

# Build better agrifood systems - Invest in producer organisations: Lessons from GAFSP projects

APRIL 2026



Heu Sokleap, a farmer and Chair of the Aphivat Meanchey Agricultural Cooperative, Cambodia, tending to her pigs on her home farm.  
PHOTO: CamboDHRRRA

## Summary

Direct financing of producer organisations (POs) can yield powerful results. Smallholder farmers and other small-scale producers remain central to global food security, rural livelihoods and sustainable food systems. Across much of Africa, Asia and Latin America, they produce most food consumed domestically and sustain local economies through diversified production systems, labour contributions and community-based exchange networks. Estimates indicate that 70% of the world's population depend primarily on small-scale producers for their food.<sup>1</sup>

Beyond their contribution to food production, smallholders play essential roles in maintaining biodiversity, sustaining rural employment, preserving cultural food systems and supporting local economies. With appropriate institutional

support and public investment, smallholder agriculture can contribute significantly to poverty reduction, economic growth and climate-resiliency.<sup>2</sup>

POs, at local, national, regional and global level, are critical institutions enabling smallholders to participate effectively in markets, access services and finance, and influence agricultural policy. Collective action through cooperatives and farmer networks helps overcome structural barriers, such as limited assets, weak bargaining power and fragmented supply systems, that constrain individual producers.<sup>3</sup>

Strengthening women's participation in POs contributes to gender equity in rural economies. Women play central roles in agricultural production, processing and marketing but often face structural barriers to accessing land, training, finance and leadership opportunities. Purposefully supporting women's leadership within POs improves their productivity, strengthens household food security and increases the effectiveness and inclusiveness of rural institutions.<sup>4</sup>

POs are also generally more inclined to adopt agroecological approaches. Agroecology is increasingly recognised as a foundational approach for strengthening smallholder agriculture. Agroecological practices improve soil fertility, diversify production systems, reduce dependence on costly external inputs, and increase resilience to climate variability while reinforcing local knowledge systems. Across multiple contexts, agroecology has demonstrated its effectiveness in strengthening both productivity and long-term sustainability among smallholder farmers.<sup>5</sup>

When it comes to financing action in agriculture, lessons learned from GAFSP projects show that if done well, direct support to POs can be an impactful, effective and efficient use of funds.

## Background:

### GAFSP's innovative support for producers' organisations

The multi-lateral Global Agriculture and Food Security Program (GAFSP) was established by the G20 in 2010, as part of a wave of measures responding to the 2007-2008 food price crisis.

GAFSP has two distinct focus areas: (i) food system outcomes, including increased agricultural productivity, improved farm-to-market linkages, reduced risk and vulnerability, improved rural livelihoods and entrepreneurship, and improved institutions; and (ii) cross-cutting outcomes, including improved climate resilience, empowered women and girls and improved nutrition.

GAFSP operates via three tracks: a Grant-based Financing Track (GBFT), which allocates grants to governments and producer organisations (POs); a public private partnership-led funding track, which provides both grants and concessional funding through the Business Investment Financing Track (BIFT); and, additionally, a private sector window with trust funds managed separately by the International Finance Corporation (IFC).

GAFSP introduced PO-led grants to better serve the needs of small and medium POs. Since then, GAFSP has allocated \$80 million to 32 PO-led projects, making significant advancements in strengthening POs and contributing to improved farmer incomes, food security, nutrition and resilience. In 2026, GAFSP's allocation of \$38.75 million will support a further 16 POs.

This brief incorporates lessons learned from four ongoing PO-led projects supported by GAFSP in Burundi, Cambodia, Haiti and Tanzania. The findings are drawn from participatory reviews conducted by the Civil Society Partnership for GAFSP, a consortium commissioned by GAFSP. The Partnership consists of ActionAid International, the Eastern and Southern Africa Small-Scale Farmers Forum (ESAFF), the Asian Partnership for the Development of Human Resources in Rural Areas (AsiaDHRRA), and Coordination pour des Actions en Santé et en Développement d'Haïti (COSADH).

These PO-led projects across four countries provide practical evidence of how targeted investments in POs can improve productivity, strengthen institutional capacity, support agroecological transitions, advance gender inclusion and enhance farmers' access to markets. Together with broader policy guidance on connecting smallholders to markets and investing in smallholder agriculture, these experiences highlight priority areas for future programming, policy support, and investment and financing approaches.

## Key findings:

### 1. Producer organisations are central to strengthening smallholder agriculture

POs enable smallholders to overcome structural barriers that individual farmers cannot address alone. These include limited access to inputs, weak extension services, fragmented marketing channels, exclusion and weakness in decision-making processes and unequal access to productive resources.

Collective organisation supports improved access to services, strengthens negotiation power with buyers and processors, facilitates knowledge exchange, and enables shared investment in infrastructure such as storage, processing facilities and transport systems.<sup>6</sup>

Equally important, POs provide institutional platforms through which women farmers can strengthen their participation in agricultural decision-making and economic leadership. Where governance systems are inclusive and gender-responsive, POs improve both equity and productivity outcomes.

Evidence from the four reviewed projects demonstrates that strengthening POs is most effective when combined with agroecological production support, infrastructure development, gender inclusion strategies and improved market coordination.

Smallholder farmers from Cendajuru Commune, Tanzania, showcasing a harvested bananas at a demonstration farm. PHOTO: ESAFF



## Burundi – Cooperative-based agroecological productivity gains

The PARE-COVID project in Burundi strengthened *Confédération des Associations des Producteurs Agricoles pour le Développement (CAPAD)*-affiliated cooperatives by revitalising banana production using disease-free planting materials and agroecological soil fertility practices such as composting, mulching and intercropping with legumes. Some farmers reported increases from approximately five banana bunches per harvest to over 20 on the same plots. The project strengthened collective marketing arrangements linking cooperatives with processing facilities, while also improving quality standards.<sup>7</sup>

**A key lesson:** Agroecological production combined with cooperative marketing strengthens productivity, income and institutional capacity.

## 2. Producer organisations can boost agroecological transitions

Agroecology strengthens the resilience and sustainability of smallholder agriculture while reducing dependence on external inputs. It improves soil health, supports crop diversification, enhances water retention, reduces input costs and increases adaptive capacity to climate shocks.

*The Committee on World Food Security has laid out 13 principles of agroecology, which include, among others, fairness, participation, co-creation of knowledge, respect for social values and diets, land and natural resource governance.*<sup>8</sup>

POs play a central role in scaling agroecological practices by facilitating peer learning, organising training systems, supporting distribution of seeds and seedlings and coordinating territorial resource management strategies. POs can collaborate with government extension workers and integrate them into project training sessions, helping ensure that knowledge can be spread beyond the project area. POs

remain after the project ends and can provide monitoring and ongoing support to farmers, helping them work through problems of agroecological transition and in the case of the Cambodia project, addressing the challenges of maintaining organic certification.<sup>9</sup>

Agroecological transitions are also strengthened when women farmers participate equally in training, experimentation and decision-making processes within POs. Across the reviewed projects, agroecology contributed directly to improved yields, stronger soils, diversified production systems and reduced vulnerability to climate risks.

## 3. Investing in infrastructure and processing coordination improves production and incomes

### Haiti – Agroecology and institutional strengthening through ROPAGA

The PARAGA project strengthened *Réseau des Organisations de Producteurs Agricoles de la Grand'Anse (ROPAGA)* by providing agroecological training, improved seeds, agroforestry support, and access to credit and crop insurance. Farmers adopted soil conservation techniques, contour ridging, crop diversification and water management practices that improved production and resilience. At the same time, the project strengthened ROPAGA's role in organising marketing channels and coordinating relationships with local buyers.<sup>10</sup>

**A key lesson:** Agroecology strengthens both productive capacity and the institutional role of producer organisations.

Inadequate storage systems, limited processing capacity and a need for aggregation structures remain major barriers to smallholder market participation in many regions. Investments in storage, drying, milling, transport coordination and processing infrastructure can allow POs to reduce post-harvest losses, stabilise prices and negotiate improved market conditions. Such investments are especially important for women producers, who are often concentrated in processing and marketing roles but face the greatest constraints in accessing infrastructure and services. One

notable aspect of the multi-faceted Tanzania project is that it illustrates how strengthening aggregation systems and post-harvest infrastructure improves both production outcomes and farmer incomes.

### Tanzania – Aggregation and post-harvest systems strengthen market participation

The Baridi Sokoni project strengthened farmer organisation members of *Mtandao wa Vikundi vya Wakulima Tanzania* (MVIWATA) in Tanzania by supporting nurseries, training in agroecological production practices, and improved storage and handling systems for spices, beans and potatoes. Post-harvest losses affecting up to 40% of perishable crops were reduced through improved infrastructure and collective coordination, enabling farmers to improve product quality and access more reliable markets.<sup>11</sup>

**A key lesson: Storage and aggregation infrastructure are often important institutional functions of effective producer organisations.**

#### 4. Strengthening PO capacity, leadership and inclusive governance are key to long-term effectiveness

POs require sustained institutional investment to function effectively as service providers and market actors. Short-term project support rarely produces durable institutional change.

Strengthening governance systems within POs improves transparency, accountability and long-term sustainability. Inclusive leadership structures that support women's participation strengthen institutional legitimacy and improve development outcomes. Organisational strengthening also enables POs to coordinate certification processes, manage contracts and engage with public and private actors across marketing systems.



Idaya Mwalongo from Njombe, Tanzania, holding a bucket of Irish potatoes at Njombe Market. PHOTO: ESAFF

Investments in building PO capacity, leadership and inclusive governance add resiliency for responding to crises, such as natural disasters, pandemics or conflicts. Organisations that have built their capacity and are led by small-scale producers, including women, are much better positioned than outside agencies to act quickly and decisively in a crisis such as a pandemic, natural disaster or conflict. They typically remain in the communities when international NGO or government agencies pull back in the midst of conflict, and they have a better understanding of the needs of their members and the communities they live in.

It is crucial that investments in organisational capacity and leadership extend to smaller local POs in addition to umbrella organisations. Lessons from Haiti show that while the marketing capacity of the larger organisation ROPAGA has been greatly strengthened, its local farmer organisations also now require training in governance and collective planning, to allow them to sustainably support their members in the long run. In Cambodia, however, the organic rice project was able to channel resources to strengthening five of its local cooperatives (with an ambition to expand to eight). The project's emphasis on providing training on governance, and encouraging the participation and empowerment of women and youth, has contributed to significant progress in building local organisations' capacity.

#### 5. Producer organisations can connect smallholders to markets

POs coordinate linkages between farmers and buyers by collecting and transporting produce to a central hub for collective marketing. They manage quality standards and negotiate with traders and processors within territorial markets.

## Cambodia – Cooperative strengthening through organic agriculture

The Cambodia Building Back Better organic agriculture project strengthened agricultural cooperative members of *Cambodian Agriculture Cooperative Corporation* (CACC) by providing training in organic production, cooperative governance, financial literacy and certification systems. Investments in storage, drying, milling facilities and traceability systems improved farmers' ability to coordinate production and marketing collectively. The project promoted agroecological production practices and supported access to premium organic rice markets while strengthening cooperative leadership among women and Indigenous farmers.<sup>12</sup>

**A key lesson: Certification and cooperative governance investments strengthen producer organisations' long-term market coordination capacity.**

In Tanzania, collective marketing of spices by MVIWATA provided these supports and helped eliminate middlemen so that producers receive more income for their products. In Burundi, "farmers highlighted that such cooperative-based sales now provide them with consistent income across seasons."

The Cambodia project illustrates how some POs may also engage in export-oriented markets, noting significant success with organic rice. In Mondulkiri Province, organic rice production targeted export markets because certification allowed farmers to obtain price premiums and diversify income opportunities. The review found that by "strengthening farmer organisations and promoting collective marketing and inclusive business partnerships, smallholder producers have gained stronger bargaining power, reduced their transaction costs and created more stable income streams."

Both the High Level Panel of Experts and the Civil Society and Indigenous Peoples' Mechanism at the UN Committee on World Food Security, however, recommend some caution with too heavy of a reliance on single crops for export or niche markets as a strategy for smallholder POs. Such strategies may miss opportunities to benefit both smallholders and domestic food security by better connecting producers to territorial markets.<sup>13</sup> They require compliance with overly strict standards, involve higher transaction costs and expose farmers to global price volatility. For this reason, participation in export markets is most beneficial when POs are already strong and when territorial markets remain the primary foundation of livelihoods. Strengthening territorial markets remains the most inclusive and scalable strategy for improving smallholder income and ensuring food security.

Connecting smallholders to markets is an essential function of POs. Policy guidance emphasises that territorial markets channel most food consumed globally and represent the primary entry point for smallholder participation in economic exchange. Strengthening these markets improves price stability, reduces transport costs, supports dietary diversity and strengthens local economic development.

## 6. Access to rural finance remains a constraint

Limited access to finance remains a significant constraint facing smallholder farmers and their organisations. Collective financial mechanisms—including cooperative savings and credit systems -- enable **producer organisations** to invest in infrastructure, production improvements and marketing coordination based on farmers' needs.

How international grant support reaches POs also matters. Reviews in Tanzania, Burundi and Haiti recommend that GAFSP supervising entities, such as the development banks and UN agencies, tailor their financial and procurements systems to the needs and realities of POs. Slow disbursement processes meant that activities were delayed and funds or supplies did not arrive in time to meet the seasonal needs of farmers, negatively impacting these projects.

## Key recommendations for supporting producer organisations

Reviews of GAFSP projects illustrate how direct, grant-based financing of POs can unlock powerful agricultural transitions and climate action. These experiences offer valuable lessons to funding institutions, as they consider strategies to strengthen the impact of available **funding** resources.

1. Commit to long-term institutional strengthening of cooperatives and farmer networks.
2. Simplify fiduciary requirements to expedite procurement and disbursement timelines to align with agricultural seasons and the operating **context** of POs.
3. Scale up agroecological production systems through PO-led collective learning platforms.
4. Invest in storage, processing and aggregation infrastructure, led by or strongly involving POs in their governance.
5. Strengthen territorial market systems as the primary pathway for smallholder POs to reach consumers.
6. Expand access to PO-led savings, loans and credit mechanisms.
7. Support women's leadership and inclusive governance structures within POs.
8. Bolster POs' capacity to engage confidently with government in policy processes and negotiate fair market terms with private sector.

Together, these approaches enable POs to function as effective service providers, market coordinators and policy actors within territorial food systems.

Strengthening POs is therefore not only a strategy for improving smallholder productivity, but a foundation for advancing food security, gender equity, climate resilience and inclusive rural development.

## Endnotes

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### Acknowledgments:

The Civil Society Partnership for GAFSP are grateful to all the project implementers, supervising entities, farmers and community members involved in the project reviews in Burundi, Cambodia, Haiti and Tanzania. This policy brief was written by Doug Hertzler, ActionAid USA, and reviewed by Emmanuel Justine, ESAFF; Teresa Anderson, Julie Middleton and Emillia Nhorido, ActionAid International; and ~~Alberta Guerra, GAFSP.~~



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