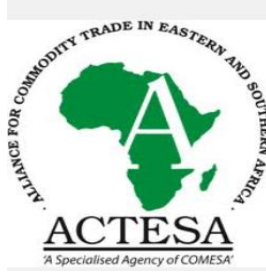




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**UNDP AFRICAN FACILITY FOR INCLUSIVE MARKETS**  
**Southern African Sub-Regional AFIM Week Report**  
**“Toward Implementing Regional Value Chains”**  
**St. George Hotel, Johannesburg, South Africa**  
**May 13-17, 2013**



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In particular, the professionalism and guidance of the ACTESA/ COMESA team, particularly from Mr. Argent Chuula, CEO, Dr. Chungu Mwila, Chief Technical Adviser, and Ms. Veronica Mwaba, Public Relations Assistant, their input and leadership and representation of ACTESA/ COMESA before and during the Sub-Regional AFIM Week were particularly appreciated.

UNDP AFIM would also like to acknowledge the significant contribution made by Mr. Gerd Trogemann, Manager UNDP Eastern and Southern Africa Regional Service Centre for his support and participation in opening the Week's activities.

In addition, UNDP AFIM would like to thank the eight plus participants (representing nine of the member states of COMESA and five of the member states of the Southern African Development Community (SADC)) who engaged in the AFIM Week activities and contributed significantly to its success through their comments, intellectual contributions and insights.

This activity has been funded with support from Japan Tokyo International Conference on African Development (TICAD) framework that aims at promoting high-level policy dialogue between African leaders and their partners and to mobilizing support for African-owned development initiatives. We would like to express our gratitude for Japan TICAD for supporting this important private sector development initiative in the Southern Africa Region.



## ACRONYMS

ACTESA	Alliance for Commodity Trade in Southern and Eastern Africa
AFIM	African Facility for Inclusive Markets
CEO	Chief Executive Officer
CO	Country Office
CAADP	Comprehensive Africa Agriculture Development Programme
CGAP	Consultative Group to Assist the Poor
COMESA	Common Market of East and Southern Africa
DTIS	Diagnostic Trade Integration Study
EIF	Enhanced Integrated Framework
GAP	Good Agricultural Practices
HIPC	Heavily Indebted Poor Countries
IFAD	International Fund for Agricultural Development
IITA	International Institute for Tropical Agriculture
IMD	Inclusive Market Development
MAF	MDGs Acceleration Framework
MDG	Millennium Development Goals
MSME	Micro Small and Medium Enterprises
NEPAD	New Partnership for African Development
NPCA	NEPAD Planning and Coordination Agency
OVR	Objectively Verifiable Results
PFP	Project Facilitation Platform
PPD	Public Private Dialogue,
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PPP	Public Private Partnership
SME	Small and Medium Enterprise
TRTA	Trade-related Technical Assistance
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VC	Value Chain
WG	Working Group

## EXECUTIVE SUMMARY



**Figure 1 : Participants during the Southern African Sub-Regional AFIM Week in Johannesburg, South Africa, May 13, 2013**

The African Union (AU), NEPAD Planning and Coordinating Agency (NPCA) and regional economic communities (RECs) are the pillars of the continental programme to form an integrated economic and political African Union. Over the past five years, efforts to support these “regional” institutions have increased significantly. Both multilateral<sup>1</sup> and bilateral<sup>2</sup> partners are undertaking various regionally focused programmes.

In November 2010, UNDP launched a new regional project, “*Private Sector and Inclusive Market Development for Poverty Reduction in Africa: [African Facility for Inclusive Markets \(AFIM\)](#)”*, to more strongly address private sector development and engagement issues in Africa in support of accelerated achievement of the MDGs. AFIM’s particular focus is on the promotion of Inclusive Market Development (IMD) in Africa through the development and expansion of regional value chains in job creating sectors such as agribusiness, tourism, renewable energy, retailing and mining.

AFIM identifies and mobilizes global and African private sector partners to facilitate job creating value chains, leveraging global UNDP supported initiatives such as the Business Call to Action (BCTA), the UN Global Compact (UNGC) and Growing Inclusive Markets (GIM), as well as its presence of Country Offices (COs) in all African countries. Working with the regional institutions to forge public-private collaborations is a pivotal component of AFIM’s work.

Furthermore, AFIM’s sustainability premise rests on the idea that strengthening the capacity within the RECs to engage with the private sector, and to develop inclusive markets, is a critical component toward achieving Africa’s objectives of inclusive growth, regional economic integration and sustainable development. AFIM has thus, also been mandated to assess and build the capacity of selected RECs, AUC and the NEPAD.

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<sup>1</sup> UNDP, World Bank, African Development Bank, EU and various UN agencies

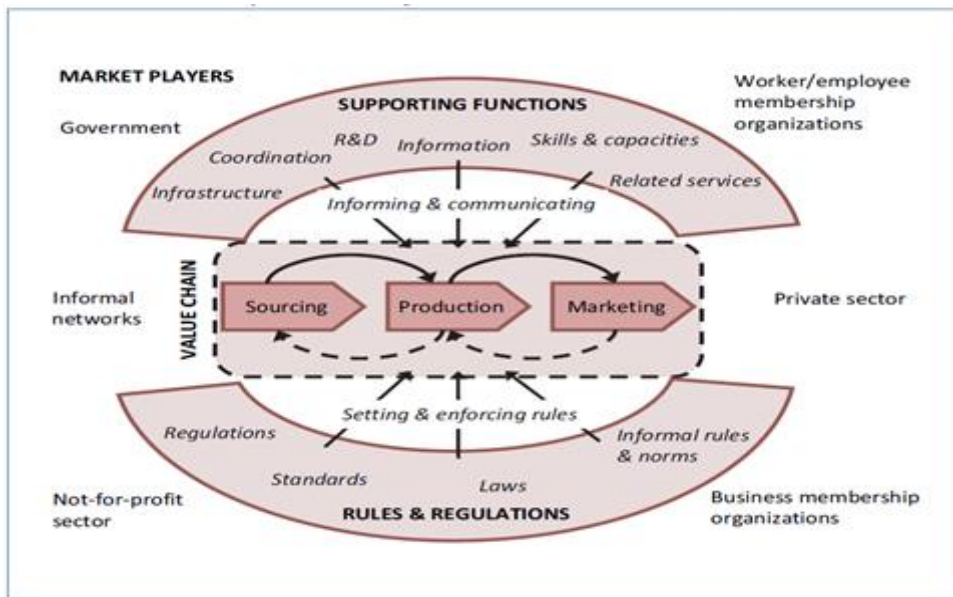
<sup>2</sup> USAID, JICA, GIZ, SIDA, DFID among others

UNDP has four comparative advantages in the area of private sector engagement and development:

- 1) Convening multi-stakeholders using the UN’s neutrality and convening power,
- 2) Coordinating UN agencies and other development partners, private sector and civil society,
- 3) Catalysing action through creation of a shared vision and agenda, and
- 4) Capacitating smallholders, SMEs and governments and institutions.

In October 2011, UNDP AFIM in collaboration with the NGO EMRC co-organized the 2011 Agri-Business Forum<sup>3</sup> in Johannesburg and coordinated a Public-Private Dialogue. One of the principal outcomes of the overall initiative was the [Johannesburg Declaration on ‘Engaging the Private Sector in Furthering Africa’s Agribusiness and Food Security Agenda’](#)<sup>4</sup>. One of the key action items called for in the Declaration was for Public and Private Sectors, jointly, to:

1. Support the development of the African food industry through inclusive market and value chain development;
2. Pool financial and technical resources to establish more finance facilities that support agribusiness development, particularly among SMEs and smallholders;
3. Accelerate collaboration efforts to increase food production to meet the continent’s growing demand;
4. Support follow-up activities of key agribusiness development stakeholders, such as UNDP’s African Facility for Inclusive Markets (AFIM) - as a regional platform to support inclusive market development in Africa, in collaboration with other UN agencies and development partners.



Source: DFID/SDC (2008): The M4P operational guide, available from [www.m4pnetwork.org](http://www.m4pnetwork.org). See also <http://www.meyer-stamer.de/systematic.html>

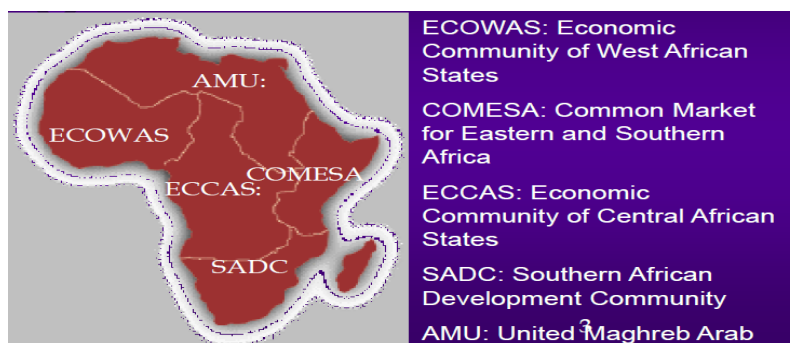
Figure 2: Value Chains as Part of Market Systems

As a follow-up to the Johannesburg declaration’s call to action for the facilitation of regional platforms and value chains, AFIM conceived the idea to convene three sub-regional “AFIM Weeks”, comprised of: a) a Project Facilitation Platform – to develop and accelerate the implementation of specific regional agricultural value chains; b) a Training Module – providing regional UNDP Country Offices, RECs and industry actors with training on value chain development and finance; c) a CEO/ Agriculture Leadership Breakfast – a morning programme aimed at introducing AFIM and the support it provides to foster public-private collaborations to agribusiness leaders in the region; and d) a Country Office Community of Practice and AFIM Clinic(s) – a

<sup>3</sup> See [www.emrc.be/en/events/past-events/agribusiness-forum-2011.aspx](http://www.emrc.be/en/events/past-events/agribusiness-forum-2011.aspx)

<sup>4</sup> See [www.undp.org/africa/privatesector](http://www.undp.org/africa/privatesector)

community of practice meeting and a series of one on one meetings with UNDP CO representatives to assist them in their value chain project development strategies and implementation plans.



**Figure 3: Outline of the Regional Economic Communities**

Toward sustainability, a decision was also taken to undertake the new initiative in partnership with the relevant regional RECS, the East African Community (EAC); the Economic Community of West African States (ECOWAS) in, and the Common Market for East and Southern Africa (COMESA).

From June 11-15, 2012, the East Africa Sub-Regional AFIM Week (EASR AFIM Week) was convened in Nairobi, Kenya. From August 27 – 31, 2012, a second regional AFIM Week, the West Africa Sub-Regional AFIM Week (WASR AFIM Week) was held in Dakar, Senegal. Most recently, from May 13-17, 2013, a third regional AFIM Week, in Southern Africa was held in Johannesburg, South Africa.

Specifically, UNDP co-convened the Southern Africa Sub-regional AFIM Week with the Alliance for Commodity Trade in Southern and Eastern Africa (ACTESA), which was formed by COMESA in 2008, and entered into an MOU with COMESA in 2010 to serve as an implementing institution for regional initiatives in strategically important agricultural value chains, trade and investment.

The principal objectives of ACTESA are to: a) Improve competitiveness and integration of staple foods markets in the region through improved micro and macro-economic policies as the drivers of staple food markets; b) Improve and expand market facilities and services for key agricultural commodities; and c) Increase the commercial integration of smallholder farmers into national and regional markets. Furthermore, ACTESA focuses on building market information systems, providing services and increasing commercialization of smallholders in the following sub-sectors:

1. Grains and pulses
2. Oil seeds
3. Roots and tubers
4. Livestock and fisheries
5. Forest and Natural products
6. Tree and plantation crops
7. Agriculture inputs

The collaboration between UNDP AFIM and COMESA which began in 2011 reached a new stage with the convening of the AFIM Week in the Southern African region.

The collaboration helped to launch a Regional Project Facilitation Platform that both parties hope will be sustained through ACTESA and COMESA. Training on Inclusive Market Development and Inclusive Business Finance Mobilization was also facilitated and selected regionally active agribusiness sector leaders and CEOs were introduced to agriculture focused AFIM and COMESA initiatives.

In addition to representatives of UNDP and ACTESA/COMESA, key target participants invited to the SASR AFIM Week included:



1. **Selected Government Officials** –from COMESA and SADC member countries - as providers of policy support, technical assistance and finance;
2. **Relevant UNDP CO representatives** – from the COMESA and SADC countries – as potential technical assistance providers and national trade/ transport related policy advocacy;
3. **Representatives of relevant bilateral donors** – including but not necessarily limited to JICA, European Centre for Development Policy Management, GIZ, USAID, and DFID as providers of technical assistance and finance support;
4. **Selected private and public financiers** – including but not necessarily limited to IFC, AfDB, AgDevCo, Standard Bank, AGRA, AFRACA, Barclays/ABSA Bank, and Industrial Development Corporation of South Africa - as providers of finance support and pre-finance project structuring insight and suggestions;
5. **Selected private sector value chain developers/ promoters** – EPFC – regional groundnut value chain development programme; VAC NET - regional maize value chain development programme; and NEPAD Business Foundation-Mozambique– regional soya value chain development programme;
6. **Selected regional commodities associations and farmers unions** – to provide sector knowledge and constituent inputs, including the COMESA Business Council (CBC), NEPAD Business Foundation (NBF) and the Agriculture Business Council of South Africa (AgBiz).
7. **Key prospective off-take institutions/ purchasers** –prospective lead firms and purchases to bring sustainability to the potential projects, such as Canon-Garth (groundnuts).
8. **Key relevant input providers and aggregators/ agro dealers** (e.g. seeds, fertilizer, processing and mechanization equipment, farming/ processing related ICT technology) – to offer technical and cost of supply insights.

The benefits to participants in the week’s activities were delineated as follows:

- Opportunity to advance strategic agri-food value chains identified as priorities by national governments, the RECs and AU/NEPAD/CAADP (value chains could be e.g. national or cross-border with clear potential to link up to regional value chains);
- Opportunity for project promoters to present their project to potential benefactors and partners who can help accelerate the development of specific agri-food projects that can advance job creation and food security in the region;
- Opportunity to participate in capacity development related training in the area of regional value chain development and inclusive business finance mobilization;
- Opportunity to network and develop linkages and synergies with representatives of the public and private sectors; and
- Opportunity to engage with potential private sector lead firms, investors, donors, TA providers who are interested in participating in regional and cross border agro-food value chains opportunities.

Altogether, more than 80 professionals participated in the three activities convened during the week. News about the launch of the Platform, was carried in various regional and international newspapers.

Following the SASR AFIM Week, a decision was made to prepare the groundnut and soya projects for submission for micro-capital grants.

## Schools urged to protect our environment



Environment Change Manager Dr Chelagat with the school head teacher

As part of sensitizing the people in care for our environment, COMESA has donated 300 tree seedlings that will be planted by Shikwanda Basic School, Chikwanda District, Central Zambia.

"It is highly significant that this exercise starts with children as they are most affected by climate change and as future parents, they will play a big role in teaching the future generation to preserve our planet," said Dr Kipyego Chelagat, COMESA Assistant Secretary-General, Programmes, while officiating at the plant launch at the tree planting launch.

Dr Chelagat pointed out that COMESA has deliberately targeted schools as the leaders of tomorrow in its tree planting project meant to

participated in planting more than two thousand tree seedlings within Lusaka. Among them, one thousand were early this year donated to Matero Girls' and Matero Boys' High Schools in Lusaka, Zambia's capital.

"Today we roll out the programme in the other districts of Zambia, and the plan is to plant trees in other Member States until the target of five million is reached," Dr Chelagat said.

Speaking at the same ceremony, Shikwanda Basic School head teacher said that COMESA's gesture is in line with the Zambian government's advocacy for a green environment. He assured COMESA that the trees will be well looked after.

"A complete offset requires COMESA to plant more than 5 million trees and we intend to achieve this incrementally starting in Zambia. COMESA has so far donated, and

"We, however, have a shortage of water taking into account that the school has one manual borehole that it shares with the community."



This feature is published by the official COMESA website. For more information, please contact the COMESA Secretariat, 17th Floor, 17th Avenue, Lusaka, Zambia.

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## COMESA and UNDP launch project to advance regional grain value chains

The United Nations Development Programme (UNDP) African Facility for Inclusive Markets (AFIM) and the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), an agency of COMESA, have launched a new initiative - the Southern Africa Project Facilitation Platform (SAPP) to support the development of high potential regional value chains through presentation and facilitation of selected projects in maize, groundnuts and soy beans.

The project facilitation platforms were embedded into specialized training on inclusive market development, value chains and inclusive business finance, and an apolitical leaders and CEOs meeting to exchange views with regionally active corporations who represent prospective project partners.

The concept of such platforms is a proven innovation that has been implemented in Eastern Africa with the East African Community (EAC) and West Africa with the Economic Community of West African States (ECOWAS). The platforms facilitate and accelerate the implementation of target regional value chain projects together with key stakeholders including government, the private sector, finance donors and development partners.

The aim of the activities is to concretely implement "activities leading to a better understanding of regional value chain development, solid agreements towards concrete project progress benefiting thousands of farmers," said Gert Tringens, UNDP Manager of the Regional Service Center in Johannesburg. In addition to catalytic funding, AFIM provides technical assistance to project stakeholders such as smallholders, cooperatives and

producer associations. The collaboration between UNDP-AFIM and COMESA-ACTESA which began in 2011 followed by the AFIM work in this year is a clear testimony that the regional facilitation platform has reached a new stage that will be sustained through practical partnership between UNDP and with the support of other stakeholders, including the Private Sector COMESA-ACTESA.

The initiative is supported by the Ministry of Foreign Affairs of Japan to develop the capacity of selected regional economic communities (EAC, ECOWAS, COMESA and SADC), to engage and mobilize support from the private sector to design and implement regional value-chains in the agriculture.

"We are great excited in partnering with UNDP-AFIM and other stakeholders including the private sector as it will assist us in identifying regional value chains with great potential to yield the required results," said Dr Chelagat Mwa, ACTESA's Chief Technical Advisor.

While COMESA-ACTESA and UNDP AFIM have played a catalytic role in launching the first Southern African Regional Project Facilitation Platform, the initiative aims to build the capacity to continue such lives within COMESA by working closely with regional apex business organizations such as the COMESA Business Council and ZEPAD Business Foundation. In addition, more partnerships will be developed with relevant regional agricultural associations to further advance this concept which is aimed at improving food security and reducing poverty as underscored in the Millennium Development Goals.

## Schools urged to protect our environment

And although the schools are more than 55-year old, it does not have electricity, which would also facilitate the provision of better education to school children such as computer lessons and even provide adult education in the evening," the head teacher said.

Dr Chelagat promised to get in touch with ZESCO, the Zambian power supplier, and see how this urgent problem can be solved, pointing out that indeed this was in line with the climate change programme since the accessibility of electricity means that the school is able to pump more water and, therefore, be able to maintain green environment.

Shikwanda Basic School was selected as the first out of Lusaka COMESA tree planting venue at the recommendation of Terrestrial Climate Change Community Project, which found the school most suitable among the eight that the project is involved with, particularly because it is located in an area that has experienced a lot of deforestation. The school has a population of 2,340 pupils.

Dr Chelagat informed the audience that included pupils, teachers, parents, and forest department representatives that prior to his assignment as COMESA he was Kenya's High Commissioner to Zambia and as a result he knows the country and the Zambian people very well, whom he described as a wonderful people.

COMESA's climate change programme is involved in various climate smart and conservation agriculture projects

## 1.0 PROJECT FACILITATION PLATFORM



The first day of the Southern African Sub-regional AFIM Week (May 13-17, 2013) introduced the delegates to three regional value chains that regional project promoters were developing. These focused on groundnuts, soya, and maize trade in the region and was held at the St. George Hotel in Johannesburg, South Africa, the Southern Africa Project Facilitation Platform (PFP) marked the third time that UNDP AFIM partnered with a regional economic community, in this case COMESA, to bring together public and private sector stakeholders to review and assess a set of regional value chain projects.

The PFPs are innovative workshops that bring together private and public sector stakeholders, along with financier and development partners in Africa's agribusiness, to discuss ways to fast-track project development and implementation of specific value chains. Through the initiative, AFIM assists participants who are developing the projects to produce a results framework that will guide project implementation and serve as a compact among stakeholders to support specific interventions or projects. This collaborative initiative is in line with AFIM's goal to serve as a platform that brokers strategic partnerships to promote inclusive market development across Africa. It facilitates knowledge sharing and access to finance as well as the sharing of best practices in inclusive market development, focusing on low-income and marginalized populations.

Key focus points of the target projects analysed and supported through the third, Southern Africa focused PFP exercise, were value addition, technology transfer and quality improvement. Thus, the Southern African PFP focused on groundnuts, soya and maize. The promoters chosen to present their respective projects included:

- Zambia based EPFC – developing a regional groundnuts value chain;
- Mozambique based NBF-Mozambique - developing a regional soya value chain; and
- DRC based VAC-NET - developing a women focused maize regional value chain.

The programme as presented to the delegates involved presentations followed by question and answer periods on day one. Day two involved a formation of working groups to allow interested participants to provide feedback and input to the respective working groups – in advance of a report back session to provide information on the adopted and refined results framework.

<b>08:00 – 08:45 Registration</b>	
<b>09:00 – 09:15</b>	<b>Welcome – UNDP Southern Africa Regional Services Centre, Mr. Gerd Trogemann, Manager</b>
	<b>Welcome – Zambia Country Office, Ms. Viola Morgan, Country Director</b>
	<b>Welcome – ACTESA/COMESA Commission, Dr. Chungu Mwila</b>
	<b>Introduction to AFIM and Key PFP Objectives, Mr. Tomas Sales, Manager, AFIM</b>
<b>09:20 – 09:30</b>	<b>PFP Agenda Overview, Mr. Michael Sudarkasa, Facilitator, AFIM Consultant</b>
<b>09:30 – 10:00</b>	<b>Introductions – Who You Are and Objectives/ Interest (30 seconds per delegate)</b>
<b>10:15 – 11:00</b>	<b>Project 1 – Regional Groundnut VC Project, Project Promoter: EPFC Zambia</b> <ul style="list-style-type: none"> <li>• <b>Presentation of the current state of development of the project(s)</b></li> <li>• <b>Existing stakeholders, regional benefits, current needs, estimated impact</b></li> <li>• <b>Cross Border Infrastructure Issues; Productivity, Quality and Scalability Analysis;</b></li> <li>• <b>Skills Development and Capacity; Off-take, Infrastructure Funding and VC Finance Analysis</b></li> </ul>
<i>11:00 – 11:15 Tea &amp; Coffee Break</i>	
<b>11:15 – 12:15</b>	<b>Discussion of Groundnut Project</b>
<i>12:30 – 13:30 Lunch</i>	
<b>13:30 – 14:15</b>	<b>Project 3 – Regional Maize Project, Project Promoter: VACNET Dem. Rep. of Congo</b> <ul style="list-style-type: none"> <li>• <b>Presentation of the current state of development of the project(s)</b></li> <li>• <b>Existing stakeholders, regional benefits, current needs, estimated impact</b></li> <li>• <b>Cross Border Infrastructure Issues; Productivity, Quality and Scalability Analysis;</b></li> <li>• <b>Skills Development and Capacity; Off-take, Infrastructure Funding and VC Finance Analysis</b></li> </ul>
<b>14:15 – 15:15</b>	<b>Discussion of Soybean Project</b>
<i>15:15 – 15:30 Tea &amp; Coffee Break</i>	
<b>15:30 – 16:15</b>	<b>Project 2 – Regional Soybean VC Project, Project Promoter: NBF Mozambique</b> <ul style="list-style-type: none"> <li>• <b>Presentation of the current state of development of the project(s)</b></li> <li>• <b>Existing stakeholders, regional benefits, current needs, estimated impact</b></li> <li>• <b>Cross Border Infrastructure Issues; Productivity, Quality and Scalability Analysis;</b></li> <li>• <b>Skills Development and Capacity; Off-take, Infrastructure Funding and VC Finance Analysis</b></li> </ul>
<b>16:15 – 17:15</b>	<b>Discussion of Maize Project</b>
<b>17:15 – 17:30</b>	<b>AFIM Team Comments</b>
<i>17:30 – 19:30 Networking Cocktail Reception</i>	

## DAY 1 – PROJECT SITUATION ANALYSIS

The Project Facilitation Platform during the SASR AFIM Week was formally opened by **Mr. Gerd Trogemann, Manager, UNDP East and Southern Africa Regional Services Centre**. In his remarks Mr. Trogemann welcomed the 14 countries from the sub-region attending and informed the delegates that the Project Facilitation Platform (PFP) initiative had been developed by UNDP AFIM to serve as a tangible and constructive platform to accelerate regional agribusiness value chain design, development and

implementation. The core aim of the platform was to engage public and private sector stakeholders to ensure that collaboration is fostered where it can help improve the implementation and sustainability of regional agribusiness value chains.

Furthermore, he reminded the participants that it was also important to note that the PFP was part of a weeklong set of activities (Sub-Regional AFIM Weeks) that would be taking place in Johannesburg, including a training session on Inclusive Market Development and Mobilizing Finance, a Leaders and CEO's Breakfast to introduce UNDP AFIM, share the recently published flagship report on Inclusive Business in Africa, and afford stakeholders an opportunity to listen to the views of regionally active corporations who represent prospective project partners, along with a final afternoon Community of Practise session to provide the UNDP AFIM team an opportunity to offer advisory services to UNDP country office representatives who are developing IMD programmes at the national and regional level.

Lastly, he explained that delegates should note that the PFP process is also accompanied by a new UNDP AFIM Catalytic Funding Facility which offers catalytic funding and capacity development assistance to non-profit stakeholders who are supporting the inclusion of lower income actors in regional value chains.

In wishing everyone fruitful deliberations, Mr. Trogemann closed with a statement that his office was pleased to host, alongside AFIM and COMESA, this inaugural PFP focusing on three concrete Southern Africa food value chain projects pertaining to groundnuts, soya and maize. He invited all delegates to make the best use of all of the AFIM Week activities to learn, network and advance their respective projects.

The next opening presentation came from **Dr. Chungu Mwila, Chief Technical Advisor, ACTESA/ COMESA**, who welcomed everybody to the workshop. He continued in his remarks to note that the Heads of States of COMESA who are focused on promoting the private sector in the region, and the development of regional agriculture value chains, see value in the creation of a platform such as the PFP - which is designed to foster linkages among and between "Small and Medium sized Enterprises" and larger multinational and pan-regional African corporate actors.

He further noted that he was equally pleased to share that ACTESA, after a period of restructuring, was itself eagerly looking forward to more actively supporting regional value chain growth and looking forward to working with UNDP in this regard. Thus, he felt the regional value chain development focused Project Facilitation Platform architecture being developed by UNDP AFIM was a good and strategic fit to complement existing initiatives underway within ACTESA/ COMESA.

In addition, he noted that an important aim of all the member states and COMESA was addressing the food security challenges in the sub-region and was pleased that in focusing on staple food crops such as groundnuts, soya and maize, the PFP was also bound to support the improvement of regional food security in Southern Africa.

Furthermore in his closing remarks, he stated that he looked forward to engaging with the delegates through the PFP process and again welcomed the opportunity presented to collaborate with UNDP AFIM to promote competitiveness within the COMESA states. He also noted that while UNDP had developed its Catalytic Fund, COMESA itself, would also be amenable to helping to mobilize financial and technical resources beyond those offered by UNDP to help worthy agribusiness value chain projects to move forward.

The last of the three opening presentations of Day 1 of the Project Facilitation Platform for Southern Africa was given by **Mr. Tomas Sales, Manager, UNDP AFIM**. Mr. Sales welcomed the attendees to the PFP and noted that UNDP AFIM's purpose in partnering with COMESA to convene the AFIM Week activities in Johannesburg was to help contribute to the goals of reducing poverty and accelerating progress toward the MDGs in Sub-Saharan Africa.

He further explained UNDP's belief in and focus on inclusive business and Inclusive Market Development in the continent. He added that through the promotion of value chain approaches, AFIM was working to enable and empower poor people to join, participate and benefit in agricultural and other markets - as producers, entrepreneurs, employers, distributors and customers.

He continued noting that UNDP works toward job creation and income generation through innovative and win-win private-public collaborations to translate the noble goals of economic inclusion into tangible realities. AFIM currently is actively working with 34 African countries through UNDP country offices and closely collaborating with regional institutions such as the EAC, ECOWAS, COMESA, the African Union, CAADP, NEPAD, other regional commissions, the African Development Bank, various private sector partners, and other UN agencies and bilateral development partners such as Japan and Germany.

He concluded by again expressing that the AFIM team was thankful to have a very strong working relationship with ACTESA/ COMESA and that he looked forward to working with the ACTESA team to realize the three key strategic goals of the platform: 1) to help, develop and facilitate the required consensus for the implementation of regional food value chain projects, supporting sub-regional agro-business value chains; 2) to stimulate support for inclusive market development and solutions within the Southern Africa region; and 3) to strengthen knowledge sharing and the emerging Southern African Community of Practice among participating inclusive market development partners.

Furthermore, he hoped that the ACTESA/ COMESA and UNDP AFIM partnership would: a) support and accelerate the field implementation of the three potential regional value chain projects that would be discussed - involving groundnuts, soya and maize, and b) help the Platform participants to agree on a shared vision and dynamic and implementable resources and results framework(s) for the three projects.

The Introductory Session ended with the remarks of Mr. Sales and a brief break in the programme was observed to allow selected dignitaries to depart.

After the welcome and introductory remarks, **Mr. Michael Sudarkasa, Private Sector Development Consultant, UNDP AFIM** introduced the day's programme and set the stage by informing the delegates that three regional projects that focused on the groundnut, soy bean and maize value chains in Southern Africa would be presented and critiqued over the next few days – with the aim of making each stronger, more compelling, and more likely to be implementable in the region.

## 1.1 Presentation by Project Promoters

### 1.1.1 Project Presentation 1 - Groundnut Regional Value Chain

#### **Project 1: Eastern Province Farmers Cooperative, Zambia (Groundnut)**

EPFC was established in 2007 with 200 associated farmers, today the number increased to about 3000. Current customers are amongst others Sun Seed and Seed Com. EPFC plans to expand their sales to South Africa.

The project already achieved an income increase from 100 to 1000 Dollar per year. The Eastern Province produces 60% of Zambian groundnuts. 50% of the EPFC members are women. The projects long term vision is a world class groundnut industry in Zambia including seed improvements.

**Baseline status: Income increases from 1000 to 2000 US Dollar/year as cash income by 2015 with women as particular beneficiary.**

The warehouse, which is supposed to be constructed with the UNDP fund shall be in use from May 2014. The warehouse is necessary to access more farmers and implement a good quality management system.

It was pointed out that investors focus mainly on two factors:

1. Management capabilities, and
2. Market opportunities: Zambia has proven capability to meet a high unmet demand; however exports declined sharply because of aflatoxin restriction, although they are increasing again recently.

The Ministry of Agriculture contributes mainly with Technology and proved seed varieties. Due to the use of traditional seeds, traditional small scale farmers do not have the capability to increase their production. It was also mentioned that a better and more efficient use of land is necessary to be competitive against other crops.

Projects have to address the whole Value Chain to address the problem of high aflatoxin contamination. Aflatoxin contamination is the main reason for low exports as the aflatoxin tolerance is low especially in Japan (0 percent tolerance), Europe (4 percent tolerance) and South Africa (20percent tolerance).

Canon Garth has already gained experience from similar projects in Nicaragua (since 1992). Recognizing the substantial time it takes to upgrade value chains, it is nonetheless convinced of the feasibility of the project. The introduction of best practices can show significant impact, and Zambia has a good geographical position to share knowledge with other countries of the region.

Concerns brought up by the Plenary	Answers
How to include other countries? How can this Value Chain become a Regional Value Chain?	Mozambique, Tanzania and Malawi would be the most obvious countries for scaling-up and replication. (Through the two growth corridors)
Duplications with the work of other regions have to be avoided.	The project will be synchronized and discussions with Malawi are ongoing.
Price fluctuations	Fluctuations depend mainly on the production of China and Argentina as well as on China's consumption, which recently increased by 5.7%. But as Argentina's harvest will probably deliver average quantities this year, the price is likely to increase again.
How will farmers be organized?	Each "club" consists of 15 farmers with a lead farmer, who is trained and will be supported.
Competitiveness with other crops: is a risk analysis needed?	Not an issue, because crop rotation needs other valuable crops to be combined with. From the private sector perspective cost analysis are done.
Which lessons learned from the production decrease of the 60s and 70s are taken into consideration?	The focus on aflatoxin, quality improvements and improved varieties.
How are women and youth taken into consideration?	Higher incomes will attract young people to the business. Groundnuts are a women's crop. Improved markets will therefore empower women. Groundnuts are of good nutritional value in the household.
Will traditional crops disappear?	Traditional crops will always have a local market.
What is the role of other countries and entities like DRC, SADC?	The production and marketing channels will eventually address all the existing markets for groundnut.

### 1.1.2 Project Presentation 2 – Maize Regional Value Chain

DRC, Burundi, Rwanda share a cultural and historical heritage, but internal conflicts dismantled economic activities during the last 50 years. The project’s aim is to contribute to peace and social cohesions amongst the three countries. Maize and women as a target group can be helpful with regards to this aim.

1. Maize is more efficient than other crops in Central Africa. Bananas and cassava, for instance, are exposed to complex diseases.
2. Women are carrying the hardest burden of caring for the families and the wars of the last decades have impacted them negatively disproportionately.. Choosing women as a target group, the positive impact on children and the whole family is expected to be bigger.

The main challenge for female traders is to cross borders. The project aims to formalize a group of women traders in the three countries through WIRE.

The catalytic fund will be given to the women as a low interest credit and/or to provide knowledge (e.g. about fertilizer etc.).

All donors are supposed to pay in ECOBANK account, all group members should open an account at a Micro Finance Institution.

Concerns brought up by the Plenary	Answers
Is it a new project or an ongoing one?	VAC-NET activities started in 1994 with 90 families. Today the number increased to more than 600. The project aims to reach 2500 families. Although 60 hectares are covered with maize, no cross boarder operations have started yet – that is the catalytic and new part of the project.
Which market linkages are expected?	The military operations in the region and the population are the biggest off takers for maize.
Is the inclusion of so many partners feasible?	Partners are already working in the three countries.
Will the organization be present in all three countries or will there be one representation? Clarification about the institutional arrangement.	No response provided.

### 1.1.3 Project Presentation 3 – Soya Regional Value Chain

The Angonia region of Mozambique has many producers. Agriculture is the main activity of the population there. Yet they are struggling to meet the demand for soya beans. The project aims to increase the productivity with modern technologies and equipment provision to service providers. The access to markets was pointed out as one of the biggest problems faced by rural women. Senwes just started business in the region and is planning to establish outgrower schemes. At the government level, a soya bean processing unit was installed with a capacity of 300 tons a day.

Industrialization of production is a low hanging fruit.

The project will reduce the number of people dedicated to other forms of income less friendly to environmental and climate change issues.



The project promoter only asked for 100.000 USD, 40.000 USD will be contributed by partners.

Concerns brought up by the Plenary	Answers
Neither this nor the other projects are addressing the problem of land ownership although this affects gender related issues.	Women are targeted by the project.
Why is the project not talking about Value Chain Development but only trade? None of the projects talk about value addition in the countries themselves.	The yields are too low, fields too small and not productive enough. Perhaps in a second phase upgrading the complete value chain could be addressed. First the productivity issue has to be solved.
How to include rotational crops?	The project insists on crop rotation, the topic cannot be overemphasized
Are services provided free of charge?	Question not answered.
Who is providing and financing the services?	Question not answered.
Who will take ownership of the machineries? Will farmers be part owner or will they be charged by one particular owner?	The service provider will be the owner, we want to increase his effectiveness.
Market is not well known regarding demands requirements etc. market assessment is needed.	
What is exactly requested (e.g. financing or monitoring)?	Not clear
At the moment there is one hectare under cultivation, the project aims to reach 6 hectares: Is there enough arable land available?	The situation is comparable to Zambia, enough land is available.
How realistic is an increase of productivity of 300%?	It is very realistic given the current low levels of productivity Examples were provided from Namibia.

#### 1.1.4 Group Discussion of the Project Presentations

The PFP participants unanimously acknowledged that there was a need in the region to strengthen the capacity of farmers in all three value chain areas discussed - through training, outreach and greater awareness of new products and improved technologies. They also noted that farmers could be aided by buyers who were willing to work with them to improve production and to help them meet quality standards through quality “feedback” systems.

Participants also noted that in the instance of EPFC, inviting one of their key off-take partners (Canon Garth) and investors (AgDevCo) to participate in the forum was an excellent idea. The added insight and value from the contributions of the representatives of those two institutions was very valuable and compelling. Their input was helpful in providing delegates a sense of where the EPFC project fits into the overall global groundnut value chain that Canon Garth participates in and seeks to bring the Zambian farmers into.

The delegates also noted from the presentations given that the PFP offered both a useful fundraising opportunity for those with fairly mature projects (EPFC and NBF) but also an opportunity to help lesser developed project concepts, such as that being formulated by VACNET, to become better conceptualized and presented. Minimally, the exercise of presenting their projects alongside two other groups also helped project promoters benchmark themselves and identify areas for improvement – and to note areas where their projects were relatively strong.

Another key area of discussion mentioned during the deliberations was the need for increased technology transfer opportunities and mechanisms to support regional farmers. Knowledge transfer initiatives like that envisioned by EPFC were seen as one key way to achieve this.

Overall, the participants welcomed the efforts made by the project promoters and the work undertaken. They urged them to continue to refine projects, to improve their implementation strategies and to work to ensure that the programmes launched were sustainable.

## DAY 2 – PROJECT RESULTS FRAMEWORK DEVELOPMENT

Day Two: 14 May 2013 – Project Results Framework Development	
09:00 – 10:00	Review of Project 1 - Soybean Gap Analysis
10:00 – 11:00	Review of Project 2 - Groundnut Gap Analysis
11:00 – 11:15 Tea & Coffee Break	
11:15 – 12:15	Review of Project 3 – Maize Gap Analysis
12:15 – 13:30 Lunch	
13:30 – 15:30	Breakout Groups to Review, Discuss, Develop Revised Results Framework Plans
15:30 – 15:45 Tea & Coffee Break	
15:45 – 16:15	Report Back – Soybean Project
16:15 – 16:45	Report Back – Groundnut Project
16:45 – 17:15	Report Back - Maize Project
17:15 – 18:00	Wrap-Up and Feedback
18:00 – 18:20	PFP Closing

### 2.1 Introduction to Project Result Frameworks

Mr. Sudarkasa, Consultant AFIM and Programme Facilitator, introduced the agenda of the day which was to discuss the results framework for each of the three projects.

He then led the participants through the results framework components and shared with them a generic results framework template. The delegates were then divided into three groups through which they were required to establish and discuss a results framework for each of the projects with the intent that each group would report back to the plenary for an open discussion.

OBJECTIVES	INDICATORS and TARGETS	BASELINE DATA	ASSUMPTIONS
Goals: The higher order objectives to which the project contributes	Indicators and targets to verify goal achievement	Current performance at goal level	Important external factors or events that are necessary for sustaining objectives in the long run
Purpose: The impact or effect of the project on the beneficiaries	Indicators and targets to verify achievement	Current performance at purpose level	Important external factors or events that are needed in order to obtain the Goal
Outputs: The deliverables or	Indicators and	Current performance at	Important external factors or

things produced by the project's activities	targets to verify accomplishment of outputs	the output level	events that are needed in order to achieve the outputs desired
Activities: The main activities or actions that must be undertaken to generate the outputs	Summary of Project Budget	Current inputs/resources	Important external factors that must prevail in order to accomplish the outputs

### 2.1.1 Groundnut Value Chain Results Framework

Concerns brought up by the Plenary	Answers/Comments from project promoters
Cost plan is missing	Next steps
What is the cost to train 10.000 farmers?	EPFC is asking for USD 150 000 to construct a warehouse as a catalytic fund. Indeed, more investment is needed. Lead farmers will be trained with a multiplying impact (ToT). To train 10 000 farmers is indeed an ambitious goal, but doable.
Clarify where in the value chain the project will intervene.	With regards to the funding, EPFC wants to focus on the warehouse, how products can be stored properly in rural environments.
The quality management of the warehouse is not enough elaborated.	
How to achieve certification of the products?	It is a long term goal. Certification processes take 3-5 years and are very cost intensive. Only two certification labs exist in South Africa.
How to deal with waste management?	The only waste related to the process is the shell. As shelling units are used, shells go directly into sacs or silos. A market for shells exists.
How will the progress be monitored?	Indeed, this point is not enough elaborated in the proposal. More quantitative indicators are needed. The focus will be on value for money and monitoring the progress with regards to increases of farmers income.
Which training measures are planned to produce high quality groundnuts?	The project promoters did not respond to this query in any detail.
How to ensure farmer's motivation for training in groundnut instead of other cash crops?	Canon Garth pointed out that groundnuts are a crop that has to be grown alongside other crops as there are periods when the land has to recuperate to avoid over utilization – thus, they also encourage groundnut farmers to identify other crops that can be cultivated.
Where the product will be sold?	Names will not be mentioned, but the market information is available. Markets for different varieties exist.
	It was pointed out that Results Frameworks/Log frames are alien to private sector. Focus is on cost-benefit assessments. It will need time to find a common language with Development Agencies.

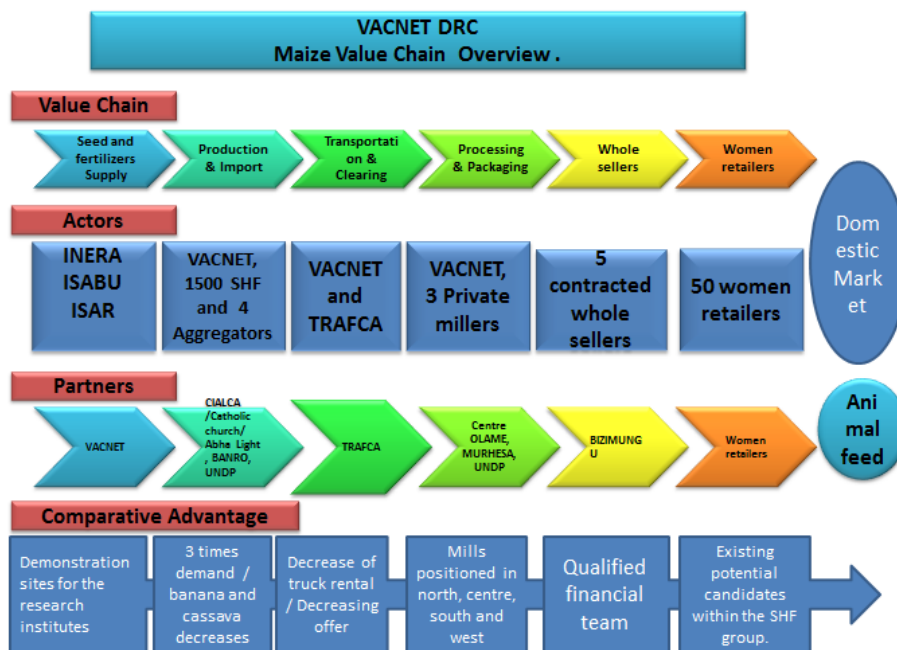
### 2.1.2 Soya Bean Value Chain Results Framework

Concerns brought up by the Plenary	Answers/Comments from project promoters
What are terms for service providers to obtain equipment through the fund?	Angonia is organized in clubs. Each club will get equipment. 2450 farmers will be reached through the distribution of 150 kits

Which additional measures have to be undertaken to achieve the goal of yield increases?	Training. As some trainings have already taken place, refresher courses can be carried out easily.
How do you incorporate Malawi to ensure a regional value chain? How are the countries included in equipment allocation?	Twice a week, trade fairs are held where agro-products are traded between the two countries. Curriculum developed in Mozambique will start being implemented in Malawi. Transfer of knowledge and training will be conducted for farmers in Malawi.
How will you select and organize 2450 farmers? Concerns about creating a first class farmer.	Associations are already organized and the lead farmers providing services are already identified. The project will strengthen their capacities to improve their ability to provide services to their farmers.
Will the equipment be given as gift or loan?	Farmers will receive equipment as a grant but linkages are made with financial institutions to provide loans so that the project can be expanded later on. The agreement will include that if the equipment is not used, it can be repossessed. Farmers will be trained (e.g. by suppliers) in management of the assets. This point will be incorporated into the project proposal for monitoring.
The contact to potential buyers shall be clarified.	Malawi and Mozambique, Poultry businesses, Atunes, newly installed processing unit in Mozambique through government. The project aims to bring the countries on same production levels.
Why has the project not asked for USD 120 000 in order to accommodate trainings in Malawi as well? This could to ensure a better implementation and change the project to a real regional value chain exercise.	The initial aim of the project promoters was to commence in Mozambique and then expand after 12 months to Malawi.

### 2.1.3 Maize Value Chain Results Framework

The VACNET project was a project aimed at providing women traders in the DRC, Burundi and Rwanda with financial capital to trade maize (and other products) in the region. The attractiveness of the project was that it focused on women agriculture actors and had an access to finance component.



VAC NET’s project development team benefitted from the inputs of the delegates made both in plenary and the small group sessions – particularly with the DRC CO colleagues attending. Over all, VACNET’s project developers assessed that they would need to put additional work into their project design effort – and ideally, re-submit their project for consideration in the future.

### 2.1.5 Closing Remarks of the Project Facilitation Platform

The closing remarks at the end of the second and final day of the PFP were made by Mr. Sales who started by thanking Mr. Sudarkasa for the great work done before giving the floor to the ACTESA Chief technical Advisor, Mr Chungu Mwila. He acknowledged the high quality of exchanges during the two first days of the AFIM week and congratulated all participants, promoters and actors. He also praised the level of commitment displayed during the plenary session, adding that this was an indicator that what was undertaken was definitely bound to succeed.

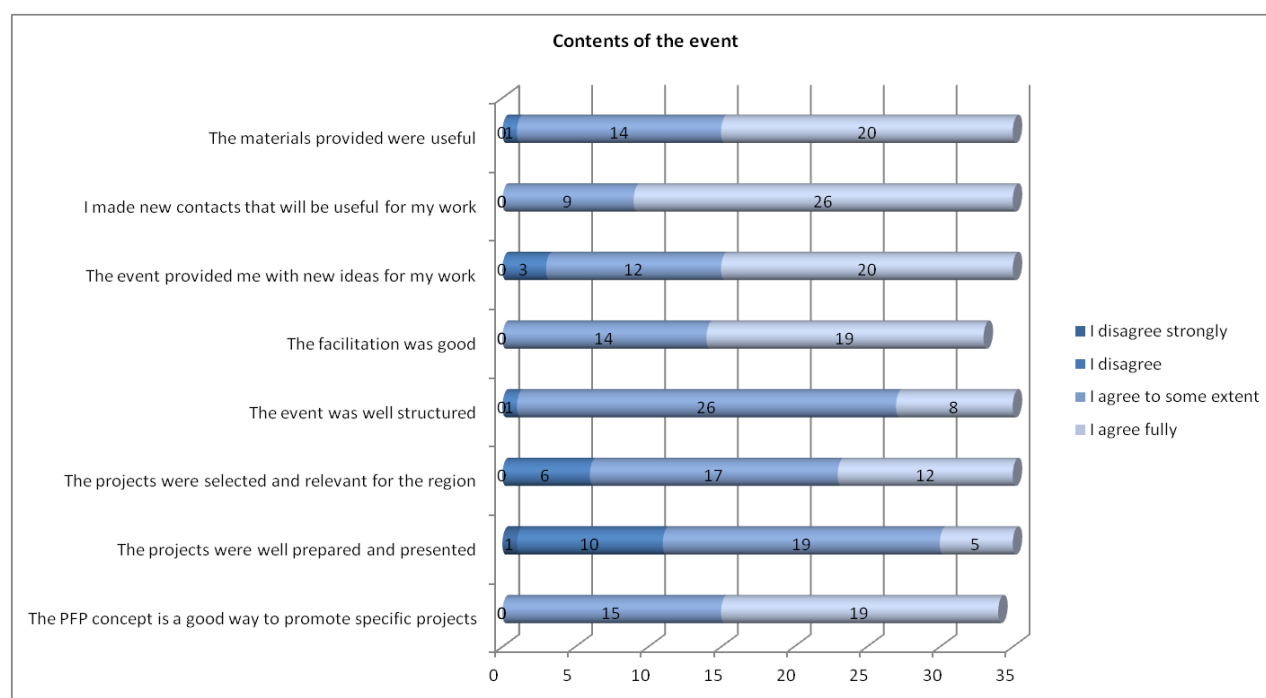
He concluded by ensuring ACTESA/ COMESA’s engagement alongside promoters to help them achieve their goals and added COMESA was willing to do all that it could in support of the promoters to make their projects happen.

Mr. Sales congratulated the sixty delegates (who ranged from representatives from fourteen governments from Southern Africa, to colleagues from UNDP COs and the Regional Service Center, project promoters and stakeholders of EPFC, VACNET and the NBF-Mozambique – all of whom came out to attend the first ever Southern African Project Facilitation Platform.

He thanked them for contributing to the Project Facilitation Platform and expressed his satisfaction about the results in terms of the target objective of the exercise which was improving the projects presented through the development of a strong project results framework.

Lastly, he noted that the PFP had helped to clarify and further develop consensus around three key agro-business value chains in Southern Africa: groundnut, soya bean, and maize. Mr. Sales concluded by declaring the closing of the PFP and he then set the stage for the 2-day value chain training to follow during Day 3 and Day 4.

The participants in the PFP provided useful feedback on the session and offered the following evaluation:



### Day 3 – VALUE CHAIN TRAINING

Wednesday – 15 May, 2013 / Theme: Inclusive Market Development 2.0 – IMD, Value Chain Analysis and Identification	
08:30 – 09:00	Registration
09:00 – 09:10	Welcome and Programme Overview Tomas Sales, AFIM Manager
09:10 – 09:40	Participants Introductions Facilitation Robert Nyambaka, AFIM Consultant
09:40 – 10:10	Introduction to Inclusive Market Development Pascale Bonzom, AFIM Programme Specialist
10:10 – 10:30	Tea and Coffee Break
10:30 – 11:30	How to Analyse Value Chain Development Opportunities Abraham Sarfo, Value Chain Expert
11:30 – 12:30	Introduction to Value Chain Programme Design Abraham Sarfo, Value Chain Expert
12:30 – 13:30	Lunch
13:30 – 14:30	Case Study – Value Chain Analysis Robert Nyambaka, AFIM Consultant
14:30 – 15:30	Group Exercise – Value Chain Programme Identification and Design Exercise
15:30 – 15:45	Tea and Coffee Break
15:45 – 17:00	Groups report back and Q&A
17:00 – 17:15	Closing

Thursday – 16 May, 2013 / Theme: Value Chain Implementation and Inclusive Business Finance	
08:30 – 09:30	Introduction to Value Chain Programme Implementation Abraham Sarfo, Value Chain Expert
09:30 – 10:15	Case Study – Value Chain Design and Implementation – Sorghum Value Chain Robert Nyambaka, AFIM Consultant
10:15 – 10:30	Tea and coffee break
10:30 – 11:15	Group exercise – Value Chain Implementation
11:15 – 11:45	Groups report back
11:45 – 12:30	Introduction to Inclusive Business Finance Michael Sudarkasa, AFIM Consultant
12:30 – 13:30	Lunch
13:30 – 14:15	Malawi Innovation Challenge Fund Cinzia Tecce, UNDP Malawi
14:15 – 15:15	Identifying and Mobilizing Inclusive Business Finance in Your Country and Region Michael Sudarkasa, AFIM Consultant
15:15 – 15:30	Tea and Coffee Break
15:30 – 16:30	Group exercise – Identifying and Mobilizing Inclusive Business Finance
16:30 – 17:00	Groups report back
17:00 – 17:15	Closing and Training Evaluation

### 3.1 Introduction to Value Chain Development

The second module of the 2013 Southern Africa Sub-regional AFIM Week involved a two day value chain training programme that focused on how to design, develop, and implement value chains. The training also dealt with how to identify and mobilize “Inclusive Business Finance” within specific countries, regionally and across the continent and helped assist participants to better understand the concept of value chain development. The training programme was developed for project promoters and economic development practitioners seeking a more advanced understanding of agribusiness value chain development, inclusive business finance mobilization, and regional value chain development. The training was intended to help participants:

- refine and enhance their skills and their ability to design and implement regional value chain projects
- develop and forge mutually beneficial relationships between public and private sector stakeholders within related value chains, and
- mobilize development partner, public sector and private sector capital and finance to support value chain implementation and acceleration in their respective countries and regions.

At the commencement of the programme, Mr. Sales introduced **Mr. Abraham Sarfo and Robert Nyambaka, Consultant, UNDP AFIM**, as the facilitator of the day. Mr. Sarfo began his remarks by providing an overview of new terminology and definitions of key terms that would be discussed during the training, including: value chain, supply chain, food security, climate change adaptation, food and nutrition security. He also continued with an explanation of what he wanted participants to be able to apply at the end of the training. The main idea of the training, he explained, was to show participants how to use value chain tools to analyze, design and implement projects. He also shared that various business models would be presented that were useful for program design. After Mr. Nyambaka’s introduction, Ms Pascale Bonzom, AFIM Programme Specialist made a presentation on UNDP’s Inclusive Market Development approach.

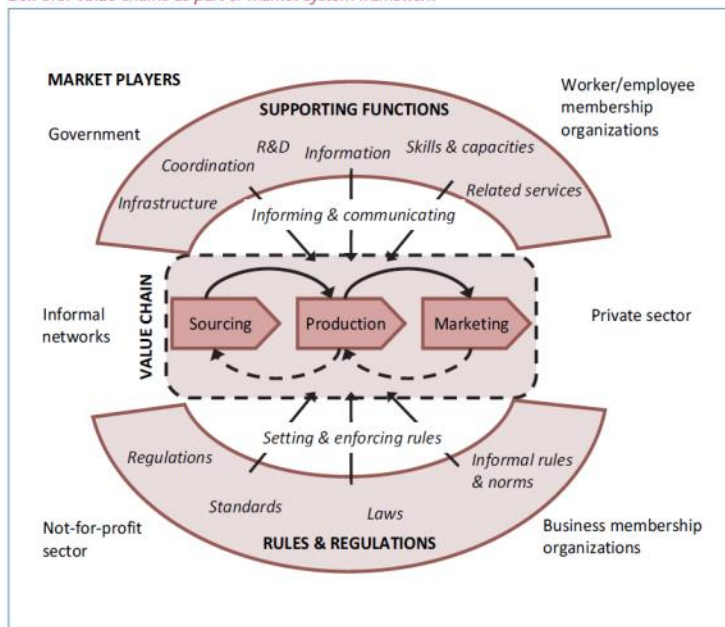
### 3.1.1 UNDP's Approach to Inclusive Markets Development

**Ms. Pascale Bonzom, Programme Specialist**, UNDP AFIM began by defining “Inclusive Markets” as markets that include the poor and other marginalized groups (e.g. women and youth) in business value chains for mutual benefits, on the demand side as clients and customers and on the supply side as employees, producers and business owners. She further remarked that under the Inclusive Market Development (IMD) approach, the aim is to develop private sector markets by strengthening the entire market system – enterprises, business relationships, market structures and the business environment. It is a holistic approach and the focus is on value chains and the collaboration between policy issues, lead firms, micro-small enterprises and smallholders.

She also stressed the relevance for UNDP and others in the public sector and development partner community to collaborate with the private sector saying that markets can contribute to poverty reduction or eradication as they become more inclusive and benefit all by creating more jobs and increasing incomes.

She continued by explaining that IMD is a complex system that involves various players: informal sector, governments, non-profit sector, worker/employee membership organizations as well as business membership organizations.

*Box 0.5: Value chains as part of market system framework*



Source: DFID/SDC (2008): The M4P operational guide, available from [www.m4pnetwork.org](http://www.m4pnetwork.org). See also <http://www.meyer-stamer.de/systematic.html>

**Figure 4 : Value Chains as part of market systems framework**

Ms. Bonzom continued her presentation by stressing that IMD is an overall framework and approach and not a programme in and of itself.

*UNDP has adopted a focus on Inclusive Markets Development to establish the policy and institutional framework facilitating pro-poor value chain integration, to broker investments in pro-poor goods and services, to foster inclusive entrepreneurship, and to encourage corporate social responsibility in support of inclusive market development and the Millennium Development Goals.*



**UNDP Private Sector Strategy**

*Recognizing the vital role that markets play in poverty reduction and economic growth, UNDP has adopted a focus on Inclusive Markets Development*

**UNDP Private Sector Strategy Priorities (2007→)**

1. Establishing the policy and institutional framework
2. Facilitating pro-poor value chain integration
3. Brokering investments in pro-poor goods and services
4. Fostering inclusive entrepreneurship
5. Encouraging corporate social responsibility in support of inclusive market development and the MDGs

Under the IMD approach, activities focus on developing private sector markets by *strengthening the whole market system* – enterprises, business relationships, market structures or the business environment. Focus is on *Value Chains* and *Base of the Pyramid* markets.

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Figure 5 : UNDP Private Sector Strategy

### 3.1.2 Analyzing Value Chain Development Opportunities

**Mr. Abraham Sarfo**, the lead trainer of Day 3 is a business development strategist with extensive experience working with small to medium-scale businesses through the NEPAD’s Comprehensive African Agriculture Development Programme in product innovation, financial management and business development. He has created and implemented business strategies leading to quick expansion into international markets. Mr. Sarfo noted that he had extensive experience in value chain analysis, financial analysis and modelling, and budgeting..

The aim of the training was to help participants to gain a basic level of understanding about value chain design, development and implementation. After eliciting five varied definitions from participants, the facilitator shared with them the definition of a value chain from the UNDP IMD perspective: *a sequence of related value adding business activities for a specific product or service moving from primary production through processing, transformation, then marketing, and up to the final sale of the particular product to consumers*. He further noted that a value chain also includes the specific inputs needed during the different stages of production.

Value chains should be considered at two levels: 1) function or activity, and 2) actors or enterprises. Activities are interrelated and involve actors who can be individuals, organizations or enterprises and they are all part of the process of moving the product from the production stage to the final consumer.

Mr. Sarfo stressed that transporters and traders play a key role in the value chain but are unfortunately the most neglected in the process. Value chains also involve various participants commonly called actors who include: input providers, farmers, producers, processors, distributors and consumers. He further explained that those within the value chain should be regarded as a set of interrelated stakeholders.

He further shared the image below with the participants to explain through an image what value chains are about, while stressing that this was illustrative and many value chains were more complex than this. In reality, in many cases, the input and output chains comprise more than one channel and these channels can also supply more than one final market.

## The Value Chain Map

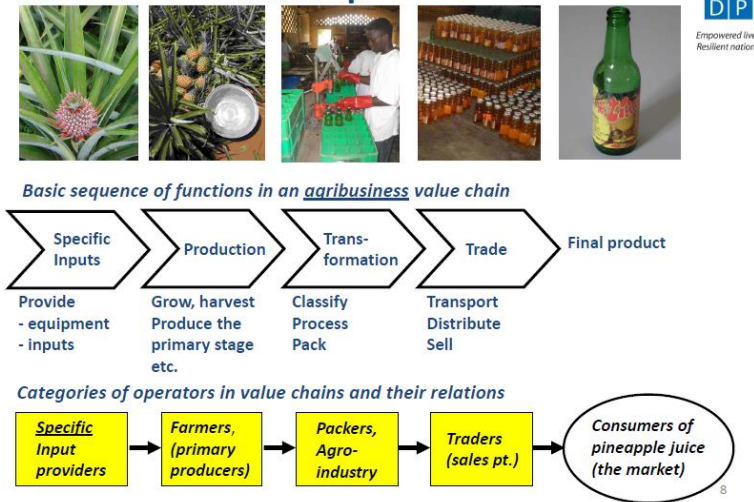


Figure 6 : Value Chain Map

As he continued, Mr. Sarfo also put emphasis on the word agri-“business” noting that agribusiness value chains involved dealing with the business side of agriculture. He went on to say that an efficient value chain necessarily included an efficient supply chain otherwise there is no way to achieve the value addition desired.

Value chain analysis allows diagnosing underlying constraints affecting the performance of the chain of actors along a production line as a whole, assessing stakeholders through their involvement in the product development diagnosis and problem solving. The value chain concept is often used inadvertently to describe value chain activity, because he said that actors often fail to translate theories into bankable results due to lack of analysis. Analysis of the chain is critical given that it is a stage during which constraints, technical, financial capacities, investment opportunities are identified.

Mr. Sarfo further stated that the participatory approach to value chain analysis is crucial from both the government point of view and the commercial perspective and added that it was important that participants had a perfect understanding of value chain development in the country or sub-region.

He gave four steps of prioritization processes as part of a project value chain pre-selection analysis:

- Understanding criteria, build on priority
- Weighting criteria
- Identifying a list of potential products
- Ranking products/activities

Mr. Sarfo added that there were so many actors along the chain that it is sometimes difficult to appreciate their relevance within the chain. He gave the example of transporters who are big actors in the onion chain saying that most of them are interested in getting their money no matter how long the journey will last. However, it would be highly relevant beneficial if they could understand that their cargo was perishable and that they needed to move the product faster and make it available to the market quicker to preserve value for the farmer and the marketer. The chain analysis consists in raising awareness of what are the benefits if the product reaches the marker faster.

Mr. Sarfo then used the example of African mango actors, stating that they are eager for starting processing but a proper value chain analysis could lead them to understand it is a bit unrealistic to process given their limited resources and lack of quality supply and adequate varieties for processing.

The third thing about value chain analysis is mapping. Making a good value chain design is pivotal in the chain analysis process. Value chain mapping is structured around five mainstays:

1. The sequence of production and marketing functions performed
2. The value chain operators taking these functions (micro level)
3. Vertical business links between the operators
4. The value chain support service providers (meso level)
5. The value chain policy environment and infrastructure support (macro Level)

Many tools are used in analyzing value chains and to make sure that participants understand the general concept of a value chain, Mr. Sarfo conducted a value chain mapping exercise for the delegates to observe.

A value chain map, he explained, outlines the constructive route to be taken to develop the various components of a potential value chain. Such maps are important in visualizing where development interventions are needed and what goals or targets toward production and sales can be set.

Mr Sarfo pointed out that many actors waste time implementing value chains with narrow scope can never achieve the success they desire to assess the market growth potential adequately. So it is crucial to see what the upgrading opportunities are and what the potential for scalability would be.

He continued by noting that in addition to the already mentioned micro level actors (such as input providers, producers, processors, distributors, consumers), there are other additional entities who play major roles in the value chain even though they do not produce, nor manufacture fertilizers or pesticides. These entities are part of the map and include on the one hand: groups, associations, organizations, providers, NGOs, development partners operating at the second level and also local governments. On the other hand providers of utilities/infrastructure, national government and public administration operating at the micro level are also key stakeholders.

Mr. Sarfo also shared with participants some criteria that can be relied on to forge a good map:

1. Make sure the map has a clear message;
2. Avoid overload of information – not more than 2 or 3 channels at a time;
3. Separate micro and meso analysis should be done; and
4. The map has to be understandable to people who have not participated in making it!

Mr. Sarfo also asked the participants to remember that the strength of a value chain lies in its weakest link as the parts and actors along the chain are interrelated.

### **3.1.3 Value Chain Programme Design**

Mr. Sarfo continued as the facilitator of the second session of the value chain programme. He started this session by making the linkage between value chain and sustainable development and shared with participants a value chain approach to agricultural design and implementation which takes into account food security and environmental sustainability, for he said, inclusive value chain approaches should be environmentally friendly and should generating economic growth and opportunity for all members of the chain.

All aspects are interrelated as shown below:

## Emerging Models of Value Chain Design and Development



### Sustainable value chain designs

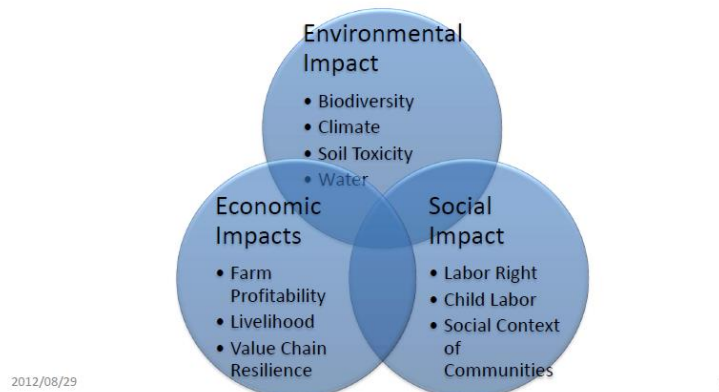


Figure 7 : Emerging models of value chain design and development

Mr. Sarfo added that value chain models may be developed by entrepreneurs, private sector corporates, and public institutions all acting within existing, or new, value chains that may be large or small. They also may be driven by actors from the country where they are being established or by foreign actors, of both developed and developing nations.

He further explained the importance of the upgrading objective or vision in designing successful value chains:

## The Upgrading Objective/Vision



### *Formulating a strategic objective ("vision")*

- Value added of the industry
- = prices obtained and/or volumes sold...
- for the product (specify type, quality, etc.)
- in the ... market (specify segment and product)
- increased by ...\$\$ by ...%
- in the year ... (5 years from now)

### **By...**

- penetrating the ...market
- improving / innovating the product (quality etc.)
- reducing cost (of production and/or marketing)
- expanding capacity (in different stages of the VC)
- ....

Mr. Sarfo also moved on to address the characteristics of the different value chains and illustrated a number of factors determining the set-up of value chain development. These factors include:

- The key role of lead firms and organisations who drive the value chain and determine how public and private cooperation can be undertaken and facilitate engagement with the public sector;
- The incentives for, and the degree of, value chain integration helps determine external linkages (e.g. forward contracting and regulation) and thus also impacts upon outreach efforts with farmers and the overall level of inclusion within the value chain;

- The size of the value chain – the number of operators, geographical spread of the participants, often determine the need for location-specific arrangements and collective organization;
- The state of development (e.g. technical, commercial, infrastructure) of the value chain, determines investment needs;
- The size of the market and growth prospects; and
- The job creation opportunities and contracting opportunities available to smallholders which determine the poverty alleviation potential of the value chain.

Mr. Sarfo also provided participants with a number of analytical tools to help them to carry out a thorough value chain analysis exercise. Some of these major tools are:

- Value chain mapping
- Quantification: Numbers of operators
- Quantification of markets: volumes & prices, turnover
- Geographical spread
- Market (market segmentation, demand potential)
- Upgrading opportunities
- Economic analysis (production cost, shares of value addition)
- Summary description of VC characteristics

He further noted that these are important factors to consider before designing a value chain. He continued that there was also a need to educate farmers about quality and the importance of producing agricultural goods to the standards of target markets.

The role and level of support being provided by public sector stakeholders (such as extension service provider, funding agency, and policy maker) is also pivotal, he noted, as it helps project promoters to assess where opportunities for public-private collaboration are and/ or to leverage existing or planned public investment.

Before promoting the establishment of a value chain, promoters should understand the reason the economic environment in which the value chain is being proposed, be sure that there is adequate demand for the products targeted, and to be sure, ideally, that there are value creating opportunities through the execution of the value chain development effort.

It is also important, where possible, for value chain promoters to try and establish incentives and to assess the level of value chain integration, as this will help determine the type of linkages that will be necessary within the chain - in terms of number and types of formal partnerships that will have to be established through contracting and regulation.

Mr Sarfo continued by introducing key principles of sustainability in value chain development that should help guide promoters and pave the way for project success. These include the: redundancy, sequencing and sustainability.

- a. Redundancy: In some scenarios, the business relationships required to produce and deliver a product efficiently and effectively may occur without significant external intervention. In such a scenario the market is working adequately. In such cases, if a potential value chain programme developer conducts a market assessment and determines that there is not much need for intervention, it is best to leave well enough alone and not to duplicate efforts or embark on what may become a redundant initiative(s);

- b. **Sequencing:** An initiative’s design and results framework (i.e. plan of action and goals) will influence the priority of action undertaken in developing the value chain; and
- c. **Sustainability:** Identifying and establishing incentives within the value chain to optimize the benefits of participation is a key aspect of building sustainable value chains. Processes and structures to encourage continuous learning are also a hallmark of a well-developed value chain, and the forging of contractual relationships that provide strong benefit (i.e. win-win) to both parties also helps to sustain value chain structures.

In closing, Mr. Sarfo stated that setting firm implementation timelines is important in value chain design and development. Also having an exit strategy is pivotal taking into consideration the viability of the initiative once external support is removed.

### 3.1.4 Case Study Analysis – Africa Harvest in Kenya

Mr. Nyambaka introduced the participants to the important concept of “scoping”. Project scoping, according to Mr Nyambaka, gives the value chain developer and/or project promoter the opportunity to look at and assess the project before implementation stage. It involves setting the boundaries in terms of geography, partners and benefits.



Project scoping also helps determine how the project needs to be organized and managed and specifically addresses:

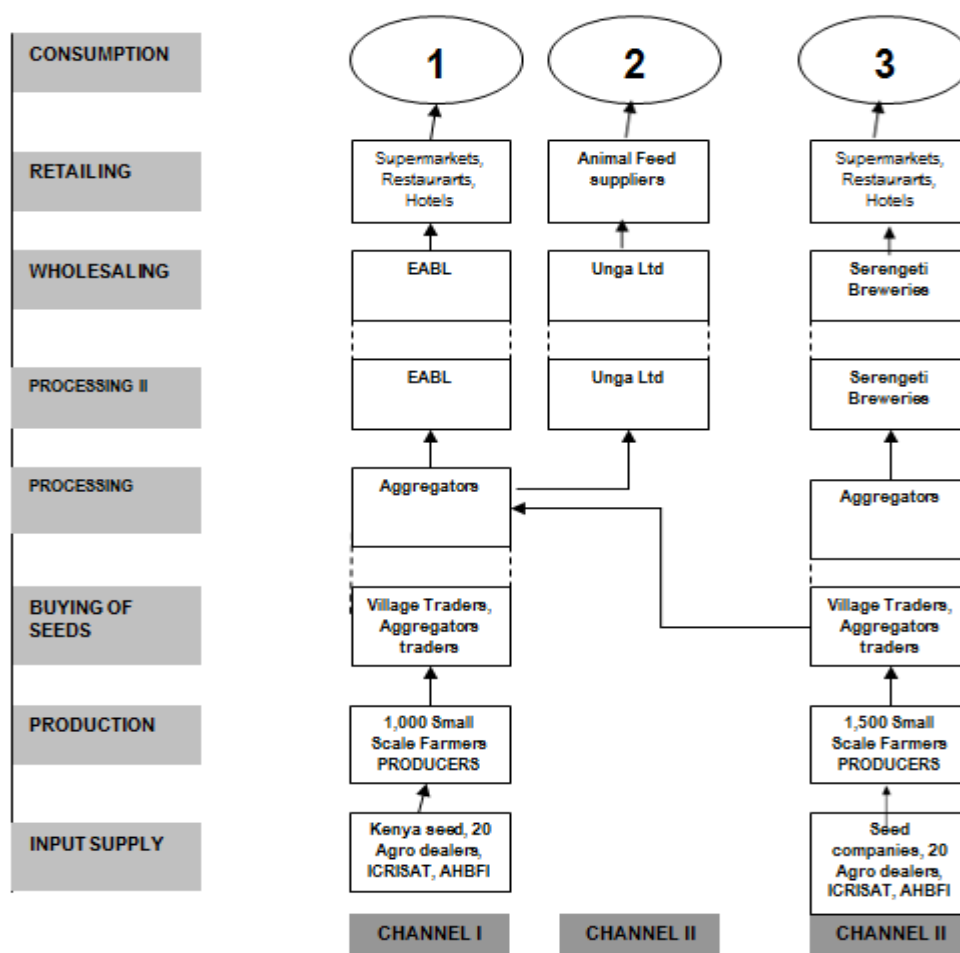
- what the project objectives and expected outputs should be,
- what the risks and possible difficulties are, and
- how the project should be organized and tackled.

Mr. Nyambaka highlighted the need to define clear objectives and expected outputs, to identify partners and to define their roles, as well as to determine the project’s success factors - not only economic, but important social factors as well. He further noted that most of the proposals submitted to donors do not have business models for implementation.

Mr. Nyambaka continued his discussion by noting that there were existing fallacies that often sabotaged the efforts of value chain developers who did not understand that the premises they were following were inaccurate. An example of one such “wrong agricultural assumptions” was that a key challenge facing African

agricultural producers was the lack of a market. He stated that the greater challenges for African producers were rather issues of productivity, production yield, quality, rural infrastructure, irrigation, and adequate extension/technology transfer - among others.

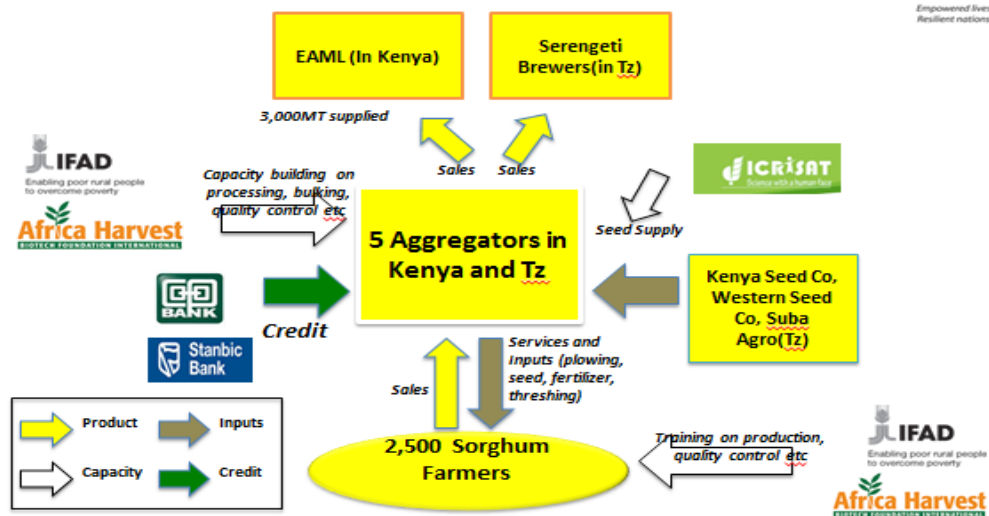
Mr. Nyambaka also introduced the delegates to the backward integration model and aggregators' model. Under the UNDP AFIM programme, he explained, a business model-focused study had been conducted in 2011 and over 50 CEOs were contacted. The aim of the study was to understand the key successful models that have been used around the continent - and one thing that repeatedly was cited in the report was the need for a strong backward integration model.



Too often, it was noted, agro-processors fail because they do not have the volumes of inputs that are needed from small farmers who form the core of their input suppliers. The system of backward integration works well, he noted, where the processors do not directly deal with farmers, but rather engage the assistance of aggregators who in turn deal directly with the suppliers. This was a successful model used by most of the agro-processing firms like Nestle, Kenya's BIDCO and many Southern African processing firms.

To illustrate an example of how a value chain is designed and developed, Mr. Nyambaka took the participants through a case study analysis exercise using the experience of Africa Harvest. Africa Harvest is an NGO based in Kenya that is undertaking a dynamic sorghum value chain development project to increase farmer yields, technology utilization and sales to buyers in the brewery sector. Through the delivery of extension services, the funding of inputs, the further provision of access to finance including insurance, and the provision of storage facilities, Africa Harvest is helping to significantly increase smallholder farmers' yields to supply East African breweries and help to significantly strengthen their value chain.

## Relationship Map of the Sorghum Project



### 3.1.5 Open Discussion

After the presentation of the case study, participants asked Mr. Nyambaka and Mr. Sarfo questions and added general observations gained from their respective countries.

Access to finance was also discussed and received significant attention during the debate. Most of the delegates said that this was a major bottleneck because financial institutions were risk averse and did not want to serve the agricultural sector, especially small scale farmers.

According to one participant, the transport-storage component was not adequately addressed and should have been stressed given the significant post-harvest losses experienced in the region – and indeed, across sub-Saharan Africa because of inadequate storage facilities and poor cold-chain infrastructure.

Almost all the participants recognized the relevance of the value chain approach. However, some cautioned that applied in the context of rural businesses and agricultural sectors in African countries, it may not provide the expected results because of the limited resources available to, and the low levels of education within, the actors involved.

In addition to the group discussion, the participants were asked to return to the groupings they created during the PFP to discuss the respective projects on soya, maize and groundnuts within the context of the material presented during the training sessions. The aim was to see what inputs suggestions might be given to the Project Promoters on how to improve their respective value chains.

### 3.1.6 Value Chain Programme Implementation

The third and final value chain development-focused training session was moderated by Mr. Sarfo. His presentation began by asserting that the Value Chain Programme Implementation stage includes: a) strengthening business linkages (communication, awareness-raising) both vertically and horizontally; b) engaging in public-private partnerships, especially in the area of investment attraction and leveraging, and also c) involves improving the types and levels of support services provided to actors in a value chain. He also noted that implementation involves accessing finance, and explained that this would be discussed in the forthcoming module on inclusive business finance to be presented later in the day.



Mr. Sarfo continued by noting that introducing social and quality standards and working to improve the business environment were also important aspects of successfully implementing value chain programmes.

He also shared with the participants an “investment solutions” diagram:

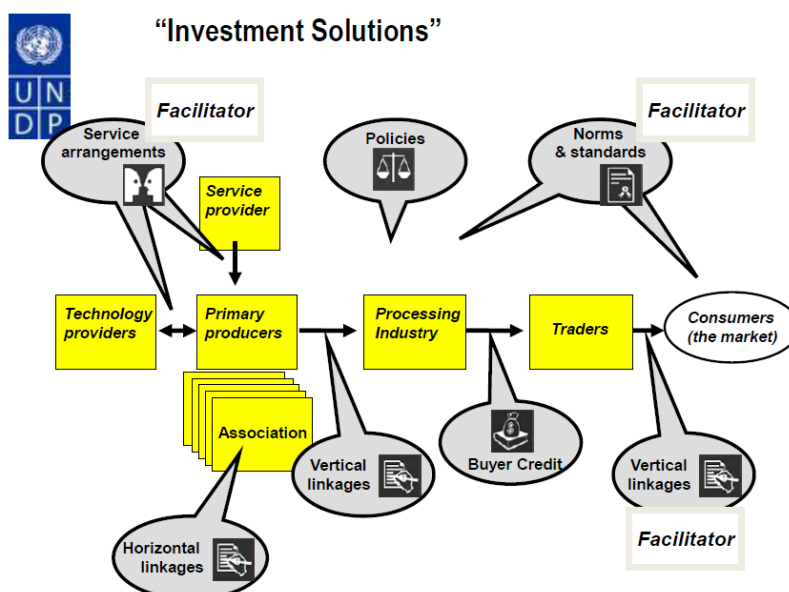


Figure 8 : Value Chain Investment Solutions

Mr. Sarfo reminded the participants that all aspects of the value chain are interrelated and that no matter how resilient or strong the value chain is, the ability to perform is dependent on stakeholders identifying which part of the chain is the weakest, and committing to improve this weakness. He noted that often, external consultants/ advisors/ facilitators were required to adequately address the weaknesses and devise strategies to strengthen the value chain.

Mr. Sarfo also shared with the audience key value chain investment opportunities derived from value chain development - infrastructure (roads, storage facilities, irrigation), farmer-based organization development, business services (extension, finance, transport, input supply) – that are related to increasing yield and through improvement and the process of efficiently getting produces from producers to processors and/or to markets.

In the area of productivity improvement, he noted that the opportunities lie in input supply with investment in areas such as seed development, fertilizer production and distribution, and also in the provision of public technical research and extension services, private advisory services and market information services.

Another strategic area included product grading and trade and training farmers to produce products that adhere to market standards and grades.

Mr. Sarfo also explained to the participants that “backward” integration in vertical value chains involved companies (producers and marketing companies) with access to markets, investing in producers to ensure that they have adequate and continuous quality of inputs for their production demands. A tyre producer supporting a rubber plantation, or chocolate producer supporting a cocoa farming community are examples of backward linkage focused value chains. At the other extreme a large producer of inputs might want to have marketing operation in a key market and as such want to develop a forward “integrated” value chain. An oil palm company investing in packaging, distribution and transportation or a coffee or tea producing

cooperative investing in a marketing company to promote sales among retail shops is an example of the development of forward linkages.

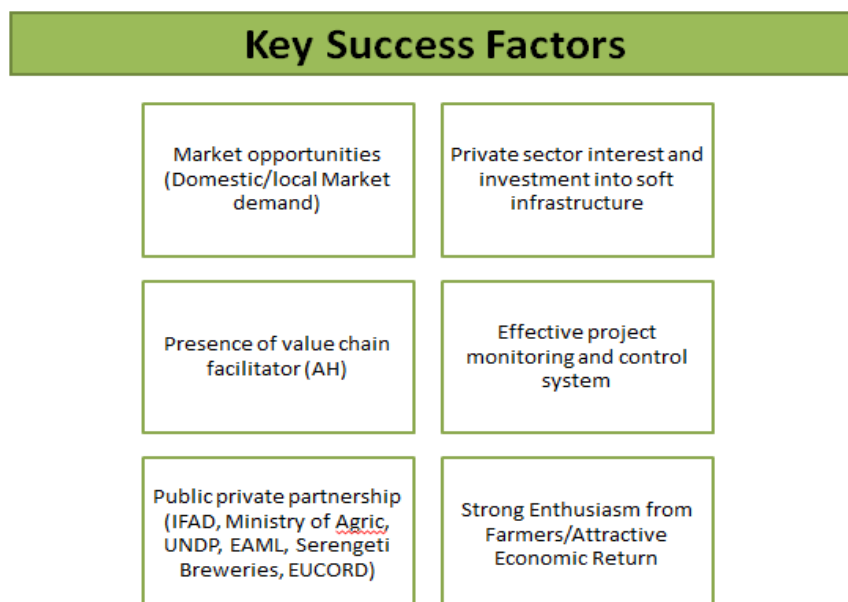
Mr. Sarfo also discussed the fact that in the research that UNDP AFIM conducted, more than half the CEOs admitted that having access to finance was not their biggest challenge but rather sourcing, and quality and quantity of supply were most bothersome. Until these issues are solved, they concluded that it will be very difficult to solve the challenges that must be addressed to improve agro-processing issue in Africa. The continent he said actually offered suppliers a huge market, but in terms of food self-sufficiency would be unable to meet the demands of the market unless there was significant productivity enhancement and adequate raw material yield improvement.

He also emphasized the need to organize producers to achieve balanced business linkages through the provision of support to farmer organizations and the involvement of public extension services to help improve the competitiveness of smallholders.

He concluded with the suggestion that it was also important that among cooperating small hold farmers' ownership of land (i.e. tenure) be encouraged and trust among participating farmers be developed - so that greater collective action and bargaining power could be developed and wielded by cooperatives and/ or various types of aggregations of small producers.

### 3.1.7 Case Study Analysis – Africa Harvest in Kenya

Following Mr. Sarfo's presentation of the major value chain implementation fundamentals, Mr. Nyambaka again engaged in a case study analysis with the participants. In particular, Mr. Nyambuka explained that there were a number of key "success factors" found in successfully implemented projects, and he used the Africa Harvest sorghum project as an illustration.



### 3.1.8 Introduction to Inclusive Business Finance

Mr. Sudarkasa, Consultant, UNDP AFIM, presented the final modules of the training seminar and spoke on the subject of "Inclusive Business Finance".

The content of his presentation was drawn from the recently published UNDP AFIM “Inclusive Business Finance Field Guide 2012: A Handbook on Mobilizing Finance and Investment for MSMEs in Africa”. This publication, which was distributed to the participants, served as the principal training resource for his interventions.

He explained that an inclusive financial system is one that services all clients—not just the relatively well-off. Inclusion in the context of finance is about delivering financial services at affordable costs to sections of disadvantaged and low income segments of society. The concept of “financial inclusion” as a way to look at a financial system has become increasingly widespread after first being articulated in 2005 at the end of the UN’s International Year of Microcredit.

Inclusive Business Finance thus refers to funding, and other forms of capital that support the creation, growth, and sustainability of entrepreneurs and smallholders, and micro, small and medium sized enterprises, who often have previously been excluded from the financial markets.

The definition of inclusive business finance also goes beyond exclusively referring to the funding activities of regulated and non-regulated, and formal and informal financial services providers, but also includes the provision of a variety of financial resources (guarantees, loans, equity, leasing) by corporations to smallholders and MSMEs as distributors and suppliers within their value chains.

He shared with participants a number of types of inclusive finances concepts. These included *Rural Finance* - which comprises the full range of financial services including loans, savings, insurance, payment and money transfer services - needed, offered, or used in rural areas by households and enterprises. The second example of inclusive finance was *Agricultural Finance* - which refers to financial services ranging from short-, medium- and long-term loans to leasing and crop and livestock insurance, and covers the entire agricultural value chain - input supply, production and distribution, wholesaling, processing and marketing.

*Value Chain Finance* was the third example of inclusive finance given and he explained that this refers to the flow of financing within a subsector, and among value chain actors, for the purpose of producing items and getting the target product(s) to market. As defined, it requires a relationship and exchange among value chain actors. This is in contrast to financing to a single value chain actor, where access to financial services by one actor is independent of other value chain actors.

Impact *Investors* as another key inclusive business finance provider was introduced and “Impact Investment” was explained as one which involves the development of an investment strategy whereby an investor proactively seeks to place capital in businesses that can generate financial returns, and also in the process achieve an intentional social and/or environmental goal. Impact investment capital may come in a range of forms including equity, debt, working capital lines of credit, and loan guarantees.

An additional form of inclusive business finance that he discussed was “Innovative Finance” which includes, but is not limited to:

- the development of “mobile money” using less expensive cell phone technology to facilitate money transfer and lending;
- the development of “mobile banking” through the development of internet connected mobile branches/ trucks that regularly visit rural communities to bring branch banking.

He went on to provide some examples of innovative finance, including:

- the use of retail and/or post office outlets as funding disbursement (teller) points to allow for deeper penetration of banking services into poor communities at less cost to banks than traditional bricks and mortar branch establishment;
- the development of challenge funds to provide catalytic support in targeted communities; and
- the use of shared risk facilities (to reduce risk/ perceptions of risk and increase return on investment)

He then ended with Biodiversity Friendly Finance which he described as funding that seeks to achieve the twin goals of furthering the development and growth of MSMEs while also promoting environmentally sustainable economic growth.

### 3.1.8 Malawi Challenge Fund

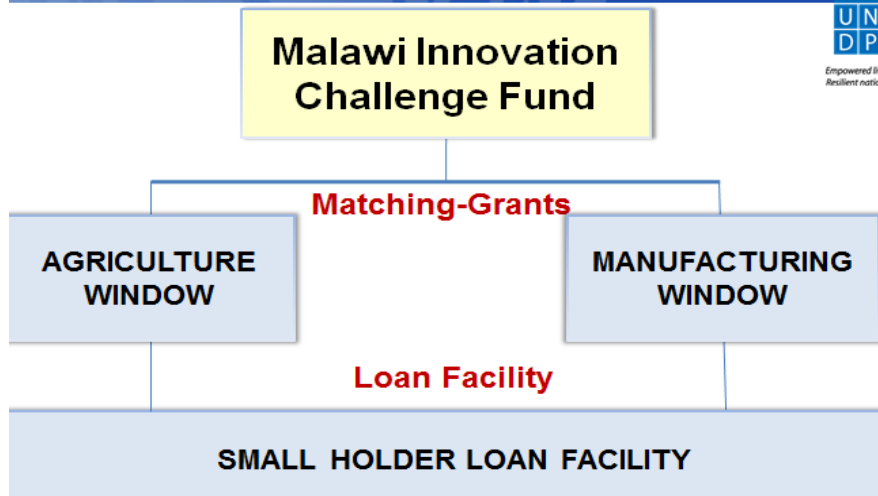
Ms. Cinzia Tecce, Private Sector Development Specialist, UNDP Malawi was then asked to provide an overview of the Malawi Innovation Challenge Fund, which is a new initiative developed in Malawi and supported and designed by the UNDP country office there to facilitate private sector investment in the agriculture and manufacturing sectors in the country.

EXPECTED PROJECT OUTPUTS	
<b>OUTPUT 1</b> The Industrial development policy and prioritized <u>sectoral</u> policies and strategies developed and implemented	<b>763,726 USD</b>
<b>OUTPUT 2</b> The MICF is established and operational to increase inclusiveness and competitiveness of value chains in agriculture and manufacturing	<b>7,476,363 USD</b> <i>(3,738,318 USD Agriculture Window            3,738,318 USD Manufacturing Window)</i>
<b>OUTPUT 3</b> Loan Facility provided to smallholder Farmers, low income women and youth	<b>1,000,000 USD</b>

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In her presentation, Ms. Tecce also spoke about the significant effort that had been made to align the project within governmental priority parameters and the importance of engaging with stakeholders in conceptualizing innovative schemes such as this one.

## OPERATIONAL TOOLS (cont`d)



### 3.1.9 Identifying and Mobilizing Inclusive Business Finance

Mr. Sudarkasa continued on as the presenter of the second module of the training on Inclusive Business Finance. He shared with the trainees the CGAP (Consultative Group to Assist the Poor) Methodology to explain the importance of stakeholders having the capacity to identify inclusive business finance providers in their community, countries and region and to have the ability to categorize the type of financial instruments, products and services that these institutions provided which were important to a specific target group(s) in a specific area, country or region.

In scoping the Inclusive Business Finance environment in a given geography, the key activity to undertake while doing a micro level demand assessment was to evaluate the strength of existing financial service providers and to assess how well they meet (or could meet) demand vis-à-vis inclusive market development.

Mr. Sudarkasa urged participants to make sure they have evaluated the following aspects of Financial Service Providers at this stage: the portfolio diversification, poverty outreach and potential for expansion as well.

At the next, “Meso Level” assessment stage the focus was put on the identification and evaluation of the main actors and activities that supported the infrastructure of the financial system - while the goal at the “Macro Level” assessment was to identify all relevant contextual, policy and regulatory issues likely to affect the expansion of an inclusive finance sector.

He further noted that there were a number of issues to be taken into account during the inclusive business finance identification process during the Macro Level Assessment. He cited the enabling policy environment and underscored the importance of preventing systemic risk in the financial system. He further gave a number of factors to consider preventing such risk.

These include the development of a national microfinance or rural finance policy or strategy, deregulation of interest and exchange rates, establishment of a legal system that protects property and land-use rights and that ensures due legal process among others.

Equally important, he said, was the development of prudent regulation and supervision. Without there can be no sustainable rural development with properly regulated local financial institutions that mobilize deposits and attract private capital.

Securing government partners' support is the third and final issue. Mr. Sudarkasa underscored the importance of defining the role of governments and central banks in the context of inclusive business finance as their policies and regulations played a critical role in enabling the expansion, development and growth of the inclusive finance industry in each country.

The final module presented by Mr. Sudarkasa involved providing the participants with a list of selected development partners that funding and otherwise supported inclusive business finance and inclusive business development programmes: the list includes the following entities ADA, Austria, AFD Group, France, African Development Bank, BMZ, Germany, CIDA, Canada, DANIDA, Denmark, DFID, UK, European Union, Ministry of Foreign Affairs, Finland, World Bank's IFC, JICA, Japan Ministry of Foreign Affairs, Netherlands, SDC, Switzerland SIDA, Sweden, UNDP, USAID, United States, Southern Development Partners, China (FOCAC) , Korea-Africa Forum, India-Africa Forum, Turkey Africa Cooperation, Brazil, Cuba, Malaysia, Saudi Arabia, Singapore, Thailand, UAE, Venezuela, IBSA, Africa – South America Partnership, New Asia – African Partnership, Afro-Arab Cooperation.

Mr. Sudarkasa also explained to the participants that to successfully map and access the inclusive business finance landscape, five steps are required:

- 1) Mapping the Local Financial Market Sector
- 2) Mapping the Development Partner Sector
- 3) Mapping the Inclusive Business Sector
- 4) Engaging the Inclusive Finance Sector
- 5) Forging Sustainable Partnerships with the Private sector

The third component of the presentation focused on how to establish effective development – private sector partnerships. As a guide of proven practice, he shared with the participants a UN report entitled “Catalysing Transformational Partnerships between the United Nations and Business” and went through the ten steps required to forge public-private sector partnerships.

Three key “phases” of action were outlined: a) Exploration, b) Design and Negotiation, and c) Implementation.

1) Phase 1- Exploration, involves:

- Step 1 involves firstly identifying suitable partners and is one of the most crucial aspects of partnership development and sustainability,
- Step 2 entails establishing broad based buy-in for the project;

2) Phase 2 - Design and Negotiation, involves:

- Step 3 developing a governance structure for the relationship;
- Step 4 developing an impact focused monitoring and evaluation framework;
- Step 5 undertaking a forecasting exercise to determine future partnership resource needs and project conditions;
- Step 6 sustainable financial planning and impact projection;
- Step 7 scaling up the partnership.

3) Phase 3 – Implementation, involves:

- Step 8 initiating a partnership with a pilot;
- Step 9 establishing regular assessment mechanisms; and
- Step 10 developing a knowledge management process.

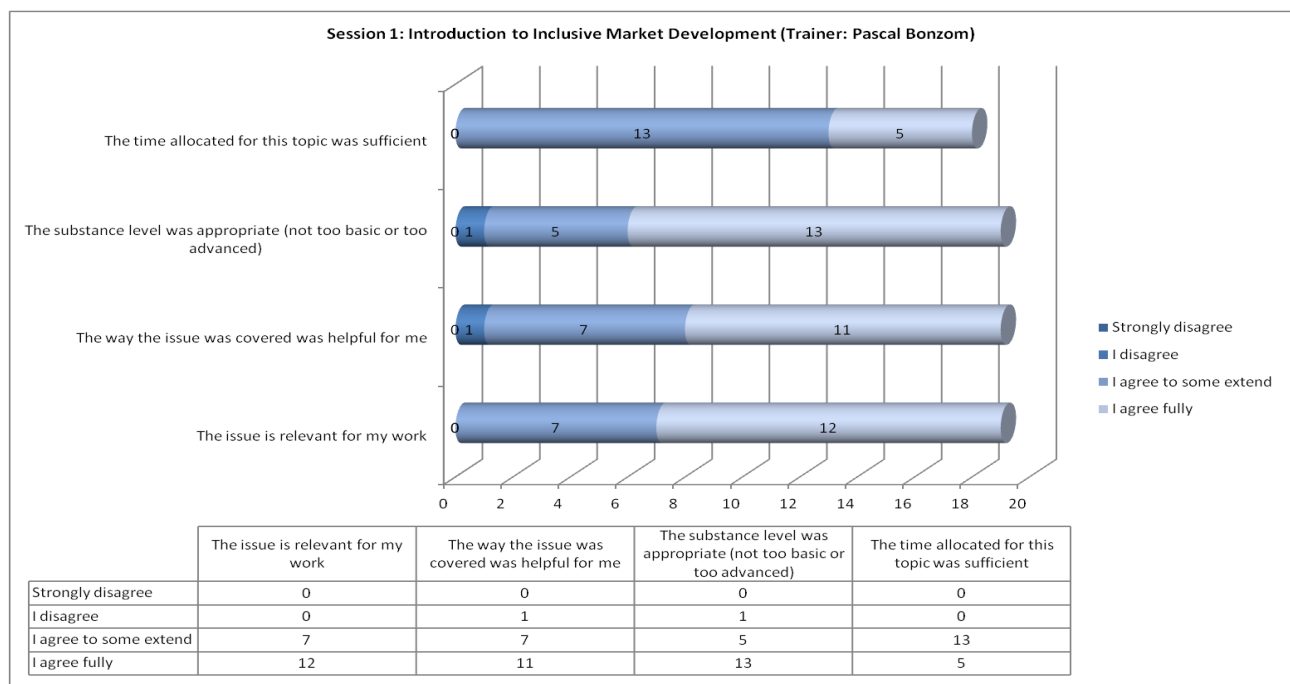
### 3.1.10 Open Discussion

Participants hailed the relevance of the three Inclusive Business Finance modules and once again underscored the need for enhanced access to finance for value chain actors. The second concern they raised was related to the need for increased investment in infrastructure (roads, railways, etc) to allow for more cost effective market access for African products. Participants also acknowledged that infrastructure development can help drastically reduce harvest and post-harvest losses.

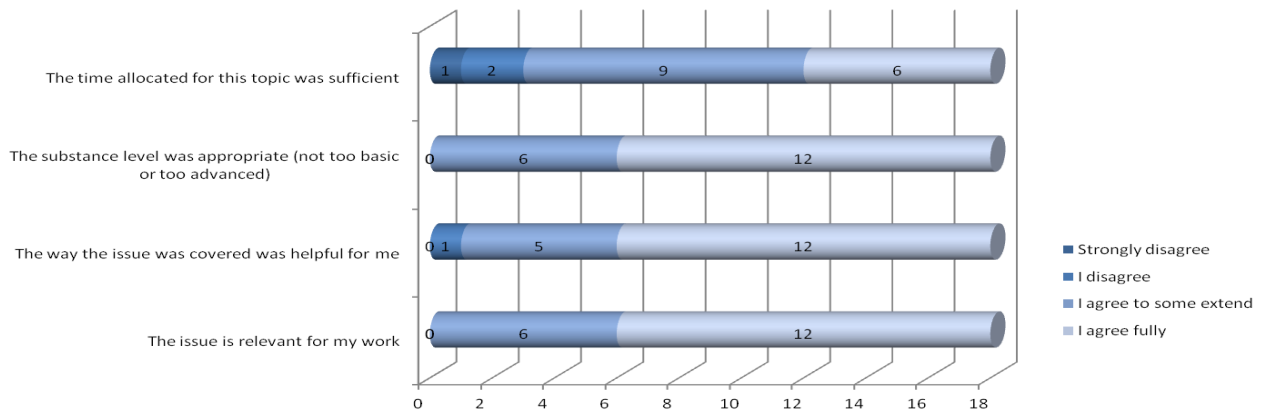
Participants also stressed the need to expand and improve rural lending strategies to support agro-industries and they urged banks to be less risk adverse and to engage themselves alongside value chain actors. They continued by explaining the need for low-interest loans to enable farmers to comply with good agricultural practices and to acquire needed inputs such as fertilizer and high quality seeds.

### 3.1.11 Review of feedback received

Time constraints were noted by the participants as a key challenge of the training modules, but overall the feedback was positive.

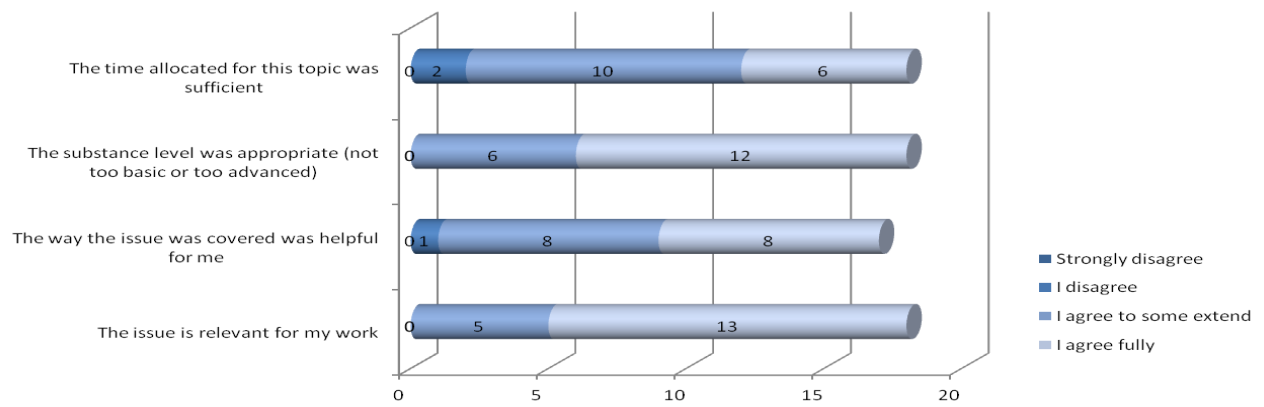


**How to Analyse Value Chain Development Opportunities (Trainer: Abraham Sarfo)**



	The issue is relevant for my work	The way the issue was covered was helpful for me	The substance level was appropriate (not too basic or too advanced)	The time allocated for this topic was sufficient
Strongly disagree	0	0	0	1
I disagree	0	1	0	2
I agree to some extent	6	5	6	9
I agree fully	12	12	12	6

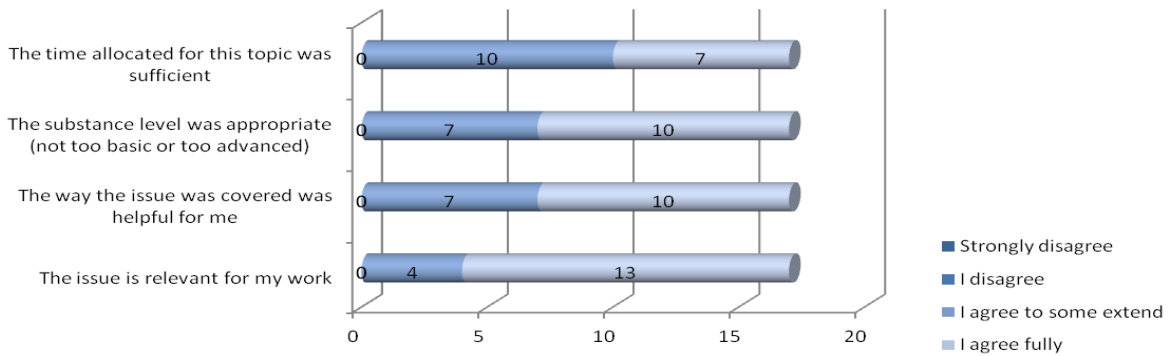
**Introduction to Value Chain Programme Design 1 (Trainer: Abraham Sarfo)**



	The issue is relevant for my work	The way the issue was covered was helpful for me	The substance level was appropriate (not too basic or too advanced)	The time allocated for this topic was sufficient
Strongly disagree	0	0	0	0
I disagree	0	1	0	2
I agree to some extent	5	8	6	10
I agree fully	13	8	12	6

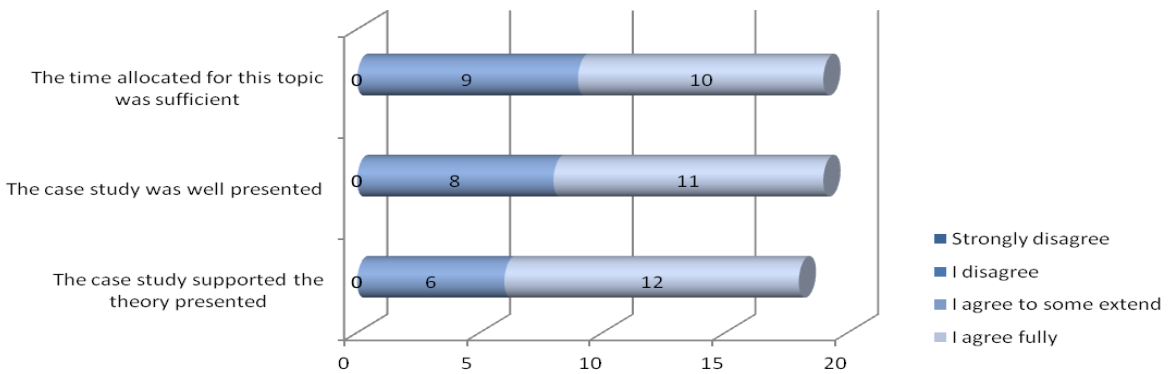


**Introduction to Value Chain Programme Design 2 (Trainer: Abraham Sarfo)**



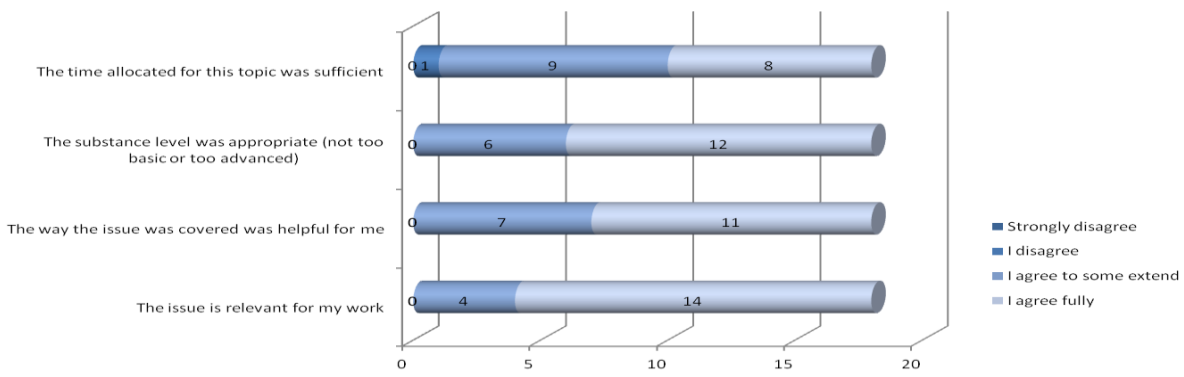
	The issue is relevant for my work	The way the issue was covered was helpful for me	The substance level was appropriate (not too basic or too advanced)	The time allocated for this topic was sufficient
Strongly disagree	0	0	0	0
I disagree	0	0	0	0
I agree to some extent	4	7	7	10
I agree fully	13	10	10	7

**Case Study: Value Chain Design of a Sorghum Project (Trainer: Robert Nyambaka)**



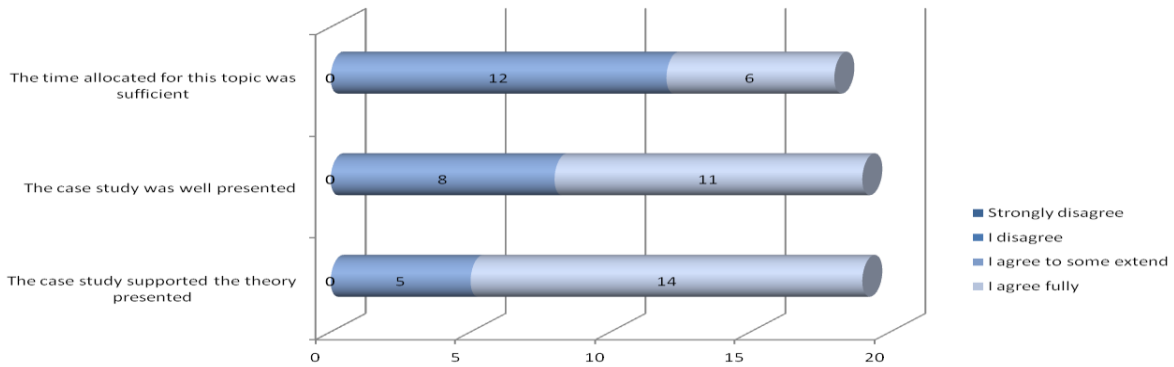
	The case study supported the theory presented	The case study was well presented	The time allocated for this topic was sufficient
Strongly disagree	0	0	0
I disagree	0	0	0
I agree to some extent	6	8	9
I agree fully	12	11	10

**Value Chain Programme Implementation (Trainer: Abraham Sarfo)**



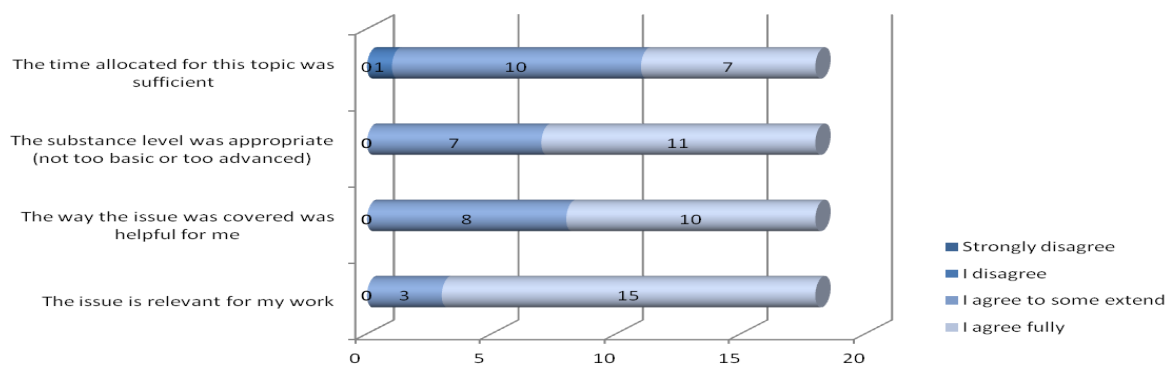
	The issue is relevant for my work	The way the issue was covered was helpful for me	The substance level was appropriate (not too basic or too advanced)	The time allocated for this topic was sufficient
Strongly disagree	0	0	0	0
I disagree	0	0	0	1
I agree to some extent	4	7	6	9
I agree fully	14	11	12	8

**Case Study: Value Chain Programme Implementation of a Sorghum Project (Trainer: Robert Nyambaka)**



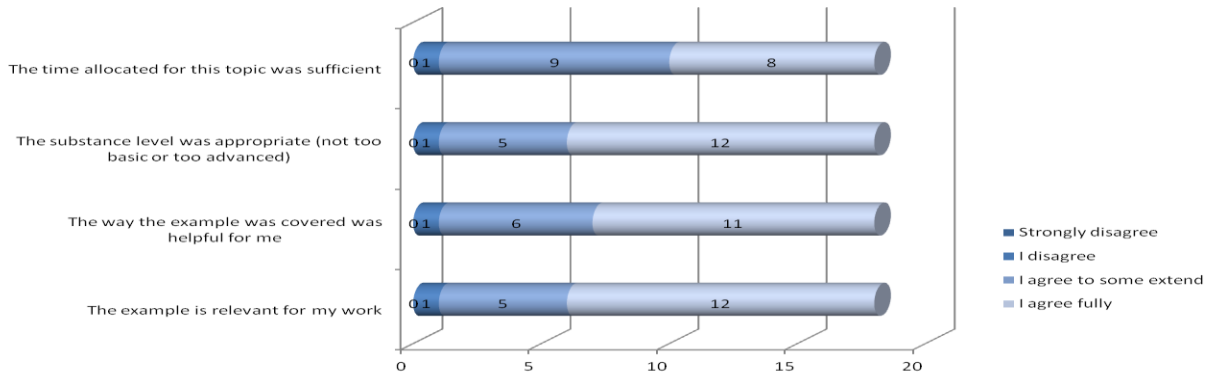
	The case study supported the theory presented	The case study was well presented	The time allocated for this topic was sufficient
Strongly disagree	0	0	0
I disagree	0	0	0
I agree to some extent	5	8	12
I agree fully	14	11	6

**Introduction to Inclusive Business Finance (Trainer: Michael Sudarkassa)**



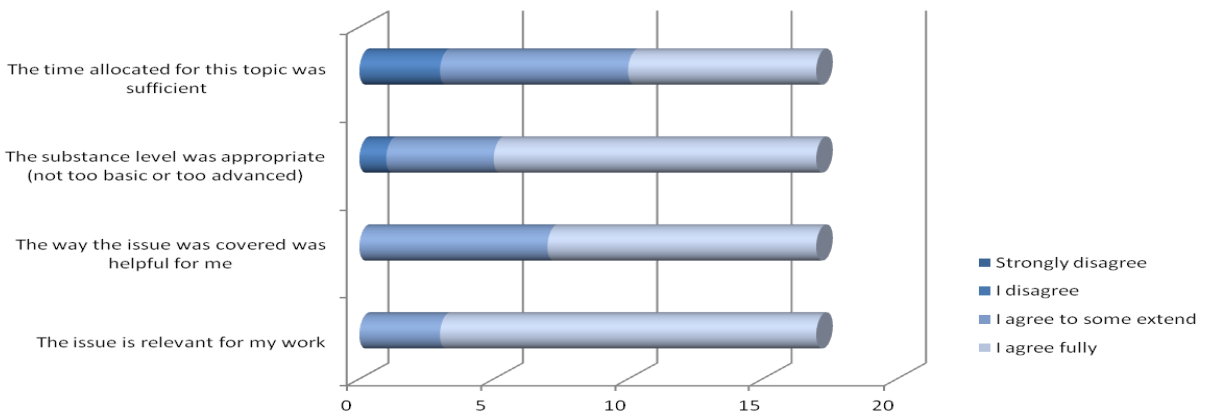
	The issue is relevant for my work	The way the issue was covered was helpful for me	The substance level was appropriate (not too basic or too advanced)	The time allocated for this topic was sufficient
Strongly disagree	0	0	0	0
I disagree	0	0	0	1
I agree to some extent	3	8	7	10
I agree fully	15	10	11	7

**Case example: Malawi Innovation Challenge Fund (Trainer: Cinzia Tecce)**



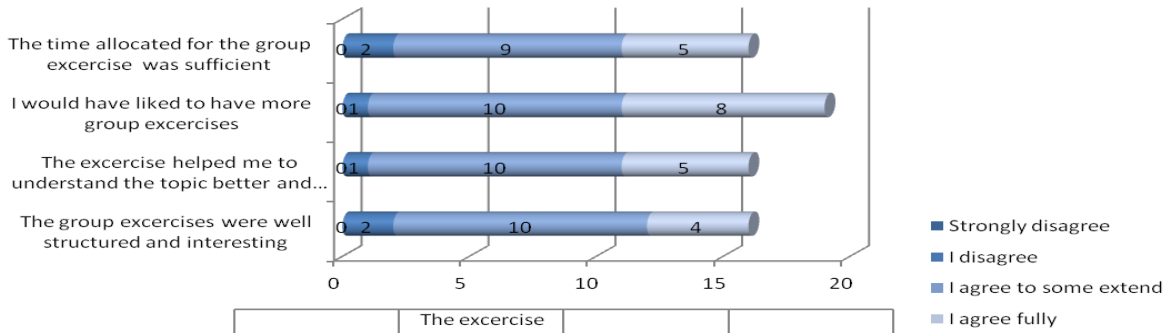
	The example is relevant for my work	The way the example was covered was helpful for me	The substance level was appropriate (not too basic or too advanced)	The time allocated for this topic was sufficient
Strongly disagree	0	0	0	0
I disagree	1	1	1	1
I agree to some extent	5	6	5	9
I agree fully	12	11	12	8

**Identifying and Mobilizing Inclusive Business Finance (Trainer: Michael Sudarkassa)**



	The issue is relevant for my work	The way the issue was covered was helpful for me	The substance level was appropriate (not too basic or too advanced)	The time allocated for this topic was sufficient
Strongly disagree	0	0	0	0
I disagree	0	0	1	3
I agree to some extent	3	7	4	7
I agree fully	14	10	12	7

### Group exercise



	The group exercises were well structured and interesting	The exercise helped me to understand the topic better and learn from others	I would have liked to have more group exercises	The time allocated for the group exercise was sufficient
Strongly disagree	0	0	0	0
I disagree	2	1	1	2
I agree to some extent	10	10	10	9
I agree fully	4	5	8	5

## 4.0 AGRIBUSINESS LEADERS AND CEOs BREAKFAST



The third component of the Southern Africa Sub-Regional AFIM Week was the networking breakfast session held on Friday May 17, 2013.

The morning dialogue was presented as a crucial stakeholder engagement initiative launched by UNDP AFIM to allow participants and development partners attending the SASR AFIM Week to gain a clear understanding of the investment, technical and other needs of leading private sector actors in the food and agricultural sector.

### Agribusiness Leaders' and CEO's Breakfast, Friday, May 17, 2013

**Theme: Inclusive Market Development in the Agri-Food Sector - Furthering Public-Private Partnerships**

TIME	ACTIVITY
07:30– 08:00	Registration
08:00 – 08:15	Welcome and Overview of AFIM – Tomas Sales, Manager, UNDP AFIM
08:15 – 08:30	Participant Introductions – Facilitator: Michael Sudarkasa
08:30 – 09:30	Strengthening and Expanding Food Value Chains in Southern Africa: Key Requirement to Expand Public – Private Partnership <ul style="list-style-type: none"> <li>• Argent Chuula, CEO, ACTESA</li> <li>• Trust Chikohora, Secretary General, COMESA Business Council</li> <li>• John Purchase, CEO, Agricultural Business Chamber</li> </ul>
09:30 – 10:00	Presentation of Realizing Africa's Wealth Report and Key Findings - Tomas Sales, Manager, UNDP AFIM (Distribution of Publication)
10:00	End and Networking

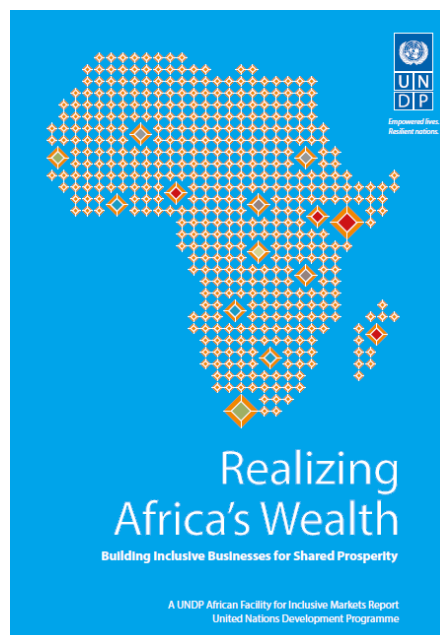
## 4.1 Opening and Presentation of the Africa Inclusive Business Report

Mr. Tomas Sales, Project manager, AFIM opened the CEO Breakfast programme and welcomed the guests to event. He noted that the breakfast meeting was the culmination of a week’s set of activities that began with the project facilitation platform during which delegates discussed three regional value chain projects and sought to forge partnerships.

He then continued his presentation with a brief overview of Inclusive Market Development and concluded with an overview of the aims and areas of activity of the UNDP AFIM programme. Tomas Sales noted that the occasion provided UNDP AFIM with an opportunity to recall and underscore the relevance of collaboration between the public and the private sector.

Mr. Sales also mentioned that an additional purpose of the event was to give private sector colleagues an opportunity to share information about their activities and to discuss areas of collaboration with AFIM that could be established. The breakfast also aimed at supporting the Southern African value chain stakeholders’ efforts to develop their respective agro-food value chains in the Southern Africa region by providing a networking platform.

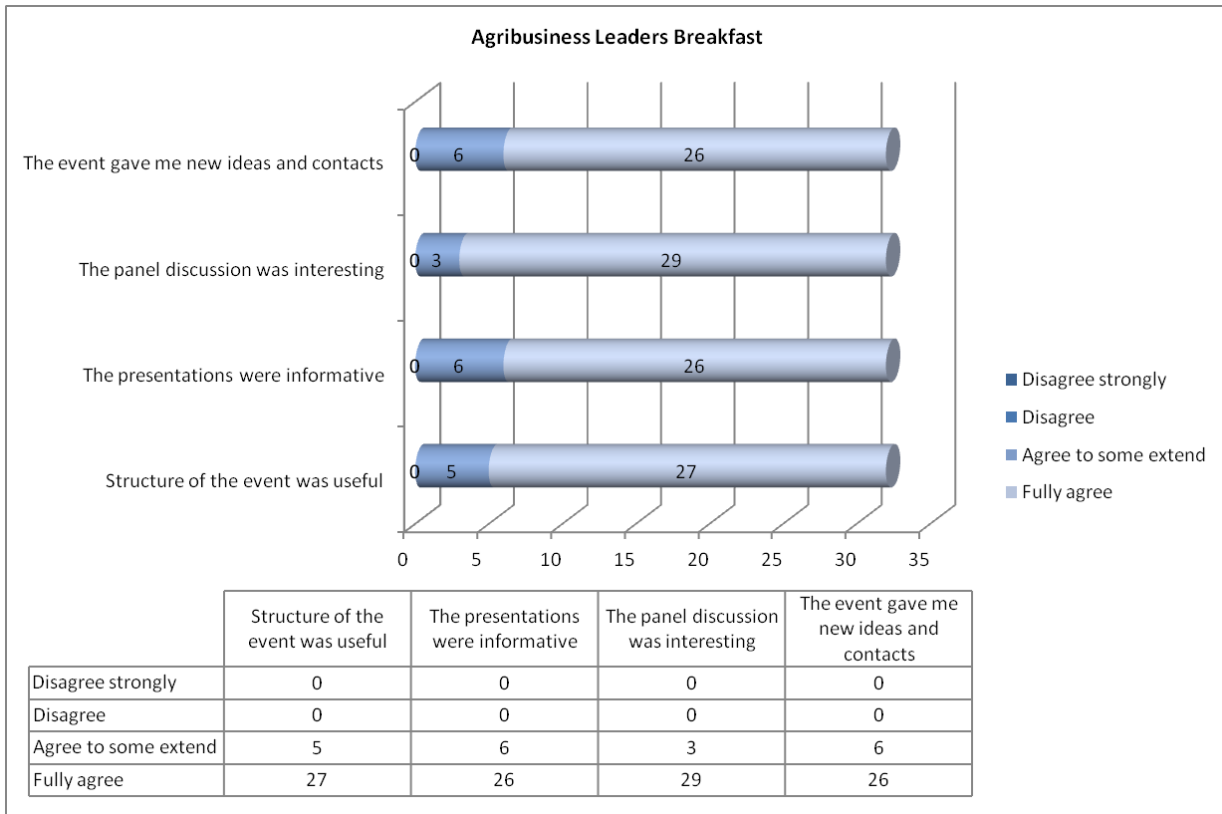
Mr. Sales presented the main findings and recommendations of the new UNDP report on African “Inclusive Business” which was launched the previous Friday in Cape Town, alongside WEF Africa.



## 4.2 Panel Discussion

Mr. Michael Sudarkasa, Consultant, UNDP AFIM facilitated a lively discussion with the three panellists selected and various members assembled in the audience. The discussion was both focused on the panellists sharing information about their organizations and members within the audience also providing examples of how their institutions were involved in supporting value chain development that involved both the private and public sectors.

The feedback showed that the dialogue was appreciated by the delegates:



### 4.3 Closing remarks

Mr. Tomas Sales, Program Manager, UNDP AFIM closed the SASR AFIM week deliberations by noting that the participants had had a number of fruitful exchanges during the week - and he reassured the participants that AFIM was there to support their efforts and was actively working to help to provide support and to create an environment conducive to a more effective implementation of CO programmes and projects relating to value chain development, trade, job creation, and environment sustainability..

Mr. Argent Chuula of ACTESA also expressed his pleasure in how the breakfast deliberations unfolded and pledged continued ACTESA and COMESA support for initiatives such as these, which he felt helped foster increased understanding between key agriculture stakeholders in the public and private sectors.

## 5.0 COUNTRY OFFICE COMMUNITY OF PRACTICE AND CLINICS



Following the Breakfast, a meeting with Country Representatives from 14 UNDP COs was presided over by Mr. Sales. The focus of the meeting was to afford the representatives with an opportunity to share with UNDP AFIM an overview of the core IMD activities of their respective COs and to afford them an opportunity to share what they actually expect from AFIM as a support institution as well as what they think should be done in regard to post-AFIM Week follow-up.

Mr. Nagler and Ms. Bonzom presented the 2013 CO Private Sector Activity Mapping and the floor was given to COs to share their recent IMD activities and plans for the balance of 2013.

After lunch, 5 CO representatives had one on one discussions with the AFIM team, through the AFIM Clinics. They were able to discuss the key issues they are facing and voicing their need for advice and support. The AFIM team provided advice and took note of further support needed.



## APPENDIX 1: List of attendees

### UNDP + Govt

1	Angola - UNDP	Anastácio Roque Gonçalves	GSB Project Manager
2	Angola - National Coffee Institute	José Cassule Mahinga	Deputy Director of the Angola National Coffee Institute
3	Botswana - UNDP	Rogers Dhliwayo	Economics Advisor
4	Botswana - Ministry of Local Government and Rural Development	Dr. Vincent Hungwe	LED Policy Advisor
5	Comoros - UNDP	Riad Meddeb	
6			
7	DRC - UNDP	Stéphane AMANI	
8			
9	DRC - UNDP	Ernest BAMOU	Senior Economist
10	DRC - UNDP	Polycarpe KAPWADI	Expert en Relèvement Communautaire
11	Lesotho - UNDP	Mabulara Tsuene	National Microfinance Officer
12	Lesotho - Ministry of Trade and Industry	Lekhoee Makhate	Director Marketing
13	Malawi - UNDP	Cinzia Tecce	
14	Malawi -		
15	Madagascar - UNDP	Félicité Bienvenue Mananjara	
16	Madagascar -	M Ratsizafy Hyacinthe	Directeur Inter-Régional de l'Industrie Fianarantsoa
17	Mauritius - UNDP	Asha Kannan	Economics Advisor
18	Mauritius - Board of Investment	Seewraj Nundlall	Director
19	Mozambique - UNDP	Carlos Vilanculo	Private Sector Focal Point
20	Mozambique -	Beatriz Massuanganhe	Technician - National Directorate for Rural Development Promotion (DNPDR)
21	Namibia - UNDP	Fabian Mubiana	National Programme Adviser: Poverty Reduction
22	Namibia - Ministry of Agriculture, Water and Forestry	Sylvester Nauta	Agricultural Economist
3	South Africa - UNDP	Letsholo Mojanaga	
24	South Africa -	Evelyn Masotja	
25	Zambia - UNDP	Viola Morgan	Country Director

26	Zambia - Ministry of Commerce, Trade and Industry	Boniface Kunda	Chief Economist
27	Zimbabwe - UNDP	Ambrose Made	Programme Specialist UNDP
28	Zimbabwe - Ministry of Economic Planning and Investment Promotion	Brighton Shayanewako	Deputy Director, Economic Affairs department

## REC

29	COMESA Business Council	Bright Chungu	President - Zambia Association of Manufacturers
30	COMESA Business Council	Trust Chikohora	Secretary General, COMESA Business Council – Zimbabwe
31	ACTESA	Chungu Mwila	
32	ACTESA	Argent Chuula	
33	ACTESA	Lutangu Mukuti	
34	ACTESA	Veronica Zulu Mwaba	
35	ACTESA	Gregory Chansa	

## PROJECT PROMOTERS

36	EPFC	Whytson Sakala	Team Leader, EPFC
37	EPFC	Penias Maimisa	Senior Field Officer, EPFC
38	EPFC	Rosie Hoare	
39	EPFC	Maximo Doukkali	Representing Canon Garth Group
40	EPFC	Kennedy Kanenga	Director of Zambia Agriculture Research Institute [ZARI], Msekera
41	EPFC	Chris Isaacs	AGDEVCO
42	NBF	Guidione Eziqel Elias	
43	NBF	Nelson Rodrigues António	
44	NBF	Gersone Daud Pedro Nunes	
45	NBF	Todd Tomson	
46	NBF	Helder Bufana (JHB?)	
47	NBF	Monica Dowe (JHB)	
48	NBF	Geoff Orpen (JHB)	
49	NBF	Naison Chakatsva (JHB) ???	

50	VACNET DRC	Zoe Kizungu Ntakwinja	Capacity Building Officer - Women for Women
51	VACNET DRC	Elie Bibeyi Bya-Nkingi	Finance Controller for VACNET DRC
52	VACNET DRC	Lora Nelson Cirhigiri	Director - Bukavu Youth Action Center (Rwanda)
53	VACNET DRC	Peter Gergo Juhasz	Chief of Office - Africa Holding Corporation Import & Export (Hungary?)
54	VACNET DRC	Dieudonne Cirhigiri Zirirana	Operations Director - Veto Agro Consult NET DRC
55	VACNET DRC	Sister Didi Ananda Ruchira	Director - Abha Light Foundation Kenya

## OTHERS

56	GIZ National Emerging Red Meat Producers Organization	Carsten Schüttel	
57	FANRPAN	Langa Simela	CEO - 10. National Emerging Red Meat Producers Organization
58	Supply Chain Lab	Lindiwe Majele Sibanda	Chief Executive Officer and Head of Mission
59	Consultant	Tielman Nieuwoudt	
60	Heifer South Africa	Peter Ewang	NEPAD Rural Development Consultant
61	Illovo Sugar	Marisia Geraci	
62	Kwazulu-Natal Trade and Investment	Njabulo Zwane	Group General Manager - Agricultural Development
63	FINMARK/ Center for Inclusive Banking	Donnee Kruger	Manager: Gauteng Office
64	ACE Global (Zambia)	Mike de Klerk	
65	Trade Mark SA	Antonatie JEMWA	Relationship Officer - Marketing Department Industrial Development Expert
66	Kwazulu-Natal Trade and Investment	Judith Fessehaie	
67	AgBiz Chamber	Taurai Khumalo	Sector Manager Executive Secretary
68	Heifer South Africa	John Purchase	Director of Programmes
69	NBF	Christopher Akob	SAADP Project Manager
70	DFID	Henri Minaar	Climate Change Team Leader
71	IFC	Ben Davies	
72		Zano Mataruka	Senior Investment Officer

## AFIM

73	UNDP AFIM	Tomas Sales	AFIM Manager
74	UNDP AFIM	Michael Sudarkasa	AFIM Consultant

75	UNDP AFIM	Robert Nyambaka	AFIM Consultant
76	UNDP AFIM	Pascale Bonzom	AFIM Programme Specialist
77	UNDP AFIM	Juergen Nagler	AFIM Programme Specialist
78	UNDP AFIM	Tiina Turunen	AFIM Programme Analyst
79	UNDP AFIM	Nompumelelo Simelane	AFIM Project Associate
80	UNDP AFIM	Adam Boehm	
81	UNDP AFIM	Ritta Shine	
82	UNDP AFIM	Abraham Sarfo	

## APPENDIX 2: Press Release



### PRESS RELEASE

## **UNDP and COMESA-ACTESA launch the first Southern Africa Project Facilitation Platform advancing regional value chains maize, groundnuts and soybeans.**

Johannesburg, South Africa, 13 May 2013 – The United Nations Development Programme (UNDP) African Facility for Inclusive Markets (AFIM) and the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), a Specialised Agency of the Common Market for Southern Africa (COMESA) have launched a new initiative – the Southern Africa Project Facilitation Platform (RPF) that will be sustained through partnership between COMESA-ACTESA and UNDP.

The initiative aims to support the development of high potential regional value chains through presentation and facilitation of selected projects in maize, ground nuts and soy beans. The project facilitation platforms are embedded into a weeklong set of activities that include specialized training on Inclusive Market Development, Value chains and Inclusive Business Finance, and an Agribusiness Leaders and CEO's Breakfast to exchange views with regionally active corporations who represent prospective project partners.

The concept of such platform is a proven innovation that has been implemented in Eastern Africa with the East African Community (EAC) and West Africa with the Economic Community of West African States (ECOWAS). The platforms facilitate and accelerate the implementation of target regional value chain projects together with key stakeholders including government, the private sector, financier, donors and development partners.

The aim of the week's activities is to concretely implement "activities leading to a better understanding of regional value chain development, solid agreements towards concrete project progress benefitting thousands of farmers" states Gerd Trogemann, UNDP Manager of the Regional Service Center in Johannesburg. In addition to catalytic funding, AFIM provides technical assistance to project stakeholders such as smallholders, cooperatives and producer associations.

The collaboration between UNDP-AFIM and COMESA-ACTESA which began in 2011 followed by the AFIM week today is a clear testimony that the Regional Facilitation Platform (RFP) has reached a new stage that will be sustained through practical partnership between UNDP and with the support of other stakeholders, including the Private Sector COMESA-ACTESA.

The initiative is financially supported by the Ministry of Foreign Affairs of Japan to develop the capacity of selected regional economic communities (EAC, ECOWAS, COMESA and SADC), to engage and mobilize support from the private sector to design and implement regional value chains in the agribusiness.

“We see great merit in partnering with UNDP AFIM and other institutions and stakeholders including the private sector as it will assist us in identifying regional value chains with great potential to yield the required results” said Dr. Chungu Mwila, ACTESA’s Chief Technical Advisor.

While COMESA-ACTESA and UNDP AFIM have played a catalytic role in launching the first Southern African Regional Project Facilitation Platform, the initiative aims to imbed the capacity to continue such fora within COMESA by working in close concert with regional apex business organizations such as the COMESA Business Council (CBC) and NEPAD Business Foundation.

In addition, more partnerships will be developed with relevant regional agricultural associations to further advance this concept which is aimed at improving food security and reducing poverty as underscored in the Millennium Development Goals.

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For more information contact:

**Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA)**

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Veronica Mwaba, Email: [vmwaba@comesal.int](mailto:vmwaba@comesal.int) – Cell : +260 977 860 333

The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) is a Specialised Agency of COMESA and was established in 2008. In 2010, ACTESA signed an MOU with COMESA to serve as an implementing institution for regional initiatives in strategically important agricultural value chains, trade and investment.

ACTESA aims to improve competitiveness and integration of staple foods markets in the region through improved micro and macro-economic policies as the drivers of staple food markets. ACTESA further aims to improve and expand market facilities and services for key agricultural commodities and increase the commercial integration of smallholder farmers into national and regional markets by building market information systems, providing services and increasing commercialization of smallholder farmers.

**UNDP African Facility for Inclusive Markets (AFIM)**

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Internet: [www.undp.org/africa/privatesector](http://www.undp.org/africa/privatesector). Follow us on twitter and facebook.

UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in 177 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.

African Facility for Inclusive Markets (AFIM) is UNDP’s regional private sector project for Africa advancing inclusive market development and inclusive business models, advancing inclusive growth and sustainable development in Africa. AFIM recently also launched a major report along WEF Africa called “Realizing Africa’s Wealth – Building Inclusive Businesses for Shared Prosperity”.