



# An assessment framework for agribusiness interventions

A decision support tool to assess the suitability of agribusinesses, commodities and value chains in the agricultural sector for public policy and research interventions.

## Introduction

This assessment framework supports the process of determining whether an agribusiness, agricultural commodity or value chain could be appropriately supported by a public policy intervention. The framework is designed primarily as a screening tool for the PARDI2 project team to ensure that decisions about the allocation of resources are aligned to the project's objectives. Resource decisions under the PARDI2 project must take into consideration the potential for market development, potential livelihood impacts, and opportunities to strengthen the engagement of women, youth and vulnerable groups.

The framework draws from various existing tools, including the sustainable livelihoods framework and markets systems approaches. It is designed to be used at the commodity or value chain level, but can also be used at the agribusiness level. It may also be of use to other practitioners, policy offers and researchers working in support of the agricultural sector.



The assessment framework takes the form of guided questions, divided across the following areas:

1. The basics: scale and target group
2. Market development potential
3. Potential for income and livelihood Improvement
4. The enabling environment
5. Vulnerability and risk
6. Agribusiness research priorities and needs

Guided by the framework, desk-based research and light-touch discussions with appropriate experts should be sufficient for an assessment to be completed. Wherever possible referenced statistics should be used. In the absence of statistics, sector experts should be consulted in order to describe trends, challenges and opportunities.

Using the framework early will help facilitate discussions with key stakeholders and highlight information gaps. If the assessment highlights extensive information gaps, this will provide a clear direction for where new research could be undertaken ahead of any other intervention.

The framework is a support tool to provide an evidence-base for decisions in keeping with the objectives of the project, and to focus on the commodities or value chains that would be best supported by appropriate interventions. Any specific intervention should be developed through extensive consultation with agribusinesses within the value chain, other key stakeholders, experts, and team members.



## **Assessment framework**

### **1. The basics: scale and target group**

**1.1 How important is this sector or commodity to the country, province/state or district? Is it listed as a priority within national and local development plans?**

*If the sector or commodity is a priority within national and local development plans, there is likely to be more government resources, extension capacity and knowledge that can support agribusiness development.*

**1.2 What is the geographical scope of producers, traders, processors, main markets etc., locally, nationally, and internationally? Are there any constraints to expanding the geographical scope (e.g. climatic variables).**

*Understanding the geographic location(s) where current production and value chain actors are based and could expand to are an important consideration*

**1.3 Who is involved at each stage of the value chain (e.g. men, women, youth, but also types of entity: smallholders, semi-commercial, commercial, cooperatives, corporations) and at what scale?**

*As well as researching the numbers, consider how important the sector is for women, men and youth by describing the impact of the sector on livelihoods.*

**1.4 If you have a specific target group (e.g. tomato producers in the Sigatoka Valley), what is the breakdown across similar categories for this target group?**

*How important is the commodity to the target groups' livelihoods.*

**1.5 How significant is this sector/commodity to women, youth, marginalised groups, those with insecure land tenure, those with poor access to markets, and low income households?**

*Review the information you have, and consider the numbers and roles of these groups in particular.*



## **2. Market development potential**

### **2.1 What are the main characteristics of the current domestic and export market?**

*Where possible include referenced information about the main sources of demand, the structure of the market in terms of numbers of players, Fiji's position in the market and any unique characteristics of the Fiji product that give Fiji a comparative advantage globally. Describe any challenges with expanding or maintaining the current market and opportunities for growth.*

### **2.2 How has the sector performed in the last 3-5 years?**

*What is the volume of exports, production area, production volume, participation, value and price, and how have these changed over time? Use existing data collected by projects such as PHAMA and MDF where available.*

### **2.3 What is the potential for the sector or commodity to have better access to local, tourism, or export markets in the next 3-5 years? What is the potential for growth?**

*This will be a subjective assessment of potential based on the views of relevant commodity or sector experts.*

### **2.4 What is the potential for upscaling and strengthening the project intervention beyond the target group either during the project or after?**

*What is the potential for actors to scale up the impact of the intervention and what are the necessary conditions for this to happen? What is the availability of investor financing or farmers beyond the target group? What training will be available beyond the project?*



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### **3. Potential for income and livelihood improvement**

This section considers the five categories of capital within the sustainable livelihoods framework. You are unlikely to have all of the information required to complete this section, but this will help to identify areas where information is limited.

#### **3.1 Social capital: Does the social, cultural, political and religious context strengthen the value chain or weaken it? Does the value chain benefit the community and strengthen social structures?**

*List the types of networks and social systems that currently exist as well as the potential positive or negative impacts the sector or commodity could have those networks and social systems. Consider how any potential negative impacts will be addressed.*

#### **3.2 Human capital: Does the required labour, skills, knowledge, and leadership currently exist? If not, what is the potential for these to be developed across government, NGOs and the private sector, and what will be the impact? What will be the impact on food and nutritional security?**

*List the likely positive or negative impacts the sector or commodity could have to labour inputs and efficiency, the presence of leadership, and food and nutritional security, and the required capital and potential for capital improvements. How will potential negative impacts be addressed?*

#### **3.3 Natural capital: What will the positive and negative impacts be on the environment, biodiversity, soil health, and the accessibility and suitability of land to sustain livelihoods?**

*List the potential positive and negative impacts relating to these environmental factors. How will negative environmental consequences be addressed?*

#### **3.4 Physical capital: Is there already good infrastructure, including affordable transport, secure shelter and buildings, adequate water supply and sanitation, clean affordable energy, access to information and communication, readily available machinery and equipment) that will support the sector or commodity? What are the gaps?**

*Describe the infrastructure that currently exists as well as the way that any shortages might be addressed.*



**3.5 Financial capital: What is the current availability of finance? Are there functional credit providing institutions? How is finance currently accessed (e.g. reliable remittances, lease payments, formal and informal income, gifts and loans, and wages, or through in-kind supplies of seeds, fertiliser etc.)? Is a lack of finance a constraining factor?**

*List the types of financial capital that the sector or commodity has available and describe how any deficit in financing requirements will be met.*



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## **4. The enabling environment**

### **4.1 What institutional structures exist to support industry development and livelihood improvements and how influential are they? How do they support or constrain development and opportunities?**

*List the presence and influence of the public sector (including national and local government, and the capacity for extension, research, policy and marketing support), private sector (including buyers, processors, suppliers, and financial services), and civil society groups (including farmer groups, informal groups at the community level, faith based organisations, and NGOs).*

### **4.2 What processes exist to support industry development and livelihood improvements and how influential are they? How do they support or constrain development and opportunities?**

*List the presence and influence of government policy and associated regulations (including land tenure arrangements), the traditional economy and culture, and other processes that support sector or commodity development. Consider how you would work within these processes.*



## 5. Vulnerability and risk

### 5.1 What are there risks that may reduce or negate the benefits accruing to the target group? How likely are they? How severe would the impact be? How can they be mitigated?

*Describe the potential risks to the sector or commodity, including **market risks** (relating to production, concentration of power within buyers / sellers, loss of international markets, and price volatility), **social capital risks** (breakdown of trust, potential for conflict), **human capital risks** (unavailability of labour, skills and knowledge, nutritional and food security risks, loss of key leaders), **natural capital risks** (environmental, climate change and disaster risks to these natural resources), **physical capital risks** (vulnerability to infrastructure damage and dependency), **financial capital risks**, and **enabling environment risks** (political and policy instability, unavailability of supporting extension, research and marketing support, weak land tenure arrangements, cultural obligations).*





## **6. Agribusiness research priorities and needs**

### **6.1 What research needs to be undertaken to help overcome any of the identified constraints or challenges?**

*Reflecting on the answers provided, including any information gaps, provide a list of research needs for the sector or commodity under consideration. If existing economic analysis and social impact studies have been conducted this should be indicated. Where identified research needs build on existing project interventions or upscale existing research provide details and indicate any links to existing or previous ACIAR research.*