

COCINAPAR

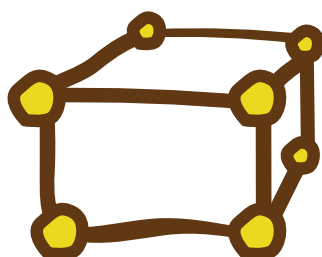
innovating from the roots

Consortio

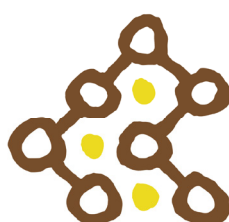


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Toolbox



COCINAPAR

A product of **MIGA Bolivia** as a part of the
COCINA PAR consortium

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Introduction

Gastronomy, as a key element for the development of poor rural territories, has proven, through some successful cases, that it can eliminate intermediaries in the value chain, improved efficiency, promote exports, generate national and regional identities; protect and revalue local and regional biodiversity, healthy eating and the development of rural tourism; and generate economic opportunities for small farmers.

In this context, ICCO international has received a donation from the International Fund for Agricultural Development (IFAD) to develop the project called “Back to the roots: using the gastronomy as a rural development tool”, which aims to show that gastronomy from its dimension of Regional Food Heritage (PAR, for its acronym in Spanish), it is a tool that favors access to markets by small producers and rural entrepreneurs.

This project starts from the premise that the kitchen can connect small producers with the market, as long as we understand the cuisine as a total social fact. In the three countries, we note how very different experiences -food policies, territorial brands, gastronomic festivals, training centers, fairs, restaurants and producer cooperatives- achieved the linkage between the peasant producer and the market based on the premise that the work of a farmer goes beyond sowing and harvesting and that cooking not only nourishes us but above all connects us, strengthens identities and defines us. Based on the study of selected experiences from Bolivia, Chile and Peru, the project seeks to innovate intervention in rural development using gastronomy with a PAR approach as a potential input tool to increase

efficiency and the potential to connect small farmers with its markets with special emphasis on women and young producers.

The project has systematized the following experiences:

In Peru

- Peasant Agroferies
- CORPAPA – National Coordinator of Potato Producers of Peru
- El Bodegón – Acurio Group
- Tambinas Sustainable Schools of the Qali Warma Program

In Chile

- Maqueo: Ethnic flavors
- Mieles del Sur Cooperative
- Punta Chilén Cooperative
- Campos de Hielo Cooperative
- Gastronomic Festival Ñam

In Bolivia

- Tarija Aromas and Flavors TAS (for its acronym in Spanish)
- Manq’a
- Ketal Supermarkets
- Gustu

Based on the systematization of these experiences and after a process of discussion and reflection, the project committed to developing a differentiated specific toolbox and strategies for using gastronomy as a means (not end) of entry into rural development programs and IFAD programs to increase impact and effectiveness, with an emphasis on women and urban and rural youth.

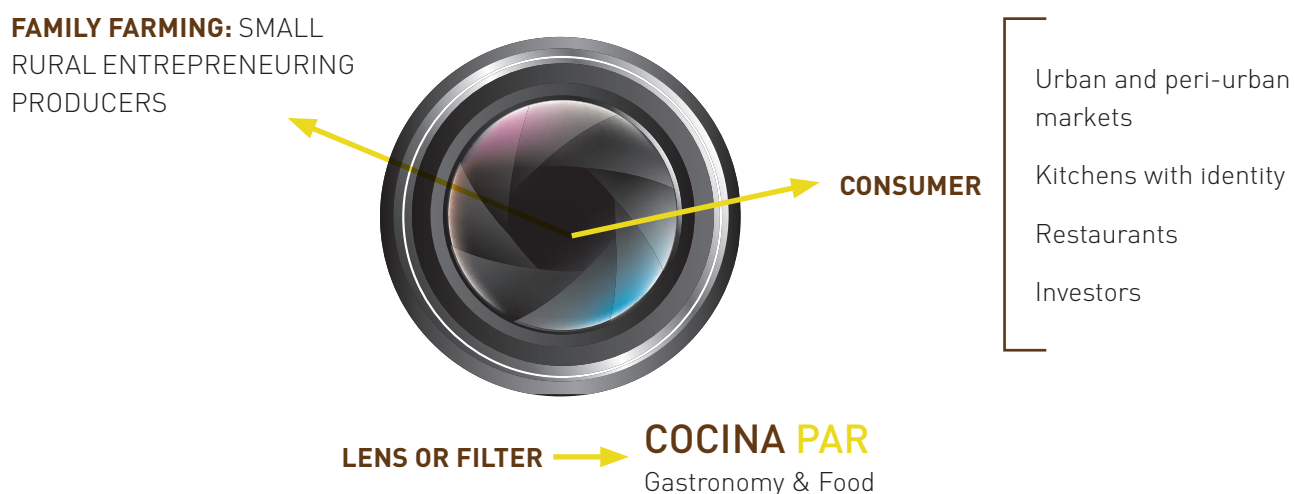
In this document, the description of the “toolbox” can be found, which, as we will see later, it intends to grow as more and more experiences are systematized so that the range of options that we present widens and thus also the approaches to address the problem of the relationship of small producers or rural entrepreneurs with the market.

The challenge of the toolbox is graphically depicted in Figure 1. The purpose of the project

is to show that cooking from its dimension of Regional Food Heritage (COCINA PAR) is a tool that favors market access by small producers and rural entrepreneurs to the market or consumers. From the wide spectrum of alternatives to bring small producers and rural entrepreneurs closer to the market, the COCINA PAR approach is an innovative approach that can be used and applied.

AGRICULTURA FAMILIAR: PEQUEÑOS PRODUCTORES EMPRENDEDORES RURALES	FAMILY FARMING: SMALL RURAL ENTREPRENEURING PRODUCERS
LENTE O FILTRO	LENS OR FILTER
COCINA PAR Gastronomía & Alimentación	COCINA PAR Gastronomy & Food
CONSUMIDOR	CONSUMER
Mercados urbanos y perirurbanos	Urban and peri-urban markets
Cocinas con identidad	Kitchens with identity
Restaurantes	Restaurants
Inversionistas	Investors

Figure 1. Graphic model of the COCINA PAR challenge (Doc: figura 1)



We look for a series of “entry ways” (or paths) to ensure that small producers and/or rural entrepreneurs reach the consumer, among all the possible relationship alternatives between producers and consumers, through the Back to the Roots project we offer the COCINA PAR lens as one of those alternatives with a variety of possible paths, these paths (the back and forth arrow in Fig. 1) provide constant feedback to develop innovative models of

rural development based on the proposed approach.

The question, how can I from my position -be it as a governmental or non-governmental manager or from the private sector- promote a better and stronger relationship between small producers and/or rural entrepreneurs and the market? Is, then answered through this toolkit.



2

Definition of the toolbox

2.1 Objective

The aim of the toolbox is to provide a set of concepts and tools to find ways to better link small producers and/or rural entrepreneurs (which we will call from now on SP/RE) with the market through the kitchen (which includes gastronomy and food).

2.2 Public to which it is addressed

Overall, the toolbox is aimed at anyone interested in finding practical ways to improve opportunities for SP/RE to enter and/or stay in markets through cooking.

Users can be market players interested in creating direct links with SP/RE, government policy makers, rural development managers, producer organizations working for their members, NGOs or cooperative organizations working for rural poor or researchers working to understand and support processes aimed at greater inclusion SP/RE.

2.3 How the toolbox was developed

The toolbox has been developed from the analysis of the systematized experiences described above. It has been developed through the reflection work of the partner organizations of the BttR project working with a diversity of actors and in different countries. It has been designed to not be a closed toolbox, but rather has the possibility (and even the need) to grow over time based on new experiences and lessons learned.

3

Structure of the toolbox

The basis of the toolbox are the 13 systematizations carried out added to the reflection process carried out during the systematization. From the sum of these experiences we have identified three input axes to the toolbox.

The first axis what we call “entry way” or “path” are the different approaches that COCINA PAR have identified as entry points to develop the relationship between the SP/RE and the market. These paths are not mutually exclusive, and even more so, several of them complement each other. In this sense, these paths are a “menu” of options to address the question “How do I bring SP/RE closer to the market?”. On the basis of the knowledge that we have acquired in the systematizations, we have identified 8 entry ways or paths.

The second axis is the “tool” itself: once you have decided on a path, there are a series of tools or methodological guidelines that work as a guide to all the subjects that must be taken into account when promoting an enterprise for a given path. Always taking into account that it is likely that the tools will not work the same in all circumstances, we have learned that each initiative is unique, but if these factors (the tools) are not taken into account, the chances of success are reduced. We have identified a set of 11 tools based on our experience.

The third axis is made up of the systematization approaches that were used and that include:

- PAR (as a common thread): Regional Food Heritage (PAR) is understood as the “... space constituted by primary productions, the food agribusiness and regional cuisine that are linked together through the activities of preparation, consumption and circulation of food that is contextualized in a specific environmental and socio-cultural environment”. The PAR approach has been the common thread of all the work and the

one that has guided the understanding of the different experiences selected. In the systematizations we have used the PAR approach to prolong the cultural life of a group for the following generations; provide ethnographic data about the historical depth of a product or dish, production techniques, forms of preparation, technical knowledge and its relationship with the territory; encourage the recovery of particularities in the face of growing food homogenization, contribute to the affirmation of identity, and boost food production through different commercialization strategies.

- Innovation: It sought to investigate the presence of innovation in systematized experiences in the context of the innovation systems in which they operate at the regional, sectoral and local level. This approach can make it possible to propose public policies that combine gastronomy and innovation.
- Production and supply chain: It allowed the identification of the operation of the production chain, its levels, its limitations and advantages, in order to define good practices and production and marketing conditions. This approach can provide information to determine specific policies to promote the productivity of these gastronomic and food chains.
- Communication: Allowed a comprehensive approach to communication in systematized experiences, including the discursive level, dissemination, collaboration networks, social learning, negotiation, and communication spaces and channels.
- Sustainability: It inquired about sociocultural, economic, productive, environmental and institutional sustainability and about the contribution of experiences to some of the objectives of sustainable development, which will make it possible to establish public proposals related to this area.

3.1 How does the toolbox work

The toolbox can be conceived as a “cube” where each “piece” is each one of the systematized experiences, and where, from the perspective of the interested public, it can be “entered” (Fig. 2).

Tiene tres puntos de entrada	Has three entry points
Desde la Herramienta	From the tool
Cada “pieza” es cada experiencia que sistematizamos	Each “piece” is each experience that we systematize
Desde el enfoque de trabajo	From the work approach
Desde la vía de entrada	From the entry way

Figure 2: Entry Point to the toolbox (doc: figura 2-3)

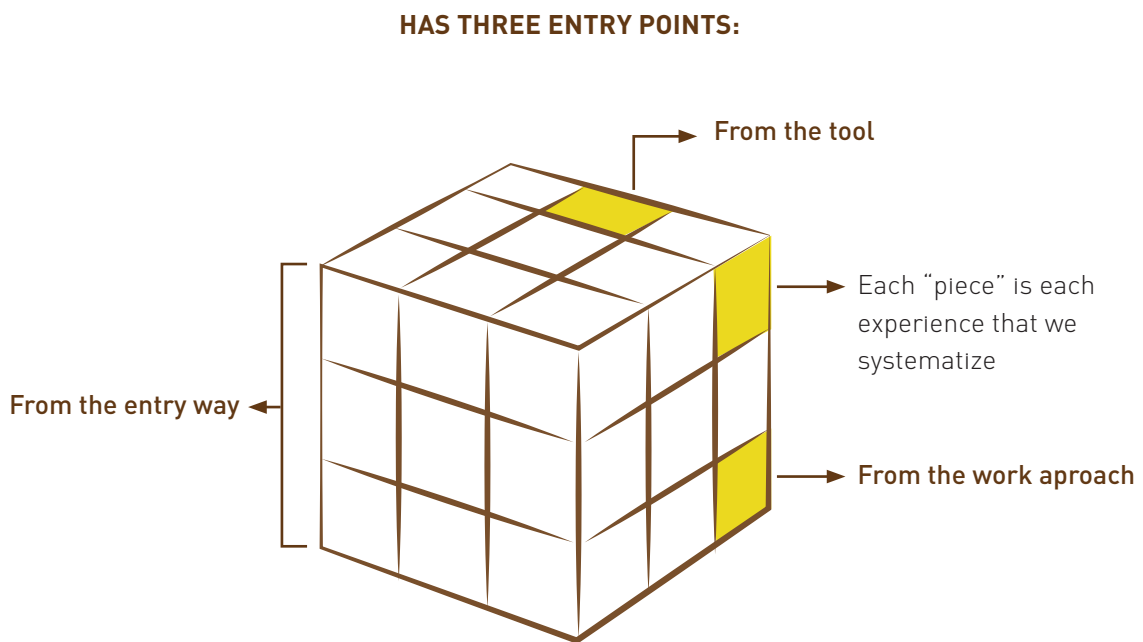


Figure 2: Entry point to the Toolbox

		Entry way							
		Development of the entire chain (Complete value addition)	Participation in fairs (Agro-fairs)	Inclusion of products in supermarkets/specialized stores	Articulation with training centers	Direct relationships with Chefs/ Restaurants	Participation in knowledge exchange and connection (meetings)	Participation in public purchases	Territorial approach
Action phase	Tools								
Understand and Manage a process	Analysis of the work ecosystem	Maqueo Mieles del Sur	Punta Chilén CORPAPA	Mieles del Sur Punta Chilén Campos de Hielo Ketal	Manq'a Qaliwarma	El Bodegón			
	Determination of the intervention of strategies	Maqueo Mieles del Sur	CORPAPA	Ketal		El Bodegón	TAS		TAS
	Registration of Food Heritage	Maqueo Mieles del Sur Punta Chilén Campos de Hielo	Punta Chilén Festival Ñam peasant agro-fairs CORPAPA	Maqueo Mieles del Sur Punta Chilén Campos de Hielo Ketal	Manq'a Qaliwarma	Manq'a Gustu CORPAPA El Bodegón	Festival Ñam TAS	Qaliwarma	TAS
Design and facilitate a process	Associativity / Governance	Maqueo Mieles del Sur Punta Chilén Campos de Hielo	CORPAPA	Ketal					TAS
	Creation of alliance / Cooperation with the public or private sector	Maqueo Mieles del Sur Punta Chilén Campos de Hielo	CORPAPA	Campos de Hielo Ketal	Manq'a	Manq'a Gustu	Festival Ñam	Qaliwarma	TAS
	Identification of necessary services	Maqueo Mieles del Sur Punta Chilén Campos de Hielo	Punta Chilén	Ketal		Manq'a El Bodegón		Qaliwarma	
	Financing	Maqueo Mieles del Sur Punta Chilén Campos de Hielo	CORPAPA					Qaliwarma	
	Quality, Standards and Certification	Mieles del Sur Punta Chilén Campos de Hielo	Festival Ñam	Maqueo Mieles del Sur Punta Chilén Campos de Hielo Ketal		Gustu El Bodegón			TAS
	Public Policy instruments								TAS
	Communication	Maqueo Mieles del Sur Punta Chilén Campos de Hielo	Punta Chilén Festival Ñam Peasant Agro-fairs CORPAPA	Maqueo Mieles del Sur Punta Chilén Campos de Hielo Ketal	Manq'a	Manq'a Gustu CORPAPA El Bodegón	Festival Ñam TAS	Qaliwarma	TAS

Thus, one can select, choose or know the experience from the point of view of the “entry way”, and thus learn what each experience did on that path and identify useful tools for its application; you can choose to learn more about innovation in this type of venture; or I can choose to learn more about a specific methodological tool or guideline (Fig. 3)

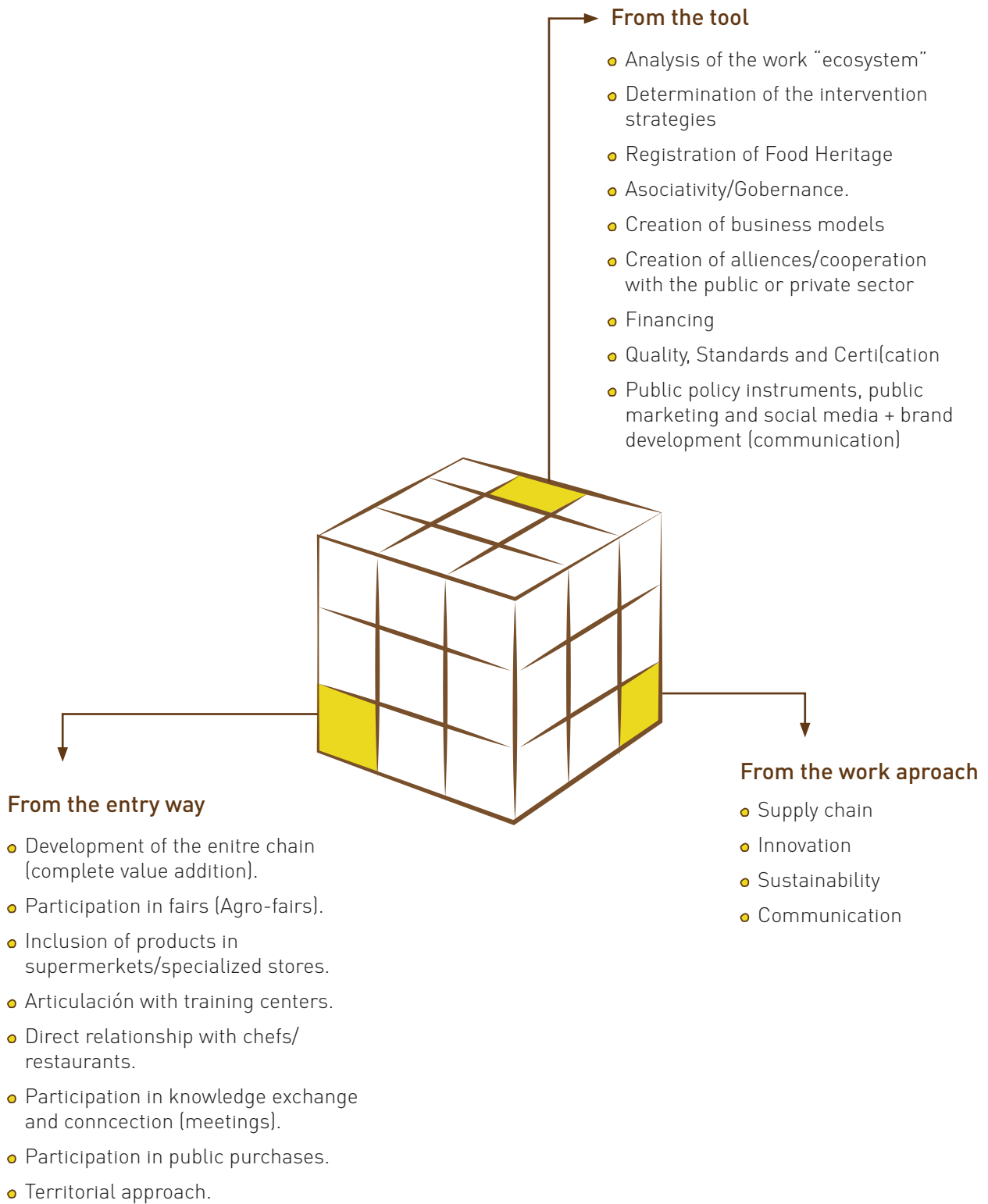


Figure 3: Detail of the content of each axis of the toolbox.)



Combining experiences, entry ways and tools, we have recovered these elements for the toolbox from:

At the same time, a set of experiences have helped us to foment the crossroads between the paths and the approaches used:

Entry way								
Approaches								
	Development of the entire chain (Complete value addition)	Participation in fairs (Agro-fairs)	Inclusion of products in supermarkets/ specialized stores	Articulation with training centers	Direct relationships with Chefs/ Restaurants	Participation in knowledge exchange and connection (meetings)	Participation in public purchases	Territorial approach
Supply chain	Maqueo Mieles del Sur	Punta Chilén	Maqueo Mieles del Sur	Manq'a Sustainable Schools Tambinas	Manq'a Gustu CORPAPA El Bodegón	Festival Ñam TAS	Sustainable Schools Tambinas	TAS
Innovation	Punta Chilén	Festival Ñam	Punta Chilén					
Communication	Campos de Hielo	Peasant Agro-fairs	Campos de Hielo					
Sustainability		CORPAPA	Ketal					

3.2 Entry way

As we have described, eight entry ways or paths have been identified through which we can bring SP/RE closer to the market. These paths are:

1. Development of the entire chain (Complete value addition)
2. Participation in fairs (Agro-fairs)
3. Inclusion of products in supermarkets/specialized stores.
4. Articulation with training centers
5. Direct relationship with Chefs/Restaurants
6. Participation in knowledge exchange and connection (meetings)
7. Participation in Public purchases
8. Territorial approach

As we have also mentioned, the paths are not exclusive, but rather some lead to others and are complementary, for example, the path “Participation in fairs” can lead to the path “direct relationship with chefs/restaurants”.

Below we describe each of the entry ways or paths with specific examples of the systematized experiences.

3.2.1 Development of the entire chain (complete value addition)

This entry way means the development of the entire value chain, that is, an action where the SP/RE has complete control of the production, transformation and final commercialization of the products or preparations it produces.

The Mielles del Sur venture, in Chile classified as “peasant family agriculture”, has been promoted by a community of producers with rural settlements and complete schooling, whose products – mostly honeys of a different nature – have high heritage

value. Given its context and nature, the following success factors are observed:

- Formation of a productive and commercial organization of a cooperative type
- Subsidies to obtain production technology
- Support in access to technical and commercial training
- Horizontal organization of production and marketing
- Effective internal articulation with a view to capital investment
- Commercial differentiation by certification of botanical origin
- Institutional support for access to international markets
- Concern for sustainable production

Maqueo, another peasant family farming venture with patrimonial value, was carried out in the context of a rural community, from a lagging area, of an indigenous ethnic group with low schooling, which not only produces and commercializes its products but also has its own services to offer food. Given its context and nature, it has the following success factors:

- Subsidies to obtain production technology
- Support in access to technical and commercial training
- Profile of the leading entrepreneur
- Effective articulation with the community, through employability
- Connection with rural tourism promotion organizations
- Institutional support for access to international markets
- Concern for sustainable production

3.2.2 Participation in fairs (Agro-fairs)

This entry way is characterized by the approach of the SP/RE to the final consumer, participating in fairs, agro-fairs, sales meeting and other activities that mean either the transfer of the producers or the organization of the event itself.

This entry way has different approaches:

The Punta Chilén Cooperative began by participating as an exhibitor at the Turin-Italy taste Fair (invited by Slow Food and Tierra Madre), then participated in Expo Milan (second best-selling product in the Chile pavilion) and ended up organizing the First Garlic Festival Punta Chilén whose objective was to value Chiloé, showing the ancestral cultural values of agroecological production of garlic, promoting its consumption and the development of businesses around a virtuous circle that generates sustainable wealth for the territory.

The Peasant Agro-fairs, developed with the support of APEGA in Peru, began as an “invitation” to producers to participate in the Gran Mercado Mistura, until they generated self-organized

events in “model fairs” in different districts and with the participation of numerous producers for example, at present in the Peasant Agro-fairs of Magdalena, more than 80 exhibitors participate with the following products: (19) Transformed products: jams, honey, flakes, chips; (20) fruits from the coast and rainforest; (14) vegetables and greens; (10) fresh products: cheese, yogurt; (9) tubers, grains, and beans; (8) gastronomy; (3) bakery and tamales; (1) handicraft of bags and baskets.

From another perspective, the Ñam Festival has developed a specific space: Ñam Market, as a space for the commercialization of agriculture products from small producers and artisanal fishermen. Fresh vegetables, preserves, condiments, cheeses, liquors, fish, shellfish, characters, also showing landscapes and producers, cultures, traditions, environments and flavors. It is a social meeting space in alliance with INDAP (Institute of Agricultural Development), FIA (Foundation for Agrarian Innovation) and the FFPP (Fund for the Promotion of Artisanal Fishing).



3.2.3 Inclusion of products in the supermarkets/specialized stores

In this entry way, we have those initiative whose approach to the market is determined by the inclusion of specific products in specialized stores or supermarkets, marked by a direct relationship between the company that sells the products and the SP/RE.

In Chile, Campos de Hielo, a vegetable production cooperative, which supplies products to supermarkets (Líder, from Walmart and Unimarc) and which has the advantage of respecting the seasonality of crops and of constantly working to train producers of the cooperative.

In Bolivia, Ketal Supermarkets has developed a model of direct articulation with SP/RE for the supply of fresh products, which, although it has been recently implemented, is fully operational and already covers 85% of the total supply, which constitutes a clear indicator of sustainability of the model.

3.2.4 Articulation of training centers

The spaces for training in gastronomy are increasingly numerous, and in this sense, they are places where not only potential consumers of products are present when developing a gastronomic venture in the future, but there are those who in the future could determine the use (or not) of some ingredient. Forming relationship ties between SP/RE and gastronomy schools is another entry point.

In the case of chefs trained in Manq'a, work is being done to help them learn to recover local knowledge and practices, thus consolidating their own cultural identity and improving their income, through basic technical training in gastronomy, the aim is to bring the SP/RE closer to the urban consumer, improving the living conditions of both since the SP/RE increases their income from the sale of food products and the consumer improves their diet, all within the framework of food sovereignty.



3.2.5 Direct relationship with chefs/ restaurants

One of the most recognized entry ways into the relationship between SP/RE and the market is the creation of a win-win relationship between the producers and the chef/restaurant. This path is based on the development of mutual trust, respect for knowledge and know-how and work regarding quantity, seasonality and quantity of production.

The Gustu restaurant, in Bolivia, offers a cuisine with strictly national inputs and with the engineering of a regional seasonal menu in which the results of experimental culinary and scientific sociocultural investigations of the inputs that are collected or produced in the Bolivian territory are shown. The relation of volumes and value of these joints are not of great interest because it is not a big business, what is more interesting is the great influence that Gustu has in the gastronomic environment and in society, which could have an impact on improving SP/RE livelihoods.

On the other hand, the Peruvian cuisine restaurant El Bodegón, which combines history, art and gastronomy, whose design is inspired by an old tavern in Lima from 1950 has developed a deep relationship with its suppliers, is supplied directly from small farmers, mostly seasonal and high-quality products. For now, 50% of purchases of 500 items are made directly to small farmers and artisanal fishermen and it was hoped that in 2019 it would be 100%.

3.2.6 Participation in knowledge exchange and connection (meetings)

The SP/RE relationship with the market does not always have to be commercial, another entry point is the creation of meeting spaces, where the potentialities and limitations to promote a diet-based food patrimony are discussed and where the SP/RE are related to consumers, processors, marketers, to finally move to a commercial relationship.

The Ñam festival is platform that links Chilean land and sea producers with the gastronomic world at a national and international level. It disseminates its activities having as basic values the encounter with the gastronomic identity and the promotion of peasant family agriculture. At the festival, the activity "Trasvasije cuisine: Exchange of knowledge and flavors" is carried out, where market producers meet with chefs from Chile and the world to transfer knowledge and reproduce the ideal of a short circuit between. In this setting, the small production shows the different geographies, traditions and elaborations of Chile, put into practices and brought to the plate in different ways. In addition, there are food and drink tastings, services classes and a perfect set-up for entertaining and cultivating.

3.2.7 Participation in public purchase

An important part of the “market” is public purchases for food services, especially those aimed at school breakfasts, another entry way is constituted by the participation of SP/RE in this type of public purchase or food service offer.

The National School Food Program Qali Warma (PNAEQW, for its acronym in Spanish) is a social program of the Peruvian Government that was implemented in 2013 with the vision of offering a nutritional supplement, mainly through breakfast, to school-age children. Within the framework of this program, the Tambinas Sustainable Schools managed to effectively articulate the SP/ER with the PNAEQW, where through a pilot action 21 educational institutions were involved, serving between 28,000 and 30,000 students. The PNAEQW provided the recipe and the CAE of the educational institutions incorporated the local products in the products modality.

3.2.8 Territorial brand approach

The last entry way comprises the development of a regional identity, where a set of products and services are brought closer to the consumer or buyer under the image of a “brand” or “denomination of origin” so that the consumer is closer to the terroir of the product.

Tarija, Aromas y Flavors (TAS, for its acronym in Spanish) is a Public-Private Certification Mark that seeks differentiation and characterization in its products and services based on three principles: Origin, Typicity and Quality; Strategy to distinguish agri-food products that have particular characteristics of the Tarijan region in Bolivia. An outstanding characteristic of TAS is its acceptance of specialty products that are linked to the particular history, culture and identity that are obtained or placed in a specific territory, protecting and strengthening the ‘Product – Territory’ link.

Some members of CORPAPA have developed the “Route of the Potato” as a tourist alternative in the city of Ayacucho – Peru, which allows to know and learn about organic crops and Andean tubers (Native Potato, Ollucos, Mashuas and Ocas). While visiting lagoons, landscapes with puyas de Raimondi, waterfalls and even archaeological complexes. It is an agro-tourism and experiential proposal where organic crops and native tubers that grow between 3,000 and 3,800 meters of altitude, being the greatest tourist attraction presented in the project, the planting, hilling and harvest of native potatoes being not the only ones in this circuit in the provinces of Huamanga and Cangallo.

4

“Tools” from the box

Now, once from my position as a user of the toolbox, for example some promoter of rural development in a ministry, I have chosen an entry way -or a combination- to develop my approach of SP/ER to the market, the next step is to analyze what I should take into account to continue supporting entrepreneurship. To answer this question, we have eleven “tools” or methodological guidelines that will help us not to forget important factors that I must take into account when supporting a venture.

4.1 Phases of implementation

Support for the development of a SP/RE approach or relationship with the market can be divided into two phases of action: 1) the first, related to understanding and managing the process, and 2) the second, aimed at designing and facilitating the process. The first phase of action should help us to make a “project” of how to support the entrepreneurship and the second with the management of business itself.

The approach of the tools described is based on the generic tool for generating business models through the “canvas” model of Osterwalder & Pigneur (2010)¹ which is summarized in the following matrix:

How?	
Socios	Partners
Actividades	Activities
Recursos	Resources

What	
Propuesta de valor	Value proposal

To whom?	
Relaciones con clientes	Customers relations
Canales	Channels
Segmento de clientes	Segment with customers

How much?	
Estructura de costos	Cost Structure
Fuente de ingresos	Source of income

Through the use of the tools described, it is possible, once the entry strategies have been selected, to develop a complete business model that is aimed at bringing the SP/RE closer to the market.

1. Osterwalder, A., & Pigneur, Y., (2011). Creation of business model. *Barcelona: Deusto*, 10-51

The ten tools identified include:

- **Understanding and planning phase**
 1. Analysis of the work “ecosystem”
 2. Determination of intervention strategy

- **Solving phase**
 3. Registration of Food Heritage
 4. Associativity / Governance
 5. Creation of alliance / cooperation with the public or private sector
 6. Development / provision of necessary services arrangements
 7. Financing
 8. Quality, standards and certifications.
 9. Public policy instruments
 10. Communication

Throughout the document we are going to refer to the term “value chain”, although its definition within the framework of the systematization that we have carried out must be understood in a broader way to understand the relationships between its participants, we use it as a generic term to identify the relationship between SP/RE and the market.

For IFAD², the term “value chain” is a vertical alliance of companies that collaborate to varying degrees in a variety of activities that are required to develop a product from the initial input supply stage, through the different stages of production, until reaching its final market destination. The term “value chain” is attributed to Michael Porter, a specialist

in business strategies, and has been widely adopted in the business and development fields. The expression “farm-to-table” is often used to describe food value chains. In this context, the food product moves up the chain, from the producers who grow and harvest it, to the market – through intermediaries that include producer organizations, processors, transporters, wholesaler and retailer – and then down to the consumer level.

Although, throughout the application of the COCINA PAR approach we have seen that this “vertical” relationship in many cases becomes horizontal, and formally the “links” of the chain evolve (for example, Maqueo started as a family, then it was a cooperative and now that cooperative markets its products directly), we will continue throughout the tools referring to the term “value chain” to refer to that relationship that we wish to build between the SP/RE and the final market or consumer.

Next, a description of each of the eleven tools will be made, in each one we will describe its purpose (objective), the public to whom the tool is directed (target group), the description of what it must take into account for its application and what that we have learned from the systematizations (description of the tool).

2. Camagni, M. & Kherallah. (2016). Notas on how to: Design commodity value chain development projects. IFAD policy and Technical Advice Division. https://www.ifad.org/documents/38714170/40311826/VC-HTDN_SP_web.pdf

4.2 Analysis of the work ecosystem – (Mapping the value chain)

4.2.1 Objective

The purpose of this step is to develop a “value chain map”, or a visual representation of the market system for a particular sector. This map provides a conceptual framework to consider the institutional and commercial environment in which SP/ER operate, and a practical tool that can be developed in a participatory way to represent and communicate knowledge about specific producers, their market chains, institutional settings, and service requirements.

4.2.2 Target group

The tool is aimed both at managers of the initiatives and at the SP/RE themselves who do not know their environment or start with a business idea.

4.2.3 Tool description

Your map and report should analyze market chain actors and their linkage, business services providers, and enabling environment factors. There are different ways to represent your map of the environment.

This representation can take into account the different steps that the product follow, and “through whose hands” they pass until they reach the final consumer, such as the map of the experience of El Bodegón (Peru).

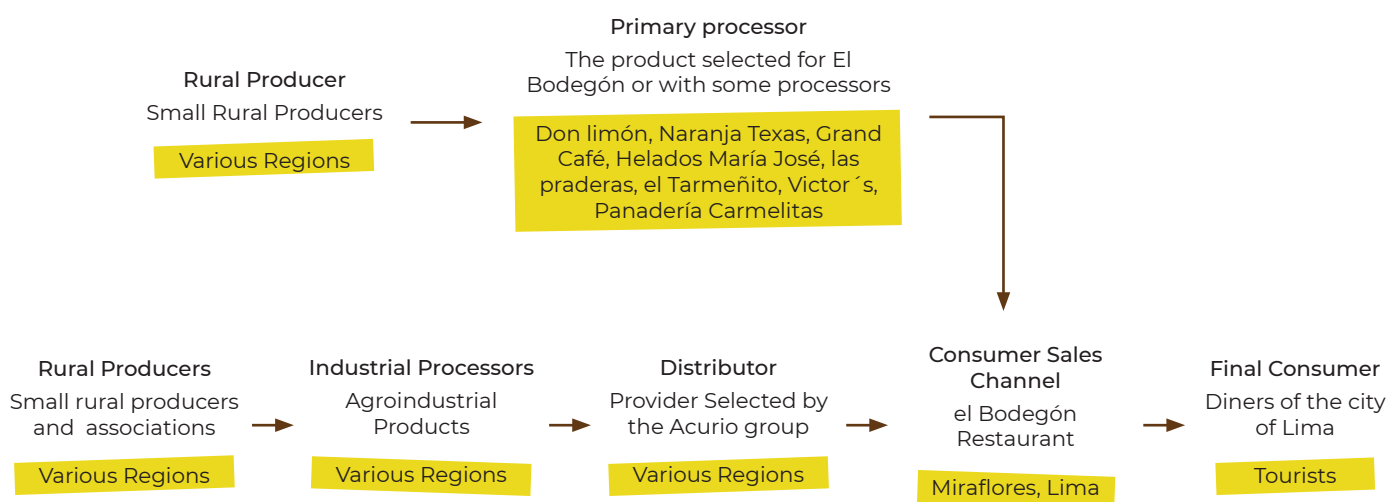
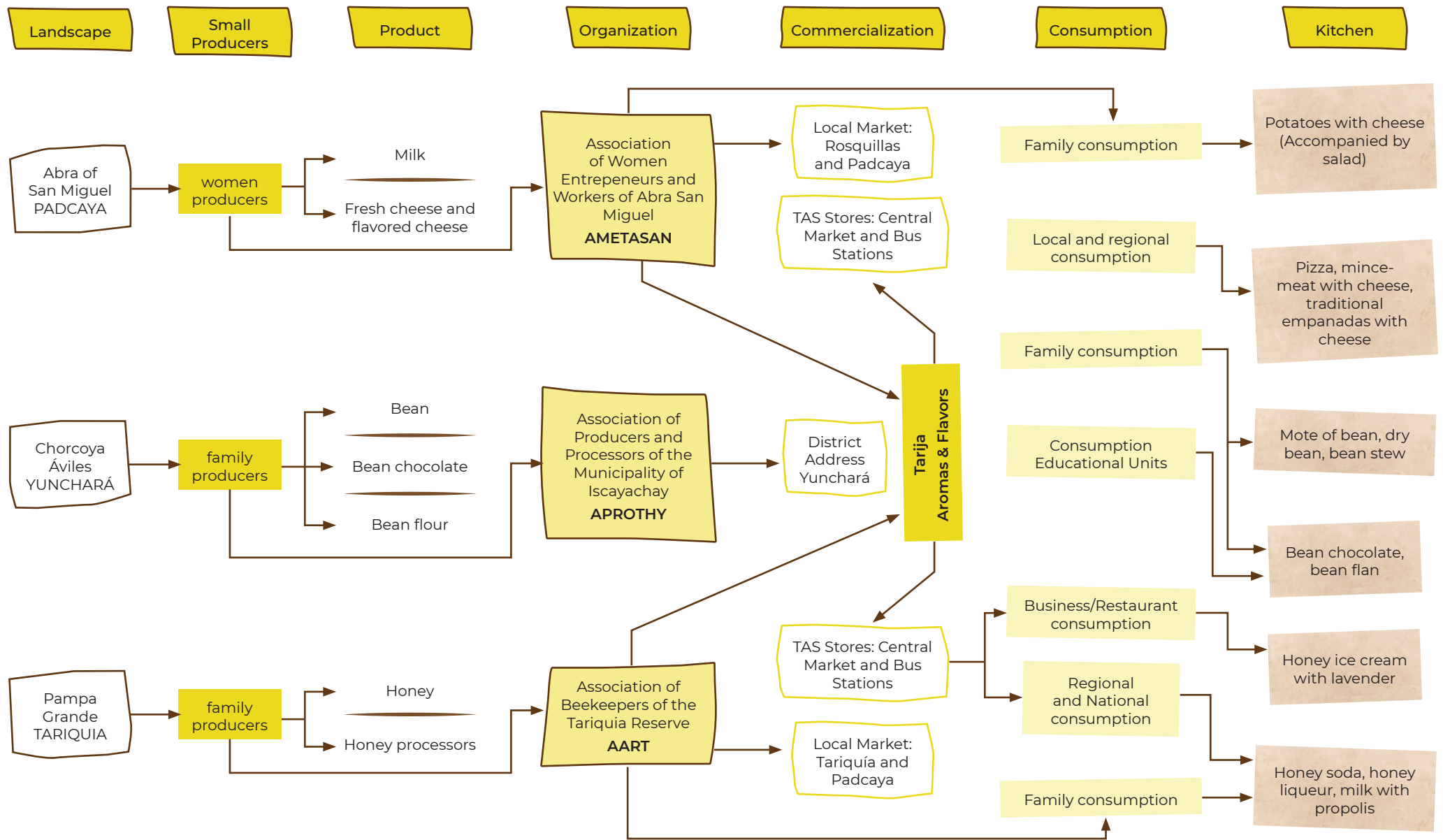


Figure 5: Figure 2.3.2 Supply chain El Bodegón (doc: Figura 5 (El Bodegón))

Or they may be more complex by including “support” actors on the map, such as the inclusion of the Yunchará District Office on the TAS (Bolivia) map.



Whatever the representation of the value chain that we do, we need to analyze and carry out 3 steps to have an adequate idea of what the work ecosystem is like in which the experience that we seek to support/develop will unfold:

Step 1: Actors and connections in the market chain

Market players and the links between them can be represented as the central part of the value chain. The chain shows the economic actors that produce and carry out transactions around a particular product as it passes from the primary producer to the final consumer. This can include small and large producers, input suppliers, traders, processors, shippers, wholesalers, retailers, and more. The links between market players can be described to represent the flow of income to the producer, rather than the movement of the product itself.

During the systematization, since one of the complementary approaches was the description of the product and supply chains, this mapping and identification has been carried out, representing itself in many ways, but always representing the different actors and links.

Step 2: Business service providers

In the most effective value chains, the actors that make up the chain when transacting the main product are supported by commercial and extension services from other companies and organizations. There is a constant need for the actors in the chain to access technical and market services of different types. Consider including the following types of business service providers in the value chain map:

- Input supplies (seeds, livestock, fertilizers, pesticides, fingerlings, feed and forage, non-agricultural input).
- Market information (prices, trends, buyers, suppliers)
- Financial services (credit, or insurance institutions)
- Transportation services (deliveries, cold chains)
- Quality assurance (monitoring and accreditation)

Paso 3: Factors of the enabling environment

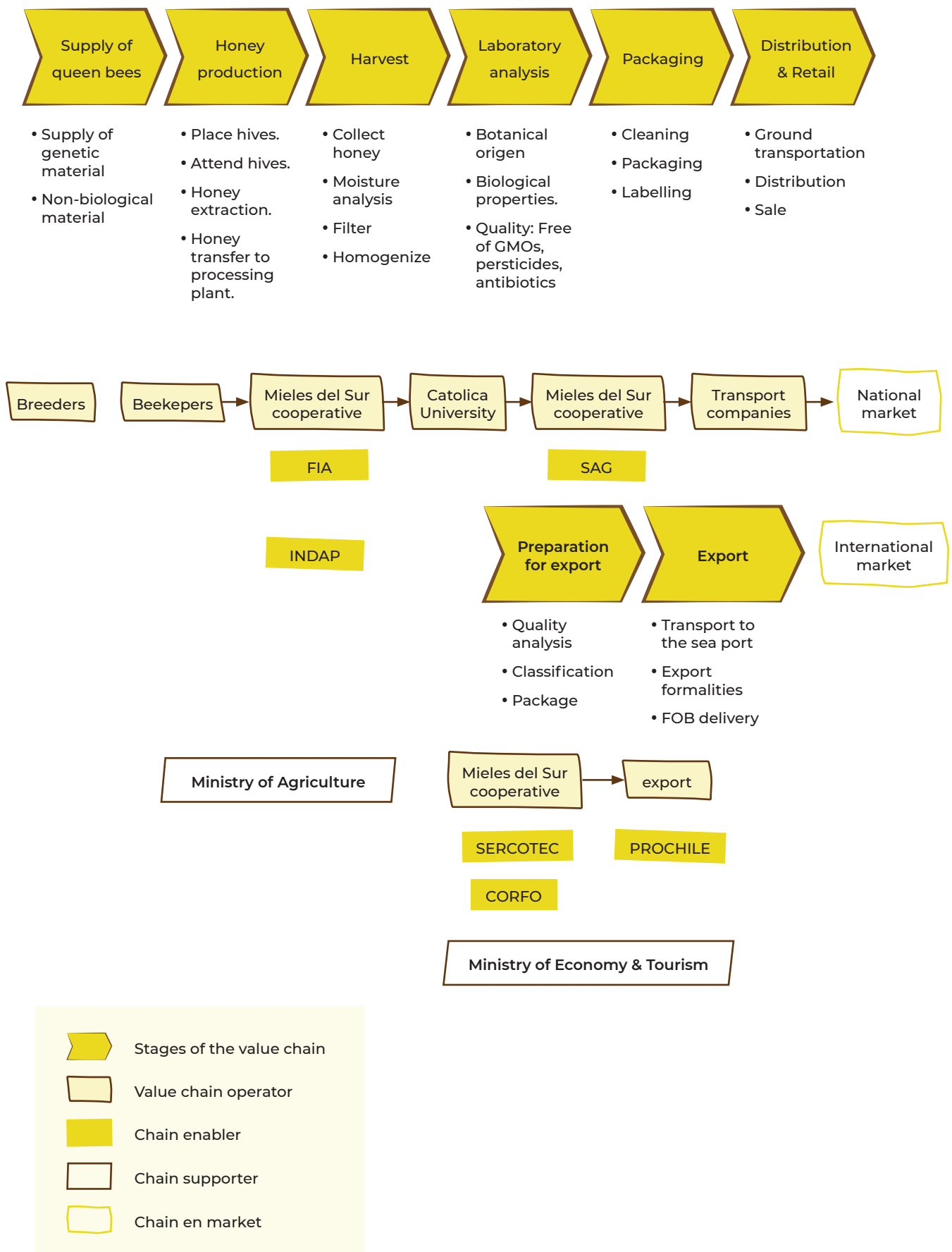
The enabling environment consists of critical factors and trends that are shaping the value chain environment and operating conditions, but which may be susceptible to change. These factors are generated by structures (national and local authorities, research agencies, etc.) and institutions (policies, regulations and practices) that are beyond the direct control of economic actors in the value chain. The purpose of mapping this enabling environment on the chain map is not simply to map the status quo, but to understand the trends that affect the entire value chain and examine the powers and interests that are driving change. This knowledge can help determine avenues and opportunities for realistic action, lobbying, and policy entrepreneurship.

When mapping the enabling environment, it is helpful to consider:

- Market demand (consumer trends: volumes, prices, quality expectations, tax and tariff regimes)
- Transformation activities (infrastructure, technology, transportation)
- Transaction activities (finance, business regulations, gender roles, land/property registration, business licenses and regulations, product standards, quality assurance)

The end result should look something like this:

Case value chain Miele del Sur Cooperative



(graphic) Figure 7: Map of the end result. (figura 7 mapa resultado final)



Etapas de la cadena de valor	Stages of the value chain
Actividad comercial específica	Specific commercial activity
Operador de la Cadena de valor	Value chain operator
Habilitador de la Cadena	Chain enabler
SopORTE de la cadena	Chain supporter
Mercado final de cadena	Chain end market

Use value chain mapping as a tool to determine the suitability of market participants for upfront engagement so that you don't end up wasting resources to engage the wrong people, or more people than you need.

Remember to include informal rules in the “enabling environment” component. Informal rules are often more important than formal rules for understanding markets.

Do not outsource this step! Your organization or venture will be more effective if it internalizes understanding and commits and establishes credibility as a facilitator with market actors, in the 13 systematized experiences we have worked directly with the mapping of the value chain and in all cases the exercise to result stimulating and strategic.

Do not include development agencies, or those who can give you funding, as a key on the value chain map. They should be considered as facilitators and in the short term, not as part of a long-term sustainability image, this generates dependency, and in some cases negative feedback.

4.3 Determination of the intervention strategy

4.3.1 Objective

The purpose of the tool is to identify realistic strategies to achieve the desired changes, those that SP/RE want to achieve, based on a series of identified strategic options. This implies that stakeholders devise and effective and realistic strategy for achieving changes within their own initiatives and influencing others.

These are two possible outcomes: (1) an action plan for participants who are present and ready to commit to action; or (2) a stakeholder action matrix: an analysis of possible actions by a broader selection of stakeholders, given the incentives offered by the market and other institutions.

4.3.2 Target group

The tool is aimed at managers or those who wish to develop initiatives, it must have the active participation of SP/RE and those who represent the different levels of the value chain previously mapped.

4.3.3 Tool description

The design of a strategy for the development of the value chain cannot be based on linear cause and effect relationships. As has been argued in the previous tool, value chains are complex economic systems that evolve as a result of the interaction of markets, companies and public actors, based on seeing the history of enterprises such as Maqueo in Chile or CORPAPA in Peru, whose evolution began with a support to the producers and ended with a complete integration to the value chain.

Solutions and innovations emerge over time as actors in the chain learn and adapt to the environment, and to each other. Predicting economic change is near impossible given the complex and dynamic nature of economic development. After all, we mean the idea of a market economy that is based on creativity and freedom of choice. Therefore, the formation of the strategy should not be misunderstood as the construction of a “plan” with which to control and direct the development of the value chain.

No actor of a single chain can really determine the development of the chain. Instead, value chain strategy is conceived here as a process that provides direction to value chain actors and structures the course of action. Strategy formation helps SP/RE to make investment decisions and helps governments and public agencies to find appropriate interventions.

Although there are no formulas to deduce development plans for value chains, the formation of strategies can still use experience, as we have seen from the systematizations, especially based on the experiences of Maqueo, Mielles del Sur, CORPAPA, Ketal and TAS the formation of strategies for the development of the value chain is conceived in three tasks:

- Prepare the goal and general objectives of the development of the value chains.
- Diagnose the possibilities of change in a specific value chain, that is, strategic considerations on the dimensions of sustainability and strategic synthesis.
- Scheduling: setting realistic goals and following the course of action of the value chain development project or program.

These tasks do not exactly follow one another. Oftentimes, patterns of change only emerge during implementation, just as goals may have to be adjusted. The strategy must be done iteratively. At any time, the process of translating goals into strategic objectives and solutions can be called into question if the objectives are realistic. Strategists switch between analyzing problems and refining objectives accordingly.

The principles and characteristics of a good strategy apply to all the protagonists of the development programs and projects of the value chain. Taking into account that there are significant differences between the type of main actors, each type of main development actor in the value chain operationalizes and codifies its own strategy differently.

It should be taken into account that there are no ready-made solutions, the treatment of the strategic analysis presents generic considerations around typical patterns observed in the development of the value chain. They should be viewed as material to work with, and certainly not as recipes for impact.

Step 1: Goal and objective

At some point, and starting from -may be from a SWOT analysis, or even more from the PAR record- generated information can be collected and the different arguments provided by the strategic considerations should lead to the formulation of an “objective” of the value chain. There is no formula that translates the pros and cons of a strategic discussion into the “correct” objective. What can be offered are clues on how to formulate a value chain development objective.

Most likely, a value chain development objective begins with economic growth to include environmental and social dimensions, and above all, how the relationship between SP/RE and the market is perceived by the chain actors in terms of cooking.

Step 2: Select and combine strategic options.

The actual formulation of the strategy for the development of the value chain starts from the considerations and strategic options as “entry ways” in this toolbox.

Consolidating the value chain strategy means selecting one or combining several strategic options in a sensible way. This involves evaluating the strategic options and the interactions between them. There is no rule for determining combinations of strategic options. Even a thorough strategic analysis offers nothing but hypotheses. If strategy formation means finding promising hypotheses, implementing a strategy can be called an “experiment”.

Step 3: Value chain solutions

The development of the value chain is an innovation process that leads to changes in the way of doing business and the ways in which the relationship between the SP/RE with the market must be seen. Essentially, the value chain strategy seeks solutions at all points where the value chain needs improvement. These include improved business models, stronger business links, better services, financial arrangements, and an appropriate regulatory framework.

For example, a market failure problem is addressed by better coordination and organization of operators, limited competitiveness of micro-enterprises due to contractual links and improved business models, and excessive water consumption, and contamination by business models that use water-saving technologies, technical services and new financing solutions.

From the experience of systematization, the generic fields of solutions can be grouped into 9 fields:

1. Food Heritage Registry
2. Associativity/Governance
3. Improvement of business models
4. Generation of alliances/cooperation with the public or private sector
5. Development/provision of necessary services arrangements
6. Financing
7. Quality, standards and certifications
8. Public policy instruments
9. Communication

Step 4: Choosing the solutions

Each value chain solution suggests concrete changes in business models, linkages, and other fields that a value chain program would take on. To put the strategy into practice, those

who are planning must come up with the specific solutions of the value chain to work and determine the necessary action. This means synthesizing strategic analyzes and turning considerations into action proposals. The question is which particular change projects should be scheduled and in what sequence. There are several possibilities to achieve that.

In general, potential actions can be systematically inferred by:

- Determine possibilities for removing barrier to progress.
- Determine the possibilities to meet the requirements.
- Verification of leverage points in the value chain.

The first two methods are quite simple: the procedure consists of gathering all the available information related to the strategic objectives, opportunities, constraints and their causes. Detecting this material provides clues to possible solutions and the investment required. In essence, this means analyzing the constraints in greater detail to arrive at a suggestion for action. The second approach starts with strategic objectives and breaks them down into manageable tasks.

The third method identifies those elements in the chain where the action could have the greatest effect. The procedure is to focus on those constraints and opportunities in the chain that are critical success factors and have the potential to advance or impede upgrade. Critical problems are found at the leverage points. Leverage points are key business linkages or bottlenecks in the value chain that affect overall performance or key services and technology sources without which the chain cannot move forward. Leverage points can be identified as part of a value chain mapping exercise. Translating strategic options into value chain solutions can generate a large number of potential actions.

Step 5: Strengthening leadership

Something that we have learned throughout the systematizations is that the most successful initiatives have been those where there was a clear leadership of a person or a group of people, the intervention strategy must identify the “leaders” and subsequently develop their capacities.

The main target group of the training should be made up of leaders and those people who have been developing ideas for the creation of new initiatives – those called “entrepreneurs” in other areas. For these leaders it is suggested:

- A one-day workshop on market research techniques.
- A five-day business planning camp.
- Ongoing advice, as well as access to a network of external mentors who provide expert assistance, as has happened with Manq'a.
- Networking events with other companies, suppliers and initiatives, such as the spaces offered by Ñam.



4.4 Food Heritage Registry

4.4.1 purpose

It is necessary to make an important point, the tool for registering food heritage is not the same as the PAR approach, the tool is the description of the methodological steps that must be carried out to make a record, the approach describes the conceptual framework on which the systematization has been carried out.

The objective of the tool is to describe the methodological steps that must be carried out to make food heritage registry along a value chain of ventures where SP/RE relate to the market through the kitchen.

4.4.2 Target group

The tool is aimed at managers or those who wish to develop initiatives, it must have the active participation of SP/RE and those who represent the different levels of the value chain previously mapped.

4.4.3 Tool description

The conceptual design identified the components of the Regional Food Heritage (PAR) approach that are present in each of the experiences addressed and that are defined as a "... a space made up of primary productions, the food industry and regional cuisines that are linked together through the activities of food preparation, consumption and circulation that are contextualized in a specific environmental and sociocultural settings.

Each of the following components is parsed as each step of the PAR record:

Asset	Actors	Food community
Natural Cultural Production Commercialization Communication Consumption	Primary directly linked to gastronomy. Secondary, which support direct actors such as suppliers or participants in production and supply chains. Interactions between primary and secondary actors	Dialogue, agreement and consensus Entrepreneurship design Public / Private Articulation

During the following steps¹ an in iterative process is developed where, in a preliminary way, existing secondary information of the enterprise is collected and mainly primary information, interviewing representatives of the SP/RE and their environment, in order to have an initial approach.

1. Developed from: Ugaz, A. (2017). PAR Bolivia – Concept and methodology for the registration and application of strategies. MIGA, Bolivia.

Step 1: Asset registration

We proceed with the identification of the products, how they are produced and the natural and cultural context in which they are developed. The equipment, utensils, processes, and forms of transformation of the products are identified.

It will inquire about representative food products, varieties, local species, transformed products, traditional recipes, forms of conservation, utensils used in the kitchen, and utilitarian table and kitchen crafts as part of the assets associated with the PAR that make up biodiversity and gastronomic wealth of the territory. The products (assets) that are or were produced in the area, forms of production, transformation and marketing spaces will be established, thus establishing a cartography of production that allows, based on some indicators, to determine their degree of identification, valorization and articulation in territorial dynamics (social, political and economic) by the actors (producers, fishermen, marketers, cooks, consumers, companies, public institutions) that are present in the territory.

At this stage, particular emphasis will be placed on the social functions that kitchen fulfills in the different territories, the laws and rules of behavior around the kitchen and spaces for public consumption. Habits, uses, customs, taboos and prohibitions, as well as stories, myths and legends related to food. It is also relevant to develop a timeline that indicates the different influences that his cuisine has received and how its construction from the different cultures in the territories have determined its character.

The commercialization and consumption spaces (local, traditional, tourist) are also indicated.

Step 2: Register of actors

The types of actors of the territory that participate in the assets and in the food community, are identified.

It is important for the proposal to locate public and private actors related to organizational processes (grassroots social organizations, networks and alliances, NGOs, cooperation agencies) that have some types of participation in territorial development from cultural biodiversity, sovereignty, autonomy and food security; tourism at the local, regional, national and international level; be companies, companies, company foundations, micro-companies, productive enterprises, cooperatives and associations; chefs (local, regional or national) and tourism operators among others.

Once the map of actors in the territory has been identified, the degree of institutional, social and economic capital will be determined to carry out processes to promote gastronomic tourism from the valuation of the regional agri-food heritage that the territory has.

This type of mapping can use traditional stakeholder mapping tools, as well as new ways to record who the stakeholders are.

Step 3: Community registration

It refers to the relationships of the PAR actors, in terms of public policies, spaces for communication and interaction. They can be gastronomic routes, production and supply chains, which are important for the operation of the agri-food and gastronomic chain and which constitute the food community.

It is the group of individuals and/or public and private institutions, members of the supply chain, services and food management; local public managers, NGOs, companies; that in a coordinated and consensual manner assume roles and commitments to design, execute and manage gastronomic tourism products.

The result is a matrix like the one presented below (example of the PAR registry of the Peasant agro-fairs):

Table 2.1.3: The PAR in the rural agro-fairs experience of the Magdalena del Mar.

Assets	Actors	Food community
<p>150 agricultural products of organic production from 19 regions of the coast, mountains and rain forest.</p> <p>More than 80 showmen dressed and organized</p> <p>Alignment of the interests of shopkeepers, neighbors, authorities and consumers.</p> <p>Fairgrounds with gender equity and generational change</p> <p>Consolidated brands of organic products.</p> <p>Formal marketing space.</p> <p>Potential for integration into gastronomic tourism in Lima.</p> <p>The agricultural production methods preserve ancient technological instruments, and ancestral techniques.</p> <p>Culturally it has a strong ritual symbolism of man-nature relationship; in addition to permanent ritual practices and Andean worldview during planting and harvesting.</p> <p>The fair shows the agrobiodiversity of the highland coast and Peruvian Amazon</p> <p>The Transformation of the products preserves the naturalness of the product.</p> <p>Peasant Agro-fairs of the Magdalena del Mar district in Lima, has become a space for popular and everyday consumption every Sunday.</p> <p>Valuation of the work of the small rural producer.</p> <p>The design and operation of the fair disseminates the social benefit of organic production and care for the environment.</p>	<p>84 farmers</p> <p>Buyers/Housewives/Family</p> <p>Chefs</p> <p>Neighbors of Magdalena del Mar, Miraflores, Jesus Maria, San Miguel.</p> <p>Magdalena District Municipality.</p> <p>APEGA: Peruvian Gastronomy Society.</p> <p>Reunion of farmers with relatives and countrymen settled in Lima</p>	<p>Peasant families from 19 regions of Peru.</p> <p>Integration in the supply chain fair of each of the exhibitors.</p> <p>Shared experience space for housewives and families from five districts of Lima close to the fair.</p> <p>Restaurants and Gastronomic community</p> <p>Continuity of Food Patterns (recipes, preparations/storage) and habits of the food community based in Lima.</p> <p>District Municipality of Magdalena del Mar.</p> <p>Regional Government of Lima</p> <p>Department of agriculture</p>

4.5 Associativity and governance

4.5.1 Objective

This tool aims to help facilitators work with the SP/RE group to get the right people to do the right jobs within a business structure to improve profitability and sustainability. It helps identify the appropriate governance and organizational model for SP/RE initiatives, and provides guidance on how to strengthen performance against a triple bottom line of economic viability, social equity, and ecological sustainability. It helps identify the appropriate governance and organizational model for SP/RE initiatives, and provides guidance on how to strengthen performance against a triple bottom line of economic viability, social equity, and ecological sustainability.

4.5.2 Target group

The tool is aimed both at managers of the initiatives and at the SP/RE themselves who do not know their environment or start with a business idea.

4.5.3 Tool description

Along with the determination of the intervention strategy, another important aspect that should be examined as part of the value chain development strategy is the organizational model that allows SP/RE, on the one hand, to achieve economies of scale and access technology and support services, and on the other, develop risk management capabilities so that they can systematically meet the quantitative and qualitative market goals identified through the strategy determination tool.

The three most common types of organizational models are:

- I. **Producer-driven:** Based on the collective actions of formal and informal producer organizations (groups, associations, cooperatives) that take on production – and sometimes post-harvest – roles to obtain a larger share in the retail market, in our experience the Maqueo and Campos de Hielo cooperatives are an example of this.
- II. **Buyer-driven:** when the private business sector (processors, retailers, intermediaries, and wholesalers) organizes producers as suppliers through various types of contractual arrangements (collective production modalities, contract farming and sometimes joint ventures), the suppliers of El Bodegón or Gustu are an example of this.
- III. **Driven by intermediaries:** By an actor in the value chain that may be a farmer in a better economic situation (or “lead farmer”) or an external entity (a non-governmental organization or an intermediary trader), the experience Ketel supermarkets or Tambinas schools are an example of this model.

The model driven by producers, such as Maqueo, Campos de Hielo, Mielles del Sur or CORPAPA is a way of organizing the supply of products by small-scale producers along the value chain to the final market. It is a model that has been traditionally supported. Collective action, if successful, can allow the renegotiation of power relations within the value chain despite the fact that this model has a mixed record in providing small-scale farmers with sustainable benefits through their participation in dynamic markets.

Buyer-driven organizations have generally performed well in terms of efficient services delivery and successful participation in a specific value chain, as has been the case with El Bodegón and Gustu restaurants. Given that each model has its strengths and weaknesses, the viability of one over the other normally depends on the local socioeconomic context and the structure of the commodity market, in the two cases mentioned, associativity has not been promoted as an end, but as a means of having an interlocutor who represents the producers.

Whichever option is taken (driven by the producer, buyer or intermediary), farmers will need to organize themselves in some manner. In addition to reducing production costs through economies of scale, farmers' organizations can also improve the bargaining power of their members vis-à-vis private companies, which generally have the power to dictate the conditions of commercial relations and the profit margins of the different actors, and they can take advantage of this pervasive situation to shift investment risks to weaker partners without sharing the benefits.

In situations of economic contraction, payments to producers are delayed, which determines that it is the producers who effectively finance their buyers. Measures that can be taken to balance these relationships include the following:

- I. Help farmers organize horizontally so that communities can act collectively and negotiate with buyers on a more equitable basis.
- II. Encourage farmers' organizations to work with multiple buyers to create competition among them.
- III. Strengthen access to market information for farmers' organizations and improve their business and negotiations skills.
- IV. Encourage and support producer organizations not only engage in primary production, but to expand into activities that add value for their members such as warehousing, processing and transportation (when based on a solid operating model, these activities are very effective to obtain better income from the chain, but require strong and professional management).
- V. Ensuring that members of farmers' organizations can access credit independently: when buyers provide financing to their suppliers, they can dictate the conditions of commercial exchange.

In some value chain projects, especially those with high initial costs, producer organizations have been supported in the formation of cooperatives (example Chile). The aim is to help primary producers profit from activities located at the top of the chain, although minority cooperatives are generally in a weak position and buying companies can use price transfers with their trading partners to lower profits by minimizing dividend payments to farmers. Careful structuring is required to ensure that these types of investments generate attractive returns.



Supporting the formation and strengthening of farmer organizations led by both producers and buyers is an essential part of most value chain projects and can take shape in the following ways:

- Business and financial training to help farmers understand and develop business proposals (both group and individual) and negotiate with potential partners.
- Organizational training to facilitate more transparent and competent management of farmer organizations, development of services to members, etc.
- Facilitation of contacts with chain actors such as buyers, suppliers and financial entities.
- Technical training, such as agronomy or computer science.

In many countries, producer-led groups, particularly cooperatives, have had mixed experience due to political interference, mismanagement, and a lack of a business-market orientation. In these cases, a judgement must be made as to whether supporting these organizations will yield the desired benefits or whether it would be better to choose to invest in the parent company, on behalf of SP/RE, rather than continuing to invest the money in inefficient cooperatives.

4.6 Creation of alliances/cooperation with the public or private sector

4.6.1 purpose

This tool provides guidelines for project design teams to develop components focused on public, private sector and SP/RE partnerships and to support the functioning of these partnerships.

4.6.2 Target group

This tool, for creating alliances, is open to any interested party who wishes to undertake and have long-term businesses and projects. The alliances can be diverse, linking producers, academics, entrepreneur, among others, as long as they all adhere to the selected objectives and each one perceives, from their own workplace, the reciprocal and shared benefits of this union.

4.6.3 Tool description

The purpose of any partnership is to meet the objectives more effectively than each stakeholder alone. This is accomplished by building on complementary strengths and creating positive synergies.

Alliances are based on mutually beneficial relationships that involve trust or legally binding contracts between two or more parties. Especially in weak or dysfunctional markets, partnerships can serve to address “market failures”. By mitigating risks (through risk sharing), pooling resources (such as capital, knowledge, and assets), and by agreeing on benefit sharing, agricultural value chain associations can improve outcomes for all parties involved.

The key elements that characterize public-private partnerships involve cooperation between a government, commercial agents and SP/RE, who agree to work together to achieve a common goal or carry out a specific task while jointly assuming risks and responsibilities, and sharing benefits, resources and skills.

What types of associations can be made? There is no “one size fits all”-context matters: Partnership opportunities vary considerably from one initiative to another. For example, in emerging or middle-income countries with a dynamic private sector, partnership approaches can be quite elaborate, with room for competitive selection and large contributions from the private sector.

Step 1: Why create an alliance

It is important to know exactly what type of strategy is going to work and for what purpose. There are some types of strategic alliances, among which are:

- Technological alliances: Made to transfer or develop new technologies, as has happened with Ketal and its alliance with producers.
- Production alliances: Made to transfer production knowledge or to specialize in some products or part of the production, improving the competitiveness of both, as has happened in the relationship between the producers and the restaurants El Bodegón and Gustu, even reaching the Sustainable Schools Tambinas.
- Marketing and sales alliances: They allow you to optimize your marketing and sales capabilities by completing your range with that of the other, entering an impossible or difficult market for foreigners, or reducing marketing, sales and distribution expenses, as has happened with CORPAPA and its actions to expand knowledge of its buyers and clients, or the alliances between the Chilean cooperatives and PRODESAL of INDAP.
- Alliances to strengthen the organization: agreement between different grassroots organizations, to strengthen volumes of commercialization, political and institutional advocacy and representation in public policy spaces (Ex. Unions, cooperative unions, second and third floor cooperatives, public-private foundations, etc.), as has happened with the peasant agro-fairs.
- International expansion alliances: Agreement to jointly enter a third country or area of the world, as has happened with Mieles del Sur, whose market is internationally.

In this first step it is important to identify why we want to create an alliance based on the strategy we have chosen. It is necessary to know if it is an appropriate strategy and if it is

desirable for SP/RE. In this phase, the role that this alliance should play should be defined. The outcome of the partnership-based strategy will be more favorable when such a strategy is introduced gradually.

Step 2: Choice of partners

The essence of strategic alliances is not only to define the business and the expected result, it is to select the right partner. As much emphasis must be placed on exploring the possibilities of the alliance as on the knowledge and selection of the partner, especially if it is about incipient businesses that need a lot of strategic support to emerge and achieve greater profitability.

The partner must be able to achieve strategic goals of the organization, be it small or large (access to the market, sharing costs and risks, having capabilities that the company lacks). A good partner must share the SP/RE vision regarding the goal of the alliance. It must be in sync with what it is and what it is looking for.

Step 3: Types of operating models

After establishing a clear justification for the association and identifying the associates, it is necessary to prepare and formally present the feasibility study on which it is based. To this end, the type of operating model chosen by the association's private counterparts (producers and companies) is a fundamental element to guarantee that the model is efficient and beneficial for each associate. The model will depend on the nature of the product (perishable, wholesale, differentiated, etc.), the partners (producers, buyers, processors exporters, etc.) and the final market.

The 3 types of operating models for the creation of the alliance are:

- Horizontal models based mainly on informal agreements.
- Vertically integrated models through formal agreements.
- Joint ventures with investment in shared facilities.

Step 4: Building the alliance

Negotiation is the foundation for building the alliance. This internal construction must seek solutions to resolve conflicts of interest and identify key objectives when negotiating aspects ranging from administrative to financial. Knowing the purpose of the alliance, the partners and the operating model, the agreement must be formalized.

The process should lead to a mutual understanding of the expectations, capacities and responsibilities of all partners, and to build trust in those who are not used to joining an association, which includes not only private producers and companies, but also governments and the public sector.

It is extremely important to take into account that in negotiations between SP/RE and buyers, the objective is to facilitate a process that creates trust and provides access to information to all parties involved. In this way, a mutual agreement can be reached in critical issues such as: i) a clear and transparent pricing mechanism, ii) payment conditions, iii) product quantity and quality requirements (which could also be differentiated by price), iv) delivery times and collection methods; v) a production pre-financing agreement provided by the buyer, and vi) technical advisory services provided by the buyer. These issues can be addressed through verbal or written contracts depending on the country, the products, and the stakeholder involved. Although formalizing them in writing involves a cost (e.g., legal advice), doing so generally increases the chances that the parties will comply with the agreement.

Create spaces and take time to meet and re-learn from positive interactions. Often the starting point of a successful partnership is breaking down “bad habits” and overcoming old prejudices about other parties.

Ensure that all parties to the association fully understand their roles. Negotiations and agreements alone are not enough to ensure that stakeholders understand their roles and obligations. The following activities are recommended:

- Recruit competent project management staff with the right professional profile to work with a SP/RE focus and with the private sector a good mix of technical experience and business expertise to manage the partnership, create a climate of trust and harmonize aspirations of the associates.
- At the start of the project, promote a thorough treatment of the objectives of the association, the functions and responsibilities of each party, the results and expected benefits for each party, which requires time and resources. Those in charge of project management must plan accordingly and manage stakeholder expectations.
- Agree on the mechanisms that partners will use to exchange knowledge and information. It takes both time and resources to maintain a good flow of information and mitigate conflicts, and
- Empower stakeholders and create a climate of trust between them so that they can participate effectively in the governance and decision-making processes of the association. Technical assistance can help strengthen producers' ability to negotiate with other parties.

Guarantee that the members of the SP/RE association have the capacity to fulfill their functions. In many cases these associations are something relatively new. Precisely, one of the objectives of such initiatives is to train all members to replicate and expand the scale of these associations independently of the funder. It is therefore recommended to put in place a well-structured capacity building plan that includes:

- Train public sector partners and project managers to strengthen their competencies to work with the private sector, administer partnership contracts with service providers,
- In the first two to three business cycles, provide training and advice to SP/RE organizations on pricing, legal and contractual issues, market information and negotiation skills, and
- Bring in other services providers that can help the parties to perform their functions fully (e.g., through business development services).

Guarantee accountability and transparency. Unless issues of transparency and the need for public accountability are actively addressed from the start, these associations can generate much criticism from civil society and rights organizations. Time and resources should be invested in a participatory consultation process where all stakeholders can address issues of concern, for example, regarding wages, contracts, access of rural communities to land and water, environmental impact and cases of exploitation of one of the parties in a relationship.

Alliances imply the search to increase the competitiveness of the economic activities carried out, as well as to develop more and

better cooperation channels. That is why strategic partners must show a permanent willingness to update, in accordance with the evolution of technology and the current context where their industry and/or business is located.

Strategic alliances do not imply that one company or organization depends on another to survive. Rather, it implies that there will be mutual agreements to improve established objectives, be they at the commercial, profitability or productive level, and that companies and organizations can receive mutual benefits, without this implying that others acquire greater competitive advantages.



4.7 Identification of necessary services

4.7.1 Objective

The competitiveness of value chains depends on the availability of services. Services are the key to providing access to inputs, knowledge and information and skills necessary for the improvement of the value chain. As economic development proceeds, business models become increasingly differentiated, adding new and sometimes demanding business processes. Stepping up production or regularly investing in new machinery requires additional information, improved technology, better skills, better logistics, and many other process and product innovations. To access these enhancements, SP/RE rely on specialized technicians and services. On their own, they will rarely be able to improve their business models. The same is true at the industry level when it comes to penetrating new markets or improving the pool of qualified people.

The purpose of this tool is to provide an overview of the different types of services provision and necessary service arrangements. Provides options to facilitate or improve service delivery and service arrangements, taking into account the feasibility of the chosen option.

4.7.2 Target group

The tool is aimed at both initiative managers and the SP/RE themselves who develop a business idea.

4.7.3 Tool description

It is increasingly common for value chain projects to take full advantage of available “integrated” services to small-scale producers along with commercial transactions of inputs or equipment provided by the project. These services can be provided by the buyer or the supplier.

The services provided by the buyer are provided by the buyer are provided by the buyers of the commodities (or their agents). In some value chains, buyers are motivated to provide services to ensure that they receive the appropriate quantity and quality of products and with the necessary frequency of distribution. These services can be provided in the form of training, agricultural extension or technical assistance for certain critical activities such as the fumigation of horticultural crops destined for export in which the residual levels of pesticides are fundamental factors to be able to enter the markets. Buyers can also help establish product traceability systems or obtain the necessary certification to enter certain markets (fair trade or organic products) and can provide transportation, sorting and other post-harvesting services. Often, there is no explicit cost for these services, but prices paid to farmers for their products usually include these costs. Alternatively, services can be provided in exchange for payment in kind. Producers will have to decide whether to use integrated services or seek external services providers.

The services provided by the vendor are those provided by the suppliers of inputs to the SP/RE. Seed companies can advise which seed to use for certain conditions, the best practices for germination, optimal growing times, the use of herbicides, etc. Fertilizer companies can do the same for the best application methods or they can provide soil testing services. Value chain projects seek to create the optimal organizational conditions (organized farmers, existence of leading producers) to make the most services and create a critical mass of customers that can attract the attention of suppliers, who are generally interested only by the big producers.

Services provided by microenterprises and SMEs. Farmers need to be more efficient to participate in value chains, which opens up opportunities for the provision of services by local microenterprises and SMEs. Depending on the value chain, these small-scale companies can offer soil preparation, seeding, spraying, plowing, pruning and other services. In this way, farmers will be able to focus on management and other core functions, and hire external services providers to take care of activities in which they can be more efficient than family labor.

Step 1: Identify the types of services required

Operational services providers conduct certain business operations on behalf of companies. These services are “operational” because they correspond to the functional sequence of the chain. Transportation is a classic example.

The second category of services are support services offered by providers at the meso level. Support services refer to general investment and preparatory activities that benefit all chain operators collectively who share an interest in a thriving industry. Government regulatory interventions such as setting grades and standards or setting market prices are not included here.

In a first step, we go through the value chain to specify the service need of those operators that may currently have difficulties accessing services. In addition, we verify if a service provider already meets its needs. This analysis shows the extent to which demand is satisfied and indicates the (in)compatibility of demand and supply of services.

Step 2: Analyzing the gaps in service availability

The shortcomings in the quality of service and prices are one thing. In many cases, certain groups of operators in the value chain do not have access to the services market. They just cannot find any offer that meets the needs of the service. We have already identified these critical service gaps by answering the question of whether current service offerings meet needs with a simple “no”.

On the other hand, service providers must follow a pricing policy that covers the high cost and risk of providing the service, when the frequency of demand is low and customers live in remote regions. Only informal local services providers have a cost structure that allows them to suggest competitive prices. However, these providers necessarily have a limited range of offerings. Weak infrastructure is another factor considering the distance between service providers and their potential clients in rural areas.

Therefore, the key problem is a failure in the service market. It is becoming apparent as more operators move to improve their business models and invest.

Step 3: Analysis of incentive problems in the provision of support services.

Although support services benefit all operators in the value chain, they may not necessarily or are not willing to pay for them. Only advanced value chains that generate sufficient value have well-organized business communities that can pay for support services, especially in terms of technical assistance for production in the case of SP/RE. Small operators in weak chains depend mainly on the provision of public services by the government administration and development agencies.

Therefore, we find that support services are regularly funded and provided by the government. Of course, there are valid arguments for public funding of support services. However, public funding of support services can result in operators not having full control of service provision. In a situation where the customer of a service does not pay, the provision of the service includes at least three (if not more) parties: the customers of the service, the service providers, and the (public) funders of the service.

An important aspect to take into account when analyzing operational and support services is the political dimension of service provision. The understanding implicit in improving the value chain is that markets should ideally be free and transparent, and public organizations and institutions should operate as bureaucracies that provide services according to their official date. However, this is not always the case. In some countries, for example, public agricultural extension services are highly politicized, being used by governments as a mean of maintaining influence un rural areas (for example, through the free distribution of inputs to supporters) or to provide employment for political allies.

Step 4: Identification of solutions in the provision of services

In a market economy, private provision of operational services is the default solution and

the most common form of service provision. Every company buys services at some point. The service market involves a close relationship between only two parties: the customer and the service provider. The operators demand, consume and pay for the service. Coordination is through the market mechanism. In functioning service markets, there is no need to worry about access to service as long as customers can pay. Depending on market incentives, services will be available as economic development proceeds.

However, the market mechanism often does not serve weak traders with small profits and little cash flow. In the absence of a demand for payment, the range of services offered remains very limited. This is particularly true for the services that accompany innovations. Unless operators update their equipment regularly, there is not enough demand for sales, repair and maintenance services. Farm mechanization is one example: the first farmers to move to mechanization in a region simply will not find the appropriate supply of mechanics and spare parts. These services are normally only available from private sources.

Experience with developing a business services market shows that, despite all efforts, the scope of service markets will always have its limits. Again, the context of the value chain offers another possibility to facilitate the access of small entrepreneurs to operational services. Essentially, the solution is to integrate the service delivery into existing business ties. This applies to contractual (vertical) links as well as (horizontal) cooperation between operators. "Integrated service arrangements" are the chosen solution, to satisfy the needs that the service markets cannot cover.

Finally, another alternative that should be considered is that in a formal cooperative company, the provision of services means the hiring of specialized personnel (internal service providers). When individual producer cooperatives are too small, they delegate

service provision to second-tier cooperative federations. Services provided by contracted staff are paid for from membership dues and/or income from the association's own business operations, such as marketing or co-processing. This type of service agreement is not based on the market.

There are three principles for achieving change in these support service arrangements:

- Strengthening the effective articulation of demands.
- Incentives to increase demand targeting from public service agencies.
- Private provision of support services.

The guiding principle is to strengthen the articulation of demand, which refers to the connection between the clients of the service, the Ministry or governing body that orders the service and the service agency.

This can be achieved by mobilizing funds from clients and third parties to pay for support services that give businesses a voice in the assignment and use of funds. The redirection of financial flows provided a performance incentive to service providers and improves their overall capacity.

The third element is to transfer the provision of support services from public service organizations to others (private companies, associations, NGOs) that provide services on behalf of the government or international donors. Privatization of service provision has the advantage that public organizations contract for support services, allowing for closer supervision and control.

Regardless of financial incentives, service agencies have yet to have the ability to deliver and indeed provide the appropriate service. Capacity development of service providers, therefore, is an indispensable element.

4.8 Financing

4.8.1 Purpose

This tool addresses financial sustainability and describes how those providing assistance to SP/RE can help improve their financial management and secure necessary financial services. It introduces the basic components of financial planning with pointers toward resources from more advanced services providers as they evolve from small rural ventures to cooperative and businesses.

The financial dimension of value chain development has two levels. One is the chain operators who must ensure that their business models are financially viable. The other is the value chain in general. To reach the scale, we have to add up the individual financial needs of individual companies and investment in infrastructure and utilities from the entire chain.

4.8.2 Target group

The tool is aimed at both initiative managers and the SP/RE themselves who develop a business idea.

4.8.3 Tool description

There is no funding without a proven business case. The precondition for solving the financing issue is the existence of a viable business model, as we have seen with the previous tools, through its application it is possible to develop a viable business model.

An essential element of the design of any venture is to determine how the actors in the chain, starting with SP/RE, can meet their financial needs for working capital and investment in order to participate in the chain in a profitable and sustainable way.

Step 1: Familiarize yourself with the nature of business and the financial reality of being a “micro-entrepreneur”

The mapping exercise in the “value chain mapping” tool should include an analysis about the financial flows that exist inside and outside the chain, as well as the financial products that the different actors need. The choice of funding sources (internal or external) will depend on factors such as the country and location of the project, the presence of financial service providers and their strengths, the availability of financial products and the extent to which they are available to SP/RE and the willingness of the chain actors to grant credit to other actors. Based on this analysis, the scope of interventions to expand the supply of financial products in the chain should be determined.

Maqueo, Mielles del Sur, Punta Chilén and Campos de Hielo went through different phases of financial support until they achieved economic sustainability, the set of capacities they had to develop to achieve this level has been closely linked to the general development of their venture.

Step 2: Document and review the range and variety of financial services available in your target area

Financial service providers help people manage their money. People need places to keep cash savings safe and may need to borrow money to overcome a cash flow shortfall. Most people turn to family, friends, and neighbors first to solve money problems. Otherwise, loans or late payments can often be negotiated with landlords, merchants, lenders, input providers, or processors.

The internal sources of funding for value chains that we have been able to systematize include the following (without being limiting):

- Source from international cooperation or the State: Maqueo, Mieles del Sur, Punta Chilén, Campos de Hielo
- Credits or advance payments granted by the buyer of the crop: Ketal
- Credits granted by the provider of goods and services to small rural producers or micro-enterprises: Punta Chilén
- Direct payments from clients: CORPAPA, El Bodegón, Gustu

Step 3: Develop skills to learn the essentials of financial management and planning

Group discussions are the best way to encourage people to think about financial planning and how they are going to improve or develop a business. If groups are being formed to improve participation in value chains, this may be a good opportunity to introduce the topic of financial planning and e-accounts:

- Identify opportunities for group and learning to explain key financial management concepts to participants.
- Make sure the concepts are relevant and of practical use for the participant.

The following steps have to do with the development of the capacities of the SP/RE in being able to access the offer of financial services, the managers of SP/RE initiatives must take these steps very consciously and in coordination with the ventures themselves.

Step 4: Establish information centers that provide details of financial services

SP/REs may be reluctant to approach formal financial institutions and therefore miss out on the services they offer, such as checking accounts, overdrafts, term loans, money transfer, or deposit accounts. The source of the problem may be literacy or cultural barriers (which particularly affect women).

We have to consider:

- Make an inventory of available financial products and services to create simple brochures, posters, and reference materials in the local language for use in discussion groups and distributions through local information centers.
- Assist business associations or study groups to establish literacy training if necessary.
- Encourage financial institutions to improve their “usability” and participate in informational meetings with potential clients.
- Help to organize visits and discussion with the staff of the bank or other financial institution by groups and individuals.

Step 5: Encourage financial institutions to adopt a client

It is necessary to focus on those institutions that are interested in expanding their reach to rural areas, and SP/RE in particular, and make sure your products and procedure are appropriate for your customers. Many financial institutions have rigidly structured loan terms and payment terms that may not fit the requirements of rural commercial enterprises, while microfinance methodologies may not suit the circumstances of larger microenterprises. In terms of loan procedures, institutions may need to consider the following:

- Tying repayment schedules to total household cash flow rather than a specific business product, improving prospects for recovery.
- Ensure that loan officers have sufficient technical knowledge of production systems to evaluate loan applications and identify problems in a timely manner.
- It is often considerable value to link the provision of financial services with business advice, which can be provided by partner organizations or a section of the financial institution. For example, financial institutions can give advice on sound business planning.

Step 6: Help financial institutions lower their costs and reduce the risks of lending to small-scale clients in remote areas

Institutional outreach to remote areas can be costly in terms of staff and office facilities, and lending small amounts to inexperienced entrepreneurs is considered risky. There are strategies to help overcome these limitations, such as leveraging computer systems to streamline procedure, sharing facilities with other organizations to reduce overall costs, using organizations already working in remote areas as agents, and introducing credit scoring. From the customer's point of view, the use of new technologies such as mobile phones offer a way to reduce transactions costs.

Guarantee mechanisms are a potential way to encourage banks to lend to potentially risky economic sectors, such as small businesses. Guarantee funds can be created privately or by a government and are used to pay the lending bank an agreed percentage of losses incurred on guaranteed loans. In summary:

- Encourage financial institutions to conduct strategic planning exercises to analyze their costs and develop approaches to extend services to forest-based businesses.
- Evaluate the pros and cons of a loan guarantee scheme in the area its working in and promote its introduction if it seems appropriate.

Step 7: Facilitate the development of value chains for SP/RE and help them secure contracts that increase their access to financial services

Traders, processors, input suppliers and exporters can be very important providers of financial services for SP/RE, particularly credit, which is often available as part of product purchase and input supply transactions. Furthermore, companies with contracts for their productions, individually or through associations, have better repayment potential and are therefore more attractive clients

for banks and other financial institutions. Encourage contact among value chain actors and help facilitate meetings to discuss the type of financial services that buyers could provide that could also improve the quality and reliability of supply to those buyers, resulting in agreements and potentially new contractual arrangements.

Many of the systematized initiatives have begun their actions with the assistance of government programs (several in Chile) or technical cooperation (Manq'a, Gustu, CORPAPA). However, many process facilitators pay little attention to SP/RE to help you become proficient in financial planning. Government and NGO field staff generally have no experience in explaining budgets and other financial concepts adequately for people with little formal education. It is this failure that render many initiatives to promote rural enterprises unsuccessful in the long term. The feeling that planning must be done for people must be overcome and efforts are focused on helping people become competent on their own.

Participatory methods and visualization techniques are familiar to development workers; these techniques should be applied to financial problems and issues. This helps overcome literacy issues (although competent financial management requires a certain level of literacy in the end). Simple calculators are very cheap these days and make budgeting and other calculations much easier; if available, provide them to study groups and members of producer associations.

The nature of financial service provision must be understood as a profit-seeking business. Some cooperatives and socially motivated NGOs are not primarily seeking profit, but still have to cover their costs and any losses they may have, and therefore require a profit margin. Knowledge of financial institutions' account and business strategies will help facilitators provide informed advice to both clients and service providers.

4.9 Quality, standards and certifications

4.9.1 Objective

Product quality is an important aspect in value chain development strategies, whether they target economic growth or environmental and social improvements. The quality of a marketable good is not only related to the characteristics of the product but also to the process side of the value chain. In addition to intrinsic aspects of product quality, such as the materials used and the quality of the process, the characteristics of business processes count: resources efficiency, technologies used, conditions of use and other factors contribute to the evaluation of the quality of a product.

The purpose of this tool is to provide facilitators of processes for strengthening the SP/RE relationship with the market a set of steps to improve quality management and product quality. SP/RE that base their strategy on high-quality products and/or seek to penetrate new markets, especially export markets, have to update their own quality management and quality management throughout the value chain.

4.9.2 Target group

The tool is aimed at both initiative managers and the SP/RE themselves who develop a business idea.

4.9.3 Tool description

We define product quality in a comprehensive manner, both as the intrinsic quality of a marketable product, which refers to the product itself, and its extrinsic quality, which refers to the characteristics of the processes used to produce and commercialize the product. In order to achieve an improvement in the quality of the product we suggest the following steps:

Step 1: Define the product quality level

The proper quality of a marketable product depends on the target market. In addition to observing legally binding standards in the geographic commercialization area, such as food safety laws, SP/RE initiatives and companies must choose the appropriate level of quality for their products. Defining the quality of one's own product is a means of positioning the product in a specific market and market segment.

Choosing the quality of the product is an important decision in the design of the business model. Once the quality standards and requirements of the immediate markets and buyers are clear, operators have to adjust their production technologies and business practices.

Exceptional cases, although in all the systematized experiences, quality is a relevant and determining aspect of commercial success, are Mielés de Sur -whose product is exporter with certification- and Maqueo, whose product also has certifications. However, as mentioned, all initiatives have a quality orientation determined by their clients or the target market:

Peasant Agro-fairs has supported its network of producers to produce with better quality for those who buy their product directly, including the same restaurants, such as El Bodegón.

Manq'a has promoted a business model in which students have the imprint of product quality as a determinant of the quality of the final product and this imprint is transferred to their suppliers or their own ventures.

The suppliers of Ketal or Punta Chilén Cooperative as a supplier have increased their quality levels in order to meet market requirements.

Step 2: Determine the relevant standards in the target market

The second task is to understand the requirements of the target market. Operators and their business partners in the value chain generally have to determine what the relevant legal standards and requirements are. It is important to identify all regulations and standards that are relevant in selected national, regional and international export markets. Otherwise, operators will not be able to overcome market entry barriers.

Determining the quality requirements in the end markets is a challenge for primary producers, especially for SP/RE. In fact, the task falls to the main players and exporters in a value chain, who must then involve and inform their suppliers.

Since we are talking about cooking, food safety is a key concern. It is in the private interest of consumers as well as the general public interest. Safety for consumption is the most important issue in national and international trade. The potential human and economic losses caused by foodborne illness are considerable. Having to recall unsafe food once it has reached the consumer market is not only extremely expensive; it also seriously harms the concerned food producers and processors. Food safety regulations aim to ensure that all food is safe for consumption. The principle is to minimize or avoid hazards caused by chemicals (aflatoxins, dioxins) and parasitic contaminants (Salmonella spp., Escherichia spp.).

The experience of TAS regarding the added value that certification and the brand give the product, has shown a model that works in its operational dimension since it has achieved the certification of more than 80 products and processes in less than two years.

Step 3: Obtain improvements in quality management and compliance with standards

To determine the agenda for quality improvements, it is necessary to compare the quality requirements with the actual state in the value chain. As quality is a systemic concept, we again have to look at the entire product cycle along the value chain. The question is which of the quality requirements are already covered, which are not, and which pose problems.

Mieles del Sur has overcome these barriers by maintaining a direct relationship with its final buyers and understanding the requirements of the certification it holds, and therefore, the need for quality management that it must carry out throughout its process.

Compliance “gaps” are due to capacity limitations, lack of coordination by chain operators, and low returns on investment in product quality. In fact, a major factor hampering standards implementation may be the high cost of compliance. SP/REs are often the weakest link in the system, as they have the lowest management capacity and buyers find it difficult to coordinate many small-scale providers.

There are three solutions fields to consider:

- The first point is that each chain operator has to respond to the quality requirements using the correct quality management instruments at the enterprise level. This includes external audit and certification.
- Second, Operators have to collaborate with each other. Individual operators cannot themselves guarantee the quality of the end-market product. All the processes along the chain together determine the final quality result.
- Third, the ability of value chain operators to meet quality requirements is a matter of the quality infrastructure in the country and access to quality assurance services. This means that quality solutions must also be extended to the meso level of the value chain.

Step 4: Determine the necessary improvements in infrastructure and quality services

The quality aspects are displayed in several elements of the business model canvas: the starting point is the definition of product quality as part of the “value proposition”. The value proposition has to specify the quality of the product precisely by referring to the relevant standards. Adopting a standard involves adjusting the “key activities” by using the required environmentally friendly technology and/or observing social standards under the “key resources”.

Sustainable sourcing shapes the relationship with “key partners”. At the same time, operators have to credibly communicate quality claims to buyers. In short, quality management refers to all aspects of the business model. It not only involves meeting all the criteria stipulated in a standard, but also an internal control and record keeping system.

While the practical and visible quality of a product can be assessed by consumers, the non-material and safety characteristics remain invisible. To justify them requires the supervision of technical equipment and production processes, laboratory tests and social and environmental evaluations.

Strengthening the quality infrastructure is a value chain solution in the extent to which quality-related services are required to ensure product safety and export. The solution cuts across different value chains as national services providers generally do not specialize in particular economic sectors. However, the development of a quality infrastructure must follow the demand of companies and standard setting organizations that are clients of QI Services. Your satisfaction with the services counts for success. Therefore, the evolution of the national quality infrastructure will be driven by the main value chains of the country.

4.10 Public policy instruments

4.10.1 Purpose

All efforts to support value chains are put at risk under conditions of market failure. Appropriate policies that regulate and support a value chain are fundamental preconditions for its development. Ultimately, the outcome in terms of sustainable development depends on political orientation and control of private business activities. Sustainable development of the value chain is only possible within a politically agreed path.

Public policy has two sides: One is regulation in the sense of placing restrictions on the use of resources and the use of economic power. The other is the creation of favorable conditions to support any environmentally and socially desirable business activity. Policies have to be restrictive on the one hand and enabling on the other. In any case, the sustainable development of the value chain requires strong collective action and a clear focus on the protection and promotion of collective assets. This tool discusses policy solutions that improve the legal and institutional environment for chain development.

4.10.2 Target group

The tool is aimed at those responsible for formulating public policies that favor COCINA PAR, although it can also be used by SP/RE when assessing their development needs.

4.10.3 Tool description

Both agricultural markets and well-functioning value chains depend on favorable public policies and a regulatory environment that is conducive to economic activity and relationships with markets. Macroeconomic policies (inflation, exchange market regulation, taxes, etc.), political stability and good governance (absence of corruption) are equally important as they affect the incentives and capacities of private companies to invest in a certain value chain or expand their operations to accommodate small-scale farmers.

There are policy instruments for different levels and purposes. They can be classified as follow:

- Regulatory instruments: Most government interventions are prescriptive and regulatory in nature. Regulations define permitted or prohibited business activities. They contain the norms and rules to be followed and the control mechanisms that guarantee compliance.
- Market-based instruments: they use markets to create incentives for specific industry to adopt the desired behavior. This can include favorable taxes, subsidies, loans, or other support for private businesses.
- Voluntary instruments: Used to create changes voluntarily and without changing regulations or laws, they are classified as “supply-driven” or “demand-driven” instruments.

The analysis and, if necessary, development of regulations or public policy that could be analyzed to support agricultural markets and value chains or the economic environment, include:

- Market competition and behavior of economic actors to promote market diversification.
- Regulatory and supervisory framework for cooperatives and producer organizations.
- Access to financial services and business development services.
- Regulation of rural enterprises as a condition for the creation of enterprises; obtaining permits, licenses and certifications; taxes and rates; property registration; fulfillment of contracts; protection of investors and conditions for the closure of companies.
- Rural transport policy.
- Policy on trade in agricultural products, including tariff and non-tariff barriers to trade.
- Food safety and standards, including quality and certification seals.
- Price and other subsidies or controls on agricultural inputs and products.
- Labor legislation for agricultural workers and employees in agribusiness companies.
- Land tenure system.
- Agricultural consulting and research and development services.

Ideally, value chain development projects serve both as vehicles for the implementation of existing policies and as levers to support the policy change that is needed to make value chains work well and in favor of SP/RE.

However, COCINA PAR's interventions remain a small-scale intervention with few possibilities for scaling it up or increasing the scope of the project's impact, thus, a progressive approach to support the creation of a conducive regulatory framework for value chain projects to benefit SP/RE includes the following steps:

Step 1: What policy instrument is appropriate to address the problem?

During the analysis and mapping phase of the chain, assess the regulatory framework and, where appropriate, identify the policies (or lack thereof) that create restrictions or that have an impact on the efficient operation of the chain, as well as regulatory areas that the initiative will address and that it has the capacity to change or influence.

Then, map the national regulatory context: i) agencies and institutions responsible for formulating policies for the development of agricultural and rural value chains, cooking,

and their capacity; ii) spaces for dialogue on policies, including that carried out with development partners; iii) National processes for the formulation and approval of policies and, iv) responsibilities of the different parties (national and international) in these processes.

Once the need or restriction has been identified, it is important to choose an appropriate policy instrument to address the policy problem. Value chain facilitators should always consider whether a policy instrument is necessary to address the problem, as policy implementation is often associated with high costs. Other interventions outside the field of politics must also be considered.

Step 2: How does the policy instrument work?

It is essential to deeply analyze the chosen policy instrument with regard to how it works and what effects it could have. This includes addressing the questions “is it possible to achieve the objective with the chosen policy instrument?” and “How effective is the policy instrument in achieving your goal?”

To do this, the capacity of government agencies or SP/RE organizations may need to be strengthened; organize training programs and exchange visits; commission policy research studies; promote the communication of the information collected; create spaces for dialogue on policies between the parties at the national level; lobbying legislators; and supporting the enactment and enforcement of policies.

Step 3: How complex is the implementation of the policy instrument?

When choosing policy instruments for value chain development, it is crucial that they are implementable and affordable. Many policy instruments are complex and cannot be implemented under the given conditions. These restrictions may be related to the complexity of the implementation associated with high expenses.

In addition, administrative perspectives must be considered, as well as implementation costs. Some policy instruments, for example those that include sanctions for non-compliance, need continuous monitoring. This can involve high operating costs and expenses. Furthermore, the implementation

time of a policy instrument may be too long for the given time scale of VC development. In the course of this, VC professionals should be aware that some policy instruments will take time to have an impact. Furthermore, for many policy-instruments a good policy framework is required. Until these framework conditions are clarified, policy instruments cannot be implemented.

Step 4: How can the policy instrument be modified so that there is an easier solution?

If CV professionals face limitations regarding implementation, modifying the policy instrument may be a solution. One approach is to apply policies at a lower level. For example, local level agreements are not global in scope, but could provide a solution for the given value chain. Additionally, CV professionals should consider alternative policy instruments that provide a temporary solution until the actual policy instrument is implemented.

This also includes listing the national actors with whom the project will engage in policy dialogue such as the government (national and local), peasant and grassroots organizations, representatives of the private sector, policy research institutions/universities and others. Partners linked to development activities; and define the entry points, platforms or networks that will be used in the project as bases for dialogue with the government and the different parties. These can be working groups of the agricultural sector, consultations spaces on national policies and the agricultural development strategy of the country in question.

4.11 Communication

4.11.1 purpose

This tool is designed to help facilitating institutions produce a coherent communication strategy that allows the delivery of different information to different target groups, using specific communication channels, products and activities.

The tool has two main objectives: (i) to help the facilitating institution clarify its own communication strategy and; (ii) introduce basic concepts that can be passed on to SP/RE as they develop their own communication strategies.

4.11.2 Target group

This tool is aimed at managers who support COCINA PAR processes or also SP/RE interested in developing a communication strategy for their venture.

4.11.3 Tool description

A variety of communication possibilities can be used and customized to improve information flow, making a communication strategy is essentially a way of thinking systematically to identify any gaps that the best communication approaches can fill.

Step 1: Identify the problem that strategic communication needs to solve

Different approaches may be required for communication between facilitating organizations and SP/RE, compared to communication between SP/RE and clients, service providers or decision makers. There are often closely related issues that need to be discussed, including the following:

- Language barriers and illiteracy can make it difficult for facilitators to reach some SP/RE. Cultural sensitivities can make discussions with policy makers difficult and can even affect business relationships and relationships with the end customer.
- Geographic remoteness can be a major barrier to communication regulate between SP/RE and their clients, which can lead to dependence on a few intermediaries.
- SP/RE may not be aware of the need to communicate to share the costs of providing the service.
- Irrelevant information is developed by some facilitators with strong agendas, for example, regarding environmental certification.

When the communication problems with the different levels of the chain have been understood, then we can proceed to the next step.

All the systematized experiences have a complete and strong strategic communication component, when the venture is led by SP/RE, and even those that are led by the client (El Bodegón, Gustu) have the means to reach their target market.

Step 2: Review communication options that could provide solutions

Once the work with the value chain actors has demonstrated where the communication problems lie, the facilitators – along with SP/RE may need to conduct a basic brainstorming with those groups about the types of solutions that could be possible. Here are some options to consider:

- Be sure to consider options broader than written materials, such as face-to-face dialogue, cell phone conversations, picture materials, theatre plays, and peer visits, especially if your audience's literacy is an issue.
- Collect information that publishes SP/RE numbers, types and locations, and

encourages them to contact each other and referral services providers they can turn to.

- Helps build buy-in for small forest business groups that are formally registered and represent the interests of their members.
- Work with small forestry companies to explore what information might be useful and provide incentives for services providers to respond.
- Develop feedback mechanisms for any new communication approaches so that you can learn from successes and failures.

Step 3: Understand what a communication strategy involves

As your understanding of communication problems and possible solutions grows, it can be very helpful to develop a formal communication strategy, either for internal use or assist SP/RE with their communication needs, for example through the creation of a market information system.

Your Communication strategy defines what is communicated, how, to whom and for what purpose. It also helps to identify how to reduce costs, plan the timing of communication activities, raise awareness and announce events, and plan expected responses.

Many different types of stakeholders, with varying degrees of understanding, skills, influence, impact, and effectiveness, are involved in the survival and growth of SP/RE initiatives and your communication strategy must take this into account.

As a SP/RE support facilitator, it is critical that you are clear about what you want to achieve or the SP/RE. The following elements will be helpful in designing your strategy:

- **Objective:** this is the most important element in the design of a communication

strategy. First decide why a particular communication initiative is needed and by whom. For example, do you want to set up a communication system that informs SP/RE of market prices? Or do you want to provide information to service providers about financial returns related to working with partners? Once your goal is clear, find out how this goal can be met and who is responsible for the action.

- **Target audience:** For any communication strategy to work, you must identify your target audience. Your target can point you to one or more target audiences; Select the audience that allows you to achieve your goals in the most cost-effective way. For example, if the goal of your strategy is to change a particular policy, one option might be to choose the mainstream media as your target audience. But is allocating resources to communicate with mainstream media likely to be more effective than setting up a direct lunchtime meeting with a politician?
- **Measured activities:** Once you identify your audience, identify specific activities. The nature of these activities will depend on your audience and the type of message you want to communicate. The activities can vary from announcements of new SP/RE products on local television channels to web pages that handle detailed information and even with means of sale.
- **Evaluation followed by correction:** after implementing your strategy, you should always check if the communication has been effective, often referred to as a performance audit. Asking someone who has not been involved in the communication strategy to evaluate its effectiveness is a good way to avoid obvious biases. The assessment can help inform you of any adjustments you need to make to the strategy.

Step 4: Design a communication strategy from information to reception

Source of information: Who or what generates the information that is relevant to your communication strategy? Knowing how to obtain your information and developing a profitable strategy to obtain it is an important initial step in any communication work. For example, you may obtain market price information from market operators on a daily basis, or you may need to generate the information required to revoke an unfavorable tax policy through careful economic analysis over several months. From the beginning, conduct mine research and information from your informant.

A point worth remembering is that numbers generally speak louder than word, so investing in quantitative research can be worthwhile. Do not forget to triangulate information using internal and external source to verify its accuracy. When working with SP/RE, finding ways to exchange information between your relevant partners and networks can help you obtain the range of information you need to achieve your goal. When gathering information, identify (and communicate) any weaknesses so that your target audience is not misinformed and you can develop a strategy to fill in the gaps.

Message: Generate your message from ideas and information that will generate a particular response. It is not enough that you get the message across – your target audience has to understand it too. With this in mind, consider making your message more:

- Succinct: try to avoid multiple concepts.
- Credible: try to make sure your message is based on solid research and cannot be easily refuted.
- Coherent: be prepared to repeat the message in different ways but with the same meaning to take home what you intend to say;
- Direct: Express your message in a way that has meaning to your target audience.

Remember that each audience has different sets of skills, knowledge, and ability to interpret meaning.

Communication channels: a communication channel is the medium used to convey your message. Examples of different channels include print, web and electronic media, telephone or mobile and personal interactions. Each type of channel has its strengths and weaknesses for different target audiences, so getting the right combination is crucial. For example, it is of little use to send written instruction manuals to illiterate recipients communicate in the wrong language, or transmit messages in formats in which the receiver cannot afford the correct recipient. These are some examples of communication channels used to achieve particular objectives:

These are some critical communication problems common to most SP/RE ventures, you should be careful with:

- Poor accessibility to information: Use of technology that recipients do not have.
- Lack of clarity, especially long words and slang.
- Poor timing: especially the use of media such as radio.
- Information overload: Failure to balance the flow of communication.
- Train people in charge of communicating a message: individual communication styles can be passive, aggressive or assertive. However, it is the communication channel and the target audience that should be used to decide the communication style. Each individual communicator must be carefully trained to use that particular style.
- Identify a single individual or a core team that controls communication.
- Communication should revolve around what is currently happening within the organization. In other words, a communication strategy must reflect the core values of the organization.
- As much as possible, use multiple channels to communicate.
- Adjust the strategy to any changes that occur in the environment.

Sources of information

The tools described here have been based on:

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