



# Rise and Fall of Private Agricultural Service Providers

in Soroti District, Uganda

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# Outline of presentation of Soroti case study

- **Rise of Private Service Providers (PSP)**
- **Fall of PSP**
- **Consequences for PSP and farmers**
- **Policy perspectives**



# Principles of extension reform

- **Separation of finance, management and implementation of extension**
- **Outsourcing to private companies**
- **Participatory governance**
- **Decentralization**



# Growth of Private Service Providers in Soroti District

Year	Number of Sub Counties Covered	Contracts per sub county	Total number of contracts	Total value of contracts	total number of farmer groups	Total number of farmers reached	Cost per farmer reached (US\$)
2001/2	4	6	24	100			
2002/3	9	6	54	225			
2003/4	13	6	78	325	816	16320 (23%)	11
2004/5	14	3	42	210	965	19300 (28%)	6
2005/6	14	3	42	210	1030	20600 (29%)	5
2006/7	14	3	42	210	1405	28100 (40%)	4



# Establishing an enabling environment for PSP

- **Nurturing establishment of PSP**
- **Changing role and function of local government/NAADS technical staff**
- **Farmer Institutional Development**



# Functioning of an enabling environment for PSP

- **Clear TOR, formulated in dialogue between SCFF and LG technical staff**
- **Decentralized fair tender process**
- **Institutional checks and balances limiting corruption and leakage**
- **Quality insurance of PSP outcome**
- **Well organized farmer institutions for technology development and spread**
- **Prompt payment of completed PSP**



# Impact of Private Service Providers

- **Participatory technology development**
- **Effective advisory service about relevant technology enterprises**
- **Socially inclusive spread of agricultural enterprises**
- **Increase in smallholder agricultural production and marketing**
- **Poverty reduction**

# Fall of Private Service Providers

Gov.	Participatory democracy, LG	Neo-patrimonial rule
How	34 Private Service Provider companies	28 Public Extension Workers
Who	All members of NAADS groups 40.000 farmers	Demo, model and lead farmers only 500 farmers
Tech. spread	Farmer institutions TDC – NG – CBF	Trickle down effects
Aim	Commercialization, Poverty reduction	Accumulating farmers, 'Visible development'



# Political rationale for abandoning use of Private Service Providers

- **No development rationale for changes**
- **Participatory democracy seen as challenge for some local councilors**
- **Out-sourcing of services seen as challenge by some technical staff**
- **Problems where former institutional development inadequately supported**
- **Success of NAADS not seen to be attributed to the ruling party**



# Consequences for Private Service Providers

- **Some well established professionals continued as NAADS Staff/gap fillers**
- **Some PSP continue as urban based input suppliers**
- **Some establish themselves as commercial farmers or agri-processors continuing to providing services to farming community**
- **Some are out of employment or retired**



# Consequences for farmers

- **Spread of enterprises stopped as agricultural advisory services are no long available to members of NAADS groups**
- **Support no longer socially inclusive and focus shifted to supporting accumulating farmers**
- **Legitimacy of farmer's institutions reduced as their governance content is diminish**
- **Collective agency and community trust reduced - repayment rate of micro-credit loans gone from 90+ to near zero**



# Policy lessons?

- **Demand-driven private advisory services can increase smallholder production and reduce poverty**
- **Policy reform can be rolled back when success is not seen to be attributed to the president and ruling party**
- **International donor community seems willing to financial support a new program that reverse reform principles**