



AGRF 2016 – PLENARY SESSION REPORT

Day 4 - Thursday, September

09:00am- 10:30am

Plenary 1

Role of Policy in Enabling Public-Private Partnerships to Achieve African Agricultural Transformation

SESSION BRIEF

Context: As efforts are expanded to implement the national agriculture investment plans across Africa, it is becoming clear to all that the size and complexity of the task will require contribution from multiple stakeholders – government, development partners, NGOs and, in particular, the domestic and international private sectors.

Indeed, African governments often state in their National Agricultural and Food Security Investment Plans and other policy initiatives that they intend to attract private sector investments in agribusinesses engaged in agricultural technology delivery, input supply and output marketing in value chains that are important for smallholder farmers. But many of the policies and regulations that governments carry on their statutory books and implement in practice deter rather than promote private sector investment. Changing these “problem” policies and regulations requires public-private partnerships to identify, prioritize, develop solutions and bring these through the administrative and legislative processes and stages of government approval that they are required to go through to reach implementation. There are a growing number of facilitators of the development of these partnerships and good practice related to initiatives unfolding on the continent and those happening in other regions of the world that can serve as models for new African initiatives.

Understanding the processes and even potential impediments to successful policy reform toward encouraging public – private partnership in agriculture is a critical exercise for all stakeholders involved.

Session objectives: The purpose of this session was to discuss, share and learn lessons about actions that African governments need to take to reform “problem” policies and enable public-private partnerships to achieve an agricultural transformation.

Key Issues/ Questions:

- What are critical policy areas in Africa where reform is needed to support efforts to increase private sector engagement in agriculture on the continent? Are there areas more germane to the domestic private sector and to members of the international private sector?
- Where are the examples of models of good practice in PPP development in African agriculture?
- What resources are available and from whom to support PPP development in Africa?



AGRF 2016 – PLENARY SESSION REPORT

Outcome Desired:

- Gain understanding of policy areas that are crucial to support the development of strong PPPs in African agriculture.
- Gain insight about continental and international models and examples of good practice that can be replicated in other parts of Africa.
- Learn about existing and planned for resources that can and are supporting agriculture sector PPP development and related policy reform in Africa.

Organizer: AGRF Secretariat

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Name	Picture	Discussion
<p>Mr. Jeff Koinange, Award Winning Kenyan TV Personality</p> <p>Role: Moderator</p>		<p>As he took to the podium to moderate the first plenary session of AGRF 2016, TV personality Jeff Koinange announced that “We [are going to] continue the momentum as we seize the moment”.</p> <p>He introduced the theme of the session as the “Role of Policy in Enabling Public-Private Partnerships to Achieve African Agricultural Transformation” and introduced the keynote speaker, Dr. Akinwumi Adesina, President, African Development Bank.</p>



AGRF 2016 – PLENARY SESSION REPORT

Dr. Akinwumi Adesina,
President, African
Development Bank
(AfDB)

Role: Keynote Address



Dr. Adesina began his speech with greetings and spoke about his pleasure to see AGRF grow having been involved in its creation while he served as a Vice-President at AGRA years ago.

He then opened his formal presentation by remarking that “what we do and what AGRA does is very important work, feeding Africa is one of the Banks “High Five” priorities. The continent is blessed with land and rich in water, yet the continent is unable to feed itself. It is time for Africa to feed itself. If the current trend continues Africa will spend 100 billion dollars on food imports. Africa must prioritize investment in agriculture.”

Ladies and gentlemen to get there we need a stronger role from our governments in support of agricultural development, and we need to learn from Asian countries. The assumption that public sector institutions will be replaced by private sector is not accurate, however, there is a key role for the private sector to play. However, we need strong public policies to stimulate the growth of the African private sectors. In the horticulture industry in Kenya, it was not by chance that the private sector grew, it was boosted government and that helped in the development of the sector’s export potential.

He continued that it is time to support African farmers. “In Nigeria, when I was the Minister of Agriculture, we designed strategies to help de-risk lending in Nigeria. The results exceeded all expectations with Nigeria experiencing an increase in agriculture; rising from 0.6% lending to the agriculture sector to 5% in just a few years. Today, agricultural lending has continued to grow and is heading toward 10%”.

The lesson is that development finance institutions should now get together, and this should include agribusiness development banks, to provide finance for Africa’s agribusiness value chains.

Another challenge that we have beyond expanding access to finance, is reducing post-harvest produce loss. A massive



AGRF 2016 – PLENARY SESSION REPORT

		<p>quantity of farm produce today, unfortunately, goes to waste in rural areas - enough to feed millions of people. Governments need to develop food processing zones in rural areas to help drive down the cost of value addition and to provide cost effective processing services to small holder farmers. By boosting economic opportunities in rural areas through the process of establish crop processing zones, the continent's rural areas can become zones of broader economic activity.</p> <p>He proceeded to add that he also believes in the power of mobile phones to change the lives of small holder farmers and improve their access to information, ability to mobilize financial resources and to trade. He gave an example of the initiative he launched when Minister of agriculture in Nigeria to used cell phones to distribute vouchers to small holder farmers, many of who were women, so that they could acquire subsidized fertilizer and seeds. This significantly increased the number of farmers using these inputs and dramatically increased their yields. "With the E-wallet we helped farmers to get their inputs easily and cost effectively", he noted.</p> <p>Dr. Adesina also noted that we need strong public private partnerships to fight against malnutrition. Malnutrition and stunting costs Africa millions in lost productivity a year and threatens the continent's future. We can fix bridges and roads but we cannot fix damaged brain cells. In Lusaka earlier this year during the AfDB annual meetings, we established an public-private sector driven initiative to fight against malnutrition and our goal is to ensure accountability if our efforts.</p> <p>PPPs, he added, are also needed to encourage youth to get involved in agriculture, and to ensure that women have the opportunity to participate in the continent's agricultural transformation. It is time, he concluded, for a new global PPP to support African agriculture.</p>
<p>Panelists</p>		



AGRF 2016 – PLENARY SESSION REPORT

<p>Hon. Willy Bett, Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries, Kenya</p>		<p>Hon. Willy Bett opened his remarks by speaking about the fact that the government of Kenya has increasingly focused on working with the private sector to implement the agricultural development strategies of the country. The government engages with the private sector through bodies such as KEPSA - the Kenya Private Sector Alliance and more recently through KAAA -the Kenya Agribusiness and Agro-industry alliance.</p> <p>He reiterated the fact that government has focused on ensuring that its policies and regulations are as clear as possible, developed as inclusively as possible, and with the intent of creating an optimal investment environment for the private sector.</p> <p>Noting that Kenya had developed preferential procurement policies that support women and youth entrepreneurs, he noted that this was an example of a public effort aimed at helping increase inclusion and the development of the private sector.</p>
<p>Dr. Rob Smith, Senior Vice President, AGCO</p>		<p>In his remarks, Rob Smith explained that AGCO has been focused as a company on providing a lower cost tractor with implements (a “people’s tractor”) for small holder farmers and entrepreneurs seeking to enter the leasing and mechanization services markets.</p> <p>Towards capacity development and the development of greater mechanization skills, the company has also developed a Future Farm training facility in Lusaka, Zambia and is busy developing one for francophone skills development in Dakar, Senegal.</p> <p>As they are working closely with the governments in both countries to create these centers of excellence these he stated are examples of constructive public-private partnerships.</p>



AGRF 2016 – PLENARY SESSION REPORT

<p>Dr. Shenggen Fan, Director General, International Food Policy Research Institute (IFPRI)</p>		<p>Dr. Fan explained that IFPRI’s institutional focus is in developing the research capacity of its stakeholders around the world. As a supporter of CAADP since its inception, he commented that the initiative has indeed made a positive impact in the focus on developing agriculture in Africa.</p> <p>He acknowledged that there is often a call for greater comparison in Africa to Asia’s “green revolution” but he cautioned that we cannot fully compare Africa with Asia as there are many differences between the two regions.</p> <p>A particular focus he continued should be on addressing the impact of climate change and improving our efforts to expand knowledge among farmers about the importance of match inputs to soil variances and to replenishing nutrients in the soils.</p> <p>We should also focus on improving nutrition and promoting increased processing in Africa. He encouraged adoption of a scorecard to improve accountability and urged that alongside this capacity to gather and evaluate data also be strengthened.</p> <p>In closing he urged that greater attention be given to supporting women in agriculture and suggested that the public sector play the leading role in stimulating Africa’s green revolution.</p>
<p>Dr. Dominic Charron, Director, Agriculture and Environment, Internati onal Development Research Centre (IDRC)</p>		<p>Dr. Charron began her remarks by introducing the government of Canada’s International Development Research Centre, a development assistance agency that focuses on the promotion of technology transfer, the development of innovation, and the improvement of research and development capacity in the developing countries that it works in.</p> <p>“You are aware of the importance of knowledge she said. Why aren’t technologies reaching small holders, where is the data. These are issues that need to be addressed. I see a future where your private sector is attractive for investment; there are so many micro level policies that are important. There is so much more that need to be done. So that women and men have the right ingredients for nutritious products.</p>
<p>Q & A to Panelist</p>		



AGRF 2016 – PLENARY SESSION REPORT

Q: There is a perception that there is a lack of trust between the private and public sectors, what do you think?

RE: Dr. Akin Adesina, AfDB

The public and private sectors at times speak different languages. There also are not adequate platforms for them to engage and share their concerns so that they can also find areas of mutual interest. The economic environment is a concern of the private sector and mobilizing additional capital to fund agricultural development is a concern of the public sector. The problem is not really that there is not adequate capital to invest, but the public sector has to clearly articulate its aims, show the private sector how it is creating an environment conducive to investment and also how it has developed a policy and regulatory environment that seeks to incentivize investment.

Q: Are there good examples of PPP?

Re: Dr. Rob Smith, AGCO

A good example can be made of our relationship with the government of Algeria. AGCO went to Algeria and signed a deal to manufacture tractors for the middle east and Europe. The relationship has proven to be profitable and we created jobs and we are about to make further investments. We feel that this is a great example of aligned vision.

Q: Do you find there is rivalry between the private and public sector?

RE: Hon. Cabinet Secretary Willy Bett

Not necessarily a “rivalry” but a feeling of not having our goals aligned. This came because there was a lack of communication and not enough platforms for candid dialogue. But this is changing now as there are formal platforms that afford the public and private sector to engage regularly on all of the key government agenda items that we have. Thus, there is greater communication, greater alignment and increasingly, greater cooperation.

Q: What are the critical areas where reform is needed in Africa?

RE: Dr. Dominic Charron, IDRC

We need an increased focus on innovation, science and technology, and investment in research and development to transform the continent, generally, and agriculture specifically. There is a tremendous gap of investment needs in these areas in Africa. If we want to transform agriculture in Africa we also need greater investment in education and ICT from both the public sector and the private sector.

Q: Why isn't the green revolution taking off?



AGRF 2016 – PLENARY SESSION REPORT

RE: Dr. Shenggen Fan, IFPRI

It actually has begun to take off. What we need to do is to continue to scale up some of the more successful initiatives and replicate them in other countries to accelerate the pass of success in aggregate. The private sector wants to invest but policies change all the time, so we also need policy and regulatory stability. As economic and climatic shocks increase, we also need to promote the use of insurance and lastly we must continue to build the capacity of Africa's farmers, particularly small holder farmers.

Q: Are we talking leadership when policies change?

RE: Dr. Akin Adesina, AfDB

I think the point of Africa needing consistent policies is an important one to make. We cannot treat our agricultural policies like political initiatives that change drastically from regime to regime. We need to have consistent policies no matter which government comes to power, stakeholders need to have confidence that the governing administration will stick with the principles of the long term national agriculture plan.

When it comes to leadership we need to make sure we are making decisions based on evidence. Policy should be "evidence-based" policy. The importance of political leadership is critical and as policy makers we need to note that the work we do is as custodians of the public trust and so our ultimate focus should be on improving the policy and regulatory environment for the farmers – and for the private sector.

Questions from audience

Q: With regard to evidence based policies, what kind of investments are you making in disseminating better information to farmers?

RE: Dr. Akin Adesina, AfDB

There is indeed a lack of information that is evident in many areas – related to finance, to technology and to policy and regulation. At the AfDB, to address this, we will be supporting a lot more work on extension. Also we will promote ICT based information dissemination systems as one of the most powerful tools we have at our disposal is the mobile phone.

Q: What instruments have you put in place for civil society to monitor?



AGRF 2016 – PLENARY SESSION REPORT

Re: Dr. Akin Adesina, AfDB

One of the biggest problems in Africa is accountability, and at the Bank we recognize the value of civil society in keeping our leaders accountable. At our annual meeting in Zambia, I had a meeting with a group of civil society representatives and we have established an initiative to ensure that we are regularly engaging with civil society and getting feedback on our work.

Q: What is the Kenyan government doing to promote value addition in agriculture?

RE: Hon. Cabinet Secretary Willy Bett

Like many African countries, we have a lot of work to do in terms of our effort to promote more value addition in the products that come from Kenya. However, in recent years we have developed a number of policies that are geared towards value addition, and we have given incentives for the manufacturing of commodities that will be exported. We still find ourselves importing more than we would like to because in a number of instances the products produced outside of Kenya are still cheaper (and often of higher quality) than what we produce in Kenya. However, our desire is to change this in the coming years.

Summary: There is a need for greater public-and private dialogue in Africa to ensure increased alignment of vision and to set the stage for greater collaboration and cooperation between the public and private sectors. There is also a greater need for focus on innovation, research, and upskilling of Africa's farmers. Governments must endeavor to develop inclusive and incentivizing policies and commit to hold stable policies even when there are regime changes. The private sector must continue to organize itself and push for the development of platforms to engage government and to see where it can invest capital and skills toward developing the agricultural sector on the continent.