

Accelerated Agriculture and Agro-industry Development Initiative PLUS (3ADI+)

Briefing note

What is the 3ADI+

The **3ADI+** is a global development partnership based on an adaptation and revitalization of the **African Agribusiness and Agro-industry Development Initiative (3ADI)**, launched in 2010 by FAO, IFAD, UNIDO, in partnership with the African Union Commission, the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA). It aims at taking advantage of expanding market opportunities in the agribusiness sector by facilitating the development of inclusive, efficient, sustainable and competitive agriculture and food value chains and market systems in developing countries.

Rising urbanization and incomes are increasing demand for higher value-added food products. Demand for food will grow by an estimated 70 percent from 2010 to 2050 and 83 percent is expected to be in the urban markets of the developing world. Net investments of more than \$80 billion per year are needed if food production is to keep pace with rising demand. Agricultural and agribusiness development is also instrumental for inclusive development targeting the poor, particularly in less developed countries and for climate change mitigation. Adding value to agricultural commodities can also create more decent jobs and income opportunities in many developing countries.

Against this backdrop, major investments along agro-based food and non-food value chains as well as an expansion of market opportunities and private sector initiatives are required in developing countries. The 3ADI+ model aims to facilitate the development of inclusive and sustainable food systems that effectively link smallholders and larger farmers to processing, value addition and end-markets supplying higher-value, nutritious and differentiated food, fiber, feed and fuel products to consumers.

The development of agriculture and agro-industries¹ has a critical role to play in the process of sustainable and inclusive economic growth, food security and reduction of poverty and hunger. This is fully recognized in the 2030 Agenda for Sustainable Development, in the Third Industrial Development Decade for Africa (IDDA3) and in other global and regional initiatives. This important role was recently reconfirmed in a global expert meeting convened by the President of ECOSOC in Victoria Falls in preparation of the ECOSOC Special Meeting on “Innovations for Infrastructure Development and Sustainable Industrialization”, to be held at the UN Headquarters on 31st May 2017.

The Victoria Falls meeting brought forward the opportunity to pursue the 3ADI+ to respond to the identified pressing development challenges. After further work and refinement, **the Initiative will be piloted by the organizations engaged** also seeking the views and mobilizing the support of their Member States.

¹ The 3ADI+ initiative will also encompass other agribusinesses and agro-based value chains such as leather and footwear, textile and garments and wood and woodworking).

Innovative approach

The innovativeness of the approach lies in the capacity of the 3ADI+ to leverage the required public and private investments while providing growth-enhancing technical assistance, know-how and human capital development, capitalizing on the expertise and investment promotion capacities of key development and finance partners.

1. Aligning national priorities and development partners' agendas through strong governmental ownership for effective agribusiness policies.

Forging partnerships to capture synergies under the 3ADI+ will:

- *Reduce uncoordinated or fragmented efforts and enhance developmental impacts among all relevant stakeholders (governments, intergovernmental organizations, bilateral agencies, the private sector, financing institutions, local communities, etc.);*
- *Expand the scope in terms of geographic coverage and technical content, linking up with different global, inter-regional and regional initiatives;*
- *Address a wide range of key global and national development challenges related to structural unemployment, migration, urbanization, changing diets, natural resource use and climate change impacts, low productivity and a lack of competitiveness.*

2. Blending state-of-the-art technical expertise and large scale public and private investment to maximize impact.

Technical assistance is a crucial component to develop market systems and agri-food value chains in developing countries. It facilitates the increased competitiveness of smallholder and larger farmers and SMEs in an inclusive way, and serves as a vehicle to promote foreign and domestic investment in critically constrained segments of the agribusiness value chains, in its core functions (production, aggregation, processing, distribution) and in its supporting functions (services, finance, physical inputs). It will be composed of pre-investment assistance, post investment assistance and improvements in the enabling environment (including policies, regulations, laws, organizations strengthening and infrastructural development). The technical assistance will facilitate changes in the system through strengthening existing stakeholders, not direct intervention, using quick learning cycles to test and improve new business models (complex adaptive systems approach).

The 3ADI+ facilitates the mobilization and coordination of three streams of resources: public investment, private sector investment, and (catalytic) technical assistance. Technical assistance of a more comprehensive type addressing sustainable food systems development requires the pooling of knowledge and resources across development partners, which will be available through the 3ADI+.

3. Connecting global knowledge networks to improve policymaking through a Global Agricultural and Agroindustry Development Knowledge Platform (global platform).

The "Global Platform" will coordinate global actors in the agricultural value chain, connecting policymakers with the best scientific work, technology and innovations on how to improve agricultural systems, GAPs and GMPs, productivity and market opportunities along the value chain.

4. Facilitating access to technical assistance for all through local agricultural and agroindustry development knowledge hubs (local hub).

Improved technologies (broadly defined) are of little use if they do not address all critical constraints that may stand in the way of its adoption (understanding the incentives and capacities of actors sufficiently well). In developing countries, this applies as much to existing farm and agribusiness management techniques as it does to the latest advances in production (climate change adaptation and mitigation, e.g., higher-yielding varieties, precision agriculture), logistics (e.g., cold chain, ICT), processing (e.g., HACCP, nutrient fortification) and marketing (e.g., quality and food safety compliance, networking and clustering).

5. Greener agribusiness, renewable energy and the circular economy

The 3ADI+ aims to facilitate a transition towards circular economies that involve all stages of the value chain, from primary production through to final consumption, (renewable) energy use, waste management and the valorization of byproducts.

How does the 3ADI+ work?

The 3ADI+ is a dynamic programme that weaves together crucial and diverse technical competences with public and private finance. It builds on FAO and UNIDO technical assistance and know-how to facilitate investment and unlock the full potential of large-scale funding from development partners such as IFAD, the AfDB and other Development Financial Institutions. It will support governments and all private actors in agro-based value chains in improving the agribusiness sector by creating a more enabling environment and by promoting specific investment opportunities to attract domestic as well as foreign direct investment in the sector. The 3ADI+ would not replace existing delivery mechanisms (of organizations such as FAO and UNIDO), but rather provide added impetus to and strengthen them at the global, regional and national level.