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Message from the Editor

The 2008 food crisis made it very clear that developing countries are extremely vulnerable to fluctuations in food prices and supplies. As such, the international community called for the deployment of urgent measures to help farmers and food producers increase their productivity and integrate local, regional and international markets.

In line with its policy of enabling developing countries to help themselves, UNIDO swiftly responded and stepped up its efforts to strengthen agribusiness value chains, expand their food supplies and facilitate their access to markets, technology and investment.

In its first International Conference on Sharing Innovative Agribusiness Solutions, UNIDO brought together over 400 participants from more than 65 countries to share innovative solutions and best practices. At the same time, interested businesses, policy-makers, financial institutions and donors discussed concrete joint activities and partnership opportunities.

To build on its success and to sustain its innovative knowledge sharing concept, the Conference recommended establishing mechanisms for the regular dissemination of relevant information on agribusiness solutions; thus the publication of this newsletter.

As a direct result of the continuous identification process of agribusiness ideas, best practices and solutions, the newsletter will provide access to qualified information, including business intelligence, technological updates and technical cooperation opportunities. This will allow for increased production and access to safe food as well as contribute to foster trade, generate income and develop employment prospects.

In a nutshell: UNIDO must intertwine its technical assistance with outreach and networking activities to ultimately foster a true, and urgently needed, community of like-minded agribusiness operators and policy-makers.

I look forward to your sustained cooperation and welcome your comments and suggestions. I hope that, with this newsletter, the first step was made to ensure the most adequate follow-up to the Conference's success, by further promoting the Organization's drive "from Farms to Markets."



Gerardo Pataconi
Unit Chief, Productivity, Quality and Enterprise Upgrading Unit
Trade Capacity Building Branch,
UNIDO

The United Nations Industrial Development Organization (UNIDO)

UNIDO is the specialized agency of the United Nations that works towards improving the quality of life of the world's poor by helping countries achieve sustainable industrial development: UNIDO views industrial development as a means of creating employment and income to overcome poverty; it helps developing countries and economies in transition to produce goods they can trade on the global market.

UNIDO works to unleash the potential of the productive sectors of developing countries that have high export prospects, such as the agro-manufacturing industries, to upgrade product and production quality, thus opening doors to producers and exporters to place their products on world markets and helping them find their own solutions to the challenges facing them. UNIDO also helps to provide the tools - training, technology, and investment - to make enterprises competitive. At the same time, it encourages production processes that will neither harm the environment nor place too heavy a burden on a country's limited energy resources.

UNIDO has 173 Member States, its headquarters are in Vienna, Austria, and it is represented in 44 developing countries. In addition UNIDO operates a network of 34 Cleaner Production Centres, 19 Investment and Technology Promotion Offices and 9 Technology Centres worldwide.

Trade Capacity Building Branch (PTC/TCB)

The responsibility of the Branch is to help developing countries and countries with economies in transition to participate effectively in the "rules-based" global trading system. Support is provided to overcome key constraints arising from the lack of a competitive supply capacity of tradable goods, and the need to ensure internationally recognized conformity of their goods to quality and safety requirements.

The Branch therefore seeks to strengthen the capacity of developing countries and countries with economies in transition to comply with the requirements of the WTO agreements on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS), and thereby to enter new markets with a substantial development potential, improve the conformity of their products to market and regulatory requirements, and establish cost-effective and internationally recognized local proof of such conformity.

These objectives are supported by strengthening the standards, testing and conformity infrastructure: and by enhancing product competitiveness through quality and productivity development and industrial upgrading.

The functions of the Branch are as follows:

- Strengthen the capacities of developing countries and countries with economies in transition to develop the required standards, measurement (metrology), testing and accreditation infrastructure.
- Assist developing countries and countries with economies in transition to upgrade industrial capacity through restructuring, quality and productivity improvements, and to develop capacities for the certification of quality, environmental safety and food-safety.
- Undertake global forum activities addressing the constraints of developing countries and countries with economies in transition in accessing markets; develop supporting methodologies and tools; and develop linkages with international and regional organizations to promote trade capacity building.



From Farms to Markets

Three quarters of the world's poor live in rural areas; they depend - directly or indirectly - on agriculture-based activities for their livelihood. It is no coincidence that this year's Industrial Development Report – UNIDO's flagship publication for which Paul Collier, Oxford University, and John Page, the Brookings Institution, served as main authors – calls for leveraging agro-industries to help developing countries out of the poverty trap.

UNIDO's Director-General, Dr. Kandeh K. Yumkella, sums it up best, when he states that "agro-based SMEs are the obvious focus for assistance to accelerate technical innovations, improve business practices and identify niche and specialty markets: agro-industries can be a concrete launching pad for the integration of poorer countries into global markets."

Regrettably, many aggravating factors crucially impede agribusiness development:

On average up to 60% of agricultural production is lost and/or wasted between harvest and processing or consumption: therefore, dynamic action and innovative solutions are very much needed to enhance the development of local, regional and international food value chains.

Products from developing countries are often not suited for export: challenges

related to food safety must be addressed to ensure that these products are of high quality; in addition, they must also conform to international standards and regulations as well as other market requirements.

It is thus imperative to strengthen capacities in quality, standardization and conformity assessment, both at institutional and enterprise level, in order to foster the ability of developing countries to enter food value chains.

Therefore, one of UNIDO's pillars is to build trade capacity, thus enable developing countries to attract investments and develop their supply capacity as well as ensure compliance with market requirements and standards. As such, UNIDO fosters access to export markets, while protecting consumers and the environment.

UNIDO's ETRACE programme best illustrates how the Organization assists its Member States in trade capacity building: in July 2004, UNIDO, together with the Italian Cooperation and the Egyptian Ministry of Trade and Industry, launched the Egyptian Traceability Centre for Agro-Industrial Exports (ETTRACE) to help the country's food exporters comply with international food quality, safety and traceability standards. Until today, ETRACE has reached around 45,000 farms, some 90 packing houses and through them nearly 5 million Egyptians.

Inspired by ETRACE's success, UNIDO, in close cooperation with the Government of Egypt and the SEKEM initiative, organized the first International Conference on Sharing Innovative Agribusiness Solutions.

The Conference was also supported and co-financed by the Food and Agriculture Organization (FAO) by the Italian Development Cooperation, the Swiss State Secretariat for Economic Affairs (SECO), the UNIDO's Investment and Technology Promotion Office (ITPO) Italy and local sponsors.

Held in Cairo, Egypt, from 26 to 27 November 2008, the Conference brought together over 400 agribusiness stakeholders, including representatives of private and public institutions (technical and financial), international organizations, donor countries, civil society and academia to share innovative agribusiness solutions and best practices.

Concrete solutions for global challenges

The Conference did more than just discussing problems and assessing needs; the informal and yet very conducive environment led to dynamic interactions on the Conference's four main themes that reflect the areas of agribusiness where innovative solutions can best unleash the sector's developmental potential. The four topics were:

- (1) Supply/value chains, market access and linkages
- (2) Compliance with standards and conformity assessment
- (3) Technology and value addition
- (4) Innovative forms of financing

In the context of the three "Fs" (fuel, food and financial crises), the focus on innovative forms of financing was of particular importance and marked a regained interest of the international community to foster investment in agribusiness.

Participants submitted more than 120 innovative solutions, which were assessed by a team of high-level international experts prior to the Conference. Over 60 promising solutions – that have already been successfully implemented and have high potential to be replicated in other developing countries – were showcased during the Conference.



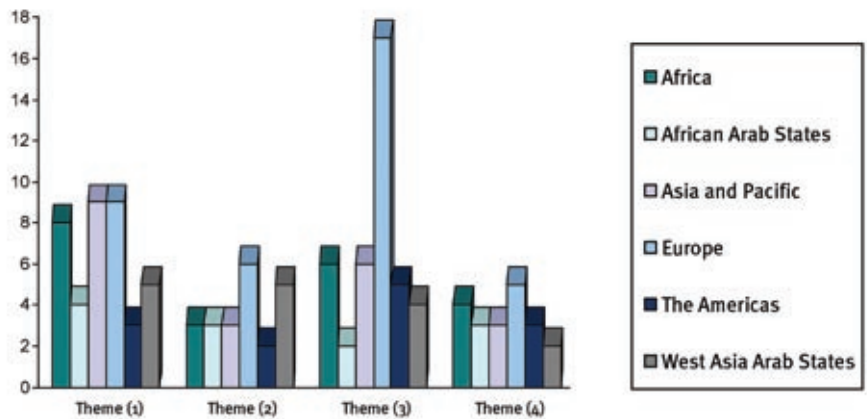
SEKEM Farm, Opening Session



The chart on the right shows how the 120 solutions are distributed by regions and thematic areas; 38 solutions deal with challenges related to: (1) supply/value chains, market access and linkages; 22 relate to (2) standards and conformity; 40 apply to (3) technology and value addition; and 20 address (4) innovative forms of financing.

All submitted solutions, as well as a complete list of conference participants, are available on the UNIDO website:

www.unido.org/index.php?id=7095



Dr. Kandeh K. Yumkella, UNIDO Director-General: "We must always remember, that it is about people, it is not an abstract concept, it must be practical."

An innovative format within a unique setting that defined the Conference's focus

As the first day of the conference was held on the SEKEM farm, the numerous participants from Africa, the Middle East, Asia, Europe and Latin America had the opportunity to gain first hand experience on how innovative solutions were concretely applied in Egypt. This was the first time that an international conference had selected a farm as its venue and it gave participants an opportunity to witness biodynamic agriculture, ecological waste management and carbon footprint certification.

Yoshi Uramoto, Deputy to the Director-General, UNIDO: "SEKEM is a role model. (...) Our aim is to go where the problems are and where solutions have been identified and implemented, to live them and not just read or hear about them."

UNIDO spoke to Helmy Abouleish, SEKEM's CEO and Chairman of the Management Council of Egypt's Industrial Modernization Centre (IMC), who was also the host of the first day of the International Conference on Sharing Innovative Agribusiness Solutions:*



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.

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, uniting 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.

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

SEKEM is active in all three of UNIDO's thematic priorities. The SEKEM Development Foundation aims at poverty reduction through productive activities; The International Association of Partnerships builds trade capacity; and EcoEnergy is active in renewable energy and the protection of the environment.

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 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. (...)

*This text is an excerpt from an interview published in the UNIDO TCB Brief, December 2008, Number 6.



The opening session of the conference, was moderated by Todd Benjamin, contributing editor for CNN International. Brief keynote addresses were followed by a vibrant interactive panel discussion in a “Davos” type format, where the recurring refrain was “Yes, we can!”

“Innovation and opportunity”, “partnerships based on trust” and “the need for commitment” were central issues of the debate as highlighted by Mr. Benjamin. The panellists emphasized the great impact of agribusiness on development and the central role played by the market. They agreed unanimously that it was essential to identify sustainable agribusiness solutions that empowered farmers and small-scale producers and helped to narrow the gap between urban and rural areas.

Many innovative solutions were mentioned, such as new forms of risk management; new technologies, standards, compliance and effective regulation, especially considering the importance of food safety; innovative credit systems to enable farmers obtain loans, including partnerships with intermediaries.

The outcome of the interactive panel was summarized by the African proverb : “He who walks alone may go fast, but he who walks with others goes further.” In this spirit, panellists agreed on the central importance of cooperation and of working together to find win-win solutions where both sides benefit.

Keynote speakers:

Dr. Ibrahim Abouleish, Founder of SEKEM

Mr. Yoshi Uramoto, Deputy to the Director-General, UNIDO

H.E. Mr. Giovanni Maria De Vita, Counsellor and Head, Commercial Office, Italian Embassy to Egypt

On behalf of H.E. Mr. Amin Ahmed Abaza, Minister of Agriculture and Land Reclamation, Egypt: Dr. Saad Nassar, Special Advisor to the Minister

On behalf of H.E. Dr. Ahmed Mahmoud Mohamed Nazif, Prime Minister, Egypt: H.E. Dr. Othman Mohamed Othman, Minister of Planning and Local Development

Panellists:

Mr. Yoshi Uramoto, Deputy to the Director-General, UNIDO

Dr. Ibrahim Abouleish, Founder of SEKEM

Mr. Mohamad Albraithen, Assistant Director General for the Near East, Food and Agriculture Organization of the UN (FAO)

Mr. Ian Bretman, Director of Strategy and Policy, Fairtrade Labeling International

Mr. Alan Bryden, Secretary-General, International Organization for Standardization (ISO)

Mr. Mansour Cama, UNIDO Goodwill Ambassador and CEO, Senegalese Investment Company

Dr. Ashok Gulati, Director in Asia, International Food Policy Research Institute (IFPRI)

Dr. Godfrey Nzamujo, Director-General, Songhai Center

Mr. Ranjit Page, CEO, Cargills (Ceylon) Ltd.

Mr. Daniele Rossi, Director-General, Italian Food Industry Association (Federalimentare)

Mr. Nasser Al Kahtani, Executive Director, Arab Gulf Programme for United Nations Development Organizations (AGFUND)

Mr. Abdul-Rahman Taha, General Manager, Islamic Corporation for Insurance of Investments and Export Credits (ICIEC)

Mr. Michael Essex, Director for the Middle East and North Africa, International Finance Corporation (IFC), Member of the World Bank Group

Mr. Mangina Srinivas Rao, ITC Ltd. Agri Business Division



Sekem Farm, Interactive Panel Discussion with Todd Benjamin



Awards recognize the best solutions

Based on the assessment of an independent technical committee, composed of high-level experts, the best innovative solutions in each of the four conference themes - that have high potential of being replicated in other developing countries - have received an award during the conference's closing ceremony.

ON THE THEME OF SUPPLY/VALUE CHAINS, MARKET ACCESS AND LINKAGES:

Mr. Srinivas RAO, of ITC Limited, India, for its E-CHOUPAL programme

A place for gathering and information exchange

ITC has initiated an e-Choupal ("choupal" means gathering place in Hindi) programme that places computers with Internet access in rural farming villages; the e-Choupals serve as both a social gathering place for the exchange of information and as an e-commerce hub. What began as an effort to re-engineer the procurement process for soy, tobacco, wheat, shrimp and other cropping systems in rural India also created a highly profitable distribution and product design channel for the company – an e-commerce platform that is also a low-cost fulfillment

system focused on the specific needs of rural India.

E-Choupal contributes to India's rural transformation

The e-Choupal system also catalyzed rural transformation that is helping to alleviate rural isolation, create more transparency for farmers, and improve their productivity and incomes. The e-Choupal model involves training for local farmers to manage the e-Choupals.

The computer, which is usually placed in the farmer's house, is linked to the Internet via phone lines or, increasingly, through a VSAT connection, serving an average of 600 farmers in ten neighboring villages within a five kilometer radius. Using the system is free of charge for farmers, however, the host farmer (called sanchalak) incurs minor operating costs and is obliged by a public oath to serve the entire community.

The farmers use the computer - directly or via the sanchalak - to access daily closing prices on a local, government-mandated marketplace (called mandis), as well as global price trends or to find information on new farming technology and techniques.

Farmers are better informed, and earn more money

They also use the e-Choupal to order seed, fertilizer, and other products from ITC or

its partners, at prices lower than those offered by merchants; the sanchalak typically aggregates the village demand for these products and transmits the order to an ITC representative.

At harvest time, ITC offers to buy crop directly from the farmers at the previous day's closing price. The farmers transport the crop to an ITC processing centre, where it is weighed electronically and assessed for quality. The farmers are then paid for the crop and receive a transport fee. In doing so, the e-Choupal system avoids the government-mandated trading mandis.

Farmers benefit from more accurate weighing, faster processing time, and prompt payment. Access to a wide range of information, including accurate market prices and trends, helps them to decide when, where, and at what price to sell. Farmers selling directly to ITC through an e-Choupal typically receive a higher price for their crops than through the mandi system - on average about 2.5% higher.

The gains for farmers include *inter alia* lower prices for inputs and other goods, higher yields, as well as a sense of control and empowerment. The e-Choupal system gives farmers choice, higher profit margins on their crops, and access to qualified information that helps to improve their productivity.

More rural Indians are empowered, and connected to the world

By ensuring transparency and empowering local people as key nodes in the system, ITC fosters trust and fairness. Increased efficiency and the improvement of crop quality contribute to making Indian agriculture more competitive. Ultimately, the system connects farmers and their families with the world, representing a significant step towards rural development.

The e-Choupal solution proves the key role of information technology - in this case provided and maintained by a corporation, but used by local farmers - in helping bring about transparency, increased access to information, and rural transformation.

For more information, please see: www.echoupal.com



Srinivas Rao, ITC Limited, India



ON THE THEME OF STANDARDS AND CONFORMITY:

Ms. Morag Webb, of COLEACP-PIP, for its programme “Supporting compliance within the ACP Fresh Fruit and Vegetable Sector”

A solution that helps ACP companies export

Major changes have been made to EU food safety and traceability regulations in recent years that could potentially have created market access barriers for ACP suppliers. At the same time suppliers are facing increasingly stringent (and costly) demands from their buyers that often go further than the official controls. In this context, the global objective of COLEACP-PIP is to strengthen the competitiveness of ACP horticultural export companies and, in particular, small and medium-scale growers. The specific objective is to ensure compliance of their exports with the demands of EU markets in terms of the official controls (food safety and traceability regulations), and commercial requirements (private voluntary standards).

Producers and exporters receive tailor-made support

Since 2001, the programme has supported ACP producers and exporters as well as local public and private sector organizations that service the export sector. The philosophy has been to help each exporter install and maintain sustainable and durable risk management systems including: a food safety system, traceability, integrated pest management, and an in-house long-term training programme. COLEACP-PIP works with companies only after they have applied for support.

The first step is to conduct a needs assessment by an independent consultant, which leads to the development of a joint PIP-company action plan. The subsequent activities include participation in collective training events with other exporters (allowing for better use of resources) as well as actions tailored to the specific needs of the company.

Over 80% of fresh fruit and vegetables imported into the EU result from COLEACP-PIP intervention

These actions take place over time (generally two or more years) and the aim is to



Yoshi Uramoto, Deputy to the Director-General, UNIDO, Morag Webb, COLEACP-PIP, UK

achieve a change in company mindset and behavior by installing and implementing the risk management systems mentioned above. The ultimate goal is to ensure compliance of export produce with EU requirements. The final step - if requested - is to support companies to obtain certification. So far COLEACP-PIP has been working in 23 ACP countries and with around 250 export companies. Together these companies supply over 80% of fresh fruit and vegetables imported to the EU (excluding citrus fruit and banana).

For more information, please see: www.coleacp.org/pip

ON THE THEME OF TECHNOLOGY AND VALUE ADDITION:

Mr. Alberto Ghiraldi, Italy, for his “Passive Refrigeration” technology



Alberto Ghiraldi, NOMOS SRL, Italy

Cost-efficient technology to maintain the fresh/cold chain

This innovative technology enables producers to maintain the fresh/cold chain from farms to markets – irrespective of a continuous power supply. The technology 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 - saves energy and maintenance costs. The storage life of all perishable food stuff depends on the quality of the cold-fresh chain and its application from the field/slaughter/fishing/processing to the point of sale. The operation of conventional cold-fresh chain requires large amounts of electricity and the quality of preservation is such that timing becomes an extremely critical factor.

Improved preservation without using power

The PRSTM technology has been developed by High Technology Participation S.A. as a spin-off of Passive Conditioning technology, which is extensively used in Middle Eastern countries for the temperature control of telecommunication sites. The main features of PRSTM are:

- the quality of preservation, which results in a longer storage life;



- multiple vs. conventional refrigeration technology;
- thermal autonomy that allows the system to operate without using power, thus maintaining a continuous cold/fresh chain independent of external power supply; and
- 100% environment-friendly system, thanks to the total absence of noise and polluting emissions. The system accumulates thermal energy during the night allowing to benefit from cheaper power rates and using the aggregated energy during daytime, with energy cost savings of over 50%.

For more information, please see: www.refrigerazionepassiva.com

ON THE THEME OF INNOVATIVE FORMS OF FINANCE:

Mr. Ranjit Page, of Cargills (Ceylon) Ltd., Sri Lanka, for linking small farmers directly to markets

A large-scale modern retailer and food manufacturer with a full-fledged rural smallholder network

Cargills, as a key player in Sri Lanka's food industry, spearheads the sustainable

development of the country's food and agribusiness sectors through a strong focus on innovation and a constant investment in people and processes. The country's largest retailer (with over 50% market-share) leads sectoral growth in the food manufacturing sector with three of the largest production plants in the country.

Cargills' mission is to serve the rural community by linking small farmers to local and global markets. Cargills has developed a strong backward integration system with an advanced supply chain management that has allowed thousands of small-scale farmers and entrepreneurs to access markets. Cargills links 22 districts of the island's 25 through its supply chain, thus creating opportunities for more than 10,000 farmers and 1800 entrepreneurs who benefit from guaranteed markets and prices at least 20% above their cost of production as well as technical assistance, training and facilitation of credit through forward contracting.

The company's strategic empowerment of the agribusiness sector has increased farmer confidence, thereby encouraging them to reinvest in the business. The Cargills agribusiness model has also enhanced the confidence of previously sceptic lending institutions, which have

also begun to increase support for the sector. The advanced post-harvest technologies introduced by Cargills have also helped to enhance productivity and significantly reduce waste.

Most recently Cargills has extended its business model to Sri Lanka's eastern regions with several outgrower projects to be launched shortly aimed at creating sustainable livelihood opportunities for local communities. The Cargills model has been highly appraised by the World Bank and the Bill Gates Foundation as a role model for Sustainable Development.

Cargills' main objectives are:

- Reducing the cost of living and enhancing quality of life

The minimal post-harvest losses within the Cargills agribusiness operation coupled with the direct purchase system have enabled the company to give Sri Lankan consumers the best possible deal in essential items, thereby making high-quality nutritious food more accessible.

- Empowering Youth

Cargills established the Albert A. Page Institute of Food Business to deliver job-oriented skill development programmes – via a non-profit venture targeting the under-privileged as well as the untapped youth population across the island. The Institute has so far empowered more than 2,000 young people predominantly from rural regions; the majority of the young people trained at the Institute have found employment opportunities within the Cargills group. 80% of its staff stems from rural regions and 70% is below the age of 25.

- Bridging regional disparities in Sri Lanka

The Cargills backward integration model, its education programmes for the young rural population as well as regional expansion has brought the dividends of its business to the masses, contributing significantly to regional development.

For more information, please see: www.cargillsceylon.com



Ranjit Page, Cargills (Ceylon) Ltd, Sri Lanka



In addition, three special awards were presented for outstanding achievements related to innovative agribusiness solutions:

TO DR. IBRAHIM ABOULEISH, FOUNDER OF SEKEM, FOR HIS PIONEERING WORK IN BIODYNAMIC AGRICULTURE, CARBON FOOTPRINT CERTIFICATION AND ECOLOGICALLY RESPONSIBLE DEVELOPMENT

The SEKEM Initiative 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. 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.”

SEKEM is a showcase example of sustainable agriculture and a healthy ecosystem

SEKEM, which translates from Ancient Egyptian into “vitality from the sun”, was Dr. Abouleish’s concept, 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



Dr. Ibrahim Abouleish, SEKEM, Egypt

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 a 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 products in Europe. It helped other farms in Egypt switch to biodynamic farming.

SEKEM expanded its outreach into the community

Community projects followed, including a medical clinic, a day care centre, a literacy centre, a school, and facilities for the education of handicapped children. SEKEM went on to establish the country’s first pharmaceutical company, specializing in medical teas. In 2001, a holding company was founded to administer SEKEM’s finances. Revenues 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 extending its experience and acquired knowledge to other countries, including India, Senegal, Turkey, and - in partnership with the Fountain Foundation - South Africa.

For more information, please see: www.sekem.com

TO FATHER GODFREY NZAMUJO 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

The Songhai centre - created in the early 1980’s by Father Godfrey Nzamujo, who was determined that the level of development in Africa was utterly deficient and sought to restore dignity to the



Father Godfrey Nzamujo, Songhai Center, Benin



African people - seeks to create viable socio-economic environments in Africa. Songhai is an institution for training, production, research and development of sustainable agricultural practices, aiming at augmenting the standard of living of Africa's populations. Its ambition is to foster an environment of creativity and innovation and, ultimately, re-establish a stable African society.

Songhai adopted effective management methods

Starting out with one single hectare of land, the Songhai project expanded to six sites in Benin and one in Nigeria, where young agricultural entrepreneurs are trained to create viable agricultural enterprises. The use of local resources, the combination of traditional and modern agricultural practices, the instruction and implementation of effective management as well as the encouragement of individual and communal responsibility and initiatives are key elements in Songhai's approach.

Songhai's approach is extensive and holistic

Songhai is based on the principle that agriculture - in order to become a viable force of development - must be extensive and holistic, going beyond purely agricultural knowledge (integrated production, animal husbandry, fish farming, and appropriate technologies) and include education in management, organization, and planning. In pursuing these goals, the Songhai centre is involved in various activities, highlighting sectors leading up to and resulting from agricultural production. Its principal activities are utterly inter-related.

The objectives of the agricultural production are: to promote an integrated system of agricultural production (diversification); to manage production units with the target of making them profitable while remaining conscious of the environment; to increase productivity; to supervise student farmers and trainees; and to provide agricultural services (e.g. production of seed and materials) for farmers and the Songhai sites.

For more information, please see: www.songhai.org

TO 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 LINKS THEM WITH EU MARKETS

ETRACE ensures that products are safe for consumption

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 encounter barriers to trade.

More than 5 million people indirectly assisted through ETRACE

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. Assistance has been provided to about 90 of the 200 packing houses in the country (and 8 pilot food processors), and it is estimated that the assisted packing houses account for approximately 85 per cent of exports. Through them, the project has reached around 45,000 farms and thus nearly 5 million people.

In addition, ETRACE has provided support to the General Organization for Import and Export Control (GOIEC) in establishing the national traceability system.

For more information, please see: www.etrace-eg.org

Videos: <http://video.aol.com/video-detail/etrace-trace-me-back/2608481551>

<http://www.youtube.com/watch?v=3y8ESoDwE5U>



Mahmoud El Bassouny, ETRACE, Egypt



Traceability

According to the ISO 22005 standard “Traceability in feed and food chain - General principles and basic requirements for system design and implementation”, traceability is defined as “the ability to follow the movement of a feed or food through specified stages of production, processing and distribution.”

The ISO standard further specifies that in developing a feed and food chain traceability system, it is necessary to identify the specific objectives to be achieved such as: a) support food safety or quality objectives; b) document the history or origin of the product; c) facilitate the withdrawal and/or recall of products; d) identify the responsible parties in the feed and food chain; e) facilitate the verification of specific information about the product; f) communicate information to relevant stakeholders and consumers.

Therefore, implementation of food traceability systems allows importers, exporters, logistics operators and authorities to trace all the steps taken during the preparation and distribution of food products. This is particularly important in cases of health scares that require recall, but also ensures greater transparency, improves supply-chain management, and allows smooth and cost-effective exchange of information, thereby facilitating trade. Specifically, the implementation of a traceability system in exporting companies has many benefits:

- Improvement of food supply chain management
- Facilitation of trace back for food safety and quality attributes
- Differentiation and marketing of products with subtle or undetectable quality attributes
- Lower-cost distribution systems
- Reduced recall expenses
- Increased opportunities for maintaining market shares and for opening new markets
- Adequate protection of consumers
- Minimized spreading of plant diseases and food poisonings

Enterprises are matched with potential partners

The conference also helped those seeking to expand their business portfolios and/or to develop technical cooperation programmes: in parallel to the technical sessions, the UNIDO Investment Promotion Unit (IPU) in Egypt supported the realization of over 300 bilateral meetings between potential partners in the areas of access to finance, transfer of technology and expertise, and capacity building.

*Marco Potecchi, Head, IPU, Egypt:
“While the matchmaking sessions per se have registered a tremendous number of promising negotiations, 50 percent of the successful meetings will result in a follow-up. This is just the stepping stone; we will ensure that the expressions of interest result in concrete cooperation.”*

One specific example to better illustrate the nature of the B2B negotiations:

ISIS, an Egyptian company that is part of the Sekem Group and produces processed organic foodstuffs, is currently pursuing negotiations with the Italian company IMA Flavours S.r.l. to acquire machinery worth € 680.000.

The UNIDO Investment Promotion Unit (IPU) in Egypt plays an active role in this deal by providing technical assistance to ISIS and preparing the required business plan.

Furthermore, the equipment will be financed through the Italian credit line that is managed by the IPU. Moreover, ISIS is looking at the possibility of purchasing passive refrigeration technology worth € 200.000 from the Italian company Nomos S.r.l. (the Conference’s award winner in the category Technology and Value Addition).

The IPU is supporting the negotiations by establishing communication and facilitating linkages between the two parties.



Fairmont Hotel, Matchmaking sessions



UNIDO ITPO/IPU Network

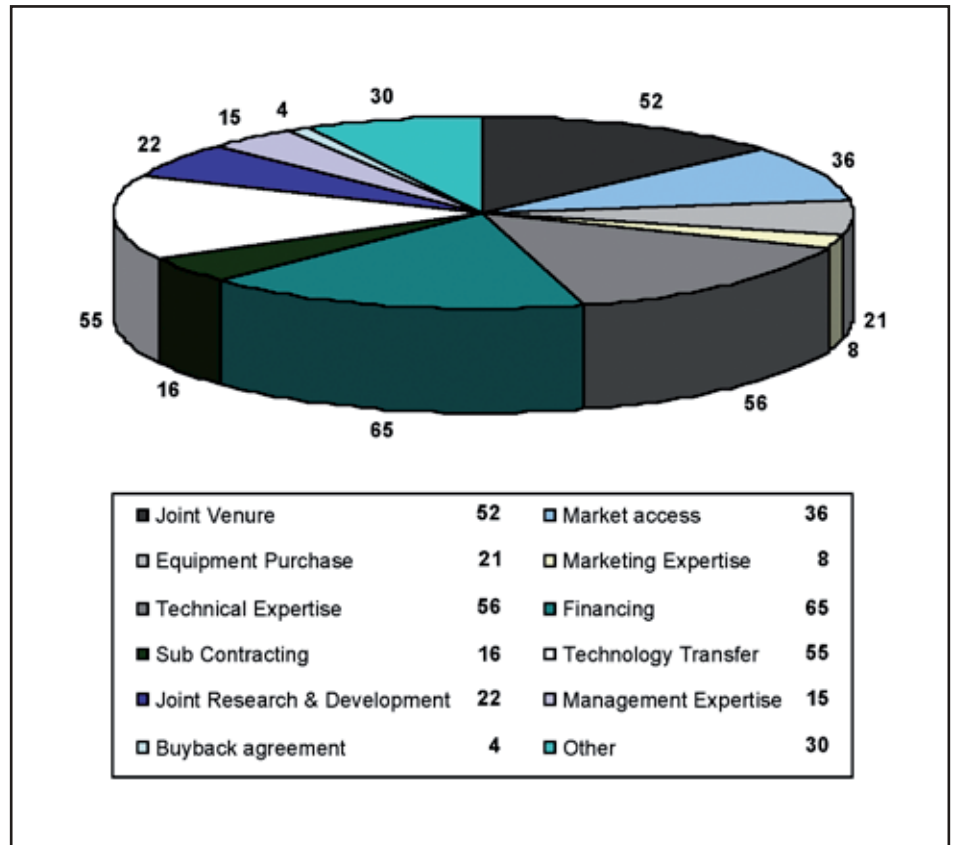
The Investment and Technology Promotion Offices (ITPOs) and the Investment Promotion Units (IPUs) are linked to public and private institutions working in the field of industrial development; drawing on these linkages, ITPOs and IPUs are redressing the industrial development imbalance by bridging investment and the latest technology to those countries most in need of a promotional helping hand.

At the same time, ITPOs and IPUs are opening up new opportunities for investors and technology suppliers to find potential partners in developing countries and countries with economies in transition.

The ITPO/IPU network provides a unique combination of value-added services to client institutions and entrepreneurs from developing countries and countries with economies in transition, which want to forge new alliances in international industrial investment and technology transfer: disseminate the latest information on legal and economic conditions, investment financing and opportunities for industrial cooperation; identify and promote specific investment opportunities; provide expert advice at all stages of the business cycle; and facilitate business contacts between project sponsors and potential foreign investors.

ITPO/IPU staff maintains active links with the business community and development agencies in the Offices' host countries as well as extensive databases of companies interested in industrial partnerships in developing and transition economies.

At the same time, ITPOs and IPUs are playing an increasingly important role in developing and carrying out UNIDO's integrated country programmes.



Matchmaking meetings during the conference by type of cooperation (in number of meetings)



UNIDO's Investment and Technology Promotion Offices and Investment Promotion Units and Centres for International Cooperation worldwide



Interactions and partnerships that resulted from the Conference

The Conference fostered fruitful interactions and encouraged the consolidation and formation of new partnerships between policy-makers, international organizations, financial and technical institutions (public and private), businesses and academia. Some of the strengthened or newly established partnerships are listed below.

- UNIDO and The Arab Gulf Programme for United Nations Development Organizations (AGFUND) have strengthened their cooperation in the field of agribusiness development *inter alia*, through the 2009 AGFUND International Prize.

Mr. Nassar Al Kahtani, Executive Director, AGFUND: "The 2009 AGFUND International Prize supports sustainable agribusiness development not only by financing innovative solutions, but also by helping unnoticed or ignored efforts gain visibility, thus encouraging the replication of successful experiences throughout the developing world."

- A project is underway to link the CIEH-UNIDO Sri Lanka programme for food safety qualifications and Cargills Ltd. The aim is to provide CIEH training programmes to Cargills staff and their suppliers and to support Cargills in the suppliers assurance programme.

The Chartered Institute of Environmental Health (CIEH)

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.



Gerardo Pataconi, Unit Chief, Productivity, Quality and Enterprise Upgrading Unit, TCB, UNIDO, Nassar Al Kahtani, Executive Director, AGFUND, Yoshi Uramoto, Deputy to the Director-General, UNIDO

The Arab Gulf Programme for United Nations Development Organizations (AGFUND)

AGFUND is a non-profit regional development institution, which was established in 1980 through the initiative of HRH Prince Talal Bin Abdul Aziz Al Saud, with the support of the leaders of the Arab Gulf States.

Based in Riyadh, Saudi Arabia, AGFUND has contributed over US\$235 million to 1,045 projects in 131 countries in Asia, Africa, Latin America and Eastern Europe, with special emphasis on development and humanitarian activities, targeting the neediest in developing countries, particularly women and children.

AGFUND actively cooperates with 19 national, regional and international institutions and has established a number of institutions in the Arab region, including the Arab Open University.

The 2009 AGFUND International Prize for Pioneering Development Projects

Every year, AGFUND awards its International Prize, worth a total of US\$300,000, to honor pioneering development projects. The International Prize aims at encouraging and stimulating continuity in the development and implementation of projects in developing countries.

The International Prize is awarded in three categories: the first category will be given to projects implemented by the United Nations, international and regional organizations; the second category is for projects implemented by NGOs and the third category for projects founded, sponsored and/or implemented by individuals.

The 2009 AGFUND International Prize targets projects encouraging the implementation of modern and innovative technology in agricultural development. **We would like to encourage our readers to submit their nominations for this year's contest.**

For more information please see:

www.agfund.org
or e-mail to prize@agfund.org



- Possibilities of replicating the Car-gills - Sri Lanka Model in Togo are being explored.
- A strategic partnership agreement between UNIDO and Michigan State Uni-versity (MSU) in the context of the Global Food Safety Initiative (GFSI) has been signed with the objective of developing a Food Safety Knowledge Network and a joint training and research programme targeting developing country policy-makers and the private sector in the area of trade capacity building.
- The Ministries of Agriculture of Ecuador and the Philippines requested UNIDO's assistance in the development of a trace-ability programme that would resemble the ETRACE centre in Cairo (one of the Conference's special award winners).
- The success of the Cairo event has sparked initial negotiations on the establishment of follow-up mecha-nisms between UNIDO and the Italian Development Cooperation, one of the Conference's main partner institutions.
- The regional group of Latin America and Caribbean Countries (GRULAC) is looking into the possibility of hosting a follow-up conference to Cairo in the region.

The Global Food Safety Initia-tive (GFSI)

GFSI is coordinated by CIES - The Food Business Forum, which is the only inde-pendent global food business network uniting the CEOs of more than 400 retail-ers and manufacturers of all sizes, from across 150 countries.

GFSI's overall objective is the continuous improvement of food safety management systems to increase consumers' confi-dence, by providing an international stakeholder platform for networking, knowledge exchange and sharing of best food safety practices. The Global Food Safety Initiative works to achieve convergence between food safety stan-dards through maintaining a benchmark-ing process for food safety management schemes and to improve cost efficiency throughout the food supply chain through the common acceptance of GFSI recog-nized standards by retailers around the world.

The way forward

An Agribusiness Solutions Exchange Platform will be developed

To build on the Conference's success and to sustain its innovative and unique con-cept of solution sharing and business matchmaking, an Agribusiness Solutions Exchange Platform is currently being developed. The Platform will replicate the Conference's structure, thereby focusing on the continuous identification, scre-ening and validation as well as the sub-sequent dissemination of innovative and successful agribusiness solutions, which could potentially be scaled-up or trans-ferred to other regions or countries.

Online matchmaking sessions between screened companies and specialized discussion groups, which will be moder-ated by international experts and which will capitalize on the aforementioned thematic areas of the Conference, will be the Platform's key elements. A very specific focus on Trade Capacity Building topics related to agribusiness, a portfo-lio of innovative solutions screened and selected by a technical committee, the synergy of the Conference's four them-atic areas, as well as UNIDO's role as an

honest broker and provider of technical expertise constitute the distinctiveness of the Platform.

UNIDO's technical expertise and practi-cal experience will be at the centre of the Platform, as the submitted solutions will be systematically assessed by a tech-nical committee of high-level experts. Agribusiness practitioners will benefit from technical assistance in the imple-mentation and/or transfer of selected solutions with the support of UNIDO and its partners institutions.

The Platform's objective is to provide a continuous opportunity to all participants of the agribusiness value chain to share innovative solutions and best practices, to enhance their knowledge on standards, food safety, technology and development assistance opportunities and increase their access to business partners and investors through online matchmaking. The Platform seeks to become a global online forum for agribusiness practitio-ners that will facilitate interaction and knowledge sharing, thus foster fruitful cooperation between private businesses, representatives of private and public, technical and financial institutions, inter-national organizations, donors, civil so-ciety and academia.



Ultimately, small producers and farmer associations in rural regions will also benefit from the knowledge sharing.



Ultimately, the Platform is aiming at becoming a central knowledge base on Trade Capacity Building for agribusiness operators around the world. It will promote contributors of innovative solutions and best practices and allow them to gain additional visibility.

An Agribusiness Equity Fund was launched

UNIDO supported the launch of an agribusiness fund to foster agribusiness partnerships and to support the development of the agribusiness sector in Egypt.



Nermine El Tahri, Chairman and Partner of Delta Holding for Financial Investments, Paul Makin, UNIDO Representative in Egypt

Dr. Paul Makin, UNIDO Representative in Egypt, announced: "UNIDO is joining forces with Delta Rasmala, a leading Egyptian asset management firm, in an innovative effort to address the disadvantaged regions in Upper Egypt and other areas of Egypt, in line with the Egyptian Government's plans to help prevent future food crises from occurring."

Nermine El Tahri, Chairman and Partner of Delta Holding for Financial Investments, is convinced that the Equity Fund will considerably impact Egypt's agribusiness sector: "The Food and Agribusiness Equity Fund will generate new businesses and build capacities for domestic enterprises to produce a wider range of products along the value chain and increase their productivity, thus increasing Egypt's agricultural wealth and creating employment opportunities."

Special Thanks

We would like to express our most sincere gratitude to all who have contributed to make this conference possible, in particular to:

The members of the International Advisory Board

The Partner and Support Institutions:

ETTRACE

Food and Agriculture Organization of the United Nations (FAO)

Industrial Modernization Centre (IMC)

IPU Egypt

Italian Development Cooperation

ITPO Italy

SEKEM Initiative

Swiss State Secretariat for Economic Affairs (SECO)

The Sponsors:

Ms. Rawya Mansour

Banque Misr

Farm Frites - Egypt

Magrabi Agriculture

Accentia Middle East

IT Synergy

Produce Pak



"The Conference was a major success, combining strong technical expertise with a selection of remarkable practical experiences from developing countries. In order to sustain the goodwill created, we have to build on the event's innovative approach and strong interactive component and retain the International Advisory Board. A good way to strengthen the community and to foster specialized interactions would be to hold annual Technical/Sectoral Expert Group Meetings."

Lalith Goonatilake, Director, Trade Capacity Building Branch, UNIDO



For information related to the conference and its follow-up please contact:

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