

1. What is your understanding of Public Private Partnership in agribusiness (agri-PPPs)?

According to USAID, a PPP involves agreement between multiple actors “to work together to achieve a common objective” and involves shared contribution of resources.

PPPs should “achieve a common good” of value to both public and private actors; include contributions by the private sector partner go “beyond the private sector partner's immediate commercial interests”; and utilize resources from the private sector actor that would not otherwise be contributed and leverage financial, human, or in-kind resources from the public sector actor. Agri-PPPs in Ghana are mostly developed between a market or business driver of a particular commodity chain with various partners and actors coming together to form a partnership where the objectives of the partnership are clearly spelt out within a particular time frame. A partnership agreement is then developed to set out the framework of objectives, measurable indicators, budgets, timelines and partnership governance mechanisms.

2. How useful are agri-PPPs in the Ghanaian context? Please provide examples? From your experience, what are the factors key to the successful implementation of agri-PPPs?

In Ghana agricultural projects are usually formulated around partnership arrangements as an approach to mobilise strategic actors. The partnerships (public private partnerships (PPPs) and innovation platforms (IPs)) are used as a means for achieving broader developmental goals of poverty reduction, inequalities and food security. There is evidence of the value of partnerships in creating networks, and mobilising resources for effective collective action. But, there is limited knowledge on how interventions or services delivered by partnerships empower different categories of smallholders, and with what outcomes for inclusive development. Inclusive development implies building the capacities of the historically marginalised group (women, youth, resource-poor smallholders), to expand their assets and capabilities to benefit from partnership development activities in such a way that their livelihoods are impacted positively. E

Some clear and successful examples of public-private partnerships implemented in the past with varying degrees of success includes the Citrus Innovation platforms, Solidaridad sponsored partnerships in the cocoa sector, the IFDC-2SCALE project Agri-business partnerships implemented in about 8 commodity chains in Ghana which I personally facilitated and includes partnerships in Citrus, Pineapple and Mango, Rice, Soybeans, Mushrooms to mention a few. In

all, these partnerships were built around a local champion or a business or market driver who could also be a processing facility sourcing for produce from smallholder producers.

According to a research conducted by the Wageningen University, CSIR-Science and Technology Policy Research Institute and University of Ghana to understand the promotion of inclusiveness by partnerships, thus, 'Partnership Arrangements as Strategic Action for Inclusive Development: Practice and Outcome' in four different project-based partnership arrangements within the cocoa, cassava and soybeans value chains. It was realized that, in the formal structured cocoa value chain, the partnerships provided **technological innovations** and **improved service and input delivery** to improve smallholder cocoa **productivity**. The food (soybean and cassava) value chains were rather local and informal. Here the partnerships not only focused on improved agricultural practices but simultaneously worked on the organization of local value chain actors, with special attention to farmer organization. Apart from training in agricultural production, they supported farmer organization to enable them establish the desired credit, processing and marketing arrangements.

It was also found that in all cases, partnerships' prime intention was to improve the agricultural production and market structure, benefiting smallholder farmers. In the cocoa sector, arrangements were created to better serve cocoa production needs of the smallholders. In the cocoa PPP, service provision was formulated in a top-down manner, while the cocoa IP included farmer representatives in the deliberation and learning. In the food value chains both partnership arrangements explicitly worked on farmer empowerment. In all cases, smallholders made use of the provided services and training, but in some cases the marginalized did not participate fully as they could not deliver the required product quality; could not make large investments without additional leniency and support, or preferred investment in related processing and trade activities. For example, women tend to benefit more through their involvement in processing and petty trade than in agricultural production.

3. How can we protect smallholders and share risks fairly, while at the same time ensuring that the agri-PPP is attractive to private investors?

In order to be able to protect small holders and deepen inclusiveness in the partnership, the partnership objectives must be clearly spelt out from the beginning through a consultative process in what we call a diagnostic and design session (D&D workshop). This session identifies the current situation and where partners seek to be in few years as well as strategic actions required to get them there.

Also during the partnership agreement design phase, a strong partnership governance system must be put in place and their role spelt out in the agreement. The partnership governance structure should police the partnership from start to end and meet regularly to identify bottlenecks as well as conduct annual evaluations and recommend strategic direction of the partnership

Also important is resource contributions and commitment of each partner in the arrangement must be clearly identified and documented in the partnership agreement. This could either be an in-kind or cash contribution in successful implementation of the partnership.

Lastly a strong and measurable M&E system must be put in place by identifying the impact pathway of the partnership or theory of change(ToC) with simple non-complex indicators.

To ensure gender inclusiveness, gender mapping must be carried out for each partnership to identify all actors involved and how to build their capacity.

4. Which policy changes/reforms are required to improve private investment for agribusiness in Ghana through PPPs?

For each agribusiness commodity chain in Ghana, there are some investments which are beyond the budget limitations of parties in the various partnerships. These require specific and targeted interventions from central government to remove those challenges or bottlenecks. Examples could be research into some new varieties, innovations, critical infrastructure such as motorable roads require interventions beyond the scope and budget of most PPPs in Ghana. Government must therefore identify such bottlenecks and develop policy interventions to remove those bottlenecks.

Again, financial policy initiatives such as interest rates which affect inclusive access to finance which otherwise is a critical requirement of successful PPPs could serve as disincentive to private sector investment in Agri-PPPs

5. Which institutional arrangements are required to promote agri-PPPs in Ghana for effective engagement and investment of the private sector in agribusiness in Ghana?

Apart from the key partners in a particular Agri-PPPs the partnership agreement must be able to identify other Key stakeholders and intermediaries whose buy-In and support is required to ensure successful implementation. These institutions could include, input dealers, financial Institutions, Transport service providers, Training and extension institutions, Research and other government or donor agencies whose goals and objectives identify with the objectives of the partnership. Apart from harnessing their support and pooling resources together, it prevents duplication of initiatives and interventions

6. How should support for increased private investment in agribusiness through PPPs be coordinated in Ghana?

As I have indicated above, stakeholder mapping must be carried out during the partnership development and design stage to identify other Key actors in the chain as well as their added value or value proposition. Through this, an MOU can be developed to spelt out the contributions and roles of each other to avoid duplications and ensure resources are channeled to other critical initiatives or interventions.

7. How should progress on agri-PPPs implementation in Ghana be documented and reported?

For each PPP, a partnership agreement must be developed and signed by parties to the partnership. Also for each PPP, Measurable indicators must be spelt out in the agreement from each year of the partnership so that Review and capitalization sessions are held each year to document achievements, challenges and success stories.

A clear Impact pathway must be developed for each PPP. Some examples are attached here even though partner names have been omitted for confidentiality purposes.

8. Who are the main stakeholders for effective design, implementation and reporting on agri-PPPs in Ghana?

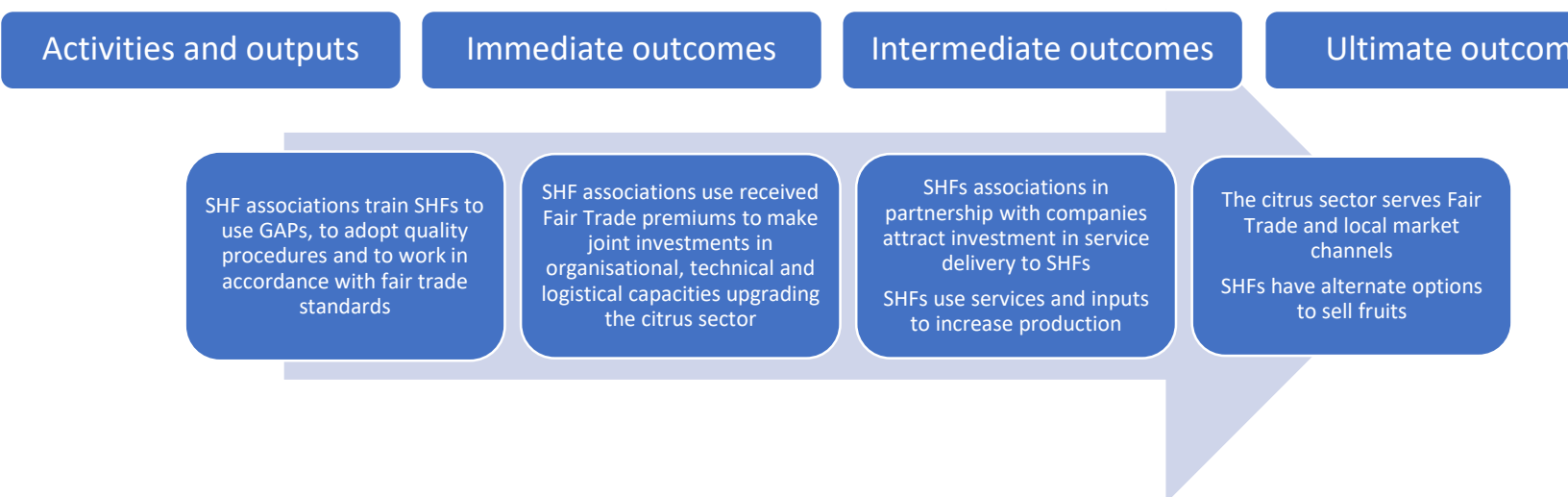
As indicated above, a stakeholder mapping will identify the various stakeholders for a particular Agri-PPP, but generally, these include Agri-processors or Companies, Major Exporters, Input Dealers, Local Aggregators, Financial Institutions, Research Institutions, MOFA, Producers, Irrigation authorities, Transporters, Local women processors etc

Impact pathways Ghana, Citrus (GHA_citrus)

Overall inclusive development impact of partnership: *Improved livelihoods (quality nutrition, food security, improved household assets, better care and welfare for the family) of smallholder farmers*

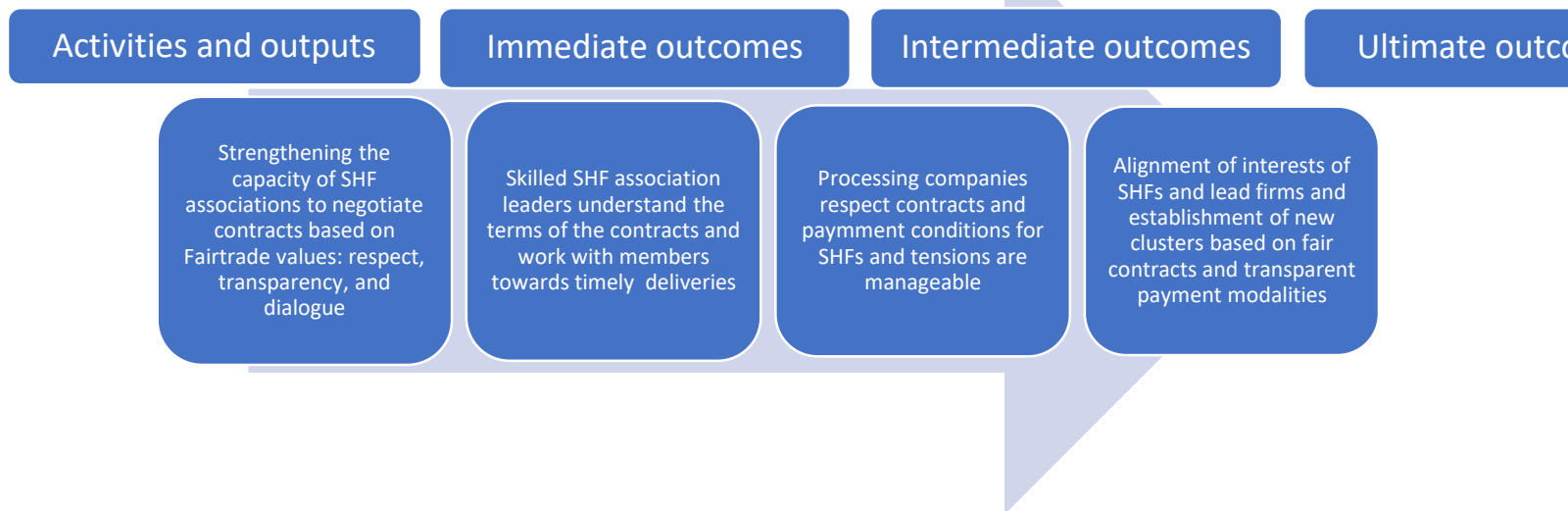
Key Impact Pathway A: Upgrading of fruit sector enhances capacities of SHFs to supply alternate markets

The partnership enables Fair Trade certification of SHFs, which enables SHF associations to invest the received Fair Trade premiums in processes of upgrading, which enhances production capacities in the citrus sector and eventually supports endeavors to enter alternate market channels decreasing the dependency of SHFs on European buyers.



Key Impact Pathway B: Fair contracts and transparent payment modalities

SHF associations negotiate fair contracts and transparent payment modalities tempering tensions and reconfiguring the terms of inclusion in the supply of raw materials



Theory of changes narrative

Type of partnership: CITRUS, VC-PPP

Actors of partnership:

Country: Ghana

The “inclusive development” problem

Unviable livelihoods (in terms of quality nutrition, food security, improved equipment for household, better care and welfare for the family) for smallholder citrus farmers

The “inclusive business” problem

XX has high demand of juice from YY and ZZ to Europe. However it can deliver a quantity of conventional juice, it finds difficult to satisfy the Fairtrade juice demand. Then, the company and its partners agree to work closely with SHFs in order to improve the quality and volume of citrus production and supply a maximum of fair trade standards required and conventional juice to the export and local markets.

The main causes of this “inclusive business” problem

Weak institutional environment of SHFs, low investment in maintenance of citrus plantations, lack of good agricultural practices (GAP), lack of knowledge on juice quality standards and low adoption of its procedures.

Intended changes constitute a process of inclusive development

The partnership intends to enable XX to deliver good quality juices (Fairtrade and conventional) and SHF associations to be able to deliver consistent and sustainable quantities of quality citrus by supporting them to build a strong institutional structure based on Fairtrade values.

The intervention strategies of the partnership contributing to a process of inclusive development

The partnership decides to support the SHFs and XX by implementing some key strategic interventions: 1) Strengthening the capacity of SHF associations to negotiate contracts respecting fair trade values (Respect, transparency, and dialogue); 2) Training SHFs on and facilitating adoption of GAP; 3) Encouraging adoption of quality procedures in accordance with fair trade standards; 4) Upgrading of XX facilities

	IP A	IP B
Provide technical assistance to citrus POs to increase farm productivity	x	
Empower farmers to access markets (including alternate options to XX)	x	
Strengthen linkages among value chain actors and supporters	x	x
Upgrade XX factory and provide technical assistance	x	
Support the creation of two citrus farmer apex organizations and their Fairtrade certification	x	x
Continue the provision of intensive capacity building for farmers (incl. women), both on technical aspects and organizational aspects. Liaise up the capacity building program with the farmer service centre		x
Assist farmer associations in accessing required inputs and small equipment, including through value chain financing arrangements		x
Strengthen the logistics from the farms to the factory	x	
Intensify the communication for end consumers on the benefits of Fairtrade for citrus farmers in Ghana	x	x

What are the assumptions made in the impact pathways

Partnership can achieve goal if,

- SHF associations ensure XX and partners to invest in processes of upgrading which are necessary to respect fair trade standards in production
- Partners (buyers) organize contract negotiation with SHF groups in respect of fair trade values

What is the sphere of influence of the partnership facilitator in the intervention strategies

Impact pathway A: Partnership facilitator supports SHF associations in training SHFs to use GAPs, to adopt quality procedures and to work in accordance with fair trade standards

Impact pathway B: Partnership facilitator organizes the capacity strengthening of SHF associations in negotiation contracts based on Fairtrade values: respect, transparency, and dialogue.

What are the tensions internal and/or external for the partnership

Tensions inside this partnership may come from:

- Suspension of XX export because of low quality of the juice;
- Delayed payments of fruits to SHFs by XX may lead to mistrust in the value chain;
- SHFs practice side selling, which causes mistrust between leaders and company (default of loan reimbursement);
- Competition from other others (buyers of same sector and other sectors (e.g. gold mining));
- XX is not open to share challenges within the partnership

What are the risks, internal and/or external to the partnership, which can undermine the process of inclusive development?

- Climate change/environmental conditions
 - Breakdown of machinery
 - Continuous power outages
 - Seasonality of orange production
 - Lead firm might become monopolist, with SHFs becoming price takers
 - Competition from neighbouring countries
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Reference

1. *Charity Osei-Amponsah, Senior Research Scientist-CSIR_STEPRI-Ghana (Research findings 2: Partnership Arrangements for food crop value chains- Cassava and Soybeans)*
2. *IFDC-2SCALE Project. (Towards Sustainable Clusters in Agribusiness Through Learning and Entrepreneurship-2012-2017)*

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