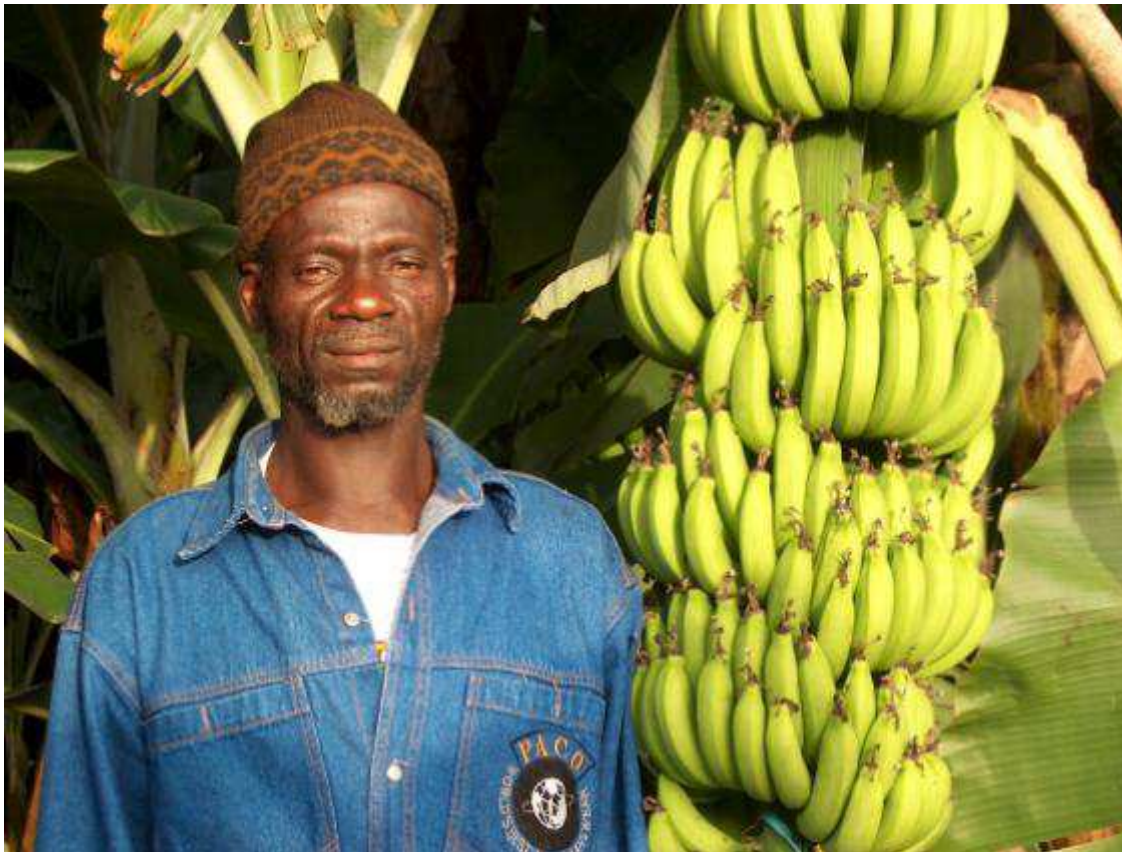


SFRAS

Swiss Forum For Rural Advisory Services

Embedded Rural Advisory Services



Introduction to the
SFRAS side-event
at the GFRAS
Annual Meeting

Peter Schmidt

Berlin; September 23rd, 2013

Set the scene

GFRAS Annual conference 2013: “The role of private sector and producer organisations in RAS”

Swiss Forum for Rural Advisory Services (SFRAS) – as a chapter of GFRAS – would like to share “*successes and limits of the private sector in the provision of RAS based on the experiences of the SFRAS members and the deliberations of SFRAS*”

SFRAS is an informal group of experts from Swiss development, research, education and private sector organisations, who are involved in RAS in developing countries.

Embedded Services are one form of private sector involvement in RAS. Five examples from SFRAS members allow for reflection on successes and limits of embedded services.

Swiss Forum for Rural Advisory Services (SFRAS)

SFRAS is an informal group of experts from Swiss development, research, education and private sector organisations, who are involved in Rural Advisory Services (RAS) in developing countries. It is an active country chapter of the Global Forum for Rural Advisory Services (GFRAS).

OBJECTIVES

- Exchange and learn from each other, particularly on good practices, tools and innovation in RAS;
- Have space for networking among members of different institutions (public, private, NGOs);
- Coordinate advocacy and lobbying on RAS in order to keep it high on the agenda in international cooperation.

FUNCTIONING

- The thematic meetings are hosted in rotation by different organisations and are open to representatives of organisations and to individuals interested and engaged in RAS.
- Including the first meeting in April 2010 the SFRAS met for five lively face-to-face meetings (aim is 1-2 face-to-face meetings per year).

THEMES ADDRESSED

- Pluralistic RAS systems
- Role of the private sector in RAS
- RAS and Making Markets Work for the Poor (M4P)
- Measuring the impact of RAS
- Capitalisation of RAS experiences

MEMBERS (NON-CONCLUSIVE LIST)

Research & Education

- CDE, University of Bern, Centre for Development and Environment
- FiBL, Research Institute of Organic Agriculture
- HFL, Bielefeld University of Applied Sciences, School of Agricultural, Forest and Food Sciences

Centres of Excellence & networks

- Agridea
- GFRAS – Global Forum for Rural Advisory Services
- Independent consultants

Private Sector

- Nestlé
- Syngenta Foundation for Sustainable Agriculture

Development NGO

- Cabi Europe, Switzerland
- Caritas Switzerland
- HELVETAS Swiss Intercooperation
- HEKS – Swiss Interchurch Aid
- IDE
- Swisscontact
- World Vision Switzerland

Development NGO

- Swiss Agency for Development and Cooperation, Agriculture and Food Security Network

LINK

http://www.adc-foodsecurity.ch/en/Home/Focus_areas/Rural_advisory_services/SFRAS

Embedded Services

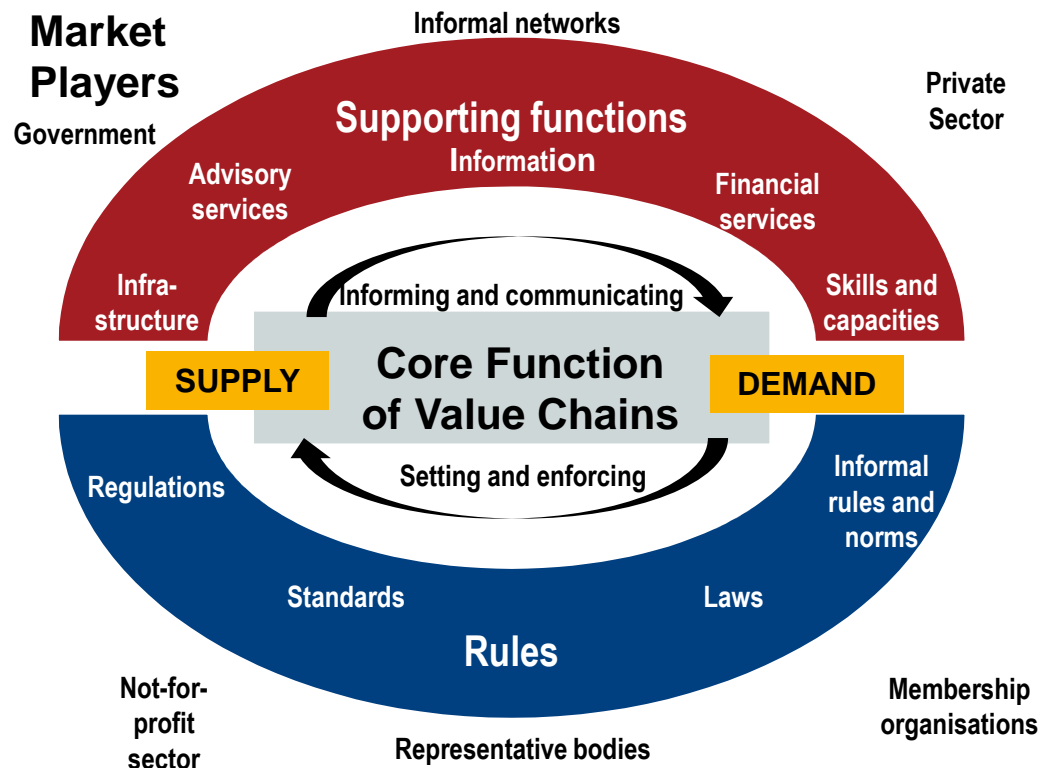
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Embedded services: The delivery of advisory services and their funding are linked to a business transaction in a value chain.

Replies to the fundamental question, e.g. in the frame of „Making Markets Work for the Poor“:

- Who does?
- Who pays?



SDC: A synthesis of the Making Markets Work For the Poor (M4P) approach, 2008

Embedded Services in the „Who does, who pays“ matrix

Source of finances for services	Service Providers (SP)					
	Public Sector	Private Sector Input supplier	Processors/ traders	Private RAS providers	Civil Society NGO	Farmer Org.
Public	Public-sector services	Publicly funded contracts or subsidies to private SP			Publicly funded contracts to NGOs; Publicly funded NGO providing free services. Other NGO hired as SP.	Publicly funded contracts or subsidies to farmer organisations
NGOs	Public sector SP hired by NGOs.	Private SP hired and paid for by NGOs				SP hired by NGOs and paid for by Farmer org.
Private companies	Public sector SP hired by private companies	SP hired by companies, often linked to sale of inputs (embedded services)	SP hired by companies, often linked to procurement of agric. products	SP hired by private companies.	Private sector contracts to NGOs as SP.	Private sector contracts to farmer organisations as SP.
Farmers	Public sector SP hired by clients or farmer org.	(Specialized) services hired and paid for by clients.	(Specialized) services hired and paid for by clients.	SP hired by clients or farmer org.	-- (or very rare)	Farmer org. as SP to own members
Farmer Org.	Public sector SP hired by Farmer org.	Private SP hired and paid for by Farmer org.			-- (or very rare)	SP hired by Farmer org. as a free service to farmers

Schematic examples of embedded services

Core functions of a Value Chain



	RAS linked to Input Supply	RAS linked to processing / marketing
Who does ?	Suppliers of agricultural inputs; eg. Agro-retailer, veterinarian	Processors, dealers of agricultural products; e.g. in the frame of contract farming
Who pays ?	Costs of advice are included in the sales price of the input	Costs of advice are paid from the margin of the processor / dealer
Case studies	<ul style="list-style-type: none"> • iDE Cambodia • Syngenta Foundation for Sustainable Agriculture • CABI • Samriddhi, HELVETAS Bangladesh 	<ul style="list-style-type: none"> • Rural Livelihood Development Project, Tanzania

Strengths and risks of embedded services

Strengths	Risks
Specialised, well targeted advice	Biased advice towards maximising sales of inputs
Efficient service delivery as part of business transaction in value chain	Creating dependencies for producers
Reaching scale	Non-equitable coverage (e.g. remote areas, women, poor....)
Financial sustainability
Complements public RAS
.....	

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Thank you!

