



AGRF 2016 – SHOWCASE REPORT

Day 4 - Thursday, September

11:00am- 12:30pm

Showcasing Models

Public Private Partnership

SESSION BRIEF

Context: Increasingly African governments are realizing the value and importance of collaboration with the private sector to implement their national economic development agenda. This has also been true among countries that are focused on accelerating transformation in their agriculture sectors. Countries such as Senegal, Kenya, and Rwanda are among those that have recent experience in working with the private sector and pursuing initiatives aimed at attracting private sector investment and technical expertise to further develop their agricultural sectors, generally, and value chains of import to each country, specifically. Government stakeholders have developed strategies to identify and attract private investors interested in economically viable and inclusive business who are willing to co-invest with the government and, where prudent, development partners, in the agriculture sector. The “how-tos” of forming such partnerships are valuable to both government and private sector stakeholders and thus we must unpack these models, recognize what works, and acknowledge what has not worked, with the aim of our collectively accelerating efforts to forge such relationships across Africa’s full agricultural landscape.

Session Objective: The session aimed at helping participants from different sectors better understand how through strengthened and targeted partnership action they can address key business and development challenges in the agricultural sector. In so doing what they can to help to reduce the constraints and minimize the risks associated with investing in African agriculture through the use of practical applied examples of the ground action.

Key Issues / Questions:

- What are the more attractive opportunities in agriculture for private sector investment?
- What have African governments done successfully to promote and private sector investment in agriculture?
- What are the barriers (policy, financial, other) that still must be addressed to achieve increased private sector investment in agriculture?
- Stimulate interest in greater private sector investment/ and public-private partnership project development in the agriculture sector?
- Share compelling case studies of how government can work to attract private sector capital the agriculture sector?

Desired Outcomes:

- Better understanding of what are good practices in agriculture sector PPPs;
- Acceleration of the development of public-private partnerships toward the achievement of agricultural transformation in Africa

Organizer: AGRF



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Name	Picture	Discussion
<p>Mr. William Asiko, Executive Director, GROW AFRICA</p> <p>Role: Moderator</p>		<p>Mr. Asiko introduced the panel to the audience and asked the panelists to share their understanding of PPPs in the context of agriculture.</p> <p>He also asked them to provide more insight about how to build stronger institutions in the context of public private partnerships and how stakeholders could best realize the full applicability of PPPs - in terms of policy, efficiency, stakeholder management, transparency, high participation of local investors, development of conducive investment climates, and toward support of the development of strong government commitments and regulatory frameworks.</p>
<p>Mr. Lamine Mamadou Ba, Director, APIX</p> <p>Role: Setting the Stage</p>		<p>Mr. Ba opened the discussion with a presentation about some of the necessary steps required to develop successful PPPs. He explained that from his experience in his native Senegal, to boost PPPs in Africa, Africa's countries must work to improve the business climate and adopt investment friendly and private sector development conducive policies.</p> <p>Public and private sector stakeholders also need platforms where they can exchange their respective views, concerns, and desires and discuss areas of divergence toward the development of compromise and shared solutions for the economic progress of the country.</p> <p>There is, he continued, also a need when pursuing PPPs for a firm action plan to set targets and through which to develop a clear frameworks for the intended work of the PPP.</p> <p>Mr. Ba then recognized the work of selected other PPPs that have made tremendous strides since they were launched: 1) Rice sector partnerships to develop agricultural value chains in Senegal and Ivory Coast where the public and private sectors</p>



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		<p>have started working together with the support of the AfDB; 2) partnerships in research, innovation and technology transfer where Rwanda has succeeded in this regard and is already considered one of the continent’s ICT sector development champion; 3) partnerships for the construction and improvement of commercial infrastructure – in Ethiopia and Nigeria; and 4) partnerships for the provision of business development services (BDS) to farmers and small businesses – in Ghana, where the government set up a series of PPPs oriented at selected value chains to improve the access of farmers of “small corn” to finance.</p> <p>Another example he mentioned of a constructive public-private partnership is found in an initiative that NEPAD has developed in 5 countries to date: The CAAADP Investment Facilitation Platform (IFP). The platform includes a public-private dialogue and the showcasing of domestic private sector investment opportunities and serves as a framework for exchanges, as it brings together the public and private stakeholders (including commercial banks, development finance institutions, microfinance institutions, agricultural banks, investment funds, companies involved in agriculture and government.) There is a need for more of IFPs he stated...</p>
Panelists		
<p>Hon. Mr Tony Nsanganira, Minister of State, Agriculture, Rwanda</p>		<p>Minister Nsanganira began his speech by noting that in his experiences it is hard work that transforms lives. Efficiency, discipline and sense of urgency are the characteristics that have helped develop Rwanda from where it was to where it has evolved to today.</p> <p>The country still needs development in all of its sectors, but setting priorities was what is beneficial to the country first. After the genocide in 1994, the country sought to identify the resources that could most productively boost the economy. Government institutions also needed to be reformed to deal with how best to secure investment. The Rwanda Development Board (RDB) was launched so that investment issues at every level could deal with in one institution – thus RDB was founded as a “one stop shop”.</p>



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		<p>It was identified that there was also a need to have a conducive investment climate to attract foreign investment - in multiple sectors, particularly infrastructure, energy and agriculture.</p> <p>The energy sector in particular is a sector that the country made a priority for development and has worked with private sector stake holders to develop. Tourism and ICT are two other priority sectors that the government is working to develop and for which it has sought private sector collaboration and investment.</p> <p>Lastly, agriculture and agribusiness development are two key areas that the government has made a priority in terms of engagement with private stake holders and this is bearing fruit in terms of increased yields, job creation and more value addition.</p>
<p>Mr. Njack Kane, CEO, Intervalle Geneva</p>		<p>Mr. Kane, an African entrepreneur based in Geneva but developing rice value chain projects in Senegal and Cote d'Ivoire spoke next about his views and experiences in developing PPPs.</p> <p>He said that Private sector involvement in the African agriculture sector has huge potential to increase capabilities through financial and technological investment and to increase local, sustainable production for smallholder farmers and African businesses.</p> <p>In his view, all parties involved in a PPP must be content with the outcome, making true alignment critical to creating win-win PPP situations. Since governments are not able to sustain investment needs on their own; incentives should be given for private investors to come in.</p> <p>The transfer of technology, information, and skills to smallholder farmers, as well as the introduction of risk management mechanisms are also important tools for sustainable partnerships.</p> <p>Negotiation skills are also important for the development of mutually beneficial public-private partnerships which can facilitate responsible investment by the private sector. Another</p>



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		<p>important area that must not be neglected, he added, was the fact that in agriculture sector PPPs the local farmers must be included in the overall discussions about PPP arrangements.</p> <p>They are often treated as secondary to the partnerships although they are the fulcrum around which the partnerships are being made. These farmers have the highest risks and the lowest returns. Indeed he urged, this must stop now – and in fact people should stop calling them ‘small scale farmers’. They are ‘farmers’!</p>
<p>Mr. Bukar Tijani, Assistant Director - General and Regional Representative For Africa, FAO</p>		<p>Mr. Tijani introduced himself and began by sharing information about key areas of focus that the FAO is focusing in Africa today. These included: food security and nutrition, poverty alleviation; climate mitigation and adaptation, energy, water scarcity, food safety; agri-food systems development and employment and trade and the support of gender and youth.</p> <p>These areas he noted all offer potential for strong private sector participation with government through PPPs and he noted that the FAO encourages more intra-regional discussions involving both the public and private sectors to come up with concrete plans about how they can collectively work to strengthen Africa’s economy.</p> <p>He then cited a few examples where FAO worked on regional initiatives that were developed via cross-sectoral and interdisciplinary review of regional issues: 1) the call for accelerated action by Member countries in the fight against hunger (Africa’s Commitment to End Hunger by 2025); 2) the promotion of proven, innovative, and sustainable production and post-production practices (Sustainable Production Intensification and Value Chain Development in Africa); and 3) strengthening the resilience of vulnerable farming and pastoralist communities (Building Resilience in Africa’s Drylands).</p> <p>FAO has also helped deliver more than 90 agriculture and food investment projects across 40 countries, and this involved both the public and the private sector working together.</p>



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		<p>He concluded his remarks by noting that there are many trends (climate change, global financial down turn, lower commodity prices, political upheaval) and challenges that may impact the global food and agriculture sector. FAO, however, works to mitigate these potential shocks and calls equally upon the private sector and the public sector to collaborate and to develop solutions to address these developments.</p> <p>Thus, the FAO aims to do its part in supporting the Comprehensive African Agriculture Development Programme (CAADP), the execution of the Malabo Implementation Strategy and Road Map, and towards the delivery of the Sustainable Development Goals.</p>
<p>Summary</p> <p>Public private partnerships are very important today in addressing the challenges found in the African agriculture sector. Developing infrastructure, conducting research, financing projects, and crafting incentivized policies – are all ways in which increasingly in Africa the public and private sectors are engaging to jointly address the opportunities and challenges found in the agriculture sector.</p>		