

TAKING STOCK OF AGRIBUSINESS CHAMBERS IN AFRICA

LESSONS LEARNT • SUCCESS FACTORS • GOOD PRACTICES



IMPRINT

Published by:

NEPAD Planning and Coordinating Agency (NPCA)

CAADP Unit

International Business Gateway

Midridge Office Park, Block B

Midrand, South Africa

T: +27 (0) 11 256 3600

F: +27 (0) 11 206 3762

www.nepad.org

This publication has been produced with the kind assistance of the German Government through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. GIZ does not necessarily share the views expressed in this publication. Responsibility for the content rests entirely with the NEPAD Agency.

Design: Studio112

www.studio112.co.za

Prepared by:

GFA Consulting Group GmbH

Bernd Pöschk (Teamleader; Germany)

Norbert Monkam (Cameroon)

Gina Odarteifio (Ghana)

Dr. Chala Erko Arganea (Ethiopia)

Waly Ndiaye (Senegal)

Wolfe Braude (South Africa)

For any further information related to this project please contact:

GFA Consulting Group GmbH

Christopher Biller

T: +49 (40) 6 03 06 210

E: christopher.biller@gfa-group.de

Supported by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Support to the Comprehensive Africa Agriculture Development

Programme (CAADP)

P.O. Box 13732, Hatfield 0028

333 Grosvenor Street, Hatfield

Hatfield Gardens, Block E, 3rd Floor

Pretoria, South Africa

T: +27 423 6391

F: +27 342 3646

www.giz.de



ACRONYMS

AACCSA	Addis Ababa Chamber of Commerce and Sectoral Associations
ACEFA	Amélioration de la Compétitivité des Exploitation Familiale Agropastorales
ADB	Africa Development Bank
ADLI	Agricultural Development Led-Industrialisation
ADPME	Agence pour le Développement de la Petite et Moyenne Entreprise
AEA	Agricultural Extension Agency
AFAP	African Fertilizer and Agribusiness Partnership
AFASA	African Farmers' Association of South Africa
AFD	Agence Française de Développement
AFOP	Appui à la Formation Professionnelle au Cameroun
AGI	Association of Ghana Industries
AGOA	African Growth and Opportunity Act
AGRA	Alliance for Greener Revolution
AMO	Appui à la Maîtrise d'Ouvrage
ANCAR	Agence Nationale de Conseil Agricole et Rural
ANSD	Agence Nationale de la Statistique et de la Démographie
APFOG	Apex Farmers Organisation of Ghana
APIX	Agence Nationale de la Promotion des Investissements et des Grands Travaux
APPDF	Agricultural Public Private Dialogue Forum
APR	Annual Progress Report
ARM	Autorité de Régulation des Marchés
ASEPEX	Agence Sénégalaise de Promotion des Exportations
ASPRODEB	Association Professionnelle des Organisations de Base
ASSI	Association of Small-Scale Industries
ASSOBACAM	Association Bananière du Cameroun
ASUF	Agri-Sector Unity Forum
ATP	Agribusiness & Trade Promotion
AUMN	Association des Unions Maraichères des Niayes
BAD	Banque Africaine de Développement
BAME	Bureau d'Analyse Macro-économique
B-BBEE	Broad-Based Black Economic Empowerment
BDS	Business Development Services
BM	Banque Mondiale
BSTP	Bourse de Sous-traitance et de Partenariat du Cameroun
BUSA	Business Unity South Africa
CAADP	Comprehensive Africa Agriculture Development Programme

ACRONYMS – CONTINUED

CAPEF	Chambre d'Agriculture, des Pêches, de l'Elevage et des Forêts du Cameroun
CCIAD	Chambre de Commerce d'Industrie et d'Agriculture de Dakar
CCIMA	Chambre de Commerce, d'Industrie des Mines et de l'Artisanat du Cameroun
CCP	City Chamber of Commerce
CDC	Cameroon Development Corporation
CDE	Centre pour le Développement de l'Entreprise
CEDEAO	Communauté Economique des Etats de l'Afrique de l'Ouest
CEEAC	Communauté Economique des Etats de l'Afrique Centrale
CEMAC	Communauté Economique et Monétaire de l'Afrique Centrale
CEO	Chief Executive Officer
CICC	Conseil Interprofessionnel du Cacao et du Café
CIDA	Canadian Investment Development Authority
CIDE	Centre d'Information et de Documentation Economique
CINAFIL	Comité Interprofessionnel National de la Filière Lait Local
CIP	Centre d'Incubation Pilote
CIRAD	Centre de Coopération Internationale en Recherche Agronomique pour le Développement
CIRIZ	Comité Interprofessionnel des Acteurs du Riz
CNC	Cadre National de Concertation
CNCAS	Caisse Nationale de Crédit Agricole du Sénégal
CNCFTI	Comité National de Concertation de la Filière Tomate Industrielle
CNCR	Conseil National de Concertation et de Coopération des Ruraux
CNOP-CAM	Concertation Nationale des Organisations Paysannes au Cameroun
CNPPCC	Confédération Nationale des Producteurs de Coton du Cameroun
CORAF	Conseil Ouest et Centre Africain pour la Recherche et le Développement Agricole
COSATU	Congress of South African Trade Unions
CRC	Cadre Régional de Concertation
CSIR	Centre for Scientific and Industrial Research
CSOs	Civil Society Organizations
DAFF	Department of Agriculture, Forestry and Fisheries
DAPS	Direction de l'Analyse, de la Prévision et des Statistiques
DDF	District Development Fund
DPES	Document de Politique Economique et Sociale
DPs	Development Partners
DPV	Direction de la Protection des Végétaux
DSCE	Document de Stratégies pour la Croissance et l'Emploi
DSDSR	Document de Stratégie de Développement du Secteur Rural

DSRP	Document de Stratégie de Réduction de la Pauvreté
ECCSA	Ethiopian Chamber of Commerce and Sectoral Associations
ECOWAS	Economic Community of West African States
EDIF	Export Development and Investment Fund
EHPEA	Ethiopian Horticultural Producers and Exporters Association
EPA	Environmental Protection Agency
EPA	Etablissement Public Administratif
EPAB	Ecole Pratique d'Agriculture de Binguela
EPPCF	Ethiopian Public Private Consultative Forum
EPRDF	Ethiopian People Revolutionary Democratic Front
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FASDEP	Food and Agriculture Sector Development Programme
FBO	Farmer Based Organization
FDI	Foreign Direct Investment
FDRE	Federal Democratic Republic of Ethiopia
FEITLS	Fédération des Eleveurs Indépendants et Transformateurs de Lait du Sénégal
FENAFIL	Fédération Nationale des Acteurs de la Filière Lait Local
FIDA	Fond International de Développement Agricole
FODECC	Fonds de Développement du Cacao et du Café
FONG	Farmers Organization Network Ghana
FONGS	Fédération des Organisations Non Gouvernementales du Sénégal
FPMN	Fédération des Professionnels Maraichers de la Zone Niayes
GAIDA	Ghana Agricultural Input Dealers Association
GAP	Good Agricultural Practices
GAPTO	Ghana Agricultural Producers And Traders Organization
GDP	Gross Domestic Product
GEPC	Ghana Export Promotion Council
GIC	Groupe d'Initiative Commune
GICAM	Groupe Interpatronal du Cameroun
GIDA	Ghana Irrigation Development Authority
GIPC	Ghana Investment Promotion Centre
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GLSS	Ghana Living Standard Survey
GNAFF	Ghana National Association of Fishermen and Farmers
GOANA	Grande Offensive pour la Nourriture et l'Abondance

ACRONYMS – CONTINUED

GOG	Government of Ghana
GPRS	Ghana Poverty Reduction Strategy
GPRTU	Ghana Private Road Transport Union
GSGDA	Ghana Shared Growth and Development Agenda
GTP	Growth and Transformation Plan
HACCP	Hazard Control and Critical Analysis
HRD	Human Resources Development
ICT	Information Communication Technology
IFAD	International Fund for Agricultural Development
IFDC	International Fertilizer Development Center
IGF	Internally Generated Fund
INS	Institut National de la Statistique
IPAVIC	Interprofession Avicole du Cameroun
IRAD	Institut de Recherche Agricole pour le Développement
ISRA	Institut Sénégalais de Recherche Agricole
IWRM	Integrated Water Resources Management
LOASP	Loi d'Orientation Agro-Sylvo-Pastorale
LUPMP	Land Use Planning and Management Project
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDTF	Multi Donors Trust Fund
METASIP	Medium Term Agriculture Sector Investment Plan
MINADER	Ministère de l'Agriculture et du Développement Rural
MINCOMMERCE	Ministère du Commerce
MINEPAT	Ministère de l'Economie, de la Planification et de l'Aménagement du Territoire
MINEPIA	Ministère de l'Elevage, des Pêches et des Industries Animales
MINJEC	Ministère de la Jeunesse et de l'Education Civique
MINPMEESA	Ministère de Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat
MINPROFF	Ministère de la Promotion de la Femme et de la Famille
MoARD	Ministry of Agriculture and Rural Development
MOFA	Ministry of Food and Agriculture
MOFEP	Ministry of Finance and Economic Planning
MOTI	Ministry of Trade and Industry
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
NAC	National Agribusiness Chamber

NAFCOC	National African Federated Chamber of Commerce and Industry
NAFP	NEAPD Agribusiness Flagship Programme
NAFU	National African Farmer's Union
NAIP	National Agriculture Investment Plans
NAMC	National Agricultural Marketing Council
NAS	NEPAD Agribusiness Strategy
NASAN	New Alliance for Food Security and Nutrition
NDP	National Development Plan
NDPC	National Development Planning Commission
NEC	National Executive Council
NEDLAC	National Economic and Development Labour Council
NEPAD	New Partnership for Africa's Development
NERPO	National Emergent Red Meat Producers Organization
NGO	Non-Governmental Organisation
NGP	New Growth Path
NPCA	NEPAD Planning and Coordinating Agency
OCDE	Organisation de Coopération et de Développement Economiques
OECD	Organisation for Economic Cooperation and Development
OHADA	Organisation pour l'Harmonisation du Droit des Affaires en Afrique
OMD	Objectifs du Millénaire pour le Développement
ONCC	Office Nationale du Cacao et du Café
ONG	Organisation Non Gouvernementale
OP	Organisation de Producteurs
OPA	Organisation Professionnelle Agricole
PAACI	Pan African Chamber of Commerce and Industry
PACA	Projet d'Amélioration de la Compétitivité Agricole au Cameroun
Pacte PDDAA	Programme Détaillé pour le Développement de l'Agriculture en Afrique
PDMAS	Programme de Développement des Marchés Agricoles du Sénégal
PEF	Private Enterprise Federation
PHP	Plantation du Haut Penja
PIB	Produit Intérieur Brut
PIF	Agricultural Sector Policy and Investment Framework
PIP	Public Investment Programme
PLAN REVA	Plan Retour vers l'Agriculture
PLANOPAC	Plateforme Nationale des Organisations Professionnelles Agro-Sylvo-Pastorales du Cameroun
PME	Petites et Moyennes Entreprises

ACRONYMS – CONTINUED

PNAR	Programme National d'Autosuffisance en Riz
PNIA	Programme National d'Investissement Agricole
PPA	Public Procurement Authority
PPMED	Policy Planning, Monitoring and Evaluation Division
PPP	Public Private Partnership
PPP	Public Procurement Authority / Partenariat Pulic Privé
PTF	Partenaire Technique et Financier
RED&FS	Rural Economic Development and Food Security
RHORTICAM	Réseau des Opérateurs de Filières Horticoles du Cameroun
SA	South Africa
SAAPA	South African Agricultural Processors Association
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAED	Société Nationale d'Aménagement et d'Exploitation des Terres du Delta
SASA	South African Sugar Association
SCA	Stratégie de Croissance Accélérée
SHF	Small Holding Farmers
SME	Small and Medium Enterprises
SNDES	Stratégie Nationale de Développement Economique et Sociale
SODECOTON	Société de Développement du Coton
SPRPB	Sous Programme de Réduction de la Pauvreté à la Base
SWG	Sector Working Group
SYDUSTRICAM	Syndicat des Industriels du Cameroun
TAU SA	Transvaal Agricultural Union South Africa
TCs	Technical Committee
TEC	Tarif Extérieur Commun
TGE	Transitional Government of Ethiopia
TIC	Technologies de l'Information et de la Communication
TIPCEE	Trade and Investment Programme for a Competitive Export Economy
UCCIA	Union des Chambres de Commerce d'Industrie et d'Agriculture
UE	Union Européenne
UEMOA	Union Economique et Monétaire Ouest Africaine
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
WAAP	West African Agricultural Project
WIAD	Women In Agricultural Development

TABLE OF CONTENTS

Acronyms	1
Table of contents	7
1. Executive summary	9
2. Introduction	15
3. Context, objective and methodology of the study	17
4. Country case studies	19
4.1 South Africa	19
4.1.1 <i>The country's agricultural sector</i>	19
4.1.2 <i>The country's legal and policy framework</i>	22
4.1.3 <i>The agribusiness organisations</i>	25
4.1.4 <i>Assessment, good practices and success factors</i>	28
4.2 Ethiopia	34
4.2.1 <i>The country's agricultural sector</i>	34
4.2.2 <i>The country's legal and policy framework</i>	35
4.2.3 <i>The agribusiness organisations</i>	37
4.2.4 <i>Assessment, good practices and success factors</i>	38
4.3 Senegal	45
4.3.1 <i>The country's agricultural sector</i>	45
4.3.2 <i>The country's legal and policy framework</i>	46
4.3.3 <i>The agribusiness organisations</i>	48
4.3.4 <i>Assessment, good practices and success factors</i>	49
4.4 Ghana	54
4.4.1 <i>The country's agricultural sector</i>	54
4.4.2 <i>The country's legal and policy framework</i>	57
4.4.3 <i>The agribusiness organisations</i>	59
4.4.4 <i>Assessment, good practices and success factors</i>	62
4.5 Cameroon	64
4.5.1 <i>The country's agricultural sector</i>	64
4.5.2 <i>The country's legal and policy framework</i>	66
4.5.3 <i>The agribusiness organisations</i>	67
4.5.4 <i>Assessment, good practices and success factors</i>	69

TABLE OF CONTENTS – CONTINUED

5. Conclusions and Recommendations	73
5.1 Results	73
5.2 Recommendations	76
5.2.1 South Africa	76
5.2.2 Ethiopia	76
5.2.3 Senegal	77
5.2.4 Ghana	78
5.2.5 Cameroon	79
5.2.6 Conclusions and Recommendations	81

List of Tables

Table 1: Key indicators to illustrate the different framework conditions of the agribusiness sector in the case study countries	15
Table 2: Agricultural land in South Africa, hectares	19
Table 3: Thematic areas and strategic objectives of PIF	36
Table 4: Key players in proposed advocacy platform (scenario 2)	53
Table 5: Size, structure and importance of agriculture	55
Table 6: Sectoral distribution of credit by deposit money banks (percent)	56

List of Figures

Figure 1: Net Farm Income (NFI) & Gross Farm Income (GFI), 2008/09 – 2012/13	20
Figure 2: Expenditure on selected agricultural production inputs, 2008/09 – 2012/13	20
Figure 3: Gross value of agricultural production, 2008/09 – 2012/13	21
Figure 4: Imports and exports of agricultural products, 2008/09 – 2012/13	21
Figure 5: Agriculture's contribution to GDP, 2011	35
Figure 6: Governance and organisational structure of the ECCSA	39
Figure 7: Model of scenario 2	52
Figure 8: Proposed scheme for an "Agribusiness Chamber of Commerce" in Cameroon	80

1. EXECUTIVE SUMMARY

Inclusive agribusiness umbrella organisations (which ideally are vertically integrated down to the level of smallholder farmers' organisations) could be key institutions to contribute to policy dialogue and design from the perspective of the private sector. Furthermore, they have the potential to carry forward the implementation of such policies on the ground.

The NEPAD Planning and Coordinating Agency (NPCA), as technical arm of the African Union for the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP), developed the NEPAD Agribusiness Strategy (NAS), meant to facilitate the establishment of dialogue and exchange platforms, including National Agribusiness Chambers (NACs), similar to National Chambers of Commerce and Trade.

It is in this context that the present study was conducted by the NPCA in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ). Its purpose is to provide a stocktaking analysis and institutional assessment of National Agribusiness Chambers and other similar private sector umbrella organisations in five African countries, namely South Africa, Ethiopia, Senegal, Ghana and Cameroon.

In the following, the results along three major areas are outlined:

- stocktaking of internal organisation, strategies, objectives of private sector umbrella organisations and their capacities to deliver;
- presentation of success factors and good practices from the existing private sector umbrella organisations (what makes them work well); and
- lessons learnt in view of possible future establishment of an overarching viable private agribusiness umbrella organisation at national level.

Internal organisation, strategies, objectives of private sector umbrella organisations and their capacities to deliver

A number of findings regarding the different agribusiness umbrella institutions analysed during this study were common in the five case study countries:

- In none of them a fully inclusive NAC exists so far (considering all private sector umbrella organisations, including smallholder farmers' organisations). In South Africa, however, ASUF – the Agri-Sector Unity Forum – comes very close to it.
- In some countries, the private sector has only started to organise itself a few years ago (for instance in Ethiopia and Cameroon). Private sector organisations in these countries are still young and do not have the capacities to fully assume their responsibilities. Furthermore, they are co-managed/over-controlled by government that bankrolls them.
- A common feature of the already existing Chambers of Commerce is that they mainly focus on trade and industry. Agriculture often does not feature as a priority for the chambers. When it does, it is merely a chapter that deals mostly with primary agriculture issues and not agribusiness per se.
- A number of commodity-specific organisations are working towards addressing pressing and immediate needs/issues, and neither have the financial capacities nor the time and organisational muscle to participate in long-term policy consultation and design processes (for example, those promoted by CAADP).
- Most of the commodity-specific organisations still depend on subsidies and/or assistance of donor organisations. The organisations are often under-financed and under-staffed to fully assume their responsibilities.
- In most of the cases, commodity-specific organisations hardly offer services, for instance business development services (BDS) that generate revenues for the organisation (exceptions in South Africa and Ghana).

1. EXECUTIVE SUMMARY – CONTINUED

- It is common that members of commodity-specific and inter-sectoral organisations do not pay their membership contributions, although these are the major source for funding their operations.
- In the majority of the observed cases, the actors/operators along the countries' value chains are not yet organised in associations, cooperatives or other types of entities, particularly in Ethiopia, Senegal and Cameroon.
- In general, the private sector anticipates being involved in the decision making/policy design processes, even though it seems to be coming short in genuinely influencing the agenda setting. However, there are examples of entities with capacities and potential to do so in South Africa, Ghana and Senegal. All of them are platforms/umbrella organisations of private agribusiness apex organisations.

Success factors, good practices and lessons learnt

Different success factors and good practices were voiced by the stakeholders with regards to the existing agribusiness umbrella organisations. Furthermore, they provided some lessons to move from the existing situation towards the future establishment of an overarching private agribusiness umbrella organisation.

Success factors:

- The members of a NAC and any other agribusiness umbrella organisation must actively promote agribusiness and be functional in regard to their objectives and mandates. Clear and transparent guidelines for the admission into the chamber are a must.
 - Good governance and clear decision making processes must be guaranteed in any private sector umbrella organisation. It must follow clear and transparent guidelines, which are communicated to all members in a manner that the latter fully understand.
 - Advocacy and policy advice are of high interest to members of agribusiness umbrella organisations who often do not have the time and financial resources to participate in regular and time-consuming meetings. It is, however, important to constantly renegotiate positions among the members of the umbrella organisation. The managing body has to be careful as not to take sides in conflicts among members (for example, processors importing raw materials versus farmers producing the same raw materials) and advocate unsolicited views.
- The sources of income should be stable and highly diversified, that is stem from multiple sources. The umbrella organisation should aim to be financially independent with sufficient earnings coming from membership fees, paid services or the implementation of projects, as well as some innovative and alternative funding mechanisms. As a consequence, government support and donor funding should only cover a portion of the whole needs.
 - Most of the commodity-specific organisations that were met still have to improve or to develop BDS for their members. Indeed, attractive (payable) BDS are a crucial basis for the recognition and the sound development of an organisation.
 - Due to the differing nature of activities that the different stakeholders venturing into agribusiness engage in, their needs can also vary quite significantly. Any private agribusiness umbrella organisation should initially build its core competencies around a few well selected topics which are of common interest and concerns to the majority of value chain actors/operators.
 - Specific technical services for members should be provided by the commodity-specific member organisations, which are most likely to have the necessary knowledge. A NAC (as umbrella organisation of private agribusiness apex organisations) should rather offer paid services, which are attractive to the majority of members. Such services include:
 - market information services;
 - investment and trade related support services;
 - organising trade delegations and exhibitions;
 - capacity development for members;
 - liaising with other chambers (regional, continental and worldwide); and
 - general capacity and institutional development (including management, trainer's courses, budgeting and tender writing).

Good practices

Consultative Fora as platforms for regular private-public dialogue do exist

The **CEO Forum** was established by the South African Department for Agriculture, Forestry and Fisheries (DAFF) and the private sector. It is made up of key agricultural sector CEOs and meets with DAFF to discuss challenges and opportunities facing the agricultural sector in the context of national development priorities. Analogously, to the CEO Forum there exists an **Agricultural Trade Forum** in South Africa.

In Ghana, the **Agricultural Public Private Dialogue Forum (APPDF)**, which was established by the Private Enterprise Foundation

in 2010 (PEF), aims to give private agribusiness stakeholders, farmers' organisations and the civil society the chance to engage with the Ministry responsible for Agriculture. The objective was to bring in formalised structures for debate and participation which will enhance the development of policies that lead to the growth of the agricultural sector. The platform is currently evolving and has potential to become a permanent forum where the private sector can exchange ideas and advocate for business promoting activities.

Even in Ethiopia, there is a kind of public private dialogue platform: the **Ethiopian Public Private Consultative Forum (EPPCF)** has been mandated by the Ministry of Trade and Industry (MoTI) and the Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) to be the main vehicle for public private consultation in Ethiopia.



1. EXECUTIVE SUMMARY – CONTINUED

Inclusive private agribusiness umbrella organisations are developing

The 2013-launched **Agri-Sector Unity Forum (ASUF)** in South Africa is an example for an inclusive agribusiness forum, created in an attempt to establish a united voice for the broader SA agricultural sector. Its membership is made of Agbiz, AgriSA, SAAPA, AFASA, NAFU, and TAU-SA, making it the first truly representative national structure in SA agriculture, bringing together both large scale established commercial and small-scale farmers and newly established 'emerging' commercial farmers as well as the up-stream agribusinesses.

Private sector organisations are brokering horizontal and vertical cooperation among their members

In Senegal, the **inter-profession of the tomato sector** has contributed to the **formalisation of contracts** between producers and processors (such as AGROLINE and Takama Food). These industrial players indicate their needs early in the season in the form of a formal specification, which the governmental support structure helps to meet (for example, the National Agricultural Research Institute). A financial partner finances the programmes and credit needs because his loan is secured by direct debit payments into its accounts.

Private sector umbrella organisations hand-in-hand with the government can achieve sector-friendly policies

In Senegal, the Market Regulatory Agency (ARM) has been established by the state under the Ministry of Commerce. It mobilises all relevant actors/operators of the onion value chain (producers, traders, transporters and middlemen, SAED, Directorate of Horticulture, customs, consumer associations, suppliers of fertilisers and seeds/TROPICASEM, banking/CNCAS, and more) in order to

negotiate trade policy measures which favour the domestic sector down-stream the value chain. A consensus among operators was reached to stop imports over a period of seven months to allow the potential for local production to be fully exploited. By this, the gap towards achieving self-sufficiency for onions in Senegal was significantly reduced; opening the room for a promising future for the value chain.

In Ghana, the Ghana Grains Council (GGC), a commodity-specific umbrella organisation has formed a **task force to prepare the groundwork for a warehouse receipt law** and its accompanying regulations. Once the law and regulations are in place, the GGC will help link these warehouses with banks to provide collateral management services. The task force consists of the Government of Ghana, GGC members, and donors. In addition, the GGC has taken the lead in training owners of private grain storage centres and has so far certified five warehouses.

Lessons learnt

From the countries' experiences, and in view of possible future establishments of an overarching viable private agribusiness umbrella organisation, the following lessons learnt deserve to be given attention:

- It is difficult to work out a detailed universally applicable model for the establishment of a NAC due to the country-specific background situation.
- The government should be consulted and informed during all of the steps leading up to the establishment of the NAC. However, it is more likely to succeed if it is initiated by the sector itself and not imposed by government. In fact, if the government intends to promote a certain sector due to strategic or political reasons, that might not be attractive for investments per se to the private

agribusinesses, unless it shows realistic entry points for the private sector to come on board.

- Where a NAC already exists, it can be used as a platform to initiate public-private dialogue. In countries without a NAC, a well working inclusive dialogue platform can stimulate public-private exchange on policy design and implementation, and form the basis for establishing a full-fledged NAC. Examples are the CEO Forum and ASUF in South Africa, as well as the APPDF in Ghana.
- The forum/dialogue platform can then be institutionalised once trust and on-going consensus has been achieved between the parties. It has to be noted that these processes may need time – up to several years.
- The existing Chambers of Commerce and similar platforms could in some cases also represent a solution for mobilising the private sector to participate in policy dialogue and policy design processes (such as CAADP). It should be analysed how far they involve smallholder farmers' organisations.
- Industry must be enabled to participate actively in the design and the creation of the umbrella organisation. Especially the organisations, which have already achieved proven results through activities in their sector, must be involved from the very beginning.
- The NAC should develop a common service pool of all the services the member organisations offer to their constituencies. All NAC members should be able to access this common pool. This offers a greater choice for individual members and organisations that have a larger client base for their paid services.
- It is recommended that the initiation and running of the NAC be championed by the private sector that sees a real need/ added value for it. Long-term results will only be achieved if the agribusiness actors get a sense of ownership. However, in most of the studied cases, an umbrella organisation is currently not a fully private driven organisation due to the country-specific institutional setting and the traditionally strong role of government.

- The NAC should establish itself as reliable partner for the government. If umbrella organisations manage to take back the information gained from consultations and decisions taken in negotiations, and mobilise the private sector accordingly, they will become a valid partner not only for the government but also for donors and CAADP.
- The initiation of a NAC should be accompanied by a public information campaign, which invites all stakeholders to join, as to not give the impression of a “closed club” of major agribusiness players being formed.
- Apart from direct agribusiness stakeholders, the focus should also be on engaging with civil society organisations. A proactive approach is recommended in order to sensitise the wider population, as the term “agribusiness” and related activities are often coined negatively in the public's awareness.
- A comprehensive repository of all agribusiness organisations, managed by an overarching NAC, will facilitate business and horizontal/vertical cooperation among all players and facilitate engagement with the international private sector.

Taking into account these lessons learnt is essential when developing a strong umbrella organisation of private sector agribusiness apex organisations, which has the potential to promote the countries' agribusiness sector. Strong NACs are attractive to stakeholders and will in the long run ensure that essential agribusiness players will become members. Private businesses will appreciate the added value the membership brings them in the following core fields that have been identified in this study:

- advocacy and representation;
- high quality member services;
- networking; and
- marketing support.



2. INTRODUCTION

It is expected that the National Agribusiness Chambers (formed by agribusiness associations, trade associations, private financial institutions, farmers' organisations, etc.) will provide platforms on national levels for mobilising agribusiness players at national and sub-national levels in order to integrate their perspectives in the overall political economy context and agenda setting.

The overall objective of the present study was to realise a stocktaking analysis and institutional assessment of National Agribusiness Chambers (NACs) and other similar organisations in five African countries, namely South Africa, Ethiopia, Senegal, Ghana and Cameroon – with as many country experts.

The implementation of the study was realised in four steps. First and foremost, the national agricultural sector was reviewed and the whole “landscape” of private agribusiness sector organisations analysed. In a second step, a total of 88 selected entities were examined

in detail on aspects that are linked to their internal organisation, strategies and objectives. The team of experts also carried out a capacity assessment of some of the key umbrella organisations. Based on these assessments, in a third step, the success factors, good practices and lessons learnt – for the future establishment of a comprehensive and inclusive NAC/agribusiness umbrella organization – were presented. Lastly, a set of recommendations was made on potential next steps for the dissemination of good practices.

The current framework conditions of the agribusiness sectors of the countries are very different, based on historical, political, economic, agricultural, cultural backgrounds and other country-specific circumstances. These characteristics largely influence the design of a successful and viable private sector umbrella organisation in a country. The table below shows some key factors that give an indication of the different situations that prevail in the five case study countries:

Table 1: Key indicators to illustrate the different framework conditions of the agribusiness sector in the case study countries

	South Africa	Ethiopia	Senegal	Ghana	Cameroon
Agricultural contribution to GDP (in percent) ¹	2,6	47	14,9	21,5	20,6
Labour force in Agriculture (in percent) ¹	9	85	77,5	56	70
Ease of doing business (rank – of total 189) ²	41	125	178	67	168
Status CAADP Process	Working towards signing compact in mid-2014.	Compact signed on 28.08.2009. Ethiopia's Agricultural Sector Policy and Investment Framework (PIF) 2010 – 2020 established.	Compact signed on 10.02.2010. Programme National d'Investissement Agricole (PNIA), Plan d'Investissement 2011-2015 established.	Compact signed on 28.10.2009. Medium Term Agriculture Sector Investment Plan (METASIP) 2011-2015 established.	Compact signed on 17.07.2013. National Agricultural Investment Plan in preparation (status: May 2014).

1. *The World Factbook – CIA website*

2. *Ease of Doing Business Index – The World Bank website*

2. INTRODUCTION – CONTINUED

While primary agricultural production as such only comprises a small part of the overall South African economy, it forms the basis of a modern agribusiness sector, which is estimated to make up around eleven percent of the country's gross domestic product (GDP). In contrast, the Ethiopian situation is characterised by a large number of smallholder farmers who contribute to the huge share agriculture takes in the national GDP. Similarly, in Senegal the majority of the population is employed in agriculture, but they mostly practice a form of subsistence farming which only has a small share in the country's GDP. Ghana and Cameroon's agricultural sectors are also the main source for employment for the countries' active labour force, but compared to Senegal both have developed a number of value chains, which contribute to their GDPs and export earnings. Other than in South Africa, where the institutional landscape is characterised by well capacitated, dynamic agricultural entities that are linked along structured and dynamic value chains, the majority of agribusiness organisations in the other countries lack internal capacity and the sectors as such are not organised sufficiently.



3. CONTEXT, OBJECTIVE AND METHODOLOGY OF THE STUDY

The NEPAD Planning and Coordinating Agency (NPCA), as technical arm of the African Union for the implementation of CAADP, has developed the NEPAD Agribusiness Strategy (NAS) and the NEPAD Agribusiness Flagship Programme (NAFP). Both look for ways to mobilise the African private sector to be more involved in CAADP implementation at national, regional and continental levels.

The NAS proposes to facilitate the establishment of National Agribusiness Chambers (NACs), similar to National Chambers of Commerce and Trade. The NACs (formed by national agribusiness associations, trade associations, private financial institutions, farmers organisations, and more) are expected to provide platforms on national levels for mobilising agribusiness at national and sub-national levels in order to contribute to the CAADP so as to include their positions in the overall political economy context.

The overall objective of the present study was to realise a stocktaking analysis and institutional assessment of NACs in five African countries, namely South Africa, Ethiopia, Senegal, Ghana and Cameroon. The study provides important insights into the roles, capacities, impacts and success factors of African Agribusiness Chambers. It was expected that the study will identify good practices, success factors and lessons learnt in order to make recommendations on how agribusiness chambers can be strengthened or successful models be replicated.

The entities belonging to the agribusiness sector, are defined as follows: farmers and their organisations, service providers along the agricultural value chains (including providers/distributors of inputs as seeds, fertilisers, machinery and business development services [BDS] providers), processors, distributors, exporters of raw or processed agricultural products, etc. All of them can be summarised under the term “value chain operators”.

To date, a clear and universally applied definition of an Agribusiness Chamber does not exist. Therefore, the team of experts came up with a number of desired common denominators that were considered to be essential properties for such a proposed entity. Essential for NACs should be that they provide a platform for mobilising agribusinesses

at the national and sub-national level to promote their interests and engage with political leadership at that level. Further they must unite a country’s essential agribusiness associations, such as farmers’ organisations, trade associations, financial institutions, and other service providers. Finally, they are expected to provide a range of technical services to members.

GFA Consulting Group GmbH, Hamburg (GFA Group) conducted the study, and assigned one international expert (team leader) and five local experts (one expert per identified country) for carrying out the study. In order to collect the needed information, the team of experts analysed available strategic papers, agriculture promotion programmes, decrees, value chain studies, annual reports, and realised interviews with identified organisations. The interviews were based on questionnaires and checklists that were presented, discussed and validated during the inception workshop of the study.

During the implementation of the study, the experts first identified and then assessed the organisations that are playing the role of National Agribusiness Chambers, or that could be key organisations (such as agriculture sections of regular chambers of commerce, business associations, trade associations, farmers’ organisations and financial institutions.) in the formation process of a National Agribusiness Chamber; as apex body of all private agribusiness organisations in a country.

In order to get a clear overview about the main organisations in the agribusiness sector, it was crucial to look at the mandate, the internal organisation, the activities and the business links of the identified organisations. Furthermore, the experts analysed in detail the experiences of the entities within their business environment, the results they could already achieve, and the type of collaboration they built up with partner organisations. This analysis also represented the basis for the identification of strengths and weaknesses of identified entities.

After the first interviews, which were based on a questionnaire, the team of experts prepared and carried out detailed assessments with the organisations that are key entities for the establishment of a NAC.

3. CONTEXT, OBJECTIVE AND METHODOLOGY OF THE STUDY – CONTINUED

Capacity assessment

The main objective of the capacity assessment of the selected organisations was to identify those particular areas of capacity that are strong and those areas that need improvement. The chosen approach was based on qualitative assessment tools, such as semi-structured interviews and observation, combined with analysis of secondary data and information. As it is very difficult to quantify the dimensions of capacity, the results of the exercise should be interpreted in the context of the organisation's stage of development. The capacity assessment represents also the basis for the assessment of achievements that was part of the institutional assessment.

Methodology and implementation of the study

The study started mid-September 2013. In a first step, the team of experts worked out the methodology and the approach for the implementation of the study. The methodology was described and explained in the inception report, which was presented to the commissioning party on 07 October 2013.

After validation of the methodology and the approach, the experts started to collect needed information and to implement the interviews at country level. The team leader participated in selected interviews in each of the five counties. A technical meeting to present the preliminary results of the study was held on 19 November 2013.

The study is based on deskwork, interviews, and institutional analysis. The team of experts used qualitative assessment tools for the institutional analysis and carried out semi-structured interviews combined with analysis of secondary data and information. As the approach is based on mainly qualitative assessment tools, the experts in charge of the study had to make judgments based on their professional experience.

The implementation of the study was realised in four steps.

- In a first step the national agricultural sector was reviewed and the whole “landscape” of private agribusiness sector organisations was analysed.
- In a second step a total of 88 selected entities were examined in detail on aspects that are linked to their internal organisation, their strategies and objectives. The team of experts also carried out a capacity assessment of some of the key umbrella organisations.
- Based on these assessments, in a third step, the success factors, good practices and lessons learnt (concerning the future establishment of a comprehensive and inclusive NAC/ agribusiness umbrella organisation) were presented.
- Lastly, recommendations regarding potential next steps for the dissemination of good practices were made.



4. COUNTRY CASE STUDIES

4.1 South Africa

Directory of organisations visited

- African Farmers' Association of South Africa (AFASA)
- AgBiz
- Agri SA
- Agri-Sector Unity Forum (ASUF)
- Department of Agriculture, Forestry and Fisheries (DAFF)
- National African Farmer's Union (NAFU)
- National African Farmer's Union (NAFU-SA)
- National Agricultural Marketing Council (NAMC)
- National Emergent Red Meat Producers' Organisation (NERPO)
- Potato SA
- Presidency
- SA Agricultural Processors Association (SAAPA)

4.1.1 The country's agricultural sector

Agriculture comprises a relatively small share of total South African (SA) gross domestic product (GDP), but is still important as a rural employer and an earner of foreign exchange. Agriculture's share of the GDP fell from 7,1 percent in 1970 to 1,9 percent in 2011 (DAFF: 2013a: v). Agriculture's larger, indirect role is through forward and backward linkages. Purchases of goods such as fertilisers, pesticides and farm equipment form backward linkages with the manufacturing sector, while forward linkages come from the supply of raw materials to the agro- and food industry. The overall agribusiness sector is estimated to be around 11 percent of GDP. Agriculture is thus still a relatively important component of the total economy, and is vital in terms of such business linkages and food security.

Land use in South Africa

South Africa's total land area comprises 122 million hectares. This includes urban areas, grazing land, arable land, forestry, and conservation areas (Table 2).

Table 2: Agricultural land in South Africa, hectares

Category	Hectares	Percent of total area
Total land area of South Africa	122.320.000	100
Total potentially arable land	16.737.000	13,7
Grazing land	83.928.000	68,6
Nature conservation	11.785.000	9,6
Forestry	1.433.000	1,2
Other (non-agricultural use)	8.434.000	6,9

Source: Abstract of Agricultural Statistics, DAFF, 2013

High potential arable land comprises only 22 percent of the total arable land. Some 1,3 million hectares are under irrigation. Agricultural activities range from intensive crop production and mixed farming to cattle ranching in the bushveld, and sheep farming in the more arid regions.

Consumption expenditure on food

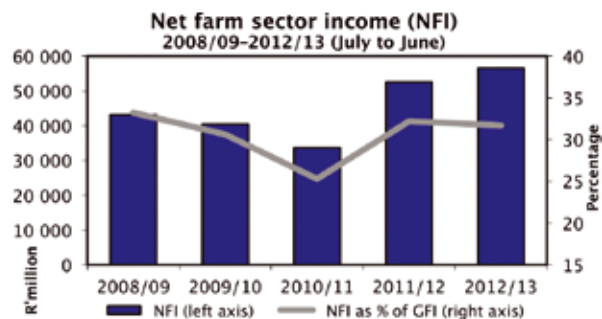
The consumption expenditure on food for the agricultural year 2013 (July 2012 – June 2013) amounted to US\$ 43 billion. Meat represented 32 percent; bread and grains 27 percent; fruit and vegetables 14 percent; milk, milk products and eggs 12 percent; oils and fats two percent; and sugar one percent.

4. COUNTRY CASE STUDIES – CONTINUED

Farm income and costs

2013 was a good year for farmers; gross farming income from all agricultural products for the year ended 30 June 2013 and was estimated at US\$ 17 billion, 10,1 percent higher than for the previous year. This total was comprised of field crops (US\$ 4,7 billion), horticultural products (US\$ 4,4 billion) and animal products (US\$ 8,1 billion). Net farm income increased by 7,6 percent and amounted to US\$ 5.484 million for the twelve months up to 30 June 2013 (DAFF: 2013a: 1). Net farm income for SA farmers has recovered in the last two years, as can be seen in the figure below.

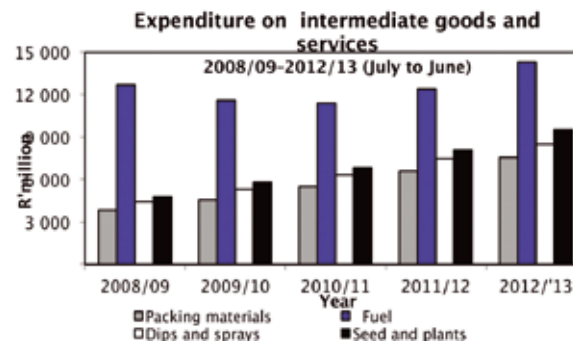
Figure 1: Net Farm Income (NFI) & Gross Farm Income (GFI), 2008/09 – 2012/13



Source: Economic Review of SA agriculture, DAFF, 2013

However, this trend has been matched by a steady rise in the cost of agricultural production. Inputs consumed during production rose by an average of 11,6 percent over the past year to June 2013. Within this average there were sharp increases in prices for packing material, dips and sprays, fuels, seeds and plants (DAFF: 2013: 3). The trend can be seen in the next figure.

Figure 2: Expenditure on selected agricultural production inputs, 2008/09 – 2012/13



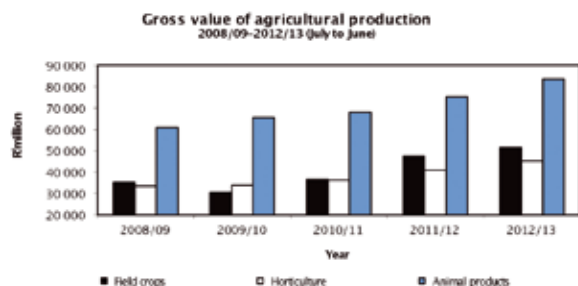
Source: Economic Review of SA agriculture, DAFF, 2013

This trend mirrors increases seen in the broader economy, where prices for energy, labour and materials have risen sharply over the last five years, in most cases faster than overall inflation. The net effect on food prices has been predictable and they have risen as well (NAMC: 2013).

Agricultural product value

Animal products, field crops and horticultural products contributed 46,4 percent, 28,6 percent and 25 percent respectively to the total gross value of agricultural production from July 2012 to June 2013 (DAFF: 2013b: 76). The largest contributors were the poultry industry (17,4 percent), followed by maize (13,2 percent), and then cattle and calves slaughtered (10,1 percent). Animal products have consistently ranked highest overall in value over the last five years, as can be seen from the next figure.

Figure 3: Gross value of agricultural production, 2008/09 – 2012/13



Source: Economic Review of SA agriculture, DAFF, 2013

Within these categories, SA's most important field crops, ranked by value, are maize, followed by sugarcane, wheat, sunflower seeds and soybeans. In terms of horticultural products, deciduous and other fruit rank highest in value, followed by vegetables, citrus fruit, potatoes, sub-tropical fruits, and flowers and bulbs. In terms of animal products, the top products ranked by value are poultry, beef and veal, milk, eggs, bacon and wool. South Africa generally produces over 80 percent of its meat requirements.

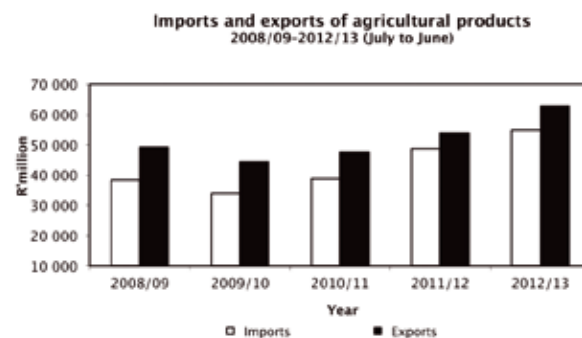
Agriculture and employment

SA has a very high unemployment rate, currently standing at 25,2 percent. Total employment stands at around 13,6 million. The total population of the country is 51,7 million. It is estimated that about 8,5 million people depend on agriculture for either employment or income. Agricultural employment itself totalled one million jobs in 2007. It fell to a low of 620,000 in 2011 but recovered to 739,000 in 2013. This current figure comprises 5,4 percent of total formal employment. Around 1,9 million people are estimated to be involved in subsistence farming. Food processing and agro-industries employ around 650,000 people. Guided by government's most recent policy programme, the New Growth Path (NGP), the agricultural sector has been identified as one of the sectors that have significant potential to create jobs.

Imports and exports

Agricultural trade has recovered from the financial crisis of 2008/09. This is illustrated in the figure below. Agricultural imports for the 2012 calendar year came to US\$ 5,1 billion and exports to US\$ 5 billion. Total imports came to an estimated US\$ 80,6 billion and total exports to US\$ 69,8 billion (DAFF: 2013b: 80). SA has been able to maintain a positive balance of trade during this period, as illustrated in the same figure below.

Figure 4: Imports and exports of agricultural products, 2008/09 – 2012/13



Source: Economic Review of SA agriculture, DAFF, 2013

The most important agricultural export products during the 2012/13-year were citrus fruits, wine, maize, apples, pears, quinces and grapes, in that order. Rice, wheat and meslin (a mixture of wheat and rye), poultry, undenatured ethyl alcohol and oil-cake were the highest imports in terms of value.

4. COUNTRY CASE STUDIES – CONTINUED

Investment in agriculture

The six major sources of credit for farmers are: banks (50 percent), agricultural cooperatives and agribusinesses (12 percent), the Land and Agricultural Development Bank of South Africa (the Land Bank) (21 percent), private creditors (eight percent), other creditors and financial institutions (nine percent), and the state (one percent). In June 2012, the African Development Bank approved a R1-billion line of credit to the Land and Development Bank to benefit both emerging and commercial farmers (GCIS: 2012). Additionally, the support will be used to assist agricultural cooperatives and agri-related businesses. The Land and Development Bank of South Africa is a government-owned development bank, established in 1912.

4.1.2 The country's legal and policy framework

In terms of doing business, SA has slipped from 34th position in 2011 to 41st position in 2013 out of 185 economies ranked globally. By comparison, Rwanda ranked 52 and the average for Sub-Saharan Africa was 140. SA performed best on 'protecting investors' (disclosure/director liabilities/protection) and 'paying taxes' (payments/time/various tax rates) and worst on 'getting electricity' (procedures/time/cost of energy) and 'trading across borders' (documents/time/cost) (World Bank: Doing Business Report, 2013).

The 2012/13 Budget indicated planned spending of US\$ 100 billion. GDP at 2012 prices is estimated at US\$ 287,4 trillion. South Africa's economy displays dual characteristics, with a sophisticated financial and industrial base, alongside a large informal economy. In its 2012/13 Global Competitiveness Report, the World Economic Forum ranked South Africa second in the world for the accountability of its private institutions, and third for its financial market development. Its securities exchange is ranked among the top 20 in the world in terms of size. The private sector must comply with separate legislation related to employment equity, broad-based black economic empowerment, competition and a highly sophisticated taxation collection regime.

Corporate governance is emphasised with a strong regulatory system. Constraints include aging infrastructure, skills shortages, no surplus energy capacity (which has led to steep increases in the price of electricity as government seeks to fund new power stations), historical distrust between business and labour and structural unemployment, as a result of decades of negative social engineering. It is estimated that to reduce unemployment the economy must achieve sustained growth of at least five to seven percent. This has not yet been achieved. The current economic policy plan is called the New Growth Path, and was adopted in 2010. It has set a target for the generation of five million new jobs by 2020 to significantly reduce unemployment. Critics have labelled it as too pro-business and not holistic enough to tackle structural unemployment.

The broad legislative framework within which companies must operate includes:

- The Broad-Based Black Economic Empowerment (BBBEE) Act, 2003 (Act 53 of 2003)
- The Consumer Protection Act, 2008 (Act 68 of 2008)
- The Cooperatives Act, 2005 (Act 14 of 2005)
- The Copyright Act, 1978 (Act 98 of 1978)
- The Intellectual Property Laws Rationalisation Act, 1996 (Act 107 of 1996)
- The Liquor Act, 2003 (Act 59 of 2003)
- The Patents Act, 1978 (Act 57 of 1978)
- The Small Business Development Act, 1981 (Act 112 of 1981)
- The Trade Marks Act, 1993 (Act 194 of 1993)
- The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
- The Competition Act, (Act 89 of 1998)

A key labour related focus is on labour relations and occupational health and safety. SA enacted progressive wide-ranging protections in these areas in the 1990s to reform Apartheid era workplace relations. SA's labour union movement is highly organised and its

largest trade union federation (COSATU) participates together with the SA Communist Party in a political alliance with the ruling party, the African National Congress. Unionisation levels are high in the agro processing and agribusiness sectors, but low in the primary agricultural (farming) sector.

Minimum wages for agricultural workers are set by the state. In February 2013, the Minister of Labour announced the new wage determination for farm workers. The new minimum wage, as of 01 March 2013 to 28 February 2014, was pegged at US\$ 10,2 per day (up from the current US\$ 6,7 a day) for employees who work nine hours a day – or US\$ 1,1 per hour, US\$ 51 weekly or US\$ 220,5 per month.

Agriculture related legislation

The following key agriculture related legislation guides the actions and decision-making of the sector (GCIS: 2012: 45):

- The Veterinary and Para-Veterinary Act, 1962 (Act 71 of 1962)
- The Fertiliser and Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act 36 of 1947).
- Consultation regarding the Plant Breeder's Rights Amendment Bill is underway to replace the Plant Breeders' Rights Act, 1976 (Act 15 of 1976)
- The Genetically Modified Organisms (GMO) Act, 1997 (Act 15 of 1997).
- The Disaster Management Act, 2002 and the National Disaster Risk-Management Framework, 2005
- The Meat Safety Act, 2000 (Act 40 of 2000)
- The Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983)
- The Control of Markets in Rural Areas Ordinance, 1965 (Ordinance 38 of 1965)

- The Problem Animals Control Ordinance, 1978 (Ordinance 14 of 1978).
- The Livestock Brands Act, 1962 (Act 87 of 1962)
- The Agricultural Credit Act, 1966 (Act 28 of 1966)
- The Subdivision of Agricultural Land Act, 1970 (Act 70 of 1970)
- The Plant Improvement Act, 1976 (Act 53 of 1976)
- The Livestock Improvement Act, 1977 (Act 25 of 1977)
- The Cooperatives Act, 1981 (Act 91 of 1981)
- The Perishable Products Export Control Act, 1983 (Act 9 of 1983)
- The Agricultural Pests Act, 1983 (Act 36 of 1983)
- The Agricultural Research Act, 1990 (Act 86 of 1990)
- The Agricultural Product Standards Act, 1990 (Act 119 of 1990)
- The Agricultural Produce Agents Act, 1992 (Act 12 of 1992)
- The Marine Living Resources Act, 1998 (Act 18 of 1998)
- The National Forest Act, 1998 (Act 84 of 1998)
- The National Veld and Forest Fire Act, 1998 (Act 101 of 1998)
- The Sea Fishery Act, 1988 (Act 12 of 1988)

Examples of policies relevant to agriculture include:

- Draft Carbon Tax Policy Paper, 2013
- National Development Plan Vision 2030, 2011
- New Growth Path, 2010
- Green Paper on Land Reform, 2011
- Complete National Water Resources Strategy, 2012
- Industrial Policy Action Plan 2013/14 – 2015/16, 2013
- White Paper on Climate Change, 2011
- National Commercial Ports Policy, 2002
- White Paper on Agriculture, 1995

In addition, SA has some of the most rigorous environmental legislation in the world and places significant emphasis on sustainable development in the context of climate change.

4. COUNTRY CASE STUDIES – CONTINUED

Public support for agriculture

Wide-ranging reforms liberalising domestic and foreign trade and lowering support to agriculture were implemented in the 1990s. Up until that point, agriculture in SA was highly regulated. SA re-entered the global economy in the era of globalisation and increased opportunities for mechanisation. These trends shaped government and private sector decision-making. Unfortunately the deregulation of the sector and the broader economy contributed to the loss of 400,000 agricultural jobs in the 1990s. The current level of agricultural support in South Africa, measured according to the Organisation for Economic Cooperation and Development's (OECD's), Producer Support Estimate is five percent. This is low, relative to the OECD average, and is similar to the level of support in Australia, Brazil, Russia and China. The majority of SA's support is due to payments towards land redistribution (NWU: 2012: 69). Tariff averages are below 10 percent, budgetary payments have been reduced and there has been a shift in payments away from established commercial farms to the development of the small farm sector, linked to land reform.

In 2012, the SA government increased agro-processing investments to improve production of products based on soya beans, rooibos, fruit and vegetables by allocating US\$ 4,8 million towards the promotion of local agro-processing businesses. Government believes that an equitable food security economy will improve access to markets for especially smallholder farmers. It aims to increase the extent to which SA exports processed rather than unprocessed agricultural products. The entire value chain of biofuels is also a priority.

For the period 2010 to 2013, US\$ 6,7 million was set aside to respond adequately to outbreaks of animal diseases. In 2011/12, 15,000 smallholder farmers were targeted, including support provided to small-scale foresters and fishers. Over US\$ 96 million was allocated to the nine provinces for smallholder farmers. In 2012/13, US\$ 40,2 million was allocated to the Illima-Letsema Programme, which aimed at ensuring food security. US\$ 92,5 million was allocated for plant and animal production, including inspection and laboratory services; and US\$ 90,6 million for agricultural research, which represents a substantial increase over the previous year's allocation. Furthermore, US\$ 84,1 million was allocated to food security initiatives, and US\$ 33,8 million for extension support services, including new farmer development support.

Other forms of government support include:

- **The Land and Development Bank** is a specialist agricultural bank guided by a government mandate to provide financial services to the commercial farming sector and agribusiness, and make available financial products to new entrants to agriculture from historically disadvantaged backgrounds. In March 2012, the DAFF entered into an agreement with the Land Bank as an external agency to manage and administer the AgriBEE Equity Fund, which is geared towards increasing the number of historically disadvantaged entrepreneurs in the sector (GCIS: 2012).



- **Micro-Agricultural Financial Institutions of South Africa** (Mafisa) is a government-supported financial scheme that aims to increase productivity in farming and agri-business operations. It has nine intermediaries, both public and private, which are required to be registered with the National Credit Regulator to participate in the scheme. The DAFF holds quarterly review workshops to monitor and evaluate the performance of intermediaries. Institutions accredited to retail Mafisa loans include cooperatives, commodity organisations and development finance institutions. Mafisa loans are available for agriculture-related enterprises, covering the entire agricultural value chain.
- **Extension and advisory services.** From 2010 to 2012, DAFF implemented an extension and advisory service revitalisation programme worth US\$ 53,8 million to improve the ratio of extension officers to farmers. To ensure access to appropriate information, the department facilitated the countrywide adoption of the state-of-the-art *Extension Suite On-Line*. This computerised system enables extension officers to access relevant information.
- **Land reform.** SA has been engaged in a proactive, comprehensive land reform programme since the end of Apartheid. A Commission on the Restitution of Land Rights was created. The aim of this commission is to resolve restitution claims within the target period through negotiated settlements that restore land rights or award alternative forms of equitable redress to claimants. People dispossessed of a land right after 19 June 1913, in terms of racially discriminatory laws and practices, are entitled to restitution of that right or equitable redress. All claims are against the State. The restitution process is implemented in line with the provisions of Section 25 of the Constitution, which places emphasis on equitable redress.

4.1.3 The agribusiness organisations

The largest institutional players in the landscape of existing agribusiness entities are Agbiz, AgriSA, the SA Agricultural Processors Association (SAAPA), the African Farmers Association of SA (AFASA), the National African Farmer's Union (NAFU), the Transvaal Agricultural Union SA (TAU-SA) and the new entrant, the Agri-Sector Unity Forum (ASUF). At the next level there are dozens of commodity-specific organisations and a number of service-specific agribusiness or commodity-specific agro-processing organisations. The large majority are members of the above six organisations. The remaining associations are largely fruit and vegetable associations, for example Potato SA. They are 100 percent funded through statutory levies. Statutory levies cannot be used for paying fees. As a result they have not joined AgriSA or any other large institutional players.

Key umbrella entities

Agbiz

Agbiz has broad sector membership, with over 60 farmer and agro-processor organisations, financial institutions, and agribusiness (service providers) as members. It has the most diversified membership of all the established SA umbrella organisations and, in this sense, at least comes closest to the study's definition of a NAC, bested only by the potential displayed by ASUF. Agbiz is affiliated to Business Unity South Africa (BUSA) and the NEPAD Business Foundation. Agbiz's mission is to ensure that agribusiness plays a constructive role in the country's economic growth, development and transformation, and to create an environment in which agribusinesses of all sizes, and in all sectors, can thrive and be competitive. Agbiz's farmer constituency is largely made up of white established commercial farmers.

4. COUNTRY CASE STUDIES – CONTINUED

AgriSA

AgriSA was established in 1904 as the South African Agricultural Union. It serves some 70,000 mostly white large and small commercial farmers. To accommodate the particular needs and problems affecting emerging (largely black) farmers who are members of the various affiliated commodity organisations, AgriSA established an Integrated Farmers' Forum. This forum offers an opportunity for representatives from previously disadvantaged communities to discuss their developmental challenges. AgriSA promotes the development, profitability and stability of commercial agriculture. It is involved at national and international policy levels. Within AgriSA there are 33 members in total, and 28 of these are commodity-specific organisations. AgriSA has a mandate from its members to merge with any truly national, representative agricultural association once this has been established.

SAAPA

SAAPA's membership is made up of large agro-processing companies. The membership is not extensive and some important companies of this segment are not members. SAAPA does not have its own offices or institutional capacity. It relies on the Chamber of Milling for the provision of both. Its future is in question, with some players pushing for it to merge with Agbiz.

AFASA

Formed in 2011 by 3,000 mostly small scale farmers to organise black farmers under one representative body, its purpose is to ensure the economic growth and socio-economic movement of historically disadvantaged farming communities, and to increase their meaningful participation in the commercial agricultural sector. Transformation of the commercial sector, farmer support and land reform are key focal areas. AFASA further aims to facilitate the participation of women and youth in agri-business.

NAFU

NAFU was formed in 1991 to create a home for thousands of black farmers who had previously been excluded from the mainstream

of agriculture. The union draws its members from a broad base that includes farmers, agribusinesses, farmers' organisations, corporations and individuals. The original NAFU experienced internal disagreements, which led to the emergence of AFASA. After the creation of AFASA, NAFU groupings emerged, namely NAFU-SA, which is the largest structure and retains the bulk of the provincial memberships, and a NAFU, which is more affiliated to the National African Federated Chamber of Commerce and Industry (NAFCOC). The focus of NAFU has been on advocacy and it is lobbying for access to resources such as land, credit, information, extension and other support services. NAFU also focuses on training, improving management skills and exposing farmers to up-to-date production techniques.

TAU SA

TAU SA was established in 1897 as the Transvaal Agricultural Union. In 2002, the union reorganised to become a national rather than provincial agricultural union serving commercial farmers. It renders services to its members in terms of: property rights, economic issues and safety and security. It represents largely Afrikaans, large-scale commercial farmers, and geographically has its history in the north-eastern part of the country.

ASUF

ASUF was formed in late 2012 after about 18 months of discussion, in an attempt to establish a united voice for the broader SA agricultural sector. It has as its members Agbiz, AgriSA, SAAPA, AFASA, NAFU and TAU-SA, making it the first truly representative national structure in SA agriculture. The members have displayed unprecedented unity since its formation. ASUF does not yet have a secretariat or financing mechanisms, but it appears that discussion on these topics will commence in 2014. ASUF is the most likely candidate for a South Africa NAC. Given the deep divisions in SA agriculture, the formation of ASUF provides hope for any AU member state with a divided agricultural sector, echoing the political breakthrough achieved by the country in 1994.

Consultative Fora

CEO Forum

This forum was established by DAFF and the private sector. It is made up of key agricultural sector CEOs and meets with DAFF to discuss challenges and opportunities facing the agricultural sector in the context of national development priorities. There is an implementing body, which meets every six weeks. A steering committee oversees implementation of decisions and reports to forum meetings about implementations that were discussed and realised. The CEO Forum meets twice a year. The chairmanship rotates between industry and the department. It does not have an independent financing mechanism or secretariat and is meant as a consultative forum.

Agricultural Trade Forum

This forum was established by DAFF and the private sector. Representatives of commodity organisations, umbrella organisations, consumer groups, and relevant government officials make up this forum. It meets every six weeks to discuss all agricultural trade matters, including current and planned trade negotiations.

Commodity-specific entities

- Cotton SA
- Potato SA
- Tomato Producers' Association
- Deciduous Fruit Producers' Trust
- Grain SA
- Milk Producers Organisation
- Milk SA
- Ostrich Business Chamber
- Red Meat Industry Forum
- National Emergent Red Meat Producers Organisation
- SA Canegrowers Association

- Vinpro
- SA Crocodile Farming Association
- SA Flower Growers' Association
- SA Ostrich Business Chamber
- SA Pork Producers' Association
- SA Poultry Association
- SA Sub-tropical Fruit Growers Association
- SA Garlic Growers' Association
- National Wool Growers' Association
- SA Table Grape Industry
- Forestry SA Medium Growers' Group
- SA Nursery Association
- Citrus Growers' Association of SA

Agribusiness specific entities

- Animal Feed Manufacturers Association
- SA Feedlot Association
- Association of Meat Importers and Exporters
- SA Sugar Importers' Association
- Tobacco Institute of SA
- Wildlife Ranching SA
- Hortgro Services

Other agro-processing entities

- Federation of Food Processors
- Canning Fruit Processors Association
- Chamber of Baking
- Chamber of Milling
- SA Sugar Millers Association
- SA Fruit and Vegetable Canners' Association
- SA Wine Industry Council

4. COUNTRY CASE STUDIES – CONTINUED

Other relevant entities

- National Agricultural Marketing Council (NAMC). This is a government agency that provides advice and policy support to DAFF.
- National Economic and Development Labour Council (NEDLAC). This council is a statutory body made up of government, organised business, organised labour and organised community groupings at a national level. It was established to discuss and try to reach consensus on issues of social and economic policy. Most policy issues that will affect the private sector or the economy in general are debated here before they are legislated. NEDLAC's aim is to make economic decision-making more inclusive, to promote the goals of economic growth and social equity.
- Business Unity South Africa (BUSA) was created in October 2003 through the merger of the Black Business Council and Business South Africa. The merger created the first truly unified organisation for business in South Africa. BUSA represents South African business on macro-economic and high-level issues that affect it at national and international levels. Its aim is to ensure that business plays a constructive role in the country's economic growth, development and transformation, and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive.
- SA Flower Export Council
- SA Footwear and Leather Export Council
- SA Fruit and Vegetable Canners' Exporters' Council
- Fresh Produce Exporters' Forum
- Farmed Abalone Export Council
- SA Wine Industry Trust
- SA Dairy Foundation
- SA Chamber of Commerce and Industry

4.1.4 Assessment, good practices and success factors

Based on the map of agricultural entities, it was possible to identify and then to assess selected organisations that are already playing the role of NACs or that are key organisations for establishing such a body.

From the outset it can be noted that although SA enjoys a number of well-capacitated, dynamic agricultural entities, the only organisation currently existing that could be said to represent the sector's actors and characteristics is the recently launched ASUF. The SA agricultural economy is dualistic (large scale established commercial vs. small scale farming and newly established 'emerging' commercial). Usually the established group is comprised of white farmers and the emerging group is comprised of black farmers although there is an overlap.

With respect to the most important players in agriculture (all of whom are members of ASUF), four are producer associations. Within this group AFASA and NAFU largely represent small-scale farmers while SAAPA is focused on agro-processing. Agbiz, although closest in composition to the concept of a NAC, has three limitations: it does not represent significant numbers of producers; where it represents producers it is primarily large-scale producers; and it is not sufficiently representative of national demographics. These constraints prevent it from playing the role of a NAC at present.

Roles

Although umbrella organisations can offer a degree of technical services to members in a few areas, both funding and capacity almost always limit the scope for this. The members of an umbrella organisation have too many different needs for the host organisation to be able to effectively meet them. Umbrella organisations therefore restrict themselves to offering a few cross-cutting technical services and rather focus on policy, which is by nature cross-cutting and can be undertaken by a smaller team. Commodity-specific organisations in contrast, are better able to offer technical support services than contribute to policy processes. Similarly, value chain issues are not usually dealt with by the umbrella bodies, to avoid involvement in conflicts within or between members.

Reasons for the organisation's existence must be clear to members, or the organisation's existence cannot be guaranteed. There must be sufficient members to make it viable or representative.

Lessons

- Umbrella bodies should not involve themselves in value chain conflicts (for example, conflict between SA producers and SA importers of the same commodity).
- Umbrella bodies may stretch their resources too far if they attempt to offer too many policy and technical services to members.
- The reasons for the organisation's existence must be clear to members, or the organisation's existence cannot be guaranteed. There must be sufficient members to make it viable and representative.
- Very rigorous competition legislation can lead to a weakening of industry associations as members become scared of sharing information or undertaking anything too collaborative.

Capacities

Both technical and policy capacity are needed, but deploying technical programmes requires significantly more financial investment by members. Respondents had different perspectives though. The private sector noted the difficulty of providing comprehensive technical services, and government queried whether an association could remain relevant over the longer term if it only provided policy services.

Internal capacity must be developed. A NAC will not be able to respond to the complexity of national issues and CAADP just through outsourcing. The following posts may be created and adequately staffed: an Executive Director, an Office Manager, an Economic Intelligence Manager, an International Trade and Investment Intelligence Manager, and a Communications Manager.

A NAC does not have to have members from all existing agricultural entities. It is possible to provide effective policy inputs to government processes and address industry priorities if the members have sufficient capacity to provide detailed inputs and bring clear mandates to NAC meetings. The NAC's highest body will then approve these and coordinate their submission to government and the subsequent interaction with government.

Without support and consensus from the members it is difficult for an organisation to implement a technical services programme.

Good practices

The following are elements of good practice encountered during the research into the various organisations.

- When applying for membership, qualifying associations or organisations must indicate proof of a mandating structure and significant participation in the broader agricultural sector.
- All members must endorse and subscribe to the ethical values and standards set out in the entity's Code of Conduct. Members must also be required to abide by the constitution of the entity or face some form of sanction.
- Review the Management Committee membership every two terms.
- Communication with the media, government and other stakeholders on behalf of the organisation should be centralised through one official or department, so as to reduce the potential for miscommunication or contradictory statements by officials or members.
- Sources of income for the entity should be stable and diversified.
- When members fall into arrears with their fees, an agreed cut-off point should automatically kick-in on their suspension, so that the member does not incur on-going arrears until reinstated. Sanctions can include suspension of voting rights, loss of access to services, suspension from the entity, and finally termination of membership.
- Multiple communication tools should be deployed to target different audiences (including different member groups) and use made of the options provided by the Internet, including email, cell phones and social media.
- A Council or similar body should act as a mandating body for management, but care should be taken by the Council not to 'micro-manage' the organisation.
- If an organisation does not have an independent secretariat this places limitations on the commitments it can accept and the work it can undertake.
- An association with an average level of capacity will probably have to restrict itself to policy inputs to government processes, and maybe one key technical service such as training. An association

4. COUNTRY CASE STUDIES – CONTINUED

with high capacity could offer services such as: policy briefings for members, policy and legislative inputs to government processes, agribusiness intelligence gathering, trade and investment promotion, stakeholder engagement (such as government, other industry associations and civil society) and human capital development. Examples of policy focus and advocacy can include: work on trade negotiations, social matters, land reform, industrial policy, taxation, financing, land reform, labour laws, training, farmer development, environmental affairs, water rights and water pricing, other input-related issues, farm safety, law and order, infrastructure, technology development and transfer, statistical information and local government matters.

- Sub-committees should be established to lighten the load on the entity's management and to draw on individuals in the industry with strong expertise in relevant areas. These sub-committees also allow internal consensus to be built before matters are presented to the governing body.
- Relationships should be formed with relevant national, regional, continental and even global bodies. Even if funding to attend events is limited, information exchange, coordination of programmes and capacity development can be undertaken for low cost.

Success factors

Many of these overlap the good practices sub-section above, but some additional factors or related aspects can be noted.

- Sufficient services or added value must be offered to members to retain their support or encourage potential members to join. To add real value to members an organisation must be able to offer both policy and technical support. Retired industry officials can form a useful resource to address issues of capacity in specific service areas.
- Accountability to a higher structure (for example, a Council) should be institutionalised so as to keep the association's programmes relevant to members. Such accountability would also minimise unethical behaviour by management of the association.

- A balance between members' autonomy and the mandate given to the association must be achieved so that members can both express themselves yet not undermine their association.
- Voting procedures and internal approval procedures must allow an equitable weighting that reflects the industry and national economy appropriately, but at the same time must not allow a single commodity or agribusiness to dominate internal and external processes and outputs. For example, policy inputs to government must not be skewed and training must equitably be provided to large and small members alike.
- To avoid the NAC being captured by a political interest group or faction aligned to a powerful national player; it would be necessary to have mobilised majority support within the sector's farmer associations. Once these are aligned with other value chain actors it will be easier to insist that the NAC remain objective and well run.
- It is possible to have a national body but for it to be ineffective due to poor leadership. Governance processes must therefore allow members to speak to these points.
- On-going communication with members using multiple methods/ tools is essential.
- The Association's programmes and decisions must remain relevant to the needs of the members.
- Stable, diversified sources of income must be established, for example the AgriSA combination of publication income, fees and investment income.
- Effective internal capacity is a key factor. A financing mechanism must be developed to allow for the development of sufficient capacity to offer practical value to members and intervene in national policy formulation and implementation.
- Internal and external financial matters must be strictly monitored and audited to maintain the trust of members and prevent financial impropriety destroying the organisation.
- An association requires capable leadership, to manage internal industry politics, external politics, as well as national and industry specific technical policy matters.

Establishment of a NAC in South Africa

Two previous attempts have been made since 2000 to create a single voice for SA agriculture. In the early 2000s former President Mbeki held meetings with NAFU and AgriSA, however the initiative was unsuccessful. Key players believe this was because the process was imposed on the two entities. Around 2006/2007 another attempt was made, this time by the sector itself. NAFU, AgriSA and Agbiz held talks on creating a common platform. These proved unsuccessful as well. Key players believe this was as a result of the parties attempting to institutionalise the initiative from the outset, before the parties had had an opportunity to work together and develop trust.

The most recent initiative is ASUF, introduced previously in this report. This is again an initiative driven by the sector itself. Of interest is that in both private sector-led attempts the vital importance of a private sector champion for unity was evident, and in both cases an individual leader supported by his/her organisation. ASUF was launched in November 2012, after about 18 months of discussion. This time only an initial structure, a Forum, has been launched. At present, a few members of ASUF are providing secretariat support, but they see a growing need for ASUF to develop its own financial and institutional capacity so as to reinforce its identity and unique character. It has been suggested that such a secretariat be formed in 2014.

Government interviewees met during this study felt that ASUF could indeed provide a vehicle for unity in the sector. Given the consensus both within the private sector and government over the role and potential of ASUF, it makes it the most promising vehicle or entry point for the implementation of CAADP in the country. In interviews with both government and private sector, respondents were of the opinion that ASUF could feasibly be a partner for NEPAD on CAADP. Going forward, there was also cautious support for the concept of institutionalising ASUF and expanding its capacity so that it could evolve into a NAC.

A particular point that must be noted is that AgriSA apparently has a mandate from its members to dissolve and merge with other national industry associations to form a body equivalent to a NAC. In the event this happens, this would assist the creation of a SA NAC.

Lessons

- The formation of a NAC is more likely to succeed if it is initiated by the sector itself and not imposed by government.
- A promising process towards a NAC seems to be a multi-stage approach. Firstly, where divisions have existed between different associations it may be more suitable to start the process towards a NAC by forming a Forum or similar loose structure. The entity can then be institutionalised once trust and on-going consensus has been achieved between the parties. The financial costs of this initial structure could be kept to minimal venue hire costs until consensus is reached on comprehensive financing mechanisms. Until agreed otherwise, matters requiring technical input could be referred to each member for input and the Forum will discuss the high level strategic elements only. The next stage would be to create a set of 'chambers' or similar second tier structure within the Forum. The third stage would be for the founding members of the Forum to restructure themselves (or even dissolve?) so that their respective memberships can allocate themselves per category of chamber. That is, ASUF might then be comprised of a Commodity Chamber, a General Chamber (financial institutions, agribusiness suppliers and other service providers) and an Agro-processing Chamber. At this stage the overall Forum would have to be institutionalised and renamed. A provincial structure would have to be created, replicating the structure of the national one. The current ASUF Management Committee would need to be reconstituted as a Council. The entity would by this stage have to have a constitution, secretariat and financing mechanism as well. The financing mechanism would have to have the flexibility to deal with the issue of entities that are funded 100 percent through statutory levies. This would allow the final stage to occur, whereby the organisation is further expanded to include as many as possible of those agricultural organisations, which have to date not joined. To target specific areas of work,

4. COUNTRY CASE STUDIES – CONTINUED

a set of committees could be created at national level, replicated as well at provincial level, for example, African affairs (including CAADP), natural resources, trade, communication, labour and social development. Each committee would have a chairperson, with nominated representation from the various chambers. A key point to address at these last two stages would be to what extent the NAC would get involved in technical service provision. It would appear pragmatic to leave this to member organisations and to perhaps concentrate only on achieving parity in terms of quality and where relevant, quantity, of such service provision.

- It can be noted that the multi-stage process described above may take a few years. All the while the CAADP process will no doubt be unfolding. The two processes will need to take account of each other.
- In countries with policy uncertainty around agriculture, this uncertainty can be used as a driver for uniting diverse interests from large commercial farmers to small holders.
- Although SA has significant capacity in its existing associations, government would prefer to work through one entity when dealing with the sector.

CAADP participation and implementation

The points that follow were raised by SA respondents in regard to the implementation of CAADP. Financial service providers, potential investors, banks and non-labour civil society will very likely be included in the implementation processes via a dedicated structure, so as to increase the manageability of the processes. It was stated that consumer organisations should be included in any NAC. The NAMC will apparently be used by government to engage and partly represent commodity groups. It is envisaged that the SA CAADP Country Team will play an on-going role. Government believes CAADP should be a standing item on each industry association's agenda. Government has included CAADP on the agenda of all its multilateral (for example, UN, WTO), and bilateral (for example, EU) interactions.

Government wants to strongly promote CAADP but wants industry to own it. More importantly, Government would like the SA National

Agricultural Investment Plan (NAIP) to be province-specific as it is treating each province as a separate entity. It was noted that CAADP has to be carefully coordinated, as it has many facets; therefore, increasing the share of the national budget devoted to agriculture will be very complex. The respondents believe this will definitely trigger the need for a national structure to effectively represent agriculture. The SA agricultural sector is seen as still too fragmented by both private sector and government. This means that in spite of the fact that many SA agricultural organisations have high capacity, and between them cover the entire sector thoroughly, government still prefers more consolidation. A clear channel for interaction on CAADP is necessary. In this vein, it was stated that ASUF might be too loose a structure in its present form. Attention will have to be paid to how its members hold and express individual positions. Government believes that until business internalises CAADP and sees value in it, it will not participate fully. Business says the process and purpose of CAADP is still not entirely clear. Business often says government must act first and government at the same time does not want to dictate to business. This can be exacerbated by the fact that business wants short-term return on investment and CAADP is a long-term project, albeit one with enormous potential for both sides.

The private sector feels a SA Compact must be built along value chains. Once you have strong value chains, the policy issues become clear and can be dealt with. It must not be too political in nature; there must be a strong technical element too. A specific SA policy framework may be needed to implement CAADP. The industry key players feel that government must not dictate the specific nature and elements of the NAIP. The focus and detail must be worked out with the private sector and the plan must have sub-sections focused on the agricultural value chain. Alternatively, if the government intends to promote a certain sector due to strategic or political reasons, that might be not attractive for investments *per se* to the private agribusinesses, it must show realistic entry points for the private sector to come on board. The plan must be harmonised with other government policies and must at the same time be flexible enough to adjust to changing national realities and priorities. The private sector feels the agricultural markets in SA are working. The NAIP must be aligned to this reality and to existing investment plans.

In essence, SA needs a “grand plan” for agriculture, involving all necessary sector stakeholders. Once such a plan is underway it will necessitate a national representative structure for agriculture. A NAC could flow from this process and can be entrenched through statute. Powerful champions from both the political arena and the private sector may be needed to push CAADP, and the status of the programme within government structures should be clear.

The bulk of agro-processors do not appear to have been active in the CAADP consultations. However a channel for the voice of agro-processors is necessary, as it will be harder to implement CAADP in the absence of their effective representation. For example, if SAAPA is not to be absorbed by Agbiz, then it will need to be revitalised.

Lessons

- The SA Compact must be built along value chains. Once you have strong value chains and a technical understanding then the policy issues become clear and can be dealt with.
- All components of the value chain need to be represented in the CAADP consultative and implementation process, at national and provincial levels.
- A clear policy framework must be created for the implementation of CAADP, especially as SA agricultural key players already see the need for policy certainty in agriculture as an existing challenge.
- Powerful champions may be needed to push CAADP.
- The status of the programme within government structures must be clear.
- Sub-committees dealing with CAADP must be established in all ASUF members and in ASUF itself. CAADP must form part of the Key Performance Areas of relevant government officials.
- Once the NAIP planning process commences, a greater role for the National Treasury and the Department of Trade and Industry (the dti) will be necessary, to ensure practical and accurate alignment with existing government investment and industrial policy.

- CAADP will allow states to holistically and equitably address the matter of services delivery by associations. The NAIP could be used to expand the capacity of all key NAC members to deliver technical services. This will be a very productive use of some of the NAIP funds.

In SADC

Within the Southern African Development Community (SADC) structures there is a CAADP consultative platform for SADC members to update each other on progress made. CAADP will promote the SADC Regional Agricultural Policy (RAP) and vice versa. The RAP is intended to be the SADC instrument for purposes of attaining the CAADP agenda. The formulation of the SADC RAP takes in account the CAADP principles. As such, the RAP is intended to inform and guide agricultural development strategies for the region, which the individual member states will individually and collectively implement. Therefore, the RAP will comprise the Regional CAADP Compact for the SADC region. The completed draft RAP was approved in principle in mid-2013 and a legal text will apparently be drafted by end-2013 for consideration by the region’s agricultural ministers.

Lessons

- Regional policies and processes can reinforce CAADP if alignment and coordination are built into the formulation of such policies and processes.
- Industry associations should proactively participate in regional processes to ensure that they are relevant to private sector needs and challenges.
- Just as SACAU exists for farmer unions, there is merit in creating a similar structure for regional NACs once they are formed.

4. COUNTRY CASE STUDIES – CONTINUED

4.2 Ethiopia

Directory of organisations visited

- Addis Ababa Chamber of Commerce and Sectoral Associations (AACCSA)
- Africa Juice Pvt. Ltd. Co.
- Agricultural Transformation Agency (ATA)
- Ethiopian Apiculture Board (EAB)
- Ethiopian Association of Agricultural Professionals
- Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA)
- Ethiopian Coffee Growers and Exporters Association
- Ethiopian Cotton Producers, Ginners and Exporters Association (ECPGEA)
- Ethiopian Horticultural Producers and Exporters Association (EHPEA)
- Ethiopian Livestock Traders Association (ELTA)
- Ethiopian Meat Producers and Exporters Association (EMPEA)
- Ethiopian Privatisation Agency (EPA)
- Ethiopian Pulses, Oilseeds & Spices Processors Exporters Association (EPOSPEA)
- Ethiopian Seed Growers and Processors Association (ESGPA)
- GIZ Ethiopia
- Ministry of Agriculture and Rural Development (MoARD)
- Moredo Coffee Pvt. Ltd. Co.
- Oromiya Coffee Farmers Cooperative Union (OCFCU)
- Pan African Chamber of Commerce & Industry (PAACI)
- Sidama Coffee Farmers Cooperative Union (SCFCU)

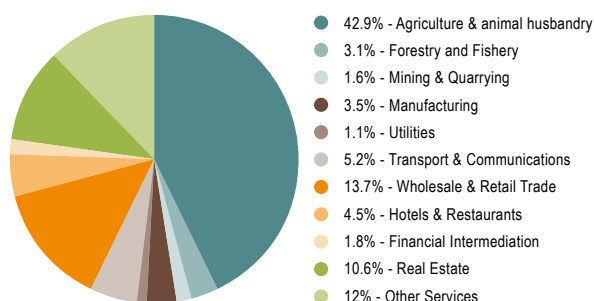
4.2.1 The country's agricultural sector

The economic vision of the Growth and Transformation Plan of Ethiopia is “to build an economy which has a modern and productive agricultural sector with enhanced technology and an industrial sector that plays a leading role in the economy; to sustain economic development and secure social justice; and, increase per capita income of citizens so that it reaches at the level of those in middle-income countries.” (GTP, 2010). The nation has developed various strategies to achieve the vision.

The agricultural sector greatly influences economic performance of the nation. About 11,7 million smallholder households account for approximately 95 percent of agricultural GDP and 85 percent of employment. About 25 percent of rural households earn some income from non-farm enterprises, but less than three per cent rely exclusively on income from such enterprises. The major exports of the country are agricultural products which include raw coffee, hides and skins, oil seeds, vegetables and cut flowers, while the imports include telephone equipment, petroleum oils (refined), aircraft spare parts and vehicles/cars.

With a total population of 85 million, an area of about 1,13 million km² and about 51,3 million hectares of arable land, Ethiopia has potential for agricultural development. Only about 11,7 million hectares of land are currently being cultivated; which corresponds to 20 percent of the total arable area. Nearly 55 percent of all smallholder farmers operate on one hectare or less. The agricultural sector accounts for 46 percent per cent of the GDP including forestry and fishery.

Figure 5: Agriculture's contribution to GDP, 2011



Source: World Bank, 2013

Since 1996/97 the average growth rate of the agricultural GDP has been about 10 percent per annum, and since 2004 to 2005 the sector has been reported to expand at around 13 percent per annum, which surpasses the CAADP target of six percent. The share of agriculture in GDP declined from 53 percent to 43 percent between 1995/96, reflecting strong growth in other sectors of the economy.

The Ethiopian economy continued to expand at a rapid pace in 2011/12, registering a growth rate of 8,5 percent. Compared to 1996/97, agriculture, industry, and services grew by 4,9 percent, 13,6 percent and 11,1 percent, respectively. However, given the relative size of each sector, expansion of the services and agricultural sectors explain most of this growth (57 and 26 percent, respectively), while the contribution of industry was relatively modest (16,7 percent).

The government has demonstrated strong commitment to agriculture and rural development through allocations of between 13 and 17 percent of the total budget (including natural resource management) in recent years – far more than the average for sub-Saharan African countries. To enhance the delivery of improved production technologies and support services, the government has, with strong support from development partners, embarked on (i) expanding coverage of the national agricultural research system into arid and semi-arid area; (ii) training and deploying at least three development (extension) agents to each kebele (lowest government administrative unit); (iii) establishing

farmer training centres in all 18,000 kebeles; and (iv) strengthening research-extension farmer linkages to improve technology generation, transfer, utilisation and feedback.

Building on the achievements of the past decade, Ethiopia aims to become a food-secure middle-income country through the Agricultural Development-Led Industrialisation (ADLI) strategy by 2025. Agriculture and rural development have been the central pillars of successive national development and poverty reduction plans and remains so under the new Growth and Transformation Plan (GTP) announced in August 2010. In order to achieve these far-reaching and ambitious objectives, a number of key sectoral issues will need to be addressed over the next decade. It also needs to be recognised that achievement of the targets for the agricultural sector are in part dependent on the performance of other sectors, and the economy in general. Investments in the agricultural sector by the private sector lag behind.

4.2.2 The country's legal and policy framework

In its overall conception, the Growth and Transformation Plan, which sets out Ethiopia's current economic framework and strategy, is cast in terms of the developmental state model applied successfully in East Asia. This involves government stepping in where there are apparent market failures (for example, trade logistics), the identification of strategic sectors to drive economic growth (textiles, leather, agro-processing and mining), and an ambitious programme of economic infrastructure development (transport, energy and telecommunications).

The stock-taking and institutional analysis revealed that Ethiopia has established relevant policies, strategies, and programmes in this regard.

The Agricultural Sector Policy and Investment Framework (PIF) 2010-2020 arose from the CAADP compact, which called for the design of an investment framework to align the nation's agricultural sector investment priorities with higher level development goals. The PIF is aligned with both the CAADP pillars and the GTP. It was endorsed in the December 2010 Joint Communiqué of the Government and DPs.

4. COUNTRY CASE STUDIES – CONTINUED

The Goal of the PIF is to “contribute to Ethiopia’s achievement of middle income status by 2020”. The Development Objective aims to “sustainably increase rural incomes and national food security”. This objective embodies the concepts of producing more, selling more, nurturing the environment, eliminating hunger and protecting the vulnerable against shocks; all of which are embodied in various national policy instruments, and are expressed in terms of four main themes, each with its own strategic objective:

Thematic area	Strategic objectives (SOs)
<ul style="list-style-type: none"> Productivity and Production 	<ul style="list-style-type: none"> SO1: To achieve a sustainable increase in agricultural productivity and production.
<ul style="list-style-type: none"> Rural Commercialisation 	<ul style="list-style-type: none"> SO2: To accelerate agricultural commercialisation and agro-industrial development.
<ul style="list-style-type: none"> Natural Resource Management 	<ul style="list-style-type: none"> SO3: To reduce degradation and improve productivity of natural resources.
<ul style="list-style-type: none"> Disaster Risk Management and Food Security 	<ul style="list-style-type: none"> SO4: To achieve universal food security and protect vulnerable households from natural disasters.

Source: PIF final document, 2010

Ethiopia has institutionalised systems to achieve its strategic objectives. Hence, the Rural Economy Development & Food Security Sector Working Group (RED&FS SWG) Platform that brings together the government and its Development Partners was established in 2008 to improve harmonisation and support the sector and mobilise resources. The SWG is working through its three thematic Technical Committees (TCs): Agricultural Growth, Natural Resources Management, and Disaster Risk Management and Food Security. The fourth TC, which focuses on Livestock and Pastoralism, will soon

be established. The RED&FS system was instrumental to facilitate the Ethiopian CAADP compact and supported the preparation of the PIF and its implementation roadmap. The Government and DPs endorsed the PIF 2010-2020 at the business meeting in December 2010 and its implementation was started in April 2011.

There are annual reviews of PIF to strengthen and make adjustments in some areas that were inadequately addressed and also incorporate new themes that have emerged since the PIF was formulated. The latest PIF review conducted in 2013 concluded the fact the PIF has proven effective in defining Ethiopia’s sectoral investment priorities, mobilising resources, and harmonising efforts among the principal actors and recommended key areas for improvement.

In terms of doing business, Ethiopia has slipped from the high point of 104th position in 2011 back to 127th in 2013 out of 185 economies ranked globally. By comparison, Rwanda ranked 52 and the average for Sub-Saharan Africa was 140 (Doing Business Report of 2013, World Bank).

Public private partnerships in Ethiopia

As partners in developmental efforts of a country, the private sector and the public sector need to communicate their concerns in a formal way. The Ethiopian Public Private Consultative Forum (EPPCF) has been mandated, via a Memorandum of Understanding (MoU) signed between the Ministry of Trade and Industry (MoTI) and the Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) in 2010, to be the main vehicle for public private consultation in Ethiopia. The EPPCF has an ambitious structure that covers three levels: federal, regional and Woreda/district. To implement the structure, a secretariat has been established within the ECCSA to provide a valuable resource for private sector members to utilise the information and research emanating from the EPPCF mechanism. To further support the implementation of the EPPCF, the Ministry of Trade has assigned an EPPCF focal person, which is expected to grow into a unit.

4.2.3 The agribusiness organisations

The genesis of chamber system in Ethiopia

According to the recent strategic analysis conducted by the Ethiopian Chamber of Commerce (2013) and situation analysis of Business and Sectoral Associations in Ethiopia (2009), the history of the Ethiopian Chamber can be classified into three distinct periods: the imperial period (1947-1974), the post revolution period (1974-1992) and the post-Dergue period (post 1992). The Imperial Charter for the establishment of the Addis Ababa Chamber of Commerce marked the beginning for modern legal history of chambers of commerce in Ethiopia. In this charter, the Chamber was authorised to work for “the advancement of commerce and industry by all lawful means, disseminate commercial and industrial information within Ethiopia and abroad, establish friendly relations with chambers of commerce and in other countries and exchange of information in their mutual interest, represents government bodies on matters affecting commerce and industries and conduct arbitration on commercial and industrial differences”.

A strong chamber and flourishing private sector and business associations suddenly suffered a serious blow following the eruption of the 1974 revolution. The Dergue toppled the Emperor and proclaimed socialism as its official economic policy and ideological orientation. As a result, private land, private manufacturing industries, mechanised farms and service rendering institutions were nationalised, and emerging private businesses discouraged. In line with its ideology, it felt the need to issue a new proclamation to establish chambers of commerce, which would operate under the guidance of “the National Democratic Revolution Programme”.

The Dergue, thus, issued the Chamber of Commerce Proclamation No.148/1978, which heralded, for the first time, the legal establishment of a national chamber, the Ethiopian Chamber of Commerce and other “Urban Centre Chambers”, to be established in consultation with the Minister of Commerce and Tourism.

The Ethiopian Chamber consisted of “the council whose members are presidents of Chambers and a representative of the Minister”. These chambers were envisaged to be established in each urban centre as might be determined between the national chamber and the Minister. The proclamation introduced mandatory membership and imposed the obligatory representation of virtually each public commercial, agricultural, industrial and financial institution, as well as cooperative societies and peasant associations. During this period, the relative independence that chambers enjoyed during the imperial era was abolished – as the chambers became a wing of the government, and the small private sector was practically undermined.

Following the downfall of the Dergue regime in 1991, the Transitional Government of Ethiopia (TGE) adopted a new market oriented economic policy. However, Proclamation No.148/1978 continued to be in force, even though most of the rules contradicted the policies and laws of the TGE and, later, the constitution of the Federal Democratic Republic of Ethiopia. Sizable members that were required to become chamber members as a matter of legal obligation drifted away and some of the most powerful member organisations that came to existence after the revolution, such as the cooperative societies and peasant associations, vanished. Mandatory membership registration and annual membership ceased to be the major sources of revenue to all urban chambers.

Consequently, the Ethiopian Chamber of Commerce also lost much of the contributions that it used to receive from urban chambers. With the adoption of the Transitional Government charter and later the constitution, the right to freedom of association was recognised, and businesses of various sectors or sub-sectors quickly got organised at both national and local level. Although late, the Government issued the Chamber of Commerce and Sectoral Associations Establishment Proclamation No.341/2003, which reconstituted the chambers of commerce and sectoral associations in line with the free market policy of the government and the federal structure adopted by the country.

4. COUNTRY CASE STUDIES – CONTINUED

Ethiopian Chamber of Commerce and Sectoral Associations

The Ethiopian Chambers of Commerce and Sectoral Associations (ECCSA) establishment Proclamation No.341/2003, and the respective directives for the implementation issued by the Ministry of Trade and Industry, form the legal basis for the establishment of the current chamber system in Ethiopia.

The Ethiopian chamber system consists of the Sectoral Associations (commodity and value chain associations), the chambers of these Sectoral Associations and the umbrella organisations, of which the ECCSA was constituted in 2007. ECCSA's membership now comprises nine regional chambers of commerce and sectoral associations, two city chambers of commerce and sectoral associations, one national chamber of sectoral associations and 24 sectoral associations at the national level. The proclamation further stipulates that a board of 11 members elected by the council shall run the ECCSA.

Business/Sectoral Associations

Similar to the chambers, the history of business associations in Ethiopia is not well documented. It is well known, however, that business associations existed in this country since the time of the Emperor. In this chapter on Ethiopia, business associations refer to all those associations formed by business entities under Article 404 of the Ethiopian Civil Code and registered by the Ministry of Justice.

Most commonly, business associations are established on commodity and/or service lines. Accordingly, among the oldest business associations in Ethiopia are the ones representing the coffee, leather, textile, and manufacturing industries. Typical to any association, the objectives of business associations, in general, focus on advocacy, information exchange, joint use of facilities and representing the industry in various forums. Depending on their institutional strength, these associations have been instrumental in bringing problems faced by their sectors to the attention of different levels of government and achieving favourable responses to the problems.

4.3.4 Assessment, good practices and success factors

The study was based on an extensive desk-work, interviews and institutional analysis. Accordingly, three governmental organisations, three chamber of commerce (ECCSA, AACCSA and PACCI), nine sectoral associations, two co-operative unions, two private farms, one agricultural professionals association and a resource person were interviewed, while an intensive institutional analysis was conducted for two chambers of commerce, one co-operative union, and three sectoral associations. The study also used some results from previous similar surveys.

Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA)

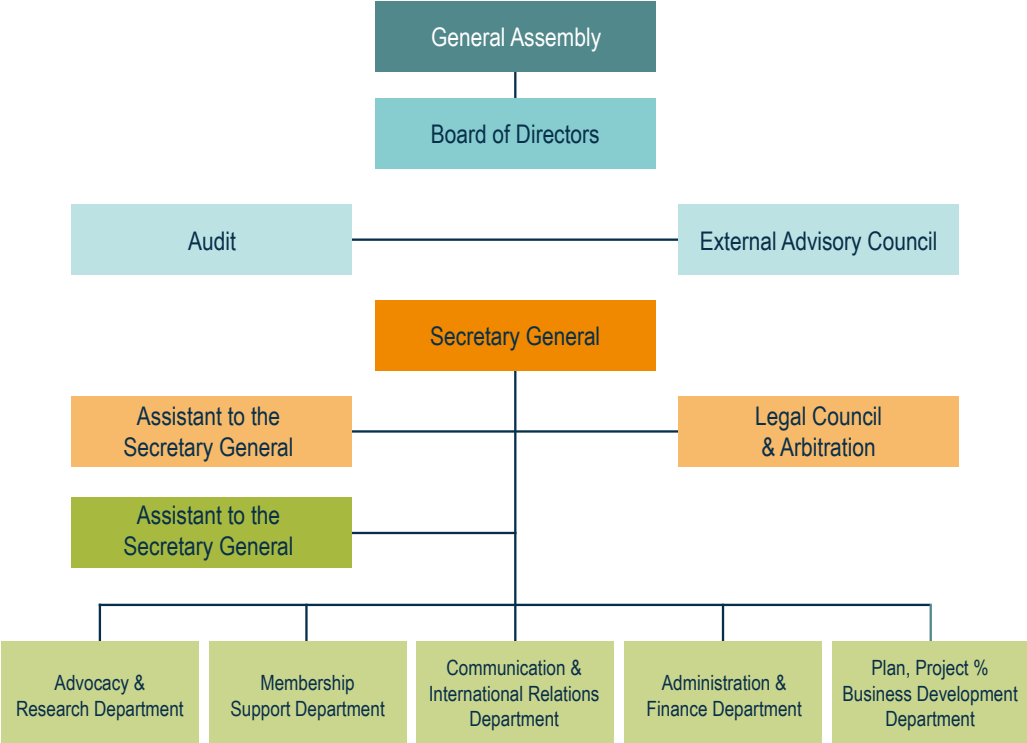
The Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA), is a national chamber of commerce and sectoral associations, comprising 18 members made up of nine Regional chambers of commerce and sectoral associations, two city chambers of commerce and sectoral associations, one national chamber of sectoral association and six sectoral associations organised at a national level. The ECCSA has designed a strategic plan for the years 2010-2014. As stated in the strategic plan, the ECCSA has set the following objectives to be achieved:

- to provide services to the business community;
- to safeguard the overall rights and benefits of their members;
- to promote and publicise products and services of the country; and
- to serve as a bridge between the business community and the Government.

The ECCSA is governed and managed by a Council or General Assembly of members, a Board of Management, a Secretary, and the necessary staff. The General Assembly or Council is the highest decision making body in the chamber. It is composed of the representatives of member chambers of commerce and sectoral associations of ECCSA. The General Assembly is mandated to

approve the annual budget and work programme of the chamber, elect Board members of the chamber, assign an Auditor for the audit of the books of accounts and financial documents of the chamber, examine and approve reports submitted to it from the Secretary-General and the Auditor, approve internal regulations of the Chamber, and give decisions on other matters concerning the chamber.

Figure 6: Governance and organisational structure of the ECCSA



Source: ECCSA 2013

4. COUNTRY CASE STUDIES – CONTINUED

Recognising the need to invigorate the chamber and acknowledging the crucial role of updating its strategy, ECCSA has recently launched strategic initiatives which include: improving the institutional capacity of the chamber system, promoting an enabling business environment, promoting trade and industry, broadening the resource base and strengthening financial sustainability, and building the capacity of the private sector.

Complementary to its strategic initiative, recent studies on Revisiting the Ethiopian Private Sector Associative Formats with a view of Fostering a Stronger Private Sector (September 2013) and Strategic Analysis of the Ethiopian Chamber of Commerce and Sectoral Associations (July 2013) were conducted, among others, and the final drafts of the reports are prepared. The major findings of the September 2013 study, based on the experience of chambers worldwide and the organisational environment in Ethiopia, proposed two options:

1. retain an associated format with chambers of commerce and industry and vertically integrated business associations; and
2. create a federated system of chambers of commerce and industry and establish sector organisations separately.

Addis Ababa Chamber of Commerce and Sectoral Associations (AACCSA)

The Addis Ababa Chamber of Commerce and Sectoral Associations (AACCSA) is the oldest, largest and strongest chamber in Ethiopia, which represents a wide spectrum of business accounting for more than 60 percent of business residing in Addis Ababa. The chamber is currently implementing various projects not only limited to its constituency, Addis Ababa, but also all over the country.

In its five year strategic plan (2012/13 to 2016/17), the chamber has identified nine key results: membership development and mobilisation,

policy advocacy, business development services, relationship with chambers and other associations, institutional capacity building, forward linkage institutional transformation, inward looking institutional upgrading, image building, corporate social responsibility, convention of exhibition centres and resource mobilisation.

The major areas that need improvement, as identified in the strategic planning workshop in year 2012 and confirmed during the interview are low membership development coupled with rising cost of member recruitment and retention, need for strategic paradigm shift in order to be more effective in addressing the needs of members and of the business community, lack of awareness about AACCSA's support services and the need for the provision of adequate business development services.

Chambers and Sectoral Associations

The private sector operators are key stakeholders of ECCSA and AACCSA and expect effective representation from the association they belong to, which calls for a coordinated effort among the chambers and associations at all levels in the country. Discussions with key private sector operators revealed that they want the chamber and the associations to be more involved in policy advocacy in order to create an enabling business environment in the country. Additionally, they have mentioned a need for developing the capacity such as effective training, research and consultancy. While the private sector operators have high interest in positive changes at ECCSA, their power to influence these changes may be minimal.

Considering secretariat staff adequacy, the majority of the business and sectoral associations (about 61 percent) do not have a secretariat at all. For the other 24 percent of the business and sectoral associations, the secretariat staff is inadequate both in number and in quality (skill and competence) to deal with the issues of their members.

Views of stakeholders with regards to a comprehensive agribusiness umbrella organisation in Ethiopia

Chambers of Commerce

The government plays an important role in the functioning of chambers and sectoral associations. This is particularly the case for Ethiopia where the government plays major roles in the economic management of the country. Hence, the government is a key stakeholder for ECCSA as policy maker and business owner, and as facilitator and supporter of chambers and associations in Ethiopia. The key federal level government stakeholders interviewed include the Ministry of Agriculture and Rural Development, the Ethiopian Privatisation Agency and the Agricultural Transformation Agency.

Interviews conducted with most of these government counterparts revealed that they consider ECCSA and AACCSA as partners in trade, investment and implementation of the Growth and Transformation Plan (GTP). Moreover, since high emphasis is given for engagement in the manufacturing sector in the current policy, the government seeks to work together with the chamber in attracting business in this area. They have also outlined the need for the chamber to create a socially responsible private sector by educating the private sector in business ethics and corporate social responsibility. This will be exhibited by the business communities' adherence to the policy requirements of the country and a more assertive business community in the environment. Another expectation from the government stakeholders is the need to resolve the problems of the private sector in collaboration with the government. The government has high interest and high power to influence the decision making of the chamber.



4. COUNTRY CASE STUDIES – CONTINUED

The prime expectation of interviewed members from the chamber is the right representation of the interests of the private sector following the law of the country. This could be manifested in terms of proactively influencing the policies of the government in favour of the private sector. Most members expressed the need for the chambers to focus on bigger issues related to private sector development and the creation of favourable business environment in the country.

In addition, several other expectations were also identified by members that broadly relate to the strengthening and capacitating of both members and ECCSA itself, and promoting international trade. More specifically, most members expect transparency, periodic reporting and timely information flow, adequate follow-up of their activities, fund mobilisation support through mapping of potential donors, capacity building support in the areas of membership development, leadership, ICT and skill development, support in the form of office space, furniture and equipment, and assignment of full-time qualified staff to run their day to day business, creation of market linkages and promotion of international trade, searching for foreign markets, coordinating members and improving their linkages, periodic visit and holding discussions with their regional stakeholders, election of experienced and visionary board members, strong leadership, experience sharing with international chambers, and improvement in Proclamation No.341/2003. More is expected on the promotion of trade and investment from the chamber. To meet the above expectations the members want the Chamber to work on its own internal structure and capacity. Nevertheless, interviews conducted on the sample members revealed that ECCSA and AACCSA didn't satisfy the needs and expectations of the majority of them.

Members believe that the chamber fell short of meeting their expectations as related to the provision of strong leadership and communication, supporting them to mobilise funds and capacity building, equipping members with qualified manpower and facilities to properly run their operations, paying regular visits to follow-up on members' activities, coordinating members and bringing them together, addressing business community problems, enhancing investment and international trade, ensuring the transparency of board

activities, and establishing an appropriate organisational structure. The interview results confirmed the earlier study result of ECCSA, 2013: Strategic Analysis of the Ethiopian Chamber of Commerce and Sectoral Associations.

Sectoral associations

The challenges faced by the sectoral associations, as explained by the interview partners, include lack of members trust in institutions as a whole, despite the fact that a new institutional framework is in place. Their major opinions include the facts that members have not yet internally owned their organisation and do not yet trust it is their organisation. Furthermore, associations are not self-initiated and demand-driven, there is lack of effective communication and internal engagement between associations and their members.

The associations are unable to afford the required services to members mainly due to financial and technical deficiency, which is lowering the number of memberships. The cooperative sector's interview partners explained that the establishment of a co-operative federation at a national level would support them to increase their efficiency and also enter into dialogue with the government. The three most important coffee cooperative unions have started to establish a platform to address problems, which they could not resolve independently. One big private farm (passion fruit) and another medium private farm (coffee) noted that they basically struggle with their problems, which could have been tackled by a strong sectoral associations and the chamber of commerce, and they feel that they are left alone.

The common view of the sectoral association on the services of the chamber of commerce is that there is historic tragedy in working relations of the ECCSA and AACCSA. The chambers appear to compete while the expected roles are complementary. According to the strategic Analysis conducted by ECCSA 2013, establishment of parallel organisations, such as "Traders Forum", "EPRDF Supporters Traders Association" and "Hidase Traders Associations", has created confusion, and antagonism could be observed within

the same sector on the same issue between various representatives of the business communities. The creation of parallel forums may challenge the chamber to unite the business community around common issues. It also creates fragmentation of membership as more than one advocacy group represents the same constituency.

There are significant variations in institutional strength among these business associations. The Ethiopian Horticulture Producers and Exporters Association (EHPEA) stands among the strongest in the country today. The association is well recognised at all levels. It has also the experience to organise regional and international events in the country on a regular basis. On the other hand, the majority of the associations are characterised by a small active membership base, weak organisational capability (human resource, finance, and more), limited contribution to the causes for which they have been established, and, ultimately, limited satisfaction among members.

Scenarios of establishing a NAC in Ethiopia

With regard to a potential establishment of a NAC, the scenarios proposed by the interview partners can be categorised into four settings. The vast majority of the interview partners believe that there is a strong need for the establishment of a National Agribusiness Chamber. Their difference is basically on the modality and timeframe.

Scenario 1: Establishing an agribusiness department under the existing chamber of commerce

Those who want to see the establishment of a NAC under the existing chamber of commerce, preferably under the ECCSA, are convinced of the fact that the chamber is the legally established organisation to lobby for the private sector and that it has experience in the service, although there are clear gaps to be bridged. They justify that there is no need to establish a parallel structure.

The major advocates of the above scenario are the ECCSA itself, parts of governmental organisations and the Chamber of Sectoral Associations. The AACCSA in particular feels confident and capable to realise this scenario, given there is adequate support from stakeholders.

Contrary to the above suggestions, others argue that the ECCSA is not well recognised by its members for its dedicated service and emphasise its capacity problems.

Scenario 2: Establishing a platform/taskforce under the chamber of commerce and gradually building its capacity and decide on its future by consolidating experience

Interview partners in favour of the above scenario argue by presenting the fact that the establishment of the NAC should not start from a complicated end. They believe that starting simple and growing during implementation is more important than to reach the ultimate goal. They insist that an informal platform/taskforce, established under the chamber of commerce, will provide an opportunity to operate flexibly and be open for learning.

Associations with medium level capacity in terms of staff, finance and experience, prefer the above-mentioned scenario. They wish to closely observe the development process of the scenario and make an optimum decision on the way forward.

Those who do not appreciate the scenario justify that the platform to be established under the chamber would be weak and may not acquire the expected protection/support from the chamber as well. Furthermore, they believe that it will be difficult to bring a large number of Sectoral Associations operating in various value chains under one platform in an informal way.

4. COUNTRY CASE STUDIES – CONTINUED

Scenario 3: Establishing a vibrant and independent national agribusiness chamber

It is the strong view of the majority of the interview partners that one of the practical ways of accelerating the development of private sector is to establish an independent NAC. They argue that as the Sectoral Associations have organised their chambers in Ethiopia, the agribusiness sector also has the legitimate right to establish one. The NAC to be established could be the member of the ECCSA, or any other relevant chamber of commerce in the nation. They are of the opinion that they need to organise their own chamber to operate a self-driven and independent entity instead of attending meetings on an *ad hoc* basis.

The opponents of the above scenario argue that there are already platforms that allow the private sector to present its cases to the government. They are not optimistic about the encouragement from the government to establish a new structure.

The promoters of the above scenario are organisations that have relatively high capacity and the private farms. They wish to have a genuine representative of the sector, which can contribute to solutions of the prevailing problems, advocate for the sector and influence policy, so that they contribute towards development up to the expectations.

Scenario 4: Capacity building of the existing Sectoral Associations instead of establishing an umbrella organisation

This group strongly believes that building an umbrella/taskforce with the existing weak members will only lead to a weaker structure. They are convinced that they already have adequate platforms and that the establishment of an umbrella organisation, in any form, is not their priority. Some of the interviewed governmental organisations, and most of the associations with capacity limitations in terms of resources, favour this view. For organisations facing challenges in terms of capacity due to resource constraints, survival is the most important need. Most of them currently depend on limited supports from NGOs and few contributions from their members. Hence, they welcome and support any contribution that will contribute to their survival instead of opting for an umbrella organisation.

Others justify that the existing platforms cannot provide demand-driven programmes and are merely extensions of the government. They believe that it is not possible to address the important issues of the private sector as proposed in this scenario.

4.3 Senegal

Directory of organisations visited

- Agence de Régulation des Marchés – Ministère du Commerce (ARM)
- Association des Riziers du Nord – Membre du CIRIZ (ARNORD)
- Association Socio-éducative Sportive et Culturelle, L'Amicale du Walo (ASESCAW)
- Association Professionnelle des Organisations de Base (ASPRODEB)
- Association des Unions Maraichères des Niayes (AUMN)
- Chambre de Commerce d'Industrie et d'Agriculture de Dakar (CCIAD)
- Chambre de Commerce d'Industrie et d'Agriculture de Thiès (CCIASTH)
- Chambre de Commerce d'Industrie et d'Agriculture de St Louis (CCIASTL)
- Coopérative Fédérative des Acteurs de l'Horticulture du Sénégal (CFAHS)
- Comité Interprofessionnel de la Filière RIZ (CIRIZ)
- Comité National de Concertation de la Filière Tomate Industrielle (CNCFTI)
- Conseil National de Concertation des Ruraux (CNCR)
- Comité National Interprofessions OIGNON
- Direction Régionale du Développement Rural de Saint Louis (DRDR)
- Filigree Patate
- Fédération des Exploitants des Casiers & Exploitations Paysannes Familiales (FPA/SAED)
- Fédération des Producteurs Maraichers de la Zone Niayes (FPMN)
- GIZ – Projet d'Appui à la Compétitivité et à la Croissance des PME (PACC)
- Ministère de l'Agriculture et du Développement Rural – ISRA/ BAME (Bureau d'Analyse Macro Economique)
- NEPAD

- Réseau de Développement de l'Entrepreneuriat de Dagana (REDES)
- Société d'Aménagement des Terres du Delta (SAED)
- Unions Nationale des Chambres de Commerce et d'Agriculture du Sénégal (UNCCIAS)

4.3.1 The country's agricultural sector

Senegal is located in the Sahel on the west coast of Africa, and covers an area of 196,722 km² with an estimated population of around 13,6 million. It has 700 kilometres of coastline and three major rivers flow from east to west into the Atlantic: the "Senegal" (1,700 km), the "Gambia" (750 km) and the "Casamance" (300 km).

The agricultural sector employs about 70 percent of the Senegalese population. However, the primary sector's share of the GDP continues to decrease. The decrease in rainfall and the crisis that hit the peanut sector (peanuts are the main cash crop of the country) have reduced the contribution of agriculture to less than 20 percent of GDP. Fishing, which remains a key sector of the Senegalese economy, suffers the consequences of the degradation of aquatic resources (overexploitation) and the recent increase in energy costs. The main agricultural crops are cereals – mainly millet and sorghum, and in the region of Casamance it is also rice. Peanuts as well as fruits and vegetables are common, especially in the horticultural region of Niayes, which supplies the Dakar area with fresh produce. Further tomatoes or green vegetables and cotton are important in Eastern Senegal.

Arable land is estimated at about 3,8 million hectares, thus 19 percent of total land mass. Meadows and pastures cover 6,8 million ha, and the forest covers 8,7 million ha. In addition to the land, water resources are substantial too. They are estimated at over three significant potential to contribute to the increase of household incomes and to the reduction of food insecurity in the country. The state has taken measures to increase agricultural production. These interventions, combined with good rainfall, have led to a good performance of the sector in 2008, 2009 and 2010. Unfortunately this could not be repeated in 2011/2012 despite the government's continued implementation of the strategic guidelines defined in the *Orientation-Agro-Sylvio-Pastoral Act* (LOASP).

4. COUNTRY CASE STUDIES – CONTINUED

4.3.2 The country's legal and policy framework

Senegal has significantly strengthened its democratic structures over the years. The 2010-2014 strategic plan aims to further increase the participation of non-state actors in the political, social, economic and cultural dialogue to define, monitor and evaluate policies and development strategies. Senegal is ranked 166th among the countries in the Ease of Doing Business Report of 2013 of the World Bank.

Social situation

The poverty rate declined only slightly in Senegal over the last six years, from 48,3 percent in 2005 to 46,7 percent in 2011. This contrasts with a stronger decline of 55,2 percent to 48,3 percent between 2001 and 2005 – during this period, economic growth was moderately shared with an elastic effect on poverty reduction, taking into account that growth was slightly above the average for Sub-Saharan Africa. The disappointing performance observed during the recent period reflects the macroeconomic environment of the country and the series of crises that hit between 2006 and 2011: unfavourable weather conditions (low rainfall but also floods), price shocks hitting food and fuel and deteriorating governance in general.

The private sector and development challenges, and the new National Strategy for Economic and Social Development (SNDES 2013-2017)

Overall, the capacity of the private sector to stimulate the economy has been limited due to an unfavourable environment for investment and a loss of competitiveness, which are due to failures of government management and gaps related to the monitoring of project implementation. Private sector engagement in Senegal has experienced a significant deterioration since mid-2000, Senegal ranks 117th out of 144 countries in the global competitiveness index for 2012. The lack of physical and human resources, weak institutions (business environment) and governance issues continue to hamper growth.

The new government has developed an ambitious programme to promote private sector engagement and performance. The National Strategy for Economic and Social Development (SNDES) aims to reverse the negative trend by increasing the productivity of the whole Senegalese economy. This political will is affirmed by the adoption of the new programme by the name of NASAN 2015-2017 (New Alliance for Food Security and Nutrition) on 12 November 2013. NASAN's aims are, among others, to increase responsible private domestic and foreign investment in agriculture and to ensure the facilitation of innovations, which are able to improve agricultural productivity until the end of 2015. There are planned investments of nearly US\$ 300 million by Senegalese and foreign companies, the State, and technical and financial partners.

Recovery of agriculture

The option taken by the new government is to stimulate the growth potential of the agricultural sector. This shall also exert a ripple effect on the development of other sectors, accelerate the achievement of food self-sufficiency and reduce the structural deficit of the trade balance.

The initiative of the new government is articulated through the "New National Strategy for Economic and Social Development" (SNDES 2013-2017). The principal pillar of the SNDES is the PNIA (Politique Nationale d'Investissement Agricole), which is based on ECOWAP (the regional agricultural policy for the implementation of CAADP in ECOWAS).

To achieve the government plans by 2017 the focus is on:

- i) the control of water;
- ii) the increase of productivity of land and the restructuring of the sectors;
- iii) the pursuit of food self-sufficiency (currently rice import costs are at above US\$ 650 million);
- iv) restructuring and optimising the performance of the peanut sector to achieve the production of one million tons;

- v) rehabilitation of 14,000 ha of land and the construction of new irrigation schemes on more than 33,000 ha in the river valleys and in Anambé; and
- vi) the strengthening of the recovery programme of seed capital and securing of pre-basic seed through the Senegalais Agricultural Research Institute (ISRA). This is to be achieved by establishing a more structured system of production and supply of certified seeds, and capacity building of national technical services, as well as both the support and the founding of private seed companies (expected production of 60,000 tons of certified peanut seed and food crops: rice, millet, maize, sorghum, cowpea per year to start with the 2015 campaign).

In this new initiative for the development of the agricultural sector, the government is promoting public-private partnerships as the prioritised approach in order to mobilise the participation of the private sector.

These efforts would complement:

- i) the development programme of the rural sector that has received an allocation of US\$ 10 million in 2013, which will be consolidated every year to raise the quality of the equipment in family farms; and
- ii) the national network of over 120 warehouses and storage facilities for agricultural products, which will be delivered before the end of 2013.

Cluster approach

The Strategy for Accelerated Growth (SCA), in a logical continuation of the SNDES, has identified certain clusters with a high growth potential in the medium and long-term according to their capacities regarding value-addition, international competitiveness, generation of employment and foreign exchange or in their suitability to become an “export sector”. These four clusters are listed here below:

- 1) Agricultural and agribusiness sector
- 2) Fisheries
- 3) Tourism – Cultural Industries – Arts and Crafts
- 4) Textiles – Clothing

The cluster approach has the effect of including a large part of small and medium enterprises (SMEs) in the dynamics of the SCA in an inclusive way. Thus the vision of the SCA, for the agricultural and agri-business sector, is divided into the following three approaches:

- to establish sustainable horticulture as Senegal’s link to globalised supply chains with high added-value and to claim a significant share of these growing markets;
- to make the sub-cluster of processed products with its diversity of promising niches the Senegalese flagship for entrepreneurship and to form a network of SMEs at the national level which will be the pillars of a new modern and profitable agricultural sector; and
- to quickly make Senegal achieve food self-sufficiency while at the same time raising competitiveness in order to capitalise from the advancements in the agro- industrial sub-sector.

Other policies relevant for agribusiness in Senegal

Grande Offensive pour la Nourriture et l’Abondance (GOANA):

In order to promote food self-sufficiency and to develop the agricultural and livestock sector, the state launched GOANA in 2008. This original public-private partnership revolves around structural adjustments, support for producers and a favourable tax environment. Some of the incentives the programme promises to agribusinesses are subsidies on planting material and exemptions from VAT and custom duties. The overall focus though is on production, especially in priority value chains, such as cereal crops (millet, sorghum, fonio, maize and rice) and other food crops (cassava and cowpea). Regarding future phases of the programme one should also include a more broad set of interventions away from production itself and tackle key infrastructure and support service constraints such as power, water and transportation.

Retour vers l’Agriculture (Plan REVA):

The Return to Agriculture Project, which was introduced in 2006, focuses on reversing national migration flows by supporting the rural population to live off the land and their own labour. The aim is to create integrated logistic platforms and promote private investment in the wider agro-industrial sector.

4. COUNTRY CASE STUDIES – CONTINUED

A further special focus of the ambitious programme lies on the youth and getting them to become agripreneurs in the rural setting.

Programme de Développement des Marchés Agricoles du Sénégal (PDMAS): The programme was initiated in 2007 with the support of bilateral and multilateral partners. Its main objective is to create favourable conditions for the emergence of modern and competitive agriculture. The aim is to allow economic operators and small producers to position themselves effectively on high-value-added national and international markets.

4.3.3 The agribusiness organisations

The most representative and best-established agribusiness organisations, which exist in Senegal, are commodity-specific organisations:

- the interprofessions within the horticultural cluster (Coopérative nationale des acteurs de l'horticulture)
- the national inter-professional committee for rice (CIRIZ)
- the peanut sector and the inter-professional organisations in the cereal sector (ASPRODEP, CINA, FONGS, CNCR, etc.)
- the inter-professional committee of industrial tomato producers (producers/processors: SOCAS/AGROLINE/TAKAMA FOOD, bank: CNCAS, state: SAED/ISRA, etc.);
- the consultative committee for the onion industry (APOV; ANDH; Union des Jeunes Agriculteurs de Podor, FPMN, AUMN, retailers/traders: UNACOIS, transporters, ISRA, SAED);
- the actors in the mango cluster;
- the inter-professions in the poultry sector (FAFA, ANAFA, service providers and processors);
- the inter-professions in the dairy sector (CINAFIL, FENAFILS, DINFEL, FEITLS, etc.);
- the dynamic inter-professions in the cotton sector (producers and processors/ SODEFITEX, etc.); and
- the inter-professions in the fisheries sector (FENAGIE, CONIPAS)

The Chamber of Commerce, Industry and Agriculture in Dakar

The Chamber of Commerce, Industry and Agriculture (CCIAD) and its regional sub-forums in Senegal are an essential part of the available business support systems. Their status as a public body with the character of a private-professional body allows them to gather economic operators in the formal or the informal sector including industrialists, merchants, ranchers and farmers. This makes it an interface between the government and the private sector. The funding of the CCIAD depends on a large government contribution. It therefore has the potential to provide important services to businesses as well as fulfilling its mandate of representation and advocacy. The particularity of the CCIAD is its diversity as it combines several operators of many fields of activity with the specific goal of representation and defending the interests of the agricultural private sector. Further, the major interprofessions, such as the NCRC, the tomato and horticulture sector, are very well represented.

The CCIAD functions as chamber of commerce at the same time as Union of its sub-chambers. Strengthening their institutional capacities (development of agricultural value chains, strengthening of human resources and support for the development of strategies for multi-stakeholder advocacy (CCIA, farmer organisations, opinion leaders, etc.) could for instance help to raise their awareness to intensify pressure and track compliance by the Government with to the commitment “to invest 10 percent of the national (AU Summit, Maputo 2003)”.

Further needed capacity building within the chambers should target the offer of tailored and paid services to members; the promotion of agribusiness services and the adaptation of their statutes and regulations to the needs expressed by the members. Chambers of commerce could play an important and complementary role in relation to professional organisations in the promotion of agricultural value chains. Moreover, such initiatives would reinforce today's success of CCIAD, which is, among others, the preparation of trade missions in close collaboration with the Ministry of Agriculture and participation in agricultural fairs.

Professional agricultural organisations and interprofessions and the promotion of agricultural value chains.

The interprofessions and agricultural organisations from the different sectors have the following characteristics:

They have an acceptable level of structure. Dynamic interprofessions exist for example in the sectors of horticulture, tomatoes, rice, peanuts, onion, mangoes, and more. Further, several other professional bodies exist, however their operational performance is not as good as in the previously mentioned sectors. The following applies in case of the inter-professional:

- they have a formal membership, a significant representation, legal recognition and legitimacy;
- but they are weak in terms of respecting principles and rules of good governance and democracy (such as renewal of bodies, regular meetings, information sharing, visibility);
- the inter-professions in the tomato or cotton sector have well-elaborated visions and objectives;
- their strength is that they are led by individual actors or groups of agri-entrepreneurs and follow a market-oriented approach; and
- they promote contract farming.

In order to overcome their dependence on external assistance, they should develop the capacity to offer relevant services, which are to be paid for upon delivery or when the impact and results can be seen. Further, they should strengthen their capacities of intervention by increasing the effectiveness of their permanent secretariat or executive office, hiring skilled human resources for the provision of services to members and ensuring autonomous operation.

Interprofessionals should strengthen the vertical and horizontal cooperation among members (internalisation of skills and coaching members). At the same time their expertise should be transferred to the value chain actors or at least made easily accessible.

Despite the already partly existing dynamic partnerships, two constraints remain and relate to capacity and programme management. One is the widespread “mentality of aid dependence” and the common mind set of wanting to receive support for free.

4.3.4 Assessment: good practices, success factors and lessons learnt

During the study a number of “lessons learnt” have come up and the following “good practices” can be presented.

A) Contract farming contributes to the structuring of a value chain and is a good practice to guarantee the viability of the interprofessions

In Senegal, the national consultative committee of the tomato sector in the river valley Senegal is an example of interprofession. Countrywide, the inter-professions have contributed to the formalisation of contracts between producers and processors (such as SOCAS, AGROLINE, and TAKAMA FOOD). These industrial players indicate their needs early in the season in the form of a formal specification, which the governmental support structure (SAED, ISRA) helps to meet. The financial partner (a member of the inter-profession CNCAS) finances the programmes and credit needs because his loan is secured by direct debit payments into its accounts. If this process is strengthened to optimise the returns of the producers, it could, for example, be replicated in other interprofessions, such as rice.

B) The market regulation in the interprofession onion is a good practice that could be extended to other sectors

The regulation is the result of the Market Regulatory Agency (ARM), which is established by the state under the Ministry of Commerce, and has through sector regulating mechanisms in the beginning and during the campaign gathered all relevant actors (producers, traders, transporters and middlemen, SAED, directorate of horticulture, customs, consumer associations, suppliers of fertilisers and seeds/TROPICASEM, banking/CNCAS, etc.). This regulation has allowed a consensus to be reached between the actors on the prevention of imports over a period of seven months to allow local production to be fully exploited. By this, the gap towards achieving self-sufficiency for onions in Senegal was significantly reduced.

4. COUNTRY CASE STUDIES – CONTINUED

C) The structure of a value chain approach supported by interprofessions as seen in the example of the national committee of the tomato sector (CNCFTI)

In order to facilitate the establishment of performing value chains the private agricultural sector could be supported through inter-professional organisations which are/have:

- strong and representative with a powerful advisory body and capacity for advocacy; lobbying for improving their business environment;
- structured around the value chains and driven by strong viable markets;
- independent in their operation with a permanent secretariat;
- capable of providing services (access to inputs, equipment, credit, market, information, etc.) which are relevant and offered in a structured way to their members;
- capable of defending the interests of their members and to possess the necessary visibility;
- active members of the affiliated private sectors and not too strong ties with employer organisations such as CNES or NOC etc.; and
- to fully play their role as dynamic leaders in the agricultural section of the chambers of commerce, industry and agriculture, and also effective advocacy aside of the chamber (to participate in the formulation of mandate plans, national and sectoral policies, reflecting the aspirations and visions to promote value chains in their sectors, etc.).



D) Factors leading to failure and inactivity of interprofessions and mistakes to avoid

Some causes of failure or sources of inactivity which were identified among others:

- the lack of roles being clearly delineated among the different actors or groups in the interprofessions;
- difficulties in operating and regulating the market and in continuously and dynamically animating the involved members through regular meetings or their participation in various sector frameworks and platforms for reflection and orientation;
- the non-renewal of governing bodies (Board of Directors, office and other management); and
- the lack of financial autonomy for their operation, free services and the lack of member contributions.

E) Provision of services to members

Most of the studied organisations define themselves through their representative functions and advocacy. However, most institutions also offer certain types of services to their members:

- services are not adapted to the specific needs of members;
- quality of services is low (no trained staff or external experts to administer), therefore the willingness to pay is also lacking;
- some organisations offer free services to members – this may lead to recipients not appreciating or valuing the obtained trainings and seminars. Many times the demand for services is higher than what organisations can afford to provide – paid services could overcome this;
- services are often not directed at the value addition of products (on-farm processing, quality management, marketing, labelling, certification), but rather simple production techniques;
- no clear procedures for members on how to request specific services from their organisation. Often external sources (donors) or the institutions management suggest or decide what services will be offered.

Findings relating (to CAADP implementation and) the establishment of a National Agribusiness Chamber

- a) The Chamber of Commerce, Industry and Agriculture presides over the regional chambers of commerce (known as UCCIAs), which are also consulted by the government in matters affecting the chambers members. A national agribusiness umbrella organisation, as anticipated by CAADP, would be able to benefit from the very good relations the chambers have with the national and regional branches of the Ministry of Agriculture and Rural Development.
- b) The current mandate plans of the chambers don't prioritise the promotion of agricultural value chains even if the capacity to do so is available. However, their proven expertise and experience in the participation of trade fairs abroad and the organisation of commercial forums is an advantage which, in the CAADP context, should be strengthened and capitalised on, to better position certain value chains on the international market.
- c) The chambers' capacities of intervention are heavily dependent on state subsidies which are considered too low (US\$ 730,000 million for 14 chambers – US\$ 52.142 per chamber) and their staff and competency profiles, which are not necessarily in line with agricultural support the members need (agricultural businesses and farm operators in the broadest sense). In addition to this, the membership to the chamber and some of its services is free. This does not support them in their independence regarding their own operational costs or the delivery of important services to members.
- d) The representation of the private agricultural sector is not in line to the size of its actual scale. This is largely due to the dispersion of smaller institutions and the non-existence of a unified platform, which unifies all value chains. Apart from that, several agricultural businesses and employers which are members of the Senegalese private sector (CNES, NOC, and UNACOIS) don't affiliate to the known networks. This may be due to the negative image certain agricultural stakeholders have towards this cluster of stakeholders. Especially the farmer-based organisations, which do not consider themselves as part of the Senegalese private sector, may fall into this category.

According to these findings the following possible scenarios for the formation of a functional and inclusive national agribusiness organisation have been developed:

Scenario 1

The Chamber of Commerce, Industry and Agriculture shall be considered as entry point. Such a scenario would have the advantage that the legal status (legitimacy in the face of the law) and the mandate to treat all members equally (in regard to advocacy and service provision) are already given. The limiting factors are the mixed character of the chamber (not being exclusively of agricultural nature), the discrepancy between the capacity and skills of staff, the quality of services provided as public entity and the actual needs of private agribusinesses. Such a scenario should be subject to an objective contract and based on:

- strengthening the leadership and the representativeness of the chamber in developing the cooperation between the strong associations of the private agricultural sector and the private sector represented by CNES, CNP, UNACOIS, etc.;
- institutional and capacity building for the development of payable services to the members of the chamber;
- strengthening the capacities of advocating in order to promote a better business environment for the agricultural sector; and
- opening up to and integrating agribusiness players and farmer based organisations which are currently not members.

Scenario 2

A platform following the example of the advocacy platforms which were set up for health and education could be developed. This platform should include several key actors (see Figure 10 and Table 5) such as the collective of agricultural interprofessions, the Senegalese labour organisations CNES/NOC and a representation of potential industrialists as investors in agribusiness. For such a platform, the chamber of commerce, industry and agriculture could provide the framework to facilitate the collaboration between the CAADP/NAIP

4. COUNTRY CASE STUDIES – CONTINUED

focal points, the Ministry of Agriculture and other departments and strategic partners. Such an approach is consistent with the goals of the National Strategy for Economic and Social Development (SNDES 2013-2017) and the five-year Agricultural Programme (NIP 2013-2017), which puts agriculture at the heart of the development strategy in Senegal.

Even if such a scenario may seem very ambitious it could be more effective in advocacy and lobbying than working through the old structures described in “Scenario 1”. In this second case the interprofessions represented in this framework would be used as

a point of entry for the targeted CAADP programme interventions to promote agribusiness. The goal would be to make strong value chain organisations autonomous in their functioning, and to empower them to provide relevant services to their members with the ability to animate these networks in accordance with a value chain approach. In such a scenario, the chamber of commerce could continue to fully play the role of beneficiary of major projects with high impacts –examples are market integration projects through the certification with a Senegalese own label, participation in fairs, joint ventures – and its role in advocacy, etc.

Figure 7: Model of Scenario 2

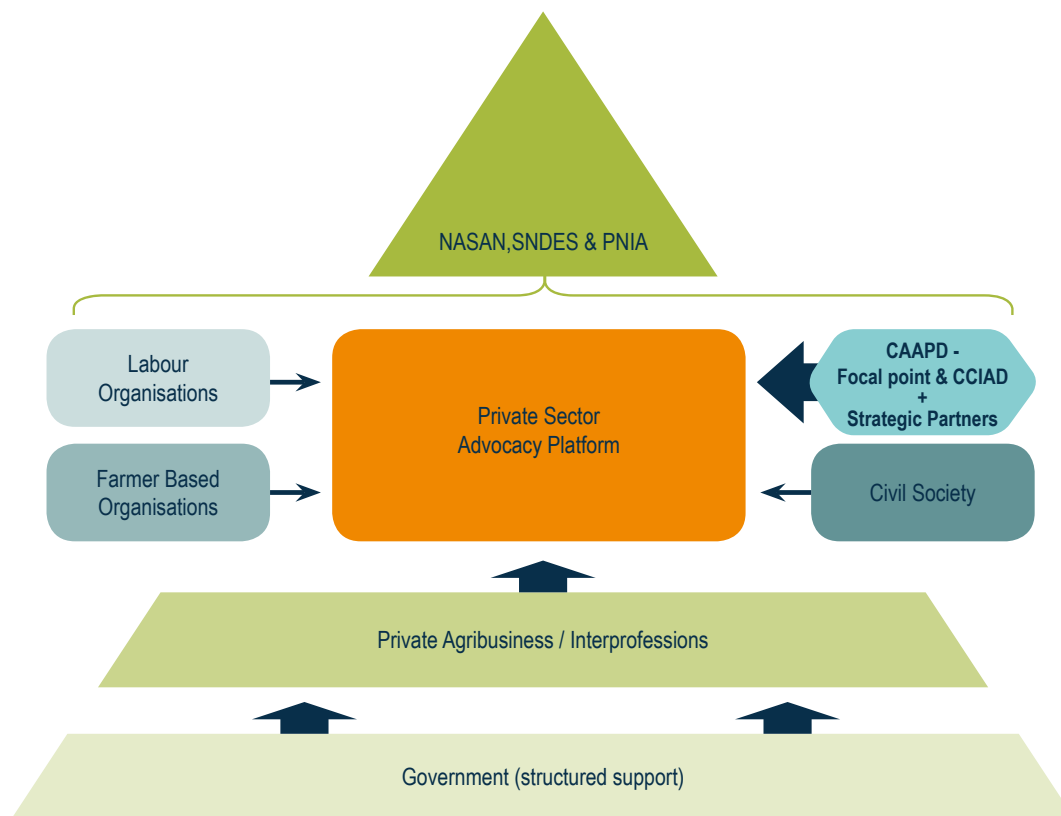


Table 4: Key Players in proposed Advocacy Platform (Scenario 2)

Key Players	
Government	<ul style="list-style-type: none"> • Ministry of Agriculture (SG et point focal PNIA à la DAPS) • Agricultural Service Providers (SAED, ISRA, DRDR, Direction de l'Horticulture, ANCAR, DPV, SCA, ASEPEX, ANIDA) et financiers (CNCAS, CNAAS) • Ministry of Livestock (Directeur de l'Elevage) • Ministry of Fisheries • Ministry of Commerce and Female Entrepreneurship • Chambers of Commerce and Industry and Agriculture
Strategic partners	<ul style="list-style-type: none"> • CORAF • ReSAKSS • IFPRI • AFRICARICE • WAAP/ECOWAS
Labour organisations (currently already members of the Chamber of Commerce and Industry and Agriculture)	<ul style="list-style-type: none"> • CNES (Président Confédération Nationale des Employeurs du Sénégal) • CNP (Conseil National du Patronat) • UNACOIS (Union Nationale des Commerçants et Industriels du Sénégal)
Private agribusiness/interprofessions	<ul style="list-style-type: none"> • TOMATE (Président du comité *cf annexe liste, SOCAS, AGROLINE, TAKAMA FOOD) • RIZ (Président CIRIZ, VITAL, Riziers, CNCAS, input providers, consumer associations) • ARACHIDE (CNIA, CNCR, ASPRODEB, FONGS, SUNEOR, SONAGRAINE, Huilerie de Touba, exporters, CNCAS, etc.) • HORTICULTURE (CNAHS, producers, exporters) • OIGNON (APOV, ANDH, traders/UNACOIS, transport providers, industrialists) • COTON (SODEFITEX, Unions des producteurs de Coton) • MANGUE (producers, exporters) • ELEVAGE (grappe elevage, IPAS/interprofession des professionnels de l'aviculture au Sénégal regroupant industriels fournisseurs d'aliments et de poussins et aviculteurs), FENAFILs, CINAFIL, FEITLs, industriel Kiréne, Laiterie du Berger), etc.
Farmer based organisations	<ul style="list-style-type: none"> • CNCR (Conseil National de Concertation et de Coopération des Ruraux) • ASPRODEB (Association Professionnelle des Organisations de Base)
Civil society	<ul style="list-style-type: none"> • FONGS (Fédération des Organisations Non Gouvernementales du Sénégal)

4. COUNTRY CASE STUDIES – CONTINUED

4.4 Ghana

Directory of organisations visited

- Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance (ACDI-VOCA)
- Africa Lead
- Animal Production Directorate (APD)
- Apex Farmer's Organisation of Ghana (APFOG)
- CAADP Secretariat
- DIA
- Eden Tree Ltd
- Farmers Organisation Network in Ghana (FONG)
- Federation of Ghanaian Exporters (FAGE)
- Finatrade
- Ghana Agriculture Input Dealers Association (GAIDA)
- Ghana Association of Producers and Traders Organisation (GAPTO)
- Ghana Association of Producers and Traders Organisation (GAPTO)
- Ghana Grain Council (GGC)
- Ghana National association of Fishermen and Farmers (GNAFF)
- Ghana National Association of Poultry Farmers (GNAPF)
- Ghana Rica Inter-Professional Bodies (GRIB)
- Ghana Rica Inter-Professional Bodies (GRIB)
- GIZ Policy Desk
- Ministry of Food and Agriculture (MoFA)
- National Development Planning Commission (NDPC)
- National Association of Agricultural Mechanization Service Centre Operators, Ghana (NAAMSECO)
- Peasant Farmers Association of Ghana (PFA)
- Policy, Planning, Monitoring and Evaluation Division (PPMED)
- Private Enterprise Federation (PEF)
- Sea Freight Pineapple Exporters of Ghana (SPEG)
- Statistics, Research and Information Directorate (SRID)

4.4.1 The country's agricultural sector

The sector is driven by a vision of a “modernised agriculture culminating in a structurally transformed economy and evident in food security, employment opportunities and reduced poverty” being pursued through the Ministry of Food and Agriculture.

Agriculture in Ghana, in addition to the traditional roles of provision of food security, supply of raw materials for industry, creation of employment and generation of foreign exchange earnings, is also recognised to have a greater impact on poverty reduction than other sectors.

Agriculture dominates the Ghanaian economy. 50 percent of the population (24,6 million people) are living in rural areas. Agriculture contributes well over half (around 4,3 million, that is, 50,6 percent) of the around 8,3 million economically active labour force in Ghana who are aged between 15 and 49 years. In contrast to other non-agricultural sectors such as mining, manufacturing and services there are slightly more females than men working in agriculture. (Source: GSS -Based on 2000 Population and Housing Census).

Ghana's agriculture is predominantly on a smallholder basis in all the sub-sectors, namely crops, cocoa, livestock, fisheries and forestry. More than 90 percent of all farms are smaller than two hectares, and farmed with little mechanisation (an estimated 11 tractors per 100 square kilometres of arable land – compared to 43 and 25 tractors in South Africa and Kenya. (Agribusiness indicators: 2010 World Bank report 68163-GH). Women run 40 percent of these farms. These small farms account for almost 80 percent of total agricultural output. Large farms and plantations, particularly for rubber, oil palm and coconut and to a lesser extent, rice, maize and pineapples account for 20 percent total agricultural output. The current minimum wage stands at US\$ 1,94 per day and took effect from 09 February 2012.

The country has a total land mass of 23,9 million ha of which 14 million ha (58,5 percent) is arable. Out of this, 7,8 million ha (55,9 percent) is under cultivation, 6,1 million ha (44,1 percent) is unutilised and only 30,000 ha (0,4 percent) is provisionally estimated to be under irrigation (Sources: *The Ghana Survey Dep't and MOFA, Accra*).

Size, structure and importance of agriculture

The importance of agriculture in Ghana as the mainstay of the economy is unquestionable. The sector continues to contribute significantly to the country economic output, employment and foreign exchange earnings. The sector which experienced a declining growth in 2010 and 2011 is beginning to show signs of recovery and has posted a 3,4 percent growth in 2013 up from 1,3 percent in 2012 and 0,8 percent in 2011, even though Governments expenditure on Agriculture does not exceed 2 percent of its budget. Data from GSS

for the first nine months of 2013 indicated that services sector led the overall growth rate with a growth of 9,2 percent followed by the industry sector with 9,1 percent.

Having historically been the largest contributor to the country's GDP, the share of Agriculture to GDP was 22,7 percent in 2012, falling behind the service (50 percent) and industry sectors (27,3 percent) (2013 Budget Statement and Economic Policy of the Government of Ghana and Ghana Statistical Service). The table below demonstrates the trend.

Selected key agriculture-related economic variables	1960-1966	1966-1972	1972-1982	1982-2003	2003-2011
Share of agriculture in GDP percent	40,9	44,1	52,4	41,6	30,9
Structure of agriculture:					
Crops of which	29,9	32,1	37,8	30,3	22,6
Cocoa	4,0	4,1	4,9	4,0	3,2
Livestock	3,4	3,7	4,4	3,5	2,6
Forestry and logging	4,5	5,0	6,1	4,7	3,4
Fisheries	3,0	3,3	4,1	3,1	2,3
Contribution of Agriculture (percent) to:					
Employment	56,2	56,2	56,2	54,3	52,2
Exchange earnings	45,4	52,8	81,9	53,5	60,2

Source: World Bank Data and FAO Data Base

4. COUNTRY CASE STUDIES – CONTINUED

Access to agricultural and agro-enterprise finance

Ghana has five banks per 100,000 rural adults as at 2012, and agricultural finance is a critical input in enabling businesses to invest in or scale up and manage risk.

Access to agricultural finance in Ghana is difficult, and where it is available, it is expensive. Agriculture receives substantially less commercial bank lending than other sector, barely six percent. Many providers of financial services are hesitant to provide loans for agricultural purposes owing to land tenure issues, a history of non-repayment of subsidised loans, and the overall riskiness of investing in rain-fed agriculture.



Table 6: Sectoral distribution of credit by deposit money banks (percent)

End of period	Agric	Manufacturing	Construction	Commerce and finance			Services	Miscellaneous
				Import trade	Export trade	Domestic trade		
2010	5,5	12,4	7,8	5,9	1,7	23,1	21,1	22,5
2011	6,3	11,2	8,2	7,6	1,4	18,4	24,8	22,1
2012	4,7	12,4	9,2	8,7	8	16,9	25,2	14,9

Source: Ghana Statistical Service; Quarterly Digest of Statistics, Bank of Ghana

Growth prospects

Although private sector investment in agriculture remains low, it is one of the biggest actors in marketing of produce and value addition. Major supermarkets and commodity distributors are either integrating backwards into processing or “off-taking” produce that meet consumer preference. The domestic market in Ghana is relatively small but growing. There is a regional market provided by the 15 members of the Economic Community of West African States (ECOWAS) though integration of the individual countries is yet to be achieved. The free trade among ECOWAS member countries creates an opportunity for an expanded market. For this reason the Ministry of Trade and Industry, the Ministry of Finance, the Ghana Chamber of Commerce and the Ghana Export Promotion Authority are aggressively promoting, facilitating, and implementing policies to attract and engage private sector in agriculture.

The government’s medium term plans will be promoted through support to individual and group initiatives aimed at adding value to major food crops. The support includes targeted training in value addition and linkages with relevant service providers and markets to improve market penetration.

However, implementation of the plan to reach the goals set for agricultural commercialisation requires significant financial commitment. The government intends to raise the required funds for the implementation of the investment programmes of METASIP through private sector and international sources. The government also wants to increase its spending on rural development to reach the target of 10 percent of its total budget, as agreed in the Maputo Declaration. Domestic sources include (i) increased budget allocation from the government; (ii) public-private partnerships; and (iii) other internally generated funds.

4.4.2 The country’s legal and policy framework

The policies and plans in the agriculture sector overlap and articulate partnerships with the private sector as a key tool for achieving poverty reduction objectives. ‘Modernising agriculture’ remains the overarching theme of Ghana’s agricultural policy as well as the new private sector development strategy. It focuses on a stronger role for the private sector in transforming agriculture from a low-productivity subsistence-based sector to one characterised by high-productivity, integrated value chains and extensive value addition. Government interventions are focused on the enabling environment and other targeted measures to facilitate investment, alongside with more direct interventions targeted at food insecure areas.

The policy environment in Ghana encourages private sector engagement in development through the Ghana Shared Growth and Development Agenda, the Private Sector Development Strategy. The recent National PPP Policy and forthcoming PPP Bill provide a comprehensive policy and legislative framework for PPPs. A number of new institutional structures such as the Ministry of Finance and Economic Planning and its Public Investment Division, the special units of Ministry of Trade and Industry and the National Development Planning Commission, are all established to promote, facilitate coordination and implementation of development agendas:

1. The Food and Agriculture Sector Development Policy I (**FASDEP**), which was elaborated in 2002 aimed at modernising the countries agricultural sector by creating value chain linkages. This policy was reviewed by stakeholders in 2007 and now has a stronger focus on the inclusion of private sector actors (**FASDEP II**).
2. Another policy focusing on the agricultural sector is the Ghana Shared Growth and Development Agenda (**GSGDA**), which intends to modernise agriculture and strengthen linkages with private sector partners through technology and innovation. The agenda is also in alignment with the CAADP agenda.

4. COUNTRY CASE STUDIES – CONTINUED

3. **The Ghana CAADP Compact** has been signed in 2009 by the Ministries of Food and Agriculture (MoFA) and Finance and Economic Planning (MoFEP) representing the Government of Ghana, Africa Union/NEPAD, ECOWAS, the private sector (PEF), traditional rulers (National House of Chiefs), Development Partners (World Bank), and representatives from civil society (FOODSPAN) and farmer/agriculture associations (GNAFF/GFAP), Agriculture Trade Union (GAWU) and Parliament-Agriculture select Committee.

4. **The Medium-Term Agriculture Sector Investment Plan (METASIP)** is the accompanying investment plan for the FASDEP II policy and aligned with CAADP. Its goal is to increase GDP in the agricultural sector by at least six percent annually and to support the MDG target of halving poverty by 2015. **METASIP** also aims to increase private sector involvement and improve the collaboration between the different Ghanaian ministries involved in the agriculture. Further, the importance of linking smallholders to agribusiness is referred to as being essential to facilitate the access of farmers to important services.

However, the policy does not give a concrete framework for the involvement of the private sector in case there are no concrete measures which act as incentive for investment. Therefore investment levels have remained too low.

5. Recognising some of the challenges of past efforts, the Government is adopting a new approach of public-private partnerships (PPPs) in which complementary and targeted public support serves leverage or facilitate private investment in the agriculture sector. The Outgrower and Value Chain Fund, the Venture Capital Trust Fund (VCTF) (Act 680) and the Export Development and Agricultural Investment Fund serve such functions. These initiatives facilitate smallholder linkages with other commercial businesses.

6. A number of legislation and policies articulate Government's commitment to a partnership with the private sector in the country's development process and provide guiding elements for

partnerships. The Constitution, the Divestiture Implementation Law, the Financial Administration Act and Regulations, the Public Procurement Act, the Contracts Act, the Planning Systems Act, the Ghana Investment Promotion Act, the Local Government Act/Local Govt Finance Authority Bill are among over 30 such supportive legislations. At the policy level, guiding elements are expressed in the national PPP policy guidelines that have been revised; some Budget and Economic Policy Statements, the Private Sector Development Strategy and Trade Policy, the Private Health Sector Policy, the Environmental Sanitation Policy, and the District Medium-Term Development Planning Guidelines amongst others.

Legislative frameworks

Some legislative frameworks which government and companies operate include:

- the 1992 Constitution Development, Directive Principles of State Policy Article 36 (2b and c), The Planning Systems Act 480, 1994, which sets out guidelines for planning and policy formulation at the sector and district levels facilitated by the National Development Planning Commission (NDPC). The Financial Administration Act 654, 2003, and the Financial Administration Regulations, 2004, regulate the control, management and use of public funds;
- the Divestiture Implementation Law (PNDC L 326) is mainly for privatisation and PPP type projects. The Public Procurement Act 663, 2003, The Contracts Act, 1960, provides the general framework for contracting that affects the public and private sector alike;
- the Companies Code, 1963 (Act 179), The Partnership Act, 1962 (Act 152), Co-Operative Societies Act 1968 (NLCD 252), The Business Name Act, 1962 (Act 151), Arbitration Act 38, 1961, Whole sale and retailing: section 24 of the companies code 1963 (act 179) guide business operations; and
- the Ghana Investment Promotion Act 478, 1994, Free Zones Act 404 1995, Venture Capital Trust Fund Act, 2004 Act 680, Standards Decree, 1973 (NRCD 173).

Agriculture related legislation include:

- a. Fisheries Decree (Commencement) Regulations, 1979 (LI. 1217). and Fisheries (Amendment) Regulations, 1984 (LI. 1294); and
- b. Plants and fertilizer act 2010, Act 803.

New areas identified requiring legislation include regulation of the horticulture industry, agriculture germ-plasm conservation and protection, regulation of domestic market requirements, veterinary system and meat inspection, animal feed control, standardisation of food processing plants including food grade machinery and equipment, accreditation of private agriculture colleges among others.

Recent reforms and incentives:

- **a land use plan** and creation of a land bank with standard modalities for acquisition;
- **tax holidays** – to promote investment in selected industries and in rural areas the Ghanaian government provides periods of capital income tax exemption to businesses. For companies active in agriculture this applies to the nature of their activities. Businesses planting tree crops are exempt for the first 10 years from the first harvest; companies involved in livestock, fish- and cashcrop production for the first five years from commencement. Cattle breeders for the first 10 years from commencement. Agro-processing businesses established after 1/1/2004 and producers of cocoa-by-products, from cocoa waste or substandard cocoa beans, are granted a tax holiday for the first five years. Also companies processing material for agriculture or commercial purposes are freed of paying for the first seven years.
- **free zone incentives** – tax holiday during the first 10 years, thereafter income tax rate capped at eight percent, totally exempted from payment of withholding taxes from dividends, relieved from double taxation for foreign investors and employees. Exempted from payment of duties and levies on all imports for production and exports from free zones.

4.4.3 The agribusiness organisations

The Ministry of Food and Agriculture (MoFA) is the public lead agency responsible for the agriculture sector. Agribusiness organisations include private sector organisations, government, farmer-based organisations, institutions operating public sector funding schemes, civil society groups/organisations, sector dialogue platforms, and sector coordinating structures.

a) Private sector organisations

Private Enterprise Federation (PEF) consists of various business associations and chambers which represent around 70 percent of all business operations in Ghana and contribute to around 80 percent of government's tax revenues per year. The aim of the PEF is to represent the private sector business community. A special focus therein lies on the support to small and medium enterprises. Some of the main features of the federation include the provision of a dialogue platform where policy dialogue between the private sector and government takes place. Recommendations by the private sector actors are given and government policies are reviewed. The platform also acts as a sort of chamber where the private sector can exchange ideas and advocate business-promoting activities. The PEF in consultation with its members also makes budgetary inputs into the annual Budget of the government.

Agricultural Public Private Dialogue Forum (APPDF) was established by the PEF in 2010 and aims to give private agribusiness stakeholders, farmers' organisations and the civil society the chance to engage with the government via the MoFA. The objective was to bring in formalised structures for debate and participation, which will enhance the development of policies that lead to the growth of the agricultural sector. The forum also aims to promote and support the implementation of METASIP and FASDEP II. In 2012 the APPDF met with representatives of the MoFA, development partners, CSOs, FBOs, and the media to discuss the 2012 Joint Agricultural Sector Performance Review, and provided inputs into the 2013 Budget Statement and Economic Policy of the Government of Ghana.

4. COUNTRY CASE STUDIES – CONTINUED

The Federation of Associations of Ghanaian Exporters (FAGE) is the body of the PEF that deals with agriculture. FAGE exists since 1992 and acts a strong umbrella organisation for many agricultural sector organisations involved in export. The Sea-Freight and Pineapple Exporters Association of Ghana (SPEG) are examples of members.

The Food and Beverage Association of Ghana (FABAG) is made up of multinational food manufacturing and processing organisations, major commodity importers/distributors and manufactures in the food and beverage industry. One of the issues the association has in the past spoken out against, are the import tariffs on rice, which were supposed to encourage local production, but according to the association only lead to increased smuggling and higher prices for the local population. Government has direct consultations with the association regarding the composition and level of budgets into agriculture and other industry-specific issues.

The Ghana Chamber of Commerce and Industry – individual agribusinesses are affiliated to the chamber; the agriculture desk of the chamber coordinates activities. The chamber has offices in some of the regions in Ghana, such as Greater Accra, Ashanti, Central and Western regions.

Association of Ghana Industries similarly has an agriculture-working group, which promotes agricultural issues of the business community. The chamber offers business development services, information and research, export development, matchmaking and business missions.

b) Government

The MoFA in Ghana is set up according to the decentralised system of government and has regional and district level agricultural development units. It is in charge of METASIP but still lacks a practicable strategy for this. The greatest challenge lies in cooperation with the private sector. No scheme or procedures have been drawn up for promoting attractive business models. As yet, there is no established cooperation between the Ministry of Food and Agriculture and the private sector for developing income-generating business models.

c) Sector dialogue platforms

Platforms such as the Private Enterprise Foundation, Industry associations, Cross Sectoral Planning Groups and Sector Working Groups also promote public-private and cross-sector dialogue and support for the development of partnership arrangements. Donor initiatives and civil society groupings also promote partnership connections with the private sector and other stakeholders.

Prominent dialogue platforms are the **Annual Joint Sector Review structure** of the MoFA and the **Agriculture Sector Working Group**, which is initiated by the MoFA and development partners. The Joint Sector Review structure oversees the performance of the agriculture sector with all the key stakeholders, including the private sector, civil society, donor partners etc., on an annual basis. The Sector Working Group confers every month, and discusses and reviews the implementation of sector programmes (the Agriculture sector wide programme [AgSWp] is for the effective coordination of the METASIP) and shares information and ideas.

d) Cross-sector based coordination structures

These have been developed in specific focus areas within the agriculture sector.

- **The National Soybean Council:** a company limited by guarantee to coordinate soya bean cultivation in the country. Made up of policymakers, researchers and financial institutions. Associations such as the Oil Processors Association, Seed Growers Association and Poultry Farmers Association are represented on the Council.
- **The National Horticulture Task Force** also works in collaboration with a wide number of stakeholders. Its objective is to facilitate the development and growth of the horticulture industry, and also facilitate the national implementation of the Global Partnership for Good Agricultural Practices (Global GAP) and marketing “Ghana” as a brand at trade fairs. It is made up of representatives of horticulture associations, such as the Sea-freight Pineapple

Exporters of Ghana (SPEG), the Horticulture Association of Ghana, the Vegetable Producers and Exporters Association of Ghana (VEPAG), several departments, and agencies of government, GIZ and USAID.

- **The Ghana Grains Council (GGC)** has taken the lead in training owners of private grain storage centres and has so far certified five warehouses. The GGC is a membership-based organisation that represents the interests of the leaders in the grain industry, including advocacy on policy and regulatory issues before the government. The council is comprised of producers, traders, processors and service providers who comply with the stringent affiliation criteria. They are further required to pay monthly membership fee, which varies from around US\$ 40 for a standard membership to around US\$ 2,000 for a platinum membership. A task force has been formed to prepare the groundwork for a warehouse receipt law and its accompanying regulations to be completed in 2012. Once the law and regulations are in place, the GGC will help link these warehouses with banks to provide collateral management services. The task force consists of the Government of Ghana, GGC members, and donors.
- **The Ghana Agricultural Association Business and information centre (GAABIC)** is a consortium of four agricultural associations with a vision to promote professionalism and growth among agricultural associations in Ghana. They offer business and technical service training, advocacy, research and promoting of topical agricultural issues. Members are **Crop Life** – made up of the 13 main agri-input importers in Ghana; Ghana **Agri-Input Dealers Association** (GAIDA), which has 4,000 distributors; **Seed Producers Association of Ghana** (SEEDPAG) – made up of eight regional associations; and **Apex Farmers Association (AFOG)**, which is made up of 17,600 members, operating in 24 commodity associations including VEPAG.
- **National Board for Small-Scale industries** is an agency of the Ministry of Trade and Industry that identifies agribusiness and the district levels, which they develop and groom to grow the

agricultural sector. They are the responsible agency that inspects and recommends agribusiness organisations for certification of their products by the Ghana standards authority. Over the past three years 300 products by 300 SMEs have been certified (179: 2011, 46: 2012, 75: 2013).

- **The Agribusiness Unit of the MoFA** has through the decentralised system identified and registered a total of 673 small- and medium-scale enterprises in nine of the 10 regions in Ghana.

e) *Civil Society Organisations*

The key civil society organisations (CSOs) in the agriculture sector are:

Food Security Policy Advocacy Network (FoodSPAN), which was established in 2002. This network of around 40 civil society groups works on food security issues. The organisation has signed to the Ghana CAADP compact.

The General Agricultural Workers Union of the Trades Union Congress Ghana (GAWU) is one of the largest unions of the country and aims to protect the interests of agricultural workers. It was established through a merger of five smaller agricultural trade unions: Agricultural Divisions Workers Union (ADWU), Animal Health Workers Union (AHWU), Forestry Division Employees Union (FDEU) and the Produce Inspection Employees Union (FIEU). GAWU now has a membership base of about 10,000, which has been increasing annually.

Ghana Trade and Livelihoods Coalition (GTLC) represents members small-scale farmer groups, CBOs and NGOs and acts as a policy advocacy organisation. The coalition focuses on influencing agricultural and trade policy with the goal of enhancing the productivity and livelihoods of small-scale farmers and producers. GTLC for example advocates for guaranteed prices for rice, tomato and poultry farmers; and protection and investment through use of tariffs. Green Earth Organisation and Send Ghana Foundation are also major civil society organisations.

4. COUNTRY CASE STUDIES – CONTINUED

f) *Farmer-Based Organisations*

Five umbrella organisations with overlapping mandates exist in Ghana.

The **Ghana National Association of Farmers and Fishermen (GNAFF)** is seen as a key partner for government, which has also been formalised in the 1992 constitution. Consequently they are also supported by them financially. Various donor partners support the other principal FBO groupings. The Food and Agriculture Organisation (FAO) assisted in the setting up of the **Farmers Organisation Network of Ghana (FONG)**. IFDC supported the formation of the **Apex Farmers Organisation of Ghana (AFOG)** and OXFAM initiated the formation of the **Peasant Farmers Organisation (PFAO)**. In 2009, supported by the MoFA the four groups joined together to form the **Ghana Federation of Agricultural Producers (GFAP)** in order to “**enhance agricultural development with a united voice**”. Ghana Agricultural Producers and Traders Organisation (GAPTO) is an apex organisation, and a key implementer of most USAID initiatives. The Cocoa Abrabopa Association has 17,000 members. There are currently at least 18 agriculture sector associations of traders, brokers, service providers, etc.

4.4.4 Assessment, good practices and success factors

The study was based on desk-work, interviews and institutional analysis. A total of 29 organisations were visited and interacted with, including three development partners, seven MDAs, the CAADP secretariat, six private sector entities, three coordinating institutions and nine FBO apex organisations. Findings of similar previous studies were also used as leads for further enquiries and verification of some of their findings.

Findings

1. There is no National Agribusiness Chamber in Ghana, which entirely corresponds to the proposed entity in this study. However the still young ADDPF could potentially become such a platform,

which manages to unify all important agribusiness stakeholders. Its establishment is based on the realisation that there is a need to offer the private sector a structured space to engage in policy support and advocacy. Unfortunately the current structure of the platform is not geared towards the sharing of member services, which a chamber should also offer in the long run.

2. The establishment of the various chambers in the country was private sector-led.
3. There was no entity able to provide a near comprehensive list of key players in the agricultural sector. Access to one-stop-data on existing agribusiness actors is daunting. The Directorate of Extension Services of the Ministry has built a database of FBOs. The Ghana National Association of Farmers and Fishermen (GNAFF), supported by the Technical Centre for Agricultural and rural Cooperation (ACP-EU) also undertook mass registration of FBO's and is to have also built a database that listed over 10,000 groups. However none of these were available for use. The Agribusiness Directorate at MoFA also has a number of FBOs and small-scale enterprises listed.
4. The private sector acknowledges its weak technical capacity, with lack of resources limiting its ability to procure the requisite expertise for working in partnerships. While overtures have been made by the MoFA to include the private sector in the Joint Sector Review (G-JAS) via invitations to GNAFF and other individual operators, the private sector has expressed concern about the quality of engagement and their inability to make meaningful contributions to the process when they receive extensive material to review at a very late stage.
5. The proliferation of umbrella farmer-based organisations (FBOs) and associations has led to mistrust in the private sector and lack of clarity on who does what. The associations have also sometimes been politicised and their survival is often dependent on patrons who influence their direction.

6. In spite of the establishment of the Ghana Federation of Agricultural Producers (GFAP), it has been difficult for the MoFA to determine with whom to engage. This has resulted in a series of *ad hoc* relationships to date. For this reason, MoFA set up an FBO desk, which works to engage with FBOs to understand their concerns and challenges, and ensure that the Ministry and programmes address them.
 7. Most private sector organisations depend heavily on external funding but membership drive is acknowledged as a sure way of obtaining funds. This is challenging because of their limited ability to offer services that would attract members. To compound that further, due to the proliferation of groups offering similar services, most of the members are not loyal to one association. They pay dues to the “new-kid-on-the-block” who is offering something new while membership numbers are reducing in older associations.
 8. The PEF whose membership is limited to sector umbrella organisations, has monthly and need basis meetings with the presidency to address issues of its members.
 9. The sector is very fragmented both on the business and advocacy side. There is a need for synergies within the agriculture sector because a lot of efficiency and business can be generated.
 10. It is a shared view that a NAC will present one front for agriculture and will negate the need for mergers, and all players will still be able to keep their mandates and identities.
2. Some of the assessed private sector umbrella organisations collaborate for advocacy. The provision of technical services and advocacy done by most of them is research-based.
 3. The delegation of individual farmer association members to take part in dialogue platforms.
 4. Organisations, which are donor funded, have stronger accounting systems in place and are more likely to be trusted by willing to show their book keeping activities.

Lessons and success factors

1. Restructuring and formalising the agribusiness players will facilitate the implementation of the country’s agricultural vision, and a comprehensive repository of all organisations will facilitate business among all players. The establishment of the APPDF platform to be hosted by PEF through GIZ technical support will begin the streamlining of agribusiness activities.
 2. Groups that developed along value chains seem to be more effective at realising their mandate than the groups that have a crosscutting membership. The latter are having difficulties to satisfy the needs of several of their members because of the heterogeneity of the associations. Commodity-specific umbrella organisations will be more effective in addressing needs of members to create commitment and loyalty to the organisation.
 3. Associations that have members in economically viable businesses bring more business-oriented approaches into their fund raising activities and the running of the association. In their activities they strive to optimally leverage on available resources and offer more returns to members on time.
- Good practices*
1. All of the private sector umbrella organisations that were consulted have been duly registered with the appropriate agencies. Most of them have functioning and transparent governance systems. Their strong social capital is as a result of and the governance systems that enable democratic appointment of leaders and transparency, which generates trust. Offices are either shared with common secretariats or run either by the executives or a paid head of secretariat with others volunteering.

4. COUNTRY CASE STUDIES – CONTINUED

4.5 Cameroon

Directory of organisations visited

- Association Bananière du Cameroun (ASSOBACAM)
- Association Citoyenne de Défense des Intérêts Collectifs (ADIC)
- Chambre d'Agriculture des Pêches de l'Élevage et des Forêts du Cameroun (CAPEF)
- Chambre de Commerce d'Industrie des Mines et de l'Artisanat du Cameroun (CCIMA)
- Concertation Nationale des Organisations Paysannes du Cameroun (CNOP•CAM)
- Conseil Interprofessionnelle Cacao et du Café (CICC)
- GIZ Cameroun
- Interprofession Avicole du Cameroun (IPAVIC)
- MINADER (Sous Direction des Organisations Professionnelles Agricoles)
- Programme Détaillé de Développement de l'Agriculture Africaine (PDDAA)
- Plate Forme Nationale des Organisations Agro•Sylvio Pastorale (PLANOPAC)
- Réseau des Opérateurs de Filières Horticoles du Cameroun (RHORTICAM)
- Union des Exploitants de Palmier à Huile (UNEXPALM)

4.5.1 The country's agricultural sector

Measuring the sector's economic importance is difficult due to the lack of an efficient agricultural statistics system in Cameroon. It is estimated that in 2008, agricultural production (including livestock

and fishing) accounted for about 17,4 percent of GDP. This is made up of subsistence agriculture with 16 percent and only 1,4 percent accounts for industrial export-orientated agriculture. The size of the Cameroonian population was estimated at 19,4 million in 2010 and is expected to rise to 21,9 million in 2015. Over 60 percent of the population lives in rural areas and 75 percent of the workforce is employed in agriculture.

The rural sector also contributes to the country's export earnings, making up 55 percent of the total revenue, ahead of oil, which brings 30 percent. The following raw commodities are the main products for export: cocoa, cotton fiber, coffee, table banana, rubber and palm oil.

Cameroonian agriculture takes up a central role within the sub-region: the country contributes to about 70 percent of intraregional agricultural trade in the CEMAC³. It therefore holds the first place in regard to agricultural production and food processing in Central Africa.

The development of the agricultural and food sector is however hampered by the poor performance of smallholder farms, which dominate as the most common production system.

The vast majority of rural households engage in a form of agriculture, which only leaves a small surplus for the market. The main characteristics of these family operations are: small farm sizes (62 percent of households hold under two ha), difficult access to credit which limits their investment capacity and therefore their use of inputs and other production assets which could improve their productivity.

Food processing at the industrial level is dominated by large firms, which are generally dependent on imports of raw materials (such as milk, wheat flour, starch, fruit concentrates and flavourings).

3. *Etat des lieux DSDSR MINEPAT, Mai 2013.*

Cameroon has vast land resources, which remain under-exploited:

Of the total area of 47 million ha:

- only 9,2 million are suitable for agricultural purposes;
- of which only 1,8 million ha or 26 percent are under cultivation; and
- for the pastoral sector, 19 million ha of suitable surface are available⁴.

The potential for fisheries and aquaculture is also immense, as Cameroon has a coastline of about 360 km and four million ha of inland waters. This sector provides a level of subsistence to more than 30 percent of the rural livelihoods and represents an important source of income.

Major fields of investment:

Subsistence production

The country has managed to increase its food production in recent years but this increase does not suffice to satisfy the growing local demand for agricultural products. The resulting shortage and food imports have led to an increase in food prices for the population. Bottlenecks in this sector remain and are a result of the inadequate equipment and production facilities, the limited access to quality seeds, out-dated farming methods and means, low agricultural yields, and inadequate funding. The main food crops are cassava, plantain, rice, millet, sorghum, maize, tomato, onion and beans.

The cocoa and coffee sector

There are about 500,000 cocoa and coffee producers who harvest a production area of 400,000 ha. The governance of these two sectors is managed by following institutions: l'ONCC (Office Nationale

du Café et du Cacao), a public regulator; and the CICC (Conseil interprofessionnel du café cacao), a trade organisation representing the private players in the sector (producers, millers, roasters/processors and exporters).

The cotton sector

The country is relatively strong in cotton production, which is largely organized by the producer organisation SODECOTON (Société de Développement du Coton). The society is in close partnership with CNPPCC (the National Confederation of Cotton Producers in Cameroon), which with its 250,000 members allows SODECOTON to channel and add value to most of the national production that lies at around 250,000 tons per year.

The rubber industry

Two agribusiness firms dominate the sector, one of them private (GMG/HEVECAM) and the other parastatal (CDC). The sector's production has managed to increase in the past years due to the implementation of the industry recovery plan in 2010, which was funded by public investment. At the same time favourable climatic conditions coupled with the recovery in global demand also contributed to the growth in this sector.

The banana sector

The sector consisting of banana designated for export represents about six percent of the country's GDP. Production in 2012 was at 226,000 tons, down by 10 percent compared to 2011 (249.021 tons). The production geared towards the EU market is furnished by three agro-enterprises: PHP, CDC and SPM, all three companies are members of the ASSOBCAM, the only commodity-specific organisation of the sector.

4. Minader and Minepia.

4. COUNTRY CASE STUDIES – CONTINUED

The livestock and fisheries sector

Demand for livestock products in Cameroon is far higher than the actual supply. The national production is exclusively destined to the national market.

Fisheries and aquaculture give employment to five percent of the population and have an important place in the Cameroonian economy. Unfortunately the current methods of operation and management, particularly in sea fishing, are not sustainable and lead to the depletion of resources.

4.5.2 The country's legal and policy framework

The strategy paper for rural development (DSDSR), which was elaborated in 2005 and revised in 2009, sets the current framework for the country's agricultural policy. The DSDSR fixes the key options and policy objectives.

The Strategy Paper for Growth and Employment (DSCE), defined by the government, places particular emphasis on the agricultural sector as the main growth pillar of the country.

The DSCE launched in 2009, formalises this vision and marks a return to the state-planned economy, which the state had given up in the 1980s. The DSCE covers the first 10 years of the long-term vision and focuses on accelerating growth, the creation of formal jobs, reducing poverty, improving governance and strategic management. The stakes are high for Cameroon which, to achieve the objectives of the DSCE, will face in the short-term, at least two major challenges: (1) the first is economic growth and employment, (2) the second is that while the country is faced with the challenge to develop a competitive industrial sector, it has to gradually but inevitably, open its borders, which results in increased exposure of domestic firms to international competition.

The emphasis on the agricultural sector for the achievement of the DSCE is due to the potentials offered by this sector: exceptional agro-ecological conditions, reserves of unused arable land, market

opportunities, and unexploited domestic, regional and international markets. Since 2013, the government is striving to revise the DSDSR to adapt it to the DSCE. Cameroon is ranked 161th on the ease of doing business (Doing Business Report of 2013, World Bank).

Regarding the integration of NEPAD and supra-regional agreements, such as those of the Economic Community of Central African States (ECCAS), Cameroon is in the process of developing an adapted National Agricultural Investment Plan (NAIP). The compact marks the official launch of CAADP and was signed by Cameroon on 17 July 2013. From the agricultural producer's side it was the Chambre d'Agriculture, des Pêches, de l'Élevage et des Forêts du Cameroun (CAPEF) and the Groupement Inter-Patronal du Cameroun (GICAM) who signed the compact.

The mobilisation of domestic private sector investment in agriculture and agri-food is quite slow, among other reasons this is due to the unfavourable business incentives, hardly structured sectors and lack of access to credit.

Normative regulatory framework

The regulatory framework for agricultural and agro-processing is governed by a various laws and decrees. However, the sector has not been able to benefit from a clearly defined strategy or basis upon which the government exerts its policy interventions.

The government regularly intervenes in the sector through multifaceted support-measures, including:

- alleviations offered to private sector operators through tax and custom incentives (which are regulated by the laws of finance);
- direct support through the budget of ministries (MINADER, MINEPIA, MINEPAT) – some structured producer organisations receive subsidies;
- support through projects and programmes with development partners; and
- facilitating access to financial service providers.

4.5.3 The agribusiness organisations

The agro-industrial production system has evolved parallel to that of family farms. This category of actors which engage in capital-intensive activities include national and foreign investors. Their investments are concentrated in a few sectors (rice, table banana, palm oil, sugar, cocoa, poultry and rubber), which offer opportunities in the local or international market. All of the actors along the value chain, including the family farms, have established their own professional agricultural organisations. This has especially occurred from the early 1990s onwards, as it was during this period that the procedure was facilitated by the new laws regarding the “freedom of association”.

The main producer and agribusiness umbrella organisations

The organisations have been selected on the basis of either their economic relevance, their capacities to cover large parts of the country’s production areas or in terms of their legitimacy vis-à-vis the government. The surveyed professional organisations can be classified into three categories:

- a) The consultative chambers and employer organisations, which do not only cover agriculture alone but include a range of service providers.
- b) Interprofessional associations are inspired by the French model of organised agricultural commodity chains, which enable actors to meet and negotiate among each other and with the state. The group of members is usually bound by an activity relating to the commercialisation of a common specific raw material or a type of agricultural produce.
- c) The third big group of organisations relevant to this study are the various producer organisations. These can either be a group of producers confined to a specific product with the aim of improving and promoting its production, or all kinds of different farmer based organisations, such as associations which have more general goals such as promoting smallholders farming or food security.

In the next column are the main institutions in each of the three categories presented.

Consultative chambers and employer organisations

Chambre d’Agriculture, des Pêches, de l’Elevage et des Forêts du Cameroun (CAPEF) was created by the government in 1955 in order to act as the main partner for public private dialogue in matters concerning agriculture, forestry, livestock and fisheries. The institution’s goals are to represent its members’ interests and to provide capacity development, consultation and marketing services. Its members are made up from individual producers, family enterprises and agricultural producer organisations. This covers the core of agricultural stakeholders in production, but the representation of the industrial private sector is weak. CAPEF relies on funding from government sources and has difficulties in providing services which fulfil the needs of its members. This may improve as the organisation is currently in the process of restructuration. CAPEF has signed CAADP on behalf of its members who are active in agriculture.

Chambre de Commerce, d’Industrie des Mines et de l’Artisanat du Cameroun (CCIMA) was created in 1921 as public organisation with economic character. This chamber plays a representative and consulatory role for Cameroonian businesses active in commerce, industry, artisanry, mining and service provision. Agribusiness is hardly represented. Activities include service provision to members, studies and information, organisation of forums, policy advice and advocacy. Frequently it takes up a role as facilitator between the government and the private sector. It offers a wide range of services to its members, which mostly lack quality. It is still dependent on public financing but has started to develop its own sources of income (trainings centres and public-private project management). Even though it is run privately, the institution is very close to the government, which also appoints the personnel for the main management positions (director, secretary general, head of finances, and more).

Groupement Inter-Patronal du Cameroun (GICAM) was established in 1957, this organisation consist of over 250 members (companies, associations and unions) whose economic performance accounts for more than 60 percent of the country’s GDP. Agribusiness is also represented with over 20 companies or societies and a large number of service providers from the financial, commercial and

4. COUNTRY CASE STUDIES – CONTINUED

transport sector. However, neither the major interprofessions nor producer organisations are members. It is the major representative organisation for employers in Cameroon. Activities include service provision to members, representation and enterprise protection, as well as the promotion of entrepreneurial liberties and a free economy in Cameroon. Members pay monthly fees and are further required to pay for the provided services.

Interprofessional associations

Conseil Interprofessionnel du Cacao et du Café (CICC) was established in 1991. This commodity organisation aims to strengthen the Cameroonian cocoa and coffee sector. Main activities include service provision to its members, marketing, market information, policy advice and advocacy and consolatory services. The organisation generates income through membership fees and professional services. The internal management is stable and a wide variety of services are provided to its members. The organisation's benefit for smallholders is low as the members are made up of mostly large-scale producers, industrial processors and exporters. The organisation is dependent on the Ministry of Commerce and the ONCC (Office Nationale du Cacao et du Café). It has however not signed the CAADP compact.

Interprofession Avicole du Cameroun (IPAVIC) focus is on developing the poultry sector by raising its overall competitiveness. Members from along the whole value chain are affiliated, including producers, feed suppliers and processors. The interprofessional body sets rules and regulates the sector as well as promotes and advocates for it externally. The services provided to its members include technical assistance and the organisation of trade fairs. The organisation's internal structures are strong and it is seen as a valid partner by the government. A commission on sales of chicks and membership fees generates income, but in both instances this generated income is low. Therefore the organisation lacks capacity to mobilise resources and provide adequate services. Currently the organisation has not signed the CAADP compact.

Producer organisations

Concertation Nationale des Organisations Paysannes au Cameroun (CNOP-CAM) is an organisation mostly made up of smallholder farmers and farmer based producer organisations. It aims to represent its members vis-à-vis the government and to promote sustainable agriculture, food security and food sovereignty. Funding is largely dependent on donors and bound to specific projects. Due to quality issues, the ability to generate income through service provision to members is low. However the capacity to influence policy is considered high due to a strong membership and a structured network, which is active on the national and international level. CNOP-CAM is part of the CAADP process on the regional and national level.

Plateforme Nationale des Organisations Professionnelles Agro-Sylvo-Pastorales du Cameroun (PLANOPAC) is a relatively young association, founded in 2007, and represents smallholder farmers. It is a member of CAPEF. The goals of the organisation are similar to those of CNOP-CAM and funding comes mostly from the government via projects. Strong points include their high involvement in the implementation of government projects and rural development programmes. Unfortunately, it has weak internal structures, the absence of services directed to member organisations and the inability to mobilise members leads to insufficient performance. The association is a member of the CAADP country team.

Union des exploitants de palmier à huile (UNEXPALM) aims to promote and protect the interests of small to medium sized producers. Members are palm oil producers who have access to a production area of over five ha, but at the same time no large-scale industrialists are admitted. Members are required to pay a membership fee and further financing is generated by the provision of paid services. The organisation is highly dependent on the government, which is its sole partner in the implementation of projects.



4.5.4 Assessment, good practices and success factors

The institutional analysis and interviews with a sample of stakeholders in the agricultural and agri-food sector in Cameroon have revealed the following key findings regarding the strengths and weaknesses of producer organisations, local chambers and business organisations involved in the agribusiness-sector:

Benefitting from the laws of “associative freedom” dating from the early 1990s, there was a real effort by the agricultural private sector to engage in the establishment of producer organisations at all levels and in all subsectors (from farmer’s associations to interprofessions directed at established agribusiness payers). Although the movement leaves an impression of strong dispersion, a handful of relatively viable organisations have emerged as credible interlocutors for professionals and the administration. Most of the successful organisations encountered in this study are part of the group of “the elites”. These organisations exist primarily for their activities in advocacy and lobbying. Some of them also actively participate in consultation forums established by government.

The **weaknesses** among the studied organisations are quite numerous, and the extent varies from one organisation to another. However, the main features common to the majority of institutions surveyed include:

- low capacity to provide services to members and collect membership fees;
- dependence on external funding (government grants or projects);
- low level of internal governance that largely explains the disaffection of members; and
- intervention approach is too general, less oriented towards industry specialisation (except for the interprofessions) and not very professional (for example, lack of methodology to prepare advocacy).

Consultation frameworks established by the government

Consultation frameworks specialising on agriculture have only been created recently and of those only a few are formally established.

The national consultation framework (CNC) with the “monde agricole” was created in March 2011 by a joint decree of MINADER and MINEPIA. This decree at the same time established the CRC (Cadre Régional de Concertation), chaired by the Regional Governors. The technical secretariat of the CNC is made up of sub-directorates of professional agricultural organisations from MINADER and MINEPIA.

From discussions with stakeholders, it appears that this platform is suitable for making the private agricultural sectors voice heard. However, its functioning and structure limit it to low levels of effectiveness because of: (1) meetings are infrequent (one meeting since its creation in 2011), (2) the strong grip of the state on its operation and on the agenda of dialogue (the technical secretariat provided by MINADER and MINEPIA), and (3) the regulations regarding producers and the private sector only foresee the representation of CAPEF and PLANOPAC. Other organisations are not invited despite their desire to participate. CAPEF and PLANOPAC are co-chairs to the CNC.

The fact that many important players from the agro-sector are not involved in CNC or CRC is an obstacle when it comes to making use of this platform as an interface for the CAADP process.

4. COUNTRY CASE STUDIES – CONTINUED

The role of the institutions studied in relation to the CAADP process and the establishment of a NAC

Three categories of agribusiness organisations were identified:

1) Organisations anchored in agricultural production

This category makes up by far the largest segment of producer organisations (the expansion is encouraged by a liberal and flexible regulatory framework). This fragmented structure consisting of weak and fragile economic operators makes it difficult to build a viable and representative body, despite the willingness of the state to promote the emergence of professional agricultural producer organisations. This group is characterised by: (1) poor services to their members, (2) economic insecurity of the members (family farms and main activities in the informal sector), and (3) difficulty in speaking with one voice and mandating their legitimacy.

In this category, CNOP-CAM and PLANOPAC distinguish themselves by their ability to unite several producer organisations of smallholder farmers (both of them can be considered FBOs) and to represent them at a national level. In the grouping of the envisaged NAC, these organisations may represent the basic link to the production side of value chains.

2) The inter-professional organisations and professional associations

These are actual professional agricultural bodies consisting of members whose activities are closely connected to the market (business logic). The organisations take on members by offering services directed at the increase of the market share or the competitiveness of its members. They further are able to offer business development services and can connect producers with the service providers who are also members in the institutions. They constantly build on their economic weight to claim legitimacy with public authorities. In this category one can list: IPAVIC, ASSOACAM, the UNEXPALM, the CNPCC, RHORTICAM and CICC. This category of organisation,

due to its relative viability and orientation towards markets, could be a major stakeholder in the platform, which eventually could evolve into a NAC in Cameroon.

3) The patronage comprising the elite of trade, services and industry

These organisations include almost all major operators in the agro- and food-industry in Cameroon. In general, members are concerned about the dependence on imports for their commodity supplies, because of the weak connection with upstream agriculture.

These organisations have considerable financial strength and function autonomously. Some of them are already involved in CAADP through the signing of the compact (as is the case with GICAM) or they have a special programme for the development of the agricultural sector (as is the case with GICAM and CCIMA). GICAM and CCIMA are part of this group comprising a new umbrella organisation that should be of interest regarding CAADP implementation. The restructured CAPEF could eventually integrate these groups.

There is not one single umbrella organisation that corresponds to the model this study seeks to identify. None of the Cameroonian institutions manages to bring together all the different but relevant actors. The existing institutions are not set-up to overcome the divide that goes through the country's agricultural sector. On the one hand, there are a large number of smallholder farmers who may be affiliated to some association, but they are not seen as strong united actors in agribusiness. On the other there are the commercial agribusiness actors who are organised in the different interprofessions and chambers to advocate their needs. This is likely due to the fact that no single umbrella organisation is able to provide the necessary expertise and capacity to fulfil all of the members' needs. The more members one tries to unite the more diverse the range of services required becomes, and conflicts of interest may arise. Advocacy for a producer organisation may go in the direction of setting up tariffs on imports to protect the local production. If an organisation also represents processors who are dependent on cheap imported raw

materials this can lead to a conflict. Being able to deal with such disputes within a single chamber requires strong formalised structures and capacities, even though such issues may better have to be dealt with within the individual value chains.

Good practices in the studied organisations

They are regrouped into two categories: good practice in relation to advocacy and good practices related to resource mobilisation.

Good practice in relation to the advocacy process

- 1) The organisation of theme days with the participation of members from government and key players in the sub-sectors: debates are joined by inputs from experts (researchers, university professors, etc.)

For example, the theme days, which are regularly organised by the GICAM or the organisation of trade fairs with high media coverage as done by CICC.

- 2) Creation of a body against illegal trade of cheap agricultural imports (activity that penalises companies in a context of a strong informal economy): this action aims to draw the attention of administrations in charge to the fight against fraud and to encourage the state to establish and enforce standards for the protection of the national economic sector.
- 3) Due to their strong connection with the government, many of the studied organisations know about new developments and policies and are indirectly also involved in the decision-making process. However, if institutions are too close to the government they become less attractive to the private sector.
- 4) The initiation and funding of sector studies that can then be used as the basis for advocacy.

Good practices related to the mobilisation of resources in regard to the development of the organisation and service delivery to its members

- 1) A levy on commissions and discounts from margins emerging from the sharing of services and resources: this approach of resource mobilisation overcomes the limited willingness of organisation members to pay statutory fees. In this case, the member's contribution comes at no direct cost but rather through the "taxation of services".
- 2) The billing of business development services of professional offers, for example:
 - the creation of career resource centres – oriented towards consultative training and information (as is the case with BAS from GICAM, or the training centre of CNOP-CAM);
 - provision of services for the implementation of projects in public-private partnerships: several producer organisations position themselves as the implementing agency for projects that are directed at their members (this practice was observed at CNOP-CAM, PLANOPAC and IPA VIC).
- 3) Facilitating access to inputs and financial services by securing grants allocated either by the state or by donors (for example, funds for fertiliser managed by UNEXPALM).



5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Results

General results

During the implementation of the study, the team of experts found out a number of general points related to existing chambers and commodity-specific organisations. These findings can be summarised as follows:

- In the analysed five countries no National Agribusiness Chamber (NAC) exists so far; there is no example at hand that could serve as a model or even “blueprint” for other African countries.
- In some countries, the private sector has only started to organise itself a few years ago (for instance in Ethiopia and Cameroon). Private sector organisations in these countries are still young and do not have the capacities to fully assume their responsibilities. Furthermore, they are co-managed/over-controlled by government.
- A common feature of the already existing Chambers of Commerce is that they mainly focus on trade and industry. Agriculture and agribusiness often do not feature as a priority for the chambers.
- A number of commodity-specific organisations are working on immediate issues and neither have the financial capacities nor the time to participate in long-term policy consultation and design processes (for example, such as those promoted by CAADP).
- Most of the commodity-specific organisations still depend on subsidies and/or assistance of donor organisations. The organisations are often underfinanced and under staffed to fully assume their responsibilities.
- In most of the cases commodity-specific organisations hardly offer services (for instance BDS services) that generate revenues for the organisation (exceptions in South Africa and Ghana).
- It is common that members of commodity-specific and inter-sectoral organisations do not pay their membership contributions.
- In the majority of the observed cases, the actors/operators along the countries’ value chains are not yet organised in associations, cooperatives or other type of entities (particularly in Ethiopia, Senegal and Cameroon).

- The private sector anticipates being involved in the decision making/policy design processes. There are examples of entities with capacities and potential to do so in South Africa, Ghana and Senegal. All of them are platforms/umbrella organization of private agribusiness apex organisations.
- Private sector expects tangible returns from participating in policy reform processes (relative freedom with regards to investment decisions; creation of enabling environment, etc.).

Results relating to CAADP implementation

During the country case studies, the team of experts found out that there is still a lack of information and knowledge about CAADP within the private sector. A number of private sector organisations that the team met with are not really aware of and familiar with CAADP, its implementation process, the involved organisations and entities, and the role the private sector could/should play in the countries’ CAADP process. Based on this fact, it is recommended:

- to improve the national communication strategies regarding the CAADP process through awareness and information campaigns towards the private sector. The campaigns could be launched through mass media, websites, mailings, professional magazines, etc;
- to communicate regularly through the mass media about planned programmes and achieved results. The opportunities that are offered through CAADP and the so far achieved results should be visible at national levels;
- to give more responsibility to the participating private sector organisations;
- To adapt round tables to the expectations of private sector organisations – short meetings with clear objectives and clear agendas, planned and announced early enough, etc.; and
- outline linkages of CAADP with New Alliance and Grow Africa and involve national private agribusiness umbrella organisations systematically in the roll-out of both initiatives

Private sector organisations are interested in participating in the CAADP process, but they should be clearly entitled and encouraged to participate in the decision-making processes.

5. CONCLUSIONS AND RECOMMENDATIONS – CONTINUED

Country-specific results

The following table represents a summary of general information and facts regarding the agricultural and agribusiness organisations within the five countries that participated in the study. Therefore, the table

should not be seen as a comparison of levels of achievements, as the situation in the five countries is very different and highly dependent on a number of factors that are influenced by each country's history, political system, economic system, agricultural system, culture and other country-specific framework conditions.

Country-specific results					
	South Africa	Ethiopia	Senegal	Ghana	Cameroon
Signature of CAADP compact	Has launched CAADP implementation (20.10.2011) and works towards signing compact in mid-2014.	Compact signed on 28.08.2009 by: Minister of Ministry of Agriculture and Rural Development; State Minister, Ministry of Finance and Economic Development; Commissioner for Rural Economy and Agriculture, on behalf of the African Union Commission; Assistant Secretary General of COMESA on behalf of COMESSA; President of Ethiopian Horticulture Producers and Exporters Association, on behalf of private sector; President of Ethiopian Association of Agricultural Professionals on behalf of Civil Society; Mr Edmund Wega, on behalf of Development Partners.	Compact signed on 10.02.2010 by: The Prime Minister of Senegal; UNDP on behalf of the Development Partners; Banque Nationale de Crédit Agricole on behalf of the private sector; Association des Femmes de l'Afrique de l'Ouest on behalf of the civil society; the African Union; the interprofession of the banana sector on behalf of the producer organisations and ECOWAS.	Compact signed on 28.10.2009 by: The Minister for Food and Agriculture; the Minister of Finance and Economic Planning; the African Union; ECOWAS; the World Bank on behalf of the Development Partners; the Food Security, Policy and Advocacy Network on behalf of the civil society; Farmer and Agricultural Association; the Private Enterprise Foundation (PEF) on behalf of the private sector; the Agriculture Trade Union; the Parliament and Traditional Rulers.	Compact signed on 13.07.2013 by: The Prime Minister of Cameroon; the Minister of Agriculture and Rural Development; the Minister of economy, planning and territory planning; the Minister of livestock, fisheries and animal industries; the Minister of Forests and Fauna; the Minister of Environment, Protection of Nature and Rural Development; the ECCAS, the African Union; the President of the NGO Cluster for Food Safety and Rural Development in Cameroon; the Executive Secretary of GICAM; the First Vice President of the Chamber of Agriculture, Fisheries, Livestock and Forests and on behalf of the Development Partners, the Chief of the Cooperation of the Embassy of the Federal Republic of Germany.
Status NAIP	No compact yet.	Ethiopia's Agricultural Sector Policy and Investment Framework (PIF) 2010 – 2020 established and in implementation.	Programme National d'Investissement Agricole (PNIA), Plan d'Investissement 2011-2015 established and in implementation.	Compact signed on 28.10.2009. Medium-Term Agriculture Sector Investment Plan (METASIP) 2011-2015 established and in implementation.	National Agricultural Investment Plan in preparation initiated (status: May 2014).
Organisation of the agricultural sector	In general the agricultural sector is organised across the value chains. The majority of farmers are organised up to national level.	In the most important sub-sectors the farmers are organised up to national level.	In the most important sub-sectors the farmers are organised up to national level.	In the most important sub-sectors the farmers are organised up to national level.	Generally, the sector is not well structured In the most important sub-sectors the farmers are organised up to national level.

Country-specific results

	South Africa	Ethiopia	Senegal	Ghana	Cameroon
General organisation of commodity-specific organisations	<p>Most of the commodity-specific organisations are vertically integrated and are offering BDS services to their members.</p>	<ul style="list-style-type: none"> • Some of the commodity-specific organisations are vertically integrated. • Most of them are underfinanced to fully assume their responsibilities and are dependent of subsidies and/or assistance of donor organisations. • Just a few are offering BDS services. 	<ul style="list-style-type: none"> • Some of the commodity-specific organisations are vertically integrated. • Most of them are underfinanced to fully assume their responsibilities and are dependent of subsidies and/or assistance of donor organisations. • Just a few are offering BDS services. 	<ul style="list-style-type: none"> • Some of the commodity-specific organisations are vertically well integrated. • Most of them are underfinanced to fully assume their responsibilities and are dependent of subsidies and/or assistance of donor organisations. • Just a few are offering BDS services. 	<ul style="list-style-type: none"> • Some of the commodity-specific organisations are vertically integrated. • Most of them are underfinanced to fully assume their responsibilities and are dependent of subsidies and/or assistance of donor organisations. • Just a few are offering BDS services.
Strengths and weaknesses of most commodity-specific organisations	<ul style="list-style-type: none"> • High levels of capacity and fairly high levels of resources. • Most organisations offer a range of services to their members. • Organisations utilise multiple communication tools. • Organisations are able to undertake research. • Government supports some organisations through statutory levies. • Organisations maintain good domestic, regional and international linkages. • Inequality in resource equipment of organisations representing emerging farmers or established farmers. 	<ul style="list-style-type: none"> • Only a few have demonstrated that they can effectively advocate for their members and influence policies. • Poor capacity due to lack of resources. • Members are not contributing due to dissatisfaction with the services. • Existing forums concentrate on information sharing rather than advocacy and political influence. 	<ul style="list-style-type: none"> • Most of them focus on advocacy. • Most of them are recognised by the authorities and governmental entities • Generally poor capacity due to lack of resources • Members are not contributing enough • Many are assisted by development partners. • BDS services are offered just in a few cases. There is a high need of income diversification. • Most organisations are operated in a very centralised way. 	<ul style="list-style-type: none"> • Majority of organisations have good governance and leadership systems: They have written constitutions, ratified by the members. • They undertake research and the results are used for advocacy purposes. • Capacity building needs regarding networking and business collaborations for the benefit of their members. • In some cases effective services are offered to members. • Members are not loyal to their associations and often do not pay membership fees due to weak service provision. 	<ul style="list-style-type: none"> • They are accepted by their members and the governmental entities as partners. • Most of them are still not specialised and are working on too many topics. • Most of them are suffering from a low level of internal governance. • Just a few of them are offering BDS services to their members.
General findings regarding National Chambers and forums as entry point for NAC	<ul style="list-style-type: none"> • A formal NAC is wanted and should be established. • ASUF has good potential to become a NAC. • The process must be industry driven, but with government's blessing. • Sufficient services or value must be offered to members to attract them. • A balance between members' autonomy and own association's mandate must be achieved. 	<ul style="list-style-type: none"> • The Ethiopian Chambers (ECCSA and AACCSA and Sectoral Associations) have quite a long experience of working with the government. • Most of the members of the chambers feel that they did not receive the expected services from the chambers. • The need for an umbrella organisation is debated (no need, rather support to Sectoral Associations; need for a new NAC; for an agricultural department within ECCSA or for just a platform). 	<ul style="list-style-type: none"> • The Chamber of Commerce, Industry and Agriculture of Dakar and its 14 regional chambers does not focus on the agricultural sector. • They are supported by the government but largely underfunded. • Necessity to adapt the services to the needs of the members. • Necessity of capacity building within the chamber. • The industrial and commercial sectors are dominating the chamber. • Need to reorganise towards the logic of value chain support. 	<ul style="list-style-type: none"> • The agribusiness sector is too fragmented and has not got a unified body. • Several big agribusiness players and national FBOs are advocating for the establishment of an Agribusiness Chamber. • The Ghana Chamber of Commerce and Industry has individual agribusiness members but it does not have a dedicated agricultural desk. • The agricultural public private dialogue platform to be hosted by PEF has potential as entry point for a future NAC setup. 	<ul style="list-style-type: none"> • There is not one single umbrella organisation, which manages to bring together all the different but relevant actors. • It is recommended to build up a new organisation or formalised platform (the legal basis for the entity has still to be defined) that gathers already well structured, functioning and dynamic national organisations existing in some value chains.

5. CONCLUSIONS AND RECOMMENDATIONS – CONTINUED

5.2 Recommendations

Based on the carried out analyses, the team of experts worked out a number of detailed recommendations concerning the individual countries. These recommendations are presented below.

5.2.1 South Africa

South Africa does not currently have a NAC. ASUF is a significant step towards this, but it is not yet a NAC. The other major players all have key limitations that prevent them from taking on this role. Although extensive capacity exists within the agricultural sector and across a range of sector entities, the need for a NAC is still clear for the following reasons: to address the divisions of the past, to meet the challenges of the present, to take advantage of the opportunities of the future, to address the government's desire for a single voice for agriculture, to address the desire expressed by industry players (producers, processors, agribusiness, financial institutions and labour) for a sustainable and stable sector that can focus on commercial realities and thereby deliver benefits to its members, government and broader society. SA's political culture stresses unity, and within the private sector there is a common desire to be in partnership with the government. Government and private sector become increasingly aware of the fact that unprecedented unity is required in order to meet the challenges of the present and to prevent economic decline through de-industrialisation and de-agriculturalisation. This is why a NAC is relevant even for SA's highly developed agricultural sector.

In this light, the following recommendations are made with regard to a SA NAC:

- A NAC should be established for SA.
- ASUF should be promoted and supported as the first stage towards a NAC for SA.
- This process must be industry-driven, but with government's blessing. The formation of a NAC is more likely to succeed if initiated by the sector itself. If the government tries to unilaterally impose a chosen model or management structure or leadership,

it may very well cause the project to fail or may result in an ineffective body that will be unable to partner government and NEPAD in the design and implementation of CAADP.

With regard to CAADP implementation in SA:

- Participation in the consultative process towards a SA CAADP Compact should be broadened. National structures of industry entities should be briefed on an on-going basis on CAADP progress and their internal structures leveraged to increase participation.
- The initial stage of development of CAADP in SA will need to be inclusive and transparent to facilitate private sector mobilisation and buy-in.
- The NAIP that will flow from the Compact should be closely discussed with the private sector. Attention will have to be paid to the "hidden" spending by the SA government that already supports agriculture, for example, on infrastructure, training, services and rural development. In the SA context of a diversified economy with a strong services component, the target of 10 percent of budget may need to be negotiated.

5.2.2 Ethiopia

In line with the Agricultural Development Led-Industrialisation (ADLI) strategy and building on the lessons learnt from past plans and programmes, the Growth and Transformation Plan (GTP) continues to rely on agriculture as a major source of economic growth. The government has demonstrated strong commitment to agriculture and rural development through, among other efforts, allocations of between 13 and 17 percent of the total budget (including natural resource management) in recent years – far more than the average for sub-Saharan African countries.

Looking into the existing policy framework conditions, the stages of development of the private sector, the proposals of the interview partners, results of preceding studies, institutional capacity assessments and on-going discussions on the need for the establishment of the agribusiness apex organisation for the private sector, the following recommendation are presented:

- Establishing an Agribusiness Taskforce/Platform under ECCSA or AACCSA after an in-depth study of their legal mandates and internal capacities. The ECCSA is ready to support the process no matter if the Agribusiness Taskforce/Platform or Agribusiness Department is going to be established either under itself or AACCSA.
- The establishment of the taskforce/platform can be initiated by interested commodity-specific organisations, which are numerous as identified during the study. Its establishment under the chambers will enable the taskforce to enjoy not only the already existing legal mandates for advocacy but also their institutional supports.
- Map of common problems – respectively update the already mapped problems, which are of crucial interest to the Agribusiness Taskforce. The already existing platforms do not seem to be appreciated by its members due to the fact that they are unable to address the major challenges of the sector.
- Conduct consultative workshops to present the mapped problems, identify with other crucial problems if any and design a strategy as to how to tackle them.
- Discuss the way forward on acquiring the legal registration of the Ethiopian Chamber of Agribusiness. Signing a MoU with one of the chambers will enable the associations to find the legal footings and set-up the secretariat.

To implement these recommendations, the stakeholders and particularly the private sector organisations need to play pivotal roles. As mentioned above, the initiative of establishing the taskforce/platform needs to come from them. Starting with identified common problem solving, keeping the platform as simple as possible, doing good public relations work on lessons learnt and having clear vision of their establishment are important areas to be addressed among others.

ECCSA, as a legitimate organisation to lobby for the private sector, also needs to host the platform and provide overall support institutionally and technically. Support in organising meetings/workshops, facilitating logistics, legal advisory and the protection of the taskforce are a few of the expected roles.

The government policy unhesitantly indicates that the role of the private sector in the GTP is crucial. The favourable conditions set by the government should be used as an opportunity to establish a strong and sustaining taskforce, which will have its legal shape upon consolidation of its experiences. Hence, the involvement of the government in the process of the establishment of the taskforce, advisory services and at times involving in constructive dialogues will help to move the agenda forward.

5.2.3 Senegal

Senegal currently does not have a single voice agribusiness chamber, which manages to unite all of the relevant stakeholders. The existing Chamber of Commerce, Industry and Agriculture with its regional sub-chambers only represents a small number of agribusinesses and fails to include the most important farmer based producer organisations and professional inter-branch organisations (interprofessions). Currently no other relevant sector-wide agribusiness orientated association exists in Senegal. A number of scattered interprofessions with considerable capacities exist alongside smallholder producer organisations but no noteworthy networking or collective actions take place between the individual actors. Therefore, in order to strengthen the private agricultural sector, it is recommended to establish a national agribusiness chamber.

One option is to build on the existing capacities of the chambers as they already have the necessary legal mandate to represent the Senegalese private sector. They are in good working terms with the government by which they are regularly consulted and they possess some of the necessary organisational capacity and physical infrastructure (14 branches spread across the country). In this scenario one would however need to open up the chamber to the value chain specific interprofessions and the relevant Senegalese agribusiness service providers. Also farmer based producer organisations and the relevant civil society organisations, which are active in agriculture, must be brought on board. Including all of these agribusiness stakeholders with their expertise in service provision and advocacy

5. CONCLUSIONS AND RECOMMENDATIONS – CONTINUED

would then make the chamber more attractive as a whole. Ideally resources should be shared, allowing individual members to access a larger variety and number of overall improved services. Equally networks will be widened and the political voice of the chamber as such strengthened. To facilitate this, a separate branch of the chamber should be established which is dedicated to agribusiness only.

A second option is the establishment of an innovative advisory platform, which is composed of all relevant agribusiness stakeholders. Such a platform should unite the different interprofessions at the core and gather the relevant actors from civil society, labour organisations and farmer based producer organisations. Government and CAADP focal points can then consult this platform in regard to policy design and implementation support.

In either way, the first step should be to get the national CAADP focal points to collaborate with the most important private sector actors and to decide which one of the two scenarios appears most fruitful to them. It is important to let the private players lead this decision, as the final product should also be championed by the private sector. The results must then be presented to the government representatives as their support and green light is essential – no matter which option is chosen.

Once a consensus for the establishment of a future agribusiness platform has been reached, CAADP should facilitate the ensuing process. Finding a suitable organisational and legal structure as well as defining or redefining individual players, mandates and roles will be important first steps.

5.2.4 Ghana

Major players represented in the study agree that a change needs to take place in order to benefit from the created enabling environment for agribusiness.

There is the need for the establishment of an agricultural chamber of commerce. It is the explicitly expressed desire of every organisation

interviewed to keep their existing identities, irrespective of developments that evolve in the bid to create or establish a unified agricultural front. For this reason, an agricultural chamber of commerce presents an opportunity for unification and the maintenance of individual identities of stakeholders. The proposed landscape presents the opportunity for scaling up all advocacies, which the various relatively small organisations are doing on their own, to offer persistent and not tidal dialogues experienced by most organisations. This can be achieved through the immediate and effective use of the APPDF platform established to currently provide a unified agricultural front and voice to facilitate the implementation of the METASIP. However a well-crafted communication strategy needs to be developed to create awareness for a wider inclusion of the agribusiness sector players in APPDF.

It is therefore recommended that the APPDF platform should be positioned as a transitional process into the establishment of an agricultural chamber of commerce. To avoid the eventual creation of a two headed agricultural front, a lot of care should be taken in the design and development of the sector dialogue platform.

- In order to establish the NAC, the APPDF secretariat should in collaboration with the CAADP secretariat work on a revised framework, which also takes in to consideration technical service provision to members.
- Once the framework is established, APPDF can be re-launched as the NAC and open up to old and new members. Thereafter the chamber takes on the responsibility of coordinating and driving agricultural issues and providing member services.
- The chamber itself then also registers as a member of PEF. The legal framework in the establishment of the APPDF should facilitate its transition into a chamber with clear policy and legal directives for the establishment of an agricultural chamber of commerce. Or it remains as an arm of the chamber.
- Qualified staff should be competitively contracted or engaged to coordinate and implement all private sector-led activities. Interviews should be used as part of screening procedures for appointments to any working groups.

- The agribusiness directorate of MoFA should have a comprehensive database of the agricultural sector players through the coordination of the activities of the various ministerial departments and agencies and agricultural coordination institutions and structures in the landscape.
- The FBO desk should be integrated into the Agribusiness desk at the MoFA to offer a stop-shop for agribusiness issues.

In general the capacities of apex organisations should be built to enable them to broker business deals for their members: it is well known that the range of **financial services** does not match the needs of agriculture due to most agricultural producers' and processors' difficulties in accessing credit. Since apex organisations have the economies of numbers, they should build internal capacities in business advocacy. This can enable them to broker a range of member services, such as lending rates with financial institutions or to use the knowledge of members to recommend credible individuals or associations to the financial institutions, as to assure the lending institution endures a significantly reduced risk.

Finally the NAC should focus on internally developing strong value chain working groups. This will enable focused discussions among members who have similar needs and wants. This in turn will enable the leveraging on the economies of scale due to the presence of a unified team seeking same solutions and opportunities.

5.2.5 Cameroon

Based on the realised interviews, the justification of building up a national agribusiness chamber is based on:

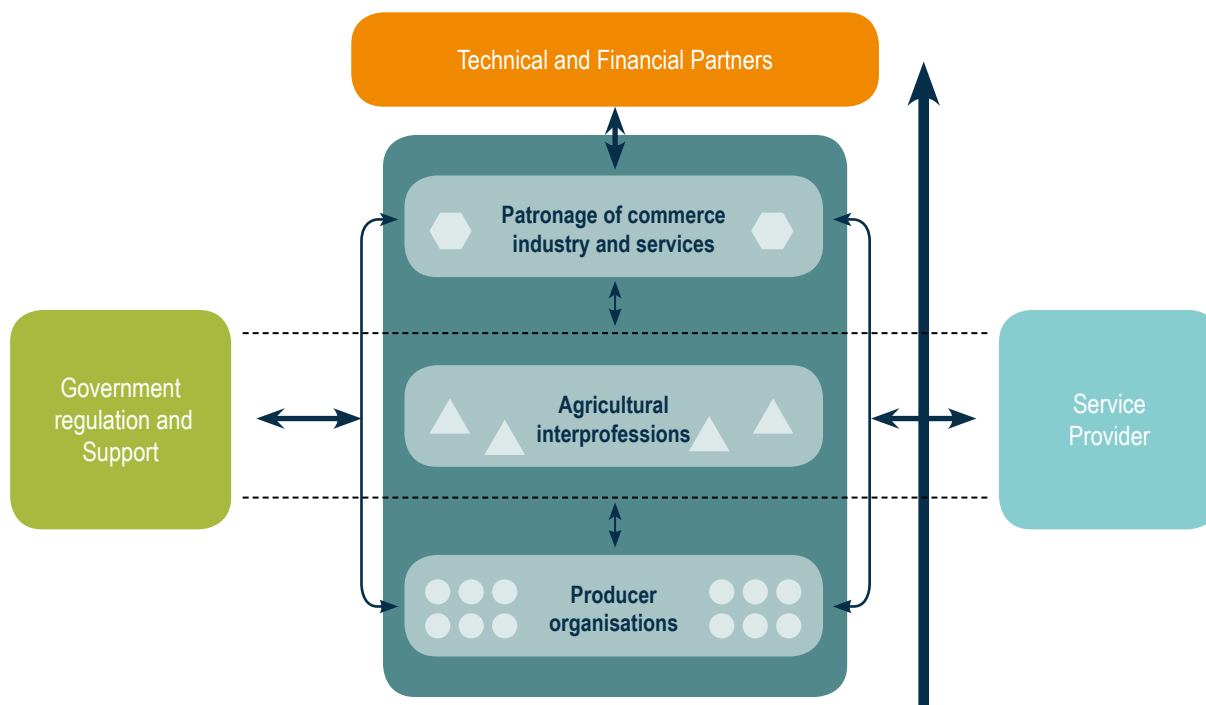
- the necessity of having a dialogue platform for facilitating the cooperation between the major actors of the agribusiness value chains. The already existing platform CAPEF that has the mandate of promoting the private agribusiness sector does not include all categories of value chain actors and is subject to strong governmental control; and
- the necessity of having one representative voice of the private agribusiness sector for the dialogue with governmental entities.

The recommendations focus on the configuration of a NAC to promote CAADP in Cameroon. First and foremost, one should consider the necessity to open up the producer organisations and develop synergies for cooperation between them. This is by far not the case at the moment. One also should expand and increase the consultative functions between actors from agribusiness, the state and other stakeholders directly involved in the value chains. In Cameroon's rather unique setting, the state will most likely end up playing a leading or regulatory role in the organisation of economic activities. The final structure of such platform, however, still remains to be defined by its potential members and should not be imposed externally by government or donors. The network should include all organisations nationwide that can be distinguished by their dynamism and motivation to promote agribusiness.

It is proposed that a potential umbrella organisation in Cameroon would have to include a number of the already existing agribusiness institutions. Members of these would not have to reregister in the new NAC but rather extend their mandate through their initial membership. This way, services that have already been provided by the mother institutions can continue to be delivered to members through the old channels, while new services from other providers in the new extended network may be accessed. Regarding advocacy and policy advice on sector overarching topics or other issues in which all members can reach a consensus, the new structured national chamber will be able to present itself with one voice. Other more specific issues such as trade matters may then be dealt with in special working groups or within the old organisation and communicated separately. Some activities and services may become obsolete or be combined while others will persist and still continue to compete in certain matters.

5. CONCLUSIONS AND RECOMMENDATIONS – CONTINUED

Figure 8: Proposed scheme for an “Agribusiness Chamber of Commerce” in Cameroon



The diagram above gives an overview of the configuration of such a proposed network. As the graph shows, the stakeholders are as follows:

Main stakeholders: direct actors of value chains:

- Producer organisations and FBOs (PLANOPAC, CNOP-CAM, ONPCC, UNEXPALM)
- Agricultural interprofessions (CICC, IPAVIC, RHORTICAM, ASOBACAM)
- Patronage of commerce, industry and services (CCIMA, GICAM)

Indirect stakeholders:

- State: Role of Regulator and Supporter
- Technical and Financial Partners
- Service Providers (Public and Private)
- Facilitator of the Process: CAADP

The figure shows how the main producer organisations (commodity-specific and FBOs), the main interprofessions and the patronage of commerce and industry and services (CCIM&GICAM) lie at the centre of the new proposed chamber. Technical and financial partners and service providers will integrate into the structure according to the needs of the members. Such a structure will allow more frequent and direct exchanges along the value chain. An example would be the collaboration of smallholder producers who set up an outgrower

scheme for a processing or exporting company with the help of a financial partner and technical service provider. Such synergies may take time to establish, but they are essential to ensure a sustainable growth of the Cameroonian agribusiness sector in the long run. The more direct and immediate the effects of the NAC establishment will be, the more united will the agribusiness sector become. This way, national and regional governments will be able to deal with one strong agribusiness partner instead of having to deal with a number of fractured institutions. Conflicts can be dealt with internally and demands voiced collectively. Furthermore, the government will find a capable implementation partner for the future development goals. Finally in the context of continental and regional development (specifically the CAADP implementation), a united agribusiness sector must be seen as a chance to take part in the complex but promising steps ahead.

5.2.6 Conclusions and recommendations

In the course of the study, a great number of interviews were held with organisations of the private sector, governmental entities, chambers, agricultural associations, private companies and experts. The interviews were focused on ways to mobilise the private sector, the necessity and ways to establish national agribusiness chambers or to strengthen “umbrella” organisations that could play the role of NAC.

Due to the countries’ historical development, different political/economic/agricultural systems, culture and other country-specific framework conditions, also different pre-conditions for private sector umbrella organisations apply. For this reason it was not possible to work out a clear and universally adaptable model for the establishment of a NAC. However, the study does not only provide an overview and description of agricultural organisations in the five countries, but it has also compiled the good practices and challenges voiced by the different stakeholders. These findings should therefore be viewed as a “needs assessment” of the private sector actors. The understanding of what stakeholders would expect from and value in an umbrella organisation is a first asset, which CAADP has now acquired and should communicate

with partners respectively. Based on the interviews and the analyses, the following recommendations have been defined and should be taken into consideration when establishing a NAC:

- Due to the differing nature of activities, the different stakeholders in agribusiness have their needs, which can vary quite significantly. Funding and capacity will most likely limit an umbrella organisation within the agribusiness sector. Therefore an umbrella organisation should initially only build its core competencies around a few well selected topics which are of common interest and concern to the majority of value chain actors. Typical examples of such topics would be issues around labour, land and finance.
- The members of a NAC must actively promote agribusiness and be functional in regard to their objectives and mandates. The private sectors “buy in” and continued devotion will be based upon the value they expect to come out of the membership in such a chamber. Thus a thorough selection of members based on capacity and motivation rather than status or history must occur. Clear and transparent guidelines for the admission to the chamber are a must.
- The private sector goals are first and foremost based on the promotion of their own business interests. The willingness to invest time and resources follows a strict business logic, therefore meetings should be short, to the point and take place in a dynamic environment with equally motivated and efficient partners.
- A pre-condition for a well functioning value chain and its specific organisations is that the actors of the value chain are organised in associations, cooperatives or other type of entities. The organisation along value chains and a respectively structured decision making process is crucial (for instance in preparing advocacy activities).
- Organisations, which are vertically integrated and have a strong and organised basis should form the core of a NAC. Industry must be enabled to participate actively in the design and the creation of the umbrella organisation. Especially the organisations, which have already achieved proven results through activities in their sector must be involved from the very beginning.

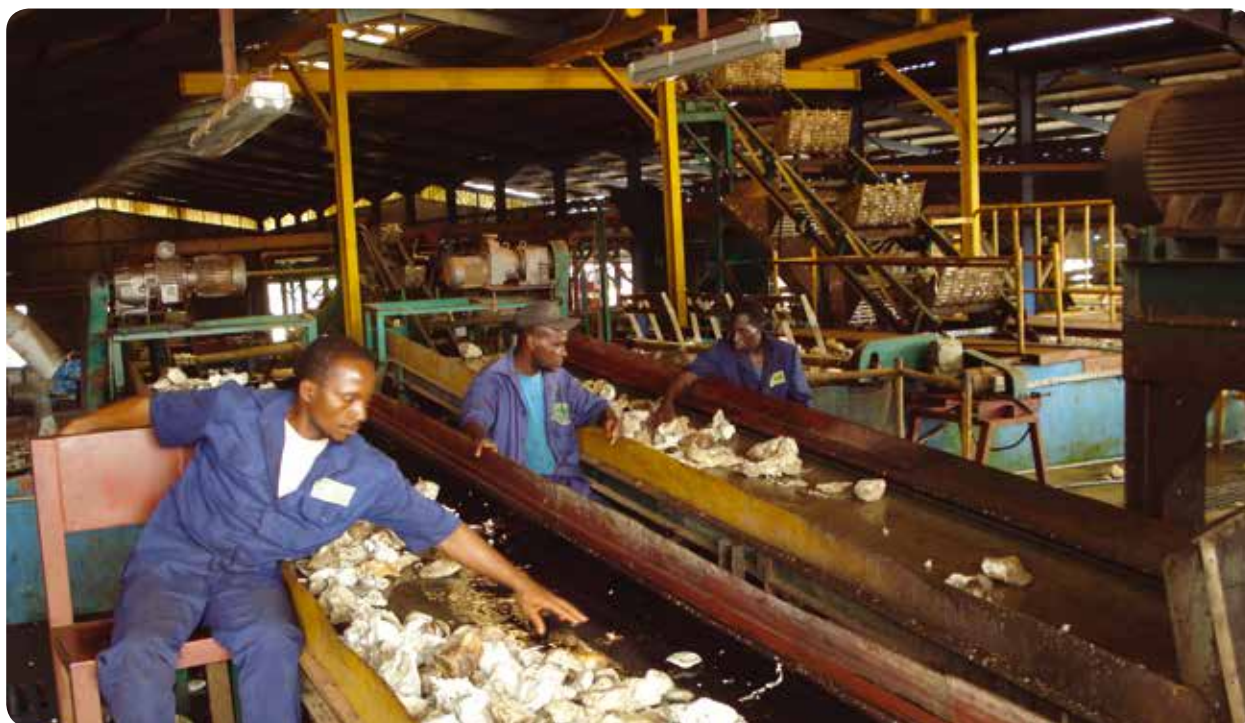
5. CONCLUSIONS AND RECOMMENDATIONS – CONTINUED



- Most of the commodity-specific organisations that were met still have to improve or to develop BDS services for their members. Attractive (payable) BDS services are a crucial basis for the recognition and the sound development of an organisation. It is suggested that commodity-specific organisations which participate in the establishment of a NAC should benefit from a training programme on BDS development that could be organised by Development Partners.
- The NACs should be involved and participate in the promotion of structuring value chains (promotion of structuring on all levels: village, province, region, etc.). The NAC should build up an expertise in value chain promotion and ideally it will also function as a networking hub and interlocutor between national and international producers, processors and service providers from along the entire value chain.

- Umbrella organisations should not get too involved in technical aspects of specific value chains. Specific technical services for members should be provided by the commodity-specific organisations, which are most likely to have the necessary capacities. The NAC should rather offer paid services, which are attractive to the majority of members. Such services include:
 - o market information services;
 - o investment and trade related support services;
 - o organising trade delegations and exhibitions;
 - o liaising with other chambers (regional, continental and worldwide);
 - o general capacity and institutional development (management, trainer's courses, budgeting, tender writing, and more).
- Once the NAC is formally established an inventory of all the services, which are provided by the individual member organisations should be compiled. This list could then be developed in to a service pool to which member organisations have access. This means organisations can generate additional income by offering their own services to a larger number of clients and the individual members potentially have access to a larger and more diverse set of paid services. This way, organisations no longer have to offer and organise a wide range of services to their members but they can specialise and concentrate on delivering high quality services in their core fields. This will further add to the attractiveness of the NAC for the agribusiness players in countries where capacities of individual institutions are low.
- The government should be consulted and informed during all of the steps leading up to the establishment of the NAC. It is recommended that the initiation and running of the NAC are championed by the private sector. Long-term results will only be achieved if the agribusiness actors get a sense of ownership, which is strongly linked to leadership. However in most of the studied cases an umbrella organisation cannot be a fully private driven organisation due to the country-specific institutional setting and the traditionally strong role of government. Once the chamber is set up, the government is to assume its agreed upon role, but it is highly recommended to at least equilibrate the decision making process between government and private sector members.
- Being able to communicate with one voice should be one of the priorities of the organisation. Advocacy and policy advice are of high interest to the platforms members who often do not have the time and financial resources to participate in countless and long meetings. If members are able to agree on a position their united voice under the hat of a NAC will hold more weight. If given the mandate by its members, the chamber can employ staff members who represent the members' interests not only in regular consultations with national government but also in international, regional and bilateral trade negotiations (SAADC, COMESA, EAC, EU, and more). It is however important to constantly renegotiate positions among the members of the umbrella organisation, the chamber has to be careful as not to take sides in conflicts among members and advocate unsolicited views.
- The NAS should establish itself as reliable partner for the government. This means government's interest is not only to get the private sectors opinion but to also have a partner from the private sector who can facilitate the implementation of policies and programmes once decisions have been taken. If umbrella organisations manage to take back the information gained from consultations and decisions taken in negotiations and to mobilise the private sector accordingly, they will become a valid partner not only for the government but also for donors and CAADP.
- The sources of income should be stable and highly diversified with funding across multiple sources. The umbrella organisation should aim to be financially independent with sufficient earnings coming from membership fees, paid services or the implementation of projects. Government support and donor funding should play an inconsequential role.
- Good governance and clear decision making processes must be guaranteed. From the first talks onward the platform must follow clear and transparent guidelines, which are communicated to all potential members.

5. CONCLUSIONS AND RECOMMENDATIONS – CONTINUED



- The initiation of a NAC should be accompanied by a public information campaign, which invites all stakeholders to join, as to not give them impression of a “closed club” of major agribusiness players being formed.
- Apart from direct agribusiness stakeholders the focus should also on informing and involving civil society organisations. A proactive approach is recommended in order to sensitise the wider population, as the term “agribusiness” and related activities are often coined negatively in the public’s awareness.

If taken into consideration the above recommendations will help develop a strong umbrella organisation, which in turn will promote the countries agribusiness sectors. A single national agribusiness chamber which unites a country’s essential agribusiness stakeholders will be able to influence the political decision making process in a more effective way than if government has to negotiate with a

number of fragmented influential institutions. In contrast to the current situation, where individual influential actors independently interact with government, which then takes a decision based on conflicting information, differences between players in agribusiness can now be settled internally, before a consolidated opinion on a policy is given to the government. Especially the smaller private sector actors can then be assured that their opinion has at least been taken in to account and overall transparency in the political decision making process will be improved.

Strong chambers are attractive to stakeholders and will in the long run ensure that essential agribusiness players will become members. Private businesses will appreciate the added value the membership brings them in the following core fields that have been identified in this study: **Advocacy and representation, high quality member services, networking and marketing support.**



