Leveraging U.S. Government Investment and Development Funds for Market Development

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Elements

- Understand Africa, its market environment and the organizations that serve this region
- Know the fundamentals of economic and agricultural development
- Develop mutually beneficial strategies that simultaneously promote market access and economic development
- Formulate a national and regional vision
- Develop strategic alliances and partnerships
- Leadership
Understanding the African Market Environment – The Positives

- Africa is a market of nearly 1 billion people
- Excellent market opportunities for a number of U.S. agricultural products
- Recognize that the more difficult the market environment the more opportunity that exists
- After decades of declining foreign assistance, the world community is again becoming engaged in Africa – possible increase in funds and resources
- Increased recognition of the private sector’s role in Africa’s economic and agricultural development
Market access for U.S. agricultural products is often impeded by inefficiencies found in African agricultural sectors such as:

- Regulatory systems
- Supply and demand structures
- Agricultural production and trade policies
- Technology transfer mechanisms
- Infrastructure and organizational deficiencies
- Low integration into the global economy and markets
- Undeveloped regional markets
- Lack of privatized industries
Developing Your Core Competency

- Attend seminars and workshops organized by potential donor organizations
- Read reports, project assessments, and professional papers to understand the African environment from a potential partner’s perspective
- Be proactive in introducing your affiliation and interests to these donor organizations – most are public institutions that have an “outreach” component for the development of partnerships
- Recognize your organization’s strengths and weaknesses within the context of African market development
- Package and sell your organization’s strengths as a potential resource for African economic development. Identify partners with resources that compensate for your weakness
- Learn to talk the “language” to effectively sell your ideas
Developing Viable Strategies

- Effective strategies pose solutions to the “negatives” relative to the African market environment
- Technical assistance activities are often more viable than market promotion and access initiatives
- Strategy should be a “win-win” for Africa and the foreign company/industry
- Strategies should include partnerships with relevant stakeholders, donors and allied organizations
Formulating a Vision

- Need to formulate a holistic vision for market development and investment in Africa
- Subsequently, break down this holistic vision to a national and regional focus
- Determine the role(s) that your company/organization can/needs to play within African economic development
- Articulate this vision to potential stakeholders and donors
- A viable vision will enable you to immediately discern an “opportunity” from a “waste of time”
- A vision will also allow you to use limited resources in the most effective and efficient manner
Developing Partnerships and Strategic Alliances

- Few, if any, organizations/companies working in Africa have adequate resources to accomplish all that is needed.
- Donor organizations often welcome partnerships with other public and private organizations - pooled resources and shared accomplishment.
- Need to think “outside the box” and explore relationships with all organizations with which you share a common objective.
Potential Partner Organizations (1)

**Examples:**

- **World Bank** – Disperses loans to client country governments for agricultural and economic development. Often seeks partnerships to implement “terms of reference” associated with loan
- **USAID** – Funds for Policy and Regulatory Reform and Market Regionalization
- **African Development Bank**
- **Food and Agricultural Organization of the United Nations** – Policy Workshops
Potential Partner Organizations (2)

- **Private Voluntary Organizations** (e.g., Peace Corps, World Vision, SG2000, Religious Organizations etc.)
- **Private Consultant Companies** (e.g. DAI, ACDI/VOCA, etc.)
- **Rockefeller Foundation**
- **Ford Foundation**
- **Land Grant Universities** (e.g. the Association for International Agriculture and Rural Development – AIARD)
Potential Partner Organizations (3)

- Host Government Agencies
- Multinational Companies (e.g., petrochemical, life science and pharmaceutical companies etc.)
- International and National Research Institutions
- Foreign Government Donor Agencies (DANIDA, GTZ, etc.)
- Allied and/or Competitor Organizations (e.g., National/Regional/International Trade Associations)
Leadership

- Leadership is essential to bringing all potential partners to the table
- Leadership is the catalyst
- Leadership is the glue for leveraged resources.
Concluding Remarks

- Accomplishment of the “elements” will better position your organization to leverage future resources for market development and investment.
- Utilize existing USDA market development funds to support larger and broader initiatives requiring a pooling of resources (e.g., World Bank loans and “Terms of Reference”)
- Develop internal advocacy mechanisms though use of market development funds to promote a viable trade policy and regulatory environment, (e.g. African Seed Trade Association)
Concluding Remarks (2)

- Success begets success – start with a manageable partnership. If successful, more opportunities will naturally develop.
- View your organization as an essential part of a global mechanism – not as the stand-alone entity with its own strategies and objectives.
- As you develop partnerships and leverage resources from other entities do not lose sight that the objective is what counts – not the money. A myopic pursuit of money only obscures opportunity.
- Your competitors are engaged in Africa – don’t miss the current window of opportunity.