

# **An Action Plan for Developing AIMS: Evidence From Africa**

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## **Genesis**

- **USAID/Carter Center Study, 1997**
- **IFDC/SG 2000 Partnership Work, 1998-2000**
- **USAID-Funded Strategic Framework for  
Developing Sustainable Input Supply  
Systems in Africa, 1998/99**

# The Framework

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

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## Action Plans

- A. Completed
  - Malawi
  - Nigeria
  - Ghana
  - Uganda
- B. Planned
  - Zambia
  - Tanzania

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## **Nature and Scope**

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

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## **Findings—Functioning and Performance**

- **Underdeveloped and Fragmented**
- **High Input Prices**
- **Poor Accessibility**
- **High Transaction Costs**

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## Findings—Constraints



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

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## Constraints Affecting AIMs in Africa

Country	Constraints Related to				
	Policy	Human Capital	Finance	MIS	RF
Malawi	Severe	Severe	Severe	Mild	Severe
Nigeria	Severe	Severe	Severe	Mild	Severe
Ghana	Mild	Severe	Severe	Mild	Severe
Uganda	Mild	Severe	Severe	Mild	Severe

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## **Findings — Potential**

**Potential of the Private Sector  
Is Good but Constrained**

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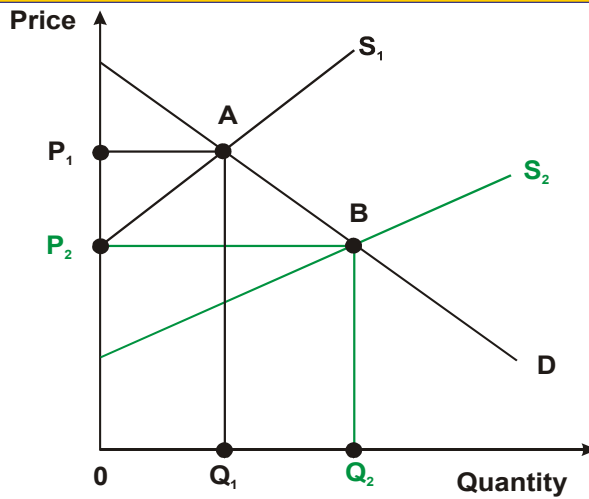
## **The Approach**

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- **Supply Side of the Market Equation**
- **Shifting the Supply Curve to the Right**
- **Technology Transfer Efforts**

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## The Conceptual Framework: The SSCR Approach\*



\*Shifting the Supply Curve to the Right.

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## Measures Needed to Make AIMS More Efficient

- Policy
- Human Capital
- Finance
- MIS
- Regulatory Frameworks
- Technology Transfer Efforts

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# Market Development Process

Holistic Approach



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## Institutional Arrangements

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

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# Public-Private Partnership

## ■ Identification of Roles

- Private Sector — Directly Productive Activities
- Public Sector — Public Goods and Externalities

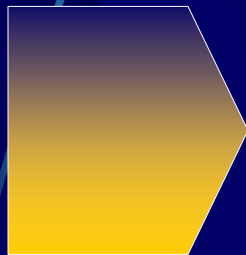
## ■ Identification of Areas

- Market Information
- Technology Transfer
- Regulation/Quality Control
- Risk Management

## ■ Implementation of Action Plan

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# Government Commitment



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

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## **Donor Support**

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

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## **Conclusion**

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- **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.**

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## 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

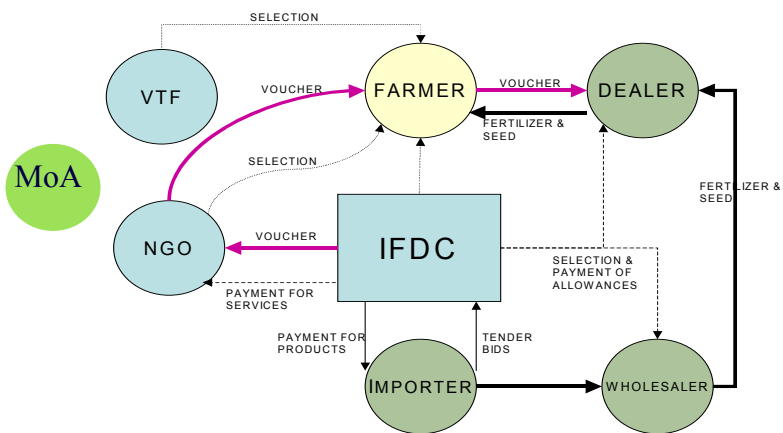
4 components:

- \* 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 Malawi 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