



Context

In large parts of the developing world, the potential of agro-enterprises remains unexploited as a result of limited access to markets, information, infrastructure, technology and finance. Nevertheless, the agricultural sector is still the backbone of economic activity, employment and livelihoods in developing countries. Strengthening the sector and adding value to agricultural commodities are instrumental in enhancing food security, stimulating economic growth and reducing poverty in a sustainable manner.

Strategy

The High-level Conference on the Development of Agribusiness and Agro-industries in Africa held in Abuja in March 2010 launched the African Agribusiness and Agro-industries Development Initiative (3ADI). The Conference mandates UNIDO, in partnership with the African Development Bank (AfDB), Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), to initiate joint action in the areas of agribusiness value chains, food security, policies, financing and related trade. The initiative calls for the accelerated development of agribusiness and agro-industries to ensure value addition to agricultural products of developing countries. Selected pilot countries are: Afghanistan, Comoros, Democratic Republic of the Congo, Ghana, Haiti, Liberia, Madagascar, Nigeria, Rwanda, Sierra Leone, Sudan and the United Republic of Tanzania.

UNIDO's technical assistance programme focuses on selected countries where one or two key agricultural products would be selected by the local authorities in line with national strategies. UNIDO's interventions include productivity and competitiveness improvement, quality improvement, and facilitating access to markets. UNIDO also supports an investment programme designed to significantly increase the proportion of agricultural produce in the selected countries and transform it into differentiated high-value products.

Expected results

- A flow of private sector funds into the agri-business sector in 3ADI countries to be facilitated

- Large-scale agribusiness development programmes to be developed as public-private partnerships, which will trigger economic growth, improve food security and reduce poverty
- On an inter-agency level, the project will create additional synergies and will further strengthen the collaboration between UNIDO, other UN organizations and public/private partners

Impact/Outlook

By 2020, the technical assistance, reforms and attraction of private sector investment through the 3ADI programme are expected to result in productive and profitable agricultural value chains wherein:

- SMEs effectively linked to domestic/regional markets
- Income of producers increased through participation in value addition processes
- Higher value and differentiated agricultural products supplied to local, regional and global markets
- Higher proportion of consumer price retained in countries where primary production takes place
- Natural resources utilized in an overall sustainable manner
- Sector provides an effective basis for industrialization and generation of increased employment
- A second round of countries is expected to join the 3ADI framework during its second year of implementation. A flow of private sector funds into the agri-business sector in 3ADI countries to be facilitated

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At a glance:

Goal: Agribusiness and agro-industrial development
MDG: 1. Eradicate Extreme Poverty and Hunger, 7. Ensure Environmental Sustainability, 8. Develop a Global Partnership for Development
Thematic area: Poverty Reduction through Productive Activities
Donors: Government of Finland, UNIDO
Partners: African Development Bank (AfDB), Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD)
Budget: EUR 739,000
Status: ongoing
Duration: August 2010 – August 2020