Dear Reader,

This is the 9th edition of our ValueLinks newsletter, which gives you an overview on current VC promotion activities around ValueLinks.

As already announced earlier, the International ValueLinks Association prepared a field trip in Germany to visit three agricultural cooperatives and to learn more about their role as a major driver of rural development in their region. The field trip which is organised in collaboration with the German Cooperative Association Raiffeisen will take place from June 26-28, 2014. We kindly remind all members who are interested to join the trip to inform us until June 6, 2014 at info@valuelinks.org. Please note that every participant has to cover his own costs. We look forward to meeting many members of the ValueLinks Association at this great occasion for experience exchange.

The work on the second edition of the VL manual is work in progress. Please refer to the third section of this newsletter (“innovations around ValueLinks”) for an overview of the major innovations as well as new content and tools picked up by ValueLinks 2.0. Anyone interested in contributing to the update and in particular to the topics described below is welcome to connect with us. Of particular interest are success stories and good practice but also hints to recurring problems in need of attention.

The German Institute for Development Evaluation (DEVAL) in Bonn undertakes a major ex-post evaluation study of the past 12 years of German development policy in the field of agricultural VC development. This provides us with a unique opportunity to learn from experience. Here again, stories and concrete experience will be very helpful. The contact person at GIZ and in the association is Andreas Springer-Heinze.

Andreas Springer-Heinze, Beate Weiskopf, Alfons Eiligmann, Ute Jacob

You can reach the editors at info@valuelinks.org.

For information on the association and earlier editions of the newsletter, please visit:

www.valuelinks.org
1. **VALUELINKS TRAINING SEMINARS**

**ValueLinks Seminars January - May 2014**

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<th>Date/Place</th>
<th>Seminar/Participants</th>
<th>Trainers</th>
<th>Contact</th>
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<td>February – April 2014, Benin</td>
<td>Four introductory <em>ValueLinks</em> workshops with around 90 participants were organized within the framework of the GIZ ProAGRI programme.</td>
<td>Different national trainers</td>
<td><a href="mailto:agnes.gerold@afci.de">agnes.gerold@afci.de</a>, <a href="mailto:olivier.akele@afci.de">olivier.akele@afci.de</a></td>
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<td>March 24 – 28, 2014, Gagnoa, Côte d’Ivoire</td>
<td>The GIZ-IS project PROCACAO organised a <em>ValueLinks</em> Introductory Training Seminar in Côte d’Ivoire with 27 participants of the cocoa value chain.</td>
<td>Alfons Eiligmann, Bernard Bohé Gui</td>
<td><a href="mailto:eiligmann@idc-aachen.de">eiligmann@idc-aachen.de</a>, <a href="mailto:bohegui@gmail.com">bohegui@gmail.com</a></td>
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<td>April 7 – 11, 2014, Mombasa, Kenya</td>
<td>The Agri and Co-operative Training and Consultancy Services Ltd (ATC) held a 5-day <em>ValueLinks</em> Introductory Training Seminar in Kenya.</td>
<td>ATC</td>
<td><a href="mailto:okolla@atc.co.ke">okolla@atc.co.ke</a></td>
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**Seminars on the utilization of ValueLinks 2.0 by government**

One of the main advances in *ValueLinks* 2.0 is the use of the VC know-how by government services. In order to better target the implementation of agricultural development policies, public service providers need to understand the relevance of markets and value chains. While private companies are inherently focused on their markets, public services follow their mandates and often are not aware of the VC context in which they operate. Two seminars (in Tunisia and in Pretoria, South Africa) undertook to introduce the VC perspective into public service provision.

In Tunisia, representatives of the Ministry of Agriculture (and other ministries and public agencies) discussed the main elements of the VC approach and its use for the new policy of sustainable agricultural development. Important issues included the choice of VCs for promotion, VC analysis and the role of the Ministry of Agriculture for VCD at provincial level.

In Pretoria, representatives of 10 anglophone African countries met early May 2014 in the framework of CAADP to discuss the implementation of their National Agricultural Investment Plans (NAIP). The objective of the seminar was to build participants’ individual capacity to utilise and adapt a value chain perspective in providing public services for NAIP implementation, such as the provision of information and data, public-private co-investment, and policy coordination.

Contact: Andreas Springer-Heinze ([Andreas.Springer-Heinze@giz.de](mailto:Andreas.Springer-Heinze@giz.de)).

**Coming up**

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<td>June 30 – July 4, 2014, Feldafing, Germany</td>
<td>The next annual 5-day <em>ValueLinks</em> Introductory Training Seminar in Germany will be organized by the GIZ Akademie für Internationale Zusammenarbeit (GIZ-AIZ) at the GIZ Training Centre in Feldafing, Germany. The seminar is open for registration, participation fees are applied. See <a href="http://www.giz.de/akademie">www.giz.de/akademie</a> for details.</td>
<td>Andreas Springer-Heinze/ Alfons Eiligmann</td>
<td><a href="mailto:Kundenportal-aiz@giz.de">Kundenportal-aiz@giz.de</a> &lt;br&gt;Tel: +49 (0)2224-926-444</td>
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<td>August 25 – 29, Feldafing, Germany</td>
<td><em>ValueLinks</em> Introductory Training Seminar in French organized by the GIZ Akademie für Internationale Zusammenarbeit (GIZ-AIZ) at the GIZ Training Centre in Feldafing, Germany. The seminar is open for registration, participation fees are applied.</td>
<td>Under discussion</td>
<td><a href="mailto:Kundenportal-aiz@giz.de">Kundenportal-aiz@giz.de</a> &lt;br&gt;Tel: +49 (0)2224-926-444</td>
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<tr>
<td>September 8-12, 2014, Grand Bassam,</td>
<td>5-day <em>ValueLinks</em> Introductory Training Seminar in French, organized jointly by IDC and PROMAFAFRIC. The seminar is open for registration, participation fees are applied.</td>
<td>Alfons Eiligmann/local co-facilitator</td>
<td><a href="mailto:training@idc-aachen.de">training@idc-aachen.de</a> &lt;br&gt;Tel: +49 (0)241-1590967</td>
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2. EVENTS, STUDIES, EXPERIENCE AND INFORMATION

Field trip in Germany to visit agricultural cooperatives
The International ValueLinks Association prepared a field trip to Schrozberg (Hohenlohe) in Germany from June 26-28, 2014 in collaboration with the German Cooperative Association Raiffeisen to learn more about community-based cooperatives in Germany. The selected cooperatives look back on decades of development and have established themselves as a major driver of rural development in their region. Their experiences in the cooperative development provide important information for success factors and lessons learned, which are also relevant for our work in our partner countries for development cooperation.

We will visit three cooperatives: (i) The dairy cooperative Hohenlohe-Franken eG in Schrozberg, (ii) The Raiffeisen Bank Schrozberg-Röt am See eG and (iii) The LBV - Raiffeisen eG - Schrozberg. If you are interested to join the trip, please inform us until June 6, 2014 at info@valuelinks.org or beate.weiskopf@giz.de. Please note that every participant has to cover his own costs.

Changes in Ecuador: The ending of GESOREN and beginning of PROCAMBIO
Still more than 60% of Ecuador’s population lives in the rural sector, under poverty level and depending on the use of the natural resources. In order to promote sustainable practices for a positive impact on the income of the poor, GIZ implemented between 2007 and 2013 the Program for the Sustainable Management of Natural Resources (GESOREN). An important strategy carried out towards this goal was the promotion of value chains, through the ValueLinks methodology.

At project ending, GIZ had worked in a number of agricultural, forest and wild collection, such as cocoa, coffee, fruit, honey, milk, quinoa, native varieties of potatoes, wood, vanilla, guayusa, among others. Around 58,000 families participated in activities to improve the production, certification and market access. Case studies on supported producer groups, found an increase in revenue of 20% over the baseline. At the same time, the project contributed to the conversion of a total of 36,500 hectares of agricultural and forestry production to sustainable production systems. These experiences contributed to the integration of the value chain development approach in the rural development strategy of the Ministry of Agriculture and Livestock of Ecuador. About 500 experts from the Ministry, Local Governments and producer groups have participated in training events related to the analysis and promotion of value chains; incorporating instruments and methods developed by GIZ.

In January 2014, GIZ in Ecuador began ProCamBió; a program whose main themes are Climate Change, Biodiversity and Sustainable Production. The experience made in the previous years with the promotion of value chain will also be useful for the development of new initiatives: Biodiversity products that must find their way to the market, respecting its origin and sustainable practices. Contact: Claudia Mayer, Program Responsible (Claudia.Mayer@giz.de); Sonia Lehmann, Value Chain Development (slehmann@gizecuador.org.ec).
**10 years public private partnerships in Ecuador**

Back in 2003, GIZ-Ecuador started its first public-private project. PPP, as these arrangements between the public sector and businesses are known, was a new and innovative instrument expected to improve the integration of the private sector in development efforts. This first project with Fairtrade Labeling International (FLO) was expected to improve the living conditions of small scale farmers through the promotion of fair trade.

Today, the partnership with the private sector has become an important strategy for the German Cooperation in Ecuador: A total of 72 projects with Ecuadorian and foreign companies were run with an investment of 10.4 million U.S. dollars. The topics of these projects were initially linked to the development of supply chains, but soon incorporated the quality improvement, service development, forestry, gender and climate change.

In the course of time, different modes and applications have also been developed. At first, the public private projects where integrated in the programs running in Ecuador, later on, larger projects were formulated and presented to DeveloPPP. By 2007, GIZ was ready to transfer the PPP instrument to other national institutions, making a total of four transfers, with over 20 projects implemented. The Corporation for Export Development and Investment (CORPEI) encourages the use of this instrument specially in order to promote biotrade and the Consortium of Provincial Governments of Ecuador (CONGOPE), stimulates cooperation with the private sector for productive development through a training program and didactic material such a guideline for the formulation of public private partnerships.

Also the companies involved in the projects have expressed their satisfaction with the instrument. Almost all private partners kept their contact with GIZ beyond the specific cooperation projects and around 30 enterprises have submitted proposals for a second phase or a new project. Prominent among the benefits of this type of cooperation, the companies have mentioned the opportunity to share the risk of new ideas and entrepreneurship or innovation; and the flexibility showed in planning and execution as well as open communication channels.

Some of the lessons learned are the importance of a proactive search by the public sector in these partnerships, the need to find win-win situations for all parties involved in the projects as well as the adaptation of the working speed to that applied by the entrepreneurship. Ten years after the first project the results can be considered positive and stimulating in quantity and quality. Contact: Sonia Lehmann (slehmann@gizecuador.org.ec).

**Linking a Territorial Development Approach and Strengthening Value Chains in Nicaragua**

The Local Governance Programme supported by the Swiss Cooperation in Nicaragua encouraged the municipalities Santa María de Pantasma, El Cua, El Tuma, La Dalia and Rio Blanco to identify their economic potential based on economic criteria and criteria for social inclusion. Each municipality identified several potential sectors and entered into a prioritization process to identify those value chains, which should be supported by the programme.

The Local Governance Programme and its DEL team decided to build capacities in these municipalities by training in strengthening value chains ValueLinks.
Twenty four technicians have been trained in order to select, analyze and promote value chains. The exercises used in the training were based on the own experience of the municipalities, allowing them to prepare future actions supported by the Swiss Local Governance Programme already during the training. Contact: marlenlucial@gmail.com.

**APEN-Nicaragua: Value chains and gender**

The Association of Producers and Exporters of Nicaragua (APEN) with its’ project “Promotion of Gender Equality in the value chains for Export Development of Nicaragua” funded by the European Union made an analysis of three value chains: Chia, rosquilla and livestock and additionally an analysis of potentials and limitations of companies linked to a joint platform, dedicated to the fashion sector. The analysis made women and their contributions within the value chain visible, as well as provided input on which services are required to improve their processes. The analysis showed that women are key to ensure the quality of products and to ensure the hygiene of processes. Many of their activities within the value chains are based on family activities and strengthening women’s intervention in the value chains directly improves the household income. It was found that women are excellent change promoters in the production practice, and they have to be taken into account also when distributing benefits. Linking ValueLinks with a gender approach provided important data for APENs institutional interventions. Contact: marlenlucial@gmail.com.

**Working Towards a Living Income in Value Chains**

Living income is achieved when self-employed independent smallholders are able to generate a sufficient income to afford a decent standard of living for themselves and their families. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events. Insufficient income is one of the major causes of poverty and thus creates living conditions below or at the edges of a human livelihood. Several new initiatives by GIZ and partners are on the way to address this important theme and shall briefly be enumerated.

First, a development cooperation with Unilever and Symrise started in 2014 to create improved livelihood for 4.000 vanilla farmers in Madagascar. A “sustainable pricing tool”, which was developed by Symrise and GIZ in a previous PPP, shall be further developed, secure vanilla production in the long term and grant a steady improvement of income and livelihood for the producers.

Second, based on the experience and data of ongoing programs in Ghana, quantitative models are being developed for agricultural smallholdings producing cocoa along with other mainly food crops. First results and measures towards a living income for smallholders are available for Ghana. Productivity improvements in cocoa and food crops – as achieved through capacity building projects such as the GIZ Sustainable Cocoa Business Programme West Africa – show how large-scale and cost-effective measures of agro-entrepreneurship building, as well as quality and productivity increases lift farm households’ incomes towards a living income. The GIZ Sector Programme Social and Environmental Standards will further work out together with sustainability standards under the ISEAL working group for living wage/living income how measures that aim at living wage and living income can be integrated into the requirements of sustainability standards. Contact: Eberhard Krain (eberhard.krain@giz.de).
Promoting the ValueLinks approach in Benin – Building regional trainer teams

Since 2011, AFC Consultants International and IDC have been working together to implement Component 2 of the GIZ Programme for the Promotion of Agriculture (ProAGRI) in Benin. The component focuses on providing political support to the Ministry of Agriculture, Environment and Fisheries and training on the value chain approach. During the last period of the project between January and May 2014, important activities were undertaken for further embedding the value chain approach in Benin. In January a TOT-workshop took place with altogether 17 participants. This was the first ValueLinks TOT workshop fully realized by only national trainers. The workshop lasted five days. Besides class room presentations, it also included practical exercises for the participants and a field visit which allowed discussion with actors at different steps of the value chain (producers, traders etc.).

The qualification system for ValueLinks trainers, which has been introduced in Benin within the framework of ProAGRI, requires (after participation in an introductory ValueLinks workshop) active participation in a TOT-workshop. For becoming a qualified ValueLinks trainer, three introductory ValueLinks workshops (each of 5 days duration) have to be moderated afterwards under the guidance and supervision of a qualified and experienced trainer.

During the months of February up to April of this year four introductory ValueLinks workshops have been organized with around 90 participants. These workshops did not only allow the further dissemination of the ValueLinks approach within Benin, but they also offered the opportunity to qualify two additional trainers, as large demand for ValueLinks workshops exists all over the country.

The qualification of these (female) trainers enabled the creation of two trainer teams, one for the southern part and one for the northern part of the country. These newly qualified trainers will work under the guidance of two very experienced ValueLinks trainers and in this way they can further deepen their practical experience and knowledge.

As the members of the regional teams live in the respective regions, organization of ValueLinks workshops is made easier and travelling time is much reduced. Contact: Agnes Gerold (agnes.gerold@afci.de) or Olivier Akele (olivier.akele@afci.de).

ValueLinks in decentralized rice and cassava value chains for Food Security and Resilience in the South-west of Ivory Coast

The project “Adaptation au Changement Climatique et Stabilisation des Bases de Vie de la Population dans le Sud-ouest de la Côte d’Ivoire” (PACCS) combines the objective of food security and resilience-rising with a decentralized ValueLinks approach for the value chains (VC) of Rice, Manioc (Cassava) and Traditional Chicken. The target population of about 1.5 million people lives in an area of 30,000 square kilometers around the Taï National Park, declared as an UNESCO Natural Heritage. Stressed by a civil war throughout the last decade and by more and more accentuated rainfall irregularities due to climate change, the farmers depend on a crop system based on cash crops, essentially Cocoa, Rubber and Palm oil, whereas staple food production is rudimentary. With a rising demand for cash crop products the pressure increases on farm land as well as on the natural resources of the National Park and especially on wildlife for protein supply. Poor infrastructure, rising land conflicts, lack of production capital and credit, poor technical skills of farmers and very poor availability of extension service for staple production are characteristic causing high vulnerability and low resilience of the rural population. Wide and repeated interventions of emergency assistance programs after the civil war as well as action-oriented governmental programs including distribution of free staples or seeds have fairly increased the vulnerability and dependence to the detriment of a self-responsible and sustainable development.

PACCS has organized decentralized stakeholder platforms for rice and cassava value chains in four economic centers (capitals of regions or departments), targeting between 150,000 and 650,000 pop-
ulation each. Project subsidies aim at low-cost irrigation systems in lowlands, seed/seedling production and distribution systems for climate change-adapted varieties of rice and cassava, as well as reproduction centers for improved chicken species. Capacity development is provided to build a local network of service provider for technical, entrepreneurial and organizational extension services. All target groups go through a multi phased entrepreneurship training beginning with "Bauern Unternehmer Schulung" BUS®, addressing even illiterates, and followed by trainings based on Farmer Business Schools (FBS) approach, in collaboration with the new program Sustainable Smallholder Agri-Business. The rice value chain is linked to a national program for rice self-sufficiency aimed at 2020, involving transformation and marketing enterprises (PPP). The cassava value chain aims at local transformation, food availability on local markets and commercialization of surplus on national markets. The traditional chicken VC is still rudimentary and in an initial phase requiring general input and training to intensify chicken production.

The very positive effects of the approach, initialized at the end of 2012, are mostly materialized by highly motivated stakeholders and partners (decentralized technical services), strengthening their own responsibility for the development of VC and showing initiative for a more and more demand driven project intervention. Contact: Joachim Becker (achim.becker@giz.de).

Value Links in Myanmar
The GIZ Private Sector Development Programme in Myanmar is currently preparing to continue the introduction of ValueLinks in Myanmar after a successful first seminar last year. For October/November 2014, a further ValueLinks Introductory Training seminar and a national Training-of-Trainers workshop are planned. Contact: Thomas Schneider (thomas.schneider@giz.de) and Matthias Plewa (matthias.plewa@giz.de).

Value Links at the Rural Development Seminar (SLE) at the Humboldt-Universität Berlin
The ValueLinks methodology has been presented at the Humboldt University in Berlin to students of rural development. In 2014, VC issues are treated by a study team that analysing the value chain integration of small farmers producing indigenous vegetables in Kenya. The team is related to the international research project HORTINLEA. Contact: Andreas Springer-Heinze Andreas.Springer-Heinze@giz.de

3. INNOVATIONS AROUND VALUELINKS

After a series of expert meetings between August 2013 and January 2014, the outline of ValueLinks 2.0 has become clear. While the titles and sequence of the modules remains almost unchanged, the content is undergoing a major revision.
The ideas behind ValueLinks 2.0
The philosophy of updating ValueLinks can be summarized in the following points:

• **Serving the idea of a “green (and inclusive) economy”**
  ValueLinks 2.0 gives equal importance to the economic, environmental and social dimensions of VC development (VCD). Building on market opportunities and competitive advantage, ValueLinks follows the guiding idea (“Leitbild”) of a “green economy”. The economic rationality is expected to imply the social inclusion of the poor (via employment and the incomes of micro entrepreneurs) and gender equality, while improving resource efficiency and avoiding negative external effects of economic development.

• **A better understanding of economic change and impact**
  The expectations on VCD are high. The possible impact of VCD depends on the current VC structure and development dynamics. ValueLinks 2.0 advocates realistic impact models. VC development makes a difference wherever market and policy failures hamper economic change and have to be overcome to generate sustainable economic growth. At the same time, ValueLinks specifies the limits to VCD that call for complementary tools targeting social and environmental issues that cannot be addressed in a VC framework.

• **Making ValueLinks useful for governments and private sector**
  While ValueLinks 1.0 had been conceived for development agencies primarily, the new ValueLinks is meant for the use of government and private sector as well. The tools of ValueLinks are connected to the design of government policies and VC support activities of public administration. Similarly, ValueLinks 2.0 not only informs companies but aims at making a contribution to private chain initiatives.

• **Providing the link to other VC development methodologies and topics**
  Within the family of VC methodologies, ValueLinks 2.0 seeks the compatibility with other VCD tools and instruments so as to enable users to choose from and combine different sources of know-how. Many topics are treated in detail in other publications. ValueLinks guides the choice. This is particularly relevant for governments receiving support from several donors and development agencies. In the interest of strengthening the autonomous formulation of national VCD policies, ValueLinks 2.0 is designed for flexible exchange - borrowing tools as well as contributing to other frameworks.

• **VCD design with a “value chain perspective”**
  Only a minority of VC projects actually address entire value chains. Most government programs, public services or development projects cover only specific topics or elements of market development. ValueLinks 2.0 offers the tools to analyze economic issues in local development and natural resource management from a VC point of view.

**Major innovations of ValueLinks 2.0**
ValueLinks 2.0 contains new content and tools. Following are the most significant topics:

• **Environmental analyses of VCs**
  “Greening” the value chain is a key concern for which ValueLinks 2.0 includes tools such as the “hot spot analysis” and the calculation of VC environmental and resource footprints.

• **Strategies promoting the social impact of VC development**
  There are new criteria informing and systematizing the formulation of VC strategies with regard to poverty alleviation, the role of women and food and nutrition security. Issues include product diversification, household and livelihood studies, labor-intensive technology, and the access to and affordability of food and other goods for poor consumers.
• **Business model improvement**
  Value chains can be decomposed into types of enterprises following specific business models. Improving them provides the micro-level basis for industry-wide VCD. The new VL module on business models links up with VC finance and with contract arrangements. Tools include the analysis of business model economics (cost of production, investment needs) and instruments for business model support (e.g. business skills development).

• **Contractual arrangements and cooperation**
  Contracting and cooperation are fields of VC upgrading where *ValueLinks* can build on new experience, especially in arrangements involving microenterprises.

• **Quantification and data management**
  *ValueLinks* 2.0 offers ways around the notorious data problem in VC analyses, strategy formulation and monitoring. The key is the systematic documentation and management of the existing data. Tools include inference of macro data from measurable parameters and triangulation.

• **Designs for VC development and capacity building**
  Government, private companies and development agencies utilize differing arrangements for promoting VCs. Of special interest are the public services and the instruments for building government capacity (also see the comments on the utilization of VL by African governments, below).
  Contact: Andreas Springer-Heinze ([Andreas.Springer-Heinze@giz.de](mailto:Andreas.Springer-Heinze@giz.de)).

### 4. THE VALUELINKS ASSOCIATION/CONTACT

**Update of personal information on the ValueLinks website**
We invite all members to check, whether their personal profile and contact information on the website are still up-to-date or whether any changes are necessary, for instance on changed responsibilities/project assignments or new e-mail address. Please send any updates to: [info@valuelinks.org](mailto:info@valuelinks.org).

**How to become a member of the International ValueLinks Association**
IVLA is a professional association of experts in the area of market development and value chain promotion. We welcome new members who are professionally active in this field, interested in sharing experience and in contributing to the advancement of the value chain approach to economic development, and the *ValueLinks* methodology in particular. The benefits of membership include privileged access to the latest methodological innovations, a platform for presenting own competences and achievements and contacts to colleagues all over the world. These are the fees for membership:

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<td><strong>Fee for members with an OECD passport</strong></td>
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<tr>
<td><strong>Reduced fee for members with a non-OECD passport</strong></td>
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If you are interested in becoming a member, please ask for an application format by writing an email to [info@valuelinks.org](mailto:info@valuelinks.org).

**YOUR contribution to the next newsletter**
A request and an offer to all members of the International *ValueLinks* Association: Please inform us about your activities so that they can be included in the next edition of this newsletter!
Contact/Imprint