



Value Chain Development in Conflict-Affected Environments: Four Vignettes

AFGHANISTAN POULTRY

The Chemonics-implemented Rebuilding Agricultural Markets Program (RAMP) and Accelerating Sustainable Agriculture Program (ASAP) aimed to develop a vibrant and vertically integrated Afghani poultry sector that could replace imports, which made up about 90 percent of the poultry products sold in urban markets. To take advantage of consumer preferences toward local poultry and a high potential to compete against imports in the local market, the programs trained 28,000 village women in improved breed poultry production and established 5 provincial centers with feed mills and refrigerated storage. The programs faced two critical challenges: 1) connecting the village women producers to the urban market (because they do not often leave their homes) and 2) obtaining government registration for the women's associations that procured inputs and marketed products, which would have enabled them to continue operating privately after the withdrawal of donor funding. The first obstacle was overcome through a network of horizontal and vertical linkages, but the program did not succeed in overcoming the second obstacle. The women continue to apply the training they learned in the project, but are now unable to buy the necessary inputs, so unfortunately the gains they realized in the short term will not last.

RWANDA COFFEE

The Agribusiness Development Assistance to Rwanda (ADAR) project, implemented by Chemonics International, targeted two types of coffee in the international market: green coffee (a less processed product) and export-ready washed coffee (a higher-value added product). At the start of the project, there was only one operational coffee washing station in Rwanda, and access to credit to establish more stations was severely limited by lack of collateral for fixed-asset loans. An ADAR loan guarantee program with the Bank of Kigali, and more recently Banque Commerciale du Rwanda, injected much needed investment in the sector with technical support from USAID's Development Credit Authority. The ADAR project also formed a major partnership with Starbucks leading to investment in washing stations, but only after a six-year, steady engagement process. With program assistance and private investment, more than 70 coffee washing stations were built during the course of the project. The program eventually succeeded in growing market presence in the international markets for green and export-ready washed coffee. Green coffee sales rose from zero in 2002 to \$2.7 million in 2006. Export-ready coffee production rose from zero in 2002 to 940 tons in 2006. Several thousand seasonal rural jobs were created in the coffee-washing facilities.

KOSOVO DAIRY

In Kosovo immediately after the conflict, programs funded by USAID, the European Agency for Reconstruction and Swedish Agency for Development and Cooperation chose the dairy sector as a starting point for relief and rebuilding, and focused investments accordingly. Later donor programs (in the early- to mid-2000s) aspired to build on those initial investments by upgrading capacity to market Kosovo dairy products to other countries in the region. Studies carried out by the implementers revealed that one of the key obstacles to competing regionally was extremely high transport costs in Kosovo. While it was not the sole constraint, high transport costs would inhibit regional competitiveness even if all other constraints were resolved. To circumvent this constraint, the programs identified a closer market within Kosovo. Succeeding at the city level within the local market would mean that dairy producers needed to upgrade to compete with imports that had begun serving the market during the conflict. Over a three-year period, domestic sales increased by €36 million, adding 624 new jobs (in full-time equivalents). Investments in the value chain totaled €3.9 million.

NORTHERN UGANDA COTTON

In studying internally displaced persons (IDPs) camps in northern Uganda, the International Rescue Committee (IRC) found not only that IDPs had cotton production skills, but that the regional cotton processor, Dunavant, was seeking additional supplies of raw cotton. At the design stage, IRC worked with Dunavant to resolve significant barriers facing cotton production in the camps, such as safety during cotton collection, delivery of seeds and other inputs to the IDPs, lack of access to land and the need to bring in equipment to plow uncleared land. In short, identifying and then working closely with the buyer was key to both the appropriate design and ultimate results of the project. The project also explored buyers for IDPs as they return home, aspiring to maintain their cotton income as they resettle in their communities. In 2007, USAID extended this effort with a GDA partnership. Unfortunately, as the project transitioned to a commercial relationship, specific “public good” aspects of the program disappeared, reducing access of IDPs to land and shrinking the program’s impact accordingly.

VALUE CHAINS IN CONFLICT-AFFECTED ENVIRONMENTS CASE STUDIES

Country/Value Chain	Implementing Agency
Afghanistan/Poultry	Chemonics International, Inc.
Afghanistan/Grapes	Chemonics International, Inc.
Bosnia/VegaFruit*	J.E. Austin Associates
Colombia/Coffee	Centro de Recursos para el Análisis de Conflictos (CERAC) with International Alert
Guinea/Groundnuts	International Rescue Committee
Haiti/Construction	CHF International
Kosovo/Dairy	Chemonics International, Inc.
Nepal/Fresh Vegetables	IDE International with Winrock International
Rwanda/Tourism	On The Frontier (OTF) Group
Rwanda/Coffee*	Chemonics International, Inc.
Serbia/Dairy	Mercy Corps
Sri Lanka/Fisheries	International Alert
Sudan/Shea Butter	MEDIC
Uganda/Cotton	International Rescue Committee

These case studies were funded through the **Accelerated Microenterprise Advancement Project (AMAP)**. For the full case studies, as well as a synthesis report and other documents related to value chain development in conflicted-affected environments, please visit: www.microlinks.org/vcdinconflict. For more information on AMAP and related publications, please contact Jeanne Downing, USAID Senior Enterprise Development Advisor (jdowning@usaid.gov) or Ruth Campbell, ACDI/VOCA AMAP Program Manager (rcampbell@acdivoca.org).