

CARD - Mechanisation Process Manual
First Phase (until June 2012)

The following are the tasks to be done by the CORE WORKING GROUP identified at the regional workshop in Nairobi.

1. Policy tool suggestions (policy track)

Before the end of June, the core group will have to: 1) finalize the list of policy tools (interventions) to be suggested to the in-country stakeholders; 2) fact sheets of each policy tool (intervention), and; 3) the final list of interviewees. Following are the process.

- Firstly, participants of the regional workshop prepare a list of the full stakeholders in the mechanization value chain in the country as well as the list of policy tools (interventions) for each stakeholder.
- Then, all the core members discuss the above list and check if there are any other policy tools (interventions) needed. Prepare a one-page fact sheet for each policy tool (intervention), as per the format attached in **Annex A**.
- The core members, divided into several groups examine each of policy tool (intervention) according to the format. This also includes the deliberation of the list of interviewees.
- The entire core members meet and discuss each fact sheet and finalize them.
- Finally, the core members finalize the list of people to interview in the Second Phase.

2. List of machineries to be domestically manufactured and relevant policies & strategies required (technical track)

By end-June, the core working group will have to be clear about the country's evolution in capacity to produce machineries and components, as well as how the private manufactures shall be supported to this end.

- Firstly, participants of the regional workshop draft a list of machine / components / parts that may be manufactured domestically in 1) three years, 2) ten years, and 3) beyond ten years.
- At the same time, participants of the regional workshop prepare a table of current tariff and VAT for each of the above items.
- Also, participants of the regional workshop prepare ONLY THE OUTLINE of the strategies in the following areas in order to enable the private manufacturers to produce machineries listed above. This will include answering the following questions:
 - 1) Capacity building. What engineering skills and business skills are needed for the manufactures to be successfully and sustainably operational? Who are the existing local manufactures that are adequate for such capacity training? How should the government, with the assistance of the public / private sector of other countries, provide such capacity building opportunities to those manufactures?

- 2) Infrastructure development. What type of infrastructure, AS THE PUBLIC GOODS, is needed to support the development of the private manufacturing industry?
 - 3) Policy tools (interventions). What policy tools are required to support launching and maintenance of the manufacturing business?
 - 4) Drivers for change. Who are the persons that are best positioned to drive the process. They may come from any sector, must be prepared to understand the intricacies of the whole adoption chain and be in a position to move things forward.
- Then, the core members discuss and confirm the list of machines / components / parts and the table of current tariff and VAT.
 - At the same time, the core members discuss the draft strategies mentioned above to agree at the level of the outline.
 - Then, some of the core members elaborate the strategies.

3. Testing and certification of agricultural machineries (technical track)

By end-June, the core working group will have to be clear about the country's evolution in capacity to test and certify agricultural machineries and how it is materialized.

- Firstly, participants of the workshop identify the current status/problems in the organisational structure, regulation for test of quality/ inspection or certification, facilities and human resources
- At the same time, participants of the workshop draft a list of recommended testing items which can be conducted domestically in: 1) three years; 2) ten years, and; 3) beyond ten years.
- Then, the core members discuss and confirm the two items mentioned above.
- Based on the above, the core members draft the detailed road maps (who to do what, when) of the following interventions
 - 1) Improvement of existing organizational structures, or if impossible, launching new organisations
 - 2) Development of required minimum facilities with the different time horizon
 - 3) Recruitment of appropriate human resources and provision of training
 - 4) Linkage with international organisations

4. Decision making tool to select machine at the user level (technical track)

- Based on the excel spreadsheet provided at the regional workshop, participants of the workshop apply the variables of the country and make cost estimation of mechanization services. In doing the above, the tool should consider the following points:
 - 1) Ownership of the machinery. Is a machine is owned by an individual farmer, farmer group, or a machinery service provider?
 - 2) Potential area of cultivation in line with the above, such as:
 - What is the size of the land owned by an individual farmer or a farmer group?

- What is the demand by the nearby farmers of machinery services? For a farmer or a farmer group, this could be the size of external land while for a machinery service provider this would mean the size of the land owned by potential customers.
 - 3) Size of the piece of land prevailing in the target area and the existence of the approach for large machineries.
 - 4) Ecosystem (upland, lowland rainfed, irrigated)
 - At the same time, participants of the regional workshop try to find research on theses/data on the country's economic effect brought by mechanization.
 - Then, the core members will discuss the above results and finalize the draft tool.

5. Engagement with dealers and service providers (policy track)

- The core members discuss and confirm the definition of 'good dealers'. In other words, the group will clarify the capacity requirements to become a good dealer. Here the capacity does not only mean technical capacity but also the general business skills, i.e. accounting, logistic arrangements, after-sales services, and other good business conduct.
- Accordingly, the core members identify capacity building activities required to improve the capacity (or desire to do business) of the dealers.
- Also, the core members draft a list of policy tools (interventions) for dealers (such as introduction of after-sales service norms, customs clearance, government's guarantee for dealers' quality of business, introduction of association of good dealerships eligible for finance / banking services)

6. Maintenance support in rural areas based on existing capacities (technical track)

- The core members map estimated distribution of existing rural repair facilities (such as mechanics, local artisans and machine operators and other existing agriculture services) and determine (or estimate) their capacity of maintenance work for agricultural machinery.
- The core members also identify other potential agents for maintenance work as an option.
- Based on the above, the core members identify capacity development actions to the above-mentioned agents, including vocational / educational programs (diploma / certificate courses)