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Advancing regional agro-food value chains in Africa – United Nations Development Programme (UNDP)

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The United Nations Development Programme (UNDP), with funding from the Global Affairs Canada, held an experience sharing workshop from 11th and 12th April, 2016, at the Elisa Hotel, Accra, Ghana. The workshop presented various case studies of food projects that were implemented in various countries in West Africa. In the deliberations, there are three issues that I highlighted to be worth noting.

Firstly, that the term “Regional Value Chains” needed to be clearly and appropriately defined. It emerged that participants at the workshop had different conceptions and perspectives of what they viewed as regional value chains. Some sought to borrow from some definitions provided by scholarly contributions of literature, while others sought to adjust the definition to suit their own world-view of regional value chains. Either way, regional value chains, whether real or imagined, needed to be defined within the context of African realities. In this sense, there was a need to emphasize that regional value chains needed not to follow the prescribed definitions of those already given in literature, but rather, to craft our own narrative. Agbiz suggested a definition of regional value chains as follows: Regional Value Chains are a set of transformation activities that a firm(s) operates across geographically distinct areas. The transformation can occur across space, time and form. I proposed that participants consider geographically distinct areas be considered within the context of inter-district, national, and inter-Regional Economic Communities (RECs). Also noted was the fact that regional value chains are not a new concept, given that the conventional problem of linking smallholder farmers to markets was, in essence, a regional value chain argument. The only difference is the scale of distance. If regional value chains are considered from the perspective of inter-RECs, then it introduces a fresh set of questions that include: the difference in governance systems across two national boundaries, which also brings into questions, problems regarding “before the border”, “at the border” and “behind the border” issues such as non-tariff and Sanitary and Phytosanitary (SPS) barriers.

Secondly, there was a need for participants to draw a distinction between “regional value chains” and “regional supply chains”. In several instances, participants used the two terms to mean one and the same thing. In defining the difference, I summarised regional value chains as defined above,

highlighting that “value chains” focus on “activities”, while supply chains focus on “coordination of those activities, together with other resources (such as human, financial and organisational)” in order to move the product from one place to the other. What made this part of the discussion interesting is that, a regional approach to the two concepts – supply chains and value chains – tends to function in conjunction, although the workshop tended to focus on the latter. From a holistic perspective, supply chains are the ones that compete, and not necessarily products. In this sense, a more efficient supply chain tends to prevail over an inefficient one, regardless of how competitive the product in a specific location is. I emphasized that efficiency of supply chains is a key dimension to why African agriculture has not been globally competitive.

Thirdly, the discourse may need to evolve from case study focuses to also focus on the debate on the contradictions surrounding regional value chains of staple markets and politically sensitive food products. The regional value chain narrative focuses on opening up markets to preferential trade partners on the one hand, whereas staple food markets are typically subject to interventionist regulations that prevent free movement of food products, on the other. Reconciling this contradiction is a fundamental issue that would make for an interesting debate. I believe that future discourse should attempt to establish the feasibility of establishing regional value chains in staple markets, within the context of RECs.

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