



Human security

The compound challenge of promoting peace and livelihood recovery

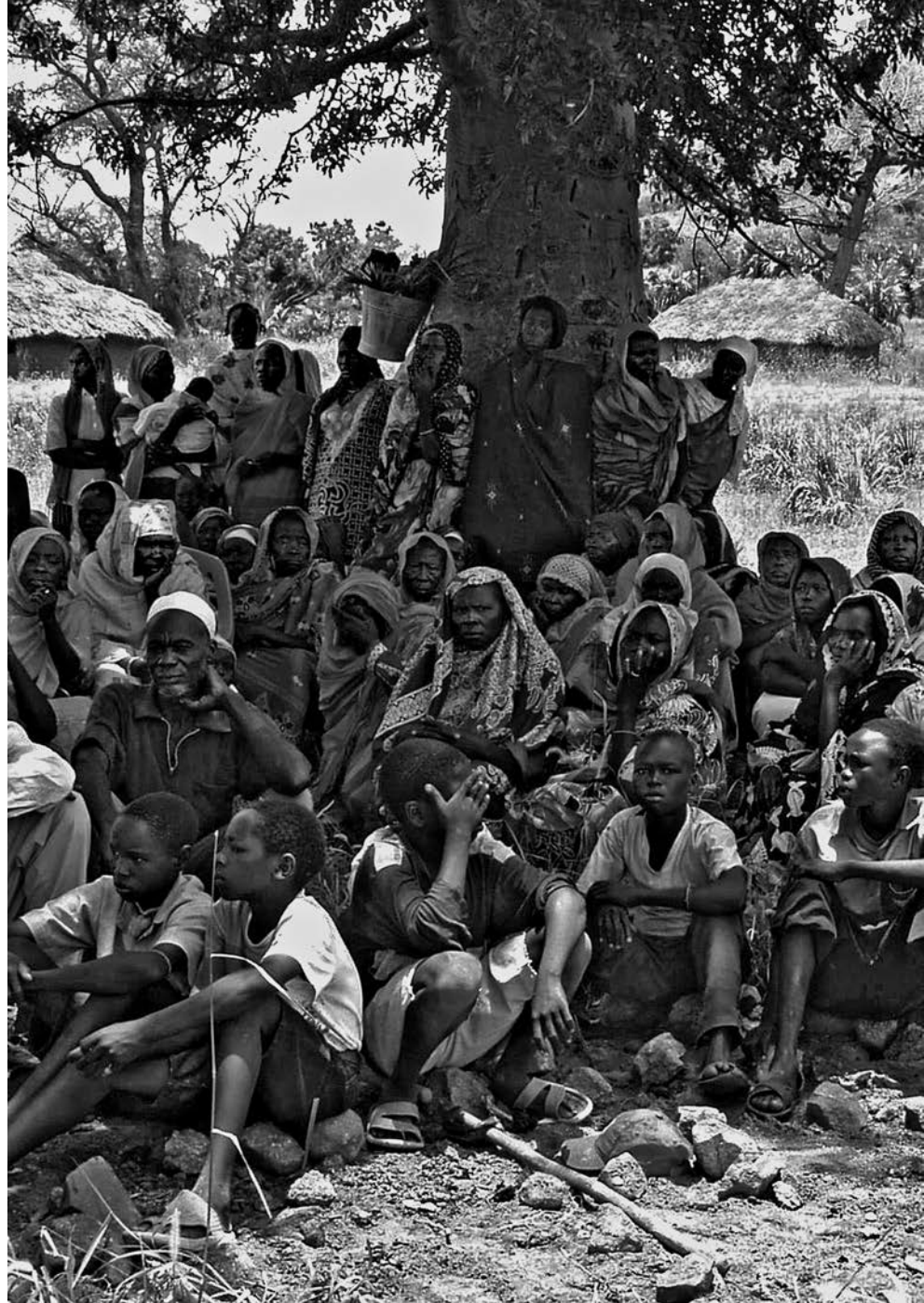


UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Accelerated Agribusiness
and Agro-Industries
Development Initiative

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Post-crisis interventions: helping people to help themselves

“Give a man a fish and he will eat for a day. Teach a man to fish and he will eat for a lifetime.” (Chinese proverb)

The impact of armed conflict and natural disasters in many parts of the world is a major concern of national governments and international policy-makers. In an environment of turmoil and deprivation, the rapid deterioration of human security in general and a marked increase in the vulnerability of the weakest population groups are inevitable. The social and economic fabric of communities and families is damaged and productive capabilities are diminished. Frequently, these pressures lead to the dislocation of large numbers of people.

The fate of recovery efforts in post-crisis situations is largely determined by the degree of success in making the transition from the initial stage of emergency aid to rehabilitation and reconstruction and ultimately to development. Peace building based on reconciliation and the restoration of law and order is another crucial factor, a goal that can best be pursued in tandem with the endeavours to improve living standards and economic opportunities.

The United Nations Industrial Development Organization (UNIDO) is assisting its national partners in mobilizing and applying the means necessary to meet these challenges. Fine-tuned over the past ten years by successive United Nations General Assembly resolutions, UNIDO’s mandate for post-crisis interventions is “to secure, restore and develop productive capacities through mitigating risks, threats and vulnerabilities in livelihoods and productive activities.”

The Organization’s Agribusiness Development Branch (henceforth referred to as “the Branch”) has repeatedly been called upon to provide assistance in some of the most challenging environments, in mostly rural areas where armed conflict or natural disasters – or both – had such devastating effects that recovery became a ground-zero effort; in such circumstances, the task is to rebuild the very foundations of rural life in ways that ensure future sustainable development through increased productivity and better employment and entrepreneurial opportunities. This experience has allowed the Branch to develop innovative approaches to beneficiary identification, skill upgrading, micro-enterprise creation, and livelihood support. Its interventions consist of a rapid assessment of needs followed by community empowerment activities. Skills are developed to assist in livelihood recovery, while small and medium-size enterprises (SMEs) are supported as contributors to economic rehabilitation. A key objective of the overall assistance provided by the Branch is to benefit primarily the most vulnerable population groups: women and youth, refugees and returnees, ex-combatants, and poor farmers.



Making peace and making it last

While peacekeeping interventions in post-conflict environments play an important role, the major challenge – and the only reliable means of securing lasting peace – is the social and economic reintegration of ex-combatants. Many demobilized soldiers and former rebels do not have employable skills, and opportunities to earn a living in regions affected by armed conflict, particularly in rural areas, are very limited. Moreover, the problem is usually magnified by the presence of large numbers of internally displaced persons and returnees who share the predicament of ex-combatants.

Branch interventions in post-conflict situations reflect the close relationship between the pursuit of peace and security and the imperative of livelihood recovery. During the early stages of such interventions, community support services help suppress persisting enmities and promote reconciliation. Subsequently, based on rapid assessments of specific needs and local resources, innovative multi-skill training programmes are carried out to facilitate the economic self-reliance of beneficiaries and their families thereby reducing dependence on long-term aid. The use and distribution of project resources, the implicit ethical messages of project activities, and the behaviour of project personnel and partners can have a critical impact on the process of peace building and stabilization. Branch interventions reflect a conflict-sensitive approach based on transparency and non-discriminative principles.

Indonesia's Maluku Islands had been devastated by five years of ethnic and religious violence, which led to the collapse of the local economy. Thousands of people had lost their lives, 40,000 homes had been destroyed and the number of displaced persons reached hundreds of thousands. Soon after the cessation of hostilities, the Branch intervened with a pioneering strategy to support the islands' reconciliation and reconstruction process. It set up the Maluku Technology Centre to harness the great potential of such local commodities as sago palm starch, bamboo, and eucalyptus and coconut oils. Project staff and their trainees organized the Maluku Cultural and Small-Industry Products Festival, an event which, beside being a showcase for the project's achievements, inspired in the hundreds of participants from various communities a deeper awareness of their common heritage.

In war-torn Sudan, the *Skills for Peace and Income* project contributed to livelihood recovery among young men and women displaced from South Kordofan State and living in shantytowns in Khartoum State. Funded by the Government of Japan, the project held 21 training courses attended by 353 teenagers at four vocational schools. The curriculum included both training in such technical skills as welding, tiling, house painting and repair of electrical appliances as well as courses in small-business management. Moreover, UNIDO experts provided employment counselling and business incubator assistance.



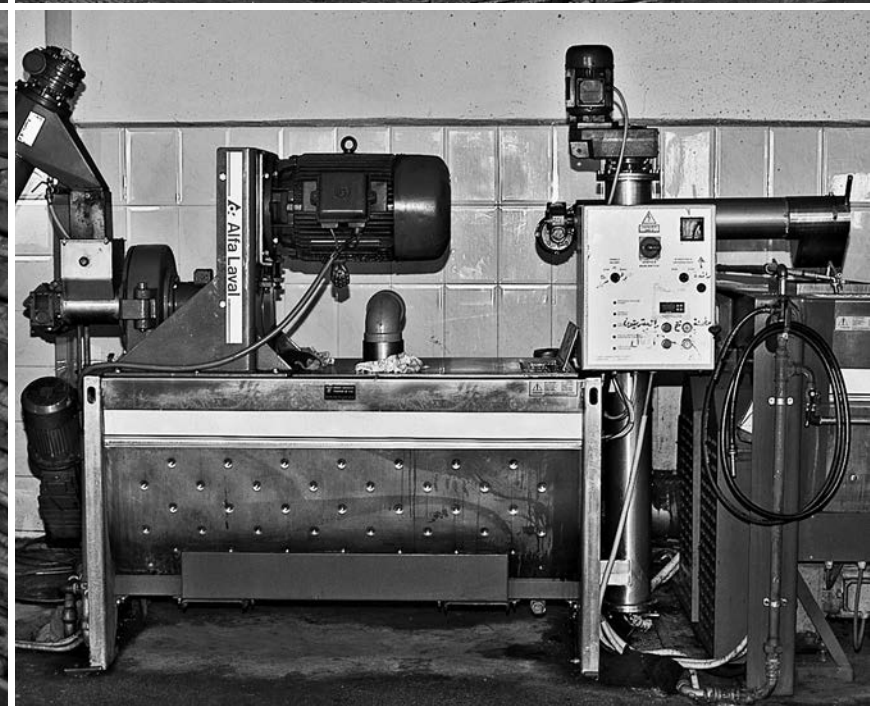
Livelihood recovery: stepping-stone to development

Efforts aimed at facilitating the livelihood recovery process set the stage for development, and as such they render indispensable support to other reconstruction endeavours. In the aftermath of a crisis, the immediate purpose of assistance is to reduce dependence on emergency aid by helping affected communities regain their capability to meet basic needs through productive activities. The guiding principle has to be “build back better,” which requires harnessing local assets and enhancing them in value chains, developing marketable skills, providing adequate farming and processing equipment, and empowering communities by engaging them in decision making.

Over the past decade, in Afghanistan, Armenia, Indonesia, Iraq, Lao People’s Democratic Republic, Lebanon, Sri Lanka, Sudan, Uganda and elsewhere, the Branch has been a valued contributor to the recovery process at the very grass roots of crisis-affected societies.

After more than a quarter-century of war and civil strife, rural communities in Afghanistan were returning to their villages and people were eager to rebuild their lives. Among the daunting adversities they faced was a widespread lack of tools and skills needed to resume or initiate sustainable livelihoods. In partnership with the Danish Committee for Aid to Afghan Refugees, the Branch carried out a two-year project to help small rural communities engage in viable farming and non-farming activities. The immediate targets of the project were 43 war-devastated villages in the Ghazni and Herat regions. Farmers with small plots of land and groups of women were provided with tools and machinery as well as training to improve agricultural production and food-processing capabilities. Home-based technologies allowed the establishment of women’s micro-enterprises whose viability was ensured by greater marketing opportunities for their products. Rural providers of services – such as blacksmiths, masons, carpenters and tailors – were also helped to upgrade their skills and consequently increase their contribution to the reconstruction effort. The overall impact of the Branch intervention was a significant improvement in the villagers’ capacity to secure their well-being.

Scarred by a long civil war and the tsunami of December 2004, two districts in eastern Sri Lanka, Batticaloa and Trincomalee, benefited from a Japan-funded project carried out by the Branch over several years. The project helped some 3,000 households in rural communities revitalize agricultural activities and increase productivity by replacing mostly manual traditional methods with efficient crop-tending practices and mechanized operations. Agricultural machines such as tractors, power tillers and rice reapers and threshers boosted labour productivity and opened up a development course beyond subsistence agriculture and dependence on aid.



Reviving and strengthening small-scale businesses

For all small-scale enterprises affected by armed conflicts or natural disasters, recovery is a daunting task, and in the case of small – often family-owned – agro-industrial businesses that suffer severe damage, it may not be possible without assistance. Micro-businesses and SMEs have been the main focus of support provided by the Branch in many post-crisis environments. Reconstruction of production facilities, restoring of utilities, retooling, improving manufacturing skills and processes, demand-driven changes in product range, design and specifications are the main services required to put such businesses back on their feet and ensure their viability.

Cooperation with national and local authorities and the strengthening of public and private support institutions are as crucial to the effectiveness of these interventions as the provision of new equipment and technical and managerial training. The alignment of intervention activities with national reconstruction objectives and priorities and the effective involvement of all stakeholders are key to helping establish a supportive business environment.

A case in point was a large project carried out by the Branch in the aftermath of the 2006 Lebanon War, also known in the region as the “July War,” which dealt a devastating blow to the country’s population and economy. Much of the civilian infrastructure was destroyed and the losses suffered by the Lebanese industry and agriculture were equally significant. Most of the country was affected, with areas close to Israel’s borders, the southern suburbs of Beirut, and the Bekaa Valley paying the highest price in lost lives and ruined livelihoods. It was in these areas that the Branch carried out its intervention.

The project beneficiaries were 119 damaged agro-industrial SMEs (80 per cent of which had been totally destroyed) in the textile, leather, wood, and food and beverage sectors. Extensive rebuilding work on the heavily damaged facilities of several enterprises and the procurement of power generators, olive oil production equipment, spice grinders, woodworking machinery and other manufacturing equipment were financed by Italy, Spain, Sweden and others through the Lebanon Recovery Fund. Direct training and study tours for entrepreneurs, representatives of business associations and government institutions, and university students made up the busy schedule of capacity building activities.

The shiny new machines in the brightly lit and freshly painted production facilities stood in sharp contrast with the dismal piles of rubble they replaced. Moreover, the modern equipment helped increase awareness of product quality and safety standards and of good manufacturing practices in general, particularly among entrepreneurs in the food and beverage sector.



Skills and tools for a diversified rural economy

Insufficient skilled labour and obsolete machinery hinder agro-industrial growth in most developing countries. The negative impact of these drawbacks is magnified in post-crisis environments where the high demand for technical services needed to refurbish production facilities and rebuild basic infrastructure is in danger of becoming a lost opportunity. The Branch helps avoid such an outcome by facilitating knowledge and equipment transfers and the development of manufacturing skills. It creates opportunities for vocational training to improve employment and entrepreneurial prospects among distressed population groups and speed up recovery after natural disasters or armed conflicts. Moreover, such interventions help reduce dependence on subsistence agriculture and promote a much-needed diversification of rural economy with the resulting benefit of adding value to farm products. The Branch establishes pilot processing centres equipped to capitalize on the potential of key local agro-commodities; these centres render advisory services to local farmers to ensure the desired quality of raw material supply, train processors in the use of new technologies and equipment, promote product diversification, and facilitate access to outlets.

Iraq's recent history of wars, sanctions, isolation and rampant sectarian violence has imposed a devastating toll on the quality of life and the prospects for human development. In several parts of the country, once the security situation started to improve, the Branch carried out extensive projects focused on human resource development and technology transfer. In cooperation with FAO, the Branch rehabilitated and equipped vocational training centres at 12 strategic locations in the northern governorates of Erbil and Sulaymaniyah. Beneficiaries from the most vulnerable population groups were trained in a wide range of technologies from weaving, woodworking and agro-mechanics to dairy processing, beekeeping and food safety and quality control. In the Anbar Governorate, in western Iraq, the Branch set up a modern vocational training centre in the provincial capital of Ramadi and helped equip training facilities at Haditha, Ana and Al-Qae'm. Over 1,000 households in both urban and rural areas improved their economic prospects by acquiring skills in the use of non-food technologies. In one of Iraq's poorest regions, the marshland districts of Al-Shatra and Al-Chibayish in the southeastern Governorate of Thi-qar, the Branch implemented an Italy-funded project designed to foster income-generation opportunities for displaced persons. Up-to-date computer labs were set up at Nassriyah Women's Centre and the Shatrah Youth Centre, and Al-Chibayish District received its first technical training centre, a brand-new facility with fully equipped training workshops and its own power generation capability. By helping to create employment and entrepreneurial opportunities for a fairly large and particularly vulnerable population group in a region plagued by extremely high unemployment, the project brought a substantial contribution to the pursuit of two national development priorities of the Government of Iraq: revitalizing the private sector and improving life quality.



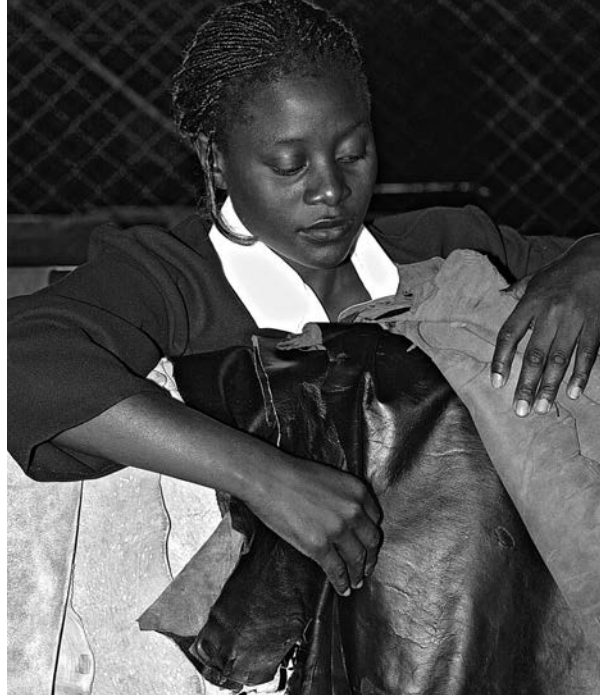
Rural entrepreneurship: the business of off-farm recovery

Most rural inhabitants depend for their livelihood on small-scale food-crop agriculture, fishery, pastoral animal husbandry, and wage labour on plantations and ranches. However, increasingly smaller parcels of land, low agricultural productivity, volatile weather conditions and soil erosion compel many rural families to seek additional sources of income. Rural non-farm productive activities can contribute significantly to wealth creation and the well-being of rural communities. Moreover, in crisis-affected communities, the widespread demand for basic services and processed products allows the providers of such services and products to regain their economic self-sufficiency faster than their fellow villagers who rely exclusively on tending crops and keeping livestock.

With entrepreneurship development programmes specifically designed for post-crisis environments, the Branch focuses on the informal sector and relies on short-term skill training courses that bring rapid benefits to participants. Local training and pilot production centres also convey small-business management know-how and often serve as shelters. Women and youth receive special attention in these programmes, with the former doing particularly well in the emerging sector of creative industries, such as traditional textiles and pottery, where they capitalize on the local cultural heritage.

Severe recession – largely caused by a cumbersome transition to market economy – and the conflict with Azerbaijan have worsened the already precarious condition of Armenia's vulnerable groups such as refugees, internally-displaced persons and women. Within a larger UN assistance programme in the Kotayk and Gegharkunik provinces, the Branch promoted small-scale entrepreneurship, facilitated access to credit and helped improve community services. Over 100 persons, most of them belonging to disadvantaged groups, were trained in small-business management and 27 business projects in such areas as retail commerce, food processing and health care received loans from a seven-year SME-supporting fund established by the project.

The Branch is currently carrying out an entrepreneurship project in Mozambique, a country still recovering from the effects of civil war and several natural disasters. The project is fostering viable small-scale enterprises in two northeastern districts, Mozambique Island and Mossuril. At recently opened one-stop shops, the prompt availability of information, business registration and licensing, and taxation services ensures significant cost and time savings. Project-designed entrepreneurship courses at secondary schools and technical training programmes are improving the self-employment prospects of young people; over 1,500 students have already been attending business classes taught by 18 project-trained teachers. Simultaneously, the project has been supporting local private sector organizations in their effort to respond to the growing demand for quality services and products, particularly in the tourism sector.



Agro-value chains: more gain from local resources

Although most developing countries are very rich in agricultural commodities, only a small proportion of these resources is processed to the extent of their full value addition potential. Any missing stage along commodity-to-consumer value chains is a lost opportunity to create wealth, a loss that is both more detrimental and more difficult to redress in crisis-affected countries.

The Accelerated Agribusiness and Agro-Industries Development Initiative (3ADI) is a multilateral effort to promote and support the establishment of highly productive and profitable value chains for key agricultural commodities in developing countries. It stemmed from the Abuja Conference Declaration of March 2011, which called upon UNIDO, the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) and the African Development Bank (AfDB) to help speed up the development of agriculture and related industries and thereby ensure sustainable economic growth and poverty reduction in African countries.

In close cooperation with its counterparts at the partner organizations, the Branch designs and implements technical assistance projects and provides policy support. Its interventions target all key aspects of agribusiness development; it upgrades value chains, strengthens the technology base, promotes innovative means of financing, stimulates private sector participation, contributes to infrastructure improvements, and facilitates market access.

Constraints are identified along the value chains of commodities singled out by local governments as priorities. Subsequently, the Branch designs and validates with all stakeholders specific interventions aimed at harvest efficiency, value addition, supply chain management, and trade promotion. To date, value chain studies on priority commodities have been conducted in such crisis-affected countries as Afghanistan (wheat), the Democratic Republic of the Congo (cassava, palm oil), Haiti (bananas, tubers), Rwanda (livestock, milk, leather) and South Sudan (cereals).

In the implementation of 3ADI projects, the UN partner agencies build upon their previous work in the target countries. The *Livestock resources value chain development* project in Rwanda is a case in point. Dwelling on recent assistance in key segments of the value chain – livestock rearing (IFAD), dairy products (FAO) and leather (UNIDO) – the project helps improve the performance of mostly small and medium-size enterprises and thereby contributes to food security and the expansion of employment and entrepreneurial opportunities. The Branch is also providing support to several small processing facilities established by UNIDO in Rwanda, such as the Leather Goods Training and Production Centre in Masaka. These pilot facilities are expected to stimulate replication and promote cottage industry development.



Non-food products and biotechnology

Many developing countries are major suppliers of raw materials to the textile, leather and wood industries. Yet, too often raw materials leave these countries with no or very little processing thus depriving the exporters of badly needed additional income in hard currency. Moreover, agriculture-related industries are labour-intensive and recruit much of their workforce from vulnerable population groups. In post-crisis environments, the rehabilitation and modernization of manufacturing facilities in these industries can contribute significantly to job creation and human security and generally accelerate the process of economic recovery.

An important component of the informal economic sector of many crisis-affected countries, traditional textile and leather products can play a major role in the early stages of recovery. In such crisis-affected countries as Afghanistan, Iraq and Sudan, the Branch has used rapid-impact training modules to help clusters of traditional weavers, dyers, dress-makers, shoemakers and producers of leather accessories improve their designs, working processes and marketing prospects. Most notably in tropical areas, poor rural communities that are largely dependent on the wood sector are in urgent need of assistance since poverty has been identified as the single foremost cause of forest destruction, which in turn diminishes the prospect of sustainable use of the main local natural resource. To help break this vicious circle, the Branch consistently promotes technology improvements and best practices to reduce waste in primary wood processing and helps expand very limited secondary processing activities such as the production of furniture and construction materials.

As a provider of technology solutions in developing countries, UNIDO assesses the impact that fast-paced advances in biotechnology can have on agro-industrial development and its sustainability. Due to their higher efficiency levels and a reduced ecological footprint, biotechnology-enabled production processes play an increasingly significant role in such key industrial sectors as food, textiles, leather and wood. With food security and sustainable livelihoods in rural areas as their main objectives, a growing number of projects implemented by the Branch have an important biotechnology component.

Launched in 2010 with the support of the Government of the Flemish region of Belgium, the International Industrial Biotechnology Network was established by the Branch to help developing countries access novel biotechnology products and processes. The Network seeks to catalyze South-South and North-South partnerships with the participation of public research institutions, industry and regulatory agencies committed to sharing expertise in pursuit of economic benefits from unexplored or underutilized biological resources.

The path ahead: partnerships across the public-private divide

Sustainable recovery in crisis-affected countries requires sound economic policies and restored institutional structures capable to implement those policies. National authorities and local administrations play a key role in regulating and facilitating the development of entrepreneurial activities. The Branch provides policy advice and technical assistance to increase the awareness of public authorities and institutions of the need to identify and alleviate the constraints faced by small-holding farmers and agro-industrial SMEs. In partnership with governments, the Branch promotes the development of a favourable business environment and nurtures an entrepreneurship culture.

To ensure the effectiveness and sustainability of livelihood recovery interventions, the Branch supports and participates in strategic partnerships and cooperation and coordination initiatives at international and country levels. It collaborates closely with all parties of the UN aid and development system, particularly in areas where Branch services complement or supplement those rendered by partner agencies such as the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development.

Partnerships across the public-private divide constitute an increasingly promising engine of development and can be very effective in building peace and fuelling economic recovery in post-crisis environments. Private investment flows (both domestic and foreign) to the developing world have been on a steady rise; in 2008, private fixed investment in sub-Saharan Africa represented more than three times the volume of official development assistance. Several funds have been established in response to a fast-growing interest of private investors in the potential of agro-industries in the developing world. They offer a range of structured products from debt to equity, catering to a varying risk appetite of investors, as well as to a diverse market from smallholder farming enterprises to large agribusinesses.

Services to agribusiness investors include developing pipelines for private finance; sharing basic information on agribusiness and value chains; promoting innovative sources of finance and linkages between private finance and development projects in general; and, most importantly, exploring synergies between private finance and public investment projects. At post-investment stage, development assistance will reduce transaction costs for agribusiness investors while supporting smallholder farmers by organizing the supply side in rural communities; developing wherever warranted out-grower schemes; building processing capabilities in rural SMEs and improving their productivity and the quality and consistency of their output; or facilitating the management of supply chains through the introduction of traceability mechanisms.



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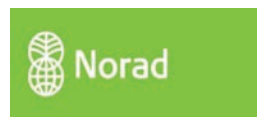
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