



**International Institute for Environment and Development (IIED)  
Sustainable Markets Group**

**Workshop Report compiled by  
Maryanne Grieg-Gran and Emma Wilson**

## **NGOs as Market Actors**

### **Roles and responsibilities in supporting small producers in low-income countries**

Friends House, Euston Road, London  
Monday 26<sup>th</sup> March 2007

#### **Objectives of the Workshop**

The aim of this workshop was to bring together key players in the NGO arena to discuss key issues related to the market roles of NGOs and identify some options for further dialogue and collaborative research. The focus was primarily on UK NGOs working in different roles in developing countries to promote smallholder access to markets.

The objectives of the workshop were to:

- Discuss the evolving role of NGOs in markets
- Identify and prioritise key issues relating to the role of NGOs in markets
- Identify existing networks and research agendas around this topic
- Highlight gaps, research needs in current work related to this topic
- Develop recommendations for a new research agenda, including:
  - Identification of research priorities and key areas for collaboration
  - Suggestions for ways to strengthen existing networks
  - Suggestions for collaborative partnerships and options for information sharing
  - Identification of possible funding sources

Participants were drawn from development NGOs and environmental NGOs working on promoting smallholder access to agricultural and natural product markets. There were also representatives from the Aga Khan Foundation and academia.

The workshop took the format of a plenary session in the morning, followed by working groups in the afternoon.

## **Presentations**

The morning plenary session consisted of three presentations:

1. NGOs as Market Actors: Key Areas for Discussion – Maryanne Grieg-Gran, IIED
2. Practical Action in Market Development: Sudanese Hibiscus – Alison Griffith, Practical Action
3. The Role of Traidcraft in the Indian Cotton and Tea Sectors – Maveen Pereira, Traidcraft

### ***Presentation 1: NGOs as Market Actors – Key Areas for Discussion Maryanne Grieg-Gran, IIED***

This presentation from IIED aimed to provide an introduction to the issues and set out some areas for discussion.

Maryanne started by considering the defining characteristics of NGOs in the market context given that there are number of definitions and typologies of NGO. What distinguishes NGOs from government agencies or private sector entities is their emphasis on achieving their mission rather than public policy goals or profit maximisation. This means that their effectiveness is judged not by maximisation of returns for shareholders but by the accomplishment of its mission. It also means that they are accountable not to an electorate or to shareholders but to multiple constituencies.

It was then asked why should NGOs get involved in markets. Firstly, there is increasing recognition (although not universal acceptance) that improving access to markets for small producers in low-income countries is a route to poverty reduction and achievement of the MDGs. DFID for example, while putting emphasis now on governance, sees boosting access to markets as a priority for poverty reduction. But a number of factors are restricting the access of small producers to markets. Small producers suffer from inadequate market information, limited bargaining power, lack of access to credit, and high transaction costs. Market forces are likely to favour large-scale production with economies of scale – the market will fail to create a level playing field for small producers. Policy failures also mean that small producers are disadvantaged as non-tariff barriers such as sanitary standards may be costly for small producers to meet, an institutional focus on large scale can mean that extension services and research are oriented to larger producers. Insecure land and resource tenure is characteristic of small producers and severely hampers their ability to get access to credit and get involved in markets.

NGOs if they are to achieve their mission of promoting development and reducing poverty need to address these market and policy related constraints on small producers.

This raises the further question of why NGOs should take on these roles instead of government. This seems to be a case of conflicting public policy objectives. In order to meet objectives related to market liberalisation, governments have been withdrawing from agricultural marketing and provision of support services leaving small producers in a weak position. NGOs are filling this gap left by the withdrawal of the state from agricultural marketing. In some cases it is the involvement of government that is the problem for example in setting prices for wildlife hunting quotes and tourism concessions. NGOs have played an important role in Southern Africa in assisting communities in tendering processes and negotiations.

There are also reasons why NGOs might be better placed than governments to work with small producers. It is argued that NGOs have a better understanding of and ability to represent the needs of the poor (Farrington and Lewis 1993). Because they are driven by their mission rather than profit or vote-seeking, they should be able to command more trust from the potential beneficiaries of their actions.

#### *NGOs' roles in market systems*

Maryanne drew on Practical Action's typology of market roles (see Appendix) to consider the range and evolution of NGO interventions in markets. She suggested that while no systematic assessment exists, NGOs are becoming more prominent in all the activities identified in the Practical Action typology including policy advocacy but left it open to NGOs present to confirm or challenge this. What is clear is that there is increasing emphasis on the demand side of the market and a realisation that it is not enough to work on supply. At an FAO-VREDESEILANDEN workshop in 2006 it was argued that the great majority of NGOs are moving towards encouraging farmers to carry out market-led production and being supply chain facilitators.

Another major trend is for NGOs to enter into and seek partnerships with business as a way both to tap into business resources and skills and to influence practice in the private sector. This and the trend for NGOs to set up social enterprise companies can lead to blurring of NGO and business boundaries. Are social enterprise companies owned wholly or partly by NGOs, still NGOs?

Coffee is an example of a product market where NGO involvement has been extensive and has taken a number of forms. There have been considerable NGO efforts to promote value chain development through fair trade (globally coffee was the first fair trade product). Other NGOs have promoted organic certification and sustainability certification (Rainforest Alliance). Certification has often been accompanied by or preceded by efforts to promote producer organizations.

NGOs have also taken a role in market intermediation. Oxfam and Traidcraft set up a trading and coffee roasting company Café Direct, now the UK's leading Fair Trade drinks company. More recently, Oxfam with a group of coffee-growing cooperatives set up Progreso Cafes Limited, with 25% of the shares bought on behalf of the cooperatives, 25% held by a Coffee Producers Trust which will pay for development projects in poor coffee growing

communities and 50% held by Oxfam. This is a partnership with Matthew Algie, an independent coffee roaster.

Policy advocacy has also had considerable attention from NGOs with efforts being focused now on the renegotiation of the International Coffee Agreement. NGOs have been arguing for greater consideration to the interests of small producers.

Finally, coffee has been the focus of multi-stakeholder partnerships to raise environmental and social standards. The Common Code for the Coffee Community (4 Cs) is a joint initiative of coffee producers, trade and industry, trade unions, and social and environmental NGOs to develop a global code of conduct aiming at social, environmental and economic sustainability in the production, post-harvest processing and trading of mainstream green coffee. It is supported and facilitated by Deutscher Kaffeeverband and GTZ ([www.sustainable-coffee.net](http://www.sustainable-coffee.net)).

#### *Advantages and disadvantages of NGO involvement in markets*

There have been some notable successes resulting from NGO activities. Fair trade is a niche market but is expanding rapidly. Independent assessments have shown evidence of benefits to producers for example to coffee growers in Bolivia, Brazil, Costa Rica and Mexico (CI/IIED 2006). The provision of credit through microfinance is another area of success. NGOs have raised the profile of small producers in international advocacy while at a more practical level have helped to fill gaps in support. In the literature on NGOs it is argued that NGOs can be cost-effective because the altruism of NGO staff, motivated by the organisation's mission rather than financial gain, could imply lower labour costs or higher quality, than for a comparable private firm (Scott and Hopkins 1999). NGOs have greater potential for innovation and flexible responses to changing external pressures (Najam, 1999).

However, concerns are often raised about NGO involvement in markets relating to lack of financial and institutional sustainability. What happens when the NGO withdraws financial and other support and are independent local enterprises crowded out in the process? These concerns could equally apply to activities promoted by governments or donors and are not inherent to NGOs.

Another concern is the potential conflict between the business goal and the social development goals. It is usually easier to develop viable market activities with the not-so-poor than with the poorest and most vulnerable who cannot take any major risks. More generally, can niche market successes be replicated on a larger scale or does this success reflect local conditions such as a pre-existing community organisation. Finally it could be argued that by concentrating on small groups of producers in niche markets, there is a danger of distracting efforts of NGOs and other stakeholders from the more fundamental changes needed in trading regimes and business environments.

### *Suggested areas for discussion*

Maryanne concluded by setting out some key issues for discussion.

- What roles can NGOs play most effectively in markets?
  - From facilitation to establishing social enterprise trading
  - What is the comparative advantage of NGOs?
  - What is appropriate mix of service provision and advocacy
- Replication of success:
  - What are the constraints and how can they be overcome?
- Policy frameworks (NGO, donor and public policy):
  - What changes are needed for greater NGO effectiveness in markets?

### ***Presentation 2: Market Development of Sudanese Hibiscus Alison Griffith, Practical Action***

Alison Griffith, International Team Leader for Markets and Livelihoods, talked about Practical Action's change in focus from small enterprise development to making market systems work for the poor. Until 2000 Practical Action (then ITDG) had been structured around technology programmes. This approach was good at focusing on technical skills, for example to improve tools for farmers made by blacksmiths but not on whether there was a market for the improved products. Sustainability of interventions was consequently always a challenge. It therefore moved to developing sustainable markets for business services and subsequently to understand the market system in which the users of the services ie small-scale producers are operating in.

A new Markets and Livelihoods programme set up in 2003 aimed to become more market literate defined as an "awareness, understanding and capacity to build the process, institutions, competencies and relationships that enable markets to work for poor producers".

Practical Action focuses now on developing market systems encompassing three main elements:

- Enabling business environment
- Market chain actors and linkages
- Service providers

Practical Action works with actors in the market including middlemen to conduct participatory market mapping to identify the blockages in the system and the opportunities for improvement. The emphasis is on how to increase the flow of resources from the market to the producers. This is reflected in the market mapping which maps the flows from the market to the producer. The challenge is to identify win-win solutions benefiting all actors in the chain to ensure their cooperation. It is also necessary to find a balance as the facilitator between being so heavily involved that market actors perceive it as the organisation's project rather than anything concerning them and having such a light touch that very little happens.

To avoid continuing to work in a sector simply because the organisation has always worked in that sector, Practical Action uses a methodology to select promising sub-sectors. The hibiscus sector in Sudan was chosen because of its potential to impact large number of farmers, mostly women (1-1.5 million), its international and national market potential (as the main ingredient in herbal teas) and its role as a economic shock absorber. Sudan has competitive advantages for hibiscus as it provides growing conditions which result in colour and acidity levels favoured by importers and an absence of pests and diseases. A Comic Relief funded project started in 2006 is targeting 40,000 farmers in the Darfur region but it is anticipated that if interventions are successful, another 200,000 farmers in the area will benefit.

Comic Relief provided additional funds for market research. Practical Action wanted to get the Sudanese market actors involved in this research so that they would feel ownership of the results and use it to shape their strategy to develop the sub-sector. This has taken longer as a result but has been worth it. The research confirmed problems of quality and unreliable supply leading to declining market share.

The project is designed to address the three areas of the market system:

- improving market linkages
- improving technology services
- improving policy environment

#### *Market linkages*

To improve market linkages, Practical Action organised meetings to explore market opportunities and the problems and potential of hibiscus. These workshops involved farmers, traders and village development committee members from 25 villages in north Darfur and Kordofan as well as service providers (government extension agents and private agricultural inputs suppliers). The village committees as a result set up a rural marketing network to get farmers and traders to work together to improve standards. In Khartoum, Practical Action organised a workshop that led to the formation of the Hibiscus Forum involving exporters, input suppliers and government officials concerned with promoting the sub-sector. The forum is currently developing a 10 year plan for the sub-sector. The challenge is to improve the interaction between the Hibiscus Forum and the producers. The project is aiming to link rural marketing network with the forum.

#### *Improved Services*

Some major successes include the following:

- The Hibiscus forum produced a manual for extension workers and village development committees containing guidance on production, harvesting and drying.
- An exporter who was being penalised by importers because of quality problems worked with Practical Action to produce a simple tool for

correct harvesting of the flowers. He also paid for extension workers to train farmers in the use of this tool.

The challenges concern how to scale up this success. Lack of price incentives for quality grades mean that the grading system proposed by the Forum is not working.

### *Enabling Environment*

The hibiscus sub-sector suffers from high local transit taxes which can absorb as much as 50% of the revenue and laborious export procedures which lead to long delays at the port. It is difficult for the Hibiscus Forum to tackle these issues. The project is helping the Forum to build the economic case for changes to the business environment by highlighting the economic importance of hibiscus to Sudan

### *Concluding remarks*

Alison concluded with some reflections on challenges involved in facilitation.

- It was necessary to select sub-sectors on the basis of future potential and not past commitments
- Looking at the whole market system, involving market actors, finding hooks to get private sector players involved and building the capacity of producers to engage takes time and is difficult.
- It is important to change mindsets within the organisation to go from a more “hands on” visible role to a less tangible facilitation role
- It is necessary to avoid becoming directly involved in the market as service providers, and remain ‘light touch’ even when there is pressure to scale up impact

### ***Presentation 3: The Role of Traidcraft in the Indian Cotton & Tea Sectors Maveen Pereira, Traidcraft***

Maveen Pereira, Programme Manager for Traidcraft Exchange, described the experience of this organisation in market development in India with particular reference to tea and cotton.

Maveen started by clarifying the distinction between Traidcraft Exchange, a charity with a budget of £2mn and 25 employees, and Traidcraft Plc which has 6000 shareholders and a turnover of £16 mn and 120 employees. The mission of Traidcraft Exchange is “to fight poverty through trade”. The starting point for the organisation, which was founded in 1979, is Traidcraft Plc, a major driver being the need to scale up impact, while at the same time reduce suppliers’ dependence on the company by diversifying their markets and products. At the time there were few players providing this form of support. While Traidcraft Plc demonstrates that Fair Trade can be profitable, another

type of organisation structure was needed to increase the impact of Fair Trade.

Traidcraft Exchange always operates through a local entity or NGO. This creates some challenges as NGOs are often not attuned to business matters and tend to shy away from business and profit. NGOs are structured for development purposes rather than for business purposes. There is also a tension between local NGOs and the private sector, which tends to consider them as troublemakers. These issues need to be resolved if they want to be effective as market actors, and this is a role that Traidcraft Exchange plays through its capacity building activity.

Taking the typology of market roles offered by Practical Action, Maveen observed that Traidcraft Exchange concentrates its efforts on the enabling environment and market services but has a policy of staying out of the supply chain. It adds value by focusing on a few sectors and themes and working with local intermediaries to achieve a multiplier effect. Its activities can be summarised as:

- Trade
- Support
- Influence

#### *Experience with the Tea Sector*

Traidcraft Exchange started with a difficult context given that both the private sector players in the tea sector and the trade unions do not like NGOs intervention in this sector. There was also considerable resistance to Fair Trade on the part of plantations and government bodies, which view it as a non-tariff trade barrier in export markets. In order to increase buyin from the industry it worked through a multi-stakeholder process but it took a year to get the different players to achieve a meaningful dialogue.

After three years of working on this sector, Traidcraft has had some success in increasing interest in fair trade in the industry. Through its partners, it has organised 4000 small tea growers is encouraging the private sector to source from small tea growers. Large companies like Tatas and Hindustan Lever are considering buying from small growers.

#### *Experience with the Cotton Sector*

Traidcraft's work has enabled the Fair Trade Labelling Organisation (FLO) to develop standards for the cotton sector. It has had some success also in promoting organic cotton in dryland areas through its partner, Agrocel. Marks and Spencer is now working with partners on the ground to source fairtrade & organic cotton products, while Traidcraft continues to work on crop diversification to enable improved yields of cotton. An important factor in this success has been the choice of business partners in India & Europe. Traidcraft Exchange's good links within the supply chain and the organisation of the farmers were also important.

## *Reflections*

Maveen presented some final thoughts on what Traidcraft Exchange has learnt. The key lesson was the need to stay out of the supply chain, enable changes within the supply chain, influence the enabling environment, while building service market for small enterprises.

This meant being aware of the organisation's strengths and limitations and to be structured according to what can be offered and add value to what exists on the ground. It was important to ensure cross-learning by sharing experiences.

## **Working groups**

The aim of the working groups was to allow focused discussion of key issues and areas, considered priorities by workshop participants. In the discussion that followed the presentations a wide range of issues were raised, from sustainability and building resilience into market interventions to the role of information and governance issues surrounding market chains. For the purposes of the working group discussions, these were clustered into two topics: (a) external issues of governance of market chains and (b) internal NGO issues of culture. Two working groups were formed to discuss these topics. These were facilitated respectively by Emma Wilson and Ivan Bond of IIED.

### ***Governance of Market Chains – Working Group Discussion***

Participants agreed that the role of information was important, but that a lot of research was already being undertaken in this area. Therefore they did not identify this as a key area for further collaborative work. Issues around information include: using information technology (IT) to increase transparency; providing access to technology in remote areas; cost-effectiveness; sustainable provision of IT services; traceability; control of information; and the issue of monopolies and price-fixing.

The key points that came out of the rest of the discussion on governance and the 'enabling environment' for sustainable enterprise development included:

- the need to engage in constructive dialogue with multiple stakeholders including the government and business
- the lack of capacity in current NGO networks and the need for more cohesion in NGO approaches

### ***Constructive multi-stakeholder dialogue***

Participants noted that the current landscape is made up of 'business' (also referred to as 'the private sector', i.e. commercial enterprises) and various disorganized producers, with the state playing a nominal role. There is a need to build a constructive dialogue between these players. Various fora already exist for this, including poverty reduction strategy papers. Participation in such

fora is a huge challenge for small producers due to issues of cost, confidence and preparation: capacity building is needed for small-producer organizations and individuals.

Building an effective multi-stakeholder dialogue requires very experienced facilitation. One useful role of NGOs is to convene these dialogues, bringing together people with different sets of skills to effect change. To move dialogue forward there needs to be an appeal to self-interest (in the form of 'hooks' and the prospect of 'win-win' outcomes). Workshop participants also noted the importance of champions to take the lead in participation in such dialogues, and to encourage others to join in.

### *Engaging with the government*

Participants noted the lack of trust towards NGOs that some have experienced on the part of government. Public policy influence needs to be based on sound research and analysis; there is also a need for transparency. Participants drew attention to the Overseas Development Institute's Research and Policy in Development programme (RAPID).<sup>1</sup> In some cases policy change has happened but is not implemented at the local level. NGOs can play a role in informing local authorities and experts about how to implement policy at the local level (e.g. Practical Action's work with local authorities in Nepal).

Setting up incentives in value chains is a key issue, particularly when working with the informal sector. Practical Action noted that In the context of Practical Action's Sudanese hibiscus project, the two key problem areas are export processes and taxation. NGOs need to work with the private sector to make the 'business case' for governments to develop an enabling environment (e.g. taxation and regulation). There is a need to demonstrate the benefits that come to the state from developing lower-value market systems. NGOs also need to empower the producers themselves to put pressure on government to create this enabling environment. The role of NGOs also includes research and analysis, creation of coalitions and mobilisation of the private sector to demand change.

### *Engaging with the private sector*

The relationship between government and business is changing: business is getting more powerful. They are using coalitions to speak to government. Supermarket standards are increasingly setting the framework; it is not only the government setting the agenda. Business should be encouraged not to stand on the sidelines. However, it is necessary to create a 'safe' environment for engagement. The enthusiasm of the private sector in dialogue depends to an extent on the geographical location and the sub-sector. NGOs need to understand the key drivers and barriers for the private sector when seeking to

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<sup>1</sup> ODI have produced a set of tools for policy impact, in the form of a handbook and online tool kit at: [http://www.odi.org.uk/rapid/Publications/Documents/Policy\\_Impact\\_toolkit.pdf](http://www.odi.org.uk/rapid/Publications/Documents/Policy_Impact_toolkit.pdf) and [http://www.odi.org.uk/rapid/Tools/Toolkits/Policy\\_Impact/Tools.html](http://www.odi.org.uk/rapid/Tools/Toolkits/Policy_Impact/Tools.html)

engage. Working with champions within the sector helps to build overall trust and collaboration.

The private sector tends to distrust NGOs: there has been a history of NGO campaigns against business. On the other hand, the private sector sometimes seeks alliances indiscriminately with NGOs simply to gain credibility. For those NGOs engaged in both advocacy and support for producers, there is a tension between these aspects of their work. Working within market chains requires building trust and collaboration, and discussion about how issues can be addressed.

### *Working with producers*

NGOs need to work with producers to encourage them to negotiate with government and business themselves and set the negotiation platforms and campaign agendas. Businesses, for example, may use arm-twisting tactics to negotiate with small farmers. NGOs go in to level up the playing field, through education on alternative ways to build relations between business and producers.

NGOs need to help the producers to understand what the issues are, and the way that the market systems work, including the role of the government. Producers need to think about areas where policy implementation is weak or corrupt, and seek to improve these areas through engagement with government. Traidcraft works with local groups and empowers them to engage in policy change. Producer groups are supported by local NGOs. A national organisation is in process of being established.

### *NGO capacity and cohesion*

NGOs need to have a good understanding of the market landscape and the sectors; in many cases they lack this capacity. NGOs are specialising more; this can sometimes be a challenge. Practitioner networks need an agency that can manage the work of the network. The CIAT learning alliance in Central America, is an effective NGO network facilitated by a research organization.

Workshop participants highlighted the problem that NGOs are not united; they have different agendas, often driven by funding. There is a tension between different NGO roles. 'Collaborative' NGOs work with people to find solutions. These kinds of NGO are not working together enough. 'Campaigning' NGOs tend to use the tactic of 'throwing grenades'. Hard-hitting campaigns and damning reports can undermine collaborative approaches and multi-stakeholder engagement, as business and government frequently do not distinguish between the different types of NGO.

There is a need to find cohesive common ground for NGOs, but people have fundamentally different views on how change should happen.

Multiple approaches and views need to be managed by putting local players at the centre of collaborative and advocacy work and focusing on local agendas. NGOs can help local groups with information and support on tactics.

They can enable local organisations to do analysis themselves and help them to access funding from the World Bank, which is increasing funding support for local organisations.

### ***Culture and Practices of NGOs – Working Group Discussion***

#### *Evaluation of NGO roles in markets*

Much of the working group discussion centred on the challenge of evaluating the impact of NGO roles in markets particularly as they moved to a more facilitation role. It is very difficult to demonstrate causal impacts to donors and private sector partners. Donors are not convinced that NGOs should be involved in markets and are uncertain about the efficacy of NGO interventions. There is a need for evaluation to put more emphasis on evaluating the process of NGO facilitation rather than the impacts. The USAid Microenterprise programme has done some evaluation of NGO market activities (see [www.microlinks.org](http://www.microlinks.org)).

There has been very little assessment of environmental impacts of market chains and market development. IDRC and ODI's research on integrating social and environmental considerations in value chain analysis was mentioned as an important step in this direction. Environmental indicators are needed in the evaluation to indicate long-term productive capacity.

There has also been very little long-term assessment of NGO interventions and the sustainability of the market activities promoted beyond the short-term donor funding period. The BOND network was highlighted as an appropriate forum to hold discussions with donors, particularly the EU on NGO roles and best practices as market facilitators.

#### *NGO organisational culture*

One of the challenges facing NGOs in moving to a facilitation role is to convince and support staff in country offices to move away from their traditional roles and adopt this new approach. NGO staff need greater market literacy and to understand the language of the private sector.

The Small Enterprise Education and Promotion network (SEEP) ([www.seepnetwork.org](http://www.seepnetwork.org)) could be helpful in this respect. It is practically oriented, offering materials and training. It has a working group on market development. NGO practitioners could engage more with this group.

#### *Engaging with the private sector*

NGO staff need to learn how to deal with a new set of actors in the form of the private sector. They are getting better at working with the private sector as they have started to hire people with business skills. There is a need to be better linked to the corporate social responsibility community and networks.

### *Economic models and modelling*

It was proposed that there was a need to make a business case to individual companies of the benefits of engaging in participatory market chain analysis with NGOs. Some companies were reluctant to participate because they could not see the 'win-win' outcomes of making changes to the market systems. Some economic modelling of different market systems and scenarios might help to convince companies to participate.

It was suggested that NGOs want absolute certainty and are risk-averse, whereas entrepreneurs are more focused on understanding the risks and then making a decision. It is accepted in business circles that some start-ups fail.

### **Concluding discussion**

In the final session of the workshop some common themes that had emerged over the course of the day were highlighted:

- Initiatives should not be approached in the traditional research sense. What is needed is a longer term process of dialogue, political negotiation.
- The need to establish a conceptual bridge between the distrust of markets thinking typical of some campaigning NGOs and the pro-market pro-private sector development as typified by the Washington Consensus which sees little need for NGOs to be involved in markets.
- The view that NGOs should take a facilitation role rather than more direct forms of intervention. How can the effectiveness of a facilitation role be evaluated to justify the money spent on this? What is meant by a facilitation role also needs to be defined.
- The tension between social and commercial goals where an NGO mandate to work with small producer groups does not always meet private sector needs. The rules for engagement are very important. There is a need to learn from successful facilitation models where the organisations involved have achieved their mission goals.

### **Next Steps**

Participants discussed how to move forward on the issues raised.

### **Networks**

Participants agreed that rather than forming a new network which would require a clear purpose and someone to drive it, they should work to address these topics of shared interest under the umbrella of the existing Markets and Livelihoods Group (<http://www.livelihoods.org/Network/markets.html>). This group is currently developing a D-Group (virtual groups for people interested

in development) ([www.d-groups.org](http://www.d-groups.org)). Participants were invited to join the group.

### ***Workshops***

Participants expressed interest in further meetings to share experience on NGOs' roles in market development, as this type of information is often not disseminated outside of organisations. It was suggested that it would be important to bring in other stakeholders such as the private sector or specialists in monitoring and evaluation. Participants suggested that thematically focused meetings would be an effective approach.

Based on the workshop discussions, possible topics for further meetings were identified:

- NGOs and business: building partnerships to support small producers
- NGOs and donors: monitoring and evaluation of market development initiatives
- NGOs and governments: influencing the policy framework for sustainable enterprise development

The first follow-up workshop, on the theme 'NGOs and Business' is planned for 18<sup>th</sup> July 2007 at a venue in London to be confirmed. More details about this workshop will be circulated in the coming weeks. For more information, please contact: Maria Teresa Ruiz-Tagle: [mtr21@cam.ac.uk](mailto:mtr21@cam.ac.uk)

## **Literature/web links**

One aim of this workshop was to identify 'who is doing what'. Below are some relevant references identified by IIED and workshop participants.

### ***International Organisations***

FAO website 'linking farmers to markets':

<http://www.fao.org/ag/agS/subjects/en/agmarket/linkages/index.html>

IFAD rural poverty portal - 'IFAD and market access':

[http://www.ruralpovertyportal.org/english/topics/market\\_access/ifad/index.htm](http://www.ruralpovertyportal.org/english/topics/market_access/ifad/index.htm)

IFAD's 2003 report 'Promoting Market Access for the Rural Poor in order to achieve the MDGs': <http://www.ifad.org/qbdocs/qc/26/e/markets.pdf>

ITC Working with NGOs by Natalie Domeisen and Brian Towe, International Trade Forum, Issue 2/2006, International Trade Centre:

[http://www.tradeforum.org/news/fullstory.php/aid/1043/Working\\_with\\_NGOs.html](http://www.tradeforum.org/news/fullstory.php/aid/1043/Working_with_NGOs.html)

### ***Workshops and consultations***

FAO-Vredeseilanden Southeast Asia seminar on 'Enhancing Capacities of NGOs and Farmer Groups to Link Farmers to Market' (May 2006), Bali:

<http://www.fao.org/ag/agS/subjects/en/agmarket/linkages/bali.html>

USAID Regional consultation on linking farmers to markets:

<http://www.globalfoodchainpartnerships.org/cairo/presenters.html>

World Bank Institute 'Business, NGOs and Development: Strategic Engagement to Meet the Millennium Development Goals (MDGs)'

[http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/CGCS\\_RLP/0,,contentMDK:20820329~pagePK:64156158~piPK:64152884~theSitePK:460861,00.html](http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/CGCS_RLP/0,,contentMDK:20820329~pagePK:64156158~piPK:64152884~theSitePK:460861,00.html)

### ***Networks and Resources***

Action for Enterprise tools: <http://www.afe.org>

Livelihoods Connect 'Markets and Livelihoods Network' (collaborative learning group): <http://www.livelihoods.org/Network/markets.html>

MicroLinks - contains over 1,000 documents, presentations, and other resources related to microenterprise development, many of them produced or supported by USAID. <http://www.microlinks.org>

Policy impact tools: ODI

[http://www.odi.org.uk/rapid/Publications/Documents/Policy\\_Impact\\_toolkit.pdf](http://www.odi.org.uk/rapid/Publications/Documents/Policy_Impact_toolkit.pdf)

and [http://www.odi.org.uk/rapid/Tools/Toolkits/Policy\\_Impact/Tools.html](http://www.odi.org.uk/rapid/Tools/Toolkits/Policy_Impact/Tools.html)

Small Enterprise Education and Promotion (SEEP) network  
<http://www.seepnetwork.org>

### **Literature**

CI/IIED (2006) From bean to cup: how consumer choice impacts upon coffee producers and the environment. Consumers International and International Institute for Environment and Development, London.

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## Appendix:

### NGO's in Market Systems: towards a 'typology' of roles

**Practical Action** offers some initial thoughts on categorisation of NGO roles in markets:

#### NGO's role in the business environment

- **International arena** – campaigning around international trade rules, ethical initiatives, corporate social responsibility etc.
- **National arena** – advocacy for policies and regulations that support poor producers, create a better investment climate, development and capacity building of appropriate institutions, representative organisations etc.
- **Local arena** – interventions to influence official attitudes and practices, demonstration projects aimed at changing cultural assumptions (e.g. gender-based constraints)

#### NGO's role in supporting value-chain development

- **Producer organisations** – work to create / strengthen producer associations and representative organisations that encourage trust and horizontal collaboration
- **Building linkages & relationships** – work to create / strengthen relationships and business linkages along the value-chain
- **Market intermediation** - interventions where NGO's act as a market intermediary – buying and selling on goods
- **Upgrading services** – interventions where NGO's take on role of promoting technological change, introducing new techniques and skills, providing training services

#### NGO's role in facilitating business services

- **Producer extension services** – support or facilitation of input and service providers serving small-scale producers / farmers
- **Value-chain services** – support or facilitation of service providers serving buyers, traders and other intermediary actors in the value-chain