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# Value chain development in Vietnam: a look at approaches used and options for improved impacts

5<sup>th</sup> June 2018

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CIAT is a CGIAR Research Center

## Objective of the study

Provide guidance to donors, government agencies, NGOs, private companies, and others stakeholders on options for strengthening their value chain development interventions.

15 case studies in 3 countries – Vietnam (5), Nicaragua (4) and Uganda (6)

Implemented by CIAT (Vietnam), ICRAF (Nicaragua), CIP (Uganda)

Funded by CGIAR Research Program (CRP) on Policy Institutions and Markets (PIM)

# Background and justification

- Value chain development (**VCD**) = a process to:
  - reduce poverty
  - increase the efficiency of VCs
  - enhance environmental and social performance of VCs

- **VCD = key component of rural development strategies.**

Seville et al., 2011; Devoux et al., 2016; Humphrey and Navas-Alemán, 2010

- Many VCD toolkits available but little is known about how they are used

# Methodology – Case study approach // Qualitative

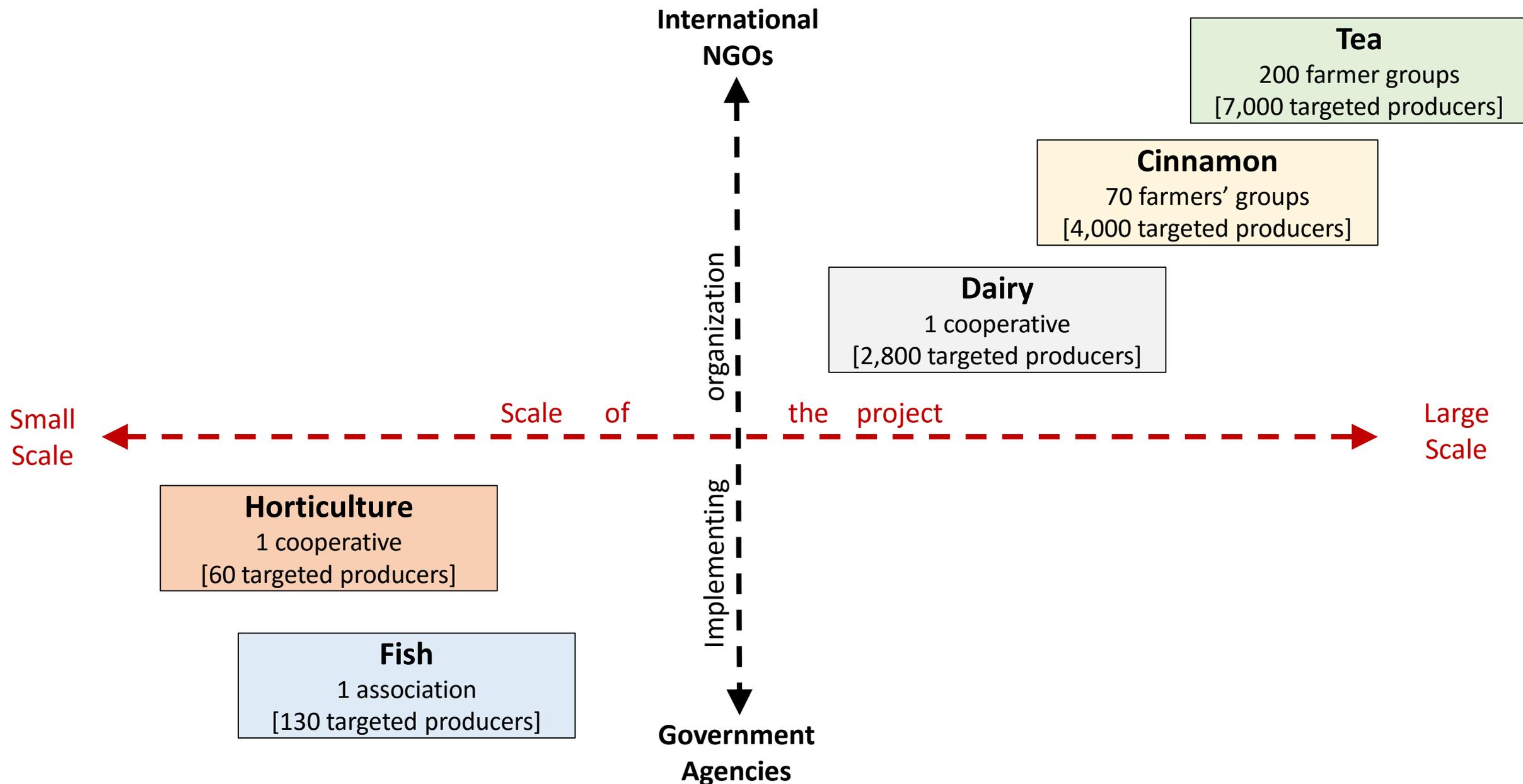
- Selection of 5 cases, according to 3 main criteria:
  - Completion date of the project
  - Range of services delivered to value chain actors
  - Willingness to be interviewed and to share information
- In-depth key informant interviews (primary) and project's documents review (secondary)
- We examined the design and implementation, specifically looking at
  - the tools used
  - the activities carried out
  - the various businesses and organizations engaged in the process
  - the strengths and the limitations of the actors involved

## It is not an impact assessment study

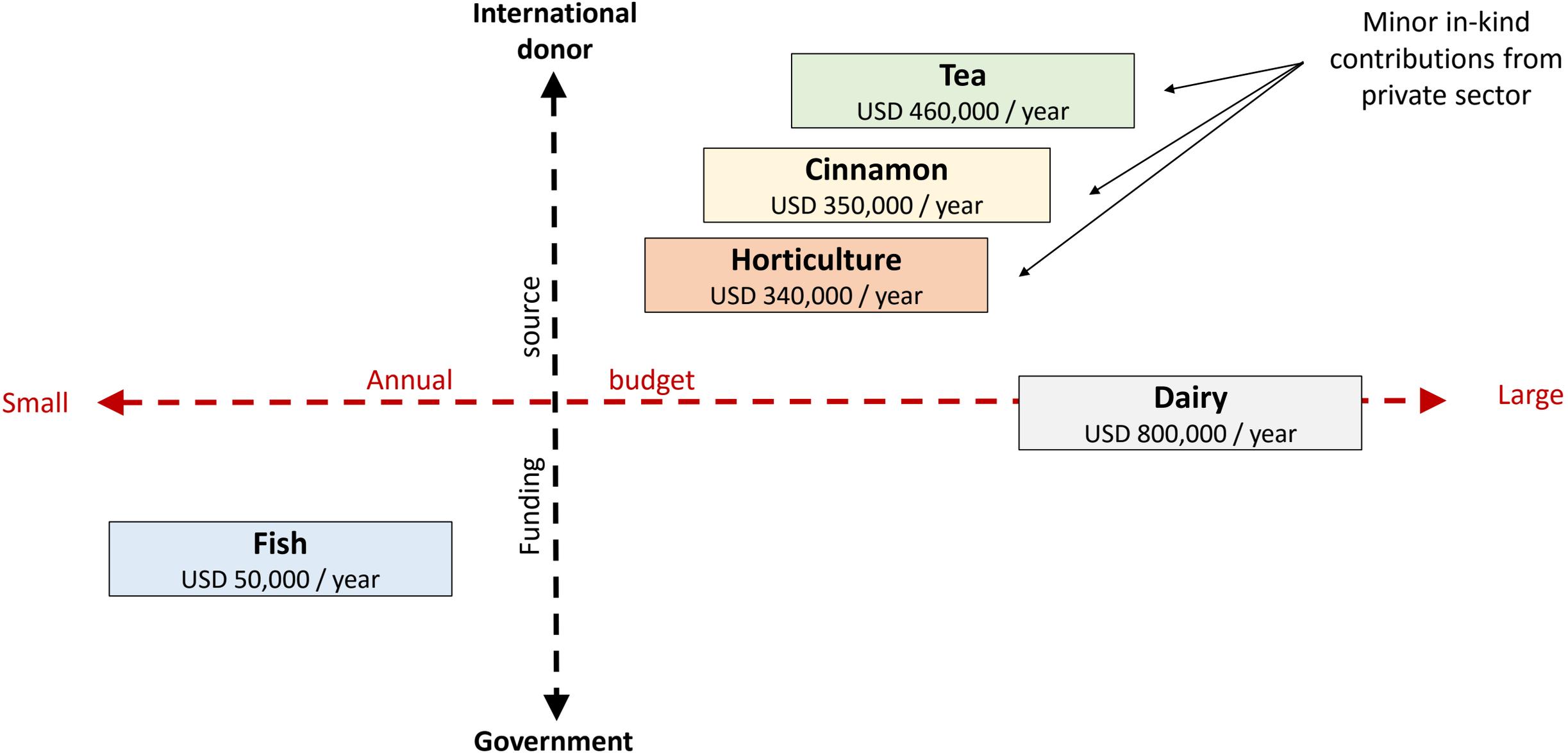
- Limited access to projects' data
- Mandate, timeframe and budget did not allow it

→ Qualitative study based on VC stakeholders' perceptions

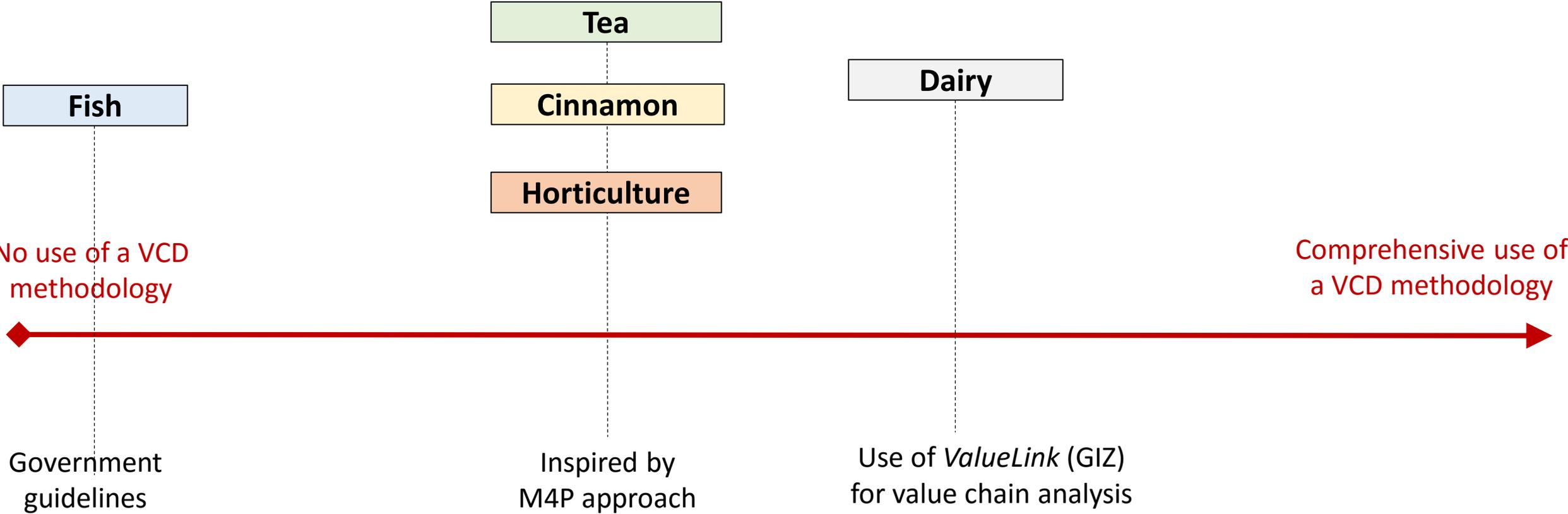
# Profiles of VCD interventions



# Profiles of VCD interventions (2)

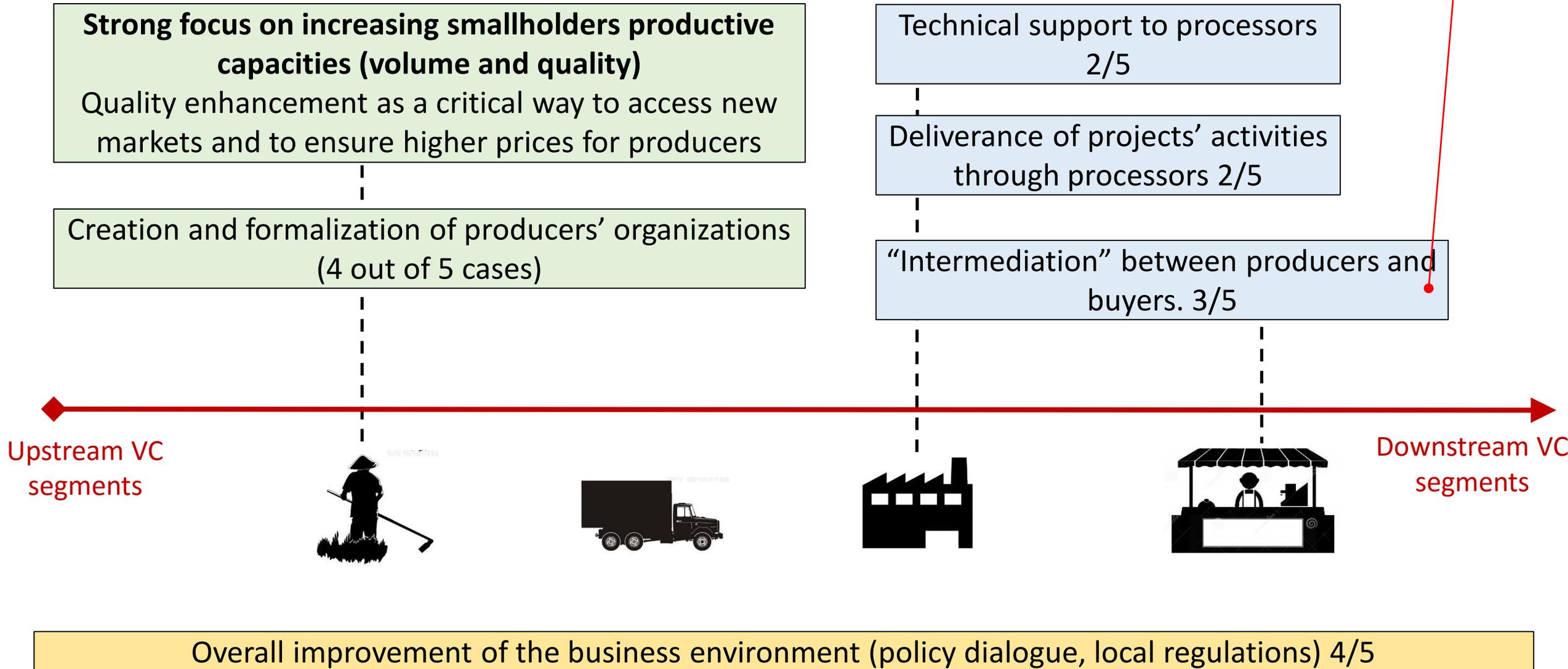


# Intervention design and use of VCD tools and methodologies



# Main intervention's activities along the chain

Remains very basic



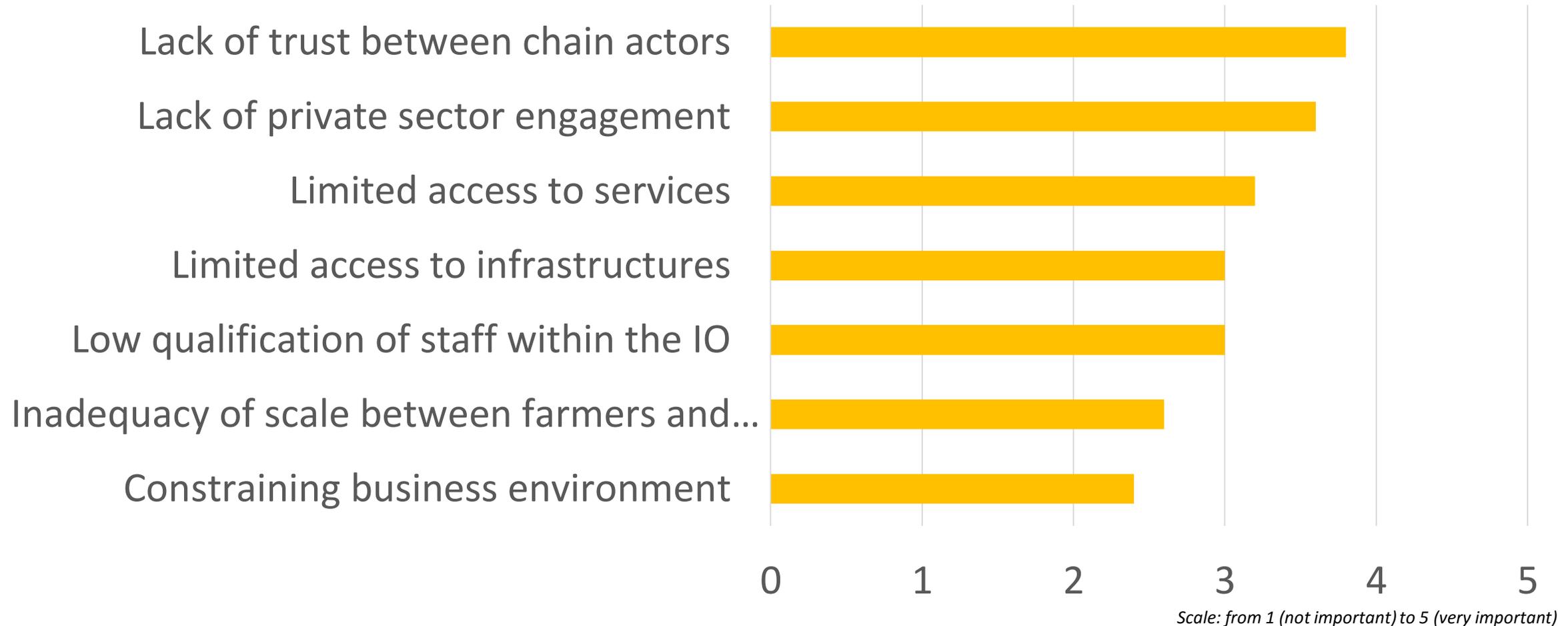
## Partnerships for project's implementation?

- Role of private sector is acknowledged by project implementers but:
  - Only 3 out of the 5 cases involved private sector (processors, retailers)
  - Private sector was barely involved at the design stage of the projects
- Government agencies played a major role (4 out of the 5 cases) in project design and implementation.
- Limited partnerships with research organizations (1 out of 5).

# Engagement of value chain actors

- Small and fragile farmers organizations
  - 300 groups (average < 50 members/group)
  - Recently established
  - Contribution → upgrading produce quality and level of trust within the chains
  - Drawbacks → Commercial vulnerability and risk of disaggregation after the project ends
- Limited involvement from the private sector
  - Small and medium-scale companies
  - Contributions → Technical support focused on quality improvement
  - Drawbacks:
    - Reluctant to have a third party looking at their commercial arrangements w suppliers
    - Bad perceptions about NGOs and public sector repelled them from being more engaged

# Perceptions regarding major obstacles to achieve greater impact at scale



# Conclusions

- Practitioners have limited awareness and experience with VCD tools
- Lack of resources allocated for broad and comprehensive VC analysis

Recommendations for donors and government agencies:

- Structured engagement among tools developers and local implementers, and involvement of research and private organizations at the earliest stages of the intervention design
- Make resources available for deeper mapping and assessment of VCs
- More flexibility in project implementation planning, allowing feedback loops and adjustments (non-linear design)

## Conclusions (2)

- Producers' organizations are young, project-oriented and lack of credibility toward private sector

Recommendations for donors, government agencies and implementers:

- **Preliminary and complementary work supporting producers organizations** is compulsory to ensure the success of value chain development
- VCD guidelines should better inform these prerequisites
- Longer interventions' time frames and/or commitments beyond the cycle of a given project

# Conclusions (3)

- Limited engagement of private sector, which is reluctant to engage in joint strategic planning, to facilitate access to finance and services, or to experiment new business relations with smallholders

Recommendations for donors, government agencies and implementers:

- **Identify short term benefits** and clear prospects for further benefits over the mid and long term, as part of the design phase
- Support strategies for producers' organizations that address bottlenecks prioritized by the buyers
- Continuous monitoring of KPI as an input for joint reflection on collaboration needs and investment priorities

# Limitations

- No private sector led interventions among our cases → How those differ from the ones led by NGOs and government agencies should be further investigated
- We cannot claim that the cases selected are representative of VCD led by government agencies and NGOs → Systematic reviews would necessitate further and consistent support from donors
- Our insights were mainly informed by interviews with lead implementers (i.e. NGO and government agencies). → This bias was balanced by extensive interviews with producers' organizations and buyers, but they may also have been reluctant to openly criticize interventions.



# Thank you!

Download full paper:

<https://doi.org/10.3362/1755-1986.16-00034>

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