

**NOVIB-RALF Multi-Stakeholder Programme in Afghanistan:
Natural Ingredients for Food, Cosmetics & Pharmaceuticals**
RALF 02-07

***Value Chain Development
of Natural Ingredients for
Sustainable Livelihoods
In Afghanistan***

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on Medicinal Plants
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The NI Programme in Afghanistan

- **Multi-Stakeholder Programme for Natural Ingredients for Cosmetics, Pharmaceuticals and Food:**

6 selected Natural Ingredients:

Glycyrrhiza glabra (Shireen Buya , Liquorice)

Cuminum cyminum (Zira, Cumin)

Ferula asa foetida (Hing, Devil's dung)

Carum carvi (Carabia, Caraway)

Artemisia cina (Terkh, Wormseed)

Ziziphus jujuba (Onab, Ber, Jujube)

→ **Framework conditions for involving different actors**

Programme history (1)

- **1st phase: August 2003: NOVIB inviting ProFound for identification and assessment of interest and commitment:**
 - **Formation of a multi-stakeholder group with strong NGO participation, added by representatives from scientific, government, private sector, and donor community**
 - **Formulation of first ideas and possible lines of intervention**

Programme history (2)

- **2nd phase: November 2003:**
 - **Consolidation of the ideas, interest and commitment on basis of identified opportunities in first phase**
 - **Agreement on the next steps and process: Supply and Market Analysis**
 - **Selection of the local expert survey team, on behalf of the whole group of stakeholders**

Programme history (3)

- **3rd phase: 2004:**
 - **Product selection exercise by local expert survey team**
 - **Participatory evaluation of products through product selection matrix**
 - **Feasibility study: more in-depth elaboration of various strengths and weaknesses of selected species and their marketability**
 - **Review of the process, the participation of various parties, and strengthening of NGO involvement**
- ***RALF/ICARDA showing interest in partnering up with the NI Programme***

Project Partners of the 2005/06 Project

NGOs:

CHA, TLO, AKF (together working in 9 provinces)

Service providers:

Ministry of Agriculture, Dept. of Forestry & Rangeland

University of Kabul, Faculty of Pharmacy

Anadolu University, Turkey

UNIFEM

Management & Coordination:

Novib as Principal Investigator for RALF Project

ProFound for Management and Technical Support

From Resource to Market

- **Resource Assessment and Conservation**
- **Sustainable Supply Chain Management (sustainable utilisation)**
- **Value Addition & Product Development**
- **Market Requirements: GACP, GMP, HACCP, ISO, etc.**
- **Total Quality Control Systems (incl. resource management !)**
- **Building of trust between stakeholders: collaborative management set-up and tools, such as joint (participatory) Value Chain Analysis and development**

Role of Actors

- **Organising the sector, promoting and articulating the communication between the players**
- **Being productive to the companies, identifying and understanding their needs, while at same time ensuring fair sharing of benefits between all actors**
- **Being pro-active towards government to help implement regulations of international laws and requirements**
- **Obtaining existing information and regulations concerning Guidelines on GMP and GACP, HACCP, traceability, documentation & logistics**
- **Making this available to all actors and facilitate implementation thereof**

Role of Actors (2)

- **Work on trust (visits !) and transparency, sticking to agreements**
- **Include sustainability criteria and value chain approaches in Business Plans**
- **Development of Quality Management Systems and Control (GACP, GMP, HACCP); (Organic) Certification**
- **Facilitation of interaction with suppliers and buyers; assist in cost calculation and pricing**
- **Work with Companies to develop Export Management Plans**

Timeframe 2005-2006 (*de facto* start 04/2005):

- **Investigating mechanisms for sustainable resource management and utilisation of the 6 selected species**
- **How to generate community-based economic opportunities**
- **Contribute to policy and regulations**

Project Strategy (longer term)

- **Value chain analysis of the 6 selected natural ingredients**
- **Introducing sustainable resource management practices, rules and regulations**
- **Provide access to processing technologies**
- **Product quality improvements and control**
- **Facilitate market access**
- **Lobby and advocacy**

External and Internal Analysis

External Analysis ↔ Prod. Selection ↔ Internal Analysis

- **Market Facts and Trends**
- **Trade Structure**
- **Costing and Pricing !!**
- **Market Requirements**
- **Market Audit:**
 - ***Competitive Analysis***
 - ***Sales Channel Assessment***
 - ***Logistics***
 - ***THE VALUE CHAIN ANALYSIS***

Market Selection

Local / Regional / International Markets:

- **Desk vs. field research**
- **Statistics and registration of trade**
- **Trade structure**
- **Market requirements vs capacities**
- **Product development requirements**
- **Logistics**













Product selection

Identification of the right product:

- **Proper botanical identification and use of (trade) names!**
- **Why this specie/product?**
- **What variety and part of the specie?**
- **How can the product be used and developed?**
- **How to deal with variations in quality?**
- **Feedback from potential buyers (B2B contacts)!**
- **Value Chain Analysis**

Product Selection Matrix (UNCTAD-Biotrade, based on FAO):

- **Selection on basis of market, ecological, socio-economic and technological criteria**

The VCA Process: from External to Internal

VCA tool: well-informed decisions for assisting community-based enterprise development, in terms of when and where in the supply chain to add value, including:

- Resource Assessment and Conservation
- Sustainable Supply Chain Management: sustainable utilisation
- Value Addition & Product Development
- Legislation and Control
- Market Requirements: ISO, GACP, FSC, GMP, HACCP, etc.
- Quality Control Systems
- Building of trust between stakeholders: value chain dev'ment
- Who is responsible: *Value Chain Planning as a Management Tool*

What is a Value Chain ?

- **An illustration, as a map, analysing the entire (export) delivery process from (international) buyer back to raw materials, design and component inputs**
- **Performance evaluation at each stage and linkage in comparison to the requirements of: buyers, strategic options, markets**
- **Maps show precisely where interventions are required, their logical sequence and how to structure export supply to add or capture value**





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