





#### 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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RALF Symposium on Medicinal Plants Kabul - 11 November 2005





## 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



### ProFound 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



## **Project Outputs RALF 02-07**

## 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

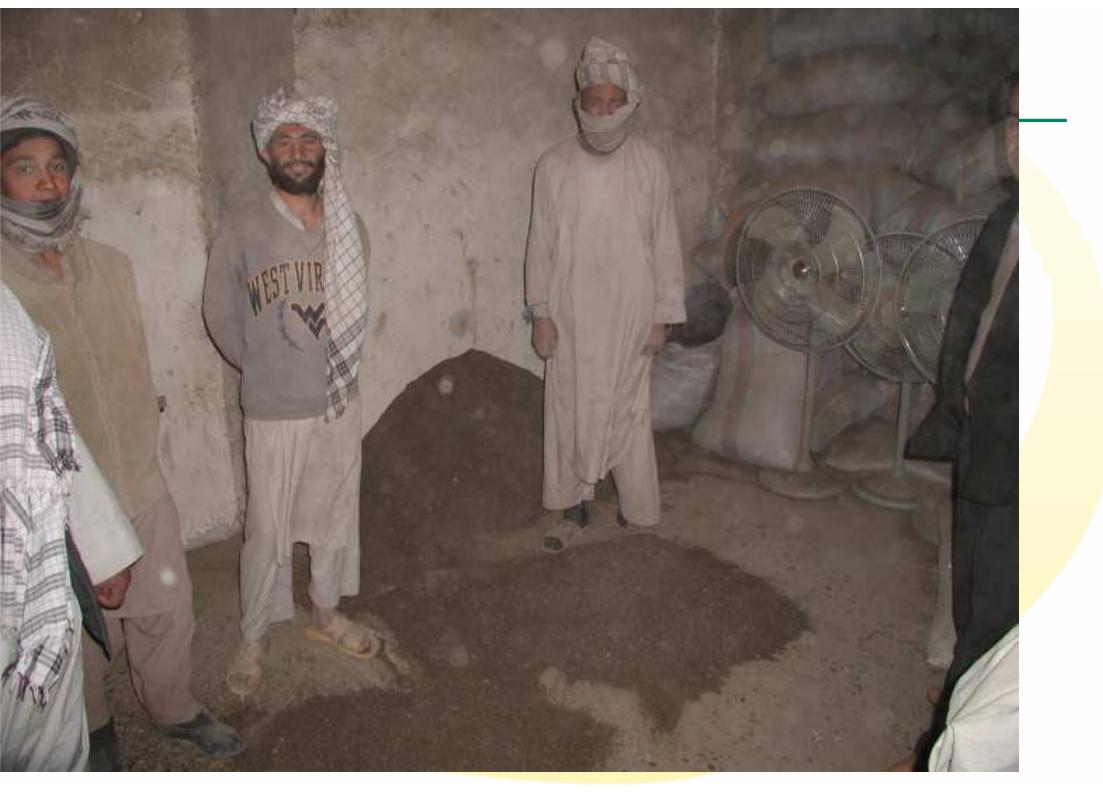








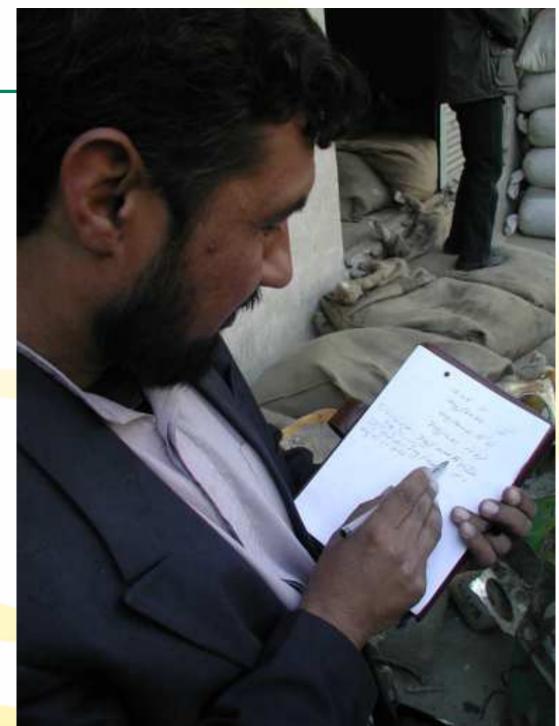














### **Product selection**

### 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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