



## No. 5

# GPFS – AT WORK: PRIVATE PUBLIC DEVELOPMENT PARTNERSHIPS FOR IMPROVED FOOD SECURITY

These messages have been prepared based on GPFS experiences and on an expert discussion on the subject held in May 2013 at SDC in Bern.

It complements SDC internal documents that give guidance for the establishment of PPDPs in general.

This series is meant to give guidance and reflects the position of the GPFS.

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**W**ith the Bill to Parliament 2013-16 the SDC is mandated to increase its engagement in Public Private Development Partnerships (PPDP). This short paper focuses on PPDPs that involve smallholder farmers and aim at improving food security. PPDPs can leverage private sector knowledge, as well as human and financial resources for development impact. In addition, sustainability and outreach may be higher compared to other modalities. However, SDC recognizes the business interests of the private companies and aims at combining them intelligently with development and poverty reduction objectives. Therefore these few guidance points:

**Empower smallholder farmers in the activities which are linked to the PPDP.** If not organised, smallholder farmers are often in the weakest position in setting up PPDPs. While they are usually the primary beneficiaries or recipients, their active participation in agricultural innovation processes has to be sought, their contributions promoted, dependencies avoided and their long-term interests safeguarded.

**PPDPs for improved food security have to be designed as multi-stakeholder processes which combine market forces and public services with regulation aspects.** Often scientific solutions for local problems and challenges exist but are probably not always adapted to the exact local conditions. PPDPs in agriculture and food security are particularly context specific. Only by involving national stakeholders such as government bodies, civil society organisations or businesses in addition to donors, multinational companies or international research centres, they will be able to become relevant.

**Engagement modalities have to be adapted from case to case.** PPDPs in agriculture and food security include four sectors: Input suppliers, food processing, retail industries, and service industry. Potentials and risks differ according to where in the value chain the PPDP is located. For the time being, most existing PPDPs for food security aim at extending financial services, technical or market information services to rural areas.

**SDC has to commit more time for the planning and steering of projects involving private partners as in the case for classical projects.** A joint understanding of the problems addressed and the objectives to be achieved have to be created before the start of any partnership. Different work cultures and procedures, and different result priorities call for mutual understanding and learning, as well as for iterative alignment to the partnership objectives. As the precise outcomes and distribution of benefits are difficult to fully anticipate, continuous monitoring and steering is necessary. Well documented adaptations of the framework and agreements need to remain possible during the course of the partnership.

**When setting up projects, other modalities than a PPDP should be evaluated and the most appropriate and effective to reach the objectives be chosen.** A very limited amount of literature on the impact of PPDPs on food security is currently available. It is often argued that PPDPs have an interesting potential to bring economically, environmentally and socially sustainable innovations to a larger group of users. PPDPs are promoted as the best instrument for risk sharing between public and private sector. It is however not the only way of achieving greater outreach, other approaches include subventions or regulations. Very few studies exist that evaluate partnerships ex-post and even fewer compare them with alternative investment. SDC sees therefore a particular need to invest in the development of "evaluable designs of partnerships".