



ValueLinks NEWSLETTER May 2018

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Dear Reader,

The 17th edition of our ValueLinks newsletter gives you an overview on the news around ValueLinks in spring 2018.

It has taken quite some time but in January the good news was finally out: The new ValueLinks 2.0 Manual is ready! The manual provides ideas and guidance on many questions that users have raised in the last years – from the business models of operators to the issues of addressing poverty and gender in value chains, to the ecological transformation of the economy. Finally, it has taken two volumes to cover all the subjects. A great “Thank You!” goes to all who have contributed with their ideas and experience. You can download the manual in two pdf files from the website: www.valuelinks.org/manual. More on the manual, its use and how it will develop further in section 2 of this newsletter.

For our French speaking members: We would like to get the introduction chapter, pages 2-17, translated to French. Who would be interested in translating these pages with appropriate compensation of the efforts? Interested members are kindly invited to contact us at info@valuelinks.org.

Andreas Springer-Heinze, Sonia Lehmann, 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

Upcoming ValueLinks seminars

Date/Place	Seminar/Participants	Trainers	Contact
June 4-8, 2018, Feldafing, Germany	The next 5-day ValueLinks 2.0 Introductory Training Seminar in English language in Germany is organized by GIZ-AIZ. The seminar is still open for registration. Participation fees are applied. In case of interest, please please contact GIZ-AIZ or us.	Andreas Springer-Heinze	kundenportal-aiz@giz.de or info@valuelinks.org
June 21-27, 2018, Bangalore, India	Training of trainers workshop organized by the Green Innovation Centre India – focusing on specific subjects, e.g. business models, as well as on training skills.	Andreas Springer-Heinze, N.N.	jonathan.ziebula@giz.de



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July 2-6, 2018 in Nepal	Workshop to study the horticultural value chains starting from temporary riverbed farming in the Terai region of Nepal, an interesting case of crossing value chain, farming systems, and social perspectives.	Andreas Springer-Heinze, N.N.	Nanda.Ritsma@giz.de , Volker.Steigerwald@giz.de
July 9-13, 2018, Dimapur, India	The GIZ programme Climate Change Adaptation – North Eastern Region in India will conduct a 5-day ValueLinks Introductory Training Seminar for capacity building of staff and project partners.	Alfons Eiligmann, Rajeev Sharma	klaus-peter.gross@giz.de
Aug. 6-10, Cameroon	The GIZ programme ProPFE – Programme d'appui à la mise en oeuvre de la stratégie de développement du secteur rural volets forêt environnement organise a 5-day ValueLinks 2.0 Introductory Training Seminar in French for project staff and partners	N.N., Christophe Fotso Fouadjo	guy.nguenang@giz.de
Aug. 13-17, Garoua, Cameroon	The GIZ programme PADER (Programme d'Appui au Développement Rural) organise a 5-day ValueLinks 2.0 Introductory Training Seminar in French for project staff and partners	N.N.	Susann.Hoefs@gfa-group.de , andrea.bahm@giz.de
Sept. 17-21, 2018, Bangkok, Thailand	GIZ-AIZ offers a 5-day ValueLinks 2.0 Introductory Training Seminar in English language for VC practitioners in Asia. The seminar is open for registration, participation fees are applied. See http://training.thai-german-cooperation.info/	N.N.	info@valuelinks.org
Oct. 1-5, 2018, Accra, Ghana	IDC organizes a 5-day ValueLinks Introductory Training Seminar in cooperation with the Green Innovation Centre in Ghana for GIZ project staff and partners in Ghana and Nigeria. Participation fees are applied. See www.idc-aachen.de .	Alfons Eiligmann, N.N.	training@idc-aachen.de
Oct. 8-12, 2018, Bamako, Mali	The next 5-day ValueLinks Introductory Training Seminar in Mali in French language is organized by GIZ-CIV in collaboration with the Centre de Formation Agro-Pastorale in Kayes and the Centre de Formation Continue in Katibougou. The seminar is open for registration, participation fees are applied. In case of interest, please register on www.agroforma.org .	Moussa Sow, Maimouna Touré-Coulibaly	info@agroforma.org or ruud.van.soelen@giz.de
Oct. 15-17, Aachen, Germany	IDC offers a 3-day ValueLinks Intensive Training Seminar for VC practitioners in English language. Participation fees are applied. The seminar is open for registration, participation fees are applied. See www.idc-aachen.de .	Alfons Eiligmann	training@idc-aachen.de
Nov. 5-9, 2018, Grand Bassam, Côte d'Ivoire	IDC and PROMAK Afric organize their annual 5-day ValueLinks Introductory Training Seminar in French in November 2018. The seminar is open for registration, participation fees are applied. See www.idc-aachen.de .	Alfons Eiligmann, Magès Nanguï	training@idc-aachen.de
November 26-30, 2018, Siem Reap, Cambodia	5-day ValueLinks 2.0 Introductory Training Seminar in Khmer language in Cambodia. The seminar is organised jointly by IDC and ADG Gembloux and will include a module on nutrition-sensitive VC promotion. The seminar is open for registration, participation fees are applied. See www.idc-aachen.de .	Sothet Chhay, Alfons Eiligmann	training@idc-aachen.de



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2. INNOVATIONS AROUND VALUELINKS

The new “ValueLinks 2.0 – Manual on Sustainable Value Chain Development”

Once again, we would like to thank everyone who has contributed to the text of the manual: Taken both volumes of the manual together, the acknowledgements lists 34 names and still more have helped with good ideas.

A word of explanation goes to those who have submitted case material that has not (yet) been included in the manual. The reason is that every case story should exemplify one specific topic – and obviously there is more experience in some fields than in others. Still, the manual needs more examples from development practice, and future updates will specifically focus on concrete cases of VC improvements.

The fact that the manual has 650 pages sounds daunting to some readers. But they should keep in mind that the manual is a reference handbook for value chain development. Once readers know the introduction to volume 1, chapter 2.2 in module 2 and the introduction into module 3, they have the key concepts. With these in mind, they can pick out any subject of interest and jump to the respective section. A quick solution is to use the table of contents of each module or the search function in the pdf reader. A detailed index of subjects is to follow and will be made available on the valuelinks.org website. In addition, a series of short video clips is in preparation explaining the main ideas. The first one (“what is a value chain”) is ready and can be viewed on the website.

Value chain development is an approach to sustainable development and a lively field of debate. Thus, new questions and concerns pop up every day. Therefore, we will update the manual on a regular basis. The next round of additions is planned for spring 2019. We will specifically look for case material to be included in volume 2, particularly for modules 7, 8, and 10.

Market integration of very poor farmers?

Rural development projects increasingly look for the possibilities to improve the market integration of very poor rural households. Even though poor smallholders only have few resources, they still sell their surplus food production and other products so as to generate the necessary cash to pay for the daily needs of the household, for school fees and medical drugs. Many are not able to save money to reinvest into the farm and may not even be interested in farming as a business. Nevertheless, their livelihoods depend on some form of market access. Advocates of value chain development therefore argue that even poor households can benefit from investments into the value chains that are of interest to smallholders. The respective value chain strategies would only have to consider the livelihood conditions of poor market participants, especially gender roles and the diversification of farming systems and income sources.

However, it should be clear that not all value chain solutions are applicable under conditions of extreme poverty. The question is, which VC solutions a rural development program should support. Do entrepreneurship training and value chain finance solutions still make sense? Or should we rather



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go for village-based approaches? How can we make sure that improved market infrastructure and a greater demand for commodities provide at least *some* advantages for poor farmers even if this is not (yet) enough to help them overcome poverty?

We should again take up the debate on possible contributions (as well as limitations) of value chain development for very poor rural households. Your experience is required: Please use this newsletter to share it! Ultimately, we will complement ValueLinks 2.0 with a guideline on value chain development under conditions of extreme poverty. If you have stories on the subject, please contact info@valuelinks.org or Andreas.Springer-Heinze@giz.de

Webinar series on ValueLinks and agricultural value chains

The GIZ sector project Agricultural Trade and Value Chains, the GIZ SNRD working group Agribusiness and Inclusive Value Chain Development, and the GIZ “Fach- und Methodenbereich” FMB currently run a series of online webinars for information about *ValueLinks 2.0* and experience exchange among projects. The first four webinars took place in December-April and focused on what’s new in ValueLinks 2.0 (webinar 1), gender-sensitive value chain development (webinar 2), nutrition-sensitive value chain promotion (webinar 3) and promotion of innovative business models (webinar 4). The next webinar “Strengthening the role of farmer organizations in value chains” is planned for May 30, 14-15.30 (CET). ValueLinks Association members are encouraged to participate. If you are interested, please contact: info@valuelinks.org.

Gender and value chain innovations: New guide to be tested

The GIZ Program “Green Innovation Centres for the Agriculture and Food Sector” has commissioned a gender guide that provides procedures and tools to make its value chain initiatives and innovations more gender-sensitive. The work is based on three case studies in Africa, on the ValueLinks methodology and on a series of tools provided by the Dutch consulting firm Fair & Sustainable. The gender guide (mainly written by Els Rijke and Angelica Senders) is now available in a draft version and shall be tested during 2018. Comments are welcome. Contact: Mareike.Hahr@giz.de.

Complete set of ValueLinks 2.0 training material in Russian language is available now on the ValueLinks website

The GIZ programme TRIGGER (Towards Rural Inclusive Growth and Economic Resilience) in Tajikistan supported the translation of the *ValueLinks 2.0* training material into Russian language in 2017. All eleven *ValueLinks* modules are available now in Russian and have been uploaded to the *ValueLinks* website (as PDF files in the public part and as Powerpoint files in the member area). We thank the programme TRIGGER, our *ValueLinks* member Wulf-Hendrik Goretzky and the translator Munira Akilova for their contribution. Contact: info@valuelinks.org.



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3. EVENTS, STUDIES, EXPERIENCE AND INFORMATION

Strengthening of local seed production in the potato value chain in Mali

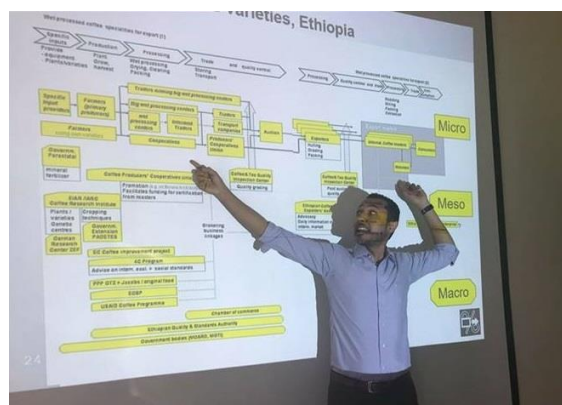
Within the Green Innovation Centre Mali, AFC-ECODLG is supporting the potato value chain. After a detailed analysis of the potato value chain, the input level of the value chain has been identified as a key area requiring strengthening. Access to good quality potato seeds in time for early planting in October-November enables farmers to achieve higher yields and capitalize on better market prices. In January 2018, a mission was therefore conducted in order to evaluate the feasibility of strengthening local seed production and to develop a concept for the multiplication and storage of potato seeds in Mali using imported Elite class seeds. The mission looked at both the technical and financial viability and preconditions for establishing such a scheme. Local seed companies were identified who would be interested in investing in potato seed multiplication, and they were accompanied on a trip to Germany in February 2018 in order to exchange with German Potato Seed Companies at the Fruit Logistica Trade Fair in Berlin. A schematic concept for such a multiplication scheme in Mali is being developed looking at both the multiplication of royalty-free seed varieties and newer varieties within the scope of a PPP involving a German seed company.



For further information, please contact Dr. Holly Hufnagel, holly.hufnagel@afci.de, Yaya Ballo, yaya.ballo@afci.de

ValueLinks in Yemen

ValueLinks was introduced to Yemen first in 2008, in cooperation with SMEPS, the Small and Micro Enterprise Promotion Service. GIZ organised two Introductory Training Workshops in 2008/2009 and a Training-of-Trainers (ToT) with six participants led by the lead trainer Alfons Eilgmann. SMEPS quickly realized the potential of VC promotion and participated in other trainings such as M4P or Action for Enterprise seminars as well. SMEPS is now supposed to be the leading organization of VC development in the MENA region and applied VC promotion in numerous VCs in the last ten years, ranging from handicrafts and incense sticks over fish and vegetable VCs to cereals and coffee. VC promotion also spread to the construction sector, renewable energies (solar energy) and information technology. In the implementation of different projects, SMEPS is supported by GIZ, USAID, the Social





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Fund for Development (SFD), UNDP and WB. Some SMEPS studies became a reference for many donors to plan and design projects and interventions.

One of the trainers who graduated from the first trainings was our ValueLinks Association member Fekri Almuafa, a trainer who continues to provide ValueLinks trainings until today. The last two ValueLinks trainings still took place beginning of 2018 for capacity building of 50 SMEPS project officers and consultants in two groups. Fekri Almuafa: "In each training, I receive nice feedback that the training is interesting, exciting, and practical. Many trainees say that it changes their way of thinking and some add that they know now what business they can do in their lives".

In 2015, the SMEPS director, Wesam Qaid, became a member of the International ValueLinks Association and, among the mess of the armed conflict in Yemen, Fekri Almuafa conducted a value chain study for bio diesel recycled from cooking oil (either the new one or the used by restaurants) for GIZ. This study was the first VC study in Yemen in regards to the bio fuel sector and it was complicated but according to Fekri Almuafa "I always say the more complicated the value chain is, specially in the mapping, the more interesting and challenging it becomes." For more information, please contact Fekri Almuafa, falmuafa@yahoo.com.

Diversifying mango varieties in Ghana - First results of a value chain upgrading strategy

The GIZ Market-Oriented Agriculture Programme (MOAP) supports major stakeholders in the mango industry through the National Mango Roundtable and helps them decide on value chain upgrading strategies and remove major bottlenecks. During the first Roundtable the problem of a too narrow variety base for the development of the mango industry in Ghana was tabled. In a common position paper to the Minister of Agriculture (MoFA) signed by all participants of the Roundtable on 1 December 2014, the requisite to "identify the varieties which can fill gaps in supply windows in a collaborative manner involving the whole industry" was highlighted and the need for varietal trials as well as the import of new materials were expressed..

The topic of variety diversification has high priority for MOAP because of the well-developed mango industry, which is a particular strength of the Ghanaian mango sector. Processors need to utilise their installed capacity for as much time in the year as possible and will therefore require an extended harvesting period, which is only possible with a wider range of varieties. MOAP adopted a two-pronged approach supporting the MoFA in setting framework conditions for mango value chain development on one hand, and supporting the private sector to make good use of these framework conditions and create a market for, and transfer technology to, smallholders, on the other.

In 2014, MOAP partnered with HPW and shared the costs of a mango development expert, Nicholas Evans, to portray international best practice of variety diversification and assess the situation in Ghana. HPW had shown high interest in the topic of variety diversification, which the company sees as a win-win situation between commercial, and public interests. MOAP also brokered a deal with HPW fresh & dry Ltd. to provide regular funding to the local MoFA Office in Vakpo to be able to perform basic maintenance of a mango variety testing and multiplication plot with 32 imported varieties. A mango nursery was set up at HPW with the aim of multiplying varieties different from Keitt,





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which have proven to do well in Ghana. In parallel to the Vakpo plot, HPW imported 32 varieties in 2015, which were grafted at the HPW nursery. A germplasm collection plot was planted at the HPW factory site, and also at smallholder farms of supplying farmers in the mango clusters of Eastern and Brong Ahafo Regions. Back to the Vakpo varietal trial, which is in the ownership of MoFA and therefore a genuine public good: In 2017, a first crop evaluation was conducted. Three varieties stood out: Oro with a high yield and notable resistance to fungal infection, Maya with quite large fruits as well as Rapoza with an excellent sweet flavour. All were significantly earlier than Kent. In a collaborative action of MoFA, MOAP and HPW, more scions of these varieties were brought into the country to speed up testing and multiplication.

Lessons learnt:

- This project is a showcase for successful collaboration between a bilateral development project, a lead firm in the value chain as well as the ministry of agriculture. However, in Ghana it is difficult to expect MoFA to contribute finance to such tripartite agreement given the fact that it seems to be a political decision that MoFA's budget funding only goes into high-profile government programmes supporting staple food chains.
- Without a private partner willing to invest own resources into variety collection and testing, such projects cannot be carried out. MOAP can only assist with technical expertise and contribute limited investment. However, the recurrent costs of maintaining trials, analysing them and making commercial use of them, must be met by one or several companies of the private sector with sufficient financial abilities to do this in addition to their core businesses.

For further information, please contact Christoph Arndt (AFC), c.arndt@mail.ru

Contract farming: GIZ approach for promoting contract farming as inclusive business model

1. Scaling up contract farming

To feed the development of a concept for scaling up the GIZ approach for promoting contract farming (CF) as inclusive business, the Sector Projects Agricultural Trade and Value Chains and Agricultural Policy and Food Security realised two surveys: (i) a poll among programmes and projects about their current and future engagement in CF and their support needs (37 respondents from Africa, Asia and South East Europe) and (ii) a stocktaking regarding experiences in using the GIZ approach for promoting CF as inclusive business model in two Francophone and two Anglophone countries.

Both surveys confirmed that advice for the development of CF business models, CF management systems and CF financing plans are crucial for creating success stories. A major need is also an excellent understanding of pricing mechanisms and other contract specifications. Accordingly, the demand for coaching of farmers and buyers for restructuring existing or the development of new CF schemes is more important than broad-based rolling out of trainings. Hence, capacities of consultants need to be developed and backstopping be assured to facilitate the provision of quality coaching services.

In the light of this, the interviewees emphasized that there is an urgent need for: (i) establishing national and regional networks to facilitate peer learning, (ii) setting up a pool of international and regional master coaches/ trainers to facilitate capacity development and backstopping and (iii)





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breathing new life into the Community of Practice on CF (CoP CF) to enable it to act as information and coordination platform. The surveys will be available soon.

2. Training of trainers/ coaches or consultants (ToTC) on contract farming

Trainings on contract farming (CF) realised so far have shown that one training of trainers/ coaches or consultants (ToTC) is not sufficient to impart the necessary knowledge and skills for future coaches/trainers. Therefore, a training cycle consisting of one basic training (used for selecting coach/trainer candidates) and two ToTC has been developed. The training cycle also includes a practical exercise to be implemented by participants between the two ToTC. Furthermore, a clear understanding of the respective roles of trainers and coaches has to be imparted. For trainers it is necessary to master the subject and to adopt adult-learning methods to be able to convey the messages convincingly. For coaches it is necessary to become real experts on the subject to be able to accompany off-takers and producers to take informed business decisions, discover their own solutions, design their CF business model, take over ownership and really engage in implementation. First experiences in implementing the new training cycle in Nigeria, Burkina Faso, Tunisia and Mali show promising results. However, a fundamental shortcoming across all pilot cases is the selection of candidates with only 20 to 30% of participants possessing the practical experiences, abilities and skills to become trainers or coaches standing on their own feet after the training, despite qualification profiles provided for the selection of candidates. Part of the challenge is that CF is very complex and therefore difficult to be handled by a single person coming fresh from training. Moreover, CF is a business model at the interface between farmers and small and medium enterprises (SME). Hence, expertise is required in both sectors. It is therefore recommended to engage tandems to assure quality of services provided by combining the knowledge of two people with one person having a background in agriculture and the other one in SME development. Candidates for the ToTC cycle should be selected accordingly.

3. Ongoing and upcoming activities

- With a view to establishing a pool of experts, the Sector Projects Agricultural Trade and Value Chains and Agricultural Policy and Food Security plan to realise a cycle of training of trainers/ coaches (ToTC) on the GIZ approach for promoting contract farming (CF) as inclusive business for international and selected regional experts, supposedly mid 2018 in Germany; regional trainings in Anglophone Eastern Africa and Francophone Western Africa are supposed to follow.
- Respondents to the above mentioned stocktaking survey reported to have developed new tools to support the coaching of CF schemes. It is intended to assemble the respective papers, validate the usefulness and maturity of the proposed tools, edit the documents and add relevant tools to the collection provided in Volume II of the GIZ Handbook.
- In Burkina Faso, the Green Innovation Centre for the Agriculture and Food Sector (ProCIV) will organise a sensitisation workshop for bilateral and multilateral donor programmes and partner organisations who expressed an interest in the GIZ methodologies for promoting inclusive CF, the SME Business Loop, the newly developed module for business-oriented Farmer Based





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Organisations (in the completion stage in French) and the Integrated Farmer Training developed by ProCIV.

- Following the ToTC organised in Burkina Faso in 2017, participants created a network and developed an action plan for promoting the GIZ approach among private and public stakeholders as well as the international community in Burkina and in neighbouring countries. The network is now invited to join a service providers’ platform currently supported by ProCIV and the bilateral Agricultural Program (PDA) with the aim to promoting the development of a service sector along agricultural value chains.
- In Nigeria and in Burkina Faso, similar approaches have been developed for scaling up coaching of CF schemes consisting of: (i) an initial phase of 6 months of intensive coaching and counselling (analysis of the situation and prospective development paths, design of the CF business model, etc.); (ii) an assessment of further coaching and counselling needs for implementing the restructured CF scheme; and (iii) further coaching according to needs and capacities and willingness of the CF business partners to contribute to the costs of coaching and counselling.
- In Tunisia, the Initiative for the Promotion of Agricultural Value Chains (IPFA) is currently supporting twelve CF schemes linking smallholder farmer groups with SME, mainly processors of conventional or organic certified products in selected value chains (olive oil, dried tomatoes, medicinal and aromatic plants, sheep cheese). The project is about to develop an approach for making inclusive CF business models bankable.

Contact: Contract Farming in general: Katharina Schlemper (katharina.schlemper@giz.de), Anne Hartmann (anne.hartmann@giz.de) and Margret Will (margret.will@gmx.net); Burkina Faso: Jens Treffner (jens.treffner@giz.de); Mali: Yaya Ballo (yaya.ballo@afci.de); Nigeria: Caroline Trimborn (caroline.trimborn@giz.de); Tunisia: Amal Mghirbi (amal.mghirbi@giz.de)

4. THE VALUELINKS ASSOCIATION/CONTACT

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:

	<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.



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Membership development

As per May 10, 2018, the association counts 125 members.

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

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