Examples of smallholders’ promotion

UNIDO’s pro-poor sustainable supplier development programme (SSDP)

Farms and small and medium enterprises (SMEs) in developing countries often face difficulties complying with market requirements and lack the technical and financial means to produce cost-effective goods of sufficient quality and quantity to be sold at a high-quality, as a result, when profitable new market opportunities arise, they are unable to be accepted as suppliers. These challenges are shared by companies like the Metro Group, who are committed to making their supply chains not only more efficient, but also more inclusive and sustainable by including smallholder farmers, especially as they expand their operations in developing countries.

Together with the retailer Metro Group, the United Nations Industrial Development Organization (UNIDO) has developed a capacity building programme to apply the Global Food Safety Initiative (GFSI) Global Markets Protocol, which enables suppliers to meet the internationally recognised requirements in terms of food safety and quality. The programme is sustainable through a successful business model, where all stakeholders, including the United Nations, governments, the private sector, donors, academia, etc., contribute either in-kind or financially.

UNIDO has implemented sustainable pilot projects in Egypt, Russia, and India, where suppliers have achieved considerable improvement in their performance and compliance with food safety standards and Good Agricultural Practices (GAP). As a result, the quality and volume of marketable products has improved. At the same time, consumers have benefited from better and safer products and can expect more stable food prices. Metro has signed contracts with the majority of the upgraded suppliers. Due to its success, the sustainable supplier development programme (SSDP) has been expanded to cover the non-food sector as well as environmental, social, and ethical issues. Currently, UNIDO is implementing a supplier SSDP with AEBN, the biggest Japanese retailer in Malaysia and is planning to expand the programme to other countries in the region. UNIDO is also negotiating with other top retailers, such as Walmart, Pico de Pay, HSBC, Mark’s and Spencer, etc., to deploy a similar programme in Africa and other regions of the world.

Promoting competitiveness of African cashew farmers

Nearly 40 per cent of the global cashew crop is produced by about 1.5 million small farmers in Africa. The vast majority of these farmers live in rural areas and struggle to make as little as 90 to 130 euros of gross revenue per year through the production of cashews. Cashew farmers in Africa rarely organise themselves into associations. They are also insufficiently linked to international markets. Adding to the problem is the fact that only ten per cent of African raw cashew production undergoes further processing in Africa.

The main goal of the African Cashew Initiative (ACI) is to increase the competitiveness of African cashew production and achieve a sustainable reduction in poverty in the five project countries: Benin, Burkina Faso, Côte d’Ivoire, Ghana and Nigeria. ACI is financed by the German Federal Ministry for Economic Cooperation and Development (BMZ), the Bill and Melinda Gates Foundation and private sector companies. It is implemented by a consortium of international partners led by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Through a combination of strategies, ACI has reached 240,000 cashew farmers in three years’ time, aiming to add at least 100 US dollars (USD) to their annual income. The project’s intervention has led to the creation of 4,000 new jobs in cashew nut processing, with 70 per cent of them for women, and providing an average annual income of USD 900 per job.

Improving quality and production. Success in the global marketplace depends on the production of superior nuts. Therefore, ACI focuses on helping African cashew farmers meet international quality standards through training farmers on good agricultural practices to increase yields and quality. The initiative works with both public and private sector service providers and identifies “lead farmers” who can ultimately train other farmers.

Increasing the amount of local processing. Start-up processors are provided with a range of advice on how to grow their business, keep up with current market developments, access loans and financing, improve their use of technology and expand processing of cashew by-products.

Expand links to the global marketplace. With a 32-per-cent share of the global nut market cashews are highly prized in Europe and North America, with a growing demand in Eastern Europe, China and India. The African Cashew Alliance (ACA), primarily a cashew industry association functioning as a supranational platform for public and private partners, assists in the global marketing of African cashews.

COLACEP: supporting sustainable agriculture in ACP countries through training

COLACEP (Europe-Africa-Caribbean-Pacific Coalition, or COMA) was launched in 1973. It represents and defends the collective interests of African, Caribbean and Pacific (ACP) export producers, consultants and EU importers of fruit and vegetables. Its main goal is to promote competitive trading between ACP countries and with the EU, and sustainable agriculture, notably by building capacity of food business operators, facilitating matchmaking among network members and advocating on behalf of the industry.

COLACEP has integrated training as an essential component in building capacity of technical staff in ACP horticultural companies, which are always keen to come up with new or more efficient conditions for access to the European market. Educational and support methods specifically adapted to this new environment had to be developed from scratch. This is exactly what the PIP and DEDES programmes are about. The European Commission (EC) has entrusted COLACEP with implementing PIP since 2001 and DEDES since 2010. Both share the goal of reducing poverty in ACP countries. PIP works to maintain and increase their horticultural exports, whereas DEDES supports their exports across all sectors by strengthening national food safety policies. PIP and DEDES are complementary, with PIP directly supporting specific operators in the private sector and DEDES primarily targeting the public authorities and services.

Training is based on a cascading approach via training of trainers and a revolving system fuelled by the local trainers. It has three components:

1. long-term capacity building of ACP experts (Train the Trainers) and maximum involvement of local resources in the training activities;
2. training courses for targeted audiences (e.g., managers, workers and small-scale growers), group training courses, in-house training courses and e-learning;
3. ongoing development of new tools and new training courses (training methods or topics) adapted to needs expressed during the programme, which then further developed and integrated into the initial training scheme.

Since 2001, COLACEP work has evolved from food safety to food security for ACP countries. By boosting and sharing resources, tools and methods, removing barriers between export and local levels and organizing the mutual exchange of “knowledge”, COLACEP supports small-scale producers in becoming able to feed tomorrow’s world.

www.colacep.org/pip

Emmanuel Bourcelet, Head of Information and Communication, COLACEP

European Development Days 2012

Cooperation is the key: an inclusive approach to rice in Lao PDR

Recognising the importance of improved rice production to both food security and development in Lao PDR, the government has initiated and has supported the Rice Production in Lao PDR Project (REMPR) to unite rice millers and smallholders to increase rice supply. On expanding channels and improve livelihoods for more than 100,000 people.

A joint initiative of SNV Netherlands Development Organisation and Hefta, implemented in partnership with the Lao government with support from the European Union’s Food Facility programme, REMP has facilitated the development of fair trade relations between over 20,000 smallholder households and more than 20 rice mills over two years. The project’s principal aim was to develop an improved government framework for rice production and trade, enabling rice exports to neighboring countries and the formation of a team at the department of agriculture to work on drafting a national rice strategy.

Millers in the middle. REMP focused on improving the capacity of millers to establish and manage fair trade links with smallholder farmers and improve post-harvest handling and processing. Millers were helped to develop an inclusive business plan, including guidance on supporting farmers in producing high-quality rice. Millers received training and advice on forming

The SNV/Hefta REMP project has improved livelihoods for over 100,000 people in Lao PDR.

www.snvworld.org

Ranjan Shrestha, SNV Lao PDR

Taking it to scale. REMP has increased the supply of single variety paddy rice to the mills, leading to a 9.4 per cent gain in prices for milled rice and a 60 per cent increase in income for participating farmers. Meanwhile the rice mills participating in the project have taken a lead role in forming 14 miller groups in their respective provinces. The ERMH project is expected to expand to four other Lao provinces.