

What are the positions of funding agencies regarding agricultural advisory services?

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TRADITIONALLY, funding agencies have been involved in funding projects and strategies for agricultural advisory services. But over the past few years, their roles and strategies appear to have evolved towards supporting private advisory schemes.

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GRAIN DE SEL (GDS): *How have the roles of funding agencies changed with regard to agricultural advisory services in Africa?*

CLAUDE TORRE (CT) – AFD: Starting in 2005, faced with weak public development aid for the agricultural sector, partners and governments encouraged the private sector to become more involved. That encouragement resulted in the mobilisation of agro-dealers upstream in the value chains, and agro-processors downstream. But advisory services are “guided” by the objectives of those actors (sale of inputs for upstream actors, and specific quality standards for downstream actors), especially since farmers have little negotiating power. And in any case, the farmer always bears the risk!

MOULDI TARHOUNI (MH) – BAD: Since 2010, the African Development Bank (ADB) has been committed to supporting investment in agricultural research and development in order to improve productivity and innovation. Targeted aid for agricultural extension services has helped renovate infrastructure, train human resources, provide logistical services, etc.

GDS: *What is your strategy regarding agricultural advisory services? Which types of advisory services do you support?*

CT (AFD): The AFD is involved in policy dialogue with governments that decide their own policy orientations. When a government envisions Brazilian-style agriculture or ‘agribusiness’, it is not easy to bring up the subject of family farmers. To get around that, we work with existing professional organisations in West Africa that engage in advocacy initiatives.

MH (BAD): Until the adoption of the ADB’s ten-year strategy (2013–2022) and its flagship programme called “Feeding Africa”, funding for agricultural extension projects was not a priority area. But now we are seeing a paradigm shift, and the ADB is investing more in projects to support agricultural advisory services, particularly through innovative technologies with a project called *Multinational – Technologies for African Agricultural Transformation (TAAT)*.

CT (AFD): A lot of our involvement is through projects. In this way, the AFD supports a wide range of advisory services: value-chain advisory services, private advisory services, FO advisory services. But it is also necessary to develop public policies with permanent support mechanisms and dedicated budget lines that can provide funding for an array

of advisory services. That is done through incentives and joint-funding mechanisms.

GDS: *Besides projects, do you use other mechanisms to fund agricultural advisory services?*

MH (BAD): No. As part of its ten-year strategy, the ADB focuses on activities that provide added value and that strengthen ties both upstream and downstream in the agricultural sector. Special attention is directed at funding agricultural research, developing technologies, and disseminating technological innovations to boost agricultural productivity.

CT (AFD): Besides projects, the AFD also has a debt-reduction mechanism (called “C2D”), which allows a country to repay its debt in the form of development programmes. In Cameroon, the ACEFA programme (see pp. 36–38) was launched to provide advisory services to FOs, with headings included in the State budget. We are trying

to measure the impact in order to persuade the government to continue to support schemes that offer training and advisory services to farmers. The AFD

also supports FOs – who are the leading providers of advisory services – and banks by offering a credit line or guarantee fund with technical assistance for the bank and the customer. There are also managerial advisory services to help farmers propose “bankable” projects and secure banking institutions.

GDS: *In what ways are those mechanisms innovative? And do they make it possible to develop agricultural advisory activities over the long term?*

CT (AFD): To ensure the longevity and adoption of advisory activities, we are trying to strengthen institutional aspects, human resources and business models with joint public funding, for example. The AFD has developed an experiment with service cheques in Cameroon, where a fund is made available to farmers in order to mobilise accredited entities. Joint funding is required to access the fund, and particular attention is focused on accountability. In Cameroon, advisory services are increasingly co-funded by the country, but the evaluations currently being carried out will help ensure that they have an impact and that the public funds are being put to good use.

GDS: *Do funding agencies work differently now with other long-standing donors supporting advisory services?*

MH (BAD): Yes. Lessons have been learned from challenges faced in the past. Funding agencies now

“Investing in people will help get things moving”

A woman performing a graft at the GREL nursery



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- focus more on lasting participatory models that will be able to cover their own funding needs over the long term.

CT (AFD): Absolutely. States are now reluctant to invest in anything “soft” (training, advisory services), even though investing in people will help get things moving once farmers become familiar with the subjects!

Just like advisory services, support for FOs must incorporate joint public funding in order to be long-lasting. It is necessary in order for FOs to develop and endure. States are nevertheless reluctant to allow for the emergence of opposing powers that might be capable of challenging their position.

GDS: *How do you incorporate private agricultural advisory actors in your work?*

MH (BAD): The ADB leaves a lot of room for private agricultural advisory actors, because they discourage the predominance of the standard model of publicly funded systems. Cost recovery was insufficient, and longevity a constant source of concern. But in order to ensure the longevity of funding for research and agricultural extension services, it is necessary to encourage both the public and private sectors to participate.

CT (AFD): In most of its funding, the AFD combines an environmental and social framework. This involves a risk-management approach or incentives that are more development-oriented. But it has a cost that is not measured by the market.

The AFD was involved in the production of rubber by a family farm in Ghana, by supporting a public bank and a company called Ghana Rubber Estates Limited (GREL). We negotiated a reduced interest rate

with GREL in exchange for the provision of technical and managerial advisory services on subsistence crops. The rubber farmers also grow for their own consumption and are therefore less dependent on the market and more resilient in terms of food security.

GDS: *What challenges do funding agencies currently face in terms of advisory services? And how can they overcome them?*

CT (AFD): The challenges for advisory services are the same as for other services: longevity of public funding mechanisms; intervention through projects without real viability; scaling up. In any case, public funding mechanisms will need to be used!

MH (BAD): Exactly. It is necessary to adopt an approach that involves multi-year funding with substantial research grants provided to institutions for better forward planning and long-term partnerships to promote regional integration.

The ADB’s assistance in research and development should also be more strategic by addressing cross-disciplinary issues, such as: climate change; socio-economic, institutional and policy research relating to agriculture and the management of natural resources.

CT (AFD): Yes. The current model that is developing upstream and downstream in the value chains is more in line with conventional intensification and improved crop systems without a global vision of the farm. Funding agencies need to have greater consideration for social and environmental aspects (soil protection, best practices for agriculture, management of resources) in agricultural advisory projects for a doubly green revolution. ■