



Food and Agriculture
Organization of the
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Cairo Semiramis Intercontinental Hotel,
Cairo, Egypt

Technical workshop

Unlocking the potential for sustainable, inclusive and competitive agribusiness development

in the Near East and North Africa



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Introduction

Agri-food systems in the Near East and North Africa (NENA) are characterized by increasingly degraded natural resources and vulnerability to climate change, protracted crises and rapid population growth and urbanization. The latter reflects a shift in consumers' demand to more resource intensive food products¹ with implications on food systems dynamics in particular for agribusiness input suppliers, processors and distributors. The number of food insecure people is on the rise alongside rising prevalence of obesity and other forms of malnutrition in the region. This has been exacerbated by the negative effects of conflict, increasing international food prices and the economic slowdown and supply chain disruption as a result of the pandemic. At the same time, on average over 11 percent of food is lost between farm and retail (FAO, 2019), reaching to up to 30 percent for post-harvest losses of fresh produce including fruits and vegetables that are key for both provision of healthy diet and smallholder

producers' income.

There is an increasing recognition of the role of sustainable, inclusive and competitive agribusiness SMEs in poverty reduction and income generation, providing access to nutritious food to consumers, creating green jobs for women and youth as well as in reduction of food loss and waste.

Agri-food production, value addition including post-harvest practices and processing, distribution and food service activities are important drivers for the NENA region's economy; in Egypt, Jordan, Morocco and Tunisia these account for 19 to 27 percent of GDP and 21 to 45 percent of employment². However, the NENA region's annual growth in value-added in agriculture was only 0.6 percent between 2011 and 2020 as compared to the world average of 2.6 percent³. Value added from food and beverage manufacturing in 2018 averaged \$2.5 billion USD among NENA countries, comparable to \$2.0 billion USD in Africa but a fraction of the

1 Example: ready to consume meals, pre-packaged food products with longer durability

2 IFPRI (2020) Global Food Policy Report: Building Inclusive Food Systems. Washington, DC.

3 World Bank-World Development Indicators. Retrieved on 9 September 2022.

\$24.5 billion USD average among OECD countries⁴.

Agribusiness SMEs constitute nearly 80 percent of midstream value chain activity in Africa and South Asia whose agrifood systems, similar to NENA, are in the transitional stage between traditional and modern⁵. To keep the viability of their business models, they need to navigate a changing landscape of policy, investment and consumer demand, in particular as stakeholders move to limit the environmental, social and institutional footprints of economic sectors. To this end, there is an increasing recognition that sustainability and inclusiveness are key in ensuring long term resilience and better economic performance.

This is in light of the fact that agribusinesses are facing the realities of heightened climate variability and risks of climate and water shocks and at the same time contribute to climate change. Globally about 20 percent⁶ of 17 billion tonnes CO₂e⁷ of agrifood GHG emissions occur in the middle segment of value chains. By 2050, due to climate change, lower productive capacity and higher prices across all commodity groups are predicted for the NENA region⁸.

Investing on and building capacity of agribusiness SMEs for reducing on-farm and post-harvest losses, green transport, processing, packaging and distribution⁹, improved storage facility, energy efficient cold chain and incorporating circular economy in their business models are key for the resilience sector and the rural communities to mitigate climate shocks.

Additionally, more off-farm activities and employment in the middle segment for women and youth, are generated by SMEs than that for male¹⁰. In NENA, 23.5 percent of employed women work in agriculture compared to 17.6 percent of employed men – a ratio of 1.26 compared to the world average of 0.95 in 2019 – yet 40 percent of the region's women remain unemployed. Youth unemployment reached almost 27 percent since COVID-19¹¹ noting that 60 percent of the region's population is under the age of 25. As a result of lack of incentive, innovation and availability of skilled labor, only 4.5 percent of startups in NENA go into agriculture sector. Inclusion of women and youth in agribusiness SMEs work force is an untapped opportunity for SMEs and could contribute to better income and decent jobs for rural communities.

4 UNIDO Industrial Statistics Database. Retrieved on 9 September 2022.

5 IFAD (2022) The SMEs' quiet revolution in the hidden middle of food systems in developing regions

6 FAO (2011) "Energy-Smart" Food For People And Climate Issue Paper (<https://www.fao.org/3/i2454e/i2454e00.pdf>)

7 FAO (2021) FAOSTAT Analytical Brief 31: The share of agrifood systems in total greenhouse gas emissions Global, regional and country trends 1990-2019.

8 IFPRI (2022) 2022 Global Food Policy Report: Climate Change and Food Systems. Washington, DC. (<https://doi.org/10.2499/9780896294257>)

9 FAO Regional Technical Platform on Green agriculture (<https://www.fao.org/platforms/green-agriculture/areas-of-work/green-transformation-processing-transport-and-distribution/en>)

10 Reardon, T. (2021) Quiet Revolution by SMEs in the midstream of value chains in developing regions: wholesale markets, wholesalers, logistics, and processing (<https://doi.org/10.1007/s12571-021-01224-1>)

11 World Bank-World Development Indicators. Retrieved on 9 September 2022.



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Rationale of the workshop

Despite the clear contribution of agribusiness SMEs in transformation of agrifood systems in the region, this sector has been neglected in both policy and research in the region and been underrepresented by development agencies who focus primarily on more disadvantaged groups such as smallholders farmers.

Agribusiness SMEs in NENA region are facing many barriers in fulfilling their full potential. These include but not limited to - unfair value distribution along the value chains; limited availability of skilled labor; low access to primary inputs including packaging materials and machineries; exclusion of women and youth; limited access to high value markets and finance; enabling environment for investment; lack of capacity to comply with food safety and quality standards; inadequate infrastructure including road and energy; and low levels of entrepreneurial and innovation capacity of agriculture start-ups.

Against this background, the workshop aims at; 1) gaining insight from the multiple stakeholders across the region on the barriers and opportunities for participation of agribusiness SMEs in agrifood systems policymaking in

NENA; 2) identifying the priorities for capacity development for agribusiness SMEs, and surrounding institutional and legal frameworks to be more sustainable, inclusive and competitive; 3) sharing best practices for building effective partnerships and coordination mechanisms among stakeholders at national and regional levels.

The thematic areas of discussion will focus on key aspects for enabling agribusiness SMEs to be more sustainable (green, climate-smart and nutrition-sensitive), inclusive (decent jobs for women and youth) and competitive (finance, investment, access to market) agribusiness.

FAO Regional Office for Near East and North Africa (FAO-RNE) considers this technical workshop as an integral part of the process towards the development of a plan for the FAO to better support sustainable and competitive agribusiness development in the region. Engaging regional actors and reflecting the views from the countries will ensure that the plan and interventions are action and impact oriented and respond to the challenges and needs of the countries of the region.

Objectives

The technical workshop will offer an opportunity for experts from governments and non-state actors across the region to provide their perspectives, views and priorities to be taken into consideration in shaping the FAO planning to support sustainable agribusiness development in NENA.

The specific objectives of the workshop are to:

- Provide overview of the key thematic areas conducive to sustainable, inclusive and competitive agribusiness development in NENA.

- Obtain multi-stakeholders views on challenges, opportunities, needs and priorities for sustainable, inclusive and competitive agribusiness SME development in their context and the key areas of interventions for short, medium and long-term impact.

- Identify policy, institutional, investment and capacity development needs to improve sustainability, inclusiveness and competitiveness of agribusiness SMEs to feed into designing relevant FAO support programs.



Participants

FAO-RNE will invite NENA member countries through FAO country offices to nominate **up to three** participants for in-person participation:

- One or two senior representative(s) from a relevant ministry including agriculture, commerce, industry or trade. The individuals nominated should have a leading role in the design and implementation of policies and plans that directly influence aspects of agribusiness SMEs development and participation in agrifood markets.
- One or two nomination(s) from an entity representing agribusiness such as a membership-based chamber of commerce, export/food manufacturers association, producers' organization, agro-industry body, etc. The individuals nominated should have demonstrated experience in the agrifood sector and ideally prior experience engaging in national and/or regional policy dialogue. The entity or organization **should not** be engaged in commercial activity itself but rather represent the interests of its agribusiness members.

Relevant development agencies, financial institutions and regional bodies will be invited to join the session in person at their own cost.

Format

The format for the technical workshop is a three-day in-person meeting. The Zoom link will be provided shortly for the presenters who will participate remotely. The morning sessions consist of presentations by experts and setting the scene for discussions. The afternoon sessions are dedicated to guided working group discussions. Interpretation in Arabic, English and French will be available to facilitate interaction among participants.



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Agenda of the workshop

Time	Duration	Topic	Presenter
Day 1 - 31 October 2022			
Moderator: Dalia Abulfotuh, Economist, FAO regional office for the Near East and North Africa (FAO-RNE)			
8.30 – 9.00	30 min	Registration	
Introduction session			
9.00 – 9.10	10 min	Proceedings – Agenda of the workshop at a glance	Maryam Rezaei, Agro-Industry Officer, FAO-RNE
9.10 – 9.30	20 min	Getting to know each other – Introducing participants and their expectations	Using an interactive digital tool (Menimeter)
9.30 – 9.45	15 min	Opening remarks - The importance of sustainable, inclusive and competitive agribusiness development for transformation of agrifood systems in NENA	Jean-Marc Faurès, Regional Programme Leader, FAO-RNE
9.45 – 10.15	30 min	Overview of agribusiness SMEs status in the NENA region - current status, challenges and opportunities	Maryam Rezaei, Agro-Industry Officer, FAO-RNE
10.15 – 10.30	15 min	Q&A and comments	Participants
10.30 – 10.45	15 min	Coffee/tea Break	
Thematic 1: Agribusiness SMEs finance and investment			
10.45 – 11.30	45 min	Facilitating private investments in inclusive, sustainable and resilient agri-SMEs - Examples from Africa Q&A	Massimo Pera, Agribusiness Officer, FAO Regional Office for Africa

11.30 – 12.15	45 min	Agribusiness finance – perspective of financial institutions Q&A	Nadhem Mtimet, Senior Regional Technical Specialist- Rural Finance, Markets and Value chains International Fund for Agricultural Development (IFAD)
12.15 – 12.35	20 min	The perspective of financial institutions on barriers and opportunities – Two flash interventions (10 min/each)	Agriculture Bank of Egypt (TBC) Lieke Verhofstad, Business development, Global Food & Agri Networks, Rabobank
12.45 – 13.00	15 min	Wrap up morning session	Moderator
13.00 – 14.00	60 min	Lunch break	
Thematic area 2: From Start-ups to SMEs			
14.00 – 14.30	30 min	The role of business incubators in making entrepreneurship a reality for agribusiness start-ups and youth– Lesson from the countries	Ramy Boujawdeh, Chief Operating Officer, BeryTech, Lebanon
14.30 – 14.40	10 min	Q&A	
Working groups on discussed thematic areas			
14.40 – 14.45	5 min	Instruction and structure of the working groups	Moderator
14.45 – 15.45	60 min	Four working groups with guiding questions	
15.45 – 16.00	15 min	Coffee/Tea break	
16.00 – 16.40	40 min	Reporting to plenary by each group (10 min/group) Format – PowerPoint presentation	Rapporteurs
16.40 – 17.00	20 min	Moderated discussion – Points we have missed	
17.00 – 17.15	15 min	Conclusion and end of day 1	Moderator

Time	Duration	Topic	Presenter
Day 2 - 1 November 2022			
Moderator: Maryam Rezaei , Agro-industry Officer, FAO regional office for the Near East and North Africa (FAO-RNE)			
8.30 – 9.00	30 min	Morning coffee/Tea	
9.00 – 9.10	10 min	Debrief day 1 and Introduction to the agenda day 2	Moderator
Thematic area 3: Improving food safety and quality for better access to domestic and export market			
9.10 – 9.40	30 min	Strengthening capacity of agribusiness SMEs in food safety and quality management – case study	Saber Mansour , Food control consultant, FAO Food Systems and Food Safety Division
9.40 – 10.00	20 min	Improving Agribusiness SME's capacity for better market access and export	Hema Menon , Trade Training Officer, Export Quality Management, International Trade Center (ITC)
10.00 – 10.20	20 min	Equipping SMEs to access regional and global agri-food markets through improved Sanitary and PhytoSanitary (SPS) compliance	Simon Padilla , Economic Affairs Officer, Standards and Trade Development Facility (STDF) World Trade Organization (WTO), Geneva, Switzerland
10.20 – 10.30	10 min	Q&A	
10.30 – 10.45	10 min	Coffee/Tea break	
Thematic area 4: Institutional capacity, partnership and policy environment			
10.45 – 11.15	30 min	Engaging with small and medium agrifood enterprises to guide policy making	Stepanka Gallatova , Agribusiness Economist Agrifood Economics Division (ESA) - FAO Headquarter (HQ)
11.15 – 11.25	10 min	Q&A	

11.25 – 11.55	30 min	Multi stakeholder collaboration - The role of Partnerships as drivers to promote innovation, cooperation and business-university alliances: the case of PRIMA	Mohamed El-Shinawi, Co-Chair Partnership for Research and Innovation in the Mediterranean Area (PRIMA)
11.55 – 12.05	10 min	Q&A	
Thematic area 5: Towards sustainable and inclusive agribusiness SMES			
12.05 – 12.40	35 min	Leveraging SMEs for food systems transformation: making the business case for nutrition	Pilar Santacoloma, Agri-food systems officer Nutrition and food systems division, FAO- Headquarters (HQ)
12.40 – 12.50	10 min	Q&A	
12.50 – 14.00	70 min	Lunch and networking	
14.00 – 14.35	35 min	Promoting inclusive and gender-responsive agribusiness SMEs	Valentina Franchi, Gender Specialist FAO regional office for the Near East and North Africa (FAO-RNE)
14.35 – 14.45	10 min	Q&A	
Working groups on discussed thematic areas			
14:45 – 15:45	60 min	Four working groups with guiding questions	Participants
15.45 – 16.00	15 min	Coffee/Tea break	
16.00 – 16.40	40 min	Reporting to plenary by each group (10 min/group) Format – PowerPoint presentation	Rapporteurs
16.40 – 17.00	20 min	Moderated discussion – Points we have missed	Moderator
17.00 – 17.15	15 min	Conclusion and end of Day 2	

Time	Duration	Topic	Presenter
Day 3 - 2 November 2022			
Moderator: Jennifer Smolak , Value chain specialist, FAO regional office for the Near East and North Africa (FAO-RNE)			
8.30 – 9.00	30 min	Morning coffee/Tea	
9.00 – 9.15	15 min	Debrief day 2 and Introduction to the agenda day 3	Moderator
Thematic area 5: Towards sustainable and inclusive agribusiness SMES (Cont.)			
9.15 – 9.50	35 min	Greening agribusiness start-ups & SMEs – environmentally sustainable and climate smart start-ups & SMEs	Anna Chiara Scandone , Industrial Development Expert United Nations Industrial Development Organization (UNIDO) Regional Hub in Egypt
9.50 – 10.00	10 min	Q&A	
10.00 – 10.30	30 min	SMEs journey to success; Three Agribusiness SMEs sharing their stories	Farah Emara , CEO, FreshSource Egypt Two SMEs - TBC
10.30 – 10.40	10 min	Q&A	
10.40 – 10.55	15 min	Coffee/Tea Break	
Working groups on discussed thematic areas			
11.00 – 11.45	45 min	Working groups with guiding questions	
11.45 – 12.25	40 min	Reporting to plenary by each group (10 min/group) Format – PowerPoint presentation	Participants
12.30 – 13.30	60 min	Lunch	

Concluding session			
13.30 – 14.00	30 min	Challenges, needs and opportunities for profitable, sustainable and inclusive agribusiness SMEs in NENA – What we learned in the workshop	Maryam Rezaei, Agro-industry officer, FAO regional office for the Near East and North Africa (FAO-RNE)
14.00 – 14.45	30 min	Discussion and validating the findings	All
14.45 – 15.00	15 min	Conclusion of the workshop and closing remarks	Jean-Marc Faurès, Regional Programme Leader, FAO Regional Office for Near East and North Africa (FAO-RNE)

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