

INFORMATION NOTE

International Conference on Sharing Innovative Agribusiness Solutions: From Farms to Markets, Providing Know-how and Finance

26-27 November 2008, Cairo, Egypt

The current global food crisis has highlighted the extreme vulnerability of developing country populations to fluctuations in food prices and supplies. In May 2008, the UNIDO Industrial Development Board, in decision IDB.34/Dec.6, considered that this crisis is a serious and complex challenge that particularly affects the world's poor and requested the Director-General, inter alia, to prepare a report by mid-September 2008 on how UNIDO can best contribute to a system-wide solution of the global food crisis. Furthermore, at the recent Food Summit in Rome, world leaders called for urgent and coordinated international action to achieve world food security. They requested measures to help farmers, particularly small-scale producers, to increase production and integrate with local, regional and international markets, also through South-South cooperation.

In response to this complex challenge, UNIDO is increasing its efforts towards strengthening agribusiness value chains, expanding developing countries' food supplies and their access to markets, technology and investment. As part of its response, UNIDO is organizing, in cooperation with the Government of Egypt and the SEKEM Initiative, an international conference on sharing innovative agribusiness solutions, to be held in Cairo, Egypt, from 26 to 27 November 2008.

This conference will bring together agribusiness stakeholders, representatives of public and private technical and financial institutions, international organizations, donors, NGOs and academia **to share innovative agribusiness solutions and best practices** that can potentially be scaled up and/or transferred to other countries or regions. The conference has **four themes**, which are described below: (1) *Supply/value chains, market access and linkages*; (2) *Compliance with standards and conformity assessment*; (3) *Technology and value addition*; and (4) *Innovative forms of financing*.

The conference will not focus on discussing problems and assessing needs; it will rather provide an **opportunity for matchmaking** between those seeking ways to achieve sustainable agribusiness development and those with innovative solutions, as well as finance for development assistance and investment. As a follow-up, in order to sustain the results of the conference and to promote South-South cooperation, a platform will be initiated to continually identify and disseminate successful agribusiness solutions. In addition, it is planned to launch an innovative agribusiness fund to support the development of the agribusiness sector in Egypt.

The conference is an outgrowth of the successful UNIDO project "Traceability of agro-industrial products for the European market", which assists Egyptian farmers and the entire food value chain so as to increase the availability of safe food for the domestic market and facilitate the access of Egyptian food products to export markets. This project is a cooperative effort between UNIDO, the Egyptian Ministry of Trade and Industry, the Ministry of Agriculture and Land Reclamation and the private sector. It addresses emerging problems related to compliance with Sanitary and Phytosanitary (SPS) standards and Technical Barriers to Trade (TBT) requirements for fresh produce and processed food exports so as to avoid the

INFORMATION NOTE

risk of encountering barriers in export markets. In particular, the project responded to the European Union Food Law Regulation EC/178/2002, which requires that all food and feeds circulating in the EU must be traceable. This means that importers in the EU require exporters to implement traceability systems to control safety and improve supply-chain management. The project is funded under the Italian-Egyptian Debt for Development Swap mechanism and started operation in 2004.

The project approach has been to build local capacity, whereby major efforts and resources have been directed towards training national experts to enable them to provide assistance to users to develop and implement traceability systems. Producers and exporters across the entire food chain have been trained, including producers from Upper Egypt, food transporters and other service providers. An essential feature of the project is that it provides not only technical assistance, but also finance to enable the users to implement the traceability system. The project focuses on fresh produce exporting companies, helping them implement international quality and safety standards and SPS requirements. Assistance has been provided to about 100 of the 200 packing houses in the country, and it is estimated that these account for approximately 85 per cent of exports. Through them, the project has reached around 45,000 farms and thus nearly 5 million people.

Conference Themes

The conference, which will focus on the four themes described below, will provide an opportunity for matchmaking between those presenting successful and feasible solutions and those seeking new solutions to their agribusiness challenges, as well as those ready to invest or provide development assistance and funding.

1. Supply/value chains, market access and linkages

This theme will cover the entry and sustainable participation of farmers, especially small farmers, and SMEs in the food industry supply/value chain by developing transaction-based mechanisms and viable business solutions to fill gaps along the chain. It will focus on creating market access for these farmers and food processors, linking producers with buyers, including industrial processors, retailers (including large-scale ones), restaurant chains, and other food suppliers, such as the World Food Programme (WFP). An important goal is the empowerment of farmers, both by developing greater access to small-scale infrastructure (e.g. compact processing units and packing houses) and by providing them with greater market information, thus increasing their competitiveness and helping to overcome the vulnerability of their position in the supply chain.

2. Compliance with standards and conformity assessment

This theme will cover building the capacity of agribusiness actors in developing countries to comply with standards throughout the supply chain, an important means of complying with SPS measures and overcoming barriers to trade. This will include compliance with international, national and individual company standards (e.g. ISO standards, CODEX, GLOBALGAP, etc.), and compliance with regulations and trade agreements (WTO, regional/bilateral, EU food safety laws, FDA, etc.). Greater compliance will increase the quality and safety of food and protect consumers in both developing and developed countries. An important example is traceability – building the capacity of developing countries to comply with the traceability requirements of the EU and other export markets.

INFORMATION NOTE

3. Technology and value addition

Developing countries need to progress from producing and exporting commodities to adding value and increasing productivity through sustainable processing and manufacturing. This is also essential for domestic food security as it is a means of reducing post-harvest crop losses. This theme will cover: product development, quality and productivity, upgrading enterprises by introducing management and sustainable technological solutions (e.g. processing, ICT, TQM), research and development that is relevant for developing countries, and introducing more ecologically sustainable means of production relating to the use of water, energy, chemicals and other inputs.

4. Innovative forms of financing

This theme will cover financing for both technical cooperation and business investment. It will include investment in domestic enterprise development (patience capital vs. venture capital) and in public and private infrastructure (e.g. transport, ports, warehousing, cold chain). Some mechanisms to be covered are public-private partnerships (PPP), “Social Initial Public Offerings (IPOs)”, debt-for-development swap and carbon emission trading.

Format for presenting Innovative Agribusiness Solutions

Each proposed “Innovative Agribusiness Solution” to be selected as a *best practice* and/or considered for presentation/exhibition by the beneficiary/investor/donor will be presented in the form of a business plan. The description of the solutions should answer the following questions and should be submitted using the template available on the conference website: www.agribusiness-solutions.org.

- 1) Who is the promoter of the solution?
- 2) What type of solution was adopted (technical, technological, entrepreneurial, financing, marketing, commercial, public-private partnership, etc.)?
- 3) What was the problem or market opportunity?
- 4) What is innovative about this solution (e.g. novelty of design or technology and/or greater inclusion of marginalized groups in an effective way)?
- 5) What were the areas of impact (e.g. trade, productivity, employment, quality, safety, food security/availability)?
- 6) What were the challenges that had to be overcome?
- 7) What factors led to its success?
- 8) How was the solution financed?
- 9) How could it be scaled up and/or replicated in other places?
- 10) What are the resources needed to scale up and/or replicate this solution?

The best model solution identified in each of the four themes will receive an award at a ceremony during the Conference.