



Food and Agriculture  
Organization of the  
United Nations



# **GUIDE FOR THE DESIGN AND IMPLEMENTATION OF PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT IN AFRICA**





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# FOREWORD

Unleashing the potential for inclusive agricultural growth and transformation requires coordinated and strategic public and private investment in the agriculture sector. Against a background of limited government resources and expertise, public-private partnerships (PPPs) are increasingly being promoted around the world as a mechanism to pool resources, reduce risks, improve productivity, and drive growth in the agriculture and food sectors. In line with this trend, many African countries have expressed an interest in further understanding the potential for public-private partnerships for agribusiness development (agri-PPPs) to deliver on these transformative goals. This interest is also reflected in the Comprehensive African Agricultural Development Programme (CAADP) Results Framework 2015–2025 (AUC-DREA and NEPAD, 2015). Furthermore, Commitment 4 of the 2014 Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods aims to halve poverty by 2025 through inclusive agricultural growth and transformation and foresees a clear role for agri-PPPs to help in achieving this objective. In the Malabo Declaration, African Union Commission (AUC) member countries have committed to “establishing and/or strengthening inclusive PPPs for at least five priority agriculture commodity value chains with strong linkage to smallholder agriculture” by 2025.

The *Continental Agribusiness Strategy Framework Document – Driving Africa’s Inclusive Growth* (AUC-DREA and NEPAD, 2017) identifies PPPs as key drivers of Africa’s agribusiness sector. However, the lack of functional PPPs in the sector has resulted in limited engagement between agribusinesses and public institutions.

The traditional rationale for partnerships between the public and private sectors is linked to market and policy failure in the delivery of public goods, such as roads, education, and healthcare services. Similarly, the emergence of agri-PPPs has been in response to the failed delivery of a public good, such as food security, environmental protection, and the socioeconomic viability of rural areas. In theory, by combining the resources and complementary capacities of both public and private partners under a well-defined legal and regulatory framework, governments can obtain economic and social benefits from public investments beyond what they could achieve alone.

The Food and Agriculture Organization of the United Nations (FAO) has been documenting evidence on agri-PPPs operating in more than 15 developing countries across Africa, Asia and Central America. Lessons learned from this exercise were synthesized in FAO (2016). During the Twenty-ninth Session of the Regional Conference for Africa held in Abidjan, Côte d’Ivoire, in April 2016, FAO was requested to gather more specific evidence on experiences from the African continent in the design and implementation of agri-PPPs. Based on this request, a series of studies was commissioned in partnership with the AUC in Côte d’Ivoire, Ethiopia, Ghana, Kenya, Rwanda, South Africa and Uganda. The findings gathered from these studies, together with previous lessons from FAO (2016) and more recent experiences from Zambia form the basis of this technical guide.

This guide’s objective is to support AUC member countries in designing and implementing sustainable, and inclusive agri-PPPs, with special consideration given to the enabling environment for agribusiness investment in member countries. Agri-PPPs are also expected to inform the

preparation of a second generation of National Agricultural Investment Plans (NAIPs) to be developed in African countries with CAADP support. This guide is intended to be a practical tool for African policymakers interested in promoting agri-PPPs as part of their overall agricultural transformation strategies.



**Ambassador Josefa Sacko**

*AU Commissioner for Agriculture,  
Rural Development, Blue Economy  
and Sustainable Environment  
African Union Commission (AUC)*



**Abebe Haile-Gabriel**

*Assistant Director-General and Regional  
Representative for Africa  
Food and Agriculture Organization  
of the United Nations (FAO)*



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# ABBREVIATIONS

AfCFTA	African Continental Free Trade Area
agri-PPPs	public–private partnerships for agribusiness development
AUC	African Union Commission
BDS	business development services
CAADP	Comprehensive Africa Agriculture Development Programme
CATSP	Comprehensive Agricultural Transformation Support Programme (Zambia)
ITT	innovation and technology transfer
M&E	monitoring and evaluation
MoU	memorandum of understanding
NAIP	National Agricultural Investment Plan
NGO	non-governmental organization
PPPs	public–private partnerships
TWG	technical working group
SMAE	small and medium agricultural enterprise
SSTC	South-South and Triangular Cooperation
VCD	value chain development





Farmers are seeding pineapple plants in Ghana.

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# 1

## INTRODUCTION

Unleashing the potential for inclusive agricultural growth and transformation requires coordinated and strategic public and private investment in the agriculture sector. Against a background of limited government resources and expertise, public-private partnerships (PPPs) are increasingly being promoted around the world as a mechanism to pool resources, reduce risks, improve productivity, and drive growth in the agriculture and food sectors. In line with this trend, many African countries have recently expressed an interest in further understanding the potential for public-private partnerships for agribusiness development (agri-PPPs) to deliver on these transformative goals. This interest is also reflected in the Sustaining Comprehensive Africa Agriculture Development Programme (CAADP) Momentum Results Framework 2015–2025. Moreover, Commitment 4 of the 2014 Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods aims to halve poverty by 2025 through inclusive agricultural growth and transformation and foresees a clear role for agri-PPPs to help in achieving this objective. In the Malabo Declaration, African Union Commission (AUC) member countries have committed to “establishing and/or strengthening inclusive PPPs for at least five priority agriculture commodity value chains with strong linkage to smallholder agriculture” by 2025.

The *Continental Agribusiness Strategy Framework Document – Driving Africa’s Inclusive Growth* (AUC and NEPAD, 2017) identifies PPPs as key drivers for Africa’s agribusiness development. However, the lack of functional PPPs in the sector has resulted in limited engagement between agribusinesses and public institutions.

The Food and Agriculture Organization of the United Nations (FAO) has been documenting evidence on agri-PPPs operating in more than 15 developing countries across Africa, Asia, and Central America. Lessons learned from this exercise were synthesized in *Public-private partnerships for agribusiness development: A review of international experiences* (FAO, 2016). During the Twenty-ninth Session of the Regional Conference for Africa held in Abidjan, Côte d’Ivoire, in April 2016, FAO was requested to gather more specific evidence on experiences from the African continent in the design and implementation of agri-PPPs. Based on this request, a series of studies was commissioned in partnership with the AUC in Côte d’Ivoire, Ethiopia, Ghana, Kenya, Rwanda, South Africa, Uganda and Zambia. The findings gathered from these studies and the workshop discussions held in December 2017 and May 2018 in Accra and Nairobi, respectively, together with previous lessons from FAO (2016), form the basis of this technical guide.

This guide’s objective is to support AUC member countries in designing and implementing sustainable, and inclusive agri-PPPs, with special consideration given to the enabling environment

for agribusiness investment in member countries. Agri-PPPs are also expected to inform the preparation of a second generation of National Agricultural Investment Plans (NAIPs) to be developed in African countries with CAADP support. The *Inclusive Public-Private Partnerships for Agribusiness. Knowledge Compendium for Malabo Domestication* (AUC-DREA & NEPAD, 2019) makes specific recommendations for anchoring agri-PPPs within the framework of the NAIPs to ensure coherence with national agricultural priorities and deepen their impact. This guide is intended to be a practical tool for African policymakers interested in promoting agri-PPPs as part of their overall agricultural transformation strategies.

## 1.1

### JUSTIFICATION FOR PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT

The traditional rationale for partnerships between the public and private sectors is linked to market and policy failure in the delivery of public goods, such as roads, education, and healthcare services. Similarly, the emergence of agri-PPPs has been in response to the failed delivery of a public good, such as food security, environmental protection, and the socioeconomic viability of rural areas. In theory, by combining the resources and complementary capacities of both public and private partners under a well-defined legal and regulatory framework, governments can obtain economic and social benefits from public investments beyond what they could achieve alone. In more detail, agri-PPPs have the potential to:

1. **Leverage financing.** The high scale of investment needed to achieve the full potential of African agriculture means that the public sector cannot do it alone. The PPP mechanism is inherently designed to address this issue by pooling funds from various sources to overcome the limited funding available in the public sector. It can also help to improve the access of smallholders to finance by including financial institutions in the partnership who are willing to offer tailored financial products and services to farmers.
2. **Promote risk sharing.** The high risks of doing business in the agriculture sector can often deter agribusiness firms from investing alone. Agri-PPPs can lower the barriers to entry for these firms by using a combination of market incentives for first movers and institutional mechanisms that help to promote greater certainty for investors, while ensuring that risk is distributed fairly between agribusiness firms, smallholders, and the government.
3. **Enhance innovation and market access.** For public partners, agri-PPPs can facilitate access to innovative technologies, superior management, and marketing skills available in the private sector. This can help address complex problems, including low productivity and limited value addition, post-harvest losses, climate change, and food safety and quality issues, restricting market access. Indeed, FAO's *Strategy for Private Sector Engagement, 2021-2025* (FAO, 2021a) recognizes the unique role of the private sector in innovation, trade, finance and investment and its ability to impact the transformation of food systems at scale.
4. **Increase inclusion of smallholder farmers, small and medium agricultural enterprises (SMAEs), women and youth.** Agri-PPPs have the potential to target the inclusion of these actors as valuable partners in the development of a modern agrifood sector. By fostering collective action and capacity development of smallholders and SMAEs, and by creating employment and entrepreneurial opportunities in agribusiness for women and youth, agri-PPPs can help to enhance the social stability and prosperity of rural areas.

**5. Ensure effective utilization of public infrastructure and provision of essential services.**

Over the years, the public sector has invested in various infrastructure, equipment, and processes, either directly or with support from development partners. However, many of these have been rendered redundant and become “white elephants” due to limited finances and resources, as well as the lack of alignment with private sector priorities. Despite expressing their interest in some of these investments, private sector firms have not been able to come on board due to a lack of clear guidelines for partnership agreements that ensure their investments are safeguarded. A significant share of these investments remains viable and relevant to the agrifood sector. Agri-PPPs are a tool through which viable services and infrastructure can be utilized, while contributing to the rural industrialization agenda.

**These potential benefits are, however, likely to be achieved only in cases where specific care is taken to address design issues.** For example, successful risk management can only be achieved if an adequate assessment of risks is identified during the design phase and mechanisms for risk sharing are considered and planned for. Similarly, development objectives such as inclusiveness are not achieved by default but require concrete strategies to facilitate the participation of smallholder farmers, women, and youth as active partners in the implementation of agri-PPPs. The use of monitoring and evaluation mechanisms are also needed to assess progress, adjust, and measure results. Strategies for the effective application of the PPP approach are discussed in further detail in Section 3 of this guide.





Warehouse e-voucher  
scheme for input  
supply and distribution

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# 2

## TYPOLGY OF PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT

The term, agri-PPPs, has been used in this guide to refer to several different PPP project types in the agribusiness sector. FAO (2016) has identified a **typology of four common agri-PPP projects**:

1. **Value chain development (VCD).** PPPs are aimed at developing new or upgrading existing value chains through a number of different yet coordinated interventions along the entire value chain.
2. **Innovation and technology transfer (ITT).** PPPs usually improve the production segment of the value chain through research, innovation and technology transfer. However, this category may also include off-farm projects for commercializing small-scale technologies to improve post-harvest practices and agro-processing for SMAEs, and digital transformation of the sector.
3. **Market infrastructure (MI).** PPPs help improve the flow of products through market logistics such as collection centres, feeder roads, warehouses and wholesale markets.
4. **Business development services (BDS).** PPPs are designed to facilitate access to business support services necessary for building linkages between farmers and SMAEs, as well as SMAEs and their input, output and service market partners.

Although in practice the differences between these project types are sometimes blurred (e.g. VCD PPPs may involve ITT, MI and BDS PPPs as building blocks under the umbrella of a broader VCD PPP programme), from the perspective of policymakers it is useful to know that there are different models of agri-PPPs that are linked to different entry points along the value chain. Depending on the scope of the partnership and the challenge to be addressed by the agri-PPP, policymakers and practitioners can, therefore, decide to intervene at different levels along the chain.

Some additional project types can also be added to this list:

1. water and sanitation PPPs, including irrigation PPPs, are increasingly seen in Africa (see **Box 1**);
2. green-energy PPPs are promoting the use of technologies for the production of renewable energy, such as biogas;

3. agricultural insurance PPPs, a relatively new model, are being used to increase access of smallholders to agricultural insurance programmes, most found in Asia;<sup>1</sup> and
4. agri-linked manufacturing PPPs are being designed to facilitate value addition beyond the agricultural value chain with manufacturers vertically linked to producers and SMAEs (see Box 2).

Most of the agri-PPPs promoted in Africa have been found to be VCD PPPs, followed by MI and irrigation PPPs. The prevalence of VCD PPPs may be based on the premise that interventions along the entire value chain, especially in segments that focus on linking smallholders to buyers (a typical VCD PPP approach), are expected to achieve greater poverty-reduction impacts on smallholders.

A few ITT PPPs have been identified in Africa; while many of such PPPs launched in Asia have demonstrated the strong potential of these interventions to drastically improve farmer income by targeting issues hindering on-farm productivity – a key issue that needs to be addressed across the African continent. For this reason, the use of ITT PPPs should be considered in more detail and potentially encouraged in agri-PPP strategies throughout Africa. This requires close collaboration with public and private stakeholders responsible for innovation and information and communication technologies to increase chances of success and to ensure that efforts are harmonized and sustainable.

#### ► BOX 1

##### **World's first public-private partnership irrigation project – Guerdane, Morocco**

Morocco's Guerdane perimeter produces 50 percent of the country's citrus crops. However, citrus farming became unsustainable due to depleted groundwater levels resulting from years of intensive production. In July 2004, with technical support from International Finance Cooperation (IFC), the national government awarded a 30-year concession to a consortium led by a Moroccan industrial conglomerate, Omnium Nord-Africain (ONA). This was termed as the world's first PPP irrigation project that has since attracted nearly USD 40 million in private investment to the region and created hundreds of local jobs. The unit water price was lower than expected as a result of a transparent and competitive bid process. The project has provided the government with technology transfer benefits and provided a model for similar PPP irrigation projects in the region. Over 1 900 individual farmers have improved irrigation and overall access to services.

Sources: IFC (International Finance Cooperation). 2013. *Public-Private Partnership Impact Stories – Morocco: Guerdane Irrigation*. IFC Advisory Services in Public-Private Partnerships. Washington DC, World Bank. [https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/2022-06/SuccessStories\\_MoroccoIrrigation.pdf](https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/2022-06/SuccessStories_MoroccoIrrigation.pdf); IFC Africa. 2023. Morocco: Guerdane Irrigation story. In: *LinkedIn*. [Cited 22 July 2023]. [https://www.linkedin.com/posts/ifc-africa\\_moroccan-morocco-worldwaterday-activity-7046774266373021697-p6eW/?originalSubdomain=ug](https://www.linkedin.com/posts/ifc-africa_moroccan-morocco-worldwaterday-activity-7046774266373021697-p6eW/?originalSubdomain=ug)

<sup>1</sup> See World Bank (2015) brief on agricultural insurance PPPs.

► **BOX 2**

**Agri-linked manufacturing public-private partnerships**

There is a strong call to link agriculture to the manufacturing industry as the two sectors have been identified as key to economic diversification and job creation. At the continental level, the African Continental Free Trade Area (AfCFTA) highlights the key role that PPPs are expected to play in strengthening trade, stimulating demand and strengthening local manufacturing ecosystems (AUC, 2021).

Processing capacity is a critical part of the manufacturing industry and many agricultural value chains underperform due the lack of processing technology and capacity. Zambia's Comprehensive Agricultural Transformation Support Programme (CATSP) intends to promote firm level processing of crops, livestock and fishery products by a) developing an inventory for appropriate technologies and equipment for processing of prioritized commodities; b) providing tax breaks on importation of such technologies and equipment; c) subsidizing acquisition of new processing technologies for SMAEs; and d) building capacity of SMAEs to enable them to use and maintain the acquired technologies. Farm level pre-processing can help smallholder farmers enhance the efficiency of the value chain and achieve better prices for their products. The CATSP intends to build the capacity of smallholders through information and training packages, skilling extension staff to provide longer-term support and provision of affordable loan facilities to enable smallholders to access appropriate farm-level technologies.

The CATSP has prioritized crops, livestock and fishery products according to criteria such as potential for food and nutrition security, job creation, import substitution and export. The first batch of priority products includes a) for crops, maize, soyabean and wheat; b) for tree crops, avocado and macadamia; c) for vegetables, potatoes and onions; d) for livestock, beef, dairy and poultry; and e) aquaculture (tilapia and catfish). For each priority commodity, it is envisaged to implement a value chain development plan agreement (VCDPA) in partnership between the government and relevant industry associations. The diversity of priority food groups demonstrates the government's commitment to improve food and nutrition security and progress towards healthy diets.

*Sources:* AUC (African Union Commission). 2021. *Leveraging Private Sector Investment for the Africa we Want*. Addis Ababa. [https://au.int/sites/default/files/pressreleases/41140-pr-Private\\_Sector\\_Engagement\\_for\\_the\\_Africa\\_we\\_Want.pdf](https://au.int/sites/default/files/pressreleases/41140-pr-Private_Sector_Engagement_for_the_Africa_we_Want.pdf); GRZ (Government of the Republic of Zambia). 2023. *Zambia Comprehensive Agricultural Support Transformation Programme (CATSP)*. Lusaka, Ministry of Agriculture & Ministry of Fisheries and Livestock.

## 2.1

### COMMODITY SELECTION FOR PUBLIC-PRIVATE PARTNERSHIPS

Another important finding is related to commodity selection for VCD PPPs. Certain commodities, especially sugar, edible oils (e.g. palm oil and sunflower oil), grains (maize) and rubber, featured strongly in successful PPP projects. Potential reasons for this were discussed during the validation workshop, and it was suggested that PPP projects for these commodities had greater potential in de-risking the required investment due to the pre-existence of structured value chains, relative price transparency and established markets that make it easier to ensure off-take of production and greater price stability for both private investors and smallholder farmers. These crops are also relatively simple to grow; and, therefore, their technology requirements are lower than higher value products with greater nutritional value, such as horticulture crops (see **Box 3**).

#### ► BOX 3

##### Preferred commodities for public-private partnerships

Commodities such as sugarcane, coffee, cocoa, and rubber, that have strong linkages to the manufacturing sector and frequently target regional and international export markets, can be considered to have an inherent success factor for agri-PPPs. For example, stakeholders from Zambia confirmed that sugarcane has a secure off-take, because it is a relatively simple crop to grow, and can generate a consistent year-on-year income if managed well for up to ten years. Zambia Sugar Plc., for instance, has grown to become the largest cane sugar producer in Africa and the leading sugar producer in Zambia, processing approximately 1.9 million tonnes, with 1.5 million supplied by smallholders (Kaleya Smallholders Company Ltd., or KASCOL, being the largest smallholder sugarcane producer in the country) to large-scale growers. The firm produces sugar for domestic consumers, raw sugar for industrial use, syrup, and speciality sugars for both local and export markets. Similarly, stakeholders from Côte d'Ivoire acknowledged that with coffee, cocoa, and rubber, it was easier to ensure off-take and the price of produce was less variable, which in turn made planning within the PPP easier.

*Sources:* Illovo Sugar Africa. 2023. Zambia sugar. In: Illovo Sugar Africa. [Cited 22 July 2023]. <https://www.illovosugarafrika.com/about-us/zambia>; KASCOL (Kaleya Smallholders Company Ltd.). 2023. KASCOL. [Cited 22 July 2023]. <https://kascol.co.zm>

In recent years, there has been a revised emphasis on improved nutrition and promotion of healthy diets. Better nutrition is a core pillar of FAO's Strategic Framework 2022–31 and aims to “end hunger, achieve food security and improved nutrition in all its forms, including promoting nutritious food and increasing access to healthy diets” (FAO, 2021b, p.17). In recognition of the importance of improving nutrition on the African continent, the African Union Commission designated 2022 the year of nutrition, with the theme “Strengthening resilience in nutrition and food security: strengthening agrifood systems, health and social protection systems for the acceleration of human, social and economic capital development”. This theme supports the African Union Commission's long-term vision set out in Agenda 2063, drawing on the potential of Africa's human

capital development with well-nourished, healthy citizens. Human capital is key for development as it leads to improved lives and stronger economies (see Scaling Up Nutrition [2022]).

This requires a re-think of how PPP projects can be made nutrition sensitive and incorporate nutrient dense foods. This will require explicit government support to incentivize the private sector to invest in nutrition sensitive PPPs that may not be as attractive due to higher risks and lower returns. Governments can adopt various strategies to encourage early movers to invest in nutrition sensitive PPPs. These may include tax breaks, import tax exemptions for plant and equipment, subsidized production inputs, social marketing to expand consumer demand for nutrient dense products and preferential market access.

For example, the Zambia Comprehensive Agricultural Support Transformation Programme (GRZ, 2023) plans to improve nutrition by promoting diversified farming systems and strengthening dietary diversity. The aim is to increase production of nutrient dense foods such as legumes, horticultural crops, underutilized wild foods and livestock. This will be accompanied by a number of measures including a) research on nutritional value of local varieties; b) communication and social marketing of the programme; c) capacity building of district level agencies on interventions mentioned above; d) training communities to produce diverse vegetables and livestock; and e) smart subsidies to households that adopt diversified farming systems.

## 2.2

### **AGRIBUSINESS VERSUS INFRASTRUCTURE PUBLIC-PRIVATE PARTNERSHIPS**

Finally, it is important to note that agri-PPP projects differ widely from traditional PPPs in the infrastructure sector, despite the use of the same terminology. This poses unique challenges related to the governance and design of agri-PPP projects. In many developing countries, national PPP policies and laws have recently been revised to include agriculture as an eligible sector for the application of PPP projects; yet the legal framework pertaining to these policies remains largely unchanged and can only be effectively applied to infrastructure PPPs. Some of the key differences between agri-PPPs and infrastructure PPPs include the level of investment required and the degree of contractual formality used in partnership agreements.

Agri-PPPs generally involve lower levels of investment and, therefore, less complex contract agreements including the use of memorandum of understanding (MoU), which may be less enforceable. Selection procedures for agri-PPPs may also need to be more flexible, allowing for the use of unsolicited bids and simpler feasibility assessment procedures. As a rule, they also involve a wider spectrum of partners in addition to the core public partner and private agribusiness firm. In fact, the implementation of agri-PPPs will often include producer organizations, SMAEs, financial institutions and non-governmental organizations (NGOs).

**Table 1** summarizes the major differences between agri-PPPs and infrastructure PPPs. **Box 4** provides a specific example on the legal framework governing agri-PPPs and infrastructure PPPs in Zambia.

► **TABLE 1**

**Agribusiness versus infrastructure public-private partnerships: a summary of the main differences**

FEATURE	TRADITIONAL INFRASTRUCTURE PUBLIC-PRIVATE PARTNERSHIPS (PPPs)	PUBLIC-PRIVATE PARTNERSHIP FOR AGRIBUSINESS DEVELOPMENT (AGRI-PPPs)
<b>Scale of investment, cost and risk sharing, and estimation of revenues</b>	Investments of 8–9 figures are common. The public partner must make in-kind or monetary contributions. The private partner must contribute equity. The private partner receives return on investment (ROI) from the revenue/user fees associated with the project. The private partner generally bears all of the commercial risks.	Lower scale of investments (minimum mobilized investment of USD 100 000 stipulated for this study). No requirement for financial equity investments in the partnership – in-kind contributions (often unvalued) may be sufficient. Private revenues are not necessarily estimated. Risks may or may not be shared between private and public partners.
<b>Partners</b>	A government entity and one or more private companies.	May also feature small and medium agricultural enterprise (SMAEs), producer organization, and other community groups working on joint initiatives with government agencies (donors and/or international technical agencies) and agribusiness firms. 4Ps (public-private-producer partnerships) and multi-stakeholder partnerships are common.
<b>Formalization of arrangements</b>	Formal contractual agreement between one core public and at least one core private partner. More advanced contract modalities are favoured.	May involve informal or formal arrangements. Simpler modalities are used, e.g. memorandum of understanding. Use of supporting contracts such as contract farming agreements common.
<b>Governance and management processes involved</b>	Pre-feasibility and feasibility studies conducted prior to partner selection and contract negotiation. Transparent bidding process applied to select private-sector partners Unsolicited bids discouraged.	Feasibility studies conducted to assess potential for economic, social, and environmental impact, usually involving value chain analysis. Open bidding encouraged, but unsolicited bids from the private sector are possible, particularly in relation to innovation projects.

Source: FAO. 2016. *Public-private partnerships for agribusiness development – A review of international experiences*. Rome. <https://www.fao.org/3/i5699e/i5699e.pdf>

► **BOX 4**

**Legal framework governing agribusiness and infrastructure public-private partnerships in Zambia**

The Zambian public-private partnership (PPP) legal framework is anchored on the PPP Act No. 14 of 2009. It took into consideration the need for the PPP legal framework to be inclusive of other sectors and necessitated the repealing and replacement of the Public-Private Partnership Act No. 14 of 2009 by the Public-Private Partnership Act of 2023. The PPP Act of 2023 provides for the inclusion of, “small and medium scale public-private partnerships”. This inclusion considers investments that are smaller in scale than traditional PPPs in infrastructure. Small and medium-scale PPPs shall be prescribed in the regulations to the Act for specific and cluster sectors. This entails provision of regulations to the Act, with specific regulations prescribed separately for agri-PPPs, given the unique nature of the agriculture sector. The PPP Act 2023 (second schedule of the Act) provides details of 17 different PPP models that may be entered into by the contracting (public) authority for undertaking an agri-PPP. The models provided are indicative in nature and the contracting authority has the power to either evolve the arrangements provided or to incorporate any of the other arrangements, as necessary or expedient for any specific agri-PPP.

Sources: GRZ (Government of the Republic of Zambia). 2009. *The Public-Private Partnership Act No. 14 of 2009*. Lusaka; GRZ. 2023. *The Public-Private Partnership Act, 2023*. Lusaka.





Horticulture  
production in Zambia  
Public-private  
partnership between  
government, NGO  
and small scale  
enterprises.

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# 3

## DEFINITIONS AND GUIDING PRINCIPLES OF PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT

There is no single definition of what constitutes a PPP. Different models and definitions of PPPs exist in general, and for agri-PPPs in particular. FAO (2016, p.5) defines an agri-PPP as:

A formalized partnership between public institutions and private partners designed to address sustainable agricultural development objectives, where the public benefits anticipated from the partnership are clearly defined, investment contributions and risks are shared, and active roles exist for all partners at various stages throughout the PPP project life cycle.

Discussions held during the validation workshop in Nairobi in May 2018, highlighted the need to revise the above FAO definition in response to the findings from the African PPP studies. It was agreed that all agri-PPPs, designed to address sustainable agribusiness development objectives, should conform to a set of 13 guiding principles:

1. The agri-PPP is anchored in sector specific regulation and/or legislation.
2. At least one core national partner is involved, representing the interest of the national or decentralized government.
3. At least one core agribusiness firm is involved.
4. Smallholder producers are considered as independent private sector partners.
5. A transparent evaluation process is in place for the selection of the private partner.
6. A formalized partnership agreement exists between the core public and private partners.
7. Clearly defined targets are in place, outlining the public and private benefits expected from the partnership.
8. The partnership involves joint investment contributions.
9. Mechanisms for risk sharing and mitigation are incorporated into the partnership design.

10. Social and environmental sustainability is assessed during the design phase of the partnership.
11. A monitoring and evaluation strategy has been developed.
12. An exit strategy has been developed.
13. Provision is made for dialogue on agri-PPPs at national public-private platforms.

These guiding principles provide an aspirational view to how future agri-PPP projects should be designed. They have been further elaborated, based on feedback from agri-PPP roundtables held in 2019 in Ghana, Uganda and Zambia, wherein the agri-PPP guide was presented to a range of public and private sector stakeholders. Furthermore, recent experiences from the Zambian context allowed for further review and elaboration of the principles. The guiding principles are discussed in detail in the following sections.

**Principle 1: The agri-PPPs is anchored in sector-specific guidelines that interpret existing PPPs legislation and/or regulation, where applicable** (see **Box 5**). Despite guidelines not having the force of law, they assist users to easily understand and implement the provisions of the PPP law, where it exists. Their development and subsequent implementation allow for interaction between public entities – to which the PPP legislation, where it exists, is anchored – and the contracting ministries, local authorities, and other public bodies. Agri-PPP guidelines provide a structured basis for operation, protection and safeguards to institutions intending to venture into PPP arrangements in project development and facilitation in the agribusiness sector.

#### ► **BOX 5**

##### **Zambia's guidelines for public-private partnerships for agribusiness development**

The development of agri-PPP guidelines in Zambia was initiated and driven by the Ministry of Agriculture, with the Ministry of Fisheries and Livestock serving as co-partner in the process. An Agri-PPP National Secretariat was established and hosted by a local non-profit company, Musika, who served as a neutral broker between the government and the private sector, having gained the trust of both parties. The two-line ministries established a Technical Working Group (TWG) composed of agri-PPP leads in the various technical ministries with significant stake in the agriculture sector, including the Ministry of Finance and National Planning. The development of the guidelines allowed for the various ministries to understand and interpret the PPP Act 2009 prior to PPP Act 2023. The interpretation was done in the context of the agribusiness sector. It is envisaged that once the guidelines are approved and launched, intensive capacity building of the public sector, private sector, viz., farmers, agribusiness firms and other organizations will be strategically pursued with agri-PPP projects being developed thereafter through both the solicited and unsolicited channels provided for in the PPP Act 2023.

Source: GRZ. 2023. *Draft Guidelines for Public-Private Partnerships in the Agricultural Sector*. Volume 1. Lusaka.

**Principle 2: There is at least one core national public partner involved, who represents the interest of the national or decentralized government** (see **Box 6**). This may be a country's ministry of agriculture or other related ministries, a national programme, local authority, a public research institute, a state bank, or other publicly funded agency engaged in the project to promote sustainable agricultural development objectives in line with national priorities.

Typical roles of the public sector partner include:

- developing PPP project concepts in alignment with national socioeconomic and sector development priorities;
- conducting or commissioning feasibility studies, including value chain analysis;
- designing project guidelines that outline transparent selection criteria for private partners and risk sharing mechanisms that must be included in partnership proposals;
- managing evaluation and selection processes for partnership proposals;
- coordinating multi-stakeholder consultations during the partnership negotiation phase;
- leading negotiations with private partners to ensure that issues associated with the inclusion of smallholders and SMAEs and the ownership of intellectual property are addressed;
- ensuring the regulatory compliance of PPP agreements with national laws and policies;
- contributing funding at agreed levels, in accordance with release schedules;
- facilitating access to supporting infrastructure, producer organizations, public research and extension networks, and additional public funding sources;
- providing coordination and oversight of partnership activities;
- providing technical assistance to farmers or reimbursement/matching grants to private partners for the delivery of technical services;
- undertaking monitoring and evaluation (M&E) of PPP agreements.

In addition to these responsibilities, the public sector is also responsible for creating the enabling environment for successful implementation of partnerships. This calls for:

- enacting national and local government regulations and laws to safe-guard private sector investment;
- enforcing land laws to protect smallholder land right and facilitate legal land leasing for private partners;
- limiting market interference by minimizing trade distortion policies.

In Africa, confusion often exists between what can be considered a genuine agri-PPP and what is a donor-funded development project involving private sector actors. **Box 7** describes how donor sponsored 'PPPs' have been operating outside of established institutional channels on the African continent. Defining core principles will help to overcome the confusion between donor funded projects and actual PPPs.

Donors, development organizations and foreign government entities are not considered to be core public partners under this definition but may be involved in the partnership in other ways as secondary partners. Beyond representing national interests, the core national public partner can initiate and make policy and legislative changes to facilitate the successful implementation of agri-PPPs, where necessary. Public partners may also include government ministries and/or departments mandated to manage and regulate critical agricultural inputs, such as water and land.

► **BOX 6**

**Public partners – Ghana programme for the promotion of perennial crops**

This is a programme implemented by the Ministry of Food and Agriculture (MOFA), Government of Ghana, in partnership with two private agribusiness firms – the Ghana Rubber Estate Limited (GREL) and the Twifo Oil Palm Plantation Limited. The programme implemented two PPP projects; Ghana Rubber Outgrower Plantation Development (1995–ongoing), Buabin Oil Palm Outgrower project (2006–2010), where the MOFA was the core public partner representing the interests of the national government. The projects were initiated on the basis of the government's plan to develop these two major value tree crops (rubber and oil palm) to increase foreign exchange (forex) earnings for the country. The project also sought to address the issue of unavailability of high-yielding planting materials, rudimentary agronomic practices, poor road infrastructure in related communities, limited market access, and inadequate long-term credit to support and promote the participation of smallholder farmers in the cultivation of perennial tree crops in Ghana.

Source: FAO & AUC. 2018. *Agribusiness public-private partnerships: A country report on Ghana*. Unpublished.

► **BOX 7**

**Donor-sponsored public-private partnerships operating outside of established institutional channels**

The donor community and the private sector have driven many agribusiness PPP projects in Africa that were initiated via unsolicited proposals and did not pass through the formal PPP proposal and appraisal process. This situation is consistent with the findings of an Oxfam (2014) report, which highlights the emerging trend for establishing large agricultural PPPs in Africa, involving large multinational investors. In FAO's 2013 studies, the involvement of national PPP units (in the countries where they existed) was close to nil, and the ministries of agriculture (MOAs) (as sectoral counterparts) often had little or no say in shaping the partnerships, despite the relevance of the projects to the agriculture sector.

For example, of the four agribusiness PPPs appraised in Kenya, the MOA was involved in only one (for mango processing). In the other three cases the public partner was either a research and knowledge institution or a commodity trade organization. The PPP Unit (or its predecessor at the time) was not consulted, despite the statement that it should provide oversight of all PPPs for infrastructure and development projects, including those in the agriculture sector.

This situation highlights the "looseness" of the PPP definition applied to these types of projects, and the potential challenges that this loose definition raises in terms of the roles of and opportunities for public partners in building skills in good governance and management of PPP initiatives at the national or local level beyond the duration of donor project interventions.

Source: FAO. 2016. *Public-private partnerships for agribusiness development – A review of international experiences*. Rome. <https://www.fao.org/3/i5699e/i5699e.pdf>

**Principle 3: There is at least one core private agribusiness/agro-industry<sup>2</sup> firm involved, who is committed to supporting the transformation of the agricultural sector** (see Box 8).

This is preferably a domestic firm with the potential to catalyse development in the national/local agribusiness sector. The firm must have good relationships based on trust with both the public sector and the farmer communities they work with. This also includes strong ties to well-established local and international markets. Typical roles of the private partner include:

- undertaking market analysis and developing business plans;
- contributing funding or in-kind resources as agreed;
- leading implementation of partnership activities and delivering results;
- providing professional management;
- securing markets for end products;
- procuring raw materials from farmers through equitable contract agreements;
- providing technical assistance and business management training to producer organizations;
- linking farmers, producer organizations and SMAEs to business development services such as financing and third-party certification;
- commercializing and disseminating technological innovations;
- supporting the monitoring of partnership activities.

#### ► BOX 8

##### **Core private agribusiness – Mukwano Industries Uganda**

Mukwano Industries Uganda's agriculture operations is focused on the production of oilseed crops, sunflower and soya beans, among others. To sustainably increase sunflower farmers' productivity and profitability, and facilitate market linkages, Mukwano partnered with the National Agricultural Advisory Services (NAADS), a programme of the Government of Uganda covering six sub-counties of Lira (in Amac, Adekwok, and the subcounties of Ayer, Acaba, and Iceme). The partnership resulted in 45 000 smallholder outgrowers having access to better technologies such as improved seed varieties, farm machinery, and agronomy skills. Mukwano has since expanded and engaged over 90 000 smallholders in an outgrower programme with farmers organized into producer groups supported by over 250 lead farmers and production officers. The company provides smallholders with a steady and reliable market, purchasing over 60 000 MT of grain, which is processed and manufactured into a wide range of fast-moving consumer goods (FMCGs) that are distributed nationally and regionally.

Source: FAO & AUC. 2018. *Agribusiness public-private partnerships: A country report on Uganda*. Unpublished.

<sup>2</sup> Agribusiness enterprises/agro-industries are firms or business entities that produce or provide inputs, produce raw materials and fresh products, process or manufacture food or other agricultural products, transport, store or trade agricultural production, or retail such products. Family farms and micro- and small enterprises that operate in the informal sector are not included in the target set of agribusiness enterprises (FAO, 2016).

**Principle 4: Smallholder producers and their organizations are considered as independent private sector partners** (see **Box 9**) who must be consulted, and their active participation ensured in the implementation of any agri-PPP<sup>3</sup> where they have a clear stake in the project. Agri-PPP projects can involve smallholders directly as private sector representatives, or indirectly as buyers of inputs, suppliers to the agri-PPP, beneficiaries of a service provided by an agri-PPP, and landowners of areas targeted for agri-PPP development. This is only practical if farmers are well organized with functional and transparent governance structures that allow them to have a strong voice around the negotiating table. Typical roles of producer organizations include:

- serving as an intermediary among farmers, private partners, and local government (in some areas, NGOs assume this role);
- coordinating raw material supply for delivery to private partners or direct trade through market centres;
- participating in field trials of new varieties and piloting of small-scale technologies;
- supporting members in the adoption of new technologies and the implementation of quality standards;
- providing business administration services for farmers.

#### ► **BOX 9**

##### **Organization of smallholder farmers as independent private sector partners**

Zambia's Comprehensive Agricultural Transformation Support Programme (CATSP; the country's second generation National Agricultural Investment Plan, or NAIP) proposes Agriculture Aggregation Alliances (3As) as a model for organizing farmers, which must be formally registered and recognized by the state. The 3As are an organized supply chain driven by an aggregator or a value chain driver. The aggregator's function is to aggregate farmers, produce, and possibly land. The aggregator connects farmers to input and output markets, enabling them to uptake technologies, promote their engagement and improve their yields and revenues. Furthermore, the CATSP proposes to categorize farmers as either commercial or subsistence, with the latter being primary beneficiaries in agricultural-based social protection programme packages and the former being the target for commercial and potential agri-PPP projects at any level, i.e. small, medium (emergent) and large.

*Source:* Authors' own elaboration.

<sup>3</sup> Some exceptions exist; some agri-PPP projects do not directly target the upstream segment of the chain but focus on mid-stream actors (i.e. business development service providers). The rule here must be to involve smallholders in all those cases where they have a clear stake in the PPP project.

**Principle 5: A transparent evaluation and selection process is in place** (see **Box 10**) to call for the submission of solicited proposals, based on national agricultural priorities, and allow for a small share of unsolicited proposals<sup>4</sup> from the private sector. Selection of the core agribusiness firm(s) should be based on the principles of value-for-money, due diligence, and value-for-people. This process may be managed by the core public partner, another public agency, or an outsourced, independent third party. Where possible, priority should be given to the selection of domestic agribusiness firms as defined in Principle 3, or foreign firms with a strong track-record of working successfully with smallholder farmers.

► **BOX 10**

**Provisions in the Zambian public-private partnership law for unsolicited proposals**

As provided for in the Zambian PPP Act 2023, private parties may submit agri-PPP proposals without any requests from the government. These proposals are considered as unsolicited agri-PPP proposals. Unsolicited PPP proposals, or privately initiated PPP projects, refer to cases when the private sector approaches the government with an idea of a project to address a certain gap in delivery of a public infrastructure or service. In terms of treatment, the PPP Act 2023 Part V clearly stipulates how a contracting authority is to treat unsolicited proposals received for consideration as agri-PPPs and how such proposals are to be considered by both the contracting authority and the PPP Office once received. The PPP Act 2023 only provides for consideration of unsolicited proposals that are: (i) independently originated and developed by the proposer; (ii) beneficial to the public; and (iii) prepared without the supervision of the PPP department or a contracting authority; and include sufficient detail and information for a contracting authority to evaluate the proposal in an objective and timely manner.

Source: GRZ. 2023. *Draft Guidelines for Public-Private Partnerships in the Agricultural Sector (agri-PPPs)*. Lusaka.

**Principle 6: A formalized partnership agreement<sup>5</sup> exists between the core public and private partners**, which details roles and responsibilities of each partner for the duration of the partnership agreement.

A series of linked bilateral agreements may also exist between other partners involved in the implementation of the PPP, including agreements between the core agribusiness firm and smallholder farmers and their organizations (e.g. contract farming/outgrower agreements and input supply agreements). Bilateral/ trilateral implementation agreements may also be developed with financing institutions, NGOs and donors/development organizations. Specific agreements may also exist between partners to deal with issues of ownership of intellectual property rights.

**Box 11** describes the formats of contractual agreements that may be used to implement a PPP.

<sup>4</sup> Findings from the review of the African PPP country case studies and validation workshop confirmed that allowing for unsolicited bids for agri-PPPs has the potential to deliver beneficial outcomes. When rigorously assessed, unsolicited bids can allow the private sector to identify bottlenecks hindering the efficiency of agricultural value chains, and work in partnership with the government to develop pragmatic solutions to these problems that are often technology-based.

<sup>5</sup> Contract types may include MoU, standardized contracts, equity arrangements, and special purpose vehicles (SPVs).

► **BOX 11**

**Formats of partnership agreements**

A memorandum of understanding (MoU) or letter of intent is a written record that details an agreement between two or more parties, expressing a convergence of wills between them and indicating an intended common line of action. These modalities are often used in cases where the parties either do not imply or cannot create a legally enforceable commitment.

A contract is an agreement creating obligations that are enforceable by law. When facing complex transactions, the involved parties will often sign an MoU or letter of intent containing the terms of the agreement reached so far and stating their intention to provide for the execution of a legally enforceable document at a later stage.

An equity arrangement refers to the financial contributions invested by the public and private partners in the PPP project, which reflects the partners' ownership stakes in the project and has impacts on their decision-making control. One such arrangement is the "joint venture", in which the parties have joint control over and rights to the net assets of the arrangement.

A public-private company: the PPP partners can form a "special purpose vehicle" to channel funds to and implement the partnership. This vehicle represents a separately identifiable financial structure with its own legal entities. The setting-up of a new company is a common requirement in countries with a national PPP law, as it helps to overcome potential institutional issues associated with combining public and private equity under State budget laws.

Source: FAO. 2016. *Public-private partnerships for agribusiness development – A review of international experiences*. Rome. <https://www.fao.org/3/i5699e/i5699e.pdf>

**Principle 7: Clearly defined and transparent targets are in place, outlining the public and private benefits expected from the partnership.** These targets are set during the design phase of the partnership with public targets defined in accordance with national agricultural policies and investment plans, socio-economic objectives, and other relevant national policies and programmes. In the Zambian context, the engagement of external experts, called Transaction Advisors,<sup>6</sup> has been vital to ensure public interests are defined and are also in alignment with those of smallholder farmers.

**Principle 8: The partnership involves joint investment contributions** from the core public partner and core agribusiness firm, which are valued in monetary terms, with the share of investment by each partner and modality clearly defined (e.g. equity, in-kind contributions, grants, loans, etc.). Smallholders should also contribute with in-kind support to the PPP, such as through their commitment to supply the agreed quantities and quality of produce, apply specific farming techniques, use determined inputs, avail land, or facilitate the acquisition of additional land. In some cases, they can also be requested to invest some money for the purchase of machinery or to access training, usually using financial credit backed by the public sector (see **Box 12**).

<sup>6</sup> The PPP Act of 2009 (GRZ, 2009) – repealed and replaced in 2023 – defines a "transaction advisor" as a person who has the appropriate skills and experience to assist and advise a contracting authority or the PPP Office on matters related to a PPP. The law makes provisions for their procurement for the purpose of assisting the contracting authority (public partner) in the development, preparation, procurement, contract negotiation and financial closure phases of a project where internal technical expertise is lacking.



## ► BOX 12

### Joint investment contributions – The case of Buabin Oil Palm Outgrower Project Ghana

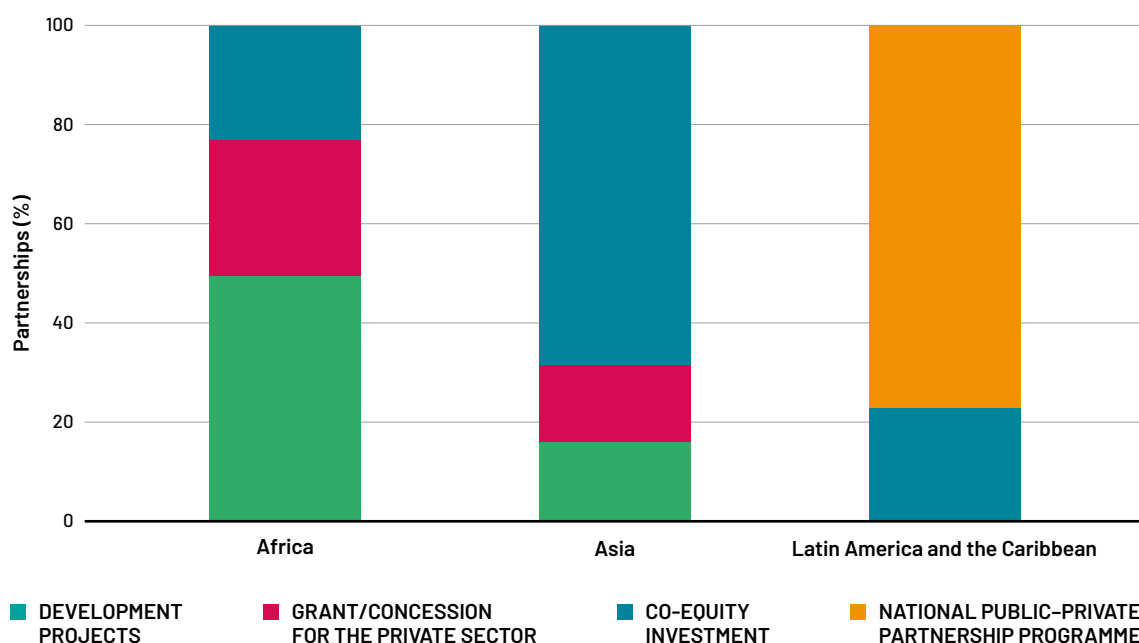
The Buabin Oil Palm Outgrower Project involved the selection of smallholder farmers in the Buabin area, whose principal role was to maintain the oil palm plantations on their land and in-so-doing, to foster economic growth and improve the standards of living in the local area. The project involved the signing of an agreement between the farmers and Twifo Oil Palm Plantation Limited (TOPP) whereby the farmers committed to sell the entire production of fresh palm fruit yields to TOPP. Another feature of the PPP related to technical and financial assistance. By participating in the project, farmers received loans from the French Development Agency (AFD) and the Government of Ghana to cover the pre-harvest costs. An additional agreement was signed between the farmers and AFD for the repayment of these loans.

Source: FAO & AUC. 2018. *Agribusiness public-private partnerships: A country report of Ghana*. Unpublished.

Figure 1 summarizes the types of PPP investments in Africa, Asia, and Latin America. In the case of Africa, many of the investments come from donor funded projects that place a question mark over the sustainability of the PPP beyond the life of the donor project.

## ► FIGURE 1

### Financing structure for public-private partnership for agribusiness development by region



Source: FAO. 2016. *Public-private partnerships for agribusiness development – A review of international experiences*. Rome. <https://www.fao.org/3/i5699e/i5699e.pdf>

**Principle 9: Mechanisms for risk sharing and mitigation are incorporated into the partnership design** with the objective of transferring some of the risk away from the most vulnerable partners, who may be smallholder farmers and their organizations. These tools may include agricultural insurances, guarantee funds, technical assistance, and capacity building training in business management. Risks that are rated high such as climate change hazards (i.e. drought, floods), must be a priority to the national public partner and cost of adaptive tools and technologies should be subsidized in the initial stages, or as long as necessary, to promote their uptake and participation by private sector actors. Climate change must be addressed with a combination of insurance, technology, and affordable finance to increase the resilience of producers (see [Box 13](#)).

► **BOX 13**

**Mechanisms for risk sharing and mitigation**

Just Veggies (South Africa) was approved by McCain and Unilever to supply vegetables. Despite securing a valuable market to sell their products, the drought experienced by the province of KwaZulu Natal in 2015–2016 led to the Just Veggies smallholder out growers losing their capacity to produce enough vegetables. The enterprise opted to outsource produce from commercial farmers to supply McCain and generate operational revenue. Just Veggies experienced approximately 60 percent in losses over a period of three years due to the drought. No provisions were made to increase the resilience of all partners in the case.

On the contrary, in the PPP between Olam Nigeria Ltd. and the Kwara state government, which began and was replicated from the Benue state, the partnership provided a range of services to build the resilience of smallholder rice farmers. It helped to provide farmers with secure markets. Crop insurance was provided by the Nigerian Agricultural Insurance Corporation (NAIC), while credit was supplied by the First Bank. Model farms were used for the multiplication of improved rice varieties and as a platform for farmer training, field days, and demos. The improvement in farm productivity was more than 200 percent with farmer profitability increasing by more than 250 percent, while at the same time strengthening the resilience of farmers to respond to shocks.

*Sources: FAO & AUC. 2018. Agribusiness public-private partnerships: A country report of South Africa. Unpublished; FAO & AUC. 2013. Agribusiness public-private partnerships: A country report of Nigeria. Unpublished.*

**Principle 10: Social and environmental sustainability is assessed** during the design and implementation of the PPP, and inclusion targets are identified together with mechanisms for promoting the involvement of smallholders, women, and youth. This may entail engagement of additional human resources who possess the required specialized skills to meet the above objective.

**Principle 11: A monitoring and evaluation (M&E) strategy has been developed** (see [Box 14](#))<sup>7</sup> by the public partner or an outsourced, independent third party. The M&E strategy will allow for corrective action and conflict resolution during the implementation of the PPP and assess the

<sup>7</sup> Chapter 8 of the Zambian draft Agri-PPP Guidelines deals with agri-PPP contract management and the various issues that arise during the implementation of the agri-PPP that must be considered. It outlines critical stages of the contract management and issues relating to monitoring and evaluation.

achievement of public sector objectives, including transformative impacts on the agricultural sector as a result of the agri-PPP. The complexity and scale of agri-PPPs require a team-based management approach to M&E to ensure all the required skills are effectively applied.

► **BOX 14**

**Monitoring and evaluation in Côte d'Ivoire – The Cocoa Community Development Project**

Cargill (private partner) and the Coffee Cocoa Council or Conseil Café Cacao (public partner) engaged in a PPP with the objective of improving the livelihoods of cocoa farmers and their communities, while helping to secure a sustainable supply of cocoa for Cargill's business. The project had three components: (i) improving access to basic social infrastructures; (ii) the "Successful Cocoa Communities" programme; and (iii) addressing the issues around hazardous child labour. CARE International, an international NGO, played the role of project manager; it assessed the needs of the communities to determine the support required by the PPP and was responsible for project implementation. This role was important because CARE is perceived as an honest broker. This provided reassurance to the PPP partners (including communities) that the project was being implemented in a fair and transparent manner.

Cargill had established a results framework and invested in a strong M&E system to analyse performance in reaching the targets set out under the PPP. CARE, in its capacity as project manager, ensured monitoring and oversight of the project activities. This included reviewing financial and performance reports, performing site visits to review financial and programmatic records, observing operations, maintaining regular contact with partners, and making timely enquiries concerning the project activities. Conseil Café Cacao established a multistakeholder platform where all project partners (including communities) met annually to undertake a review of the performance and sustainability of the project. The platform comprised thematic working groups and management committees focusing on various tasks, including training and follow ups with the multinational. The above elements of the M&E strategy ensured transparency and facilitated the measurement of progress against the agreed PPP objectives, as well as corrective action, if necessary.

*Source: FAO & AUC. 2018. Agribusiness public-private partnerships: A country report of Côte d'Ivoire. Unpublished.*

**Principle 12: An exit strategy has been developed** for phasing out of public sector support or transitioning to a regulatory role. The exit strategy will also allow for ultimate phasing out of public sector support with provisions in place to gradually handover (where appropriate) operations to agribusiness firms and producer organizations (see **Box 15**).

► **BOX 15**

**Exit strategy to achieve sustainability – The case of the Zambia Kaleya Smallholders Company Ltd.**

The Kaleya Smallholders Company Ltd. (KASCOL) is a sugarcane producing enterprise based in Mazabuka, in the Southern Province of Zambia, which supplies all its output to the Zambian sugar mill, Zambia Sugar. KASCOL was founded in 1983 as a PPP between the Zambian government, Barclays Bank, the UK Commonwealth Development Corporation (CDC), and the private partner, Zambia Sugar. At its foundation, all partners were equal shareholders, with a stake of 25 percent each. Smallholder farmers were integrated into the project to work the land and were eventually offered the opportunity to become equity stakeholders as the Zambian government, Barclays Bank and the CDC exited from the initiative. Today, KASCOL operates as a completely private company with farmers and their organizations owning more than 50 percent of the company's shares. The firm has also diversified its portfolio to include other commercial crops in a bid to adapt to the increasing competition in both the local and international sugar markets. KASCOL supplies barley and soya beans to Zambian Breweries Plc. and the open market, respectively.



Sources: FAO & AUC. 2018. *Agribusiness public-private partnerships: A country report of Zambia*. Unpublished; KASCOL (Kaleya Smallholders Company Ltd). 2023. About us. In: KASCOL. Mazabuka, Zambia. [Cited 22 July 2023]. <https://kascol.co.zm/about>

**Principle 13: There must be special provision for dialogue on agri-PPPs in national public-private dialogue forums and/or platforms.** This is especially key in the inception phases of establishing an agri-PPP system to allow for productive dialogue between the public and private sectors, so that private actors can raise concern over bottlenecks inhibiting private investment and development of the commodity chain, and public actors can respond by working with partners to address issues raised to create an enabling environment for agri-PPP projects (see **Box 16**).

► **BOX 16**

**Facilitating dialogue through the Zambia Cassava Value Chain Development Plan Agreement**

Value Chain Development Plan Agreements are an investment promotion instrument that, based on the value chain analysis, defines measures required to be put in place by the public sector to enable private sector investment into the priority value chains. Musika Zambia, in its capacity as secretariat of the Zambia National Agri-PPP Platform under the overall supervision of the Ministry of Agriculture, facilitated the dialogue between local cassava-based ethanol manufacturers and the Ministry of Finance and National Planning in elaborating the need for fiscal incentives in the form of excise duty reduction. This would ultimately be beneficial for the farmers by providing a secure and steady income through higher and more competitive farm gate prices – cassava being a crop that is predominantly produced by smallholder farmers in Zambia. The dialogue resulted in the reduction by slightly over 50 percent in excise duty on ethanol in the 2023 national budget and paved the way for more streamlined value chain-based dialogue.

Source: Authors' own elaboration.







Members of a farmers cooperative work harvesting green gram at a cooperative crop in Kenya.

©FAO/Luis Tato



# 4

## POLICY IMPLICATIONS FOR PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT IN AFRICA

Agri-PPPs offer a number of potential benefits deriving from the operational and economic efficiency typical of the private sector with the public sector's role as the creator of an enabling environment and regulator to ensure that social interests are considered. This guide has been developed to support AUC member countries in designing and implementing sustainable, and inclusive agri-PPPs under their National Agricultural Investment Plans (NAIPs), and as part of their overall agricultural transformation strategies. On this basis, some key policy implications have emerged.

### **SOUND POLICY, INSTITUTIONAL AND REGULATORY FRAMEWORKS FOR GOVERNING PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT ARE A MUST**

Promoting sound policy, institutional and regulatory frameworks, a judicious land governance system, transparent criteria, and budgetary processes for selecting PPP projects and private partners, and equitable sharing of risk, are all key factors in the design of well-performing PPPs. However, one of the main challenges facing agribusiness partnerships has been the lack of guidance and support offered to both public and private partners in the design and implementation of such projects. This is because most PPP policies and strategies are largely designed for infrastructure projects. Consequently, important issues such as risk-sharing and mitigation mechanisms to protect small farmers, as well as conflict resolution strategies, have often been overlooked in the design of the partnerships.

However, new PPP laws and policies that envisage the application of the PPP model to the agribusiness sector in Africa are emerging; and public institutional frameworks are being revised to meet the challenges of the rising number of agri-PPPs. The establishment of PPP units within the agriculture ministries of national governments, development of sectorial task forces, multistakeholder PPP platforms and flexible bidding arrangements led by the private sector – are all positive steps towards improving the institutional setting for agri-PPPs and should be strongly promoted (see [Box 17](#)).

► **BOX 17**

**Sound policy, institutional and regulatory frameworks for governing public-private partnerships for agribusiness development**

The Government of Zambia (GRZ) adopted a PPP policy in 2008. The policy created a framework for the involvement of the private sector in the provision of public infrastructure and services. The policy was followed by the enactment of the Public-Private Partnerships Act, 2009. The Act provides the legal and institutional framework for the concrete implementation of PPPs in Zambia. It also sets out the procedure for the implementation of PPPs across all steps of the process. Furthermore, the Act defines the contents of the PPP contract.

In 2023, the GRZ finalized the development of agri-PPP guidelines designed to harmonize and align the provisions of the Act, the policies on agriculture, and medium and long-term financial frameworks in support of agriculture. The agri-PPP guidelines also aim to leverage priority investment areas, especially agriculture value chains, to create an environment to enable the private and public sectors to implement effective agri-PPPs. The guidelines are firmly grounded in the policy and legal framework that has been put in place by the GRZ for the implementation of PPPs; but are also aligned with the agricultural sector policies and framework for financing agriculture. Zambia's Comprehensive Agricultural Transformation Support Programme (second generation NAIP) is composed of, among others, agri-PPP based policy implementation instruments targeted at creating an enabling environment for the private sector to invest in irrigation and trade facilitation infrastructure.

Sources: GRZ. 2023. *Draft Guidelines for Public Private Partnerships in the Agricultural Sector*. Volume 1. Lusaka; GRZ. 2023. *Zambia Comprehensive Agricultural Support Transformation Programme (CATSP)*. Lusaka, Ministry of Agriculture & Ministry of Fisheries and Livestock.

**PARTICIPATION OF SMALLHOLDER FARMERS IN PUBLIC AND PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT CAN PROMOTE INCLUSIVE GROWTH**

Agri-PPPs aim to encourage inclusive growth, but transaction costs associated with sourcing from numerous smallholders are high. Fostering collective action and capacity building is a key feature of all agri-PPPs and increases the participation of smallholders in modern, agrifood value chains, while reducing the transaction costs for lead private partners. Support is required from public partners, including donors and NGOs, to provide technical assistance to strengthen groups and capacitate smallholders to become more equitable partners for the private sector. Governments can strengthen this further by making legal provisions and incentives for the establishment of privately run farmer aggregation entities.

**PUBLIC AND PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT ARE UNLIKELY TO IMPACT THE POOREST OF THE POOR**

While agri-PPPs can promote the inclusion of smallholders and SMAEs, they are unlikely to have an impact on the poorest of the poor. This reflects a trade-off between efficiency and equity as some degree of exclusion is inevitable if private sector partners are to receive an adequate return on their



investment. Other inclusion mechanisms, such as social safety nets, are more appropriate for this group. These should deliberately be addressed in the second generation of National Agricultural Investment Plans (NAIPs) by placing emphasis on social protection schemes targeted at the poorest of the poor. This also harmonizes activities of the ministries of agriculture and agriculture-related social welfare, preventing individuals from being beneficiaries in both programmes.

## **SUCCESSFUL PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT SHOULD SHARE RISK FAIRLY AND PROTECT SMALLHOLDERS**

The risk management function of agri-PPPs is particularly attractive to the agribusiness sector in Africa, where uncertainty and risks are common. The PPP model provides governments with the opportunity to decide how to handle these risks – retain them, share them, or transfer them to the private partners, depending on who is best able to manage them. For instance, in traditional PPPs for infrastructure, commercial risks are often transferred to the private partner. Risk management measures may include agricultural insurance schemes, guarantees, subsidized loans for small scale farmers and firms, secure purchasing contracts, business management training, and risk sharing stipulations in case of *force majeure*.

Agri-PPPs reduce the commercial risk for the private sector by offering fiscal (tax) incentives as well as institutional measures to reduce transaction costs such as organizing farmers into groups and ensuring exclusive purchase rights for raw materials. Contributions in kind, such as the provision of public extension services, supporting infrastructure and use of government facilities also help to reduce the risks associated with a challenging business environment. However, a balance needs to be reached between lowering the barriers to entry for private agribusiness investors and ensuring that some of the risk is transferred away from smallholders to the public and the lead private partners. More specifically, market risk is typically carried by the lead private partner, while the allocation of production risk can be carried by the farmers or shared with the public partner. The agri-PPP agreement should also contemplate measures to control market power imbalances (including monopolistic behaviour) and potential new risks for small farmers and firms.

## **PROMOTING PRIVATE SECTOR INVESTMENT IN PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT**

The agri-PPP framework can be used to design a set of market incentives that will encourage private sector participation in activities that may otherwise be considered of marginal commercial value and/or high risk. Preferential access to land for the establishment of nucleus estates and associated tax incentives are common. The governments of Côte d'Ivoire, Ethiopia and Ghana offer tax exemptions to support private investment in agri-PPPs. In addition, the Federal Democratic Republic of Ethiopia supports logistics and the acquisition of equipment. In Asia and Latin America, agri-PPPs are generally supported by national programmes that package policy incentives and create a favourable regulatory environment. However, in the African context, agri-PPPs tend to be ad hoc projects without specific linkages to national programmes. Promoting agri-PPPs within the framework of NAIPs will foster greater private sector investment and lead to more effective PPPs. The CATSP in Zambia is a good example of a programme that has been comprehensively designed in a way that promotes agri-PPPs within the framework of a national agricultural investment plan. Key recommendations for anchoring agri-PPPs within NAIPs include promotion of agri-PPPs at all levels, creating an enabling institutional, policy and legislative environment with dedicated staff developing and nurturing agri-PPPs and documenting best practices from local, regional, and international levels.

### **CONTRIBUTION OF THE PRIVATE SECTOR PARTNERS IN PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT MAY BE LOWER THAN IN OTHER PUBLIC AND PRIVATE PARTNERSHIP SECTORS**

It should be noted that, as a result of the generally weak state of the agribusiness and the SMAE sector in Africa, the extent of efficiency gains, innovation and technology transfer, as well as the quantum of investment capital expected from the private partners in the PPP arrangements may not be fully realized for agri-PPPs, at least in the interim.

### **OPPORTUNITY COST FOR PUBLIC SECTOR INVESTMENT: DO PUBLIC-PRIVATE PARTNERSHIP FOR AGRIBUSINESS DEVELOPMENT REPRESENT VALUE-FOR-MONEY?**

Successful agribusiness partnerships need to align the partners' disparate interests and visions and reach consensus, particularly on public-sector objectives and priorities for promoting agri-PPPs. Public partners and policymakers need a clear understanding of the rationale for promoting a PPP approach over other mechanisms of public sector support. The applicability of PPPs to Africa's agribusiness may be limited to specific circumstances (i.e. where the market fails) because they involve high transaction costs, are complex, diverse and can be difficult to replicate. Even in the case of market failure, it may make more sense for the government to finance and deliver a specific public good totally on its own, or to outsource the delivery to the private sector instead of choosing a PPP arrangement. When deciding whether to engage in agri-PPPs, policymakers should ensure that the partnership represents value for money and ideally generates public benefits that exceed those that could have been achieved through alternative modes of public procurement or private investment alone.

**Box 18** explains how governments can assess which agri-PPP projects are likely to yield the most value for money.

### **INVESTMENT IN MONITORING AND EVALUATION IS CRITICAL TO CREATE A SOLID EVIDENCE BASE OF SUCCESS FACTORS FOR MEASURING THE IMPACT OF PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT**

Evidence on outcomes and impact of agri-PPPs is limited to date. There is a need for the public sector to invest more in monitoring and evaluation of agri-PPPs and create a solid evidence base that provides guidance on their effective design and implementation, while measuring their impacts over the long term. All agri-PPP projects should include clearly defined targets to be achieved by partners. Having a sound M&E system in place is critical for assessing progress against the defined targets and for rapidly adjusting the course of the PPP project (if insufficient progress is being made). A PPP appraisal form (refer to Annex 1) can be useful to provide an overview of the overall performance of the PPP and the lessons learned used to improve the design of future PPPs.

### **INTRA AND INTER-REGIONAL SOUTH-SOUTH AND TRIANGULAR COOPERATION (SSTC) ON PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT IS USEFUL TO PROMOTE POLICIES AND PRACTICES THAT ARE CONTEXTUALLY APPROPRIATE AND ADAPTABLE TO AFRICA**

SSTC exchanges can play a significant role in strengthening the knowledge base on good practices, incentives, opportunities and challenges for agri-PPP investments in the region. Mechanisms such as regional agri-PPP policy and practice roundtables and workshops can play a key role in shaping regional and national agri-PPP policies, interventions and projects that are contextually more appropriate to Africa's agrifood sector.

► **BOX 18**

**Value for money and related concepts**

Value for money: An agri-PPP project represents value for money if it yields a net positive gain to society that is greater than that which could be achieved through any of the alternative modes of procurement. Carrying out a value-for-money analysis (essentially a cost-benefit analysis) as part of the partnership design is good practice.

Such value can be benchmarked against the best alternative public-sector project that is feasible or by using tools such as the Public Sector Comparator, which is a quantitative tool that calculates the total costs for the public sector of delivering (developing and operating) a public good and/or service (Cruz and Marques, 2013). Governments can use this comparator to make decisions by testing whether a public-private investment proposal offers value for money in comparison with the most efficient form of public procurement.

Additionality: This concept is frequently used in arguments in favour of PPPs and means that the contribution of each partner is indispensable for carrying out the activities of the partnership project (NCG, 2008; DCED, 2014). In other words, the synergy effects of the cooperation among the partners are critical for enabling agribusiness investments that contribute to wider social and economic gains that would not otherwise have been possible or would have been delayed.

Source: FAO. 2016. *Public-private partnerships for agribusiness development – A review of international experiences*. Rome. <https://www.fao.org/3/i5699e/i5699e.pdf>

**FACILITATING CAPACITY BUILDING AND DIALOGUE AMONG KEY STAKEHOLDERS ARE SUCCESS FACTORS FOR INITIATING PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT**

Capacity building through agri-PPP training and awareness activities is important to ensure that stakeholders are fully informed and aware of important points relating to the design and implementation of agri-PPPs. Structured and consistent dialogue is also an essential tool that serves as a feedback loop, highlighting both positive and negative impacts of the agri-PPP structure in place. Capacity building and dialogue must be embedded in the general agri-PPP system to ensure continuity and consistency.

In conclusion, Tables 2 and 3 provide an overview of the potential benefits of agri-PPPs and the most common challenges affecting their performance. We hope this guide will support policymakers to overcome the main challenges in agri-PPP implementation and support the design of agri-PPPs on the African continent that are sustainable and inclusive.

► **TABLE 2**

**Benefits of public-private partnerships for agribusiness development**

INDICATOR	VALUE CHAIN DEVELOPMENT PUBLIC-PRIVATE PARTNERSHIPS (PPPS)	INNOVATION AND TECHNOLOGY TRANSFER (ITT) PPPS	MARKET INFRASTRUCTURE (MI) PPPS	BUSINESS DEVELOPMENT SERVICES (BDS) PPPS
<b>Efficiency</b>	Increased productivity of farmers and small and medium agricultural enterprise (SMAEs). Improved access to finance. Improved competitiveness. Increased exports/domestic sales. Private-sector investment stimulated.			
	Increased management skills of producer organizations and SMAEs. Improved technical skills of producers Increased supply/delivery of raw materials. Market linkages strengthened Increased value addition. Decreased postharvest losses New technologies introduced.	Increased access to quality inputs for producers. New technologies introduced Increased yields. Growth of seed sector. Improved logistics and storage.	New market facilities built, or dormant/underperforming facilities made operational. Improved knowledge of postharvest practices among producers. Market linkages strengthened and formalized trading systems established. Improved logistics, storage and value addition. Improved market information sharing and transparent price systems promoted.	Improved technical and managerial skills of producers. Increased forwards and backwards linkages of agrodealers and other service providers.
<b>Sustainability</b>	New jobs created. Increased income for producers and SMAEs. Environmental benefits. Improved food security.			
	Reduced social instability and criminality. Improved safety for workers. Environmentally sustainable agricultural practices applied.	Reduced soil erosion. Decreased use of pesticides. Enhanced conservation of water resources.	Improved safety and cleanliness of trading stalls. Implementation of green logistics systems.	

Source: FAO. 2016. *Public-private partnerships for agribusiness development – A review of international experiences*. Rome. <https://www.fao.org/3/i5699e/i5699e.pdf>

► **TABLE 3**

**Major challenges affecting the performance of public-private partnerships for agribusiness development**

AREA	VALUE CHAIN DEVELOPMENT PUBLIC-PRIVATE PARTNERSHIPS (PPPS)	INNOVATION AND TECHNOLOGY TRANSFER (ITT) PPPS	MARKET INFRASTRUCTURE (MI) PPPS	BUSINESS DEVELOPMENT SERVICES (BDS) PPPS
<b>Unsupportive environment</b>	Issues with enforcement of contract farming. Public measures distorting the market.	Lack of enforcement of intellectual property regulations (not maintaining intellectual property/preventing substitutes)	Unregulated activities (e.g. lack of supporting legal framework for warehouse receipts). Inconsistent local administrative framework creating confusion about roles and responsibilities. Public measures distorting the market. Inadequate supporting infrastructure hindering performance of PPP infrastructure.	
<b>Design</b>	Lack of transparency in partner selection, and preferential treatment to specific firms. Market power imbalance and creation of monopolies by providing first-mover advantages. Market failures associated with inadequate market assessment. Emerging new risks for small-scale actors. Dependency of beneficiaries.			
	Lack of stipulations on dealing with <i>force majeure</i> .	Lack of stipulations on dealing with <i>force majeure</i> .		
<b>Operational and technical</b>	Bureaucratic/inflexible operational procedures creating delays. Lack of coordination and oversight bodies. Incompatible attitudes and understanding of public and private partners. Institutional instability. Poor capacity and motivation of public partners.			
	Failure to comply with standards and maintain certification. Problems with recruiting (e.g. labour shortages during harvest periods) and maintaining human resources (qualified professionals and experienced farmers).	Technology failures of innovations. Long lead times for the development of new technology. Adoption failures – low uptake of technologies and processes.	Low uptake of new facilities. Problems with upgrading processes to take advantage of new facilities (e.g. traceability and quality control issues)	Lack of appropriate technological solutions

► TABLE 3 (CONT.)

AREA	VALUE CHAIN DEVELOPMENT PUBLIC-PRIVATE PARTNERSHIPS (PPPS)	INNOVATION AND TECHNOLOGY TRANSFER (ITT) PPPS	MARKET INFRASTRUCTURE (MI) PPPS	BUSINESS DEVELOPMENT SERVICES (BDS) PPPS
<b>Financial</b>	Delays in funding and overspending.			
	Problems with achieving scale and longer than expected time horizon for return on investment (ROI). Limited funding for sustaining activities beyond the partnership period.		Delays in construction. Problems with achieving scale and longer than expected time horizon for ROI. Limited cost-recovery and fee collection.	
<b>Social and environmental sustainability</b>	Risk of exclusion of small-scale actors.			
	Land grabbing. Environmental concerns (e.g. monocropping).	Concerns regarding land access (e.g. field demonstration sites, land for seed multiplication).	Land grabbing. Environmental concerns (e.g. traffic congestion and waste disposal).	

Source: FAO. 2016. *Public-private partnerships for agribusiness development – A review of international experiences*. Rome. <https://www.fao.org/3/i5699e/i5699e.pdf>

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# ANNEX 1

## CASE APPRAISAL FORM FOR PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT

Case short title: \_\_\_\_\_

### Part one: characterization of public-private partnership (PPP) arrangements

1. What was the stated purpose (and specific outputs if relevant) of the PPP, particularly with respect to agribusiness investment and development of agribusiness enterprises?
2. Who were the direct beneficiaries and what was the nature of expected benefits, particularly benefits related to expected increases in agribusiness enterprise profitability, levels of investment or returns on investment, and any stated social and developmental outcomes?
3. What were the nature and levels of financial support, concessions, or other services (such as technical assistance and training) provided by the public and private partners in support of the beneficiary agro-enterprise(s)?
4. (If relevant) What public-sector incentives, commitments or other benefits were offered to the private partners that provided support to beneficiary agro-enterprises?
5. What were the roles and specific functions provided by each of the partners, including roles in governance, implementation, monitoring and evaluation of the agreements, and – as relevant – governance of the beneficiary agro-enterprise(s)?
6. How was the agreement formalized, i.e. legal and contractual status, if any, or otherwise?

### Part two: development of PPP arrangements

1. When was the partnership developed, and what were the circumstances that led to the development of the partnership?
2. Who/what were the main drivers (people or units) behind development of the arrangement and what were the specific roles of these drivers?
3. What were the main reasons put forward by the drivers to convince senior managers (public and private) as well as partners about the value of the arrangements?
4. What procedures and criteria were used to identify and assess the market opportunities and prospects of the target agribusiness enterprise(s) to be assisted?
5. How and over what time frame did the partners negotiate the deal?
6. How were the levels, nature and timing of partner contributions determined?
7. How were expected costs, revenues and returns on investment estimated for the target agribusiness enterprises?
8. How were expected private and public benefits estimated?
9. Which aspects (if any) of the enabling environment with potential for impact on the partnership were appraised and how were they appraised? (legal frameworks, relevant policies, etc.)



10. How were decisions made on the roles of each partner in strategic and day-to-day management and implementation of the arrangement?
11. What steps were followed to obtain approval by senior managers of the public and private partners and what steps were required for subsequent formalization of the arrangements?
12. Which formal tools (analytical, financial, participatory, etc.), if any, were used to support the negotiation and planning processes?

**Part three: management and operations**

1. What were the roles of each partner in strategic and day-to-day management and implementation of the arrangements; actual relative to planned or anticipated?
2. What materials, technology and/or services were procured and delivered under the arrangement?
3. What new expertise was required for implementation; how was it obtained or developed?
4. What (if any) were the managerial procedures for outsourcing and subcontracting?
5. What were the main performance monitoring and appraisal mechanisms? What uses were made of monitoring information for improving implementation, performance and impacts?
6. What were the main risks with respect to implementation of the arrangement as planned, and what actions were taken to mitigate these risk(s)?
7. What additional support was received from other public and private partners (beyond those directly identified in the partnership arrangement)?
8. What were the key challenges faced by public- and private-sector officials and managers during implementation?
9. What were the main problems encountered in maintaining partnership relationships and what actions were taken to address these?

**Part four: performance and development outcomes**

1. What were the increases (measured or estimated by respondents) in investment, revenues, rates of returns to investment, or employment?
2. To what extent was additional agribusiness investment stimulated? What is the nature of the additional investment stimulated?
3. What product or process innovations were introduced under the arrangement or as a direct consequence of the arrangement?
4. What risks facing the beneficiary agribusiness enterprise(s) were mitigated as a result of the arrangement? What new or additional risks might have been created, if any, for the beneficiary agribusiness enterprises as a result of the arrangement?
5. How did trade, tax, land and other policies affect benefits – what helped, what hurt?
6. How did the legislative and regulatory frameworks affect benefits – what helped, what hurt?
7. How did agriculture sector institutions and services external to the arrangement affect benefits – what helped, what hurt?
8. To what extent has performance improved in markets (profitability, market share)? What is the nature of the improved performance?
9. What do the key informants consider to be the medium-term prospects for commercial viability and sustainability?
10. Are there indications or expectations among key informants of forwards and backwards linkages (e.g. to new customers/markets or primary producers)? Do the expectations appear to be realistic?

11. Are there indications or expectations among key informants of improvements in rural income and employment? Do the expectations appear to be realistic?
12. What are the expectations of key informants with respect to longer-term societal and developmental impacts?

Source: FAO. 2016. *Public-private partnerships for agribusiness development – A review of international experiences*. Rome. <https://www.fao.org/3/i5699e/i5699e.pdf>





# GUIDE FOR THE DESIGN AND IMPLEMENTATION OF PUBLIC-PRIVATE PARTNERSHIPS FOR AGRIBUSINESS DEVELOPMENT IN AFRICA

Unleashing the potential for inclusive agricultural growth and transformation in Africa requires coordinated and strategic public and private investment in the agricultural sector. Against a background of limited government resources and expertise, public-private partnerships are increasingly being promoted as a mechanism to pool resources, reduce risk, improve productivity and drive growth in the agriculture and food sectors. In line with this trend, many African countries have recently expressed an interest in further understanding the potential for public-private partnerships for agribusiness development (agri-PPPs) to deliver on these transformative goals.

This publication aims to provide guidance to African policymakers and potential private sector investors on the core principles of designing and implementing agri-PPPs that will promote the transformation of Africa's agricultural sector in an inclusive and sustainable way. This area of work is of particular interest to the African Union Commission (AUC) which has highlighted agri-PPPs as a key tool in the delivery of the results under the Comprehensive Africa Agricultural Development Programme (CAADP) and the Malabo Declaration on Accelerated Agricultural Growth for Shared Prosperity and Livelihoods.

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