

AGBIZ hosts a workshop on public-private partnerships

Background

Agbiz hosted a successful workshop on 1 April to discuss potential public-private partnerships to bolster government regulatory functions. It was a hybrid workshop, with around 23 member representatives attending in person at the Grain Auditorium and another 34 attending online.

The idea for such a workshop stemmed from discussions leading up to the Presidential Job Summit in 2018, when business identified capacity constraints in critical areas as a constraint to competitiveness and ease of doing business. Many agricultural inputs and products require inspections and certifications from regulatory bodies before they can be marketed. Where service delivery is hampered by capacity constraints, it can stifle trade and economic growth up and down the value chain. The capacity challenges include key regulatory functions and a document was produced that identified areas in the agricultural sector that required specific focus.

Many of the challenges are well known but additional work was needed to determine best practice models for building capacity through public-private partnerships. Agbiz staff members conducted some additional research and produced a framework document on public-private partnerships in the agricultural regulatory space, which was used as a basis for drafting a programme for the workshop.

Speakers and presentations

Agbiz invited an outside speaker, Ruth Troskie to enlighten us on an existing collaborative programme between government and private sector, called the technical assistance, mentorship, development programme (TAMDEV), which is an initiative of the National Business Initiative. TAMDEV is strategically positioned to foster trust and build strategic relationships with government to open doors for private sector engagement.

Ruth explained that the focus areas of this programme are the following:

- Infrastructure – with a focus on water and energy.
- Revenue enhancement and financial management.
- Local economic development.

TAMDEV has a municipal capacity-building programme. They also have a highly developed mentorship programme. Agbiz will be pursuing further discussions with TAMDEV on possible closer future collaboration.

Theo Boshoff and Annelize Crosby presented the research that Agbiz has done to identify possible ways of addressing these constraints. These include the outsourcing of functions, secondment, cost-sharing, assignment of certain functions and research support. All of these potential solutions, also have potential pitfalls and are guided by the regulatory framework that contains some inconsistency in delegating powers. A World Bank study on contracting

out utility regulatory functions contains some useful insights into what works and what does not work as far as the outsourcing of regulatory functions is concerned. The study found, amongst other things, that policymakers and regulators can use contracting out at various stages of the regulatory framework lifecycle and for different sets of reasons. Contracting out is particularly widespread for agencies in Latin America and Africa, and in the telecommunications, water and sanitation sectors. The functions most often contracted out include monitoring compliance with physical and quality targets, monitoring, compliance with quality parameters and legal opinions. Around 60% of the agencies report that their experience with contracting out has been “good”. About 40% of the agencies feel, that when compared with in-house service provision, contracting out has helped them to improve quality and at the same time reduce cost.

De Wet Boshoff from AFMA shared the experience of Strategic Agricultural Input Forum (SAIF) regarding the Fertilizer, Farm Feeds, Seeds and Remedies Act, no 36 of 1947. SAIF members represent the majority of private sector stakeholders governed under Act 36 of 1947. SAIF is a partnership between government and the Act 36 stakeholders, which is aimed at identifying gaps and obstacles, addressing these in the medium term and proposing amendments to streamline the regulatory environment for agricultural inputs in the longer term.

Tebogo Banda spoke about the use of data processing, and digitisation as tools that can assist in speeding up regulatory processes. She explained what the elements of responsible use of such tools are. She highlighted the potential advantages and pitfalls of the use of such technology and also explained how it can be applied to streamline and speed up applications. Lastly, she discussed the potential for public-private partnerships in this regard with special reference to Act 36 of 1947.

Paul Hardman, Wessel Lemmer and Dewald Olivier all shared their experience with assignees in their respective industries, being fruit, grain and livestock. Experiences were very mixed and it was clear that some assignees worked well with the industry and other less so. During a panel discussion that followed, it became clear that a “one-size-fits-all” approach to assignees was not desirable. Important points that came up in this discussion included the cost of these services, the critical need to build trust, the desirability of competition, the need for some kind of oversight over assignees and the importance of independence and accountability of assignees.

Key takeaways from the session

- Trust lies at the heart of each successful PPP. Trust is not always easy to achieve and neutral third parties could assist to build trust where relationships are broken;
- Solutions will only be accepted if they are developed jointly;
- There are various ways to improve service delivery via PPPs. Assignment or outsourcing wholesale functions is not the only option and as low-hanging fruit such as digitisation can be explored;
- Self-regulation is possible even in the context of assignees, but there are a few critical success factors, including;

- Transparency and accountability is key. Where an entity does not meet the standards there should be consequences. Hence an entity at arms' length from the industry is preferred;
- Government should set the standards in consultation with the industry, but a third party entity independent of both could be used to implement them;
- Both sides must understand the need and the benefit to be regulated; and
- Finally, with various laws currently being amended, there is a window of opportunity to craft wording that will allow industry and government sufficient flexibility to partner going forward.

Way forward

The workshop agreed on several proposals that will be further investigated and researched and taken forward.