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**End of Assignment
Agribusiness - MCIT**

Overview/Accomplishment^s of Agribusiness Advisor

The Project Paper while it covered all the aspects of agribusiness development, made a number of assumptions for the design of CAPM which were in fact ahead of the conditions of the country. Also different views on project implementation were not always considered and as a result certain persons and disciplines within the Ministries were overlooked.

Agribusiness for example is very general and is largely an American concept. Many in Swaziland use the more common European term of agroindustry which is still broad, but somewhat more specific. This was certainly the case of MCIT. MCIT background papers all showed they were interested in industries and they wanted a technical person as the advisor. This made it much easier for the CAPM/MCIT Advisor to fit into the expected role.

MCIT has a very limited number of professional staff. MCIT is however an outward looking organization and the CAPM concepts readily acceptable. Foreign investment with foreign staff are welcome and encouraged. MCIT also has a priority policy for encouraging Swazi citizens going into business. Employment generation is a basic policy with the Ministry. Export are considered to be essential for economic and industrial growth. A key unit in MCIT is the Trade Promotion Unit (TPU). Immediately upon arrival at MCIT the Advisor was invited to join the TPU as well as serving as counterpart/advisor to the Senior Planning Officer.

MCIT treated all foreign staff (advisors) with freedom and generally wanted them to serve as line officers. This was not always acceptable to all MCIT Officers. In the case of the CAPM Agribusiness Advisor, he did not (by choice) function as a line officer, but worked in conjunction with and through the Senior Planning Officer. This was agreeable to each party.

Although the Advisor has said that in certain regards CAPM was premature, many activities were undertaken and were essential for a fully fledged CAPM project to eventually be implemented. Some of the accomplishment^s of the CAPM/MCIT Agribusiness Advisor are as follows:

1) Dehydration Study Tour - UK and USA

This was a highly successful activity. The CAPM team when interviewed in July 1989 were given a case study on dehydration. When the team arrived in Swaziland in August this was the first followup action undertaken. It resulted in the expansion of the dehydration enterprise including products. The camaraderie of the tour also resulted in much closer working relations between farmers, MOAC and MCIT and it was here that the idea and programme of the Maize Contest was conceived with a more direct and comprehensive approach to extension.

2) Credit Study Tour - Egypt and Kenya

This was the first of the Study Tours and was a joint effort by the MOAC Marketing Advisor and the MCIT Agribusiness Advisor. The tour covered the CHEMONICS credit project in Egypt and the Pioneer Seed Project. Also private fertilized mixing and packaging operations were studied. In Kenya small scale business promotion and credit schemes were visited and studied. Field visits were made to pineapple canning, and to a fresh packing of perishables for air shipment to Europe were visited and studied. The tour was successful and by putting the MOAC officers in direct contact with Pioneer helped to bring about the eventual joint venture between the MOAC Seed Multiplication Unit and Pioneer. For some of the Officers it was the first real contact with commercial agribusiness and will have a followup influence.

3) Investment Criteria and Promotion

This is a difficult subject in that Swaziland is currently very open to investment. Nothing should be done to complex a workable situation. However, there should be policy and procedure to guide new investors. A special consultant (Jane Booker) started formalization. MCIT appreciated her work and other responsible Ministries participated and gave blessing to this initiation. Nothing has yet been finalized. One of the reasons being that the Agribusiness Advisor has advised MCIT that Agribusiness investment criteria has to be part of a larger overall policy. Currently the Senior Planning Office has visited Namibia and Botswana to study those country's investment codes. Also MCIT is presently upgrading the Company Formation Act. Lastly, the PS of MCIT wants to consider establishing a one stop investment promotion unit. The CAPM Agribusiness Advisor informed the PS that the CAPM Chief of Party has a long background of experience in this area. The PS will if not already ask the Chief of Party to be an advisor to the working group being set up.

3) Tomato Marketing

This is probably the primary accomplishment in that from this action the CAPM Project has been amended and re-directed to a fresh produce production and marketing activity. There is a detailed report on this subject at the project.

From this activity USAID should see the clear demonstration of market led opportunities, not random or luck of the draw production ~~of~~ the means to development ^{of} production capability ~~among~~ the small farmer.

The impact of the tomato sales has been impressive. Other South African buyers looking for alternative sources of supply have found the Advisor's name and made contact for 1991. All this and personal introduction for the new marketing facilitator has been made. Also with the contacts made ~~from~~ Swazi Can and the Langeberg Group who are willing to buy any of surplus.

This work also pointed out the ^{constraints} defects in extension, marketing and transportation, irrigation systems and other mis-directed projects and activities. It has also allowed MOAC subject matter officers to become involved in successful commercial

activities.

4) Contact with Oceanic

This seems strange and questionable, but it took one and a half years to make this contact. Oceanic has a complete and modern packing facility at Matsapha, including cold stores, offices, and land which could be used for demonstration.

Oceanic sees a collaboration in the long term. Once Swaziland production reaches an adequate volume they would profit by having a source of supply. In the mean time Oceanic will lease the facility to CAPM at a figure no higher than present CAPM rent to Khalipha.

5) EEC Micro Project

This project provides 75% grants for small scale investment. The problem with the project is that it can not provide the management, marketing or technical assistance which is ^{usually} often needed.

The CAPM/MCIT Agribusiness Advisor has been assisting in the area of sunflower oil extraction. This project is only starting, but without technical guidance and managerial inputs the project will fail. The Advisor wrote a short project and passed it on to the Commonwealth Secretariat's Trade Promotion Officer assigned to MICT. From here it was discussed with the Indian Ambassador with a request for assistance from the Central Food Technology Research Institute at Mysore, India. The reason for India is because that country manufactures small scale extractors. The Head of the Home Economics Department at UNISWA (Luyengo) who is behind the project has a Kellogg grant of US \$ 45,000 for an extractor/expeller. She has seen Indian equipment.

Swaziland imports ^S about 2,000 mt of oil annually. Sunflower is the consumers' choice and it grows well in Swaziland in addition it lends itself to small scale production. An oil industry can also export to neighboring countries and the seed cake is the basis of an animal feed industry.

6) Another EEC micro project will be growing chillies, ^{but} without any market contact. Chris Yickery, the partner in the dehydration enterprise was asked by the MCIT Agribusiness Advisor to provide technical guidance to these farmers. It would also be another source of supply for his dehydration enterprise.

7) A detailed Acti^on Analysis on development of Sericulture was prepared by the Advisor. As this is both agriculture and industry based, it was sent to MOAC after MCIT agreement. Currently it is with Tibiyo as that organization is looking for new investments.

Sericulture is ideal for Swaziland. Primary production is labour intensive; the whole system is possible on scale development; products are exportable at each level; added value is excellent; technical assistance is available from Swaziland's trading partners, Republic of China, Republic of Korea and the Republic of South Africa.

8) Preliminary work was done with Swazi Meat Industries - expansion, and addition of animal feeds and tannery. Also preliminary discussions were held with Simunye Sugar Co. and Swaki with regards to privatization of the Dairy Board's dairy.

Major problems/Constraints Encountered

The key element in any operation is management. To bring all constraints and problems under one heading, the Advisor believes the most important is the micro management practiced by USAID. Rather than accepting the fact that Contractors screen, interview and recruit and pay high salaries to get the best available specialists, USAID second guesses, attempts to control and in a number of cases replaces sound technical decisions of the specialists with incorrect alternatives. It is important that USAID provide Contractors with assistance and to facilitate the implementation of the projects. USAID has the high level policy contacts and with joint cooperation with Contractors can make the project successful which gives ~~credibility~~ *credibility* and prestige to the USA. With interference by inexperienced USAID officers, the project and the mission can only accomplish the opposite.

Recommendations for Future CAPM Interventions in Agribusiness/MCOT

With the current structure and redirection of CAPM it will be difficult to do agribusiness development through MCIT or other organization^s because CAPM is no longer fully structured to do agribusiness development. CAPM is now designed essentially for fresh produce production assistance, packing and marketing. Consultancies in agribusiness or for MCIT more correctly agroindustry will have to be carefully considered because there is no longer ~~and formerly~~ ^{an} integrated team as per the team interview on dehydration. Any agribusiness or agroindustry consultancy should be industry or product specific.

Some possibilities are:

Meat Industry (animal feed, tannery)
Dairy (continue pushing privatization)
Nursery
Sericulture (many cottage industries can be involved in later stages with fashion)

It would be recommended that CAPM move immediately to the Oceanic facilities at Matsapha. Separate from USAID.

Continue to cooperate with the IFAD Schemes, ~~the~~ EEC Projects, NAMBORD, Republic of China expertise and the South African Trade Mission. CAPM has good relations with all these people and this strengthens CAPM and its outputs.

Support the Chief of Party's aim of getting private sector people on the CAPM Management Board. These people will bring ideas and development opportunities.

Consider Herman Steppe for a near future consultancy with CAPM. He has a world of

experience and he will not be intimidated.

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