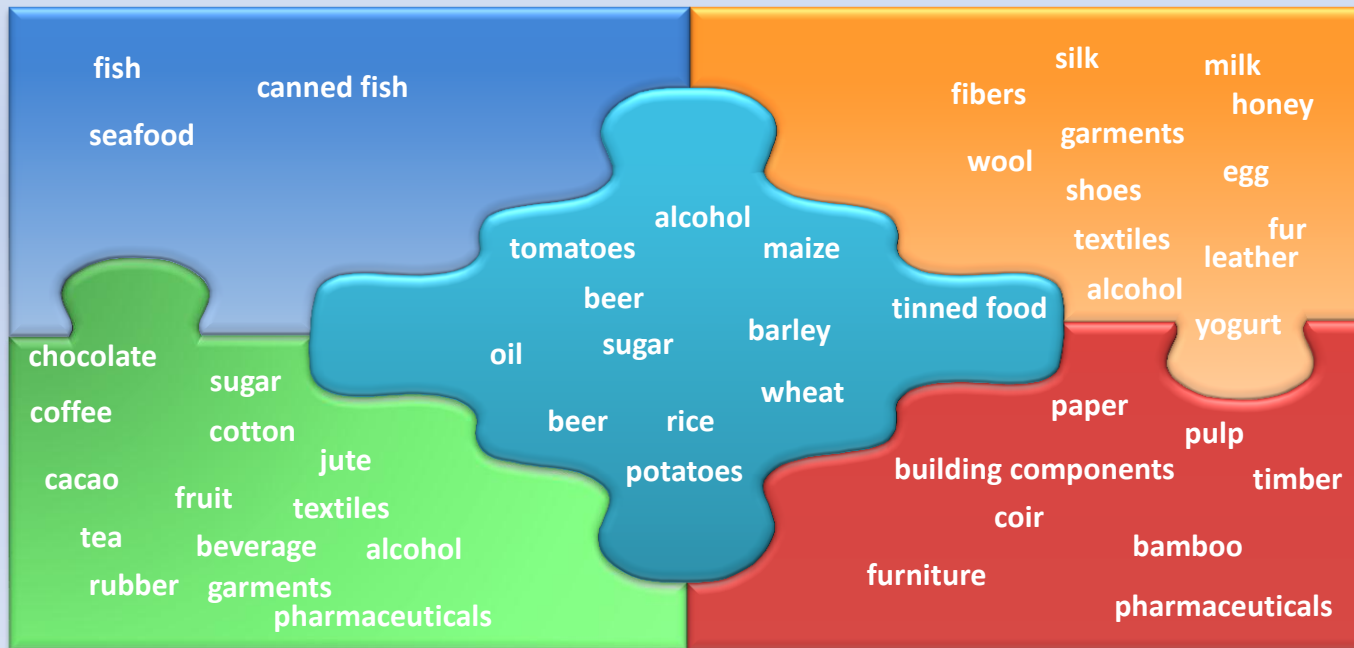




A Conceptual Framework for Agro-Value Chain Analysis and Development



Importance of developing agro-value chains:

Food security: availability, accessibility and safety

Income-generation: alleviation of poverty

Rural industries: off-farms job opportunities and mitigation of migration problems

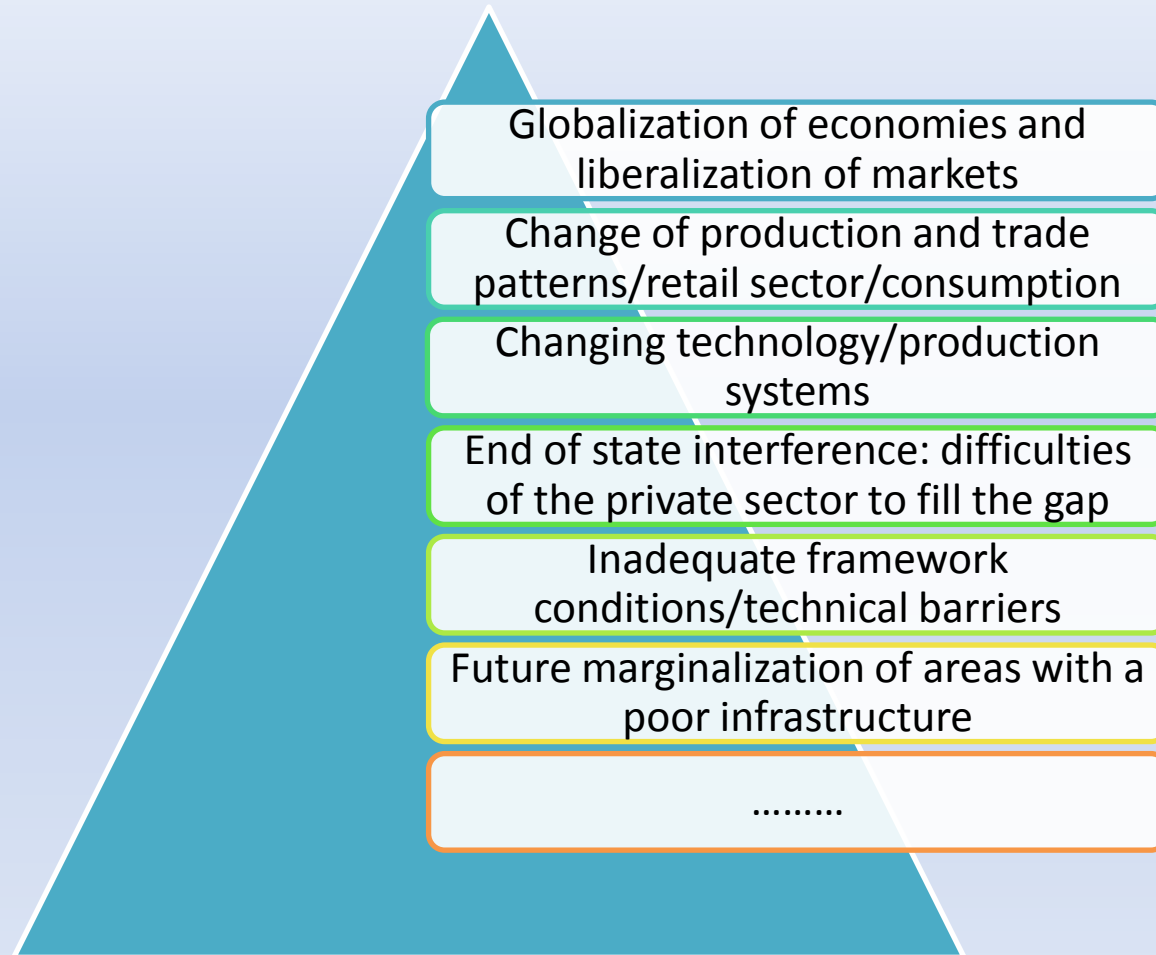
Economic growth through exportation: increased trade

Empowerment of women: change of gender relations

Natural resources preservation: land, biodiversity, climate impact, bio-energy

.....

Challenges.....a rapidly changing environment?



Opportunities.....?

Substantial organizational and institutional changes are taking place in developing countries



Their prospects for further expansion of food manufacturing is higher than the supply of primary commodities



In fact, over the past 25 years, the% of global manufacturing value addition for food, beverages, tobacco, textiles and leather products generated have nearly doubled



However, large regional disparities – i.e., for the food and beverages ,
the contribution to value addition is:

Africa: less than 10%

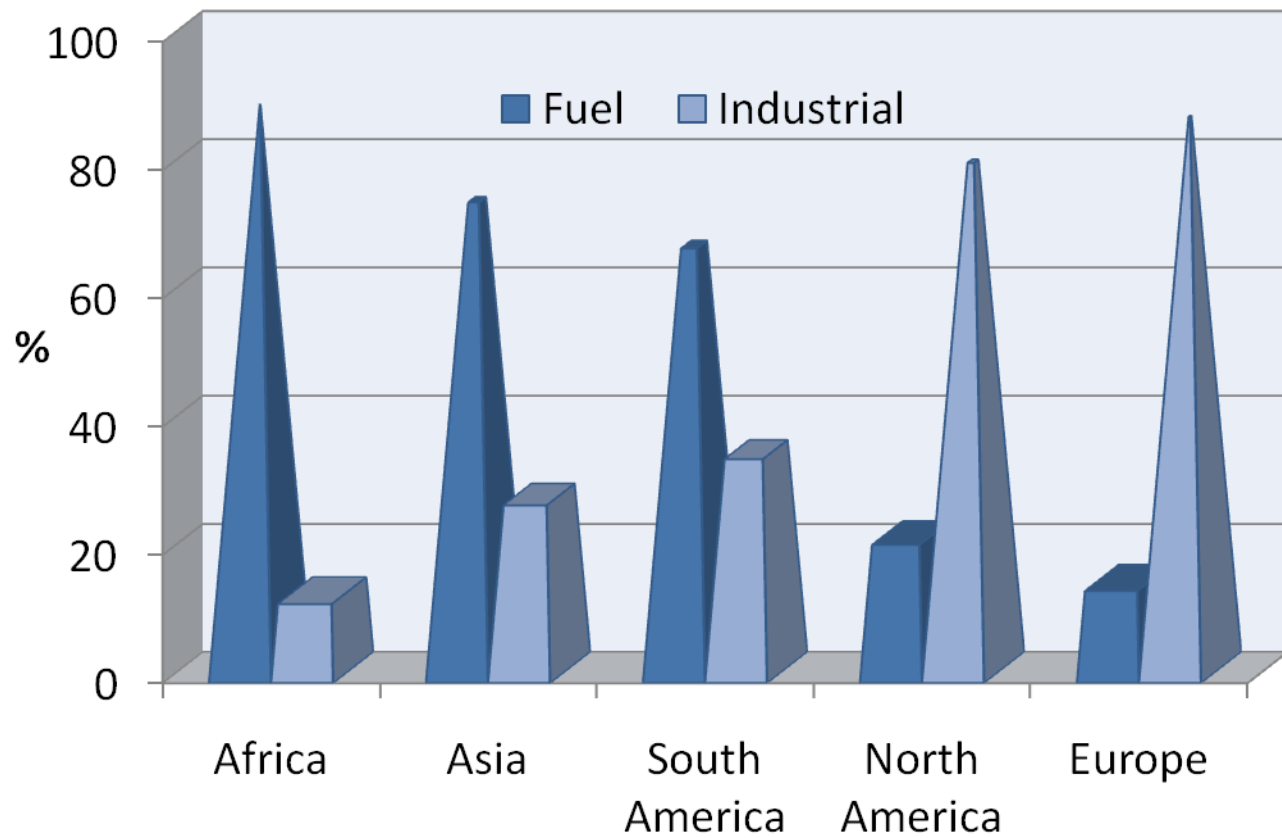
South and Southeast Asia: 39%

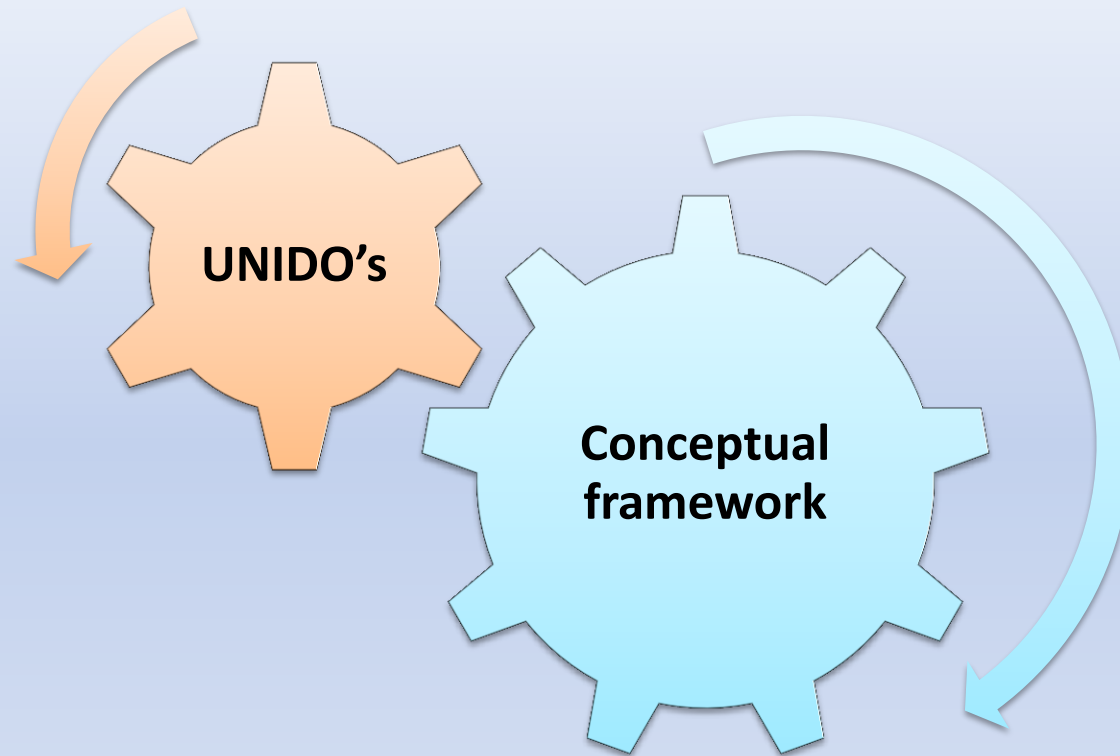
Latin American countries: 43%

Unlock the agro-industrial potential of developing countries:

	Industrialized countries	Developing countries
Agricultural products processed (%)	98	38
Value added of agricultural products processed (US\$/tone)	185	40
Post harvest losses (%)	min.	40

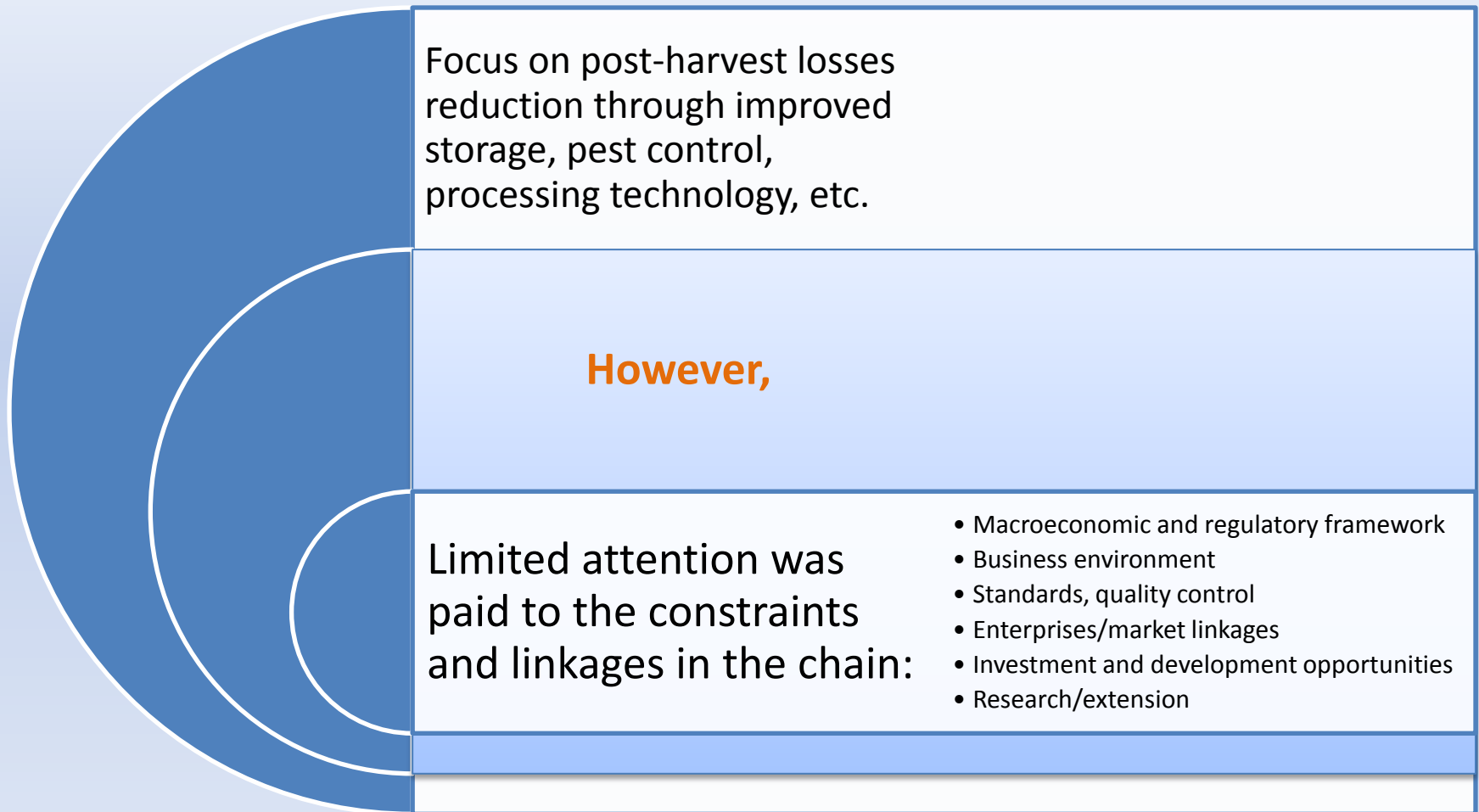
Use of natural resources.....the case of wood:



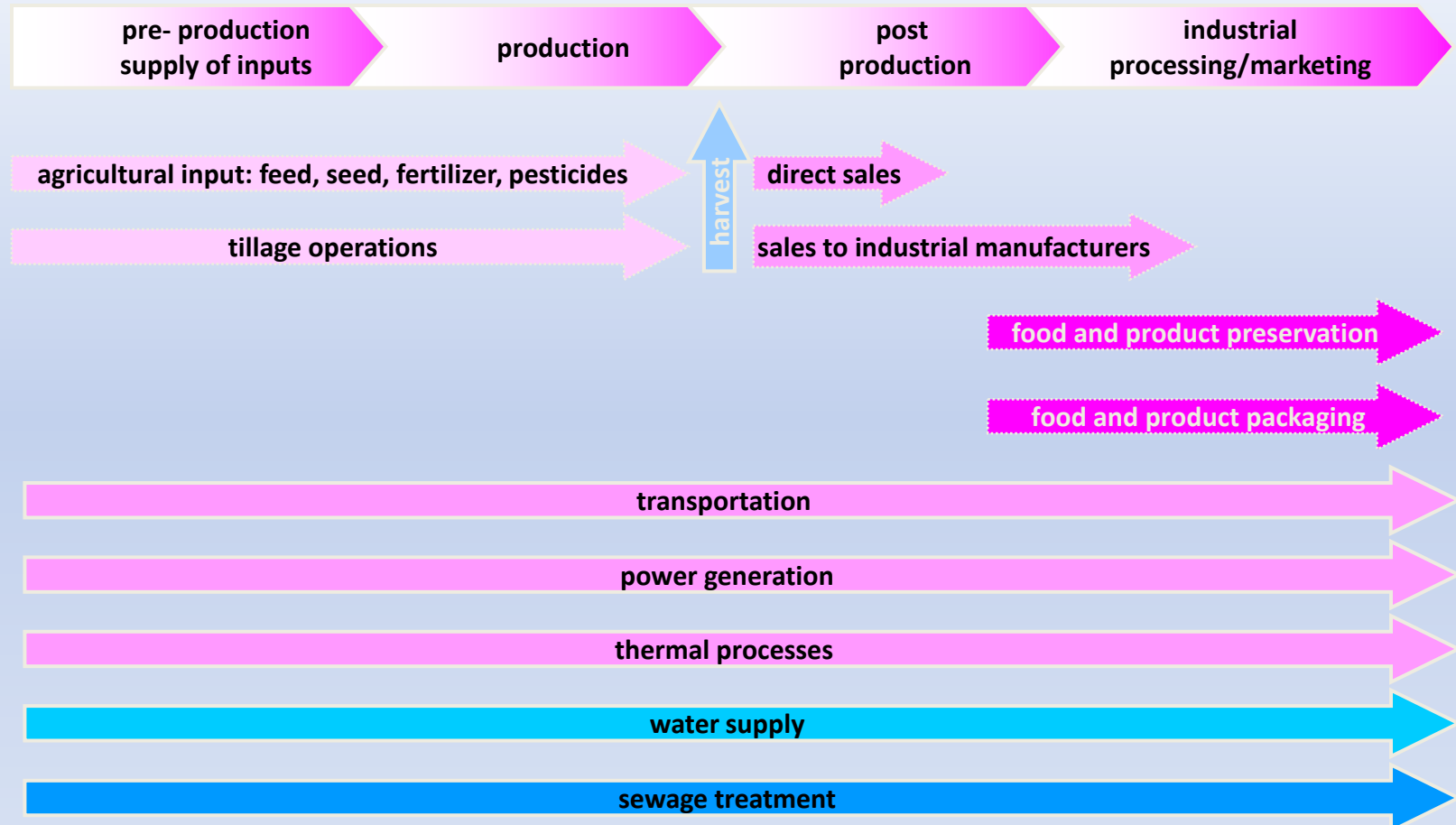


Past interventions.....isolated technical solutions...

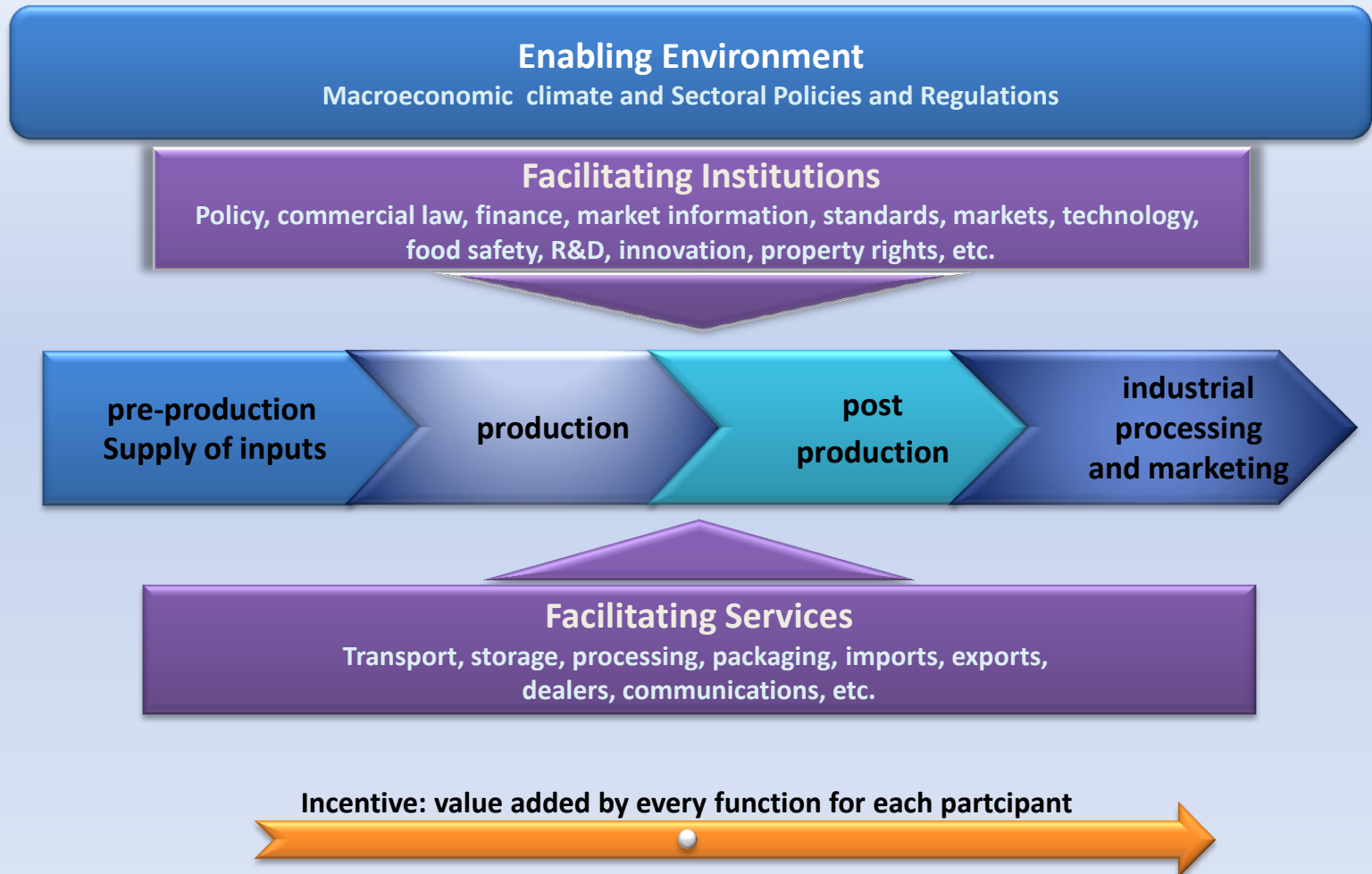
Limited impact:



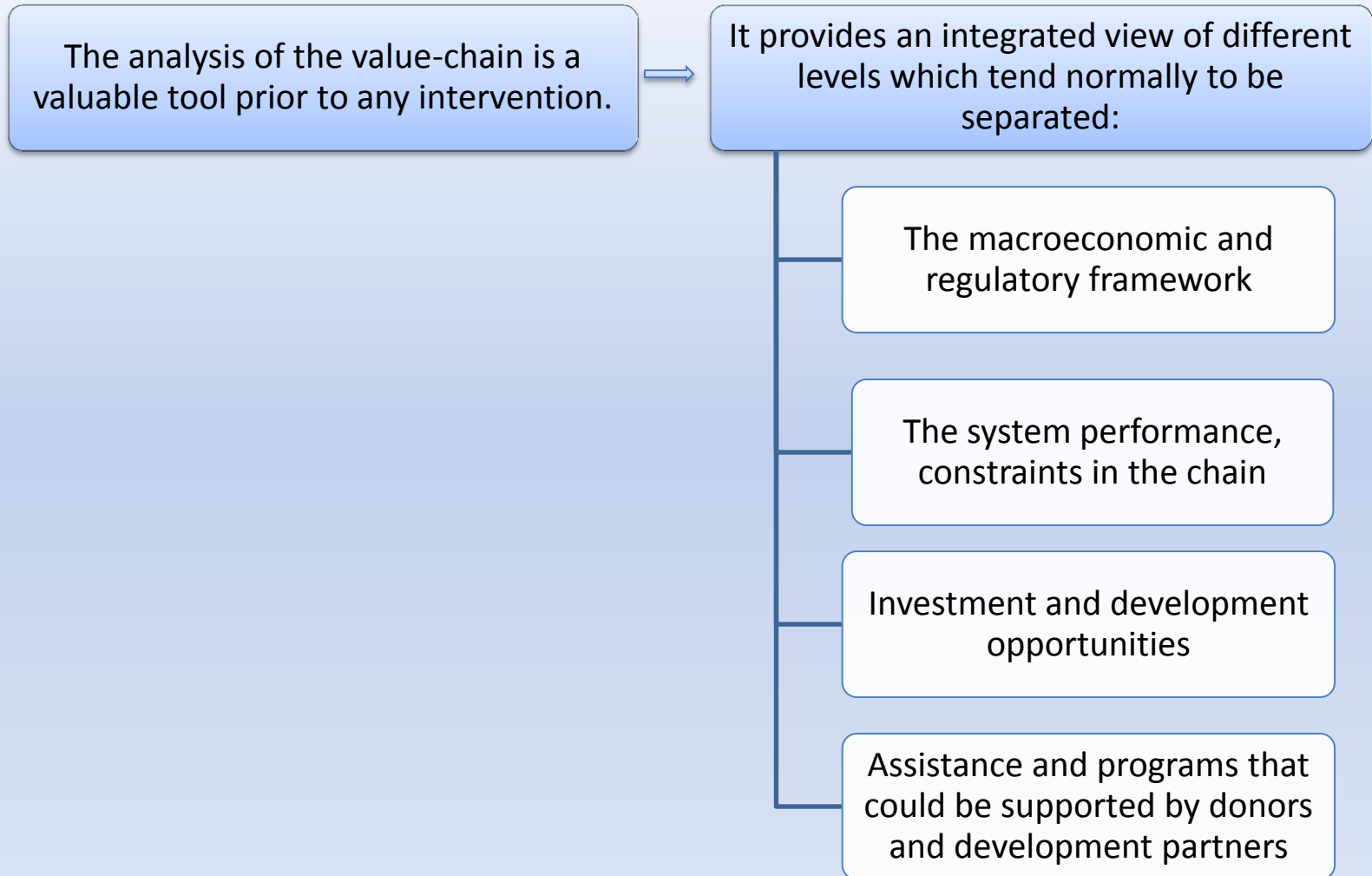
The food sector.....a complex system ?



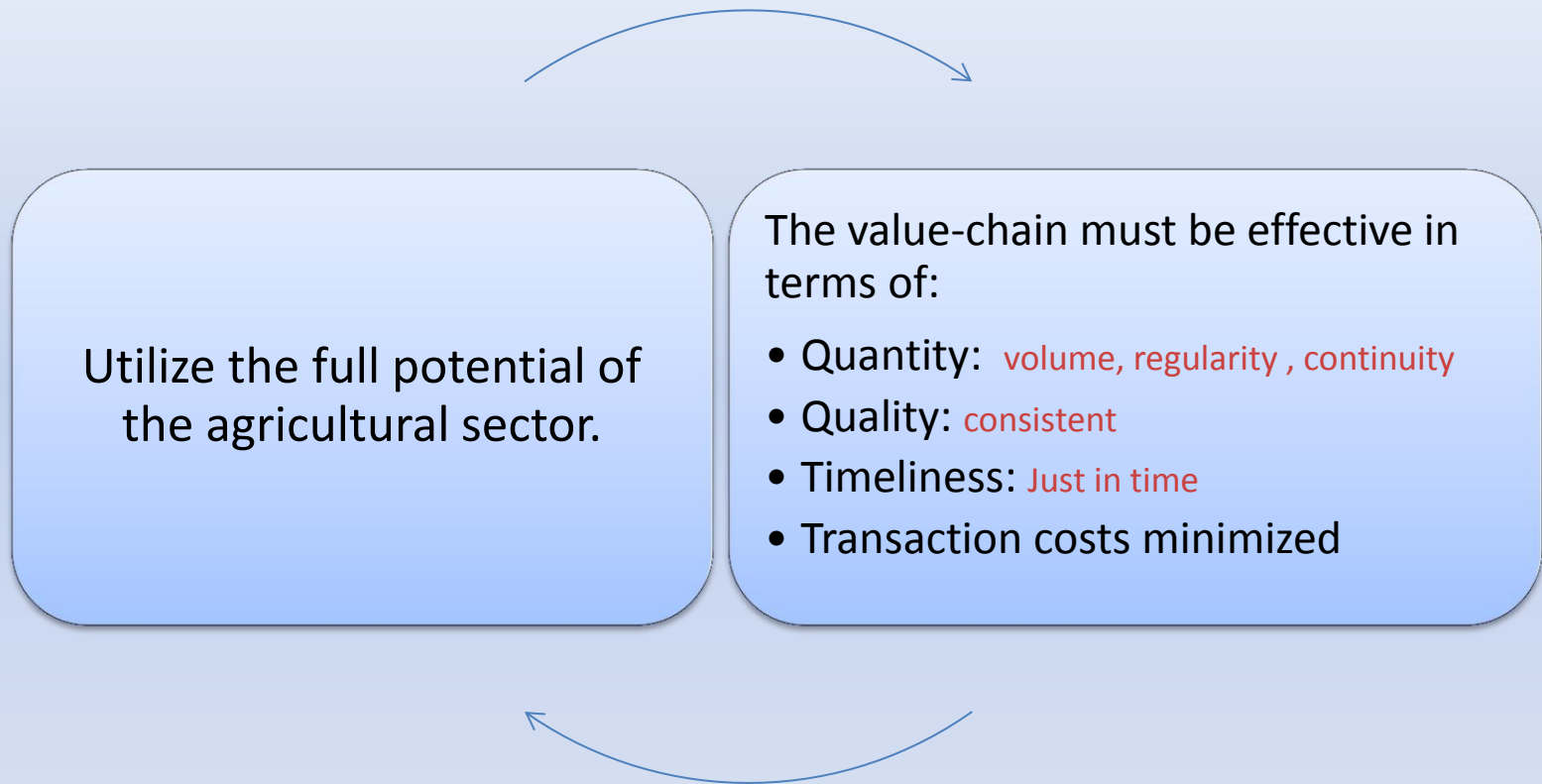
A holistic approach....analysis of the value-chain:



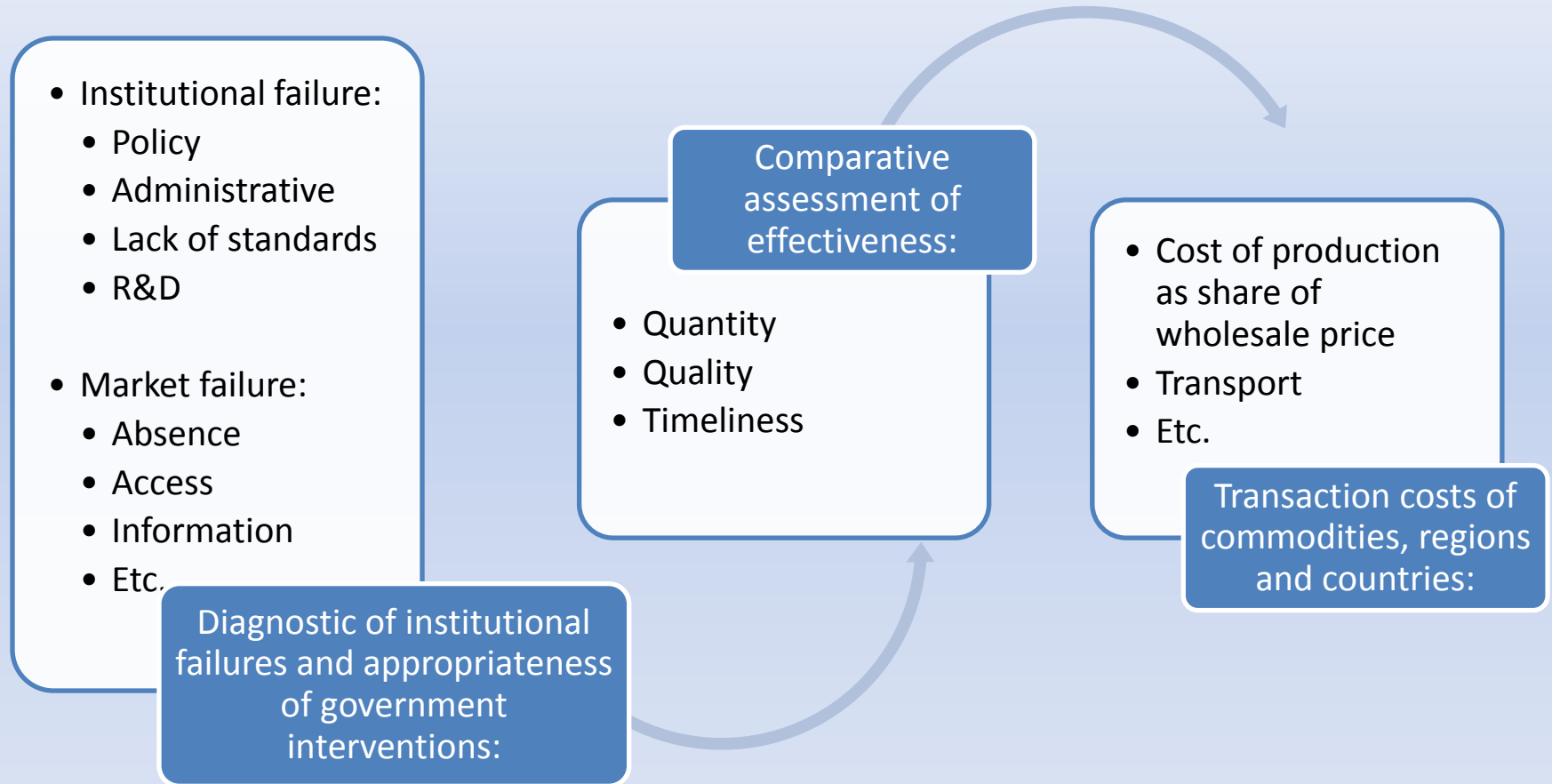
The need for such an assessment?



What should be the performance indicators?



The performance indicators should be elaborated for:



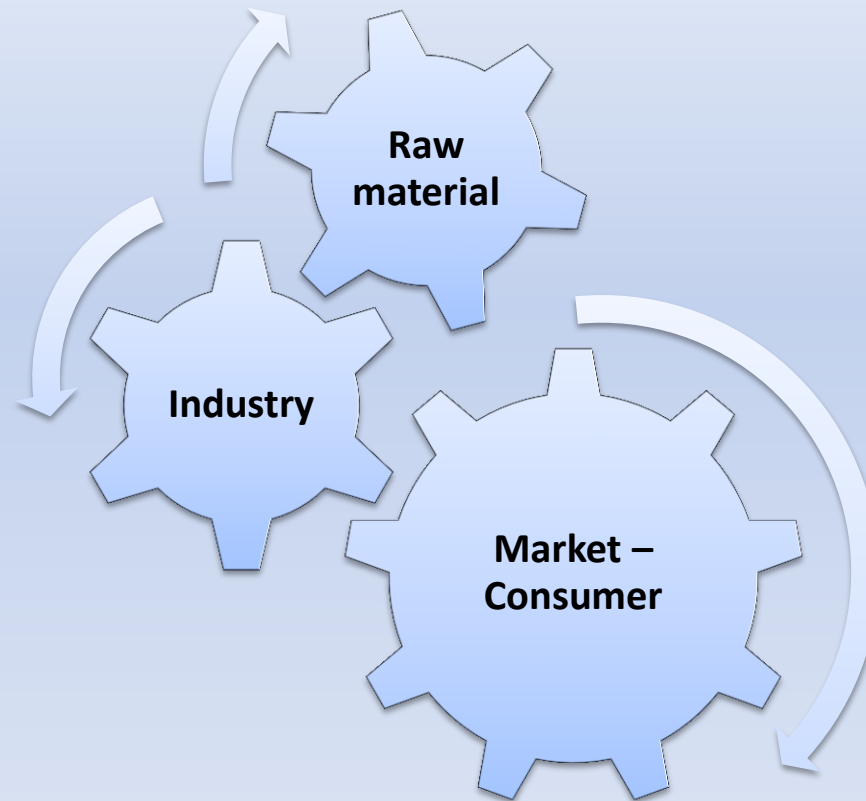
Each activity of the chain should be assessed with regard to constraint in performance and to potential need of intervention:

<u>Activity</u>	<u>Degree of deviation</u>	<u>Diagnostic</u>
Production	---	Limited use of fertilizers
Harvesting	-----	High harvest losses
Grading	---	Adequate
Storage	---	Insufficient know-how
On-farm processing	-----	High post-harvest losses
Farmers' marketing	---	Several options are available
Transport	---	Adequate access to roads
Wholesale	-----	Limited capacity for cold storage
Industry	-----	Poorly developed
Consumption	---	Lack of quality/safety control
Export	-----	Insufficient quantities

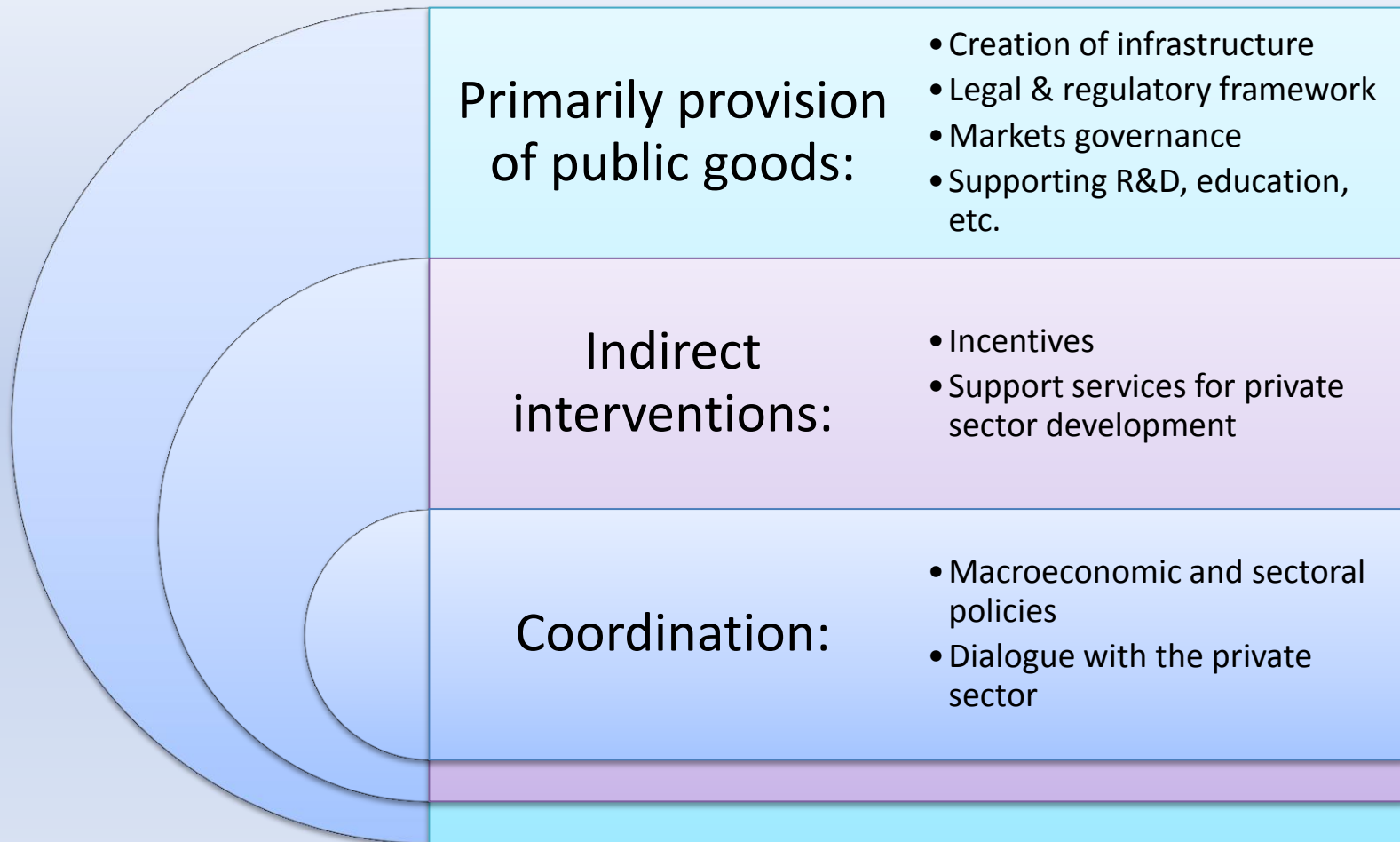
Other possible constraints:

- Policies and regulations that discriminate against the private sector and discourage competition
- Insufficient skills in both the public and private sectors
- Inadequate and ineffective financial and other facilitating services
- Unfair competition practices such as the use of subsidized distribution by public sector and some donors.
- Lack of technical knowledge and business skills in all the agro-value chain
- Limited coordination of donors activities, etc.

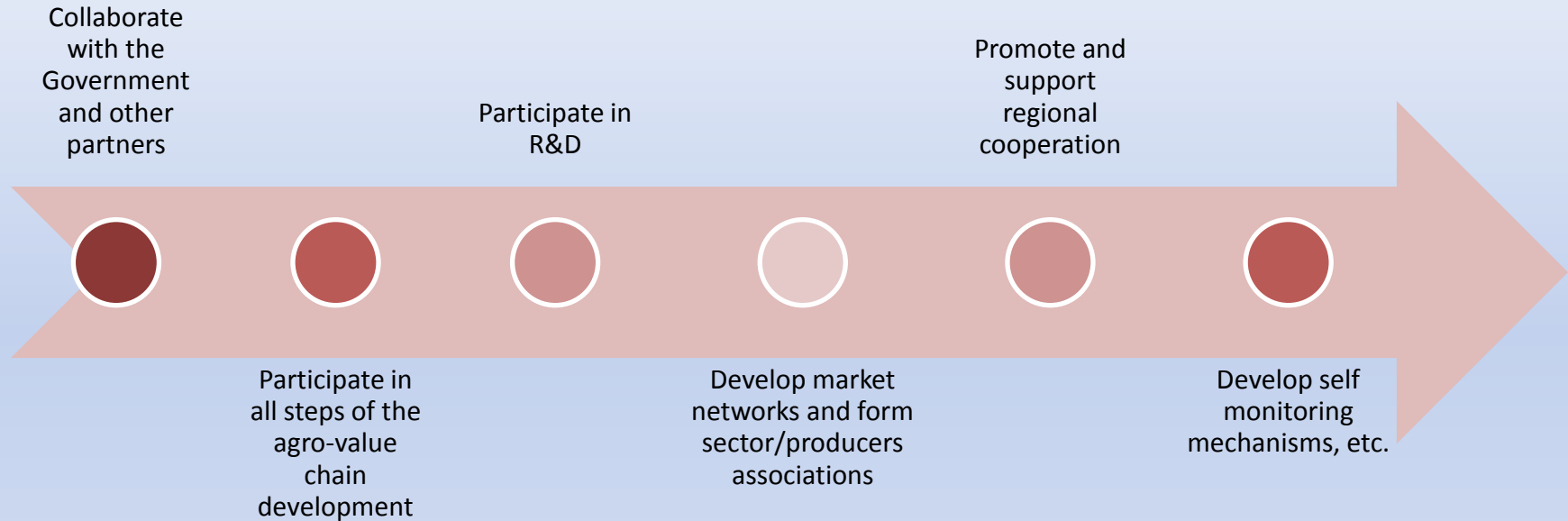
In a further step, identified constraints can be ranked according to their priority and can be assessed with regard to their influence on backward and forward linkages in the chain.



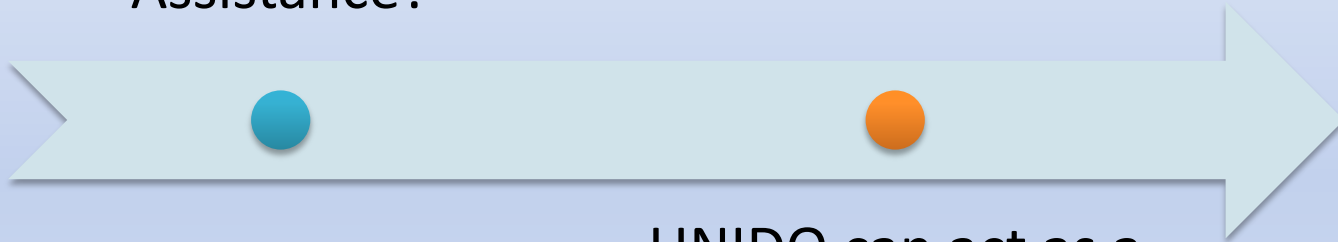
Role and responsibilities.....The Government.....A facilitator?



The private sector....should be encouraged to:



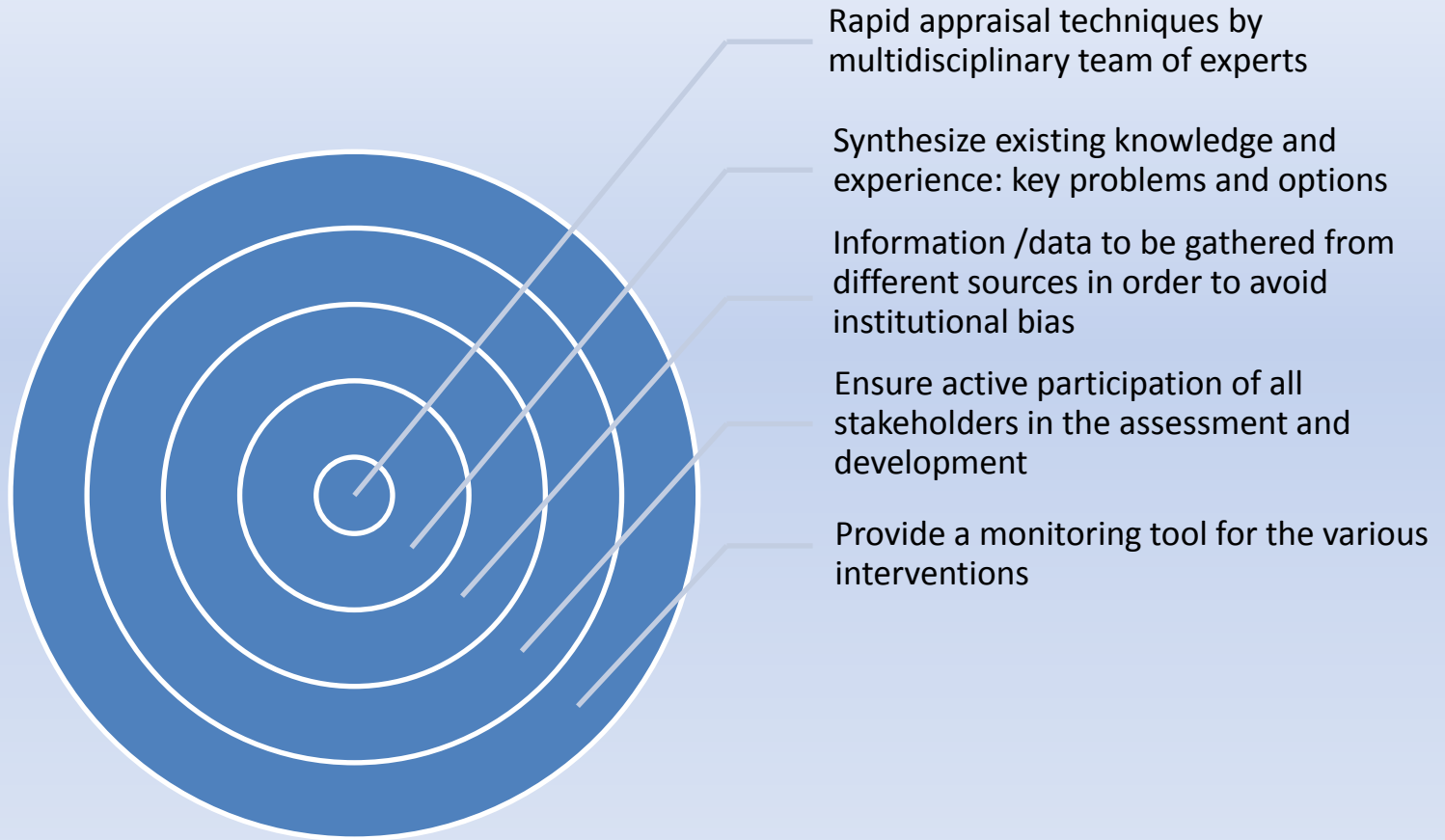
UNIDO's Potential
Assistance?



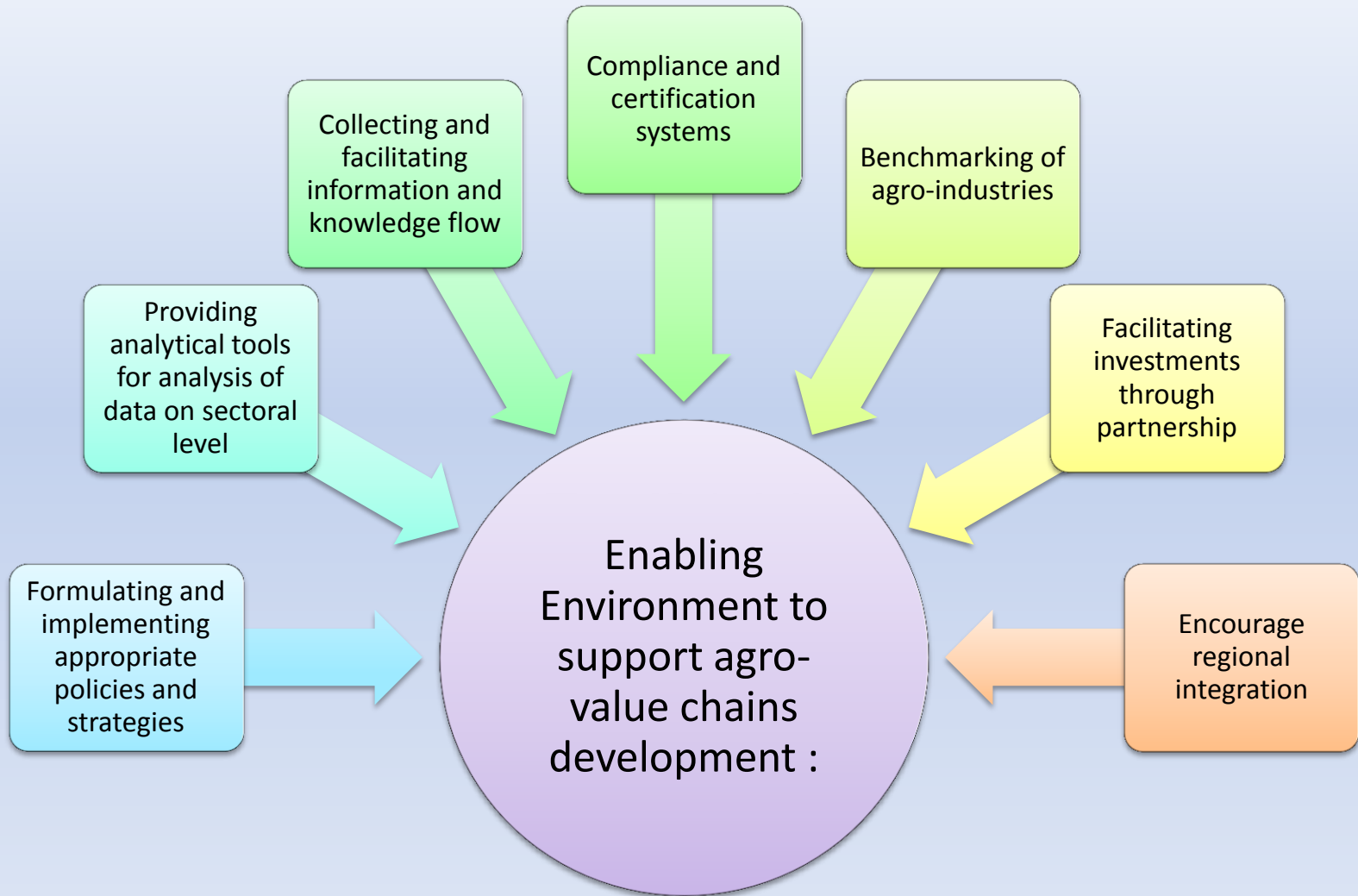
UNIDO can act as a
facilitator and leader.

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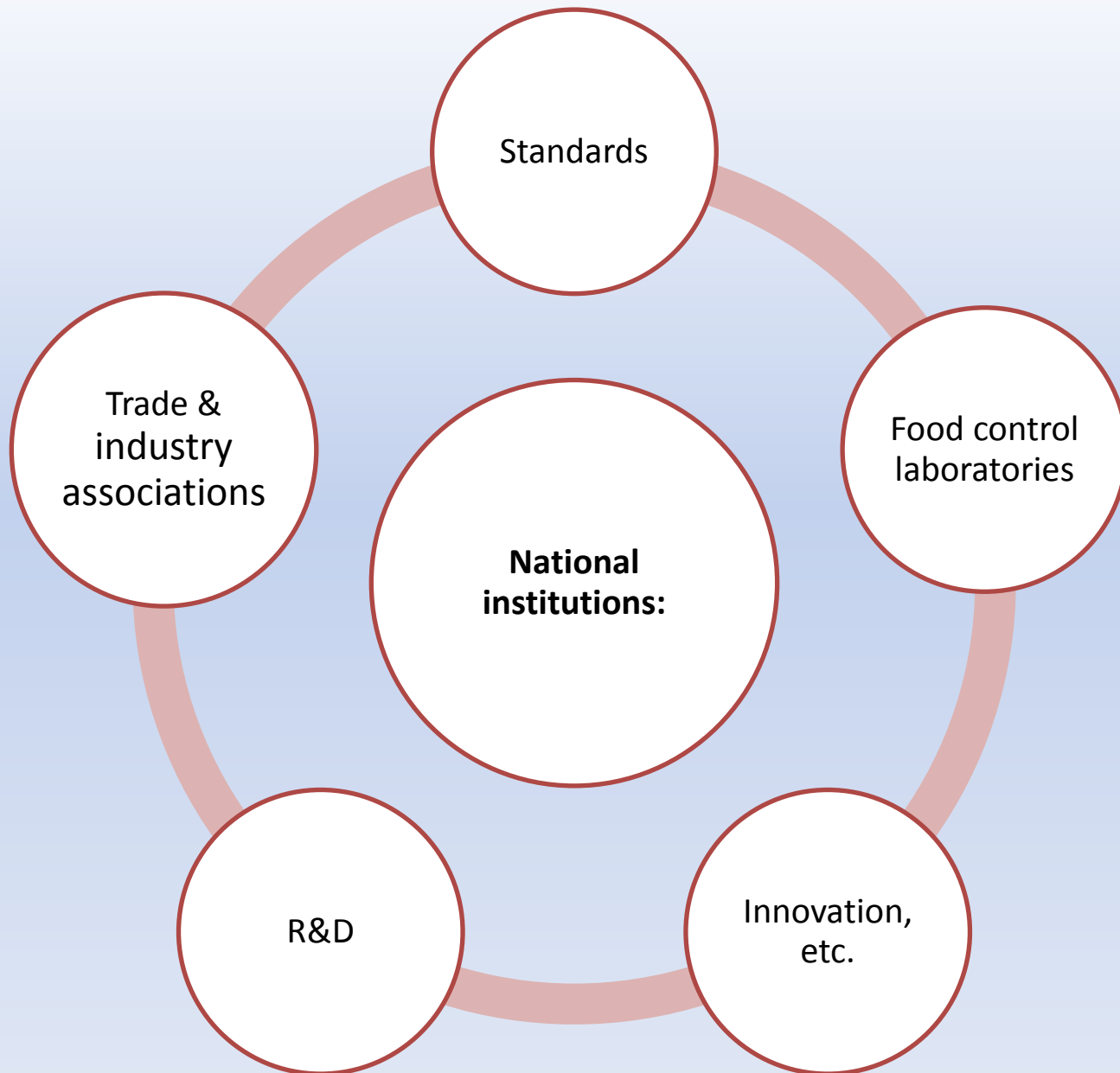
Holistic approach to agro-value chain assessment..Identifying constraints, priority interventions, etc.



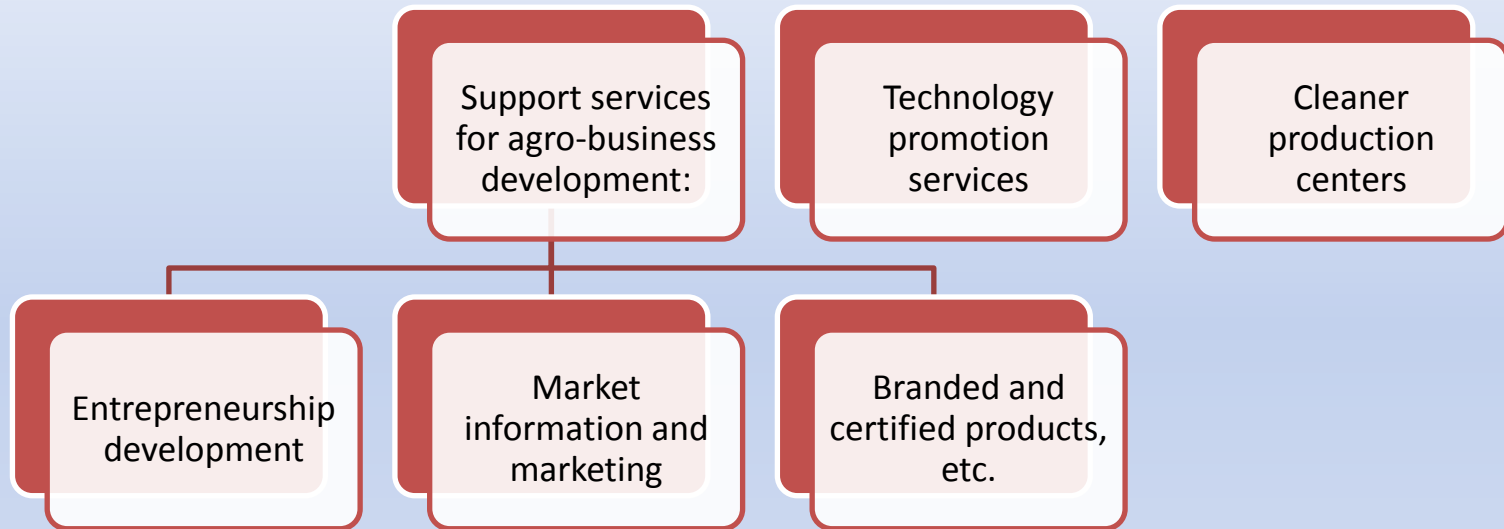
Barriers removal:



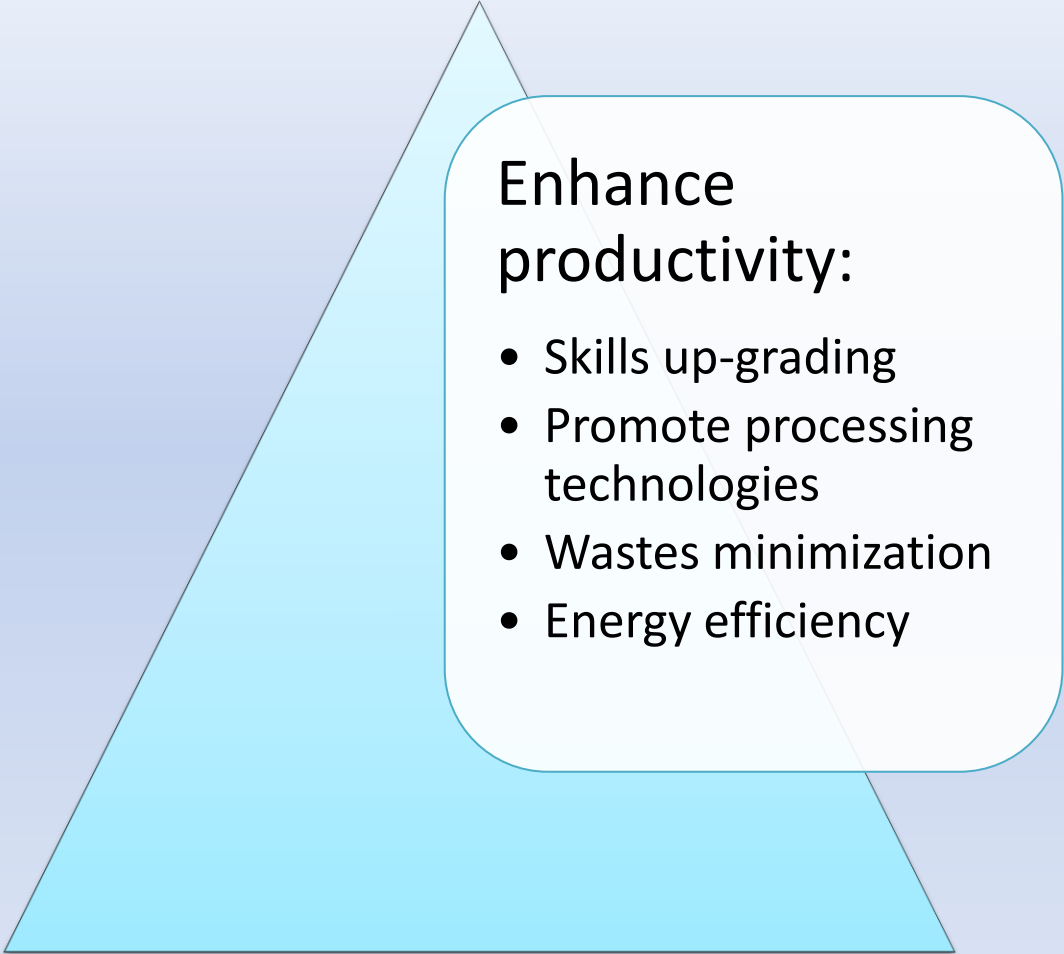
Capacity building for:



Development of basic infrastructure to facilitate market access and enhance competitiveness....



Technology and knowledge transfer to the private sector...



Enhance productivity:

- Skills up-grading
- Promote processing technologies
- Wastes minimization
- Energy efficiency

Create a forum
for dialogue:
Analysis of
country, regional
and global trends



Partnership building:

Given the large scope of interventions required, other partners organizations will be actively integrated



Thank you