



MARKET
DEVELOPMENT
IN THE NIGER DELTA



Learning Paper Series Vol. 7

DELIVERY STRATEGY FOR MARKET DEVELOPMENT PROGRAMMES: DEEPENING THE POOL OF COMMERCIAL DRIVEN EXTENSION SERVICE PROVIDERS AND LOCAL CO-FACILITATORS

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Market Development in the Niger Delta (MADE) is a DFID funded market development programme that aims to contribute to increasing the incomes of poor men and women in the Niger Delta Region. The programme aims to improve market access, economic activity and trade for poor producers within the region. It does this by working with private sector



to facilitate changes in services, inputs and product markets, which in turn increases the competitiveness of smallholder farmers and small-scale entrepreneurs. MADE's interventions cut across palm oil, agricultural inputs, cassava, poultry and aquaculture sectors.

Partnership Initiative in Niger Delta (PIND) is a non-profit foundation established in 2010 with funding by Chevron Corporation to provide support for socio-economic development programs in the Niger Delta region. PIND's overarching mandate is reducing poverty in the Niger Delta region by designing and implementing development activities that seek to raise the income of poor farmers and enterprises and provide sustainable means of livelihood to individual in the communities in the Niger Delta PIND has adopted the "Market Systems Development (MSD) approach to economic development. The MSD approach focuses on developing market systems by addressing underlying causes rather than symptoms of weak market performance.



Introduction

The Niger Delta region is home to about 40 million people and produces the oil wealth that accounts for about 90% of Nigeria's foreign exchange earnings. The Delta's abundant natural wealth stands in stark contrast to its palpable underdevelopment. Poverty levels in the Niger Delta are not as high as in the far North of Nigeria, but across a range of poverty indicators it is arguably the next poorest region. Agriculture which accounts for largest share of labour force is the main stay of the rural economy employing about 11.1 million people and providing livelihoods for about 70% of the rural population. Most of the poor in the region live in rural areas and are dependent to some degree on subsistence agriculture¹. The concentration of oil industries in the region has created wage and commodities inflation raising the cost of living and intensifying the experience of poverty among the poor. This culminates in intense feelings of injustice (given the wealth which the region generates from oil) and has fueled eruptions of violence, militancy and insecurity common in the region – further aggravating and perpetuating the incidence of poverty.

The Market systems development (MSD) approach is gaining momentum as a sustainable pathway to poverty reduction within the region. The approach helps to understand how the poor interact within market systems, identify and resolve underlying causes that limits their participation and performance in a bid to develop systems that sustainably improves the lives of the poor. It does this through a facilitative role to support the emergence of market-based innovative solutions, that triggers commercial incentives and accelerate pro-poor growth opportunities, thereby delivering large scale and sustainable impact of poverty reduction.

Given the relative novelty of the MSD approach, there has been an increasing call by new practitioners for information about delivery strategies of the MSD approach. Within this context, this learning paper illustrates MADE's and PIND's experiences of using commercially driven extension service providers to stimulate awareness and adoption of yield enhancing products, services and technologies by poor small holder farmers within the agricultural sector while also working with local co-facilitators to implement MSD initiatives within a conflict prone region.

Market Development in the Niger Delta (MADE) and Partnership Initiative for Niger Delta (PIND) are implementing MSD programmes within the region. This document reviews their experiences over the past seven years introducing extremely innovative and successful models for stimulating commercial development for the benefit of smallholder farmers. These models are proving to be more impactful and sustainable than traditional direct delivery programming used by most donor programmes. The two organisations leveraged the use of local business service providers to drive commercially oriented outreach and extension programmes for smallholder farmers. MADE and PIND built up a cadre of trainers and instituted training for more than 100 local organisations (NGOs, CSOs, consulting companies, and government agencies) on market systems development and how to replace direct delivery with facilitation approaches.

The document looks first at the commercially driven extension, where private companies understand and adopt value propositions that incentivize them to drive training and capacity building of farmers, as a means of stimulating the sales of their products and services. The second section reviews the CAPABLE M4P initiative which build the capacity of many local institutions to adopt the new approaches. The final section looks at some of the lessons that have been learned over the past seven years and the implications for continued growth of these methodologies.

¹ PIND Economic Opportunities Report Pg.7



A. Commercially Driven Extension Service Provision

1. Agricultural extension services in the Niger Delta Region - What was the Status of Agro- Extension Services?

Agriculture is the main stay of the rural economy in the Niger Delta region employing about 11.1 million people and providing livelihoods for about 70% of the rural population. Eighty percent of farmers in the region are small-scaled producing food and agro-commodities (such as cassava, rice, cocoa, oil palm, poultry and fisheries) for household consumption, local industries and exports. Nonetheless, low productivity is widely experienced by small-scale farmers, with households in which the head is engaged in agriculture having the highest incidence of poverty. One of the major constraints was limited flow of information on modern agriculture and techniques, exacerbated by a weak support system to deliver the techniques, and a comatose and ineffective public extension system that smallholders relied upon. Initial research undertaken by MADE and PIND revealed that major sources of agricultural information for resource-poor smallholder farmers in the Niger Delta region were from the older generation of farmers, their peers and the public extension workers. Information received were mainly on traditional farming practices and outdated production techniques. The knowledge gap further fuelled the productivity gap experienced by small scale farmers. At the same time, local commercial agro-inputs suppliers and consultants, who had more information about modern production techniques and could increase their sales by sharing it, did not.

1.1 Analyses of the constraints and opportunities

PIND and MADE sought to improve the performance and competitiveness of the agricultural sector to sustainably improve the incomes and welfare of poor farming families in the Niger Delta region. As a first step, the programmes undertook value chain analyses of the major crops (oil palm, cassava); livestock (poultry and fisheries) as well as cross-cutting (agro-inputs, business linkages) sub sectors within the Niger Delta region. This was done in a bid to assess performance, identify binding constraints to sector growth as well as key priority areas for intervention. Across all the sectors, information flow regarding modern farming practices was limited, which also inhibited the use of productivity enhancing inputs and relevant services. For example, in the livestock sector, poor animal health, inefficient feeding practices leading to low productivity were major challenges experienced by farmers due to inadequate skills and technical know-how of fish pond management and good poultry keeping practices. The relationship between farmers and other players and businesses like processors, input suppliers, agro-equipment dealers and people who could possibly provide information, advisory services and inputs to farmers was fragmented and un-coordinated. Generally, public extension services focused on training and knowledge transfer, without corresponding relationships with relevant inputs suppliers and service providers, reducing the effectiveness of the public extension services. Another major constraint permeating all the sectors was low levels of farmers understanding farming as a business; information on cost and returns, value addition, access to markets, etc. were largely missing.

Three main types of agro-extension services and their suppliers were identified within the Niger Delta region:

- a. **Public funded extension:** the dominant traditional supply driven agricultural extension services provided mostly free of charge to farmers primarily by the federal and state governments. Agricultural extension services have been dominated by Agricultural Development Programs (ADPs) (funded through the World Bank loans), which has rapidly declined, due in part, to the lack of a sustainability plan.



- b. Non-commercial extension:** extension services delivered to farmers by non-governmental organizations as part of donor funded activities. The NGOs are dependent on donor or external funds, thus challenging the sustainability of this model.
- c. Private commercial extension:** commercially oriented organizations and individuals providing fee-based products and services to farmers and entrepreneurs (mostly large-scale farmers) and, in some cases, embedded extension related information in their deliveries. Some of these include the provision of inputs (crop protection products, vaccines, smoking kilns, feed, fish tanks, and fingerlings) and services like vaccination, pond management, business management and training, etc. The services are paid for directly (typically large-scale farmers) or indirectly (government or donors purchasing services to be delivered to small scale farmers). They primarily sell their services to other market actors, either within one sector or across a range of sectors. They may also sell services to donors/government, and will frequently leverage other donor or government schemes, but usually for the benefit of their clients.

The government was the dominant supplier of extension services to smallholder farmers in the Niger Delta region. However, the efficacy of the public service is low due to limited capacities and budget allocations. With poor extension coverage, farmers do not know where to turn to improve their farming knowledge. Many extension workers are unmotivated, as they do not have operational funds nor receive consistent training on modern extension methodologies.

A deeper analysis of the failure of the services market to develop in response to the clear commercial need of farmers was due to both demand and supply-side failures. On the supply side, service providers lacked much of the knowledge and skills to address the underlying challenges that farmers and enterprises faced. The few that had some level of skills largely focused on selling services to donors and international oil companies (IOCs), and did not recognize the commercial potential of selling directly to the farmers. As an example, in the Niger Delta region, the IOCs were paying non-profits and consultants to deliver aquaculture trainings to farmers as corporate social responsibility initiatives, rather than building a value proposition for the market actors (feed companies or the consultants) to sell directly to the farmers. As a result, many of the SPs had very poor value offerings and were unable to engage other market actors with commercial incentives to support farmers, creating a relatively weak supply of services. On the demand side, most of the smallholder farmers were unaware of their farming problems and corresponding solutions thus limiting their understanding of value proposition for engaging private extensionists. Many farmers and enterprises were also unaware of the commercial returns to be gained from using quality service providers. Also, the poor skills and sometimes non-existent service market made it difficult for private companies with commercial incentives to sell to farmers to engage local service providers to help them.

2. Development of a Commercially Driven Extension Model targeting poor farmers and entrepreneurs - *how did MADE and PIND intervene and facilitate change?*

2.1 Strategy

In recognition of the pros and limitations of the different types of extension services in use in the region, MADE and PIND sought to facilitate the development of a commercially oriented extension support market whereby firms, sector service providers and business support providers (organizations and individuals- SPs) deliver effective information, capacity support and advisory services that enhances the performance of underserved smallholder farmers, entrepreneurs and other market actors within the agricultural sector in the region. The programmes envisaged that these firms could potentially integrate extension information and services to further stimulate sales of inputs and services to smallholders while also taking into consideration that the profit motive and

the entrepreneurial nature of private SPs will ensure sustainability and growth. Sustainability of service provision is key as donor funded extension projects were by nature short term while government programmes were also subject to changing budgets, priorities, and demands.

MADE and PIND identified a wide range of commercial actors that could possibly promote and deliver extension services to smallholders taking into consideration their different incentives, the specific services they provide, and levels of operation. These commercial extension service providers can broadly be categorized into two as detailed below and illustrated in Table 1:

1. Large private sector agro-allied companies (input supply companies, processors, or off-taking companies) providing embedded services;
2. Local Private extension (LPE) service providers who are delivering fee for service directly to the farmers for any activity that the farmers will pay for. These include trainings on productivity (good agronomic practices – GAP - trainings, and pond management trainings - PMT), business skills training related to their crops (Nigerian Agricultural Enterprise Curriculum (NAEC) in poultry, aquaculture, agro-retailing, crop production), services to access markets, finance, additional inputs, services to resolve technical problems that they are encountering on the ground (water quality testing, soil testing), or advice on addressing specific disease issues. LPEs come in different forms and levels of sophistication –
 - i. Mid-scale ones, who are multipurpose entrepreneurs, who may have many services and interlinked products; and
 - ii. Small scaled localized ones like village level poultry service providers, agro-dealers, smaller fabricators, etc. (these may work more closely with large companies). These provide extension services to enable them to sell more of their products and service offerings.

Type	Examples of firms promoting extension	Motives and Types of extension services and linkages
Large private sector agro-allied companies	Agro Allied: Processing and Off-taking companies	In pursuant of attaining high quality standards and required level of production, these firms support extension services and input supply to contract farmers
	Agro- Input: Feed Companies, crop protection products (CPP) companies, Veterinary Pharmaceutical companies (VPC)	Driven by a desire to build demand for their products, firms, these firms offer technical trainings for agro-retailers and dealers conduct trainings, demonstrations and field days for farmers to promote sales and build client loyalty
Local Private extension (LPE) service providers	Agro-retailers, Fabricators and marketers of equipment	Organize demonstrations to show the value proposition of utilizing inputs and equipment to promote sales
	Technical Extension Service Providers (TESP)- Spray Service Providers (SSPs) Private Nursery Operators (PNOs) Village level Vaccinators and Dealers (VLVs and VLDs) Master Village Seed Entrepreneurs and Village Seed Entrepreneurs (MVSEs and VSEs) Master Aquaculture Service Providers and Aquaculture Service Providers (MASPs and ASPs)	Income generation motives drives these actors to sell technical services needed by farmers to deliver higher quality and be more productive; often work in conjunction with agro-retailers, agro-allied companies, lead farmers. Offer technical, basic business (NAEC) and combined trainings for SHF, provide technical business services linkages for access to technologies, markets; train new staff to work with them

Type	Examples of firms promoting extension	Motives and Types of extension services and linkages
	Business Service providers (BSP)	Driven by profit motives, use business diagnostic training to assess SMEs and NAEC for farmers; Business training for agro-retailers, large farmers, TESP; provide linkages to technologies for farmers and access to finance; often certified business trainers by government; and have strong networks to Agro-allied, TESP, and TSP.

2.2 Implementation Approach

MADE and PIND implemented a capacity strengthening initiative for private extension service and business support providers in response to the identified constraints limiting their performance. They designed a three phased approach as illustrated in Fig. 1 comprising:

- A. Capacity Assessment and targeted Capacity Building
- B. Facilitating linkages with key market actors
- C. Expansion and Scale up Initiatives

2.2.1 **Phase 1: Capacity Assessment and Capacity Building:** At inception, during the initial value chain analysis, and in the course of intervention, the programme team became aware of multitude of inputs and technology suppliers and service providers across the agricultural value chains (agro-input dealers and retailers, aquaculture trainers, poultry input stockists, private nursery operators, fabricators, etc.) who were selling inputs, technologies and services but not optimizing the full potential of their sales and commercial benefits within the sector. Further assessments revealed that these actors lacked the required some specific knowledge and marketing skills to engage and communicate value proposition of applying improved practices and inputs to farmers given the limited understanding of the sector and availability of learning resource. The available learning resources were not reflective of current realities and treated enterprises as stand-alone rather than reinforcing and building on strengths.



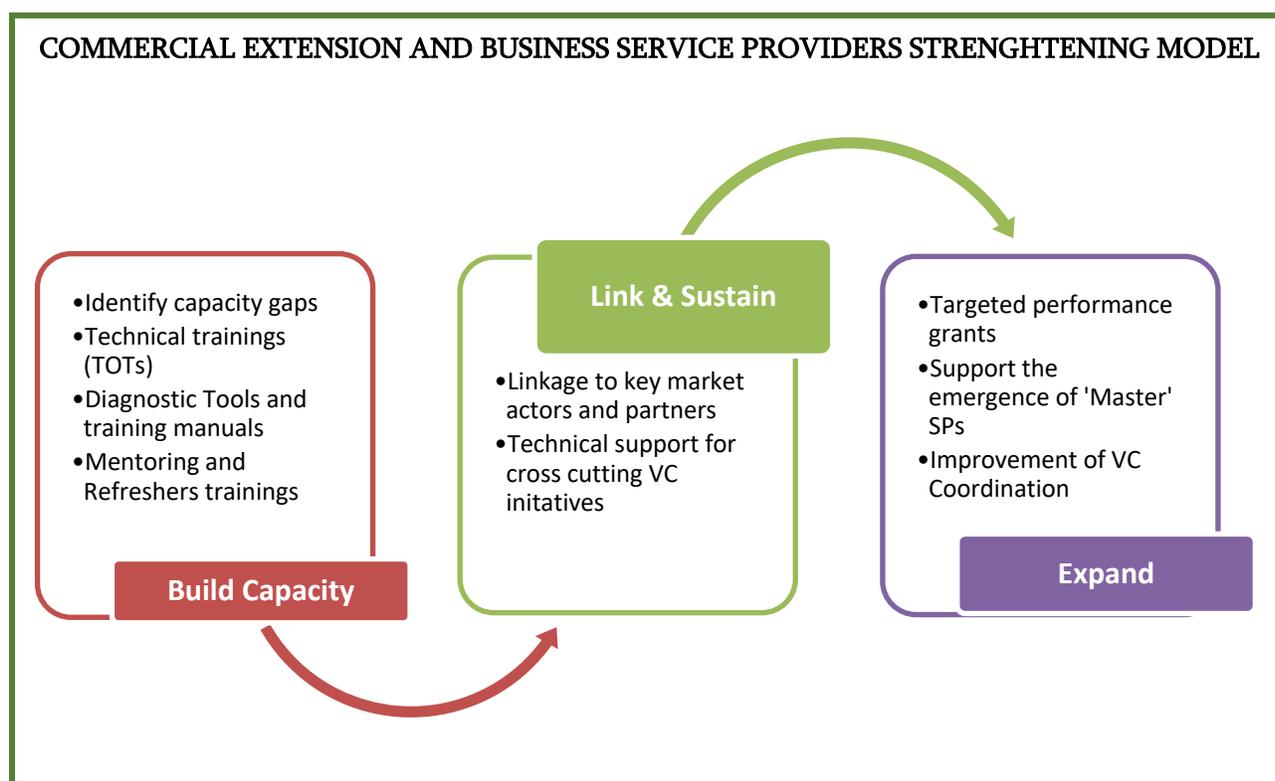


Figure 1: Commercial Extension And Business Service Providers Strengthening Model

In response to specific constraints identified during the value chain analyses, MADE and PIND engaged widely with the input and technology suppliers and service providers across the various sectors to jointly develop feasible solutions that will enable better targeting and service delivery to smallholders. This resulted in series of programme supported development of technical focused training modules and manuals and facilitated trainings across the poultry, fisheries, cassava, oil palm and agric. input sub sectors as presented in Box 1. In addition, MADE and PIND leveraged on the existing USAID funded Nigerian Agricultural Enterprise Curriculum (NAEC) TOT and DAI's "Picking Sound Businesses" and "Diagnosing Sound Businesses" tools to strengthen a network of existing BSPs to support farmers business and enterprise development.

Generally, most of the trainings were related to skills upgrade while a few were targeted at creating and developing new business functions where they were missing. The 1st phase of the intervention focused on MADE and PIND collaborating mainly with large private crop and livestock input companies as these lead firms had the capacity – technical, infrastructure, financial, and management – to engage in multiple pilots and to scale commercially successful pilots rapidly. MADE and PIND

could then communicate those demonstrated new profitable business models so that could be replicated by other firms within the region.

Box 1: Development of Extension Modules across various Agricultural Sub sectors in the Niger Delta Region

Aquaculture: In collaboration with an aquaculture professor and feed companies, PIND developed the **Pond Management Training (PMT) curriculum** in its first pilot (November 2012 - April 2013) and then ran a TOT in late May 2013. It was expected that feed companies and hatcheries through their network of field representatives would use the curriculum to conduct PMT demonstrations to provide information required to enhance better feeding and pond management practices by smallholder farmers.

Poultry: In response to the Newcastle disease ravaging poultry farms across the region, MADE collaborated with VPCs to demonstrate the size of the market and to develop the **Vaccinators manual** in its first pilot (September 2015 with updates in May 2018 due to bird flu epidemic). VPCs engaged and trained village level vaccinators to provide information on good poultry keeping practices and stimulate demand for vaccination, basic veterinary services and inputs amongst smallholders.

Oil Palm: MADE and PIND provided technical support for crop protection and fertilizer companies to develop the **oil palm best management practices (BMP) manual** for agro-dealers, private nursery operators, retailers and lead farmers to provide information to smallholders in bid to promote sales and utilization of inputs and equipment by small scale oil palm farmers. MADE and PIND also introduced the more efficient small-scale processing equipment (SSPE) to local fabricators and expanded their capacity to manufacture and market the SSPE.

Cassava: In 2018/2019, in collaboration with IITA BASICS, and NRCRI, PIND and MADE facilitated the development of the **Master Village Seed Entrepreneurs Model (MVSE) curricula** and the follow on TOT aimed at creation of commercial village seed entrepreneurs who will embed GAP relevant information in the sale of improved cassava stem varieties to smallholder farmers.

2.2.1.1 Review of initial pilot and Mid-stream revision of targeted support market actors

MADE supported Agro-Allied lead firms to embark on the conduct of sensitization activities, farmers' fora, knowledge driven demonstration activities for smallholder farmers across crop and livestock sectors, while also gradually integrating the mid and small scale Local Private extension (LPE) service providers to provide follow up sales of inputs, technologies and services. These activities triggered the demonstration effect whereby farmers had clearly seen the economic benefits of utilizing modern farming practices, inputs and services leading to an emerging corresponding purchase of inputs and services. They also expanded the companies' awareness that the small holder farmers in the Niger Delta represented a new, significant and largely untapped market.

However, the interventions required some adaptation to keep them relevant and to incentivize the firms to increase expanding outreach. Some leading issues were:

- The returns on investment were insufficient for some of these large scale companies to continue to drive the initiatives. For some firms, the transaction costs of promotional activities were often quite high in relation to returns, as many of the firms were typically selling only one type of inputs such as vaccines for poultry farmers or feed for fish farmers whereas farmers required a wider range of extension advice and access to wider range of inputs/products.
- In other cases, the relatively higher returns on investment from servicing higher value cash crops (eg. Cocoa, rice) led some firms to switch their focus crops away from the core targets of the MADE and PIND programmes.
- On the part of the Local Private extension (LPE) service providers who were multi service providers and multi stockists, they were already enjoying the benefits of the demonstration platforms and were interested in running variants of the demonstrations and promotional activities to new farmers but lacked the requisite skills.
- In some cases, the promotion worked so well, that it eliminated the need for additional promotion, causing the firms to stop organizing demonstrations. For example, fish feed companies engaged by MADE and PIND in 2014 to expand coverage to new locations started selling out of stock in major locations by 2015 as uptake increased, so they did not see the need to invest in stimulating more sales for product that they did not have.
- Many of the products and services introduced for local service providers, were not sufficient to generate stand-alone business models for local service providers. Revenue from just selling vaccinations, or pond management training, or NAEC was not regular or high enough for a service provider to dedicate themselves to them; the LPEs needed to expand a full range of services around them to develop a portfolio of products that they could sell to make a viable business.
- The stand-alone NAEC training was not working well for farmers who desired a combination of technical and enterprise trainings. In addition, the standard NAEC training did not work well for livestock farmers (as it was designed for crops). This led to adaptation and development of the aquaculture (2012) and poultry (2017) NAECs and integrating its delivery as part of the broad range of products and services that could be rendered by Village Level Dealers (VLD) or pond management trainers.

On the realization of the potential scale benefits of working through LPE, MADE and PIND expanded their focus to include the second phase of building LPE capacities to promote and deliver information, trainings and services to smallholders. There were calls for interested consultants and mid-scale input dealers and service providers who desired capacity strengthening support to further promote their businesses and services amongst smallholders resulting in a series of cost shared trainings. These were integrated Training of Trainers (TOTs) comprising technical and enterprise trainings (which entailed adapting or expanding some of the initially developed curricula) and how to better structure their service delivery package towards delivering full value proposition to farmers. Within the palm oil sub-sector, PIND and MADE partnered with oil palm sprouted nut producers to jointly facilitate trainings for interested private nursery operators across the region. In cassava, MADE supported the development of the cassava Master Village Seed Entrepreneurs (MVSEs). In the livestock sector, MADE and PIND jointly facilitated the development of the Aquaculture Service Provider (ASP) model - one of their most innovative cases which is detailed in Box 2.

In addition, the trained LPE service providers were supported with Information, Education and Communication (IEC) materials. The IEC materials support strengthened the promotional and developmental activities of the SPs by creating awareness and serving as reference materials to enhance engagement with farmer clients. The training programmes were also complemented monitoring and mentoring visits, aimed at ensuring that LPE service providers have the requisite skills and tools to improve the quality of their services offerings to farmers.

2.2.2. Phase 2: Facilitating linkages with key market actors: MADE and PIND recognized the importance of linkages and building relationships between service providers and other key market actors/ input companies in improving value chain coordination and enhancing the performance of the sector. This resulted in facilitating linkage and networking initiatives such

Box 2: Development of the Aquaculture Service Provider (ASP) model in the Niger Delta Region

In 2011, the PIND value chain analysis identified pond productivity and low feed conversion ratio as one of the binding constraints to the sector growth. Low levels of farmer business understanding were hampering farmers' investment in new, more productive technologies.

To address the business skills problem, PIND tested the standard NAEC training in aquaculture hoping to leverage that existing product to address the problem. It did not work well (as it was for crops and not livestock) so it had to be adapted for aquaculture. The NAEC was adapted for aquaculture and PIND ran a TOT to train local service providers on how to deliver business trainings to farmers in 2012. The first TOT in late 2012 was done as a call for interested consultants to be trained on how to deliver NAEC. The initial set of trainings for farmers were sponsored by the Ufoma Fish Farmers' Association as part of the PIND as the trainers did not get enough traction selling the trainings.

In October-November 2012 PIND developed the Pond Management Training curriculum in its first pilot (November 2012 - April 2013) and then ran a TOT for local trainers and Department of Aquaculture extension agents in late May 2014. It was expected that the lead feed companies and hatcheries would drive the demos to promote sales and hire the PMT trainers to run the demos for them. Several feed companies did hire PMT trainers in 2014 and 2015, to run demonstrations in the large fish pond clusters around Warri. However, but they were less interested in investing in promotions in areas where fish ponds were more scattered, such as Rivers State, leading MADE to develop a PMT trainer driven model, where the trainers would sell integrated PMT and NAEC trainings to farmers independently, and link back to the feed companies. This was the beginning of the Aquaculture Service Provider (ASP) business model. The ASPs indicated that selling the training was not a real profit spinner, but it was very important for building up client base and rendering other services to these clients more profitable. These services evolved to include solving technical problems, doing water quality testing, selling feed, helping with the financial records, business management, and access to markets, etc. NAEC played an important role in building farmer awareness of their problems, which increased demand for services. By 2015, the ASP model really started to take off leading to the first set of master ASPs. The MASP started hiring other trained service providers, and then training their own ASPs to work for them. Given the overlap in the science, animal health, and production

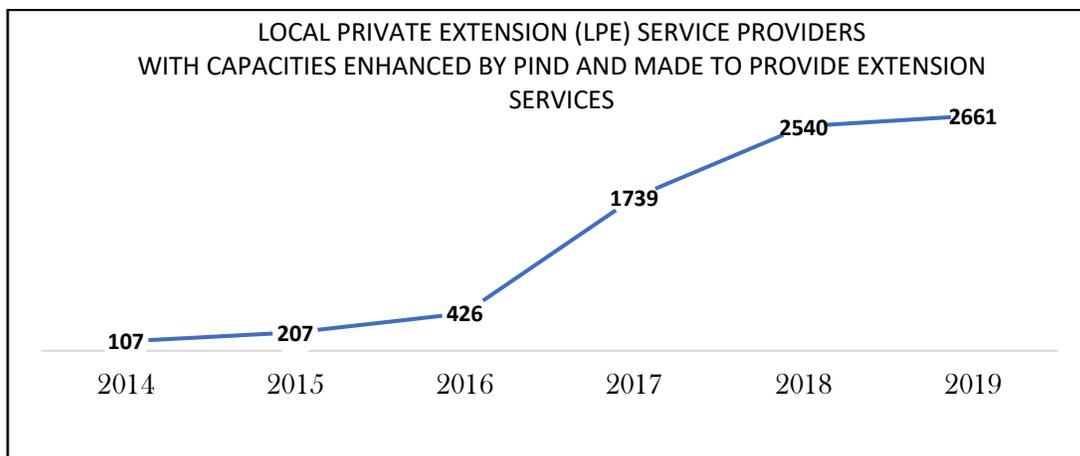
as the MADE supported linkage fora between MVSEs and industrial processors of cassava aimed at integrating smallholders into supply chain of processors; distributors working with VPCs to increase VLDs, BSPs working with fabricators to provide business plans for agro-processors seeking loans to purchase agro equipment.

2.2.3 Phase 3: Expansion and Scale up Initiatives: this phase focussed on stimulating wider system change within the support market by offering targeted performance grants to SPs for scale out to other locations. The programmes also offered targeted support for master service providers who are providing training and mentoring support to other service providers. In addition, the programmes intervened by working with supporting institutions in building the support market (trainings, finance, etc.) for commercial extension service providers to thrive for scale and sustainability.

3. The Growth, Evolution and Key Market Changes triggered by the Commercially driven extension model- what are the outcomes, adaptations and how has the model evolved?

Between 2012 -2018, PIND and MADE have successfully built capacities of about 2,661 commercial driven extension service providers who are actively delivering effective fee-based trainings, or providing capacity support and relevant information, inputs, technologies and services to farmers, entrepreneurs and other relevant market actors across the Niger Delta Region. Table 2 presents the breakdown of the categories of commercial extension service providers while Figure 3 shows the trend over the years

Category	Types of commercial extension service providers	Number of actors with capacities enhanced through PIND and MADE service provider initiatives
Large private sector agro-allied companies	Agro Allied: Processing and Off-taking companies	19
	Agro- Input/crop protection products (CPP) companies,	17
	Feed Companies	11
	Veterinary Pharmaceutical companies (VPCs)	9
Local Private extension (LPE) service providers	Agro-retailers	689
	Fabricators and marketers of equipment	62
	Spray Service Providers (SSPs)	330
	Private Nursery Operators (PNOs)	167
	Village level Vaccinators and Dealers (VLVs and VLDs)	188
	Master Village Seed Entrepreneurs and Village Seed Entrepreneurs (MVSEs and VSEs)	1126
	Master Aquaculture Service Providers and Aquaculture Service Providers (MASPs and ASPs)	77
	Business Service providers (BSP)	22
Total		2661



3.1 Large private sector agro-allied companies integrating inclusive business models and providing embedded services

The large private sector agro-allied companies have integrated inclusive business models in their sales and marketing strategies and are providing embedded services to enhance utilization of modern practices, inputs and productivity of farmers within the region. Off taking companies and processors are supporting the capacity strengthening of relevant service providers in recognition of the benefits of improved quality and consistency of supplies. A and Shine International, a company off taking honey in Edo state has trained a network of Master Apiculture Service Providers (MApSPs) to provide fee based trainings on best beekeeping management practices to farmers while also linking them up to a source of finance. Winosa Foods in Delta state is collaborating with agro-retailers and lead farmers to conduct cassava GAP demos for smallholder farmers within its clusters to ensure consistent supply of fresh cassava roots for her factory.

Similarly, CPP companies, through their network of technical field representatives, are engaging and training trade channel partners- agro dealers and retailers on the conduct of knowledge driven GAP

demonstrations and market storms in a bid to enhance utilization and sales of inputs. Harvestfield Industries Limited has a network of about 25 trained retailers in Rivers and Akwa Ibom states collaborating with their Technical field representatives to organize demos for farmers in remote locations. VPCs are increasingly targeting small- scale poultry farmer segment through conduct of farmers fora and training of village level vaccinators to provide vaccination services to poultry

Box 3: Saro AgroSciences introduces *Dr Saro*

In 2014 /15, MADE undertook an intervention in the Agricultural Inputs sector by instituting a partnership with Saro Agrosciences- an agro input company aimed at institutionalising a market driven relationship between Saro and small-scale crop farmers. The relationship was expected to lead to small scale farmers having knowledge of Good Agricultural Practices (GAP) and access to appropriate farm inputs to increase productivity and income, and agro input retailers being better equipped to sell to farmers.

The knowledge driven agro-input retail model was adopted. The model entailed embedding private extension services into the selling process through the demonstration plots and other marketing events to create awareness and stimulate demand for inputs. At the core of the retail model are *Dr Saro* (Saros' Extension Agents). *Dr Saro* are trained agronomists dedicated to market development activities such as demo plot administration, sprayer service training and monitoring. The *Dr Saro* were on an incentive based salary i.e. they get a fixed salary amount and an incentive based salary based on sales and outreach targets. *Dr Saros* are aligned with Saro's Drop Points and supported by Saro to organise and manage demonstration plots and to manage retailers to organise and manage demonstration plots. The demonstration plots were designed to both increase farmers' knowledge of good agricultural practices and catalyse sales of agricultural inputs (specifically fertiliser, crop protection

farmers in remote interior locations. Turner Wright and Zygoxis have sponsored about 235 farmers' fora, educating farmers on the importance of good poultry keeping practices and trained a network of 188 VLVs and VLDs to provide improved vaccination services within the Niger Delta region.

3.2 Local Private extension (LPE) service providers promoting extension and selling appropriate inputs and services to poor farmers and entrepreneurs

The LPE SPs are beginning to see the clear commercial benefits of engaging directly with their clients – the farmers – rather than indirectly with government and donor funding, given a potential market of about 11 million people working within the agricultural sector in the region. They are structuring their service delivery packages to be farmer centric recognising that if they respond to the needs of the farmers appropriately and farmers derive benefits from it, the business will be sustained.

In the fisheries sector, network of 67 ASPs are building capacity of thousands of fish farmers in best pond management practices. Topics including how to prepare pond before stocking (including cleaning, liming and fertilizing), how to control predators and competitors in the pond, checking pond water quality parameters; fish feeding parameters, maintaining an improved pond environment, performing health checks on the fish, and how to manage pond environment problems are improving productivity. In the poultry sector, more than 185 VLVs and VLDs are promoting good poultry keeping practices such as adherence to vaccination schedule, bio-security measures (clean pens, handwashing, fumigation), proper feeding and watering regime, leading to a reduction in poultry mortality from about 11% to 3%. The promotion is done through conduct of farmers' fora, and sensitization meetings with cooperatives and faith-based groups. These allow the VLDs to create relationships with farmers leading to immediate sales and most importantly, continuous provision of services and inputs.

Within the crop sector, about 200 trained SSPs are promoting their services through sharing relevant information on crop pests and diseases and providing improved spray services to food crop farmers across the region. About 527 agro- retailers and 700 VSEs are sensitizing farmers on GAP through the use of IEC materials, conducting market storms, and GAP focussed demos to prevent crop losses to pest and diseases, while also stimulating adoption of certified seeds, stems and crop protection products.

3.3 The commercially driven service and input providers are adapting their strategies, adjusting and expanding products and service offerings in response to feedback, emerging realities and opportunities

The model is creating platforms for increased and improved interaction between the service providers and their clients - farmers. SPs are now developing and selling value propositions to more than a hundred thousand of smallholders across the region. This is resulting in feedback loops from the farmers to the SPs, which is stimulating SPs to adapt, adjust, innovate, add new products and services. Increasingly SPs are moving cross sectors (such as from aquaculture to poultry) to increase their business where new opportunities exist, ultimately improving the competitiveness of the smallholders in the region.

4.3.1 Adapting Strategies

The SPs are adapting innovative strategies of reaching farmers in a bid to be more cost effective. In the poultry sector, Turner Wright, a VPC switched to the use of a franchise model in 2016 by working with village level inputs dealer to promote their products as against their initial employee model which was costing more. In oil palm, Samuren Nig. Enterprises, a marketer of the Malaysian knife (MK) in Akwa Ibom state revised his initial strategy of direct marketing to farmers in the oil palm

clusters to engaging and equipping agro-retailers, farmers' groups and cooperatives with IEC materials to create awareness and stimulate demand for the MK. Fabricators of improved processing technologies have adapted sales strategies to promote sales of the SSPE. Some such adaptations include the use of radio jingles and sales agents. Blessed Silver in Edo state engaged 2 sales agents in addition to radio jingles to promote SSPE.

4.3.2 Adjusting and Expanding Products and Services offerings

The private sector technical extension service providers have been adapting their mix of products and services steadily over the past 4 years, constantly innovating and building their business models and suites of services.

In the poultry sector, the initial focus by VPCs was creation of VLVs to provide vaccination services to farmers in response to high poultry mortality caused by New castle Disease. A review of the pilot showed high attrition rate of VLVs – out of 800 trained only 100 were active after one year based on the realization that vaccination service was not profitable as a standalone business. The successful VLVs were evolving into VLDs, providing other range of services (enterprise trainings using poultry NAEC, fumigation, debeaking,) and products (feed, drugs, day old chicks). This led the VPCs to modify the VLV model to the VLD model as they also sought to expand distribution channels for other poultry inputs they were selling. The VLDs are increasingly expanding the suite of services beyond poultry to other livestock enterprises such as aquaculture, piggery, and cuniculture (raising rabbits) to improve profitability.

The integration of NAEC has been beneficial to SPs. They are now mainstreaming it into their businesses, often as an embedded service, to teach their clients about business profitability and then use that knowledge as awareness to sell more services to them. Habeeb, a VLV in Ondo state, starts by vaccinating birds and introducing the NAEC to build his customer base. He has also introduced new services such as brooding, debeaking and castration. So far, he has trained 400 farmers on NAEC. He has served about 700-1000 farmers. GSI Tech has continued to train farmers on poultry NAEC to help them think as entrepreneurs, register their businesses and develop an effective system.

The conduct of farmers' fora by the VPCs afforded the opportunity for smallholders to recommend breaking bulk to the VPCs, to fit the smallholder farmers' operation and make inputs more accessible. In response to this, Zygoxis has commenced sale of smaller sized thermostable vaccines – 50, 100 and 200 dose vials and widened its network of village level dealers and retailers to target subsistent and small commercial poultry farmers. Meanwhile, Turner Wright has broken bulk of three products for sale in the poultry vet sector - from 1,000mg/500mg to 30g sachet; and Animal Care is bulk breaking animal feed from 25kg to 5kg.

The ASPs are using the Pond Management Training (PMT) to build client base for other products and services such as sales of fingerlings, feeds, water testing kits, mobile ponds, providing other services such as group formation (for easier access to group lending facilities and input purchases), linkages to new markets for farmers, pond construction services and smoking kiln technologies. Some successful cases of MASPs are presented in Box 4. In a bid to increase their client base, ASPs are engaging local NGOs and CBOs to expand fee-based trainings to new clients. Some of the MASPs and ASPs (especially in Rivers, Delta and Cross Rivers) have begun to promote a reduced production cycle, from six months to three months, in response to a segment of the target market who require shorter smaller fish for smoking. Similarly, the ASPs noticed a lower conversion ratio of new trainees who desired to go into fish farming due to relatively high cost. The cost of the permanent structure of the fish ponds (earthen and concrete ponds) increased the barrier to entry for potential fish farmers with limited funds. In response to this, ASPs are working with local fabricators to introduce relatively cheaper ponds which are mobile and suitable for use at all locations. About 2,126 units of

mobile ponds were sold between 2017 and 1st quarter 2019. In addition, the ASPs have introduced modular startup package (such as fingerlings, feed, testing kits, advisory services) to enable fish farmers commence businesses with low capital requirements.

Some of the agro-retailers are expanding services to include provision of trained spray service providers when farmers purchase inputs in recognition that farmers want full value of services. At the same time, the SSPs are building their businesses. providing additional services such as pest and

Box 4: Growth and Evolution of Master Aquaculture Service Providers (MASPs)

Aquagreen: Prior to MADE, Aquagreen's business model focused on establishing fish ponds, and delivering trainings to fish farmers which were sponsored by the government and oil companies in Rivers State. In 2014, they engaged with MADE on a pilot intervention aimed at increasing the productivity of fish farmers by increasing their capacity. They started with selling targeted pond management training to small scale fish farmers in River State but have expanded the scope to include sales of fingerlings, feeds, water testing kits, mobile ponds, linkage with off-takers within Rivers and Akwa Ibom states. In addition, he works within the poultry sector providing similar services (pieces of trainings and consultations on good poultry keeping practices), poultry feeds, etc. He started with 2 staff members in 2014, which had increased to 10 staff (mainly graduates) by 2018. Momoh has 6,000 to 7000 small scale fish farmers and 150 small scale poultry farmers on his client list.

Bangadonase: The business model focused on delivering training module to fish farmers paid for by the Federal and State Governments. In 2014, they engaged with MADE on a pilot intervention aimed at increasing the productivity of fish farmers by increasing their capacity. She started with selling targeted pond management trainings to small scale fish farmers in Cross River State. This resulted in increased productivity of her trainees; unfortunately, that led to a glut, which depressed prices and reduced interest in the fish farming business. But any problem her farmers faced became an opportunity for her to provide a solution: As a result, she developed creative ideas for alternative marketing – a youth focused entrepreneurial trainings on the utilization of catfish to expand sales of catered fish products. She started:

- training young boys to make fish barbeque and fish fillets and steaks (this is becoming increasing popular and a major income generating activity especially in December periods - due to the State sponsored month-long festivities which attract tourists from within and outside Nigeria); and
- training young girls to make fish confectionaries- fish pizza, fish shawarma, fish pie, and fish rolls.

The initiatives led to an increased demand for fish and enabled her to also play the critical role of linking the processors with the fish farmers. In some cases, she also facilitated off-taker arrangements. In addition, she has expanded the scope to include sales of fingerlings, feeds, water testing kits, and mobile ponds within Cross Rivers and Akwa Ibom States. She also works within the poultry sector, selling chicks and poultry

diseases diagnosis, land preparation services, planting, fertilizer application, pruning services to farmers beyond spraying of pesticides.

The private sector SPs have been steadily innovating on the models initially facilitated by PIND and MADE initiatives to make them more relevant. MADE and PIND interventions drove the introduction of appropriate technologies - small scale processing equipment for palm oil and smoking kilns for fish. In response to feedback from the targeted clients, both technologies have been subsequently adapted (scaled down) by the fabricators for both price and capacity, to make them more marketable to the targeted market actors.

- New smaller and more efficient SSPE for palm oil – scaled down from two tonnes to 0.5 tonnes, adjustments to suit combination of Tenera (improved variety) and Dura (local) seeds against just Tenera which the SSPE was designed for, reconstruction of some components to utilize less water and modified components (e.g. HP prime mover) to reduce cost of operation related to power.
- Fabricators introduced new, smaller fish smoking kilns that are cheaper – scaled down from 100kg to 20 – 50kg, as well as some bigger ones for large commercial processors between 150 up to 500kg technology. They also adapted for additional fish oil collection, wider meshes for different volumes and sizes of fish products, adjustments of the heat converter, inclusion of wheels to ease mobility. As the associated cost of transporting the fish smoking kiln to riverine areas was a disincentive for fish processors, fabricators began making detachable components of the kilns to allow for easy on-site installation and reducing the transport cost by 16%.

Box 5: Modification of Improved Palm Oil Processing Technologies

Palm Oil: Umico modified the Digester Screw Press (DSP) component of the SSPE to reduce the power requirement and make it more affordable. This reduced the cost of setting up the mill upon purchase and installation of the SSPE. Generally, the SSPE requires an 8HP prime mover whereas the modified version only requires a 5 HP prime mover which reduces installation cost by 57%.

After PIND had sponsored three rounds of training on business linkages, CAD Consulting took it on as a business product. CAD organized the first commercially driven BSP training for the “Picking Sound Businesses” and “Diagnosing Sound Businesses” where they trained 42 SPs in June 2018. They also designed local NAEC kits, which they are selling at a much lower price to replace the ones coming from the USA. The BSPs like GSI Tech have increased their portfolio to include linkages to finance and are leveraging the CBN Anchor Borrowers’ Scheme to improve their value offerings thereby helping more farmers and enterprise to expand and grow. Ark Shore Konsult, who had previously been donor-focused, is now selling direct to farmers and recording high client retention and referral rate.

3.4 The commercially driven service and input providers are collaborating with other commercial actors to jointly provide solutions to poor farmers and entrepreneurs

One of the big advances in the Niger Delta is the increasing networking and collaboration among SPs to grow their businesses. SPs are forming new relationships and collaborating with relevant actors in recognition of ensuring the effectiveness and growth of the sectors.

- BSPs and ASPs saw the opportunity to partner with the fabricators in providing technological solutions for their target market. Mid-scale fabricators such as Muhat are also building a network of local fabricators across clusters to provide after sales services and maintenance support to millers who purchase improved palm oil processing equipment.
- The input companies are recognizing the importance of the farmer engagement strategies on sales and are therefore collaborating with agro-retailers and SSPs to stimulate demand for inputs. Bayer, a new entrant in the Niger Delta, saw opportunity to connect with the agro-dealers on deepening outreach and sales of its products to cassava and oil palm farmers.
- Business service providers (CAD and Ark Shore) linked up with the oil palm fabricators (Muhat & Ejike Obi) to discuss partnership on the CBN Agricultural/Small and Medium Enterprises Investment Scheme. The scheme seeks to provide loans for farmers who require improved processing technology.

Introduction of new approaches by lead firms are helping the SPs to recognise the importance of engaging with farmers as a more sustainable and profitable approach. Many lead firms are driving the initial outreach and building the demand for service providers who sustain the initiatives. Examples include:

- CPP companies introducing demos while agro dealers continue to expand and support delivery of GAP information and inputs to farmers,
- AVC companies drove expansion of VLDs while the VLDs are expanding direct to the farmers, and
- Feed companies drove the initial ASP led trainings, but the ASPs are taking on ownership of the model because they were selling multiple products to the farmers.

In terms of outcomes, the model has helped SPs to improve their business performances and outreach. A meeting organized by PIND with an array of SPs in early 2019 revealed that they had increased their outreach by average of 300%, and staff strength by average of 125% as presented in Table 3. The organisations had planned to more than double their outreach from 2018 by early 2020.

Service Providers	No. of SPs	Outreach (cumulative)			Types of Services		Employees		
		Before PIND	After PIND	% Change	Before PIND	After PIND	Before PIND	After PIND	% Change
Aquaculture Services Providers	10	1,040	4,103	295%	Training, Sales of inputs	Training, Sales of input, Linkage to market, Linkage to finance, technology promotion	9	28	211%
Business Services Providers	12	4,838	18,542	283%	Advisory services, generic training	Training, SME Diagnostics & Upgrade, Linkages to finance & market	81	182	125%
Agro-dealers/ Input Companies	11	7,297	14,189	94%	Sales of inputs	Sales of inputs & seeds, training & demonstration, linkage to market	35	58	66%
Fabricators	2	12	46	283%	Fabrication of oil palm & cassava equipment	Fabrication of oil palm & cassava equipment, Technology promotion	4	13	225%
Total		14,187	36,880				129	281	



B. Co-facilitation

As part of developing local capacities, PIND and MADE have been collaborating since 2015 on the Capacity Building for Local Empowerment (CAPABLE) project to build capacity of local organisations in the Niger Delta to adopt the Markets Systems Development approach (CAPABLE M4P). The essence of the programme is to build the capacity of local organisations (NGOs, CSOs, and some private service providers) to provide co-facilitation support for economic based programmes and interventions.

Facilitation is a development approach which puts the market actors in the centre of developing the market system. The facilitator does not provide direct delivery of services or training of target beneficiaries but develops incentives for the market actors to play those roles from a commercial standpoint. In contrast to commercially oriented service providers who are market actors within the value chain, co-facilitators are focused on facilitating capacity building of the market system, and sell their services to donors, whom they see as their primary clients. Co-facilitators work for MADE, PIND and other donor programmes to play facilitative role, help manage, drive, and scale-up M4P interventions and do not engage in market transactions in the sectors they are supporting. They interface between projects and communities, but do not insert themselves into the middle of transactions.

Given the important role that NGOs and CSOs are playing in driving development in the Niger Delta, well trained organisations can also promote their services to new projects as facilitators, or even to influence the design of new interventions to be more facilitative. This is important, especially since many donor projects are taking a traditional direct delivery approach where the project pays for all services to the beneficiaries. This presents opportunity for co-facilitators to educate new projects on market system approaches. The program unfolded in 3 phases as shown in the diagram below:

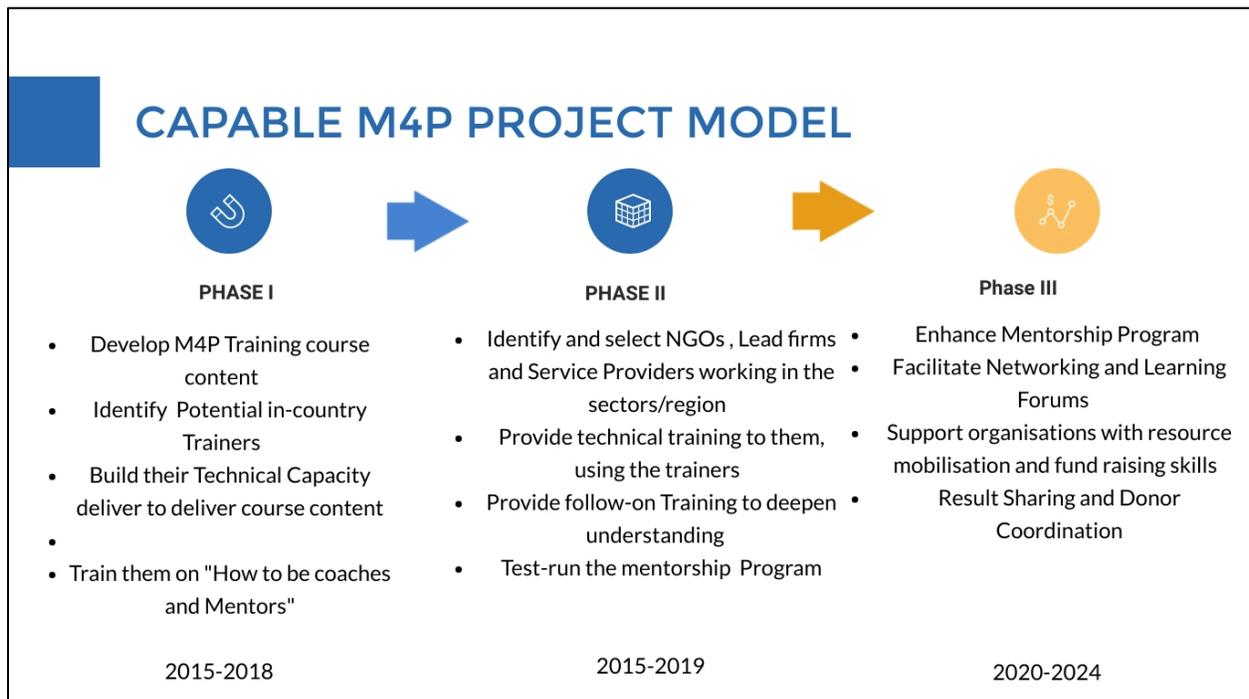


Fig 1: CAPABLE M4P Projects Phases

In 2015, before the commencement of the program, there were no Nigerian in-country institutional trainers for markets systems development. Many Nigerians had been trained in external courses, such as the Springfield Centre's seminar on Market Systems Development and were practicing, but none knew how to train the topic. Phase I therefore focused on creating a pool of good trainers and coaches who would train and mentor organizations to help them adopt the M4P approach. Two trainings of trainers (ToT) were held in July 2015 and November 2017, led by international experts who trained 13 selected trainers. To deepen the capacity of experienced PIND and MADE staff in Nigeria, a third training on "**Coaching and Mentoring Skills for M4P Facilitators**" took place in 2018.

In Phase II, PIND and MADE identified organisations and provided technical training & post-training support to NGOs, Lead firms and Service providers in the Niger Delta. Selection criteria for organisations focused on their corporate buy-in to the methodology and their commitment to send senior management for the training. The training is in two cycles – first is the basic training, followed by a refresher about 6 months later, where the organisations present how they have applied the methodology and get additional training on how to design interventions.

Through the M4P capacity building partnership, PIND and MADE have provided training and post-training support to 185 individuals in 101 organizations since 2015, one of which includes CLICE Foundation presented in Box 6. These organizations include MADE and PIND project partners, service providers, government agencies, financial institutions, development partners and civil society organizations. Some of these organizations have evolved to be co-facilitators. To qualify as a co-facilitator, a Niger Delta based NGO must have the same objective as PIND and MADE (poverty reduction through catalyzing economic development in the Niger Delta), they must also have attended the 1st and 2nd CAPABLE M4P Training programs and shown ability to adopt market system principles in a project design.



Box 6: Use of the Market Systems Development (MSD) approach Niger Delta Region

“The Comfort Literacy and Capacity Enhancement (CLICE) Foundation, founded in 2015, seeks innovative approaches to creating sustainable solutions for enhancing poor people’s livelihoods and wellbeing. Having heard about the Market Systems Development (MSD) approach, promoted by MADE and the PIND Foundation, we applied for the CAPABLE M4P training. Being accepted into the CAPABLE M4P training course in May 2017 turned out to be a watershed moment for us. The one-week training exposed us to a new way of thinking, which has since shaped the way we conceptualize design and implement our interventions across all sectors. We learned how to *facilitate systemic change* by addressing market failures from their root causes, rather than treating the symptoms. The rich training modules and pragmatic exercises made it seamless for us to facilitate an initial 3-month fisheries pilot intervention for MADE. By constantly asking the “*Why question*” from start to end of the intervention, we knew when to adapt the strategies to address specific constraints that were peculiar to the target beneficiaries. Integrating the MSD approach into our core strategy has amplified the level of impact our interventions. We have increased our outreach from 500 in the pilot to 2500 in subsequent activities.

Beyond MADE, we are also using the MSD methodology to drive proposals to other funders to amplify our impact, often going beyond economic activities:

- CLICE secured joint-grant from the military to partner with the Nigerian Army Officers Wives Association (NAOWA) to facilitate the Barracks Women Economic Empowerment Programme (BWEPP), an inclusive economic development intervention for wives of military and para-military agencies reaching 300 beneficiaries. The intervention led to the adoption of additional improved smoking kiln technology in the upland.
- Zenith Bank Plc. provided us with a grant to implement high impact intervention reaching over 500 beneficiaries to curtail child labour through education for children from low-income earning families and trainings on how to use ICT to address challenges in underserved communities during the long summer holiday.
- Corteva Agriscience is partnering with CLICE to facilitate another intervention in maize and groundnut value-chain this first quarter of 2020 in Cross River State.
- We are also expanding the approach into the Water Sanitation and Hygiene (WASH) sector and have further built our capacity to engage with other International donors.
- Women and girls in rural communities and coastal areas are not able to access menstrual hygiene materials and safe spaces (where they can change their menstrual materials) in schools and market places, and clean water during menstruation. To reduce the impact on the education and economic activities of these people and enhance their livelihood, CLICE Foundation is working with actors to provide menstrual hygiene products for girls to help them stay in school, reduce their vulnerability to social challenges. We also plan to address open defecation and lack of access to clean water by working with key actors to provide low cost (built with bricks) lavatory and clean water for people in coastal communities using the MSD

The MSD approach works. Understanding and then addressing the root causes of problems from a systemic perspective leads to better designed programmes and more sustainable outcomes”

Comfort Onyaga, Executive Director, CLICE Foundation, Calabar, Cross River State.

Following the trainings and the experience with the co-facilitator programme, it became evident that hands on mentoring was needed by the local organisations post trainings. While they do get support and mentorship on the implementation of the programmes that they are delivering as co-facilitators for MADE and PIND, they still need a lot of assistance to be able to design their own new initiatives that they can either propose to PIND or to other funders, going forward. Nine organisations have participated in the mentorship program.

The CAPABLE intervention to build capacity for adoption and application of the Markets Systems Development (M4P) approach to development programming has proven to be a successful partnership between PIND and MADE as outlined in Figure 2.



Fig 2: CAPABLE M4P Phase I and II achievements

Currently, there are two master trainers and seven trainers who are qualified to deliver the M4P training. Criteria for qualifying as a full trainer involved having attended the ToT, coaching session and trained under the supervision of a qualified trainer. Also, eleven organisations have been engaged by PIND and MADE as co-facilitators to help increase outreach to pro-poor farmers in the Niger Delta, working in the cassava, aquaculture, palm oil, and business linkages: Some of these include CARA, SHERDA, CLICE, GSI, KOLPING, Better Living, FEJIMS, KANL, Arkshore Consult. These

Box 7: EVOLUTION OF SHERDA INTO AN MSD FACILITATOR

“Self Help and Rural Development Association (SHERDA) is a national development organisation dedicated to helping the populace in need of economic empowerment, human capital development, food security and other basic needs. Between 2005 and 2011, SHERDA used conventional direct delivery interventions funded by SPDC, but realised at the exit there had been little or no sustainability measures to monitor or evaluate.

The game changer to SHERDA’s approach started with Value Chain Training in 2011 followed by the M4P trainings in 2012 and 2013 on market systems development (MSD). SHERDA embraced the MSD approach, and playing a co-facilitative role to work with the market actors for them to drive the growth of their sectors. Working with MADE and PIND, we have applied the value chain analysis as a base to designing our interventions. Starting with successes in the Palm oil sector, we have also changed our models in the Cassava, Rice, Cocoa and Beekeeping sectors.

Serving as a facilitator in the palm oil sector, SHERDA stimulated service providers (Input suppliers, Agro-dealers, Fabricators, PNOs) to change their behavior towards smallholder farmers, seeing them as clients and actively marketing and selling services to them. The smallholder farmers, in return are seeing the value proposition of using the services and inputs and are willing to pay for the services (either wholly or partly) leading to increased productivity. These increases are also stimulating copying by their neighbours, who can also purchase the services. Consequently, there is increase in customers’ base for service providers leading to increase in sales promoting crowding-in by other service providers. At least 30,000 smallholder farmers and SMEs have improved their productivity and sales through access to knowledge on best management practices and access new efficient technologies from 2014 to 2019.

As part of facilitation, SHERDA is using a multi-stakeholder partnership model to collaborate with a diverse range of partners to leverage funds, in-kind and technical resources, for greater collective impacts from organizations such as PIND, MADE, GEF-SGP, SPDC & WIA. SHERDA has won contracts to apply the MSD approach especially to an SPDC women rice farmers’ cooperative project and a \$50,000 grant from GEF-SGP for ‘Conservation of Biodiversity through Bee keeping and Energy Saving Stoves’ working with service providers. We are also advising other NGOs on how to apply the MSD approach.

SHERDA’s adoption of the MSD approach, with support from MADE and PIND has greatly increased our effectiveness and impact, and the sustainability of our implementation efforts”

Dr. Samuel O. Dare, Programme Coordinator, SHERDA, Port Harcourt, Rivers State.

co-facilitators are near the beneficiaries and service providers in the various Niger Delta States and the story of SHERDA’s evolution as a MSD facilitator is presented in Box 7



C. Lessons Learned

Many lessons have been learned over the past seven years since MADE and PIND have been focusing on building new and improved delivery systems for development in the Niger Delta.

1 Commercially Driven Extension Service Provision

1. Smallholder purchasing power: experience has shown that smallholder farmers can pay for extension services provided they are cost effective and have a clear value proposition that is responsive to farmers' needs to improve their earnings. Extension service provision does not work as stand-alone but integrated with sales of tangible inputs and other suites of services. Farmers who undergo NAEC trainings amongst other services rendered by VLDs express that the tool enables them to understand business problems and find solutions such as planning, reducing expenses, thus driving willingness of farmers to pay for trainings.
2. Commercial service providers changing to smallholder client led model. In the beginning, SPs had focus on government, as a major client but with knowledge of the smallholder market segment and capacity support from MADE and PIND programmes, they are changing their strategy to focus on smallholders. Although, developing service providers takes time and needs a concerted effort of capacity building to develop their ability to efficiently and effectively provide services. Build from existing service providers as upgrading skills and capacities of existing local service providers is more effective than creating new service providers. Donors can accelerate the transformation by providing marketable products and resources such NAEC, PMT, picking sound companies and company diagnostic tool which helps the SPs to better understand their clients and their businesses.
3. Increasing competition triggers innovation. Identifying and working with entrepreneurial service providers drives competition as they identify and maximize opportunities which further accelerates crowding in as firms see the value proposition and can expand sales of products and services across different markets. The more entrepreneurial fabricators are modifying the SSPEs and smoking kilns in response to clients' demand while MASPs such as Bangadanose are expanding service offerings and new marketing channels.
4. As the supply of commercial service provision deepens, effective networking can accelerate their development. PIND and MADE held regular meetings to promote learning, collaboration and partnerships which are key elements to sustaining initiatives.
5. Free Delivery of Inputs have distortionary effects and are disincentives for commercial service provision. In a region with high dependency on government and oil companies, the proliferation of direct intervention programmes could erase the gains of building commercial service markets.
6. Donor support to the development of commercial service provision must be adaptive and flexible. All the interventions did not all turn out as planned but the learnings and the interest of the lead firms and SPs led to modification and adaptation of models and strategies which MADE supported for the attainment of the overarching objectives.

2. Co-facilitators



1. Understanding and applying the MSD approach is complex and requires changes in organisational behaviour. Local organisations need sustained capacity development and mentoring alongside practical implementation in the medium term to internalise the MSD approach. CAPABLE M4P
2. To fast track ownership, donor programming should make provision to support these local organisations to trial the MSD approach on their internal projects to help ingrain it into their systems and processes.
3. Mentoring by skilled local MSD practitioners helps to consolidate classroom learning, but group meetings allow them to compare notes on their successes with other similar organisations, helping them to learn faster.
4. The use of facilitation also must be funder-driven if more local organisations are to continue to use it in the future.
5. Keeping co-facilitators focused on facilitation rather than trying to sell services into a market system already well populated with service providers sustain market-based initiatives.

With the right support, local co-facilitators have been able to propose and sell facilitation-based projects to other donors

