

# Public-private initiatives for local integration: evidence from Afghanistan and Kenya

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**Public-private partnerships are laying the foundations to enable sustainable and ethical value chain approaches to be used in displacement-affected communities.**

In recent years, a considerable number of private initiatives have emerged which point to a growing interest and commitment from investors and corporate partners to support and co-design socio-economic interventions that support displaced persons in the areas where they live. However, migration actors have not yet fully tapped into the potential of the private sector to complement humanitarian and development interventions.<sup>1</sup>

Working on the assumption that forcibly displaced persons – if properly supported – can be strong economic actors and agents of change in local markets and communities, socio-economic integration interventions generally aim at fostering displaced persons' self-reliance and empowerment. However, such approaches often have limited impact as they tend to comprise aid-based, short-term programming implemented by development and humanitarian actors who frequently lack specific knowledge of local market contexts and dynamics.

Moreover, traditional approaches to forcibly displaced persons' livelihoods tend to focus on strengthening the supply side of the labour market, by improving the employability and skill sets of displaced people, but rarely address or engage with the demand side. In other words, popular approaches do not take into account

what labour, products and services are actually needed in the local context.<sup>2</sup> The involvement of private partners can support public actors to steer intervention strategies towards investments and actions that are grounded in market systems assessments and their needs, and can thus contribute to better identify long-term and sustainable livelihood opportunities.

One way to merge the efforts made on both sides is through what are commonly referred to as public-private partnerships (PPPs). By bridging the gap between the competencies and responsibilities of the private and public sectors, such partnerships can leverage the capability of the private sector to meaningfully contribute to socio-economic integration at the local level. Although such interventions appear promising, there is to date a lack of concrete evidence on what works and what does not work, what needs to be done to ramp up efforts focusing on private sector solutions and, most importantly, what is the actual impact on the lives of refugees and host communities.<sup>3</sup>

This article examines the role of PPPs in sustaining value chains (that is, the full lifecycles of a product or process) in communities affected by displacement. It draws on evidence from two initiatives targeting locally sourced products in Afghanistan and Kenya, investigating the



Employees sorting and packing mulberries in the Ziba Foods factory in Kabul, Afghanistan, in March 2022. (Credit: Ziba Foods)

impact of these initiatives on the inclusion of underrepresented groups such as displaced women, and on building the resilience of individuals and communities.

### The potential of PPPs in the agricultural sector

In low-income countries, a major challenge for the agricultural sector is to progress towards market-based systems that take into account current trends around the demand for food, raw materials and labour. Even with these elements taken into account, such systems require a high level of coordination among all actors in order to develop and deliver products that meet market needs but also ensure food security, environmental sustainability and inclusion of smallholder farmers. In contexts of limited public resources and expertise, public and private partners' agendas overlap, creating a critical space for the establishment of PPPs for value chain development.<sup>4</sup> By bringing together the operational and economic efficiency of the private sector with the role of public actors as promoters of social interests, these partnerships can provide financing and capacity building, and can mitigate some of the risks associated with the agricultural sector.

### Evidence from Afghanistan: the impact on integration

The Ethical Fashion Initiative (EFI), a UN programme run by the International Trade Centre

(ITC) and funded by the EU, exemplifies how PPPs can support companies in creating sustainable value chains while positively impacting displaced communities on the ground. The EFI connects artisans from low-income countries with socially and environmentally conscious consumers on the global market. Its support for people in displacement-affected contexts in launching and running their businesses helps create jobs and build skills and wealth for marginalised groups. For example, in Afghanistan EFI partnered with Ziba Foods, a mission-led snack food brand that produces sustainably grown nuts and dried fruit from local Afghan farmers.

Although not directly targeting forcibly displaced people, the company works closely with communities in both urban and rural displacement-affected contexts. By only hiring a local workforce and by collaborating with small-scale and family-led farmers in rural areas, Ziba Foods aims to improve the livelihood possibilities for an increasing number of individuals and families, especially by supporting businesses owned by women. Over the last six years, the company has positioned itself as a reliable and fair partner in the trade of tree nuts and dried fruit, creating trust among the local communities. In return, this trust allows Ziba Foods to stimulate change towards more ethical and sustainable processes in the way partners operate, including decent conditions for workers. This has positive implications on

creating more inclusive agricultural value chains, especially for women. With female staff and managers making up 85% of the workforce, Ziba Foods is contributing to increasing the number and quality of jobs for women working in the agribusiness in Afghanistan, and directly enhancing their economic and social position within local communities. By providing women with a safe working environment where they can interact socially outside the family context, the company also contributes to lowering the risk of their marginalisation and thus strengthening social cohesion, including for displaced women who may otherwise encounter fewer opportunities to meet and socialise with peers.

Thanks to the support and guidance provided by the EFI's network of experts, Ziba Foods has brought local products to internationally recognised standards and accessed regional and international markets. This achievement not only paves the way for other business opportunities and future initiatives but also helps bolster the reputation of Afghan agricultural products and the farmers behind them, contributing to a narrative shift around how to support economic growth in conflict- and displacement-affected areas.

### **Evidence from Kenya: setting up the process**

In Kenya, the UN Food and Agriculture Organization (FAO) launched the Refugee Agricultural Value Chains for Economic Self Reliance (RAVES) project in 2020, funded by the IKEA Foundation and to be implemented in Turkana County which as of June 2022 hosted around 42% of the refugees and asylum seekers living in the country.<sup>5</sup>

Groundnuts were identified as a potential crop for sustainable income generation and nutrition security for both the host and refugee communities in the area, as groundnuts are relatively drought-tolerant and rich in protein, have a longer shelf life than fresh vegetables and are in high demand. Implemented in close collaboration with public and private actors, the project aims to create a viable agribusiness that is evidence-based and demand-driven. Through an integrated approach, the project intends to cover the entire value chain, from training local farmers to constructing two

water pans in the same area for irrigation, plus developing a county-wide production and marketing strategy.

The overall goal is to enable farmers from Loima and Turkana West sub-counties and refugees in Kalobeyei settlement to produce groundnuts for Insta Products, a local company specialising in manufacturing low-cost nutritional products for emergency feeding programmes. Through a PPP, Insta Products targets 1,500 farmers, of which 30% are refugees, and is projected to bring in KES 96 million (Kenyan shillings) annually to Turkana County (approximately USD 791,000 at time of writing). By ensuring that local farmers are equipped with the necessary skills, access to high-yield seeds and good connections to industry-relevant markets, the initiative aims to transform groundnut production in the area, while also improving nutrition and living standards of local communities including refugees.

### **Building resilience**

Building resilience at the local level starts with awareness-raising among the communities involved. By engaging with farmers and their families from the outset, Ziba Foods highlights the importance of spending time with communities to understand internal dynamics and specific needs. Ongoing training sessions and local assessments are key to enabling farmers to fully understand the scope of the project, the requirements and modalities of work and what it means to be organic at an international certification level. The same applies to Insta Products, which together with FAO is investing significantly in capacity building and training farmers on international quality and food security standards, with positive implications not only for the quality of production but also for the well-being of local communities. Building resilience also means enabling local communities to cope with unforeseen challenges and external shocks. Given how limited the window of opportunity is for harvesting tree nuts and preparing for the new crop, and how a lack of resources at the right time can hinder the entire process, Ziba Foods provides farmers with capital in advance.

Risks encountered in the agricultural sector include climate change-induced shocks. This is

the case in Kenya, where the current drought and water situation has impacted recent harvests. To avoid local farmers suffering income loss and local communities facing food scarcity, and to prevent further crop shortages, Insta Products is investing in a local seed system to secure high-quality seed at affordable prices. In addition, they are working with local partners on a monitoring mechanism, which organises farmers into registered groups and supports them in planting at appropriate times, thereby avoiding the risk of having to harvest during the rainy season.

### Conclusions

Public-private partnerships have the potential to radically transform the response to forced displacement contexts. They can foster an enabling environment for socio-economic integration and strengthen the resilience of host communities by involving multiple actors in solutions. A number of conclusions can be drawn from the two cases analysed above:

**The importance of systemic thinking:** While designing solutions and interventions, it is crucial that a systemic perspective is adopted that can connect public and private actors' objectives and operations. Enhancing the competitiveness of local products in specific value chains creates economic value for the entire community – including displaced people – and ultimately contributes to the realisation of sustainable development goals at the local level, such as food security, inclusive economic growth and job creation.

**Effective partnerships need a clear but broad vision plus flexibility:** While there is a need for partnership agreements to have a clear vision and to align all actors' interests, objectives and priorities, a broader scope and flexibility are also key elements. The added value of PPPs, compared with aid-based funding initiatives that focus on a very specific or narrow set of targets, is to provide comprehensive support that is tailored to the company's specific needs and can change over time.

**It is not just about the money:** PPP frameworks and related interventions need to provide

comprehensive support beyond monetary investment. Through expert guidance and capacity-building activities, such programmes can help small businesses thrive and improve their performance in all areas, such as standardised operations, market analysis, product placement, and improved marketing strategies and internal monitoring systems.

**Need to invest in ecosystem-building:** PPPs should provide access to networking opportunities and stimulate the emergence of an enabling environment for future collaboration and business opportunities beyond the partnerships' immediate scope.

**Context-specific knowledge is key:** As there is no 'one-size-fits-all' model, PPPs should help small local companies to fully understand the context in which they operate and the communities with which they engage. Only in this way can private actors succeed in setting-up solid, sustainable businesses from which the whole community can benefit.

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