



RURAL INFRASTRUCTURE AND
AGRO-INDUSTRIES DIVISION

Public-Private Partnerships for Agribusiness and Agro-Industries Development

THE GATEWAY TO SUSTAINABLE DEVELOPMENT

Eugenia Serova

Director

Rural Infrastructure and Agro-industries Division (AGS)





“If you want to go fast, go alone.
If you want to go far, go together.”

African Proverb



Why partner?

Rationale for Agri-PPPs in Africa



1. Scale of investment means public sector cannot do it alone
2. High risk of doing business in agriculture can deter private sector participation
3. Partnerships can promote inclusion of smallholder producers



FAO Agribusiness PPP Appraisal

2011-2013

- 70 cases in 15 countries, 3 regions, specific criteria

Africa	Latin America	Asia
Ghana (5)	Chile (4)	Thailand (5)
Kenya (4)	Colombia (4)	Indonesia (5)
Nigeria (5)	Ecuador (4)	China (5)
Tanzania (4)	Guatemala (4)	Pakistan (5)
Uganda (4)	Peru (5)	Philippines (5)

<http://www.fao.org/ag/ags/ags-division/publications/country-case-studies/en/>

2014- onwards

- Synthesis of international experiences forthcoming
- Ag PPP Policy support (Vietnam, Philippines)
- Develop agri-PPP guidelines for public partners





Agri-PPP themes



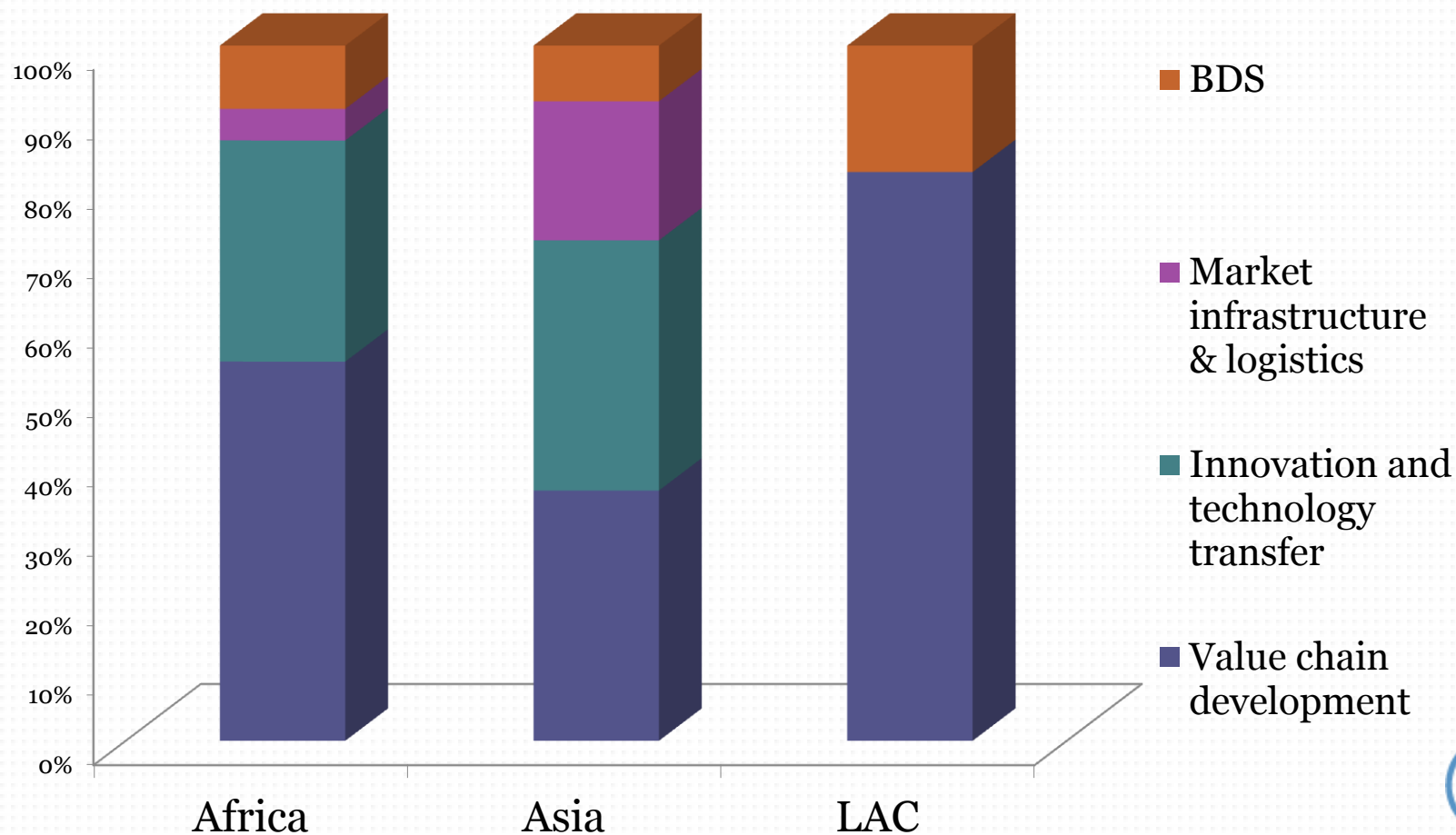
FAO Study – 70 cases

1. Value chain development **57%**
2. Innovation & technology transfer **23%**
3. Business development/advisory services (BDS) **11%**
4. Market infrastructure & logistics **9%**





Typology of PPP cases per region





Who are the Partners?

Public

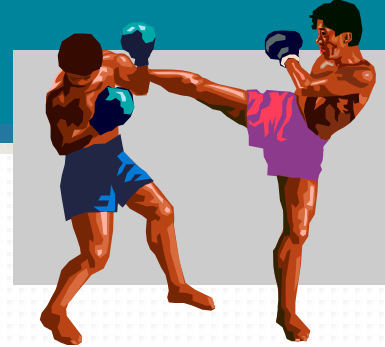
- Central and decentralized government
- State banks and rural finance corporations
- State-owned enterprises
- Research institutions, universities, marketing boards
- Donors



Private

- Global and domestic food companies
- Input supply and agro-processing companies
- Financial institutions
- SMEs and producer associations
- Civil society (NGOs)
- 3rd party contractors





Impacts from PPP

Improved food security through increased agricultural productivity, improved product quality and safety

- Improved access and uptake of new technologies by farmers
- Reductions in post-harvest losses

Increased rural income and employment opportunities on and off-farm

- Improved market access for smallholders
- Better supply chain coordination
- Development of entrepreneurial, technical and managerial skills for smallholders and SMEs

Inform national policy debate on role of private sector in inclusive and sustainable agribusiness development



Issues & Challenges : Not a panacea !

Institutional weakness

- Legal and institutional obstacles
- Limited capacity of public partners

Governance

- Coordination issues with multiple partners
- Lack of transparency and accountability in partnership contracts
- Potential for large enterprises to exert excessive market power

Management

- Over reliance on public sector capacity
- Poor risk management and inadequate risk sharing
- Weak monitoring and evaluation



Conclusion from Africa Study

“...Public private partnerships have the potential to:

- accelerate agribusiness investment
- strengthen value chain activities and business linkages
- mobilise producer communities for economic activities
- promote technology transfer and linkages with research systems

Above all, PPPs are **tools for focusing** on specific, inclusive development objectives and striving for their achievement.” (FAO, 2013).





RURAL INFRASTRUCTURE AND
AGRO-INDUSTRIES DIVISION



Thank you for your attention!

For detailed PPP country reports, visit: www.fao.org/ag/ags