A Global Post-harvest initiative
Linking Farmers to Markets

A Strategic Framework

Origin of the Strategic Framework
Three separate post-harvest initiatives, developed by FAO, GFAR and PhAction over the past three years (see Figure page x) were merged in April 2003 to form a joint initiative working towards the efficient, equitable and sustainable development of post-harvest components in the supply chain. A Strategic Framework for this post-harvest initiative was then developed and endorsed in October 2003.

What is the Strategic Framework?
The Strategic Framework provides an innovative market-orientated approach to post-harvest development. Its objectives are to promote sustainable growth, poverty alleviation and food security in developing countries. Developed in 2003 by FAO, GFAR and PhAction, the Framework was endorsed by a diversity of stakeholders at an International Workshop convened at FAO Headquarters in Rome.

The strategic framework offers:
- an innovative platform for a supply chain approach to post-harvest development
- a market-orientated approach to addressing post-harvest production problems
- participation of stakeholders in the development and implementation of the initiative at the lowest most effective level (i.e. local, regional, global)

An important focus of the approach taken in the Strategic Framework is assistance with business development, particularly for poor entrepreneurs and
private/public partnerships. This allows for wide ranging interventions that can meet the needs of diverse situations in contrasting regions world-wide.

**Strategies underlying the framework**
The Framework is based on four strategies. Within each strategy are concept notes that serve as a basis for the development of collaborative action-orientated projects.

| Strategy 1 | Developing appropriate policies |
| Strategy 2 | Institutional strengthening through collaborative research and capacity building |
| Strategy 3 | Developing competitive and equitable agri-food systems |
| Strategy 4 | Fostering networks, communication and further programme development |

**Why the Framework is needed**
Agriculture is in crisis across the globe. General adoption of free-trade economic models in an increasingly interconnected world means that international competitiveness matters to poor rural households. These households are searching for livelihood strategies that provide food security and also allow them to participate equitably in a new economic environment that is dominated by globalisation and urbanisation. At the same time government services to the sector are declining. These trends are set against important issues in the agricultural and natural resource sectors such as:

- declining real prices for basic food security and cash crops, with productivity increases failing to compensate farmers for unit price falls
- domination of markets by fewer, larger firms and farms and for integration along agricultural supply chains, both internationally and domestically
- increasing importance to consumers of food safety and quality

The foregoing factors present both threats and opportunities for small rural producers and processors. Penetration of the market economy into formerly isolated and remote rural areas opens opportunities for new crops and value added products, but also threatens food security and livelihoods. As new risk factors emerge, inequalities increase. These challenges are particularly acute for developing countries, where small-scale producers, processors and traders face increasing competition and market volatility. Governments and support
institutions are equally challenged and will need to make fundamental changes in policies, strategies, human resource skills and organisational linkages.

Given the current changes taking place within the global environment the Strategic Framework integrates the parallel initiatives of three groups with the aim of improving the ability of the agri-produce sector to contribute to development.

**Dimensions of the Plan**
The Strategic Framework includes the traditional elements of post-harvest research and development (handling, processing, and storage) and integrates them with other fields such as:

- small enterprise development
- supply chain management
- globalisation and trade
- livelihoods development in a market economy
- sustainable development
- value-added transformation technologies

**Focus**
The Framework targets the efficient, equitable and sustainable development of post-harvest components of the supply chain and allows for wide-ranging interventions that can meet the needs of diverse situations in the post-harvest sector. In so doing, it seeks to improve the livelihoods of producers and consumers by enhancing agri-food systems for a range of local, national, regional and international markets.

**Scope**
While food crops are the primary focus of the Framework, it may also cover non-food crops, livestock, non-timber forest products and marine resources that are relevant to the various regions.

**Target beneficiaries**
The Framework focuses on the poor. In many cases this will be the rural poor, from subsistence through to commercial small-holder producers, handlers, labourers and also the agri-food, micro and SME sector. The urban poor may also benefit through increased food availability, access to food of higher quality and through their participation in urban components of agri-food systems.
Global Initiative on Post-Harvest (FAO and GFAR)
Between 2001 and 2002, the Agricultural and Food Engineering Technologies Service (AGST) of FAO, in collaboration with the Global Forum on Agricultural Research (GFAR) undertook five regional consultations with the objective of assessing the global status of the post-harvest sector. These consultations sought to identify issues, opportunities and challenges in the post-harvest sector, and to develop strategies that could feasibly be implemented by developing countries in order to achieve their development objectives. One hundred and ninety-seven individuals representing 67 countries participated in these consultations.

Linking Farmers to Markets Initiative (PhAction)
Between 2000 and 2001, PhAction1, (The Global Post-harvest Forum) held consultative meetings to develop a programme for 'Linking Farmers to Markets', to identify ways in which dynamic interventions in the sector can contribute to improved livelihoods, food security and sustainable development. Such interventions should equitably link smallholder farmers to growth markets, so improving the ability of the agri-produce sector in developing country economies to contribute to development.

Agro-based Small and Medium Enterprises and Markets in Developing Countries (GFAR)
The 2003 GFAR conference in Dakar, on 'Linking Research and Rural Innovation to Sustainable Development', included a sub-plenary session on agro-based SMEs and markets. The contribution of SMEs to rural development was stressed and some key issues noted, including SME upgrading, competitiveness, market information, partnerships and technology access. The need for agricultural research to be more market-orientated was also identified.

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1 PhAction members are ACIAR, CIRAD, CLAYUCA, FAO, GTZ, JIRCAS, NRI, NZCFR, Michigan State University, UNIDO and the CGIAR centres CIAT, CIP, ICRISAT, IITA and IRRI.
INSIDE THE FRAMEWORK

Strategies

The Strategic Framework incorporates four strategies (Figure X): Strategies 1-3 are operational and centred around interventions at the policy, institutional and micro (development) levels, while Strategy 4 is focused on network development. Within each strategy, collaborative action areas, targeted toward donor funding, are identified.

Strategy 1. Developing appropriate policies

Introduction
Strategy 1 will promote the implementation of policies and regulations that foster the equitable inclusion of small-scale producers and agro-enterprises into market-orientated agri-produce systems, in recognition of the fact that policies developed for large-scale enterprises are not adequate for micro- and small-scale enterprises that involve the rural poor.

Implementing this strategy across the range of policy areas will involve identification and analysis of different policy options (and their impact to date), and interaction with existing policy development processes to foster the adoption of policies that contribute to the goal and purpose of this Initiative. Harmonisation of policies and regulations at the sub-regional and regional levels is an important element of this strategy. As governments become more decentralised, scope for development of local policies is increasing. There is a growing need to identify and share effective local policy options across countries and regions.

1.1 Trade and industry market access policy for agricultural produce/products of particular relevance to situations with:

- A high degree of market orientation, for international and/or regional markets and for products/produce with value-added attributes (i.e. not basic commodities) with potential for market growth and income generation. Includes policy harmonisation at regional and sub-regional levels, and policies for supply management of export commodities.
- The regulation of imported basic commodities that threaten local food security and fledgling industries in many regions, including policies for the appropriate protection of domestic markets.
- Infrastructure and investment policy. Public and private sector partnerships for infrastructure.
• Environmental policies and regulations relevant to the post-harvest sector especially as regards efficient use of resources and incentives to adopt clean production technologies and practices.

Goal: To contribute to a policy environment, at the national and regional levels, that is conducive to the equitable participation of the rural poor in the development of competitive agri-food commodity chains for a range of markets (local to international). This will be achieved through the design, promotion and adoption of appropriate policies and regulations.

Objectives:

1. To collect and analyse existing (and novel) policy and regulatory ideas of relevance to the purpose of this initiative, that have been implemented, or are in the process of discussion and adoption, across the globe.

2. To provide input (ideas, information, recommendations) to existing policy development processes in a number of key national, sub-regional and regional bodies/authorities that could facilitate, if adopted, policies with potential for significant impact on livelihoods of the rural poor.

1.2 Business Policy, including:

• Enterprise law - legal options available for formalising economic organisations in rural areas (enterprises, cooperatives, associations corporations etc) and their duties as regards accounting practices, tax policy and employment law. This also relates to good governance and the need to reduce bureaucracy.
• Finance and credit policy for rural enterprises (SMEs and micro-enterprises).
• Policies that foster the development of more effective, sustainable business development services (BDS) for rural agro-enterprises

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**Strategy 2 Institutional strengthening through collaborative research and capacity building in four priority theme areas**

*Introduction*

Research and capacity building both contribute to strengthening of institutions across the post-harvest sector. The outputs of research – information, methods, technologies and new organizational models etc - are used by institutions involved in development of the sector, while capacity building is directly aimed at strengthening their ability to adapt and use these research products to deliver developmental impact. While it is widely acknowledged that “linking farmers to markets” requires a change in orientation from the actors themselves – at all stages of the supply chain – it is also clear that support institutions are often themselves in need of support to take on this task, since they may be more familiar with operating in a “production-orientation” mode than with a post-harvest enterprise mode. Capacity building is thus a critical component of this Strategy.

The four theme areas of markets, commodity or supply chains, post-harvest technology and food quality/safety are the starting point for further development of this Strategy. In all these areas, considerable scope exists for sharing experiences across regions.

### 2.1 Improving market-orientated decision making and market access in agri-food commodity chains and among support service providers.

*Goal:* To develop agro-food systems in developing countries that are based on sound agribusiness decisions, and more diversified commodities, products and markets, so as to achieve improvement in livelihoods, better market access, more sustainable and competitive marketing systems, and more stable stakeholder incomes. This entails research and capacity building around methodologies and market-orientated services.

*Objectives*

1. To develop (as necessary), evaluate, adapt and offer a range of methodologies for market–based agribusiness decision making. These include techniques for the analysis of market opportunities (including environmental and social criteria, and for local, national and international markets) and for on-going foreign market analysis such as segmentation of customers, competitor analysis, company-level demand estimation and price management.
2. To identify opportunities for enhancing market access in key commodities, resource assessment and improvement of marketing support services (including trade promotion), which target policy groups, researchers, extension agents, producers, processors and traders operating in the agricultural sector.

3. To institutionalise best-practice marketing tools and market support services in order to enhance decision making:
   - By public and private-sector agencies including national agricultural research systems (NARS), NGOs, Ministries of Trade and Investment;
   - By supply chain actors, through activities that build capacity for market analysis, business feasibility evaluation and the formulation of community development strategies

2.2 Enhancing the competitiveness of agroenterprises through better integration of supply chains and delivery of effective business support services

Goal: To enhance livelihood options for the poor through organisational schemes that integrate smallholder farmers and agri-enterprises, in an equitable and sustainable manner, into value-adding supply chains serving growth markets.

Objectives

1. To identify and evaluate options (case studies) for better intra- and inter-enterprise organisation and relationships between actors, that enhance local innovation and result in greater and more equitably distributed benefits (including gender and other social dimensions) through the supply chain for sustainably produced agri-food produce and products.
2. To identify and evaluate organisational options for sustainable improvement in content and delivery of financial and business development services to small rural agro-enterprises. Existing services in rural areas are either (a) publicly provided with a supply orientation, at no cost, but with poor quality and coverage e.g. traditional extension services, or (b) provided informally or privately as a business e.g. marketing and accounting services. Methods are needed to create markets for services that are sustainable and which provide clients, in particular small enterprises, with those service products.

2.3 Developing and disseminating post-harvest technology

Goal: To improve incomes and food security, and strengthen the competitiveness of small and medium enterprises, by enhancing the development and uptake of post-harvest technologies and techniques.
Objectives:
1. To undertake information and technology needs assessments that will enable better use of technologies for generating income and employment, reducing post-harvest losses, improving the marketability of smallholder rural produce, and enhancing utilisation of wastes and by-products.
2. To develop, and foster adoption of post-harvest technologies that enable smallholders to improve their food security and to capitalise on market opportunities, improve competitiveness and environmental sustainability, and adhere to food quality and safety standards through new and existing collaborative partnerships.
3. To improve, and adapt the use of information and decision-support tools for introducing or improving post-harvest techniques and technologies, and to train end-users in the application and improvement of these tools. This includes methods for improving the innovation capabilities of existing small-scale processors (as regards value added transformation).

2.4. Improving the quality, nutritional value and safety of food from smallholder producers and small/medium-scale agro-enterprises

Goal: To contribute to the development of commodity chains, including small and medium-scale agro-enterprises (SMEs), that efficiently, profitably and sustainably produce and market products that meet appropriate regulatory standards and quality and nutritional requirements for local, national and export markets.

Objectives:

1. To develop and implement food quality, nutritional, traceability and safety assurance methodologies that can be applied in developing countries by small and medium-scale enterprises, and build capacity in the institutions that support these enterprises, so that their products meet appropriate regulatory standards and quality requirements for national and export markets.
2. To develop appropriate quality and safety objectives for local regulatory systems in developing countries through the application of risk analysis techniques, including the assessment of human health risks and identification of feasible quality/safety targets for supply chain actors.
3. To contribute to the development of harmonised food quality and safety regulations and standards for agricultural produce and processed food products. This may include issues surrounding the certification of organic and fair-trade products/produce.
4. To promote consumer awareness of food quality and safety issues.
Strategic 3. The development of competitive and equitable agro-food systems

Introduction: Strategy 3 is focused on direct development of the sector at the micro level, in specific locations combining a territorial and sub-sector focus. This is where the policy, market, commodity chain, technology and food quality/safety components come together, on the ground, in those development situations where impact on stakeholders is sought.

Two approaches are proposed:
- Market-oriented supply chain development that emphasizes partnerships between different actors, from private and public sectors, and civil society organisations, towards a common goal
- Public sector investment, suited to locations where market forces are still weak, food security is threatened and basic infrastructure is lacking

3.1 Enhancing performance, equity and environmental sustainability of commodity chains.

Goal: To contribute to the development and expansion of competitive, equitable and environmentally sustainable enterprises in commodity and supply chains for agri-food produce and products in local, national and international markets.

Objective:
To establish sustainable public, private sector and civil society partnerships that promote and facilitate commodity chain innovation in specific locations.

3.2 Promoting investment in post-harvest infrastructure.

Goal: To promote public sector investment in locations where (a) market forces are still weak, food security is threatened and basic post-harvest infrastructure is lacking and (b) where critical public sector investments are required to realise high value market opportunities.

Objective
To build capacity in, and provide information and advice to, relevant decision-making bodies at local, national, regional and multilateral levels that result in the allocation and efficient use of investment capital for post-harvest infrastructure.
Strategy 4. Fostering networks, communication and further program development

Introduction: This Strategy will foster and coordinate the other strategies through the formation of regional networks, working groups or consortia of institutions in the different strategy and thematic areas, taking care to build on those that already exist. It will also establish a means to assess the impact of the Framework at a level that encompasses the outputs and outcomes from all the different strategies and projects – this must necessarily be carried out at a global and regional level. If the Framework is to be successful, it needs to address issues of resource mobilization in a systematic and organized manner. The inclusion of this issue in this strategy area is a means to ensure that it receives the attention and effort that it merits.

4.1 Regional post-harvest networks, communication and further program development

Goal: To foster regional and sub-regional platforms for the Plan to assist program implementation, communication between stakeholders, impact assessment and overall program sustainability.

Objectives
1. To establish and strengthen regional and sub-regional post-harvest networks.
2. To establish and facilitate a post-harvest “community of practice”
3. To monitor, evaluate and assess the development impact of the Plan.
4. To ensure that the Framework is able to mobilise the resource it needs to achieve its desired aims.

Implementation of the Strategic Framework

The Framework will have a strong regional and sub-regional axis. Networks both new and existing will be essential in creating synergies during the implementation process. New partnerships will be created across disciplinary and organisational divides at all levels to improve communication and the exchange of ideas and information across regions.

Institutional responsibilities – global and regional

The Framework crosses many disciplinary and institutional boundaries. It will involve a number of second-level partnerships (or working groups) around specific theme areas, regions and levels of intervention that themselves require some level of co-ordination and integration.
The Framework will be facilitated by an interim Co-ordinating Committee (CC) with membership that includes both supply and demand sides, is global in reach and also comprises representatives of research, development, business, technology and marketing stakeholders.

Membership of the CC comprises the following:
- FAO
- A representative from each region will be identified as projects develop
- PhAction
- GFAR
- Representative of funding agencies

The CC will oversee the implementation of the recommendations of the International Workshop (October 2003) and will:
- Facilitate co-ordination, networking and information exchange among partners
- Provide a representative forum for the identification of priorities
- Provide a mechanism for collaboration among partners, at the lowest most effective level, in the design and implementation of projects
- Ensure that stakeholders participate in and take ownership of the Initiative
- Enable donor participation

FAO has offered to undertake a co-ordinating and facilitating role on the CC, based on its global legal institutional infrastructure, the congruence of this initiative with FAO's global mandate, and FAO's link with demand-side beneficiaries.

Resource mobilization

Support from the international community is required to ensure that the Framework can be implemented. Seed funding of about US$ 1 million per year until 2006 is required to take action on the priorities identified at the country and sub-regional levels and for other needs, including: promotion of the Post-harvest Initiative in developing countries and within the donor community. In the longer-term additional finance will be required for project implementation.

Monitoring, evaluation and impact assessment

Mechanisms and responsibilities for the monitoring and evaluation of all project activities will be an integral part of all projects implemented under the Framework. Wider developmental outcomes or impacts of these projects will be assessed. Global mechanisms to address these issues will be initiated through networks as highlighted in CN 4.1.
You are invited to support and participate in the post-harvest initiative ‘Linking Farmers to Markets’ as a way to alleviate poverty and promote food security in developing countries.

Please make contact with the Interim Co-ordinating Committee

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