



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

# AGRIBUSINESS AND HUMAN CAPITAL DEVELOPMENT







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## AGRIBUSINESS Transformational Change

With the world population expected to reach almost 10 billion in 2050, bold actions would be required to achieve higher productivity and social, economic and environmental sustainable growth in the agriculture and agro-industrial sector. The latter represents a key component of the economy of many developed and emerging countries and an opportunity for achieving livelihood, job creation and shared prosperity responding to the 2030 Development Agenda and SDG1, SDG2 and SDG9. "The development of agriculture-based industry is a first step towards the structural transformation of developing countries economies". The United Nations Industrial Development Organization (UNIDO) helps developing countries to add value to their agricultural produce that will in turn increase employment and income and lead to a higher level of prosperity. UNIDO programme on agribusiness development covers food and food systems, leather and leather products, textile and garments, wood and woodworking, agriculture mechanization and inputs supply and creative industries, as well as human capital development with focus on rural populations.

***"Over 800 million people suffer from hunger, of these, 70 per cent live in rural areas of developing countries."***

The current global food system is characterized by inequality and polarization in revenue distribution and bargaining power, entailing additional economic, social and environmental costs.

***"It is imperative to develop food industries that do not represent a threat to biodiversity, environment and consumer health."***

Inclusive and Sustainable industrialization (ISID) promoted by UNIDO focuses on upgrading and greening value chains to enable food systems to deliver safe food, better nutrition and fair income without jeopardizing economic, social and environmental resources.

***"Agribusiness development must also target waste reduction and losses as well as recycling through technology improvements and process optimization along value chains together with the utilization of by-products."***

Post-harvest losses, that could reach 40% of agricultural produce in the developing world, and lack of basic processing and logistics system result in high levels of waste and losses in many developing countries. UNIDO facilitates the transfer and adoption of appropriate and green agro-processing and post-harvest technologies and practices as well as waste minimization.



80  
PER CENT  
OF EMPLOYMENT LIES IN  
THE AGRICULTURAL  
SECTOR

76  
PER CENT  
OF THE POOR IN THE  
DEVELOPING WORLD LIVE IN  
RURAL AREAS AND RELY ON  
AGRICULTURE FOR  
THEIR SURVIVAL

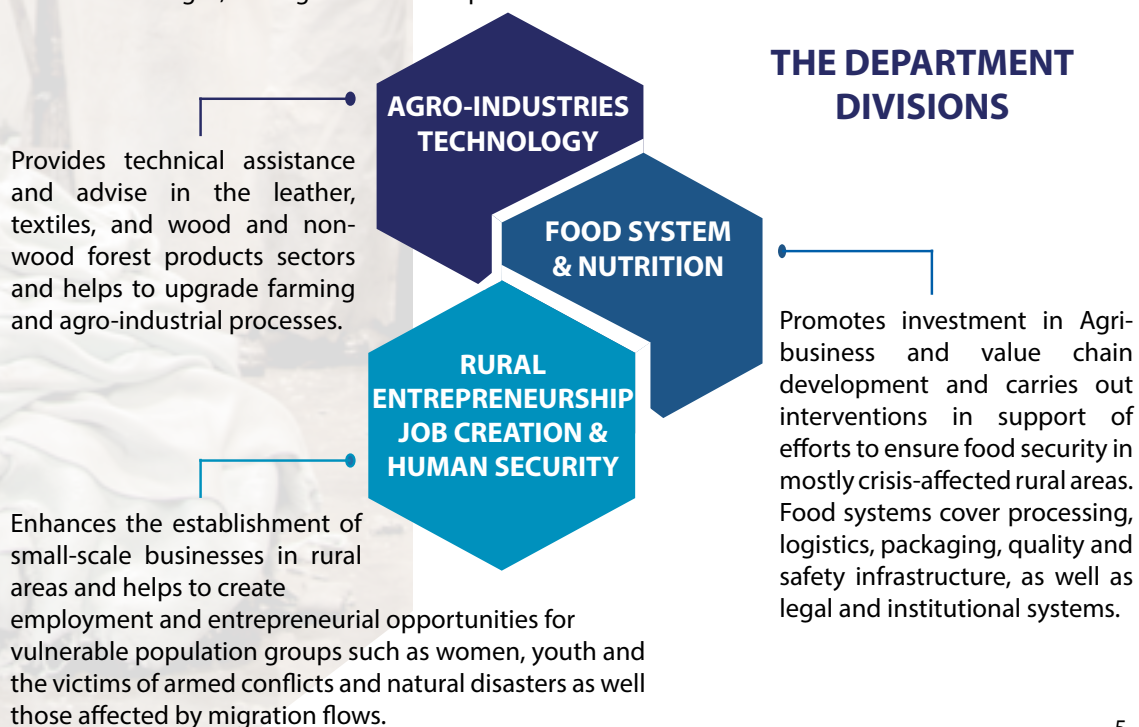
85  
PER CENT  
OF THE EXPORTS ARE  
LINKED TO THE  
AGRICULTURAL  
SECTOR

## DEVELOPING HUMAN CAPITAL To achieve inclusiveness

Small and medium-sized enterprises (SMEs) make up more than 90% and more than 50% of employment worldwide, and there are some 500 million smallholder farms worldwide with more than 2 billion people that depend on them for their livelihoods. These small farms produce about 80% of the food consumed in Asia and sub-Saharan Africa. Therefore, fostering enterprise creation and nurturing SMEs in developing countries and linking agriculture and processing capacity is crucial for job creation and enhanced prosperity. Special attention should also be placed on empowering disadvantaged groups facilitating access to capital (human, knowledge, social and financial) to become active economic actors. In this context, UNIDO focuses on strengthening the entrepreneurial ecosystem by supporting start-ups and upgrading existing SMEs in the agribusiness sector and integrating agriculture and agro-industry pursuing circular economy objectives.

UNIDO's approach focuses on capacity building through provision of vocational and managerial skills training matching the demand in the job market; and fostering the creation of new and socially responsible enterprises. Moreover, as the absence of business development and support services can be a stumbling block for new entrepreneurs, especially women and youth, UNIDO also helps ensuring that public and private institutions in developing countries, and those in transition, are equipped to provide critical business development services and support to their clients, including information on networks, markets and investment opportunities.

Entrepreneurship in value chains play a crucial role in enhancing a country's economic competitiveness and ability to participate effectively in global trade. The selection of best practices introduced throughout rural entrepreneurship (i.e. "agropreneurs"), job creation and human security projects address human and social capital development. The participation of smallholder farmers and entrepreneurs and local providers of goods and services ensures greater inclusiveness. For instance, UNIDO creates sustainable and simple marketing networks of micro producers and small business owners by developing and implementing value chain strategies supporting the strengthening of existing networks, consortia or clusters. The Organization focuses as well on building the capacity of the different actors to operate in the value chain and adjust to new technological, business and market challenges, adding value to their production.





# THE AGRI-BUSINESS DEVELOPMENT DEPARTMENT OBJECTIVES

## In line with ISID and SDG's strategic goals

### POVERTY REDUCTION

Emphasis is placed on strengthening entrepreneurial ecosystem, self-employment and management capacity, which enables to develop a conducive and responsible business environment. As results, it promotes maintenance and creation of decent jobs and income opportunities for each segments of society, with strong focus on women and youth, rural populations and vulnerable groups, including refugees, so as not to leave anyone behind. By developing training methodologies and learning tools, developed through participatory processes, UNIDO is able to disseminate agribusiness best practices and develop human capital through innovative sustainable solutions in partnership with both public and private sector.

### SAFEGUARDING THE ENVIRONMENT

By including in its activities the adoption of energy efficient and cleaner production practices, policies and technologies as well as the principles of circular economy in agro-based industries, the Department promotes solutions to mitigate climate change and greening of agro-based value chains.

### ADVANCING ECONOMIC COMPETITIVENESS

By focusing on agribusiness value chains, the Agri-business Development Department promotes inclusiveness and enhances competitiveness of all actors in the value chain to meet local demand and integration into regional and global supply chains. Providing support to food and non-food agribusiness value chains projects includes transfer of technologies and practices, compliances with market requirements such as the introduction and promotion of Codex-based food safety standards and market-driven schemes as well as qualification schemes for staff.

**How UNIDO, through its Agri-business Development Department, is supporting the capacity of Members States and Stakeholders to initiate and carry out their own programmes in the field of agro-industrial development.**

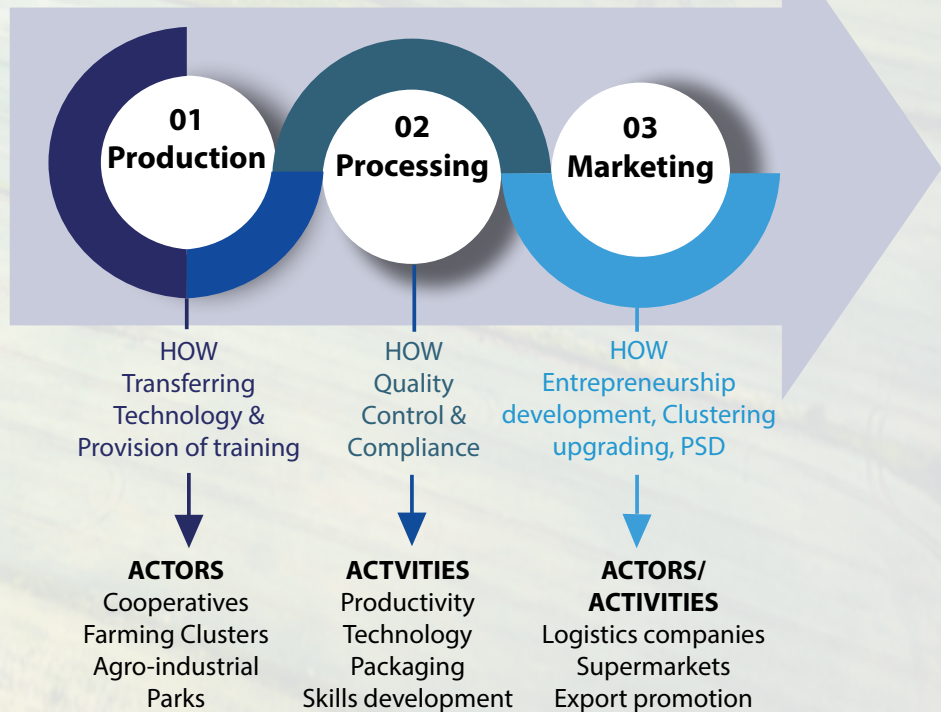
The Agri-business Development Department provides tailored assistance through the implementation of technical cooperation projects with a strong emphasis on building local capacity, networking and transfer of knowledge and technology, fostering and promoting investment in infrastructure and systems to achieve sustainable and inclusive industrialization. The Department shapes appropriate industrial strategies and policies to address the inclusive and sustainable agro-industry ecosystems, while ensuring that UNIDO's intervention is properly calibrated to fit with the global and regional economic integration.



## THE AGRIBUSINESS DEVELOPMENT VALUE CHAIN

### The agricultural value chain: a strategic tool for achieving ISID

Among other strategic approaches (e.g. entrepreneurship; human capacity development and territorial/corridor development), the value chain is an heuristic tool that the department uses to design and implement its interventions in line with the various activities (e.g. capacity building, technology transfer, investment, market access). The value chain is a set of business, activities, and relationships, engaged in creating a final product or services. Each actor or function in the value chain, i.e. production, processing and marketing, consumption and disposal, requires effective tools and practices involving technology transfer, product development and processes, quality assurance and standards compliance implementation, entrepreneurship development, supplier development, and skills upgrading with the aim at supporting the national actors and the activities involved, in adding value to agricultural produce and human capital resources. The comprehensive approach of UNIDO to value chain analysis enables the Organization to identify the obstacles to industrial development, providing Member States and all stakeholders with an array of analytical tools and services for all actors in the value chain. Agribusiness value chains enable a comprehensive analysis as a rigorous working base for the deployment of specialized services targeting the weaker links of the chain, such as agricultural mechanization and inputs supply, modern processing technologies, packaging of products, promoting food and product safety in the processing and enabling regulatory environment, creating the condition to successfully implement a value chain development project with the aim at improving competitiveness and productivity and job creation.





# THE DEPARTMENT PERFORMANCES

## Tools and Methodologies

### ACTIVITIES



### TOOLS



### BENEFITS



#### CAPACITY BUILDING

#### DEVELOPING SKILLS

Training on management skills  
Upgrading technical skills  
Acquiring entrepreneurial skills

Promote resource-efficient, sustainable and inclusive agro-industries, attract socially and environmentally responsible investment in agriculture and agro-industry

### DIRECT SUPPORT

#### TECHNOLOGY TRANSFER

#### TRANSFER OF TECHNOLOGIES, BIOTECHNOLOGY & NANOTECHNOLOGY IN AGRO-INDUSTRY

With environmental gains and social responsibility

Facilitate the transfer and application of appropriate technologies as well as its adoption; Introduce best practices to reduce post-harvest losses and bio-risks

#### INVESTMENT

#### DEVELOPMENT OF BUSINESS PLANS

Support the establishment of Integrated Agro-Industrial Parks (IAIPs)

Trigger investment in profitable, demand-oriented and efficient agro-industrialization and facilitate integration of agriculture producers and processors and access to services, finance and markets

#### ASSESSMENTS STUDIES & TECHNICAL ADVICES

#### ADVISORY SERVICES

In line with ISID, sector studies, trends analysis, impact assessments and strategies identification, advisory services at the institutional level

Enhance the competitiveness of specific value chains and related services, and capacity building support at the institutional and governmental levels

### COORDINATION SUPPORT

#### STRATEGIC PARTNERSHIPS

#### CONTRIBUTE TO PROGRAMME FOR COUNTRY PARTNERSHIPS (PCPs) & PRIVATE AND PUBLIC PARTNERSHIPS (PPP)

Forge a plan of action and network

Set up partnerships with the private sector, international organizations, civil society, academia, financial institutions and Governments in order to tap into larger resource pools and strengthen institutional and private sector capacities

#### GLOBAL FORUM

#### CONTRIBUTE TO GLOBAL FORUMS

Through exchange of knowledge, tools and methodologies on agribusiness

Promote the transfer of innovative solutions and best practices



# THE DEPARTMENT PERFORMANCE STORIES

## Examples of successful interventions

FOOD SYSTEM  
& NUTRITION  
DIVISION

### SRI LANKA PURE CEYLON CINNAMON COMPETITIVENESS



#### CONTEXT...

The Ceylon cinnamon also called “true cinnamon”, is one of the oldest spices grown and exported by Sri Lanka. As its third largest export crop, it supports the livelihood of over 70,000 small-scale growers and provides employment for some 350,000 people.

#### CHALLENGE...

The past decade, demand for Ceylon cinnamon in Europe and North American markets has diminished due to a cheaper substitute and because of Sri Lanka failure to meet the most recent requirements regarding product specifications and food safety.

#### ACTION AND TOOLS...

The government of Sri Lanka launched a new brand name, Pure Ceylon Cinnamon (PCC), at the same time, the Spice Council of Sri Lanka, which represents private and public stakeholders in the cinnamon industry, requested UNIDO’s support in building national capacity to comply with food safety and quality requirements along the cinnamon value chain.

#### EXPECTED BENEFITS...

UNIDO and the Standards and Trade Development Facility of the World Trade Organization worked together with the Spice Council to establish an institutional and legal framework for an Academy, and promote recognized food safety certifications. This project has also assisted in the establishment of national accredited training together with six qualifications for cinnamon value chain operators.

## AGRO-INDUSTRIES & TECHNOLOGY DIVISION



## ETHIOPIA LEATHER CITY



### CONTEXT...

The Ethiopian leather industry enjoys significant comparative advantages. 48% of existing tanneries in Ethiopia are operating in the Oromia region.

### CHALLENGE...

The pollution problems created from tanning activities require an urgent solution that looks at a proper urban planning for the relocation of the existing tanneries operating in urban areas.

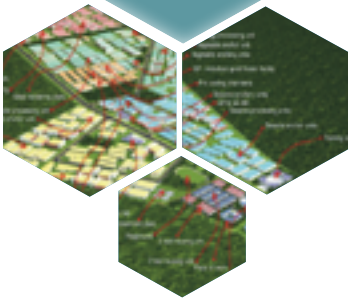
### ACTION AND TOOLS...

The concentration of tanneries in a new and modern industrial district enables the elaboration of a common environmental strategy for facing all pollution problems, such as the construction of a centralized waste water treatment plant, in a cost efficient manner, while enhancing foreign and local direct investments.

### EXPECTED BENEFITS...

The Modjo Leather City (MLC) represents a concrete opportunity to position the Ethiopian leather industry on the map of leather producing countries in the world, by following a model of ISID. The MLC will: 1. boost foreign and local direct investments and trade; 2. have a positive impact in creating job opportunities; 3. give the opportunity to strengthen the TVET schools; 4. improve the hygiene and health conditions of the local population.

## INTEGRATED AGRO- INDUSTRIAL PARK



## INTEGRATED AGRO-INDUSTRIAL PARK



### CONTEXT...

Few countries in the world have reached a high level of economic and social development without having developed an advanced industrial sector. Integrated agro-industrial parks can attract foreign and domestic investment in developing countries and promote economic development based on agricultural produce and resources.

### CHALLENGE...

Integration of smallholder farmers which produce more than 70% of the global food are not connected to global value chains; Development of agro-industries in developing countries is hampered by the absence of industrial infrastructure and utilities.

### ACTION AND TOOLS...

UNIDO pursued the integration of smallholder farmers into value chains to generate jobs and income opportunities for rural communities. Further, it aimed at increasing both food security and food safety while pursuing the objectives of the circular economy and addressing climate change. UNIDO is currently engaged in setting up agro-parks in Cameroon, Ethiopia, Lebanon, Myanmar, Nigeria and Senegal.

### EXPECTED BENEFITS...

The development of agro-industries, including agro-industrial parks and rural transformation centers, represents for the country an opportunity to accelerate economic development, create jobs and achieve its industrial development goals.



## RURAL ENTREPRENEURSHIP JOB CREATION AND HUMAN SECURITY DIVISION



## CREATIVE CULTURAL INDUSTRIES CCIs

medcreative.org

### CONTEXT...

In the Southern Mediterranean region, five million jobs are needed every year to ensure social inclusion, the small and medium-sized enterprises SMEs constitute the main job stocks. Dominated by SME's, the rural non-farm economy of the Cultural and Creative Industries can significantly contribute to rural communities' income, employment and well-being.

### CHALLENGE...

CCIs is a set of economically relevant heterogeneous sub-industries that include artisan works, handicrafts and arts, innovative product designs. Under-recognition and lack of support from private and public institutions often imply that people and communities working in the creative sector fail to benefit from development opportunities.

### ACTION AND TOOLS...

Since 2014, UNIDO promotes the development of clusters (geographic networks of enterprises which can make use of common support services and can jointly enhance their productivity) to bring creative strategies, technical assistance and support, to improve the competitiveness of the CCI's in seven beneficiary countries (Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia).

### EXPECTED BENEFITS...

The Creative and Cultural Industries are a platform for ethical business models with a spill-over effect on a range of other sectors. They also enable improvements for workers' living conditions, poverty reduction, income and employment generation with social inclusion, in particular for youth and women.



## ENTREPRENEURS FOR SOCIAL CHANGE E4SC



### CONTEXT...

The project Entrepreneurs for Social Change (E4SC), developed in cooperation with Fondazione CRT, strives to empower young women and men in a comprehensive manner, for these to be able to generate a measurable positive impact in their communities through entrepreneurship and innovative business ideas.

### CHALLENGE...

Social entrepreneurship led by young women and men has proven critical in addressing pressing social, economic and environmental challenges, particularly in regions facing increasing levels of unemployment, tensions and continuous risk of conflict. However, young social entrepreneurs continue to face lack of access to appropriate and quality opportunities for skills development, entrepreneurship training, networks, as well as access to adequate financial mechanisms.

### ACTION AND TOOLS...

E4SC foresees training on business development, entrepreneurship, social impact, and pitching to investors, while being rooted in the values of intercultural connectivity and exchange, peer-to-peer learning and community building. A thorough 12 months programme of individual and group mentoring ensures the successful implementation of the lessons learned during the training, and allows for impact monitoring and measurement of the social enterprises.

### EXPECTED BENEFITS...

Young women and men aged 18-35 are empowered to create and develop their enterprises, which are economically viable and have a demonstrated positive social impact. by assisting, cultivating, leveraging and connecting the best talents in a given social context is foreseen to trigger a multiplier effect, given the tendency of young social entrepreneurs to attract and spread the benefits of their actions in communities, towards their peers, and in society at large.

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