations with strong existing RPOs
The relations with strong existing RPOs are of a different kind and show what could be interactions between farmers’ organisation build by farmers, for farmers and officers from different services. In some cases, they directly facilitate the activities of RPOs by providing funds and facilities for their meetings. Some agricultural services realise that, when there is a problem, RPOs come to see them first while, at the same time, they may not have the possibility to answer RPOs demands. This is particularly the case when marketing problems or policy issues are at stake. Therefore, these services often feel uncomfortable. In many cases, the problems raised by RPOs are not strictly technical and they have to contact local government directly. In the best cases, they can be invited by local district assemblies or by the district head, in other cases, they organise demonstrations, protests and go to see local policy decision-makers themselves.
Annex 4.2 ARMP II

The Indonesian National Agricultural Research System currently operates under the responsibility of AARD, the Agency for Agricultural Research and Development within the Ministry of Agriculture. AARD was created by Presidential decree in 1974 and has since gone through four significant reorganisation processes, respectively in 1979, 1983, 1990, and 1995. The last reorganisation aimed at preparing the National Agricultural Research System to deal with two new issues, one related to organisation: the decentralisation of government services and the regionalisation of research and development, and the other related to content: the emphasis on market-oriented and demand-driven technologies.

This reorganisation has resulted in particular in the creation of Assessment Institutes for Agricultural Technology, located in each Province, from former substations of commodity research institutes. This creation of new regional research and development units was accompanied by the staffing of personnel from provincial Agriculture Information Centres and AARD researchers from regional and national centres. This reform started with the implementation of the World Bank supported ARMP II project with a projected cost of around 100 million US dollars and a real expense of around 60 million.

Although the rationale of the ARMP II project was to “generate, test, and integrate location-specific technologies based on farmers’ needs and circumstances” through decentralisation of R&D, reorganisation did not directly nor implicitly focus on producer organisation. This topic is mentioned twice in the Staff Appraisal Report: “Linkages with local universities, farmers’ groups, [...], and community and locally-based organisations, will be strengthened to facilitate dissemination of improved technologies and sharing of information” (page 12) and “At the regional level also, the increased role of provincial and local authorities, as well as farmers groups and other stakeholders in planning and decision making in determining the R&D programs will give them increasing ownership of the more locally relevant R&D outputs” (page 29). In practice, the detailed implementation activities found in Annex 1 of the SAR only mention that “…, community and locally-based organisations, and the private sector, and …, will be encouraged to participate in regional fora, workshops, and other technology promotion activities” (page 63-64).

The review of the Staff Appraisal Report shows that the concept of producer or even farmer organisation is not used. At best farmers’ groups are mentioned, separately from the so-called community or locally-based organisation, reflecting the prevailing idiosyncrasy at the time of the proposal.

Since ARMP II sets the prototype of a new modern agricultural research system in Indonesia, the review of achievements is particularly suitable for the purpose of discussing the relationship between agricultural research and farmer organisation in this country. ARMP II concluded in December 2002 (check). Several supervision missions were conducted during its implementation and a final assessment was recently performed (January 2003).

General and specific assessments rate the project as “satisfactory”. However, as far as the links between the research system and farmers organisations is concerned, there is little information. Farmers are usually referred to in a generic way and either considered as individuals belonging to a category, or at best under the global term “farmers groups”. For instance, one case mentions farmer groups who have taken the lead in owning and managing technology clinics Regional fora such as the RAC and RTWG were rated as “useful”, but “their effectiveness has been inconsistent” (Implementation Completion Report, 2003).
These results are not surprising since the design of the project itself did not really focus nor emphasize the work with farmers' organisation as a key component. Among the lessons learned however, some could be used as inputs for a reflection on the emergence of farmers' organisation. The first one relates to the interest shown by farmers in farmer-to-farmer exchanges as a way to learn from each other. This is true for technology dissemination; it is likely to be true for other learning purposes, such as how to develop operational well-managed farmer organisations.

Second, practices are more widely disseminated when they are integrated into a small business enterprise framework. This conclusion could also be extended to the building of viable organisations through the promotion of business oriented collective activities.

With the conclusion of ARMPII, there is a rising concern about the future of agricultural research in Indonesia. “The overall support to research and development in this country is one of the lowest in the Asian region” as stated by the World Bank (Second Agricultural Research Management Project, Final Supervision and ICR mission report, December 2002). Since ARMP II provided more or less 7 million dollars to agricultural research during seven years, the future capacity of research to keep working, and in particular to work with farmers in the field of technology innovation and transfer is questionable.

In search for possible directions to provide further support from the World Bank to agricultural R&D, the concept or the idea of FEATI was born. Some of the lessons learned from ARMP II may have influenced the pre-conception of a FEATI proposal, in particular the fact that:

Testing and validating technological innovations in a participative manner make them more likely to be useful and adopted
Farmer-to-farmer exchanges are effective mechanisms to improve technology introduction
New production practices are better adopted when linked to commercialisation of output

This is important in order to understand why FEATI and by extension the RPO component is mainly seen as an activity to be managed within the Ministry of Agriculture: RPO development is seen a priori as an instrument to ensure a sufficient level of funds directed to agricultural research and development after completion of ARMPII and DAFEP.
Annex 4.3 DAFEP

In this section we analyse the current state of the links between RPOs and extension services research from the viewpoint of a key project, DAFEP supported by the World Bank, and considered as precursor for a possible support project to RPOs in Indonesia.

The Decentralized Agricultural and Forestry Extension Project (DAFEP) aims at enhancing the farmers’ capacity to participate in extension activities, and at improving integrated agricultural and forestry extension system at district level to promote economically viable, environmentally sustainable, and socially acceptable farming practices and increased farmers income.

The underlying concept of DAFEP is to empower farmers so that they become able to define their own extension needs and to provide them with some funds so that they contract the services they need as long as these relate to a learning process. It operates through the village Unit for Management of Joint Activities (Unit Pengelola Kegiatan Gabungan – UPKG). This is an organisation that is set up at the village level (one per village) at the request of the DAFEP extensionist in order to benefit from DAFEP support. Its status is ascertained by a Surat Keterangan from the Head of the Village (or Camat?) though not legally endorsed by a notary. This Unit has a ruling committee made of a President, a Treasurer and a Secretary. They have a bank account at the closest unit.

The approach is based on an identification of the common needs through a Rapid Rural Appraisal conducted by the members of the Unit themselves, who have been trained by the DAFEP staff. Different people (around 10) are expected to participate to the PRA on behalf of the members, including youth, women. This Unit regroups traditional farmer groups. The leaders are elected among candidates proposed by the farmers groups. The election system seems to be “à main levée”.

Projects are proposed and assessed by a Dafep Field Extension Team to ensure they are consistent with the learning objectives. A 30 million rupiah lump sum is made available per village (Unit). This money is used by the Unit to conduct activities related to learning about agricultural practices such as: inviting other farmers, hiring a specialist, experimenting, etc. For instance, it has occurred that a Unit ask the local extension worker to call facilitators from IPPHTI in order to help them to implement IPM. In some cases, non-DAFEP villages have received financial help from the local government to conduct similar activities.

The respondent estimated that altogether the concept was appropriate to empower farmers since it gives them the feeling that “they are treated like human being (“dimanusiakan”) in the sense that they are no longer told by someone else what they have to do. A successful case was recurrently mentioned in the Magelang district. However, in this case, success is very strongly associated with the personality and vision of the Bupati, to the point that it is felt estimated that any acceptable concept would have worked anyway. Given that such cases are not so many, we can say that the virtues of a concept are not sufficient to make a success of it and that strong leadership from local authority is a key to success especially in the context of decentralisation. It can be proposed that all Bupati and village heads undergo a psychological test to measure their level of commitment and integrity and that those who fail the test be replaced by more adapted candidates.

A factor that made difficult this concept to be successfully implemented is that it started at an ill-timed moment, just at the beginning of a decentralisation process that was less than smooth in most of the cases. It further weakened the socialisation of the concept since in the wake of decentralisation, many Bupati considering that extension services were inefficient, useless, and
that maintaining extension services was not worth its cost. Finally another weakness has been the frequent change of rules and management procedure confusing extension workers about how to operate.

In order to remedy to these weaknesses, to make the concept more efficient and to spread it, it has been suggested that this extension concept could be integrated as part of the local development activities conducted at the village level, possibly through BPD (Representative village council), that also PRA by farmers could be systematically recommended, and that integration at various levels be implemented (village, sub-district, district, province). However on the last point it is recognised that so far interaction between district and province level is still very difficult by lack of experience and mutual confidence.

Somehow UPKGs may become roots for emerging RPOs (as defined in the first phase report). The concept brought is potentially successful for that it gives farmers more confidence in them, confidence that is directly and ultimately supported by entrusting them with some money to be used as they define it. There are still risks of dysfunctions as evidence more generally by the Overview Draft Report on “Findings from the Second Indonesian Local Level Institutions Study” (2002). UPKGs are not immune from the well-known problems linked with the establishment of collective institutions in Indonesia, such as diversion of objective and funds, corruption, graft. One of the main critics perhaps to UPKG scheme is the fact that it relies on the distribution of money in one of the most corrupted country in the world (Indonesia is ranked among the three most corrupted countries worldwide along with Bangladesh and Nigeria). The fact that the local extension worker supervises the functioning of the UPKG is less than an absolute warranty of transparency and good governance.

It is worth mentioning also that in places where the concept seems to be successful the villages are likely to attract more support from government project because of the increased capacity and self-confidence of the local people (Magelang again).

The review of several DAFEP supervision reports was used to further discuss the link between Extension and RPOs (DAFEP Independent External Evaluation Team, Executive summary 2003, World Bank DAFEP Full Supervision Reports: September 2000, March 2001, September 2001, March 2002, August 2002). From the DAFEP Independent External Evaluation Team report it is clear that i) understanding of the DAFEP principles was poor, as well as socialisation, poor commitment of institutions to support the implementation of DAFEP, and poor ability of extension workers in the application of participatory extension principles; ii) from farmers point of view there is enthusiasm for Dafep because it empowers them, facilitates the contact with other farmers, gives them a chance to develop their own capacities. However, in this assessment of DAFEP where the most interesting component for this RPO study is the assessment of achievements in Component A. only quantitative measure of how many farmers have been trained, UPKG have been formed, families have participated including display of percentage of youth and women participation are available. There is no information on the quality and effect of these activities; a key issue as far as the future of such projects is concern.

On this matter, World Bank full supervision report series provides a more qualitative assessment about the implementation of DAFEP component A, in particular about the lack of correspondence between “achievements” in terms of numbers (for instance number of UPKG formed, number of farmers trained, number of PRA conducted…) and the real dimension of these activities from a more qualitative point of view. As an example, in the August 2002 Full supervision report, it is said that Pidie district has achieved S+ rate in Component A implementation (page 6, Aide-mémoire) but when comparing data from page 12-13 of the Aide-Mémoire and page 16 of the Annexes, it is indicated that 50 farmers have been participating as of June 2002 in 40 UPKG which indicates that in average there are a little bit more than one farmer per UPKG. Even if we include the farmer-trainer or farmer-technicians the members of each UPKG do not exceed 10. This is the usual size of a traditional farmer group under the Soeharto era. Furthermore, the case study of two UPKG in
two villages (Labui and Jawa Tebing) reports that each one had 12 persons (7 males and 5 females, same distribution) which seems to be more likely an imposed blue-print or arrangement to get the money rather than a self-decided organisational patron. In addition, during the supervision mission, the team reported (page 33-34 of the Annexes) that they were not able to meet with the alleged member women of both UPKG.

More generally, the average number of farmers per UPKG is 17, reaching around 30 when including farmers-trainers and technicians, but with very strong unbalance between some districts where their number raise up to 200 (Lombok Barat) and other reaching not even 15 (Kolaka).

In the supervision reports, the participation rate of poor farmers in these UPKG is never mentioned, only women and youth participation. This is rather surprising for a project expected to directly address poverty as the utmost priority in the Bank’s strategy in Indonesia. Problems of disbursement of money for farmer managed activities are also reported and have limited the impact of the project.
ANNEX 5. Vision of advanced RPOs case studies

Annex 5.1 IPPHTI

As indicated in the previous chapter, the objective of IPPHTI is first to empower farmers’ role in the Indonesian society: build farmers’ own abilities & self-confidence, become a sustainable, independent strong stakeholder, a partner for the other stakeholders and second to promote an ecological balance in agriculture. Their vision of the future of RPOs and the proposals they make are in line with these objectives, the first one being decisive.

For RPOs to emerge and develop, they insist on two aspects: recognition and facilitation.

Their presence in various locations in Indonesia makes them aware of the importance of having local government officers sensitive to RPOs’ roles and potentials. For IPPHTI leaders, it is therefore very important to achieve a recognition and acceptance by local governments so that the latter will consider them as an organisation separated from government and as partners to consult, involve and work with.

Different views exist within IPPHTI as on how to achieve such recognition. On one hand some consider that there is a risk in pushing for a formal status: a risk of being controlled by the government. On the other hand, some think that recognition would require an official list of RPO at local & national level, a special status for RPOs as independent organisations owned by all members and a notaries’ paper process.

Gaining this recognition and acceptance would facilitate the involvement of RPOs in the different activities related with agricultural development:

RPOs such as IPPHTI should participate to field research & extension and may even be more efficient than existing officers. This participation would not be limited to implementation but would include power of decision on the research & extension topic definition, budget allocation, activities definition and implementation;

Help from government should be channelled through RPOs rather than to KTNA (funds and material);

A structure for the dissemination of information on markets should be set up between RPOs and district Industry and Market Services;

RPOs need help from laboratories (under their control) or have to create their own lab to analyse soils, fertilisers, pesticides …

RPOs should be involved in the development of input and agri-business schemes facilitated by local governments.

Besides, strong RPOs that are recognised and accepted by local and national government could actively participate to the policy decision-making process. Forum of discussion of local and national policies should be set up with the participation of RPOs. These would be thus regularly consulted, could propose alternative policies, and would be involved in all kinds of decision-makings, including budget allocation and priorities definition.

The construction of a forum with other RPOs would also allow for a coordination and the gaining of a stronger voice for all RPOs, which would enable farmers to propose changes and press on government decisions.

For places where no strong RPO exist yet, IPPHTI leaders consider that training and facilitation is a necessity before any action can be started.

It is essential that farmers can undergo a training and facilitation process to build awareness on their own abilities and capacity to become a sustainable, independent strong stakeholder, a partner for the other stakeholders. This could be done through the training of trainers on community organisation skills in order to have village facilitators for the purpose.

Such facilitation program could be funded by donors and local government (grant rather than credit and no conditions attached) but should follow several important conditions:
the project should be designed to avoid facilitators, trainers or implementers looking for financial benefits; this does not mean they should not be adequately paid but that commitment should be the key of their involvement; funding should not be managed by government officials or NGOs but go directly channelled to farmers (through RPOs for instance); rules of transparency on project, funding, fund uses, activities & roles should be designed and enforced
Annex 5.2 APTR

**Cooperatives.** Since BULOG discontinued its supply of fertilisers and credit and its intervention in agricultural products marketing, APTR seeks to find others solutions. As it mistrusts both the government and private traders, it tries to establish its own structures:
- A cooperative for sugar cane marketing
- A cooperative for agricultural inputs purchasing required for cultivation
- A small scale credit facility

For that, it needs some capital.

**Commodity chain control.** The farmers’ education level is generally not complete enough for them to fully understand the functioning of commodity chains, from sugar production to marketing on international markets. APTR wishes to improve the knowledge and the commitment of its leaders on:

- production management
- sugar processing
- factory management
- cooperative management
- information on sugar market

**Diversification, poor farmers and membership.** APTR leaders know that for the farmers sugarcane is only one crop among of others. To preserve this crop in the farming systems, they have to take care of the whole farming system management. If they wish to keep their members, they should keep them producing sugar cane or they should take care of other commodities and become an association that defends all farmers, not only the sugar cane producers. The leaders wish to organize a special support for poor farmers. But for the moment, only sugar plants finance trainings and provide other support, so they somehow hinge on the decisions taken by the factory staff. They need financial help from external contributors to organize a specific support for small farmers and non-sugar cane issues.
Annex 5.3 APTI

APTI is a commodity related RPO, aiming at strengthening the position of farmers within the tobacco commodity chain. Hence, its vision is more focused market aspects. Still, as for IPPHTI, one of the first proposal of its leader would be to have an official recognition of the RPO’s existence through a national law (undang-undang), ensuring a stability of the recognition since it is difficult to modify or reconsider such law.

An important part of APTI vision and proposal deals with the position of farmers within the commodity chain. It is based on the assumption that commodity markets cannot be consideed at a local level, they depend too much on national or even international aspects. The main idea they have is to manage to have farmers getting shares in the commodity processing or trading industries (at national level, or even international if possible). Getting regular contacts with factories is a first step. This would help to build common views. Going further may require legal decisions from the national government to push industries to open their capital to farmers through RPOs. Contacts with industries could also be used to see how the bad influence of intermediate traders playing on quality could be avoided and, there, also, a stronger role of the district Industry and Market Services would be needed to have transaction legislation enforced. Special labels for specific geographical products could also be established through RPOs.

In terms of coordination, they consider that a commodity chain management board should be set up for each commodity, involving industries and farmers through RPOs to discuss related policies. An instrument for this board would be to manage part of the taxes levied on the commodity (such as the tax on cigarettes).

Training and information also appears as a crucial element for a good development of RPOs. APTI leader consider that funds for the association is not the main issue. What would be needed first is training and a good information network. Training of all APTI’s coordinators on business and prospective vision, on management would allow for a better use of future funds. Having a good information network would allow better communications with root members and among regions: At local level, they think that initiative such as the “participatory information centres” proposed by agricultural services should include a board including RPOs and agricultural services to manage information to farmers, to decide and choose innovations to be tested or applied; The use of hand-phones and internet facilities should be promoted to ease communications among regions, RPOs and farmers (it should not be only provided to KTNA as it is now the case); Funds for such facilities or for other practical commodity beneficial activities could come from a collection of part of the taxes managed by the inter-professional commodity board cited above.
Annex 5.4 Local RPOs

Coop ROBANA

direct negotiation with the exporter
new material for drying, processing and roasting coffee
training on negotiation, quality production, quality processing
they don’t want increase membership but train their members on quality

Apple producer group (Malang East Jawa):
develop a saving and credit activity
create a cooperative for buying pesticides, fertilisers, plastic bags …
develop a goat fattening activity

KTL Farmer Group
Brastagi North Sumatra (farmer group producing red pepper organized by Yapidi) :
create a cooperative for seeds, fertiliser, pesticides
create a demonstration plot
found a “facilitator” to help them to found a buyer

SBL Farmer Group
find capital for credit activity
training on technical aspect (vegetables, citrus trees)
information on market prices for vegetables
training on “how to bargain with traders”
identify other groups with same problems