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## Value Chain Promotion for Sustainable, Significant Pro-poor Growth: Conditions and Research Needs

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### Abstract

It is generally accepted that strengthening value chains in agri-business provides economic benefit to the involved value chain operators. Strategies, impacts (i.e. total and individual net increase of poor's income through value addition) and efficiency (i.e. invested time and resources compared to impacts) of value chain promotion should be analysed a priori on the basis of the aforementioned parameters.

The dimension of economic benefit depends on the size of the market segment, quality requirements, and competitors, in particular on their performance and ability to influence the market as well as to satisfy buyers and consumers. Chances for significant pro-poor impacts increase with the number of involved poor value chain operators, i.e. small scale producers, processors, service providers and traders. Even if their technical and economic performance is competitive, the degree of horizontal collaboration and their bargaining power within the value chain is crucial for their income increase.

International and urban markets in developing countries offer many opportunities for agri-food value chains. The latter are still mainly supplied by local production, but frequently information and consequently coherent policy, investment promotion strategies, governance structures and technologies to compete with imports are lacking. Under these conditions, it is difficult to determine more precisely their potential compared to international markets.

The argumentation leads to several research issues:

- Economic and social impacts of ongoing value chain promotion targeting both at local/urban and international markets
- Trends of demand, quality standards and consumption patterns of urban agribusiness markets in developing countries and opportunities for value chain promotion, innovative products
- Investment strategies in terms of policies, capital, services and technologies
- Access to relevant technological knowledge and market information,
- Combinations of sector and territorial approaches of economic development and their potential for sustainable rural economic growth,

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