Funding agricultural advisory schemes to ensure their longevity

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On the whole, *funding for agricultural advisory services is insufficient, non-sustainable and non-virtuous. But in order to ensure the longevity of the service, those three conditions must be met. "Innovative" funding mechanisms have been developed, some of which are demand-driven and depend on contributions from farmers and value chains.*

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– BA, C.O., Faye, A., Diagne, D. Les mécanismes financiers relatifs aux services de conseil agricole pilotés par la demande – De la vulgarisation à l'appui-conseil au Sénégal. Rome, FAO. pp. 60, 2018.
– AFD, Technical report nº55. *Reviving agricultural advisory and extension services in sub-Saharan Africa: for new policies in line with the realities in the field*, July 2019 (English version published in April 2022).

Advisory services are expensive. Funding is needed to cover schemes in the field, salaries, logistics, investments, and support functions at national and regional level (applied research, advisor training, teaching materials, governance bodies, knowledge-sharing networks, monitoring/evaluation, etc.). But funding agricultural advisory services is a major challenge in a context where public spending is rationalised – especially as the nature and content of those services (and therefore how effectively they meet farmers' needs) are heavily dependent on the funding method.

Free advisory services are prevalent, but ineffective. In sub-Saharan Africa, the dominant business model for advisory services consists in free services funded by the State and international donors. With the exception of Morocco and Cameroon, this model is rather feeble and ineffective owing to a lack of resources and to the fact that advisors do not feel sufficiently accountable vis-à-vis farmers, which leads to advisory services of unsatisfactory quality.

Rare cases of paid advisory services. A few farmers' organisations (FO) and service centres (CGER in Senegal, Fédération Faranfasiso in Mali, Tillabéri service centre in Niger) have developed specific, targeted advisory services, with significant financial contributions from farmers and grassroots FOs (covering up to 70% of the cost of the service) and the rest subsidised. In these cases, accountability and quality of service are values that are integrated by advisors and farmers. But these cases are still few and far between. Few private entities or associations offering advisory services have developed sustainable business models or reliable management tools, and the payment of even modest financial contributions is often difficult. Other FOs, often supported by projects, mobilise peasant-farmer instructors who are either volunteers or simply reimbursed for expenses by the FO, which is one way of getting farmers to cover the cost of advisory services.

Private advisory schemes offered by operators with broader functions (input suppliers (see pp. 19–20), FOs in structured value chains, engineering offices, mobile telephony companies, etc.) have gotten around the issue by incorporating the cost of advisory services in the price of the agricultural products they sell or in the price of the services they offer, such as the sale of inputs, veterinary care, the creation of applications to request funding, and subscriptions for mobile telephony services purchased by farmers (text messaging, weather forecasting, etc.). But only farmers who are already sufficiently integrated in value chains have access to those services. Moreover, advisory services are guided more by the specific objectives of those operators and less by the farmer's needs or by issues of global concern, such as the environment. The business model is also not always viable. For instance, the model of mobile telephony companies is not profitable and relies heavily on subsidies (see pp. 8–9).

Advisory services funded by value chains. There are also institutionalised mechanisms funded by value chains. Compagnie Malienne pour le Développement du Textile (CMDT) is a company that is 99.5% publicly owned and that provides advisory services for cotton farmers. When they are run by the agricultural profession (FOs and management centres), these advisory services are funded through a mechanism where a certain amount is deduced from each tonne of cotton sold. In Ivory Coast, advisory services for the production of certified "sustainable cocoa" are based on contracts between exclusively private actors.

Mixed funds: State/donors/value chains. To date, innovative funding has involved setting up funds that are paid into by value chains, the State and donors. They generally encourage FOs to define their advisory needs, identify a service provider, and supervise and evaluate the services provided through the advisory schemes.

"Whoever pays is in charge"

The most popular example is FIRCA in Ivory Coast, where value chains provide a real contribution and the fund is jointly managed. But the supremacy of the export value chains that make the biggest contributions and the partial withdrawal of the State —even for the funding of support functions (training, research, etc.)— should be noted.

The current challenge is to ensure that those funds are regularly paid into, particularly through parafiscal charges at markets and during export and transport. Also, in order to be viable, they must be subject to transparent, rigorous, fair and inclusive management, which requires true joint management involving not only the value chains but also the State and the agricultural profession.

FOs at the heart of advisory schemes in Senegal. When it comes to agricultural and rural actors, Senegal is a special case. The creation of the country's two main farmers' organisations – Fédération des ONG du Sénégal (FONGS) in 1976, and Conseil National de Concertation et de Coopération des Ruraux (CNCR) in 1993 – revealed the strengthening of an autonomous peasant-farmer movement. Those organisations positioned themselves as actors and partners of the State and donors. In Senegal, the transition from extension services to agricultural advisory services was part of that movement and resulted from an identity-based combat that flatly rejected supervisory approaches.

The 1998 Policy Letter for the Institutional Development of the Agricultural Sector is based on the principle according to which "the development of agricultural and rural advisory services should address the priorities of the farmers who receive those services; decisions relating to agricultural and rural advisory programmes must be made by FOs, who would be responsible for covering a substantial percentage of the cost of the services."

The "demand-driven" approach to advisory support is therefore supposed to shift the focus of development actors back to the farmer. This occurred through the creation in 2000 of a National Agency for Rural and Agricultural Advisory Services (*Agence Nationale du Conseil Agricole et Rural,* or "ANCAR"), which is jointly managed by the government (which owns 51% of the capital), FOs (28%), the private sector (14%) and local authorities (7%). That capital structure was supposed to shift so that FOs would hold a majority share and enjoy greater influence in decision-making. But the State is still the majority shareholder with 42% of the shares, and appoints the managing director. The ANCAR helps fund advisory services, as do the FOs requesting those services. The services are based on a joint diagnostic assessment by the ANCAR, the FO, and researchers, which gives rise to a targeted advisory programme whose funding is subject to a contract between the FO and the ANCAR. The amount of the FO's financial contribution is stipulated in the contract.

The ANCAR's record, however, has been mixed. According to a survey, the objective (defined at the outset) of at least one agent per rural community is far from being achieved, or has even regressed, and a vast majority of FOs say they are not satisfied with the ANCAR's services. Moreover, the FOs have four representatives on the board of directors, but are not able to significantly influence the management of the ANCAR. The shareholder structure should therefore shift towards having an absolute majority of FOs in order to ensure that it is effective. The ANCAR is also dependent on the State budget and has financial constraints that prevent it from performing all the activities deemed relevant by the FOs and the competent ministry.

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Long-term funding for advisory services: the pivotal role of FOs. Long-term funding for advisory services requires mixed funding mechanisms involving different agricultural development actors. Demand-driven mechanisms, for instance, have led to the emergence of private advisory services. The private agribusiness sector could be encouraged to contribute more in exchange for tax benefits.

The demand-driven approach also shows the importance of setting up a local advisory system that promotes accountability. That sense of accountability stems in large part from the farmers' financial contribution. There is a risk, however, that small farmers who are able to make only a very modest contribution might be left by the wayside. That risk calls into question the State's role in funding advisory schemes in the field as well as coordination, oversight and other support functions that are necessary for a diversified, high-quality advisory system.

But in order for advisory services to shift their focus to farmers and address their needs, FO participation in the organisation and funding of those services is a big challenge that must be overcome. ▪