

# Local Value Chain Development Project Model Standards

**Who is this document for:** Regional Office staff; National Office Staff; Market Facilitators; ADP Managers; Development Facilitators

## **Purpose:**

- Providing standards and defining what constitutes the essential components of the Local Value Chain Development (LVCD) Project Model
- For assessing if the project *being planned or implemented* has the nine essential components of Local Value Chain Development (LVCD) Project Model project

All Local Value Chain Development (LVCD) projects must meet these nine standards.

## **1. Income generation for small scale poor producers is an outcome of the project**

One of the outcomes of the project is to support small-scale poor producers to sustainably increase their *household income*.

Producer income is increased through *facilitation* and *empowerment of producers* (Standard 2 & 6) *to work together in groups* (Standard 3) *to have stronger understanding and connection to markets* (Standard 5) and by better *matching production<sup>1</sup> to market demand to improve producer profitability* (Standard 3, 4, 5, 6).

## **2. A dedicated Market Facilitator (MF) is responsible for the implementation of LVCD**

- A dedicated WV Market Facilitator (MF) is employed who spends 80% of their time on implementing LVCD approaches. See Job Description for Market Facilitator.
  - It is highly recommended that there is at least one Market Facilitator per area/ADP.
  - The MF is responsible for facilitating market linkages and empowering producers
- Market Facilitators should be paid an attractive and competitive salary to attract appropriate skill levels and competencies. The right MF is fundamental to the success of the project.

## **3. Producers work together in Producer Groups (PGs)**

- Group formation is voluntary, based on interest of producers
- Producer groups are member-managed. Numbers per group may vary from 5-20 members: membership is at the discretion of the group.
- Groups are trained and coached by a WV Market Facilitator
- Producer Group members participate in market information gathering and analysis (Minimum Standard 5) and groups are facilitated to identify their needs and drive the agenda for training and support
- Producer Group members work together to collectively sell their products to buyers. Producer groups may also work together collectively buy from input providers.

## **4. Producers' capacity is built to work in groups, manage businesses and link to markets**

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<sup>1</sup> Improving and increasing household *production is only one part* of an LVCD project. For a project to be LVCD, all the other minimum standards must be met.

- Producers' knowledge and skills are built through ongoing training to producer groups.
- Topics may include, but are not limited to;
  - (1) Financial literacy, budgeting and record keeping, (2) Group management, structures and social cohesiveness, (3) Market engagement and negotiation skills, (4) Production and natural resource management skills, and (5) Other skills as required, for example: innovation and experimentation.

#### **5. Producers participate in market information gathering and market analysis:**

- Producers *must* participate in the analysis of products in their local and regional markets
- Market analysis includes both Product Scoping and Selection<sup>2</sup> and Value Chain Analysis<sup>3</sup>
- Products receiving project supported were selected *after* thorough market analysis
- Products are selected because there is a strong business case for

#### **6. Facilitation and empowerment is key: no handouts, soft loans or subsidies\* for producers**

- Producers operate on “business principles” and become business partners: the starting point for any LVCD project should be ‘no handouts’ gifts or soft loans.
- In general, producers are not provided with inputs or assets: no seeds, no fertilizer, no animals, no agricultural equipment, no tools, no machinery and no buildings.
- Producers are supported to access savings and credit to negotiate access and deals to buy inputs or services (Minimum Standard 2, 3, 4).
- The MF facilitate linkages between producer and markets; empowering producer

\*If producers cannot physically or financially access commercial inputs and services, there may be occasions where a subsidy could be appropriate, with a strong justification and good principles: small subsidy, short time period, catalyzes change, create demand for inputs, does no harm. Contact the LVCD Global Champion to investigate if LVCD is an appropriate fit.

#### **7. Local Market Facilitators (LMFs) are integral to implementation and sustainability**

Local Market Facilitators are identified from within Producer Groups and are coached by the MF from early in the project. LMFs will learn from and replace the MF during the project.

#### **8. Partners are integral to implementation**

Play a facilitation role in the demonstration of new techniques, training of producers, connecting producers with buyers, building capacity of groups and many other roles.

#### **9. Gender is considered and addressed through all phases of the LVCD project:**

- during product scoping, selecting and analysis
- in the process of forming and building the capacity of producer groups
- in facilitating links between groups and markets
- in scale up of the project and during monitoring and evaluation

<sup>2</sup> *Product Scoping and Selection Report* includes an analysis of the local economy, a scan of potential products, analysis of market demand; short list of potential products

<sup>3</sup> *Participatory Value Chain Analysis* is an analysis of each prioritized value chain to determine constraints, opportunities and possible improvement activities.

## Is it LVCD? – A checklist

		Indicator	Response
1	Income generation for poor producers is an outcome of the project	<ul style="list-style-type: none"> <li>• Yes/No</li> <li>• Describe</li> </ul>	
2	<ul style="list-style-type: none"> <li>• A <i>full-time</i><sup>#</sup> Market Facilitator has been employed (in each ADP)</li> </ul> #Full-time = 90% of time dedicated to market facilitation; MF role is <i>additional</i> in the ADP	<ul style="list-style-type: none"> <li>• Yes/No</li> <li>• # MFs</li> <li>• # ADPs</li> </ul>	
3	Producers groups are established and functioning	<ul style="list-style-type: none"> <li>• # groups</li> <li>• # producers in groups (total)</li> <li>• # of female group member</li> <li>• # of male group members</li> </ul>	
4	Producers are being trained and coached on technical and non-technical skills	<ul style="list-style-type: none"> <li>• List training provided</li> </ul>	
5	Product and market information has been analysed, with the involvement of producers	<ul style="list-style-type: none"> <li>• Products selected following Value Chain Analysis</li> </ul>	
6	Producers are <i>not</i> receiving subsidies, gifts, soft loans or handouts	<ul style="list-style-type: none"> <li>• Yes, receiving</li> <li>• No, not receiving</li> </ul>	
7	Local Market Facilitators are identified and involved market facilitation tasks	<ul style="list-style-type: none"> <li>• # of Local Market Facilitators</li> </ul>	
8	Partners are involved in implementation	<ul style="list-style-type: none"> <li>• Yes/No</li> <li>• List &amp; describe</li> </ul>	
9	Gender is being actively considered, at each phase of implementation	<ul style="list-style-type: none"> <li>• Yes/No</li> <li>• Describe</li> </ul>	

Data will be collected on Standards 2, 3, 5, 7 to report to the LVCD data base and ED Landscape.