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FAO REGIONAL CONFERENCE FOR THE NEAR EAST

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Developing sustainable and resilient value chains in conflict-prone and conflict-affected contexts

Executive Summary

Recent decades have brought a growing number of economic, social and environmental disruptions, with significant impacts on agrifood value chains at global and regional levels. In particular, in conflict-prone and conflict-affected contexts, agrifood value chains are more exposed and vulnerable to disturbances and their ripple effects than in any other context. In volatile operating environments, resources, government spending and private investment are frequently diverted or reduced, with lasting impact on agrifood value chains, and consequently nutrition and food security. Uncertainties inherent to these contexts can further undermine the relevance, efficiency and effectiveness of agrifood value chain interventions, programmes and projects. In the face of these disturbances, it is necessary to strengthen the resilience of agrifood value chains so that they can anticipate, adapt and efficiently respond to shocks and stressors, and sustainably deliver the nutrition, value-added, and economic opportunities they are meant to.

To respond to countries' need for tailored guidelines to address specific challenges in the analysis and design of sustainable value chains in conflict-prone or conflict-affected countries, FAO has developed a practitioner's guide proposing a four-step approach for context analysis, agrifood value chain selection, analysis and design of upgrading strategies in these contexts. The approach aims to strengthen the resilience of agrifood value chains through systems-based solutions, adopting a context-sensitive programming approach and ensuring an adaptive programming effort through the Monitoring, Evaluation, Accountability and Learning (MEAL) framework, to facilitate testing and scaling-up. The guidelines were discussed and validated through a regional technical workshop in Cairo in July 2023, the outcome of which set out clear action points for implementation and capacity building in countries.

Documents can be consulted at www.fao.org

Suggested action by the Regional Conference

The Regional Conference is invited to:

- a. encourage the implementation of the FAO Practitioner guidelines on selection, analysis and design of sustainable agrifood value chains in conflict-prone and conflict-affected contexts, to inform the development of national agriculture and food security strategies in volatile and fragile contexts;
- b. acknowledge the importance of mainstreaming holistic and market-oriented approaches to improve the resilience of agrifood system in the countries, while ensuring efficient use of natural resources and women and youth inclusion; and
- c. recognize the key role of local knowledge, resources and full engagement of communities in the development of value chains in fragile and volatile contexts.

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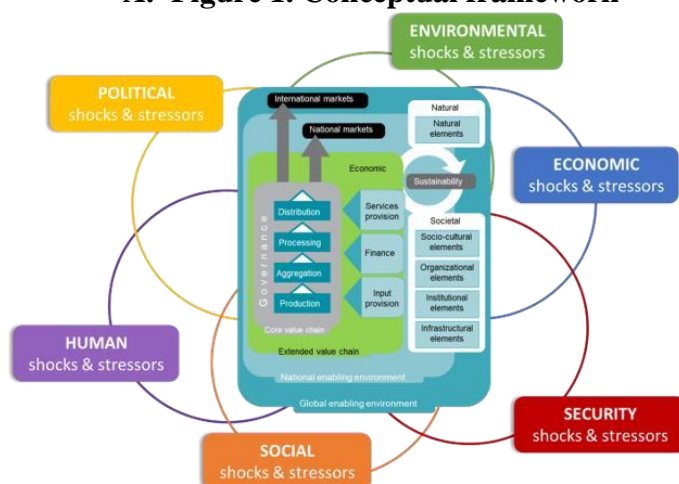
I. Introduction

1. The sustainable development of agrifood value chains in the Near East and North Africa (NENA) has the potential to make a significant contribution to government efforts towards achieving the Sustainable Development Goals (SDGs). The value addition generated through the production, aggregation, processing and distribution of food products is a source of income and decent employment in rural areas and along the rural-urban continuum, with multiplier effects on the agricultural and non-agricultural sectors of the economy. Mainstreaming sustainable practices in agrifood value chain development ensures broad-based participation and equal access to resources, promotes fair distribution of value among actors, and stimulates an efficient use of natural resources, ultimately leading to more resilient and prosperous communities.

2. Recent decades have brought a growing number of economic, social, and environmental disruptions, with significant impacts on agrifood value chains at global and regional levels. The COVID-19 pandemic followed by the war in Ukraine, resulted in the disruption of supply chains and a general rise in the prices of fuel, fertilizer and agrifood products worldwide. Extreme weather events, natural resource degradation, poverty, gender and other social inequalities, population displacement and conflict have further exposed fragilities in the ways food is produced, distributed and consumed in the region. In the face of these disturbances, it is urgent to strengthen the resilience of agrifood value chains so that they can anticipate, adapt and efficiently respond to shocks and stressors.

3. In particular, agrifood value chains in conflict-prone and conflict-affected contexts are more exposed and vulnerable to disturbances and their ripple effects than in any other context. This is a result of many factors including (but not limited to) dilapidated infrastructure impeding or restricting the distribution of inputs, services and products; forced population displacements resulting in higher price volatility and shifts in market dynamics; and a lack of effective market regulations and a low attractiveness to investors, among others. If not mitigated, such vulnerabilities may significantly affect the economic, social, and environmental performance of agrifood value chains and the livelihoods of the communities associated with them.

A. Figure 1. Conceptual framework



Source: FAO. 2023. Developing sustainable and resilient agrifood value chains in conflict-prone and conflict-affected contexts. Practitioner guidelines for selection, analysis and design. Cairo¹

4. The Information Note will discuss the FAO Regional Office's response to the need of countries for tailored guidelines on how to address the specific challenges in the analysis and design of sustainable value chains in conflict-prone or conflict-affected countries. This is in recognition of the high volatility and unpredictability inherent to these contexts and aims to increase the relevance, efficiency and effectiveness of agrifood value chain development interventions and policies in the region. Building on the results of a regional technical workshop on the topic, held in Cairo in July 2023, this Note focuses on the added value of using the guidelines for the development of evidence-based national agrifood

¹ <https://www.fao.org/documents/card/en/c/cc6662en>

system plans and policies in conflict-prone and conflict-affected contexts and provides considerations for implementation by countries.

II. FAO's approach on sustainable agrifood value chain development

5. Since 2014, FAO has taken a more holistic approach to agrifood value chain (VC) development. FAO defines value chains as the “full range of farms and firms and their successive coordinated value-adding activities that produce particular raw agricultural materials and transform them into particular food products that are sold to final consumers and disposed of after use, in a manner that is profitable throughout, has broad-based benefits for society, and does not permanently deplete natural resources”.²

6. The approach recognizes the contribution of VCs in achieving SDGs, and their dynamic, market-driven nature, which can be harnessed to incentivize sustainable agrifood systems. This integrated concept is applied to an entire product subsector where effective coordination is key, and value-added and sustainability are measures of the performance of the value chains.

7. Developing competitive and inclusive agrifood value chains is one of the main principles of the FAO regional priority on rural transformation and an integral part of FAO's work for agrifood systems transformation in the region. Through multiple processes, including the 36th Session of the Regional Conference for the Near East, and in light of recent shocks and stressors that are threatening the resilience of agrifood systems in the region, Members requested support from the Organization to develop national policy and capacity-building programmes that take into account strengthening of the functions and efficiency of agrifood value chains.

8. FAO's response to this evolving need has resulted in context-specific knowledge products and guidelines for the analysis of value chains to support the identification of constraints and opportunities for designing sustainable, upgrading strategies and investment plans in countries. The participatory approach followed throughout the process of data collection and the development of interventions, and the full engagement of public and private stakeholders, at the national and local levels, ensure VC stakeholder ownership and accountability, and are key in achieving the desired impact at scale in countries.

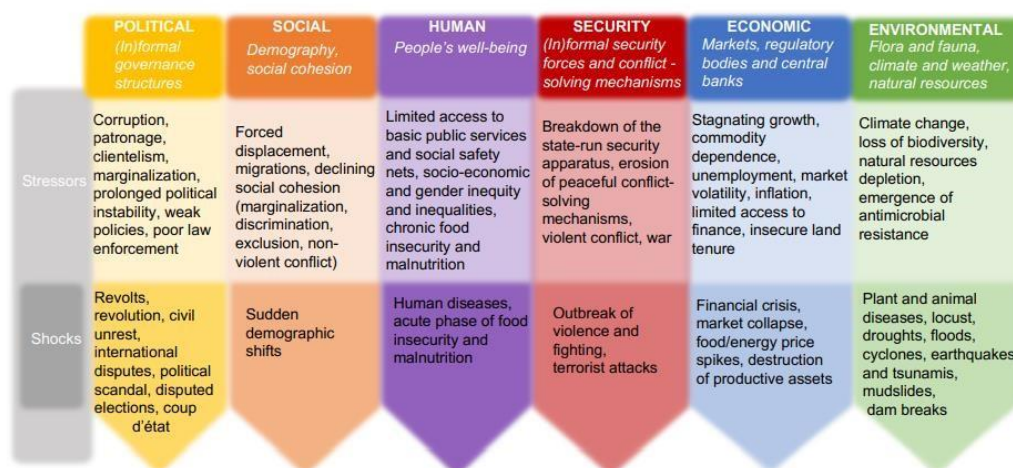
III. The guidelines on developing sustainable and resilient agrifood value chains in conflict-prone and conflict-affected contexts

Challenges and response – the value added of the guidelines:

9. Conflict-prone and conflict-affected contexts are characterized by greater exposure to multidimensional threats and a weaker coping capacity of the state, systems and individuals, as compared to other contexts. Difficulties affecting the development of agrifood value chains in these contexts include, but are not limited to, volatile market trends, disrupted economic activities and public services, unpredictable changes in the business enabling environment (e.g. international sanctions), limited donor support or high-aid dependency, and high risk of investment. Working around these constraints and mitigating the risks induced by fragility and high uncertainty requires value chain practitioners and governments to be equipped with tailored tools and approaches.

² FAO. 2014. Developing sustainable food value chains – Guiding principles. Rome, FAO.
www.fao.org/sustainable-food-value-chains/library/details/en/c/265156/chains/library/details/en/c/265156/

B. Figure II. Examples of shocks and stressors



10. [The Guideline on Developing sustainable and resilient agrifood value chains in conflict-prone and conflict-affected contexts](#) was developed to address these particular needs. Through a four-step approach of combining a robust analytical framework with practical and concrete examples, the document provides guidance on the selection, analysis and design of agrifood value chains. The content is relevant to all types of conflict-prone and conflict-affected contexts, where development interventions remain possible despite the threat or presence of violent events. This includes contexts of: 1) latent or emerging conflicts; 2) actual sporadic or widespread violence; 3) fragile and post-violence contexts; and 4) protracted crises and conflicts.

11. Taking a holistic approach to the analysis of dynamic interactions between agrifood value chains and their economic, social and environmental contexts, the results can help identify the potential trade-offs between the three dimensions of sustainability, and the meta-dimension of resilience. In line with the "Do No Harm" principle, the guide also incorporates a conflict-sensitive programming approach, to ensure that the development of an agrifood value chain will have no adverse effects on local peace and social cohesion. The systemic approach enables practitioners to propose solutions that address the root causes rather than the symptoms of observed underperformance in agrifood value chains, and to facilitate the involvement of stakeholders in the development and implementation of these solutions. In this way, the guide not only promotes the development of agrifood value chains in line while adhering to the key principles of humanitarian interventions but also promotes taking a long-term development perspective that reduces the risk of aid dependency.

Methodological approach:

12. This unique guideline combines two streams of FAO's normative work namely the **Sustainable Food Value Chains (SFVC)** framework and the **conflict-sensitive programming approach**³. The approach is designed around the following main pillars to ensure the delivery of a fit-for-purpose outcome:

- a. strengthening the resilience of agrifood value chains through systems-based solutions to maintain and possibly improve the economic, social and environmental performance of value chains despite the impact and likelihood of shocks and stressors;
- b. adopting a context-sensitive programming approach to ensure that the designed solutions do not have an unintended negative influence on the contextual dynamics of the agrifood value chains, in compliance with the "Do No Harm" principle; and

³ **Conflict-sensitive programming approach**, which aims to ensure that FAO programmes are cognizant of local and operating contexts and are able to avoid unintended negative impacts on conflict while maximizing their contribution to local social cohesion and peaceful coexistence.

- c. ensuring an adaptive programming effort through a MEAL framework, to facilitate the testing and scaling-up of value chain upgrades in a highly volatile environment.

13. The guideline will be further field-tested in countries through value chain projects and programmes, and the content will subsequently be enriched and improved based on the results and lessons collected from practical experience.

Brief overview of the process:

14. The overall goal of the four-step process is to deliver a sustainable value chain development plan that takes into account the dynamics, governance and structural challenges particular to fragile and volatile contexts, and that improves the value chain's sustainability and resilience to shocks and stressors, without fuelling or creating conflict in the value chain and its environment. The four steps are:

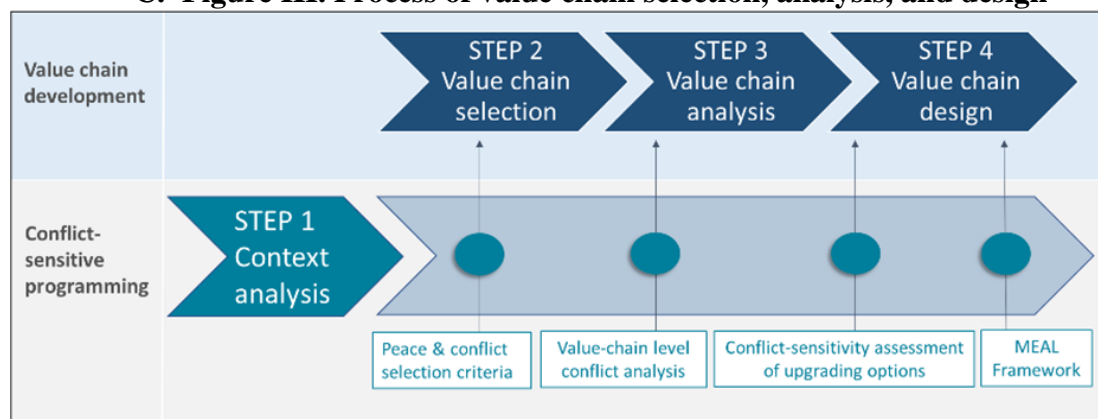
Step 1: context analysis. A context analysis is the first step of the value chain development process in conflict-prone or conflict-affected contexts. It provides an overall understanding of the country context, and the conflict dynamics in which the value chain is operating. More importantly, the context analysis highlights the conflict components that are relevant for selecting, analysing, and designing the upgrading of the value chain in a conflict-sensitive manner. The context analysis is facilitated by a list of guiding questions, which can be answered through desk research, interviews and focus group discussions with key informants.

Step 2: value chain selection. This step focuses on identifying the value chain with the greatest development potential, based on a series of feasibility and impact criteria, including aspects related to peace and conflict that have an impact on the value chain. The length and intensity of the value chain selection process can be adapted to the human and financial resources available. It is recommended to involve stakeholders who have a good knowledge of agrifood value chains (e.g. industry experts, government officials, financial institutions, stakeholders from the private sector involved in a wide range of value chains such as input and service providers, manufacturers, retailers, etc.).

Step 3: value chain analysis. The functional analysis and the sustainability and resilience assessment are complemented with a value chain-level conflict analysis to assess the extent to which: i) the structural causes, drivers and triggers of the wider conflict situation affect the value chain functioning and performance; and ii) the value chain itself may exacerbate or mitigate this broader conflict situation. The Structure-Conduct-Performance paradigm is used to explore if and how the conflict-prone or conflict-affected situation changes the behaviour of the value chain actors and stakeholders, and to what extent the overall performance of the value chain is impacted, whereas the value chain-level conflict analysis assesses the conflict dynamics within the value chain.

Step 4: value chain design. The design of the upgraded value chain is informed by the recommendations emerging from a conflict-sensitivity assessment of the strategic options. This step ensures that the upgrading activities aimed at strengthening the resilience and sustainability performance of the value chain mitigate rather than exacerbate the broader conflict-prone or conflict-affected situation. The analytical findings from step three are summarized in a Strengths-Weaknesses-Opportunities-Threat matrix from which strategic options can be extracted. The results are discussed during a validation workshop and inform the development of a shared vision reflecting what the majority of value chain stakeholders can and want to achieve in the next five to ten years, as well as the strategy and plan to achieve this vision. The MEAL framework included in the guide offers an effective tool for reorienting, as needed, the value chain development interventions in order to ensure they are adapted to the rapidly changing and sometimes unpredictable context.

C. Figure III. Process of value chain selection, analysis, and design



15. This guideline is the first step towards the development of a full methodological package for value chain selection, analysis and upgrading in conflict-prone and conflict-affected contexts. It will be complemented with case studies and a set of tools such as report outlines and a conflict-context monitoring tool. The first pilot testing of the guideline has begun with the olive value chain in Syria and coffee value chain in Yemen under the framework of the FAO global initiative, One Country One Priority Product (OCOP).

IV. Outcomes of the regional technical workshop and way forward

16. A regional technical workshop on developing sustainable and resilient agrifood value chains in the Near East and North Africa (Cairo, 24-27 July 2023), created an opportunity for representatives of governments and international organizations from countries affected by conflict in the NENA region to provide the perspectives, views and priorities they felt should be taken into consideration in refining and implementation of the guideline. The event provided the type of forum for dialogue and partnership building to address common problems, solutions and resource sharing that is essential to making the agrifood systems in the NENA region more inclusive, resilient and sustainable.

17. The workshop participants suggested that the following aspects are taken into account in the development of the full guide and its application by practitioners:

- a. note the **disputes over natural resources**, which could become the root cause of conflict; climate risks will exacerbate this;
- b. note the focus of the analysis is primarily on the **functioning and performance** of the agrifood value chains and their interaction between the VCs and the conflict context;
- c. ensure **alignment** with national agrifood system strategies and development plans in the selection and design process;
- d. note the **dynamic nature** of the volatile and fragile contexts and the positive and negative shifts that happen during the lifespan of a value chain project;
- e. in the context of low or absent external investments and funds due to high volatile and associated risks, ensure the commitment and **engagement of the private sector** and capitalize on opportunities for public-private partnerships to mobilize private investment;
- f. maintain an **inclusive and participatory approach** throughout the process; in particular maximize the engagement of local communities to ensure the sustainability and ownership of the interventions, the strategy and the vision; and
- g. women are community connectors and agents of change in conflict-prone/affected countries; special attention and priority should be given to **gender dimensions** and barriers to social inclusion.

18. The following proposed solutions to improve feasibility of implementation of the guidelines were agreed with the participants:

- a. **Scope:** implementation of the full value chain analysis within the limited timeframe and financial and human resources of the project – countries are encouraged to select an analytical intensity that matches their context.
- b. **Coordination:** work in clusters and use a facilitation approach to identify and address the conflict of interests among stakeholders and parties.
- c. **Cooperation:** (rather than competition) among partners that are working towards supporting countries in improving the sustainability of agrifood systems.
- d. **Customization:** of the data gathering processes to the local sensitivities to reduce exposure to actual and potential security risks.
- e. **Embedding:** ensuring the value chain analysis and design process is part of the broader existing national plans, projects or programmes towards the transformation of agrifood systems and not a standalone activity. This could be facilitated by tailoring VC selection and analysis criteria to the priorities of governments (e.g. nutrition and food security, livelihood, etc).
- f. **Adaptation:** for long-term impact, action and investment plans should foster behavioural change among the value chain actors through learning and adaptation.

19. The participants validated the following points for action:

- a. FAO is requested to organize awareness-raising sessions on sustainable value chain development approaches and guidelines for various target audiences including donors and resource partners.
- b. FAO is encouraged to consider the possibility of developing a shorter and simplified version of the guideline.
- c. FAO is encouraged to use the available platforms including the global initiative on OCOP to promote peer-to-peer exchange and the sharing of best practices and lessons learned among countries.
- d. FAO is requested to support countries in the development of evidence-based national strategies on sustainable agrifood systems and value chains, including by using the available guidelines and tools.

In conclusion:

20. FAO' is committed to continue supporting governments in the region in their effort towards overcoming barriers to developing sustainable and resilient agrifood value chains. FAO programmes and projects will take into consideration the challenges flagged by Members , including 1) the gaps in data and information regarding value chains' contribution to the social, economic and environmental sustainability of agrifood systems; 2) The needs for building effective multi-stakeholder partnerships, especially with private sector actors; and 3) the importance of strengthening the contribution of women and youth and local communities in designing and implementing interventions, in particular in fragile and volatile contexts.