



ValueLinks NEWSLETTER July 2010

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Dear Reader,

This is the first edition of the “ValueLinks Newsletter” – an online publication providing brief reports on major activities and events in and around the International ValueLinks Association.

Although we try to be complete and up-to-date, this isn’t easily achieved. If you have interesting news relating to the ValueLinks methodology or the value chain approach in general, be so kind and let us know. We plan to produce two editions per year, the next edition being due in December 2010. Please feel free to share the newsletter with anyone interested in the topic. If you like to be included in the mailing list (or prefer not to receive future editions), write to the editors at info@valuelinks.org.

For any information on the Association, please check our new website: **www.valuelinks.org**

Andreas Springer-Heinze and Alfons Eiligmann (for the International ValueLinks Association)

1. Trainings and other seminars

“Applying ValueLinks in Practice” Training Seminar in Termez, Uzbekistan

A 5-day ValueLinks training took place in Termez, Uzbekistan, in March 2010 under the title “Applying ValueLinks in Practice - Advanced training for facilitators of VC promotion”. The training applied ValueLinks to just one value chain, fresh fish from aquaculture and artificial lakes, using many practical exercises of VC analysis and strategy formulation. The training was conducted by Andreas Springer-Heinze, Shameer Khanal and Avaz Pazilov (contact: Shameer.Khanal@gtz.de).

ValueLinks Introductory Training Seminar in Kabul, Afghanistan

A five days introductory value links training was held in Kabul, Afghanistan, to the benefit of staff from the GTZ Programme for Sustainable Economic Development. The training was tapping into examples of Afghan value chains like carpets, dry fruits, gemstones, herbs and spices. The training was conducted by Ralf Arning (contact: r.arning@gmx.net).

ValueLinks training in Ethiopia

In the week of 14-18 June 2010, a five day introductory ValueLinks training has been given to a Consortium of Christian Relief and Development Association (CCRDA) member staffs. The trainees are 35 and are spread all over Ethiopia. Afework Y. Germamo and Michael Yohannes conducted the training.



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The value chain development approach is spreading fast in Ethiopia owing to the success of prior trials by GTZ and SNV. (Contact: Afework Y. Germamo (bcad@ethionet.et))

Introductory ValueLinks training in Sierra Leone, 21-15 June 2010

The training seminar "Value Chain Promotion in Practice" applied tools for promoting local value chains. After years of unrest, Sierra Leone has relatively weak market structures and therefore is an interesting case for basic VC development in staple food for local consumption. The workshop covered VCs of goat meat, rice, cassava-gari and cocoa. The training was organized and provided by Momoh Lavahun, Joseph Michael and Andreas Springer-Heinze. Another seminar is scheduled. (Contact: momoh-fonigay.lavahun@gtz.de).

Regional Training Seminar on „Promoting tourism products and value chains in Asia“

The first 5-day training seminar on the promotion of value chains in tourism has now taken place in Phuket, Thailand, on 5-8 July 2010, and was conducted by Andreas Springer-Heinze and Klaus Lengefeld, GTZ and Kirsten Focken, National Tourism Organization, Laos. Service value chains and those of tourism in particular, differ considerably from the VCs of physical products. Promoting sustainable tourism requires a special approach linking territorial development (destinations) and market development (tours and hospitality services). Nevertheless, an important source of value-added is in local supplies – from food to handicrafts. It is planned to repeat the seminar - depending on demand. (Contact: Andreas.Springer-Heinze@gtz.de and tourism@gtz.de)

Introductory ValueLinks Training Seminar in Afghanistan

From 14-19 July 2010, a five days introductory a ValueLinks training is given to BDS providers from Northern Afghanistan in Feizabad. Ralf Arning conducts the training associating two officers of the GTZ Programme for Sustainable Economic Development who have already been trained in March 2010 (contact: r.arning@gmx.net).

ValueLinks Seminars in Burkina Faso (in French)

Two ValueLinks training seminars will take place in French language in Burkina Faso from July 5-10 and from October 4-8. Participants come from different African countries: Burkina Faso, Mali, Côte d'Ivoire, Benin and Burundi. Three ToT-workshops before and after the 5-days Introductory Training Workshops will increase the local capacity to run VL training workshops locally (contact: eiligmann@idc-aachen.de).

ValueLinks Seminar in Namibia

A VL seminar with 23 participants took place in Windhoek in April 2010, organized by the MET-GTZ Project on Biodiversity and Sustainable Land Management in Namibia. Working groups assessed possibilities to promote such "exotic" value chains as Devil's Claw, Game meat, Marula and Pearl Millet (Trainers & contact: Daniel.Kehrer@gtz.de, Joachim Weber, Alfons Eiligmann)

ValueLinks Seminar in Jos, Nigeria

A TOT with 6 local consultants and 2 GTZ staff members plus a 5 -day ValueLinks Introductory Training Workshop were conducted by GOPA/GTZ in Jos in February. Despite very unstable framework conditions (curfew from 6 pm to 6 am and road blocks every few hundred meters), the seminars were held successfully. The events were organized by Wolfgang Wiegel. The training was given by Richard Ogundele and Alfons Eiligmann (Contact: r.ogundele@eopsd.net).



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VL Workshops at ATC in Mombasa, Kenya

The Agri- and Co-operative Training and Consultancy Services Ltd. (ATC) organized the second VL seminar in Mombasa with participants from Kenya, Uganda and Ethiopia. ATC also held a further ValueLinks ToT workshop with support from the Private Sector Development in Agriculture Programme (PSDA) of GTZ so as to build further VL training capacity in Kenya (contact: Joachim Weber, j.weber@atc.co.ke or Alfons Eiligmann)

ValueLinks Seminar in Bénin (in French)

A ValueLinks Introductory Training Seminar and a ToT workshop are scheduled to take place in Bénin from September 25-October 1. The events will be organized in the framework of the "Programme de Conservation et de Gestion des Ressources Naturelles (contact: Horst.Oebel@gtz.de and Alfons Eiligmann).

Ongoing ValueLinks ToT in India

The GTZ-RED project in India organizes a series of five VL seminars with local trainers, based on a ToT workshop to build up national capacity for larger scale roll out of the ValueLinks approach in Uttarakhand State and beyond. The seminars are scheduled to take place in June/July/August 2010 with Alfons Eiligmann and GB Banjara as trainers (contact: Artur Dillmann, arturdillmann@gmx.net).

ValueLinks Seminars in the Philippines

GTZ provides ValueLinks Seminars/Workshops for officials and staff of the Department of Trade and Industry (DTI) – to support the up-scaling of the Value Chain Approach nationwide. The DTI is now institutionalizing the VC approach and VC development will be part of the 2010-2016 MSME Strategy. The VC trainings are fully funded by DTI. Here is an overview of seminars so far:

- February 3-5, 2010: Department of Trade and Industry- Head Office Bureaus, Manila
 - March 18-20: Department of Trade and Industry, Region 1 and Cordillera Administrative Region
 - April 21-23: Department of Trade and Industry, Local Government Units, Department of Labor and Employment, Caraga Region Mindanao
 - June 29 – July 1: Value Links Seminar/ Workshop, DTI-Comprehensive Agrarian Reform Program
- For further training activities in the Philippines, contact Rita Pilarca (Rita.Pilarca@gtz.de)

Introductory ValueLinks Seminar in Oestrich-Winkel, Germany (in English language)

The 4th ValueLinks International Introductory Training Seminar will take place in Oestrich-Winkel, Germany, from September 6-10, 2010. Participants come from different GTZ programmes, UNIDO and FAO headquarters, Technoserve, Worldvision Germany, and other organisations. (contact: Alfons Eiligmann, please refer to www.idc-aachen.de)

ValueLinks Trainings in Latin America

The working group "Value Chains and Cooperation with the Private Sector" of the GTZ sector network "Environmental Management and Rural Development of Latin America and Caribbean (GAD-eR-ALC) conducted ValueLinks trainings in several Latin American countries recently, including Bolivia (17-21 May, 2010, in cooperation with PROAGRO-GTZ) and El Salvador (in cooperation with DECSA) for regional counterparts interested in the methodology. Two further trainings are planned during this year, one in Nicaragua in August 2010 for counterparts of the MASRENACE program supported



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by GTZ in the RAAN (Northern Atlantic Autonomous Region), and a second training for counterparts of the DECSA program in Guatemala. Further information and contact: Beate.Weiskopf@gtz.de

ValueLinks Training in Naivasha, Kenya

The training aims at making members of the agribusiness thematic working group of the Kenyan Agricultural Sector Coordination Unit (ASCU) familiar with the value chain development approach with a view of preparing of a new Agribusiness Policy and institutionalizing VC development in the Kenyan agricultural sector. Trainers are Arshfod Ngugi and Joachim Weber. (Contact: Arshfod.Njenga@gtz.de).

Upcoming ValueLinks Training in Nairobi, Kenya, in August

The next Introductory ValueLinks training shall roll out the ValueLinks methodology to various development organizations in Kenya and the region (contact: Arshfod.Njenga@gtz.de).

Training Seminar on „ Results Measurement for Sustainable Private Sector Development“

This five-day training course (4 – 8 October, 2010) provides tools for designing a practical and credible impact measurement system in line with the DCED Standard applicable in VC development projects. The seminar is organised by HPC and OU in coordination with the Donor Committee for Enterprise Development. For more info, relate to www.hposthumus.nl and www.enterprise-development.org.

Contact: Hans Posthumus, hans@hposthumus.nl

2. Studies and Missions

Promoting value chains in the context of migration

The GTZ sector project on Migration and Development has completed a manual on the use of the ValueLinks approach in a migration context: “Creating value through migration – Guidelines for technical cooperation for promoting value chains in the context of migration”, GTZ Eschborn 2010. The publication is also available in German and French language. The authors of the publication, Frank Pohl and Kirsten Schuettler, describe the role of migrants, both in the host country as well as returnees, for value chain development. (Contact: Kirsten.Schuettler@gtz.de).

Download under <http://www.gtz.de/de/themen/wirtschaft-beschaeftigung/29489.htm>

Making Finance Work for Africa (MFW4A) country studies

The English consulting firm Maxwell Stamp has prepared four country studies describing the financial systems in Kenya, Ghana, Ethiopia and Burkina Faso and their relevance for value chain finance. The studies had been commissioned by the *Making Finance Work for Africa* Initiative. Building on these studies and further work in value chain finance, GTZ will finally elaborate Module 8 of the ValueLinks manual. (Contact: Gertraud.Faltermeier@gtz.de and Andreas.Springer-Heinze@gtz.de).

Value chain finance also was a subject at the ValueLinks seminar for NABARD India, the Indian National Bank for Agriculture and Rural Development, in December 2009.



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Gemstones Value Chain Analysis in Afghanistan

In March 2010, Ralf Arning undertook a gemstones value chain analysis in Northern Afghanistan and Kabul on behalf of GFA Consulting Group and the Sustainable Economic Development Program. The comprehensive report is available at GFA headquarters with Carmen.Langner@gfa-group.de

Advice to the Ministry of Agriculture, Cattle Breeding and Fisheries (MAEP) of Benin

The Ministry of Agriculture has elaborated strategic orientations for its value chain development policy (PSRSA), based on results of earlier value chain workshops and supported by several consultancy missions. 13 products/VCs have been prioritized along with further 25 value chains identified by private and public stakeholders for having possible processing and/or export potential. However, more in-depth analysis is required (contact: Agnes Gerold, AMGerold@aol.com).

Feasibility mission In Southern Sudan

A new value chain project is in preparation in Southern Sudan, a post conflict country which poses very difficult conditions for market-oriented development. The focus will be on the development of domestic markets for staple grains and other basic foodstuff using the new concept of co-investment into "supply lines". The feasibility study was prepared by Andreas Springer-Heinze and Arshfod Njenga Ngugi of Kenya (Contact: Manfred.eckert-van@gtz.de).

Project Progress Review in Kenya

A project progress review mission of the GTZ project "Private Sector Development in Agriculture" (PSDA) has taken place in March 2010. PSDA activities proved to be particularly successful in VCs such as potatoes, mangoes and renewable energy. Other donors in Kenya underlined PSDA's leading role promoting value chain development. The ValueLinks approach is well-recognized in the country. The future design of the PSDA will focus on policy advice, the promotion of best practice models for VC development and a closer integration of the technical and financial cooperation programs of GTZ and KfW. This includes setting up a joint Value Chain Development Fund. (contact: Eberhard.Krain@gtz.de).

Analyses of mountain tourism value chains in Montenegro

Value chain analyses of tourism products (hiking and mountain biking) in selected destinations of the hinterland of Montenegro are under preparation (Contact: Ute.Dannenmann@baerenz.net).

Upcoming Project Progress Review of Masrenace Program in Nicaragua

In late July, the value chain work of the GTZ-supported natural resource management program Masrenace will be under review, including the VCs of wood products, cocoa, dairy products, honey and ecotourism (contact Beate.Weiskopf@gtz.de or Andreas.Springer-Heinze@gtz.de).

Upcoming Project Progress Review of RED in Uttarakhand, India

Another PPR looks into the value chains promoted by the Regional Economic Development (RED) program. The VC component, including vegetables, spices, pulses and medicinal plants will be reviewed by Andreas Springer-Heinze. The mission takes place in the second half of September (Contact: Subroto.Roy@gtz.de and arturdillmann@gmx.net).

UN program „Greener production and Trade to Increase Income and Employment Opportunities for the Rural Poor” in Vietnam



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A new One UN program being jointly implemented by the five UN agencies ITC, ILO, UNIDO, FAO and UNCTAD in four Northern provinces in Vietnam conducted a *ValueLinks* training workshop in June. The One UN programme is financed by the Spanish Millennium Development Goals Fund. The local consultants Tuong Trang Hieu, Tri Thanh Nguyen and Nguyen Anh Phong (some of them with long GTZ experience) will prepare VC studies for bamboo/rattan, sericulture, seagrass, lacquerware and handmade paper based on the ValueLinks methodology (contact: eiligmann@idc-aachen.de).

Upcoming Study on a Fund for VC development in Kenya

GTZ, KfW and the Government of Kenya join forces for a study that looks into the concept, structure, governance and modus operandi of an Outgrower and Value Chain Fund (VC) in Kenya. The consultancy mission will take place in the second half of 2010. (Contact: Eberhard.Krain@gtz.de).

3. Meetings and Conferences

“Greening Value Chains”: Asia sector network meeting in Singapore, in June

The working group on value chains of the Asian GTZ network on sustainable economic development has met in June to talk about the “greening” of value chains, especially by reducing green house gas emissions, adapting to changes caused by climate variations, strengthening the long term competitiveness of companies by helping them implement green business strategies and by creating new and “green” jobs. (contact: thomas.finkel@como-consult.de, [Pete. Richter@gtz.de](mailto:Pete.Richter@gtz.de)). The new coordinator of the working group is Uwe Sturmman (contact: Uwe.Sturmman@gtz.de).

Promoting VCs and PPP of Biodiversity products (SusCon Nuremberg, June 2010)

This year’s Sustainability Conference SusCon talked about the economic benefits of biodiversity – and the challenges for the private sector and technical cooperation. The conference brought together companies producing biotrade products and representatives of Government and civil society. GTZ organized two events on biodiversity-based PPP and value chains. (Contact: Annette.Lossau-von@gtz.de and Doris Guenther@gtz.de)

Fortbildung zu „Qualitätsinfrastruktur in der Entwicklungszusammenarbeit“

Quality Infrastructure and VCs (among other issues) was a topic in a workshop organized by PTB and GTZ in Berlin end of June (in German). Other German organizations relevant in quality management such as the DIN institute, BAM and DGQ partook as well. (for the results of the event, contact Wilhelm Elfring, Elfring@t-online.de). On the nexus of quality infrastructure and VCs, contact Andreas.Springer-Heinze@gtz.de.

Working Group “Cadenas de Valor y Cooperación con el Sector Privado” meets

The 2010 meeting of the working group takes place in Managua, Nicaragua on 26-28 July 2010. Latin American experts in value chain talk about tourism products and VCs, the quantification and economic assessments of VCs and the consequences of climate change (in Spanish, contact: Beate.Weiskopf@gtz.de). Please also refer to the website of the Latin American Competence Centre for value chains: www.cadenasdevaloryppp.com

Poverty Assessment of the Cashew Value Chain in West Africa

The Cashew project funded by the Bill and Melinda Gates Foundation is conducting an ex-ante poverty assessment. (Contact: Gertraud.Faltermeier@gtz.de).



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Working Group on Agribusiness of the Sector Network Rural Development (SNRD) Africa

The working group “Agribusiness for Pro-Poor Growth” of the Sector Network Rural Development (SNRD) Africa has met in Ouagadougou, Burkina Faso from June 7-11. The group reviewed past activities and planned the work for the coming two years. Three „task groups“ have been formed covering:

- Capacity Development for the Institutionalization of VCD
- Food Security and Climate Change conscious VCD
- Agribusiness Finance and Economics

The working group elected Stefan Kachelriess (stefan.kachelriess@gtz.de) as their new speaker.

4. New Ideas & ValueLinks Innovations

“Supply lines” in grains and other basic staple food value chains

Value chain mapping for basic food items in low-income countries needs to be complemented by a spatial analysis identifying (potential) production surplus areas, bulking points and main markets as well as the conditions of infrastructure between both ends. Upgrading these VCs implies coordinated private and public investment along the priority “supply lines”. The concept is not entirely new but addresses the constraints to VC development in weak domestic markets (Contact: Andreas.Springer-Heinze@gtz.de).

Quantifying value chains and calculating VC economics

The quantification of VCs in development practice is still deficient. A new effort is currently being undertaken to provide simple data collection methods and services to fill in the gap in data availability. Please turn to Thomas.Breuer@gtz.de for support in micro level economics (profitability of business models) or to Andreas.Springer-Heinze@gtz.de for supporting the quantification of the entire value chain with tools to derive informed guesses of key data.

A good example is a set of enterprise budgets that has been developed by PSDA, Kenya. It can be found on the PSDA and the International ValueLinks Association websites. A synopsis paper comparing all 10 enterprise budgets is under preparation (contact: Eberhard.Krain@gtz.de).

Value Chain Development for Decent Work

An ILO guide for development practitioners, government and private sector initiatives is available at http://www.ilo.org/empent/Whatwedo/Publications/lang--en/docName--WCMS_115490/index.htm. The comprehensive guide presents the ILO approach “Value Chain Development for Decent Work” and refers, apart from Springfield’s M4P approach, to the ValueLinks approach and material.

GTZ SNRD Africa: Good Practices in Agribusiness Development for Pro-Poor Growth

The GTZ SNRD Africa published a good practice documentation comprising an overview on latest VC development and agribusiness promotion experiences from all over Africa. The document from March 2010 can be downloaded under www.valuelinks.org ([direct link here](#)).

Cocoa Livelihoods Program (CLP) in West Africa: Farming can be good business!

The Cocoa Livelihoods Program is an initiative of World Cocoa Foundation in partnership with the Bill & Melinda Gates Foundation, BMZ, 15 enterprises of the cocoa sector, and the Governments of the



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partner countries Ghana, Nigeria, Côte d'Ivoire, Cameroon. CLP's strategy is to strengthen service capacities for better cocoa productivity and quality, marketing efficiency and the competitiveness of diversified cocoa smallholdings. GTZ is responsible for business skills training of around 170,000 farmers in West Africa. To that effect, a curriculum for Farmer Business Schools has been developed. Local partners provide a total of 185 trainers who have started to deliver the training. So far, 500 farmers have been trained. (Contact: Annemarie.Matthess@gtz.de)

New Publications:

John Humphrey and Lizbeth Navas-Alemán: "Value Chains, Donor Interventions and Poverty Reduction: A Review of Donor Practice", London, March 2010: This study reviews VC development approaches and includes a chapter on GTZ and ValueLinks.

IIRR and Royal Tropical Institute (editor): "Value Chain Finance – Beyond Microfinance for Rural Entrepreneurs", Amsterdam, 2010

Editors of this edition:

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Date: 16 July, 2010