



ANRD

Agriculture and Natural Resources
Division

the agriculture partnerships policy

October 2012

A close-up photograph of a branch with green and red berries, overlaid with white text. The background is a soft-focus green and white, suggesting a natural setting. The text is centered and reads:

At the heart of aspirations for development of the agriculture sector lie the growing awareness of a requirement to work in partnership to bring about a transformation of areas of the sector.

This new policy builds on the small areas of success achieved and learns from the experience so far in the provision of agriculture support to the sector. It supports a renewed determination to facilitate successes for the sector.

Policy Endorsement

This ANRD policy document was endorsed by the Natural Resources, Development and Environment Committee on 15 August 2012 and endorsed by ExCo on 16 October 2012.

The policy supports SHG's Sustainable Development Plan 2012-15, and supports Key Result Area – 'Private Sector' and Strategic Objective – 1.3 'Saint Helena's economic position strengthened through greater domestic production for both local and international markets'.

Introduction and Context

Over the last decade there has been an array of input subsidies and support provisions passed on to producers aimed at increasing production, however, progress in the sector had been slow with respect to increased levels of production, productivity, quality and marketing of agricultural products, particularly in the supply of vegetables. Our National Sustainable Development Plan 2012-15 states that '*one of the options of managing the challenges to Saint Helena posed through rising international food prices will be through exploring public-private partnerships*'. The ANRD strategic Plan 2012-15 aspires to greater involvement by the private sector in the delivery of agricultural services that support production.

Partnerships between the government and private sector have potential to become a cornerstone of St Helena Government's modernisation programme. Extending a ANRD-private partnership approach to agriculture could enable some of our national economic and agriculture priorities to be achieved more efficiently and speedily, public funds to be more effectively targeted through using private sector expertise and investment to make better use of our public assets and deliver supporting agricultural services for production.

This document sets out the Agriculture and Natural Resources Directorate's (ANRD's) policy on their engagement in strategic public-private partnerships with agriculture businesses.

Acceptance of applications under this policy creates no obligation on the part of ANRD or SHG to provide approvals to partner projects under the Partnerships Programme.

Definitions

For the purpose of this policy:

'a partnership' is defined as -

'an identified project involving ANRD and private sector partners for achievement of national benefit, outlining the application of combined resources to develop agriculture and/or agriculture services for the community'.

'a primary producer' is defined as -

'a person responsible for the day-to-day management and work on a farm, including responsibility for input costs for agricultural crops or livestock and producing either of the two on an annual basis'.

Overall Aim

The main aim of the policy is:

“to accelerate developments in the agriculture sector that supports achievement of the objectives of the Sustainable Economic Development Plan and National Agriculture Policy through investment in partnerships, where it is appropriate to do so”.

The programme targets primary producers and service providers with innovative market driven opportunities to provide local agricultural products, supporting agricultural services for production and to expand their existing business.

Role of ANRD

ANRD seeks to promote self-reliance and sustainability and will confine its partnership activities and investment to facilitation and short-term developmental interventions. The Directorate will design its intervention with limited time-frames and well understood exit strategy, so as not to create dependency, and to allow scope for contributions from private sector partners.

Principles:

A number of key principles will guide and underpin our approach to partnerships:

1. Partnerships will be centred on priorities identified in the national agriculture policy and will seek to achieve developments and not to keep the status quo.
2. A business planning approach will be taken to developing projects for ANRD to partner, and producers and service providers will need to demonstrate how their project will contribute to national economic and agricultural priorities
3. Clear, time-bound outcomes/deliverables by the partners will be an integral part of projects.
4. Partnerships may be developed for production activities and also ANRD supporting service activities determined to be appropriate for private sector delivery.
5. Applications will generally be made by an applicant for a partnership but there may be instances where ANRD wishes to approach an agriculture business to establish interest in a partnership.
6. Where development of a structure on land is concerned as part of a project, a partnership will be established only after development permission has been applied for and granted.
7. Project activities supports good environmental practice.
8. A legal agreement is established between ANRD and the private sector partner.

Form of Partnership

ANRD will invest in a partnership to create an environment that enables a desirable outcome(s) to be achieved without a stake in the business or receiving any financial return or reward. Our partnering will be based on investing various resources where the benefit for ANRD results in the delivery of a

priority outcomes that might otherwise not materialise, or be achieved in a timely manner if producers/agriculture service providers are required to shoulder all of the business risks involved in their delivery generally, or in a short space of time.

Priority Areas for Partnerships

In the short-medium term priority should be focussed on:

1. primary production outcomes.
2. delivery of supporting agricultural service outcomes.

Within the two broad areas above consideration will be given to focussing opportunity for partnership working as follows:

a. Where competitive advantage exist:

1. egg production
2. salad crop production
3. specialist production (coffee, honey, herbs)

b. Where an increased level of import substitution is desirable through encouraging:

4. Staple production (i.e. potatoes and onions)
5. mutton, pork and beef production

c. Where infrastructure development is desirable to support production at a and b above:

6. pig units
7. appropriate egg units
8. covered production units
9. arable product storage and preparation units
10. nursery establishment for seedling production

d. Where other desirable sustainable development objectives are supported through:

11. delivery of supporting agricultural services in support of production.

Forms of Investment

Where it is determined appropriate to do so and resources allow, ANRD will invest in partnerships as follows:

a. Through the provision of funds:

1. to support expenses in the set up of arable, livestock or egg production infrastructure.

2. to support expenses in bringing land back into production.
3. to support direct investment in purchase of livestock breeding animals/improved bloodlines
4. to support expenses towards specialisation in specific product(s).
5. to support expenses towards significant import substitution prospects in the short-medium term.
6. to support expenses involved in the delivery of specific supporting agricultural services to producers. This may include services with potential for divestment from ANRD.

The above forms of investment could involve ANRD passing on direct financial support to a producer (reimbursed expenses) or investing funds directly themselves for procurement of items or livestock or to secure a service for the establishment of infrastructure. There may be instances when a combination of both is appropriate. The target area where a partnership is being developed will largely determine the method of release of resources.

b. Through resources in other forms:

7. technical support and training
8. agriculture business planning
9. land and building tenure

Funding

Funding contributions from ANRD for investing in partnerships is expected to be small and the majority of funding will be sourced through application for funds from Enterprise St Helena's (ESH) agriculture sector support and capital budgets. All funding requests from ESH will need to be approved by their Board before ANRD enters into a partnership.

Producers/service providers requiring ESH funding to support their investment in the partnership will be required to route their applications through ANRD.

A Business Planning Approach to Investing Resources and Efforts in Partnerships

To ensure that scarce resources are optimised and financial support from ANRD is effectively targeted to support agricultural priorities, a business plan approach to investing in partnerships will be followed for all applications. This requirement is important in ensuring that the project, its cost, objectives, timeframe, activities and potential outcomes are clear and well thought through and can be evaluated by a small panel of persons with delegated oversight for the partnership programme.

Partnership Based on a Formal Contract

If a partnership project is approved, a contract agreement will be established and entered into by the Applicant in order to be eligible to receive any support under the programme. The agreement will cover all terms and conditions for both parties governing the provision of resources to be invested and cover all parts of the business/service operation associated with the overall project.

Eligibility Criteria and Terms and Conditions for Application to the Programme

In both instances where (a) an application is made to the partnership programme, or (b) where ANRD approaches a potential candidate to determine their interest in a partnership opportunity, the following eligibility criteria will apply:

- Applicants will already be or are planning to become primary producers or providers of supporting agriculture services.
- Applicants can demonstrate a level of business development already, whether through own investment or through a combination of own and ANRD/previous SHDA investments.
- Applicants have not faulted on agreements/conditions associated with agricultural support funding provided by ANRD or SHDA in the past.
- Applicants can demonstrate a vision for market driven and innovative agric-business expansion towards achieving national outcomes within the 2 priority areas under criterion 1 above.
- Applicants are able to invest further in the partnership project themselves in addition to the work involved in the business.
- Applicants are able to provide a partnership proposal that fulfils the information needs and requirements of the application process.
- Applicants are proposing activities that meet local policy and legislation governing planning, public health, food safety and the environment.
- Applicants are willing to enter into a contract agreement with ANRD.

Funding levels to cover Eligible Expenses for approved Projects will be paid up to a maximum ceiling for each Applicant and is not expected to above £30,000 per applicant.

A Proposal Application Pack is available as part of the programme and covers the following:

- A **Proposal Application** (see Annex A).
- A **Terms and Conditions Sheet** (see Annex B) which provides detailed information on eligibility criteria; eligible activities; eligible costs and expenses; applications; funding levels; reporting requirements; project completion; payments and the contract agreement; verification; refunds; false or misleading information; liability; changes to the programme or programme terms and conditions and ANRD discretion.
- A **Business Plan Guide** which provides a template for submission of a Business Plan.

Interested applicants will be encouraged to discuss potential projects with ANRD prior to submission of an application to the programme.

Policy Management

In so far as is practicable under the provisions of the policy, the process of managing the process of establishing partnerships will be done by ANRD officials, without recourse to the NRDE Committee.

However, the NRDE Committee will retain oversight of the process and have direct control of significant projects involving ANRD investment above a value per project above £20,000.

A panel for the assessment of applications to the programme will be led by the Director of Agriculture and Natural Resources, and its other members will comprise the Agriculture Production Officer, Agriculture Development Officer, Senior Veterinary Officer and a member of EHS.

In accordance with the provisions of the policy, the Director of ANRD (DANR) will have authority to approve the release of funds from the ANRD budget up to the £20,000 ceiling, and will liaise with the Crown Estates Manager and Attorney General where agricultural land and building assets are released for medium-long term tenures. Where funding is secured from ESH, DANR will authorise the release of invoices to the Director of Enterprise for payments.

Procedure

Partnership opportunities may be identified by an applicant through application to the programme and ANRD may also approach an agriculture business/enterprise to establish a partnership where ANRD recommends it to be desirable and justifiable to do so. There will be limited funding in the Partnership Programme and applications will be considered on a first come first served basis, subject to the Programme Terms and Conditions and programme funding constraints.

Policy Review

The policy will be reviewed at intervals as necessary and the review process will be the responsibility of the NRDE Committee in consultation with the Programme's Application Assessment Panel and ESH, for approval of changes by Executive Council.

ANNEX A: ANRD-PRIVATE PARTNERSHIPS - PROPOSAL APPLICATION

A summary business proposal is required as part of your application for a partnership with ANRD. The following information is required as part of this summary proposal:

PART A: APPLICANT INFORMATION	
Name of Business	Applicant Signature
Primary Contact	
Address and Contact Details	
Project Location (where majority of activities taking place)	

PART B: PROJECT PROPOSAL
<p>Applicant Background Provide background information on the existing agric-business.</p>
<p>Proposal Elements and Costs Summary An overview of the various elements required to complete the proposal such as infrastructure, stock, training, marketing etc and include a summary of costs with each element.</p>
<p>Proposal Overview Describe the opportunity. This may include: the national or market need, description of the product(s), etc. How is the proposal aligned with the objectives of the National Agriculture Policy?</p>
<p>Proposal Objectives Describe the proposal's objectives. What will success look like? What are the benefits to the business? Describe the benefits to the Island.</p>
<p>Proposal Work Plan This will include the information of the activities to take place, personnel required, timelines, milestones to be reached and budget allocations.</p>
<p>Proposal Budget Provide a detailed breakdown of the total proposed eligible and ineligible Proposal expenditures.</p>
<p>Total Source of Investment Provide details on all financial sources related to the proposal and the contribution of each source. This may include other applications for grants, loans etc and own investment. The sum of the total sources of investment must match the total proposed expenditure for the proposal.</p>
<p>Appendices Please attach documents pertaining to the Proposal including a business plan (as per the minimum requirements of the ANRD template) and any additional information such as technical advice/costing quotes that will assist in evaluating the merits of the application.</p>

ANNEX B: ANRD-PRIVATE PARTNERSHIPS - TERMS AND CONDITIONS

The programme targets primary producers and service providers with innovative market driven opportunities to provide local agricultural products or supporting agricultural services for production.

Definitions

In this Program Terms and Conditions, the following terms have the following meanings:

- **Partnership:** means 'an identified project involving ANRD and private sector partners for achievement of national benefit, outlining the application of combined resources to develop agriculture and/or agriculture services for the community'.
- **Primary producer:** means 'a person responsible for the day-to-day management and work on a farm, including responsibility for input costs for agricultural crops or livestock and producing either of the two on an annual basis'.
- **Agric-business:** means the private business operation of a Primary Producer or Service Provider that provides a supporting service to a Primary Producer.
- **Applicant:** means the person or persons who submit an Application and meet the eligibility criteria, jointly and severally.
- **Application:** means the Program Application Form and all documents required to be submitted pursuant to that form and the Program Terms and Conditions.
- **Eligible expenses:** means the expenses listed under 'the Eligible Expenses Section' that may be incurred by an Applicant for a Project that is eligible for re-imbursement under this Program.
- **Program:** means the Partnership Programme.
- **Program terms and conditions:** means the terms and conditions for the Program set out in this document, as may be amended.
- **Project:** means one or more of the activities identified under 'the Eligible Activities Section' to be completed by the Applicant as described in the Application submitted by the Applicant and approved by ANRD.

Eligibility

Eligible Applicants

The following people are eligible to apply to the Program:

- a. Primary Producers
- b. Private Sector Operators who provide supporting services to Primary Producers

Eligible Activities

Projects under this Programme must support the development of the priority areas of production and services indicated in the Partnerships Policy and will include the following activities:

Production:

- a. Infrastructure establishment or expansion
- b. Land preparation
- c. Employment of innovative production equipment/methods of production
- d. Improved bloodlines for livestock
- e. Product development
- f. Product specialisation
- g. Branding and packaging establishment
- h. Expanding an agric-business

Supporting agriculture services:

- i. Infrastructure establishment
- j. Service equipment

Activities must meet all applicable national legislation including legislation governing land planning, public health, food safety and the environment.

Acceptance of an Application under this Program creates no obligation on the part of ANRD or SHG or to provide approvals for a grant under this Partnership Programme.

Eligible Expenses

Expenditure for Eligible Expenses might be incurred directly by ANRD themselves or directly by an Applicant. Eligible Expenses, as approved by ANRD and stated in the contract agreement, may include costs for:

- a. Renovation of existing buildings or establishment of new buildings for poultry and pig production
- b. Renovation of existing buildings or establishment of new buildings for arable storage
- c. Procurement and establishment of covered production infrastructure
- d. Procurement and set up of irrigation and fertigation equipment and hydroponic systems
- e. Bringing land back into production, including both perimeter and rotational fencing
- f. Product development or specialisation
- g. Import of improved bloodlines for livestock production
- h. Label and packaging design (not stocks of labels/packaging for marketing runs)
- i. Infrastructure to support delivery of a supporting agric-service
- j. Procurement of equipment necessary for delivery of a supporting agric-service (not vehicles)

All Eligible Expenses claimed by an Applicant must be supported by documentation to the satisfaction of ANRD.

Applications

Applications must have a Project completion date within 1 year of application and must include:

- a. a completed Program application form, signed by an authorised representative, and all documents required to be submitted pursuant to the Program application form; and
- b. any supplementary documentation requested by ANRD, which may include the Applicant's financial statements for the past two years and must include the Applicant's business plan.

Applications will be delivered to:

Darren Duncan

Director of Agriculture and Natural Resources

ANRD Offices, Scotland, St Helena Island

Email: darren-duncan@enrd.gov.sh

ANRD reserves the right to reject any Application that is inaccurate or incomplete in the sole discretion of the Program Assessment Panel.

As funding for the Program is limited, Applications will be processed by ANRD on a first-come, first served basis, subject to the Partnerships Policy requirements and Program funding constraints.

Applications must be signed by or on behalf of a properly authorised representative. An Application will not be considered complete unless the Statement of Certification on the Program Application Form is signed.

If an Application is approved by ANRD, the Applicant must enter into a grant agreement with ANRD to be eligible to receive support under the Program. This grant agreement will contain the terms and conditions governing the support under the Program.

Funding Levels

The Program provides grants to cover Eligible Expenses for approved Projects up to a maximum of £30,000 for each Applicant.

In the event that SHG funding levels are changed to the extent that the agricultural support funding available to the Programme to make the grant is reduced or eliminated, the Head of ANRD may, in consultation with the Natural Resources, Development and Environment Committee, cancel or reduce the amount of the grant.

Reporting Requirements

Unless otherwise specified by ANRD, the Applicant shall provide ANRD with status reporting, to their satisfaction and on dates specified by them, detailing:

- a. the status of the Project, including the estimated percentage of the work completed and the estimated date of completion, and a financial report detailing all expenditures to date;
- b. any material events, developments or circumstances arising in relation to the Project; and

- c. any other information requested by ANRD.

Unless otherwise specified by ANRD, the Applicant shall provide ANRD with a final report, to ANRD's satisfaction and on a date specified by ANRD, after the Project completion date or the termination of the grant agreement, whichever occurs first, detailing:

- d. a list of activities completed by the Applicant in relation to the Project;
- e. a report of the Applicant's success in meeting the Project's outcomes/deliverables;
- f. a narrative of the production and productivity increases as a result of the Project;
- g. any other information requested by ANRD.

Project Completion

Projects must be completed between the Project start date and the Project completion date stated in the Contract Agreement.

Payments

The maximum payment an Applicant may receive under the Program is £30,000. Successful Applicants will be required to enter into a grant agreement with ANRD prior to any payments being made to the Applicant.

Payments to the Applicant will generally be made on a re-imbusement basis as detailed in the grant agreement. However, there may be instances when a percentage of the grant may be paid up front for a purchase providing an appropriate invoice is able to be provided from a supplier/service provider.

Verification

Applicants must submit copies of invoices for Eligible Expenses. The Applicant's name must match the name on invoices submitted for payment pursuant to the Program. In addition to invoices, the Applicant agrees to provide such other information and records as ANRD may require to verify the Applicant's eligibility for payment from the Program.

The Applicant consents to ANRD releasing any information contained in the Application or related to it and obtained by ANRD in the course of verifying the Application, to any other Government Directorate, agency or other body for the purposes of verifying this Application, determining the Applicant's eligibility for this Program, or both. The Applicant expressly authorises ANRD to obtain information from any Government Directorate, agency or other body to verify the contents of this Application and to determine the Applicant's eligibility for this Program.

The Applicant agrees to give representatives of ANRD access to examine their farming or business operation following appropriate notice given by ANRD as necessary for the purpose of assessing their Application and project progress under this Program. If the Applicant fails to allow such assessments within a reasonable time on reasonable notice, as determined by ANRD, the Applicant may be required to refund any payments received for the Project under the Program, as well as forfeit any future payments for the Project under the Program.

Refunds

The Applicant shall immediately refund to ANRD any payment received under the Program not in accordance with the Program Terms and Conditions and the contract agreement upon notice being provided to the Applicant by ANRD. Failure to make repayment as required by the ANRD will create a debt owing to ANRD that can be set off against any money ANRD owes to the Applicant.

False or Misleading Information

An Applicant who provides false or misleading information under this Program forgoes all rights to benefit from this Program.

Liability

The Applicant acknowledges that ANRD or SHG are not liable to the Applicant, the Applicant's heirs, agents or employees for the personal injury, property damage, or any other damage, injury, claim or loss whatsoever arising out of the Program and the Applicant's participation in it.

Representations

The Applicant represents and warrants that the person signing is duly authorised to make this Application, bind the Applicant to the Program Terms and Conditions, and, in the case of a partnership, bind the partners to the Program Terms and Conditions on the basis of joint liability.

Changes to the Program or Program Terms and Conditions

The ANRD Partnerships Assessment Panel may change or terminate the Program, or revise the Program Terms and Conditions, without notice from time to time. An Application received after the Program Terms and Conditions are revised shall be administered according to the Program Terms and Conditions applicable as of the date that the Application is received.

ANRD Discretion

The ANRD Partnerships Assessment Panel has the absolute discretion to determine the eligibility of any Applicant under this Program and any payment due under the Program. Their decision is final.

An assessment of a partnership proposal will not commence until the Application, and all required information is received to the satisfaction of the ANRD Partnerships Assessment Panel.