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The need for local business development services in agriculture

What are the challenges?

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What are local BDS in agriculture?

Services that improve the performance of the agricultural enterprise:

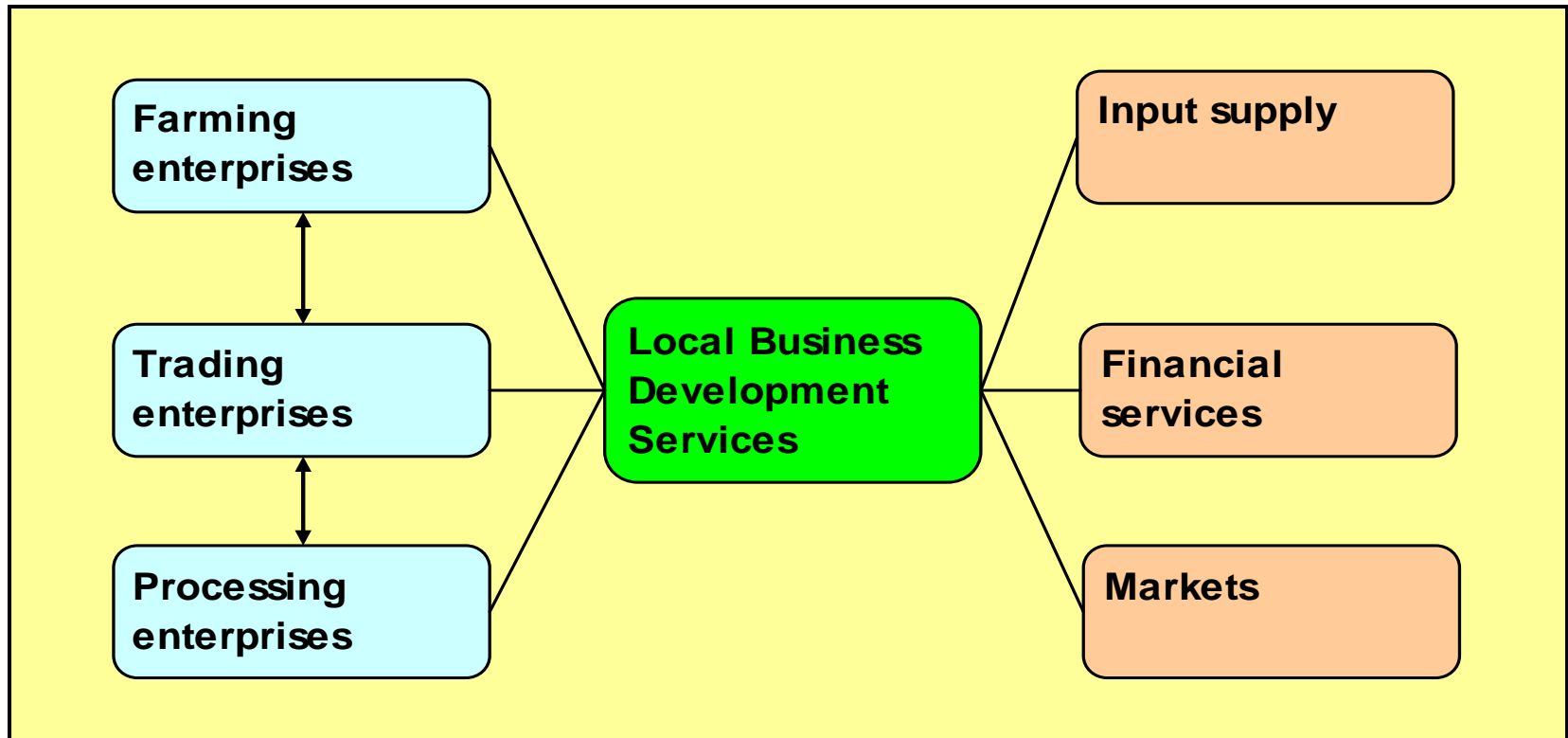
- Entrepreneurship development (training and advice);
- Market research, information, advice;
- Promoting chain linkages;
- Business plan development;
- Access to financial services and markets;
- Standards, certification and quality management; and,
- Market oriented technological innovation.



Why now more attention for LBDS?

- Local economic development (LED) emphasis;
- Value Chain Development (VCD);
- Market orientation main trigger for innovation;
- Attention for farmer entrepreneurship.

Role of Local Business Development Services





Capacity development challenges for

- **local business development service providers**
 - Coach and broker role;
 - Business plan development.
- **district authorities**
 - Match demand and supply of services;
 - Sustainably contracting in services.
- **national BDS providers**
 - Bridging urban-rural gap;
 - Training, coaching, and support of local BDS;
- **higher education** (Business Schools and Universities)
 - Learn from practice;
 - Local knowledge into training materials and courses;
 - Educate agricultural business professionals.



Local BDS in Ethiopia

Five options to get local BDS from:

- Cooperative unions;
- Traders or processors (embedded);
- Reoriented research and extension;
- NGOs; and,
- Commercial local BDS provider

Main challenges:

- Emphasis on (chain) demand rather than supply;
- Reducing costs of local BDS
- Address sustainability of services by introducing fee based systems

Source: <http://www.agri-profocus.nl>



Local BDS providers in Mozambique (1)

Issues:

- District (Economic) Development Fund requires suitable business plans for funding;
- The current BDS market is underserved, with public sector having little capacity and the BDS being mostly donor instead of demand driven.



Local BDS in Mozambique (2)

The National Extension Programme (2008-2015):

- Contracted private agencies for BDS development;
- Capacity development of SME/NGOs in BDS provision;
- Matching funds support and coaching trajectory for local BDS providers;
- Capacity development of farmer agribusiness promoters;
- Capacity development of farmer associations towards funding of a business plan.



Challenges

- BDS capacity gaps at local and national level;
- Synergy between public, NGO, FO and private service providers;
- Entrepreneurial mindset in public service delivery;
- Tailor made services need;
- Farmers' organizations multiple roles; and,
- Sustainability of LBDS.



Next

- Good practices and lessons for LBDS, on sustainability, financing;
- Curriculum development (knowledge and skills);
- LBDS capacity development (incl. context)