

OAU/STRC - SAFGRAD

SEMI-ARID FOOD GRAIN RESEARCH AND DEVELOPMENT

Scientific, Technical and Research Commission of the Organization of African Unity

Regional Workshop Proceedings on Production Support and Financial Services Program

**Held in Accra, Ghana
26 and 27 April 2001**

Production Support and Financial Services Program
Funded by USAID/AFR/SD/ANRE



Program Report n° 8 prepared by OAU/STRC-SAFGRAD

July 2001



About SAFGRAD

The Semi-Arid Food Grain Research and Development Agency of the Scientific, Technical and Research Commission of the Organization of African Unity (OAU/STRC-SAFGRAD) was established in 1977 to advance agricultural research, development, and natural resource management in semi-arid ecology in more than 30 countries of sub-Saharan Africa.

For more than two decades, OAU/STRC-SAFGRAD has mobilized scientific talents and resources of National Systems and those of International Agricultural Research Centers (IARC's) to enhance food security and sustainable agricultural development.

To contribute to Africa's food production increase and poverty alleviation challenges, SAFGRAD has revitalized and broadened its program scope to make small-farm holdings more profitable. The four new niches of SAFGRAD include: first, to promote linkage of agricultural production to small and medium-scale industries to enhance the transformation of agricultural produce into value-added products; second, diversify farm enterprises by integrating on-farm production systems to induce complementarities and synergies in the use of resources, generation of income and employment; third, promote demand-driven research and packaging of more productive technological options to increase agricultural production and productivity and fourth, to promote the development of agribusiness by exploiting both local and export markets.

The main thrust of SAFGRAD program is to:

- I. Enhance agricultural research and development capabilities of member states through short and long-term training;
- II. Facilitate addressing agricultural policy issues through conferences, workshops, symposia and government contacts;
- III. Promote the transfer, adoption, and commercialization of agricultural technologies to generate income and employment in sub-Saharan Africa;
- IV. Facilitate the industrial transformation and utilization of food grains into value-added products;
- V. Promote productive agriculture and environmental conservation through an integrated farming systems;
- VI. Build the knowledge base on semi-arid agriculture in SSA through its publication, specialized seminars, etc.

Within the Scientific, Technical and Research Commission of OAU, SAFGRAD is governed by the Regional Technical Advisory Council comprised of representatives from various organizations.

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Regional Stakeholders Workshop
Strengthening Agricultural Production Support and Financial Services
in Africa
Accra, Ghana
April 26-27, 2001

I. BACKGROUND

This document provides a summary of the Regional Stakeholders Workshop on Strengthening Agricultural Production Support and Financial Services (PSAFS) in Africa, held in Accra, Ghana April 26-27, 2001.

During the past two decades of structural adjustment and market liberalization, African countries embarked on policies to reduce public sector participation in the provision of agricultural production support and financial services. Despite the huge investments in these policy reform programs, the transition from the public to the private sector has progressed at a very slow pace. Farmer access to these services has been severely constrained resulting in the decline in their productivity and competitiveness in local and regional markets. Increased farmer access to and use of efficient production support services are essential for improving agricultural productivity, stimulating growth of the rural and national economies of African countries.

Responding to the concern for a sustainable and efficient delivery of agricultural production support and financial services, USAID/AFR/SD/ANRE and OAU/STRC-SAFGRAD have embarked on an initiative to develop a framework for strengthening the delivery of these services in Ghana, Mali and Senegal. The primary goal of this program is to enhance the capacity of rural farmers and agribusinesses to efficiently engage in economic enterprises through an improved access to production support services to increase agricultural productivity, employment and incomes of the rural population. The specific objectives of the program are:

- To develop a framework, including principles for guiding efforts to strengthen production support and financial services;
- To develop, test and promote innovative options through strengthened partnerships and networks; and
- To identify and share best practices and provide program and strategy development options for supporting production support and financial services.

To launch the PSAFS program, consultative meetings with major stakeholders involved and/or interested in the provision of PSAFS were held in the three countries in January and February 2000. During the 2-day meetings in each country, consultants and the USAID/SAFGRAD team presented baseline papers, and major actors and beneficiaries of PSAFS exchanged ideas on the general state of PSAFS in the national economy; discussed policy, institutional and organizational constraints and issues pertinent to

PSAFS; and, examined the purpose of the new program, the ways and mechanisms for coordinating it.

Since the program inception, the following activities have been implemented in the three countries:

- Setting up of National Working Committees
- Launching of field inventory and analytical studies for constituting an information and knowledge base on agricultural production support and financial services
- Building of networks through regular consultation and dialogue among stakeholders

To gain a broader input into the assessments and a prospective framework for strengthening the delivery of agricultural production support and financial services, USAID and SAFGRAD sponsored a Regional Stakeholders Workshop that was held in Accra, Ghana in April 26 and 27, 2001.

II. OBJECTIVES OF THE WORKSHOP

The primary purpose of the workshop has been to provide a forum for exchanging experiences, sharing lessons learned and best practices, finalizing a West African framework for PSAFS, developing plan of actions for extending PSAFS to Eastern and Southern Africa, identifying pilot activities and developing an information network.

The objectives of the workshop are to:

- (1) finalize the framework through a review of the findings of the fourteen objectives in three countries of West Africa (Ghana, Mali and Senegal) where the program is being implemented;
- (2) finalize a set of common lessons learned and best practices through the exchange of experiences by stakeholders;
- (3) select pilot project activities in West Africa for further support;
- (4) develop a system for information/data dissemination among stakeholders; and
- (5) develop guidelines for implementing PSAFS activities in Eastern and Southern Africa.

Among the expected outputs of the workshop are:

- the completion of the final framework,
- the compilation of lessons learned and best practices,
- the identification and selection of pilot project activities,
- the establishment of a system for information dissemination and
- the development of guidelines for Eastern and Southern Africa intervention.

III. PARTICIPATION

More than forty people from the Western (Mali, Burkina, Senegal and Ghana) and Eastern and Southern (Ethiopia, Kenya, Uganda, Zambia, South Africa) regions of Africa attended the workshop. USAID/AFR, Washington, D.C., the main sponsor of this workshop, was also represented. Participants from a wide disciplinary range represented public sector (policy, research, and universities) NGOs, private sector and donor organizations, all involved and/or interested in the provision of PSAFS.

The list of participants and contact addresses is provided in the annex section of this report.

IV. WORKSHOP PROCEEDINGS

The detailed session-to-session report is provided below.

THURSDAY APRIL 26, 2001

OPENING SESSION - 10 AM

In the opening, Professor Akwasi Ayensu, Acting Director-General of the Council for Scientific and Industrial Research (CSIR) read a welcome address (on behalf of CSIR DG) to the 40 participants representing Burkina Faso, Ethiopia, Ghana, Uganda, Kenya, Mali, Zambia, Senegal, South Africa and the United States. He noted that farming is a commercial venture and, as such, it requires several key services to be available and accessible to enhance its performance. He attributed the increased reliance on food imports in sub-Saharan countries over the last three decades to the weak delivery systems of PSAFS to farmers that have impeded steady growth of the agricultural sector.

SAFGRAD International Coordinator, Taye Bezuneh stated the purpose of the PSAFS program. This program, as he recalled, is based on the premise that the efficient provision of production support and financial services is key to economic growth of agriculture and that the private sector is to play a major role in this area. He mentioned the major cooperating stakeholders and highlighted major activities and strategies undertaken so far under this program. He particularly underscored efforts to institutionalize the program in the three implementing countries through the establishment of focal units (coordinating and management mechanisms) in collaborating partner institutions and the formation of national working committees.

Charles Whyte of USAID/AFR provided a justification for this program which evolved out of a concern with the slow pace of the transition of the delivery of agricultural PSAFS from the public to the private sector. This concern prompted USAID/AFR to embark on this program with OAU/SAFGRAD as a coordinating institution. He then presented at length the purpose, objectives and expected outputs of the workshop.

The Deputy Minister Designate for Food and Agriculture of Ghana, Dr. Majeed Haroun gave the keynote address. He called for increased credit facilities for farmers by stressing that "it is through access to credit that small farmers can enter the battlefield of the vicious economic war". Any attempt at encouraging commercial farming must be accompanied by adequate credit to enable farmers to procure the necessary inputs, equipment and other services. He also called for increased collaboration and closer partnerships among African countries to face the challenges posed by globalization and trade liberalization.

PLENARY SESSION 1 - 11:30AM:

ALTERNATIVE FRAMEWORKS FOR STRENGTHENING PSAFS IN AFRICA

Chair: Professor Owusu-Bennoah, Deputy Director General, CSIR, Ghana.

This session was organized in two parts:

- part one: West African country frameworks and
- part two: Eastern and Southern Africa Approaches to PSAFS.

PLENARY I PART 1: 11:30 AM- 1:30PM

West African Country Frameworks, Lessons Learned (LLs) and Best Practices (BPs)

Rapporteur: Peter Asibey-Bonsu, MoFA, Ghana

A: TOPICS COVERED

1. Production support and financial services programme in West Africa: An overview of the 2000-2001 activities- by Dr. Bocar Diagana, OAU/SAFGRAD
2. Ghana country framework for PSAFS, lessons learned and best practices - by Dr. Wayo Seini, Chairman of NWC.
3. Mali country framework for PSAFS, lessons learned and best practices - Mr. Bakary Coulibaly, Secretary of NWC.

There was no presentation of the Senegal country framework because the Senegalese team had not arrived in Accra at the time of this session because of flight cancellation and delays.

B: KEY POINTS MADE BY PRESENTERS

I. Overview of PSAFS Program

1. As a background to the PSAFS initiative was the concern about the very slow pace of the transition of the delivery of PSAFS from the public to private sector and a void that exists, as the state funded organizations withdraw.
2. The goal of the initiative is to enhance capacity of rural farmers and agribusiness through an improved access to PSAFS to increase agricultural production and productivity, to generate income and employment so as to improve livelihood in rural areas.
3. The three overall objectives of the program are to:
 - (i) Establish a framework (system) to guide efforts at strengthening the efficient delivery of PSAFS,
 - (ii) Develop mechanisms for sharing lessons learned and best practices (experiences gained) among partners,
 - (iii) Find ways and mechanisms to develop, test and promote innovative options.
4. Composition of PSAFS, proposed activities and approaches were defined.
5. Two operational phases involved in implementing the PSAFS program were identified as:
 - Phase 1. Establishing the framework
 - Phase 2. Implementation of activities to identify and promote options.
6. Activities already implemented in the first year included:
 - Setting up of National Working Committees (NWCs)
 - Launching PSAFS inventory field studies by consultants
 - Building networks through regular consultation and dialogue among stakeholders including donors.
7. An external review of the program progress made the following observations:
 - Work in the 3 countries has been consistent with PSAFS goal and objectives;
 - Consultants have followed the terms of reference (TOR);
 - NWCs consist of experienced professionals that have been used as facilitators and/or short-term consultants in pursuit of the objectives.

Recommendations included:

- the NWCs addressing the issue of program sustainability by furthering linkages to activities of USAID and other donors (with special reference to USAID Food Security Program), and
- the coordinating institution (OAU/SAFGRAD) using logical framework and management information systems to facilitate monitoring of pilot activities.

II: Country frameworks for Ghana and Mali

1. A system approach combining public, private, and non-governmental organizations was used in establishing the framework in the West African case. During the first year of the program, significant efforts were put in installing the core element of the framework for partnership consultation and dialogue, namely the NWCs.

NWCs consist of a multidisciplinary group of expert representatives of main national institutions involved in PSAFS: public and private sector organizations, financial institutions, NGOs, producer organizations including women groups, etc. Members were selected based on criteria of interest, competitiveness, capacity and balance. The NWC mandate is to serve as a forum to provide guidance to the national program and to enhance regular consultation among partners. Its specific TOR included the following responsibilities:

- revise the program's objectives to fit local conditions,
 - establish a workplan for operationalizing the program,
 - identify ways and resources for implementation of activities, especially consultants and facilitators for PSAFS field studies,
 - monitor and review the progress of the implementation of the workplan,
 - serve as a forum to exchange experiences on issues of production support and financial services to stakeholders, and
 - harmonize activities of various stakeholders by minimizing duplication and stimulating synergies and complementarities.
2. In both countries however, the following activities have been achieved:
 - Stakeholder consultation meetings that gave birth to NWCs
 - Revision/adaptation of the planning matrix
 - Launching of field studies by consultants
 - Regular dialoguing through meetings and national workshops

3. PSAFS identified from consultant studies in the 2 countries included the following:

Ghana:

- Agricultural mechanization
- Seed and other planting material supply
- Fertilizer and other agro-chemical distribution
- Livestock and poultry feed
- Irrigation
- Agricultural research
- Agricultural extension
- Managerial services and market information
- Financial services

Mali:

- Agricultural research
- Agricultural extension
- Agricultural inputs
- Farm equipment
- Infrastructures
- Information
- Training (Capacity building)
- Financial services.

4. Major providers of these services range from the public sector to NGOs and private sector organizations. Lessons learned and best practices as well as constraints were documented.

5. Overall, despite progress made in establishing the framework, both countries have not been able to address all of the 14 objectives identified under the planning matrix.

C: Discussions (questions and contributions)

1. Gary Kilmer (AMEX Int. Ghana) observed that most of the "Best Practices" have been identified and being tested or used in the field. He suggested a study and analysis of on-going work before identifying new pilot activities.
2. At what stage(s) and in what way did the target farmer contribute initially to the crafting of the framework? (Andrew Mailu, KARI, Kenya)
3. With reference to item 1.2 "overview of PSAFS activities", does 'economic enterprises' mean viable enterprises? (J. Kigathi)
4. Composition of PSAFS does not include "access to markets". How is "access to markets addressed? (J. Kigathi).
5. Comment:- There is need to distinguish between two types of Production Support and Financial Services as:
 - (i) PSAFS aimed at food security
 - (ii) PSAFS aimed at market-oriented production.
 Experiences and best practices will certainly differ accordingly (Felix Chizhuka, Zambia)

6. Clarification/elaboration on West African Approach (C. Whyte)

The NWC forms the basis for establishing the framework - providing the knowledge base; identifying the pilot activities for possible further support for additional lessons learned and best practices; suggest ways/mechanisms for forming and maintaining networks and linkages; identifying best practices and lessons learned.

PLENARY I PART 2: 3:00 – 5:00 PM

Eastern and Southern Africa Approaches to PSAFS

Chair : Charles Whyte, USAID/ Washington

Rapporteur : Cris Muyunda, USAID/Zambia

1. Private sector approach:

Presenter: Ronald Ramabulana, Chief of Party, AGRILINK (South Africa)

Agrilink is a USAID funded activity with a project life of 1 year from October 2000 to October 2001. It emphasizes five main areas, namely:

- i) Deal making for market linkages
- ii) Business skills training
- iii) Access to finance
- iv) Access to appropriate technology
- v) HIV/AIDS mitigation

Under deal making, project staff either identifies suitable farmers to supply a target market or approach selected agri-businesses to request for their produce specifications. In the area of business skills training, the project emphasizes the fact that agriculture is a business. Accounting, cash flow monitoring, budgeting and business ethics training is offered to farmers. Farmers are enabled to access appropriate technology through project linkages with research institutions.

The fact that black small scale farmers are regarded as risky clients by banks coupled with the remote location of the small scale farmers makes it difficult for small farmers to access credit. When they get the credit, interest is usually higher than that charged to their white counterparts. The project overcomes these pitfalls by approaching banks on behalf of farmers after a secure market for the farmers' intended produce has been identified.

As South Africa is one of the hardest hit countries by the HIV/AIDS enemy, the project has included HIV/AIDS mitigation in its portfolio.

Questions:

- Q1. Do research institutions charge Agrilink for the services provided to farmers?
- Q2. Is Agrilink national program or just restricted to one region of South Africa?
- Q3. With regard to accessed credit, what happens to defaulters?
- Q4. Why is it that black farmers are still regarded as risky farmers and charged high interest rates?
- Q5. What are the problems experienced to date in the activity?
- Q6. Do farmers pay user fees for accessing project services?
- Q7. Do farmers need collateral to access credit?
- Q8. Agribusinesses may disrespect contracts signed with farmers, what is the experience in South Africa?

Answers :

- A1. When services are provided by private agribusinesses seeking produce for their operations, the farmers do not pay. However, the project pays for CSIR services provided for farmers.
- A2. Agrilink program has now become national in its operations
- A3. Because accounts are opened for farmers, and payment of marketed produce is through the accounts, defaulting on loans is checked.
- A4. In business, there will always be risk associated with so perceived categories of borrowers.
- A5. No major problems experienced yet.
- A6. Farmers do not pay user fees.
- A7. A 10% deposit is required on loans requested. Title deeds are required as guarantee.
- A8. Agribusinesses do respect contracts.

2. Private Sector/NGO/GOVT combined approach to PSAFS provision (Zambia)**Presenter : Felix Chizhuka, Manager ZNFU-ABF/MAFF Project**

ZNFU : Zambia National Farmers Union

ABF : Agribusiness Forum

MAFF : Ministry of Agriculture, Food and Fisheries

In Zambia there is a distinction between Food Security Programs and Programs targeted for markets. Emphasis is being placed on supporting production linked to local or external markets. Contract farming is being emphasized in order to formalize the responsibilities of both producers and buyer agribusinesses in the arrangement and check the problem of side selling.

Coming of other partners, such as the private sector and NGOs, to the effort of delivering PSAFS is necessary due to dwindled government resources. On account of high external debt service commitments accumulated following the collapse of copper prices in the mid

1970s, the Zambian government has had difficulties to meet the needs of groups such as farmers. However, since 1991, as a result of liberalization and privatization, non traditional agricultural exports have trebled in value from \$89 million to \$279 million in 1999.

In the NORAD supported ZNFU/ABF/MAFF project, emphasis is placed on groups in order to reduce both transaction costs and credit risk. Support is in the form of private sector extension capacity building, farmer mobilization fund and management support. Among the expected outputs of the project are improved farmer productivity, improved product quality and better input and commodity prices.

The partnership of government/agribusiness/NGOs is based on each having a set of responsibilities. The Government is responsible for macro economic stability, incentives, guarantees while agribusinesses provide produce markets and NGOs conduct farmer mobilization and capacity building.

The project hopes in the future to address the issue of farmer control of commodity prices.

Questions :

- Q1. It is not clear how this model works. What is the private sector function in this? What if the farmers fail to produce due to unforeseen circumstances?
- Q2. What are the conditions necessary for farmers to access support?

Answers :

- A1. The private sector buys the contracted produce from the farmers. As the project gives support to the agribusiness for improved extension capacity, farmer productivity is expected to go up and result in reduced likelihood of failure.
- A2. Farmers should be in groups and working with a given agribusiness.

3. The Agricultural Consultative Forum Approach (Zambia)

Presenter : Bobi Nebwe, Program Officer, ACFS, Lusaka, Zambia

The Agricultural Consultative Forum (ACF) was formed following the Mid Term Review of Zambia's Agricultural Sector Investment Program (ASIP) in 1998.

Objective: To provide a forum to discuss agricultural development issues by all stakeholders and provide input to the Ministry of Agriculture, Food and Fisheries (MAFF's) policy making function.

Through the forum, the contribution of various stakeholders to agricultural development is acknowledged.

Issues discussed to date included best ways to provide inputs to resource poor farmers, the nature of the agriculture sector's duality problem (that some parts of the country are serviced by providers of production support services while others are not), biotechnology and others.

Membership of the ACF :

- MAFF Technical departments
- Ministry of Works and Supply
- Ministry of Finance
- Ministry of Lands
- Gender Development Division
- Zambia National Farmers Union
- MAFF Policy Department
- Golden Value Agricultural Research Trust
- Agriculture Sector Donors
- Agriculture Sector NGOs

To date, the model has been so successful that other sectors are considering using the approach.

Questions :

- Q1. Why are financial institutions and the Ministry of Trade not represented on the ACF?
- Q2. What is the major service provided to farmers in Zambia that the private sector is not able to perform to create this duality situation?

Answers :

- A1. Financial Institutions and the Ministry of Trade, Commerce and Industry are invited whenever possible but are not full time members.
- A2. The major issue of concern in Zambia is provision of fertilizer to smallholders.

4. The IDEA Approach (Uganda)

Presenter : Mark Wood (IDEA Project) supported by USAID

Objective: to raise incomes of rural communities

Strategy: targets maize crop for commercial production. Maize responds well to promotion using modern hybrid seeds.

Impact: Project presently works with 200,000 farmers/year.

Approach: Program provides intervention from the research level to the market level. The aim is to ensure that there is no area that remains weak in the provision of support to

farmers. This is considered a best practice. Farmers are exposed to both low input and high input production strategies. Farmers are provided with inputs on credit. Farmers are encouraged to do group marketing to traders and exporters.

Results to date: Tremendous increases in fertilizer sales, seed sales, maize production and incomes.

Questions :

- Q1. How sustainable is this project? What will happen when the project ends?
- Q2. How are regional markets accessed?
- Q3. Is maize a profitable cash crop?

Answers :

- A1. Private sector entities such as Monsanto will take over many of the activities being undertaken by the project.
- A2. Regional markets are accessed through collaboration with local grain buyers.
- A3. Maize is a successful, profitable commercial crop in Uganda.

SPECIAL PLENARY : 5:30 – 7:00 PM

Discussion on West African Frameworks

Chair: Charles Whyte, USAID/Washington

Rapporteur: Bocar Diagana, OAU/STRC-SAFGRAD

The first day ended with a special session furthering the discussion on the frameworks used in West Africa and on the program objectives. From the morning presentation and discussion, there was a felt need to bring everybody to a same level of operational understanding of key concepts that drive the PSAFS program. C. Whyte opened this session by offering some clarification and insights.

The framework consists of a system which, in the West African case, draws upon a structure that is formed by the NWC (including the Government, NGOs, private sector, etc.), and that operates to address assigned target objectives (fourteen under this program). From this operation, lessons will be learned and best practices identified. From discussions, it came out clearly that, in the three countries, the structure of the framework is well in place, but needs to be brought to full operation (which is a maturing process that takes time). For completeness, the framework should include a description of the structure and of its operation, a reporting of activities undertaken for each objective and the findings, from which to draw lessons learned, identify best practices and suggest future activities. The respective countries are expected to revise their national reports by explicitly covering points above with all relevant details.

Regarding the objectives, they were not all covered at this time, and even not expected to be so. A concern was expressed that, though most objectives center on links with USAID field

missions, the latter's participation to the different activities undertaken in the three countries did not generally meet with expectations. Full reporting of the situation in each country was asked. The Mali team volunteered to present a report on the objectives at the beginning of day two.

FRIDAY APRIL 27, 2001

The arrival of participants from Senegal and Uganda the night before was acknowledged.

PLENARY SESSION – PREPARATION OF GROUP SESSIONS – 9:00 AM

Chair: Taye Bezuneh, OAU/STRC-SAFGRAD

Rapporteur: Bocar Diagana, OAU/STRC-SAFGRAD

As planned, the session started with a presentation by the Mali team as an illustrative example of what the three countries have to do to report activities and findings on the program objectives.

Comments by the Ghana and Senegal teams were offered to determine the feasibility of this task in their respective case.

Then, Mr. Mark Wood from Uganda was given the chance to present the IDEA approach used in providing PSAFS. A summary of key points from this paper is presented in the section above on Eastern and Southern Africa approaches to PSAFS.

Afterwards, to prepare group work on lessons learned and best practices, discussions were held to clarify the meaning of best practices.

PLENARY SESSION II – GROUP SESSIONS AND REPORTS – 11:00 AM

LESSONS LEARNED AND BEST PRACTICES ON PSAFS

Chair: Taye Bezuneh, OAU/STRC-SAFGRAD

Rapporteur: Bocar Diagana, OAU/STRC-SAFGRAD

Two groups were formed and asked to examine sets of LLs and BPs extracted from the three West African country reports (Ghana, Mali and Senegal). Group 1 covered production support services while Group 2 deliberated on financial services. The mandate for each group was to come out with a consensus set of LLs and BPs applicable to all countries, reformulating them if necessary to make them acceptable or deleting them if case of disagreement.

For clarification, it was indicated before the group sessions that BPs should be succinct and clearly stated propositions that concern 'actions, activities or experiences that have proven their worth among other alternatives by meeting well targeted objectives'. These

must be innovative (new and unique, departing from existing or classical approaches) and more successful (meeting assigned objectives, for example, reducing costs, increasing income, etc) than existing alternatives.

After the lunch break, the total group was reconvened and rapporteurs presented the results of the small group work with Dr. Taye Bezuneh moderating the discussion.

GROUP I: PRODUCTION SUPPORT SERVICES

Results of Group 1 with Mrs. Naana Agyemang-Mensah of Ghana Hunger Project as lead discussant were reported by Mr. Bakary Coulibaly of IER/Mali. He first indicated that this group had a wide range of services to cover, and was not able to complete its assignment in the allotted time. The group only covered the LLs. Following are the consensus ones.

LESSONS LEARNED:

AGRICULTURAL AND LIVESTOCK INPUTS

- Involvement of farmer associations (need identification and aggregation, distribution and debt recovery) in the input supply process, availability of working capital, storage facilities and skill improvement training are all key elements for an efficient input distribution system.
- Farmers purchase more local than improved seeds due to the absence of improved seeds of many staple crops.
- Farmers, input distributors and extension agents need more education on the proper handling and application of agro-chemicals.
- Farmers who do not have means to use fertilizer tend to grow crops that could be supported by the soil fertility condition of the available field.
- Demand for fertilizers has been low because the profitability of new technologies is still questionable in some areas.
- Lack of, or poorly functioning credit markets have further depressed the capacity of already cash-constrained farmers to invest in improved inputs.
- The preparation of low cost animal feed using local raw materials can be enhanced by using results available at university and research institutions.

AGRICULTURAL EQUIPMENT

- Local blacksmiths have demonstrated their capacity to manufacture agricultural equipment as well as spare parts; for increased production, they need to get easier access to better quality iron material through credit.
- Technical skills of manufacturers can be improved by training support by specialized institutions (ex: GRATIS in Ghana).
- Agro-processors require regular tests of their products to ensure maintenance of excellent quality and to check veracity of claims.
- Non price factors such as improved physical access to tractor service delivery can provide more incentives to scale up operations than lowering of service prices.

INFRASTRUCTURE

- Involvement of beneficiaries in community infrastructure building and maintenance (irrigated perimeters, wells, roads and tracks, etc) often incites them to take initiatives instead of relying solely on external funding and support.
- Adequate attention must be paid to socio-cultural issues in the design, operation and management of irrigation projects.

INFORMATION

- Various methods of gathering and analyzing information should be harmonized to ensure the timely and efficient provision of relevant information to end users.
- A grading and standardization system should be introduced as its absence often results in great variations in prices quoted for commodities from the same markets in a particular period.
- Market information provision should be demand-driven: as such, it may cover more than product prices and should be broadened to include, wherever demanded, input prices, quantities and suppliers.
- Sustainable sources of funding to collect and disseminate agricultural related information require contributions from the State, farmer associations and other users to cover costs of provision.

TRAINING

- Training programs should be demand-driven and their design must pay proper attention to local socio-cultural values.

- Managerial skills of farmers and of their leaders can and need to be strengthened by conducting training in basic literacy and accounting and by increasing awareness in relevant fiscal and legal matters.
- Group formation and development eases farmers' access to assistance and reduces costs of providing support to farmers.

RESEARCH

- Establishing funding mechanisms for demand-driven research will lead to research sustainability
- Developing human resources (training, recruitment, motivation) is essential for research implementation.
- Improved infrastructures and equipment are necessary for research to perform well.
- Strengthened partnership development and improved linkages and coordination among research institutions allow more effective use of scarce resources
- Developing participatory approach through regional programming of demand-driven research activities conducted by multidisciplinary teams is key to enhancing performances of the research system.
- Decentralization of research management will facilitate effective flow of information and resource allocation.
- Demonstrating the technical and financial viability of new technologies will enhance their chances of successful transfer and commercialization.
- Improved or new technologies have higher chances of adoption when they are compatible with local practices.

EXTENSION

- Improved capacity in terms of human resources, logistics and equipment is needed for effective extension program.
- Extension program should be demand-driven to ensure its sustainability.
- Strengthening regional and national level coordination and consultation of farmers, NGOs, researchers and other stakeholders will lead to effective extension service delivery.
- A sustainable extension funding system ought to include clients such as farmers and businessmen

- Links between research, extension and farmers must be strengthened to improve performance of the extension delivery system.
- Integrated (farming, forestry and fish-farming) and participatory approaches must be developed and introduced to ensure the use of efficient and sustainable methods of farming and rational management of natural resources.
- There is a need to enhance the ability of extension agents to organize rural women and young people for an easier access to extension services.
- Operations of the RELCs (Research Extension Linkage Committees in Ghana) should be decentralized from zonal to district level to allow a better identification of relevant problems and needs.
- Using women extension agents to reach women farmers enhances adoption rates of technologies.
- Provided extension information is dominated by technical messages mostly on crop production and of an extremely general type to be applicable over variable agro-ecological conditions.

GROUP II: FINANCIAL SERVICES

Group II had Mr. Koffi Atta-Bronyah of Ghana Microfinance Institution Network as lead-discussant and Ms. Brenda Sinnott of CMS/Zambia as rapporteur. The group completed its assignment by drawing LLs and BPs and making recommendations. Below is a summary of its deliberation results.

LESSONS LEARNED:

- Self-managed village/community finance institutions work.
- It is important to work/use intermediaries or any experienced third party (microfinance institution-MFI or existing community organization).
- Build on nuclear farmers, i.e. main players or entrepreneurs in rural areas.
- Microfinance programs must have a strong saving component to ensure sustainability.
- Set up an association of MFIs and make it mandatory to any existing MFI to affiliate to this national body so as to elaborate ethical rules of conduct, to facilitate exchange of information among MFI, etc.
- Provide support to informal institutions.

BEST PRACTICES:

The overriding principle is that MFIs should be regarded and run as businesses, i.e. seeking to make profits. The BPs below concern practices that have made MFIs successful.

- Loans should be disbursed in kind.
- Do group lending to take advantage of solidarity
- Provide inventory credit
- Use a decentralized system.
- State intervention (Central Bank) is necessary during formation period.
- Apply cost sharing principle in cash crop extension
- Take swift actions against defaulters (send powerful signals to change mentality)
- Use clear selection criteria to screen clients
- Spend time to select quality clients (credit worthiness)
- Share risk with clients.
- As donors do not lend, use banks.
- Build upon experiences from existing informal saving clubs (ex: su-su in Ghana, Clumba in Zambia).
- Charge economic interest rates (reflecting costs borne) and avoid subsidization to ensure sustainability.
- Establish and use a solid MIS (Management Information System).

RECOMMENDATIONS:

- Undertake a study on the regulatory framework with the Central Bank to find out what a MFI can and cannot do.
- Study the existing capacity of MFIs.
- Train farmers and intermediaries.

**PLENARY SESSION III – PILOT ACTIVITIES, INFORMATION NETWORK,
EASTERN AND SOUTHERN AFRICA PSAFS PROGRAM — 3:30 PM**

Chair: Professor Emmanuel Acquah, UMES, USA

This session consists of three parts, each with its rapporteur.

Part A: Pilot Activities

Rapporteur: Vincent Djarbeng, ADRA, Ghana

Various propositions emerged from the three countries as suggested areas to consider for developing pilot activities. Discussions revealed that further work was needed from NWCs to refine propositions and prioritize them before developing proposals for pilot projects. Also, NWCs were reminded that a funding program similar to the West African Small Grants will be put in place to support activities that are innovative (new and unique), built upon successful past or promising ongoing experiences such that more lessons can be learned. On the basis of these recommendations, subsequent NWC meetings following the workshop came up with the following suggestions for priority pilot activities

Mali:

- Improving the farmer organization-based fertilizer supply and distribution system in Office du Niger zone
- Enhancing improved seed production and distribution by farmer groups in Office du Niger zone
- Expanding the local blacksmith experience in farm equipment fabrication and maintenance in CMDT (cotton) zone to other agricultural zones

Senegal:

- Strengthen private microenterprise production and distribution of improved cereal seed
- Promote a private three-actor (farmer group, microfinance institution, and supplier) fertilizer distribution system
- Strengthen the local blacksmith capacity to produce and maintain agricultural equipment

Ghana:

- Improving the productivity of Nucleus Farmer/Outgrower Schemes through savings and credit initiatives
- Promoting community-based seed production schemes
- Improving market information systems

Further details on these activities will be provided in the pilot activity proposal to be developed after the workshop.

Part B: Information Network

Developing an Information Network System: A Conceptual Framework:

Presenter: William Akiwumi, Consultant

The Need for An Information Network

The work done by the NWCs has demonstrated that there is tremendous amount of information on innovations and workable strategies for increasing access to agricultural production support and financial services in Africa. Despite its availability, stakeholder access to and use of this information for improving service delivery is severely constrained by the following:

- Ignorance of what is available, sources and how to access information
- Competition and need to protect trade secrets (private sector and some NGO service providers)
- Cost of gathering and disseminating available information.
- Information not available in user friendly format
- Difficulty in searching for and retrieving information
- Lack of efficient and cost effective mechanisms for sharing information

An effective information system on PSAFS must therefore address the above concerns in a sustainable manner. Its purpose should be to increase stakeholder knowledge of documented experiences and best practices, innovative options and strategies that strengthen and improve access to production support and financial services.

Illustrative Approaches

1. Establishment of Internet based information exchange or clearing house – list serves, discussion groups or website - to be fed by network participants and other partners.
2. Production and distribution of television documentaries and newsletters that highlight product and service-specific success stories.
3. Organization of product/service-specific stakeholder workshops to discuss current trends and future directions and to assess the usefulness and impact of the information system.

Types of Information

Farmers and stakeholders in agriculture are mostly interested in information on the following, among others:

- Sources (local and international), availability and prices of inputs and services
- Consumers
- Sources of credit and lending terms
- Research findings and improved technologies
- Technical expertise

Critical Actions for the Development of an Information System

- Identification of existing networks for information sharing (donors, NGOs, farmer and business organizations)
- Identification of potential participants in the information network in participating countries e.g. producer groups, NGOs, public and private sector organizations, donors etc. (NWCs to form the core of country networks).
- Assessment of institutional interests, capacity and needs for participating in the information network.
- Development of information gathering tools and instruments.
- Development of a plan to continuously update and store available information.
- Identification of information sources - libraries, websites, list serves, program performance and evaluation reports

Management of an Information System:

It is proposed that the information system should operate at both national and regional levels. At the national level, NWCs will provide a forum and clearing house for collating and sharing information obtained from public and private sector partners including government agencies, donors, NGOs, farmers, research institutions, private trading enterprises, etc. Workshops could be held periodically to discuss specific issues on PSAFS. The system must be interactive and internet-based using list serves, discussion groups, and websites for posting and retrieving information. Other national NWCs will have access to information available in a particular national clearinghouse. In specific instances, the print and electronic media could be used to provide information to a wider audience. To bring about institutional ownership and ensure sustainability, the national institution such as the Ministry of Food and Agriculture should host information clearinghouse. The national system could be mainstreamed and sponsored by government with additional support from private businesses, donors and NGOs. Specific proposals should be developed for sourcing funding from stakeholders to support the system. Private businesses could sponsor a website that offers them an opportunity to advertise their products and services. The hosting organization or the NWC will be responsible for responding to requests for information, monitoring and evaluating the effectiveness of the system and providing feedback and performance reports to stakeholders.

The regional information system will be based on the national systems in the participating African countries. The national systems will be linked to each other through a central clearinghouse to be administered by OAU/SAFGRAD with the support of USAID/Washington and other donors. OAU/SAFGRAD will provide a forum and clearinghouse for collating and sharing information obtained from national systems. Regional workshops could be held periodically to discuss specific issues on PSAFS. The system must be interactive and internet-based using list serves, discussion groups, and

websites for posting and retrieving information. OAU/SAFGRAD will be responsible for responding to requests for information, monitoring and evaluating the effectiveness of the system and providing feedback and performance reports to stakeholders.

Participant Contribution

Participants stressed the importance of radio as a very effective medium for gathering and sharing information on PSAFS particularly in the rural areas.

Part C: Planning for the implementation of the PSAFS activity in Eastern and Southern Africa

Chair : Charles Whyte, USAID/ Washington

Rapporteur : Cris Muyunda, USAID/Zambia

In opening, C. Whyte noted that the present state of affairs is that ongoing activities in Zambia, South Africa and Uganda provide a basis for having the PSAFS program in these countries.

The following issues will need to be addressed:

- Need to get full USAID Country Mission acceptance for the activity before going ahead in each of the target countries;
- Need to share workshop materials and West African experiences to date with stakeholders in Eastern and Southern Africa;
- Need to involve all stakeholders, especially farmers themselves from onset;
- Need to maintain linkages with West African colleagues, SAFGRAD and USAID/Washington ;
- Need to prepare a timeframe indicating activities culminating in possible commencement of PSAFS in Eastern and Southern Africa.

CLOSING PLENARY SESSION – 5:45 PM

In opening this session, the chairman and also CSIR Acting DG, Professor A. Ayensu, commended both those who took the initiative of this program and sponsored the workshop and the participants for the intensive two-day work. He reminded challenges made at the opening ceremony to the participants to, among other outputs, come up with clear and applicable recommendations on issues of particular concern to farmers. He conveyed to the audience criticisms made by the media about the apparent absence of farmers among stakeholder participants to this meeting, and hoped this will be corrected.

The USAID/AFR/SD representative, Dr. C. Whyte, thanked all the participants for the sustained hard work that has led to the success of the workshop. He reminded them of USAID's commitment to this program that is pivotal to enhancing growth in agriculture. He acknowledged the point about the absence of farmers at this meeting, but mentioned that the active presence and participation of all beneficiaries have always been and will continue to be

sought throughout the whole process of setting up and implementing this program. He closed with an encouragement to participants to keep going forward to address the big challenges ahead.

The SAFGRAD International Coordinator, Dr. T. Bezuneh thanked USAID for sponsoring this workshop, and the Government of Ghana for kindly letting its country host this workshop and for its high quality representation. Appreciation was made to the great work done by CSIR in organizing this meeting. He stated the big step made with this workshop in pushing this program forward, all to the credit of participants that represent partners and stakeholders involved and or interested in efficient provision of PSAFS.

The closing remarks were made by the Honorable Minister of Environment, Sciences and Technology. He stated that they 'in Ghana find the PSAFS initiative highly appropriate and commendable'. According to him, this program is very unique since it covers a breadth of PSAFS while most donor-supported programmes often aim at only one or two services. Effective linkages and partnership are vital to agricultural development. Significant efforts are deployed in Ghana through NARP and NAEP projects to encourage this partnership with the formation of RELCs. He urged CSIR in charge of the research component of AgSSIP and of coordinating this PSAFS program to ensure that maximum benefits be reaped from the complementarity of these two programs. He called for donors to reexamine their policies toward support to public research and extension in light of two recent impact studies, which showed positive impacts of maize, cowpeas, and coconut research, and extension. He ended with the hope that outcomes of the workshop deliberations will make significant contributions towards the development of PSAFS and agriculture.

Finally, words of thanks were pronounced by the Chairman of Mali NWC, Dr. O. Sanogo on behalf of foreign participants. He thanked the Ghanaian hosts for their hospitality and the adequate working conditions enjoyed by participants during their stay in Accra.

On a closing farewell note, Professor Owusu-Bennoah, CSIR DDG, wished a safe journey to all participants from abroad. While urging them to further links established at this workshop by staying in contact (by email or other ways), he expressed hope to see them again in Ghana or somewhere else on the continent, keeping on the fight for agricultural development in Africa.

The workshop closed at 6:30 PM.

V. NEXT STEPS

Completion of frameworks used in the three West African countries:

Discussions at this workshop showed that frameworks used in the West African context were far from being complete. Recommendations made to NWCs consisted of the following essential points:

- a) to fully report on activities that have been undertaken, and discuss their

findings on the program fourteen objectives, and
b) to initiate work on setting up a PSAFS information and partnership network.

On point a), an update of the program objective matrix is expected from NWCs to give an account of the status of the framework established in each country to strengthen the delivery of PSAFS. However, it was made clear that the framework is not expected to be complete at this time of the program as some objectives, especially those related to point b) require continuous activities throughout the program.

On point b), the assistance of a consultant was deemed necessary to help NWCs. The expert that presented a discussion paper on this issue at the workshop was identified as the consultant that will tour the participating countries and the coordinating institution in June-July 2001 to assess the existing situation, the level of collaboration with partners and the need for an information system. He would deal with specific operational issues in getting the partnership and information network off the ground. Outputs of his work will, among others, fill the gaps diagnosed on the coverage of certain objectives by the national teams.

Pilot Activities:

Initial PSAFS pilot activities presented at this workshop were numerous, too general, and lacked the analytical depth to show their innovative characteristics and their prospects for bringing out excellent and better lessons learned than past experiences. As a follow up, it was suggested that NWCs meet again right after the workshop to review, refine and prioritize their propositions of pilot activity areas to be considered for implementation in a second phase of the PSAFS program.

Then, a consolidated proposal will be drawn by SAFGRAD from the activity proposals developed by NWCs in conjunction with beneficiaries. The full proposal will be submitted to USAID/AFR by end of August 2001 to seek funding of the selected pilot activities. This proposal will include, for each pilot activity, the justification with successful past or promising on-going experiences, expected impacts, and the strategies for implementation with key actors, sites, components to be supported by the PSAFS program. Upon funding by the donor, phase II of the program will start in the three countries.

ANNEX A**WELCOME ADDRESS BY PROF. AKWASI AYENSU
AG. DIRECTOR-GENERAL, CSIR, GHANA**

The Chairperson
Hon Minister for Food and Agriculture
The International Coordinator of SAFGRAD
Representatives of USAID
Delegates
Ladies and Gentlemen

I feel particularly honored and delighted to have this opportunity to welcome all of you to this workshop on Production Support and Financial Services and to say a special welcome to participants from outside Ghana. We in Ghana are very happy to be hosting this Regional Workshop which is one of the activities being implemented as part of efforts to strengthen agricultural production support and financial services in some selected countries in West Africa i.e. Ghana, Mali and Senegal. We would therefore like to take this opportunity to thank USAID and OAU/STRC-SAFGRAD for selecting Ghana as one of the three countries.

But, for us at the Council for Scientific and Industrial Research (CSIR) we see the selection as another chance to improve the relationships between CSIR and SAFGRAD and CSIR which started in April, 1998 with the signing of a memorandum of understanding to promote the transfer and commercialization of technologies.

Distinguished guests, sub-Saharan Africa has not historically been a major food-deficit region, but it has become increasingly dependent on food imports over the last three decades. It is now the only developing region where the number of malnourished people has increases progressively and per capita output of staple foods has fallen steadily over the last three decades.

Why, one must ask, despite the billions that have been spent on national and international research and other agricultural development activities in sub-Saharan has the situation been deteriorating?

Most analysts of the situation have attributed the situation to weak delivery systems of production support and financial services to farmers as a result of reductions in public involvement in the provision of these since the early 1908s when most countries in West Africa embarked on reform to liberalize and privatize their economies.

Finding a solution to the problem demands an analysis and review of the current status of production support and financial services in each of the three countries to bring out some lessons and best practices. This has been done in each of the three countries through

various forms of consultancies. The results have been shared with various stakeholders during national workshops held about a month ago in each of the three countries.

Such results, however, deserve to be shared with other countries as in this era of globalization and age of information, problems demand rapid solutions based on the knowledge and resources of multiplicity of regional organizations, sectors and institutions. I therefore consider this workshop to be apt and in the right condition.

It is also apt because agriculture now finds itself in an increasing commercial environment. This has given a business dimension to the technical biological and engineering aspects of farming. The demands of modern agriculture for capital and proficient managerial competence are therefore now more than ever extremely high and cannot be met by our small scale without support from the public, private and civil society organizations.

It is therefore my hope that at the end of this workshop you will come out with recommendations to improve support to our numerous small-scale farmers so that they can meet the demands of modern agriculture. On that note, I wish to welcome all of you once again to this workshop and also wish you fruitful deliberations. To our foreign guests I wish you an enjoyable stay in Ghana.

Thank you.

**KEYNOTE ADDRESS BY THE HON MINISTER FOR FOOD AND
AGRICULTURE**

The Chairperson
The Director General of the CSIR
USAID Representatives
The International Coordinator of SAFGRAD
Participants from Ghana and abroad
Distinguished guests
Ladies and Gentlemen

I wish to convey to you greetings from the Government and people of Ghana and say how pleased I am to be called upon to deliver the keynote address for this workshop on Agricultural Production Support and Financial Services. I wish to express my deepest gratitude to the United States Agency for International Development (USAID) and the Semi-Arid Food Grain Research and Development (SAFGRAD) for selecting Ghana as one of the three countries in West Africa for the implementation of this programme aimed at strengthening production support and financial services.

The Ministry of Food and Agriculture considers this programme as very important and timely. This is because the current situation on food security in the continent calls for serious attention and intervention. In the past three decades, agriculture has been growing at a rate of 2.5% per annum in sub-Saharan Africa whilst population has been growing at 3.0% per annum making it the only region in the world where per capita food production has been declining. This slow growth has been attributed to low productivity, which in turn is a result of weak delivery systems of production support and financial services.

Distinguished guests, over the period 1950 to 1970, these services were provided mainly by the public sector. However, by the 1980s the capacities of many countries in Africa to provide such services have been reduced due to increasing public sector fiscal deficits and pervasive organizational deficiencies. As a result of this development, calls were made for market driven solutions with the private sector playing a leading role based on lessons learned from the more-market driven economies of East Asia.

Thus in Ghana, in 1983 when the government of the then Provisional National Defense Council embarked an economic recovery programme public involvement in the provision of these services have been greatly reduced or even eliminated in a number of areas. For example, currently, in Ghana the marketing of fertilizers and other agro-chemicals as well as seed and land preparation have been privatized while research and extension services are still provided by the public sector. It seems that for a long time governments in many African countries will have to provide research and extension services because the numerous small scale farmers who produce mainly for subsistence will take many years to develop a payments culture for the provision of research and extension services.

The transfer and adoption of technologies of new or improved technology is always influenced by factors such as the availability of inputs, relative prices of inputs and commodities, marketing channels which are not under the agencies (i.e. research and extension) responsible for the generation and transfer of technologies. This situation demands that existing linkages between these public sector organizations and the private sector organizations which are now mainly responsible for the provision of such services be strengthened.

Distinguished guests, I am reliably informed that the programme is being implemented in each of the three countries by a National Working Committee made up of representatives from the public and private sectors and non-governmental organizations. This is a very laudable idea which deserves much commendation because partnership is now high on the agenda of all social actors engaged in the development enterprise. In today's integrated and volatile world, complex problems such as agricultural development increasingly demand rapid solutions based on the knowledge and resources of a multiplicity of sectors and institutions. In this context, multi-stakeholder partnerships that solve real problems are becoming valuable.

Mr. Chairperson, the building of this partnership should not however be limited to only national levels but must be extended to international levels. This is very crucial in these times of rapid change. We need partnership at international levels to face the on-going changes posed by globalization and trade liberalization. Such partnerships are not only desirable but also necessary in Africa where most countries have small internal markets, limited infrastructure and economies vulnerable to fluctuating world prices. It is my hope that this workshop will lay the foundation for the set-up of various regional partnerships towards the strengthening of production support and financial services in Africa.

It is also my hope that through discussions we can learn from each other's experience so that we can make recommendations which will go a long way towards improving the delivery of production support and financial services in our various countries and Africa as a whole.

I will advise that you pay much attention to the financial services component of the programme, because insufficient credit is one of the leading ills that agriculture suffers in sub-Saharan Africa. Insufficient credit hinders the adoption of improved practices that raise yield. Agricultural development requires the existence of a credit system capable of supporting production by farmers through the acquisition of inputs and other factors of production. Professor Yunus, founder of the Grameen Bank affirms this by saying, 'It is through access to credit that the small farmer can enter the battlefield of the vicious economic war. To ask him to engage in this battle without access to credit is to take him to certain defeat'. All over the world commercial farmers borrow to finance crop production costs and to enlarge their production base by acquiring tools, equipment, livestock and facilities. But in Africa, the formal banking system has not found a way to serve small-scale farmers who need relatively small amounts of capital – causing high transaction costs – and usually lack land titles or other conventional collateral.

In recent years, however, experiences of microfinance institutions are offering new hope about the possibilities of achieving financial sustainability while serving the least-advantaged members of society on a larger scale. These experiences need to be shared and I believe this workshop will serve as a forum for doing so.

Finally, I wish to once again thank USAID and SAFGRAD for selecting Ghana as one of the three countries in West Africa for the implementation of the programme and for sponsoring this workshop.

Thank you all and I hope your deliberations for the next two days will contribute significantly towards agricultural development in sub-Saharan Africa.

**CLOSING REMARKS BY THE HON. MINISTER FOR ENVIRONMENT,
SCIENCE AND TECHNOLOGY**

The Chairperson
Director-General of the CSIR
USAID Representatives
The International Coordinator of SAFGRAD
Distinguished guests
Ladies and Gentlemen

I am very pleased to be called upon to close this workshop on agricultural production support and financial services. I am informed that this workshop is one of the activities under an initiative embarked upon by USAID and SAFGRAD in February, 2000 to strengthen production support and financial services in selected countries in West Africa namely Mali, Senegal and Ghana. I am not aware of the reasons for the selection of these three countries but I presume that it may be due to the relative political stability that they have been enjoying compared to other countries in the sub region because as you know there can be no development without peace.

Distinguished guests, I am told that the genesis of the initiative is concern about the slow pace of efforts to transfer the delivery of agricultural production support and financial services from the public to the private sector since the early 1980s when most West African countries embarked on reform programmes. This slow pace has resulted in declines per capita food and agricultural production during the last two decades and confirm observations that sustained increased agricultural productivity can only be achieved and maintained if farmers are supported on a broad front by the provision of economic and other services that directly or indirectly support their efforts to adopt productivity increasing measures.

It is in this context that we in Ghana find the initiative by USAID and SAFGRAD highly appropriate and timely. We also see the initiative as very unique. This is because it seeks to strengthen all the various types of support services that farmers need to achieve increases in productivity. Experience with other donor-supported agricultural development show that they are often aimed at only one or two service types. In Ghana, most of them have also shunned support to research and extension.

Agricultural development is, however, is knowledge and technology based and depends on their successful application and use which often requires effective linkages among agricultural research, supply input, marketing, extension and farmers and the organization both public and private that represent them. This involves the working together of a very complex series of organizations presenting both horizontal and vertical interfaces. In Ghana under the erstwhile National Agricultural Research Project (NARP) and National Agricultural Extension Project (NAEP) efforts were made to improve upon these linkages and encourage the working together of various organizations through the formation of the Regional Extension Liaison Committees. The newly elected Government of the National Patriotic Party (NPP) which has just celebrated its first 100 days in power will continue to strengthen the RELCs especially at

the District levels under the proposed World Bank Agricultural Services Subsector Investment Programme which is due to start later this year.

I will therefore use this opportunity to urge the Council for Scientific and Industrial Research (CSIR) which will be implementing the research component of AgSSIP and which is also responsible for co-ordinating this USAID/SAFGRAD initiative to ensure that the two programmes complement each other's efforts so that the country can reap maximum benefits from them.

I will also use this opportunity to appeal to the USAID to re-examine its policies towards the support of public sector research and extension. This is because all indications show that for a long time to come the provision of such services will continue to be dominated by the government. In making this appeal I wish to refer to results of two recent impact studies which showed that sustained donor support from 1980 to 1996 by Canadian International Development Agency (CIDA) and the German Agency for Technical Co-operation (GTZ) to maize and cowpeas research and extension activities yielded financial returns above 50%. Such sustained support from the French Government and the European Union also resulted in the development of two coconut hybrids in 1998 which are tolerant to the Cape St Paul Wilt Disease which almost wiped out the coconut industry in the country.

Mr Edward Schuh, formerly Director of Agriculture and Rural Development Department of the World Bank in a paper titled 'Agricultural Research: Still a Good Investment' states 'No country that seeks to grow can ignore such high rates of return. Similarly no donor country that is seriously concerned about the welfare of those in developing countries can fail to contribute to such investments'.

With these words from Mr Schuh it is my hope that agricultural research will be accorded the importance it deserves in future activities of this programme. The Ministry of Environment, Science and Technology would support such efforts by ensuring that our scientists carry out more demand-driven research so that technologies they generate meet the needs of our numerous small scale farmers.

On that note of assurance, let me take this opportunity to thank the USAID and SAFGRAD for sponsoring this workshop. To the management of M-Plaza for making their facilities available and to all of you especially those from outside Ghana a safe journey back home. We hope your deliberations during these two days will make significant contributions towards the development of agriculture in Africa.

ANNEX B

List of Participants

PSAFS Regional Workshop

26 - 27 April 2001
Accra, Ghana

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