A multi-stakeholder governance framework for improved value chain support policies

Workshop on Connecting Local Enterprises to Global Markets
08 October, 2014 - ITC

Hernan Manson* and Antonio Lopez-Montes**

*International Trade Centre (ITC)
** International Institute for Tropical Agriculture (IITA)

For any questions or comments please contact: manson@intracen.org and A.Lopez-Montes@cgiar.org
Introduction
Complex Issues, Value Chains & development processes

• There is growing recognition that many problems in design and implementation of development policies and projects are complex and need to be treated as such (Rihani, Samir 2005, Beinhocker, Eric 2006).

• Complexity means that design and implementation must deal with interdependent problems and actors, navigating non-linear and unpredictable change processes and involving various stakeholders who have conflicting interests and are interdependent (Jones, Harry 2011).

• By failing to draw on knowledge and to achieve buy in -or collective action- from lower levels, good policies that seem to provide a possible solution to a problem may turn out not to respect the reality of the varied contexts where they are supposed to be applied and may be irrelevant to the ways the issue is experienced by the affected actors (Ostrom, Elinor 1990, 2009).

• Consequently, the question of how support policies draw on available knowledge -and in which ways it is linked to decision making- becomes a determinant of success of policy design, implementation and output (Jones, Harry 2011).

Introduction (cont)

1. **Problem**: complexity & framework for development interventions

   - Rather than working with value chain actors – including vulnerable populations and rural actors - by fostering negotiation and exploration of problems and solutions between actors at multiple interlinked levels in response to problems that manifest themselves simultaneously at different levels, **actors at lower levels are treated as a means to an end** (Jones, 2011).

   - This means that identification of problems and policy formulation and implementation takes place from the agent’s perspective: the development or funding partner and the policymaker and as a consequence there is **no collective problem identification, negotiation and solving** (or ownership) and implementation fails or does not achieve the impact required (Rochet, et al.; 2005).

2. **Experimentalist Governance as a possible response?**

   - The emergence of experimentalist governance systems a response to:
     - complexity and uncertainty in the design and implementation of policies
     - interdependency to solve common problems by a multipolarity of actors (Value Chain Development)

   (Sabel and Zeitlin 2007) and (de Burca 2004 & de Burca et al. 2013)

3. **Objective of study**:

   To present a **case study in Ghana** which relies on experimentalist frameworks and illustrates an **evidence based participatory process that informs and influences policymakers and businesses** through the development of an Value Chain Based agricultural sub sector **strategy to achieve goals that necessitate crosscutting policies, collective action and collaboration**;
Methodology: Research-Action

Eight methodological steps were applied in this case study as follows:

a) Assessment of the political, social and macro background;
b) Identification and types of actors;
c) Sensitization on proposed interventions;
d) Facilitation of a stakeholder led coordinating committee;
e) Research and information gathering;
f) Evidence based decision making;
g) Formulation of a sector strategy for yam and associated crops and
h) Official policy endorsement and support alliances.
Results

The work in Ghana was funded by the International Trade Centre (ITC) and the International Institute for Tropical Agriculture. The opinions in the study are those of the author and do not reflect the views of ITC or IITA.

The material related to the content of the Strategy is presented in the slides that follow. It has not been formally edited and does not represent ITC or IITA official position. All other material has been developed for this research and represents the author’s point of view.
A. Background

- 48.1 million tons of yams produced annually in West Africa’s “Yam Belt” – 90% of world production
- Ghana is 2nd largest producer of yams, after Nigeria: over 6.3 million tons in 2012 (est.)
- Yam, is the first food crop produced in value (average 2005-2012).
- Yam Non traditional export but NICHE product
- 2012: Ghana's exports of yam 32.85% of world exports. Approx. 20,000 MT
- Huge potential – New products and value addition opportunities
A Reality: Value addition

From fresh to...

Yam pasta

Yam wine and beer

Pharmaceutical

Industrial ingredients
B. Mapping of Value Chain Actors
B. Actors characterisation

Value Chain - Governance

Arrows reflect Main Governance relations
Source: H. Manson
B. YAM Farmer characterisation in Northern Region

4 TYPES....

Eg: Constraints to increase yam production
C. Sensitization on proposed interventions
Experimentalist approach used

Government/NGO’s/ Institutions: FACILITATOR
Private Sector: ACTOR

1. • Private sector led
   • Participatory & inclusive (stakeholder ownership and decision)
   • Integrating local knowledge and systems

2. • Holistic approach considering buyer & producer perspectives
   • Private Public Governance mechanism / Platforms
   • Re-defining: Policy, Institutional support and coordination based on agreed priorities

3. • Commercially driven business model: Multi product, Multi market
   • Sustainable Development
   • Human and social (food security, local capacity building, gender)
   • Economical
   • Environmental

Source: H. Manson & A. Lopez
D. Facilitation of a stakeholder led coordinating committee. *(Multi-stakeholder platform)*

Support POLICIES

Private-Public Sector led Strategy Committee

Food Security
Production
Value Addition
Commercialization
DEVELOPMENT

Institutional Support
• NGO
• Government
• Donors / Dev. Partners

FINANCE
Development & Investment Fund
Banks - Commercial
Government

Networks
E. Research and information gathering

- Yam Production, Social and market Systems characterization
  - CSIR-CRI MOFA Farmers IITA
  - Biophysical and Commercial suitability for district prioritization
  - CSIR-FRI MOTI GSA GEPA Processors
  - Food safety and standard compliance
  - MOYAC Farmers Univ. GSA ITC and IITA
  - Gender and VC analysis
  - Policy environment analysis
  - Access to Finance analysis

- Domestic market characterization
  - Regional and International market Characterization
  - Value Addition potential

- Policy environment analysis
  - MOTI MOFA GEPA Private Sector ITC and IITA
  - MOTI MOFEP MOFA EDIAIF Committee P. Sector Univ. ITC
  - Gender and VC analysis
F. Evidence based negotiation process

- Facilitation of public-private dialogue at the national, provincial sub-regional levels;
- Interest based Negotiation process that was informed by evidence and allowed a common understanding by private and public stakeholders of sector’s issues and opportunities;
- Development of a common set of goals based on industry’s challenges and market priorities;
- Definition of support structures and alignment of international agency programs with validated market targets and development priorities identified by the private sector;
- Increase influence and negotiation power for policy-making and resource allocation.
G. Formulation of a sector strategy for yam and associated crops

**Prioritized Market Positioning**

<table>
<thead>
<tr>
<th>Market</th>
<th>Fresh YAM</th>
<th>Processed Yam Food</th>
<th>Processed Yam Industry ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPORT</strong></td>
<td>High (1)</td>
<td>Medium (3)</td>
<td>Medium High (2)</td>
</tr>
<tr>
<td><strong>DOMESTIC</strong></td>
<td>High (2)</td>
<td>High (1)</td>
<td>High (1)</td>
</tr>
<tr>
<td><strong>NICHE, HIGH VALUE</strong></td>
<td>High (1)</td>
<td>Medium High (2)</td>
<td>Medium (3)</td>
</tr>
</tbody>
</table>

- Identification by private sector of new opportunities
- Involvement by research and support institutions
- Participation of lead firms and International processors
- Factory product development trials: Flour, Pasta, Bread and Modified Starch
G. Policy outputs and recommendations

Source: Ghana Sector Strategy (ITC-IITA-Government of Ghana)

- **Vision**: Being the leading source of premium quality yam products with global penetration and contributing to an improved Ghanaian economy and livelihoods

- **2013-2020**
  - **5 Strategic Milestones**
    - Increase export of fresh yam from current 26,000 MT to 400,000 MT
    - Develop a market for non-food competing yam as an ingredient for industry representing 20% of total yam production
    - Reinforce domestic industry competitiveness by specializing production and reducing cost by 50%
    - Promote gender equality policies and support women-led business so as to represent 50% of yam start-ups
    - Ensure yam and associated crops contribute 30% increase in income of value chain actors and food security in Ghana

- **6 Strategic Objectives**
  - Policy and Coordination
  - Production and Post-harvest losses
  - Commercialisation and Value Addition
  - Finance and Investment
  - R&D and Capacity Building
  - Logistics and Compliance
H. Official endorsement and adoption into the Policy framework

Source: Ghana Sector Strategy (ITC-IITA-Government of Ghana)
Key lessons from CASE study

1. Experimentalist governance framework leading into:
   1. Joint (PPP) **identification of priorities**, activities and development opportunities & definition of institutional support roles
   2. Better informed (more inclusive) sector specific policies that can work at National and territorial level and respond to market and producer requirements.
   3. Alliances between actors for **learning, upgrading and problem solving** (Private sector, Buyers, Institutions, Government)

2. A clear shift from TOP down to bottom up (or a combination of both) & a clear need for **BRIDGING institutions** that have more inclusive governance rules and foster common problem identification and solving (learning platforms)

3. **Towards innovative associativism**: Value chain actors are working together to improve and generate support networks. Working in alliances (Institutions, Private sector, Buyers, Government, Donors).

4. **Open and voluntary participation** of all value chain actors with particular attention to farmer representation.

5. **International partners** as ORCHESTRATORS, or trusted advisers. Provision of information, brokerage among actors, facilitation of participation and inclusive governance.
A multi-stakeholder governance framework for improved value chain support policies

Workshop on Connecting Local Enterprises to Global Markets
08 October, 2014 - ITC

Hernan Manson* and Antonio Lopez-Montes**

*International Trade Centre (ITC)  
** International Institute for Tropical Agriculture (IITA)

For any questions or comments please contact: manson@intracen.org and A.Lopez-Montes@cgiar.org