

# Effectiveness of the Public-Private Partnership Initiatives in Agriculture in Namibia

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This study aimed at investigating the effectiveness of the Public-Private Partnership initiatives in the agricultural sector as a tool used to fight and eradicate hunger in Namibia. In order to gain an in-depth understanding of the sustainability and effectiveness of Public-Private Partnerships in agriculture, as well as identify the challenges faced by this partnership, an exploratory investigation was conducted using a qualitative approach. The study was conducted at Mashare Green Scheme in the Kavango region. A qualitative method was employed by the researchers with the aim of enhancing the robustness of the study. The study found that the PPP has been successful in transferring agricultural knowledge and skills to the local communities, it has also contributed greatly to the attainment of socio-economic objectives of the government by creating jobs and employment in the area, making this a collective approach to a sustainable and effective way of addressing poverty, hunger and achieving the desired goal of food security. Based on these key findings, the study recommends that the government should expand such PPP initiatives to other economic sectors so that the fight against poverty and hunger can be intensified as the government strives to achieve its National Development Plan goals 2030 of eradicating poverty in Namibia.

**Key words:** *Public-Private Partnership, Green Scheme, Mashare, Kavango*

## INTRODUCTION

The Namibian government has made food security and the fight against hunger a top priority in its agenda and the government has employed different models to achieve this goal, which is one of the key objectives on its agenda for the vision 2030 of the National Development Plan. One of the models that the government has been using to ensure food security is the Public-Private Partnerships (PPPs). PPPs are the long-term contractual relationships between the

government and a private partner to provide all or some part of the delivery of agricultural infrastructure and services (Sardar, 2012). Such kind of arrangements have been used to provide the framing structure through which to bring the public and private sectors together to complement each other's strengths in the financing and provision of agricultural services. With this arrangement being a relatively new model in the agricultural sector in Namibia, this study aimed at investigating the sustainability and effectiveness of it in ensuring food security in Namibia, using Mashare irrigation scheme in the Kavango region as a case study.

In the wake of food security concerns, the Namibian government is now opting for Private-Public Partnership approach such as the one between Agricultural Business Development Agency (AgriBusDev), an entity of government that runs the Green Schemes and Mashare Irrigation (Pty) Ltd.

A PPP is a formalised partnership between public institutions and private partners. PPPs in agriculture are designed to address sustainable agricultural development objectives by ensuring that the public benefits anticipated from the partnership are clearly defined, investment contributions and risks are shared, and active roles exist for all partners at every stage of the PPP lifecycle (Muyunda, 2019).

There are a number of key points that determine the nature of PPPs: namely: 1) the parties to the PPP are a public partner and a private business; 2) the interaction of the parties is formalised and has a legal basis; 3) PPP always has a clearly defined public, socially significant focus; 4) there is a unity of goals of the parties to the public-private partnership; 5) in the process of implementing projects on the basis of PPP, various types of resources and contributions of the parties are consolidated; 6) financial costs and results achieved, as well as liability and risks are distributed between the parties in predetermined proportions; 7) uniform rules for the interaction of the parties are established. Recently, there has been a slowdown in the growth rate of the global and national economies a drive that has prompted governments to look for other models that can propel economic activities and address social-economic wellbeing of the communities. In some parts of the world such initiatives have been met with mixed results such as the investment attractiveness of the Russian agricultural sector, the competitiveness of the Russian products, and low labor productivity. Other noticeable developments in this area such as poor energy efficiency of the agricultural industry has other players calling for the need for innovative development of the agricultural sector of the Russian economy (Mikhail Kozin, 2020).

The recent decades have witnessed considerable progress in fighting global hunger and poverty. This is reflected in the fact that 72 out of 129 of the countries monitored by FAO achieved the Millennium Development Goal (MDG) target of halving the prevalence of undernourishment by 2015, with developing regions as a whole missing the target by a small margin. Meanwhile the share of people in developing countries living in extreme poverty also dropped from 43 percent in 1990 to 17 percent in 2015 (World Bank, 2015) Notwithstanding



these impressive results, progress has been uneven among countries and regions. The prevalence of hunger and poverty has fallen substantially in some regions, especially in East Asia and the Pacific as well as Southeast Asia. But in South Asia and Sub-Saharan Africa, progress has been slow overall, despite some country success stories (Koroma, 2016).

## **RESEARCH CONTEXT**

Agriculture, as the backbone of Namibia's economy, has a major role to play in achieving Vision 2030, since approximately 70% of Namibia's 2.5 million people live in rural areas and are directly reliant on subsistence agriculture for their livelihood (Kaupa, 2020). The Namibian agricultural sector is the second largest primary industry after mining (PWC, 2012). It is further claimed that with the inclusion of the meat processing industry, agriculture is the 7th largest contributor to GDP, after mining, the wholesale and retail trade, real estate and business services, education, government services and other manufacturing activities respectively (Kaupa, 2020).

## **THEORETICAL FRAMEWORK AND LITERATURE REVIEW**

### **Contribution of agriculture to poverty eradication**

Although it is generally accepted that growth in agriculture is highly beneficial for poverty reduction, its importance diminishes as economies grow and become more diversified. Koroma, (2016) argues that the importance of agriculture in poverty reduction derives from two basic circumstances namely: (a) the incidence of poverty is disproportionately high in developing countries, which still rely heavily on agriculture for output and employment and (b) as the poorest households also have few assets with minimal skills, they typically rely more on agriculture and generally face many obstacles in connecting with the non-agricultural economy for income and employment. Social and economic exclusion further reduce alternative opportunities that may be open to certain groups, including women, youth, ethnic minorities, and indigenous people. Thus, by providing a greater share in employment for the poor and the unskilled workforce, agriculture plays a crucial role in making economic growth more pro-poor (Koroma, 2016).

There is strong evidence that growth in agriculture reduces poverty through several transmission mechanisms. These are: i) a direct and relatively immediate effect of improved agricultural performance on rural incomes; ii) the benefit of cheaper food for both urban and rural poor; iii) agriculture's contribution to growth and the generation of economic opportunity in the non-farm sector; and iv) agriculture's fundamental role in stimulating and sustaining economic transition, as countries shift away from being primarily agricultural towards a broader base of manufacturing and services. The practical impact on poverty resulting from a given rate of growth in agriculture in a country depends upon several factors, including the concentration of population close to the country's poverty line, its system of land ownership,

agricultural wages, etc. As these conditions differ across countries, so too does the precise impact of agricultural growth on poverty. In addition to providing employment to unskilled workers, the agriculture sector also contributes to poverty reduction by stimulating growth in the secondary and the tertiary sectors. For example, increased commercial agricultural activities may lead to the expansion of small food-processing industries, thereby increasing, in turn, labour mobility from rural to urban areas. (Koroma, 2016) noted that in China, Korea and Taiwan, a dramatic increase in agricultural productivity had supported the growth of the small and medium enterprise (SME) that sells products to farms.

For an effective and sustainable PPP, there are certain values and goals that must be clearly articulated and established between the parties involved. The following values should be clearly developed:

- Develop agricultural value chains: The Public-Private Partnerships should work hard to make sure that the agricultural sector and its stakeholders deliver quality service. The PPPs should organise teams to make operations smooth and deliver to the market in a way that the customers will be satisfied. A great value chain consists of specific people that deal with; marketing of products, the pricing of products and logistics. In order to make products available to the market, the customer satisfaction team needs to interact with customers and give feedback to the farmers with the aim of improving operations and doing better.
- Combine agricultural research, innovation and technology transfer: the PPPs need a research and development team, an IT team, as well as innovators. After the research team has collected data, the executives must then sit, evaluate the findings, and make decisions. Farmers need to be exposed to different ways of managing their farms effectively and efficiently, through being innovative, and using technology. Information sharing platforms where the communication team share new information and farmers can monitor the use of the technology. Farmers will also need training with the latest farming machines, so that they can speed up their operations and increase productivity. With this understanding, then, one may need to answer the questions as to: in order to ensure the sustainability of the project what kind of knowledge transfer is taking place at Mashare Irrigation scheme and how effective and sustainable is this project to Namibia as a whole?
- Build and upgrade market infrastructure: a successful market is one with a well-managed infrastructure. In terms of farming areas, the quality of tools being used, roads and delivery vehicles, storage and quality control teams will determine the success of the Agricultural sector.
- Deliver business development services to farmers and enterprises: the establishment of PPPs is to ensure that farmers and enterprises in Agriculture are operating at the level

that is set by global unions. The PPPs should educate farmers on different farming systems, provide them with essential tools and equipment, and help them prepare their land for crop, vegetable, and fruit farmers, while helping the beef and poultry farmers secure proper grazing and farming areas. Farmers need assistance in ensuring that they produce quality and fresh products for sale, that they produce enough to meet the market demand and all that can be done with the help of PPPs.

### **Beneficiaries of Public-Private Partnership projects at Mashare Irrigation Scheme**

When examining the beneficiaries of the project, it was observed that Namibia as a country is the biggest beneficiary of this project. The Mashare Irrigation Scheme project creates jobs and employment to rural communities thereby contributing to the socio-macro-objectives and goals of the government. The produce serves Mashare communities as well as the entire Rundu town. The Mashare Irrigation (Pty) Ltd staff and shareholders are able to create wealth which is ploughed back into the Namibian economy. Hence the establishment of this project benefits the country as a whole, helping Namibia towards the attainment of its food security and prosperity goals (Kaupa, Kamuinjo, & Shindume, 2022).

### **METHODOLOGY**

This study was conducted in Namibia at the Mashare Irrigation Scheme in the Kavango Region. The study employed a qualitative method with an appreciation of exploratory component with the aim of enhancing the robustness of the study, whereby the respondents were allowed an opportunity of going into the details of what is happening at this scheme hence providing a wealth of research findings and further ensuring incorporation of crucial elements of such an arrangement.

The adoption of the exploratory research assisted this study to bring to the surface key issues from the subject and form basic understanding as a starting point in understanding the effectiveness of the PPP as a strategy used to fight hunger. Data were collected through interviews and focus groups. Data were analysed using thematic and content analysis, whereby key themes emanating from the discussion were grouped together and meaning extracted from it.

### **RESULTS**

The findings from the study show that the public-private partnership as a strategy to fight hunger and secure food security in Namibia is effective. The findings from the study reveal that this arrangement, whereby the private partner, Mashare Irrigation Scheme (Pty) Ltd leases the green scheme directly from government is working well as it has allowed for the company to develop and operate the scheme with minimal government involvement which has increased the efficiency and effectiveness of the operations on the project. This efficiency and



effectiveness is seen in the increased output of the project which has been beneficial to both parties involved in this project. These findings are supported by Brickell and Elias (2013) who point that the PPP can assist to overcome challenges experienced by smallholder farmers in achieving sustainable agriculture guidelines and goals because in most cases these small-holder farmers lack capacity and skills as was the case in Kenya. In Kenya, the agreement between Unilever and the small-holder farmers resulted in the small-holder farmers achieving better financial returns. The Farmer Field Schools (FFS) model which was introduced by Unilever in Kenya, adopted a learner-centered approach, which allowed farmers to decide on content and used a hands-on approach to training. The findings from this study show that the urgency and the effectiveness which is brought in by the private sector enables the project to attain its established goals and objectives. The study shows that the participants in the project are satisfied with the operations of the project as there is skills transfer as well as an increase in the productivity of their agricultural land; all this being as a result of their involvement with the scheme. The study further found that this arrangement has energised farmers in the area. The farmers are playing a major role in assisting the government in its drive to develop irrigated agricultural land for enhanced food security and the diversification of agricultural production.

The findings from this study also revealed that problems in the agricultural sector in Namibia cannot be solved by a single actor alone but requires a system innovation. Production, processing and marketing in agriculture are dynamic in nature due to continuous change in consumer demand and expectations. An innovative approach is essential to meet the current challenges of agriculture. In order to improve the conditions of the people, there is a need to develop the agricultural infrastructure in all regions in Namibia. Public Private Partnerships in agriculture provide opportunities for conducting advanced research, developing new technologies and deploying new products for the benefit of small-scale, resource-poor farmers and other marginalised social groups in the rural and remote areas of Namibia. The findings further reveal that the challenge of food security and a fight against hunger cannot be won by the government alone. These findings have shown that the failure to achieve food security and the fight against hunger in Namibia is in most cases down to farmers' lack of access to technology, adequate extension services and poor market integration.

Again, the findings from the study reveal that PPP is a successful model and is effective in its drive to fight hunger and poverty in Namibia. This conclusion has been arrived at by looking at the synergy that has come out of this partnership where the government contributes to the partnership by creating an enabling environment through developing schemes for crop production, agro-processing and infrastructural development. Through its other sectors such as the Agricultural Bank, the government avails production and capital loan facilities to the project. On the other hand, the private partner brings in the much-needed skills and operational efficiency. This cannot be achieved by a single player in the agricultural sector. This partnership has stimulated production of both grain and horticultural produce in the area.





The findings from this study also revealed that both the public and private partners involved in the Mashare Irrigation Scheme project are happy with what they have achieved so far. These partners outlined both economic and social accomplishments of the project since its inception. Amongst the key achievements of the project are that the Mashare Irrigation Scheme has become one of the largest grain producers in Namibia, an achievement that has contributed massively to the food security of the country.

Another key accomplishment is that the Mashare Irrigation Scheme was the first commercial Blueberry producer in Namibia contributing to foreign earnings. The project has also succeeded in empowering the local communities through training and skills transfer projects which again have brought about food security to the local communities in and around the area. The partners emphasised that whilst the purpose of the project is to increase food production in Namibia, the main beneficiaries have been the rural farming communities that are willing to venture into new agricultural activities. This called for deliberate state intervention and support.

The findings from this study reveal that the community members at Mashare Irrigation Scheme project are very positive and happy about the existence of this project in the area. The community members are happy, painting a very positive picture when listing the benefits that have accrued to the community as a result of this project. Small scale farmers that showed interest and excelled in farming in the state agro projects have been assisted and supported to acquire their own land for farming. Such farmers have been accessing finance for agricultural inputs, plants, machinery and marketing. Such initiatives have created great enthusiasm and interest amongst the communities in this project and seeing the private sector as a partner indeed rather than viewing it as an employer.

The findings from this study revealed that the PPPs in agriculture is playing a major role in job creation and has increased food production in Namibia, the key indicator that the project has succeeded in its objective of fighting hunger. The findings from this study also revealed that most of the land that was lying idle for years has been turned into productive agricultural areas as a result of knowledge gained from the project, hence the fight against hunger is being won in the area.

## **RECOMMENDATIONS**

The study through its findings has noted that the Public–Private Partnership arrangement is an effective way of fighting against hunger and attaining food security, as well as attaining other socio-economic goals such as job creation and employment as well as skills transfer. With the foregoing in mind, this study recommends the extension and establishment of such partnerships in other regions of the country.

The public-private partnership has so far primarily focused on crop production, and yet there is a lot of potential in other areas still within the agricultural sector which are untapped,



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underutilised or operating way under their potential, the government should find right partners who can invest in sectors such as animal husbandry so as to increase production in this sector as well which has the potential to unlock the economy even further.

The findings from the study have shown that the success of the Mashare Irrigation Scheme comes down to the government having made the right choice in terms of the private partner to work with, hence the study recommends that the government should put in place strict criteria that should be followed when choosing the partners to join forces with when establishing the Public-Private Partnerships. The partners that have the interest of the project at heart and not just the profit arising from it.

## **CONCLUSION**

The effectiveness of the PPP projects depends on how well the key players can work together and collaborate throughout the entire project, from establishment to benefits sharing. Nowadays Public Private Partnerships (PPP) in agriculture provide opportunities for conducting advanced research, developing new technologies and deploying new products for the benefit of small scale, resource-poor farmers and other marginalised social groups in countries. These findings further confirm that the challenge of food security and a fight against hunger cannot be won by the government alone.





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