



# ValueLinks NEWSLETTER April 2011

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*Dear Reader,*

The ValueLinks community is developing dynamically: This third newsletter presents a good number of new activities in 2011 that have made it necessary to publish this edition just 4 months after the last one. Certainly, there is much more that could be reported and we are sorry for not being complete.

But there is another chance soon to come: In July and August we will compile newsletter number 4 and every member of the ValueLinks Association is asked to contribute. Please feel free to submit short paragraphs on trainings, events, studies, new ideas and publications anytime and be sure to be included. It's worth the effort: The circulation is constantly growing and now stands at 350 people - are all working in value chain development.

*Andreas Springer-Heinze and Alfons Eiligmann*

You can reach the editors at [info@valuelinks.org](mailto:info@valuelinks.org).

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

[www.valuelinks.org](http://www.valuelinks.org)

## 1. TRAININGS AND SEMINARS

### Past Seminars

#### ***ValueLinks Training with WORLD VISION in Chiang Mai, Thailand***

39 participants from 13 countries participated in a regional *ValueLinks* training seminar on pro-poor VC development in February, organized by WORLD VISION's regional team for Economic Development and Agriculture in Bangkok, with support from WORLD VISION Germany. The aim of the workshop was to train national economic development advisers working with WORLD VISION's Area Development Programmes in countries such as Mongolia, South Africa, Papua-New Guinea and other Asian countries (contact: [eiligmann@idc-aachen.de](mailto:eiligmann@idc-aachen.de)).



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## **ValueLinks Trainings in Benin**

Two *ValueLinks* Introductory Training Seminars took place in Benin in March. The trainings were organized by the GIZ ProCGRN programme. Altogether, more than 50 persons participated in the training workshops, which were co-facilitated by Geoffroy Gantoli and Alfons Eiligmann. ProCGRN currently plans to further mainstream VC promotion know-how in Benin and plans to organize further seminars in June together with the Belgian Technical Cooperation (contact: [horst.oebel@giz.de](mailto:horst.oebel@giz.de), [simon.degila@giz.de](mailto:simon.degila@giz.de) or [eiligmann@idc-aachen.de](mailto:eiligmann@idc-aachen.de)).

## **ValueLinks Training in Juba, South Sudan**

A Value Links introductory training was given for the first time in South Sudan, Juba for 14 participants from the private sector, the University and staff members of the Ministry of Agriculture. The training was organized by the GIZ-SD Food Security and Agricultural Development Program and delivered by Afework Yohannes from Ethiopia from 4-8 April 2011. The training was taken as very inspirational and eye opener for all from the private sector, academia and policy makers alike in their preparation for identification of value chains for substituting some of the imported agricultural products in the domestic market (contact: Afework Yohannes, [afework\\_y@yahoo.com](mailto:afework_y@yahoo.com) and [Juer-gen.Koch1@giz.de](mailto:Juer-gen.Koch1@giz.de)).

## **Coming up**

### **CAADP Capacity Building Program to start series of new Value Chain trainings**

In June 2011, a new series of ValueLinks training starts aiming at building capacity for the implementation of the CAADP national investment plans. The first event is a ToT workshop in Nairobi from 30 May to 3 June, 2011, which introduces the new training course to a group of African trainers and value chain experts, followed by the first implementation of a "practitioners' training" for people involved in implementing the national investment plans. The course uses *ValueLinks* but differs considerably from the standard training - see comments in the section on innovation in ValueLinks. (contact: [Andreas.Springer-Heinze@giz.de](mailto:Andreas.Springer-Heinze@giz.de) & Abraham Sarfo of CAADP Pillar 2: [asarfo@cmaoc.org](mailto:asarfo@cmaoc.org)).

### **ValueLinks Trainings in Cambodia (Siem Reap) and Burkina Faso (Ouagadougou)**

Standard five-day *ValueLinks* Introductory Training Seminars take place in Cambodia (May 9-13, by IDC/COMO) and in Burkina Faso (in French language, June 20-24, by IDC and GIZ). The trainings are open to all interested persons. The maximum number of participants is 25. Training fees are applied. See [www.idc-aachen.de/english/2\\_4.html](http://www.idc-aachen.de/english/2_4.html) or contact: [eiligmann@idc-aachen.de](mailto:eiligmann@idc-aachen.de)).

### **ValueLinks Trainings in Mombasa, Kenya**

The Agri and Co-operative Training and Consultancy Services Ltd Kenya (ATC) offers a 5 day-*ValueLinks* seminar at the Government Training Institute in Mombasa from 09.05.2011 - 13.05.2011. The cost per person is 75,000/= KES. Another 5 day-*ValueLinks* Seminar will take place at Sentido Beach Resort Mombasa from 22.-26.08.2011 at a cost per person of 120,000/= KES. (contact: [joachim.weber@tanzania-organics.com](mailto:joachim.weber@tanzania-organics.com)).



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## **Training on “Farm Economics” in Ghana**

For the first time, the Sector Network Rural Development Africa will conduct a one-week training on “farm economics” for national staff of GIZ and personnel from partner organizations in Ghana, 16-20 May. Trainers are Alois Grosse-Rüschkamp, Annemarie Matthess and Ben Sekamatte. The training complements value chain development work introducing economic calculations for investment and upgrading. Depending on demand, the training will be on offer again later (contact: [Annemarie.Matthess@giz.de](mailto:Annemarie.Matthess@giz.de)).

## **ValueLinks Training in Sierra Leone**

The Employment Promotion Programme (EPP) in Sierra Leone conducts a ValueLinks training seminar with a focus on CAADP investment plans in June 2011 (contact: [Momoh-Fonigay.Lavahun@giz.de](mailto:Momoh-Fonigay.Lavahun@giz.de)).

## **Seminar on “The Future of Smallholder Farming in Agribusiness” in Thailand**

Agriculture must produce more from less, and do so in an environmentally sustainable, efficient and socially just manner. The GIZ “partnership farming” approach provides a holistic and long-term sustainable solution through investment in farm system management, capacity building, production modernization and strengthened linkages between production and market demand. A four-day seminar in Thailand offers a unique opportunity to private firms, Government agencies, international development organization or NGOs seeking to improve the performance of their organizations in promoting and assisting the development of smallholder farming. Participants will gain insight from experienced GIZ experts from across South and Southeast Asia and will benefit from a valuable exchange of experiences through the joint resolution of participants' unique challenges. (weblink: [http://www.thai-german-cooperation.info/giz\\_trainings\\_agribusiness.html](http://www.thai-german-cooperation.info/giz_trainings_agribusiness.html)).

## **International ValueLinks Training in Germany (Oestrich-Winkel)**

Places are still available for the next international “Introductory ValueLinks Training” Seminar in Germany on July 4-8, organized by IDC. For further information, see [www.idc-aachen.de/english/2\\_4.html](http://www.idc-aachen.de/english/2_4.html) or contact: [eiligmann@idc-aachen.de](mailto:eiligmann@idc-aachen.de).

## **2. MEETINGS AND CONFERENCES**

### **Past Meetings**

#### **CTA Wageningen: Strategic planning sets priority on value chain development**

The Technical Centre for Agricultural and Rural Cooperation in the ACP (CTA) has developed a new Strategic Plan that defines “profitable smallholder value chains” as one of three strategic goals. CTA’s contributions to value chain development in Africa and the Caribbean has been discussed during a Program Development Workshop on 4–6 April 2011. CTA is interested in supporting the application of the ValueLinks methodology in the coming years, especially in the context of CAADP. The



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ValueLinks Association will become a partner for CTA and share the VL methodology with CTA colleagues. There is scope for joint activities in the future, contact: [Andreas.Springer-Heinze@giz.de](mailto:Andreas.Springer-Heinze@giz.de).

## ***Value Chain Financing Workshop of the Rainforest Alliance***

The Rainforest Alliance (on behalf of the Citibank Foundation) organized the workshop “Investing in Sustainability through Innovative Value Chain Financing” on April 20, at Citibank Building in New York. About 40 participants from banks, NGOs, and development organizations came together to identify value chain financing mechanisms that could serve as a vehicle for injecting sustainability into the value chain, with the objective to offer recommendations to the financial sector and value chain financiers. Most financial problems are encountered by smallholder farmers and small-scale entrepreneurs. In group and plenary work 16 different financial instruments were scrutinized. It was found that no single instrument is a one-serve-all “silver bullet”. Instruments need to be adapted to the needs and conditions of the different value chains and stakeholders.

More needs to be done to describe the business model of sustainable production: i.e. to identify the cost of sustainable production and the respective economic, social and environmental benefits. Lack of financial literacy among many value chain actors, especially small-scale entrepreneurs is another area that needs attention. On the other hand, certifying sustainable production gives investors improved security on investments (also see the news on value chain finance in the Innovations section, contact: [Eberhard.Krain@giz.de](mailto:Eberhard.Krain@giz.de)).

## ***Sector Network Rural Development Africa: WG “Agribusiness Development for Pro Poor Growth”***

The last meeting of the working group took place in Accra, Ghana in February 2011. Topics of the include “Capacity Development for Institutionalization of VCD”, „Food Security and Climate Change“ and „Agricultural Economics and Finance“ (Contact: [Stefan.Kachelriess@giz.de](mailto:Stefan.Kachelriess@giz.de)).

## **Coming up**

### ***Second Regional Value Chain Symposium in Kenya***

ATC (the Agricultural and Co-operative Training and Consultancy Services Ltd Kenya) will host the second Regional Co-operative Value Chain Symposium in Nairobi on 29 and 30 September 2011 (the exact venue is still to be announced). The International ValueLinks Association has the opportunity to co-host the symposium, especially given the fact that the association is involved in the capacity development effort for CAADP in which ATC has a major role as well. Please note the dates. This will be an important event for the ValueLinks Association in Africa. Check at [www.atc.co.ke/](http://www.atc.co.ke/). Contact: Joachim Weber ([j.weber@atc.co.ke](mailto:j.weber@atc.co.ke)).

### ***GIZ Working Group Meeting on Value Chains in, Brazil***

The Latin American working group on value chains (“Cadenas de Valor y cooperación con empresas privadas”) meets in São Paulo from 16-20 May, 2011. Topics all turn around “greening” value chains and include biotrade and biodiversity, , the impact of climate change and the payment for environmental services (contact: [Beate.Weiskopf@giz.de](mailto:Beate.Weiskopf@giz.de)).



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## 3. STUDIES AND EXPERIENCE

### ***Role of mobile phones in improving agricultural value chains in India***

The GIZ Regional Economic Development Programme in Uttarakhand, India, facilitated the introduction of the Reuters Market Light information service (RML - A venture promoted by Thomson Reuters). RML offers a customized and localized agricultural and market information service across agribusiness value chains in the hill state via mobile phone-based Short Message Service (SMS) primarily aimed at farmers. RML SMS cover localized weather forecasts, crop advisory, proximate market data and crop prices; in addition to relevant policy and national and international news. Final outcomes of impact assessment by the GIZ –RED team will be available in June 2011 (contact: [ahu-ja\\_rajiv@hotmail.com](mailto:ahu-ja_rajiv@hotmail.com)).

### ***PPR of Regional Economic Development Programme, Uttarakhand, India***

The progress review of the GIZ Regional Economic Development Programme in Uttarakhand, India, has been completed in February 2011. In the remaining two years of the project life, the focus will be on successful key “products” relating to value chain development. The main products include the RML market information service (see above), the creation of a new smallholder business model to process the natural fiber Himalayan Nettle into textiles using new technical equipment, and the organizational strengthening of private tourism operators in the region ([Andreas.Springer-Heinze@giz.de](mailto:Andreas.Springer-Heinze@giz.de) and [Subroto.Roy@giz.de](mailto:Subroto.Roy@giz.de)).

### ***PPR of the Market Oriented Agriculture Programme, Ghana***

The MOAP programme in Ghana has been the subject of a major Project Progress Review in March this year. Results are yet to be communicated (contact: [Paul.Schuetz@giz.de](mailto:Paul.Schuetz@giz.de)).

### ***Quick-win Actions in Value Chain Promotion in Burkina Faso***

The GIZ “Programme de Développement de l’Agriculture (PDA)” in Burkina Faso published experiences on promoting quick win actions in the Cassava VC in form of a best practice summary sheet. The two-page document describes quality improvement activities for a local food product (Attieké) and can be downloaded from the member area of the ValueLinks website (contact: [katy.schroeder@gmx.net](mailto:katy.schroeder@gmx.net) or [florent-dirk.thies@giz.de](mailto:florent-dirk.thies@giz.de)).

### ***GIZ support to cross-border VC development in Equatorial Asia ends in June 2011***

After six years of cooperation, the GIZ regional programme supporting BIMP-EAGA ends this year. The programme has developed several sectors / value chains across the borders of the participating countries Brunei, Indonesia, Malaysia and the Philippines (“BIMP”). Sectors include tourism (creation of the ‘Equator Asia’ concept and website), certified Halal poultry products and seaweed / carragee-



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nan. Specific support went to quality infrastructure for palm oil and seaweed and the promotion of cooperation in fisheries. (Contact: [Jean.Roxas@giz.de](mailto:Jean.Roxas@giz.de) and [Peter.Richter@giz.de](mailto:Peter.Richter@giz.de)).

### **Farmer Business School (FBS) for Cocoa Farmers in West Africa expanding fast**

The FBS service introduced by the Cocoa Livelihoods Programme (World Cocoa Foundation, Bill & Melinda Gates Foundation and GIZ) is expanding fast. In 2010, 158 trainers have been trained and more than 17000 famers have “graduated” across the participating countries – Ghana, Cameroon, Nigeria and Côte d’Ivoire. A major recent achievement is the decision of COCOBOD, Ghana, to mainstream the FBS into its new public-private extension programme (contact: [Annemarie.Matthess@giz.de](mailto:Annemarie.Matthess@giz.de)).

## **4. INNOVATIONS AROUND VALUELINKS**

### **New value chain training to support the implementation of CAADP Investment Plans in Africa**

In the framework of CAADP (the Comprehensive African Agricultural Development Programme) 18 African countries have completed national investment plans (NIP) for agriculture. Practically all of them make reference to specific subsectors and value chains placing the priority on basic food items such as cassava, maize, rice, dairy products, coffee, fruit and vegetables, and cattle meat. Implementing the plans involves a major effort of value chain promotion in the years to come. It requires institutional capacity (policies and platforms for the coordination of investment and support services) as well as the individual competence and expertise of private associations, Government and development staff to perform their roles in upgrading.

A small team of VL experts is developing new formats and contents of a specific ValueLinks training tailored to these capacity needs. It includes GIZ, the Conference of African Ministers of Agriculture (CMA, the technical lead agency for CAADP Pillar 2) and the Agricultural Training Centre (ATC) in Nairobi). Unlike the conventional ValueLinks training, the new CAADP training course takes the national plans as a starting point and presents the relevant VC analyses and quantitative data right away. More time is devoted to group work on concrete upgrading projects to implement the investment plans.

The course will first be introduced in a ToT (training of trainers) workshop in Nairobi in early June (see section 1 on trainings coming up). Another, francophone ToT is scheduled for September. The idea is that African ValueLinks trainers should conduct national training courses for the implementers of the NIP (value chain practitioners) later on. This is a great chance for the African members of the Association to gain technical and political profile (contact: [andreas.springer-heinze@giz.de](mailto:andreas.springer-heinze@giz.de)).

### **Value Chain Finance (ValueLinks module 8)**

The GIZ work on value chain finance continues: The missing module 8 of Value Links on VC finance is gaining shape. The main subjects include “determining financing gaps of the value chain”, “identifying sources of finance and financial instruments”, and “assisting financial literacy and financial planning” (especially of small enterprises). The critical challenge is the creation of financial solutions for



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VC upgrading to include small, usually not creditworthy enterprises and farmers. As it stands, the financing of small producers can only be achieved in arrangements with several parties – VC- internal buyers of produce and co-operatives, external support service providers and development programs as well as financial institutions.

As the topic is constantly gaining importance, we are very interested in case material - successful examples of multi-stakeholder VC financing arrangements. (please contact: [andreas.springer-heinze@giz.de](mailto:andreas.springer-heinze@giz.de)).

### ***“Gobernanza y Facilitación de cadenas de valor”***

A newly revised version of ValueLinks module 4 (facilitation) in Spanish language which includes VC governance questions is available in the member section at the ValueLinks website [www.valuelinks.org](http://www.valuelinks.org) (contact: [marlen.landero@giz.de](mailto:marlen.landero@giz.de)).

### ***Updating ValueLinks Module 9 on quality standards***

Currently the powerpoint presentation of the ValueLinks training Module 9 on “Introducing Social, Ecological and Product Quality Standards” is being updated by Eberhard Krain supported by an intern and a peer group of value chain practitioners. The process has started end of last year and directions had been given during the last ValueLinks meeting in December. A peer group of value chain experts gave further recommendations as well as the Agribusiness Working Group of the Sector Network Rural Development (SRND) Africa who met last February. Finally it was decided to prepare two separate versions, a Module 9a which focuses on Voluntary Standards and a Module 9b on Mandatory Standards. The first draft of the Module on Voluntary Standards has now been finalized and will be presented to the peer group and tested in a training. During the second half of the year work on Module 9b on Mandatory Standards shall follow (contact: [Eberhard.Krain@giz.de](mailto:Eberhard.Krain@giz.de)).

### ***Value Chains and the “Green Economy” / Value Chains and Climate Change***

Green Economy is the topic of the year for the German development agencies. It also is a high-profile topic of increasing importance in the value chain debate: A first concept note resulted from a workshop of the GIZ Network “Sustainable Economic Development Asia” in Singapore in June 2010, titled “Fostering green value chains - What GTZ value chain projects can contribute to tackling climate change in Asia”. The concept introduces new business opportunities arising from the challenges associated with climate change, such as energy efficiency, the use of renewable energy, and products and services for a sustainable economy. Generally, every value chain strategy should aim at the “greening” of the chain. The workshop discussed preliminary ideas on how the different modules of the ValueLinks methodology need to be adjusted in order to achieve that. However, the idea still needs further detailing and the application in practice.

One opportunity is the current work on the influence of climate change on value chains and vice-versa. The carbon footprint of production comes increasingly under scrutiny. Long-term upgrading strategies have to respond to changing climatic conditions. At the same time, carbon sequestration is a new business opportunity for rural areas.

Several people work on these questions: The GIZ sector project on ecological and social standards is working on climate adaptation and mitigation in tea and coffee in Kenya, Brazil, Vietnam and Guatemala (contact: [Eberhard.Krain@giz.de](mailto:Eberhard.Krain@giz.de)).



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GIZ “Climate Proofing for Development” is also related to value chains. Two programs that look particularly into the nexus of VCs and Climate are the new regional “ASEAN-German Program on Response to Climate Change in Forestry, Agriculture and Related Sectors”, based in Indonesia, and the “Climate Change Adaptation in the North Eastern Region” in India (contact: [Christoph.Feldkoetter@giz.de](mailto:Christoph.Feldkoetter@giz.de)).

## **“Inclusive Business Models”**

The GIZ sector project “Agricultural Policy and Food Security” works on the concept of inclusive business models“, that is contractual arrangements between food companies or traders and smallholder farmers. Currently, a study is in the making reviewing models such as PPP, contract farming and structured markets with institutional buyers or value chain initiatives. Any examples of large-scale inclusive business models are welcome (contact [Ingo.Melchers@giz.de](mailto:Ingo.Melchers@giz.de) and [Till.Rockenbauch@giz.de](mailto:Till.Rockenbauch@giz.de)).

## **“Cuaderno popular: Cadenas productivas para la agricultura campesina”**

A popular version of ValueLinks is now available in Spanish: “Cadenas productivas. Por que son importantes para la agricultura campesina?” The brochure has been developed by GIZ Guatemala. Copies can be obtained from Jochen Dürr, Investigador Desarrollo Rural (contact: [jochen.duerr@giz.de](mailto:jochen.duerr@giz.de)).

## **5. VALUELINKS ASSOCIATION NEWS**

### ***The ValueLinks Association congratulates Mr. Olivier Vigan***

Mr. Olivier Vigan, a long time supporter of *ValueLinks* and participant of last year’s *ValueLinks* ToT seminar in Benin, has recently been promoted to become the new Secrétaire Général du Ministère de l’Agriculture et de l’Elevage (MAEP) in Bénin.

### ***Financial report 2010 of the International ValueLinks Association***

The Financial Report 2010 of the International VL Association has been formally audited on April 5 by our members Dr. Eberhard Krain and Christian Matschulla. The Financial Report 2010 and all related activities of the Board have been formally approved without any complaint. The auditors, however, recommended ensuring that membership fees are fully received without accepting any reduction due to wirement fees and bank charges.

### ***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 these fields, 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 compe-





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tences and achievements, and contacts to colleagues all over the world. These are the fees for membership:

	<i>Entry fee</i>	<i>Annual fee</i>
<i>Fee for members with an OECD passport</i>	€40	€80
<i>Reduced fee for members with a non-OECD passport</i>	€20	€40

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).

### ***The ValueLinks Association seeks partnerships for organizing a value chain conference***

The International ValueLinks Association is still open to co-host a conference to present new tools for VC analysis and VC finance in 2011. The idea is to use an international meeting with an important audience related to market development as an opportunity to organize a side or follow-up event. The Association offers substantive content that can create interesting synergies.

A important event is the Second Regional Value Chain Symposium in Kenya organized by ATC on 28 and 29 September 2011, in which the Association we be present with a number of its members. Currently we are discussing the modalities of co-hosting the symposium.

### ***YOUR Contributions 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 to be compiled in July/August. Don't wait to be asked. Use this media as your platform!

### ***Editors of this edition:***

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