Public-private engagement in agriculture

Public-private cooperation in policy formulation and implementation with special reference to CAADP

On behalf of: Sector Project ‘Agricultural Policy and Food Security’

Prepared by: Désirée Dietvorst

February 2019
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACT</td>
<td>Action Change Transform (Kenyan NGO)</td>
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<tr>
<td>ACTESA</td>
<td>Alliance for Commodity Trade in East and Southern Africa</td>
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<tr>
<td>AFAP</td>
<td>African Fertilizer and Agribusiness Partnership</td>
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<td>AGRA</td>
<td>Alliance for a Green Revolution in Africa</td>
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<tr>
<td>ASARECA</td>
<td>Association for Strengthening Agricultural Research in East &amp; Central Africa</td>
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<tr>
<td>ASUF</td>
<td>Agri-Sector Unity Forum</td>
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<td>ASWG</td>
<td>Agriculture Sector Working Group</td>
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<tr>
<td>ATA</td>
<td>Agricultural Transformation Agency</td>
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<tr>
<td>ATVET</td>
<td>Agriculture Technical Vocational Education &amp; Training</td>
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<tr>
<td>AU</td>
<td>African Union</td>
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<tr>
<td>AUC</td>
<td>African Union Commission</td>
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<td>CAADP</td>
<td>Comprehensive African Agriculture Development Programme</td>
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<tr>
<td>CAP</td>
<td>Country Agribusiness Partnership</td>
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<tr>
<td>CAP - F</td>
<td>Country Agribusiness Partnership - Framework</td>
</tr>
<tr>
<td>CARI</td>
<td>Competitive Africa Rice Initiative</td>
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<tr>
<td>CAS</td>
<td>Continental Agribusiness Strategy</td>
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<tr>
<td>CBO</td>
<td>Community Based Organisation</td>
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<tr>
<td>CCA</td>
<td>Country Cooperation Agreements</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>CNC</td>
<td>CAADP Non-State-Actor Coalition</td>
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<tr>
<td>ComCashew</td>
<td>Commercial Cashew</td>
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<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organisation</td>
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<tr>
<td>EAC</td>
<td>East African Community</td>
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<tr>
<td>EAFF</td>
<td>East Africa Farmers Federation</td>
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<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<tr>
<td>FARA</td>
<td>Forum for Agricultural Research in Africa</td>
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<tr>
<td>FBS</td>
<td>Farmer Business Schools</td>
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<td>GA</td>
<td>Grow Africa</td>
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<td>GIC</td>
<td>Green Innovation Centre</td>
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<td>IFPRI</td>
<td>International Food Policy Research Institute</td>
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<tr>
<td>IGAD</td>
<td>Intergovernmental Authority on Development</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>JSR</td>
<td>Joint Sector Review</td>
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<td>LC</td>
<td>Leadership Council</td>
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<tr>
<td>LOI</td>
<td>Letter of Intent</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<td>--------------------------------------------------</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>NA</td>
<td>New Alliance for Food Security and Nutrition</td>
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<td>NAC</td>
<td>National Agribusiness Chamber</td>
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<tr>
<td>NAIIP</td>
<td>National Agriculture Investment Plan</td>
</tr>
<tr>
<td>NAPAS</td>
<td>New Alliance Policy Acceleration Support</td>
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<tr>
<td>NEPAD</td>
<td>New Partnership for Africa's Development</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>NPCA</td>
<td>NEPAD Planning and Coordination Agency</td>
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<td>NPCK</td>
<td>National Potato Council of Kenya</td>
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<td>PP</td>
<td>(CAADP) Partnership Platform</td>
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<tr>
<td>PPARD</td>
<td>Policy Processes in Agriculture and Rural Development</td>
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<td>PPP</td>
<td>Public Private Platform</td>
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<tr>
<td>PSTA</td>
<td>Strategic Programme for the Transformation of Agriculture</td>
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<td>RAC</td>
<td>Regional Agribusiness Chamber</td>
</tr>
<tr>
<td>RAIP</td>
<td>Regional Agriculture Investment Plan</td>
</tr>
<tr>
<td>RAP - F</td>
<td>Regional Agribusiness Partnership - Framework</td>
</tr>
<tr>
<td>RDB</td>
<td>Rwanda Development Board</td>
</tr>
<tr>
<td>REC</td>
<td>Regional Economic Community</td>
</tr>
<tr>
<td>ReSAKSS</td>
<td>Regional Strategic Analysis and Support Systems</td>
</tr>
<tr>
<td>RFO</td>
<td>Regional Farmer Organisation</td>
</tr>
<tr>
<td>SACAU</td>
<td>Southern African Confederation of Agricultural Unions</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SAKSS</td>
<td>Strategic Analysis and Support Systems</td>
</tr>
<tr>
<td>SME</td>
<td>Small &amp; Medium Enterprises</td>
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<tr>
<td>SNRD</td>
<td>Sector Network Rural Development</td>
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<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>TWG</td>
<td>Technical Working Group</td>
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FOREWORD

Private sector investment and engagement is of vital importance for the development of African Agriculture. It offers valuable contributions in terms of financial capital as well as integrating technological innovations and business models to enhance the output and productivity of the agricultural sector and the access to markets. Therefore, it was a central tenet of the Comprehensive African Agriculture Development Program (CAADP) with the National Agriculture Investment Plan (NAIP) as its instrument.

Yet, in terms of creating an enabling environment and leveraging private investment into agriculture, NAIP has so far only partially fulfilled expectations. However, investment conditions for agriculture in Africa are improving, driven by effective public-private engagement. Several of these initiatives exist at regional and country level that enable a proper investment environment by setting the scene for suitable legislation, policies and service provision.

This study has been commissioned by the GIZ Sector Project Agricultural Policy and Food Security with the aim of identifying:

- Successful (institutional) models of public-private engagement in African Agriculture, analyze the success factors, and see what generic lessons can be drawn from these different initiatives and experiences.
- What role GIZ agriculture programmes can play to support such meaningful public-private engagement and how GIZ interventions at difference levels can be linked to improve CAADP implementation and to upscale successful practices.

This publication is therefore a joint product with the Sector Network for Rural Development (SNRD Africa) and particularly the Working Group on Policy Processes in Agriculture and Rural Development (PPARD), a platform for knowledge generation and sharing within GIZ.

We hope that these recommendations feed into the discussions at project level and into the PPARD Working Group in order to strengthen GIZ’s Work in this area and also help elaborating the role agriculture programs can play to support meaningful public-private engagement in agriculture.

On behalf of the Sector Project and the SNRD WG PPARD, we would like to thank the consultant Désirée Dietvorst for compiling and editing this study. We would also like to thank all projects, programs and colleagues for their participation providing information and other contributions. In-depth interviews with people supporting or implementing CAADP, as well as actors beyond, such as representatives from farmer organizations and NGOs, were conducted. Furthermore, people from GIZ projects, who are members of the PPARD Working Group, were interviewed. Based on the analysis of these surveys, the study elaborates certain recommendations for a better engagement of the private sector in policy formulation and implementation at country and regional levels, with emphasis on CAADP implementation.

We highly welcome any feedback, addition and comments on this report!

Ousmane Djibo
Project Leader
Sector Project ‘Agricultural Policy and Food Security’

Thomas Breuer
Speaker SNRD Working Group
Policy Processes in Agriculture and Rural Development
1. **BACKGROUND**
1. **BACKGROUND**

Private sector investment and engagement is crucial for African agriculture to grow. This is a central tenet of NEPAD’s Comprehensive African Agriculture Development Programme launched as a vehicle for the 2005 Maputo Declaration on Agriculture and Food Security.

At country level, the CAADP instrument is the National Agriculture Investment Plan (NAIP). But after nearly a decade of NAIPs, it is acknowledged that their success in leveraging private investment into agriculture has been well below expectations. Despite the rhetoric, in practice NAIPs tend to service the core public mandate of food security by focusing on staple crops and smallholders. Creating an enabling environment for investment and agri-business has only been partially achieved by NAIPs.

Yet, private investment in agriculture is increasing in Africa and good examples can be found at different levels of public-private engagement that have made it happen:

- **At the regional level**, the excellent working relationship between the East African Community (EAC) and the East Africa Farmers Federation (EAFF) results in a range of investment-friendly legislation successfully promoting investment. Further, GIZ supported regional programmes in cashew, rice and cotton have not only led to a strengthened regional market but also to significant development impact.
- **At country level**, an organisation such as the Agricultural Transformation Agency (ATA) in Ethiopia fosters public-private cooperation in key value chains with a clear positive growth effect.

There are several such public-private initiatives at regional and country level differing in form, size and scope. But what makes them successful? Are there any generic lessons to be learned? This topic is becoming ever more relevant especially as framework conditions for upscaling these initiatives (or lessons) through CAADP have improved. The 2014 Malabo Declaration has a clearer focus on agri-business & agro-processing and a specific commitment towards regional trade. The 2016 Country CAADP Implementation Guidelines translate this into a close cooperation between public and private sectors at the start of NAIP formulation. Thus, where lessons from successful public-private engagement can be identified, they may now be up-scaled and multiplied through the CAADP framework.

The GIZ Sector Project Agriculture Policy and Food Security assigned this study. Since 2013, the sector project cooperates with the Working Group on Policy Processes in Agriculture and Rural Development (PPARD) of the Sector Network Rural Development (SNRD).

This assignment follows an earlier study: The 2013 NEPAD National Agribusiness Chambers Study, which compiled detailed country cases and was carried out with the hope of finding ways to strengthen these NACs as platforms for effective public-private engagement under CAADP. However, it was found that in none of the countries a fully inclusive NAC exist.

Therefore, it was decided not to narrow this assignment to a certain platform or model of partnerships, but to just interview people who either work with CAADP, the private sector or both, and to hear their stories of challenges and success. By opening the perspective, some innovative ideas for stubborn challenges might be found.

Annex 1 lists resource persons, annex 2 the semi-structured interviews.
2. INTRODUCTION
2. **INTRODUCTION**

One stubborn challenge that CAADP has always struggled with is “How to get the private sector on-board in a structural and sustainable way?” Grow Africa has made substantial in-roads in establishing working relations with large (domestic and foreign) investors, but less than a quarter of the private sector pledges has actually been invested: US$ 2 billion out of the US$ 10 billion pledged from 2012 to 2016 across all 12 Grow Africa countries.

Getting this private sector involvement to work is imperative, not only in the interest of agriculture development, but also to secure the future of CAADP as a programme worth supporting. If CAADP wants to remain relevant, it must succeed in the dual assignment of not only increasing private investment, but also doing so in a way that benefits the small and medium producers in the sector. Not just growth, but *equitable and inclusive* agriculture growth is the aim of the Malabo Declaration, of which CAADP is, after all, the main vehicle.

This study only scratches the surface, and more in-depth analysis is certainly needed. But it scratches a rather wide surface, which has proven to be a useful exercise: Often, our horizon becomes so delineated by our work that we forget there is a world beyond. Those working within CAADP have come to equate CAADP to the agricultural sector as a whole; and whereas that may be close to the truth with respect to the public activity in countries that have a NAIP, it must be said that much is happening in agriculture that is neither part of a NAIP, nor covered by a CAADP country process.

Often, this concerns activities by non-state actors, be it farmer organizations, NGOs or private entrepreneurs. It seems that where agriculture sector governance is weakest and/or where non-state actors are better organized than state actors, the ‘beyond CAADP’ share of agriculture activity is largest. The reason is that CAADP is still very much associated with public sector activity.

This study’s findings are based on in-depth interviews with people who support or implement CAADP, but also with people whose work has little (or no) interaction with CAADP, even when CAADP processes are ongoing in the countries where they work. Representatives from farmer organisations and from NGOs are among the ‘beyond CAADP’ respondents. A third group are people from GIZ projects, which are members of the *Policy Processes in Agriculture and Rural Development* (PPARD) working group. Of these projects, the CAADP Support Project has a (near) exclusive focus on CAADP, with staff in Pretoria supporting the NEPAD Planning and Coordination Agency (NPCA) and staff in Addis Ababa supporting the CAADP Unit in the Africa Union Commission (AUC). Other GIZ projects interviewed focus on agriculture or on specific value chains. Although all have some interaction with CAADP, this interaction is not really structured but rather ad-hoc depending on project staff’s interest.

That this is a lost opportunity became clear during this study’s interviews. Especially GIZ projects that deal predominantly with the private sector, such as the regional value chain programmes, have amassed impressive knowledge of regional African markets that would benefit CAADP, especially as it is has begun to roll out its new instrument of the Country Agribusiness Partnership-Framework (CAP-F) across all AU Member States.
In turn, (GIZ) projects that support equitable private sector driven development (through policy advice, markets and/or skills development) can also benefit from a stronger link to CAADP, as it still is a process with leverage at country and continental levels, as well as a vehicle that can be used for upscaling success.

The objectives of this assignment are to:

1. Identify which successful (institutional) models of public-private engagement in African agriculture exist at country and at regional level
2. Identify key success factors or best practices in different models; can generic lessons be drawn from these different initiatives and experiences?
3. Analyse CAADP processes, in particular NAIPs, as a framework for mainstreaming, upscaling and multiplying lessons and best practices
4. Make suggestions on what role GIZ agriculture programmes can play to support meaningful public-private engagement in agriculture and how linkages between GIZ interventions at difference levels can be strengthened as a way to improve CAADP implementation and as a way to upscale best (or ‘good’) practices

The ultimate purpose of this assignment is to offer some recommendations for a better engagement of the private sector in policy formulation and implementation at country and at regional levels, with emphasis on CAADP implementation.

The chapters in this report closely follow the Terms of Reverence:

Chapter 3 discusses successful models of public-private cooperation (ToR 1) and identifies success factors as well as lessons (ToR 2);

Chapter 4 takes a close look at CAADP structures, especially those platforms that encourage public-private participation and cooperation. Special attention is given to the recently introduced Continental Agribusiness Strategy and its main vehicle of implementation, the Country Agribusiness Partnership-Framework and the links to the NAIP (ToR 3);

Chapter 5 presents a compilation of views from private sector actors on CAADP as a vehicle for upscaling success and best practices (ToR 3);

Chapter 6 offers detailed recommendations with respect to the CAADP process (in particular with respect to the Continental Agribusiness Strategy and the Country Agribusiness Partnership-Framework) and with respect to German development interventions at different levels (ToR 4).
3. MODELS OF PUBLIC-PRIVATE ENGAGEMENT
3. **MODELS OF PUBLIC-PRIVATE ENGAGEMENT**

A group of individuals or organisations that are united in working towards a common goal can be called a platform. Platforms can be stakeholder based, agri-business based or value chain based. Platforms that support public-private engagement can also be sorted according to their level, scope (multi-sector, agriculture or sub-sector) and whether they are public or private driven. An overview of platforms relevant in the CAADP context is:

<table>
<thead>
<tr>
<th>Level</th>
<th>Public sector driven</th>
<th>Public/private</th>
<th>Private sector driven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>G7 (G8) G20</td>
<td>World Economic Forum</td>
<td>World Farmer Organisation World Cocoa Foundation</td>
</tr>
<tr>
<td>Regional</td>
<td>Regional Economic Communities ¹ Association for Strengthening Agricultural Research in East and Central Africa (ASARECA)</td>
<td>Regional Commodity Boards (African Cashew Council)</td>
<td>Regional Farmer Organisations ²</td>
</tr>
<tr>
<td>Country</td>
<td>Multi-sector</td>
<td>Public Private Consultative Forum (Ethiopia)</td>
<td>Private Sector Development Task Force (Ethiopia)</td>
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<td></td>
<td>Chambers of Commerce &amp; Industry</td>
<td></td>
<td>Private Sector Foundation (Uganda)</td>
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<td></td>
<td>President’s Delivery Bureau (Tanzania)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture Sector</td>
<td>Agriculture sector Working Groups (under NAIps)</td>
<td>National Agriculture Chambers</td>
<td>National Farmer Organizations</td>
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<tr>
<td></td>
<td>National Board for Small-scale industries (Ghana)</td>
<td>Agriculture Transformation Agency (Ethiopia)</td>
<td>Agriculture Association Business &amp; Information Centre (Ghana)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agriculture Public-Private Dialogue Forum (Ghana)</td>
<td>Commercial Agriculture Support Services (Malawi)</td>
</tr>
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</table>

One type of platform, National Agriculture Chambers, has been the subject of an in-depth study commissioned by NEPAD: The 2013 *National Agribusiness Chambers Study* carried out

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1 Common Market for Eastern and Southern Africa (COMESA); East African Community (EAC); Economic Community Central African States (ECCAS); Economic Community of West African States (ECOWAS); Intergovernmental Authority on Development (IGAD); Southern African Development Community (SADC).

2 East Africa Farmers Federation (EAFF); Plateforme Sous-Régionale des Organisations Paysannes d’Afrique Centrale (PROPAC); Réseau des Organisations Paysannes et de Producteurs de l’Afrique de l’Ouest (ROPPA); Southern African Confederation of Agricultural Unions (SACAU); and Union Maghrébine et Nord Africaine des Agriculteurs (UMNAGRI).
detailed country case studies in South Africa, Ethiopia, Senegal, Ghana and Cameroon. At the time of the study it was hoped that National Agriculture Chambers (NACs) could function as platforms in support of effective public-private engagement under CAADP.

However, it appeared that none of the countries visited actually had a functioning NAC (or similar). The South African Agri-Sector Unity Forum (ASUF) came closest, but in all other countries, private sector organisation was found to be young and weak; a situation that had ripple-out consequences throughout the agriculture sector: Commodity-specific organisations were not financially sustainable and offered hardly any services to members; actors along value chains were insufficiently organised in associations or cooperatives; and where private actors were invited to participate in policy processes (for example as part of CAADP) they were not prepared enough to significantly influence the agenda.

Despite these rather sobering conclusions, the study also had some encouraging finds, such as the genuine interest among the private sector in advocacy services and policy advice; the scope for strengthening commodity organisations and the usefulness of ‘Business Development Services’ as a core function and foundation of such organisations.

In South Africa, Ghana and Senegal entities were found with the capacity and the potential to be involved in decision-making and policy design, and all of these were platforms or umbrella organisations of private agri-business apex organisations. The best example was the 2013-launched Agri-Sector Unity Forum, an apex organisation for farmer organisations, joining large-scale commercial, ‘emerging’ commercial and smallholder farmers, making it the first truly representative national farmer structure in South Africa.

What the National Agribusiness Chambers study showed beyond a doubt is that there is no universally applicable model for effective public-private engagement: Countries differ, commodity markets are complicated and stakeholders’ needs vary and change over time.

Classification

Public-private engagement is difficult to define, as it covers a wide spectrum of activities, from dialogue (e.g. on policy) to action (e.g. in value chains) and employs a range of cooperation models, from non-binding arrangements to contractually based Public Private Partnerships. Public Private Partnerships (PPPs) are maybe one of the most formal and tangible forms of public-private engagement and one that is becoming increasingly popular. PPPs can include a range of public and private sector entities, such as:

<table>
<thead>
<tr>
<th>Public</th>
<th>Private</th>
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</thead>
<tbody>
<tr>
<td>Central Government, Local (decentralised) Government, government agencies, state banks and state-run rural finance providers, state-owned enterprises, research institutions, universities, marketing boards, development partners</td>
<td>Producer associations, farmer organizations, agribusinesses, SMEs, input suppliers, traders, agro-processing companies, food companies (domestic and global), commercial banks and financiers, CSOs and NGOs</td>
</tr>
</tbody>
</table>

The following classification of PPPs is based on a paper by Grow Africa⁴ with additional examples from this study’s interviews:

<table>
<thead>
<tr>
<th>PPP Model</th>
<th>Description</th>
<th>Examples</th>
</tr>
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<tbody>
<tr>
<td>Company-led</td>
<td>Companies initiate and drive partnerships to secure the supply of commodities, or to ensure food safety standards or as part of their corporate social responsibility</td>
<td>The Cocoa Partnership: Established to ensure Cadbury has a sustainable supply of good quality cocoa from Ghana; AFGRI, a large agriculture services company operating in maize and rice, piloted a model in North Uganda where equipment was leased to farmers increasing yields from 1.8 to 4 t/ha. The model is rolled out also to Zimbabwe, Mozambique, Tanzania and Zambia</td>
</tr>
<tr>
<td>Producer-led</td>
<td>Producer organisations partner with donors and commercial financiers or input &amp; equipment suppliers</td>
<td>Machinery Rings that are set up by farmers obtaining bank loans using the equipment bought from commercial machinery manufactures as collateral, while being supported by publicly funded Risk Management schemes</td>
</tr>
<tr>
<td>Coalition-model</td>
<td>Multi-stakeholder initiatives that can include governments, private sector, civil society, research institutions and development partners</td>
<td>The World Cocoa Foundation: Aims for improvements along the value chain and at key levels (e.g. producers) to improve development impact and environmental sustainability</td>
</tr>
<tr>
<td>NGO-led</td>
<td>NGO initiatives that lead to the creation of viable social enterprises or ‘for profit’ companies</td>
<td>Agro-Fair is a producer co-owned organization established to import sustainably produced fair-trade bananas to the European market, which has expanded and now markets a range of tropical fruit and fruit juices</td>
</tr>
<tr>
<td>Business-NGO alliances</td>
<td>NGOs partners with private sector actors on development interventions</td>
<td>Techno-Serve, supported by the Bill &amp; Melinda Gates Foundation, works with 50,000 smallholder fruit farmers in Kenya and Uganda on sustainable local sourcing for Coca-Cola</td>
</tr>
<tr>
<td>Development Partner-led</td>
<td>Development partners join forces with the private sector towards shared (equitable and inclusive) development goals</td>
<td>The Competitive Africa Rice Initiative offers matching grants to private operators towards smallholder rice production via inclusive business models involving value chain organisations (often called ‘interprofessions’)</td>
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</tbody>
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Successful examples of public private engagement

Despite the wide range of potential public-private engagement models, several key success factors can be identified and include:

A commodity focus and a commercial orientation

For private actors to be involved in any model of cooperation, there must be a commercial interest and not just a political interest in the process. Maintaining private sector interest in ‘agriculture-wide’ platforms is notoriously difficult. The discussion must be about tangible issues like markets, cross-border trade and quality standards. Commodity Boards can be useful platforms of public-private engagement, provided there is no undue political interference. The African Cashew Alliance (based in Accra) and the recently established African Cashew Council (in Abidjan) are examples of commodity organisations specifically devoted to the African market. There is high interest among producers to have such independent bodies at national level: The National Potato Council of Kenya (NPCK) was set up after the example of ‘Potatoes South Africa’. Both were present at a regional East African farmers’ forum, after which Rwandan potato producers visited the NPCK and are now in the process of setting up a national potato council of their own.

Value Chain Associations

People interviewed all agreed that value chain associations not only manage to mobilize players up and down the value chain, but they are effective in ensuring that small and medium producers are represented alongside larger players. There is a difference between commodity associations and value chain associations, although these terms are often interchanged:

Commodity associations operate predominantly at the supply side; representing the interests of primary producers of a commodity, for example rice farmers. A value chain association however, should cover all stages of the production chain (‘from farm to fork’) and include producers, but also millers, transporters, processors, traders and exporters. Even though the interests of these players do not always converge, the general opinion is that when all are linked it is much easier to identify common interests and jointly work to support these. This linking of all stages, from production to marketing to consumption, is the reason why value chains associations are generally considered more effective in both influencing and implementing policy than the more limited commodity associations.

“Les Interprofessions” – a specific form of value chain association

Interesting is the widespread use of so-called ‘interprofessions’ in West and Central Africa. Like any value association, they are private platforms. However, in West and Central Africa, it is common for governments to demand that all value chain actors must belong to an ‘interprofession’. This makes that these ‘interprofessions’ tend to be large, often nationally based organisations that include nearly every producer or actor in a value chain. Originally a feature of francophone Africa, the concept of these all encompassing value chain associations has spread: Ghana now has one for rice

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5 Both are supported by the regional GIZ ComCashew (Commercial Cashew) Programme
and even calls it ‘interprofessional’. Governments in West and Central Africa consider these interprofessions to be the main negotiator on all matters regarding the value chain including prices and taxes. Despite their close cooperation with government, interprofessions should not be mistaken for parastatals or semi-public commodity boards. They are purely private member-based commodity-specific organisations offering lobby, advisory and technical services. Country-based Green Innovation Centres (GICs)\(^6\) consider interprofessions to be successful public-private platforms, as smallholders are just as represented as larger farmers are.

**The REC-RFO partnership - a potentially powerful regional model**

The partnership of a Regional Economic Community (REC) and a Regional Farmer Organisation (RFO) can be highly constructive, as shown by the alliance between the East African Community (EAC) and the East Africa Farmers Federation (EAFF). In eastern Africa, three RECs (EAC, COMESA and IGAD) signed a CAADP Compact and developed a Regional Agriculture Investment Plan (RAIP). The strategic plan of EAFF was a key input in all three of these RAIPs. Cooperation on RAIP implementation has been strongest with the EAC. What makes the alliance of EAC and EAFF so productive is their joint goal of commercialization\(^7\). The EAC/EAFF partnership resulted in a raft of regional policies of which the East African Cooperative Act is a good example. EAFF supported policies further include: the IGAD Drought Resilience Initiative; the AU Partnership on Aflatoxin Control and the AU Land Policy Initiative.

It is unfortunate that such a constructive REC-RFO partnership does not exist in other regions. The Southern African Confederation of Agricultural Unions (SACAU) is as capable as EAFF in issues of legislation and value chains but does not have an equally interested partner in the Southern African Development Community (SADC).

**An institutional model for making private investment work for development**

A first (and persistent) challenge is to attract private investment to agriculture. But this is followed by a second (possibly even greater) challenge of making this investment work towards development, such as the goals set out in the National Agriculture Investment Plan (NAIP) or in a National Agriculture Policy.

The Rwanda Development Board (RDB) is a useful model in this regard: In Rwanda, anything that deals with investment, including the policy around investment, falls under the RDB (not under sector ministries!). Thus, the RDB is responsible for all investment in all sectors. This is the case, because often investment conditions go across ministerial mandates: Investment in irrigation depends on elements beyond agriculture, such as water resources and land. The RDB can assure that conditions across sector are met. The work of the RDB is closely linked to the NAIP: The NAIP in Rwanda has three parts: the strategy, the results framework and a costing plan. The costing plan calculates the government’s contribution and estimates the private investment needed to implement the NAIP. The estimated private sector investment portfolio is based on an identification of areas in the NAIP strategy that are suitable for private investment. This portfolio of estimated potential private investment is

\(^6\) Green Innovation Centres are a GIZ initiative. There are currently 14 GICs in Africa

\(^7\) EAC launched a Customs Union in 2005; a Common Market in 2010 and a Monetary Union in 2013
handed over by the Ministry of Agriculture to the RDB for their follow up. Therefore, the work of the RDB with respect to leveraging private investment in agriculture is based on the NAIP Strategic Plan (the investment component that is to be sourced through development assistance is handled by the Ministry of Finance). Rwanda’s investment climate has continuously improved over the last years, which at least in part can be attributed to the well-working model of the Rwanda Development Board. In other NAIP countries, sector ministries of Trade, Industry or Commerce tend to handle investment, which limits the scope for cross-sectoral action and reduces the role of the Ministry of Agriculture (and the NAIP) in guiding the investment pursued.

**Supporting public – private engagement for development: some lessons**

Some generic lessons can be drawn from experience or best practices discussed during this study’s interviews. These include:

**Inclusive Business Models - an instrument to ensure development is equitable**

The GIZ Competitive Africa Rice Initiative (CARI) supports more than 120,000 low-income rice farmers in Nigeria, Ghana, Burkina Faso and Tanzania through different forms of inclusive business models. These models have improved access to equipment and services, especially among smallholders and have led to widespread and significant increases in income. CARI experimented with a variety of models during its four-year implementation and is currently in the process of evaluating the experiences with these different inclusive business models. These findings will certainly be useful also for other value chains and other countries.

**Stakeholder Coalitions - the strength of an optimum mix of actors**

Act Change Transform (ACT) is a leading Kenyan NGO operating as a grant manager issuing and monitoring grants to local NGOs and CBOs as well as to private companies for activities that improve livelihoods. Ultimate beneficiaries include farmer groups, producer associations and associations set up to regulate the use of natural resources (water use associations, forestry associations). Via a two-week ‘write-shop’ ACT enabled stakeholders to analyse the public-private cooperation models they used, such as: The Market Place model; the Sustainable Food Production model; the Farmer Advocacy model and the Commercial Villages model. The publication is inspirational especially for organisations that do similar work, such as farmer organisations.

In all these models of cooperation, success was less dependent on the strength of individual platforms, but more on the mix of actors. The most successful cases always involved a wide range of actors (farmers, local government, research, extension workers, private buyers) who were united by joint goals and shared objectives.

The lesson from this is that in supporting public-private engagement the focus should not be too narrowly on one or the other platform, but rather on facilitating and strengthening actors’ coalition building skills and capacities for cooperation.

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8 ACT is funded mostly by DfID, CIDA, DANIDA and the EC

9 ACT (2015), *Producing for Change: Models for Sustainable Agriculture Production in Kenya*
Matching Grants - an instrument supporting ownership and sustainability

GIZ Regional Value Chain programmes use Matching Grants to leverage private sector investment, whereby private capital is matched by development assistance based on jointly agreed goals. A major component of the Matching Grant is about capacity development (nearly 50%). Over the years, the concept was tried and tested in various forms and amendments were made; for example: The capacity development component originally focused on technical issues (like parboiling techniques for rice). However, experience showed that there was an almost greater need for business management skills. These are now included in current Matching Grant models. Other amendments include a stronger focus on inclusive business models and on how private actors (especially smallholders) can access finance. Guidelines on how to implement Matching Grants are being produced and the concept is ready to be up-scaled.

A stakeholder consortium must be based on formal and signed agreements

One major finding from the experience with Matching Grants deserves to be mentioned separately as it is echoed by other public-private partnerships: Regional Value Chain Programmes work with ‘consortia’ of players (as are the stakeholder coalitions under the NGO/ACT experience). In a value chain context these are groups of actors from all stages of the value chain. For example, in the case of rice, a consortium includes producers, millers, processors, traders and transporters. Matching grants are offered to support such consortia. Due to legal requirements, there is just one ‘Contracting Partner’ who represents the others and is responsible for linkages to the group. In the past, contracting partners would claim such linkages at the time of contract signing, but afterwards it transpired that often they had hardly met with the other consortium partners. Nowadays, contracting partners are requested to produce Memorandums of Understanding signed by all other consortium partners as proof of there being a basis for cooperation.

NGOs and FOs report the same from their grassroots level work: “Linkages must be built between beneficiaries and supporting organisations, be it extension networks, research organisations or private companies. Partner organisations must prove their ability to bring all stakeholders together before they are eligible for support”.

Local government is an important (but often overlooked) partner

When considering ‘government’ in a public-private partnership, there is a tendency to focus mostly on national and/or sector level government, such as the Ministry of Agriculture. Yet, much that happens at sub-national levels is with Local Government (or County Government) as the public partner. The ACT cases of successful public-private cooperation, all have local government as the public partner.

The same is true for farmer organisations influencing policy as captured by EAFF 10 with most of the 15 reported cases involving an active local government.

The success of relying on Local Governments depends to a large extent on the strength of decentralisation process. In Cameroon, the private company Strategies worked with five Local Governments to identify priority value chains in their area

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10 EAFF, Short stories on Farmer Organizations' engaging in policy processes across East Africa (2015)
and how to promote these. Action points were taken on board in Local Government strategic plans. Sadly, none of the Local Governments involved had long-term success due to the weak decentralisation process that meant that insufficient responsibility and resources were delegated to Local Governments, which led to the disappointing result that the greatest part of their plans was not implemented.

**The importance of ‘additionally’ of development funds to private partners**

International NGOs and CSOs give development partners a hard time as soon as they support the commercial sector. Certainly, it is justified to ask for ‘additionally’ of public funds. Such ‘additionally’ can include: private actors do something they would not otherwise have done (e.g. financiers issue loans for weather dependent activities such as agriculture production); they do more than they would otherwise have done (e.g. companies employing more workers) or they work faster than they would have done without these development funds.

Programmes that were interviewed for this study (value chain projects, programmes of NGOs or farmer organisations) address this by adopting strict criteria in selecting the commercial sector partners they support. These criteria include:

- Partner organisations must be resident, have in-depth knowledge of local markets; have activities ongoing and a proven track record of success;
- Business proposals must build on existing activities and show the value-add;
- Partner organisations must contribute from their own funds;
- Partner organisations must be able to access further funding (e.g. through commercial banks or local government budgets) to sustain activities after support has terminated.

Another source of lessons on which types of public private models are most effective will be the work by the Green Innovation Centre (GICs). There are currently thirteen GICs in Africa (Benin, Burkina Faso, Cameroon, Ethiopia, Ghana, Kenya, Malawi, Mali, Mozambique, Nigeria, Togo, Tunisia and Zambia) and a further one planned in Côte d’Ivoire. GICs support value chains, with each GIC typically dealing with two to four value chains (most common are rice, potato, soya, groundnut, dairy and vegetables).

GICs are in the process of drawing best practices from across centres. A comparative analysis between GICs, for example on which public-private models work best, is facilitated by the fact that all GICs have the same Results Matrix and follow the same approach. At present comparative analyses are done for the seed sector and plant protection. A third study is underway for Youth in Agriculture. These studies will be useful beyond the GICs, for support to public-private engagement in agriculture in general.
4. THE CAADP FRAMEWORK AND PRIVATE SECTOR ENGAGEMENT
4 THE CAADP FRAMEWORK AND PRIVATE SECTOR ENGAGEMENT

Current CAADP platforms and partnerships

Since CAADP’s launch following the 2003 Maputo Declaration an impressive architecture was built to support its implementation. In the diagram below, CAADP platforms that encourage private sector participation are in green; CAADP instruments are in red and main CAADP pillars are in blue: the Africa Union Commission (AUC), NEPAD Planning & Coordinating Agency (NPCA) and the Regional Economic Communities (RECs).

CAADP platforms & instruments

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<tr>
<th>Platforms</th>
<th>Instruments</th>
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<tr>
<td>NA</td>
<td>New Alliance</td>
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<tr>
<td>GA</td>
<td>Grow Africa</td>
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<tr>
<td>REC</td>
<td>Regional Economic Community</td>
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<tr>
<td>ASWG</td>
<td>Agriculture Sector Working Group</td>
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<tr>
<td>TWG</td>
<td>Technical Working Group</td>
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<td></td>
<td>CAADP Comprehensive African Agric. Dev. Programme</td>
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<td></td>
<td>NAIP National Agriculture Investment Plan</td>
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<td></td>
<td>CCA Country Cooperation Agreements</td>
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<td>LOI Letter of Intent</td>
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<td>CAP-F Country Agribusiness Partnership Framework</td>
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With regard to public-private engagement it must be noted that, despite achievements by individual CAADP platforms, cumulative impact at country level still leaves much to be desired. This is of concern also to the AUC and NPCA as CAADP has entered its second decade and must now deliver on Malabo Declaration targets.

To guide the way forward, AUC and NPCA formulated a Continental Agribusiness Strategy (CAS) and a new instrument called Country Agribusiness Partnership Framework (CAP-F). Before discussing the CAS and CAP-F, a few areas of concern should be highlighted.

Some CAADP platforms are struggling

- The New Alliance for Food Security & Nutrition (launched by the G8 in 2012) and the Grow Africa partnership (launched by AU and the World Economic Forum in 2011) are continental level public-private structures. However, the NA Secretariat was terminated as of 31 October 2017 after the withdrawal of donor support. Whether the NA will be supported in future depends, in part, on the findings of its evaluation based on case studies in Ghana, Nigerian, Benin and Burkina Faso 11.
- The Leadership Council (LC) and the CAADP Non-State-Actor Coalition (CNC) are private sector platforms. They are rather loose groups of eminent people (farmer leaders, business managers, NGOs and CSOs) that meet on an annual basis to discuss NA and GA progress. The main Convener of these meetings was the NA together with GA. Whether GA will continue to support these platforms and their annual meetings after the termination of the NA Secretariat is uncertain.
- Regional Economic Communities are not a CAADP structure as such, but RECs were tasked to facilitate CAADP implementation, especially from a regional trade perspective. In fact, the regional level RECs were seen as a major implementation hub, with attendant support structures such as Regional Strategic Analysis and Support Systems (ReSAKSS) set up (funded by IFPRI) complete with ‘SAKSS nodes’ at country level. REC-based CAADP Units were established at the start of the CAADP rollout, but they were heavily donor dependent. Since the termination of the Multi-Donor Trust Fund, these units have been hollowed out, staff responsible for CAADP has left and resources for activities have dwindled.
- At country level, CAADP processes started with inclusive Round Tables signing CAADP compacts as the foundation for subsequent National Agriculture Investment Plans (NAIPs). A key platform supporting NAIP implementation is the Agriculture Sector Working Group (ASWG) and its Technical Working Groups (TWG). ASWGs are meant to be public-private platforms as they evolved from the inclusive Round Tables. But country representatives 12 report that ASWGs have problems: They are either mostly public bodies; they don’t meet unless pushed by continental CAADP representatives or donors; or they do not even exist. Rwanda has ToRs for each stakeholder category in the ASWG and TWGs clarifying the division of labour, especially between public and private actors. This has enabled constructive public-private engagement and should perhaps be a standard component for ASWGs.

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11 An Assessment of the New Alliance for Food Security and Nutrition (April 2018) by O Badiane, J Collins, B Dimaranan and J Ulimwengu, April 2018 (supported by France and IFPRI).
12 Examples were received from Burkina, Cote d’Ivoire, Ethiopia, Ghana, Kenya and Rwanda.
Weak linkage between New Alliance/Grow Africa and the NAIP

The New Alliance was launched one year after Grow Africa to support countries implement the policy reforms needed to encourage private investment. Thus, NA and GA are two sides of the same deal: The policy commitments by government (under NA) and the investment pledges made by the private sector (under GA). NA and GA are well connected: They work in the same countries, private sector participation in the NA is facilitated by GA, NA and GA prepare joint annual progress reports and designed the joint CAP-F instrument (in 2017).

A weak link is that between NA/GA on the one hand and the NAIP on the other. This is worrying as the NAIP after all is the core vehicle of CAADP implementation. While alignment between the NA and NAIPs is clearly demonstrated at the planning stage, there is less evidence that the required coordination during implementation has taken place to the extent desired. The NA assessment states that this is certainly an area that will require increased attention in the future. The NA has a physical country presence and there is some cooperation between NA coordinators and NAIP platforms. GA does not have a physical presence in countries; support is via regional offices (Pretoria and Geneva) and through country missions. But countries report that GA missions tend to be received by Ministries of Trade, rather than Ministries of Agriculture. This makes sense from an investment point of view, but it weakens the link to the NAIP. Investment commitments made under GA are often not fully aligned to country objectives of food security or linked to priority value chains identified in the NAIP. Similarly, there is lack of clarity on how to reflect the NA policy commitments in the NAIP, as on average roughly half these commitments are to be implemented by ministries other than Agriculture.

Linking Grow Africa activities to the NAIP in Rwanda

At its introduction, Rwanda’s Grow Africa programme was disconnected from the CAADP process and the NAIP: Strategic Programme for the Transformation of Agriculture (PSTA). This surprised the Ministry of Agriculture as they had identified the role of the private sector in the PSTA and expected Grow Africa to follow up on this. But when Grow Africa visited, they dealt mostly with the Ministry of Trade and were hardly interested in the NAIP. In order for GA activities not to be lost to the NAIP, Rwanda implemented a series of measures: (1) A Min. of Trade Focal Point was installed at the Min. of Agriculture to ensure a permanent link between the activities of these two ministries and to support the Min. of Agriculture on trade; (2) During the formulation of PSTA-3, workshops were held with all organisations and businesses that were part of the GA; (3) a GA Focal Point was established in the Min. of Agriculture to report on GA activities; (4) GA findings were used to inform the formulation of the PSTA-4 and this time not just GA players were invited for consultative meetings, but also many other private sector representatives; and (5) PSTA-4 now has a special programme dedicated to Private Sector Investment, with sub-programmes, targets and indicators, ensuring that activities will be implemented and reported on.

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14 See also: AUC/NEPAD, A Review of Governance and Coordination of Country Cooperation Agreements (CCAs) under the auspices of New Alliance and Grow Africa Initiatives (2016)
An uncertain future for New Alliance country structures

At country level, the NA is implemented through multi-stakeholder platforms. There is wide variation in these structures: In several countries, the NA Coordinator is the Director of Policy at the Ministry of Agriculture (Mozambique, Nigeria, Côte d’Ivoire and Senegal). Or, an institution is responsible, e.g. the Partnership Accountability Platform in Tanzania; the Private Sector Development Task Force in Ethiopia or the High-Level Task Force in Malawi. Sometimes the NA Coordinator has a (small) NA office. Malawi not only has an NA platform with 12 experts from government, private sector and development partners, but they even have a project devoted to the implementation of NA policy commitments, called the New Alliance Policy Acceleration Support (NAPAS) funded by USAID.

However, since the AUC based NA Secretariat was terminated in October 2017 it is not completely clear what happens to the people and structures at country level. The NA Coordinator in Malawi had not received clear information on the future of NA at country level and even believed that the advent of CAP-F meant that GA would replace the NA (even though CAP-F is a joint NA/GA instrument replacing not the NA itself but its instrument of Country Cooperation Agreements). The GA Secretariat in Pretoria assumed that the withdrawal of (USAID) funding for NA at continental level does not need to mean the closure of NA country structures, especially as these tend to be funded from domestic resources. If they continue, the GA Secretariat suggested they may take over these structures, but this is not yet certain. Also unclear is the maintenance of accountability: Just prior to the closure of the NA Secretariat, NA countries received an AUC instruction to no longer send their reports to the AUC.

CAADP role of Regional Economic Communities weakened

The RECs were once seen as a key transmission nexus between continental level policy and country level practice. Unfortunately, the RECs have become a weak link since the pulling out of donors funding CAADP units attached to RECs. What seems to have gone wrong is that CAADP was not mainstreamed in RECs as an integral part of their ongoing agriculture and trade work and in the form of a clear orientation of all relevant REC work towards Maputo and (later) Malabo targets. As CAADP work was tied to a (donor funded) CAADP Unit, it was treated as a project whose continuity depended more on development funding than on REC commitment.

From a private sector perspective, the erosion of this regional link is of serious concern, as the importance of the regional level can hardly be overestimated with respect to regional trade, but also with respect to regional regulation such as the removal of non-tariff trade barriers (related to quality standards, public health laws, certification of veterinary and crop protection products but also the combating of illegal roadblocks, fees and bribes). As future funding specifically for CAADP to RECs is uncertain, the tasks that RECs can actually undertake with respect to NAIP implementation are those that are part of ongoing REC (core) business but that are relevant to successful NAIP implementation. This actually must be true for a lot of REC’s activities in trade and investment. So, maybe the closure of separate CAADP units is a blessing in disguise when it means that RECs can align their core agriculture tasks to countries NAIPs and to regional RAIPs.
What can be gleaned from this ‘bird’s eye’ view from a public-private perspective is that:

- The regional level in the overall CAADP process is weak and needs strengthening;
- Current CAADP interventions that pave the way for increased private investment are only poorly linked to the NAIP;
- Setting up (parallel) structures for specific (often time-bound) interventions should be avoided when possible. Preference should be given to allocating implementation tasks to existing structures or actors (according to their roles and mandates);
- Generic ToRs (to be adapted at country level) for different stakeholder categories, with a clear description of private and public roles may be needed and can support the inclusiveness of CAADP implementation.

**Continental Agribusiness Strategy**

The 2017 Continental Agribusiness Strategy (CAS)\(^{15}\) is divided into seven strategic pillars linked to the seven commitments of the Malabo Declaration of 2014. The document consists of the Strategy itself (part I) and an Implementation Plan (part II). The Strategy is well thought out and based on a thorough situation analysis. The proposed Implementation Plan, however, may prove too ambitious as it relies on the rollout of a network of National Agribusiness Chambers (NACs), Regional Agribusiness Chambers (RACs) and, finally, an African Agribusiness Chamber Forum at the continental level.

**Continental Agribusiness Strategy and its supportive structures\(^{16}\)**

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16 From: AUC/NEPAD, *Continental Agribusiness Strategy Framework Document* - Fig 3, page 56
The Strategy states “National Agribusiness Chambers are intended to be established like any other chamber organisation funded by membership fees and various fees for services as they mature and develop. However, given the historical data presented by the NEPAD study\(^\text{17}\) that most chambers are struggling operationally due to non-payment of annual fees, it will be necessary to provide short-term budgetary support to the new organisations.”

Experience reported in this study (see chapter 3) strongly suggests that relying on yet to be established institutions for implementation is not only very costly and time-consuming, but foremost a high-risk scenario. In fact, lessons from practice point in the opposite direction: Strengthen existing structures and support actors/institutions with a record of success.

The NEPAD study on National Agriculture Chambers concluded that only South Africa has an institution that resembles a NAC. Assuming that selection of countries was representative, this means that at least in many CAADP countries these NACs will have to be built from scratch, at country and regional level (RACs) in addition to the establishment of a continental African Agribusiness Chamber Forum and African Agribusiness Chamber Secretariat.

Even the CAADP experience to date must point at the cost and risk of such an operation: Looking at what happens to structures that were set-up with development funds after this support is withdrawn, such as the New Alliance Secretariat and the REC\text{s} CAADP Units, one must come to the conclusion that the vision of establishing an Africa-wide network of NACs and RACs is probably a ‘bridge too far’. The process, when implemented, will take many years, a huge amount of resources and may ultimately fail. It would be a great shame if an otherwise well thought-through Agribusiness Strategy misses being put into practice because its implementation structure fails to get off the ground.

CAADP cannot afford to spend a lot of time and to risk wasting a major share of resources on establishing new institutions across the continent, as Malabo Declaration targets are to be achieved by 2025. Implementation of the Continental Agribusiness Strategy must rather build on what is there and learn from what has been achieved. Recommendations on how this may be supported are given in chapter 6.

**Country Agribusiness Partnership – Framework (CAP-F)**

The new instrument of CAP-F was designed jointly by New Alliance and Grow Africa. It seeks to address the challenges experienced in both these programmes. In particular:

- The slow or incomplete implementation by government of policy reforms agreed under the New Alliance instrument of Country Cooperation Agreements (CCAs);
- The low ratio of private investments made versus investments pledged under the Grow Africa initiative.

It is hoped that these challenges are overcome by linking policy commitments and private investments much more closely to the NAIP and the CAADP process. This lack of a clear and structural connection between NA/GA and the NAIP was after all a problem in its own right. Thus, the overall aim of CAP-F is ‘to reinforce the linkages between the agribusiness value chain players and the CAADP based NAIP agenda in African countries’\(^\text{18}\).

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\(^{17}\) NEPAD Taking stock of Agribusiness Chambers in Africa (2014)

\(^{18}\) Country Agribusiness Partnership Framework: Recalibrating policies, investments and capabilities for accelerated CAADP implementation - presentation to the CAADP Partnership Platform 2016
The basis of CAP-F is the priority value chains as identified by the NAIP in accordance with the Malabo Declaration commitment on halving poverty that asks for “establish and/or strengthen inclusive public-private partnerships for at least five priority agricultural value chains with strong linkages to smallholder agriculture.”\(^{19}\) The idea is that agribusiness partnerships are formed around each of these priority value chains. The success of a CAP-F depends upon simultaneously getting government to commit to policy reforms, alongside private companies committing to investments\(^{20}\). CAP-F should motivate government, private sector and development partners to provide functions to the partnership as a whole:

- Coordination: Through a multi-stakeholder platform or secretariat that facilitates collaboration and accountability between the partners;
- Policy change: With government addressing priority policy constraints as agreed on in the partnership;
- Investment mobilisation: By and through all players along the value chain and in terms of inputs, services, finance, production, processing and marketing.
- Mutual accountability: All progress to be reported to the ‘Joint Sector Review’ at country level and to the continental Biennial Review of progress under Malabo.

It is important to note that CAP-F:

- Is a country instrument, that aims to contribute to continental Malabo targets;
- Intends to replace the County Cooperation Agreements (CCAs) in the New Alliance countries, involving a review of the present relevance of CCA policy commitments;
- Is to be rolled out in all AU Member States, not just the 10 New Alliance or the 12 Grow Africa countries;
- Should lead to a structural involvement of the private sector in the NAIPs by being a broker of the process between public and private sectors;
- Is not in itself a platform, but rather a framework that brings platforms together.

There is a risk that the concept of CAP-F may suffer from a similar symptom, as does the Continental Agribusiness Strategy. An in-depth problem analysis is followed by a sound proposal that seems to combine the necessary ingredients for success. This robust foundation then is followed by an implementation plan that hinges on building of new (and often parallel) structures and aiming for the sky in terms of what a country framework can contain.

The Concept Note and Guidelines\(^{21}\) outline how the CAP-F can be aligned to the NAIP, with a diagram (page 19) that suggests that each of the NAIP’s objectives will be supported by a series of Country Agribusiness Partnerships (CAP) with the actual CAP-Framework being at the top of it all, probably uniting and coordinating all the individual CAPs (see picture below).

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\(^{19}\) Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods (2014)  
\(^{21}\) AUC/NEPAD, Country Agribusiness Partnership Framework (CAP-F): Recalibrating policies, resources and capabilities for accelerated CAADP implementation: Concept Note and Guidelines (March 2017)
Alignment of CAP-F with CAADP and national agriculture development strategy

The above would seem too stylised a scenario. First, because NAIPs tend to have results areas around issues like institutional strengthening, capacity development, coordination, reporting or M&E: Issues that are not immediately linked to agribusiness partnerships. Second, the difficulty of establishing a functioning partnership, between all players up and down a value chain, including government and development partners, can hardly be overestimated. Such partnerships do exist in certain value chains, for example as products of development interventions, but those that supported their creation say that this requires a several years long process of continued attention.

Of further concern may be the proposed coordination structure consisting of three layers: At the top a Council of Ministers from Agriculture, Finance, Industry, Trade & Commerce; a CAP-F Steering Committee with stakeholders from government, private sector, farmer organisations, civil society, development partners (meeting quarterly) and finally a CAP-F Secretariat persuading policy reform and mobilising investments on a day-to-day basis. Information flows between the three layers is to be streamlined using e-Newsletter, web-portals and social media.

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22 Country Agribusiness Partnership Framework: Concept Note and Guidelines (March 2017) page 19
23 Such partnerships were established with support from e.g. the Agriculture Transformation Agency in Ethiopia (for barley) and GIZ regional value chain programmes (for rice, cashew and cotton).
24 Country Agribusiness Partnership Framework: Concept Note and Guidelines (March 2017) page 20
The tasks described in the Concept Note for the three structures are valid. However, based on the lessons discussed in chapter 3, the question is whether the handling of these tasks is best addressed by establishing new structures rather than by strengthening existing ones. And where there is no option but to establish new structures, are the ones proposed based on models that have proven to work? In particular:

- It is acknowledged that investment in agriculture needs the involvement of ministries beyond the Ministry of Agriculture. But this kind of cross-sectoral attention is needed for investment in any sector, not just agriculture. The model of the Rwandan Development Board (chapter 3) may be a better model for ensuring this kind of cross-sectoral attention than a Council of Ministers that not only needs to be established from scratch but would be an institution devoted exclusively to agriculture, instead of a platform across government and working for all sectors in need of private investment. When such a stand-alone institution would in addition be financed by donor aid, then its sustainability is almost certainly compromised from the start.

- The proposed CAP-F Steering Committee emphasises the need for private sector and non-state actors to be on board of such a process. Indeed, experience shows that agribusiness partnerships are most likely to succeed where these are private sector driven or at least characterised by strong private sector leadership. But those working with private operators on a daily basis emphasise time and again, that private sector actors prefer to discuss tangible matters and that it is difficult to keep asking for their time to discuss general agricultural issues.

- In the interest of linking the CAP-F more closely to the NAIP, should then not also the coordination and implementation structures (or tasks) be more closely linked? NAIPs usually have Agriculture Sector Working Groups (ASWGs), and although these may be struggling (chapter 4), is not a better way forward to strengthen the ASWGs and see which of the CAP-F coordination tasks they can take on? Technical Working Groups (TWGs) are another standard feature of NAIP implementation: Is the establishment of a TWG responsible for CAP-F a potential option?

Following the Concept Note & Guidelines 25, GA prepared an Implementation Guide 26 that offers a more flexible and feasible implementation structure whereby:

- Agribusiness partnerships are linked to a select number of (NAIP prioritised) value chains (not to each NAIP results area);
- Coordination functions for CAP-F should be held by existing bodies and platforms;
- Local Government at district or county level has an important role in geographically delineated value chain initiatives;
- The CAP-F multi-stakeholder platform or Secretariat may be an independent agency or embedded within an existing institution;
- Agribusiness partnerships that operate successfully but independent from national efforts can be enticed to join a CAP-F, thus making CAP-F a private sector-oriented bridge between the national agricultural agenda and the practicalities of making agribusiness partnerships work.

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25 Presented at the 13th CAADP Partnership Platform, Kampala, Uganda, May 2017
26 Presented at the 7th Africa Green Revolution Forum in Abidjan, Côte d’Ivoire, September, 2017
Much hope is invested in the new CAP-F instrument and for good reason: Founded on the close cooperation between New Alliance and Grow Africa, it builds a bridge to the NAIP. The transfer of Grow Africa to the NPCA in Pretoria further strengthens the link to CAADP. The CEO of the Pretoria Office, William Asiko, comes from the private sector, has a track record of working with investors and intends to build on existing strengths and structures, such as Private Sector Desks in Ministries of Agriculture (and other ministries). Grow Africa is aware of the importance of bringing non-state actors on board: The CEO of SACAU, Ishmael Sunga, is already on the Pretoria Steering Committee and the intention is for National Farmer Organisations (NFOs) to be part of CAP-Fs at country level. CAP-F also offers an opportunity to link the concept of the Investment Facility Platforms (tested in Ghana, Senegal, Uganda and Zambia) more closely to the CAADP process: Investment Facility Platforms organised as part of the CAADP Business Meeting (discussing the NAIP) will contribute to the foundation for the design of a CAP-F.

Although, ultimately CAP-F should be rolled out across all AU Member States, the intention is to start in a few priority countries to test and fine-tune the concept. Selection criteria for these countries are being developed. Candidates could include: Malawi, Tanzania, Kenya, Ghana, Senegal, Nigeria and Uganda. Malawi prepared its second generation NAIP between September 2015 and November 2016, at a time when the CAP-F instrument was just being introduced. Unfortunately, this meant that, at the time of the Malawi NAIP formulation, country level information on CAP-F was scant, even in Malawi’s New Alliance office. Those responsible for formulating the NAIP struggled to integrate CAP-F (see below). This highlights the need for clear and timely information, especially to countries that are at the cusp finalizing one NAIP and formulating another.

**Linking CAP-F to the NAIP in Malawi**

During NAIP formulation, there wasn’t enough clarity on CAP-F or communication from the AU to the Government of Malawi and other stakeholders. Hence, a synchronization of NAIP preparation and CAP-F development was not possible. Effort was made to keep the door open for a CAP-F in the NAIP document, but as part of implementation (rather than formulation). Key elements are:

- An initial identification of priority value chains defined broadly as subsectors, to be further validated and specified during the CAP-F process;
- Provisions for a high-level public-private consultation mechanism that could be linked to the existing ASWG and/or the Executive Management Committee, to be further defined;
- Provisions for supporting existing and/or creating of additional Value Chain Platforms in priority value chains through which specific partnerships could be orchestrated and that could draw on the range of public services and investments offered through the NAIP;
- Possibility of linking reporting on the CAP-F to the NAIP Joint Sector Review.

“CAP-F’s intention is good, and it addresses flaws of the New Alliance approach. But it seems to be driven by a top down mentality believing that the private sector would stick to some priority value chains and make investments as defined by the government and aligned to a public investment plan. This approach does not fit well into a market economy. It will also be important to link the CAP-F with other initiatives to improve quality of investments, such as the Principles for Responsible Investments in Agriculture (by the Committee on World Food Security) and the Voluntary Guidelines on Land Tenure (by the FAO)”

Investment Centre, FAO, Rome
5. THE PRIVATE SECTOR PERSPECTIVE
5  THE PRIVATE SECTOR PERSPECTIVE

Policy is just one of the building blocks of a solution

Although this study started out looking for public-private engagement in agriculture policy, discussions with private sector actors soon made it clear that, in practice, policy is an integral part of a whole range of work that deals with building alliances, identifying innovative solutions or overcoming value chain bottlenecks. In the words of a farmer representative: “There should not be a too narrow focus on policy, at least not from the start. Policy change is often a spin-off: A policy constraint should emerge from trying to solve a problem, so policy change must be bottom-up and results-oriented.”

This is why this chapter begins with the big picture of main value chain markets and how to make these markets work for smallholders. It then returns to the issue of policy as one of the enabling factors in supporting smallholders.

Understand markets and remove bottlenecks for smallholders

A global market perspective is needed for global value chains

Africa is endowed with excellent production conditions for many global value chains: Cotton, cocoa, coffee, tea, rice, tropical fruits (pineapple, banana and mango), nuts (coco, cashew and groundnut); just to name a few. The flows in such markets must be understood from a global perspective; a continental perspective is too narrow: What is the total global market? Who are the main players? How much of total production is from Africa? Which are producing countries and what are the trends? How much of value-added takes place on the continent and in which African countries? Special attention should be given to the fact that high value commodity markets are always political: An understanding of the political economy underpinning market flows and prices is essential: How are major players connected and what influence do they buy?

The flow of raw cashew from Africa to Asia - a major loss of capital

Tanzania, Kenya and Mozambique are cashew-producing countries. There are a lot of people from India living in these three countries. They used to send money out, but this became increasingly difficult. They then turned to sending raw produce out, for processing in India. In this way, value added was in India, so it was like exporting money. Kenya realized that it lost out on this value add and slapped a tax on the exportation of raw cashew. India reacted and reduced the tax on the import of raw cashew, so nothing changed.

The Vietnamese have worked hard to take this market away from India. They targeted countries like Côte d’Ivoire (the world’s largest producer of cashew) and Nigeria (a country willing to enter into trade deals). Now, after 7 to 8 years Vietnam processes more cashew than India does.

African cashew-producing countries should actually join forces in order to counteract the pressures by Indian and Vietnamese markets and to stop the loss of capital to these countries in the form of value-added. But African leaders often do not sufficiently understand global market movements. At country level there is a lack of continuity in leadership for the kind of incremental strategies that are needed to carve out a solid place in global markets that may take decennia to be realised.
**Detailed and in-depth knowledge of all value chain stages is a must**

Any support to a value chain or its players must be underpinned by a thorough understanding of all stages: A detailed look *inside* value chains reveals a lot of complication. In cashew, the opening of the kernels is difficult technically and achieving high international hygienic standards for packaged cashew is a challenge, but there is not so much that is done to the cashew nut. Cocoa is more complex as a wide range of products is made with cocoa, meaning many more players. Cotton is extremely complicated: Before a cotton shirt hangs in the shop it passes through many stages: the raw cotton, its fibres, the woven cloth, the coloured textile. In fact, cotton goes around the world twice before it is the shirt in the shopping bag. Policy makers and development planners must understand these value chains stages, as well as their actors, in great detail to be able to make the right decisions.

**A few big players often dominate commodity markets**

Unfortunately, many major commodity markets in Africa are dominated by a few big businesses and can therefore be called an oligopoly: The few big players that dominate these markets often have direct access to highest-level decision makers and influence policy even to the extent of prices, taxes and levies. The outreach of these players is so widespread, that their actions have ripple out effect throughout the entire value chain: Prices for raw produce are kept at low levels, value adding stages in the value chain are controlled by these big players.

**Decision-making is influenced by distorted market information**

Quite often such big businesses employ their own policy analysts and don’t shun from providing false information to decision makers in the guise of ‘market studies’. These studies may overestimate costs of production or underestimate the opportunities for local processing (value adding), they can quote false supply and demand figures, overestimate transport costs, underestimate profit margins etc. On the basis of these figures, such big businesses may receive trade benefits such as preferential market access. A lack of factual information and awareness among African governments makes that often the wrong policy decisions are made.

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**Abusing the ignorance of governments for commercial profit**

At the start of Commercial Cashew (ComCashew) Programme, the cashew market in Africa was divided over only 14 families. At the same time Africa held 40% of the world market in cashew, representing several 100 million USD trade benefit. The Singaporean/Indian Company Olam [http://olamgroup.com](http://olamgroup.com) captured 25% of total production of cashew in Africa. Based on Olam financed market studies, the company did a deal with the Côte d’Ivoire Government and set up a processing plant with a capacity of 30.000 metric tonnes. But, in actual fact, they processed less than half of that capacity, claiming that the margin that could be made on local processing was negative. Instead Olam send raw cashew to India for processing. The processing plant turned out to be just a guise to gain easy access into the African raw cashew market, but with most of the value added done elsewhere. In this way, Olam used the ignorance of government for their profit.
Oligopolies must be broken down

For markets to work in the interest of all, and especially smallholder producers, oligopolies must first be broken down. This can be done through:

- Creating transparency, where governments and other decision makers are presented with true facts about the market: How much is produced, by which countries, what is the volume of cross-border trade, what are end-markets, what are margins, where are opportunities for growth and value adding?
- To find win-win solutions where development measures also benefit big players, so that they are willing to support the change: For example, when more farmers take up production, this will increase supply;
- By involving the press, as especially big players have a lot to lose from bad press reports and potentially much to gain from a favourable press. This can entice even big business to cooperate under a development agenda;
- Produce independent market studies that show how African markets can become competitive, e.g. when exports are taxed, this raises additional public funds that can be used for subsidies or other incentives to stimulate quality production (e.g. capacity building);
- Mediate and moderate between government and private sector as a neutral broker and using independent and factual market information.

Opening up the market for smallholders - the case of cashew

A GIZ regional value chain programme is ComCashew, operating in Benin, Burkina Faso, Côte d’Ivoire, Ghana and Mozambique. The programme was conceived based on the fact that although Africa produces 40% of global cashew, productivity of the 1.4 million smallholders involved was much lower than that of Asian producers and capacities for processing and packaging were low offering only few opportunities for employment and little income from value-add activities.

Soon after its start, the project realised that just a few families dominated the cashew market and that opportunities for smallholders would open up only when this oligopoly would be broken down. The project hired a market expert and produced a steady stream of independent market research, showing not just how profitable this market was, but also what producing countries were losing in terms of value adding. Also important was that these studies offered governments scenarios for making this market much more profitable.

A key ingredient of success was that the project acted as a neutral broker and mediated between government and these big businesses on the basis of facts and figures. As broker/moderator the project identified win-win solutions (such as producers developing their skills, producing higher quality nuts and pooling their supply). However, not only ‘carrots’ were used, sometimes the ‘stick’ of the threat of bad press was necessary. The programme managed to break-up the oligopoly that was the cashew market and had a tangible impact for over 400,000 cashew farmers:

At the start a kilogram raw cashew sold at USD 0.10. Today farmers receive as much as UDS 1.20 to 1.40 per kg raw cashew: this is a ten-fold increase!

The success of the programme meant that it was used a model for other regional value chain programmes such as the GIZ Competitive Africa Rice Initiative (CARI).
**Supporting policy and innovation for development**

**Without ‘political appetite’ there will be no change**

Whatever the policy shift that the private sector is looking for, there must be political appetite for it on the side of government. ‘Barking up the wrong tree’ must be avoided: By reinforcing arguments with facts; by directing matters to the right people; and by knowing when an issue is a lost case. The creation of political appetite is key in creating the conditions that will stimulate private investment.

**Creating political appetite for change**

The Agency for Transformation of Agriculture (ATA) in Ethiopia grappled with the fact that “there is an inherent distrust between the public and the private sector, often for good reasons. The private sector feels that the government does nothing and is corrupt. The public sector feels that the private sector dodges regulations and takes advantage of smallholders”. ATA received funds from AGRA for a team of experts to do objective analyses, also looking at the situation in other countries in the region and using that as a benchmark to analyse the Ethiopian situation. Eight areas were analysed including machinery, taxations and export bans.

These objective studies by neutral experts ensured that when the issue was tabled to the government it was not perceived as “just the private sector yelling” but instead led to a productive discussion based on true facts and figures. ATA makes a lot of use of independent experts (such as those funded by AGRA) but also of material available on the internet such as IFPRI Policy Briefs. Like the GIZ regional value chain programmes, ATA emphasised the usefulness of being able to act as a neutral broker reinforced by clear and transparent information.

**The biggest players must be on board for change to happen**

Often, the focus of the development discussion is on ensuring that smallholders are part of public-private policy dialogues, as it is their voice that is often not heard. True as this may be, people working to change policy emphasise the need to ensure that the big players are also on board. For any intervention to work, you need a critical mass: In a market that is a critical mass of the marketed volume. If big players are not on board, real change is unlikely to happen.

**Policy processes too often not understood by non-state actors**

People not working in government have often only limited understanding of policy processes and entry points for influencing policies and budgets. This understanding is needed for resources to be channelled towards effective engagement. It should also be noted that influencing policy is only a first step (albeit an important one): For example, EAFF facilitated the EAC Co-operative Societies Act, prepared in 2015 after a multi-year consultation process that started in 2009! This represented a huge achievement in that farmer organizations understood the process and had engaged strategically. But although the law was passed by the EAC, not all EAC member states have amended their national legislation, which has hindered implementation. This shows that success must be defined at different levels: effective engagement, changing laws but also implementing the changed laws.
Local Governments should be used

As said in chapter 3, Local Government is a partner often overlooked, yet critical especially for smallholders. The extent to which working with Local Government is effective depends on the strength of decentralisation. For agriculture development, decentralisation processes are important and should be supported.

Decentralisation in Kenya creating opportunities for smallholders

Since 2013 Kenya has a devolved government system with 47 Counties, prior to that all policy was managed by Nairobi. Sectors that were devolved include Agriculture, Water and Environment. Budgets for these sectors are run at county level and are spent according to County priorities. Counties need legislation in order to allocate their budgets and this must be aligned to national legislation. National laws such as the National Climate Change Act and the National Water Act are applicable to all counties. But contexts differ: Counties can be (semi-)arid or have a river with irrigation potential. Thus, Counties must adapt national legislation to their specific needs. However, it was found that the capacity of County officials to legislate was very low. The Kenyan NGO ACT engaged in a long process of awareness building, lobbying and capacity development. Some Counties have done very well in the first 5 years of devolution and these are now used as models for other Counties. After the recent election, new County Assemblies were established with more enlightened and focussed staff, so ACT expects to see more robust legislation and policies developed in the future.

Piloting of innovations is easier with smaller players

Big players tend to be risk averse, so sometimes it is easier to pilot innovation with smaller producers. The GIZ value chain programmes pioneer innovation on a small scale. Once different size players are on board, business models are tailored to their needs. An example is the work on traceability: Knowing where produce comes from is an increasing consumer demand in a growing number of value chains, out of health concerns, an interest in fair labour conditions or to know whether the product is produced in an environmentally friendly manner. African value chains are in need of future oriented and innovative solutions to deal with such demands.

Traceability through digital solutions - the case of cashew and cocoa

The software programmer SAP assisted the ComCashew project to digitalize the production and marketing of cashew. They developed software that captures where produce comes from; which stations it passes and where it is processed and packed. This brought enormous transparency to the market, also in terms of prices and the need for services at different levels. In fact, it was realized that the software can potentially change the way value chains are managed and may even lead to the disappearance of middlemen. Traceability used to be very difficult and expensive. This software has not only made it cheap and easy, but data are available in real-time. This drew the attention of the company Barry Callebaut, a French-Belgium company and the largest producer of industrial chocolate in the world (an intermediate product used by chocolate manufactures). The Callebaut company has now licensed the SAP software piloted in cashew and wants to roll it out across the cocoa value chain. They started with 50,000 farmers, but they want to eventually cover their entire market. This demonstrates that innovation piloted on a small scale can be replicated across entire value chains.
There is future in innovative IT based solutions

Solutions that make optimum use of Information Technology are the future. An example is the fertilizer reform through the e-Wallet, an initiative by Akinwumi Adesine, then Minister of Agriculture in Nigeria (now CEO of the African Development Bank). In Nigeria, it helped weed out corruption in fertilizer distribution, empowered farmers to decide when and where they buy their fertilizer and led to increased production. Another example is the e-Granary by EAFF that acts as a ‘virtual’ warehouse, with producers reporting their supply to an internet-based platform.

Solving the problem of fake seed through IT - the case of Kenya

The Seed Trade Association of Kenya (STAK) works with the government regulator, Kenya Plant Health Inspectorate Service (KEPHIS) on all aspects of seed policy, legislation and regulation. One of the main problems has been the issue of fake seed. STAK and KEPHIS jointly introduced an innovation to protect farmers against buying fake seed. They contacted an IT firm and developed a system whereby scratch labels (like lottery tickets or airtime vouchers) are put on seed packets. The number revealed after the label is scratched is sent by text message to a number controlled by KEPHIS. The sender immediately gets a response by cell phone notifying whether the seed in the packet was inspected by KEPHIS. The system is now being perfected and awareness is being created among farmers. Kenya is probably the first country in Africa to use this kind of innovation, but fake seed is a problem in nearly all countries and seed companies are not very satisfied with government efforts of addressing it. Thus, if the Kenya model works well, it could be replicated across other countries. Uganda and Tanzania are already trying something similar and are actually using the same IT company to set it up.

There is need to focus on the region

The private sector definitely has a regional perspective. Most major value chains are regional. The GIZ regional value chains support the RECs; at country level these programmes have MoUs with Grow Africa. Already, regional farmer organisations like EAFF and SACAU bundle issues at a regional level put forward by their national farmer organisation members or by other country actors. EAFF has developed an Agribusiness Toolbox for five priority value chains: Maize, Rice, Potato, Cassava and Livestock with a weekly price trend analysis and a directory of cross border value chain actors for these commodities. SACAU supports cross border value chains, such as merino and mohair (for Lesotho and South Africa). Where necessary SACAU mediates between countries: South Africa banned cattle imports from Namibia, but South African farmers used to buy weaners from dry Namibia for fattening in South Africa. Namibian breeders stuck with calves, but not enough fodder turned to SACAU for help.

SACAU suggested the concept of a Regional Agribusiness Partnership Framework (RAP-F) as a complement to the CAP-F. SACAU offered to design the framework for such a RAP-F through mobilisation of country members and elaboration of issues at regional level. As is the case for the CAP-F at country level, the RAP-F should also be linked to policy reform: There is need for a harmonization of policies at regional level, especially with respect to regional value chains.
Some impressions on CAADP

Part of the interview was a series of questions on CAADP. People working almost exclusively with the private sector and non-state actors often do not have a very favourable impression of CAADP or have hardly heard of it. This section must be seen as a compilation of comments from a non-representative sample of respondents. Several good ideas about the role of CAADP were also offered and these are elaborated in the recommendations.

General CAADP

“CAADP has been with us for 15 years but it has not led to increased (private) investment; it has just left us with a lot of documents.”

“As a technocrat I am exposed to information, so I have heard of CAADP. Otherwise they have a problem with visibility; the knowledge that they exist is only higher up. I know of no tangible benefits. I don’t know how we can take advantage of this programme. They should market themselves better. They should do a better job of engaging stakeholders to achieve their targets.”

“CAADP has often run parallel to county structures and country procedures. A good example is the M&E for the biennial review that asks for indicators that countries did not collect before and may not even need for their own purposes.”

Grow Africa

“Grow Africa has tried to increase private investment and succeeded in building alliances with many companies and obtaining considerable pledges in the form of Letters of Intent (LoIs). Credit is due to them for this achievement. Regional value chain programmes have MoUs with Grow Africa and they meet regularly, either in person or via e-meetings. There could be more movement in this cooperation.”

“Only 22% of the pledged commitments were actually invested and there are some indications that this has made Grow Africa pursue investment more aggressively, with a dwindling concern of whether this benefits smallholders. It appears they do not question firms, in the belief that “all firms are good as long as they invest”. From the experience with value chain programmes, it can be said that this is not true. Certainly not all investment is good investment.”

“Big players like Walmart and Kraft-Heinz are keen to cooperate with Grow Africa and want to put their logo on their website. But there must be a development content to this cooperation, and from both sides. This is often not clear.”

National Agriculture Investment Plans

“NAIPs are still very production-oriented in terms of: What crops can be grown? How do we improve production and productivity? Where NAIPs discuss markets, it is more as an afterthought to production. NAIPs still do not start from the market end and then work their way backwards to production. This is probably related to the fact that NAIPs are still very much the Ministry of Agriculture’s instrument and the Agriculture Ministry sees itself its traditional role as responsible for the production of crops and livestock and often for food security rather than markets.”
**CAADP and the private sector**

“Transparent market information is an area where CAADP could have been more constructive, but it requires the buy-in of a lot of commercial market expertise. This expertise should come from the private sector but CAADP at the moment does not have enough private sector actors. Bureaucrats have a hard time understanding markets. When bureaucrats draw up strategies they’ll come up with bureaucratic solutions. One such solution is the idea of establishing National Agriculture Chambers (NACs) in all member states. When these NACs were either not present or not functioning, then building them will be an expensive non-starter solution.”

“CAADP operates in an administrative top-down manner. It looks for institutional answers, but it must look beyond creating institutions and work with the private sector in a business manner. CAADP wants to manage and control the private sector, through strategies, institutional structures and instruments. But this is based on an inherent misconception of how the private sector works. Maybe it must be said that CAADP will never achieve much on a practical level, because the process is too bureaucratic and with a heavy top-down management style. It is not down-to-earth and flexible enough to achieve practical impact. But CAADP could play a political role: RECs could be supported to create value chain alliances between countries and to develop innovative long-term strategies for these 'product blocks' in the context of global and future markets. This of course needs high-level expertise at all levels, which may not now be there.”

**CAADP versus AGRA**

The often-heard statement that “everything that happens in the agricultural sector is automatically part of CAADP” testifies of a certain amount of tunnel vision amongst CAADP experts and implementers. Meanwhile, AGRA is an organisation with a lot of resources and consequently a huge convening power (it is supported by the Gates Foundation, Master Card, Rockefeller Foundation). AGRA has a well-oiled Public Relations machine behind it and highflying dignitaries on its board (e.g. Kofi Annan and Agnes Kalibata) and Heads of State come to its forums. AGRA increasingly occupies the private sector dialogue as big businesses come to its events.

CAADP, which is not so well endowed, is at risk of being overtaken and may be left on the side-lines as AGRA dominates the continental debate, even at national agricultural policy levels. For CAADP to remain relevant it needs to do three things: (i) Learn from AGRA; (ii) Identify how and in what areas to cooperate with AGRA and (iii) Highlight how CAADP is different from AGRA. CAADP needs to forge its identity in a way that sets it apart from AGRA, and the key to that is CAADP’s development orientation. Grow Africa does not set itself apart too clearly, following much the same approach as AGRA (more emphasis on the volume of investment rather than on who benefits). Grow Africa must ensure that its support to investment is based on a thorough analysis of the markets and its support to firms must not solidify the leverage of big business over producers but rather empower these producers.
6. RECOMMENDATIONS
6 RECOMMENDATIONS

The objective of this study was to look in particular at two areas of recommendations:

- Whether and how CAADP processes can mainstream, upscale and multiply some of the lessons and some of the better practices identified; and
- What role GIZ agriculture programmes can play to support such meaningful public-private engagement and how GIZ interventions at different levels can be linked to improve CAADP implementation and to upscale successful practices.

With respect to the CAADP process

Grow Africa and Agribusiness Partnership - Frameworks

The Country Agribusiness Partnership Framework (CAP-F) will become a crucial instrument of CAADP implementation and the main vehicle for the structural involvement of the private sector in the NAIP. Thus, it is important that the instrument gets off on a good start, develops momentum quickly and achieves success within its first few years. What better way to ensure that this happens than by building on existing success? The following are proposed steps:

1. Grow Africa should capitalise on the enormous knowledge and networks that GIZ regional value chain programmes have amassed over the years. These networks could build the foundation for Regional Agribusiness Partnership Frameworks (or RAP-Fs), similar to the current instrument of the CAP-F. The reason is that many African value chains are cross border (“we cannot think too national or we will not come very far”).

2. RAP-Fs should also seek the cooperation with RECs (especially with the EAC as they are commercially oriented). However, taking account of the difficulty of sustaining the REC CAADP units, it is advised that in partnering with RECs for a RAP-F, the first entry point should be ongoing initiatives that are relevant to agribusiness.

3. RAP-Fs can build on the work by Regional Farmer Associations (RFOs) especially EAFF and SACAU as these are commercially oriented and cooperate with commodity associations (such as the African Cashew Alliance).

4. These RAP-Fs can then be broken down into what this requires at country level: A Cashew RAP-F can be translated into a series of country level Cashew CAP-Fs, initially for Benin, Burkina Faso, Côte d’Ivoire, Ghana and Mozambique (already countries in the value chain programme), but later also for other countries.

5. The various CAP-Fs can then be linked to the country’s NAIP. The NAIP can absorb the implications in terms of policy reform, strengthening of standards and grades, good agricultural practices etc. that would enable these CAP-Fs to perform.

6. CAP-Fs can build on agribusiness partnerships established by initiatives such as ATA, the GICs and national farmer organisations. There are likely to be others, but even this initial list yields an impressive number of existing country-based value chain partnerships for rice, potato, sweet potato, barley, wheat, maize, cassava, beans, soya bean, groundnut, sesame, cashew, sunflower, cocoa, vegetables, pineapple, mango, dairy, beef, poultry, extensive livestock and fish.
7. RAP-Fs and associated CAP-Fs can be formed for

- Value chains that GIZ supports through regional programmes: **Rice** (Burkina Faso, Ghana, Nigeria, Togo); **Cashew** (Benin, Burkina Faso, Cote d’Ivoire, Ghana, Mozambique); **Cocoa** (Cote d’Ivoire, Cameroon, Ghana, Nigeria, Togo); **Cotton** (Benin, Cote d’Ivoire, Cameroon, Ghana, Malawi, Mozambique, Tanzania, Uganda, Zambia), plus **Groundnuts** recently started.

- Value chains that concern staples or nutritionally valuable commodities that GICs work on (especially when these commodities are politicised and need moderation for reducing big business interference) e.g. Maize, Cassava, Soya.

- Cash crops (often also politicised and potentially very profitable markets) such as Cotton, Coffee, Cocoa and Tea.

For these value chains, the following are ingredients of success and should be assured as much as possible:

- Independent and transparent market information (regional and country level) by experienced (international) market experts;
- Moderation and brokering between government and big business;
- Support to producers, SMEs, agribusiness and agro-processors with among others: Technical and business skills, policy and regulatory reform, especially in the context of (and as part of) the NAIP.

**General CAADP implementation & coordination**

General advice with regard to CAADP is to focus less on ‘creating institutions’ and more on ‘allocating tasks’. Experience has shown that, often times, structures are set up too easily (especially when there is funding available for doing so), whereas the nitty-gritty work of figuring out exactly ‘what should be done’ receives less attention leaving tasks unattended to and/or causing confusing over divisions of labour. In particular it is advised that:

- **The Continental Agribusiness Strategy** relies more on existing structures rather than on building new ones (e.g. do not build National Agriculture Chambers). One such type can be the ‘interprofession’. Other institutions are the wide variety of commodity-specific institutions (African Cashew Council; South African Sugar Association; National Potato Council of Kenya) but also institutions like the African Fertilizer and Agribusiness Partnership (AFAP) or the Seed Trade Association of Kenya (STAK). Most important is that the CAS is mainstreamed at regional (REC, RFO) and national levels in the form of activities taken on by the most relevant institutions at those levels.

- **The regional level** is reinforced as a CAADP implementation level. This would include that Malabo Declaration targets and CAADP tasks are mainstreamed at REC level. But it should also include a closer cooperation with relevant actors and initiatives at regional level such as Regional Farmer Organisations (RFOs).
• **Country level platforms** key to CAADP/NAIP implementation are strengthened: Important are Agriculture Sector Working Groups (ASWGs) and their Technical Working Groups (TWGs). The design of generic Terms of Reference outlining the clarification and division of tasks of the various stakeholder categories should be considered. These generic ToRs can then be adapted by countries to their need and allocated to the most appropriate actors / institutions.

• **Coordination of CAP-F** should avoid the creation of parallel structures as much as possible. In the interest of a close link to CAADP, NAIP coordination structures should be assessed in terms of their ability to take on CAP-F tasks. There could be a NAIP sub-programme on private investment (as in Rwanda), which receives technical supported from a Private Investment TWG, and overall policy guidance form the ASWG. Alternatively, a cross-sectoral body can handle investment in the agriculture sector, as in other sectors (such as the Rwanda Development Board). This may ultimately prove a more sustainable model than a separate (to be established) body for the agriculture sector would be.

• **Technical Networks** ([http://www.caadptn.org](http://www.caadptn.org)) were set up under each of the Malabo Declaration pillars (with USAID funding) but have hitherto not been used much. A first step is to create awareness among stakeholders at country and regional level about these networks and their services.

• **The status of CAADP in NEPAD** is an issue that needs addressing. After the last NEPAD reform, CAADP slipped to the level of a sub-programme of a sub-programme. Climate Change Adaptation is at a higher level (even though it could be a sub-component of CAADP) and ATVET (which should truly be a sub-component of CAADP) is a different NEPAD programme altogether.

• **Lists of NAIPs and CAADP Focal Points** are crucial tools that would enable the AUC and NPCA to gain more oversight and improve their management of CAADP country processes. A list of NAIPs should at least contain their programme titles and their starting date and end date. This information is essential because the most opportune time for policy and strategy reform is when one NAIP reaches its end and a new NAIP is about to be formulated. Currently, the Focal Points list needs updating. A NAIP list has yet to be compiled.

• **The CAADP identity** should be clarified (especially vis-à-vis AGRA). If CAADP is to claim development-orientation as its defining feature, it must align all its operations to this purpose: Private investment can be pursued but that too must prove to support higher development goals.
With respect to German development assistance

What role can German development assistance play and how can interventions at different levels be better linked? This question is best addressed by the following figure:
The figure above links the various GIZ programmes to CAADP initiatives at different levels:

**The regional value chain programmes** have a lot to offer to the CAADP process. They have more in-depth experience with the private sector than even Grow Africa has, because each programme has been devoted to a single commodity for several years and has built up enormous networks and detailed overviews of the market and its value chain actors.

In the ideal case scenario, Grow Africa would follow the recommendation above and set-up Regional Agribusiness Partnership Frameworks, the basis for which value chain programmes can deliver. But even in the absence of a RAP-F, there is so much knowledge in these programmes that a more intensive cooperation is desirable in any case.

- A clear recommendation (as a first step) is to organise a strategic meeting between representatives from Grow Africa (plus AUC and NPCA) and experts from the various regional value chain programmes 27. This meeting’s agenda can include:
  - How regional programmes can be more constructively involved in CAADP at continental level;
  - How feasible and useful the concept of a RAP-F would be;
  - How value chain programmes can better link to the NAIPs, for example where they have achieved things that the NAIP aims for, where the NAIP can build on programme experience or where programmes can support value chain work that has been prioritized by the NAIP.

Mileage can be gained also from the cooperation between these programmes and RECs. Especially where a REC is active and interested to improve the investment and development climate, the RECs can become a multiplier of success achieved. The most productive REC in this regard is the East African Community (EAC). Unfortunately, GIZ value chain programmes have formal links only to ECOWAS and COMESA.

- It is recommended that value chain programmes pursue the possibility of linking up with the EAC.

A similar case can be made for the cooperation with Regional Farmer Organisations (RFOs). Especially EAFF and SACAU are useful partners when it comes to agribusiness.

- It is proposed that value chain programmes exchange information with EAFF and SACAU and maybe attend each other’s meetings, as a first step to establish whether there is a basis for cooperation.

**Bilateral projects** are often responsible for issues like policy and have the mandate to provide advisory services to national levels. They are the ones that work with governments. Where their specific task is to provide advice and expertise to the Ministry of Agriculture that will also include supporting the formulation and implementation of NAIPs.

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27 Maybe, even Ethiopian ATA can be invited, as although their work is at country level, they follow a similar approach and they have strengthened value chain based agribusiness partnerships.
Projects at implementation level, such as Green Innovation Centres are responsible more for technical services and practical work with farmers. Because the GICs follow a value chain approach, their work is imminent relevant for Country Agribusiness Partnership Frameworks (CAP-Fs), as these too will be value chain based. The more a GIC works with local actors and local structures, the more useful its work will be to the CAP-F instrument.

Based on the above division of labour, the original idea was that best practices elaborated by the GIC would be carried upwards to national level by the bilateral project to be absorbed by the national strategy (the NAIP). This has not always worked, in part because of the not always harmonious relationship between bilateral projects and GICs. This situation has improved recently. Therefore, to further help constructive communication and cooperation it is recommended that:

- The GIC becomes part of the GIZ Country Portfolio;
- The work of bilateral projects and of GICs is aligned to national agriculture strategy such as a National Agriculture Policy or a National Agriculture Investment Plan (NAIP);
- Joint objectives are identified for the entire agricultural team at country level;
- Result matrices between agricultural projects within one country are harmonised.

However, the link between country and regional levels is also very important, especially as so many value chains have cross-border markets.

When Grow Africa follows the recommendation to design a value chain specific RAP-F that breaks down into a series of CAP-Fs, then the communication between the regional value chain programmes and the national bilateral project becomes especially crucial. However, even without a RAP-F and associated CAP-Fs, this link between region and country is important. Much of what is learned through the value chain programmes could be usefully absorbed in a NAIP. Regional programmes can address some of the priorities and bottlenecks identified in the NAIP. Therefore, it is recommended that:

- Bilateral programmes ask value chain programmes for their input, especially at times of NAIP formulation or during other opportunities for policy reform.

ATVET and Farmer Business Schools

Agriculture Technical Vocational Education & Training (ATVET) and Farmer Business Schools represent initiatives dealing with skills development, but they follow different approaches:

Farmer Business Schools train grassroots level people in basic farm management skills. The programme has proven to be very successful with more than 900,000 people trained. The impact in terms of farm income is almost direct (within one agricultural season). ATA Ethiopia has already asked the programme to be rolled out across Ethiopia. Farmer Business Schools could contribute a lot to both implementation of NAIPs and to the CAP-Fs.

ATVET aims for the creation of a body of more highly trained agricultural technicians and academics in order to build up the available agriculture expertise at country level. The impact of this will take longer to materialize.
ATVET is supposed to be an integral part of CAADP but is not always perceived in that way. In the NEPAD set-up it falls under a different pillar than CAADP. At country level it tends to be seen as a project, sometimes even confused with CAADP itself 28.

It is recommended that:

- Bilateral projects facilitate a link between NAIP decision makers and Farmer Business Schools, for example through information dissemination and pilot trainings;

- The management of the ATVET module of the CAADP Support Programme based in Pretoria assesses how best to ensure a direct and strong link between ATVET initiatives at country level and the NAIPs. This should include:
  - ATVET staff at country level to be aware of the NAIP;
  - ATVET staff at country level to be members of Agriculture Sector Working Groups or relevant Technical Working Groups;
  - ATVET country work to be aligned to and reflected in the NAIP;
  - Reporting on ATVET to be part of Joint Sector Reviews.

Because of the immediate benefit that the CAADP and CAP-F process would gain from an in-depth meeting with regional value chain programmes, it is recommended that first steps are taken in that direction. Country level cooperation can be strengthened after that.

It would be very beneficial if a workshop between Grow Africa and value chain programmes can be held early on in the process of the rollout of the CAP-F instrument. Such a workshop could lay the foundation for a detailed strategic plan.

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28 In the development of Strategic Plans in three Counties in Kenya, the word CAADP only fell in the context of ATVET activities, not as a programme in its own right.
## ANNEX 1  PEOPLE INTERVIEWED

The following people were interviewed, either in person or via Skype or phone.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Organisation</th>
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<tbody>
<tr>
<td>William Asiko</td>
<td>CEO, Grow Africa, <a href="https://www.growafrica.com">https://www.growafrica.com</a>, Midrand, South Africa</td>
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</tr>
<tr>
<td>Name</td>
<td>Position/Role</td>
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<td>-----------------------------</td>
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</tr>
<tr>
<td>Steve Muchiri</td>
<td>CEO East Africa Farmers Federation (EAFF), <a href="http://eaffu.org">http://eaffu.org</a>, Nairobi, Kenya</td>
</tr>
<tr>
<td>Ian Randall</td>
<td>Grow Africa, <a href="https://www.growafrika.com">https://www.growafrika.com</a> (Now based in North Carolina, USA)</td>
</tr>
<tr>
<td>Alex Rees</td>
<td>CAADP Development Partners Coordination Group (DPCG) <a href="http://agrinatura-eu.eu/2017/03/caadp-development-partners-coordination-group-dpcg">http://agrinatura-eu.eu/2017/03/caadp-development-partners-coordination-group-dpcg</a></td>
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<tr>
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<td>Kah Walla</td>
<td>Entrepreneur, activist and political leader, <a href="http://kahwalla.com">http://kahwalla.com</a>, Duala, Cameroon</td>
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<td>Augustin Wambo Yamdjeu</td>
<td>Head of Comprehensive Africa Agriculture Development Programme (CAADP), <a href="http://www.nepad.org/cop/comprehensive-africa-agriculture-development-programme-caadp">http://www.nepad.org/cop/comprehensive-africa-agriculture-development-programme-caadp</a>, Midrand, South Africa</td>
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<tr>
<td>Andrea Wilhelmi Somé</td>
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ANNEX 2  SEMI-STRUCTURED INTERVIEW QUESTIONS

General country (regional) information

- Is the matrix in the concept note presenting a tentative overview of public-private platforms of engagements in agriculture applicable also for your country?
- What are main public-private platforms (in each of these cells) in your country?
- Which public-private initiatives at regional and country level are successful?
- What is the role of government vis-à-vis the private sector in such initiatives?
- In your experience, which are more effective: public driven platforms or private driven platforms?
- Does public-private engagement work best at a value chain level?
- Should value chain associations be linked to national or regional producer organisations?
- Are national platforms in your country well connected to the relevant regional platforms (e.g. RECs and RFOs)?
- Are any generic lessons to be learned in terms of the approach?

Experience from working with platforms

- Do you or your project work with national (or regional) public-private platforms of engagement in agriculture?
- With which platforms in particular, for what purpose or in what way?
- Are you involved in New Alliance, Grow Africa or CAADP activities?
- What is your experience?
- Any specific lessons that are learned?

Ideas towards upscaling of best practices

- Would you say that the best practices from your country are suitable for being up-scaled? What would be an appropriate framework for doing so? (e.g. through RFOs, RECs, CAADP);
- Any recommendations with respect to the CAADP process or the initiatives of New Alliance, Grow Africa?
- Any recommendations to other GIZ projects or GIZ in general with regard to working with public-private platforms of engagement in agriculture?
- Any recommendations to other development partners with regard to working with public-private platforms of engagement in agriculture?