

# Fostering Public-Private Partnerships (PPP)

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## Some Comparative Distinctive Characteristics of the Sectors

<b>SECTOR</b>	<b>STATE SECTOR</b>	<b>MARKET SECTOR</b>	<b>CIVIL SECTOR</b>
Primary interest	Political	Economic	Social
Primary control agents	Voters/Rulers	Owners	Communities
Primary power form	Coercive	Remunerative	Normative
Goods produced	Public	Private	Group
Primary goals	Societal order	Wealth creation	Expression of values
Assessment frame	Legality	Profitability	Justice
Dominant organizational form	Governmental	For-profit	Nonprofit
Relationship basis	Rules	Transactions	Values

## Sectors' Generic Comparative Primary Resources, Capabilities and Competencies of Business and Civil Society

	<b>State</b>	<b>Market</b>	<b>Civil Society</b>
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Regulatory and taxation power</li> <li>• Enforcement apparatus</li> <li>• Specialized policy impact knowledge</li> <li>• Government reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Capital and financial assets</li> <li>• Production systems</li> <li>• Specialized industry knowledge</li> <li>• Business reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Inspirational and volunteer assets</li> <li>• Community networks</li> <li>• Specialized community-issue knowledge</li> <li>• Community reputation</li> </ul>

Table continuation

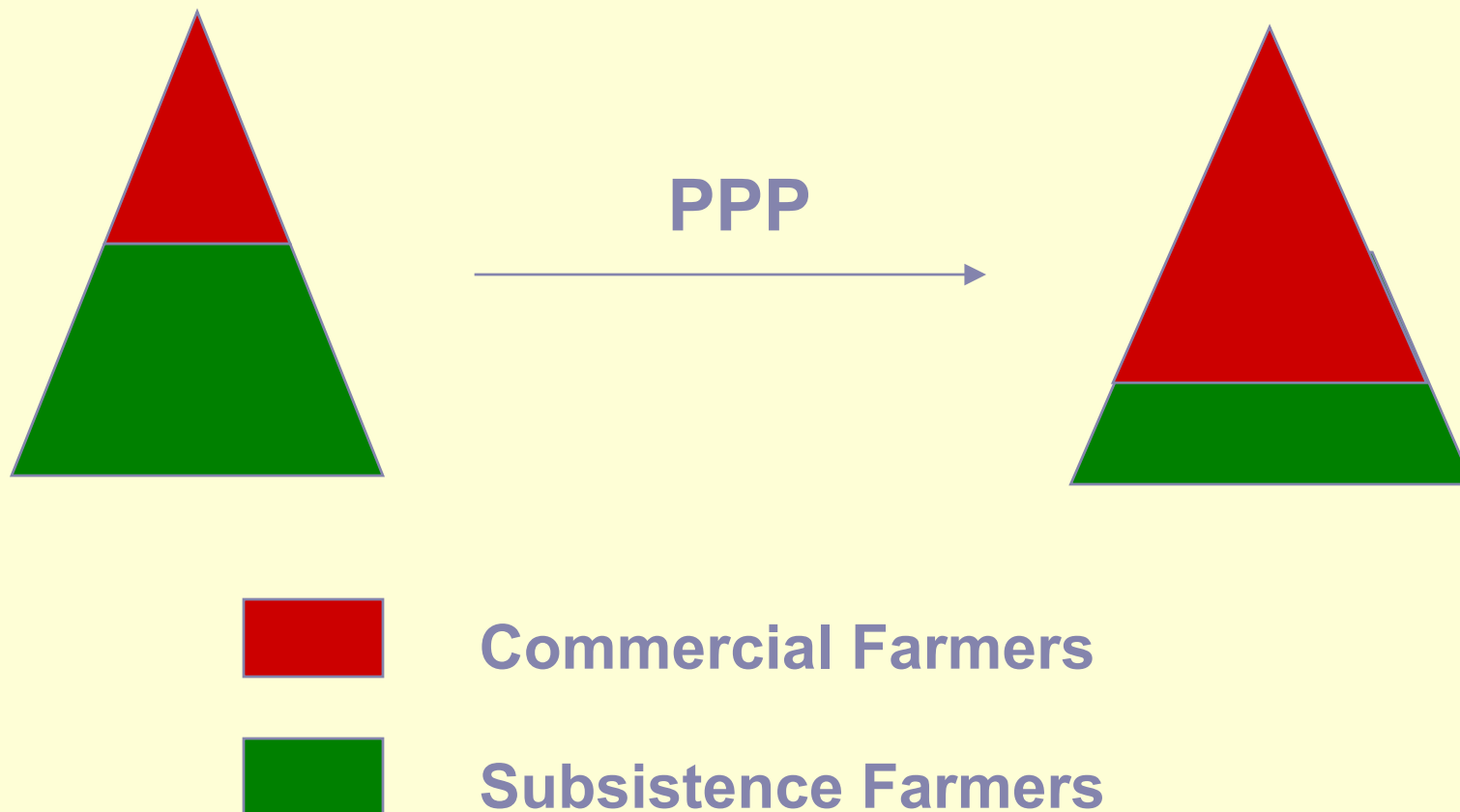
	<b>State</b>	<b>Market</b>	<b>Civil Society</b>
<b>Capabilities</b>	<ul style="list-style-type: none"> <li>• Public policy development</li> <li>• Enforcement skills</li> <li>• Government agency networks</li> </ul>	<ul style="list-style-type: none"> <li>• Production process management</li> <li>• Capital mobilization/management skills</li> <li>• Business networks</li> </ul>	<ul style="list-style-type: none"> <li>• Issue development</li> <li>• Community organizing skills</li> <li>• Civil society networks</li> </ul>
<b>Competencies</b>	<ul style="list-style-type: none"> <li>• Rules-focused activity</li> <li>• Creation of “level playing field”</li> <li>• Redistribution of benefits/select public priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Efficiency-focused activity</li> <li>• Profit generation</li> <li>• Delivery of goods and services to medium and upper income</li> </ul>	<ul style="list-style-type: none"> <li>• Human impact focused activity</li> <li>• Trust generation</li> <li>• Support for the vulnerable and marginalized</li> </ul>

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## Some Generic Comparative Sectoral Weaknesses

<b>State</b>	<b>Market</b>	<b>Civil Society*</b>
<b>Inflexibility in rule application</b>	<b>Tendency to monopoly</b>	<b>Restricted (interest) focus</b>
<b>Slow pace of decision-making</b>	<b>Disregard for externalities</b>	<b>Amateurism</b>
<b>Complexity of jurisdictions/levels</b>	<b>Preoccupation with short-term returns</b>	<b>Material scarcity</b>
<b>Difficulty in internal coordination</b>	<b>Inequality of outcomes</b>	<b>Fragmentation (scale)</b>
<b>Control desires</b>	<b>Transactional parochialism</b>	<b>Ideological parochialism (political correctness)</b>

# Purpose of Public-Private Partnerships in Agriculture





## Strengths of Public Sector

- ✓ Ability to provide supportive regulatory environment
- ✓ Ability to mobilize resources for improved infrastructure
- ✓ Ability to maintain law and order
- ✓ Ability to promote information and knowledge sharing
- ✓ Ability to “upscale” successful pilot projects



# Strengths of Agribusiness Sector

- ✓ **Technical and managerial expertise**
- ✓ **Access to private financial resources**
- ✓ **Eagerness to provide new services and products**
- ✓ **Penchant for technical innovation**
- ✓ **Long-term interest in region/market**
- ✓ **Financial sustainability**



## **Strengths of NGO Sector**

- ✓ **Ability to reach marginal groups/ consumers/ suppliers**
- ✓ **Commitment to food security, human rights**
- ✓ **Ability to mobilize support from public and private charitable sources**
- ✓ **Ability to organize communities/reducing transaction costs**
- ✓ **Ability to broker P-P Partnerships**



# Types of Partnerships

- Grantmaking
- Cause-Related Marketing
- Sponsorship
- Certification
- Licensing
- Message Promotion
- Employee Involvement
- Advocacy
- Operations/Social Enterprise
- Strategic Alliance



# Example RUSEP

## Role NGO (Winrock & ITTA)

- ✓ Commodity assessment studies
- ✓ Screening crop improvement packages  
(maize, sorghum, soybeans, cassava)
- ✓ Facilitate access to seasonal credit
- ✓ Introduction post-harvest technologies
- ✓ Facilitation access to private sector  
(seed companies, bank, agro-processors)
- ✓ Training of farmers



# Example RUSEP

## Role Public Sector (ADP)

- ✓ Organize farmers
- ✓ Facilitate access to selected services  
(fertilizer, tractor services)
- ✓ Facilitate communication between NGO  
and farmers



# Example RUSEP

## Role Private Sector

(Union Bank, Nestlé, Guinness, Premier Seeds)

- ✓ Provide credit
- ✓ Provide hybrid and other seeds
- ✓ Organize long distance transport
- ✓ Pay cash upon purchase of commodities



## Lessons Learned From RUSEP

- Successful for “inputs” (hybrid seeds, credit)
- Successful in yield / revenues
- Mixed results in “cooperative sales”
- Mixed results in reaching isolated communities
- Enduring hesitance to enhance dialogue with private sector partners



# Summary

- **Key successes: P-P-P resulted in (1) significant improvement in access of smallholder farmers to yield-enhancing inputs (hybrid maize; credit), (2) opening of new market for soybeans, and (3) training of farmers in better cultivation and post-harvest technology methods**
- **Disappointment: farmers' reluctance to sell cooperatively**