



Market-oriented agricultural advisory services (MOASS)

Guidelines for setting up MOAAS pilots



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Guidelines for setting up MOAAS pilots

**Study on Market-Oriented Agriculture
Advisory Services (MOAAS) Approaches**



African Forum for Agricultural Advisory Services

Plot 22A, Nakasero Road, PO Box 25235
Kampala, Uganda

2011

Citation: AFAAS. 2011. *Market-oriented agricultural advisory services (MOAAS): guidelines for setting up MOASS*. AFAAS, Kampala, Uganda and FARA, Accra, Ghana.

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Study on Market-Oriented Agriculture Advisory Services (MOAAS) Approaches. In fulfilment of contract AFAAS MDTF-TF095130/AFAAS PP3.2.1/I/E/L/P commissioned by Forum for Agricultural Research in Africa (FARA).

African Forum for Agricultural Advisory Services (AFAAS)

Plot 22A Nakasero Road
P.O. Box 25235, Kampala, Uganda
Tel: +256 782 848225 / 758 848225
Fax: +256 414 347843
Email: info@afaas-africa.org
Website: www.afaas-africa.org

Forum for Agricultural Research in Africa (FARA)

12 Anmeda Street, Roman Ridge
PMB CT 173, Accra, Ghana
Tel: +233 302 772823 / 302 779421
Fax: +233 302 773676
Email: info@fara-africa.org
Website: www.fara-africa.org

ISBN 978-9988-1-0234-0 (print)

ISBN 978-9988-1-1069-7 (pdf)

Author: Willem van Weperen, Consultant, Sustainable Agriculture and Extension, Agriculture and Livelihood, H van Velzenplein 14, 7255BZ Hengelo, Netherlands; willem.van.weperen@gmail.com.

Design: www.bluepencil.in / Print: www.pragati.com

Cover photo: *Smallholder farmers selling bananas along roadside, Kasese–Kampala road, Uganda. MOAAS can facilitate setting up market information systems, strengthening the position of farmers as sellers.*



Summary

This report is the result of a study that was carried out for the African Forum for Agricultural Advisory Services (AFAAS), to make an inventory of experiences with ‘market-oriented agricultural advisory services’ (MOAAS). Lessons learned have been drawn from the cases studied. These lessons are the basis for guidelines formulated for setting up market-oriented agricultural advisory services. The guidelines will be used by the AFAAS Country Forums, with the aim of strengthening the agricultural knowledge systems in their respective countries.

Cases and experiences were studied in relation to commercial-oriented agriculture, published on the Global Forum for Rural Advisory Services (GFRAS) website, and other relevant documents found through internet search. A snowballing approach was used. The outputs of this study are: (1) a list of key documents, relevant for those involved in MOAAS implementation; (2) a report summarising MOAAS approaches and lessons learned on effective implementation; and (3) practical guidelines for starting up MOAAS pilot initiatives.

In the shift from production-oriented advisory services towards market orientation, several changes in agricultural advisory services can be foreseen – change in content, change in providers and change in institutional arrangements. The MOAAS framework of the Neuchâtel Initiative (NI) was used for analysing the available material.

MOAAS play an important role in improving smallholder farmer participation in market-oriented agriculture. However, targeting female farmers or resource-poor farmers requires careful selection of farming activities. Increasingly, agribusinesses play a role in facilitating their participation. As do niche markets such as fair-trade and eco-certification. The case studies show the need for supportive interventions alongside the setting up of advisory services. Before engaging in market-development activities, market studies should be carried out. Trust building emerges as a key activity in value-chain development and trust-enhancing activities are therefore essential (start-up) activities. Effective advisory services are needs based (demand driven) and take a flexible approach. To avoid conflict among project partners during implementation, clear objectives concerning the target group should be defined from the onset of any project.

The study confirms the need for a ‘paradigm shift’ in order to provide effective MOAAS. It needs advisory staff with a commercial background, a business mindset and a special set of skills. MOAAS are provided to all segments along the value chain. A pluralistic advisory service landscape will best address the different needs of the various actors along the value chain. Specialised service providers, rendering services to a specific segment in the chain, are seen as most effective.

Market-oriented service provision, being a relatively new type of agricultural advisory service, requires substantial backing from knowledge organizations, the private sector and consultants to guarantee good-quality services, and help with capacity strengthening and continuous learning of the MOAAS providers.



1. Background to the study

The Forum for Agricultural Research in Africa (FARA), on behalf of the African Forum for Agricultural Advisory Services (AFAAS), commissioned a study to make an inventory of ‘market-oriented agricultural advisory services’ (MOAAS) in order to produce guidelines on how to pilot MOAAS in agricultural advisory services. As AFAAS is the umbrella organisation for agricultural advisory services (AAS) in Africa, it is committed to improving the delivery of advisory services to farmers, with the aim of enhancing the livelihoods of African farmers and pastoralists. Linking farmers to markets is crucial in bringing about agricultural development. However, little is known about how to organise effective and efficient MOAAS delivery, neither is there much written about experiences with MOAAS delivery.

By commissioning this study, FARA is supporting the institutional development of AFAAS and contributing towards strengthening linkages with other umbrella bodies as formulated in the Comprehensive Africa Agriculture Development Programme (CAADP) Pillar IV. Within the CAADP framework, the role of AFAAS is to ensure effective AAS delivery. Through that, CAADP Pillar IV directly addresses the needs of African farmers, contributing to sustained growth and the transformation of African agriculture. The final aim is ‘to strengthen agricultural knowledge systems to deliver profitable and sustainable technologies, widely adopted by farmers, resulting in sustained agricultural growth’.¹ MOAAS delivery is expected to contribute towards this sustained agricultural growth.

New conceptual approaches for delivering AAS aimed at the development of profitable and sustainable technologies have been developed in recent years. Key to these approaches is linking (smallholder) farmers and pastoralists to markets and taking a value-chain perspective in the delivery of services. The Neuchâtel Initiative (NI), an informal group of stakeholders mainly from bilateral and multilateral development agencies involved in AAS, coined the term ‘market oriented agricultural advisory services’ (MOAAS) for this provision of services along the value chain (Chipeta *et al.* 2008).² This approach is considered as one of the various approaches that AAS can adopt in the transformation from public AAS provision to a pluralistic system.

Furthermore, it has been argued that ‘the environment surrounding MOAAS has been rapidly changing in recent years, but the responses to the changes are mainly reactive and not really systematically pro-active’ (AFAAS-FARA *et al.* 2009). The experiences and lessons learned

1. Terms of reference for a consultancy to produce a guide for piloting MOAAS.

2. Note that bibliographic details of references cited may be found in either the ‘References’ section or in Annex 2 (List of key documents).

gathered through this study can be used by AFAAS to take on a more proactive role in advising the Country Forums (CFs) of AFAAS member countries in setting up and piloting MOAAS. The CFs are platforms in which major stakeholders involved in AAS provision are represented. Six active CFs have been established (Chipeta 2010).

The need to strengthen MOAAS delivery is evident. Studies show that capacities for delivering MOAAS in Africa are low. In the majority of the countries, AAS institutions reach less than an estimated 10 percent of the farmers with some kind of training or advisory services. This is far below requirement (AFAAS-FARA *et al.* 2009). Policy makers need documented cases on how to strengthen advisory systems in taking a market orientation. The African Alliance of sub-regional Farmers' Organisations (AAFO) supports this idea – it lobbies for increased investment in AAS and better access to inputs and markets (Adolph 2010).

However, it is difficult for producer organisations to make an active contribution to policy formulation, because 'they lack capacity and knowledge regarding the core issues related to MOAAS' (Adolph 2010). This report attempts to highlight some of the core issues.

Because of the limited time given for this study, I chose to carry out a brief exploration of cases and experiences based on easily accessible brochures and reports. I suggest that experienced MOAAS providers keep documenting and publishing their experiences for the benefit of those who are 'new in the business'. A follow-up study, based on interviews with key informants, could enrich the modest guidelines presented in this report.

Important questions remained unanswered in this study – for example, issues like what is the ideal educational and professional background of MOAAS staff, what is the cost–benefit ratio of MOAAS implementation, how can the impact of MOAAS be measured, how should one avoid negative side-effects of commercial-oriented agriculture, and how best can MOAAS services be made sustainable. This report provides a literature overview that can serve as starting point for further study.

The outputs of this study are:

- A List of key documents, relevant for those who will be involved in MOAAS implementation (Annex 2);
- A Report summarising MOAAS approaches and lessons learned on effective implementation (Chapter 4);
- Practical guidelines for starting up MOAAS pilots (Chapter 4).

The document structure is as follows. Chapter 2 describes the framework for the study and the study approach. Chapter 3 provides an overview of the findings of the literature review. In chapter 4, I give an overview of the main lessons that can be learned from the studied reports, documents and cases. Each lesson is followed by implications or guidelines for setting up pilot MOASS. Annex 2 contains the list of key documents consulted and on which the lessons learned and guidelines are based.



2. Study framework

In this chapter, I first explain what MOAAS is, what it is used for and who it is provided for. Then, I describe the analytical framework for this study and the study approach taken.

2.1 What are MOAAS?

Market-oriented agricultural advisory services are advisory services with a business focus, considering farming as a business. Contrary to classical agricultural advisory services, the clients of MOAAS are not restricted to producers, but include all actors and stakeholders along the value chain. A pro-poor value-chain approach aims at an equitable distribution of benefits along the chain. In practice, MOAAS provision often means working with all the key stakeholders along the chain, to improve chain efficiency. Yet the primary target beneficiaries of a given intervention may be (female) small-scale producers.

For the purpose of this study, I use the definition given in the *Common framework on market-oriented agricultural advisory services* (Chipeta *et al.* 2008), a document produced on request of the Neuchâtel Initiative (NI). This definition has a pro-poor orientation, similar to the formulation in the second draft of the AFAAS policy document (March 2011), and reads as follows:

Pro-poor MOAAS are knowledge services which assist small- to medium-scale farmers and other actors in agricultural value chains to increase their access to markets and secure benefits from commercialisation.

In Africa, markets and value chains are known to be inefficient and not yet well organised. In comparison with developed markets, there is little or no vertical integration along the chains and few or inadequate linkages between actors at different levels. Typically for rural smallholder agricultural production, there are many sellers and few buyers. In addition, most producers have little knowledge of where they can sell their agricultural produce at a competitive price.

Other constraining factors are low volumes of local production surpluses and the fact that producers are scattered, which increases transportation costs. Standard weights and measurements are lacking and products are not graded, they are poorly packed and not delivered on time. The lack of storage facilities forces producers to sell at low prices. Markets (local and national) often have no incentive systems for rewarding good-quality products. In short, small-scale producers often lack capacity to meet market demands in terms of quality, quantity and timeliness. MOAAS can contribute towards strengthening capacities of producers and other actors in the value chain to meet these demands.

Some constraints may be external, meaning that they are beyond the direct influence of local actors. In that case, they need to be addressed by higher-level authorities or policy makers. Here, MOAAS can be instrumental by making the constraints visible and organising lobbying to address these constraints. Such constraints include poor-quality roads, lack of electricity and water for irrigation, unreliable communication services, poor legal enforcement of contracts. A study by the International Food Policy Research Institute (IFPRI; Haggblade and Hazell 2010) reports that case studies from past success of agriculture development in Africa, show that ‘government commitment to enabling policies and to sustainable investments in agriculture research provide crucial building blocks for future success in African agriculture’.

2.2 MOAAS has a social orientation

MOAAS provision is about re-orientation from production focus, towards business development. Compared with traditional extension, market-oriented AAS delivery involves implementing new tasks and using new tools, for which traditional extension staff are not well equipped, because they have generally not been educated and trained for it. It involves activities like value-chain mapping and analyses, stakeholder facilitation, developing and implementing quality standards (eg, European Good Agricultural Practices [EuroGAP], eco or fair-trade certification), negotiating contracts and quality standards with processors, and finding solutions for logistical problems like storing, packaging and transporting of produce. For all these activities, collaboration among actors along the value chain is required.

Enhancing trust and transparency among the value-chain actors are key activities undertaken by MOAAS providers. Implementing MOAAS primarily requires good-quality facilitation and a business attitude. It involves intensive interactions with the various stakeholders along the chain, understanding and knowing their interests, and being able to speak their language. Value-chain development (VCD) also requires acting at higher levels, as we are concerned with combining forces and collective interest. The variation and number of supporting services required in VCD is relatively high, putting a heavy demand on the flexibility and expertise to implement MOAAS. Table 1 compares production- and market-oriented advisory services.

Table 1. Comparison of production-oriented services and MOAAS.

	Production-oriented services	MOASS
Target group	Producers	All stakeholders in value chain
Knowledge domain	Farm-related technical production topics	Sector-related economics, trade, marketing, processing, value-chain management
Skills	Technical competence	Facilitation of collaboration, trust building, communication, finances, group development
Attitude	Market guided by distrust Market as threat	Trust building Market as opportunity
Production system	Low-value produce	High-value produce
Need for support services	Low	High
Need for supporting infrastructure	Low	High
Need for supporting policy	Low	High

2.3 MOAAS providers are diverse

The NI framework document (Chipeta *et al.* 2008) distinguishes various types of MOAAS providers: producers and commodity organisations, processing and trading enterprises, independent private service enterprises, input suppliers, community-based or village advisors, public advisory service organisations, or mixed public–private–civil society systems.

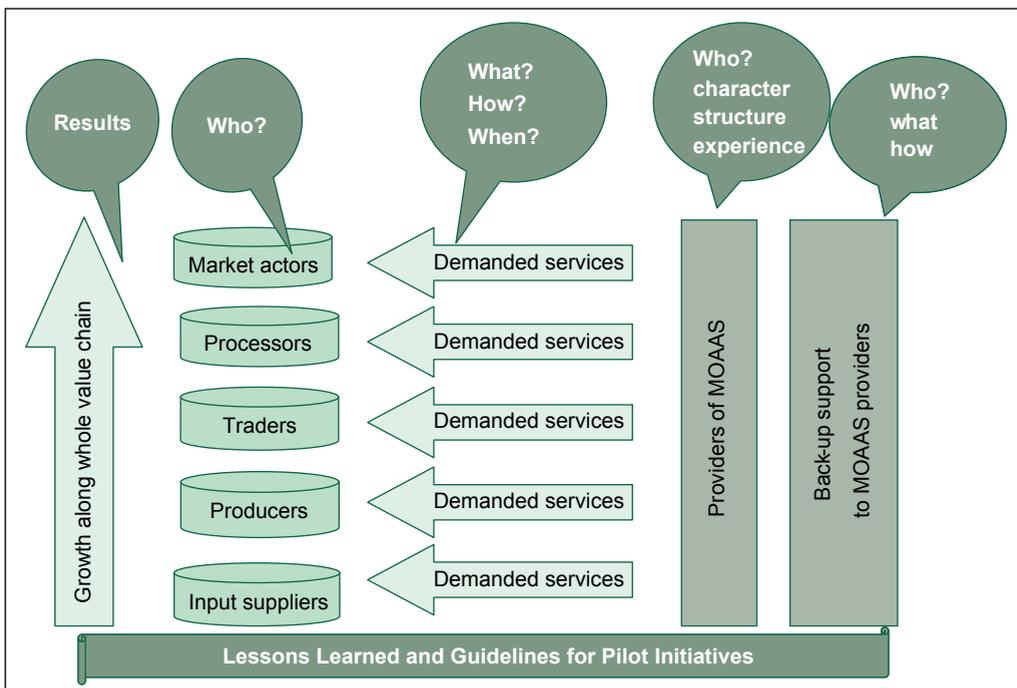
In order to deal with the lack of capacity in market-oriented service provision, MOAAS providers secure support for themselves, called back-up services, to strengthen capacity and improve on the effectiveness and efficiency of market-oriented services. This can take the form of training and mentoring in technical and economic topics, as well in facilitation skills and skills to explore and test new technologies and processes. Back-up support should be provided not only during the start up of new VCD activities, but also continuously and be part and parcel of a permanent innovation system. Often, the back-up services are provided by projects, educational institutes, research stations, private companies or independent consultants.

2.4 Framework for looking at the cases and documents

The cases and documents have been reviewed in the light of the MOAAS framework defined by the NI (Chipeta *et al.* 2008), shown in Figure 1.

Following the NI framework, each segment in the chain is served by specialised advisory services. The segments making up the value chain are input suppliers, producers, traders, processors and market actors. The advisory service providers are backed up by knowledge

Figure 1. MOAAS framework (adapted from Chipeta *et al.* 2008)



providers like universities, research institutes and private consultants or companies, which keep the knowledge and expertise of the service providers up to date.

The ongoing reforms taking place in agricultural extension focus on 'improving accountability to clients, putting in place a demand- and market driven service provision system, decentralising service delivery and promoting increased participation of the private sector in provision of services' (AFAAS 2011). The MOAAS concept is in alignment with all of these four principles. Like other AAS, MOAAS is seen to be part of the wider agricultural innovation system (AIS) with linkages to clients, research, education, businesses, policy makers, and others.

Within value chains, the various actors are dealing with specialised production, trading, processing and marketing processes. Compared to classical extension, MOAAS requires highly specialised providers, covering all sorts of topics beyond production, and catering for the specific needs of each segment of the value chain. Staff of classical production-oriented extension are not equipped to address these specific market-oriented needs, thus there is a need to bring in new providers with capable business-oriented staff. In VCD, the focus is on developing relationships among stakeholders in the chain. Stakeholders should be willing to collaborate in order to build linkages, which requires trust. To facilitate this, different types of knowledge and skills, not (yet) readily available within AAS, are required.

Next to differences in domain and providers, new relationships are formed and new institutional arrangements emerge. Market-oriented systems are dynamic and attract new stakeholders, like quality-control bodies, financial institutions, insurance companies and certification bodies. Connecting smallholder farmers to markets requires aggregation and is only possible when producers are organised. Producer organisations (POs) play an essential role, and contract farming and out-grower schemes are common linkage models. The role of agribusiness in these new arrangements is huge, as it prescribes technologies to be used, quality standards and facilitates access to inputs and credit.

In summary, the main changes we can foresee in MOAAS implementation are:

- i. It requires change of content
- ii. It requires change in providers
- iii. It requires change in institutional arrangements.

Relevant questions are:

1. What are the roles of the service providers? What kinds of services are provided, serving whom and when? What is the content and what methods are used? How are the required new knowledge and skills needed in the advisory services?
2. Who are the service providers, what kind of staff do they use? Are classical providers equipped to carry out the new roles? If not, how do they get the required knowledge and experience into the organisation?
3. How does learning take place? How are back-up services organised? What are the institutional arrangements, what policies are needed for market orientation? What are the results and impacts of the services provided? How can services be made pro-poor and gender sensitive? How can services be made sustainable and funded?

2.5 Key documents included in the study

The Neuchâtel Initiative published a whole range of reports, publications and cases. All NI documents have now been transferred to the website of GFRAS.³ Many of these reports, publications and cases were consulted for this study, together with documents and cases referred to by others and those found through internet searches.

The guiding document for this study was the *Common framework on market-oriented agricultural advisory services* (Chipeta *et al.* 2008) produced and finalised by NI in 2008. The list of documents consulted, which form the basis for the lessons learned and guidelines for setting up MOAAS pilots as formulated in chapter 4, is presented in Annex 2 of this report. Cases found on websites are referred to in footnotes.

2.6 Study approach

The various steps undertaken in this study were:

1. Identification of documents and cases from the Neuchâtel Initiative;
2. Identification of documents and cases through consultation of key experts;
3. Identification of documents and cases through an internet search;
4. Formulation of an analytical framework:
 - a. Foreseen change of content
 - b. Foreseen change in providers
 - c. Foreseen change in institutional arrangements;
5. Analysis of documents and cases, drawing lessons learned;
6. Drafting reports (i) on lessons learned and (ii) guidelines for setting up pilot MOAAS;
7. Preparation of summary of findings and possible guidelines for presentation at AFAAS Symposium in Accra, Ghana on 12 April 2011;
8. Incorporation of feedback from symposium participants into the final report.

3. www.g-fras.org/documents/gfras-publications.



3. Observations from literature reviewed

In this chapter, I describe the observation made from the documents and cases studied pertaining the content and type of services provided, who the service providers are, and their institutional arrangements. In the last sub-section, I describe what effective MOAAS provision is able to achieve.

3.1 Content and type of services provided

Transfer to market-orientation means making choices related to all sorts of options, like using (new) inputs, choosing diversification strategy, assessing domestic and foreign market demand for products and connected quality requirements, going into alliances with enterprises or starting cooperation with other producers. Frequently, MOAAS services therefore conduct market surveys and organise and facilitate stakeholder workshops, thereby promoting trust and transparency by showing how markets function.

Dynamic Value Chain Facilitation

The steps include: (1) select industry, (2) conduct value-chain analyses, (3) identify and prioritise constraints, (4) design interventions, (5) tender among local facilitators through intervention fund, (6) implement and monitor, (7) scale-up/exit. After step 6, one can go back to step 4 and design follow-up interventions.

Flexible approach

Producing for a regional or export market is more dynamic than producing for subsistence or local market and therefore a flexible approach is needed. Against that background, the Emerging Markets Group developed a Dynamic Value Chain Facilitation approach,⁴ within a programme funded by the United States Agency for International Development (USAID) in Kenya.

Providing Market Information Systems (MIS) is a core activity of many MOAAS providers. Parallel to the introduction of mobile phones in rural areas of Africa, a whole range of services based on information and communications technology (ICT) has emerged. A report on ICT-based services (Gakuru *et al.* 2009) lists voice information delivery services, radio dial-up (agricultural information on demand), extension services based on mobile phone and database monitoring, e-learning for basic skills and video-based approaches as the latest innovative approaches.

4. www.cardnoem.com/download.aspx?id=29169c8d-1eb8-487e-8fe4-b480ac4846fb.

In Madagascar, the Advice for Change in Agriculture in Madagascar (KAMAL) project experiments with farmers accessing internet for consultation purpose and is able to reach a large number of farmers (total number of page views by May 2011, was 2000).⁵ India too has interesting examples with the use of internet in agricultural extension.⁶

3.2 MOAAS service providers

3.2.1 Background of providers

The cases show that competent AAS providers of all sorts are widespread and available to carry out production-oriented extension. When it comes to MOAAS provision, there is great diversity in the type of providers, yet they are few in number. Projects, NGOs, private consultancy agencies, independent consultants, agribusinesses, farmer organisations and governments appear to be most frequently charged with MOAAS provision in VCD.

Projects

In projects (or programmes), classical production-oriented AAS delivery is mostly done in partnership with government services or NGOs. In the absence of market-oriented services, projects and programmes often set up such services themselves as part of the intervention strategy. There is a risk that such a set-up will be unsustainable, especially when there are no suitable partners who can engage in MOAAS provision. Nevertheless, projects and programmes tend to be a fertile ground for developing innovative MOAAS approaches, eg, the First Mile project implemented by the International Fund for Agricultural development (IFAD) in Tanzania.⁷

IFAD First Mile project in Tanzania

The project pioneered linking smallholder farmers to markets, using modern communication technology (mobile phones), and also introduced innovative concepts, like mkulima shushushu, a market spy – this is a trained farmer, who finds out about current prices in remote markets and shares the information with community members, so that producers get a better deal in negotiating prices with buyers of their produce.

NGOs

NGOs are increasingly involved in providing AAS. These are usually either local or national NGOs, but can be international NGOs. Often they implement special programmes or projects, for a specific period of time, with specific geographical coverage and focus on a specific theme. Within VCD projects, NGOs are frequently mandated to implement contracted

“We believe that local entrepreneurship is the key to economic growth, job creation and poverty alleviation in Africa. Therefore, we strive to design, nurture, and scale innovative, commercial solutions that mainstream Africa's poor.”

Source: www.prideafrica.com.

5. www.123fta.com/akama.

6. <http://digitalgreen.org>.

7. www.new-ag.info/en/focus/focusItem.php?a=477.

services. This helps strengthen local expertise. After projects end, this expertise can be transferred to develop other commodity value chains. In the course of time, some NGO service providers convert their status into commercial operations. After the project, when structural funding is over, some of the former NGO staff may start working as independent business consultants.

An example of such an NGO committed to, and offering expertise on, market-oriented development is PRIDE Africa, active in East and Southern Africa since 1988.

In LISFAME, a potato value-chain project in Ecuador (Cavatassi *et al.* nd) local NGOs played a significant role by being the direct link with farmers and by providing an array of support, guidance and training. An example of an international NGO active in MOAAS provision is Agri-ProFocus⁸ (APF) from the Netherlands, which was instrumental in creating agri-hubs around VCD in various African countries.

Private consultancy agencies and independent consultants

Production-oriented AAS implemented by private agencies or independent consultants are emerging, but are not yet widespread in Africa. Implementation of fee-based services is not always economically feasible. In MOAAS provision, however, private consultants are rather common. Private consultancy agencies involved in VCD operate as commercial enterprises themselves. A well-known international agency is Technoserve,⁹ which originated in the USA, but has three country branches within Africa.

Agribusiness

Advisory services provided by agribusinesses are mostly embedded services. In its simplest form, it refers to production-oriented advice in tandem with sale of inputs, like vegetable seeds, fertiliser and pesticides. Advice is part of the package that is bought by the client.

In a VCD model, additional linkages further down the chain are established, eg, by combining input sales, credit and contract sales to a trader or processor. This model is used within the Better Cotton Initiative and appears to be quite successful. Processing companies sometimes use 'resource-providing contracts'.¹⁰ In some cases, the advisory services use intensive coaching methods, as in the case of Lecofruit in Madagascar. Such a method may be effective, but has clear disadvantages (see box).

Lecofruit Madagascar

In this company, extension agents closely monitor farmers and give them instructions for harvesting, fertiliser application and composting. The agents even carry out the spraying. The company has collection centres in the villages and observes if 'side-selling' by the farmers to wholesalers takes place and punishes them if necessary. Sticking to contracts is indeed a prerequisite for successful value-chain development. However, stringent contracts are not (always) popular among farmers, as they limit them in making their own decisions.

8. www.agri-profococus.nl.

9. www.technoserve.org.

10. Example given in paper (Reardon *et al.* 2009), Lecofruit, an export company in Madagascar sources from 9000 small farmers using 'resource-provision contracts'.

Lipton Tea Company in Kenya, uses an entirely different approach from Lecofruit. This company implements and pays for a farmer field school extension approach and invests in community education and health services for the out-growers, as part of its Corporate Social Responsibility approach, which it adopted within a sustainable tea-sourcing programme in Kenya (Unilever 2005).

A big advantage of agribusiness involvement is the scale of impact and the speed with which it can be achieved. Corporate social responsibility (CSR) entrepreneurship is spreading rapidly around the globe. It is no longer a question *whether* the bigger companies will be involved, but *how* they will be involved. Big companies like Heineken,¹¹ Mars, Unilever, H&M, Levi Straus and Co., and Marks & Spencer joined the bandwagon, often around a sustainable commodity value-chain initiative.¹² Over 30 of these companies, committed to sustainable practices, united in the Sustainable Agriculture Initiative (SAI) Platform.¹³ Consumers increasingly demand sustainably produced and fair-traded products. The volume and range of products produced under labels like UTZ Certified and Rainforest Alliance is growing fast. In November 2010, members of the Dutch coffee platform signed a letter of commitment to have 75 percent of all coffee sold in the Netherlands under a sustainability label by 2015. This is up from around the 5 percent in 2010. Within the global Better Cotton Initiative (Anon. 2011), Adidas expressed the ambition to have 100 percent of its cotton sourced through the initiative by 2018.¹⁴ Unilever intends to have agricultural produce sourced from 500,000 smallholder farmers by 2015. These are just a few examples to show the increasing role of agribusinesses.

Commercial farming is on the increase. In 2009, an ambitious public–private partnership project was launched (Southern Agricultural Growth Corridor of Tanzania, SAGCOT),¹⁵ which intends to mainstream Tanzanian smallholder farmers along the Southern corridor, from Dar es Salaam to the Zambian border, into commercial farming. This project, modelled after the Cerrado region of Brazil, targets small-, medium- and large-scale farms in order to maximise benefit from infrastructure like road improvement, irrigation and storage facilities. One important component is to forge greater linkages between agribusiness and smallholder farmers. This is exactly the domain where MOAAS should be able to make a lasting impact.

There is scepticism too, about the motives and the models used by the multinational companies. However, the potential of MOAAS is evident. Engaging in partnerships with large companies represents a great opportunity to improve livelihoods of the rural poor. International NGOs like Oxfam-Novib realise this and have joined such initiatives because they see them as a way to negotiate better deals for smallholder farmers. That is exactly where the opportunity of MOAAS lays.

“Improving the environment and farmers’ lives is possible because all members of the supply chain agree that financial gains from implementing Better Cotton should stay with the farmers.”

Guido Verijke, Chairman, Better Cotton Initiative and Deputy Business Area Manager Textiles, IKEA

11. Heineken’s local-sourcing projects in Sierra Leone and Rwanda aim, as part of the company’s Africa-wide strategy, to procure at least 60 percent of their raw materials locally (www.csmnewseurope.com/article.php?articleID=406).

12. www.duurzamehandel.com/en/news/bci-supply-chain-conference.

13. www.saiplatform.org.

14. <http://www.adidas-group.com/en/pressroom/archive/2011/22March2011.aspx>.

15. www.africacorridors.com/sagcot.

Producer organisations (POs)

Classic POs are mainly involved in production and marketing. POs dealing with traditional export commodities, like coffee, tea and cacao, tend to be well organised and represented, eg, on commodity boards. Often these farmer organisations are involved in MOAAS provision. They deal mostly with technical issues and business practices, including transparency in cost and benefits of operations. An example of such a farmer organisation is MVIWATA in Tanzania.¹⁶

The AFAAS strategy paper (AFAAS 2011) explicitly expresses support to smallholder and female farmers, in connecting them, or keeping them connected, to markets. The challenges in this respect are overwhelming. The cases reviewed confirm that solutions for reducing poverty are seldom related to transfer of production technologies, as promoted in production-oriented AAS. Effective solutions have much more to do with access to land or grazing rights, availability and access to micro-finance, enhancing micro-enterprises, entrepreneurship development, facilitation of market access, etc. By organising in POs, producers improve their access to these market-oriented support services.

Although examples are few, there are experiences with farmer field schools (FFS) that show that once farmer groups have been established and farmers have positive experiences with the schools, the FFS groups can also engage in joint purchase of inputs and marketing of products (examples from Sierra Leone and Kenya suggest enormous potential for facilitating better linkages within value chains).¹⁷ Braun *et al.* (in press) confirm this.

Government services

In most African countries, governments are still the main providers and funders of AAS. The services provided are generally weak and many governments are in the process of reforming their systems. Common constraints are lack of funding and investment, dependency on donor organisations, poor equipment, insufficient pre-service training for staff (especially in relation to market-oriented production, learning, communication and facilitation), inadequate performance management, low pay and poor incentive systems (Adolph 2010).

For many smallholder farmers in remote areas, government extension services remain the sole providers of formal advice. In only a few African countries do the government advisory services go beyond production and play an active role in linking resource-poor farmers to markets. The overall sentiment seems to be that government AAS should be neutral and therefore stay away from close involvement with the private sector.

Government services should play a key role

The present trend of reforming government AAS increases the importance of private-sector involvement and pluralistic service provision. This certainly does not mean that government services are not essential, only that government services should play a different role, away from transfer of technology towards facilitating an enabling business environment. The many market-oriented cases and studies suggest that poor law enforcement or absence of

16. www.mviwata.org.

17. Around 100,000 farmers in Benin, Burkina Faso, Mali and Senegal are participating in the community-driven training programme West African Regional Integrated Production and Pest Management (IPPM) Programme implemented by FAO (Settle and Garba nd).

conducive rules and regulations constrain market development. Government MOAAS can play a facilitating role in VCD by participating in the activities, closely monitoring the bottlenecks, and communicating these to national policy makers.

3.2.2 Roles of MOAAS service providers depends on phase of VCD

The role which MOAAS providers play depends on the stage of development of the value chain. The Participatory Market Chain Approach (PMCA) suggests three phases for value-chain (VC) interventions, which represent a common pattern in many VCD cases (Table 2). During the initial phase, the lead institution, often started by a project or MOAAS providers, takes a leadership role in identifying all the relevant actors in the value chain. This turns into facilitation during the analyses of constraints and opportunities phase and changes towards backstopping during implementation.

This can be considered as an ideal role change, where there is enough capacity among the actors in the value chain. In practice, projects and programmes often continue fulfilling a lead role, both in actual service provision and in backstopping. This is not a sustainable set-up. It should be considered a task of MOAAS providers to build enough capacity among value-chain stakeholders to take full control of the VCD process.

Table 2. Changing role of MOAAS providers.

Phase of VCD	Participation of VC actors	Role of MOAAS provider
Identification	Interest	Leadership
Analysis	Trust	Facilitation
Implementation	Collaboration	Backstopping

In a KIT publication on pro-poor business development (Boomsma *et al.* 2011), the facilitation process is identified as the most important aspect for any advisory service. Here four main roles are distinguished:

- The **Advisory role** is generally carried out by an expert to whom the partners look for guidance. He/she has no self-interest and no decision-making power.
- The **Mediation role** involves a mandate to initiate and broker a deal. A mediator has no formal ownership of the business, but can be given the permission to take decisions by the other partners involved.
- **Finance investors** are generally initiators of a partnership and members of the partnership.
- **Active shareholders** differ from financial investors in that they have decision-making power and the mandate to act proactively. Active shareholders have their own interests and goals and are not objective.

Government plays a crucial role

Special mention should be made of the role of governments. Contrary to common thought, the role of the government is crucial in effective MOAAS provision. Governments play an important role in setting boundaries of the playing field where VCD takes place and, equally important, guard these boundaries. This is referred to as the enabling environment, or creating a healthy business environment. This includes the development of legislation on working and

safety conditions for labourers, and setting environmental standards. In addition, government support to interventions in the agricultural sector have been crucial in most countries that have successful agricultural sectors today (Berdegué *et al.* 2008).

3.3 Institutional arrangements

3.3.1 MOAAS back-up services

In production-oriented AAS, back-up support services are normally taken care of by universities, research and private-sector organisations.

Back-up services supporting MOAAS development are projects or programmes, research institutes, private agencies, businesses and universities. Back-up support often takes the form of training, mentoring, best-practice sharing through written materials, organising roundtable meetings, workshops, and platforms at national or regional level.

In many cases, these back-up services are provided by projects, in the absence of qualified partner organisations at the national level. This study indicates that, often, back-up support is not organised in a sustainable way, ie, because potential local partner institutions are not involved – a missed opportunity for local capacity strengthening.

The curricula of agricultural educational institutes are often theoretical and do not address market orientation of agriculture in a practical way. A recent initiative in Benin, called the Shonghai model¹⁸ shows a possible way for improvement.

3.3.2 MOAAS-enhancing policies

In an overview paper published by the Overseas Development Institute (ODI), Christoplos (2008) states that there is little evidence that AAS policies reflect the value-chain approach to advisory services. Public investment still tends to address the farmers as being the sole target group. From this study, we may conclude that the situation has not changed much. However, from this study we can observe a wealth of experiences available through reports, brochures, project documents, case descriptions, manuals, websites, etc., which reflect an enormous experience with VCD and MOAAS provision within projects and programmes.

Government extension staff and policy makers in African countries tend to believe that re-orienting existing agricultural extension services can provide the needed MOAAS capacity.¹⁹ This study does not confirm this, but rather suggests the opposite. The cases show that effective

Shonghai model: practical training for rural entrepreneurs

The Shonghai Centre in Porto Novo, Benin, is a training centre founded in 1985 and annually trains more than 300 students in commercial farming. The training equips students to establish small-scale businesses in rural areas. Students manage their own cattle enterprise or are involved in rabbit farming, mushroom production or ornamental flower growing. The Shonghai Centre has encouraged graduates to establish more than 1000 successful enterprises in Benin alone.

Source: New Agriculturist (May 2011).

18. www.new-ag.info/en/focus/focusItem.php?a=2004.

19. Source: participants at AFAAS Symposium, Accra, April 2011.

MOAAS provision needs new institutional arrangements, like public–private partnerships, which allow less-experienced AAS providers to gain experience with market-oriented agricultural development. This will enable government interactions with the private sector on a more equal footing. In turn, this will enhance government policies that acknowledge the role of the private sector, and ease rules, regulations and taxation issues in favour of an enabling business environment.

Pro-MOAAS policies need to be developed in order to keep options open for smallholder participation in agricultural development. Facilitation of smallholder participation is a typical task of the government, as it bears the responsibility for social inclusion of all segments within society. Lessons from elsewhere can be helpful in developing successful concepts. As reported earlier, inspiring examples are emerging of agribusinesses working on this issue, in the framework of CSR. Through policy development, governments can acknowledge these opportunities and encourage experimentation with the involvement and support of MOAAS providers.

There is a great need to document the impact of pro-MOAAS policies, especially as some experts question how far advisory services can change markets. This in itself calls for a modest attitude towards the potential results and impacts of interventions. Nevertheless, the potential is there. In particular, further study is needed on the connection between market-oriented policies and the real improvements in the lives of smallholder farmers and women. An integrated approach towards policy development, aiming at establishing of a healthy business environment, seems by far the most promising.

However, policy makers should be aware of market distortion. In several cases it is reported that projects or programmes subsidise services, creating unfair competition with existing private services and thus threatening future sustainable service provision.

3.4 Achievements of MOAAS

AAS in production-oriented extension is rarely assessed for its impact. This is because it is not easy to attribute changes to extension activities, it is costly, and project frameworks are short term. Long-lasting impact can only be measured several years after the intervention. Monitoring results is easier and increasingly gets attention in respect to fee-based AAS. Clients will only pay for services that show evidence-based results.

GFRAS made a first draft of an extension evaluation guide available in 2011 (Christoplos *et al.* 2011), which is being tested. It is expected that this guide will make it easier to make extension impact more visible. Result and impact reporting was assessed in the NI cases examined for this report. However, in only a few cases were the results of interventions quantified, and there was no explanation of how the achievements were measured. The number of beneficiaries targeted and benefitting from MOAAS varied a lot, ranging from a few hundred to projects or programmes reaching tens of thousands.

Many of the cases studied make claims that they were successful in enhancing food production and farm incomes of the targeted smallholder farmers. However, the specific contribution that the MOAAS providers made is seldom highlighted, neither is information provided about the cost–benefit ratio.

It is also reported that clients have become better entrepreneurs, have increased discipline to handle commercial loans, were able to prepare simple financial plans for their enterprises, and develop business records on their trading. There are various examples of 'snowballing': a farmer keeps chickens, from the earnings he/she is able to buy a cow and construct a zero-grazing unit. With the use of the cow manure in the field, crop yields increase.

In a survey carried out for The World Bank (Henson 2008), the factors judged to have the greatest impact on MOAAS intervention success, linking farmers to value chains, are closely related to project design and management, including 'close collaboration with the private sector, flexible project design enabling modifications and redirections over time, technical expertise of project advisory service provider, and management of financial support to farmers'.

Quoted benefits from MOAAS include increased negotiation power, increased profit margins, improving production capacities, access to services, and ability to meet production standards. These benefits can be realised in various ways: through direct sales instead of going through intermediaries or by negotiating higher prices for products or getting advance payments on expected harvest. Organising smallholder farmers in POs is a crucial success factor in realising these benefits.

The cases show encouraging examples of increased participation of female farmers and entrepreneurs in value chains. Success is attributed, among others, to women being highly dedicated to running a business. Women's participation can be encouraged through careful selection of the economic activities, avoiding those which would constrain their participation because of cultural reasons. Availability of micro-credit is another important success factor in increasing women's participation.



4. Lessons learned and guidelines for pilot initiatives

This chapter contains the lessons learned from the study and guidelines derived from them, to be followed when setting up MOAAS pilot initiatives in African countries. In chapter 2, we stated that transforming production-oriented extension services into MOAAS implies (i) changes in content, (ii) changes in service providers, and (iii) changes in institutional arrangements. The lessons and guidelines in this chapter are presented along these lines. First, some general lessons are drawn. Then we provide guidelines related to the type of services and the content MOAAS should have in pilot initiatives. This is followed by guidelines for MOAAS providers and institutional arrangements.

4.1 General

The number-one lesson of this study is that detailed information on the role and contribution of advisory services to VCD is scarce. Though limited in scope and time, this study confirms the great potential that MOAAS has to contribute to rural development. However, we need to remain realistic about our expectations of the changes that interventions in the value chain can bring about.

Guideline # 1

Make MOAAS part of a wider package of VCD interventions, rather than a standalone intervention. Carry out adequate market and other studies to understand the intervention context. Assess the profitability of developing or improving a market and the risks it involves. Confront this with the potential contribution MOAAS can make. Proceed only if this results in a benefit–cost ratio greater than one.

Market development depends on many factors and not just effective advisory services. Market development is certainly not an easy road to follow for smallholder farmers. MOAAS as an instrument to connect smallholder farmers to markets is appropriate when :

- Producers have real market opportunities
- Clients are given an opportunity to articulate their needs for services
- Enough qualified advisers can be made available.

This implies a business model and way of thinking – taking existing or potential business opportunities as the starting point for any VCD and advisory services.

4.2 Content and type of services

Guideline # 2

Decide on and formulate clear objectives towards which MOAAS will contribute, and who will be the main target group(s) for the interventions. Especially when collaborating with private businesses, commercial objectives may easily prevail over social objectives to which MOAAS intends to contribute.

Linking poor smallholder farmers to markets is possible, but not always easy to realise. Where MOAAS interventions have the objective of linking smallholder farmers to markets, or increasing women's participation in the market, make these differences in objectives clear from the beginning in order to avoid conflict during implementation of the MOAAS. Negotiate the possible issues related to potential conflicting objectives before MOAAS activities are started. The best approach is to formalise the negotiated agreements in a memorandum of understanding (MoU) with the concerned actors in the chain.

Guideline # 3

Tailor MOAAS to the type of market you will operate in. High-end markets are more complex, are difficult to manage and demand more specialised expertise.

The content and required type of services (and with that the required staff qualifications), depend on the nature of the market (see Table 3).

Table 3. Overview of competency and complexity related to market type.

Destination	Competency	Complexity
Subsistence	X	–
Local market	XX	
Processing	XX	XX
Export	XXX	XXX

Guideline # 4

Develop MOAAS for each segment within the value chain. Embrace diversity in setting up MOAAS, use providers with adequate background and expertise, and provide services to specific segments in the chain.

Production-oriented extension services are readily available. A major challenge in setting up effective market-oriented services is to get relevant market-oriented content, skills and attitudes into the service provision.

Guideline # 5

Design MOAAS development and implementation in such a way that it is flexible and has an integrated approach with activity planning and fund allocation based on annual reviews.

Markets are dynamic and therefore project/programme design and advisory-service provision need to be market responsive and flexible. A 5-year programme with a connected 5-year predetermined activity work plan does not reflect market orientation.

Guideline # 6

Choose a limited number of value chains to start with, allowing for gradual capacity strengthening within the advisory services and reduce the chance of failure.

Experience shows that it is important to choose a limited number of value chains to start working with in order to develop an in-depth understanding of the chain and its dynamics.

Guideline # 7

Build on what already exists. As much as possible use local staff who know the context in which you will operate and avoid unfair competition with existing services. A slower speed in achieving results should prevail over hampering sustainability of (existing) services.

Projects have a tendency to focus only on developing markets or ‘fixing’ market failures. The urge (incited by donors) to do this as fast as possible may result in establishing services in competition with those offered by the private sector.

Guideline # 8

Use needs-based and use approaches to learning adjusted to the educational level of the clients. Like in traditional extension, a lot can be learned from innovative entrepreneurs and they can effectively be used as resource persons for training and/or exchange visits.

Many recommendations that are valid for setting up pilot ‘traditional’ advisory services also work in setting up MOAAS. After all, MOAAS is just a special type of advisory service provision, focusing on market development. In particular, lessons about appropriate content can be learned from small-scale enterprise development, where rural business-support services have a long history.

Guideline # 9

Use platforms, one-stop shops, farm business support centres and hubs, and other types of knowledge development and expertise centres as a part of the MOAAS design.

The case studies show that establishment of platforms, one-stop shops, farm business support centres and hubs facilitate networking, exchange and learning, and contribute towards trust building and building up of expertise among stakeholders involved in VCD.

Guideline # 10

Thoroughly investigate timing of project activities and keep promises (if you are not 100 percent sure, don’t promise anything) in implementation of crucial support services.

Not keeping promises and wrong timing of activities can lead to complete failure, disappointment and worse (we are dealing with high-value crops and products!) financial losses among actors in the value chain. Failures to deliver make farmers and other actors in the chain sceptical and it generally takes a long time to overcome a bad reputation once established.

Guideline # 11

Include start-up activities like workshops, focus-group discussions or rapid market surveys to foster trust building. Begin with start-up interventions that have quick results, contribute towards trust building among stakeholders and impact value chain performance the most.

Key actors of the value chain should have the same understanding of the problems in the value chain, share the same vision on possible solutions, and be willing to invest in order to make MOAAS interventions successful. Trust stands out as an essential factor for success in VCD. Joint activities in the start-up phase contribute towards trust building in the chain and also increase confidence in paid service provision with all stakeholders.

Guideline # 12

If relevant, establish Market Information Systems (MIS) or carry out other activities that yield tangible and quick results.

Market information systems are relatively easy to establish. Because of modern ICT (email bulletins, website publishing, mobile-phone services, etc.), MIS have the potential to be cost effective and can have quick and substantial benefits for actors in the chain.

Guideline # 13

Undertake (new) activities that need to be added in the value chain (input sale, packaging, processing, transport, etc.) in rural areas as much as possible, rather than in cities, in order to create rural employment.

A key factor in the success of a commercial vegetable project in Senegal was that the workers involved were young and had a relatively high level of education. To tackle rural depopulation and to boost the rural economy, it is essential that as many economic activities as possible stay within the region.

Guideline # 14

When setting up MOAAS, ask whether the services can be sustained through market incentives, when the project no longer supports the activity. Public–private partnerships offer good opportunities for this. Explore possibilities for combining public and private investments, which give scope for sustainability.

Services tend to be more sustainable when they are ‘lean and mean’, and designed with sustainability in mind. However, projects do have a task to experiment and take risks. This will stimulate more innovative forms of service provision.

Guideline # 15

Pro-poor means targeting the poor. Include special facilities like access to (micro) credit and credit-in-kind systems, tailored to the capacities and needs of the poor. In capacity strengthening, special adult education approaches targeting less-educated people are needed.

Reaching the poor through MOAAS requires reaching out to them, making an effort to understand who the poor really are, what kind of livelihood activities they are already undertaking and how linkage to a certain value chain can increase their income and enhance their livelihood security. The poor also benefit indirectly, due to increased labour demand, or through improved production, which may lower the price of staple foods. Some pro-poor out-grower schemes include access to better health and education.

4.3 MOAAS providers

Effective MOAAS provision can be considered as a ‘paradigm shift’ – it needs a completely different way of thinking. MOAAS services are provided to all actors along the chain. A pluralistic advisory service landscape fits best the different needs of the different actors within a value chain. There are often specialised service providers rendering services to a specific segment in the chain. Select providers on the basis of their capacities and specialism, and on having a client-oriented and business attitude.

Private consultancy agencies and private, self-employed consultants are active in VCD and have in many cases emerged as the most competent MOAAS providers. Often they fill in gaps, and build up expertise alongside with VCD projects. True to the domain in which they operate, they themselves are commercial operations, as they have made a business out of selling advice. They represent a large and promising consultancy market. Some are semi-private as they have an NGO background and sometimes they even have some funds available for start-up activities to launch starting service providers into the market, or they have funds for investing in new essential businesses in the chain, which may in some cases serve as equity funds. A great advantage of this set-up is that the issue of legitimacy is now gone, as the initiator of the value-chain performance improvement process has a (financial) stake in the process. Most of them are small operations with commonly a between 3 and 15 staff.

Guideline # 16

Work with private advisory agencies if possible when strong business orientation is required, like developing high-end export markets.

In implementing MOAAS, facilitation skills are essential, as is the ability to analyse the economic, social and technical feasibility of the market-oriented production. The same facilitation skills are needed to determine shortcomings in capacities and design adequate learning and training programmes.

Guideline # 17

Recruit MOAAS advisors on the basis of knowledge and experiences within the relevant value chain and their connection to relevant market-oriented networks, especially networks able to facilitate connection of smallholders to markets.

Producer organisations are essential in building strong value chains. Grouping has a lot of advantages, especially when working with smallholder farmers. Aggregation creates advantages because of improved economies of scale for purchase of inputs and accessing advisory services. It makes delivery of large volumes to processors possible, where otherwise they would not be interested. And it strengthens bargaining power, eases communication and allows for service provision to its members.

Guideline # 18

Strengthen or develop producer organisations as a tool to connect smallholder farmers to markets. Eventually POs can develop into sustainable MOAAS providers.

Well-established POs can be good service providers. Promoting and strengthening POs thus contributes towards VCD and improving advisory services. Producer organisations can also be a good vehicle to bring services closer to the poorer farmers, e.g. by facilitating business contract implementation.

Guideline # 19

Select and work with local NGOs to ensure achievement of social objectives in the interventions.

Local NGOs have a lot of experience with donor-funded stakeholder facilitation. In doing so, they have mostly social objectives. By participating in VCD projects, they develop their market-orientation and business skills. This expertise and hands-on practical experience with MOAAS can make a useful contribution to VCD projects.

Guideline # 20

Select governmental extension services for technical services. Involve government extension or government-reformed private extension as much as possible, while safeguarding a business orientation of the services.

The advantage of government services is that they cover the whole country and they are all-round technical advisors. In addition, that they have a lot of expertise on rules and regulations. Another important role of the government is to set the boundaries of the playing field and guard them, ie, through legislation on working conditions and environmental standards. Not all government services (a recent study indicated 50 percent) of the African ministries of agriculture have agribusiness units. Agribusiness units can make useful contributions, especially in terms of policy development. Supportive policy is a precondition for MOAAS to be effective. Areas which should be covered by government to facilitate an enabling business environment are market development, agribusiness development, regional and international trade, and assistance in value-chain studies. The expertise built up in these units can also be used in the backstopping function to increase the capacity of MOAAS providers.

Guideline # 21

Collaborate with business enterprises, but avoid loss of neutrality.

Business enterprises are frequently involved in MOAAS activities. Many products come jointly with good advice. There is also a trend of vertical integration within the chain – some businesses both own input-supply companies and are involved in trading and processing. The vertical integration enhances coordination, and at the same time enlarges the need for specific knowledge in relation to standardisation, etc. This type of embedded services (it is included in the price of the product) tends to be more sustainable and can be applied (also as a transition strategy) in cases where clients are resisting payment for advisory services, because they have been made to believe that these services should be for free.

Guideline # 22

Be clear about your role in MOAAS and make it clear to all actors in the chain. Clarity enhances legitimacy to act.

People want to know ‘what is in it for themselves’, but also for the other actors in the chain. Ownership can (and should) be easily measured through the level of investment (time, resources) committed by key actors who are supporting activities.

4.4 Institutional arrangements and learning

Guideline # 23

Contribute to the establishment of back-up services in a sustainable way. Before starting a value-chain development intervention, make an inventory of locally available service providers (university, research centre, private business consultancy agency), including a profile of their services and their strengths and weaknesses.

Often MOAAS back-up services are made available directly through projects or programmes without local partners, so these services are no longer available after project or programme’s life. Partnering with business entrepreneurs, universities, research centre or local business consultancy agencies, however, is the best option, as it enhances local capacity development and makes backstopping service delivery more sustainable.

Guideline # 24

Invest in learning and innovation activities to strengthen capacities of staff and organisations to provide backstopping services and avoid ‘reinventing the wheel’.

Good-quality backstopping services are essential for VCD. Platforms around particular value chains are effective mechanisms for capacity strengthening and improving efficiency and effectiveness of service provision.

Guideline # 25

Use available good-quality MOAAS tools.

Many of the VCD projects produced tools, manuals and other useful materials, which were helpful in facilitating producers’ access to new markets. These materials can easily be accessed through the internet.

Guideline # 26

Stimulate participation of MOAAS staff in (electronic) networks and learning events.

Providing and improving MOAAS services is a continuous process. Form Communities of Practice (CoPs) to further develop skills and capacities of service providers. Allocate money for setting up CoPs and budget for participation of advisory staff in conferences, exchange meetings and platforms.

Guideline # 27

Target women proactively, and select economic activities that are close to the options that are within women’s reach. Recruit female staff, because gender-balanced teams perform better and deployment of female staff is key to addressing gender issues in an adequate way. Recruit staff with practical knowledge of gender issues. Observe gender-sensitive guidelines:

- **Select value chains that are close to the options that are within women’s reach**
- **Be considerate with the practical conditions that determine whether women can participate (eg, timing in relation to when they have household obligations, allow them to bring children to capacity-strengthening events)**
- **Be considerate to the cultural conditions which will allow them to participate (eg, during start up invite husbands and wives, explain to village elders how the activity will benefit all villagers).**

When it comes to market-oriented agricultural activities, participation of women is much lower than that of men. Women are increasingly targeted in VCD, as case studies show that their participation increases the chances of success. There are several reasons for this: women tend to be more dedicated, making better entrepreneurs than men; they produce better-quality produce and are more effective in recruiting new members (eg, for out-grower schemes – training female family members of male out-growers has led to increased production).

Guideline # 28

In line with the recommendations of the MOAAS working group during the 2011 AFAAS Symposium, AFAAS should enhance cross-country learning activities about the setting up of pilot initiatives, as such activities have a good pay-off. AFAAS may facilitate learning activities like workshops and courses, develop course materials, and keep a database of interesting cases. Country Forums with inspiring MOAAS experiences should be encouraged to document experiences for learning purposes. The recently launched GFRAS *Extension evaluation guide* (Christoplos *et al.* 2011) can be used for this purpose. Country Forums should have the private sector well represented, in order to include their experiences and perspective.

MOAAS is a rather new concept within the AAS spectrum; however, countries with a longer tradition in MOAAS can guide countries that are less experienced.

Guideline # 29

Dialogue with government and involve public advisory services to influence policies in a favourable way.

Relevant policies (legal and regulatory structures) are important for MOAAS to impact on poverty alleviation. MOAAS needs to focus on topics that can contribute towards facilitation of enabling policies.

4.5 Checklist

Guideline # 30

Use the following checklist in pilot design.

Checklist for making MOAAS intervention decisions

Is the distance from producer of the product to market too far?

Are the agro-ecological conditions for the crop or farming activity favourable?

Will it make the producers dependent on one crop or farming activity? Are enough opportunities available for spreading risk?

Will the activity saturate the market, driving down prices?

What will be the impact on the environment?

Does the activity make a contribution to a (socially, ecologically and economically) sustainable farming system?

Will it compete with staple crops, increasing prices of staple food, negatively effecting landless people who have to buy food?

Is there enough capacity among farmers and/or farmer organisations to defend their interests in the value chain?

Are women involved in production and is the family benefitting from the proceeds?

Are poor farmers involved or can they easily participate in the production?

Is the activity generating employment for poor people?

Will there be negative side-effects like increase of workload of women?

Will the working conditions be affected, eg, child labour, health because of pesticide use?

Will food security suffer from enhancing cash-crop production?



References

Note that many of the references cited in the text are included in the List of key documents. Documents in that list are not repeated here (see Annex 2).

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Annex 1

Terms of reference

**The Forum for Agricultural Research in Africa On behalf of:
African Forum for Agricultural Advisory Services
(MDTF Grant No. TF095130)**

**Terms of Reference for a Consultancy to Produce a Guide for Piloting Market
Oriented Agricultural Advisory Services**

Ref.: 3.2.1/I/E/L/P

Background

The African Forum for Agricultural Advisory Services (AFAAS) is the umbrella organisation for Agricultural Advisory Services (AAS) in Africa. Its objective is to create efficient, effective and synergistic linkages and partnerships between AAS of member countries to improve the delivery of these services to farmers. It operates within the framework of the Pillar IV of the Comprehensive African Agriculture Development Programme (CAADP), which has the objective of enhancing the livelihoods of African farmers and pastoralists and is spearheaded by the Forum for Agricultural Research in Africa (FARA). Hence FARA is supporting the institutional development of AFAAS as well as strengthening its linkages with other umbrella bodies contributing to CAADP Pillar IV.

Within the CAADP framework the role of AFAAS is to ensure that, through effective AAS, CAADP Pillar IV directly addresses the needs of African farmers, contributing to sustained growth and transformation of African agriculture. The aim is 'to strengthen agricultural knowledge systems to deliver profitable and sustainable technologies that are widely adopted by farmers resulting in sustained agricultural growth'. In recent years a number of conceptual approaches have been developed for delivering AAS to achieve this aim. The Neuchâtel Initiative (www.neuchatelinitiative.net), an informal group of representatives of bilateral and multilateral development agencies involved in agricultural development, have developed a consensus on the 'Market oriented Agricultural Advisory Services' (MOAAS) as one of the approaches that AAS can adopt. AFAAS intends to play a role in advising member countries that wish to adopt the MOAAS approach.

Objectives of the assignment

The objective of this assignment is to compile the literature that has been generated by the Neuchatel Initiative and other organisations on MOAAS and produce a guide on how national AASs can pilot the MOAAS approach.

Scope of work

Specifically, the consultant will undertake the following tasks:

- Identify all the documents that the Neuchatel Initiative (NI) and associated organisations such as Regional Farmer Organisations have generated on the MOAAS approach;

- Review the documents and identify the approaches and processes that AAS providers can follow to adopt and pilot the MOAAS in their systems;
- Develop a guide on how to pilot MOAAS in AAS systems;
- Present the review of MOAAS and the guide at the AFAAS Symposium to be held in April 2011.

Deliverables of the assignment

The following outputs are expected:

- A compilation of documents on MOAAS from the NI and other sources;
- A summary report on MOAAS approaches;
- A Guide for AAS service providers on how to pilot MOAAS in AAS systems.

Duration of the assignment

The duration of the assignment will be 14 days, which can be spread over a period of two months, with finalisation latest approximately mid April (10 days of which are for undertaking the study and 4 days for participating in the Symposium).

Location of the assignment

The consultant is expected to participate in the AFAAS Symposium in Accra, Ghana in April 2011.

Performance criteria

The Consultant is expected to undertake the services with the highest standards of professional and ethical competence and integrity. He should be able to deliver the listed assignments in Section C in a most effective and efficient manner, given the period of assignment.

Reporting

The Consultant shall report directly to the AFAAS Management Consultant / Executive Director.

Qualification and experience

The following qualifications are required:

- A minimum of a Masters degree in agricultural sciences or related field. A PhD would be an advantage;
- A minimum of 10 experience in the field of managing AAS in developing countries;
- Good knowledge of the NI and its activities;
- Excellent understanding of the institutional developments and emerging paradigms in AAS;

- A track record that shows the ability to undertake studies based on reviews of literature and make presentations to international audiences;
- Excellent communication and writing skills.

Applications

A consultant will be selected under the Individual Consultant Selection method in accordance with the procedures set out in the World Bank's Guidelines: Selection and Employment of Consultants by World Bank Borrowers, (May 2004 revised May 2006 and May 2010).

Please send (via email) comprehensive curriculum vitae, together with the names, addresses, email addresses, telephone and fax numbers of three referees to:

Prof. Monty P. Jones

Executive Director

FARA

PMB CT 173, Cantonments

Accra, Ghana

Email: afaas@fara-africa.org

Tel. +233 0302 7728/23/9421

Fax: +233 0302 773676

In case further information is needed, you may contact AFAAS directly:

Dr Dan Kisauzi Management Consultant

Email: dankisauzi@nida.or.ug

Deadline for submissions: 15 days from the date of the publication of this advert.

Annex 2

List of key documents

- Adolph B. 2010. Rural advisory services worldwide: a synthesis of actors and issues. GFRAS Synthesis Report. Global Forum for Rural Advisory Services (GFRAS), Lindau, Germany. 71 p. www.g-fras.org/fileadmin/UserFiles/GFRAS-documents/GFRAS-Synthesis-report_Oct-2010_final-DRAFT.pdf.
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- Chan M-K. 2011. Improving opportunities for women in smallholder-based supply chains: business case and practical guidance for international food companies. Report prepared for the Bill & Melinda Gates Foundation, Seattle, WA, USA. www.gatesfoundation.org/learning/Documents/gender-value-chain-exec-summary.pdf
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Annex 3

MOAAS-related web-sites

I. Value-chain development projects and programmes

www.esfim.org (Empowering Smallholder Farmers in Markets)

www.seepnetwork.org/Pages/Default.aspx (The SEEP Network: Connecting micro-enterprise practitioners in a global learning community)

www.markets4poor.org (Making markets work better for the poor)

www.m4phub.org (Sharing knowledge on making markets work for the poor)

www.sdc-employment-income.ch/en/Home (SDCs platform for employment and income practitioners)

<http://poverty.ch> (Market approaches to development)

www.propcom.org (Promoting Pro-Poor Opportunities and Service Markets, Nigeria)

www.bdsknowledge.org (The Donor Committee for Enterprise Development)

www.regoverningmarkets.org (Regoverning Markets programme)

www.linkingworlds.org (Linking Worlds: Connecting small-scale producers to modern markets)

www.enterprise-development.org (DCED: Promoting Private Sector Development)

www.finmark.org.za (Finmark Trust: Making financial markets work for the poor)

www.africancashewalliance.com (African Cashew Alliance)

www.malica-asia.org (Markets and agriculture linkages for cities in Asia)

www.gtz.de/en/themen/laendliche-entwicklung/14850.htm

www.ipms-ethiopia.org (Improving Productivity and Market Success of Ethiopian Farmers)

www.ilri.org/imgoats (Small ruminant value chains)

www.slideshare.net/eaportal/snv-value-chain (SNV value chain programme Ethiopia)

Sustainability and Fair Trade

www.sustainablefood.org (Sustainable Food Laboratory, USA)

www.ifoam.org (International Federation of Organic Agriculture Movements)

www.ecologyandfarming.com (Ecology and Farming magazine)

www.fairtrade.net (Fairtrade International)

<http://solidaridadnetwork.org> (Creating fair and sustainable supply chains)

www.ikhaya.nl/trade (Sustainable Fruit Trade project 2009–2011)

www.utzcertified.org (UTZ Certified Good Inside certification programme)

www.saiplatform.org (Sustainable Agriculture Initiative)

www.grolink.se/epopa (Export Promotion of Organic Products from Africa)

www.bettercotton.org (Better Cotton Initiative)

Gender

<http://genderinvaluechains.ning.com> (APF Learning Group Gender in value chains)

<http://genderinvaluechains.pbwiki.com> (APF Learning Group Gender in value chains wiki)

www.usaid.gov/our_work/cross-cutting_programs/wid/eg/gate_valuechain.html

(USAID: Gender and economic value chains)

www.wemanglobal.org/3_ValueChain.asp (WEMAN: Livelihood and value chain development)

II. Institutions involved in value-chain development / advisory service: provision of back-up services

Producer organisations

www.nasfam.org (NASFAM is a farmer-directed business system based on the individual participation of over 100,000 Malawian smallholders)

<http://progresonetworkenglish.ning.com> (Progreso Network: Online community for producer organisations)

FAO

www.fao.org/ag/ags/ags-division/ags-groups/en (Agribusiness and Finance Group)

www.fao.org/ag/ags/agricultural-marketing-linkages/en (Agricultural marketing)

www.fao.org/ag/ags/agribusiness-development/en (Agribusiness development)

www.fao.org/ag/ags/agricultural-finance-and-investment/en (Agricultural finance and investment)

www.fao.org/ag/ags/food-and-agricultural-industries/en (Food and agricultural industries)

www.fao.org/ag/ags/post-harvest-management/en (Post-harvest management)

www.fao.org/ag/ags/ags-division/publications/en (publications search engine)

www.youtube.com/view_play_list?p=0A1EE0DC2F3A3E3A (FAO Series of 7 videos on horticultural marketing extension techniques)

World Bank

www.worldbank.org/urban/local/toolkit/pages/home.htm (Making local economic development strategies: a trainer's manual)

KIT

http://portals.kit.nl/Value_Chains_for_Development (Royal Tropical Institute Information Portal: Value Chains for Development)

IIED

<http://biocultural.iied.org/tools/biocultural-products> (Biocultural Heritage: Protecting interlinked systems)

Private advisory agencies

www.katalyst.com.bd (Katalyst: Partners in business innovation)

www.technoserve.org (Technoserve: Business solutions to poverty)

www.ewb.ca/en/whatwedo/overseas/projects/marketaccess_zambia.html (Engineers Without Borders: Access to markets)

www.mma-ltd.com (Match Maker Associates Ltd: Adding value to business in Africa)

www.mim.monitor.com (Monitor Inclusive Markets)

www.prideafrica.com (Pride Africa)

www.mviwata.org (MVIWATA farmer organisation, Tanzania)

www.123fta.com/akama (Farming & Technology for Africa Association: Torohevitra Fambolena)

<http://digitalgreen.org> (Digital Green India: Educational videos)

www.acdivoca.org/site/ID/ourwork_tools (Value Chains Tools and services)

<http://paepard.blogspot.com/2011/06/facilitating-value-chain-development.html> (ACDI/VOCA VCD curriculum sponsored by USAID)

www.fitresources.org (FIT Resources Kenya: Enhancing investment capacity)

Agri-ProFocus Agri-Hubs (Promoting farmer entrepreneurship)

<http://apf-benin.ning.com> (Benin)

<http://apf-ethiopia.ning.com> (Ethiopia)

<http://apf-kenya.ning.com> (Kenya)

<http://apf-mozambique.ning.com> (Mozambique)

<http://apf-niger.ning.com> (Niger)

<http://apf-rwanda.ning.com> (Rwanda)

<http://apf-uganda.ning.com> (Uganda)

<http://apf-zambia.ning.com> (Zambia)

III. Videos

www.youtube.com/watch?v=2ZWgm6ZYMUU (Oxfam Novib/WEMAN/IFAD – Gender justice in economic development. The case of coffee value chain in Uganda, part 1)

www.youtube.com/watch?v=HcyGLZ8e1M0&NR=1 (Oxfam Novib/WEMAN/IFAD – Gender justice in economic development. The case of coffee value chain in Uganda, part 2)

<http://progresonetworkenglish.ning.com/video/nuspa-challenging-reality-for> (Women group involved in Shea butter Uganda)

www.youtube.com/watch?v=Y6_6tp2XAAs (Juhudi Kulimo – Changing the way farmers do business)

www.youtube.com/watch?v=VY2PZ5CZxrs (Madagascar Lychee value chain)

www.youtube.com/watch?v=YHy8GYIecml (Ecuador GAP to gain access to export markets)

www.youtube.com/watch?v=f3O_wR_rmXY (Zambia Farming is a business)

<http://www.youtube.com/watch?v=3vwbLK68mUE> (ACDI/VOCA Integrating smallholder farmers into the value chain)

<http://progresonetworkenglish.ning.com/video/first-international-workshop> (International coffee production exchange workshop Latin America – Africa)

<http://progresonetworkenglish.ning.com/video/fair-organic-cotton-india> (Partnership between farmer owned marketing company Zameen and private enterprise ALOK in fair cotton production in India)

http://stream.idrc.ca/communications/lastingimpacts/altiplano_e (Marketing of quinoa)

www.youtube.com/watch?v=B8BCgV6RrJM&feature=player_embedded (Business Minds Africa)

Annex 4

Recommendations of AFAAS 2011 Accra Symposium from participants of MOAAS and VCD working groups

MOAAS and value-chains group discussions

Recommendations	Activities / proposed actions
<p>1. Provision of a continental platform for sharing good practices in value chains:</p> <ul style="list-style-type: none"> • Develop guidelines on implementation of gender-sensitive value chains; • Protection of smallholders from high risk of market availability created by large industries. 	<ol style="list-style-type: none"> 1. Organise/convene a working group to develop to guidelines for Country Forums. 2. Form inter-country expert group to facilitate cross-country experience sharing. 3. Arrange seminars. 4. Collect data base – portal create facility on AFAAS website to upload documents. 5. Organise collection of local business development experiences for smallholders and draw lessons.
<p>2. Provision of the guidance in curriculum development:</p> <ul style="list-style-type: none"> • For pre-service and in-service; • Collaboration with agriculture training institutions; • Knowledge, skills and mindset; • Taking into account local context. 	<ol style="list-style-type: none"> 1. To form expert group with practical experience in use of value chains to develop curriculum guidelines, based on the baseline of existing agribusiness development courses. 2. To organise curriculum-development workshops involving all stakeholders. 3. To collaborate with higher institutions in developing AAS curriculum, provide research grants for pilot studies and curriculum testing on MOAAS & VC? 4. Country chapter to facilitate training programmes engage into training institutions on MOAAS.
<p>3. Promotion of the awareness of the importance of farmer institutions in VCD</p>	<ol style="list-style-type: none"> 1. Preparing paper and dialogue on importance of farmer institutions in relation to VC. 2. Initiate programme for development and capacity building of farmer institutions. 3. Facilitate (financially) Country Forums to create awareness. 4. Document, package and disseminate experiences with farmer institutions in value chains (organisations, cooperatives, out-grower schemes, contract, etc.). 5. Conduct training workshops on MOAAS & value chains through government, institutions and private extension workers.
<p>4. AFAAS should lobby / guide government to create or recreate government-supported markets for strategic commodities:</p> <ul style="list-style-type: none"> • Commodity differentiation; • Policy as pre-condition for effective MOAAS. 	<ol style="list-style-type: none"> 1. Country Forums to identify strategic commodities for each member country. 2. Organise symposium on policy issues with lead papers and subjects, and invite policy makers. 3. To conduct a workshop for country policy makers on the importance of MOAAS and value chains in agricultural production.
<p>5. AFAAS to promote and lobby for government to support conducive regional trade policies.</p>	<ol style="list-style-type: none"> 1. Engage the regional trading blocks. 2. Identify and work with agencies in charge of trade policies and provide up-to-date information to country-level forums. 3. Form expert group to identify commodities which meet triple bottom line criteria and formulate standards for entry into higher markets. 4. Laws, price controls.

Acronyms and abbreviations

AAFO	African Alliance of sub-regional Farmers' Organisations
AAS	agricultural advisory services
ACDI/VOCA	Agricultural Cooperative Development International and Volunteers in Overseas Cooperative
AFAAS	African Forum for Agricultural Advisory Services
AIS	agricultural innovation system
Anon.	Anonymous (author)
APF	Agri-ProFocus
CAADP	Comprehensive Africa Agriculture Development Programme
CF	Country Forum
CoP	community of practice
CSR	Corporate Social Responsibility
DCED	The Donor Committee for Enterprise Development
EuroGAP	European Good Agricultural Practices
FAO	Food and Agriculture Organization of the United Nations
FARA	Forum for Agricultural Research in Africa
FFS	farmer field school(s)
GAP	Good Agricultural Practices
GFRAS	Global Forum for Rural Advisory Services
ICT	information and communications technology
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IPPM	integrated production and pest management
KAMAL	Advice for Change in Agriculture in Madagascar
KIT	Koninklijk Instituut voor de Tropen (Royal Tropical Institute, Netherlands)
MIS	market information system(s)
MOAAS	market-oriented agricultural advisory services
MoU	memorandum of understanding
MVIWATA	Mtandao wa Vikundi vya Wakulima Tanzania

NGO	non-governmental organisation
NI	Neuchâtel Initiative
ODI	Overseas Development Institute (UK)
PMCA	Participatory Market Chain Approach
PO	producer organisation
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SAI	Sustainable Agriculture Initiative
SDC	Swiss Agency for Development and Cooperation
SNV	Netherlands Development Organisation
USAID	United States Agency for International Development
VC	value chain
VCD	value-chain development
WEMAN	Women's Empowerment Mainstreaming and Networking for Gender Justice in Economic Development



African Forum for Agricultural Advisory Services

Plot 22A, Nakasero Road, PO Box 25235

Kampala, Uganda

Email: info@afaas-africa.org

Tel: +256 782 848225

+256 758 848225

Fax: +256 414 347843

www.afaas-africa.org

AFAAS has the mandate to implement the Agricultural Advisory Services aspects of the Comprehensive Africa Agriculture Development Programme (CAADP) – an Africa-owned and Africa-led initiative through which interventions to transform agriculture are coordinated. The CAADP has four pillars one of which (Pillar IV) addresses agricultural research, technology dissemination and adoption. Leadership of the implementation of this Pillar is mandated to the Forum for Agricultural Research in Africa (FARA). In this context AFAAS operates under the umbrella of FARA but has its own autonomy and governance structure.