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*Cultivating Solutions for a Sustainable Future*

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*Webinar Report*

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# **STRENGTHENING PRIVATE SECTOR PARTNERSHIPS TO BOOST SUSTAINABLE AGRICULTURE**

*Thursday, December 12, 2024*

[www.worldagricultureforum.org](http://www.worldagricultureforum.org)

## Introduction

The webinar brought together leaders from the private sector, international organizations, and agriculture experts to discuss how public-private partnerships (PPPs) can strengthen sustainable agriculture and drive long-term growth. The discussions focused on the role of smallholder farmers, the need for innovative financial tools, and the importance of collaboration across sectors to address challenges such as food security, climate change, and market access.

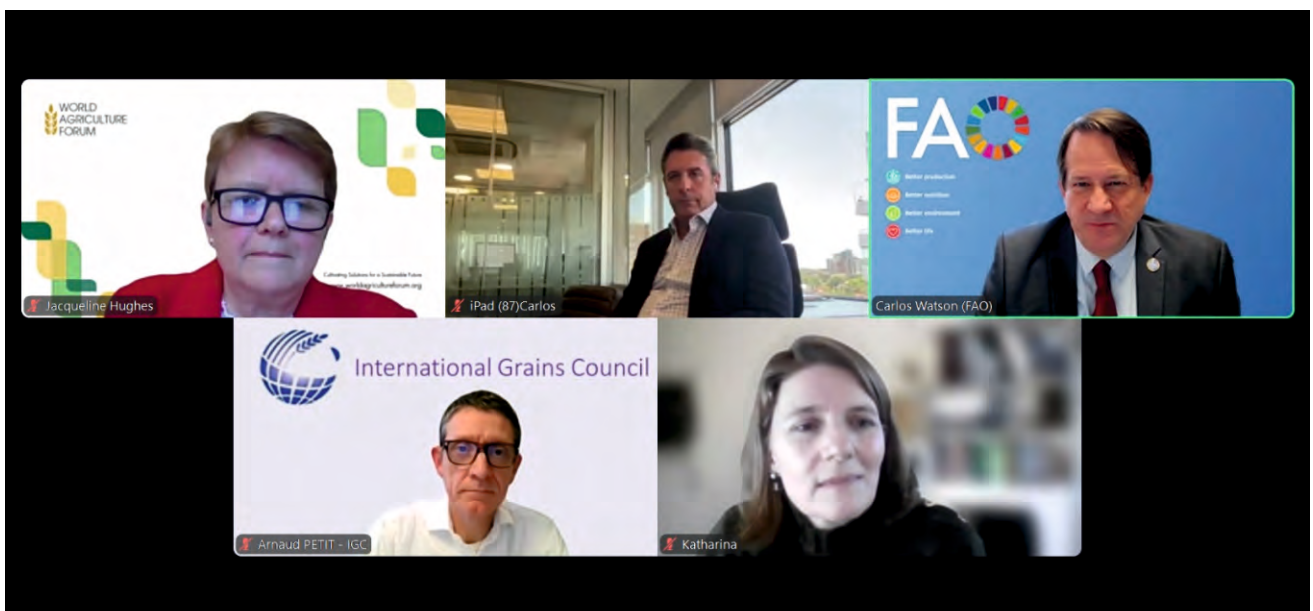
Moderated by Dr Jacqueline Hughes, the discussion unfolded in insightful rounds, offering a deep dive into the opportunities and challenges of PPPs and closing with fruitful audience engagement.

### Moderator :

- **Dr. Jacqueline Hughes**, Secretary General, World Agriculture Forum

### Panellists :

- **Carlos Magariños** — Director of Global Strategy and External Affairs, Wertheim Group & Vrio Corp; Chairman, Global Alliance of Small & Medium Enterprises, Former Director General, United Nations Industrial Development Organization (UNIDO)
- **Katharina Moeller**— Director of Partnerships, Smallholder Ecosystem Enablement, Bayer AG, Division Crop Science
- **Carlos Watson** — Chief, Private Sector Partnerships, and UN Collaboration Division, FAO
- **Arnaud Petit** — Executive Director, International Grains Council



## Key Discussion Points

### Strengthening Private Sector Partnerships to Boost Sustainable Agriculture

**Carlos Magariños** opened the discussion by emphasizing the pressing need for transforming unsustainable food systems. While there is consensus on the necessity of this transformation, Magariños underscored that substantial efforts are still required from governments, international organizations, and the private sector. He outlined the challenges facing food systems, including pests, diseases, antimicrobial resistance, and climate shocks, and emphasized the importance of innovation and collaboration to overcome these hurdles.

He stressed that private sector engagement is crucial and identified key mechanisms such as policy dialogue, capacity building, resource mobilization, and technical cooperation. Magariños emphasized that partnerships should prioritize smallholder farmers, scale up science and technology, and use data for real-time analysis. He called for greater collaboration with agencies like UNDP, FAO, and UNIDO to build institutional capacity and promote rural development.

**Katharina Moeller** highlighted the need to focus on smallholder farmers as a cornerstone of sustainable agriculture. She explained that without access to critical inputs, financing, and markets, smallholders cannot transition to sustainable practices. She emphasized that building food security in these markets is a foundational step toward sustainability, and achieving this requires collaboration between public and private sectors.

She highlighted the importance of long-term strategies from the private sector to ensure that partnerships are impactful and beneficial in the long run. Katharina called for a collective effort to turn challenges into opportunities for farmers, governments, and investors alike.

**Carlos Watson** stressed the significant role of the private sector in addressing food security, climate change, and biodiversity challenges. He pointed to initiatives like FAO's Hand-in-Hand program as examples of successful partnerships between governments, donors, international organizations, and the private sector. These collaborations accelerate agricultural transformation and rural development.

Watson emphasized that farmers continue to face challenges such as limited access to finance, technology, and markets. He called for a supportive regulatory environment, continuous learning, and investment in sustainable practices to overcome these barriers. Watson concluded by stressing that strengthening private sector partnerships through innovation, investment, and technology is key to achieving the Sustainable Development Goals (SDGs).

**Arnaud Petit** pointed out the lack of standardized definitions for sustainability in agricultural trade, noting that companies often use sustainability as a branding tool rather than adhering to a unified standard. He asserted that sustainability should be viewed as a continuous journey that involves all stakeholders in the agricultural value chain, particularly smallholder farmers.

He stressed that capacity building, access to innovation, and tailored support for smallholders are essential for achieving sustainable practices. Petit also highlighted the challenges posed by fragmented market standards and emphasized the importance of developing inclusive frameworks that ensure farmers and traders worldwide can benefit from innovations.

## Opportunities and Challenges in Executing Public-Private Partnerships in Agriculture

### **Arnaud Petit: Financial Challenges and De-risking Mechanisms**

In this round, Arnaud Petit discussed the critical financial challenges facing agriculture, particularly the need for farmers to generate profits. He pointed out that, while some de-risking financial tools exist at the industry level, the farm level remains underserved. Petit argued that the right financial tools are still lacking to support farmers' long-term investments in sustainable agriculture. He stressed the need for innovation in financial instruments to address these gaps.

### **Carlos Watson: The Role of PPPs in Facilitating Investments and Access**

Carlos Watson emphasized that PPPs are essential for addressing the multifaceted challenges of agriculture by leveraging the strengths of both public and private sectors. He stressed the need for access to finance, technology, innovation, markets, and knowledge. FAO supports PPPs by enhancing funding, expertise, and public policy to foster advancements in research, precision farming, and sustainable practices.

He highlighted that a key benefit of PPPs is integrating smallholder farmers into larger value chains, which improves their market access. Watson noted, however, that PPPs face challenges such as governance issues, regulatory barriers, and the need to ensure inclusivity and sustainability. He urged that supportive policies and balanced project design are crucial to achieving long-term success.

### **Katharina Moeller: Aligning Public and Private Sector Objectives**

Katherina Moeller discussed the different mindsets of the public and private sectors. While the public sector aims for broader, global goals, the private sector focuses on more targeted, short-term objectives.

To bridge these differences, Moeller emphasized the importance of establishing clear agreements on targets, roles, and markets. Evaluating local conditions and understanding beneficiary needs at the outset helps create an effective framework for collaboration. She stressed the need for ongoing monitoring and adaptability to adjust strategies based on real-world outcomes, avoiding unintended consequences and ensuring responsiveness to changing conditions.

Moeller also noted that technical support, realistic timelines, and careful planning are essential for building sustainable, long-term partnerships. By following these principles, PPPs can successfully address community needs while achieving the goals of both public and private stakeholders.

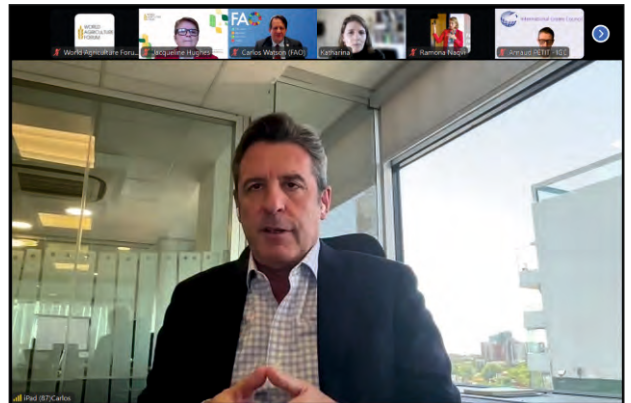
### **Carlos Magariños: The Need for Market-Driven PPPs**

Carlos Magariños highlighted the opportunity for PPPs to address the multidimensional nature of agricultural systems. He emphasized the need for projects that are market-driven and grounded in viable business cases. Magariños acknowledged the challenges of creating effective frameworks for designing, implementing, scaling, and reviewing PPP initiatives but pointed out that the rewards of successful PPPs could lead to sustainable and scalable agricultural solutions.

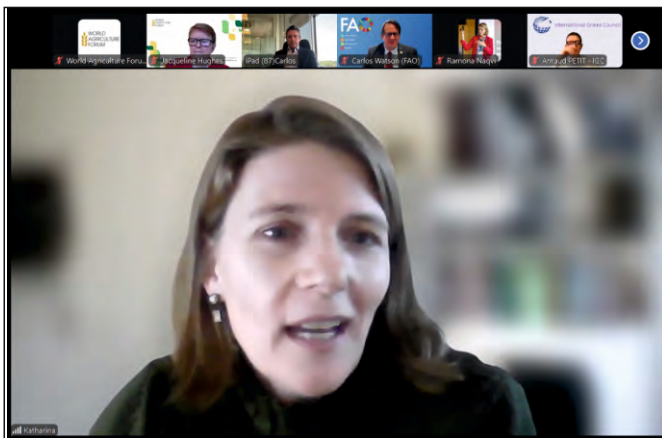
## Specific Questions and Insights

### Carlos Magariños: The Role of International Organizations

Responding to a question on the role of international organizations, Carlos Magariños highlighted their importance in mobilizing skills, knowledge, and technology within PPPs. These organizations are crucial for advancing the SDGs and strengthening local public goods, such as compliance with standards, which benefits all stakeholders. Magariños emphasized that global public goods should ensure a level playing field and cited compliance with standards as an example of this principle.



### Katharina Moeller: Business Models for Smallholder Farmers



Katherina Moeller discussed the most impactful business models for smallholder farmers, with a focus on Bayer's PPP approach. She explained that these partnerships help farmers become agri-entrepreneurs by developing local value chain systems, combining agronomic expertise, financial literacy (provided by IFC), and market linkages. Moeller emphasized that close collaboration with governments and strong community engagement form the foundation of this sustainable model.

Dr Jacqueline Hughes added that agriculture is a high-risk business, making capacity development crucial for entrepreneurs. She stressed that while the private sector is effectively supporting capacity building, success also depends on government involvement and national policies that create a conducive environment for sustainable agricultural growth.

### Carlos Watson: Value of Collaborating with FAO

When asked about the value of working with FAO, Carlos Watson explained that collaboration with the FAO provides significant advantages to the private sector by enhancing operational efficiency and strategic impact. FAO acts as a neutral facilitator, knowledge hub, and technical guide, offering support in policy dialogue, sustainability standards, and scientific data for monitoring SDG progress.



## Arnaud Petit: Scaling Sustainable Agriculture

Arnaud Petit responded to a question about scaling sustainable agriculture and ensuring equitable market access. He highlighted two key examples that illustrate effective approaches to incentivizing sustainable practices:

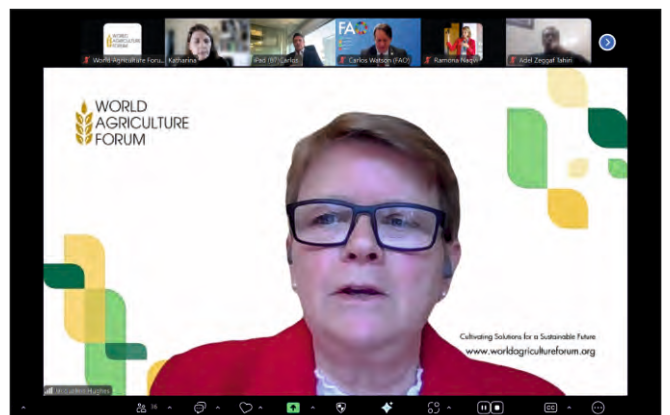
- 1. Sustainable Rice Platform in Thailand**, a public-private partnership (PPP) involving UNEP, the food industry, and smallholder farmers. This initiative promotes sustainable rice production by offering insurance-based incentives. If crops fail, farmers are compensated through an insurance fund. This system reduces their financial risk, allowing them to invest in and adopt new sustainable practices without relying on traditional subsidies. This approach fosters a more resilient and innovative farming community.
- 2. Carbon-Neutral Grain Sector in Argentina**, developed in collaboration with the Buenos Aires Stock Exchange. This initiative rewards farmers for adopting sustainable practices through market labelling, providing recognition and financial incentives. For this system to succeed, Petit emphasized the importance of organized farmer networks and well-structured value chains.

Petit also underscored the need for three essential factors to support sustainable agriculture, particularly in developing countries. First, organized farmer networks and coordinated value chains are crucial for enabling farmers to access markets and resources efficiently. Second, increased investment in agriculture is necessary to scale sustainable practices. Lastly, innovative financial tools, such as de-risking mechanisms similar to "angel funds" in the tech industry, are vital to reduce risk for smallholder farmers and encourage them to experiment with new methods.



## Closing Remarks

**Dr Jacqueline Hughes** wrapped up the webinar with powerful insights: "successful framework for sustainable agriculture requires a combination of investment, a conducive regulatory environment, and clear documentation of impacts". She emphasized the need for bridging the gap between the public and private sectors and integrating farmers' insights into solutions. Despite technological advances, farmers' experience remains invaluable, and it is essential to ensure that solutions are effective and relevant to their needs.



## Key Takeaways

- **Policy and Regulation:** Supportive policies and a conducive regulatory environment are essential for facilitating effective public-private partnerships (PPPs). Clear regulations can help streamline processes, ensure fairness, and encourage long-term investments.
- **Smallholder-Centric Solutions:** Public-private partnerships (PPPs) should prioritize smallholder farmers by ensuring they have access to inputs, technology, finance, and markets
- **Unified Sustainability Standards:** The need for standardized definitions and benchmarks for sustainability in agricultural trade. Harmonized standards can reduce market fragmentation and ensure fair competition for all stakeholders.
- **Sustainability Goals:** Aligning business models and PPP initiatives with the Sustainable Development Goals (SDGs) can enhance agricultural sustainability. This alignment ensures that economic growth, environmental protection, and social development are pursued together.
- **Holistic Approach to Food Systems:** Addressing challenges such as pests, diseases, and climate shocks requires collaboration across sectors and a holistic view of the entire food system. Integrating science, technology, and policy can lead to more resilient agricultural practices.
- **De-Risking Tools:** Financial and operational risks often hinder smallholder farmers from adopting sustainable practices. Developing de-risking mechanisms, such as insurance, guarantees, and innovative financial instruments, can help mitigate these risks and promote investment.
- **Long-Term Strategic Partnerships:** To achieve lasting impact, private-sector initiatives must adopt long-term strategies that go beyond short-term gains. Sustained engagement ensures that projects remain effective and scalable.
- **Governance and Transparency in PPPs:** Effective PPPs need strong governance structures, transparency, and accountability to ensure fair distribution of benefits and avoid unintended consequences.
- **Technology Adoption and Digital Inclusion:** Encouraging digital tools and precision agriculture can enhance productivity, but accessibility for smallholders must be prioritized. Capacity-building programs should focus on improving digital literacy and technology use.

## Conclusion

The webinar underscored the critical role of PPP's in driving the transformation of agricultural systems. Smallholder farmers, who are at the heart of global food production, must be supported through tailored financial tools, innovative technologies, and long-term strategic collaborations. By bridging the gap between the public and private sectors, fostering innovation, and prioritizing capacity building, we can pave the way for a sustainable agricultural future that ensures food security, combats climate change, and promotes inclusive economic growth.

This session provided a wealth of ideas and insights to guide future actions, setting the stage for further collaboration to achieve the Sustainable Development Goals and build a more resilient agricultural system for all.



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