

# Exploring Use Of Private Enterprise Agents As A Sustainable Extension Model For Rural Transformation In Uganda

<sup>1</sup>Robert Gensi And <sup>2</sup>Isabella Rae

<sup>1</sup>Selfhelp Africa, Kampala- Uganda

<sup>2</sup>Department of Policy, Irish Aid, Dublin-Ireland

Author's correspondence (Email: robert.gensi@selfhelpafrica.org)

\*Corresponding author: **Gensi R.**

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**Abstract:** In Sub-Saharan Africa, studies indicate that the provision of sustainable extension services is very challenging, particularly due to the emerging farmer learning needs as the world enters an era of globalisation, democracy, privatisation, and decentralization. This paper records experiences of using enterprise agents (Agriculture Service Providers) (ASPs) as an alternative extension model in selected value chains following the re-organisation of overnment's National Agriculture Advisory Services (NAADS). The study, initiated in Season B of 2016, explored a possible alternative extension model that would guarantee sustainability and operational efficiency in providing auxiliary services, including input market linkages and credit facilities for technology adoption. We followed the activities of the selected 38 ASPs for 2 years. The most successful approaches were those that had well-tailored economic incentives in place. These approaches relied on win-win relationships, where the ASP and the farmer beneficiary shared equal investment and mutual benefits. Members of the farmer group participated in enterprises with minimal entry barriers, which minimized their risk and enhanced their chances of success. In all of these scenarios, group members were able to quickly recoup their investments and build their confidence to eventually participate in more lucrative markets.

**Keywords:** enterprise agents, agriculture service providers, sub-Saharan Africa

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## INTRODUCTION

Effective agricultural extension services are a critical component of rural structural transformation. However, extension services have been under constant pressure to be responsive to the ever-growing challenges of, and to show an impact on, food production. The pressure for changes in the traditional public extension systems are increasing due to their perceived outdated, top-down, paternalistic, inflexible, and bureaucratic inefficiencies, making them less capable of meeting the dynamic demands of modern-day agriculture (Rivera et al. Economic structural adjustment programmes and high climate variability in sub-Saharan African countries have exacerbated the pressure to change, rendering the traditional extension systems inappropriate and, at times, inefficient.

Agricultural extension in Uganda has undergone a number of transformations, from regulatory (1920–1956)

to advisory (1956–1963), advisory education (1964–1971), dormancy (1972–1981), recovery (1982–1999), educational (1992–1996), participatory education (1997–1998), decentralised education (1997)–2001, and now agricultural services under contract extension systems (Semana, 1997).

Self Help Africa, with funding from USAID through the FHI360-managed Community Connector (CC: The Community Connector (CC) project was a U.S. Agency for International Development (USAID) Feed the Future programme that provides a multi-sectoral approach to poverty, food insecurity, and undernutrition). Project, implemented the livelihoods component, originally designed to collaborate closely with Uganda's National Agriculture Advisory Services (NAADS) program. The project began by tapping into NAADS for Subject Matter Specialists (SMS) to deliver agricultural extension

services to farmer groups working in the project-supported enterprises in different communities. However, after six months of implementation, the project encountered numerous challenges in working with NAADS that severely limited the project's effectiveness and output delivery.

Self Help Africa then explored the option of using private entrepreneurs engaged in honey, poultry, passion fruits, goats, onions, and seed potato production as alternative sustainable models of extension service provision. We hired and followed 38 enterprise agents over a period of 2 years, who provided training and extension services to smallholder farmer groups in their localities. The selected enterprise agents were required to play an important role not only in helping households produce a sufficient supply of food but also in building their capacity to engage in farming as a business, enabling them to generate income that bolsters food security at the household and community levels.

We selected ASPs as individuals with agricultural skills and knowledge. In other cases, community support organisations, entrepreneurs, or businesses served as the ASP. In each of these cases, the ASP was responsible for helping CC targeted groups adopt agricultural practices, engage in farming as a business, generate income, and link into lucrative markets.

In order to explore the opportunities and challenges of using private entrepreneurs as an alternative agricultural extension model to the public extension system, this paper records the experiences gained from that study. We initiated this two-year study in the second season of 2016.

### Purpose and Objectives

The study's main goal was to identify specific factors that were critical to the success of the ASP extension model. The study had specific objectives.

1. Investigate opportunities for the ASP extension model's effectiveness and sustainability, and
2. Examine the characteristics of ASPs that are key to the successful and sustainable provision of extension services in order to provide evidence for the promotion of a new extension model at the local or national level.

### Methodology

We conducted a cross-sectional assessment using quantitative and qualitative data collection methods. We conducted in-depth interviews with all 38 ASPs and 67 group leaders using a semi-structured interview guide. We asked ASPs and group leaders about their experiences with CC activities, as well as the barriers to the effectiveness and sustainability of the current ASP extension approach.

We conducted semi-structured, in-depth interviews to explore the strategies and characteristics of service providers. We undertook domains of inquiry guided by the tasks service providers perform and explored their

perspectives on the long-term sustainability of their work. We developed and validated a hypothetical scale to measure entrepreneurial characteristics and determine their association with success. To measure the outcomes, we measured adoption and conducted interviews with a representative sample of community group members trained by service providers.

## RESULTS

### The ASP approach's key strengths

#### ***Facilitate the development of win-win relationships.***

The most successful ASPs were those that had well-tailored economic incentives in place, including loans, trainings, and other fee-for-service incentives. Win-win relationships underpin them, where both parties invest equally and mutually benefit from the relationship. For example, the ASP in Lira providing Newcastle disease vaccine extension services is benefiting from selling his vaccine, the Community Poultry Vaccinators gained new skills and a new source of income, and poultry farmers gained by protecting and building their bird flocks. InFarmers have learned how to cultivate, harvest, package, and sell honey that meets the quality requirements of the buyer, who is the ASP. In some cases, the ASP provided the beekeepers with "soft" loans to buy equipment or inputs. In turn, the ASP has a consistent supply of honey that meets his buyers' demands. In each of these cases, individuals were providing or receiving extension support in the form of embedded services like training on value addition and loans. By developing the capacity of input suppliers and output buyers to provide extension support as an embedded service creates a model that is both sustainable and effective. The most sustainable models will ensure that these relationships exist at all points in the value chain—from inputs through production to final markets.

#### ***Minimise the role of the project and gradually withdraw or phase out funding streams.***

Although the CC project has taken steps to reduce handouts in technical service provision, it is crucial to establish appropriate incentives to guarantee farmers' continued access to extension services even after the project concludes. To further minimize CC's role, the project will facilitate alternative funding streams for ASPs, help strengthen existing funding streams, and gradually withdraw or phase out contracts that provide payment and other forms of compensation to ASPs. In the future, the project would identify new ASPs by assessing existing linkages within communities and building upon these relationships to facilitate long-term, repeated transactions that benefit both parties and are not reliant on project resources.

***Start with activities that are simple, have a high chance of success, and quickly demonstrate success.*** Beekeeping is a fairly simple activity that doesn't require substantial investments in terms of time

or money. CC groups were able to build hives with local materials, and the ASP provided branded packaging materials that met their buyers' demands. As a result, group members were able to quickly build their apiary skills and gain confidence in their ability to produce and sell honey. Similarly, the quick and obvious demonstration of positive results contributed significantly to the success of the community poultry vaccinators. In the beginning, only a few farmers recognized the value of paying for vaccine services, but they quickly observed the vaccine's efficacy when the vaccinated birds survived the next outbreak of Newcastle disease. These early successes helped to solidify the relationships between the beekeepers and their buyers/ASPs, as well as between the vaccinators and their poultry farmers.

**Connect to markets with low barriers to entry.** The most successful CC groups work in enterprises with low barriers to entry, reducing risk and providing them with greater potential for success. In the case of the potato seed growers, there was a clear unmet demand for clean potato seed and a strong existing association to provide needed support. The beekeepers were able to adapt to the skills and technology provided to them by the ASP, and they felt secure that the ASP would buy their honey at a fair price. Finally, the CPVs were able to easily build demand for poultry vaccines (by demonstrating their efficacy), obtain the medication, and provide the services on a set date. In all of these enterprises, group members were able to quickly recoup their investment and build their confidence to eventually participate in more lucrative markets.

There are still challenges in connecting smallholder farmer households to input and output markets, particularly for those in remote, hard-to-reach areas of the country. To address this issue, some ASPs directly provided the inputs to groups, either by selling them to members or offering them at no cost to establish learning sites. According to ASP respondents, providing inputs is an advertisement strategy for the products they sell. Though significantly superior to previous extension models, the ASP approach still faces significant sustainability challenges due to its overreliance on positive market signals. The model's effectiveness faces challenges if the market dynamics become distorted. In terms of business acumen, there are also glaring capacity gaps in many ASPs. While this was the main idea behind promoting those enterprises that have excellent market penetration characteristics, both the market environments where the CC groups are located and their poor business mindsets worked against this important ideology.

## CONCLUSION

By observing the performance of ASPs and the effectiveness of the results achieved, we can conclude that a real opportunity exists in the use of ASPs in

extension. The study showed that the most successful ASPs were those that had well-tailored economic incentives in place. Their services relied on win-win relationships, where both parties invested equally and benefited from the relationship. They tended to initiate successful project interventions as catalysts, but gradually withdraw support.

Group members engaged in enterprises with low barriers to entry could potentially be a successful model, as it reduces their risk and increases their potential for success. In all of these scenarios, group members were able to quickly recoup their investments and build their confidence to eventually participate in more lucrative markets. Further investment in business skills training and improvements in market infrastructure are critical to improving this extension model. The ASP extension model offers excellent opportunities for rural economic transformation using existing positive rural output and input market opportunities.

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