

Capacity Building and Policy Coordination Strategies

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**Food Security & Vulnerability: Priority Research
Themes for Policy Influence and Impact**

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Overview

- **Legal and Institutional Reform**
- **Technical and Managerial Capacity Building**
- **Coordination for Policy Implementation**
- **Marketing and Supply Chains**

What are the key governance challenges **in the agricultural sector?**

Constraints on governance for good agricultural performance include:

- Democratization at the grassroots
- Civil society participation
- State reforms
- Corruption control

Is decentralization the key tool for improved governance?

State Commitment to Pro-poor Reforms in Agriculture

The NDP paper on agricultural development recognizes that the institutional infrastructure is weak and the legislation mostly outdated:

- Revision of the law regarding the cooperative movement
- Identifying measures to reduce waste in water
- Review expenditure on R&D for agriculture
- Upgrade the effectiveness of extension services

Will NDP intentions be translated to actions at the legislative and executive levels?

Information taken from “Food Security and the Future of Agricultural Development: Strategic Priorities.” Annual NDP conference policy paper. November 2008. <http://www.ndp.org.eg/en/index.aspx>

A Hospitable Environment to Empower Poor Farmers

A best case scenario is one where:

- Extension services bring added value and productivity
- The R&D complex feeds Extension Services continuously
- Redesigned cooperatives engage in bulk purchases and marketing
- The PBDAC diversifies its services its credit services
- Risk mitigation options are affordable
- ICT services are adopted by all stakeholders
- More Farmer associations are duplicating the “water user” success story

Are there other areas that require attention?

Overcoming Market Failures in Agriculture

Market failures have persisted as a result of the following problems:

- Monopoly power
- Externalities in natural resource management
- Scale economies in supply chains
- Non-excludability in R&D
- Information asymmetries in market transactions
- Absence of collective action for voice, negotiations, and monitoring

What are the safeguards to be introduced and the investments to be made by government?

A Strategy for Effective Public Policy **and Outcomes**

A number of approaches can be considered to improve governance and reduce inequality in rural areas:

- Coordination as a goal to promote the “Agriculture for Development Agenda”
- Legislative and regulatory reforms to eliminate wholesale and/or retail monopolies
- Overhaul of the extension service system
- Engage NGOs in partnerships with local public authorities
- Building capacity and empowerment of officials for protection of the environment

What are the elements of a comprehensive and monitorable Reform Agenda that assigns roles to each stakeholder in the public service?

Promoting Marketing and Supply Chains

Five factors constrain entry of the poor

- **Limited market information**
- **Ineffective regulatory environment**
- **Inadequate infrastructure**
- **Gaps in knowledge and skills**
- **Restricted access to finance**

Is there a package of government interventions that together can enhance the opportunity set for small landholders in big markets?

Successful Partnerships between Small and Large Business

There are a number of modalities at home and abroad

- SEKEM producer of organic vegetables and herbs for 31 years
- Network of 850 small-scale farmers reached in 2005
- Export revenue of \$19 million
- Workforce of 2,850 in 2005

What are some lessons on scaling up from SEKEM and other partnerships?

Farmers' Associations and Cooperatives

Cooperatives can help build capacity of farmers and leverage their negotiating power

- Meeting required quality controls and standards
- Reducing transactions costs for contractors
- Improving link to large retailers
- Reducing risks in supplying export value chains

Can a hybrid model for a cooperative be constructed that adapts international best practice to the Egyptian context?

Agribusiness with Export Growth Potential

**Exploiting Egypt's comparative advantage in horticulture can
reduce poverty**

Constraints on market entry for smallholders:

- High quality standards and food safety regulations
- Finance to upgrade facilities and logistics
- Assisting linkages between small farmers and large-scale farmers with export outlets
- Developing modalities for output contracting
- Adaptive technological support

Is there a package of services to enhance quality and marketing that parallels the package developed for supporting micro and small enterprises in the non-agricultural sector?

Louw A., H. Vermeulen, and J. Kirsten. 2007. "Securing Small Farmer Participation In Supermarket Supply Chains In South Africa." Development Southern Africa. Vol. 24

World Bank. (2008). World Development Report 2008: World Development Report 2008: Agriculture for Development

Adaptive Technological Support Services

Investments in demand driven support services and systems cover:

- Field testing and verification of new varieties
- Soil and water management
- Pest and disease management
- Pesticide residue testing
- Quality certification

How can Egypt's R&D complex make a better contribution to the needs of all farmers and consumers?

Public Interventions and Strategies that Work

At the macro level

- Broad policies promoting competition
- Measures to enhance market entry

At the micro level

- Capacity building for producers
- Support for market linkages

What is the role of the Competition Authority in agricultural markets?

What incentives and rewards to motivate government employees?

Is there a role for private agribusiness to upgrade capacity building and other services?

Are there new activities that PBDAC can engage in to exploit its storage facilities and supply chains?

Collaboration for a Integrated Package of Policies and Actions

Some necessary elements that are cross-cutting for protecting the environment and reducing health risks:

- Joint action to eliminate air pollution from agriculture (black cloud)
- Joint action to eliminate contamination of rivers and lakes (industrial effluents and sewage)
- Promoting coordination and communication with the R&D sector

What are the incentives, subsidies and taxes for farmers and other polluters to change their behavior?