Value chain knowledge sharing for action

Value chain analysis and territorial approach: an essential complementarity

3rd online session – 20 February 2025
2-3 pm Brussels time

GUEST SPEAKER:
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Funded by the European Union

PRESENTATION PLAN

- Introduction
- Value chain approach
- Territorial Approach
- Complementarity
- Conclusion

INTRODUCTION

Main objectives of the two approaches

- **MAIN OBJECTIVE OF A VALUE CHAIN APPROACH:** TO MAXIMIZE THE VALUE ADDED OF (SMALL) PRODUCERS AND THE SOCIAL, ENVIRONMENTAL, FINANCIAL AND ECONOMIC VIABILITY OF VALUE CHAINS

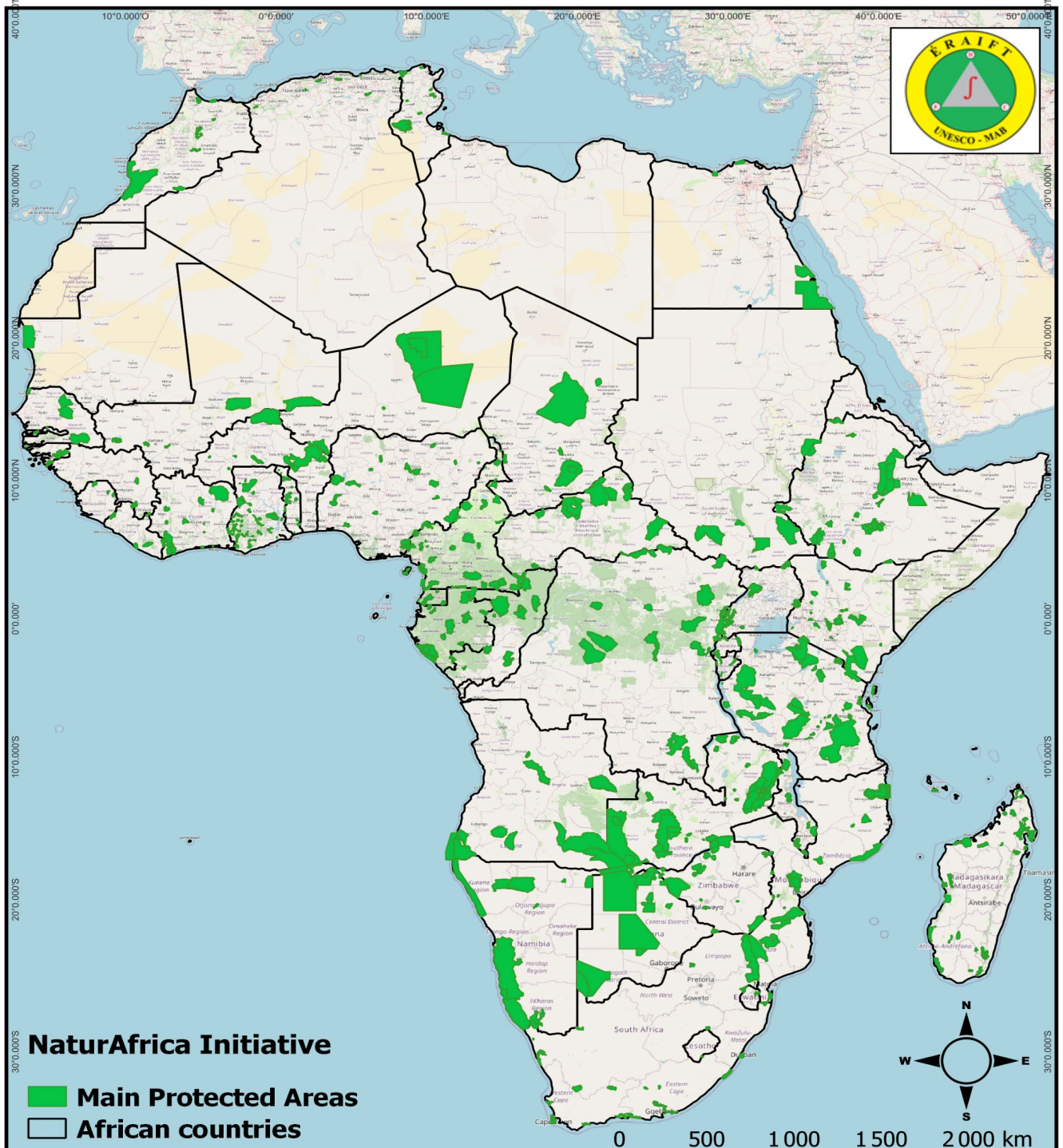
- **MAIN OBJECTIVE OF THE TERRITORIAL APPROACH:** TO INCREASE THE IMPACT AND SUSTAINABILITY OF INTERVENTIONS BY CONCENTRATING MULTI-SECTOR INVESTMENTS (EDUCATION, HEALTH, INFRASTRUCTURE, WATER, SECURITY, MICRO-FINANCE, ENERGY, ETC.) IN A GIVEN LANDSCAPE.

(2) METHODS AND TOOLS FOR THE ANALYSIS OF A SUSTAINABLE (AND INCLUSIVE) VC

1. Functional and contextual analysis
2. Economic dimension
3. Social dimension
4. Environmental dimension

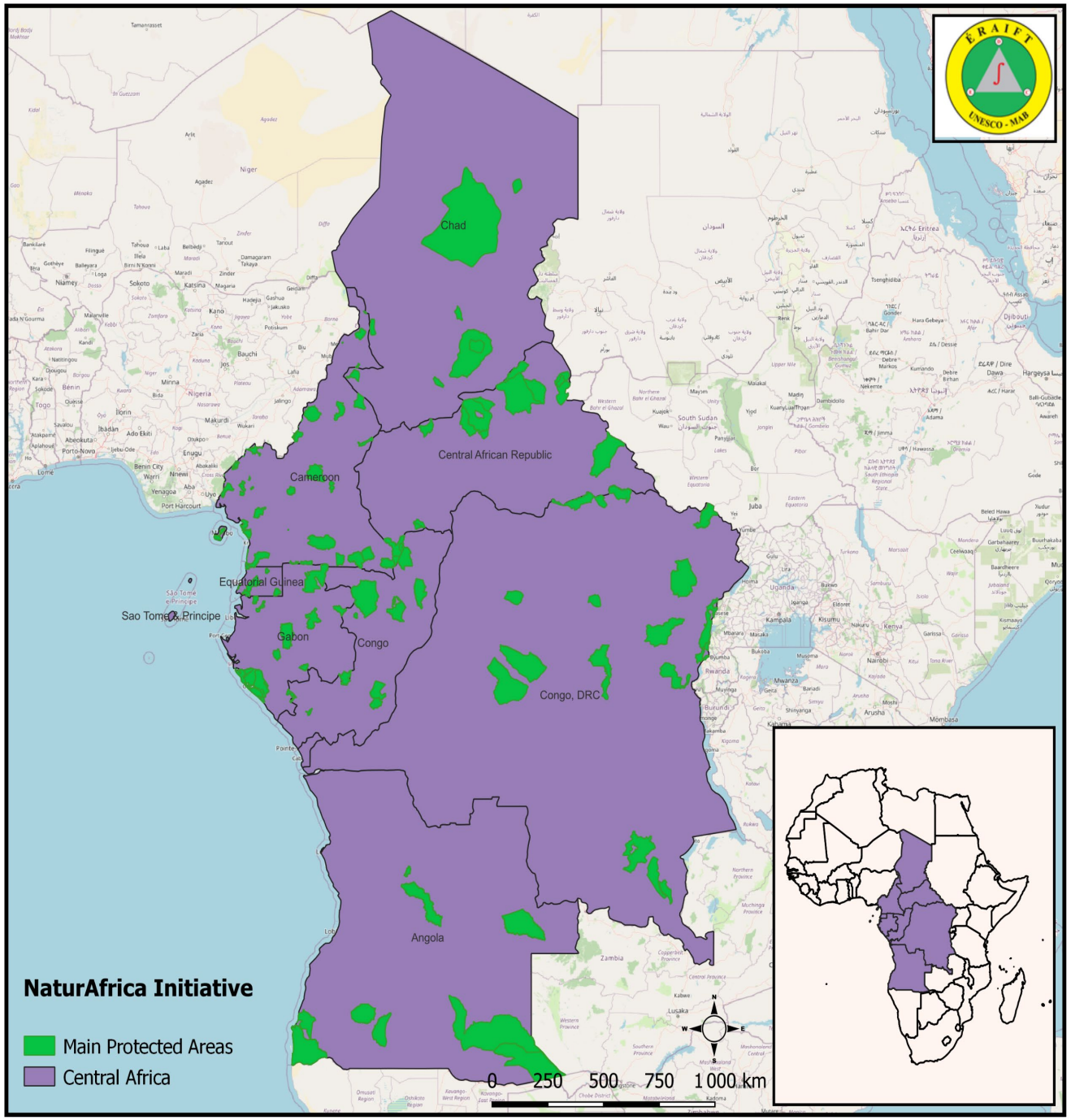
Conclusion

3.TERRITORIAL APPROACH
-WHY?
-WHERE ?
-FROM MACRO TO MESO ECONOMY

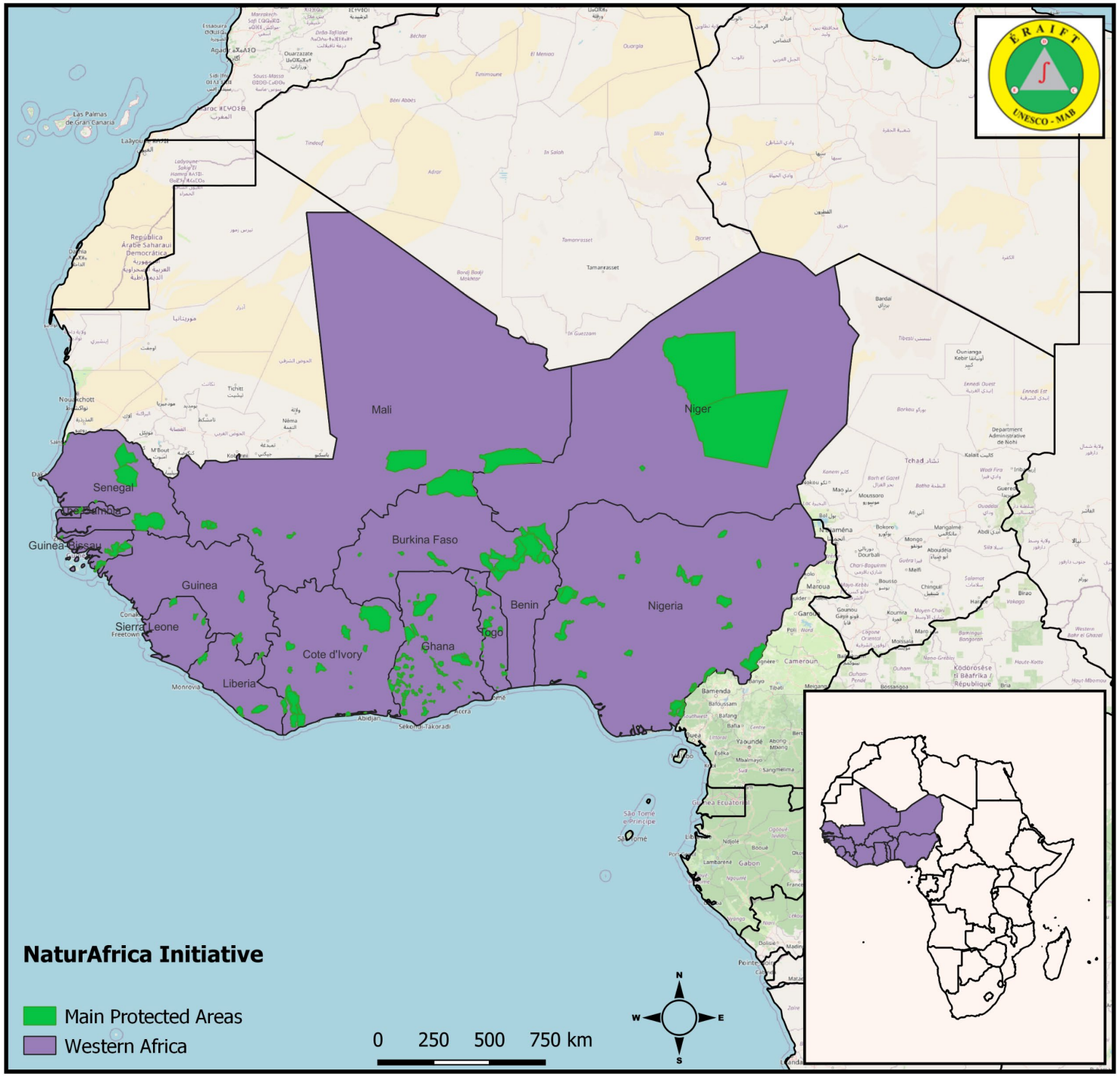


NATURAFRICA: the green deal approach for EU support to biodiversity conservation in AFRICA.

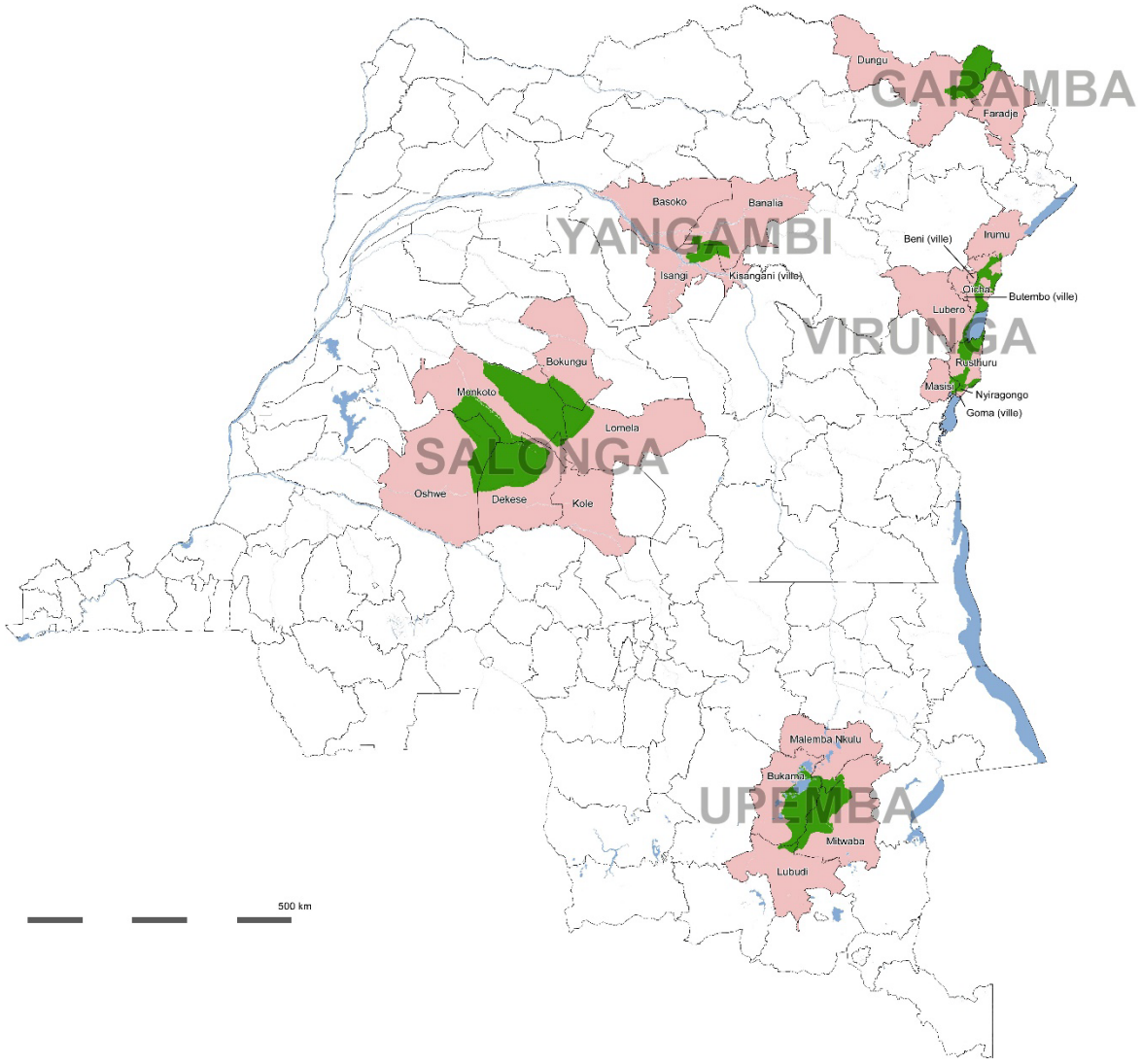
ASSUMPTION: better sustainable income and livelihood for population in the landscape will decrease pressure on natural resources inside and outside protected areas.



In Central Africa



In Western Africa



Unis pour des paysages durables

ACT-62085

Territoires concernés et populations bénéficiaires

Paysages prioritaires	Territoires concernés	Population	Superficie
Salonga	**6 territoires**	**1.811.492**	**168.582 km²**
	Dekese	172.754	25.173
	Oshwe	381.184	43.000
	Kole	212.436	17.682
	Lomela	232.907	26.346
	Bokungu	665.407	19.996
	Monkoto	146.804	36.385
Upemba	**4 territoires**	**3.383.028**	**88.905 km²**
	Mitwaba	355.058	24.933
	Bukama	1.284.014	19.865
	Malemba-Nkulu	1.118.570	26.246
	Lubudi	625.386	17.861
Virunga	**6 territoires / 3 villes**	**11.293.555**	**45.115 km²**
	Beni (ville)	449.812	184
	Butembo (ville)	855.758	190
	Goma (ville)	1.019.326	75
	Irumu	1.057.543	8.730
	Lubero	1.712.929	18.096
	Masisi	2.202.838	4.734
	Oïcha	1.661.095	7.484
	Nyiragongo	509.663	333
	Rutshuru	1.824.591	5.289
Garamba	**2 territoires**	**625.122**	**45.148 km²**
	Dungu	217.086	32.446
	Faradje	408.036	12.702
Yangambi	**3 territoires / 1 ville**	**2.233.219**	**64.546 km²**
	Kisangani (ville)	937.021	1.910
	Banalia	286.481	24.430
	Basoko	380.873	22.436
	Isangi	628.844	15.770
	21 territoires / 4 villes	**19.346.416**	**412.296 km²**

(source : OCHA services – Nations Unies – bureau de coordination des affaire humanitaires)

IN THE DRC

(1)CONSERVATION, (2) VALUE CHAINS DEVELOPMENT & (3) RENEWABLE ENERGY

- **EU ACTIONS IN DRC THROUGH A LANDSCAPE APPROACH**
  - CONCENTRATION AND LONG-TERM SUPPORT
  - SYNERGIES: CONSERVATION, ACCESS TO GREEN ENERGY, SUSTAINABLE VC
  - DECREASED PRESSURE ON NATURAL RESOURCES = BETTER NATURE CONSERVATION

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COMPLEMENTARITY

-VERTICAL APPROACH VERSUS HORIZONTAL APPROACH

-VCS IN A SPECIFIC LANDSCAPE

-RELEVANCE OF VALUE CHAIN APPROACH IN A SPECIFIC LANDSCAPE

-SCOPE AND GOVERNANCE

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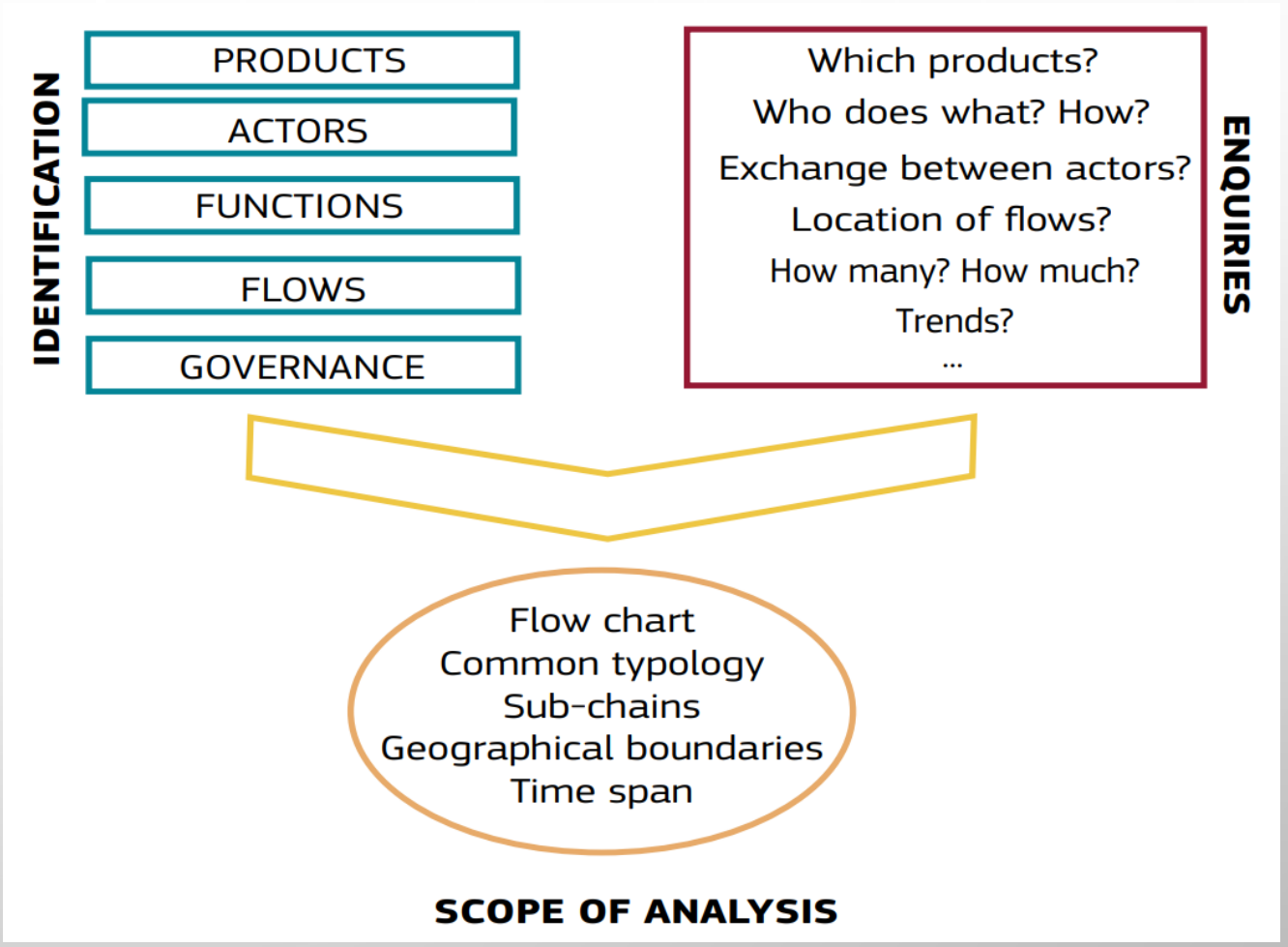
(2) METHODS AND TOOLS RELEVANT FOR THE ANALYSIS OF A SUSTAINABLE (AND INCLUSIVE) VC WITHIN A TERRITORIAL APPROACH

1. Functional and contextual analysis
2. Economic dimension
3. Social dimension
4. Environmental dimension

Conclusion

RELAVANCE OF VC FUNCTIONAL AND CONTEXTUAL ANALYSIS WITHIN A TERRITORIAL APPROACH

- ITS DELIMITATION OR THE PERIMETER OF THE STUDY: THE OBJECT, THE PRODUCT, THE CONTEXT (LOCAL, REGIONAL, NATIONAL, INTERNATIONAL), THE PRODUCTION SYSTEMS, ETC.
- ITS STRUCTURE AND THE IDENTIFICATION OF STRUCTURING ELEMENTS: PRODUCTS, ACTORS, SUPPLY, DEMAND, FLOWS, VERTICAL AND HORIZONTAL LINKS, ETC.
- ITS DYNAMICS: GOVERNANCE, INFORMATION TRANSFERS, COOPERATION, ETC.



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RELEVANCE OF VC FINANCIAL ANALYSIS WITHIN A TERRITORIAL APPROACH?

KEY QUESTIONS TO ASK WHEN ANALYZING THE VALUE ADDED OF ACTORS:

- WHAT ARE THE REVENUES GENERATED IN THE VALUE CHAIN FOR THE ACTORS?
- WHAT ARE THE NET PROFITS GENERATED?
- WHAT ARE THE INVESTMENTS, COSTS, REVENUES, PROFITS COMPARED TO SIMILAR VALUE CHAINS AND IN TERMS OF INCLUSIVENESS?
- HOW TO REPRESENT FAMILY LABOR AND SELF-CONSUMPTION IN FINANCIAL ANALYSIS?

GOAL = SEE IF THE ACTIVITY OF AN AVERAGE ACTOR IN THE VC STUDIED IS BENEFICIAL TO HIM, BRINGS HIM INCOME? TO WHAT EXTENT CAN THESE BENEFITS BE CONSIDERED SUSTAINABLE AND/OR RESILIENT?

RELEVANCE OF VC ECONOMIC ANALYSIS WITHIN A TERRITORIAL APPROACH?

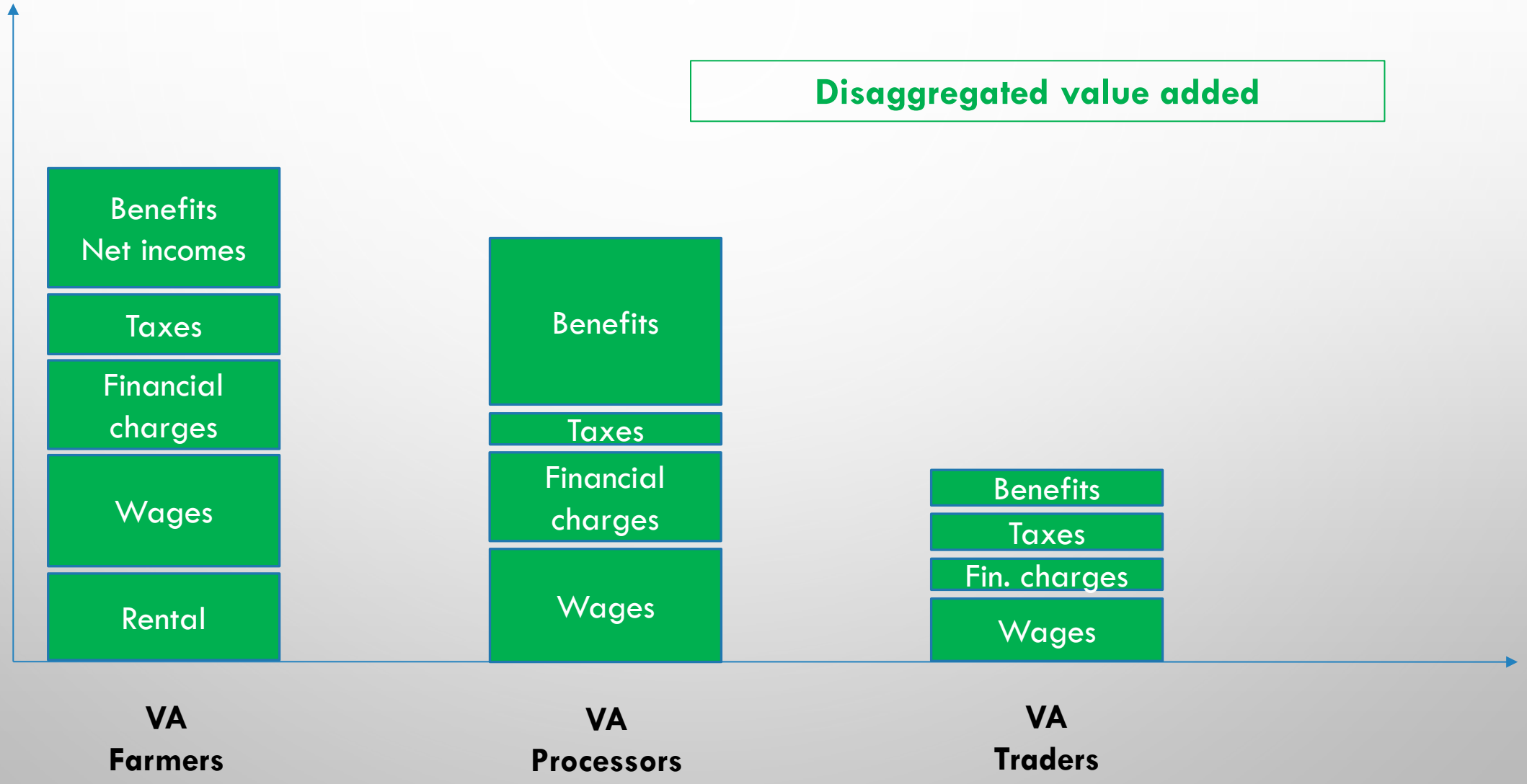
ARE THE ACTIVITIES GENERATED BY KEY VC ACTORS PROFITABLE AND SUSTAINABLE?

- **FINANCIAL ANALYSIS OF KEY ACTORS (OPERATING ACCOUNTS) AND INDIVIDUAL VALUE ADDED.**

- WHAT IS THE CONTRIBUTION OF THE VC TO THE NATIONAL GDP?
  - **CONSOLIDATION BY GROUPS OF ACTORS TO SLIDE TOWARDS ECONOMIC ANALYSIS,**
  - **CALCULATION OF THE VALUE ADDED GENERATED BY THE VALUE CHAIN,**
  - **DISTINCTION BETWEEN DIRECT AND INDIRECT VALUE ADDED,**
  - **MEASUREMENT OF THE DIRECT AND INDIRECT EFFECTS OF VC.**
- WHAT IS THE CONTRIBUTION OF THE VC TO AGRICULTURAL GDP?
- WHAT IS THE CONTRIBUTION OF THE VC TO THE TRADE BALANCE?
- WHAT IS THE CONTRIBUTION OF THE VC TO PUBLIC FINANCES?
- **WHAT IS THE VIABILITY OF VC IN THE INTERNATIONAL ECONOMY?**

IS THIS ECONOMIC GROWTH INCLUSIVE ?

How is income distributed across value chain actors?



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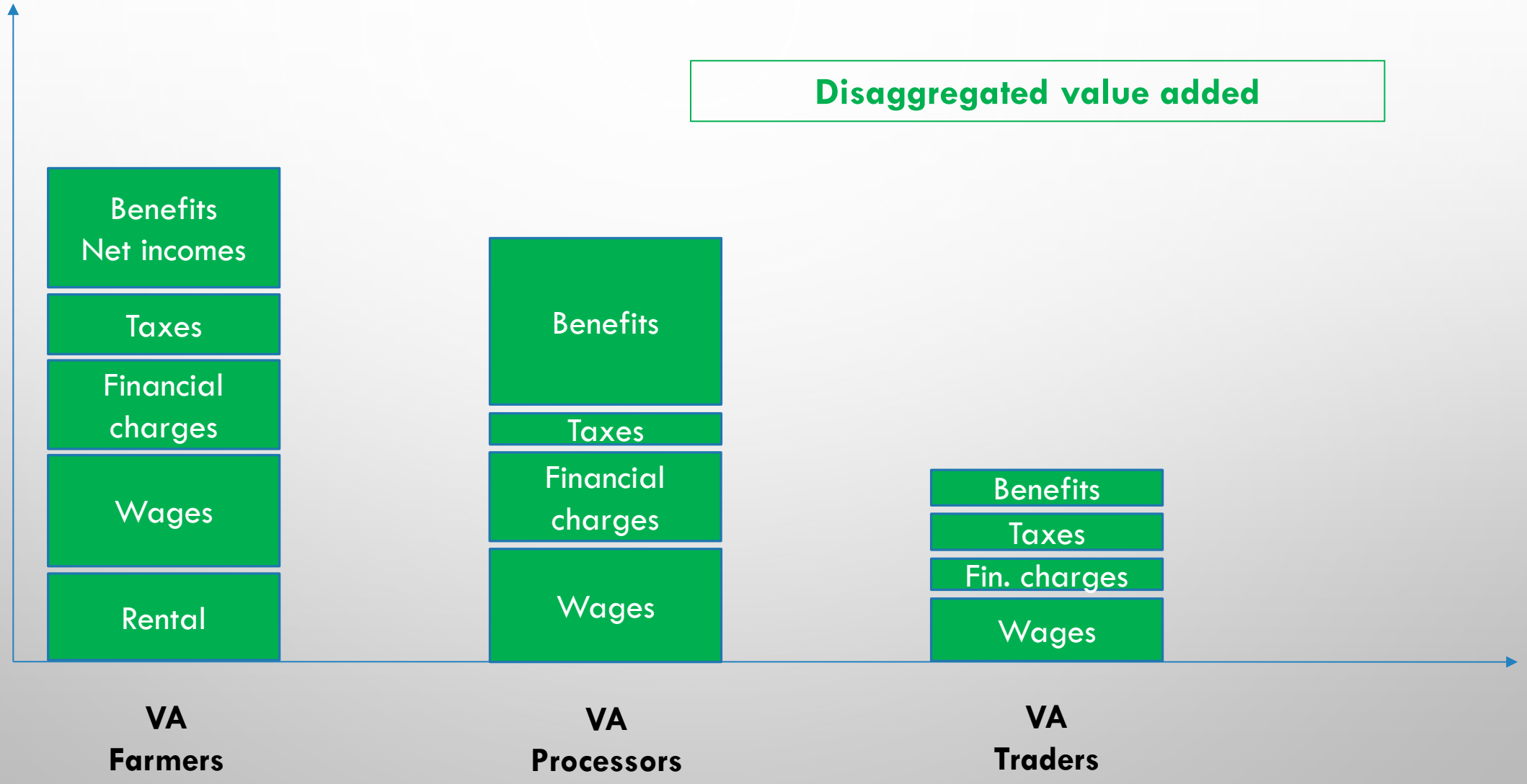

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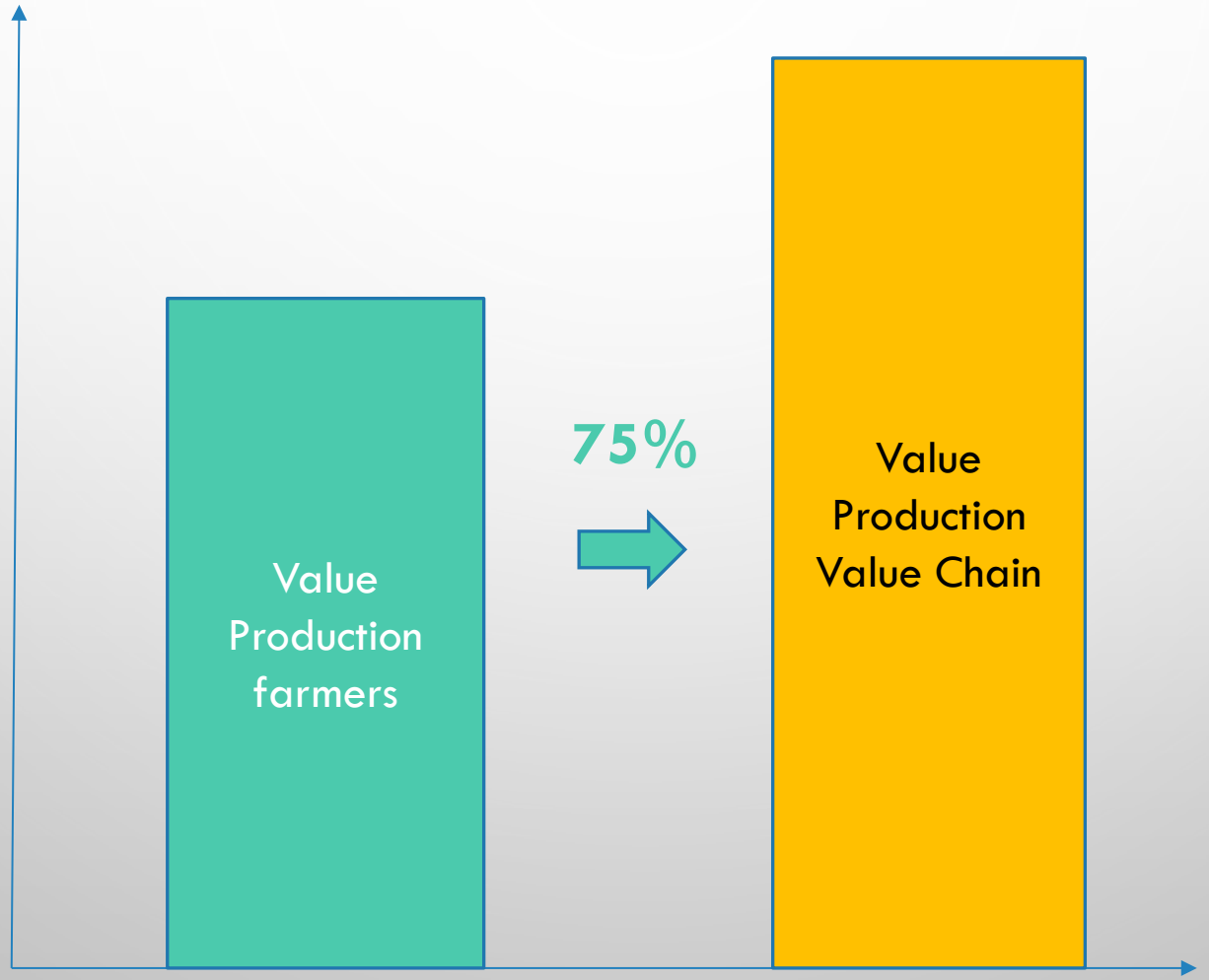
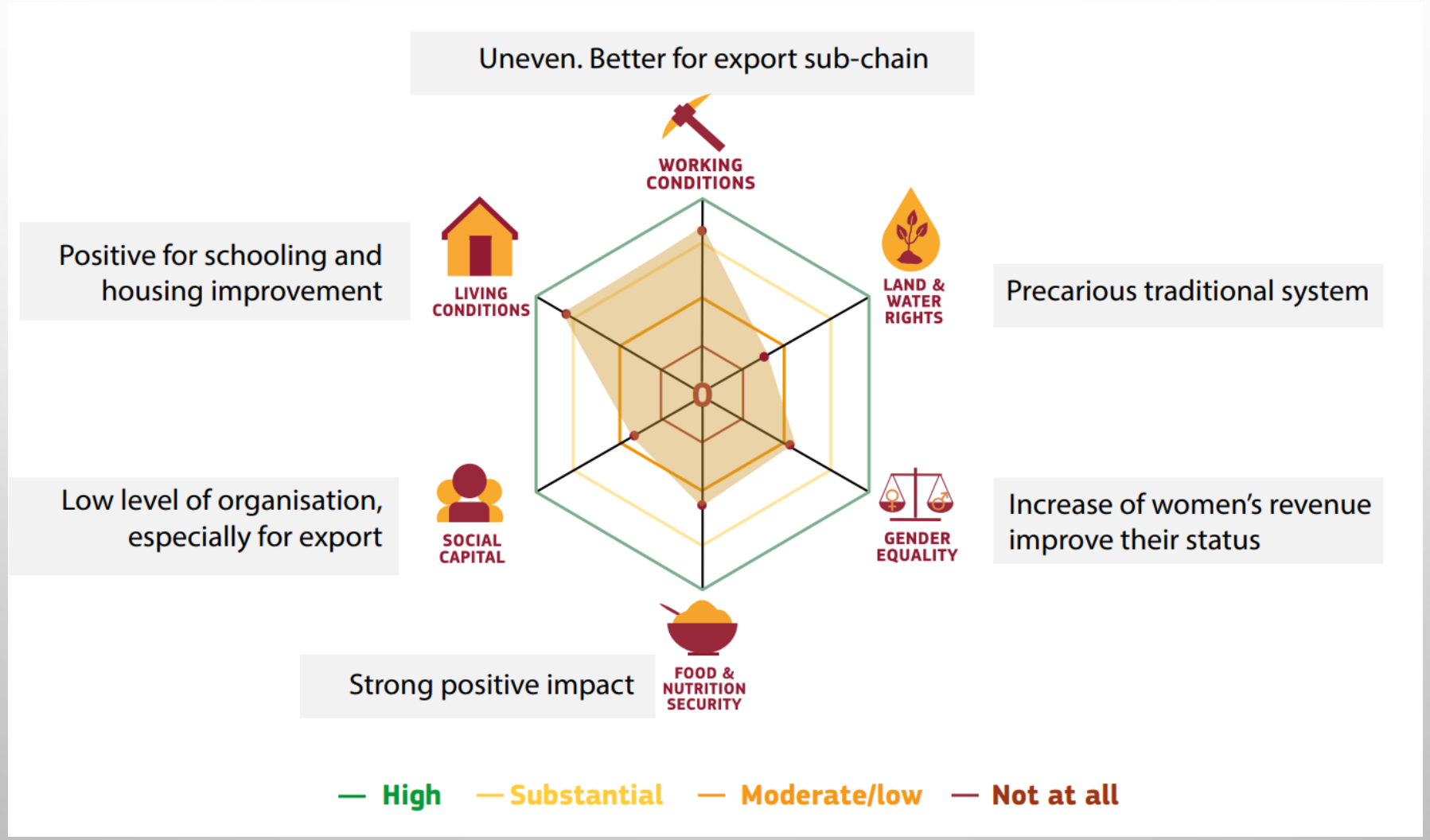


RELAVANCE OF SOCIAL ANALYSIS FOR A TERRITORIAL APPROACH: SOCIAL PROFILE OF THE VALUE CHAIN



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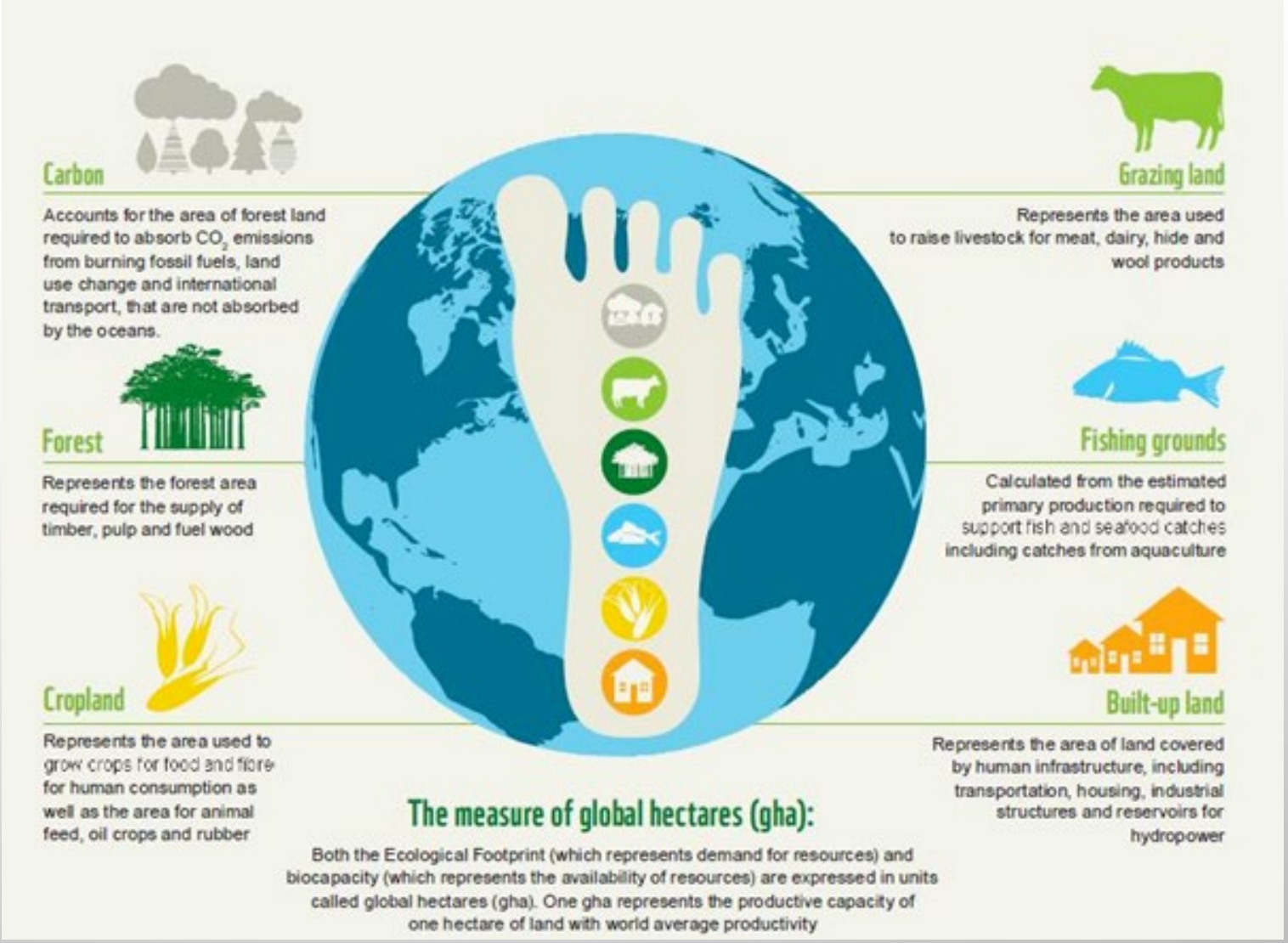
RELAVANCE OF ENVIRONMENTAL ANALYSIS FOR A TERRITORIAL APPROACH

- **MEASURES OF RESOURCE EFFICIENCY AND ECOLOGICAL FOOTPRINTS:**

THE ECOLOGICAL FOOTPRINT MEASURES THE AMOUNT OF BIOPRODUCTIVE LAND AREA NEEDED TO PRODUCE THE GOODS AND SERVICES WE CONSUME AND ABSORB THE WASTE WE PRODUCE.



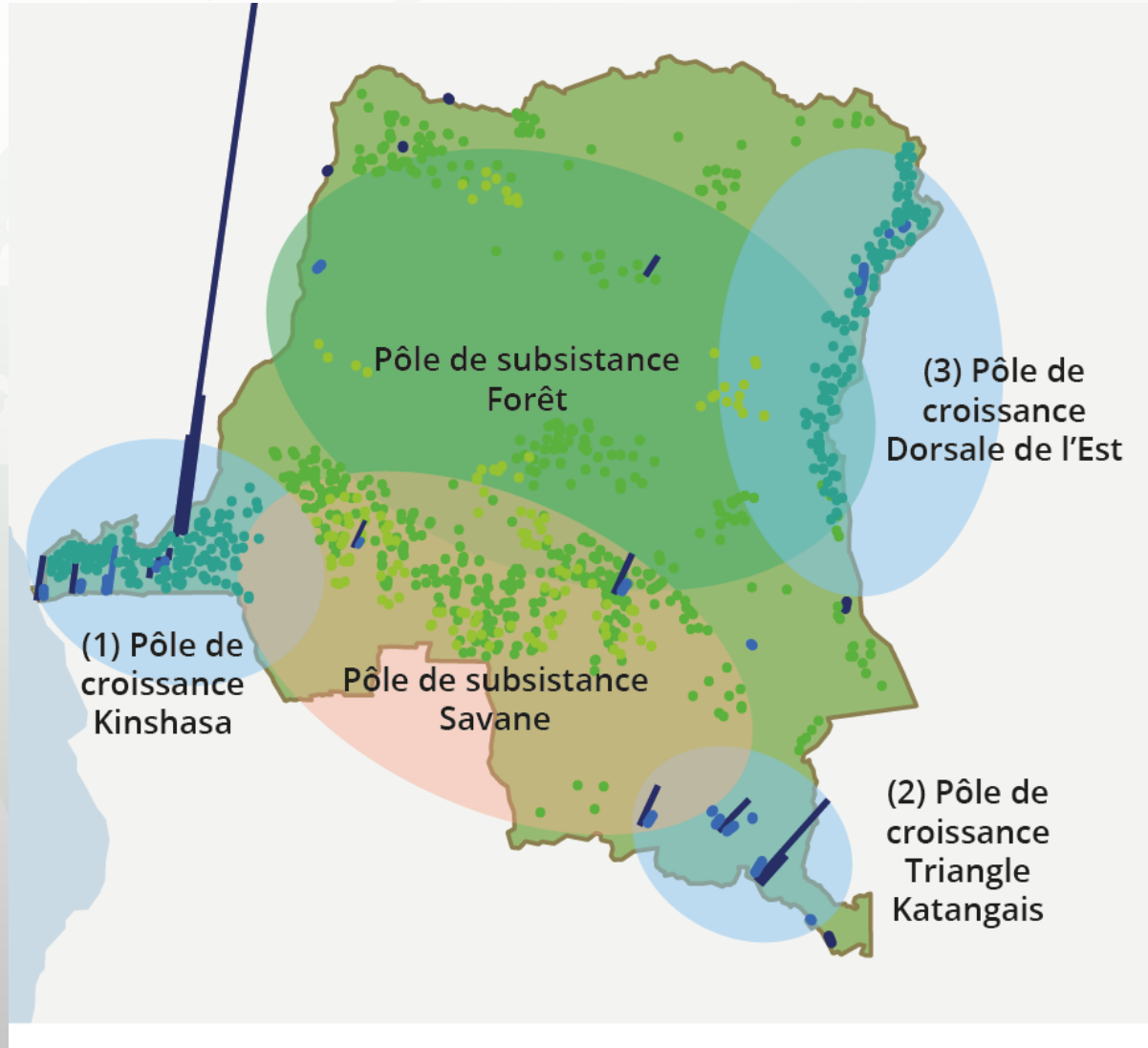
RELEVANCE OF VC ENVIRONMENTAL ANALYSIS WITHIN A TERRITORIAL APPROACH

ENVIRONMENTAL	**Impact of the value chain functions on the environment**	**10.** Which environmental issues play a role in the VC and how? **11.** Which (natural) raw materials are used in the VC? **12.** Which type and at what level of energy is consumed? **13.** Does the VC impact on the land and its future production potential? How so? **14.** What impact does the VC have on water resources (consumption, pollution, quantity/quality)? **15.** Dowes the VC cause (low/high levels of) air pollution, GHG emissions, and waste? If so, which? **16.** (How) does the VC impact on biodiversity?
	Impact of the environment on value chain functions *(Low) vulnerability of the value chain to (degraded) environment and climate change.*	**17.** How vulnerable is the VC (or are specific sections of the VC) to climate change and environmental degradation? **18.** What is the impact of extreme weather, rising temperatures, reduced rainfall (reliability)/water availability on the (performance) of the VC? (determines risks) **19.** o what extent is the VC able to cope with the negative impacts of climate change? (Risks for and sensitivity of the VC) **20.** Are the VC actors able to adapt themselves? (Their adaptive capacity determines the severity of the risk)

- SOME QUESTIONS - GUIDES THAT CAN HELP TO REFLECT ON THE CONSIDERATION OF THE ENVIRONMENTAL DIMENSION IN THE ANALYSIS OF AN AGRICULTURAL VALUE CHAIN AND WITH A VIEW TO MAKING IT AS SUSTAINABLE AS POSSIBLE:
- GUIDELINES FOR SELECTING VALUE CHAINS - INTEGRATION OF ECONOMIC, ENVIRONMENTAL, SOCIAL AND INSTITUTIONAL CRITERIA (ILO, 2015) - WCMS_463147.PDF (ILO.ORG)

CORRELATION BETWEEN THE 5 LANDSCAPES AND THE DRC AGRIFOOD SYSTEMS

- DRC: DIVERSITY OF AGRIFOOD SYSTEMS
- IN TOTAL: 5 AGRIFOOD SYSTEMS
- CATEGORIZED IN 5 POLES:
  - 3 GROWTH POLES
  - 2 SUBSISTENCE POLES



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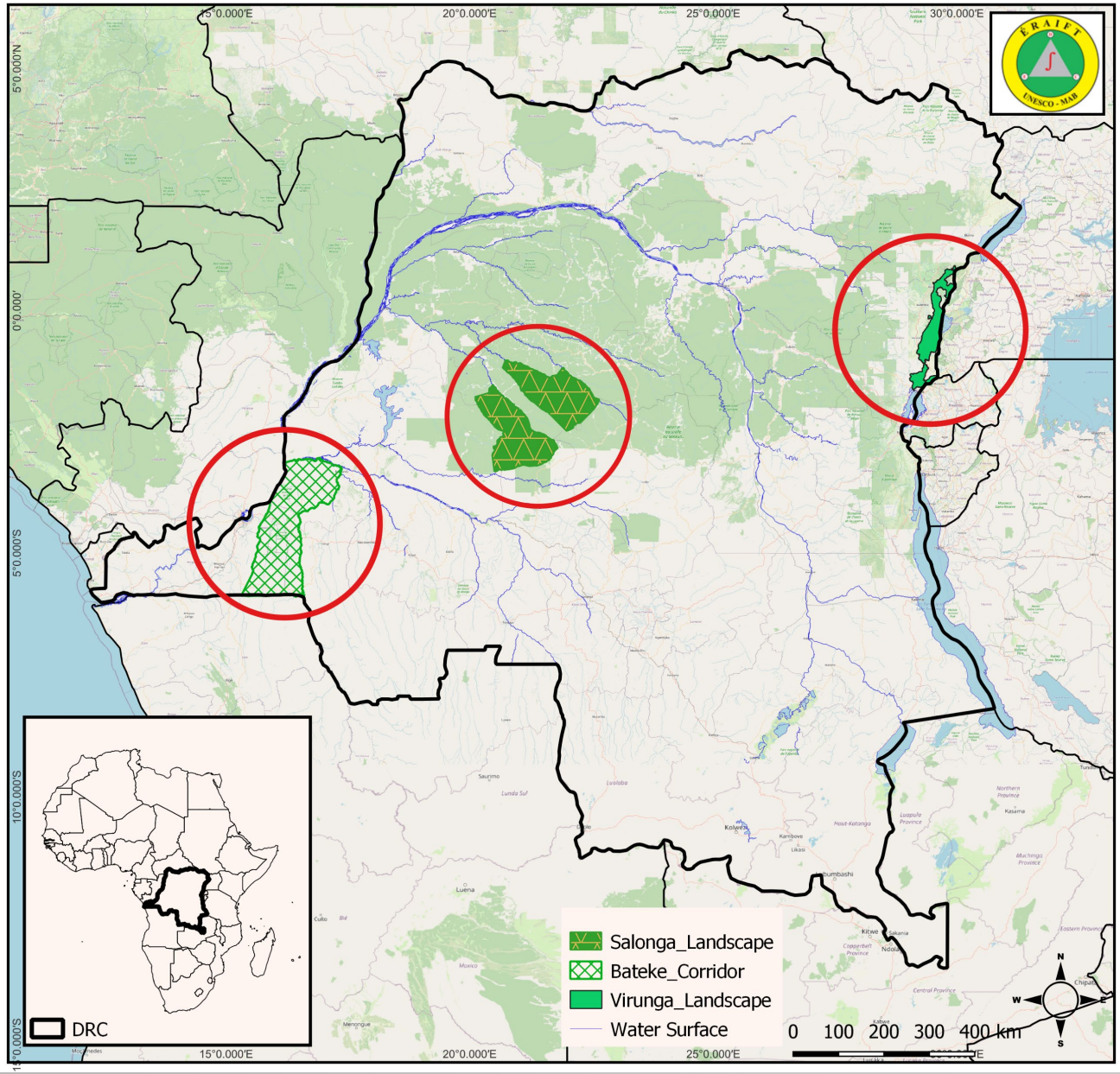
LESSONS LEARNED FROM THE FIELD



Bateke corridor: cassava and charcoal

Virunga landscape:arabica coffee and cocoa

Salonga landscape: rubber

CASSAVA VALUE CHAIN

General process for producing bread flour and fufu

Cassava production

Skin removal

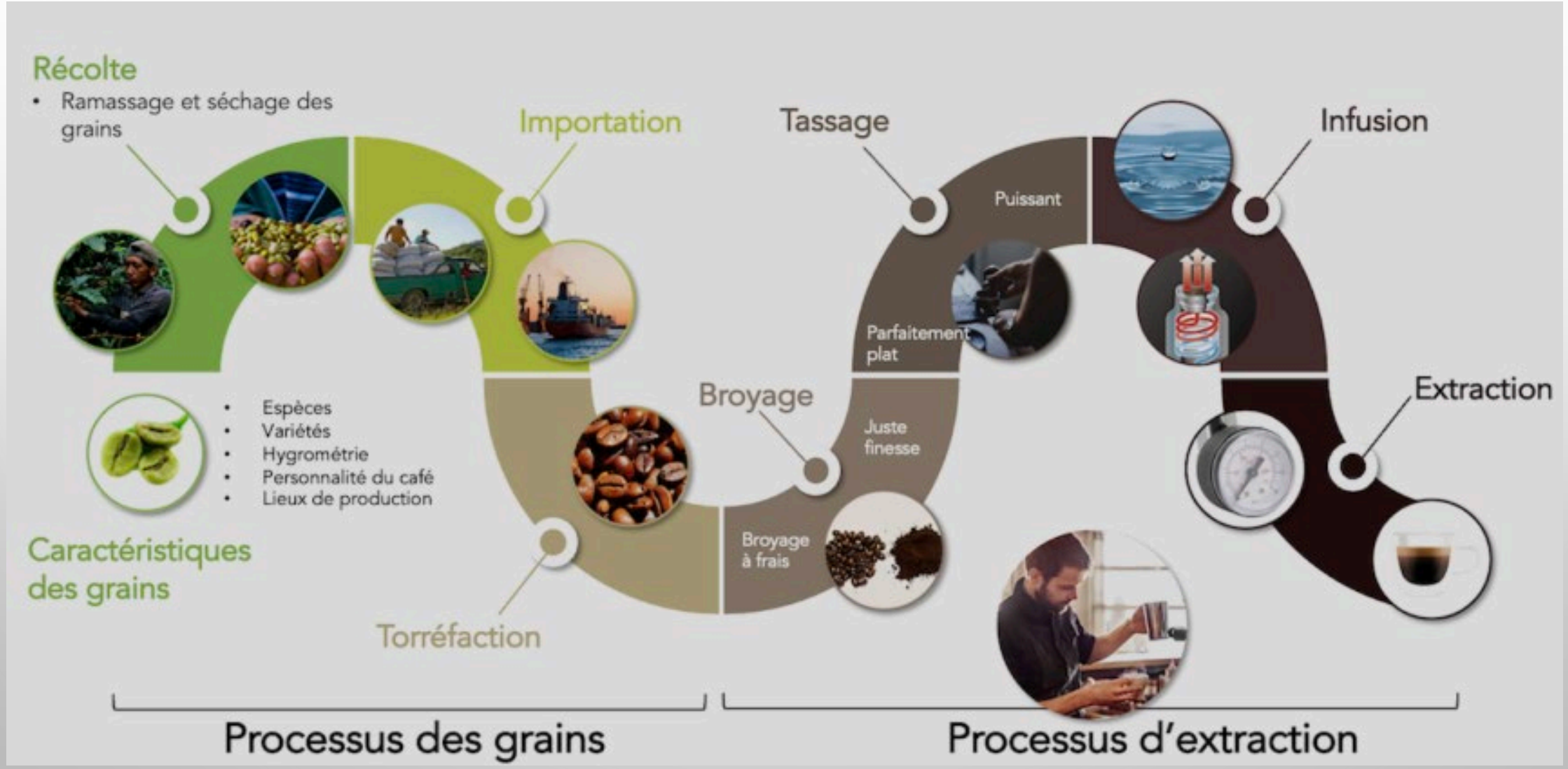
Peeling cassava

Solar drying

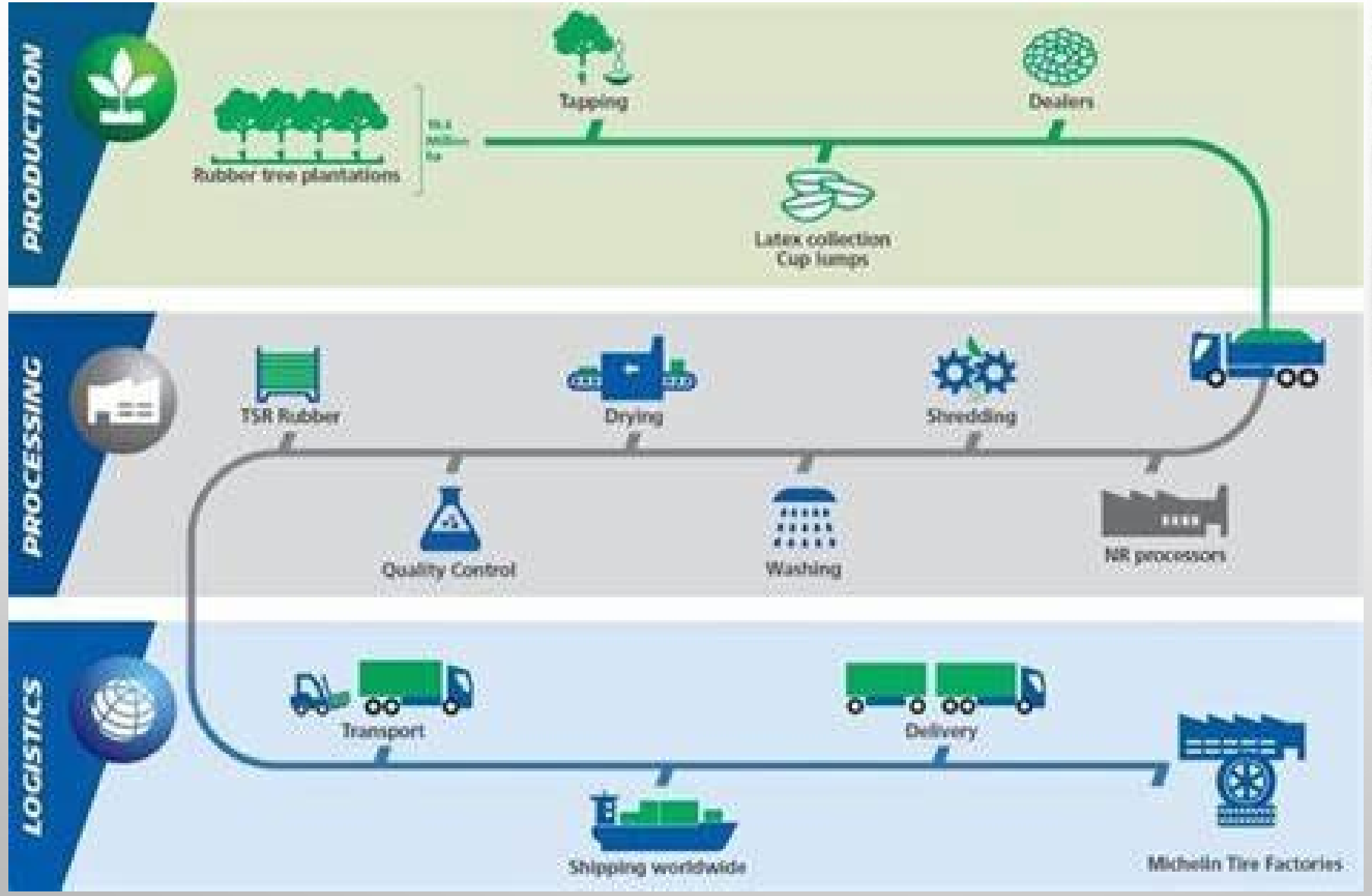
Packaging

Transport

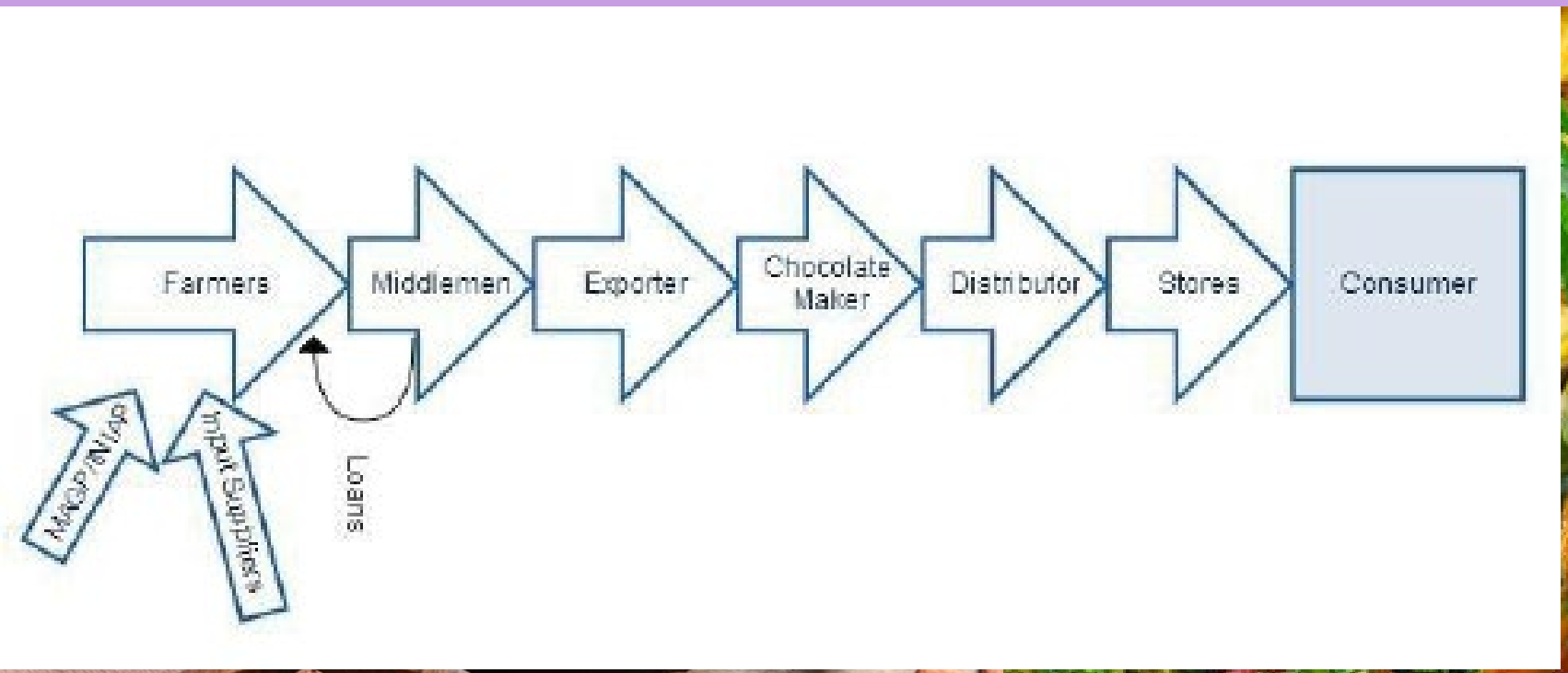
COFFEE VALUE CHAIN



RUBBER VALUE CHAIN



COCOA VALUE CHAIN



CONCLUSION