



Vision Papers

Developing and Implementing Fully Financed 4P Business Cases

SNV



TheRockGroup



Introduction

The *Partnering for Value* project (2015-2018) aims to develop best-practice on how to promote successful Public-Private-Producer Partnerships (4Ps) that will support agricultural and rural development¹. The project is funded by IFAD and implemented by SNV. It has a brokering component facilitating the identification, development and monitoring of 4P arrangements in the context of IFAD-funded projects that have significant commercial value chain activities. The analysis of both the domestic and international funding possibilities for 4Ps is an important aspect of the 4P brokering component co-assigned to TheRockGroup².

Building 4P business cases and linking them to potential investors for the *Partnering for Value* project has led to important learnings. SNV and TheRockGroup will share these learnings in three vision papers, which (a) provide specific learnings relevant to the brokering of 4P projects, and (b) are meant to give concrete advice to IFAD on building the 4P approach into new rural development programmes, especially considering the newly announced Smallholder Agriculture Finance and Investment Network Initiative³. The papers are

especially tailored for IFAD management and project staff involved in the field of value chain development policy and projects.

The vision papers will be published in the coming months in preparation for a learning event that is scheduled for early 2018. At the event, the final insights from the project will be presented. In all the vision papers we will refer to existing 4P business cases from the *Partnering for Value* project to illustrate our recommendations⁴.

The vision papers

In the vision papers we describe the role that either IFAD, or organisations that have similar goals, can take up to improve this process on a structural basis. The papers will discuss the necessary steps to develop a successful 4P business case (see also the figure below). The focus will be on the steps that need to be taken to eventually leverage additional investment.



1. Towards finance ready business cases

The first paper will focus on the steps necessary to create a viable business case that is eligible and ready for financing. In this vision paper, we highlight key learnings from the *Partnering for Value* project regarding building an investment-ready business case. We believe that from the start of brokering a 4P partnership, a clear vision must be formulated on the additional investment needed and the pathway towards securing that investment. This vision should be leading when selecting potential 4P ideas, in selecting 4P partners and during building the 4P business case. Ultimately, this vision of becoming finance ready should also be leading in the capacity building and support provided to the 4P. All partners and the 4P broker play a key role in this, which is further explained in the paper.

2. Bridging the inclusive finance gap

The second paper will look at the hurdles and stumbling blocks to get the 4P business case financed and what can be done to overcome these barriers. If a 4P business case will receive external funding, their financiers will look for reliable financial service providers (i.e. a bank, fund or consultant) who can monitor the investment's results. Recommendations on what IFAD projects can do to strengthen these local financial service providers in support of the 4P business cases also will be discussed.

3. Securing a Return on Investment with Capacity Building Support

Once a business case has been financed, the capacities of all partners need to be strengthened further to ensure that investments will be used effectively in the medium and long term. The last vision paper will present possible actions for this.

The set of vision papers can be read separately, but they are clearly interconnected. The first vision paper will be published in November 2017, the second and the third paper will follow in December 2017 and January 2018 respectively. We welcome feedback to the vision papers and are open for further discussion to improve the 4P methodology to support agricultural and rural development.

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1. With reference to the "[How to do – Public-Private-Partnerships \(4Ps\) in agricultural value chains](#)" by IFAD
 2. For more information, see www.therockgroup.biz
 3. <https://www.ifad.org/documents/36783902/adbf201b-0338-4b8e-9730-8d58634f83ff>
 4. We will elaborate further on the themes mentioned in the Vision Papers in the documents developed under the Knowledge & Learning component of the Partnering for Value project.

For more information, please contact us:

Nico Janssen
Ruud W.M. Nijs

4P Project Manager SNV
Finance expert for the 4P project

✉ njanssen@snv.org
✉ ruud.nijs@therockgroup.biz