The Role of Policy in Supporting Value Chain Development and Value Chain Partnership

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Sustaining Legume Value-Chains through Value Added Processing and Public-Private Partnerships
Presentation Outline

• The Sustainable Food Value Chain (conceptual framework)
• The ten principles of SFVC Development
• Policy implications for Sustainable Legume VC Development
• Conclusions
• Most African countries do not provide for adequate policies/attention for grain legumes; with most considered as minor crops.

• Governments need to place more emphasis on legumes and create conducive environments by refining existing policies to promote and prioritize legume value chains, which could in turn provide economic and food security benefits.
Definition of SFVC

“the full range of farms and firms and their successive coordinated value-adding activities that produce particular raw agricultural materials and transform them into particular food products that are sold to final consumers and disposed of after use, in a manner that is profitable throughout, has broad-based benefits for society, and does not permanently deplete natural resources”
SFVC has 10 principles grouped in three phases:

**Phase 1:** measuring performance, assesses a VC in terms of the economic, social and environmental outcomes it delivers relative to its potential.

**Phase 2:** understanding performance:
Exposes the root causes of underperformance by taking into account how VC stakeholders and their activities are linked, analysing behaviour of systems and individual stakeholders and assesses how value determination in end markets drives the dynamics of the system.

**Phase 3:** improving performance, follows a logical sequence of deriving a core VC development strategy based on the analysis conducted in phase two and the vision stakeholders have agreed on and selects upgrading activities and multilateral partnerships that can realistically achieve the scale of impact envisioned.
1. **Economically sustainable**: starts with the identification of sizeable opportunities to add to economic value.

2. **Socially sustainable**: the value added has broad-based benefits for society and results in no socially unacceptable costs.

3. **Environmentally sustainable**: that there is minimal negative impacts on the non-renewable natural resources on which the agri-food system critically depends.

4. **Is a dynamic, systems-based process**: Identifying and addressing the root causes of underperformance in the system is important to realise scale.

5. **Centred on governance**: has strategies understanding behaviour, governance mechanisms, and the factors that influence them.

6. **Driven by the end market**: recognises that value is ultimately determined in the end market, and therefore any upgrading strategy has to be directly and clearly linked to end-market opportunities for impact.
7. **Driven by vision and strategy:** targeting realistic development goals and as well as particular points and stakeholders in the value chain to be effective.

8. **Focused on upgrading:** successfully translating the vision and strategy into an effective plan that increases competitiveness through realistic and complete set of carefully assessed and often innovative upgrading activities.

9. **Is scalable:** transformational change, will require that interventions focus on points of leverage or put in motion a demonstration and replication process that is based on realistic assumptions.

10. **Is multilateral:** successful upgrading requires coordinated and collaborative efforts by the private sector, as the driver of the process, and the public sector, donors and civil society as its facilitators.
Policy implications

Key intervention points for grain legumes:

• Seed systems
• Input supply
• Marketing
• Value addition
• Advocacy
Key elements for policy interventions to accelerate value chain development of legumes

- Requires good understanding of how local legume enterprises fit into global economy.

- Find out the part of the chain holding up progress and deserving priority attention.

- Identify the relevant stakeholders who can exert strong influence over the chain.

- Identify the enterprises that contribute to the production and the institutions, needed to support the enterprises.
Policy Intervention-Short Term

- Strengthen the institutions and develop the network to facilitate coordination along value chains.
- Easy access to inputs for production.
- Micro-finance/credit linkages for input procurements.
- Enhance private sector participation in seed cycle to ease the access to improved seeds.
Other areas of private sector participation to promote value chain approach are collection, grading, storage, processing and packaging.

Advocacy and advertising use of quality seed of improved varieties to create realization of benefits of their use.

Build the capacities of chain participants providing comprehensive training covering all aspects of production from Good Agricultural Practices (GAPs) to market.

Promote market information services and linkage to markets (including out-grower or contract farming)
Public and private cooperation in policy, research, and management to address the sanitary and phytosanitary export standards.

Align the policy environment so that all related agencies work toward the same goals.

Relax restrictive policies which limit the potential of the legume industry.
Variety development, registration and seed systems improvement.

Public Private Partnership for seed multiplication and provision of fertilizers and pesticides.

Establish accredited laboratories for quality standard and other kind of relevant infrastructure to ensure quality and safety.
Negotiate reduced restrictions on private sector imports of technologies.

Funding for research and development, and open to private firms to implement the research, usually with private co-financing and rewards to specific technology developers.

Government level dialogue for the promotion of international trade.
Conclusions

- Review of QDS system to meet the requirements of the grain legume seeds;
- More proactive engagement with the RECs for improving the implementation of the Harmonised Seed Regulations (SADC);
- More visibility in forums for SPS measures (to address Plant Health and Food Safety issues) to improve prospects for vibrant markets (local and international);
Conclusions

• Institutionalisation of grain legume development platforms for greater advocacy for public support
  – Support for strategic direction; strong M&E system to assess performance and impacts over long term
  – Lesson learning and building on best practices
  – Establishment of legume country programmes as opposed to fragmented projects

• Proactive engagement in the CAADP process
  – Contributing to the NAIP development as well as Climate Smart proofing of the NAIPs
  – Engagement with the Africa Alliance for CSA (AACSA)
  – Advocacy of grain legumes value for CSA
Conclusions

• Proactive engagement in awareness creation for policy makers and private sector:
  – Dissemination of evidence based research results through policy and technical briefs to inform policies
  – Convening policy dialogues with RECs and policy makers
  – Special field tours for policy makers to show case successful innovations
THANK YOU