From the Director

Article 25 of the Universal Declaration of Human Rights, adopted by the nations of the world exactly 60 years ago this month, recognizes the right of each individual on this planet to a standard of living adequate for the well-being of himself and his family, including food. Eighteen years later, in 1966, the United Nations General Assembly adopted the International Covenant on Economic, Social and Cultural Rights that set out, categorically and unambiguously, the fundamental right of everyone to be free from hunger. Article 11 of the International Covenant further dictates that “The States Parties to the present Covenant ... shall take, individually and through international cooperation, the measures, including specific programmes, which are needed: (a) To improve methods of production, conservation and distribution of food by making full use of technical and scientific knowledge ... and (b) Taking into account the problems of both food-importing and food-exporting countries, to ensure an equitable distribution of world food supplies in relation to need.”

This issue of TCB Brief describes some of UNIDO’s efforts to provide support to food-exporting countries. In line with its underlying policy of helping countries to help themselves, UNIDO opens doors to food producers and exporters to new opportunities, enables them to prepare themselves to place their products on world markets and helps them find their own solutions to the challenges facing them. The International Conference on “Sharing Innovative Agribusiness Solutions” was held last month on a farm near Cairo and brought together those looking at ways to achieve sustainable agribusiness development and those with innovative solutions. I trust that our “match-making” will produce concrete results in the near future.

Issue 6 of TCB Brief also features an interview with a man who, together with his father, has transformed agribusiness in Egypt and whose model could help other developing countries along the path to becoming food exporters. Food safety is of course of equal importance for the domestic market, so that not only exporters but all those involved in producing food can benefit from the Egyptian example. In this context, the NORAD-funded UNIDO project in Sri Lanka is a good illustration of how food safety issues can be addressed, both in the domestic and export market. The benefits of the training of trainers working in the food and hospitality sector in Sri Lanka under the NORAD/UNIDO intervention will be multiplied time and time again as trainers pass on their knowledge.

I would like to close by wishing readers a successful New Year, when challenges will become opportunities and opportunities will turn into solutions.

Lalith Goonatilake
Director, Trade Capacity Building Branch
One of the foremost concerns of any food-exporting or would-be food-exporting country is that its products are—and are seen to be—safe for consumption. In a world where consumers scrutinize labels on supermarket shelves to check origin, ingredients, ‘best sold by’ date and other pertinent information, it is imperative that products emanating from the developing world inspire the same consumer confidence as those of the home market.

In an effort to ensure food safety, the European Union, the United States and Japan, who represent the principal markets for food products from developing countries, introduced strict compliance regulations for agro-based imports. While this is naturally a good move in terms of human health, it can represent a barrier to trade for those countries that cannot meet, or demonstrate that they meet, the required standards. The major causes for rejection are the presence of contaminants, sub-standard packaging and labelling.

Egypt’s climate and fertile Nile valley enable it to produce a wide range of vegetable products. With up to three harvests a year, Egyptian crop yields are among the highest in the world. But in order to ensure a reliable export market, Egyptian agri-products had to meet the strict regulations imposed. In July 2004, UNIDO launched a project designed to help the country’s food exporters comply with international food quality, safety and traceability standards. The Egyptian Traceability Centre for Agro-Industrial Exports (see box on p.3) is a joint project of UNIDO, the Egyptian Ministry of Trade and Industry and the Italian Cooperation through a “Debt-for-Development Swap”. Traceability is essential to importers and government authorities, particularly in cases of health emergencies (contaminated food, sanitary and phytosanitary agreement-related issues, etc.) where a product recall might be required, since it identifies the source of the problem and the exact location of harvesting and/or production.

Another primordial concern, particularly among the least developed countries, is food security. The current global food crisis has highlighted the vulnerability of developing countries to fluctuations in food prices and supplies. The international community has taken the challenge very seriously and at the recent Food Summit in Rome, world leaders called for urgent and coordinated action to achieve world food security. They requested measures to help farmers, particularly small-scale producers, to increase production, integrate with local, regional and international markets and to take advantage of South-South cooperation. UNIDO responded by increasing its efforts towards strengthening agribusiness value chains, expanding developing countries’ food supplies and facilitating their access to markets, technology and investment.

As part of its response and based on the success of the ETRACE project, UNIDO convened the International Conference on Sharing Innovative Agribusiness Solutions. Held in Cairo, Egypt, from 26 to 27 November 2008, in close cooperation with the Government of Egypt and SEKEM (see box), the Conference brought together agribusiness stakeholders, representatives of public and private technical and financial institutions, international organizations, donors, non-governmental organizations and academia to share innovative agribusiness solutions and best practices that could be scaled up or transferred to other countries or regions. Rather than simply discussing problems and assessing needs, the Conference was designed to provide an opportunity for matchmaking between those seeking ways to achieve sustainable agribusiness development and those with innovative solutions. It also looked at ways to identify finance for development assistance and investment.

On the first day of the Conference, participants gathered at the SEKEM farm in Belbais, near Cairo, later enjoying a conducted tour of the premises. This was the first time that an international conference had selected a farm as
The Egyptian Traceability Centre for Agro-Industrial Exports (ETRACE) is a joint project of UNIDO, the Egyptian Ministry of Trade and Industry, the Italian Development Cooperation and the private sector. ETRACE was launched in July 2004 to help Egyptian farmers, growers and packers along the food value chain to meet European and international food quality, safety and traceability standards, ensuring that products are safe for consumption and do not come up against barriers to trade. ETRACE provides financial and technical assistance to support farms, packing houses and food manufacturers in applying traceability systems, upgrading their technology and management systems to control the use of chemicals and in acquiring certification for their exports.

innovative solution enables ACP farmers to comply with EU standards and export safe products to European markets. Today, 80 per cent of ACP fruit and vegetable imports to the EU benefit from this solution.

**Technology and Value Addition:** Mr. Ghiraldi, Italy, for his “Passive Refrigeration” technology. This innovative technology enables producers to maintain the fresh/cold chain from farms to markets independent of a continuous power supply. It thus reduces post-harvest, post-slaughter and post-milking waste and provides safer food to consumers. The solution, competitive in price compared to conventional technology, enables savings in energy and maintenance costs.

**Innovative Finance:** Mr. Ranjit Page, of Cargills (Ceylon) Ltd, Sri Lanka, for linking small farmers directly to markets. This innovative solution provides loans to farmers who would otherwise not be able to access credit, permitting them to make investments that increase their productivity and income. Cargills’ consequent investment in its immediate community is one of many methods developed to ensure the lowest price of the best possible products for its consumers.

Three special awards were presented for outstanding achievements related to agribusiness solutions: Dr. Ibrahim Abouleish, founder of SEKEM, for his pioneering work in biodynamic agriculture, carbon footprint certification and ecologically responsible development; Father Godfrey Nzamuju for his holistic approach to agribusiness carried out with outstanding success in the Songhai Centre in Benin that addresses the specific needs of local communities; and Mr. Mahmoud El Bassouny and the entire team of the ETRACE Centre for the establishment of an effective traceability system for Egyptian producers that helps them overcome barriers to trade and that links them with EU market.

The conference included a matchmaking event organized by the UNIDO Investment Promotion Unit (IPU) in Egypt, which brought together more than 110 companies interested in replicating and scaling up innovative agribusiness solutions. Over 450 bilateral meetings were organized with an 80 percent success rate. Potential partners found common interest in access to finance, technology transfer and trade capacity building.

At the conclusion of the Conference, participants expressed unanimous satisfaction with its innovative format. Promising opportunities were created for implementing the solutions shared during the Conference. A virtual platform will shortly be established with the objective of creating and reviewing additional innovative solutions.

Contact: G.Patacconi@unido.org
UNIDO talks to Helmy Abouleish, CEO of SEKEM, Chair of the Management Council of Egypt’s Industrial Modernization Centre (IMC) and host to the International Conference on Sharing Innovative Agribusiness Solutions: From Farms to Markets, Providing Know-how and Finance

Can you tell readers about the idea behind SEKEM and how it has developed over the past 30 years?

The idea behind SEKEM was to build a community in which people from all nations and cultures could live and learn together in harmony. SEKEM pursues a vision of development, where the economic, cultural and social domains of life interact. While this vision was present from the very beginning, SEKEM’s activities over the past 30 years have grown more and more comprehensive. With the Heliopolis Academy starting in September 2009, we will also add higher education to our services.

When did SEKEM first come to the attention of the rest of the world?

We never saw SEKEM as an isolated initiative. From the very beginning we actively built partnerships all over the world. Important early steps included cooperation and registration with Demeter to ensure that SEKEM products complied with international Demeter Guidelines in 1990 as well as the strong support of Dr. Hans Werner and his family in Germany. In 1996 we founded the IAP uniting all of our partners over the entire supply chain in order to work together for their mutual benefit. Today we have partners all over the world. Our products can be bought in numerous countries and we have an on-line shopping facility.

What is social entrepreneurship?

Social entrepreneurship is a comprehensive approach to economic, social and environmental problems. It addresses the various challenges of society, especially the poor, with entrepreneurial zeal and by the use of practical, innovative and sustainable methods. This approach necessarily cuts across sectors and unites various disciplines. Social entrepreneurs, whether they pursue their objectives from a business or a non-profit perspective, are the driving force in transforming society to solve its challenges.

In what way can UNIDO and SEKEM be mutually supportive? What areas do you see for future cooperation?

UNIDO’s main objective of promoting productive employment, a competitive economy and a sound environment is very close to SEKEM’s vision of sustainable development by drawing together the economic, cultural and social aspects. This provides us with various possibilities for mutual beneficial cooperation. SEKEM is active in all three of UNIDO’s thematic priorities. The SEKEM Development Foundation also aims at poverty reduction through productive activities; the International Association of Partnerships (see box below left) builds trade capacity; and EcoEnergy is active in renewable energy and the protection of the environment.

What is SEKEM’s link to Austria?

My father’s life in Austria obviously strongly influenced his vision of SEKEM (see box on top of next page). Right from the start we had Austrian partners. Those ties of cooperation and friendship have strengthened over time. Today we have several important partners in Austria such as the Technical University in Graz or the “Oekocluster” network.

This is the first time that a major conference is being convened on a farm. What was the rationale for this inspirational and innovative idea?

The rationale behind this conference was to bring together parties with different approaches to sustainable development. We wanted to create a forum to share ideas and experiences of innovative methods...
SEKEM was established to “restore and maintain the vitality of the soil and food as well as the biodiversity of nature” through sustainable, organic agriculture and to support social and cultural development in Egypt. SEKEM, which translates from Ancient Egyptian into “vitality from the sun”, was the brainchild of Dr. Ibrahim Abouleish, a social entrepreneur and medical doctor who studied pharmacology in Austria and developed a number of breakthrough medications. Returning to Egypt in 1977 on holiday with his family, the economic and social hardship of his countrymen spurred him to action. He purchased 70 hectares of desert scrubland, 60 km north-east of Cairo and close to the River Nile, and through biodynamic farming methods was able to transform the desert into a showcase example of sustainable agriculture and healthy ecosystem. SEKEM's efforts in organic cultivation led to the conversion of the entire Egyptian cotton industry to organic methods. Starting off with a dairy and crop farm, SEKEM soon began to produce herbal teas and to market its biodynamic produce in Europe. It helped other farms in Egypt to switch to biodynamic farming. Community projects followed, including a medical clinic, a day care centre, a literacy centre, school, and facilities for adult education and handicapped children. SEKEM went on to establish the country's first pharmaceutical company, specializing in medicinal teas. In 2001 a holding company was founded to administer SEKEM's finances. Revenue from the trading companies grew from 37 million Egyptian pounds in 2000 to 100 million in 2003. By 2005, the organization had established a network of more than 2,000 farmers and numerous partner organizations in Egypt and began increasingly to seek to extend its experience and acquired knowledge to other countries, including India, Senegal, Turkey, and—in partnership with the Fountain Foundation—South Africa. In 2003, SEKEM received the Right Livelihood Award (widely known as the Alternative Nobel Prize) for a “21st century business model which combines commercial success with social and cultural development.”

such as product traceability, emission reduction or trade capacity building. We believed that all parties could benefit from this exchange and that this conference would provide impetus to the concept of sustainable development.

What lessons do you believe SEKEM can teach the world and what can SEKEM learn from other industrial development initiatives?

SEKEM is an outstanding example for the world that shows how sustainable development, unifying economic, social and cultural aspects, is possible. SEKEM demonstrates the benefits of this holistic approach, which is fundamental to its success. However, we still have a long way to go. For example, we want to learn more about how to increase productivity, quality and efficiency. We hope to profit in this regard from the experience and knowledge of other development initiatives.

What, in your view, is the impact of carbon trading on agribusiness?

Carbon trading can generate an additional income to farmers. Organic agriculture not only creates healthy and fruitful soils but also absorbs CO2 from the atmosphere and thereby reduces our emission. Further, the composting of green waste also reduces the emissions of greenhouse gases. Those important services to the society would be rewarded. This would set further incentives to switch to sustainable, organic farming.

Contact: G.Patacconi@unido.org

The Industrial Modernization Centre (IMC) was established in 1999 by presidential decree as an independent body to implement and coordinate the modernization of Egyptian Industry. Its aim is to create an enabling environment in which the private sector can lead growth and raise the global competitiveness of Egyptian industries. It is jointly funded by the European Union (EGP 250 million), the Government of Egypt (EGP 103 million) and the Egyptian Private Sector (EGP 73 million) with a total budget of EGP 426 million.

IMC began operations in 2002 and after a rather slow start, by July 2006 was serving over 3,500 companies. It now plays a key role in the process of bringing the Egyptian industry to international competitiveness.
\section*{New Activities}

\subsection*{Doing business with Mozambique}

Mozambique is making great strides to leave its unsettled past behind and in recent years, the country’s economic growth rates have been among the highest in the world. In May this year, an agreement was signed at the Ministry of Foreign Affairs and Cooperation in Maputo, Mozambique, launching a European Commission-funded € 6.65 million project to promote export-led growth and improve the investment climate in Mozambique by alleviating trade-related constraints that continue to affect the business environment. The project is scheduled to run for two and a half years and is jointly implemented by UNIDO, the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD). UNIDO’s contribution to the joint programme is US$ 900,000.

The Business Environment Support and Trade Facilitation project addresses three different issues, namely: quality promotion, trade information and trade facilitation. Each aspect comprises a “cluster” of related activities. UNIDO is primarily responsible for the quality promotion cluster, aimed at strengthening the National Institute of Standardization and Quality so that its standards and procedures are in line with those of other Southern African Development Community (SADC) Member States. As a first step, UNIDO is raising the awareness of enterprises of the advantages of certification and its use as an instrument of competitiveness. Currently, only nine Mozambican companies are ISO 9001 certified and one is holds the ISO 14001 certification. The project also aims to strengthen the institutional capacities of a national quality system and contains specific measures to upgrade existing laboratories so that they can receive international accreditation.

Contact: E.Vento@unido.org

\subsection*{No data, no market: REACH in Thailand}

On 1 June 2007, the European Union (EU) adopted a new chemical management strategy giving greater responsibility to industry for the safe use of chemicals. The Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) ensures that both existing and new chemical substances have to be properly registered in order to be placed on the European Union market. In other words, “no data, no market”, as Article 5 of the regulation stipulates.

REACH is a comprehensive and complex system, focusing not only on chemical substances but on their applications. Most developing countries are concerned that the regulation could represent a new technical barrier to trade, especially for small and medium-sized enterprises. At the request of the Government of Thailand, UNIDO recently launched a project to assist Thai producers to maintain their market access to the EU under REACH regulations. The project has two major components:

1. Upgrading of physical and personnel capacity of targeted chemical testing laboratories to attain the level required under REACH. This component has been financially supported by the Government of Thailand as well as the EU Small Project Facility.

2. Awareness building and dissemination of information on REACH to Thai producers/exporters, through public seminars, newsletter publication and website creation. Prior to the pre-registration deadline of 1 December 2008, the project organized a total of 8 REACH seminars in Bangkok, attended by more than 600 participants from both the private and public sectors.

UNIDO plans to extend its REACH-related activities to exporters in other countries such as Cambodia and Viet Nam.

Contact: T.Miyake@unido.org
Project Highlights

Sri Lanka: Safe food at home and abroad

The island of Sri Lanka has all the attributes of an ideal holiday destination: a rich cultural heritage, beautiful beaches, a warm climate, a diversity of flora and fauna and a friendly, welcoming population. It is no surprise that, despite isolated incidences of civil unrest, tourism is the fourth largest earner of foreign exchange, after clothing and textiles, foreign remittances and tea. Nearly half the country's tourists come from Western Europe. The country is currently looking at ways to upgrade its hotels and train staff to attract still more tourists.

The Sri Lankan cuisine is held in high regard by visitors for its flavour and diversity. Food safety is, not surprisingly, a crucial aspect both for the tourist trade and for food exports. In December 2006, UNIDO launched the project “Strengthening International certification capacity in Sri Lanka with particular reference to Social Accountability Standard (SA 8000) and Food Safety (HACCP/ISO 22000) Standard”, funded by the Government of Norway and in cooperation with Sri Lanka's Ministry of Industrial Development. In 2007, the Ceylon National Chamber of Industries together with the National Chamber of Exporters, established Ind-Expo Certification (Pvt) Ltd.

Ind-Expo Certification (Pvt) Ltd was accredited by the United Kingdom’s Chartered Institute of Environmental Health (CIEH), to promote and conduct CIEH training programmes in Sri Lanka. As the initial step, UNIDO trained 15 trainers to CIEH Level 4, of which eight professionals successfully passed the examination and obtained accreditation as CIEH trainers (see photo below). Ind-expo is now in a position to conduct a series of accredited training programmes in Food Safety (levels 1 and 2) and in due course, move on to the more advance levels of the CIEH programmes (levels 3, 4 and HACCP).

With the support of the project, a set of training resources—guides, digital presentations, test papers and DVDs—were compiled in local languages and made available to Ind-Expo trainers. These resources have been reviewed and approved by the CIEH-UK. As registered CIEH trainers employed by Ind-Expo Certification (Pvt) Ltd., trainers will conduct courses for food workers in the hospitality sector. Ind-Expo is the first Sri Lankan institute to receive the CIEH award.

A special ceremony was held on 12 August 2008 at which Ind-Expo received its accreditation with CIEH. Senior officials from the Sri Lankan Government, including the Minister of Industrial Development, attended the event as well as representatives from the British High Commission, Royal Norwegian Embassy, the UNIDO Office in Sri Lanka, Ind-Expo and the chambers of industries and exporters. The Chairman of Ind-Expo received the CIEH Centre charter certificate from the Minister of Industry, Mr. Kumar Welgama in the presence of Dr. Lalith Goonatilake, Director of UNIDO’s Trade Capacity Building Branch (pictured below).

Contact: A.Badarneh@unido.org

The Chartered Institute of Environmental Health (CIEH) is a registered charity that was founded in the 1883 in the United Kingdom as an awarding body for qualifications in food safety, occupational health and safety and environmental protection. It has more than 10,500 professional members. As of 2008, seven million people have been trained and received CIEH qualifications.
On-going TCB Programmes in:
Afghanistan, Algeria, Argentina, Azerbaijan, Bahrain, Bangladesh, Cambodia, Cameroon, China, Colombia, Côte d'Ivoire, Ecuador, Egypt, Ethiopia, Ghana, Guatemala, Haiti, India, Indonesia, Iran (Islamic Republic of), Jamaica, Jordan, Kenya, Kuwait, Lebanon, Liberia, Libyan Arab Jamahiriya, Madagascar, Mauritania, Mozambique, Nigeria, Pakistan, Paraguay, Philippines, Saudi Arabia, Senegal, Sri Lanka, Thailand, Tunisia, Uganda, Ukraine, United Republic of Tanzania, Uruguay and Viet Nam

Regional programmes:
Andean Community, Central America, EAC, ECOWAS, MEKONG, SAARC, UEMOA

UNIDO in brief
UNIDO was set up in 1966 and became a specialized agency of the United Nations in 1985. As part of the United Nations common system, UNIDO has responsibility for promoting industrialization throughout the developing world, in cooperation with its 172 Member States. Its headquarters are in Vienna; it is represented in 44 developing countries. This representation and a number of specialized field offices for investment and technology promotion and other specific aspects of its work ensure that UNIDO maintains an active presence in the field.

UNIDO is mandated to support trade and industrial development on the basis of three thematic priorities: (a) poverty reduction through productive activities; (b) trade capacity building and (c) energy and environment improvement.

For comments or suggestions on any of the issues raised in this newsletter including notices of events and publications, or for requests to be included on our email list, please contact us at tcb@unido.org. This publication has not been formally edited.

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)
Vienna International Centre,
P.O. Box 300, 1400 Vienna, Austria
Telephone: (+43-1) 26026-4781
L. Goonatilake, Director, TCB Branch,
Fax: (+43-1) 26026-6840
Internet: www.unido.org

Printed in Austria
December 2008—1000