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NSSP Workshop Report # 16

Private Sector Stakeholders Workshop on Reviewing the Draft Nigeria Agricultural Strategy

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International Food Policy Research Institute

Nigeria Strategy Support Program (NSSP)

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THE NIGERIA STRATEGY SUPPORT PROGRAM (NSSP)

WORKSHOP REPORTS

ABOUT NSSP

The Nigerian Strategy Support Program (NSSP) of the International Food Policy Research Institute (IFPRI) is an initiative to strengthen evidence-based policymaking in Nigeria in the areas of rural and agricultural development. Under the USAID financial support program MARKETS, IFPRI in collaboration with the Federal Ministry of Agriculture and Water Resources (FMAWR) supports the implementation of Nigeria's national development plans by strengthening agricultural-sector policies and strategies through:

- Enhanced knowledge, information, data, and tools for the analysis, design, and implementation of pro-poor, gender-sensitive, and environmentally sustainable agricultural and rural development policies and strategies in Nigeria;
- Strengthened capacity for government agencies, research institutions, and other stakeholders to carry out and use applied research that directly informs agricultural and rural policies and strategies; and
- Improved communication linkages and consultations between policymakers, policy analysts, and policy beneficiaries on agricultural and rural development policy issues.

ABOUT THESE WORKSHOP REPORTS

The Nigeria Strategy Support Program (NSSP) Workshop Reports provide a review of the presentations delivered during workshops and key comments from the audience and group discussions. They have been prepared as an output for NSSP and have not been peer reviewed. The comments from the participants do not necessarily reflect the policies or opinions of IFPRI.

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¹ Compiled by Babatunde Olaniyan, Senior Research Assistant, IFPRI

Table of Contents

Introduction	1
Welcome Address	1
Overview of Agricultural Strategy	1
General Discussion	2
Group Discussion: How do They Impact Your Business? What are the Solutions?	2
Comments on Group Presentation	4
Closing Comments	4
Vote of Thanks	4
Appendix A: Agenda	5
Appendix B: Participants List	6
Appendix C: Title of Paper Presented	8

Introduction

The International Food Policy Research Institute (IFPRI) is assisting the Federal Ministry of Agriculture and Water Resources (FMAWR) in facilitating the process of updating Nigeria's agricultural strategy with inputs from academia, the private sector, and other stakeholders. Given the invaluable role that the private sector plays in complementing the efforts of the Federal Government in promoting the growth of the economy, IFPRI in collaboration with the FMAWR with financial support from the United States Agency for International Development (USAID)/USAID MARKETS Program organized a private sector stakeholders' workshop to review the draft agricultural strategy. The meeting was held at the Gracious Hotel in Abuja, Nigeria on April 15, 2010. The objective of the workshop was to solicit important feedback from the private sector on the draft agricultural strategy document. The workshop attracted key private and public sectors players in the agriculture industry, including the Director of the Department of Planning, Policy Analysis and Statistics (PPAS), FMAWR represented by Dr. Sunday Uhiene, former Minister of Commerce and Industry, and other key private sector players in the agriculture industry (Appendix A and B for agenda and participants list, respectively).

This report summarizes the presentations, comments, main conclusions of the small group discussions, and recommendations and suggestions for moving the sector forward.

Welcome Address

Dr. Sunday Uhiene, on behalf of the director of the PPAS and the FMAWR, gave the Welcome Address expressing great delight in IFPRI's effort to organize such an important workshop to elicit relevant input from key private sector stakeholders in the agriculture industry. After acknowledging the capacity and potential of the private sector to support significant economic growth, he further reaffirmed the Ministry's commitment to making the private sector the driver of the agriculture industry.

Overview of Agricultural Strategy

Dr. James Sackey, IFPRI Program Leader, presented an overview of the measures IFPRI has taken to facilitate the updating of Nigeria's Agricultural Strategy, otherwise known as the National Food Security Programme (NFSP) document.

The updated document articulates the strategic approaches, action plans, and the participants needed to ensure that the goals of the Nigeria Vision 20:2020 be achieved. It is in line with the implementation framework defined in the FMAWR's 5-point agenda and responds to the country's undertakings established in the Comprehensive Africa Agricultural Development Programme (CAADP) compact that was signed in October 2009.

In the course of updating the document, a number of important issues and challenges emerged that require special attention and need to be resolved. These include the need to determine the role of agriculture in alleviating hunger; clarify the roles of the federal, states, and local governments in agriculture; address all components of the agriculture value chain; and monitor program implementation and flow of funds among strategic sub-sectors. According to Dr. Sackey, key features of this updated document include programs to provide a conducive environment for private sector involvement; encourage commercial farming with substantial economies of scale as well as strategic linkages to smallholders farmers; and promote marketing systems that significantly reduce post-harvest losses through adequate storage, processing, and availability of appropriate market outlets.

General Discussion

In order to elicit input from private sector players, there was a general discussion session on how to improve the Nigeria Agricultural Strategy. One participant expressed concern over the level of (1) commitment of the FMAWR to the strategy; (2) commitment of the FMAWR to engage the private sector, and (3) involvement of the PPAS, FMAWR in updating the strategy.

Responding to the above issues, Drs. Sackey and Uhiene pointed out that the strategy would clearly spell out the roles of the three tiers government and those of the private sector and highlighted the need to reduce the cumbersome bureaucratic procedures common to most government operations. They maintained that the private sector should be in charge while government should provide the regulatory framework. They however asked whether the private sector is able to articulate their need to the government. Dr. Uhiene further reiterated the government's commitment and willingness to work with the private sector and other development partners by ensuring the process is inclusive.

Another issue raised is the low level or lack of implementation by the government. To improve implementation there is a need for an accountability platform that will monitor the progress of policy implementation. The current monitoring and evaluation structure does not have provision for accountability of political office holders.

On the issue of accountability, Dr. Uhiene indicated that the private sector is in a good position to engage government in discussion, and therefore, it should create a platform that allows this interaction. He inquired if the Manufacturers Association of Nigeria is informing the government of its demand, and whether there is inertia preventing the sector from leading this process.

Several participants stressed the need for clear responsibilities for the three tiers of government as well as the role of the private sector. The team was advised that the private sector should have an environment that allows for agriculture business to develop while the role of government should be to provide the enabling environment for the private sector to thrive. One participant commended the team for the holistic structure of the strategy, while another believed that the current draft was too academic. Another person expressed dissatisfaction with Nigeria's business environment, arguing that the enabling environment for business to thrive is lacking in Nigeria. The point was illustrated by the government's policy on rice importation which is a disincentive for rice producers in Nigeria. Trade and commercial policies of government should be such that they would encourage local production, not deter it.

Lastly, there are the gaps in the implementation of policies and programs. Four areas requiring prompt intervention by the government were identified by one participant:

1. Training and manpower development of the sector
2. Adequate funding through a functional credit system
3. Infrastructural development
4. Automation of the sector

Group Discussion: How do They Impact Your Business? What are the Solutions?

Another opportunity to generate feedback from the participants was through a small group discussion on:

1. How does hunger affect the private sector and what is the role the private sector should play in addressing this problem?
2. What should be the role of the federal, state, and local government and the private sector and how should the private sector convey this role to the government?
3. What restricts the private sector from installing their own infrastructure and what infrastructure should government install?
4. How to ensure accountability?

The group discussions were structured to seek stakeholders' view on how these issues impact their businesses and on solution to the above issues. Each group had a rapporteur that presented on behalf of the group during the plenary session. Dr. James Sackey, IFPRI Program Leader, moderated the plenary session.

Hunger

On the issue of hunger, Group One attributed the problem to the low productivity inherent in Nigeria with the attendant low income associated with it. They recommended that the purchasing power of Nigerians be beefed up through an appropriate income policy. Group Two shared the views of Group One on hunger but placed more emphasis on the implementing existing policies and programs rather than designing new ones. They claimed that all the issues identified would be resolved if government implemented existing policies and programs.

Group Three identified the ability of the private sector to tackle hunger. Government subsidy to the private sector (at input and output levels) would help alleviate poverty and consequently help reduce the problem of hunger. They recommended that subsidy for inputs like seed from government should be between 80-100 percent while subsidy for capital-intensive inputs should be around 50 percent. However, the group was of the opinion that the private sector should drive the subsidy program. They also agitated for a social security policy to help improve the income level of farmers in Nigeria.

Federal, State and Local Government and Private Sector Roles

On the role of government, Group One agreed that government should continue to provide subsidy to the sector and that such subsidy initiatives should be at both input and output levels of agricultural activities. In addition, they agreed that the government should facilitate access to agricultural credit through favorable credit policies. The concept of one-stop-shop should be encouraged and promoted with an adequate regulatory framework put in place to ensure its success. Group Two highlighted the need for proper coordination of policies and programs between the federal and state governments. Group Three identified three categories of roles namely: (i) regulatory role; (ii) facilitator role; and (iii) participatory role. They proposed that the government handle the regulatory and facilitator roles while the private sector should be responsible for the participatory roles. They urged government to create an enabling environment for the agriculture industry to thrive. Government should promote policies that would facilitate access to agricultural credit. They recommended a single digit interest rate regime with the government guaranteeing agriculture credit to a large extent. In addition, they urged government to encourage public-private partnerships in provision of seeds, fertilizer, and other agro allied products and that out-grower scheme should be promoted.

Infrastructure

On the infrastructure needs of the value chain, Group One recommended that incentives be given to the private sector, that is tax incentives, and that government implement the pioneer status initiative to enable private investors to recoup their investments. Group Two recommended that government embrace public-private partnerships which have proven to be successful in other countries. Group Three however argued that government take on the role of infrastructure development completely.

Monitoring and Evaluation

On the issue of monitoring and evaluation, Group One proposed that government put in place strong legislation that would ensure compliance at all levels of government. Group Two proposed the creation of a platform for accountability that comprised of both private and public sector representatives to enforce compliance. Group Three focused on the importance of policy consistency in the monitoring and evaluation process and noted that it cannot be overemphasized. For monitoring and evaluation to work well there must be stability in the policy environment. They proposed the formation of private sector monitoring teams and private sector pressure groups to complement government monitoring and evaluation efforts. They concluded by advising the national assembly to drive the monitoring and evaluation process through its oversight function.

Comments on Group Presentation

At the end of the plenary session, participants were given the opportunity to comment on the submissions of the groups. The summarized comments include:

- There should be legislation and a framework that would enforce accountability in the system.
- The present mode of implementing the one-stop-shop should be reviewed as the current system is not favorable.
- The private sector should develop their capacity through adequate preparation to enable them to benefit from government incentives.
- A cluster system should be encouraged and developed.

Closing Comments

Ms. Valerie Rhoe, IFPRI Program Coordinator, gave the concluding remarks by briefly reiterating some of the key issues raised during the discussions. She also reminded the participants that IFPRI is only facilitating the process of updating the national agricultural strategy.

Vote of Thanks

The workshop came to a close with a vote of thanks from Mr. Babatunde Olaniyan, Senior Research Assistant, IFPRI, who expressed appreciation to USAID MARKETS for sponsoring the workshop, the FMAWR for collaborating with IFPRI on the project, and distinguished participants from the private sector whose invaluable contributions and inputs contributed to the success of the workshop.

Appendix A: Agenda

- 9:00 **Welcome**
Mr. Nathaniel Longmut, Director, Planning, Policy Analysis, and Statistics, FMAWR
- 9:05 **Introduction of Participants**
- 9:15 **Overview of Agricultural Strategy**
Dr. James Sackey, Program Leader, IFPRI
- 9:35 **General Discussion**
- 9:55 **Group Discussion: How do they impact your business? What are the Solutions? (tea and snacks available)**
- Hunger
 - Federal, State, and Local Government Responsibility
 - Infrastructure needs of value chain
 - Monitoring and Evaluation
- 10:55 **Plenary**
Dr. James Sackey, Program Leader, IFPRI
- 11:25 **Open Discussion: Topics to be Identified**
- 11:50 **Closing Comments**
Valerie Rhoe, Program Coordinator, IFPRI
- 11:55 **Vote of Thanks**
Mr. Babatunde Olaniyan, *Senior Research Assistant, IFPRI*
- 12:00 **Lunch**

Appendix B: Participants List

S/No	Surname	First name	Organization	Designation	Email	Phone Number	Gender
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Appendix C: Title of Paper Presented

Overview of agricultural strategy by Dr. James Sackey, Program Leader, IFPRI