Putting the private sector at the centre of climate-smart agriculture

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CTA Technical Brief

The recent CTA workshop on 'implementing climate-smart solutions for next-generation ACP agriculture' identified four fundamental challenges to address: increase uptake and adoption of interventions and solutions, make more convincing cases for climate-smart interventions to farmers, promote appropriate policy frameworks and processes, and improve information, communication and feedback flows that enhance awareness and better connect actors and interventions. Interventions that work were targeted at five climate-smart priorities: expanding the evidence base, developing supportive policy frameworks, building stronger institutions, devising alternative financing options and prioritising farm-centric implementation.

This brief by Una May Gordon, Thomas Were and Oluyede Ajayi draws on three cases to show how the private sector contributes to the conceptualisation, design, delivery and evaluation of climate-smart agricultural interventions and can help bring them to scale. Engaging the private sector in CSA interventions enhances the applicability – and thus the sustainability of interventions, increases uptake and delivers a triple win for donors, beneficiaries and the private sector. They emphasise that private-sector players will be more likely to engage in scaling-up of CSA when they can see a compelling business case to justify their investments.

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Experience capitalisation series

Climate-smart agriculture (CSA) is an approach to help the people who manage agricultural systems to respond effectively to climate change. The CSA approach pursues the triple objectives of sustainably increasing productivity and incomes, adapting to climate change and reducing greenhouse gas emissions where possible.

Many CSA initiatives and interventions have been tried, but few have managed to get to scale beyond the initial pilots. One reason for this is the lack of strong business cases for the interventions. And one cause of this is the absence of private-sector partners in the conceptualisation and design of interventions. Often, the private sector is invited to the table only when the intervention is rolled out.

The private sector brings numerous strengths to programme design and implementation, not least its rigorous attention to identifying the key characteristics of the 'market' and a knowledge of how best to reach it. Monitoring and evaluation are also second nature to the private sector – if they do not do this well, their very existence is at risk.

This brief draws from three very different projects in East and Southern Africa and the Caribbean to show how engaging the private sector from conceptualisation through delivery and evaluation delivers results. The projects are: The Small Farmers Agro-tourism Linkage project in Jamaica, the CLI-MARK project in Kenya and Ethiopia, and a project on scaling up CSA in Southern Africa.

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From conceptualisation to design and delivery

The private sector can provide actual data on both supply and demand sides of the market that can inform interventions and make a business case for adoption of CSA. It is also well placed to identify sources of inputs such as information and communication technologies (ICTs), finance, improved seeds etc. and to analyse the capacities of value-chain actors that will determine the success of the venture. Engaging private-sector actors at the conceptualisation and design stages ensures that all parties involved gain an enhanced understanding of the challenges and opportunities facing them, that priorities for action and intervention are clearly defined and that solutions are workable and sustainable. This leads to triple-win solutions that benefit farmers, the private sector and development organisations, including the government. These make adoption and uptake smoother.

The Small Farmers Agro-tourism Linkage Project

This project was developed in recognition that the hotel industry in Jamaica was a large and growing market for food products, but that small-scale farmers were not meeting that demand because of the adverse effects of weather and climate-related events on production and productivity.
The initial project involved four distinct partners: groups of small-scale farmers, the Sandals Hotels chain, the Rural Agriculture Development Authority and the Inter-American Institute for Cooperation on Agriculture. The main aim was to support transformation of the farmers production systems, thereby increasing farm productivity while providing structured and guaranteed marketing arrangements for their produce, as well as structured, guaranteed and traceable supplies of produce to the hotel chain.

This approach is well illustrated by all three of the example projects. For example, the Jamaica agro-tourism project brought the full range of partners to the planning table – the private sector (Sandals Hotels), the producers (groups of small-scale farmers), the public sector (the Rural Agriculture Development Authority) and a development organisation (the Inter-American Institute for Cooperation on Agriculture) – to determine the nature and scope of the market and the challenges and capacities of the farmers in meeting the demand of the hotel industry. Once there was clear understanding of the challenges and priorities of each partner, the project was designed with activities to respond to the needs of all the partners and implementation modalities agreed.

The commitment and contribution of the private sector helped the farmers gain a greater understanding of factors of production (land and water) that are affected by weather and climate-related events. This resulted in farmers changing their production systems to make them more climate resilient. It also led to greater efficiency in planning and delivery cycles for produce, thereby reducing production losses.

The CLI-MARK project

This project, Enhancing Market Response to Resilience in Livestock Value Chain in Eastern Africa, aims to increase preparedness for and mitigation against climatic risks for pastoralists, who often face livelihood failure due to frequent and more severe droughts as a result of climate change. Interventions include provision of improved weather advisories coupled with index-based livestock insurance as a safety net. Private-sector partners include a telecommunications company (Amfratech), a company specialising in providing weather information to farmers (aWhere) and insurance companies operating in Ethiopia and Kenya (Oromia and Takaful). The products developed include a mobile phone app, myAnga ('my weather' in Kiswahili), that delivers targeted weather information and advisories designed for pastoralists and index-based livestock insurance that pays out in the event of drought or flooding.

Similarly, in Kenya the Enhancing Market Response to Resilience in Livestock Value Chain in Eastern Africa (CLI-MARK) project brought together partners from the private sector – a telecommunications provider, a weather information service and insurance companies – and pastoralists to develop a service to help pastoralist communities deal with increasing climate and market volatility. The private companies were involved from the beginning – to conceptualise the solutions and to understand and characterise the target 'clientele'. This led to the development of a mobile phone app – myAnga ('my weather' in Kiswahili) – that delivers location-specific weather information and agricultural advisories tailored to the needs of the pastoralist community. The app, which is available free of charge from Google Play store, is beginning to draw interest from pastoralists and other actors involved in drought management, including the Government of Kenya and development partners.

The Oromia Insurance Company brought to the table its experience with developing mobile-phone-based learning material tailored to socio-cultural features of local communities in Ethiopia. These have focused on raising awareness of climatic changes and their effect on livelihood and promoting index-based livestock insurance (IBLI) as a means to protect pastoralist communities against these changes. The Takaful insurance company brought its experience in Kenya in developing a unique, broad-based agency model to drive awareness, product acceptance and uptake of IBLI. The agents include cooperative societies, livestock traders, village veterinarians, women's groups, extension officers, youth groups and shop keepers. This has resulted in insurance products that are tailored to the needs and circumstances of the pastoralist communities they are designed to serve, which has seen rapid and widespread uptake of IBLI.

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Scaling up CSA in Southern Africa

Southern Africa is one of the regions that is likely to be hardest hit by climate change in the near future. This CTA-supported project aims to bring a package of climate-smart agricultural practices to 140,000 smallholder farmers in three countries in the region – Malawi, Zambia and Zimbabwe – to help build their climate resilience. Practices include a bundle of ICT-based weather information and agricultural advisories, index-based weather insurance for crops and livestock and drought-tolerant seeds and other inputs.

In southern Africa, CTA works with a consortium of partners including the private sector (telecommunications companies, insurance companies, seed companies), government agencies

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(extension departments, climate change departments, meteorology), producer organisations (Zimbabwe Farmers Union, National Association of Small-Scale Farmers of Malawi, Southern African Confederation of Agricultural Unions), knowledge centres on climate change (weather data companies, universities), and development organisations (Musika Development Initiative) to brainstorm ways of making agriculture in the region more climate resilient. CTA went into the initial discussions with outline proposals as a starting point for discussion, not as final plans. This process allowed the partners to understand how they could leverage their own investments and build economies of scale while supporting CSA.

To scale-up CSA in Zimbabwe, CTA works with a partnership formed between the Zimbabwe Farmers Union (ZFU) with membership of about a million farmers and a telecommunications organisation, Econet Wireless. CTA's involvement builds on an existing partnership between ZFU and Econet that was established in 2015. In the partnership's initial phase, ZFU provided farmers with services and information via the mobile network and internet provided by Econet at a discounted rate. By mid-2017, the services, known as the ZFU EcoFarmer combo, were providing 39,000 farmers with crop advice, weather index insurance and funeral insurance cover. Following CTA's involvement, the bilateral partnership now offers a larger bundle of services under the original subscription price of US$1 per month. The new package includes the full range of services from the original combo, plus access to additional satellite weather information in real time – improving the range and accuracy of the local weather-station-sourced information that was provided in the original package. The updated combo package also includes free phone-in information on drought-tolerant maize seeds and crop and livestock advisory services. The initiative is now making drought-resistant seeds available to farmers, together with climate information delivered through ICTs, and supported by weather-based index insurance as a safety net. It is also working on diversifying livelihoods through crop-livestock integration and facilitating multi-stakeholder policy engagement.

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As all three projects demonstrate, because the private sector was involved in all the steps leading to the development of the project, they became drivers for the implementation process. A key strength of the private sector is being able to bring on board cutting-edge technology. It commonly does this by either applying what it already has or scouting emerging technologies that would then ease and enhance operationalisation and efficiency. For example, the myAnga mobile phone app was developed for the CLI-MARK project by the private sector partners, combining innovative ICTs and telecommunication technologies (SMS). It includes an inbuilt tracking system that records the number of users and the frequency of their use of the app; these and other business intelligence analytics can be easily used for monitoring and evaluation.

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Conclusions

The three cases show how engaging the private sector in conceptualisation, design and implementation of CSA interventions enhances applicability and thus sustainability of interventions, increases uptake and delivers a triple win for all (donor, beneficiary and private sector). Bridging the often very different 'cultures' of the public, private and development sectors presents its own challenges and is not always easy, but the experience of these projects shows that it is an investment worth making.

It is essential to note that beyond moral persuasion, private-sector players will be more enthused to scale-up CSA interventions when they are presented with – and help identify – a compelling business case to justify making such investment decisions. It is important when pitching the interventions to make the private sector aware of the current and potential size of the markets and the potential near-term returns.

This article was created through a CTA-led process to document and share actionable knowledge on 'what works' for ACP agriculture. It capitalises on the insights, lessons and experiences of practitioners to inform and guide the implementation of agriculture for development projects.

A series of video recordings with participants gives personal perspectives on the issues raised during the workshop. See: https://bit.ly/2FROq7r

The products of the workshop can be found and downloaded at: https://bit.ly/2sRaSVH

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About the series

CTA Technical Briefs document experience and learning in topical issues of interest to the ACP agricultural development community. They are intended as a practical guide for people involved in an issue professionally or for people with a strong interest in the topic.

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