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Establishing a client-financed agricultural advisory service – a successful experience from Azerbaijan

by Reiner Laue 1, PAC-Team

Background

Due to the collapse of the Soviet Union the people in the resulting new independent states were faced with huge challenges in society, economics and politics as the old systems stopped functioning and it took time for the new ones to be built up.

In Azerbaijan, agriculture which formerly focussed on cotton and wheat lay fallow as up until the land reform in 1996 it was unclear whom the land belonged to, and a system for input supply and sales was not in place. The overall difficult situation was made even harder due to the armed conflict between Armenia and Azerbaijan around the Nagorno Karabakh region. A great many people lost their homes and had to find new ones in other regions of Azerbaijan.

In 1996 Diakonie Deutschland started a project² to help these displaced persons to become independent of food aid and to earn a living independently. The emphasis was on the gardening sector in order, by means of training and through the use of green houses made of plastic film, to additionally use the periods at the beginning and at the end of the growing season for cultivating vegetables and as a result to attain a higher income.

In the course of this project it rapidly became clear that in addition to the displaced persons the local population was having great difficulties in securing its livelihood through agriculture. There were several reasons for this: often the area was too small (farm sizes between 1 and 5 ha) to be profitably farmed, no capital to invest in inputs such as machines, seeds and fertilisers, the soil was partially heavily eroded, and the salting was often high.

One of the main problems was however the fact that only a few people were sufficiently qualified to work as independent farmers with a small farm. Many of the new land owners used to previously work in other industries and the former employees of the large state farms were specialised in specific subjects and had only little experience in managing a farm.

Based on this situation the local and German employees of the Diakonie project took the initiative for founding the national non-governmental organisation AIM (Agroinformation centre Azerbaijan) with the aim of training agricultural advisors, as there was no corresponding institution in the country. Since its foundation in 1999 it has been operating in two districts and has been funded by the Evangelical Church Development Service (EED) from Germany and the Interchurch Organisation for Development Co-operation (ICCO) from the Netherlands.

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This report is based on an evaluation of the advisory organisation AIM in Azerbaijan in 2005 by Reiner Laue as team leader .

2 For more information see: Lamers, J., Dürr, G., Feil, P. (2000): Developing a client-oriented agricultural advisory system in Azerbaijan. In: Human resources in agricultural and rural development. FAO Rome, pp. 104-118.

The advisory concept

The conceptual basis of the advisory service is the approach according to Albrecht focussing on problems and being person-centred which was specified further with the following four 3 criteria based on many experiences world wide when designing an advisory system:

- situation specificity: strategies and programmes must be adapted to the country conditions;
- system flexibility: the extension system must be dynamic;
- financial sustainability;
- quality control and accountability of the services rendered.

The quality of the future advisors will continue to be an essential main focus of the advisory system which is secured by a multi-stage process:

Together with representatives from the population, selection criteria were drawn up which in addition to the professional aspects also determined factors such as the acceptance in the population and the inclusion of men and women. The selected candidates then take part in a training programme to assess their potential. The emphasis of the mix of theoretical instruction and practical exercises is not on specific production techniques but in the fields of communication, agricultural operation systems and entrepreneurial thinking.

After the first part of the training the candidates begin to work as independent advisors. If they pass the final examination in which their advisory skills are assessed by an independent committee, they deepen their knowledge in the second step of their training, coach their colleagues and receive a certificate at the end.

In order to give the now independent advisors the largest degree of independence possible, also from AIM, AIM supports the establishment of local advisory offices. They serve as a centre for all aspects of agriculture. The advisors use the building for training purposes, information material for farmers of small-scale farms is available and can be purchased for a small fee by anyone interested.

The concept demands that the independent advisors find their clients themselves. As the selection process is very transparent and word spreads about the good work of the advisors generally the advisors do not have to do any canvassing but are contacted by the farmers and their advice is requested as soon as they participate in the first training section.

3 Hoffmann, V., Kidd, A. & Lamers, J. 2000. Reforming the organisation of agricultural extension in Germany: lessons for other countries. AgRen Network Paper No. 98. London, Overseas Development Institute and

Kidd, A.D., Lamers, J.P.A., Ficarelli, P.P. & Hoffmann, V. 2000. Privatising agricultural extension: caveat emptor. Journal of Rural Studies, 16: 95-102 in

Lamers, J., Dürr, G., Feil, P. (2000): Developing a client-oriented agricultural advisory system in Azerbaijan. In: Human resources in agricultural and rural development. FAO Rome, pp. 104-118.



(Farmer woman with her granddaughter in the village of Boyat (Agjabedi district).

The payment for the advisory services by the farmers is negotiated between the advisors and their clients. AIM originally planned a payment in cash, however it was soon revealed that payment is made in raw materials usually after the harvest. The advisors report that they have at least about 20 clients and their income from advisory services accounts for about 15-20% of their total income. This was motivation enough for them to pursue this line of business.

The opportunity of making a direct financial profit is not the deciding factor when advising clients: farmers with a very low income are often advised for no fee in the hope that as a result they would be able to improve their financial standing in the mid term and thus be able to pay for the service in the future.

The advisory content focuses on conventional farming. This was decided already at the start of the Diakonie programme because coping with the changes i.e. the relocation and the change to small-scale farming should not be made even harder by an additional change-over by possibly introducing biological farming.

Evaluation of the concept

The very positive response from farmers, advisors and representatives of local and regional government institutions lead to the conclusion that the concept has been implemented successfully to date.

The work of AIM and its advisors is producing results. With a total of 102 advisors active to date in two districts about 8,500 persons are reached in private and group advisory sessions. The farm families have been able to increase their income by about 20% compared with the farms which did not make use of the advisory services.

Farmers, both men and women, above all appreciate the completely new type of communication between them and the advisor. They feel they are on the same level as the advisor and gain specific benefit from the meetings to work their farms with a confident and active approach. Within families and between neighbours dealings with each other have also improved.

According to the statements of the farmers it is of no consequence if they are advised by a man or woman. The benefits gained are far more important than the question of male or female. Women stated that through the new type of advisory service they had gained a better insight into tillage, traditionally a male domain.

Access to the adapted technical information through the brochures distributed by AIM and a magazine published monthly is also very welcome as there is no other corresponding source of information.

The remuneration of the advisory services and the information material is considered appropriate by the farmers as they have gained considerable benefits.



Meeting with advisors at the advisory office in the village of Sholtlanli (Agjabedi district).

The advisors are visibly proud of the work they do. They emphasise that they have a high level of job satisfaction from specifically improving the living conditions of their clients/neighbours. Furthermore, by participating in the AIM training they have gained an additional useful qualification for advancing their own farms. The financial yield from the advisory work is considered appropriate.

The local and regional government representatives unanimously said that by the qualification of the advisors the agricultural sector and the farmers are being supported as they could not start such an initiative themselves due to lack of resources and a centrally defined government structure.

From the viewpoint of the evaluation mission the following aspects considerably contribute to the good success already after only five years existence of AIM:

- Right from the start a clearly defined advisory concept was developed. The particular strong point is the functioning of the advisors. These part-time free-lance consultants do not have to hunt for clients to make a living due to having their own farming enterprise as main income source, but still can complement the income considerably by means of rendering advisory services. Nevertheless this financial benefit is enough motivation to deliver good quality services at fair prices which consequently attracts the clients.

- AIM was founded as a training organisation and not an advisory organisation with its own advisors. This ensures that AIM remains a lean organisation with few employees and the external funding through donor organisations is kept comparatively simple.

- The employees of AIM identify very strongly with their work and adopt a partnership-based approach in their dealing with others inside and outside their organisation. Thus they act as convincing model to advisors and farmers. The reason is that the AIM staff received very good training in all aspects of good advisory work and organisational development through international consultants.

- The farmers have a very strong position in this advisory concept: due to the fact that they themselves directly pay the advisors as independent service providers they have quality control with all its conceivable consequences in their own hands.

As a critical point the evaluation mission noted that AIM works well as a training organisation however the urgent aspects of soil erosion and salting of the ground water were not sufficiently covered in the training content for the advisors.

Outlook

In order to continue to provide successful advisory work AIM was for example recommended to particularly consider the aspects “access of the clients to the advisory services”, “relevance of the content of the advisory services” and “institutionalisation of advisory work”.

The clients’ accessibility to advisory services should be monitored carefully by AIM. It may well be that the very poor layers of society will no longer have access to the advisory services if the advisors who previously sometimes provided their services free of charge stop doing so if the prospect that clients initially unable to pay will one day develop into paying clients, fails to materialise.

Furthermore, for the topic “target group” it was recommended that AIM should also be involved with young people. It should be ascertained how these people view their future perspectives and how AIM or the advisors can play a role for these young people who are intending to make a living in the agricultural sector.

The relevance of the advisory content for the farmers should be regularly checked by AIM and the advisors. While at the beginning most of the farmers were in a similar situation there is

increasingly a diversification as regards the development speed, the areas of specialisation and the economic power. This spectrum which is increasing in diversity also requires differentiated advisory services whereby there may be a transfer from the emphasis on the basics of small-scale farm management to process accompaniment with the aim of optimising the farm.

Even if there is a transfer to process accompaniment, the long-term use of natural resources should feature as a main topic. If a stop is not put to the degradation of the soil catastrophic consequences may result like in the region of the Aral Sea in Uzbekistan where large areas will not be able to be used agriculturally for many years due to the ecological conditions being ignored.

Finally the overall very good experience of AIM should be institutionalised and integrated in training courses: for example contact with the agricultural department of the university should be intensified to establish advisory methodology and communication as a study area. This can also be achieved with support from universities from abroad with relevant experience.