Scaling Up and Institutions

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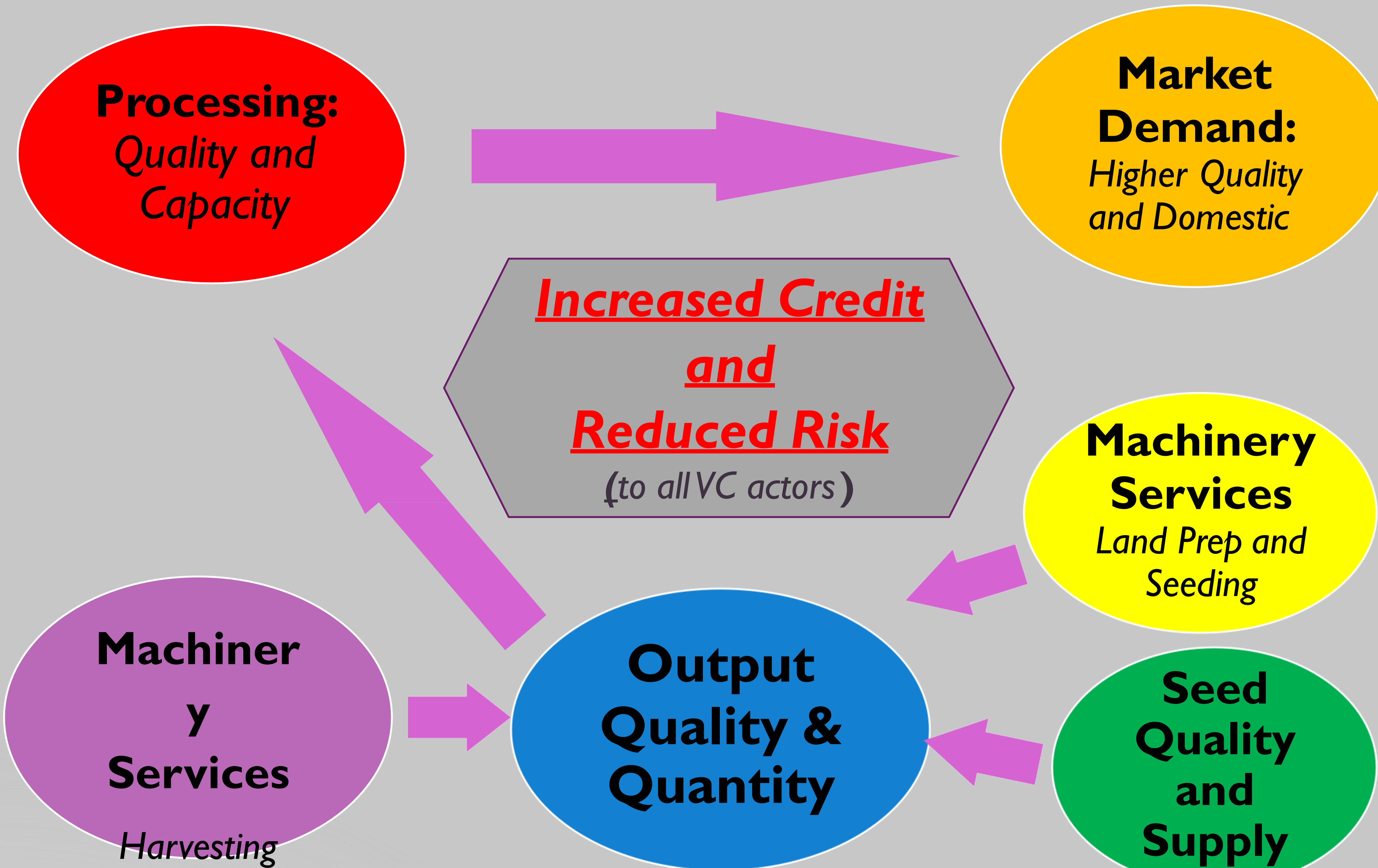
KEY POINTS

- For successful, sustainable scaling up must have a value chain & market system institutions that can fulfill their roles with quality and needed capacity
- Upstream, downstream,and support
- Each market/VC actor must have incentives to fulfill their role properly, whether profits (private), NGO (mission) or public (bureaucratic)
- Most successful scaling efforts require creating missing institutions or strengthening existing organizations quality or capacity

Example of Senegal Sahel Rice

- Sahel varieties introduced in 1994
- Reached quantitative scale, but not yield
  Average of 5.5 mt/ha vs. potential of 8-12 mt/ha.
- USAID project Projet Croissance Economique begins in 2009

Senegal Sahel Rice - VC/Market System



Senegal Sahel Rice -- Credit

- Crop Insurance for farmers to cover input purchases
- Subsidized insurance premia
- Negotiated benchmark paddy prices decreases cashflow and liquidity constraints on banks,farmers
- Increased supply of credit for producers at subsidized interest rates (and regular debt forgiveness)
- Credit to finance paddy purchases and processing to millers (Contractualization)
- Credit to Processors to improve Quality & Capacity
- Credit for machinery service providers

Conclusions and Lessons

- Senegal was not about introducing 'new' technologies vs."old" technologies implemented effectively
- The scaling strategy combined:
  - "pushing" producers to increase yields, production, & quality
  - "pulling" by increasing market demand for domestic rice
  - strengthening value chain institutions: inputs, services, processing, a nd market linkages
  - financial innovation to increase credit and reduce risk
- Created a virtuous circle or spiral that became self-generating (in the context of continued strong state support).