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MICROLINKS SEMINAR SERIES

Exploring Frontiers in Inclusive Market Development

CAN PUBLIC-PRIVATE PARTNERSHIPS ACTUALLY BENEFIT THE POOR?

WEBINAR CHAT TRANSCRIPT

JANUARY 29, 2015

PRESENTERS

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WEBINAR CHAT TRANSCRIPT:

USAID Microlinks: Good morning to everyone who has joined us so far! For your information, the webinar may run more smoothly for you in a browser like Internet Explorer or Firefox, and not in Google Chrome.

USAID Microlinks: Please feel free to tell us a bit about yourselves!

Jonathan Agwe: Hello, everyone. Good to meet with you. I am Jonathan Agwe - one the technical experts in innovations in inclusive rural financial services at IFAD, Rome.

USAID Microlinks: Thank you for joining us today, Jonathan!

Jonathan Agwe: Great. I hear you guys doing the audio testing.

USAID Microlinks: We are just prepping in room. Nobody is speaking yet.

USAID Microlinks: To everyone entering the webinar room - please introduce yourselves! Thanks again for joining in. We plan to start around 9.

USAID Microlinks: (Name, organization, and place.)

Regina Brown: Regina Brown CADRESenegal, Dakar

USAID Microlinks: Great! Thanks for joining in, Regina.

USAID Microlinks: If you have any questions you would like to ask the presenters, type them here and we can ask them at the end during Q&A.

Richard Tinsley: Dick Tinsley, Colorado State University.

USAID Microlinks: We are going to move into our introduction polls very soon, so please fill out the questions and tell us a bit about yourselves.

USAID Microlinks: Polls are open!

Katia Villanueva: Katia Villanueva, USAID Peru.

George Kegode: George Kegode, Independent Consultant, Maryville, MO.

Christopher Fay: Christopher Fay RPCV, USA.

Pierre Casal: Pierre Casal, Grameen Crédit Agricole Foundation, France.

USAID Microlinks: Welcome to all!

Hans Muzoora: Hans Muzoora here with Agridev Solutions, joining you from Boston Massachusetts.

Richard Tinsley: During this introductory period it would be nice to have some background music so we all know if our speakers are working.

Luisa Cordoba: Luisa Cordoba from InterAction in DC. Hello!

Katherine Duceman: Katherine Duceman, Columbia University School of International and Public Affairs.

Nomathemba Mhlanga: Nomathemba Mhlanga- Agribusiness Economist at FAO in Rome, Italy.

Emily Susman: Emily Susman, Vital Voices, Washington, D.C.

Jonathan Agwe: Jonathan Agwe; IFAD Rome, Hello.

Mica Jenkins: US Fulbright student currently working in Maputo, Mozambique! Hello everyone!

Cecilia Gonzalez: Cecilia Gonzalez, Agriculture and Food Systems Specialist, joining from Quito, Ecuador (the land of eternal spring).

Hava Ganguly: Havaca Ganguly joining from Lutheran World Relief - which is based in Baltimore but I am joining from Austin, Texas.

Luisa Cordoba: Hava!

KDAD AV Tech: Hello and thanks for logging on! We're still getting settled in the room here and anticipate starting in about five minutes or so.

David Leege: David Leege, Catholic Relief Services, Baltimore, MD.

Nathalie Renaud: Good morning, Nathalie Renaud.

Jodie Thorpe: Jodie Thorpe, Institute of Development Studies, UK.

Luisa Cordoba: I am getting a No Dial Out message from host. No sound.

Nathalie Renaud: From USAID Mission Colombia.

USAID Microlinks: It seems we have a very global group here today! I see many joining from SSA, Europe, and LAC. Great to see so many people from all over the world!

Nathalie Renaud: Do you all here something? Or not yet?

W Kent Edwards: Kent Edwards - for NutrAfrica.

USAID Microlinks: There is no audio occurring yet. We will be starting the presentation shortly however.

Christen Malaidza: Hello greetings from University of Tsukuba, Japan am glad to join this webinar tonight, am a final year graduate student, in international public policy. My study focus is on agricultural innovation systems policy and institutions in Malawi.

Nathalie Renaud: Thank you!

Andrea Camargo: Andrea Camargo from the Microinsurance Catastrophe Risk Organisation (MiCRO).

Elizabeth Dunn: Hi, everyone. Elizabeth Dunn of Impact LLC in Gainesville, Florida, working with USAID's Leveraging Economic Opportunities (LEO) project.

Elyse Inguanti: Hello all, Elyse Inguanti from TechnoServe in DC.

Mary Kate Wheeler: Mary Kate Wheeler, grad student at Cornell University in Ithaca, New York. Studying private-led extension models. Glad to be joining you all!

Anna Amegatcher: Hi everyone, I'm Anna Amegatcher from Growth Mosaic Ltd in Ghana.

Mercy Niwe: Mercy Niwe, Program Management Officer/Economic Development World Vision.

KDAD AV Tech: We are still waiting to being presentations, I opened up the room mics so you can hear the crowd noise and make sure your audio is working.

USAID Microlinks: Once again, we plan to start in 3-5 minutes.

USAID Microlinks: Thank you for your patience!

Mahnaz Harrison: Thank you.

Darran Newman: Caribbean Development Bank members are here.

Richard Tinsley: Is this both a live seminar and webinar?

Marleen Brouwer: Hello, thanks a lot! PPPLab from the Netherlands is here.

Mahnaz Harrison: Last Mile4D is here.

USAID Microlinks: Yes, it is online and in-person.

Fernanda Ruiz-Nunez: Hello: I am Fernanda Ruiz Nunez from the Word Bank.

David Kombanie: David Kombanie, VisionFund International, based in South Africa.

Oghale Oddo: Hi all - USAID Malawi here!

USAID Microlinks: We are about to start!

Michelle Deugd: Michelle Deugd, Rainforest Alliance, Costa Rica.

Melisa Socorro: Good morning everyone, Columbia University SIPA graduate, independent consultant on financial inclusion.

Marc Douglas: Greetings from USAID/Liberia. The audio is working fine, here.

USAID Microlinks: Welcome again to all. Please remember to type any questions you have for the presenters in this chat box.

Patrice Hakizimana: This is Patrice from USAID-Rwanda.

KDAD AV Tech: If you are using Google Chrome, please switch to Firefox or Internet Explorer.

KDAD AV Tech: I will private message others who are having issues. Thanks.

Jennifer Miller: Hi all, Jennifer from Engility International just joined. The sound is working for me!

USAID Microlinks: Thanks for joining, Jennifer. For anyone having audio issues, please start a private chat with our KDAD AV Tech.

USAID Microlinks: Remember to type any questions for the speakers here!

Oumou K. LY: Hi everyone! Oumou K. LY from USAID/Senegal.

Christen Malaidza: Major challenge-the lead firms offer very low prices to small firm suppliers.

Jonathan Agwe: IFAD (UN's International Fund for Agricultural Development) is advocating the 4th P - Private-Public-People Partnership (PPPP) to bring to the forefront the important role that global value chains have to play in social upgrading. What do the speakers think about the 4th P?

USAID Microlinks: Thanks for your question, Jonathan.

USAID Microlinks: We have recorded it.

Jonathan Agwe: Great.

Richard Tinsley: Why the export orientation and not internal orientation that would impact on national food security.

Jada Anderson: I second Richard's question, please. (Jada from Wilderness Markets).

Shawn Stokes: @Jonathan Agwe. I think it's an interesting concept, and one that could potentially shed light on the importance of ensuring smallholders receive a fair price for their product.

USAID Microlinks: Thanks Richard and Jada.

Shawn Stokes: @Richard, I'm not sure I understand the question. Please clarify.

USAID Microlinks: Jonathan, please see the response to your question from our remote presenter, Shawn Stokes.

Abelardo Rodriguez: The internal orientation, above, or export substitution is a relevant issue as well.

Mark Lundy: Building on Richard and Jada's question, based on our work we would estimate that perhaps 10% of rural producers can access "modern" market channels (export and supermarkets). Work focused only here is effectively helping the better off. Why not focus on national markets with lower entry barriers that are more accessible for the poor?

Richard Tinsley: I think the major concern in many countries is food security, and if you are devoting land to export crops that reduces the land available for food security.

USAID Microlinks: Mark, thanks for the question; what organization do you work for and from where are you joining?

Mark Lundy: I work with the International Center for Tropical Agriculture, CIAT, based in Colombia.

Jonathan Agwe: Yep, I agree with Shawn and I am wondering if researchers like these one making the presentation would encourage explicitly the uptake of the 4th P in their research works?

Marleen Brouwer: Hi Mark : -)

USAID Microlinks: Great, thanks.

Richard Tinsley: What are the prospect of village based traders doing the initial quality sorting and rewarding the farmers before moving up the value chain? My reference is cheetah and paprika in Malawi and Zambia.

Christen Malaidza: How does GVC approach nurture innovation development?

Mahnaz Harrison: What happens to food security for the local people?

Jada Anderson: @Shawn, I think Richard and I are curious why an export-oriented market was chosen?

Richard Tinsley: The value chain for air freight of horticulture crops is super sensitive in booking air freight space. Take a look at the AgriFlora and its bankruptcy in /Zambia.

Richard Tinsley: Baby corn has only one day window of opportunity between being too small and too large.

Marco Camagni: Regarding cocoa project in Indonesia, it seems that no risk sharing and mitigation strategies were put in place to deal with risks such as price volatility: was it a flaw in the design?

Jonathan Agwe: Sorry, I have got to go. Thanks. Very interesting ppt. Bye.

Saeed Banie: Saeed A. Banie with FAO-Based in Nairobi. What was the role of the public sector in the Kenya case?

USAID Microlinks: Thanks for all the questions! Marco, where are you joining from and where do you work?

Marco Camagni: I work for the International Fund for Agricultural Development (IFAD) based in Rome.

Shawn Stokes: @Jada. The vast majority of PPPs with adequate material focus on export markets.

Mark Lundy: On the Kenya case, the issue is not achieving GlobalGAP requirements but rather maintaining that certification. The on-going certification costs are not scale neutral. Smallholders effectively were paying more by unit per certification.

Richard Tinsley: Need to consider why smallholder have quality concerns, have we underestimated the labor constraints.

Christine Elbert: How can the smallholders afford the certification requirements? For example GlobalGAP is at the farm level, which may cost USD10,000 for one farm, which is not affordable for small farms.

Christine Elbert: Was there support provided by the development organization to pay for such certification?

Marco Camagni: I missed whether the USD million leveraged were from the business sector involved in processing. Was this the case?

Darran Newman: What role has cooperatives played in PPPs? If they have played a role, what has been their experiences? Thanks.

Mark Lundy: @Christine. Yes, but then farmers fell out once donor support was withdrawn. Their cash flow cannot sustain certification costs.

Christine Elbert: Thanks Mark.

USAID Microlinks: Christine, where are you working and joining from?

Darran Newman: Question from Caribbean Development Bank (CDB).

Shawn Stokes: @ Darren. Yes, see the coffee case.

Christine Elbert: Global Development Solutions, LLC (USA).

Christen Malaidza: Was there attractive improvement in salaries and work conditions for workers in lead firms from Kenya?

Jodie Thorpe: Can you clarify - who is the "public sector" in these PPPs?

Shawn Stokes: @Christine Elbert, yes, in the case of horticulture and to a lesser extent, coffee.

Pilar Santacoloma: Agribusiness Officer for Latin America and Caribbean Region, FAO Panama.

Jada Anderson: @Shawn, Right, thanks! So it's a matter of the characteristics of PPPs, not a study design variable, necessarily.

Christine Elbert: We have a similar issue on a project we are doing in Lesotho -- smallholder farmers with export-quality fruit but the certification requirements are not affordable over the long term.

Shawn Stokes: @Jodie, USAID is the public.

Nomathemba Mhlanga: In presenting outcomes for KHDP, the Speaker mentioned the difficulty in measuring outcomes due to parallel donor programmes. Is this suggesting that the donor community cannot be part of the PPP?

Jodie Thorpe: Thanks. Any role for developing country governments?

Jillann W Richardson-Rohrscheib: Richard-I encountered a similar issue in Uganda with Coffee & Vanilla Bean growers, and they stated that they try to have a mix of both food and funds to meet their family's needs and that with funds they had money for food and for school.

Shawn Stokes: @Nomathemba, No, but it would suggest the donor community improve coordination.

KDAD AV Tech: Thanks again to Shawn Stokes, part of the research team and joining us remotely from North Carolina to answer questions.

Shawn Stokes: @Jodie. Absolutely. Let's address that one later.

Nathalie Renaud: "What are these characteristics of the "ideal" partners?"

Elyse Inguanti: Seconding Jodie's question re: developing country governments. What about focusing on the "public" component of the PPPs? Argument that we are currently focusing too much on bolstering the private sector, as opposed to bolstering government capacity to maintain sustainable policies/markets and encourage national food security.

Michelle Deugd: Christine, many certifications provide the alternative of group certification, through these kind of schemes certification cost can lower to 7 USD/ha, but even then the benefits should always be bigger than the costs to make certification a durable alternative that makes sense.

Pilar Santacoloma: In general it is not clear the role of the public sector.

Abelardo Rodriguez: Could you please discuss the options of the captive coffee value chain in a world saturated with coffee?

Christen malaidza: This is amazing! 32MT of exports to 5800MT! Great impact!

Christine Elbert: In the Rwanda case, how was change in income and poverty measured? Is this the average for all the smallholders participating in the project? Or at the country level, which is less controllable.

Precious Sancho: Will this presentation be available to everyone after the webinar?

Abelardo Rodriguez: The impact of coffee exports should be measure in terms of income received by those involved in the value chain in Rwanda.

Christine Elbert: I agree but my question is one of program design.

Mark Lundy: Was any attempt made to assess the actual business models that were developed by different firms in these PPPs? Improved

business models might well help reduce some of the negative impacts and the sustainability of gains.

- Mercy Niwe: Do the presenters have some statics showing baseline data for small holder farmers before the PPP market linkages? What is the overall increase in house hold level incomes and can this data be used as evidence for improved livelihoods for the poor as a result of PPPs? If not, what are the challenges that need to be addressed?
- Christine Elbert: For example the change in exports was at the country level I am sure, not the project level.
- Shawn Stokes: @Abelardo, it's a very challenging situation. With the rapid growth of specialty coffee, I'd suggest for those who can, to upgrade and connect with the specialty coffee market. Not only is the market price much higher, but the share of retail price to the smallholder is around 23%, compared to just 10% for commodity grade coffee.
- Samuel Mayinoti: Please clarify the role of governments in these cases.
- Richard Tinsley: Certification is an administrative overhead cost with is related more to the number involved than the area involved, and for smallholder quickly becomes prohibitive.
- Oghale Oddo: I am curious to know if the increased production of coffee in Rwanda resulted in increased local consumption as well- I ask because in Malawi for instance, we are concerned about food security first and foremost.
- Saeed Bancie: Even among the small holder producers in the value chains there are often elite hijackers by the already well to do. What was the observation of the researchers in these cases and what are the recommendations to ensure the marginalized have a voice/say within the PPP? Possibly the 4th "P" will help empower them.
- Mark Lundy: On the key conditions, I don't see anything on building producer organization business capacity. Do the authors feel that investing in producer organizations is not needed in these export value chains? Can we rely on existing actors to deliver benefits? If so, do they have evidence to support that idea?
- Marco Camagni: @Saeed Bancie that's the idea.

Richard Tinsley: With regards to coffee and the 5 years from planting to first harvest, the volatility in market is much shorter than time farmers can respond.

Hans Muzoora: I think a gig problem is aligning interests of the public sector with the private sector. Rarely do we see poverty alleviation/food security as the mission of the private sector, but rather profit. There is need for a neutral party in these PPPs. Who would do this best??

Christine Elbert: Please clarify "affordable certification schemes" -- if an export market requires a certain certification, then that is what you have to do. The only way to spread the fixed cost is to assemble continuous farms (for example form a cooperative) and manage them as 1 farm.

Shawn Stokes: @Mark Lundy. The coffee PPP was an excellent example of how working with RWASHOSCCO, a 20,000 member cooperative, to build their capacity was integral to improving their position vis a vis buyers.

Mark Lundy: @Shawn, great but then why isn't that mentioned on the key issues?

Marco Camagni: What actor was brokering the deals among the PPP actors in these 3 cases?

Shawn Stokes: @Mark, see final slide.

Abelardo Rodriguez: Shawn, I agree but global impact of the few options for coffee exporters in Rwanda, Uganda, Guatemala, etc., are few compared to the need to spread the impact of well integrated GVC in the producing countries. I question the options for impact in the captive coffee GVC.

Hans Muzoora: The farmers are also disaggregated and not organized. In most cases the private sector do not have the personnel and skills to organize farmers into sound groups. Who should take on this role?

Jillann W Richardson-Rohrscheib: Christine-I know that in Uganda, some of the vanilla bean exporters paid all or a large % of the cost of organic certification in exchange for exclusivity on 5-80% of the crops for a period of

5 years and agreeing to pay the fair market price plus a little. I cannot comment on the "fairness" of this, but if both parties are satisfied with the agreement, this could be one option. The example is from a fair-trade org.

Geoffrey Chalmers:

I (with ACDI/VOCA) would like to know what speakers think about the price premiums: in cases like these, in which commercial actors/markets are dictating the premium or lack thereof, what were the key drivers of achieving a guaranteed price premium? Just quality? Finding the right niche product (consumer demand)? VC governance?

Fernanda Ruiz-Nunez:

(World Bank) Could you please explain what is the methodology used to measure the impact? What is the contra factual? Can be attributed exclusively to the PPP?

Mercy Niwe:

@Hans, good question. There are organization on the ground that are working with communities to form farmers associations. This helps to increase their bargaining power of the small holder farmers.

Jillann W Richardson-Rohrscheib:

Question for Ajmal, please share any financial interventions (formal banks, informal microfinance) that were employed? And if yes, where and what; or If no, why not?

Mahnaz Harrison:

This is long question.

Christine Elbert:

Yes, should count as several!

David Kombanie:

Bye everyone.

Maria Hettel:

Thank you!

USAID Microlinks:

Thanks again for joining!

USAID Microlinks:

Post event resources will be posted on our site in about a week.

Christine Elbert:

Will that include the chat transcript?

USAID Microlinks:

Yes!

KDAD AV Tech:

FYI, we have about another 25 minutes with our presenters for Q&A, so keep those questions coming.

Christine Elbert: Great, thanks.

USAID Microlinks: Yes, please stick around for more Q&A!

Musharraf Tansen: Thank you!

Christine Elbert: Does CGGC or someone have a database of PPPs? It seems that the previous cases would be useful as a learning tool in structuring future ones.

Nathalie Renaud: Shawn, it would be great if you could share your contact information so we could connect afterwards about Cocoa.

Darran Newman: What are the gender-related findings, issues, dimensions?

Darran Newman: Women smallholders, and their experience.

Richard Tinsley: Does the government have the financial resources to make contribution other than interfering and generating personal income for the officers?

Glen Burnett: Cocoa and Coffee are commonly cited value chains in these discussions. Are there cases where PPPs can be used to affect change in how the private sector engages in business? For example, if we are talking about climate smart ag or agroecology, are there cases where PPPs can be established where the governments bring the private sector into a partnership to apply these kinds of practices that would normally be different than their status quo?

Jada Anderson: Community, do they behave differently with regards to distributing more of the gains to the producers?

Jada Anderson: Apologies--my question cut off.

USAID Microlinks: Glen, where are you from and who do you work with?

Arv Trip: Is PPP is only focused on Cocoa? Do we have similar case in other Agriculture sectors and especially in India?

Glen Burnett: Glen Burnett Practical Action (virtually today!).

Nomathemba Mhlanga: @Christine- FAO has publications on PPPs <http://www.fao.org/docrep/field/009/ar848e/ar848e00.htm>; <http://www.fao.org/docrep/field/009/ar848e/ar848e00.htm>;

[//www.fao.org/docrep/field/009/ar859e/ar859e00.htm](http://www.fao.org/docrep/field/009/ar859e/ar859e00.htm); <http://www.fao.org/docrep/field/009/ar849e/ar849e00.htm>

- Marco Camagni: Does the study on 135 PPPs include also food crop VCs? If so what are the main differences compared with the 3 export-oriented PPPs presented today?
- Samuel Mayinoti: Appears role of host governments not clarified for the specific cases.
- Jada Anderson: Does the physical proximity of the middle of the value chain (middlemen, processors, etc.) affect the amount distributed to the producers? That is, if the middlemen and processors are considered themselves part of the community, are they more equitable with gains resulting from upgrading?
- Samuel Mayinoti: Response seemed to focus on "who is the public sector?"
- W Kent Edwards: Are there any activities underway in USAID or elsewhere to develop a more broad reflection of the results of PPPs? Perhaps by region or country?
- USAID Microlinks: Jada, can you remind us what organization and country you are with/in?
- Christen Malaidza: Has there been a network analysis done for these GVC actors? If so what has been the observed changes in terms of network dynamics?
- Christine Elbert: Can the presenter speak to appropriate and inappropriate M&E metrics?
- W Kent Edwards: Organization is NutrAfrica, currently in Ethiopia, but I am located in MD in US.
- USAID Microlinks: Thank you.
- Jada Anderson: Sure--Wilderness Markets in the US, working with international fisheries value chains.
- Marco Camagni: In many countries it is exactly the domestic market the most dynamic one.

Marco Camagni: Growing middle class in many developing countries is the market segment with better growth prospects.

USAID Microlinks: We have opened our end polls! Please take a minute to give us your thoughts and feedback. Thanks!

Glen Burnett: Is it possible to say that a focus on building PPPs with national companies or a focus on international companies will have a bigger impact on poverty reduction/food security?

Christine Elbert: What percent of the value chain (consumer price) is the most that can be expected to accrue to the farmer/producer? For example the coffee or cocoa farmer might get 5-10% of the retail price. Realistically even with a successful PPP they will not achieve more than 25% will they? These programs are sold on the farmers getting 100% but that is not realistic.

Jonathan Agwe: I am back.

Jonathan Agwe: Thanks.

Christen Malaidza: Thank you bye.

KDAD AV Tech: Thanks to all for joining, please take a moment to complete our end polls.

USAID Microlinks: Thanks to all for taking the time to join today!

Christine Elbert: @Nomathemba - thank you!

Samuel Mayinoti: Thanks for the great seminar!

KDAD AV Tech: We'll leave the room open for about another 20 minutes so you can chat with colleagues and catch up.

Alexandre Monnard: Thank you for this very interesting presentation!

Samuel Mayinoti: Have a special interest in VCs and other economic strengthening initiatives in relation to addressing health outcomes especially for PLHIV.

Samuel Mayinoti: So would be glad to hear from those who may have that direction or aspect of programming.

W Kent Edwards:

Are the presentation slides available now, or in a week?

USAID Microlinks:

The presentation slides were available for download at the start of the talk and also are on the site: <https://www.microlinks.org/library/can-public-private-partnerships-actually-benefit-poor-event-resources>

Jada Anderson:

@Samuel, I know of two organizations focused on the PLHIV population that have a VC component. To be clear, I just know of their work--no contacts--but I'm happy to share their names.

USAID Microlinks:

Please stay tuned for the post-event email with resources, and keep up with us at [microlinks.org](https://www.microlinks.org)