



Food and Agriculture
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Enabling entrepreneurship in extension and advisory services

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In the rapidly changing context of agri-food systems, extension and advisory services (EAS) are expected to provide new roles and services that go well beyond the traditional production-related technology transfer. Consequently, pluralistic EAS systems with diverse actors have emerged with diverse actors, including private and civil society organisations. These multiple EAS actors must adopt innovative entrepreneurship models if they are to act proactively and respond to the increasing diversity of farmers' demands while staying independent and sustainable.

Entrepreneurship in EAS means applying innovations such as creative and sustainable business models that can capture opportunities and new ideas, broaden the range of services and clients, and foster innovation in the agri-food system. It can strengthen autonomy (e.g. from donor funding), empower community-engaged providers that offer locally relevant services, create job opportunities, and strengthen resilience of EAS to shocks and disruptors.

EAS entrepreneurs can include private agribusinesses, scalable start-ups, farmer champions and local volunteers, producer organisations and cooperatives, as well as public sector actors with innovative ideas who can network, create successful partnerships, and are result-oriented, willing to change and take risks.

However, the development of appropriate EAS entrepreneurship models is conditioned by internal and external factors, like farmers' demands, economic motivation, enabling and risk-mitigating policies and regulations, capacities and, perhaps most importantly, a profound mindset change of all the actors, moving towards sustainable and inclusive entrepreneurship and away from institutional silos, rigid public-only and big agribusiness-only schemes.

How does it look in practice?

- Policies support the involvement of the private sector in EAS systems, regulatory frameworks and reduction of administrative procedures while preserving service quality standards.
- Various actors, including small-scale and informal ones, transform their organisational cultures and mindsets towards collaborative and inclusive entrepreneurial approaches.
- More diverse quality services are available to more producers, including harder-to-reach and marginalised groups.

Pre-conditions for success:

Mindset change of EAS providers and the existence of the private sector.

Flexible and adaptive attitude towards EAS disruptors, including digitalisation.

Making it happen

Transform EAS providers into entrepreneurs

- Raise awareness of the benefits of entrepreneurship to change the mindset of small or informal providers.
- Ensure training for EAS providers from different sectors, including informal ones such as farmer champions, on legal matters (how to register a business or enter formal partnerships), financial, digital, marketing and business skills to advertise services and manage their organisation more effectively. Nurture leadership, creativity and capacities to innovate (see the [Tropical Agriculture Platform](#)).
- Engage youth, women, landless and agricultural graduates. Entrepreneurship in EAS can have a social aspect by creating decent job opportunities while making EAS more accessible to marginalised groups.
- Create and promote business and value chain platforms, start-up incubators and professional associations. This creates opportunities for exchanges and learning, new collaborations, as well as advertising new providers and services.
- Organise fairs, awards and other incentives for innovative entrepreneurship in EAS. Many existing national and international awards can be organised at the country level.
- Become an EAS entrepreneur: i) assess needs in your area and be prepared to innovate to meet them; ii) run the organisation as a business, i.e. develop a business plan, create legal and commercial units or focal points; iii) be flexible and adaptive to capture opportunities and adapt to new situations, such as COVID-19; iv) use digital tools to optimise and promote your services; v) provide aggregated and bundled services (e.g. credit with financial skills training); vi) establish purposeful partnerships to extend your capacities and services. It can also bring in new funding.



Remember!

Entrepreneurship in EAS is not only for big companies: an EAS entrepreneur could be a farmer or institutional leader. Compared to doing-business-as-usual, an EAS entrepreneur has fewer hierarchical relations, more financial flexibility and adaptability to new situations and disruptors, more spill-over effect and positive externalities. Becoming an entrepreneur requires a mindset change and transformation of organisational culture. It can be risky at first but can yield many benefits for both the provider and clients.



Example

COLACTEOS is a dairy cooperative in Colombia whose mission is to contribute to the economic, social and cultural development of members by providing services to producers, buying milk, processing, distributing and selling high-quality dairy products nationally. It employs a team of advisers: veterinarians, agronomists and animal health specialists whose services are brought in through short-term contracts. The producers are strongly engaged in defining and evaluating the services, as they are the owners of the cooperative. The services are also market oriented and there is a strong connection between the technical and financial services. COLACTEOS is thus an example of cooperative-based services financed through membership fees and the processing and marketing activities of the cooperative.

Make the enabling environment entrepreneurship-friendly

- Ensure that EAS and related policies recognise the importance of the private sector and clearly articulate public and private sector goals and roles in EAS systems.
- Advocate for incentives for private sector involvement, such as tax exemption for start-ups and small-scale entrepreneurs, quality certificates, access to capacity development opportunities, co-financing and risk-mitigating schemes, and public funding resources, especially for small and medium-scale entrepreneurs.
- Advocate to reduce bureaucracy: simplify small business registration and public-private partnership (PPP) procedures, review the legal status of cooperatives and producer organisations so they can engage in profit-oriented activities. High standards are important but strict requirements can crowd out small, local providers.
- Encourage decentralisation of the EAS mandate so that local authorities can support and coordinate providers' pluralism at the local level.
- Promote PPPs at national and local levels, also involving small-scale providers. Raise awareness of the benefits, including access to funding, new clients and information.
- Ensure coordination: pluralism of providers is important, but only good coordination can avoid gaps and duplication while ensuring synergies, collaboration and knowledge sharing.
- Strengthen existing and new producer organisations and cooperatives, value chain actors' platforms and social entrepreneurs. They can provide relevant services to their members but may need facilitation in business and leadership skills, for example.



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Remember!

Private sector involvement does not mean minimising the role of the public sector in EAS systems. Government support is key to providing services, ensuring inclusiveness, quality and impartiality of services, monitoring and evaluation, mobilising farmers and providing capacity development, coordination and funding. Public and private sectors should work together to provide relevant services to all rural producers.



Example

Thanks to changes in seven of the ten business regulations, it now only takes two procedures and three days for a Rwandan entrepreneur to start a business. Rwanda encourages entrepreneurship and innovation through numerous initiatives, like the **Rwanda Innovation Challenge** under the **National Research and Innovation Fund**, **Hackathon for Climate Early Warning** by the Rwanda Meteorology Agency and United Nations Development Programme (UNDP), **National Agrishows** by the Ministry of Agriculture and Animal Resources, **Technical Vocational Education and Training Expo** by the Ministry of Education (MINEDUC) and **HackAgainstHunger** by Food and Agriculture Organization of the United Nations (FAO). Start-ups that benefitted from such support are: **STES Group Ltd.**, founded by a group of young people who created technologies such as BazaFarms – a solar powered Internet of Things device to measure water level, soil temperature and fertility in real time; and **RindaFarm**, a solar-powered, economical and eco-friendly insect trap that also helps develop a pest management plan. The group also provides technical training to unemployed graduates and other youths.



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Safeguard smallholders and vulnerable groups

- Remember that even in EAS entrepreneurship, farmers' needs and demands, including those of the poorest, should be at the centre, not profit.
- Ensure that public services, especially those related to public goods such as environmental and social services, are accessible to the poor.
- Create a sound registration/accreditation and quality standards system for service providers to ensure service quality and impartiality of advice, and monitoring and evaluation (M&E) of providers. Include incentives and enforcement measures for compliance and to prevent conflicts of interest, without crowding out small, local providers such as farmer champions.
- Create physical and online spaces with information about available providers and services, standards, reviews and grievance mechanisms, also accessible to the poor and marginalised groups. Producers need to know what is available and under what conditions.
- Ensure safeguards for transparent and fair conditions of contract farming. Equip producers with negotiation skills and help them understand the contracts.
- Foster farmers' demands for private services and willingness to pay as this may increase the accountability of the providers. Remember, however, that many farmers cannot/do not want to invest in services until they see the benefits.
- Introduce vouchers and subsidies for services, preferably channelled through their users or associations, to enhance their position *vis à vis* providers.
- Curtail digital divide by strengthening the digital literacy and capacity of smallholder and vulnerable farmers.



Remember!

Entrepreneurship in EAS should not necessarily mean that producers should pay, since this could re-orient providers only to profitable clients and sectors. Services provided by EAS, whether public or private, must be environmentally and socially sustainable.



Example

Uganda introduced guidelines and standards to measure the performance of EAS providers, as well as an Ethical Code of Conduct, and registration and accreditation procedures. FAO developed a set of resources, tools and training materials for responsible and fair **contract farming**. To assess accountability and participatory M&E, farmers may avail of the easy to use **Community Score Cards** pioneered by Care International. Another example of how to make entrepreneurship work for poor clients is the network of input shops in the Niger run by local cooperatives and producer organisations. They give advice and sell locally demanded inputs at affordable prices and in small packages, making them more accessible to women and the poor.

Useful resources

Blum, M.L., Cofini, F., Sulaiman, R.V. 2020. *Agricultural extension in transition worldwide: Policies and strategies for reform*. Rome. FAO. (also available at <https://www.fao.org/3/ca8199en/CA8199EN.pdf>).

FAO. 2020. Webinar: Entrepreneurship in Extension and Advisory Services (EAS): Success stories, good practices and lessons learned.

FAO. 2021. Webinar: Entrepreneurship in extension and advisory services: Enabling environment for promoting entrepreneurship [video]. In: FAO [online]. <https://www.youtube.com/watch?v=elm3QRX8Nnk>

FAO. 2021. *Coordinating pluralism in extension and advisory services*. Policy brief. Rome. FAO. (also available at <https://www.fao.org/3/cb2696en/cb2696en.pdf>).

FAO. N.d. Contract Farming Resource Center [webpage]. In: FAO [online]. <https://www.fao.org/in-action/contract-farming/background/en>

Tropical Agriculture Platform (TAP). N.d. TAP Common Framework [webpage]. In: *TAPipedia* [online]. <https://tapipedia.org/framework/4-1-capacities>

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