An Action Plan for Developing AIMs: Evidence From Africa

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Genesis

- USAID/Carter Center Study, 1997
The Framework

- Collaborative Effort
- Seed, Fertilizers, and CPPs
- Holistic Approach
- Validation Workshop
- Action Plans to Test the Framework

Action Plans

A. Completed
   - Malawi
   - Nigeria
   - Ghana
   - Uganda

B. Planned
   - Zambia
   - Tanzania
Nature and Scope

- Functioning and Performance of AIMs
- Constraints Affecting Their Performance
- Measures Needed to Make Them More Efficient
- Potential of the Private Sector

Findings—Functioning and Performance

- Underdeveloped and Fragmented
- High Input Prices
- Poor Accessibility
- High Transaction Costs
Findings—Constraints

- Macropolicy Constraint
- Market Development-Related Constraint
- Technical Constraints

Constraints Affecting AIMs in Africa

<table>
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<tr>
<th>Country</th>
<th>Policy</th>
<th>Human Capital</th>
<th>Finance</th>
<th>MIS</th>
<th>RF</th>
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Findings — Potential

Potential of the Private Sector Is Good but Constrained

The Approach

- Supply Side of the Market Equation
- Shifting the Supply Curve to the Right
- Technology Transfer Efforts
The Conceptual Framework: The SSCR Approach*

*Shifting the Supply Curve to the Right.

Measures Needed to Make AIMs More Efficient

- Policy
- Human Capital
- Finance
- MIS
- Regulatory Frameworks
- Technology Transfer Efforts
Market Development Process

Holistic Approach

- Policy
- Regulatory Mechanisms
- Human Capital
- Finance
- MIS

Institutional Arrangements

- Holistic Approach
- Public-Private Partnership
- Government Commitment
- Donor Support
Public-Private Partnership

Identification of Roles
- Private Sector — Directly Productive Activities
- Public Sector — Public Goods and Externalities

Identification of Areas
- Market Information
- Technology Transfer
- Regulation/Quality Control
- Risk Management

Implementation of Action Plan

Government Commitment

1. Maintain Market-Friendly Policy
2. Invest in Infrastructure and Institutions
3. Implement Market Development Projects
Donor Support

- Abstain From Creating Distortions
- Strengthen the Process of Marketization
- Provide Funds for the Implementation of Market Development Projects

Conclusion

- It’s the beginning, not the end. Well-functioning AIMs will lay the foundation for enhancing agricultural productivity in Africa.
- With government commitment and long-term donor support, it can be achieved.
POST SCRIPT

IFDC has active AIMs projects now in:
- Ghana
- Malawi
- Nigeria
- and West Africa – the MIR project

IFDC is in the design phase for an AIMs program in Uganda
And Integrated Soil Fertility Management projects in West Africa

MIR
Marketing Inputs Regionally

A West African Agricultural Inputs Market Project
Using regionalization to:
- Tackle undisclosed interests
- Fight (quasi) monopolies.
Covers 5 countries
MIR

Participating Countries

Burkina Faso
Ghana
Mali
Benin
Togo

MIR Elements

1. Supporting UEMOA & ECOWAS to create one inputs market
   elimination of interior national borders;
   quality control;
   market information system.
2. Reinforcement of private sector
   association building;
   training, training and training.
3. Facilitation dialogue among stakeholders
   awareness creation
   organizing support
4. Cotton inputs emergency plan
   see 3 components above;
   promoting integrated cotton production.
DAIMINA Project in NIGERIA
Operating in 3 States – Kano, Oyo and Bauchia

4 components:
* Reform of Agribusiness Policy and Fertilizer and Seed Regulations
* Private Sector Capacity Building
* Strengthening of Market Information Systems
* Increased Farm Productivity

Results: 450 trained dealers, 25% increase in sales
New fertilizer regulations being adopted
Policy dialogue on subsidy and WTO progresses

The Malawian Voucher System
THANK YOU

Questions and Discussion?

African Agri-inputs Market Information Network
AFAMIN OBJECTIVES

• Provide reliable, current market and trade information in the agricultural sub-sector.

• Serve as an analytical base for comparative studies of agricultural trade, productivity and profitability among countries in the region.

• Make the information available to all stakeholders to assist in making informed decisions affecting agriculture and the food chain.
AFAMIN Content

- Monthly Agri-input retail price data base
- Country pages
- Regional Agri-Markets
- Regional Information
- Tools
- MIS Modules for Ghana and Togo
- Meeting and training announcements