

## Interim findings

### Agricultural partnerships

The research project 'Partnership arrangements as strategic action for inclusive development: practices and outcomes' looks at how partnerships in certain agricultural value chains in Ghana can be orchestrated to create an effective and sustainable framework for inclusive development. The study compares project-based partnerships in the well-established export value chain for cocoa with those in the more informal food value chains for soybeans and cassava. The following are the interim findings and policy messages.

#### Interim findings

- The research project found that researchers were the primary initiators of innovation platforms (IP), not donors or NGOs. As the linear R&D approach seldom provides suitable solutions for farmers, IPs were created as a new institutional arrangement for more (smallholder) inclusive research and development. Through knowledge sharing and experiments, IPs aim to construct appropriate technical, relational and institutional solutions to overcome the main value chain constraints faced by smallholder development farmers, or to focus on building the capacity of smallholders and value chain actors at the local level. Donors and NGOs claim that the capacity building approach is costly and uncertain (as it is dependent on the attitude of smallholders) and prefer public-private partnership (PPP) arrangements with clear contractual commitments and scale effects.
- The main objectives of innovation partnerships in the mature, export-oriented value chain (cocoa) differ from those in the informal food value chains (cassava, soybean). In the informal food value chains, the focus is on increasing agricultural productivity (through the adoption of high-yielding varieties), improving processing techniques and establishing market relations. In the export value chain, the focus is on including smallholders in value creation and benefit sharing (where value creation refers to the adoption of advanced standards of quality and sustainability, e.g. fair trade, UTZ certification and the Rainforest Alliance).
- Donors and NGOs are keen on private companies playing a role in the development of agricultural value chains through PPPs. However, neither researchers nor the government have strong relationships with private companies, and private companies are hesitant to commit themselves to uncertain and time-consuming IP processes. However, IPs are essential for smallholders to form good relations with large-scale traders and processors, as well as for them to obtain affordable quality inputs and secure remunerative output markets. Strong partnerships and alliances with large companies are needed for national value chain actors to learn about and obtain new production standards and to be competitive on high-value (inter)national markets. To engage private companies for inclusive development, it is necessary to establish clear commitments, benefits and cost-sharing arrangements.
- Both IP and PPP initiators engage researchers and value chain actors in scoping studies and project formulation activities in order to gain an overview of the chain and identify plausible strategies for action. In principle, IPs work through learning arrangements, but these also emerge in PPPs, as initial contractual arrangements do not always fit or cover all of the critical issues involved. However, in contrast to IPs, smallholders' voices are not represented in high-level PPP knowledge sharing and negotiation processes.
- PPPs focus on the stable provision of technical knowledge, ensuring quality services and establishing linkages with high-value markets, thereby creating good opportunities for farmer entrepreneurs. However, smallholders with few resources and diversified portfolios in order to cope with uncertainties may not be

able to meet the quality, quantity or time requirements set by PPPs and, therefore, may only derive limited benefits from such arrangements. Hence, the diversification of service provision rules and markets is needed. Furthermore, the development of base-of-the-pyramid markets and frugal products may be interesting avenues to pursue.

- The government and researchers are not pro-active in formulating and implementing strategic national agricultural policies, establishing a conducive regulatory framework, or taking coordinated action, especially in the food sector. This leads to fluctuating markets and prices with a high-level of uncertainty for farmers, as well as overlaps and inefficiencies in development projects. While donors and NGOs in Ghana do share knowledge and try to align efforts, coordination is not optimal due to their prime accountability to (home) funding constituencies.

## Policy messages

- **IPs and PPPs have complementary roles:** Researcher-initiated IP arrangements for knowledge sharing and learning are effective for experiments, capacity building and the fine-tuning of value chain institutions. In comparison, PPP arrangements have clear formal commitments, are of more interest to private companies, are able to mobilise considerable funds, thereby having scale effects, and are effective in creating new institutional arrangements.
- **Different value chains require different types of expertise and partnerships:** Food value chains require expertise in agricultural technology and business management, as well as regional market linkages, all of which are available from national NGOs, researchers and government departments. Export value chains require expertise in buyer-driven standards for fair and sustainable sourcing, which are available from certification bodies and international processing or trading companies.
- **Consider including financial intermediaries in partnership arrangements:** Value creation (through investment in high-yielding seeds or the adoption of higher sustainability standards) requires financial resources. The inclusion of financial intermediaries, such as private banks, may be a viable way to reduce the dependence of innovation partnerships on donor money. However, financial intermediaries require the credible commitment of partners, especially value chain actors, to be assured of repayment. Credible commitment can be created through strong value chain development (e.g. by establishing marketing contracts and ensuring long-term market access).
- **Private actors are essential to ensure effective service provision and marketing links in agricultural value chains:** The engagement of private actors in partnerships requires clear commitment and clear benefit and cost-sharing arrangements, like in a PPP.
- **PPPs should improve downward accountability and support farmer-based organisation:** Farmers are not directly represented in higher level PPP learning and negotiation mechanisms. This is partly due to the weak organisation of farmers, but may result in farmers getting locked-in to value partnership-defined situations. To ensure the empowerment of farmers (improve their capacity to translate their choices into desired actions and outcomes), PPPs need to incorporate mechanisms to engage farmers in dialogue and support farmer-based organisation.
- **Farmer heterogeneity calls for a differentiated development approach:** Farmer profiles vary; they need different types of services and they can serve different types of markets. Present PPPs tend to focus on the farmer entrepreneur. For the resource poor smallholder, a focus on frugal products and base-of-the-pyramid markets may be of more benefit.

- **The government of Ghana should lead in agricultural development:** Donors and NGOs need (to continue) to stress and stimulate African researchers and governments to take a lead role in strategic policy formulation and coordinated action for agricultural development, notably for the food sector.

## Knowledge products

- Osei-Amponsah, C; Van Paassen, A & Essegbey, G (2017) CSIR-STEPRI Policy brief: Creating public-private partnerships and innovation platforms for agricultural development: Insights for development partners, <http://includeplatform.net/wp-content/uploads/2017/04/policy-brief-Donors-and-NGOs.pdf>
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- Nuer, ATK; Dries, L & Pascucci, S (2016) The rise of collaborative partnership arrangements to enhance private actors' participation in Ghana's cocoa value chain, ISSER Policy Brief, <http://includeplatform.net/downloads/policy-brief-rise-collaborative-partnership-arrangements-enhance-private-actors-participation-ghanas-cocoa-value-chain/>
- Osei-Amponsah, C; Asante, F & Van Paassen, A (2016) Innovation platforms as strategic action for agricultural development: lessons from the DONATA cassava project, ISSER Policy Brief, <http://includeplatform.net/downloads/issser-policy-brief-innovation-platforms-strategic-action-agricultural-development-lessons-donata-cassava-project/>
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- Tatu Nyaku, S (2015) Multi-stakeholder workshop for knowledge sharing: first insights on partnerships arrangements, Yiri Lodge, University of Ghana, Legon, 16 September 2015, <http://includeplatform.net/downloads/report-multi-stakeholder-workshop-knowledge-sharing/>
- Yakah, J (2016) Partnership arrangements as strategic action: Mid-term review workshop report, Yiri Lodge, University of Ghana, Legon, Accra, 16–17 February 2016, <http://includeplatform.net/downloads/draft-mid-term-review-workshop-report/>
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- Daily Graphic (2016) 'Creating agricultural partnerships for efficient value chains: a task for all', Daily Graphic, 29 February 2016.

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## Weblink

<http://includeplatform.net/research-group/partnership-arrangements-as-strategic-action-for-inclusive-development-practice-and-outcome/>