VALUE CHAIN ANALYSIS FOR DEVELOPMENT

Synthesis & recommendations

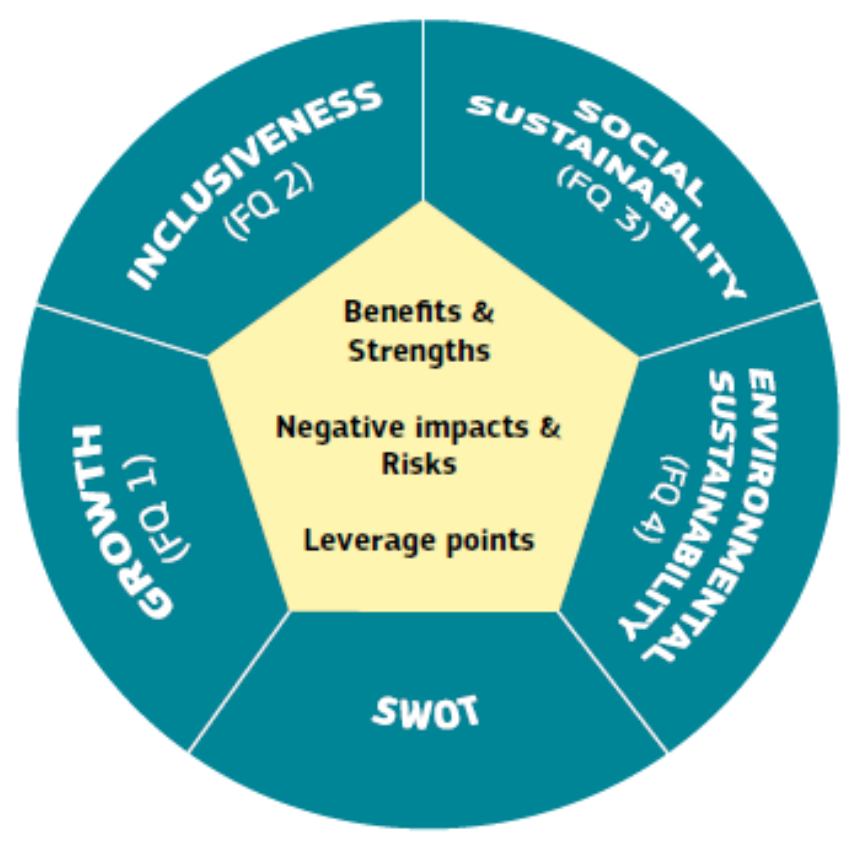
agrinatura for European Commission

Deliver a clear picture of the operation of the VC

Highlighting the main results and critical points

- Answering the **four Framing Questions**
- Pointing at the **risks**, to inform on growth, inclusiveness and sustainability of the VC
- Summing up the main **benefits and strengths**, and identifying the main **leverage points** for possible action

Providing recommendations



- *Conclusions must be clearly outlined and written in accessible language, so as to be understood by all stakeholders and easily used by decision makers.*
- *Full reports and informative public briefs are made widely available.*

Answering the Framing Questions

Main results and conclusions give the appreciation of the experts on the situation of the VC from an integrated perspective.

Key indicators show the performance of the VC in various fields.

Disparities between types of actors and sub-chains therefore informs decision makers more efficiently than a global average

- *Appraising impacts requires consideration of their relative importance for actors and at a more aggregate level (regional, national...). For instance, the benefits or costs associated with a minor crop in the household or regional economy do not entail the same consequences as if they would apply to dominant activities.*

- *Experts are invited to appraise the availability and quality of the main data sets upon which the main conclusions were built. They can communicate accordingly on the level of confidence attributable to their conclusions by reflecting on the following criteria:*
  - *representativeness: related to diversity (technologies, spatial distribution);*
  - *time period;*
  - *completeness;*
  - *reliability.*

The risk analysis

- How future unfavourable events could negatively affect the situation, looking particularly at their consequence on growth, inclusiveness and sustainability.
- Frequent risks in agribased VCs arise from price trends, price volatility, log
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Addressing the 4 Framing Questions	
Cross-cutting CQ	**Which risks may affect the performance of the VC?** *Indicators*: Risk factors; Probability; Severity of damage; Actors affected.

- The process of risk analysis encompasses three steps:
  - Identifying and characterising the main risks
  - Ascertaining the capacity to manage consequences
  - Appraising the "Risk level" (probability of event/severity of damage)

Risk description	Growth	Inclusiveness	Social sustainability	Environmental sutainability
Decrease of international prices with the entry of new suppliers				
New high quality norms on international markets (carbide use)				
Packaging material shortage				
Unresolved and deteriorating conflicts over land				

Low | Moderate | High | Extreme

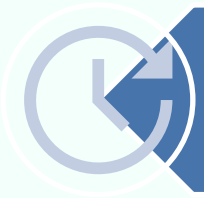
Summing up benefits and negative impacts

To be easily captured by decision makers, economic, social and environmental benefits must be clearly stated.

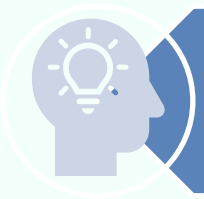
Emphasis is put on the **important benefits and negative impacts**. Consequences for **each of the type of actors** (farmers, workers, businesses…) must particularly be underscored

This also applies at a more aggregate level when comparing **sub-chains**. Relevant **cross-cutting perspectives**, e.g. on technology, geographic features or social organisation, can also unveil gaps, pointing to areas that need to be improved or secured.

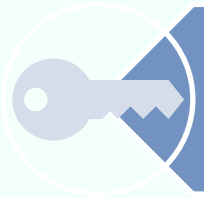
Recommendations



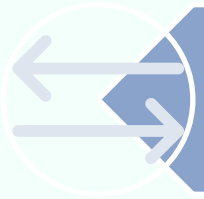
The knowledge built on the VC enables the team of experts to elaborate concise recommendations for future action



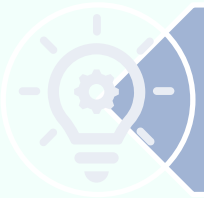
Ideas for improvement stem from the potential, drawbacks and constraints revealed throughout the investigations and comparisons



They may aim at **developing favourable factors or countering unfavourable ones**, taking advantage of key drivers



To increase effectiveness, it is advisable to identify **leverage points**, i.e that allow a limited intervention to produce important changes on a large number of actors



Altogether, recommendations intend to:

- Enhance the development of the VC as a whole
- Bolster the contribution of the VC to growth, and improve its performance regarding inclusiveness and sustainability
- Prevent or manage major risks
- Deepen the knowledge on the VC to fill in critical information gaps
- Advise potential follow-up work