



VILLAGE AGENT GUIDE

Strengthening Business Linkages for Smallholder Farmers

Acronyms

ASP – Agribusiness Service Provider

CF – Cluster Facilitator

CKW – Community Knowledge Worker

CRS – Catholic Relief Services

ENSURE – Enhancing Nutrition, Stepping Up Resilience and Enterprise (Zimbabwe)

FAO – Food and Agriculture Organisation

FBA – Farm Business Advisor

FO – Field Officer

IDE – International Development Enterprises

LAHIA – Livelihoods, Agriculture, and Health Interventions in Action

LMF – Local Market Facilitator

LVCD – Local Value Chain Development

M&E – Monitoring and Evaluation

NGO – Nongovernmental Organisation

USAID – United States Agency for International Development

VA – Village Agent

VSLA – Village Savings and Loan Association

WALA – Wellness and Agriculture for Livelihoods Advancement (Malawi)

WV – World Vision

WVUS – World Vision United States

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Chapter 1: What is the village agent approach?

1.1 What is the opportunity?

Over 70 percent of the world's poor rely on agriculture and live in rural areas where poor infrastructure and other market inefficiencies prevent them from accessing essential business services.¹ Limited access often means these smallholder farmers miss out on innovations that could improve productivity and strengthen their resilience. Women are particularly prone to marginalisation, and so are other disadvantaged groups such as the disabled and the elderly. The VAA is designed to provide improved market linkages from smallholder farmers, including these marginalised groups, to suppliers and buyers. The improved linkages to suppliers will increase their crop yield and animal production leading to improved food for the household or production to sell. Improved output market linkages between farmers and buyers will increase prices and profitability, contributing to higher household income.

Despite the challenges in this environment, World Vision remains committed to addressing barriers to market participation for poor households. Using strategies such as those outlined in the “Integrating Extremely Poor Producers into Markets Field Guide,”² motivated programme staff and communities to find ways to break down market barriers and enhance the competitiveness of smallholder farmers. One innovative approach to addressing these market barriers is using village agents, a simple concept that has shown great potential to increase employment for youth living in rural areas and strengthen market linkages for poor farmers.

1.2 What is the purpose of this operational guide?

A village agent approach seeks to enable a transition of entrepreneurial community members, specifically those working in agriculture, to become providers of fee-based market linkage services. This manual outlines the process and factors to consider in developing this approach during programme implementation and makes recommendations for ensuring follow-up.

1.3 Why and how was this guide developed?

Livelihoods development projects typically support smallholder farmers by organising them into groups and facilitating linkages with market actors, including input suppliers, buyers, and business service providers. This is often done through community volunteers who are trained to provide technical assistance to farmers through a cascade system of delivering extension services. Community volunteers can be lead farmers or farmer group leaders, and are typically appointed through consultation between the project and community members. Often, volunteers will receive limited support such as stipends or extension supplies from the project, and recognition from the community

Various difficulties farmers face



1 World Bank. (2007) retrieved July 11, 2017, from World Bank website: <http://data.worldbank.org/topic/agriculture-and-rural-development>

2 Norell, D. and Brand, M. “Integrating Extremely Poor Producers into Markets Field Guide” – Fourth edition: available at <https://bit.ly/2yjZSoM>

for the role they play in facilitating transfer of knowledge. When support from the project ends, community volunteers may not be able to continue providing the same level of training and support to farmers unless they can find means to sustain their services.

Input supply companies often lack profitable channels to provide seeds, fertiliser, and other inputs to the farmers in remote rural areas, many of whom have very small land holdings. Even agro-dealers may find it difficult to transact with farmers in remote areas due to poor infrastructure. Output buyers in the formal sector also face the same constraints in reaching farmers in remote areas. They end up relying on “middlemen” whom smallholder farmers may not trust.

To address these challenges, development organisations are increasingly seeking ways to sustain community volunteers' services beyond the life of the programme, and to better link input suppliers and output market buyers to the farmers with the smallest land size in the most rural areas. Examples of this include the agribusiness service provider (ASP) model employed by the WALA programme in Malawi,³ IDE's farm business advisors programme,⁴ and Grameen Foundation's Community Knowledge Worker Initiative.⁵ The WV Local Value Chain Development Approach Handbook provides an introduction to World Vision's approach of using community agents as Local Market Facilitators.

“Local Market Facilitators,” from the Local Value Chain Development Project Model Operational Guide

In the LVCD model, we use the term “Local Market Facilitator” (LMF) to describe the producer who will take over the roles and responsibilities of the LVCD Project Market Facilitator. This role is essential to ensuring the sustainability and continuity of producers' engagement with markets. Each producer group should have at least one member who can perform the role of Local Market Facilitator on behalf of the group. The role of Local Market Facilitators is to:

- *Gather market information*
- *Negotiate with buyers and other service providers*
- *Coordinate producers for the collective activity of buying inputs and selling production outputs in bulk*
- *Facilitate meetings and initiatives to reflect on and continue improving the group's activities*
- *Research market opportunities*
- *Train fellow producers in understanding markets (and increasing their production)*
- *Learn from and replace the Market Facilitator before the end of the project*

Over time, it may be necessary for the producer groups to pay the LMFs for their effort, as it may become a role that takes up considerable time. The input supplier or off-takers can also pay Market Facilitators for organising sales or aggregating produce at an agreed rate.

³ <http://pqpublications.squarespace.com/publications/2014/3/24/wala-malawi-fee-for-service-delivery-channel-agribusiness-se.html>

⁴ <https://www.ideglobal.org/story/farm-business-advisors>

⁵ <http://www.grameenfoundation.org/resource/lessons-learned-2009-2014-community-knowledge-worker-uganda-program>

While local market facilitators as presented in the LVCD model are members of a producer group, village agents can also be supported as independent facilitators who work with more than one producer group. This guide presents various operational models for market facilitators working as village agents.

World Vision is piloting the village agent model approach in Niger under the USAID-funded Livelihoods, Agriculture and Health Interventions in Action (LAHIA) programme,⁶ and in Zimbabwe under the Enhancing Nutrition, Stepping Up Resilience and Enterprise (ENSURE) programme. As a relatively new initiative within World Vision, there has not been much documentation on how to operationalise the village agent model in settings with food-insecure households. Two senior technical advisors at World Vision, Gitau Mbure⁷ and Dan Norell,⁸ created this guide at the request of field staff. The guide describes how the village agent approach has worked in other projects and provides recommendations of factors to consider.

I.4 How should this guide be used?

This guide is designed to be a living document wherein experiences from the two pilot initiatives are used to continually improve its instruction. World Vision plans to update this guide on a periodic basis with lessons learned from implementation. This guide also reviews how the village agent model fits in with World Vision's market development approaches, specifically the Local Value Chain Development model and the “Integrating Extremely Poor Producers into Markets Field Guide.”⁹

This guide can be used by field staff and technical managers who want to learn more about village agents. It can also be used as a training guide for staff who support market linkages for smallholder farmers.

⁶ LAHIA means “good health” in the Hausa language

⁷ Former Senior Technical Advisor for Agriculture & Natural Resource Management at WVUS

⁸ Senior Technical Advisor for Economic Development at WVUS

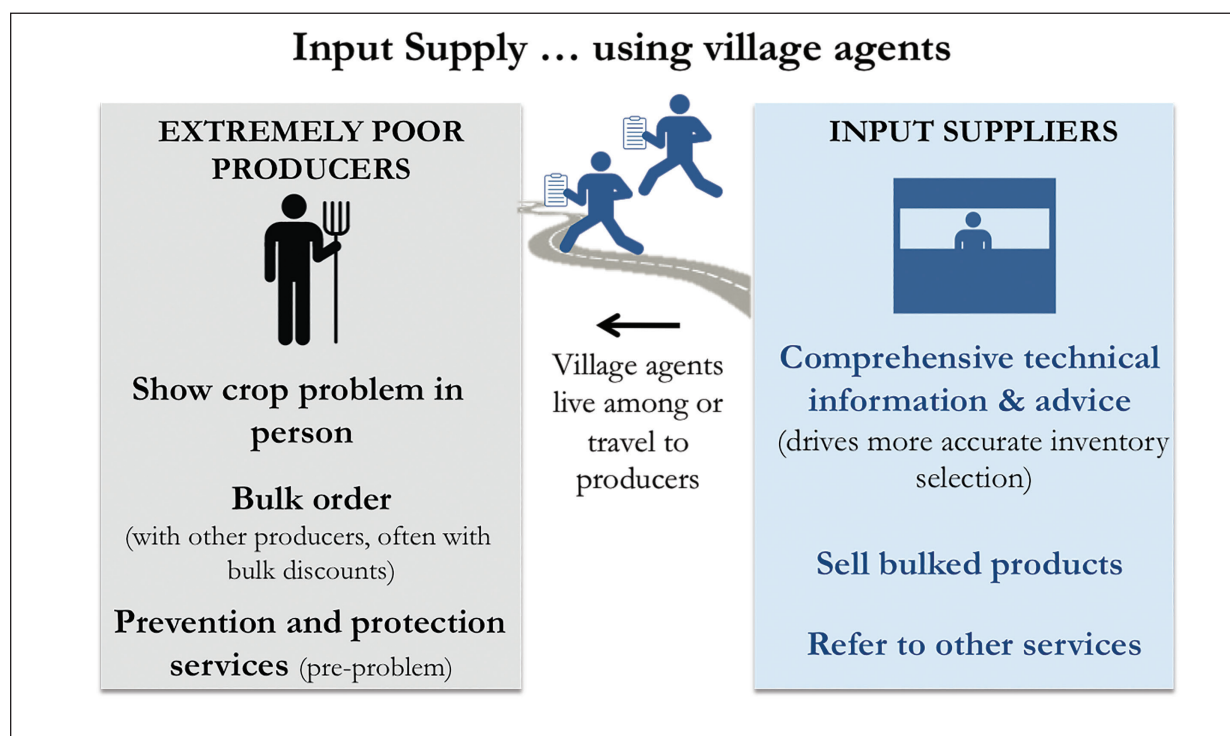
⁹ <https://bit.ly/2yjZSoM>

Chapter 2: Who is a village agent?

2.1 Brief definition

A village agent is essentially a broker who facilitates business linkages between producers in rural areas and service providers in urban areas. In market development and food security programmes, producers are typically farmers and service providers are buyers or suppliers of agricultural inputs. A village agent identifies opportunities to strengthen business relationships by enhancing the quality of interaction and nurturing win-win transactions. They increase the efficiency and reliability of information flow, as well as the movement of goods and services between farmers and value chain actors.

A village agent delivers value in the form of improved business relationships. Because they can negotiate for better terms for both producers and buyers/suppliers, they need to be impartial. A village agent needs to be well informed about the needs of each party, what they offer, and their expectations and limitations, and to be able to communicate this information in a convincing manner to facilitate deals between the suppliers and buyers and the farmer groups.



2.2 Function of a village agent

Farmers in rural and remote areas have very limited access to inputs, advisory services, and extension services. For example, in Niger one government agricultural extension agent must cover 50 villages or about 35,000 people.¹ It is also difficult to establish relationships between smallholder farmers and agro-dealers and the commercial input and service providers because the distance between them is sometimes as far as 35 to 65 km (20 to 40 miles).

¹ "Value chain development with the extremely poor: evidence and lessons from CARE, Save the Children, and World Vision," page 52. "Enterprise Development and Microfinance Journal." March/June 2017. <https://bit.ly/2FX1ISx>

The village agent model is designed to help overcome significant problems for smallholder producers, such as:

- The need for more household income to meet health and education costs for their children and families
- Difficulty selling products and making a profit from their work
- Insufficient market information for making decisions
- Difficulty gaining access to sustainable and profitable markets
- Inability to market themselves or develop relationships with potential buyers
- Lack of capacity in their community to improve production practices to better meet market demand
- Lack of market recognition in the investment and value generated by smallholder farmers and producers

The business environment is always changing, with new players, products, and services becoming available all the time. Village agents, with a good understanding of the local dynamics, can help farmers access new technologies and build relationships with new actors, such as a private company with an irrigation pump.

One of the most important roles a village agent plays is to make communication more efficient. For example, if a company wants to know how many farmers need seed, the village agent can work with the marketing subcommittee or the leadership committee to gather this information and relay it to the buyer. Village agents also help farmers meet and interact with buyers directly so farmers can understand demand trends, and buyers and business service providers can get to know what farmers need and what they have to offer. A village agent may even facilitate business deals between these two parties.

The village agent can also connect the producer groups they support to government extension services, which can help improve the yields on the producers' crops and the productivity of their livestock.

2.3 Examples of village agent approaches

The concept of using village agents is not entirely new, but it has become more popular as part of the industry's market systems development approach. Here are some examples of how various organisations have promoted the village agent approach:

A. CARE'S VSLA AGENTS²

CARE uses a village agent model to scale up village savings and loans associations (VSLAs) called Cluster Facilitators (CFs). These village agents are men or women who, having participated in a VSLA, understand the methodology and can teach it to others. They also receive further training on the CF concept, presentation and facilitation skills, leadership, conflict resolution, and volunteer management. Village agents are required to be minimally literate and have

good people skills, energy, commitment, and leadership qualities. Upon recruitment, they receive training based on the VSLA guide for field officers (FOs) and support from their supervisors. The VAs must be able to "sell" the concept of a VSLA to a community and recruit members to form groups consisting of 15 to 30 members. Rather than being paid by the project, the VAs charge a fee (usually \$1 to \$2 per training) for training a group to

2 See more at <https://www.careinternational.org.uk/linking-for-change/images/technical%20learning%20series%20publication%201%20-%20village%20agent.pdf>

manage their saving and lending activities. Once the VA has achieved a reasonable level of skill and a solid foundation of associations, the FO who trained, mentored, and supervised the VA can be relocated to start more VSLAs in a new area,

while the VA continues to form new groups until the area is saturated. CARE created a broad template envisioning the work of the VAs, but their actual outreach and performance varies from country to country.

B. WALA FEE-FOR-SERVICE MODEL³

The Wellness and Agriculture for Livelihoods Advancement (WALA) programme in Malawi, funded by USAID and implemented by a consortium of NGOs led by Catholic Relief Services (CRS), adopted a similar approach using village agents in VSLAs, but further extended the model to farmer marketing groups. WALA's agribusiness service providers (ASPs) were recruited from a pool of lead farmers who, having demonstrated good business acumen, were linked to private sector companies, including input suppliers and buyers, and then helped identify and negotiate business deals on behalf of farmers. For their services, ASPs received a commission from either the buyer/service provider or from the farmers, depending on what was negotiated. For example, one buyer offered a 10 percent commission for cassava supplied by WALA-supported marketing groups. In another instance, farmers rewarded

ASPs with cash and in-kind gifts for having linked them to pigeon pea buyers. Although not enough for a full-time job, the commissions generated by ASPs motivated them to nurture win-win deals and served as an incentive for sustaining their services. Experience has shown that trying to get a commission from buyers or input suppliers as the revenue model for village agents works better than trying to extract much payment from the farmer group.

In addition to linking farmers with buyers and services providers, ASPs trained farmers on improved farming practices and business management, helping farmers increase yield and quality of products so they could remain competitive. ASPs regularly organised meetings with farmers for private sector companies as well as government and NGO partners, thus enhancing communication channels



3 See more at <http://pqpublications.squarespace.com/publications/2014/3/24/wala-malawi-fee-for-service-delivery-channel-agribusiness-se.html>

that would otherwise be weak. WALA ASPs facilitated demonstration plots for new products and practices, keeping farmers abreast of emerging innovations. Each ASP was equipped with a bicycle and required to have a mobile phone as a condition for receiving support from the project. ASPs were trained on negotiation skills, record keeping, safe

use and handling of agrochemicals, and accessing and utilising market information, among other topics. An ASP network was established in each district, enabling them to learn from each other and work together to influence business practices among their clients.

C. IDE's FARM BUSINESS ADVISORS (FBAs)⁴

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International Development Enterprises supports FBAs: independent micro-entrepreneurs who travel within a six-to-ten-village circuit assisting farmers to improve, intensify, or expand market-oriented agricultural production. FBAs deliver agricultural products, services, and technical advice to poor farmers. Prior to becoming FBAs, they typically have a pre-existing business activity that puts them in regular contact with farmers. FBAs are trained to analyse individual farm enterprises and match any identified constraints or missed opportunities with the products and services in their "toolkit." The toolkit includes products such as irrigation equipment, good-quality seeds, fertiliser, plastic mulch, plastic fencing, and collection and marketing services. FBAs also provide technical advice at the time of sale and during return visits throughout the growing season.

FBAs sell the products at a profit, often on credit with payment due at harvest, and provide technical advice as an embedded service in person and by phone. FBAs generate income from margins on the sale of products, and the cost of agricultural advice to farmers is embedded in the cost of the product. This creates profitable business for individual

advisors, and a lower cost and more sustainable services for farmers.

In Cambodia, FBAs are recruited and supported by a central franchisor called Lors Thmey, established with help from IDE. The franchisor does not pay salaries to the FBAs. Instead, it provides services such as training, bulk product purchases, credit access, market information, new product development, and branding and promotion to the FBAs as franchisees. As of 2014, Lors Thmey worked with approximately 14,000 farmers and a network of 61 FBAs, with plans to expand to 150 FBAs. One of the challenges Lors Thmey had to overcome was scepticism from farmers towards the for-profit model. Expansion also led to problems managing cash flow and ensuring the timely supply of products to farmers. However, the most recent results (December 2013) from field evaluations among FBA clients are impressive. On average, the rice farmers supported by FBAs increased yields by 27 percent, from 3.7 to 4.7 tons per hectare, and boosted net profits by 57 percent, from \$395 to \$620.

D. GRAMEEN FOUNDATION'S COMMUNITY KNOWLEDGE WORKERS (CKWs)⁵

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CKWs are drawn from the communities they serve and trained to use mobile technology and human networks to help smallholder farmers get accurate, timely information to improve their businesses and livelihoods. CKWs are chosen by their peers and, using smartphone applications, they give their fellow farmers information on weather and marketing prices, as well as advice on caring for crops and animals and treating pests and diseases. They encourage their peers in the ongoing use of the applications. Grameen initiated the

CKW approach in Uganda where CKWs share information on agricultural practices from FAO's knowledge base with farmers. Grameen Foundation also uses the FAO exchange groups to review traditional farming practices that farmers have shared. After vetting, the practices are then added to the content library used by the CKWs. The revenues that Grameen earns through its data collection services help to supplement the operational costs associated with the CKW programme.

⁴ See more at <https://www.ideglobal.org/story/farm-business-advisors>

⁵ See more at <http://www.grameenfoundation.org/tags/community-knowledge-worker>

E. MARKET ASSISTANCE PROGRAMME (MAP),⁶ TECHNOSERVE, AND TETRA TECH

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Kenya Markets Trust's Market Assistance Programme shares ideas with agro-dealers about how to set up a village agent model. The project provides exchange visits to other countries, and runs training courses on how to manage a village agent network with the agro-dealers. The project also covers part of the costs of the village agent network coordinator in the agro-dealer business through a cost share.

TechnoServe Kenya has been working to strengthen rural input suppliers through interns from universities. In a USAID Microlinks seminar titled "Simulating the Market to Change Agribusiness Behavior,"⁷ the consultant to TechnoServe Kenya, Margie Brand, stated:

We have private sector training institutes in academic institutions. Mostly, universities. We've been working with the United States International University to roll out an internship programme which is now serving rural businesses, specifically the input supply dealerships. And, because of that work, that just one pilot, other academic institutions have expressed interest. Currently,

in addition to ... United States International University, we are also working with five other academic institutions.

Tetra Tech International Development has also worked on strengthening input suppliers so that they have the capacity to develop and run a village agent network. In an article titled "Don't Discount the Middlemen," Patrick Norrel writes:

In addition to increasing overall production and productivity, Tetra Tech's approach to holistic agricultural value chain development—recently tried and tested in USAID projects in Colombia, Uganda, Macedonia and Kosovo—focuses on building the private sector capacity within the "missing middle" ... formalising linkages between input suppliers and wholesale dealers, and building win-win business relationships between input dealers and village-based sales agents to facilitate "last-mile initiatives" that make quality agricultural inputs more accessible to rural farmers.⁸

The above examples show various ways in which organisations use village agent models. Approaches may vary, but World Vision sees that the primary functions of a village agent are to transfer knowledge and skills to farmers and to facilitate business linkages between farmers and market actors seeking to do business with farmers. It is important that the agent be recruited and live in communities where they will work with farmers. Being familiar with the environment in which farmers operate can help them provide useful advice to companies. Agents also need to be admired as role models, business-minded (able to identify business opportunities and turn a profit), and aware of innovative technologies that can help farmers maximise profits.

6 See more at https://www.microlinks.org/sites/default/files/resource/files/Breakfast_Series_EVI_9.24_update.pdf

7 <https://www.microlinks.org/library/market-systems-innovations-%E2%80%93-field>

8 <https://www.devex.com/news/don-t-discount-the-middleman-83876>

Chapter 3: Steps to applying the village agent approach

Below is a series of recommended steps to set up a village agent network. Each project context is different, so the project staff will want to adapt this process to their realities on the ground.

3.1 Stakeholder consultation

Applying a village agent approach depends on where you are in the implementation of the programme. Normally, the first step is to assess the potential for facilitating village agents either from lead farmers or programme volunteers and other market actors who are involved in linking farmers to markets.

As part of the assessment process, the key project staff persons need to have discussions with their own project team, government extension agents and managers, private sector input suppliers, output market buyers, and potential village agents to build awareness of the opportunity for a village agent network and get buy-in from the various stakeholders.

3.2 Determining if village agents are needed

The next step is to determine if village agents will provide the needed linkages between the farmers and the suppliers and buyers within the input and output market systems: in short, whether village agents will improve the market linkages or not. See the worksheet below to gauge whether a village agent component is needed to make a market system more inclusive of extremely poor producers. Some indicators for extremely poor producers include:

- Limited access to inputs, especially for female farmers
- Not enough technical assistance on which inputs to use and how best to use them
- Little trust or comfort dealing with commercial input providers
- Limited access to agro-dealers in terms of distance, cultural differences, and desire to invest the little money that they have

Use this worksheet to assess the conditions in your context and identify whether a village agent model may or may not be beneficial to extremely poor producers there.

ESTABLISHING A VILLAGE AGENT MODEL WORKSHEET ¹	
Characteristics in your area	Examples
Access <input type="checkbox"/> Extremely poor producers have limited access to inputs.	<p>There are very few input supply vendors in their area.</p> <p>Extremely poor producers have to travel long distances to access inputs, if they can access them at all.</p>

¹ From World Vision's "Integrating Extremely Poor Producers into Markets Field Guide." <https://bit.ly/2yjZSoM>

ESTABLISHING A VILLAGE AGENT MODEL WORKSHEET	
Characteristics in your area	Examples
Technical assistance <ul style="list-style-type: none"> <input type="checkbox"/> Extremely poor producers have little or no advice on which inputs are most appropriate to solve their problems. <input type="checkbox"/> Extremely poor producers have little or no information on how inputs are most suitably used or applied. 	<p>Extremely poor producers don't know that inputs are available to solve their problems (such as combatting certain plant diseases), or use incorrect inputs to address problems.</p> <p>Extremely poor producers often apply inputs incorrectly (such as diluting them or not applying them to the correct part of the plant).</p>
Trust <ul style="list-style-type: none"> <input type="checkbox"/> Extremely poor producers have little or no trust that inputs are necessary. <input type="checkbox"/> Extremely poor producers do not trust or feel comfortable dealing with commercial input providers. 	<p>Extremely poor producers believe that there is no need to use inputs because their ancestors did not, or it is against their traditional beliefs to add anything to the soil.</p> <p>Extremely poor producers are not comfortable entering a commercial store or dealing with salespeople they do not know.</p>
Input supplier linkages <ul style="list-style-type: none"> <input type="checkbox"/> There are input suppliers whom the project could potentially work with to set up village agent models. <input type="checkbox"/> There are opportunities for input suppliers and village agents to set up demonstration and promotional platforms in rural market areas. 	<p>The project could cost share the selection and management of village agents, starting on a small scale to demonstrate to the input supplier how this might work.</p> <p>The input suppliers could set up promotional stands where they demonstrate, sell, and take orders for inputs at remote market days.</p>

3.3 Budgeting for village agents

The market systems development project needs to consider the costs of establishing a village agent network. For many projects, this budget will need to be developed at the stage of proposal design.

CHECKLIST 1: VILLAGE AGENT PROJECT BUDGET

The purpose of this checklist is to provide guidance for NGOs responsible for creating a project budget to support input retailers/suppliers in setting up village agent distribution strategies.

Project budget components

- ☐ Budget for exposure visits for input retailers or input supply companies to visit other firms with agent networks in the same country or in the region.
- ☐ If needed, budget for a cost share for a village agent network coordinator hired by the input retailers or input supply companies. Consider a 40% cost share with the project funds and 60% cost share by the private sector with the project subsidy reducing each year.
- ☐ Consider training venue costs on a cost share basis for each agent coordinator.
- ☐ Schedule regular visits (e.g., each month or quarter) for development organisation (NGO) staff to assist input retailers or input supply companies to strengthen their relationship with village agents.
- ☐ Consider training venue and catering costs for the village agents, preferably affiliated with the input retailers/input supply companies. Often an outdoor location near or at their premises can work.

3.4 Partner selection

Selection of private sector partners is a critical step in developing a village agent network. Below is a checklist for development practitioners to follow when selecting and working with private sector partners in establishing village agent networks.

CHECKLIST 2: WORKING WITH THE PRIVATE SECTOR TO BUILD A VILLAGE AGENT NETWORK

The purpose of this checklist is to provide guidance and support for development practitioners working with a local private sector input firm or output market firm that expresses interest in growing their business through developing agent networks. Recommended partners and their roles are described clearly to understand the purpose of each potential partnership and to be able to determine which partnerships are appropriate for each agent network.

CHECKLIST 2: WORKING WITH THE PRIVATE SECTOR TO BUILD A VILLAGE AGENT NETWORK

Selection process

- ☐ Ensure that potential sector partners:
 - Have the potential to contribute.
 - Be willing to invest their own resources.
 - Have possible opportunities for women and youth to be better linked to markets.
 - Have a well managed business, including financial management and book-keeping. Project staff could check business records.
- ☐ Identify which partner could potentially be prepared for and interested in testing new input promotion and distribution strategies through village agent networks that would benefit producers within the project area. These partners could include the following:
 - Input market retailers/dealers
 - Input market supply companies (e.g., seeds, fertiliser, other inputs, animal health products)
 - Output market collectors
 - Output market traders
 - Output market buyers
 - Transporters for input and output markets
- ☐ Identify which partners could potentially be ready for and interested in partnering with input retailers, dealers, and suppliers on rolling out village agent networks that would benefit producers within the project area. These partners could include the following:
 - Output market processors
 - Output market buyers
 - Transporters for input and output markets
 - Banks

Partnership role

- ☐ Work with partners to co-create plan.
- ☐ Create a scope of work or Memorandum of Understanding (MOU) to outline the role that parties will play.

The final selection of private sector partners should be made by the project manager or other senior-level managers to ensure that the project staff conducted due diligence in the selection process.

3.5 Independent or exclusive village agents

The project staff will need to determine if the private sector supply and output market buyer network is extensive enough to develop exclusive village agent networks managed by the private sector, or if the village agents will be project-trained and act as independent agents.

Regarding the exclusivity of agents, there are several things to consider:

- When should questions of exclusivity be addressed?
- Who should determine exclusivity?
- How do exclusive and non-exclusive models compare?

If the private sector buyers and suppliers are extensive and interested enough to have their own agent networks, then the project can work with them to pay and coordinate their own agents.

There are different ways to set up a village agent model. A project can recruit and train independent village agents or support a network of agents tied to specific companies as exclusive agents. Independent agents are non-exclusive and work with a variety of buyers and service providers. This works well in situations where companies are not willing to invest in exclusive village agents, allowing the farmers to have more choice in terms of the goods and services they can access. Independent village agents may not generate enough revenue from a single source to sustain their services, so they may need to collect commission from farmers and companies that use their services. Diversifying allows them to reduce the risk of over-reliance on sole relationships. Capacity building for independent village agents is more dependent on development organisations, since companies may be hesitant to invest in non-exclusive agents. However, independent village agents can sustain their services in the long run by forming a network to help them work collaboratively and wield greater influence in facilitating transactions.

Exclusive village agents are directed by a specific company, such as an agro-dealer or input supplier. It is unlikely that they will be allowed to market services from other companies, particularly competitors. However, the private sector company may allow them to engage in other promotional activities that do not directly compete with the company's products or services. Development organisations such as World Vision can help a company that seeks exclusive agents to identify suitable candidates and help build the capacity of the agents to deliver quality service. In this case, the ability of agents to sustain services is dependent on the incentives provided by the parent company.

Utilising a village agent approach will likely emphasize that farmers are customers and that the input supply market system can be improved with agro-dealer management staff training and business-to-business training. The NGO will work with the input agro-dealer or input supply company. It is best for the agro-dealer or input supply company to set up a village agent network so they have the buy-in necessary to maintain it beyond the life of the development organisation's funding.

It is then important for the village agents, the private sector suppliers and buyers, and the producer groups to agree on a fee structure. In the Niger LAHIA project, the seed company provides a percentage of sales as an incentive to the village agent. Some village agents also sell seeds to other villages.

For output market sales by producer groups, usually the village agent negotiates a percentage fee with the producer group based on the time it will take them to complete the transaction. The fee amounts need to be a win-win for both the producer group and the village agent.

The village agents can also get a commission from the buyers, especially if they can help farmers meet the requirements of the buyer (e.g., cleaning and sorting, grading, consolidation, place and time of delivery). They may also need to work out arrangements for transporting the produce to the buyer.

Below are some of the roles of the different parties in a village agent approach:

➤ VILLAGE AGENT ROLES AND RESPONSIBILITIES

- Is identified by the community as a trustworthy individual
- Gives hands-on technical advice
- Provides bulking services so farmers can buy inputs in bulk at a discount
- Assists input retailers to make sure farmers are using and disposing of the inputs correctly
- Provides accurate information on inputs and services to smallholder farmers

➤ INPUT RETAILER OR INPUT SUPPLY COMPANY ROLES AND RESPONSIBILITIES

- Is formally recognised by government
- Provides training to the village agents on the appropriate use and disposal of products
- Assists village agents in running demonstrations on farmers' land and provides inputs to farmers for these demonstrations
- Provides branded material to village agents
- Bundles sales with services through the village agents

➤ DEVELOPMENT ORGANISATION ROLES AND RESPONSIBILITIES

- Provides training and mentoring to private sector firms on how to manage a village agent network
- Provides training to the village agents (on behalf of the local firms if they need initial support)
- Connects agro-dealers (and thereby village agents), if necessary, to input supply companies who can assist with the appropriate application and disposal of products
- Facilitates improved commercial relationships between input retailers, and between farmers and input retailers and the village agent

3.6 Selecting and training village agents

Capacity building starts with selecting the right candidates. It is important to match the needs of the job with the capabilities of potential candidates. The development organisation, in collaboration with private sector companies, should define the tasks and responsibilities that the village agent will be expected to meet. This list can be general at first and improved upon later as the programme advances.

Selecting and training the village agents is a critical step in the process. Below is a checklist to help the private sector firm, community, and development project select village agents that will be effective in extending input and output markets to poorer and more rural farmers.

CHECKLIST 3: SELECTING AND TRAINING VILLAGE AGENTS

The purpose of this checklist is to provide support for development practitioners responsible for executing accurate and effective monitoring and evaluation, and for setting appropriate indicators and benchmarks for village agent activities and programmes. This includes guidance for input supply retailers/companies on delivering village agent training workshops, with direction on creating clear objectives, an overall format, and a detailed agenda for the workshop.

Gender

Should the private sector, community, and project staff consortium aim to recruit women as village agents? Consider:

- What constraints and opportunities would women face as village agents?
- How do village agents engage with female-headed households, those with persons living with disabilities, or those facing other vulnerabilities?
- Would a female village agent be more or less effective than a male village agent at reaching these households?

Selecting a village agent

- ☐ They are a trusted and respected individual within their community.
- ☐ They have good training and facilitation skills.
- ☐ They are confident in their ability to read and write.
- ☐ They have good verbal and written communication skills.
- ☐ They are confident in their ability to present and communicate skills to groups and individuals.
- ☐ They have strong problem-solving skills.
- ☐ They have confidence in their ability to persuade, network, and negotiate with multiple stakeholders at multiple levels.
- ☐ They have strong organisational skills to plan complex operations.

CHECKLIST 3: SELECTING AND TRAINING VILLAGE AGENTS

- ☐ They are diplomatic.
- ☐ They can manage money well.
- ☐ They have a good understanding of market-based approaches and business principles.
- ☐ They have a good understanding of local economic development and can identify and evaluate local economies.
- ☐ They have access to and ability to use a mobile phone.
- ☐ They will stay in the community and work with extremely poor farmers.
- ☐ They can be mobile, e.g., have access to a bicycle.
- ☐ They are engaged in other project activities.
- ☐ They are recognised as a leader in their field, e.g., a master farmer.
- ☐ They show commitment and reliability.

Once the village agent is selected, they need to be trained. It is best when the village agents can be trained on production techniques of various crops or animal disease diagnosis by the input supply company. Below is a checklist for a training workshop for village agents.

CHECKLIST 4: VILLAGE AGENT TRAINING WORKSHOP

- ☐ Establish clear workshop objectives such as the following:
 - Ground participants in deep understanding of the market facilitation approach.
 - Describe the roles that village agents must play in the course of their work and the corresponding attitudes and capacities they should demonstrate.
 - Detail the progression of collecting and documenting information collated by village agents.
- ☐ Utilise an effective workshop format including the following throughout the training:
 - Presentations
 - Group exercises
 - Plenary group discussions
 - Practical examples
- ☐ Create a daily workshop agenda describing each activity, listing each facilitator and time frame.

CHECKLIST 4: VILLAGE AGENT TRAINING WORKSHOP

☐ Present on the following subjects related to building capacity of village agents for market facilitation:

- Marketing basics
- Understanding constraints to market participation for smallholder farmers
- Collective marketing
- The cluster concept
- Marketing clusters
- Market facilitation
- Market mapping and market research
- Market information (gathering, analysis, and dissemination)
- Developing, managing, and maintaining relationships
- Tools for aggregating information
- NGO project staff roles and responsibilities, and action planning



Below is an example of a Village Agent Training Workshop agenda, from a three-day training in Zimbabwe's ENSURE programme.

Workshop objectives

1. Ground the participants in a deep understanding of the village agent approach.
2. Describe the roles that agents must play during their work and the corresponding attitudes and capacities they should demonstrate.
3. Detail the progression of collecting and documenting information collated by agents.

Workshop format

The training will be comprised of presentations, group exercises, plenary discussions, and practical examples.

SAMPLE AGENDA: VILLAGE AGENT TRAINING WORKSHOP		
Time	Activity	Facilitator
Day 1		
0800–0815	Registration and coffee	
0815–0830	Introductions	Facilitator
0830–0845	Opening remarks	Facilitator
0845–0900	Objectives of the workshop	Facilitator
0900–1000	Marketing basics <ul style="list-style-type: none"> • Why is marketing important? • What is marketing? • Understanding supply and demand • The marketing mix • Types of markets • Marketing functions and services 	Facilitator
1000–1030	Understanding constraints on market participation for smallholder farmers in communal areas	Facilitator
1030–1100	Tea	Venue

SAMPLE AGENDA: VILLAGE AGENT TRAINING WORKSHOP		
Time	Activity	Facilitator
1100–1200	Collective marketing <ul style="list-style-type: none"> • Rationale for collective action • Advantages and disadvantages of collective marketing • Challenges of collective marketing • Ways of addressing challenges of collective marketing 	Facilitator
1200–1300	The cluster concept <ul style="list-style-type: none"> • Defining a cluster • Different types of clusters • Rationale for clustering • Advantages and disadvantages of clusters 	Facilitator
1300–1400	Lunch	Venue
1400–1500	Marketing clusters <ul style="list-style-type: none"> • Defining the marketing cluster • Structure of the marketing cluster • Advantages of marketing clusters • Challenges and potential solutions to avert challenges of marketing clusters • Roles and responsibilities of the marketing cluster 	Facilitator
1500–1630	Group exercise, panel session, and end of day	Facilitator
Day 2		
0800–0815	Recap of Day One activities	Participant
0815–0915	Market facilitation <ul style="list-style-type: none"> • Defining a village agent • Roles and responsibilities of a village agent • Skills and characteristics of a village agent • Limits and bounds of facilitation • Developing a selection criterion for a village agent 	Facilitator
0915–1000	Group exercise: market facilitation (role play)	Facilitator

SAMPLE AGENDA: VILLAGE AGENT TRAINING WORKSHOP		
Time	Activity	Facilitator
1000–1030	Tea	Venue
1030–1130	Market mapping and market research <ul style="list-style-type: none"> Defining market mapping Defining market research Advantages of conducting market research Guidelines for conducting market research Analysing, interpreting, and using information gathered through market research 	Facilitator
1130–1230	Market information (gathering, analysis, and dissemination) <ul style="list-style-type: none"> Defining market information The importance and uses of market information Sources of market information Analysing, interpreting, and using market information Role of village agent on market information 	Facilitator
1230–1300	Panel discussion on market research and information	Facilitator
1300–1400	Lunch	Venue
1400–1500	Developing, managing, and maintaining relationships <ul style="list-style-type: none"> Defining relationships Factors that affect market relationships Managing market relationships in times of misunderstanding Tips for maintaining good marketing relationships 	Facilitator
1500–1600	Tools for aggregating collected information	Facilitator
1600–1630	Staff roles and responsibilities/Action planning	Facilitator
Day 3		
0800–0815	Recap of Day Two activities	Participant
0815–1145	Group exercise: market research and analysis	Facilitator
1145–1200	Closing remarks	Facilitator

3.7 Scoping potential products and markets

After being trained, the next step for the village agent is to scope potential markets to learn more about local and regional buyers. The scoping should be done in collaboration with the existing producers, perhaps in a working group of representatives from several producer groups.

3.8 Getting to know the community

Since the village agent is already from the community, part of this step is already accomplished. However, it is important that the village agent engage with female leaders and women's groups to get a better understanding of the opportunities and constraints of the different value chains from the women's points of view. Since female farmers are key to increasing production and improving nutrition, this understanding is essential.²



² <https://www.spring-nutrition.org/publications/reports/role-increased-income-and-womens-empowerment-nutrition>

Chapter 4: Building village agent capacity

4.1 Mobilisation

➤ BUILDING CAPACITY

After the training workshop, the development organisation can continue to build the capacity of the village agents together with the partner private sector buyers and suppliers.

The development organisation can carry out a baseline assessment of skills and capabilities to identify the areas where additional training and support will be required.

➤ CERTIFICATION

The NGO can set up a certification programme whereby recruits are expected to attain certain skills before being certified as village agents. The requirements for certification can include a written exam and a test of practical skills, such as how to negotiate a transaction between a farmer group and a private sector company. While it is important to challenge village agents, initial focus ought to be on helping them reach low-hanging fruit. This means spending time on less complex activities that serve to motivate agents and build confidence. For example, if farmer groups supported by a project are participating in an outgrower scheme, the agents can help manage the relationship and seek to increase the efficiency of transactions. This would enhance customer satisfaction among farmers and endear the village agents to the outgrower company. The project should try to avoid providing direct support, e.g., partial allowances for travel to meet buyers or suppliers, if at all possible.

➤ MENTORSHIP

Village agents who have graduated should be encouraged to mentor aspiring candidates. Mentorship should start as soon as the agent gets established. The programme can monitor this and if necessary create a timeline to schedule the mentorship; e.g., each new agent can be expected to mentor a recruit after one year provided they have performed satisfactorily. Mentorship helps to increase the number of agents and, in the event of someone quitting, ensures there is someone who can continue the role.

➤ CAPITAL

The development organisation can mentor the recruits to figure out the capital requirements for being a village agent and how to access both start-up and operating capital. It is advisable to link the recruits with financial institutions who can offer them credit and encourage them to save.

➤ NETWORKING

The NGO encourages village agents to work together and learn from each other. They can form an association or a company that allows them to register as a legal entity: a village network. Benefits of registration include ability to sign contracts, access financial services, and leverage support from government and other stakeholders. Networks also allow agents to build economies of scale with limited liability to the registered company.

➤ DIVERSIFICATION OF SERVICES

Initially, the village agents may want to focus on one or two services, with the most basic roles being input and purchasing agents. Over time, it is important that agents diversify their menu of services, which would allow them to increase opportunities for engaging with farmers and generating income. Purchase of inputs and sale of outputs tend

to be seasonal, so agents can evaluate what services and products farmers need beyond buying inputs and selling their harvest. For example, since many farmers keep small livestock, agents can provide support for animal husbandry. Agents should be encouraged to come up with a calendar of activities, products, and services that farmers need throughout the year. The more comprehensive the services they provide, the more likely they are to sustain their services and increase profitability.

➤ FARMER ENGAGEMENT PLATFORMS

Village agents should work to strengthen the organisation of farmers since this makes the groups better prepared to engage with buyers and suppliers. In Malawi, WALA organised annual marketing fairs where farmer group representatives would meet at a central location to exhibit samples of their commodities and negotiate with potential buyers. Agents can help organise such fairs and can also assist with follow-up to make sure that farmers and private sector businesses continue the dialogue necessary to complete transactions. Marketing fairs are just one example of farmer engagement platforms; village agents can also organise field days and expos by helping farmers assemble and inviting companies to make presentations about their products and services.

➤ GENERATING REVENUE

Village agents need to be creative in figuring out how to generate revenue. They should start by establishing a loyal customer base. This may mean charging a minimal fee to establish with customers the value of their service. The more customers they have, the more they can spread costs and charge a reasonable fee for their facilitation services. The table below describes some fee generation models for various services.

Service	Ideas for generating fees
Helping farmers find a buyer for their commodities	Charge a commission based on tonnage, e.g., a price per kg sold, or as a percentage of the total sales. The fees can be paid by either the buyer or the farmers, or even partially by both depending on what is acceptable.
Helping farmers buy inputs at discounted prices	Receive a commission from the agro-dealers based on value of inputs purchased by farmers, and/or ask farmers to pay for transport to the agro-dealers.
Providing training to farmers	Negotiate with farmers to cover village agent expenses for materials but consider it an embedded service with no up-front charge, provided farmers commit to engaging with the agent for marketing.
Facilitating marketing fairs or field days	Negotiate a fee with organisers, e.g., NGOs, companies, or the local administration.

Service	Ideas for generating fees
Providing health services for community animals	Charge per animal attended based on actual cost of service, including a margin.
Supplying market information	Village agent contacts various buyers to find out prices for various commodities, then sends a text message to group leaders every week with updated prices. Agents charge for cost of airtime and consider it an embedded service.

Agents should brainstorm ideas for generating revenue depending on customer needs and what is locally acceptable. They might need to experiment by trying out different services and products until they find a package that works well. Therefore, it is important for agents to network and learn from each other. Some of the best ideas for providing services and generating revenue have been developed through trial and error. NGOs should help facilitate the process of monitoring and applying lessons learned, e.g., by bringing agents together and holding regular review sessions.

As an agent is trying out an array of services, they should develop a business plan to help them determine the profitability of their service offerings. This can be a simple tracker for projected income and expenses, showing costs the agent expects to incur and potential revenue. An Excel spreadsheet can be used to work out various scenarios. NGOs should provide training to new agents on business management for service providers, which enables them to figure out how much their time and expertise is worth.

It is better to have an agreement reached between agents and their customers, including the farmers or companies they support. The agreement should be able to be adjusted over time to meet the changing needs of all parties. Agents should strive to be transparent to overcome scepticism about the value of their services.

Chapter 5: Sustainability

Village agents are themselves a sustainability strategy, in the following ways:¹

- Access to resources: Village agents will need to generate adequate revenue to stay in business or find compensation through intangible benefits, e.g., recognition by government and local leaders for their service. Village agents can also seek support from development partners for resources that enable them to offer technical capacity building for farmers as an embedded service.
- Capacity building: Village agent associations can organise training and capacity building for their members. This is the value of building a network that brings village agents together to learn and grow. In some countries, an association will be more feasible to form. In some other countries, forming an association may not be a logical part of the development organisation's programme.

A village agents' association should be considered as a means of bringing village agents together, and helping them grow, build social capital, and upgrade their skills. A village agent association provides an opportunity for:

- More training on roles, duties, and how to improve a village agent's services.
- Increasing the number of input supply companies who utilise village agents by building trust with input supply companies to use the village agent approach.
- Strengthening the services of the village agents to the villages through increased peer pressure that in turn leads to higher performance.



¹ Rogers, B. L. & Coates, J. (2015). Sustaining Development: A Synthesis of Results from a Four-Country Study of Sustainability and Exit Strategies among Development Food Assistance Projects. Washington, DC: FHI 360/Food and Nutrition Technical Assistance III Project (FANTA).

The association should also have a code of conduct for the village agents and provide disciplinary actions in the event a village agent provides low-quality services to their village. The association should provide a simple evaluative survey to distribute to farmers the village agents are working for that includes the following questions:

- Did the village agent communicate clearly the price, terms, and when you would get the seeds?
- What did the village agent do well in their role? Do you have any suggestions for improvement?
- Could the village agent have done a better job? If yes, how?
- How would you rate the village agent on a scale of 1 (poor job) to 5 (excellent job)?

Implementers of food security programmes are encouraged to evaluate four factors in defining a sustainability and exit strategy for working with village agents. Post-project evaluations can be conducted to understand how village agents fare once project support is withdrawn, including the following four questions:

- What kinds of services have village agents continued to offer?
- What compensation mechanisms are effective in sustaining village agent services?
- How are linkages with government and the private sector sustained?
- What risk management strategies have village agents employed to sustain their services?

5.1 Monitoring and evaluation and setting benchmarks

CHECKLIST 5: SUSTAINABILITY

The purpose of this checklist is to provide support for development practitioners who are responsible for supporting input retailers/companies with the success of a village agent business strategy. It is essential that village agent networks are the priority of the local firm and not the development organisation. This includes guidance in creating a monitoring and evaluation plan for the inputs retailers/companies to use (which the development practitioner can draw information from) and other important considerations, including a simple evaluation survey for farmers working with village agents.

Monitoring and evaluation (M&E)

- ☐ Development organisation sets up an M&E plan for village agent activity.

CHECKLIST 5: SUSTAINABILITY

- ☐ The plan includes key indicators used to track performance and methodology of collecting, analysing, and reporting data. Sample indicators include the following:
 - Increase in revenue generated by farmers supported by village agents
 - Number of farmers reached per service category by village agents
 - Revenue generated by village agents
 - Number of village agents trained and remaining in business after 1, 2, 3 years, etc.
 - Profitability of village agents
 - Number of new village agents recruited
 - Number of services provided
 - Number of companies and organisations engaged by village agents

Other considerations

- ☐ Development organisation promotes agents on a pilot basis, targeting a limited number of agents to gather lessons learned and apply them to scale-up.
- ☐ Development organisation shares lessons learned with stakeholders regularly (e.g., monthly, quarterly, annually).
- ☐ Development organisation links village agents to reliable source of financial services (savings, credit).
- ☐ Development organisation addresses considerations for women and youth with special attention.
- ☐ Development organisations plan to develop village agent associations to:
 - Improve training on roles and duties
 - Increase the number of input supply companies utilising village agents
 - Strengthen the service of village agents to the villages
- ☐ Village agent associations create a code of conduct, which includes disciplinary actions in the event a village agent provides low-quality services.

CHECKLIST 5: SUSTAINABILITY

- ☐ Village agent associations provide an evaluation process by creating a simple survey to distribute to farmers.
- ☐ Implementers of food security programs conduct an evaluation to see how village agents fare after project support is withdrawn.

Conclusion

This document should allow its reader a better understanding of the village agent model and provide the who, what, when, where, why, and how of implementing the model. Although there are many approaches, the ultimate function of a village agent is to foster education, skills, and business linkages between smallholder farmers and market actors. It is key that the village agent is a trusted community member who is familiar with the environment of farmers and the market they are working in. The village agent model aspires to increase household income to meet the needs of children and families of the community, and to improve quality of life and farming practices. This is a living document that will be updated periodically based on field experience.

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This publication is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of World Vision, Inc. and do not necessarily reflect the views of USAID or the United States government.
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