



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

Strengthening Private Sector Extension and Advisory Services – Portfolio Review

Developing Local Extension Capacity (DLEC) Project

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This executive summary is part of a 28-country review of options for expanding private sector agricultural extension and advisory services called “Strengthening Private Sector Extension and Advisory Services – Portfolio Review”. The full report is available at <https://agrilinks.org>

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Preface

This review carried out by the Developing Local Extension Capacity (DLEC) Project explores recent experience and potential for expanding private sector agricultural extension and advisory services (EAS) as a means of improving knowledge and information support for the agricultural sector. It is based on a global review of literature and rapid desk review of United States Agency for International Development (USAID) investments, especially as they relate to private sector roles and participation in EAS systems. Food security investments predominate, though the review recognizes the multi-functional nature of agriculture. The objective is to summarize lessons learned and options for expanding private sector agricultural extension and advisory services through future USAID projects and other investments.

USAID has funded the DLEC Project to assist Feed the Future countries to measurably improve extension programs, policies and services by creating locally-tailored, partnership-based solutions and by mobilizing active communities of practice to advocate for scaling proven approaches. The five-year (2016-2021) project is designed to diagnose, test and share best-fit solutions for agricultural extension systems and services across the Feed the Future countries. Led by Digital Green in partnership with Care International, the International Food Policy Research Institute and the Global Forum for Rural Advisory Services, DLEC is an action-oriented, evidence-based learning project that generates evidence through diagnostic studies and engagement activities, which in turn are used as a catalyst for mobilizing global and country-level communities of practice to advocate for improved EAS. This report is one such diagnostic.

An Executive Summary synthesizes findings in a framework to guide planning and investments in agricultural extension and advisory services. Subsequent sections provide background on EAS system development; potential and issues with private sector EAS; findings from the portfolio review; and options for project investments in EAS. A final section summarizes recommendations for USAID in planning future EAS investments to promote private sector EAS. Attachment E contains the portfolio reviews for the 28 countries.

The study is based on a global review of experience and synthesis of lessons learned across countries. The individual country portfolio reviews were done as desk studies of available materials. DLEC acknowledges the invaluable assistance from more than 46 USAID staff, who contributed materials and/or comments for these reviews. Given time and resource constraints, country reviews are not necessarily comprehensive or completely up-to-date. Additional review and field assessment will be necessary to confirm findings and develop plans for any future country investments in extension and advisory services.

Executive Summary

Effective agricultural extension and advisory services (EAS) are widely recognized as essential for any program to transform agricultural systems and address global social and economic development objectives. This study draws from a literature review relevant to private sector EAS and from a portfolio review of USAID EAS activities in 28 countries to provide guidance on good practice in expanding private sector provision of EAS to small farmers. The review focused on agricultural EAS and on Mission programs with food security objectives, though recognizing that the scope and impacts of EAS go beyond both.

The idea of EAS as solely the purview of a government extension agency is now history. Both public and private organizations are active in EAS, which constitute an integral part of the agricultural innovation system (or agricultural value chain). Major EAS providers are: public agencies, agribusinesses (input suppliers, product buyers, financial agencies), producer organizations, NGOs, civil society interest groups, mass media, and private farm advisors. Private EAS providers include both for-profit and non-profit entities. Providers are linked – closely or loosely – in what can be called the national EAS system. The capacity of these providers and how well they are linked, motivated, and coordinated largely determine how well needs of rural producers are served.

Private EAS has always existed as an important complement to public extension services. Its role has increased in recent years with decline of funding and support for public EAS in some countries, greater public policy emphasis on private market mechanisms, and growth of economies and commercial agriculture. Private EAS providers are seen as more flexible, motivated, cost-conscious, and client-oriented, thus potentially providing more effective services at lower cost and on a sustainable basis. Private sector entities participate in EAS in several ways – as financiers, service providers, and users. They generally finance EAS only when this is profitable and in their direct business interest or when services advance their corporate objectives. This may or may not be in the interest of society at large or of the farmer. They may deliver services with their own funding or that of other private sector entities or government. Nearly all current USAID EAS activities (other than a few activities implemented by USDA) are implemented by private contractors or grantees.

The nature of the service and of the innovation being introduced conditions its suitability for private EAS. Public goods-type innovations are not easily commercialized and therefore are not of much interest to private for-profit EAS providers. Private goods-type innovations, often those embedded in inputs (e.g., hybrid seed, chemicals, fertilizers, feed, etc.) can be commercialized and are well-suited to dissemination by private providers. Government EAS programs and policy can either facilitate or constrain expansion of private EAS. Ideally, public EAS encourages expansion of complementary private EAS, providing technical backstopping and helping to coordinate activities of multiple providers.

Assessments of past experience with private EAS confirm both potential and limitations. Private for-profit EAS is most suited and relevant to larger-scale farms, high-value crops, and cash crop systems, but tends to be limited in scale of coverage and not well-suited to home consumption needs, general livelihood innovations, collective action, and natural resource conservation activities. Program costs typically must be covered by a donor or recouped through increased margins on market transactions. Fee-for-service arrangements do not tend to work well, except in the case of livestock health services or high-value specialty crops. Targeting special interest groups (women, youth, minorities, or resource-poor households) with private for-profit EAS is

unlikely, as such groups typically lack purchasing power for market participation. Private non-profit EAS providers may target such disadvantaged client groups as part of their organizational objectives but this is often not financially sustainable.

The USAID portfolio review found a weak base of strategy and planning for EAS. There is little analysis documented of EAS institutional capacities, methodologies, or client needs. Most EAS activities are technology transfer programs, but the evidence base for innovations being promoted was largely absent, leaving somewhat of a “leap of faith” that services would increase productivity or profitability. Fortunately, most projects report strong positive impacts, which appear to be due largely to increased use of commercial inputs and collective marketing. The basis for impacts is seldom documented. Better documentation of EAS methodologies, innovations, and impacts would greatly improve the learning agenda for EAS investments.

Projects tend to be quite complex with EAS elements just one of multiple activities. Only five projects out of over 130 reviewed were exclusively for EAS. On average EAS accounts for perhaps 5-10 percent of project funding, and thus, must compete with other activities for project management time and attention. The complexity of projects forces project managers into the position of “jack-of-all-trades-master-of-none.” Ambitious impact targets for many projects force trade-offs between numbers of clients reached by EAS and the quality/intensity of service provision per EAS client.

Project implementation relies heavily on traditional approaches. Programs to a surprisingly high degree depend on public EAS agencies for technical support and collaborative delivery of EAS. This holds true even in some countries with very weak public EAS systems. Decentralization reforms shifting responsibility for public EAS to local governments have often been slow and disruptive. Few Mission programs provide significant support to public EAS systems. EAS programs rely almost exclusively on traditional methodologies for training, demonstration plots, and radio programming. Projects report considerable success with these, but lack of more innovation and experimentation is surprising. Projects have tested new ICT applications for EAS, but none have been widely adopted in on-going programs. Most ready for wider application seem to be use of videos in mobile training programs, cellphone and internet links to subject matter specialist support, and use of various ICTs to link EAS actors with other stakeholders.

Subsidies appear widespread in EAS programs, but are often hidden in sub-grants and contracts. These clearly increase initial adoption rates for purchased inputs and facilitate changes in marketing and other practices, but don't necessary lead to permanent adoption of innovations.

Producer organizations, lead farmers, and input suppliers are common to EAS programs across most countries. Assessments frequently note the need for capacity development for producer organizations to engage more effectively in marketing, EAS, and other activities, but few programs provide such support. Lead farmers - known by various terms – are often associated with producer organizations and are key to extending reach of EAS messages. Sustainability of their services is uncertain and their limited training and experience limit ability to advise peers on diverse farming system needs. Lead farmers are most sustainable when they can commercialize services through sale of inputs or fees for services. Input dealers too are very common in projects, providing EAS to complement marketing of their products. While this is hugely important to improve farmer access to inputs, many dealers have limited knowledge of agriculture, and even of their own products, and limit services to production systems and crops using their particular products.

Projects quite consistently disaggregate targets and activity reporting by gender and frequently incorporate provisions to expand participation and benefits by women. How effective these provisions are is unclear. EAS programs face the continuous challenge of better-off farmers being better able than less-advantaged groups to access and make use of EAS. A few more recent projects target youth, with youth entrepreneurship training seemingly the most substantive approach to-date.

A first set of five recommendations apply across all countries for USAID and others to improve analysis and planning essential to increasing impact and effectiveness of all EAS programs, projects, and activities.

1. **Improve due diligence in project design:** This requires more detailed and explicit attention to EAS approaches, methodologies, and sustainability; better understanding of farming systems, market and livelihood opportunities, client needs and capabilities, and local institutions; and a sound evidence base for potential benefits of innovations being introduced.
2. **Improve targeting of EAS clients:** EAS activities have varied objectives, methodologies, messages, and providers. A best-fit approach requires these to align to serve needs of target populations.
3. **Make full use of relevant ICTs:** Continued development and testing of ICT applications for EAS may improve communications and support for EAS activities. Radio remains important.
4. **Minimize subsidies:** To avoid market distortions and unsustainable costs, EAS programs should be explicit in any subsidies involved, their rationale, and the planned exit strategy.
5. **Ensure an EAS learning agenda:** This should be inherent in all EAS activities to continuously assess results and adjust activities as needed. Assessments are needed to confirm reports of success from EAS projects and to tease out lessons for feedback to design of future projects.

The second set of four recommendations encourage a better fit of investments to country EAS system needs, adapted to the specific country and program context for any activity. Preliminary recommendations for each of the 28 countries reviewed are included in Annex E, with the caveat that these are highly tentative, as more detailed analysis of sector needs, existing capacities, and program objectives is needed for each country. Potential EAS activities or investments are discussed in this paper and relative priorities for each shown in Table 1 for differing country situations with strong or weak public and private EAS capacities. Annex F lists key references for additional information on each of the types of EAS investment and Annex G provides an illustrative flow chart for decisions on EAS investments.

1. **Address immediate needs - Weak public EAS; weak private EAS:** Post-crisis countries and those with limited economic development and commercial agriculture may require direct delivery of private EAS through contractors or grantees. This achieves immediate and quantifiable impacts, but entails high recurrent costs, is time-limited, and often poaches top individuals from the public sector, weakening their capacity. Capacity development is a high priority to the extent that conditions allow. Producer organizational capacity – important in most cases – may be especially important to promote resilience.
2. **Establish the necessary foundation - Weak public EAS; strong private EAS:** This situation is extremely rare if it exists at all. There may be pockets of strong private EAS in countries with weak public EAS systems, such as with plantation crops or large farms with

privileged access to services. These are typically not stable situations. Capacity development for the public sector is a priority, to the extent that this is possible.

3. **Diversify pluralism in service provision - Strong public EAS; weak private EAS:** This situation holds the highest priority for targeting support to strengthen private sector EAS. First consideration should go to refocusing public sector EAS on supporting private EAS through support and coordination. Strengthening support services for pre- and in-service training, technical specialist support, and communications support to improves both public and private EAS. Direct support to private EAS is best done through trade associations and strengthening overall business models, allowing businesses to establish and expand their EAS activities as part of sustainable business models.
4. **Build for self-reliance - Strong public EAS; strong private EAS:** This fortuitous situation provides the basis for a strong and effective national EAS system. Donor activities should seek to further strengthen capacities and encourage coordination within the system, as well as addressing gaps in coverage of under-served client populations.

Table 1: Likely Priorities for EAS Investments Based on Local EAS Capacity

Investment	Local EAS Capacity Status			
	Weak public; weak private	Weak public; strong private	Strong public; weak private	Strong public; strong private
1. Develop national EAS policy and strategy	If requested	High	High	If requested
2. Strengthen public EAS	High	High	Medium	Medium
3. Improve EAS support services	High	Uncertain	High	High
4. Emphasize relevant ICT applications	As appropriate	As appropriate	As appropriate	As appropriate
5. Strengthen producer organizations	High	High	High	Medium
6. Strengthen input suppliers	Medium	Low	High	Low
7. Strengthen other private EAS providers	Low - targets of opportunity	Targets of opportunity	Targets of opportunity	Targets of opportunity
8. Establish EAS quality certification systems	Low	Medium	High	High
9. Establish EAS stakeholder consultation platforms	Where possible	Where possible	Where possible	Where possible
10. Subsidize innovations prompted by EAS	As appropriate	Avoid where possible	Avoid where possible	Avoid where possible
11. Fund direct EAS delivery	High	Medium	Low	Low

Priorities in Table 1 are quite subjective. Much depends on the local situation and program objectives. A key trade-off is that between funding direct delivery of services to meet immediate needs versus developing local capacity for scaling up sustainable services. While any of the possible investments may be higher priority in certain circumstances, any may be appropriate to all four situations considered. For example, strengthening producer organizations as advocate and facilitator for EAS clients is important in nearly all cases.

The DLEC project is available to provide USAID Missions with assistance in carrying out EAS diagnostics, program design work, and activity assessments to advance efforts to implement

activities as discussed throughout this paper. Assistance might include a deep dive analysis to take the portfolio review and country EAS system assessment a step further and assist the Mission assess options for EAS investments that fit with country conditions and program objectives. Such additional review and field assessment are necessary to confirm findings and develop plans for future investments. While DLEC may provide some services directly, while in other cases DLEC may assist Missions in locating further information or specialist services or in developing terms of reference or standards for EAS activities. For further information contact: John Peters (jopeters@usaid.gov or Kristin Davis k.davis@cgiar.org).