

## **WORKSHOP BRIEF**

The business case for sustainable value chain development in Africa

## **Objective**

Connecting Africa to international export markets: with over 10 years solid experience IDH can support Danish companies to identify and develop sustainable business relationships with African producers and processors. This session brings together Danish companies (retailers, traders) and presents IDH's work in Value Chain Development (VCD) across Africa. Business opportunities for the companies in Africa will be presented while challenges in making sustainable commercial transactions with Africa are understood and managed. The workshop will provide opportunities for development partners and governments to understand how they can further leverage, facilitate and enable stable progress on the development of the agricultural value chains that can support increased sustainable trade with Danish companies.

## Content

Whilst the objectives are noble, sourcing from African producers (SME, farmers) by Danish companies, especially companies that require consistency in quality and quantity, is hampered by a myriad of challenges. These include undeveloped value chains, technical capacity of SME's, farmers and processors and lack of public policy and infrastructure to support the sustainable production and compliance to their requirements. Potential producers and suppliers that can meet such compliance needs find it hard to access affordable finance due to high risk associated with SME's and farmers.

Retailers, traders and brands operating in Europe have ambitions and targets to source products from local African producers but given the volatility of supply often end up sourcing from large corporations who have established large commercial operations in Africa. The session aims to link critical players in selected value chains. We will hear from Managing Director of a South African SME and a processor – how her company operates and the challenges they face especially with regards to supplying the broader African and the European markets. The session will aim to understand the nature of the coalitions required to facilitate the establishment and strengthen successful sourcing from African by the Danish companies with a view to develop value chains as well as enhance local markets and Intra Africa trade in general

## About the IDH sustainable value chain development approach (VCD)

Given above, IDH developed the VCD approach in which IDH initiates, designs and leads the implementation of various sustainable supply chain development interventions with companies and government institutions in Africa. Ranging from living wage/ living income to sector wide commitments, from data driven efficiency to nutrition and food security solutions, IDH develops actionable agenda's that are founded on commercialization by supporting SMEs and farmers to further professionalize their business operations. A business case driven in-country approach in specific value chains, IDH provides technical assistance, access to affordable finance, quality inputs and facilitates market linkages, increase intra-African trade and enable access to international export markets. IDH develops and supports global platforms like SIFAV and SSI to further align sustainability between the different actors in the value chain and create an actionable agenda that works.

Through VCD IDH is working with over 400 European companies (retailers, traders, brands) in growing supply chains, improving sustainability (working conditions, living wages) and linking African producers (farmers, SME's) to European traders, retailers and brands. More background info: HERE