

## VALUE CHAIN STRATEGY DESIGN

**Pathway Component:** food production; agricultural income; food prices; storage & processing

**Date of Design:** 2012

**Designer:** ACDI-VOCA

**Search Category:** agricultural productivity; farm & non-farm income; value chains & market systems

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**URL:** <http://www.microlinks.org/library/value-chain-strategy-design-tool-planning>

### CONTENT SUMMARY

**Brief Description:** This tool outlines a process for analyzing opportunities and constraints in the value chain, identifying underlying causes of those constraints, and determining what changes are needed to address them. This process results in a set of clearly defined program activities and roles for the various stakeholders who will implement them. Note that this tool is intended to be used after priority value chains have already been selected; it does not cover the process for how to prioritize and select value chains.

**Uses:** This exercise is part of a larger project design process. It is intended to be used for design and implementation of effective value chain projects. It also ensures that the program meets cross-cutting objectives or reaches specific beneficiaries, such as women, vulnerable populations, and food-insecure households.

**Tool Components:** The tool outlines four steps for designing value chain projects:

- Step 1: Analyze Opportunities and Constraints
- Step 2: Develop a Strategy
- Step 3: Prioritize Activities
- Step 4: Design Project

### OPERATIONS

**Number of Staff Required:** Not specified.

**Time:** Not specified; the exercise requires analysis of a variety of data. The analysis step can be completed relatively quickly by staff with previous value chain experience, but the data collection preceding the analysis could take much longer.

**Cost of Assessment:** Not specified; the primary costs involved would be linked to data collection, which precedes the use of this tool.

**Training:** Not specified; analysis and design could be led by an experienced practitioner or could be conducted in a consultative manner within a team, which would require some training.

**Geographic Targeting:** The toolkit focuses on value chain development programs, which may span multiple geographical areas. The geography will be determined by the value chain selected.

**Type of Data Collection:** A variety of qualitative and quantitative data is analyzed in this process, but the tool assumes that data was collected prior to beginning the program design. Different tools are required to guide the collection of data, as this focuses solely on the analysis and use of the information.

**Degree of Technical Difficulty:** The tool is laid out in a simplistic and easy to understand manner. However, as noted above, it focuses on the analysis of a variety of data. The collection of all this information would require specialized expertise. Additionally, this tool assumes a prior level of experience and knowledge with value chains. For example, instructions include: "look for an identifiable opportunity for growth;" this will not be clear for practitioners who do not have prior experience.

**Complements other Resources:** This tool relies on the analysis of information that can be sourced from a number of different assessments or secondary data. It results in a variety of identified constraints and potential activities, not all of which will be part of the final project. These constraints and activities can feed into other analyses and program design.