

# **The Effectiveness of Public Private Partnerships in East African Export-Oriented Horticulture**

**Review of the  
World Summit on Sustainable Development  
Public-Private Partnership Programme in  
Tanzania, Kenya, Ethiopia  
(Zambia and Uganda)**

**Stella Pfisterer, Diederik de Boer, Huub Mudde, Meine Pieter van Dijk, Rob van Tulder**

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**Acronyms and Abbreviations:**

AC – Agricultural Counsellor  
AIPH – International Association of Horticultural Producers  
CBI – Centre for the Promotion of Imports for Developing Countries  
CoP – Code of Practice  
CSR – Corporate Social Responsibility  
DDE – Department for Sustainable Economic Development of DGIS  
DGIS – Directorate for Development Cooperation (DGIS) of the Dutch Ministry of Foreign Affairs  
ECSAD – Expert Centre for Sustainable Business and Development Cooperation  
EHPEA – Ethiopian Horticulture Producer Export Association  
EKN – Embassy of the Kingdom of the Netherlands  
EU – European Union  
FDI – Foreign Direct Investment  
FPEAK - Fresh Produce Exporters Association Kenya  
GTZ – German Agency for Technical Cooperation  
HODECT - Horticulture Development Council for Tanzania  
IPM – Integrated Pest Management  
KFC – Kenyan Flower Council  
LEI - Agricultural Economics Research Institute of Wageningen International  
LNV - Dutch Ministry of Agriculture, Nature and Food Quality  
MDG – Millennium Development Goals  
MoU – Memorandum of Understanding  
NGO – Non-Governmental Organization  
NUFFIC – Netherlands Organization for International Cooperation in Higher Education  
PAU – Partnership Account Unit  
PC – Partnership Committee  
PPP – Public Private Partnership  
TAHA – Tanzanian Horticulture Association  
UFEA – Ugandan Flower Export Association  
WSSD – World Summit on Sustainable Development  
ZEGA - Zambia Export Grower's Association

## **Executive Summary**

This is the synthesis report for the Directorate Development Cooperation (DGIS) of the Dutch Ministry of Foreign Affairs and the Dutch Ministry of Agriculture, Nature and Food Quality (LNV). It entails a review of the World Summit on Sustainable Development (WSSD) public-private partnership programme for 'Capacity Building and Market Access' in East African export-oriented horticulture. This review assessed the effectiveness and efficiency of the WSSD partnership programmes in Tanzania, Kenya, Ethiopia, and to a lesser extent in Zambia and Uganda. It is based on desk research, interviews with researchers and policy makers and three intense review missions to Ethiopia, Kenya and Tanzania. The project was coordinated by the Expert Centre for Sustainable Business and Development Cooperation (ECSAD).

Export oriented developing countries often face capacity problems to upgrade their products for better access to European and other industrialized countries' markets. The capacity to innovate, and to ensure continuous improvement in product and process development, is key for competitiveness. The WSSD partnership programme initiated by the Dutch government aimed to contribute to capacity building and the strengthening of the horticulture sector in five countries in East Africa: Kenya, Tanzania, Ethiopia, Uganda and Zambia. Although all countries require capacity building, the degree and focus differed. The framework of the WSSD partnership programme addressed this issue by initiating a participative approach per country. Stakeholders identified together the main bottlenecks of the sector and addressed them by specific public-private activities. By working in a partnership, the programme aimed to address underlying accountability gaps in the national horticultural system. By doing this, the partnership programme followed a strategy to address two types of failures: market failure to innovate and governance failure based on a lack of accountability between decision makers and the horticultural industry.

The WSSD partnership framework is a combination of a broadly chosen thematic approach (capacity building for market access) and tripartite cooperation between businesses, public organisations and civil society organisations in the country of concern. In general, this framework proved to be flexible enough to be applied to country-specific contexts. The Partnership Committee, as executive body of the partnership in each country, occupied a formally strong role. But it also introduced a novel governance mechanism for this type of development project. In Tanzania for instance joint public-private agenda setting procedures were initiated for the first time in the horticulture sector. Most partners appreciated this novel governance mechanism. The governance structure of the partnership was successful when it comes to stakeholder engagement, empowering of stakeholders, enabling effective action and strategic planning process. Governance challenges were identified in the context of horizontal and vertical accountability, on programme and project level.

## **Relevance of the partnership programme**

The problems addressed by the WSSD partnership programme in the various countries such as lack of industry-driven training institutions or insufficient integrated pest management applications could not have been solved by one actor (government, firms, NGOs) alone. There was a clear need for committing both public and private parties to joint problem solving. Especially in countries with a strong export growth and openness for public-private dialogue, the partnership strengthened public-private relations and contributed to sector upgrading. This report distinguishes between four different types of upgrading: (1) process upgrading, (2) product upgrading, (3) functional upgrading and (4) inter-chain upgrading. They represent four dimensions of the question whether 'gaining market share' is actually contributing to longer term sustainable development. In this report the latter dimension is also addressed by monitoring the contribution of the programme to a number of Millennium Development Goals. In Tanzania the partnership approach demonstrated to be a relevant instrument in particular for addressing governance failure; in Ethiopia it supported the floricultural industry to build up capacity for innovation. In Uganda the partnership had difficulties to develop dynamism and add value to the sector. This seems largely due to a lack of commitment of key stakeholders. In Zambia, the partnership project benefited the organisations involved, but it missed the opportunity to achieve a broader impact on the horticulture sector. Export horticulture is a large and strong sector in Kenya which implies that project objectives could only be modest. Through the already existing working relations of Kenyan public and private actors the partnership strengthened closer inter-organisational relationships for better coordination and collaboration of the sector.

### **Value of the partnership programme**

The overall effectiveness of the partnership instrument needs to be assessed in its capability to address the needs of the horticulture sector. The WSSD partnership framework proved to be able to address:

- a) market failure through stimulating capacity building to innovate, and to ensure continuous improvement in product and process development;
- b) and/or governance failure through creating a two-way learning where the partners recognised that they need each other for achieving their individual and collaborative objectives.

The two-folded strategy built a comprehensive approach. The focus on one sector enabled the design of a coherent programme. By the time of the review, only marginal differences in the effectiveness of the partnership programme per country were identified. From a comparative perspective, the partnership appears to be most effective in Ethiopia. The approach in Ethiopia is integrated in the country strategy as well as in the strategy of the Embassy. This facilitates a broad approach trying to find synergies with other funds. On the one hand this bears the risk that the partnership is only seen as an additional funding option. On the other hand it showed that the specific focus of the partnership (directed to build up capacity of the flower farms in order to be sustainable) built cohesion for the sector. For the partnership cases in Kenya and Tanzania the degree of effectiveness ranked similar. Nevertheless, the partnership in Kenya was more effective in contributing to sector upgrading and stimulating socio-economic development compared to the Tanzanian case. In Tanzania, the partnership was successful to introduce dialogue between government and the industry. It was for the first time that actors from public and private sector agreed on joint agenda setting in the horticulture sector.

Most 'development partnership' programmes effectively address the market source of failure. By bringing in additional resources and innovative management or agricultural techniques the private sector effectively contribute to increase local capacity or innovative technologies. The WSSD partnership demonstrated that it remains difficult to address inefficient policies due to inherent traditional power imbalances in many developing countries. The WSSD partnership programme is one of the few PPP programmes in development cooperation which actively involve local governmental organisations. In terms of stimulating a two-way learning process the WSSD partnership was a successful best-practice example: the partners recognized that they benefit or working together. In the long-run, this is essential for developing an effective enabling environment.

At the time of the review, the cost-benefit balance was positive for Tanzania, Ethiopia and Kenya what leads to the conclusion that the partnerships in those countries managed to influence positively and strategically those external factors that affected its ability to perform. The review showed that partnership cases with a high level of perceived ownership were more efficient in dealing with external factors. Balancing accountability and ownership, however, remains challenging. Not only due to the fact that the WSSD partnership is a donor-driven partnership initiative but also because traditional power imbalances between state, market and civil society within countries are difficult to overcome, certainly when the parties have limited experience with partnerships. Joint decision-making and project implementation of government institutions, firms and civil society organisations is a novel approach in many African societies. Governing partnerships in these contexts requires flexible mechanism and institutional capacity which can be supported by donor organisations through creating tools and better understanding on how to govern PPPs.

Overall, the WSSD partnership programme had the potential to increase the likelihood of innovation and change in the export-oriented horticulture sector in the reviewed countries through building local capacity and stimulating public-private dialogue. In general, the strength of partnerships is to create synergy through complementarity. The WSSD partnership on horticulture created added value through its close link with Dutch knowledge and research networks. The horticulture case can become exemplary for other sectors as well. A major challenge remains how to achieve effective partnerships in countries not used to work in collaborations. More experiments, research and the development of supportive tools especially in the initial phases of partnerships are appropriate.

## Lessons learned

<p><b>Partnership Exploration, Building and Realization</b></p> <p><b><i>It is of high importance to take the local context into account.</i></b></p> <p>Context dependent factors are critical for the success for the performance of a partnership. The following context dependent factors proved of influence for the efficiency and effectiveness of the partnership:</p> <ul style="list-style-type: none"> <li>• The willingness of (semi) governmental organisations to participate actively in the partnership;</li> <li>• The degree of enabling environment for public-private dialogue;</li> <li>• Specific sector characteristics (such as growth and macro economic situation) define the appropriate moment for intervention.</li> </ul> <p><b><i>An independent process facilitator is vital for the process</i></b></p> <p>Especially the process facilitation by experts from The Netherlands was of high value in the partnership building process. Locally presence of the experts was of added value. Several projects and working groups had to be supported continuously. The continuous involvement of an expert in the project process kept the focus of the project and stimulated learning.</p> <p><b><i>Commitment from the government</i></b></p> <p>The active support from governments is of considerable importance in a partnership. The commitment from high level government representatives is essential for the partnership to gain credibility and legitimacy. Projects without this support are not impossible but more difficult.</p> <p><b><i>Personal involvement of individuals</i></b></p> <p>The success (or failure) of the partnership process was strongly dependent on the personal involvement of individuals. This underlines the need for coaching of these key players throughout the whole partnering trajectory.</p>
<p><b>Partnership Governance</b></p> <p><b><i>Facilitate mutual respect – develop trust</i></b></p> <p>The functioning of the PC reflected the reality of public-private relation in the country, or as in Tanzania, it provided to the partners involved a new example for governance. Like we found in previous research, trust cannot be considered as given in public-private cooperation. Trust needs time to develop, but inside the actual partnership, not necessarily before the partnership starts. The partnership framework facilitated mutual respect between partners involved. Respecting the partner is a first step towards better governance.</p> <p><b><i>Critical success factors</i></b></p> <p>Factors like leadership, committed people, frequent and open communication and clear incentives were critical success factors for all countries and projects.</p> <p><b><i>Risk sharing arrangements</i></b></p> <p>The partnership included a relatively modest sharing of risk and financial commitment. This implies that the Dutch government has more the role of a subsidy giver than of a co-investor. This might hamper the continuation of the projects – in case subsidies from the Dutch government dry up for whatever reason. The formulation and implementation of a good business or governance model (including the specification of various upgrading possibilities) seems important.</p> <p><b><i>Impact project governance structure on sustainability</i></b></p> <p>It can be assumed that project governance structure (focal organisation or working-group) has an impact on the sustainability of the projects. The structure with more responsibility of one focal organisation as applied in Kenya seemed to create more ownership. Having the ownership in the project made the focal organisation feel responsible for the project outcome. The projects which are at the core of an organisation's business are expected to be more sustainable in future compared to projects which can not be integrated directly in the core business of the organisation.</p> <p><b><i>Accountability challenges</i></b></p> <p>Accountability and ownership challenges were identified on horizontal and mainly on vertical accountability structures between donor, Partnership Committee and project partners. Examples are insufficient transparency of PC towards project partners or double functions of organisations on PC and project level. How important the interplay of governance and effectiveness is, was shown by the fact that partnership cases with a high level of perceived ownership were more efficient in influencing positively and strategically environmental hostilities that affected its ability to perform.</p>



<b>Role of EKN, LNV and DGIS</b>
<p><b><i>Active facilitation role of the EKN</i></b></p> <p>The WSSD partnership programme confirmed the benefit of active participation by the Dutch embassies (EKNs). In particular the Agricultural Counsellors played a strong link to pull the strings between the different levels. They could steer, influence and support the programmes during the whole process. Their network and expertise in the horticultural sector were of additional benefit for effective facilitation of programme and projects.</p>
<p><b><i>Strong focus on follow-up financing required</i></b></p> <p>The WSSD funds were regarded as ‘seed money’. This implied that project partners (focal organisation and co-investors) of activities themselves were responsible to organise possible follow-up and/or complementary action and/or investments. From the donor-perspective a clear exit strategy was communicated. The review demonstrated that two projects under review have made a case to co-invest in the further project implementation. The other projects under review needed further financial assistance. At the time of the review these projects did not start organising follow-up investments.</p>
<p><b><i>Programme ownership at embassy level</i></b></p> <p>It was identified that in Ethiopia, where the decision-making and appraisal system was right from the beginning with the EKN, the perceived level of ownership for the programme by the EKN was higher than in countries as Tanzania or Kenya, where the budget-holdership was transferred only during the implementation process. Having the responsibility for the programme from the start allowed for instance the Ethiopian EKN to include PPPs in their strategy. An effective transfer of decision-making powers to embassies, however, requires full personal commitment of individuals involved and the development of systematic competencies locally.</p>

## 1. INTRODUCTION: RATIONALE OF WSSD PARTNERSHIP PROGRAMME

Horticulture exports from developing countries are growing very rapidly and are considered to be an important factor in developing countries' efforts to diversify their export basis. One of the main problems of agricultural products from developing countries, however, remains to apply to strict standards of markets in Europe or other industrialized countries. Strict demands in terms of quality and safe compliance, traceability and consistency of supplies imply that exporters to developed horticulture markets need to have highly effective and efficient production and post-harvest systems in place (Joosten, 2007). African countries in particular lack the capacity to meeting the high quality standards of agricultural products in the field of health, food safety, social standards and environment.

For a better access of horticultural products to European and other industrialized markets the following failures in the horticulture system of developing countries therefore need to be addressed:

- *market failure*: capacity to innovate, and to ensure continuous improvement in product and process development as the key factor of competitiveness and self-sustained development;
- *governance failure*: governance systems that fail to secure accountability between decision makers and horticultural industry.

Since the end of the 1990s, the role of Public-Private Partnerships (PPPs) in addressing 'failures' which build a barrier for sustainable development is increasingly recognized. At the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg governments were encouraged to launch new partnerships between state, business and civil society. These voluntary agreements between governmental organisations, non-governmental organisations (NGOs) and firms aim to reach a common objective or carry out a specific task, in which parties share risks, responsibilities, means, competences and profits (Ministry of Foreign Affairs, 2004). The underlying idea of partnerships is that by generating additional knowledge and resources, results can be achieved that benefit all parties and which they could not have achieved on an individual basis (Reinicke et al., 2000; Kolk et al., 2008). Moreover, partnerships are not just looked as innovative ways to deliver positive development outcomes, but as new governance mechanisms (Rochlin et al., 2008; Glasbergen et al., 2007).

Public-private partnerships mainly evolve between countries with an economic relationship, usually between a Southern country that produces a certain product for a market in the Northern country. One of the goals of these partnerships is often to make production more sustainable, a common problem of the producing and buying countries (Visseren-Hamakers et al., 2007). One example for such collaboration is the public-private partnership programme 'Capacity Building for Market Access' where the Dutch Government has committed itself to contribute to a balanced growth of the horticulture sector in five East African countries (Tanzania, Kenya, Ethiopia, Uganda and Zambia). The partnership aims to be a vehicle to address those bottlenecks in and around the export horticulture chain in both flowers and vegetables & fruits that could only be tackled in a public-private partnership.

The objective of the WSSD partnership is twofold. First, market access to the European market is aimed at through capacity building to comply with food safety regulations. Second, strengthening structures and awareness is aimed at to contribute to sustainable development, not only economic but also social and ecological. The latter is based on the understanding that horticulture exports are expected to contribute directly to poverty alleviation by generating foreign exchange and creating employment, particularly in rural areas. The partnership initiative resulted in an overview of the partner countries specific opportunities and constraints for improved trading of horticultural products to European markets. On the basis of country specific needs' assessments, specific measures and activities were identified, in particular related to capacity and institution building. The intension of the programme was that projects take the form of a collaborative effort of stakeholders to address specific bottlenecks of the sector. The developed activities were implemented under the co-ordination of a 'Partnership Committee', where the main stakeholders of the horticulture sector of the partner country were represented.

This synthesis report discusses the main findings of a review of the WSSD partnership programme in Tanzania, Kenya and Ethiopia and to a lesser extent in Uganda and Zambia. The report is structured as follows: in section two, the methodology and the review process are outlined. In section three, the findings on the process are presented and discussed along this framework. Section three gives special attention to roles of partners in the WSSD PPP, the partnering governance system and outputs. Section four presents the outcomes of the programme by focusing on the contribution of the partnership to sector upgrading and economic and social development. By focusing on the ‘effectiveness’ and ‘efficiency’ dimension of the WSSD partnership programme, we seek to analyse in detail cost-benefit ratios, critical success factors and the added value of the partnerships. The ultimate aim of the review is to identify factors influencing effectiveness of the partnership programme in East Africa, discuss lessons learned and provide feed-back to practitioners and policy-makers. Section five, therefore provides recommendations. In the appendices summary tables on governance performance, critical success factors and contribution to the Millennium Development Goals (MDGs) can be found. The mission reports of Ethiopia, Kenya and Tanzania, as well as factsheets on the partnership programme in Zambia and Uganda are available as additional appendices.

## 2. METHODOLOGY

Assessing partnerships involves gaining insight in their (1) efficiency and (2) effectiveness (Van Tulder and Kostwinder, 2007). Evaluative activities can take place at different stages during the design and implementation of a partnership. Since there is not yet much experience in the review of public-private partnerships in development cooperation, the focus of present assessment studies on partnerships should facilitate not only a systematic coverage of the ‘lessons learned’ from the partnership activities to give feed-back on how to improve the design and implementation of partnerships, but also further help in fine-tuning evaluation frameworks. The challenge of the present approach, therefore, is to combine formative and summative evaluation mechanisms<sup>1</sup>, which also involves forms of ‘action research’ in which the researchers carefully have to deal with the consequences of their interventions in projects.

The assignment to review the partnership interpreted that the assessment can facilitate:

- to provide evidence on how to improve partnership *performance* based on experiences and lessons learned at different project stages (partnership exploration, partnership building and partnership realization);
- to *adjust* the partnership on the basis of intermediary results;
- to inform decisions on *future* policy and on upscaling;
- and to learn from the process of conducting partnership *assessments*.

### 2.1 Framework of Analysis for Partnerships

This review asked the question if partnerships for sustainable development have indeed successfully reached their goals and have added value to the partners involved and to development. The research conducted a comparative performance analysis of three cases (Ethiopia, Kenya and Tanzania) and used information of two additional cases (Zambia and Uganda). The aim of the study was twofold:

- first to evaluate the degree of effectiveness of the selected cases;
- and second, to identify explanatory factors for possible differences in the degree of effectiveness across the reviewed cases.

Research on effectiveness of partnerships in a development context is not yet well established. Assessment frameworks of collaborative ventures have largely been focused on tangible project outputs rather than a review of the true effectiveness of the partnership. Given that partnerships require significant time and resources to develop and maintain, understanding how to maximize their added-value becomes crucial (Caplan et al., 2007; Kolk et al., 2008). The Expert Centre for Sustainable Business and Development Cooperation (ECSAD)<sup>2</sup> developed an analytical framework and a detailed interview and dialogue protocol to monitor the efficiency and effectiveness of partnerships (Van Tulder and Kostwinder, 2007) even in case projects are still underway. The analytical framework aims to measure the efficiency of the process of partnership building and the effectiveness of the PPP instrument. It is based on the premise that most partnerships go through comparable stages. Basically the partnership process consists of four stages: (a) input, (b) throughput, (c) output, and (d) outcome; and has two evaluative dimensions: (e) efficiency and (f) effectiveness (Figure 1).

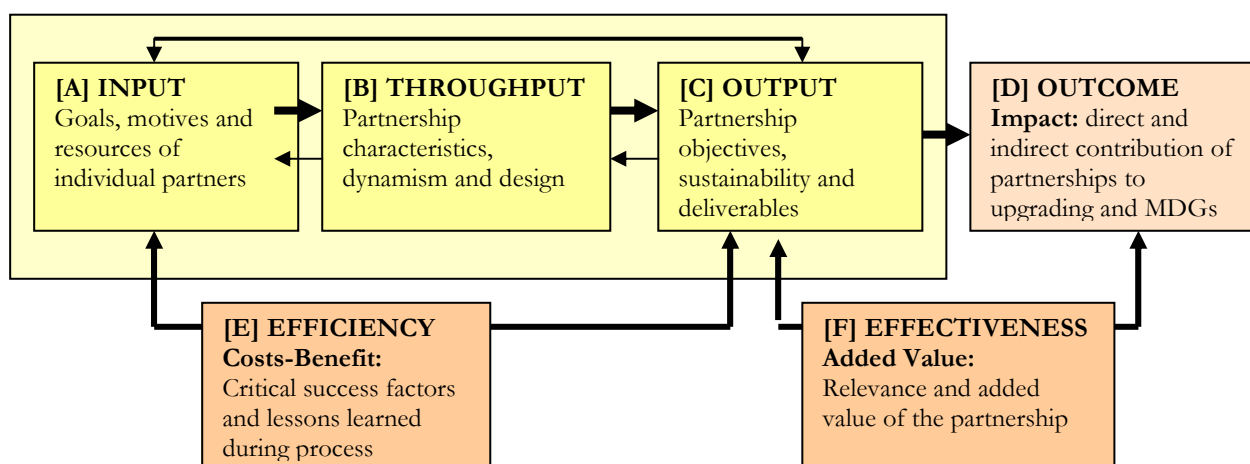
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<sup>1</sup> *Formative evaluation (review)* is undertaken during the implementation phase to gain a better understanding of what is being achieved and to identify how the programme or project can be improved;

*Summative evaluation* is carried out after implementation to assess effectiveness, and to determine results and overall value.

<sup>2</sup> The Expert Centre for Sustainable Business and Development Cooperation (ECSAD) is a network of institutions: Sustainable Development Center (Maastricht School of Management); Amsterdam Graduate Business School (University of Amsterdam); Rotterdam School of Management (Erasmus University Rotterdam); European Institute for Business Ethics (Nyenrode University) and Wageningen University and Research Centre. The complementary skills and expertises of the network increase the knowledge of the role and functioning of international and local business in promoting economic growth and sustainable development in countries in transition. For more information see: <http://www.ecsad.nl>

**Figure 1: Framework of analysis for partnerships**

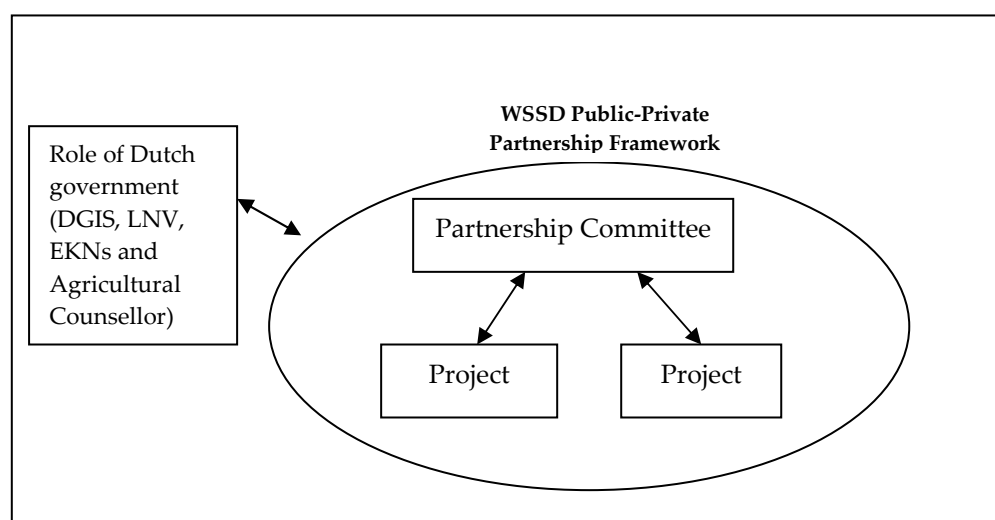


Source: Van Tulder and Kostwinder, 2007

The functioning of the partnership is analysed by focusing on its strategy and its performance. Figure 2 visualises the unit of analysis of the WSSD partnership review. Unit of analysis includes the partnership committee and selected projects in each country. The partnership is a donor funded instrument and takes place in a political environment. Therefore, it was required to analyse the role of the development partner. The analysis focused on (inter)sectoral interactions at different levels:

- interaction of the ministries in The Hague, EKNs and LNV counsellors;
- interaction of the donor (ministries in The Hague, EKNs and LNV counsellor) and the Partnership Committee;
- interaction of the Partnership Committee and the project partners;
- interaction of partners within the projects.

**Figure 2: Unit of analysis of the review**



## ***2.2 Review Process of the WSSD Partnership Programme***

The total review consisted of desktop research, interviews with policy makers and experts in The Netherlands and three missions to Tanzania, Kenya and Ethiopia which took place in October and November 2008.<sup>3</sup> In addition, the experiences and lessons learned of the programmes in Zambia and Uganda were reviewed by desk research, interviews with consultants and questionnaires focusing on respondents of the Embassies of the Kingdom of the Netherlands (EKN) in Lusaka and Kampala. The draft results were sent to some of the participants, in particular the embassies, which resulted in further elaborations of specific points in the report that were underrepresented according to the actors in the field.

### ***2.2.1 Methodology Applied at the Review Missions***

During the mission the functioning of the Partnership Committee (PC) and the selected partnership projects were reviewed through a series of focused interviews with main stakeholders. The methodology for reviewing the Partnership Committee focused on interviewing its members. In Kenya it was possible to participate in a PC meeting.

The partnerships included five to six projects per country. The review selected two to three projects per country for more in-depth analysis. The project selection was done in consultation with DIGS, LNV and consultants involved in the project set-up based on a number of criteria and practical constraints.

Dependent on the organisational set up of the projects, the project review focused on structured interviews with focal organisations, group discussions and field visits. At the end of the week, the preliminary findings of the review mission were presented to the partnership partners. During this session the review team aimed to justify the findings and gather more information on planned future activities of the partners.

The partnership stakeholder workshops differed in each country:

- In Tanzania, the workshop included project partners and PC members and was set up as a half day workshop including group discussions.
- In Kenya, the workshop included the project partners and was set up as a two-hour discussion session.
- In Ethiopia, the workshop included PC members and was set up as a two-hour discussion session and focused on the planned future activities of the partnership.



Partnership stakeholder  
meeting in Arusha



Partnership stakeholder  
meeting hosted by the  
EKN in Nairobi

<sup>3</sup> Mission to Tanzania took place from October 6<sup>th</sup> to October 10<sup>th</sup>, 2008 executed by Prof. Meine Pieter van Dijk and Stella Pfisterer;

Mission to Ethiopia took place from October 27<sup>th</sup> to November 1<sup>st</sup>, 2008 executed by Diederik de Boer and Stella Pfisterer;

Mission to Kenya took place from November 10<sup>th</sup> to November 15<sup>th</sup>, 2008 executed by Huub Mudde and Stella Pfisterer.

In each case, depending on the time and facilities available, a combination of methodologies was applied. Table 1 provides an overview of the methodology applied for each case. Appendix 6 (list of respondents) can be consulted for more information on respondents per country.

**Table 1: Overview review methodology**

Partnership	Methodology	Partnership Stakeholder Workshop
<b>Tanzania</b> October 6 <sup>th</sup> to October 10 <sup>th</sup> , 2008		
Partnership Committee	<ul style="list-style-type: none"><li>• Individual meetings with all PC members</li></ul>	20 participants: project partners and PC members.
T03 Market Oriented Strategy for Pesticides	<ul style="list-style-type: none"><li>• Meeting with working group</li><li>• Meeting with consultant</li></ul>	
T04 Industry Driven Training Programme	<ul style="list-style-type: none"><li>• Meeting with working group</li><li>• Meeting with chair of working group</li><li>• Individual meetings with working group partners</li></ul>	
T05 Promoting Investments through Plant Breeders' Rights	<ul style="list-style-type: none"><li>• Meeting with project partners</li></ul>	
<b>Kenya</b> November 10 <sup>th</sup> to November 15 <sup>th</sup> , 2008		
Partnership Committee	<ul style="list-style-type: none"><li>• Individual meeting with several PC members</li><li>• Observation of a PC meeting</li></ul>	11 participants: project partners of all projects involved in WSSD
K01 Training Centre	<ul style="list-style-type: none"><li>• Meeting with focal partner</li></ul>	
K02 Floricultural Research Fund	<ul style="list-style-type: none"><li>• Meeting with focal partner</li><li>• Meeting with project partners</li></ul>	
K04 Phytosanitary Standards	<ul style="list-style-type: none"><li>• Meeting with focal partner</li></ul>	
K05 Smallholder Participation	<ul style="list-style-type: none"><li>• Field visit incl. meeting with beneficiaries</li><li>• Meeting with focal partner</li></ul>	
<b>Ethiopia</b> October 27 <sup>th</sup> to November 1 <sup>st</sup> , 2008		
Partnership Committee	<ul style="list-style-type: none"><li>• Individual meeting with several PC members</li></ul>	3 participants: PC members
E01 Code of Practice	<ul style="list-style-type: none"><li>• Meeting with training expert and training team</li><li>• Meeting with project partners</li><li>• Farm visits incl. meeting with beneficiaries</li></ul>	
E03 Integrated Pest Management in the Ethiopian Rose Sector	<ul style="list-style-type: none"><li>• Meeting with focal organisation</li><li>• Meeting with project partners</li><li>• Farm visits incl. meeting with beneficiaries</li></ul>	

#### Additional Cases

Country	Methodology
<b>Zambia</b>	<ul style="list-style-type: none"> <li>• Meeting with consultant involved in the project</li> <li>• Questionnaires to EKN staff</li> </ul>
<b>Uganda</b>	<ul style="list-style-type: none"> <li>• Meeting with LNV counsellor</li> <li>• Meeting with consultant involved in the partnership set-up</li> <li>• Questionnaires to EKN staff</li> </ul>

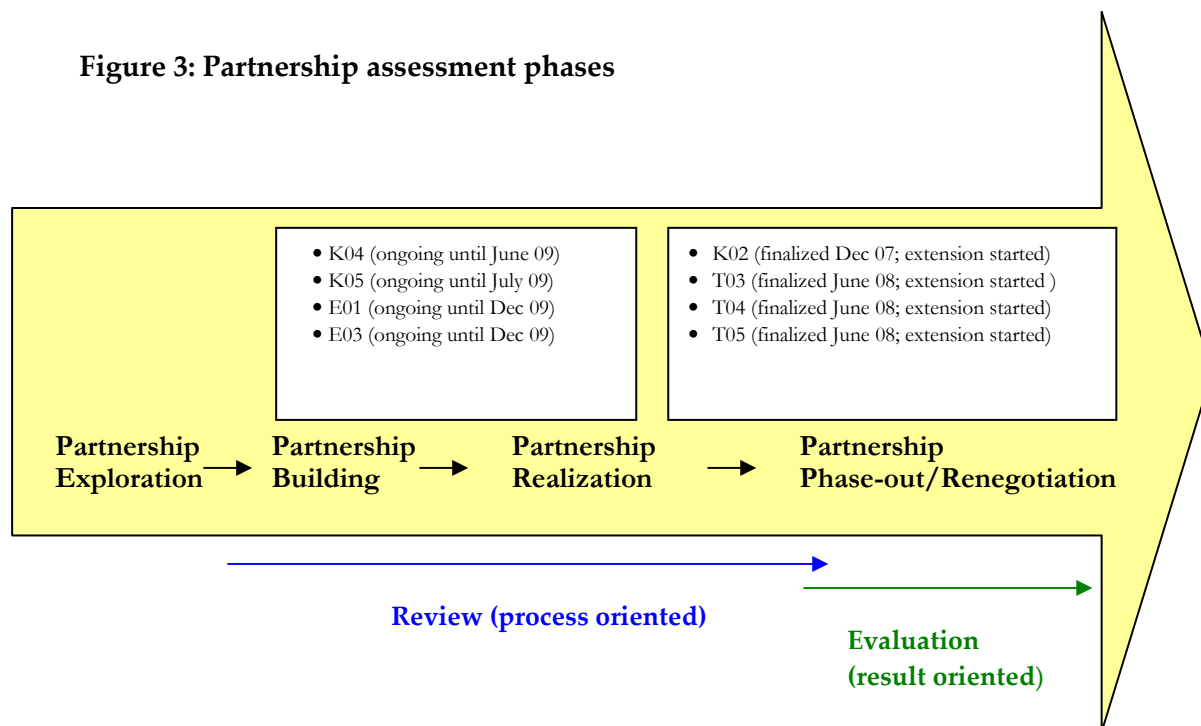


Farm visit and discussion with farm manager and trainers on IPM and post-harvest issues in Ethiopia

### 2.2.2 Partnership and Project Assessment Phases

The partnership assessments took place at different stages of the partnership. Therefore, some project assessments focused on outcomes, while others primarily concentrated on the process-side of the partnership projects. Figure 3 specifies the approximate phase of the project process in which the review took place for each of the eight projects reviewed.

**Figure 3: Partnership assessment phases**





### 3. PARTNERSHIP and PARTNERING: MONITORING THE PROCESS

#### [A] INPUT

##### *A1. Context of the Export-Oriented Horticulture Sector*

The importance of developing countries as suppliers of horticultural products to the EU is demonstrated by the presence of Kenya, Colombia, Ecuador and Zimbabwe among the top ten supplying countries. Imports originating in developing countries have been increasing strongly since the mid-1990s. Between 2002 and 2006, the share of imports from developing countries in total EU imports of cut flowers for instance increased from 17.5% to 21.6%, amounting to €739 million in 2006. Kenya, the leading developing country supplier to the EU, increased its share in EU cut flowers' imports from 5.8% in 2002 to 9.1% in 2006. Other particularly good performers among major developing countries suppliers were Ethiopia (99% average annual increase), Ecuador (7% average annual increase), South Africa (6% average annual increase), India (7% average annual increase) and China (24% average annual increase) (CBI, 2007). In these changing patterns, the Netherlands remains by far the leading importer of cut flowers from developing countries. It therefore serves as a gateway to the European market. Many flowers destined for EU countries pass through The Netherlands first. However, the position of The Netherlands as a hub and of the auctions specifically is being threatened by various developments in the international flower market. One of these developments is exactly the relocation of production by Netherlands flower growers to Africa. Many growers have set up flower growing companies in countries such as Kenya and Ethiopia, where the production costs are significantly lower. These growers often sell (part of) their production in other countries than The Netherlands (CBI, 2007).

##### *A1.1 Comparison Local Context*

The EU market for horticultural products is very competitive. Consequently, the margins are relatively small and under pressure. Sufficient quantity, regular supply and constant quality are prerequisites to stay competitive. Most developing countries are specialized in a certain assortment of products. Uganda, for instance, exports mainly small to medium sized rose variations. However, the largest exporting 'developing' country, Kenya, has diversified its export assortment over recent years (CBI, 2007). Table 2 demonstrates that Kenya fostered its second position as importer of flowers to the EU. Ethiopia had an impressive growth in the last years and managed to jump from rank 23 in 2003 to rank 6 in 2007 as flower exporter. Uganda demonstrated a constant performance. Zambia experienced losses in 2005. In 2007, Zambia could catch up again and surpassed its import value and import quantity to EU markets compared to 2003. The sharp fall in 2005 resulted however in lost positions to competitors. Tanzania increased its flower exports and ranked on position 18 in 2007. In the following the country specific contexts are discussed more in detail.

**Table 2: Comparison Market Access of Flowers<sup>4</sup> to EU (25) of the 5 reviewed countries**

	Import Value (1000€) to EU 25			Import Quantity (1000kg) to EU 25			Export Position in 2007
	2003	2005	2007	2003	2005	2007	
Kenya	209 512.860	267 100.080	322 191.340	54 950.800	77 731.100	90 785.000	2
Ethiopia	3 292.010	9 673.800	39 076.670	671 300	3 546.400	15 274.100	6
Uganda	17 552.420	22 392.460	21 137.660	4 004.000	5 274.000	4 709.100	12
Zambia	17 214.800	13 424.240	16 147.330	3 125.200	3 200.700	3 553.500	14
Tanzania	3 623.360	3 972.870	9 403.530	1 029.300	1 218.400	2 558.400	18

Data based on Market Access Databank of DG Trade (European Commission)

<sup>4</sup> Includes: Cut flower buds of a kind suitable for bouquets or for ornamental purposes

## Kenya

After a tentative start in the 1980s the horticultural industry is now the country's third-largest foreign-currency earner. The Netherlands is the most important export market for Kenyan horticultural products. Kenya's sector performance improved constantly and Kenya could foster its position as second important cut flower importer to the EU. Kenya emerged as flower power when Israel scaled down its own industry. In the last years, Kenya has lost business to neighboring Ethiopia, which offers tax breaks and better security, but Naivasha's perfect intensity of sunlight and days of near-constant length should keep it on top. The horticulture sector employs approximately 4.5 million people countrywide directly in production, processing, and marketing, while another 3.5 million people benefit indirectly through trade and other activities.<sup>5</sup> The horticultural sector has experienced rapid growth since 1966 because of the active role by the private sector and minimum government intervention. The Government of Kenya's overriding public strategy for revitalization of the agricultural sector aims to achieve progressive reduction in unemployment and poverty. As a matter of fact, Kenya's Poverty Reduction Strategy Paper as well as its Economic Recovery Strategy took note of the special role that the horticultural sector plays in achieving positive economic results. Nevertheless, a coherent policy for the horticultural sector is missing. As far as the private side is concerned, the sector has two national export associations and several product market organisations at regional level and numerous formal and informal forms of collaborative production and/or marketing groups. The technical and institutional capacity of the sector can therefore be considered to be strong (Verschoor and Mulandi, 2005).

The horticultural sector as a whole and the export supply chain from Kenya to the EU market in particular, has quite a strong international market position and has shown positive competitive performance over the past years. However, specific efforts to adapt to changing market circumstances and to continuously innovate are of crucial importance of long-term development of the sector and its export. A sector assessment done in 2005 by the Agricultural Economics Institute of Wageningen University revealed, that in order to keep the competitive advantage of the Kenyan horticulture sector, an effective, efficient and coordinated effort by public and private stakeholders in the export chain was required. The study indicated that the long-term challenges to maintain and to improve the sector's competitive performance have three main dimensions:

- Strengthening long-term business relationships and transparency;
- Professional management throughout the supply chain;
- Innovation and value addition (Verschoor and Mulandi, 2005).

## Tanzania

The horticulture industry took root in Tanzania during the 1950's, perishable horticulture for exports to Europe started in the 1970's and Tanzania Flowers Ltd. (the first cut flower farm) was established in 1987. Vegetable exports began in the 1970's and, since 2000, emerged as a flourishing export market.<sup>6</sup> The development of these crops has been promoted by the government with the objective to encourage employment generation and to diversify its source of foreign exchange income (Nyambo and Verschoor, 2005). In 2007, Tanzania was able to increase its horticultural export volume to the EU on more than 75 per cent. Tanzania improved its role in the international horticulture trade: in 2007, Tanzania ranked on position 18 as importer of cut flowers to the European market compared to position 21 in 2006.

The sector consists of large-scale exporters that run their own commercial farms, sometimes also using 'outgrowers'. The enterprise is generating employment in the densely populated rural areas. The development of the floriculture industry has certainly had a positive impact on people in northern regions through employment generation over a period when employment in another important sector (e.g. coffee), went down significantly. Jobs have been created with a relatively high level of job security and labor conditions as compared to other sectors. In 2005, Nyambo and Verschoor estimated that some 4500 people were employed in floriculture. It was estimated that more than 2600 people are directly employed at the vegetables farms and pack houses of the exporting companies or indirectly employed as their contract farmers.

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<sup>5</sup> <http://www.fpeak.org/>

<sup>6</sup> <http://www.tanzaniahorticulture.com/industry2.asp>

The study by Nyambo and Verschoor (2005) highlighted the lack of institutional capacity of the horticulture sector as a barrier to further development. Furthermore, there is no enabling business climate in Tanzania; the relation between entrepreneurs and government is affected by mistrust. The Tanzanian economy is still in transition from a socialist past. The research came to the conclusion that the sector's competitiveness needs to be improved by collaborative public and private action (i.e. creating an enabling environment, fostering innovation and production, and promoting the development of a dedicated support sector). More in specific, Nyambo and Verschoor (2005) concluded that the Tanzanian horticulture sector needs to focus on:

- Expansion of the total production capacity and export volumes in order to reach economies of scale;
- Strengthening the institutional capacity of the sector as a whole fostering collaboration between public stakeholders, private industry and support sector as well as between the floriculture, vegetable and seed sub-sectors in order to build up a "horticluster";
- Establishment of long-term collaboration and business partnerships with the Kenyan horticulture industry in order to reach economies of scale.

## **Ethiopia**

Ethiopian export horticulture is developing at a unique and unexpected high pace. In 2000, on nine hectare flowers were growing, which has increased to over 1.100 hectares in 2008, with more than 80 flower growers. More than 90.000 jobs have been created in and around these flower farm companies. Ethiopia began exporting flowers in 2001/2002, when income totalled \$159.000. Some 70 percent of the country's flower products are exported to the Netherlands while 10-15 percent is exported to Germany. The rapidly growing flower sector in Ethiopia has now become the fourth foreign currency generating product of the country next to the top three products coffee, oilseeds and cereals.<sup>7</sup> The export of fruits and vegetables is less developed, but is expected to emerge in the coming years (Den Belder and Elings, 2007).

The impressive growth was the result of a combination of a favourable production climate and government policies promoting floriculture. The Ethiopian Government tried to create a very conducive environment for investors in the floricultural sector for instance through measures like customs duty exemption, income tax exemption, land availability for investment on leasehold basis, interest rates and available airfreight space with Ethiopian Airlines. In addition, general investments in electricity, communication and road infrastructure further have stimulated foreign and local investments in the sector. Compared to other countries in the region, the general security condition around Addis Ababa (compared to e.g. Nairobi) is considered beneficial to attract foreign investors (Humphries et al., 2006). A floriculture sector organisation exists (EHPEA), but needs further strengthening to effectively deal with the many issues related to a fast growing industry. A dialogue between the government and the private sector has only recently developed.

While it is important to acknowledge the efforts and successes of the past, it is also important to assess how best to consolidate the recent achievements and strengthen the future position of the Ethiopian export-oriented horticulture as a basis for further growth and development. The fast growing industry requires access to up-to-date production technology and equipment. The level and quality of local input suppliers and service providers are currently lacking behind the demands of the sector. Most of the equipment, technical production and post-harvest knowledge is imported from Europe, Kenya and Israel. In general, a rather ad-hoc approach has been observed towards technical training, with many initiatives by individual companies, limited coordination and attention to a sustainable build-up of technical capacity.

## **Uganda**

In Uganda, floriculture started in the early 1990s with roses and foliage. The sector expanded rapidly for a few years, but then ran into trouble in 1997-1998 when several growers went out of business. From 1998 onwards, however, the sector has come back on track, as a result of an encouraging government policy

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<sup>7</sup> Africa News 15/12/08

towards flower exports and initiatives by the Ugandan Flower Export Association (UFEA). For instance, UFEA has set up its own cold store and export handling facilities at Entebbe Airport.

The Government of Uganda, under the Poverty Eradication Action Plan, is currently modernizing Uganda's agriculture through the 'Plan for Modernization of Agriculture'. For the development of the export-oriented horticulture in Uganda, the importance of public policies that stimulate long-term investments and strengthen the international market position of horticultural products from Uganda is important. Further bottlenecks of the sector include:

- Issues surrounding incentives and enabling environment;
- Not effective cool chain management and post-harvest facilities;
- No sufficient training and/or research and demonstration capacity to carry out the product trials and research needed to support industry expansion;
- Need for skilled and trained labour. (Van der Valk and Nyuabuntui, 2005)

The flower sector is well-organized, for local and export markets alike. As the members of UFEA are producers as well as exporters, they control large part of the supply chain. There seems to be very little communication and collaboration between the floriculture and fruits & vegetables sub-sectors. Furthermore, there is not much trust in the public sector by the private sector and a public-private partnership culture does not really exist in Uganda.

## Zambia

In the late 1980's the Government of Zambia began the liberalisation of the economy giving capacity to entrepreneurs and easing import and export restrictions. The Government strongly encouraged export diversification towards non-traditional produce, floriculture included.

Zambia's floriculture industry is primarily aimed at growing roses, which accounts for about 95% of the total production while 5% is covered by summer flowers. Almost all flowers are sold to the EU with the Dutch auctions accounting for more than 90%. The Government of Zambia and the Zambia Export Grower's Association (ZEGA) have a good working relationship and jointly they set up a training trust including a horticulture pilot farm. Indeed, public-private partnerships are very much on the current agenda of Zambia. In Zambia, many PPPs differ from the historical use of contracts. This is because the involvement of communities is being stressed now and all stakeholders are keen that projects are 'locally owned' and supported. Since end of 2008 a PPP legislation is in place. Various working forums have been established to prepare and discuss policy issues.

The characteristics of the export-oriented horticulture sectors per countries differed in terms of sector performance, institutional framework and existing public-private dialogue. Table 3 summarises these characteristics per country. The overview demonstrates that depended on the specific context per case different capacity building activities for (self) sustained competitiveness were required.


**Table 3: Main characteristics of the export-oriented horticulture sector per country**

	Sector Performance	Institutional Framework	Public-Private Dialogue	Main Capacity required
<b>Kenya</b>	<ul style="list-style-type: none"> <li>• Strong international market position and positive competitive performance over the past years</li> <li>• High level of diversification</li> </ul>	<ul style="list-style-type: none"> <li>• Well developed institutional framework on private and public side: <ul style="list-style-type: none"> <li>▪ The Horticultural Crops Development Authority (HCDA) is responsible for regulating the industry and issuing licenses to exporters.</li> <li>▪ Kenya has two</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Several platforms for dialogue exist</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening long-term business relationships and transparency</li> <li>• Professional management throughout the supply chain</li> <li>• Innovation and value addition</li> </ul>

		major producer organisations: the Kenya Flower Council (KFC) and the Fresh Produce Exporters Association (FPEAK)		
<b>Tanzania</b>	<ul style="list-style-type: none"> <li>• Increased growth</li> <li>• Minor role in international horticulture trade</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of institutional capacity on public and private side</li> <li>• Only recently the Tanzanian Horticulture Association (TAHA) became an effective sector organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Laissez-faire attitude by the public sector</li> <li>• Mistrust between government and industry</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of the total production capacity and export volumes</li> <li>• Strengthening the institutional capacity of the sector as a whole</li> <li>• Establishment of long-term collaboration and business partnerships with the Kenyan horticulture industry</li> </ul>
<b>Ethiopia</b>	<ul style="list-style-type: none"> <li>• Impressive growth as result of a combination of a favourable production climate and government policies promoting floriculture</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional capacity is required for research institutions, public sector organisations and the Ethiopian Horticulture Producers Export Association (EHPEA)</li> </ul>	<ul style="list-style-type: none"> <li>• Dialogue between public and private sector developed only recently (up to minister level)</li> <li>• Strong regulative government</li> </ul>	<ul style="list-style-type: none"> <li>• Access to up-to-date production technology and equipment</li> <li>• Coordination and attention to sustainable build-up of technical capacity</li> </ul>
<b>Uganda</b>	<ul style="list-style-type: none"> <li>• Constant performance of the sector</li> <li>• No diversification which resulted that increase in imports was dampened by gradually declining prices for small-budded roses.</li> </ul>	<ul style="list-style-type: none"> <li>• Highly organised sector through Ugandan Flower Export Association (UFEA). For instance, UFEA has set up its own cold store and export handling facilities at Entebbe Airport.</li> </ul>	<ul style="list-style-type: none"> <li>• Little cooperation and collaboration;</li> <li>• Mistrust in public sector by businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Incentives and enabling environment</li> <li>• Effective cool chain management and post-harvest facilities</li> <li>• Sufficient training and/or research and demonstration capacity to carry out the product trials and research needed to support industry expansion</li> <li>• Skilled and trained labour</li> </ul>
<b>Zambia</b>	<ul style="list-style-type: none"> <li>• Almost no diversification in export-oriented horticulture</li> <li>• The sector experienced losses in 2005. In 2007 the sector performance improved</li> </ul>	Well developed framework, but with problems in the last years due to the fact that exporters experienced challenges in export-oriented business	<ul style="list-style-type: none"> <li>• The Government of Zambia and the Zambia Export Grower's Association have a good working relationship;</li> <li>• Since end 2008 PPP policy in Zambia.</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of capacities and conditions for effective export inspections of flowers and vegetables at the main port</li> <li>• Improved monitoring and surveillance on pests and diseases</li> <li>• Enhanced awareness on EU phytosanitary standards and inspection procedures</li> </ul>

Effective public-private partnerships need a favourable environment, such as commitment for dialogue by governmental organisations and firms and a good developed and effective institutional framework. As table 3 demonstrates, the institutional framework in the countries and the degree of public-private dialogue in the horticulture sector widely varied per country. The ‘partnership environment’ was in some countries much more developed (‘facilitating’) than in others. Table 4 classifies the countries on their enabling environment for public-private partnerships in horticulture.

**Table 4: The enabling PPP environment in the horticulture sector**

<div> <div>Weak</div> <div>  </div> <div>Strong</div> </div>		
No enabling environment for PPPs	PPP environment developing	PPP environment well developed
Tanzania	Kenya	Zambia
Uganda	Ethiopia	

## ***A2. Partnership Roots and Overall Objective***

Following the WSSD conference in 2002, the Government of Netherlands (through the Ministries of Foreign Affairs, and Agriculture, Nature and Food Quality) took the initiative for a partnership on market access of food and agricultural products by meeting export standards. This decision was based on the idea that not meeting the basic quality standards of the buyers leads to exclusion of important markets. As most developing countries have no home market for horticulture (especially in the case of cut flowers), the growers produce for the markets in Europe, Japan or the USA. The growers have to meet the industry standards in these countries. If growers do not meet the standards fully, it can be relevant to support the capacities required. In this context, with Kenya, Tanzania, Uganda and Zambia such partnership programmes were started in 2005 focusing on export horticulture (e.g. cutflowers, cuttings, fruits and vegetables). Given the impressive and encouraging development in the floriculture, it was concluded in June 2007 that Ethiopia could also qualify for the WSSD-partnership facility.

The status of a so-called ‘WSSD partnership’ made available an amount of €1 million for projects per country. The WSSD partnership design entailed a broadly chosen thematic approach (market access and capacity building) in the form of a tripartite cooperation between businesses, public organisations and civil society organisations in the country of concern and The Netherlands. The framework included a) a decision-making platform: the so-called Partnership Committee (PC), an institutionalised partnership between public, private and civic organisations in the country of concern and the Netherlands and b) projects: activities designed (and implemented) in cooperation of several actors.

In general, the WSSD Partnership programme aims to contribute to:

- The development of a competitive, demand driven, profitable, self-sustaining and innovative horticulture cluster well connected to international networks;
- Implementation of environmentally and socially friendly production systems and technologies;
- Human resource development and enlarging the positive spin-off to local, regional and national social development;
- Establishment of a strong international reputation of the horticulture cluster per country;
- An institutional framework which enables the sector to meet (future) market demands and opportunities and to operate in a socially and environmentally friendly and broadly accepted manner;
- Reinforcement of fruitful cooperation between the horticulture sector and the government;
- Strengthening of the cooperation between the country of concern and the Netherlands.<sup>8</sup>

<sup>8</sup> Memorandum of Understanding for the Ethiopia-Netherlands Horticulture Partnership.

### ***A3. Partnership Exploration and Building***

The set up of the actual partnerships in the five partner countries followed three different paths: (1) Kenya, Tanzania and Uganda; (2) Zambia and (3) Ethiopia.

(ad.1). The process in Kenya, Tanzania and Uganda was designed as following:

1. Desk research, fact finding and interviews with various stakeholders in the country as well as in The Netherlands;
2. Analysis of results and formulation of a position paper;
3. First consultation workshop to discuss the position papers, set priorities and select the project ideas to be worked out;
4. Establishment of Partnership Committee in the country;
5. Formulation of proposals of the selected project ideas;
6. Second consultation workshop;
7. Submission and approval of project proposals to Partnership Committee;
8. Concluding administrative arrangements with DGIS/LNV for approval projects;
9. Implementation of project (De Jager et al., 2007).

(ad 2). The partnership process in Zambia followed a different path and was started earlier than the process in Kenya, Tanzania and Uganda. On the basis of a joint assessment it was agreed that the relevant public and private partners will cooperate to address critical phytosanitary issues in **a joint project**. The process of developing the project proposal was assisted by a Dutch consultant, who finally rewrote the proposal in order to bring together the ideas of the partners involved. The main stakeholders expressed their joint commitment to the objectives and project implementation approach and specified their contributions towards the implementation of the project activities. This has been formalized in the form of a Memorandum of Understanding.

(ad. 3). Ethiopia, which received only in 2007 the WSSD status, went through a different set up process. It was explored how the Ethiopian-Netherlands Horticultural Partnership (ENHP) could contribute to strengthening the enabling environment for horticultural development and to address new challenges pro-actively. The partnership exploration phase started in 2006 with the joint formulation of a working agenda by the public and private stakeholders in the horticultural sector. Based on this agenda projects were formulated and implemented. In 2006, all these activities were initiated with funding from the International Research Programme of the Netherlands Ministry of Agriculture, Nature and Food Quality, implemented by Wageningen University and Research Centre. Additional financial support was provided when needed by the Netherlands Embassy (consultancy fund). To develop a detailed plan of action for the Ethiopian-Netherlands Horticulture Partnership, a mission of WUR to Ethiopia has been fielded in April 2006. The findings of the mission have been based on cross-checking the strategic directions for the horticulture sector based on a sector study, and the tentative 'Agenda for the intended Ethiopian-Netherlands horticulture partnership' through discussions with representatives of the public and private sector. The research by WUR supported the observation of the need for a two-tiered support approach towards the 'floriculture' and 'fruits and vegetables' sub-sectors because of their highly different characteristics, pace of growth and potentials. The mission statement and agenda for the Ethiopian-Netherlands horticulture partnership has been reviewed and validated by senior staff members of the Ministry of Trade and Industry and the Ministry of Agriculture (MoARD) as well as the sector representative body EHPEA

Table 5 compares the main characteristics and lessons learned for the partnership exploration and building phase in the five countries.

**Table 5: Comparison of WSSD partnership exploration and building processes**

Country	Time-frame	Main Characteristics
<b>Kenya</b>	Oct 2004 – June 2006	<ul style="list-style-type: none"> <li>• Interviews with actors in The Netherlands did not yield the expected value added;</li> <li>• Long-distance backstopping by consultants appeared to be difficult and inefficient;</li> <li>• The final project proposal did not always result from the approach as designed at first instance, but during the project the interest of some stakeholders got less while others joined with positive initiatives;</li> <li>• Role and tasks of PC and LNV/DGIS in commenting on proposals was not clear. In some cases contrasting comments and suggestions were received.</li> </ul>
<b>Tanzania</b>	July 2005 – October 2006	<ul style="list-style-type: none"> <li>• The process started at a good moment with TAHA strengthened and trying to improve communication with the public sector;</li> <li>• TAHA took initiative to set final priorities and select project ideas;</li> <li>• Writeshop was found to be a highly efficient and participatory tool.</li> </ul>
<b>Ethiopia</b>	April 2006 – June 2007	<ul style="list-style-type: none"> <li>• Agenda setting for the partnership connected to ongoing processes in the country (e.g. policy formulation etc);</li> <li>• Agenda setting was done by consultants in cooperation with Agricultural Counsellor. The outcomes were reviewed by high level representatives of organisations (no stakeholder workshop);</li> <li>• Strong involvement of Dutch consultants in the project proposal writing process;</li> <li>• Strong commitment of the Ethiopian government;</li> <li>• Right moment for the partnership programme to enter the stage in Ethiopia.</li> </ul>
<b>Uganda</b>	August 2005 – mid 2007	<ul style="list-style-type: none"> <li>• No clear conclusions and recommendations after fact finding mission resulted in some discussions and interventions by LNV/DGIS;</li> <li>• Conflicts emerged upon the process whereby the view of the consultants was not shared by LNV and DGIS;</li> <li>• Facilitation by experts was required to keep the process going;</li> <li>• Participation of public sector turned out to be difficult; in fact, stakeholders preferred to give a minor role to the Ugandan government;</li> <li>• The interest by the floriculture stakeholders was found rather poor; in fact they tended to concentrate on the direct funding by the embassy instead of the WSSD process</li> </ul>
<b>Zambia</b>	July 2005 – June 2006	<ul style="list-style-type: none"> <li>• One project was set up;</li> <li>• Project proposal writing was done by consultant;</li> <li>• Other commitments of partners resulted in time conflicts what had as a consequence that the WSSD partnership building process was received as a lower priority.</li> </ul>

Based on: De Jager et al., 2007



*Reflection: Cumbersome Partnership Exploration and Building*

The countries under consideration faced capacity problems to upgrade their products for better access to European market and other industrialised countries. The context in each country is different (sector performance and institutional framework) and all countries required capacity building but to a different degree and with different focus. The framework of the WSSD partnership programme addressed this issue by initiating a participative approach per country where the stakeholders identified together the main bottlenecks of the sector and addressed them by specific public-private initiatives. In all countries projects were initiated to address phytosanitary systems and build up industry driven training programmes. Projects around smallholder integration were developed in Kenya and Uganda, where the sector was rather mature. In both countries the focus was stronger on research activities compared to Tanzania and Ethiopia. In Ethiopia and Tanzania projects around pesticide registration and integrated pest-management were initiated. Promotion of the sector was especially identified as one major bottleneck which needed to be addressed in public-private cooperation by the Tanzanian actors.

Setting up the partnership took in average 17 months. This is due to the fact that the countries under consideration had a different enabling environment for public-private partnerships, what positively or negatively affected the participatory process of the set-up phase. Limited experience with the partnership instrument and with working in a participatory process influenced the partnership exploration and building phase. In all cases the strong involvement of (Dutch) consultants was required to get the process started and to stimulate ideas for public-private activities. In Ethiopia, the process was highly demand-driven and could link agenda setting of the WSSD partnership programme to ongoing processes in the country.

## [B] THROUGHPUT

### ***B1. Partners, Individual Objectives and Drivers***

Chain actors in the flower, fruits and vegetable sector have been the direct target group of the programme. The most relevant organisations in the respective horticulture sector per country were identified as partners for the partnership based on a sector analysis. Almost all key organisations were still involved in the partnership at the time of review. The institutional change which currently takes place in the Ethiopian horticulture sector is particularly interesting for the partnership dynamic in Ethiopia; the newly established Horticulture Development Agency will become a member of the partnership and will head the Partnership Committee. It can be expected that this new organisation will bring in its motives and drivers to the partnership. This may provoke change in the institutional setting of the partnership.

Individual partners have specific goals and motives for joining a partnership which reflect their ambitions. Goals and motives to enter into a partnership are strongly influenced by the societal position of an organisation (market, state and civil society).

In general, for *governments in the partner countries* participated in the WSSD partnership with the aim to stimulate investments in the horticulture sector in order to increase FDI; employment creation; enhanced economic and social compliance standards; but also build up capacity of own public institutions (e.g. research institutions).

The *private sector* as the main beneficiary of the programme appreciated the idea to increase its profits through better market access of their products to especially the Dutch market. Moreover, the industry was in favour to realise a positive spin-off for a better enabling environment (first of all legal security through industry driven regulations). This means that the lobby position of the sector associations needed to be improved. Besides gaining influence in political decision-making, the associations' objective to enter into the partnership was to provide better services to their members and improve their strategic position in the sector. The private sector was motivated to influence or pre-empt future government standards.

In line with the recent re-emerging recognition of the important role that agriculture plays in furthering economic development in countries in the South, the *Dutch government* has reformulated its strategy on "Agriculture, Rural Entrepreneurship and Food Security" (2008). The policy document is a joint statement of the Netherlands' Ministry of Foreign Affairs and the Ministry of Agriculture, Nature and Food Quality. The WSSD partnership as joint programme highlighted the objectives of both ministries. The motivation of the Dutch Government to set up the partnership can be summarized as:

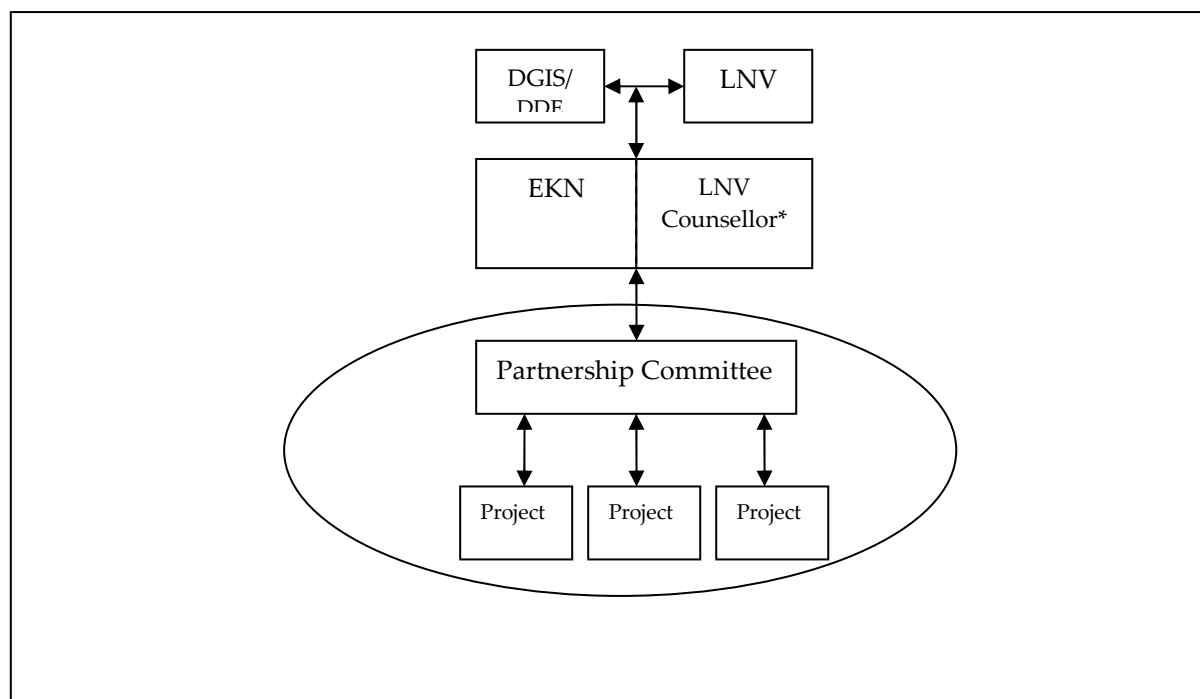
- a) Benefit for European distributors and consumers through enhanced quality and quantity of imported horticultural products;
- b) Benefit of Dutch export of inputs (knowledge) and services to partner countries;
- c) Support (Dutch) growers in partners countries by improving the enabling environment;
- d) Stimulate social and economic development by promoting access to international markets and trade.

### ***B2. Partnership Governance Structure***

Governance is a process by which a partnership is managed and regulated. Partners who seek to collaborate must understand how to jointly make decisions about the rules that will govern their behaviour and relationships; they also need to create structures for reaching agreement on collaborative activities and goals through shared power arrangements. The challenge for this review study was to try to capture the partnership's evolving working arrangements, while at the same time looking at how partner relationships might be optimized in order to enhance participation and thus improve performance. An understanding of the processes involved is required in order to understand to what extent a partnership is living up its potential, or what factors are causing success or failure (Caplan et al., 2007).

The WSSD partnership framework for East Africa is applied in all WSSD partnership cases (except Zambia). The structure included an executive formal decision-making body, the so-called Partnership Committee, and several partnership projects under the responsibility of the Partnership Committee.

**Figure 4: Structure WSSD partnership for East Africa**



\* The Agriculture Counsellor (AC) is not independent of the EKN. Since the ACs have an important role in the WSSD partnership and they usually have a different reporting line (to LNV instead of DGIS/DDE), this review considers the ACs nevertheless separately.

### ***B2.1 New Role for the Development Partner***

There is a tendency for donors to view their role in partnerships as identical to their role in normal projects i.e. primarily as ‘funder’ (Van Tulder and Pfisterer, 2008). In reality however, roles are more complex and the internal dynamics of the relationships greatly impact the achievement of the donor’s development goals.

### **DGIS and LNV: Setting the Rules and Final Responsibility**

The Department for Sustainable Economic Development (DDE) of DGIS and LNV worked closely together to set up the partnership. The cooperation of both ministries was experienced differently: by internal staff as cohesive and by some external stakeholders as sometimes divergent. Some external stakeholders had the impression that in some points both ministries followed different priorities what resulted in different remarks on e.g. project proposals.

The idea of DGIS and LNV was to design a framework which then was implemented by the EKNs (“set the rule of the game, then release the game to be played by the players”). In setting up the partnership programme LNV was more pro-active to get the partnership started. The final financial and political responsibility of the partnership programme was under direct supervision of DDE (DGIS) what required an active approach. The question how much ‘ownership’ to give to the EKNs and in how far had the programme to be actively administered from The Hague was a balancing act for both ministries.

### **Unusual role for EKN and Agricultural Counsellor**

In all cases, except for Ethiopia, the idea to set up the partnership was inspired by The Hague. In the partnership exploration phase, the EKNs without an Agricultural Counsellor in house (Tanzania and Uganda) were not enthusiastic about the partnership programmes. Some staff involved in the set-up phase of the programme at the EKNs in Zambia did not consider the programme as demand-driven.

The EKNs agreed to implement the partnership programme because:

- a) it fit to the EKN strategy on agricultural and/ or private sector development;
- b) the EKNs realized a benefit for the (Dutch) entrepreneurs active in the horticultural sector
- c) the EKNs regarded the WSSD partnership programme as an instrument to provide a 'window of opportunity' for the private sector in improving the enabling environment for horticultural export-business.

Implementing the PPP was time intensive for the EKNs. Table 6 demonstrates that all EKNs experienced it as necessary to actively facilitate the programme, especially in the set up phase. In all countries, a hands-on approach of the EKN was required to bring together the partners and develop project designs. This is due to the fact that the partners had almost no experience with the partnership approach. Even when partnership is a rather innovative instrument, it required much administration and management by the EKN. After the implementation of activities started successfully, the involvement of the EKN staff became less intensive and the positive perception of the programme increased.

**Table 6: Overview involvement of Dutch embassies (EKNs)**

	Responsibility by	Link to EKN strategy	Role in the partnership
<b>Kenya</b>	Agricultural Counsellor (AC)	Direct	<ul style="list-style-type: none"> <li>• Very active facilitation role of the Agricultural Office and the AC</li> <li>• PC-Secretariat</li> </ul>
<b>Tanzania</b>	Economy and Trade Department (and Agricultural Counsellor based in Nairobi)	Indirect	<ul style="list-style-type: none"> <li>• Hands-on approach in the set-up phase;</li> <li>• Since outsourcing of most programme management to TAHA, the role of EKN/AC changed towards programme supervision</li> <li>• PC Secretariat</li> </ul>
<b>Ethiopia</b>	Agricultural Counsellor	Direct	<ul style="list-style-type: none"> <li>• Very active facilitation role of the AC; function as programme manager</li> <li>• Participation in the PC</li> </ul>
<b>Uganda</b>	Economy and Trade Department (and Agricultural Counsellor based in Nairobi)	Direct	<ul style="list-style-type: none"> <li>• Very active facilitation role of the EKN/AC</li> <li>• PC Secretariat</li> </ul>
<b>Zambia</b>	Economy and Trade Department	Direct – now EKN moved out of the agricultural sector	<ul style="list-style-type: none"> <li>• Supervision and monitoring</li> <li>• No active involvement in implementation</li> </ul>

In the programme set-up, the EKNs were responsible for the implementation, but the final responsibility was at the headquarter in The Hague. Half way the implementation of the activities in Kenya and Tanzania, it was decided by DGIS that the EKNs should become budgetholders instead of DDE. The change in budgetholdership was perceived as positive by the EKNs, because it enabled a more efficient administration of the projects. In case the embassy identified PPPs as strategic dimension, such as in Ethiopia, the EKN experienced more trade off for the own organisation right from the begin.

The active involvement of the EKNs and LNV counsellors in the PC proved to be an unusual role. On the one hand, it offered the possibility to steer the partnership and to bring in the idea of the Dutch government. On the other hand, it was perceived as doubtful, whether a donor should be involved in decision-making processes for a programme where the Dutch government is also the funder. Zambia demonstrated to be an exception: the EKN was not involved in the partnership steering group. The

disadvantage was that the EKN had no insight in decision-making procedures of the Steering Group and could not influence the process.

### ***B2.2 Partnership Committee***

The Partnership Committee (PC) is the executive body of the partnership. It has been responsible for the management of the partnership, approval, and guidance and monitoring of projects. It had the task to identify links with other programmes and projects. In all cases it was decided that the PC was chaired by a representative of the public sector. This was supposed to be a method for catching government commitment at the highest level. The necessity of ensuring government commitment at a high level was one lesson learned of the partnership building phase in Tanzania and Uganda, where it demonstrated to be difficult to commit the partner government to the partnership.

In general, the PC composition per country reflected the power distribution in the respective sector: in Ethiopia, the public sector was strongly represented in the PC; in Tanzania, more private partners were appointed. The public-private interactions existing in the sector were reflected by the work dynamics of the PC:

- in Uganda, it was difficult to develop dynamics in the PC;
- in Kenya, the functioning of the PC was good and without any problems. The partners had working relations already before the partnership started;
- in Ethiopia the PC meetings were constructive since they were understood as ‘consultative meetings’.

The exception was Tanzania. The reviewers got the impression that the PC created a new forum for dialogue of government and the horticulture industry.



PC Meeting  
hosted by the  
EKN in Nairobi

### ***B2.3 Partnership Projects***

The identified bottlenecks were addressed collaboratively by the participating partners. Almost all reviewed projects were public-private in nature; some also included a civic actor. The following distinction in project design can be made:

- a) Working groups designed as a platform for discussion and joint decision-making;
- b) Project implementation by one focal partner; joint actions in specific activities of the project

In the case of working groups, it proved difficult to develop a sense of ownership by the partners. Leadership was required in the working group, in order to not lose direction. As long as the projects were more explorative in the sense of focusing on research and studies, working groups acted as a supportive mechanism for sharing expertise between the different partners. As soon as the projects had to enter implementation stage, development of leadership and responsibility for the project was more difficult to develop.



Meeting with  
Working Group in  
Arusha

The project design where one organisation had the lead (focal organisation) demonstrated to be efficient for the implementation stage, but could not generate joint ownership for the project. The partners supported the project with expertise, data collection or services. The full ownership was with the focal organisation. The projects could be characterised as ‘partnership in implementation’ but not as ‘partnership in ownership’.

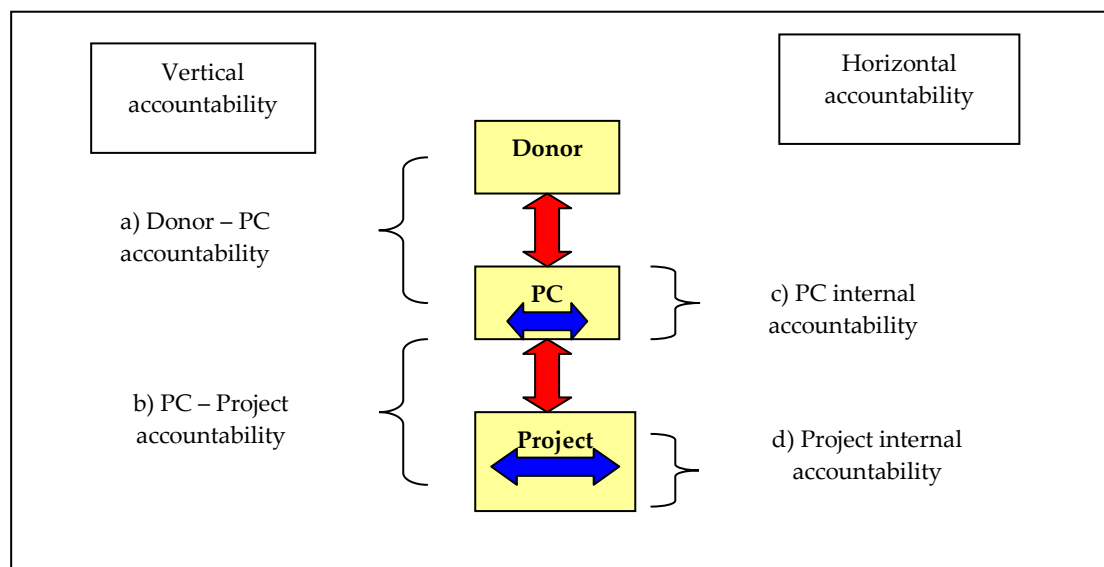
### ***B3. Partnership Accountability***

Accountability is not only a technical discussion about the ways of reporting but a very central political concept; it is about power relations. Individual organisations, be they from the public, private or civil society sphere, have a variety of accountabilities that they seek to meet in their normal operations. Partnerships complicate this further by introducing a range of new accountabilities into the mix. The choice of partnership structure and management has an impact: partners are meant to be accountable to each other as well as the partnership is meant to be accountable to external stakeholders. Partnership accountability implies to find ways to held each other to account, be expected to give each other an account of activities and progress, and be expected to take account to each other’s needs or concerns (Caplan, 2005).

#### ***B3.1 Internal Accountability***

The WSSD partnership programme knows vertical and horizontal accountability structures. Figure 5 provides an overview of the levels of internal accountability. In the following vertical accountability structures between a) donor and PC and b) PC and projects are analyzed as well as horizontal accountability on c) PC level and d) project level.

**Figure 5: Internal accountability structure**



## ***Vertical accountability***

### ***a) Donor-PC accountability***

The PC was the body of the partnership which formally decided on partnership projects. In practice, the PC made decisions related to operational issues such as approving project progress reports. In Kenya, Uganda and Tanzania, the Directorate DDE of DGIS monitored the programme externally by focusing on project progress reports and field visits. DDE had the final responsibility for the programme. As mentioned earlier, in Tanzania and Kenya, the budgetholdership changed from DDE to the EKN during the implementation. This incorporated no changes in the PC-donor relationship, because in both countries the EKNs were on purpose appointed as secretariats of the Partnership Committees already before the change in budgetholdership. The functioning of the EKNs as secretariat supported their facilitative role in the programme. The EKNs had an active role to administer the partnerships. The importance of having a programme manager as link between projects, PC and donor was successfully underlined by the experiences of the Tanzanian case, where the programme administration was outsourced to the Tanzanian Horticulture Association.

In Ethiopia, the Agricultural Counsellor pulled the strings between the different levels. His presence in the PC and his strong supervisory role in the whole process as well as his power and commitment to steer the programme built the accountability mechanism in the PC and donor relation. He wrote regular partnership progress reports; in this sense the Agricultural Counselor could be identified as the main problem owner of the programme in Ethiopia.

### ***b) PC – project accountability***

The PC determined the internal monitoring mechanism of the WSSD partnership. In each country the PC had mechanisms in place such as narrative or financial reporting of the projects, but it demonstrated insufficient because there was no sanction mechanism in case the partners would not deliver. At EKN level, this can cause problems related to contracts, payments or report assessment. In Uganda, the PC was experienced by the donor not to function as a trustworthy accountability mechanism. A proactive administrative role of the EKN was required to monitor the partnership process.

In many partnerships, the same organisations represented in the PC were also beneficiaries of the projects. This accountability problem is inherent for the WSSD partnership through its set up: by developing projects and appointing the PC out of the same organisations (stakeholder consultation meetings). This problem reflects the reality in the export-oriented horticulture sector in countries such as in Tanzania: there are only a few interested organisations willing and capable to join the partnership. In countries where little trust between organisations exists, the partners tried to steer the process in the PC in order to achieve benefits for their own organisation. It is questionable if organisations would have been actively involved in the partnership when there would be no clear benefit for their own organisation.

## ***Horizontal accountability***

### ***c) Internal accountability PC level***

In Uganda, Kenya and Tanzania often replacements were sent to PC meetings, what resulted in inconsistent processes. Volatile participation patterns mirrored internal struggles of the organisations involved. In Uganda, a lack of motivation to really do something for the partnership was the bottleneck of the partnership. In general, the importance of informal influence and relationships could be revealed in all PCs. Problems were solved ad hoc and informally. The individual link between the partners involved played an important role.

Except for the Ugandan case, all PCs largely fulfilled their tasks. They managed to decide on project proposals, agenda setting and project monitoring. In Ethiopia and Kenya some new project proposals were discussed, whereas in Tanzania the project proposal process was rather limited to the partnership start-up phase in 2005.

### ***d) Internal accountability project level***

When it comes to accountability structures, we had to reveal that most projects did not include accountability mechanisms in their design. Almost no project developed agreements on sanction formal mechanisms or clear procedures for decision-making. In case of projects where the final responsibility is

with the focal organisation – there was hardly a share of risks included in the project design. In projects where decision-making was organised in working groups, the group could hold the members accountable by e.g. excluding an organisation from the participation in the working group. Internal pressure and personal relations were the main accountability mechanisms in working groups.

Consultants played a vital and crucial role in projects. Often, they worked closely with the project partners to develop progress reports and stimulated the further development of the projects. They did not only share expert-knowledge of a particular issue but had often a wealth of experiences in public-private cooperation. In some working groups the consultant had a crucial ‘linking’ function between the project partners.

### ***B3.2 Ownership***

Partnerships rely on a framework of mutual obligations and concerns. It implies to balance

- upward accountability towards the donor mainly within the framework of fiscal reporting;
- and downwards accountability towards local agents as key element of reinforcing ownership.

Translated to the WSSD partnership we had to analyse in how far the programme ‘balanced accountability’ on the following interaction levels:

- a) Ownership on partnership level;
- b) Ownership on project level;
- c) Ownership on programme level.

Ad. a) The institutionalisation of a decision-making platform in the partnership design was appreciated by the PC members in Kenya, Tanzania and Ethiopia. Most PC members *perceived* a high level of ownership of the partnership, also compared to other donor activities. In Ethiopia, however, it can be expected that the local partners (especially the public sector) will include in future more mechanisms to strengthen ‘Ethiopian ownership’. The approach to appoint the EKNs in Uganda, Tanzania and Kenya as PC secretariats was done on purpose to foster ownership with a locally mandated authority. It should stimulate and ensure effectiveness of the process. In Uganda, the review demonstrated that the PC as such was not perceived by the donor to function as trustworthy accountability mechanism. A strong facilitation and pro-active administration role of the EKN in Kampala was required. In Uganda, the perception of the EKN was that it was required to balance the lack of ownership by the PC. In the Kenyan case, monitoring systems of the PC were not well developed. The involvement in securing upward accountability through monitoring systems by the EKN was therefore required. It can be concluded, that there was a high level of perceived downward accountability, but upward accountability needed to be enforced by EKNs in some cases.

Ad. b) Organisations with decision-making function in the PC and involved in project implementation feel committed to the partnership (TAHA, EHPEA, FPEAK). They had a positive perception on ownership of the projects. In case, the focal organisation could not identify sufficient benefit for its own organisation (KFC, TASTA) the organisations tried to keep their influence on the projects via their mandate in the PC. In general, focal organisations had a strong sense of ownership of their project compared to the project partners.

Ad. c) It was identified that in Ethiopia, where the decision-making and appraisal system was right from the begin with the EKN, the perceived level of ownership of the programme was higher than in countries as Tanzania or Kenya, where the budgetholdership was transferred only during the implementation process. Having the responsibility for the programme from the start allowed the Ethiopian EKN to include PPPs in their strategy. At this stage it also has to be said, that the ‘personal spirit’ of the staff involved in the partnership is of importance. To realize a partnership requires strong individual commitment and belief in the ‘collaborative approach’. The role of the EKN in the WSSD partnership programme was unusual and required the shift from being a broker in the start up phase towards ‘process facilitators’ in the further implementation. It demonstrated that the Agricultural Counsellors steered the governance process of the partnership in Ethiopia and Kenya with their network, knowledge and expertise.



### ***B3.3 Transparency***

Transparency requires that partners have made documentation available on the decisions they have taken and the related actions, performance and outcomes. Transparency was identified as major weakness of the WSSD partnerships in Ethiopia and Kenya. Weak transparency structures were identified on different levels: internal transparency on programme level and to a lesser external transparency towards main beneficiaries.

Reasons for a lack in transparency are:

- not sufficient information on expenditures;
- unclear monitoring and reporting system.

Underlying explanation proved a low level of trust in partners. Partnerships such as in Ethiopia, which introduced a complete new mechanism of financial administration by the private sector, had more problems of building respect between the partners. New power-sharing arrangements are innovative and need time to be accepted by all partners involved. The partnership literature, however, also shows that ‘trust’ and even ‘transparency’ is neither a sufficient nor a necessary condition of effective partnerships (Van Tulder and Kostwinder, 2007). So, this finding, hints at barriers in the actual partnership process which need not be insurmountable.

Partnerships are accountable to their beneficiaries. Some projects started with implementation components on micro level. These projects developed a transparent selection procedure of their beneficiaries (e.g. the project on smallholder integration in Kenya or the project on IPM in Ethiopia) based on criteria and willingness. In Kenya and Ethiopia some project partners claimed that they do not have sufficient information on the partnership programme as such.

### ***B3.4 External Accountability***

The specific political, economic and social context, in which a partnership operates as well as the culture of the participating organisations, has implications for how a partnership addresses issues of accountability (Caplan, 2005). Challenges due to the external environment occurred especially in Kenya, where post-election violence temporarily made the implementation of one project impossible in spring 2008. Due to the fact, that the horticulture sector managed to go on with ‘business as usual’ during the crisis, the partnership as such was not seriously affected by the challenge.

For a functioning partnership the willingness of participants towards effective outcomes demonstrated to be essential. It meant that partnerships needed to manage relationships within the wider horticultural system – “ensuring that external attention is attracted to activities which add value and support the partnership’s mission and do not send it off-course” (Rochlin et al., 2008). In the Tanzanian case, in future, the creation of the Horticulture Development Council for Tanzania (HODECT) needs to be taken into consideration. HODECT might duplicate work and dilute the effectiveness of the WSSD partnership by overburdening individuals and confusing lines of communication. Another example is the rearrangement of the institutional setting in Ethiopia (refer to B1.), which might have an impact on the partnership functioning in future.

#### *Reflection: Governance Challenges*

The partnership governance framework could be applied to the country-specific context. The functioning of the PC reflected the reality of public-private relation in the country, or as in Tanzania, it provided a new example for governance to the partners involved. It also confirmed that trust is not something given in public-private cooperation. It needs time to develop. Respecting the partner is a first step towards better governance. In this context a strong accountability system including transparency is required. When assessing the overall governance performance<sup>9</sup> of the partnership by a comparative ranking on a three point scale (1=poor, 2=mixed and 3=good performance) the partnership governance performance can be

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<sup>9</sup> See Appendix 1

judged as mixed; the partnership scored high when it came to stakeholder engagement; empowering of stakeholders; enabling effective action and strategic planning process. Weak points could be identified when it came to issues such as trust and transparency. The partnership ranked weak when asking questions such as whether the partnership was responsible enough to prevent exploitation by self-interested actors, or if it could prevent systemic competition. Based on the analysis of accountability structures, challenges in horizontal and mainly vertical accountability systems were revealed. Table 7 summarizes the accountability and ownership challenges identified in this section. It is expected that these challenges have an impact on the functioning and the outcome of the partnership.

**Table 7: Overview accountability and ownership challenges**

<b>Vertical accountability</b>	
<b>PC- donor</b>	<ul style="list-style-type: none"> <li>• High level of perceived ownership by PC members</li> <li>• But upward accountability required strong role by the EKN</li> </ul>
<b>PC – project level</b>	<ul style="list-style-type: none"> <li>• Insufficient transparency of PC towards project partners</li> <li>• Double functions of organisations in PC and on project level forced accountability gap but created high level of commitment</li> <li>• PC mandates were seen as mechanism to have influence in the sector</li> </ul>
<b>Horizontal accountability</b>	
<b>PC level</b>	<ul style="list-style-type: none"> <li>• Importance of informal influence and relationships</li> </ul>
<b>Project level</b>	Accountability challenge dependent on project design: <ul style="list-style-type: none"> <li>• Focal organisations perceived high level of ownership but hardly any risk sharing in project design</li> <li>• In working groups it was difficult to create ownership but learning process on collaborative action</li> </ul>
<b>Programme level</b>	<ul style="list-style-type: none"> <li>• Full responsibility for the programme right from the begin created high level of ownership at the EKNs</li> </ul>

## [C] OUTPUT

### ***C1. Partnership Projects Results***

The activities undertaken by the partners resulted in a variety of project outputs such as products and services. One obvious output criterion is the extent to which the project objectives have been achieved. The finalised projects under review largely met their original objectives. For ongoing projects some first outputs were identified. Appendix 2 provides an overview of project results achieved in relation to the project goals. Partnerships aimed at sustainability may have a wide variety of objectives ranging from task-orientation (like the implementation of infrastructure) to policy-orientation aimed at changing rules (i.e. the development of new regulatory standards) or behaviours. Furthermore, partnerships can be defensively aimed at accountability or more offensively aimed at innovation. The partnerships under review proved to be mainly purpose-built around a specific task (i.e. developing a business plan for an industry driven training programme, or developing a framework for phytosanitary checks), while introducing innovations such as appropriate processing technologies for smallholders in Kenya or integrated pest management on farms in Ethiopia.

When examining the results it demonstrated that most outputs are results of explorative studies such as 'business plans', 'reports' or 'frameworks'. Almost all projects plan to implement these outputs in project extension phases. In general, tangible results demonstrated to be of importance for the motivation of the partners involved ("seeing is believing"). Several projects focused on awareness rising and facilitating reforms. By the time of the review, projects in Tanzania focusing on facilitating reforms achieved first successful milestones such as presenting recommendations for updated pesticide legislation to the Tanzanian parliament.

### ***C2. Sustainability***

It was expected that the partnership would be sustainable through fostering a sustainable cooperation between the partners involved and improved market access and capacity in the horticultural sector. This should lead to more professionalism so that public and private actors will be able to bear the costs by themselves.<sup>10</sup>

Regarding the projects, it has to be assessed that most partners involved are not yet ready and/or willing to carry the costs for the projects themselves. For instance, the financial contribution for the training centres in Tanzania and Ethiopia are crucial; the private sector was reluctant to finance the initiative by the time of the review. In Kenya, however, the private sector demonstrated commitment to follow-up financing for projects under their lead (K01 and K03). In general, it can be concluded, that further funding will be required for almost all projects for a period of three to five years.

The actors involved in projects and PCs were convinced of the benefit of collaborative activities; the partnership programme developed a basis for cooperation of the individual actors. In this regard sustainable cooperation between the individuals is fostered. In case, the partnership may rest too heavily on the personal involvement of one/some individuals, however, there might be the threat that when that person loses influence or interest or office, the partnership could fail. It can be concluded, that so far, sustainable cooperation on individual level is achieved; on organisational level, however, it still needs to develop.

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<sup>10</sup> Sjabloon beoordelingsmemorandum Tanzania

## 4. PARTNERSHIP AND PARTNERING: ASSESSING THE OUTCOME

### [D] OUTCOME

#### *D1. Contribution of the Partnership on Capacity Building for Market Access*

Partnerships can be clustered in terms of their strategic orientation. Almost all reviewed projects aimed to contribute to build up capacity for competitiveness of the horticulture sector. They were meso in their nature because they aimed at improving the sustainability of the export-oriented horticulture sector. Macro partnerships have broader objectives, define issues widely, address multiple interests and therefore also cover several countries or global activities (Kolk et al., 2008).

##### *D1.1 Upgrading*

The capacity to innovate, and to ensure continuous improvement in product and process development is the key compatibility of competitive and self-sustaining sectors. Industrial upgrading is of high importance for a sector to become sustainable and competitive. Upgrading refers to a process “improving the ability of a firm or an economy to move to more profitable and/or technologically sophisticated capital and skill-intensive economic niches” (Van Wijk et al., 2008, referring to Gereffi, 1999). It consists of four dimensions: (1) process upgrading, (2) product upgrading, (3) functional upgrading, (4) inter-chain upgrading. This section analyses whether or not the capacity building activities of the WSSD partnership programme have contributed to upgrading of the export-oriented horticulture sector in the respective countries (Cf. Appendix 3 for full list).

##### *Process Upgrading*

Process upgrading refers to increased efficiency in production, or to production processes that meet stricter criteria in respect to safety, environmental-friendliness, or socio-economic conditions for employees. So far, more efficient production and management processes were introduced in Ethiopia and Kenya. In Ethiopia, the trainings for applying to the Code of Practice challenged the farms to introduce new Corporate Social Responsibility (CSR) and quality standards in their working processes. The WSSD partnership programme introduced the application of post-harvest techniques based on skill development in Ethiopian floriculture. This is expected to lead to less rejection rates and higher prices for the participating Ethiopian farms.



Checking the  
quality of flowers  
at the auction in  
Aalsmeer



Not sufficient packaging  
quality of a flower  
shipment from Ethiopia

In the more developed horticulture sector in Kenya, no sector upgrading at farm level was identified. Introduction of new technologies and linking of smallholder groups to exporting firms strengthened the integration of smallholders in the horticulture value chain.

### ***Product Upgrading***

Product upgrading refers to innovative products and higher differentiation of products. Process and product upgrading are often interlinked with each other and do not form clearly distinguished categories. When assessing the contribution of the WSSD partnership programme to product upgrading, it was identified that the programme contributed to higher quality of flowers through the introduction of IPM on pilot farms in Ethiopia. No hard economic data (such as percentage of sales coming from IPM products etc.) were yet available from the pilot farms, since the project is in its testing phase, but farm managers expect that quality in production (5-8% increase) and quality (stem length and thickness) will increase.



Quality checks  
by Farm Manager in  
Ethiopia

### ***Functional Upgrading***

Functional upgrading refers to the acquiring of new capabilities in order to access downstream activities in the global value chain. In this context, it is envisaged to increase overall skill content of activities (such as design, marketing, branding). The WSSD partnership programme demonstrated to have the potential to stimulate functional upgrading in each country by (a) branding/marketing for the sector and (b) industry driven cooperation for introducing training and research institutions. Projects aimed at building up training institutions in Kenya and Tanzania need to start implementing the developed business plans. The contribution to functional upgrading is assumed but not proven yet.

### ***Inter-chain Upgrading***

Inter-chain upgrading refers to getting access to other chains, which may include alternative global value chains. The WSSD partnership programme did not actively stimulate inter-chain upgrading. The focus was on strengthening the relations with Dutch institutions and therefore focusing on capacity building for Dutch and European markets, and not e.g. for the very strict regulations of the Japanese market. In Kenya, one project focused on integrating smallholder farmers into the export-oriented cut flower chain what provided them an alternative to producing for the local vegetable market.

#### *D1.2 Market Access Conditions addressed by the WSSD Partnership Programme*

What is the contribution of the WSSD partnership programme to improved access of horticultural products to European, especially the Dutch market?

It is too early to draw any detailed conclusions on the relationship between outputs of the project and better market access of horticultural products from the partners' countries. By the time of the review, participants could not yet provide data on e.g. increased profit or declined inspection rates through the WSSD partnership activities. Most activities were rather explorative in nature and did not yet provide hard economic data for measurements. What can be considered, however, is whether the partnership

contributes to *build up capacity for market access*. Table 8 summarizes the conditions for market access and how the WSSD partnership programme has been addressing these by capacity building.

**Table 8: Overview market access conditions addressed by the WSSD partnership**

Condition	Kenya	Tanzania	Ethiopia
Awareness of possibility of exporting	+	++	+
Familiarity with buyer: understanding the different preferences of buyers	++	++	++
Familiarity with standards	++	++	+++
Adapted and new technology	+++	O	++
Organization and orientation of firms	+	+	++
Quality and reliability	+++	++	+++
Local (transport and) communications	++	++	++
<i>Access to appropriate labour</i>	O	O	+
<i>Access to investment and working capital</i>	O	O	O
<i>Land regimes: land tenure</i>	O	O	O
<i>Tariffs and non-tariff barriers</i>	O	O	O
<i>Other trading conditions (exchange rate, customer services)</i>	O	O	O

Adapted by authors based on Wijnands, 2005.

The partnership programme scored high on managing conditions such as quality and reliability or build capacity to make the sector familiar with existing standards. This was the aim of the programme: contribute to market access through capacity building. It would therefore be an unintended side-effect in case the partnership programme contributes to resolving (non) tariffs or other trading issues. These activities did not fall under the context of the WSSD partnership. It seems doubtful that a PPP would be the sole approach to address important trade issues, but we have the impression, nevertheless, that the partnership can facilitate these issues through a build-up of mutual trust and understanding of each other's position. It can be concluded, that in general, for sustainable market access, the WSSD partnership programme goal-alignment provided a necessary but not sufficient condition.

## ***D2. Governance - Facilitating Policy Reform***

Upgrading not only reflects the capacity to improve process and product quality but also the capacity to be proactive in setting (new) rules. The capability for dialogue in a sector is important. Governments that listen to the private sector are more likely to design credible and workable reforms, while entrepreneurs who understand what their government is trying to achieve with a programme or reforms are more likely to accept and support them. Partnerships aiming to improve the competitiveness of a sector can both clarify the incentives and build the capacity of governments to implement reforms. Dialogue with entrepreneurs not only helps to reveal governments the likely micro-foundations for growth; it creates a sense of local ownership which makes policies more likely to succeed in practice (Herzberg and Wright, 2005). The WSSD partnership programme worked towards facilitating, accelerating and/or bringing focus to policy reforms.<sup>11</sup> Two projects in Tanzania focused explicitly on rising awareness on changing policies or joining an international organisation. So far, the projects achieved successful milestones.

What outcome can be assessed of the partnership programme in terms of better facilitation for policy reform? It can be said that:

- In Ethiopia, where the government is committed to provide an enabling environment to the horticulture industry but the history of hierarchical and non-participatory government is inherent, the partnership created a window of opportunity for the private sector to act in a preventive or pro-active manner by e.g. implementing voluntary industry-driven standards for the sector.
- In Tanzania where mistrust between the government and the industry existed the partnership functioned as a roundtable where government and industry discussed together issues regarding the horticulture sector for the first time.

<sup>11</sup> Policy reform can include new legislation, the amendment or repeal of existing legislation, removing or simplifying regulations and controls, standardizing procedures across different jurisdictions, and setting up new institutions.



- In Kenya where working relations between the public and private sector already existed, the partnership strengthened public-private/public-public and public-civic relationships.

### ***D3. Spin-off on Social and Economic Development***

Horticulture exports are expected to contribute directly to poverty reduction by generating foreign exchange and creating employment, particularly in rural areas. Indeed, the horticultural sector is one of the most labour intensive subsectors in developing countries. It is assumed that improving the competitiveness of the sector has a positive spin-off effect on local, regional and national social and economic development. The contribution of the partnership programme to social and economic development is measured by focusing on the positive influence of the projects on contributing to achieving the MDGs. Since this is very difficult to measure, the review made an attempt to identify direct and indirect contribution to MDGs.<sup>12</sup> It did not only ask for objective criteria, but also for the perception of the participants. The exercise, therefore, can only assess the potential impact of the projects – it provides statements based on the perception of participants and the reviewers. The detailed results of this exercise are summarized in Appendix 4.

Assessing the possible contribution to MDGs identified that several projects had a direct positive influence on strengthening local capacity building. The trainings provided operating in the realm of the partnership directly supported individual and organisational capacity building. In Ethiopia for instance, the training programme and its activities within both reviewed projects had the potential to improve economic positions and to create local capacity (**MDG 8**).



Workers in Ethiopia

A great strength of the partnership was to integrate Dutch knowledge network in the projects. North-South cooperation facilitated knowledge exchange and technology transfer. This is assessed as a direct contribution to MDG 8.

In order to comply with quality standards for the European market, ensuring environmental sustainability becomes more and more important. Contributing to environmental sustainability (**MDG 7**) had been an intended objective of several projects reviewed (e.g. training courses on integrated pest-management in

<sup>12</sup> Recent reports have tried to come up with some criteria for assessing in more detail the contribution of the private sector to the MDGs. A Dutch study provided a more detailed, quantitative measurement of impact, applied to six multinationals (NCDO, 2006). The Global Reporting Initiative (GRI, 2004) also aims to link the core activities of businesses to the MDGs. Although the partnership under review originated from the WSSD conference, similar links with the MDGs can also be deduced from the partnership under review. The WSSD conference is strongly related to the MDGs which are at the heart of Dutch development policy nowadays. Combining these three goal specifications leads to a list of goals that was used by the review team to check the direct as well as indirect contributions of the partnership projects on the various dimensions of development.

Ethiopia). The impact could not be measured yet. A direct positive effect of several projects on sustainable development is expected.

Overall, the WSSD partnership programme involved the private sector and aimed to contribute to **MDG 1** by stimulating sustainable agricultural production which provides decent work and secured jobs in the horticulture sector of the partner countries. In the case, the industry receives higher benefits through improved quality it can be assumed that jobs will be secured. Projects such as the implementation of the Code of Practice forced the farmers to invest in more decent working conditions in Ethiopia.

*Reflection: Stimulating Capacity Building and Improving Public-Private Dialogue*

The review identified that most project outcomes are 'explorative'. At the time of the review, the projects achieved successful milestones. Most activities had a direct outcome for the organisations involved (mainly for the focal organisation), and an indirect impact for the sector as a whole. In the long run, however, when projects such as the Code of Practice in Ethiopia or the new Pesticide Regulation in Tanzania will be in place, a more direct impact on meso level can be anticipated.

It was identified that the partnership programme had the capacity to address market access conditions such as quality and reliability or to build up capacity to make the horticulture sector in the partner countries familiar with existing standards. It can be concluded, that at the stage of the review, the WSSD partnership programme supported the horticulture sector in the five reviewed countries by stimulating capacity building to innovate, and to ensure continuous improvement in product and process development. It can be assumed that an indirect spin-off on social and economic development can develop in future.

The partnership programme achieved soft benefits such as mutual respect and improved governance. These achievements tend to arise as by-products from striving for outputs which are more easily quantifiable, such as number of jobs created or policy reforms successfully implemented. In the long run, the achieved soft benefits will be vital for (Dutch) growers in the respective countries because it supports the enabling environment for doing business in the export-oriented horticulture sector.



## [E] EFFICIENCY

“Partnership efficiency is the ability to make good use of members’ financial resources, non-financial resources and time” (Caplan et al., 2007). Assessing the efficiency of a partnership is primarily based on the cost (actual or opportunity costs) of achieving results. However, since the achievement of results is also affected by the external environment in which the partnership operates, efficiency can also be viewed in terms of the partnership’s capacity to influence positively and strategically those external factors that affect its ability to perform (Caplan et al., 2007).

### *E1. Cost-Benefit Ratio*

Efficiency represents the ratio of benefits to costs: an increase in efficiency therefore involves increasing benefits relative to costs. It can be assumed that costs are often far easier to itemize and measure than benefits – particularly less tangible benefits like increasing choice and independence, or improving the quality of life. However, some costs are more apparent than others: a comprehensive audit would need to include costs such as the development of compatible information management between partners, or investments in joint training (Glendinning, 2002). The review showed that a conclusive cost-benefit analysis of the partnerships was not yet completely feasible because

- not all partners (including the Embassy) have kept systematic track of the (additional) cost dedicated to the partnership;
- and benefits will be only known after completion of the programme.

What transaction cost can be attributed to the partnership? For instance, more complex negotiations with a large number of stakeholders incur initially more costs upon the participants, but can later on – in case of successfully institutionalized relationships – lead to considerably lower operating costs. The transaction costs for starting partnerships in the reviewed cases were relatively high since partners from different worlds had to negotiate agreements. It seemed, however, that higher start up costs could be outweighed by less costs for the actors involved in the implementation phase and the internal efficiency gains due to shared goals and a steeper learning curve of a large number of partners, especially for focal organisations in Kenya. Input from donor side was in almost all cases beyond normal input in programme development, monitoring and administration.

When asking the respondents on their perception on cost-benefit balance of the programme the answer-pattern looked as follows:

- a) *on donor level:*
  - a. DGIS and LNV expect the cost-benefit ratio as balanced to positive;
  - b. EKNs expect the cost-benefit ratio as balanced;
  - c. LNV counsellors expect the cost-benefit ratio as positive.
- b) *on programme level:*
  - a. PC members expect the cost-benefit ratio as balanced to positive.
- c) *on project level:*
  - a. Focal organisations expect the cost-benefit ratio as positive;
  - b. Project partners expect the cost-benefit ratio as balanced;
  - c. Working groups expect the cost-benefit ratio as positive.

Costs and benefits may not be equally apportioned between partners. Indeed, major inequalities in the distribution of gains and losses between partners can threaten the strength of the partnership – unless these inequalities have been anticipated. This was the case in Kenya, where the focal partners were expected to have higher gains of the partnership compared to the partners supporting the implementation.

Appendix 7 provides an overview of the perceived cost-benefit ratio per country. In Kenya the cost-benefit ratio was judged in average as balanced to positive. In Tanzania, the cost-benefit balance was perceived as positive; the same counts for Ethiopia. In Uganda, the partnership costs and benefits were judged as balanced by the EKN, and the EKN in Zambia judged it as negative. This reflects also the general trend observed by the review team.

## ***E2. Risk Sharing***

The success of the partnership relied on the competencies and resources that are brought in by each partner. The partnership set-up foresaw that 25% of the budget has to be contributed by the partnership partners. This means that the Dutch contribution never exceeded 75% of the costs. This requirement was genuinely seen as a means to try to distribute the risks. Without contributions of the implementers, real risks would largely be taken by only one player; in this case the Dutch taxpayer. In almost all WSSD projects the contribution was done in-kind. Contributions could entail the hard resources of money and materials, as well as important soft resources, such as managerial and technical skills, information, contacts, and credibility or legitimacy. The partner contribution ranged between 25% and 36% of the total costs.

In general, PPP designs including a risk-sharing structure with less ‘financial risk-sharing’ bear the risk of opportunistic behaviour. Several case studies on development partnerships demonstrated that opportunistic behaviour can slow down the process of a partnership or change its dynamics (Van Tulder and Pfisterer, 2008). The WSSD cases under review were not seriously threatened by this fact, but some cases had to deal with changing dynamics based on opportunistic behaviour. It demonstrated that in cases where the focal organisation could not identify sufficient benefit for its own organisation (KFC, TASTA) the partners tried to keep influence on the projects via their PC mandate. On project level, working groups had to learn to deal with conflicts and shared together the risk of the project. In this regard, they built up capacity for partnering. Almost no project design of projects where one organisation had the lead included risk-sharing between partner organisations.

## ***E3. Exit Strategy: WSSD Budget as ‘Seed Money’***

From the very first start in each country it has been made clear that the available Netherlands funds amounted maximal 1 million Euro per country. These funds could not be used for hardware investments. This implied that project partners (focal organisation and co-investors) of activities themselves were responsible to organise possible follow-up and/or complementary action and/or investments. From the donor-perspective a clear exit strategy was communicated. The review demonstrated that two projects under review (K01 and K03) have made a case to co-invest in the further implementation of the projects. The other projects under review needed further financial assistance. At the time of the review these projects did not start arranging follow-up investments. Several respondents mentioned that they hope that they would appreciate if the Dutch government will support project extension.

Most projects initiated under the WSSD framework included characteristics of ‘feasibility studies’. In general, feasibility studies should lead to a visible follow-up financing. We can pick out one example: in both cases Tanzania and Kenya, a project was initiated to develop a business plan for a training institute. In Kenya, the horticulture sector is well developed and the private sector was willing to secure follow-up co-investment. In Tanzania, however, the financial commitment required for the project implementation was hardly given by private or public sector. This can be explained by the governance structure (lead organisation or working-group) applied in project design in Tanzania and Kenya. It can be thought, whether the structure with more responsibility as applied in Kenya creates more ownership. Having the ownership of the project made the focal organisation feel responsible for the project outcome. The projects which are at the core of an organisation’s business are expected to be more sustainable in future compared to projects which can not be integrated directly in the daily business of the organisation.

## ***E4. Critical Success Factors***

All partnerships faced varying degrees of environmental ‘hostility’, both internally and externally. One important dimension for partnership assessment needs to address the extent to which there is environmental hostility towards the partnership programme and approach, and the extent to which the hostility is pro-actively managed. The hostilities identified in the WSSD partnership programme review can be clustered as ‘context factors’ or ‘partnership design factors’. The categories are not extensively distinguishable from each other, but provide some ground for reflection. Table 9 provides an overview of some identified factors influencing the efficiency of the WSSD partnership processes in the reviewed countries.

**Table 9: Overview of factors influencing partnership performance**

<b>Context Factors</b>
○ Willingness of (semi) governmental organisations
○ Less experience and tradition of public-private dialogue
○ Right moment to start with the PPP
<b>Partnership Design Factors</b>
○ Possibility to embed the partnership in EKN strategy
○ Time and capacity to steer participatory processes by EKN
○ Level of commitment by individuals
○ Time and capacity for active participation by partners
○ Level of ownership

The partnership set up in Kenya, Uganda and Tanzania was difficult because of context factors such as lack of willingness and commitment of the governmental organisations to participate in the partnership. In Uganda and Tanzania this was based on the fact that almost no tradition and experience with PPPs existed.

One lesson learned from the efficient process in Ethiopia was the embedding of the partnership in the EKN strategy, what made it possible that the partnership programme could built upon existing structures. Stakeholder involvement was achieved on highest managerial level, while the commitment of the government for active participation was also high. In the Ethiopian case, the two reviewed WSSD projects were follow-up projects. The basic framework and feasibility studies were already done and WSSD entered the implementation stage. This meant to follow a different approach compared to the other countries and to achieve quick results. The efficient application of the WSSD framework in the countries was dependent on factors such as full responsibility for the programme by EKN right from the begin; time and capacity required for realizing the partnership and most important the ‘individual factor’: committed people engaged on programme and project level.

After analysing ‘context factors’ and ‘partnership design factors’ influencing the partnership performance, the review aimed to learn more about **critical success factors**. Critical success factors are elements that are necessary for a partnership to achieve its mission. The review therefore included a ranking system for critical success factors where partnership partners were asked to rank items based on their importance (1= not important; 5 very important). Based on this methodology it was possible to identify country specific differences and building an overall average score for the partnership programme per item. The full list can be found in appendix 5.

No major differences in the answer pattern of Ethiopian, Kenyan or Tanzanian partners were revealed. For the overall partnership programme the following common critical success factors were identified:

- Taking time for getting to know each other and build up the partnership was important. Having a clear vision of the objectives residing over the partnership was required to which all involved partners should be committed. Involving all stakeholders demonstrated to be of high importance;
- Key characteristics such as clear roles, responsibilities, clear communication, shared planning and decision making are important for the good functioning of a partnership;
- Importance of good leadership and a clear understanding of mutual benefits;
- Understand the needs of local partners and beneficiaries (focus to build capacity).

For the following items differences in the answer-pattern were identified:

- In Tanzania the partners ranked early involvement of local communities higher than in Ethiopia. The partnership in Ethiopia is focusing on floriculture export and the sector is not yet that mature compared to Tanzania. In Ethiopia the primary focus is to prepare the flower farms to fulfil the standards of the Code of Practice.
- The Ethiopian partners regarded the PC as 'consultative meetings' between public and private sector. The Ethiopian partners ranked clear and enforceable lines of accountability as important. The Kenyan partners, however, ranked this governance mechanism of very high importance. The difference between the partners involved in the partnership in Kenya and Ethiopia can be explained through partnerships being a very novel form of governance in Ethiopia.

*Reflection: Ownership to Strategically Address 'Hostilities'*

The review demonstrated that the partnership was affected by its particular external environment. Most partners involved in the programmes expect the partnership to be successful and are confident of the partnership process. At the time of the review, the cost-benefit balance was positive for Tanzania, Ethiopia and Kenya what leads to the conclusion that the partnership in these countries managed to influence positively and strategically those external factors ('context factors' and 'partnership design factors') that affected its ability to perform. Partnerships which developed a high degree of ownership such as in Tanzania found it easier to address external factors. On project level it was identified that the higher the level of perceived ownership the more efficient external factors were addressed. For working groups, it was difficult, however, to develop financial commitment for the project. In order to increase the level of ownership, it can be thought that after an initial phase of 'getting familiar' with the novel partnership approach, the partners involved gradually commit themselves for higher investments. This approach would still be different from most partnership designs developed by donors which include a share of risk on a 50-50% basis (De Boer and Pfisterer, 2006).

Partnerships were able to efficiently address 'hostilities' when ownership was given. The EKNs and in particular the LNV counsellors with their rich network and experience in the field demonstrated to be best suited to manage the partnerships. Research on partnerships for development claimed that partnerships stimulated by a donor taking place in a decentralized structure of development cooperation, such as the Dutch case, require an active facilitation role by the Embassies (Van Tulder and Pfisterer, 2008). The WSSD partnership programme confirmed the benefit of active participation by the EKNs. For efficient process facilitation, moreover, it demonstrated to be vital to invite an independent process facilitator. Especially the process facilitation by experts from The Netherlands was of high value in the partnership building process. Locally presence of the experts was of added value. Several projects and working groups had to be supported continuously. The continuous involvement of an expert in the project process kept the focus of the project and stimulated learning. Involving an independent project manager in the partnership seems to be required for efficient support of the process of complex partnership approaches such as the WSSD partnership programme.

## [F] EFFECTIVENESS

The dynamic interplay of several factors determines the success of a partnership such as developing an effective strategy and delivering efficient performance. What was the partnership's added value? The search after the added-value of partnership seeks to confirm and articulate that the partnership as a whole yields more than what would have resulted from the partners operating independently.

### ***F1. Value-Added***

As partnerships are dynamic and many are experimental, it remains difficult to specify value-added indicators a priori. However, evidence of value added, whether aspired or identified after the fact may include: qualitative or quantitative synergistic outcomes of the programme itself, linkages with other programmes and actors, enhanced capacity and influence of individual partners, and other multiplier effects such as programme extension and replication (Brinkerhoff, 2002).

#### ***F1.1 Capacity Building for Improved Market Access Conditions***

The partnership programme managed to build up capacity to address market access conditions such as quality and reliability. By the time of the review, the WSSD partnership programme supported the horticulture sector in Kenya, Tanzania and Ethiopia by building capacity to innovate, and to ensure continuous improvement in product and process development. The added value of the programme was *to focus on stimulating process, product and functional upgrading* of the export oriented horticulture sector in the partner countries. In the long run, these activities support the countries to foster competitiveness and sustainability for their horticulture sector – especially in Ethiopia. It remains important to demonstrate tangible results (e.g. data on higher prices per stem or rejection rates) which provide evidence on improved sector performance through the WSSD capacity building activities.

#### ***F1.2 Creating a Window of Opportunity for the Private Sector***

The WSSD partnership programme used collaboration as an instrument to build and maintain public-private dialogue. This was expected to improve the enabling environment and finally the investment climate. The partnership stimulated the local government to involve the industry more actively in agenda setting for the horticulture sector. In Tanzania and Ethiopia, the partnership enabled the private sector to get (better) access to relevant authorities. Working together on PC level and on working group level created in some countries (Tanzania, Kenya and Ethiopia) a two-way learning: the partners recognised that they need each other for achieving their goals. It was revealed that mutual respect was developed by working together. It was rather difficult to speak about trust, what needs to develop over time. In Tanzania and Ethiopia, the partnership was a first step towards better governance in the sector through:

- a) Setting an example that public and private sector can work together;
- b) Shedding light on the working of institutions;
- c) Improving the quality of the industry's advice to the government.

Partnership is, however, a fragile concept in countries with a history of hierarchical and non-participatory government. In Ethiopia, for example, it needs to be seen in how far the working relation between business and government will become more institutionalized in future.

In the Kenyan case, the working relations between government and industry as well as between different public organisations improved. Under the reviewed projects, a Kenyan case involved a NGO as lead organisation in the project implementation. NGOs played a minor role in the Ethiopian or the Tanzanian case. In the Ethiopian or the Tanzanian partnership NGOs were mainly involved in providing their expertise to projects as consultants. They had, however, almost no formal decision-making role in this partnership which addressed mainly the relation between government and industry. The partnership programme did not address the governance failure from a civil society perspective.

### ***F1.3 Strengthened Relations with Dutch Research Institutions***

The partnership included actors from public and private sector in the partner country and from the Netherlands. When focusing on the position of the Netherlands in the export-oriented horticulture sector its ambivalence was obvious: the position of the Netherlands as a hub and of the auctions specifically is being threatened by various developments in the international flower market. Paradoxically, one of these developments is the relocation of production by Netherlands flower growers to Africa. Many growers have set up flower growing companies in countries such as Kenya and Ethiopia, where the production costs are significantly lower (CBI, 2007). This problem was addressed by the WSSD partnership strategy to link upcoming producer markets to the Dutch network. The involvement of Dutch experts in many projects strengthened links of the partner countries with Dutch knowledge and research institutions specialized in horticulture. These links provide the chance to foster the Dutch lead position in expertise and knowledge sharing in horticultural innovations in upcoming producer markets. In the long run, the bilateral structure of the programme can demonstrate to be very vital for Dutch growers who are active in partner countries but also for importers of horticultural products in The Netherlands and buyers such as Dutch supermarkets which need reliable products. Especially Dutch knowledge institutions and training providers benefited of the collaborative work at project level. There were not yet many Dutch firms involved in the partnership. To involve Dutch (or European) businesses would have the benefit to create additional resources for development.<sup>13</sup>

### ***F.2 Degree of Effectiveness***

The review showed that the problems addressed by the WSSD partnership programme in the various countries could not have been solved by one actor alone. There was a need that both public and private sector demonstrated commitment to jointly work on solutions. The local context of the country is of high importance: what capacity building activities for improved performance are needed in the horticulture sector. Table 10 provides a qualitative comparison on the degree of effectiveness per country. By focusing on the relevance of the partnership for capacity building, contribution to improved dialogue between public and private actors, contribution to sector upgrading and contribution to socio and economic development, the review analyses a general degree of effectiveness per country.

**Table 10: Degree of effectiveness per country**

	<b>Relevance of Partnership for Capacity Building</b>	<b>Contribution to improved Public-Private Dialogue</b>	<b>Contribution to Sector Upgrading</b>	<b>Contribution to Socio-Economic Development</b>	<b>General Degree of Effectiveness</b>
<b>Kenya</b>	Medium-High	Medium	Medium-High	Medium-High	<b>Medium-High</b>
<b>Ethiopia</b>	High	Medium-High	High	Medium-High	<b>High</b>
<b>Tanzania</b>	High	High	Medium	Low-Medium	<b>Medium-High</b>
Uganda	Medium-High	Low-Medium	Not yet known	Not known	Medium
Zambia	Low-Medium	Medium	Low-Medium	Not known	Low-Medium

By the time of the review, it demonstrated that there were only marginal differences in the effectiveness of the partnership programme per country. From a comparative perspective, the partnership appears to be most effective in Ethiopia. The approach in Ethiopia is integrated in the country strategy as well as in the strategy of the EKN. This facilitates a broad approach trying to find synergies with other funds. On the one hand this bears the risk that the partnership is only seen as an additional funding option. On the other hand it showed that the specific focus of the partnership (directed to build up capacity of the flower farms in order to be sustainable) built cohesion for the sector. In order to demonstrate that the success, a partnership manager could be employed who monitors and documents successes resulting of the partnership activities. Due to the country's history of hierarchical and non-participatory government only

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<sup>13</sup> Generating additional resources from businesses is one of the main objectives of e.g. the Dutch Call for Proposal PPP or of the German PPP Facility (see De Boer and Pfisterer, 2006).

slowly the public sector realizes its new role in interaction with the private sector. One example for this new “way of thinking” is the fact that the government signed the MoU which implies that the partnership budget was managed by EHPEA. Trusting the other sector on money issues was something completely new and challenging in Ethiopia. Some partnership members of the public sector mentioned that the close cooperation with the private sector in the WSSD partnership program showed them to choose a proactive way rather than enforcing rules and laws. Also the collaborative work at project level facilitated a two-way learning process for the individuals involved. It enriched the understanding that a partnership is not only enabling material support but knowledge exchange and learning from each other.

For the partnership case in Kenya and Tanzania the degree of effectiveness ranked similar. Nevertheless, the partnership in Kenya was more effective in contributing to sector upgrading and stimulating socio-economic development compared to the Tanzanian case. In Kenya, where the sector was already mature it can be assumed that several activities might have taken place without the WSSD public-private partnership approach. Export horticulture is a large and strong sector in Kenya which implies that project objectives could only be modest. It showed that the approach strengthened inter-organisational cooperation (public-private but also public-public interactions). For the Kenyan case it can be concluded, that the partnership contributed to industry failure and to a lesser extent to governance failure. In Tanzania, the partnership was successful to introduce dialogue between public and private sector. It was for the first time that actors from public and private sector agreed on joint agenda setting. In Tanzania the partnership approach demonstrated to be a relevant instrument to address the governance failure.

For the Zambian case it was stated by the EKN that the WSSD partnership was not necessary. The Zambian actors were not able to finance the project by themselves and required external funding. A different funding option could have been chosen which not necessarily had to include a PPP mechanism.

#### *Reflection: WSSD Partnership - Instrument to Address Market and Governance Failure*

The overall effectiveness of the partnership instrument needs to be assessed in its capability to address the needs of the horticulture sector. The WSSD partnership framework proved to be able to address market and/or governance failure in the reviewed countries. The two-folded approach to focus on capacity building in order to overcome market-failures on the one hand and to stimulate a new working model for improving the enabling environment which should lead to enhanced competitiveness of the horticulture sector on the other hand demonstrated to be a comprehensive approach towards sustainable development of the export-oriented horticulture sector in East African countries. When making use of the whole potential of the instrument, it can offer EKNs a possibility to steer Dutch interests in the decision-making process of the partner country. Several partnership approaches by other donors (e.g. USAID, GTZ, SNV) focus on promotion of private sector development through the value chain approach. In their work they also address governance issues within the chain what includes weak and uncoordinated national and mostly local government departments, poor access to and fragile financial service providers, weak organisational structures at producer and processor level etc. They provide different services but their partnership programmes do not include a governance platform for a broad defined problem of the horticulture sector such as the Partnership Committee of the WSSD partnership programme. The WSSD approach created a high level of perceived ownership by the local actors.

Most development partnership programmes effectively address the market source of failure. By bringing in additional resources and innovative management or agricultural techniques the private sector effectively contribute to increase local capacity or innovative technologies (Van Tulder and Pfisterer, 2008). To address effectively existing governance failures is more challenging. The WSSD partnership programme demonstrated that it remains difficult to address inefficient policies due to inherent traditional power imbalances. It is one of the few PPP programmes in development cooperation which actively involve local governmental organisations.<sup>14</sup> In most cases, donor funded PPP programmes aim to stimulate business

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<sup>14</sup> The *German public private partnership program* combines the respective strengths of public and private partners: PPP projects are planned, financed and implemented jointly with GTZ as cooperation partner. Private companies in PPPs profit from GTZ's contacts, experience and its global network of experts. At the same time, private sector involvement helps achieve development policy goals by creating jobs, introducing technological innovations in developing and transition countries, and improving production processes. By investing in people and the environment, businesses also ensure their own commercial success. Since the PPP program began, GTZ has formed more than 300 partnerships with private firms and associations in more than 60 countries. More than 140 million euro has been invested in these projects, with the public share averaging around 40 percent.

investments in development and do not prioritize to actively involve the local government (Van Tulder and Pfisterer, 2008; De Boer and Pfisterer, 2006). In terms of stimulating a two-way learning process the WSSD partnership was a successful best-practice example: the partners recognized that they need each other for achieving their goals. In the long-run, this is essential for developing an effective enabling environment.

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<http://www.gtz.de/en/themen/uebergreifende-themen/ppp/2362.htm>

The partnership approach of **USAID** is based on the ***USAID Global Development Alliance Program***. Alliances incorporate the breadth of USAID and partner resources to arrive at solutions only available through pooled efforts. This program helps to significantly expand and deepen the impact of development assistance by linking U.S. foreign assistance with the resources, expertise, and creativity of private sector partners. This means that the private sector is working directly with USAID (in most instances with a outsourced agency such as e.g. FINTRAC). USAID is the public actor in this partnership. It is a multi-stakeholder approach which does not primarily link local governmental agencies with other actors.

[http://www.usaid.gov/our\\_work/global\\_partnerships/gda/index.html](http://www.usaid.gov/our_work/global_partnerships/gda/index.html)



## 5. CONCLUSIONS AND RECOMMENDATIONS

### *5.1 Novel Partnership Approach*

This review focused on the effectiveness and efficiency of the WSSD partnership programme on 'Capacity Building for Market Access' of export-oriented horticulture in five selected East African countries. Although this research is relevant for understanding the role of partnerships for development in general, our conclusions are especially useful for partnerships between government, industry and civil society that focus on a combination of development cooperation, sustainable development and sector upgrading. The analytical framework used for this review has proven a useful tool for analysing such partnerships. The framework addressed the challenge of integrating collaboration process into performance measurement systems, thus assessing relationship performance as well as programme outcomes.

#### **Relevant instrument to address capacity problems of the sector**

All five East African countries under review lacked capacity in the export-oriented horticulture sector. Capacity building was needed however, to a different degree and with different focus. The framework of the WSSD partnership programme addressed this issue by initiating a participative approach per country. The stakeholders identified together the main bottlenecks of the sector and addressed them by specific public-private initiatives. By working in a partnership, the programme aimed to address underlying accountability gaps in the horticulture systems of the five countries of concern. The partnership programme followed the strategy to address both failures: market failure to innovate as well as governance failure based on a lack of accountability between decision makers and the horticultural industry.

When asking the question if the governance arrangement assured confidence that the partnership was a credible and capable vehicle for solving the capacity problem of the horticulture sector, it can be stated that especially in countries with export growth and where capacity building was a serious problem, the partnership contributed to improved dialogue between public and private actors and had a positive influence on sector upgrading. In Tanzania the partnership approach was a relevant instrument to address the governance failure; in Ethiopia it managed to address the industry failure. Uganda was an exception: it was perceived as difficult to develop dynamics through the partnership. The already existing working relations of public and private sector in Kenya were strengthened by the joint activities set up through the partnership. Civil society organisations had almost no formal decision-making role in this partnership which addressed mainly the relation between government and industry. Dependent on the local context, however, NGOs were involved in project implementation. In Kenya, for example, smallholder integration played an important role. Therefore, in one case a NGO functioned as lead organisations in project implementation. It can be concluded that the performance of the partnership was dependent on the local context; high export growth and an enabling environment for collaboration.

The partnership programme was expected to establish new relationships and produce new outputs. It was identified that the partnership programme managed to build up capacity to address market access conditions such as quality and reliability. Measuring progress in terms of capacity building entails both soft perceptions of the participants and hard indicators of market share and improved competitive position. This report also introduced, however, a number of additional indicators of upgrading that might become relevant for future research. The WSSD programme might be based on a relatively limited benchmark of success. For instance intra-chain upgrading could be an important additional measure. This would lower the dependency of developing countries on a few export-oriented sectors. Whether the horticultural sector is effective in complementing an export orientation with the build up of local market capabilities, might be another very relevant benchmark of future success. Both dimensions have been suggested in the literature to contribute more and more directly to the Millennium Development Goals than success in export markets. We suggest research that looks at all dimensions of upgrading at the same time. Researching the link with the competitive position of the Dutch horticultural sector in a more direct fashion seems also advisable.

### **Added value of the partnership**

It can be concluded, that at the stage of the review, the WSSD partnership programme supported the horticulture sector in the five reviewed countries by stimulating capacity building to innovate, and to ensure continuous improvement in product and process development. The two-folded approach to focus on capacity building in order to address market failures on the one hand and to stimulate a new working model for improving the enabling environment which should lead to enhanced competitiveness of the horticulture sector on the other hand demonstrated to be a comprehensive approach. The focus on one sector enabled the design of a coherent programme. The partnership, however, missed the opportunity to link some projects or create regional learning networks. The partners involved in the WSSD partnerships per country gained rich experiences. Even when the cases are different and the sectors are in different stages of development, several projects have the same intention (e.g. development of a training centre). Facilitating stronger regional experience sharing of PC members in the design of a next partnership phase can support reflection and regional network building.

The partnership showed that addressing inefficient policies remains difficult. As a first step, the partnership set-up, however, stimulated a two-way learning process: the partners recognized that they need each other for achieving their goals. In the long-run, this is essential for developing an effective enabling environment. The main success of the partnership can be found in the sphere of stimulating joint agenda-setting and increased understanding among partners. In this sense, the partnership was able to structurally improve cooperation in the horticultural systems under review.

### **What explains different degrees of effectiveness?**

The partnership cases demonstrated marginal differences in degrees of effectiveness. This can be explained by the fact that the partnership approach implies novel working relations; the partners are often not used to work together in intersectoral partnerships. At various levels of analysis, governance problems were identified. In this context the interplay of accountability, ownership and effectiveness needed to be analysed. 'Balancing accountability' was challenging, what means to balance upward accountability towards the donor mainly within the framework of fiscal reporting with downwards accountability towards local agents as key element of reinforcing ownership. Accountability and ownership challenges were identified on different horizontal and vertical level; on programme and project level. The assumption that the governance structure influences the functioning of the partnership can be partly explained. The partnership cases with a high level of perceived ownership were more efficient in influencing positively and strategically environmental hostilities that affected its ability to perform. Particularly in working group design it was difficult to create full ownership for collaborative action and increased financial commitment. In order to balance accountability and ownership, more comparative research on the relationship between effectiveness and governance structure needs to be conducted.

This review shows that there are many positive lessons to be learned from the present partnership. In that sense it can be concluded that the WSSD ambitions of 2002 have resulted in relevant projects for upgrading the export-oriented horticulture sector in the countries under review. Partnerships are only sustainable in case all important stakeholders gain longer term advantage. The 'business model' of the partnerships that were researched in this study was not always very clear. The latter is again linked to the question of knowledge and experience on setting-up and managing partnerships. The review also shows that a high degree of commitment and belief by individuals involved in this novel approach to development is absolutely required. Follow-up research in a few years' time might help in coming to more concrete recommendations, whereas copying the present research outline to other countries and regions will certainly help in improving the evaluation model and techniques. We are only at the beginning of effective 'partnerships for development'.

## **5.2 Recommendations for Enhancing Partnership Effectiveness**

Based on the lessons learned by this partnership review, some recommendations are provided for future strategy development and how to ensure good performance:

### **Enhancing performance**

An assessment needs to be done on lessons learned of the partnership by all partners involved (DGIS, LNV, EKNs and PCs). It should be jointly reflected on success and failure factors of the partnership programmes per country. This review report can provide some first (external) impressions. For the partnership it is necessary to demonstrate quick successes in order to keep the partners motivated and not to become ineffective with little substantive action results. Monitoring the impact of the partnership in hard economic terms (increased and sustainable market share) becomes more important as soon as projects reached more milestones. In this context, the PC requires regular and improved monitoring systems, which could be facilitated by the EKN. This would also enhance the transparency of the programme; several project partners stated that they would appreciate to have a closer link to the PC in order to create a 'platform for dialogue and cooperation'.

### **Upgrading WSSD approach to other sectors**

'Partnership for development' is more and more understood as relevant instrument. The upscaling strategy of the EKN in Ethiopia to apply a similar PPP approach with a slightly different governance structure in the Ethiopian oilseeds sector is one example that shows that there is *interest and demand* for this partnership approach. Partnership for development feed well into the increased desire of developing countries' governments for a constant dialogue with relevant stakeholders as well as the need for capacity building (Van Tulder and Pfisterer, 2008). The clear strength of partnerships is to create synergy through complementarity. The WSSD partnership created added value through its close link with Dutch knowledge and research networks in the horticulture sector. Future sectors to be adopted for a partnership process like the horticulture programme, should preferably be based on the strength of Dutch sectors. An interesting candidate could be the water sector. For all new sectors to be selected it will be required to assess the relevance of partnership in the specific context. It needs to be assessed in how far the partnership fits to the developments of the sector and whether commitment of high level governmental representatives will be given. In how far can the partnership contribute to market and governance failures of sector per country in future? How would the partnership add value to the future strategy of the EKN?

### **Coaching on how to govern partnership**

A major challenge remains how to achieve effective partnerships in countries not used to work in collaboration. Traditional power imbalances between state, market and civil society within countries but also between development partner and partner country remain difficult to overcome. Joint decision-making and project implementation of government institutions, firms and civil society organisations is a novel approach in many African societies. It is required to spent time on awareness raising on PPP strategy among all stakeholders in order to create maximum commitment. Governing partnerships proved to be challenging. More flexible mechanism and institutional capacity (such as reporting requirements) of partnership governance issues might be helpful for EKNs, PC members and project partners. It would be helpful to provide on site workshops and trainings on how to 'govern' partnerships. Regular reviews help the partnership to give continuous feedback to all partners involved on how to steer the partnership in the right direction. Therefore, we suggest that an active system of 'coaching' is needed in particular in the initial phases of partnerships when the ownership issue is most relevant, while weakly developed at the same time. It demonstrated of crucial importance that a committed, neutral and experienced process facilitator is hired. He/she should be a person who is not biased towards the public or private sector. It can be thought about assigning designated partnership consultants at the various embassies.

### **Broaden donor role**

There is a tendency for donors to view their role in partnerships as identical to their role in normal projects i.e. primarily as 'funder' (Van Tulder and Pfisterer, 2008). In reality however, roles are more complex and the internal dynamics of the relationships greatly impact the achievement of the donor's development goals. This review confirmed outcomes of other researches on partnerships for development: the role of the donor is in reality more than financing; the donor – and especially the EKNs have an active facilitation role in development partnerships. Organisations such as the EKNs have a

wealth of experience in human development issues and a good network of local contacts. Apart from its role in the project design, a greater involvement from EKNs in programme management was required. Having the full responsibility for the programme from the begin on created additional value for the EKN in Addis Ababa. It seems to be more efficient and effective to have the partnership fully administered by the local representations. In general, the WSSD partnership programme implied a relatively modest sharing of risks and financial commitment. This made the partnership programme relatively unbalanced and the role of the Dutch government more a subsidy giver than a co-investor. In future, the formulation and implementation of good business or governance models (including the specification of various upgrading possibilities) seems important. This would also be a solution to inherent ownership problems of the partnership.

### ***5.3 Limitations of the Review***

The main findings of this report are preliminary based on three field researches in Ethiopia, Kenya and Tanzania. The inevitable time constraints attached to these missions resulted in a number of concessions to methodological rigor. First, although a good and clear 'helicopter view' could be established, it was impossible to analyse in depth the impact of a partnership and its projects that have been in development for over three to five years. Therefore, this report is an attempt to identify lessons learned and as an input to further improvements (action research). Secondly, the additional information gained on experiences in Zambia and Uganda might be biased from a donor perspective, because questionnaires were sent only to the EKNs. The outcomes of the expert interviews in The Netherlands with consultants involved in the programmes demonstrated, however, that responses from EKN and the consultants show similar outcomes. Thirdly, several questions in the questionnaire that has been used focused on subjective topics such as the trust between particular actors or the presence of conflict in the partnership. Due to the method used in some meetings (e.g. working group meetings), and the presence of facilitators that also played a role in the partnership, it is unlikely that all the answers received were as frank as they could have been, should another research design and methodology have been used.

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## 7. APPENDICES

### *Appendix 1: Governance Performance*

	Tanzania	Ethiopia	Kenya	Uganda	Zambia	Overall	Average
<b>Identify Accountability gaps</b>							<b>1,9</b>
Inclusiveness	2	2	2	2	2	10	2
Representation	3	3	3	3	3	14	1,8
Resolving disputes	3	3	3	NA		1	2
Stakeholder engagement	3	3	3		1	1	2,2
Transparency	3	1	2	NA		1	1,4
Trust	2	1	2		1	2	1,6
Voicing concerns	3	3	3	NA	NA		1,8
Empowering stakeholders	3	2	3		2	2	2,4
Avoid accountability failures	1	1	1		1	1	1
<b>Align Strategy</b>							<b>1,8</b>
Strategic planning process	2	3	2	2	2	1	2,0
Mission and identify	2	3	1	2	2	2	2
Accountable to strategy	2	3	2	NA		1	1,6
Partnership alignment	2	3	2	NA		1	1,6
<b>Take Action</b>							<b>1,9</b>
Enabling effective action	2	3	3	2	2	2	2,4
Preventing systemic competition	1	3	2	1	1	1	1,6
Prevented exploitation by self-interested actors	1	3	3	1	1	1	1,8
<b>Review &amp; Evolve</b>							<b>1,8</b>
Innovation	2	3	3	NA		2	2
Learning	3	3	2	NA	NA		1,6
Improvement	2	2	2	NA	NA		1,2
Reporting	3	1	3		2	2	2,2
Skills & competency development	2	3	2	NA		2	1,8

Author's calculation based on AccountAbility's comparative rating of governance systems (three point scale where 1 = poor; 2 = mixed; and 3 = good performance). Rochlin, S., Zadek, S., Forstater, M. (2008). *Governing Collaboration. Making Partnerships Accountable for Delivering Development*. Accountability, London.

*Appendix 2: Projects Goal-Alignment*

	<b>Project Goal</b>	<b>Achievements (selected examples)</b>
T03 Market Oriented Strategy for Pesticides	Updating current pesticide legislation on the basis of a comparative study. Making pesticide use in the horticultural industry more accessible and cost effective and raising awareness about the safe use of these pesticides. <b>Innovation – policy orientation</b>	Report ‘Comparative study of pesticide registration and use in others countries’ including recommendations for the improvement of the Tanzanian pesticide registration system.
T04 Industry Driven Training Program	Developing a set of training modules that form together a comprehensive training programme based on the needs of the horticulture industry. <b>Innovation – task orientation</b>	Business plan developed.
T05 Promoting Investments through Plant Breeders’ Rights	Increasing awareness amongst private stakeholders on the national breeders’ rights act. The project also aims to assess the level of satisfaction and comfort amongst private stakeholders with regard to the existing plant breeders’ legislation and control system. <b>Innovation – policy orientation</b>	Activities for raising awareness on the importance of joining UPOV took place.
K01 Training Centre	Phase 1: Developing a Business Plan for the development of a permanent industry-driven, vocational and middle-level management training program that will adequately meet the industry’s needs while fostering PPPs. <b>Innovation – task orientation</b>	<ul style="list-style-type: none"> <li>○ Business Plan developed</li> <li>○ Financial Plan developed</li> </ul>
K02 Floricultural Research Fund	Phase 1: Formulating a business plan for the establishment of a Floricultural Research and development fund with a focus on product and market diversification and post harvest control. <b>Innovation – task orientation</b>	<ul style="list-style-type: none"> <li>○ Business Plan developed</li> </ul>
K03 Processing Technology	Contributing to sustainable income generation for small-scale farmers in Kenya through the production and processing of fruits and vegetables for the export market by using appropriate processing technologies <b>Innovation – task orientation</b>	<ul style="list-style-type: none"> <li>○ Development and adaptation of processing equipment.</li> <li>○ Development of product supply chain</li> <li>○ Feasibility study: Training of Trainers (8 Farmer Field Schools established)</li> </ul>
K04 Phytosanitary Checks	Phytosanitary standards and procedures are applied in such a way that the Kenyan horticultural producers and exporters sustain their competitiveness in the national market <b>Innovation – task orientation</b>	<ul style="list-style-type: none"> <li>○ Framework for early warning system developed</li> <li>○ Data selection for operation of early warning system in process</li> <li>○ Training of inspectors</li> <li>○ Client system inclusion in discussion</li> </ul>
K05 Smallholder Integration	Encouraging the participation of smallholder farmers in the export floriculture to enhance sustainable livelihoods/development to targeted communities <b>Innovation – task orientation</b>	<ul style="list-style-type: none"> <li>○ 322 farmers in 12 groups have been linked to flower exporting companies</li> <li>○ 251 farmers (9 groups) are selling quality flowers to the market</li> </ul>
E01 Code of Practice	Facilitating EHPEA with an effective strategic planning tool for the sustainable development of the Ethiopian floriculture sector <b>Innovation – task orientation</b>	<ul style="list-style-type: none"> <li>• Successful development of training methodology that enables the sector to comply with the CoP requirements on bronze level</li> <li>• Training Unit created (1 external expert and 4 graduated horticultural specialists)</li> <li>• Development of local professional and independent auditing capacity</li> <li>• Development of Management</li> </ul>



		Information System for Sustainable Floriculture development
E03 Integrated Pest Management	Development of a comprehensive research and development plan for a systematic and responsible introduction of IPM <b>Innovation – task orientation</b>	<ul style="list-style-type: none"> <li>• IPM pilots on farms successful; growers response is most satisfying</li> <li>• Not yet hard data from farms available, but farm managers indicate that IPM results in production (5-8% increase) and quality (stem length and thickness) increased;</li> <li>• Import permits for 3 beneficials for the research activities</li> </ul>

*Appendix 3: Upgrading through Capacity Building*

	Process Upgrading	Product Upgrading	Functional Upgrading	Inter-chain Upgrading
<b>Ethiopia</b>	<ul style="list-style-type: none"> <li>• New management techniques and skills</li> <li>• Post harvest techniques and skills</li> <li>• Incorporate CSR practices in process (in process)</li> </ul>	<ul style="list-style-type: none"> <li>• Higher quality of flowers through IPM application on farms</li> </ul>	<ul style="list-style-type: none"> <li>• Branding of Ethiopian flowers through Code of Practice</li> <li>• Efficient task specialization through providing training by the training unit</li> </ul>	-----
<b>Kenya</b>	<ul style="list-style-type: none"> <li>• Introduction of innovation through new technology</li> <li>• Improved inspectorate techniques and management (preventive measure)</li> <li>• Business linkages improve export process of smallholders</li> </ul>	-----	<ul style="list-style-type: none"> <li>• Industry driven cooperation through building new sector wide training and research institutions (not in place yet)</li> </ul>	<ul style="list-style-type: none"> <li>• Integrating Smallholder Farmers into the Export-oriented cut flower chain</li> </ul>
<b>Tanzania</b>	-----	-----	<ul style="list-style-type: none"> <li>• Sector organization through improved services by TAHA</li> <li>• Improving the Tanzanian pesticide registration system through lobbying and advocacy (in progress)</li> <li>• Industry driven cooperation through building new sector wide training and research institutions (not in place yet)</li> <li>• Increased recognition for the sector if joining UPOV (not realized yet)</li> </ul>	----

*Appendix 4: Contribution to MDG*

Project	MD-Goal to contribute to ....	Impact
E01 (only WSSD component)	<p>#8: strengthening local capacity through:</p> <ul style="list-style-type: none"> <li>▪ Trainings for graduated horticultural specialists in NL</li> <li>▪ Developed training methodology as framework for local capacity building</li> <li>▪ Technical innovation introduced (management information system (MONQI))</li> </ul> <p>#7: reducing environmental impact through: Courses on Farm Environment Risk Assessment</p> <p>#6: providing health education on HIV/AIDS Course on HIV/AIDS Awareness and Basic First Aid</p> <p>#1: CoP is forcing farmers to improve working conditions for employees</p>	<p>Direct</p> <p>Indirect</p> <p>Direct</p> <p>Indirect</p>
E03	<p>#7: IPM reduces the use of chemicals and therewith the impact of greenhouse horticulture on the environment</p> <p>#8: strengthening local capacity through: IPM training and research</p>	<p>(assumed) Direct</p> <p>Direct</p>
T03 Market Oriented Strategy for Pesticides	<p>#1: positive impact on Tanzanian horticulture industry can lead to more income generation</p> <p>#7: environmental protection through more efficient use of IPM</p> <p>#8: building up local capacity through trainings on IPM</p>	<p>Indirect</p> <p>Direct</p> <p>Direct</p>
T04 Industry Driven Training Program	<p>#1: positive impact on Tanzanian horticulture industry can lead to more income generation</p> <p>#7: training on environmental sustainable horticulture</p> <p>#8: creating local capacity by making available knowledge</p>	<p>Indirect</p> <p>Indirect</p> <p>Direct</p>
T05 Promoting Investments through Plant Breeders' Rights	<p>#1: positive impact on Tanzanian horticulture industry can lead to more income generation</p>	<p>Indirect</p>
K01 Training Centre	<p># 1: eradication of poverty and hunger</p> <ul style="list-style-type: none"> <li>▪ protection of competitiveness of the sector</li> </ul> <p>#7: training on environmental sustainable horticulture</p> <p>#8: developing a global partnership for development</p> <ul style="list-style-type: none"> <li>▪ by creating local capacity</li> </ul>	<p>Assumed indirect contribution</p>
K02 Horticultural Research Fund	<p># 8: developing a global partnership for development</p> <ul style="list-style-type: none"> <li>▪ by creating local capacity</li> <li>▪ by making available science and new technologies</li> </ul>	<p>Assumed direct contribution</p>
K03 Processing Technologies	<p># 1 : eradication of poverty and hunger</p> <ul style="list-style-type: none"> <li>▪ by stimulating local entrepreneurship</li> <li>▪ by stimulating local agricultural production</li> </ul> <p># 7: ensuring environmental sustainability</p> <ul style="list-style-type: none"> <li>▪ by protecting ecosystems and biodiversity</li> </ul> <p># 8: developing a global partnership for development</p> <ul style="list-style-type: none"> <li>▪ by creating local capacity</li> <li>▪ by making available science and new technologies</li> </ul>	<p>Direct</p> <p>Direct</p> <p>Indirect</p> <p>Direct</p> <p>Direct</p>
K04 Phytosanitary Checks	<p># 7: ensuring environmental sustainability</p> <ul style="list-style-type: none"> <li>▪ by protecting ecosystems and biodiversity</li> </ul> <p># 8: developing a global partnership for development</p> <ul style="list-style-type: none"> <li>▪ by creating local capacity</li> </ul>	<p>Assumed: Indirect</p> <p>Direct</p>

K05 Smallholder Integration	# 1 : eradication of poverty and hunger <ul style="list-style-type: none"> <li>▪ improved household incomes due to creation of employment</li> </ul> # 3: mainstreaming gender issues # 7: ensuring environmental sustainability # 6: mainstreaming HIV/AIDS	Direct  Direct Direct Indirect

*Appendix 5: Critical Success Factors*

	Average Score			Total Average Score
	Tanzania	Ethiopia	Kenya	
<b>Partnership Building</b>				
Take time in particular in the start-up phase	4,3	4,4	4,5	4.4
Involve all primary stakeholders	4,5	4,1	4,3	4.3
Keep the momentum	3,4*	4,3	4,3	4
Thorough and realistic cost/benefit assessment	3,6*	4	4	3.86
Appropriate risk allocation	3,3*	3,9	3,8*	3.66
A focus on important needs that can be best fulfilled through partnerships	3,9	3,6	3,9	3.8
a clear vision of the objectives	4,4	4,1	4,7	4.4
result-oriented and appropriate detailed plan for achieving the goals	4,4	4,1	4,5	4.33
commitment to core organizational competencies	4*	3,9	4,4	4.1
Flexibility	4,1	4,1	4,5	4.23
Project technical feasible	4,1	4,3	4	4.13
multi-benefit objective	3,9	4,4	4	4.1
technology transfer	4,1	4,4	4,1	4.2
involvement of broker/ process facilitator	3,6	3,9	3,7	3.73
learning from other partnerships	4,1	4,4	4,1	4.2
proven financial capacity of partners	3,4	3,5	3,7	3.53
early involvement of local communities	4,4	3,6	4	4
<b>Partner commitments</b>				
Clarity of roles, responsibilities, goals and ground rules	4,6	4,1	4,7	4.46
Commitment of core organizational competencies	3,9*	3,9	4,6	4.13
sufficient and appropriate human and financial resources committed from all partners	4,4	3,8	3,9	4.03
application of same professional rigor and discipline focused on achieving targets and deliverables	3,9	3,9	4,1	3.96
<b>Partner relation</b>				
good leadership	4,6	4,6	4,6	4.6
clear understanding of mutual benefits (win-win)	4,6	4,4	4,3	4.43
effective relationships and communication build on trust in the function of partnerships	4,4	4,1	4,4	4.3
respect for differences in drivers, approach, competence, timeframes and objectives	4,3	4,5	4	4.26
focus on achieving mutual benefit (complementarily of roles)	4,4	4,1	4,2	4.23
<b>Partnership Governance</b>				
Shared authority	4,1	4	3,8	3.96
regular informal gatherings	3,8	4	3,4	3.73
clear communication, shared planning and decision making	4,6	4,3	4,7	4.53
clear and enforceable lines of accountability	4,2	3,9	4,7	4.26
<b>Measurement</b>				
accurate and appropriate indicators to be used to evaluate	4,4	3,8	4,5	4.23
constant and effective monitoring, measuring and learning	4,2	4	4,4	4.2
<b>External Factors</b>				
favorable legal framework	4,3	4	4,2	4.16
available financial market	4,2	2,9*	4	3.7
political support	3,9	3*	3,7	3.53
sound economic policy	4,3	3,1*	3,9	3.76
stable macro-economic environment	4,1	3,1*	4	3.73

government involvement by providing guarantees	4,3	3,6*	3,7	3.86
understanding the needs of local partners and beneficiaries (focus to build capacity)	4,4	4	4,4	4.26

Remarks: This list was filled by the stakeholders met at the missions. They were asked to rank the items on a scale from 1 (not important) to 5 (very important). Based on the ranks an average rank per item was built. The characteristics of the respondents read as following:

Country	Public Sector	Private Sector	Civic Sector	Donor	Total
Tanzania	8	5	1	2	16
Kenya	9	4	2	0	15
Ethiopia	2	5	1	0	8
Total	19	14	4	2	39

\* means that two or more respondents have not ranked the items.

*Appendix 6: List of Respondents*

<b>Name</b>	<b>Institution</b>	<b>Day met</b>
<b>The Netherlands</b>		
Dr. Roland Bosch	Ministry for Agriculture, Nature and Food Quality	30.09.2008
Co Neeteson	Ministry for Agriculture, Nature and Food Quality	30.09.2008
Frits van der Wal	Ministry for Foreign Affairs	18.09.2008
Andre de Jager	Wageningen UR – LEI (Agricultural Economics Research Institute)	05.09.2008
Olga van der Valk	Wageningen UR – LEI (Agricultural Economics Research Institute)	03.09.2008
Jacob Wiersma	Ministry for Foreign Affairs	24.09.2008
Aart Dekkers	Ministry of Economic Affairs	24.09.2008
<b>Tanzania</b>		
Karel van Kesteren	Embassy of the Kingdom of the Netherlands in Dar Es Salaam	06.10.2008
Pieter Dorst	Embassy of the Kingdom of the Netherlands in Dar Es Salaam	06.10.2008
Steeff van den Berg	Embassy of the Kingdom of the Netherlands in Dar Es Salaam	06.10.2008
Peniel M. Lyiamo	Ministry of Agriculture, Food and Cooperatives	06.10.2008
Geoffrey Kirenga	Ministry of Agriculture, Food and Cooperatives	06.10.2008
Dr. Enock Masanja	CREFT	07.10.2008
Raymond P.Mbilinya	Tanzanian Investment Promotion Centre	07.10.2008
Patricia L. Mhondo	Tanzanian Investment Promotion Centre	07.10.2008
Edward Mathew Sungula	Ministry of Industry, Trade and Marketing	07.10.2008
Patrick Ngwediagi	Ministry of Agriculture, Food and Cooperatives	07.10.2008
Jaqueline Mkindi	TAHA	08.10.2008
Erik Zweig	Tanzania Flowers Ltd	08.10.2008
Bob Shuma	Tanzania Seed Trade Association	08.10.2008
Colman Ngalo	TAHA	08.10.2008
Jerome Bruins	TAHA	08.10.2008
Tjerk Scheltema	TAHA	08.10.2008
Mike Chambers	TAHA	08.10.2008
Stefan Pletziger	AVRDC - The World Vegetable Centre	09.10.2008
Dick Bruinsma	Agricultural Office of the EKN in Nairobi	09.10.2008
Charles Muangirwa	Tropical Pesticides Research Institute	10.10.2008
Maria Ijumba	Faida Market Link Co. Ltd	09.10.2008
Hassan S. Mndiga	AVRDC - The World Vegetable Centre	09.10.2008
<b>Ethiopia</b>		
Alphons Hennekes	Embassy of the Kingdom of the Netherlands in Addis Ababa	27.10.2008
Geert Westenbrink	Agricultural Office of the Embassy of the Kingdom of the Netherlands in Addis Ababa	27.10.2008
Joep van den Broek	Embassy of the Kingdom of the Netherlands in Addis Ababa	27.10.2008
Hans Doctor	Embassy of the Kingdom of the Netherlands in Addis Ababa	27.10.2008
Pim de Keizer	Embassy of the Kingdom of the Netherlands in Addis Ababa	27.10.2008
Hans Poley	Embassy of the Kingdom of the Netherlands in Addis Ababa	27.10.2008
Emebet Tesfaye	ET Highland Flora PLC	27.10.2008

Dr. Glenn Humphreys	EHPEA	27.10.2008
Metha Mukesh	J.J.Kotari & Co.	28.10.2008
Farm Manager	Ethio Agricreft	28.10.2008
Farm Manager	Fiory	28.10.2008
Farm Manager	Giant Fresia	28.10.2008
Fantaye Biftu	Ministry of Trade and Industry	29.10.2008
Yerus Work Yilma	Ministry of Agriculture and Rural Development	29.10.2008
Dr. Adefris Teklewold	Ethiopian Institute of Agricultural Research	29.10.2008
Heileselassie Tekie	Ethiopian Horticultural Development Agency	29.10.2008
Solomon Sebhatum	EHPEA	29.10.2008
Jeroen van der Hulst	Flower Watch	29.10.2008
Fikre Markos	Ministry of Agriculture and Rural Development	30.10.2008
Shumet Chanie	ILO	30.10.2008
Zerihun Gezaheyne	Ministry of Social Affairs	30.10.2008
Ian Chesterman	FINTRAC	30.10.2008
Mohammed Hassewa	GTZ	30.10.2008
Marc Steen	SNV	31.10.2008
Yohannes Agonafir	SNV	31.10.2008
Dhuguma Adugna	Jimma University	31.10.2008
Marc Driessen	Maranque Plants PLC	01.11.2008

## **Kenya**

Phyllis Karanja	Embassy of the Kingdom of the Netherlands in Nairobi	10.11.2008
Mehdad Ehsani	SNV	10.11.2008
Willem Dolleman	Agrifresh	10.11.2008
Chris Beinard	Indofarm	10.11.2008
Jack Nonnes	Teresol	10.11.2008
Kees van Baar	Embassy of the Kingdom of the Netherlands in Nairobi	10.11.2008
Jane Ngige	Kenya Flower Council	11.11.2008
Erastus K. Mureithi	Kenya National Assembly	11.11.2008
Dr, Stephen Mbithi	Fresh Produce Exports Association of Kenya	11.11.2008
Dr. Eberhard Krain	GTZ	11.11.2008
David O. Otieno	Africa Now	12.11.2008
Eric N. Mwaura	Africa Now	12.11.2008
Dr. Wilson A. Songa	Ministry of Agriculture	13.11.2008
Dick Bruinsma	Agricultural Office of the Embassy of the Kingdom of the Netherlands	13.11.2008
Dr. Washington Otieno	KEPHIS	13.11.2008
Rachel Ntoyen	KEPHIS	13.11.2008
Luiza Munyua	KEPHIS	13.11.2008
Joseph Ngili Kigamwa	KEPHIS	13.11.2008
Pamela Kubwage	KEPHIS	13.11.2008
Harrigan Mukhongo	USAID Kenya	14.11.2008

## **Zambia**

Frank Joosten	Advance Consulting	20.10.2008
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Gerner Henry	Embassy of the Kingdom of the Netherlands in Lusaka	18.12.2008
<b>Uganda</b>		
Marieke Janssen	Embassy of the Kingdom of the Netherlands in Kampala	1.10.2008
Olga van der Valk	Wageningen UR – LEI (Agricultural Economics Research Institute)	03.09.2008
Dick Bruinsma	Agricultural Office of the Embassy of the Kingdom of the Netherlands	13.11.2008

*Appendix 7: Perceived Cost-Benefit Ratio per Country*

**Tanzania**

	Positive	Balanced	Negative
EKN		- +	
LNV Counsellor	+		
PC members	+		
Working Groups	+		

**Kenya**

	Positive	Balanced	Negative
EKN		- -	
LNV Counsellor	+		
PC members		- +	
Focal Organisations	+		
Project Partners		- +	

**Ethiopia**

	Positive	Balanced	Negative
EKN	+		
LNV Counsellor	+		
PC members	+		
Project Implementer	+		

**Uganda**

	Positive	Balanced	Negative
EKN		- +	
LNV Counsellor		- +	

**Zambia**

	Positive	Balanced	Negative
EKN			-



