

Executive Summary

Research background and objective

This research begins with the concerns on the roles of private companies recently emerging as a main partner in the area of development cooperation in which finance resources for development are expanding as well as diversifying.

Companies are facing the environment demanding them to make efforts to expand their business opportunities in new market and fulfill an obligation to Corporate Social Responsibility (CSR). Corporations become capable of expanding their business in a long-term perspective by establishing relevant value chain in terms of pursuing Sustainable Development Goals (SDGs) for developing countries. This research looks into the relations between corporate activities and development cooperations projects within agriculture sector. A significant number of world population are still living in rural area and mostly engaging in agriculture as their main economic activity. Expanding value chain of corporations help people in developing countries to become participants to business value chain as consumer, employee, and labor beyond producers who cultivate and supply crops.

Efforts which recognize 'Creating Shared Value (CSV)' of corporations as a part of corporate management strategy, mainly developed and highlighted by professor Michael Porter, have been continuously made by linking to development cooperations projects. This study particularly focuses on value chain development projects agricultural sector. It will find out how to effectively use value chain analysis in the stage of project design to implement successful CSV projects. To achieve the objective of this study, firstly, it draws main successful factors from the analysis on CSV projects cases at domestic and global level. In addition,

it elaborates the procedure of value chain analysis in agricultural sector with relevant examples to help the readers integrate successful factors for CSV projects into general agricultural value chain analysis procedure, which will guide KOICA design the agricultural CSV projects within a frame of the agribusiness rather than traditional agriculture.

Introduction of chapters

Chapter 1 concretely explains the background and purpose of this study. The study only focuses on how to use value chain analysis at the design stage of agricultural CSV project based on qualitative methodology using literature review and field study in Ghana.

Chapter 2 overall looks into the value chain analysis in agricultural sector. It will describe the concepts and analysis framework of value chain with an emphasis on using value chain approaches of agriculture project. In line with this, the concept of value chain financing is also introduced which plays an important role to upgrade value chain. It will also briefly explain how value chain financing framework will work within the value chain analysis.

Chapter 3 covers the concepts and discussion trends of CSV. It introduces CSV by referring to the cases of existing global corporations which expand their own business to Bottom of Pyramid (BOP) markets and relate such approach to development cooperation projects.

Chapter 4 mainly focuses on the domestic and global cases of CSV in agriculture sector. The domestic examples include “Saemaul Project for Developing Agriculture Value-Chain in NinhThuan, Vietnam,” “Community Development and Income generation Project through Value Chain Development: VIVA(Village

Income through Value Addition)”. The global example is shown by exploring 「JICA-Ajinomoto Project in Ghana」implemented by Ajinomoto, a Japanese food processing company, in partnership with JICA and USAID. The chapter is summarized with what matters mainly contribute to success.

Based on this, Chapter 5 aggregates all the implications from the previous chapters to suggest detailed process and guideline on value chain analysis which could be applied to further KOICA business partnership projects so called CSV projects. Moreover, the general procedure of business partnership projects has been reviewed and newly developed only for value chain projects with a revision of preparation-sharing results and utilization stage. Finally, it elaborates what needs to be considered to implement KOICA business partnership projects at each stage.

Way forward

This research draws a guideline required for further project design from the study on the framework of value chain analysis in agriculture and the existing domestic and global CSV project cases. Further research needs to analyze cases in other sectors, thereby contributing to the project design guideline tailored to KOICA.