

# PPPs in Agricultural Development

Current Initiatives: Gaps,  
Overlaps & Opportunities

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# Key Questions

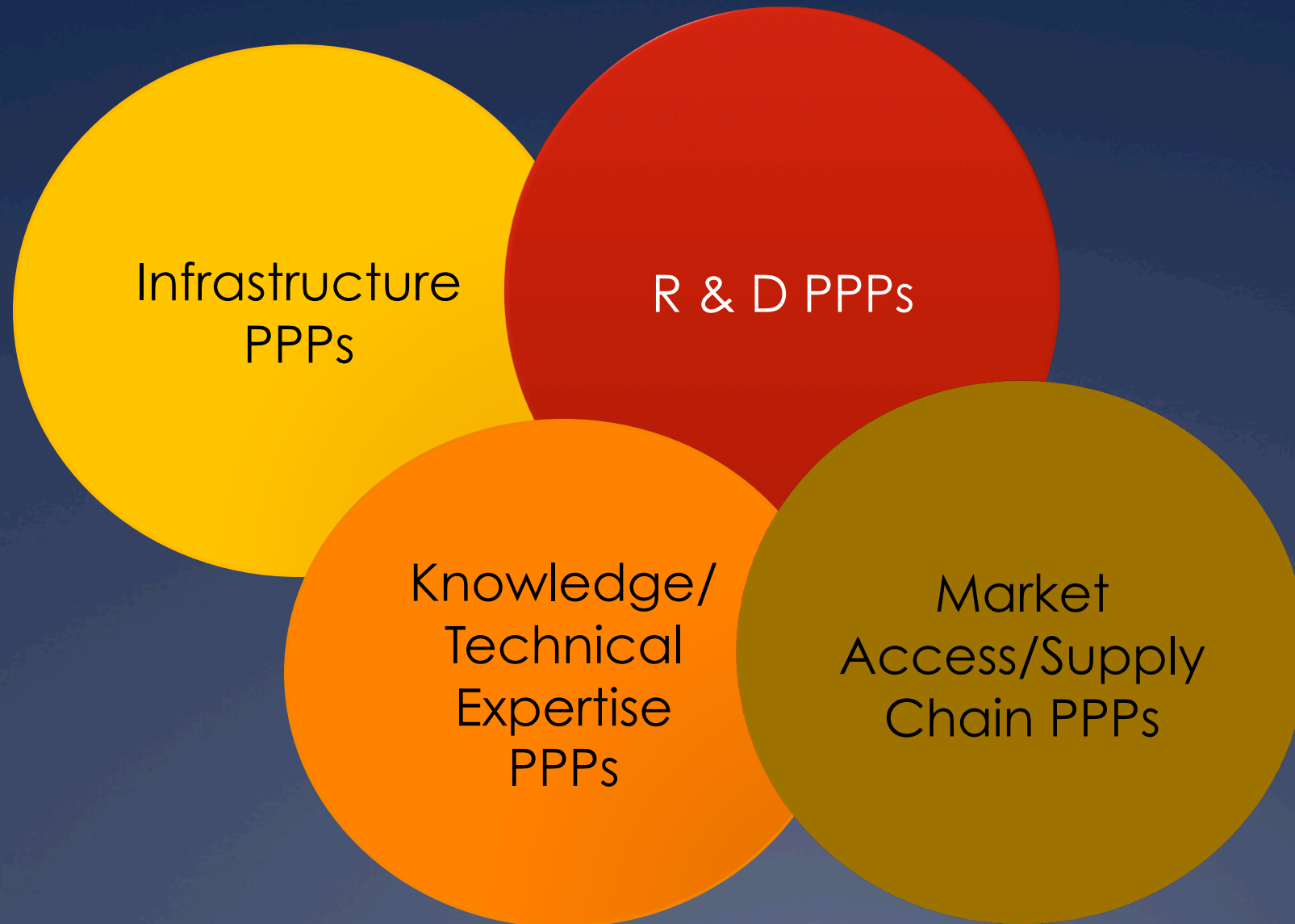
- What initiatives already exist?
- What is missing?
- What is feasible?
- What is the scope? What is the *facility* not going to do?

# Hypothesis

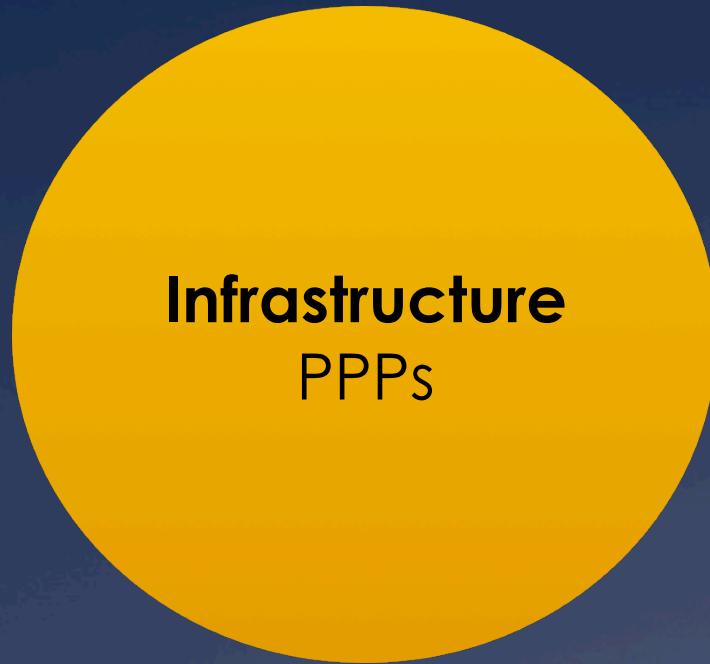
Focus is on PPPs that will impact the lives of smallholder farmers -- raising on-farm incomes, improving nutrition.

Goal is to catalyze *more*, and *better*, PPPs that impact smallholder farmers in developing countries.

# PPPs to Benefit Resource Poor Farmers



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Often seen as the more traditional type of PPP and not usually associated with agriculture.

However, infrastructure projects impacting smallholders might include: Irrigation, energy, transportation, pre- and post-harvest storage, agro-processing and packaging facilities.



# PPPs to Benefit Resource Poor Farmers

Improved crops: abiotic- and biotic-stress resistance, higher-yielding, increased efficiency of input use.

Improved extension technologies (e.g. with mobile apps)

Improved fertilizer solutions, better drip systems/irrigation pumps, low horse-power diesel engines, etc.

**R & D PPPs**  
Innovating products/ services that benefit smallholders



# PPPs to Benefit Resource Poor Farmers

African Alliance for Improved Food Processing (General Mills, Technoserve)

Cocoa Genome Project

Knowledge sharing

Data & information sharing

Training



# PPPs to Benefit Resource Poor Farmers

Market access/supply chain PPPs are highly diverse. Three general types are considered for clarity.

1. Improving local supply chains to deliver inputs or technologies/services to farmers.
2. From farm gate to market: Improved market access
3. Expanding markets by increasing demand.

E.G. expansion of agrodealer network and work with local seed companies

E.G. mobile banking, access to credit, post-harvest & storage, market information systems, traceability technology

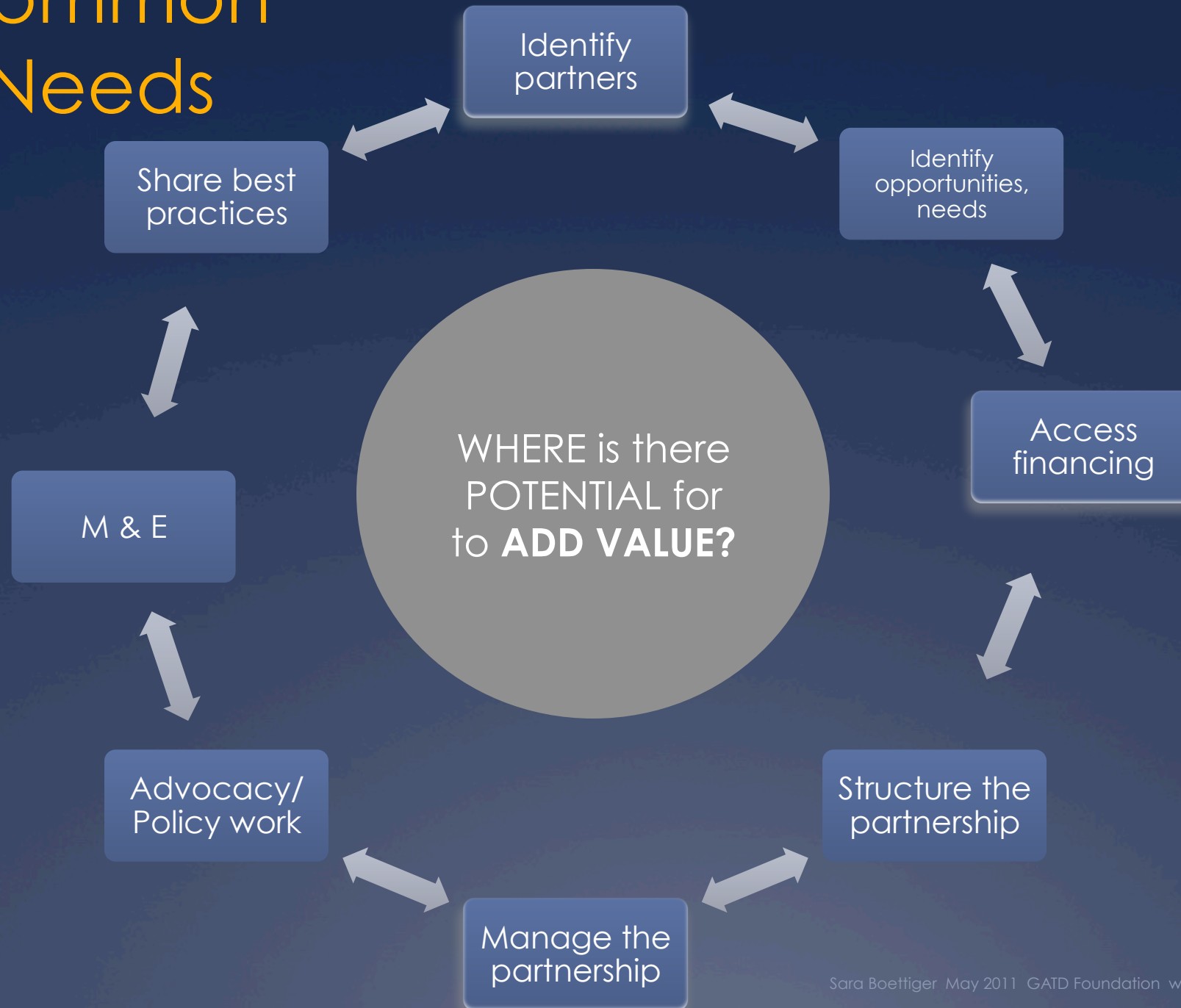
"Responsible sourcing" and other demand pulls, E.G. Coca Cola-Technoserve-BMGF: Sourcing Fruit from African Smallholders



**Market  
Access/  
Supply Chain  
PPPs**



# Common Needs



## Where Could We Add Value with a PPP “Commons” Resource?

Identify partners

### Existing resources

- Largely *ad hoc*; can be driven by donors and/or partners.
- Some networking “platform” resources do exist (e.g. PPAF (UN), Prorustica, World Cocoa Foundation)
- The more industry-specific, the better they seem to work (technical knowledge of specifics can be critical to match-making).
- “People” still seem to trump “web-based” attempts to network in this field.

### Potential gaps

- Bridging local networking resources to connect with regional or multinational partners
- Due diligence of potential partners
- Managing expectations between public & private partners
- Assessment of policy/regulatory issues & potential role of local governments

## Where Could We Add Value with a PPP “Commons” Resource?

Identify opportunities,  
needs

This part of the process has many components:

1. Assess the market need (size of market, characteristics of market, commercial viability now and over time).
2. Develop commercialization strategy (business case) – applying discipline of product development/stage-gate, etc.
3. “Impact pathway” – or specifically how (and by how much) this will improve the lives of smallholders.
4. Adoption hypotheses for engaging smallholders – evidence based hypothesis that the service/product is likely to be used/purchased by the smallholder household.
5. Policy opportunities/constraints
6. More...

(1)

## Where Could We Add Value with a PPP “Commons” Resource?

Identify opportunities,  
needs

### Existing resources

- Expertise of partners, donors.
- External sources available for challenge/prize mechanisms; value chain analysis.
- GATD designed to: (1) provide adoption knowledge & data, (2) coordinate information/data on market being served, (3) support for pro-poor commercialization strategy & product development.

(2)

### Potential gaps

- For R & D partnerships: it is difficult and expensive to access smallholder feedback, test technologies in the field; we lack rapid prototyping facilities (e.g. for MIS systems, etc.).
- Potential for independent evaluation of impact pathway (see more in M & E section).

## Where Could We Add Value with a PPP “Commons” Resource?

Access  
financing

### Existing resources

- Current instruments include: grants, PRIs, loans, advanced market commitments, crowdfunding, MFIs, etc.
- Primarily donor funds, partner investment; limited other capital flows, e.g. Root Capital, social venture capital, “patient capital”, etc.

### Potential gaps

- For many types of pro-poor PPPs in agriculture, finance tools are under-developed; risk mitigation, revenue models are very different from in health PDPs or infrastructure PPPs – they need analysis.
- Due diligence is related “gap” – esp. challenging with smallholder assets for collateral (lack of land title, assets may be livestock, and others).
- Opportunities to (1) act as matchmaker, connecting PPPs to financing, and/or (2) work to push this field forward with new analysis and innovation in finance tools.

## Where Could We Add Value with a PPP “Commons” Resource?

What goes into the “deal”?

- Organizational/governance structure is critical (and requires using best practices tailored to PPPs).
- Roles of partners, scope of work.
- IP
- Confidentiality
- Stewardship & liability issues
- Integrating pro-poor strategies
- Putting in place legal contracts
- Project/partnerships management

Structure the Partnership

Manage the Partnership

### Exiting resources

- Expertise of partners, and/or donors
- Some external services for IPR:
  - Global Access in Action (WEF/WIPO)
  - PIPRA
- External services for project mgt:
  - AATF
  - GALVmed



## Where Could We Add Value with a PPP “Commons” Resource?

Structure the Partnership

Manage the Partnership

### Potential gaps

- Better project mgt capacity at national level (local) – including increased stewardship capacity.
- Project-specific legal resources available to public sector partners without access to them.
- Develop public IPR knowledge resource, “toolkit” for pro-poor PPPs (see [www.globalaccessinaction.org](http://www.globalaccessinaction.org) or [www.pipra.org](http://www.pipra.org))
- Develop broader, practical set of knowledge around how to structure and manage pro-poor PPPs in ag.

## Where Could We Add Value with a PPP “Commons” Resource?

Monitoring,  
Evaluation,  
Sharing of Best  
Practices

### Existing resources

- M & E in PPPs often arranged by partners and/or donor; impact assessment harder., more costly, less often done.
- A wide range of M & E services exist, with a high degree of variability in their rigour (and hence time & cost)
- Sharing of best practices for M & E in pro-poor PPPs is limited; literature, conferences, but not much by way of tailored services.

### Potential gaps

- Sharing best practices is much needed – different approaches/ practices employed when private sector included.
- Platform role for *independent* evaluation has pros and cons.





## Where Could We Add Value with a PPP “Commons” Resource?

### Costs & benefits of an independent “standard”-setting commons resource

#### Benefits:

- Credible impact information – e.g. private partner can site independent #s for smallholders reached, etc.; appeals to donors for same reason.
- Potential for also setting standards in commercialization strategy & due diligence (that type of independent information might lower risk & improve flow of capital to projects).

#### Costs:

- Challenging space in which to set standards (e.g. every partnership is very different).
- Takes time to build brand of “independence & excellence” – can be problem with private partners not wanting to expose their own brands to unknown entity until it is proven.
- Governance, and the transparency-confidentiality balance must be carefully designed to ensure the standards have “teeth” but do not work against the partners that are working in good faith.

# Lessons from Existing Initiatives (1)

- Avoid the “build it and they will come” pitfall; rigorously test demand for the resource.
- Centrally engage developing country institutions (private sector, governments, NGOs, farmers cooperatives, etc) in design process *from the start*.
- Anticipate that by 2020 *half* global GDP will come from BRICs – PPPs used to be defined in a north-south rubric, but the commercial world has changed.
- Get the incentives right – low barriers to participation, high value-added; requiring contracts, provisions for IP, etc. will hugely limit the engagement of private sector partners – focus on making great partnerships, not on “entry requirements.”
- Anticipate the need for “donor education” as a core function of the resource. Academics, policymakers, and many donors have not kept pace with the changes at the interface of poverty and commercial activity.

# Lessons from Existing Platform Initiatives (2)

- In defining functions of the “resource” consider how each will scale (project-specific services may not be easy to accomplish at scale)
- Develop a targeted working definition of “pro-poor” from the beginning (income, nutrition, education, economic development, etc.).
- Decide early whether the model is aiming at an independent, standard setting body.
- Choose language that speaks to companies, public partners, and smallholders finding common benefits; avoid the philanthropic, paternalistic, “us-them”, technology transfer language.
- Invest in superb communication early on – tell compelling stories...