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Valuelinks: Engaging the Private Sector in Development

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Abstract

Market development and economic growth are essential for successful poverty reduction in developing countries. Only a functioning economy can guarantee self-sustained development.

The promotion of value chains has been on the development agenda since many years. The aim is to improve the competitiveness of targeted economic sectors in national and international markets, and to generate greater value added within the country or region. The key criterion is broad-impact, pro-poor growth that benefits the poor to the greatest possible extent and thereby reduces poverty. In the past, interventions were often limited to specific aspects of the value chain, while coordination between interventions was lacking. In order to have a more systematic approach to economic development, GTZ developed the “ValueLinks” methodology. This participatory approach is entirely private sector driven and action oriented, thereby ensuring sustainability.

ValueLinks is a freely available toolbox that has been developed by GTZ, but is now used by a wide network of development organisations and consultants. It can be applied to various economic sectors, including agriculture. The toolbox consists of 12 modules for a step-by-step approach, which builds on existing knowledge of the participants, especially the private sector. 6 modules have been designed for concrete fields of action for value chain upgrading, while the remaining modules serve for preparation, process back-up and monitoring and evaluation.

GTZ is using the approach in about 40 programs for almost 80 different value chains. National facilitator networks have been formed so far in Benin, Ethiopia, Nepal, The Philippines, and Indonesia. A network of 250 ValueLinks facilitators and trainers is now supporting value chain development internationally. The CAADP (Comprehensive Africa Agriculture Development Programme) lead institution, the Conference of Ministers of Agriculture in West and Central Africa, is considering using the approach Africa-wide. In June 2009, a ValueLinks association has been formed to further develop and promote the approach.

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