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Multi-stakeholder Forum for Dynamic Value Chain Development

Hideki Kagohashi
Enterprise Development Specialist
International Labour Organization

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A testimonial of a Value Chain Forum member

"Before the Forum, I couldn't get a solution to my problems; now I can find a solution with one telephone call."

The Springfield Centre (2009) The Enter-Growth Project Sri Lanka: Applying a market development lens to an ILO local enterprise development project.

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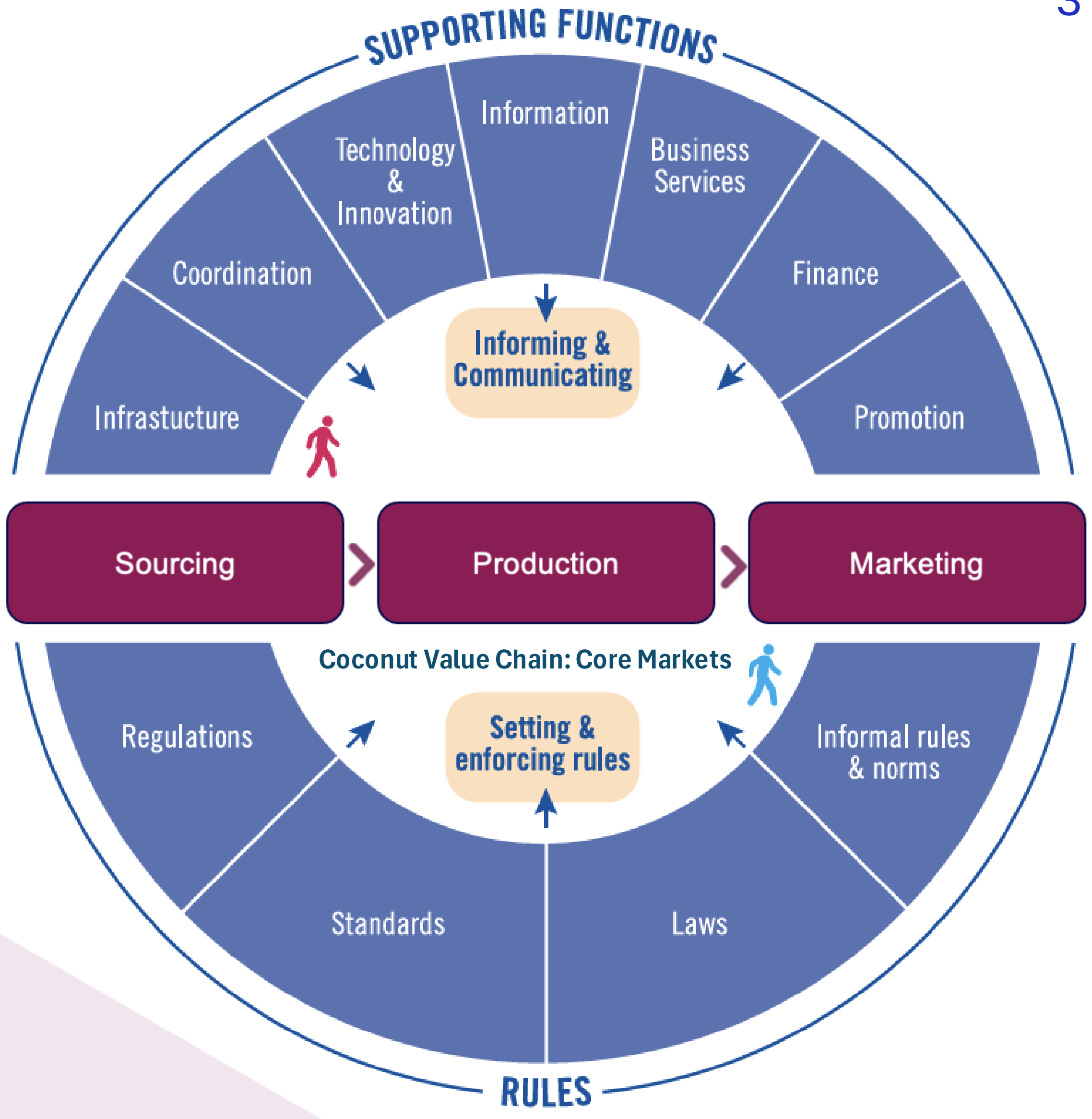
Value Chain Development for Decent Work (ILO's market systems model)

The "market system" comprises of:

- Core Value Chain/Markets (PS firms)
- Supporting Functions
- Formal & Informal Rules



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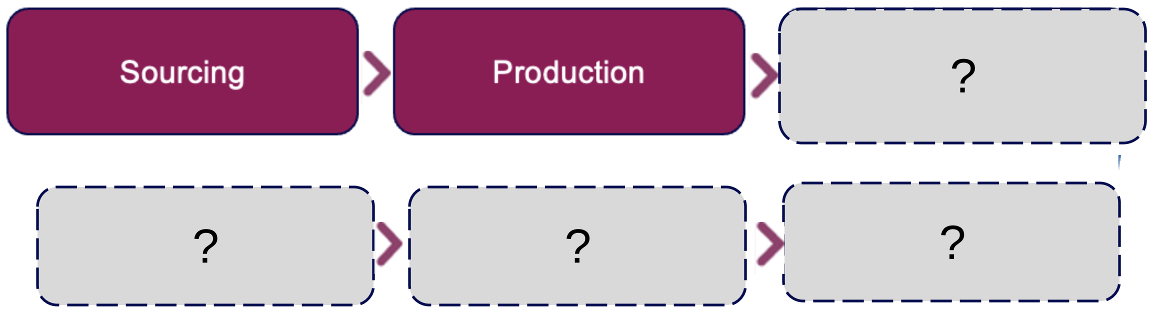
Popular coordination problem 1

Value chain actors:

- Don’t know others across value chain
- Don’t know parallel channels well
- Not aware of the full market system
- Not aware of where the bottlenecks are
- Missing opportunities for collaboration and coordination



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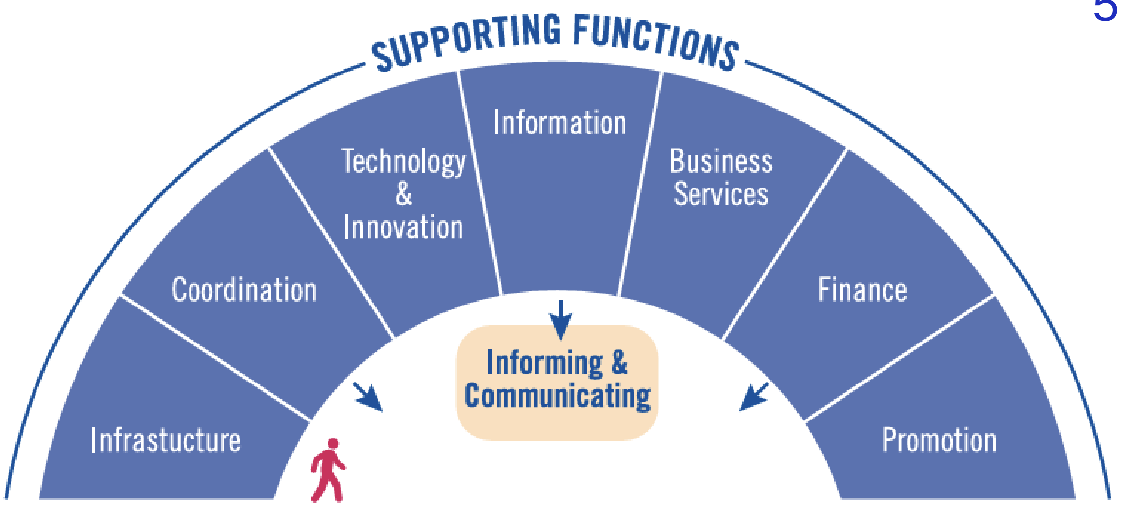
Popular coordination problem 2

Supporting Function actors:

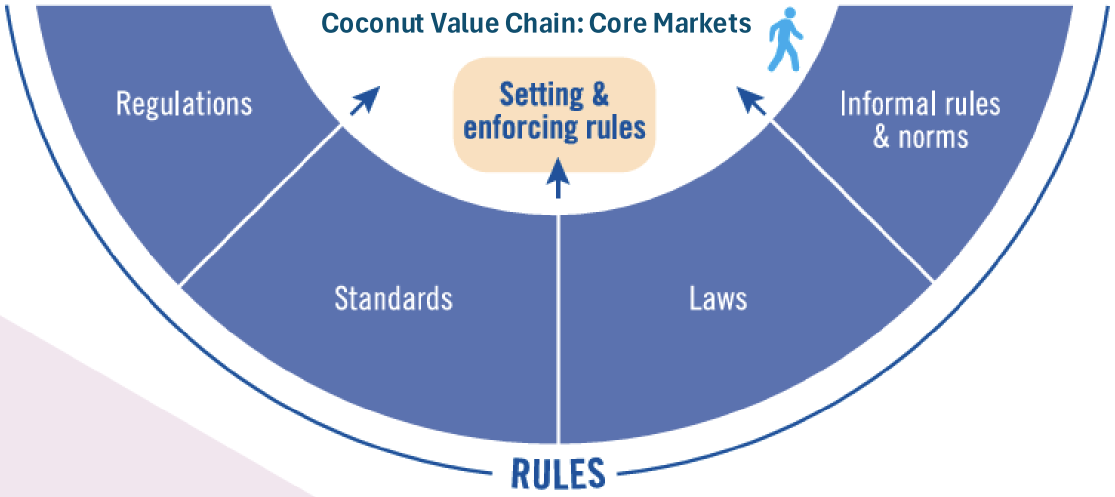
- Not well informed of what others do
- Often cannot address the other key issues of the whole market system
- Don't know if the combined support is addressing key bottlenecks
- Coordination depends on relationship between managers



Popular coordination problem 3

Rules pose complex challenges:

- Rules may not be market-friendly
- Market distorted when Rules are not enforced effectively
- Value chain actors don’t know to whom to talk to about Rules-related issues
- Small value chain actors don’t have a collective voice to influence Rules
- Single LGU/agency often cannot address Rules challenges alone



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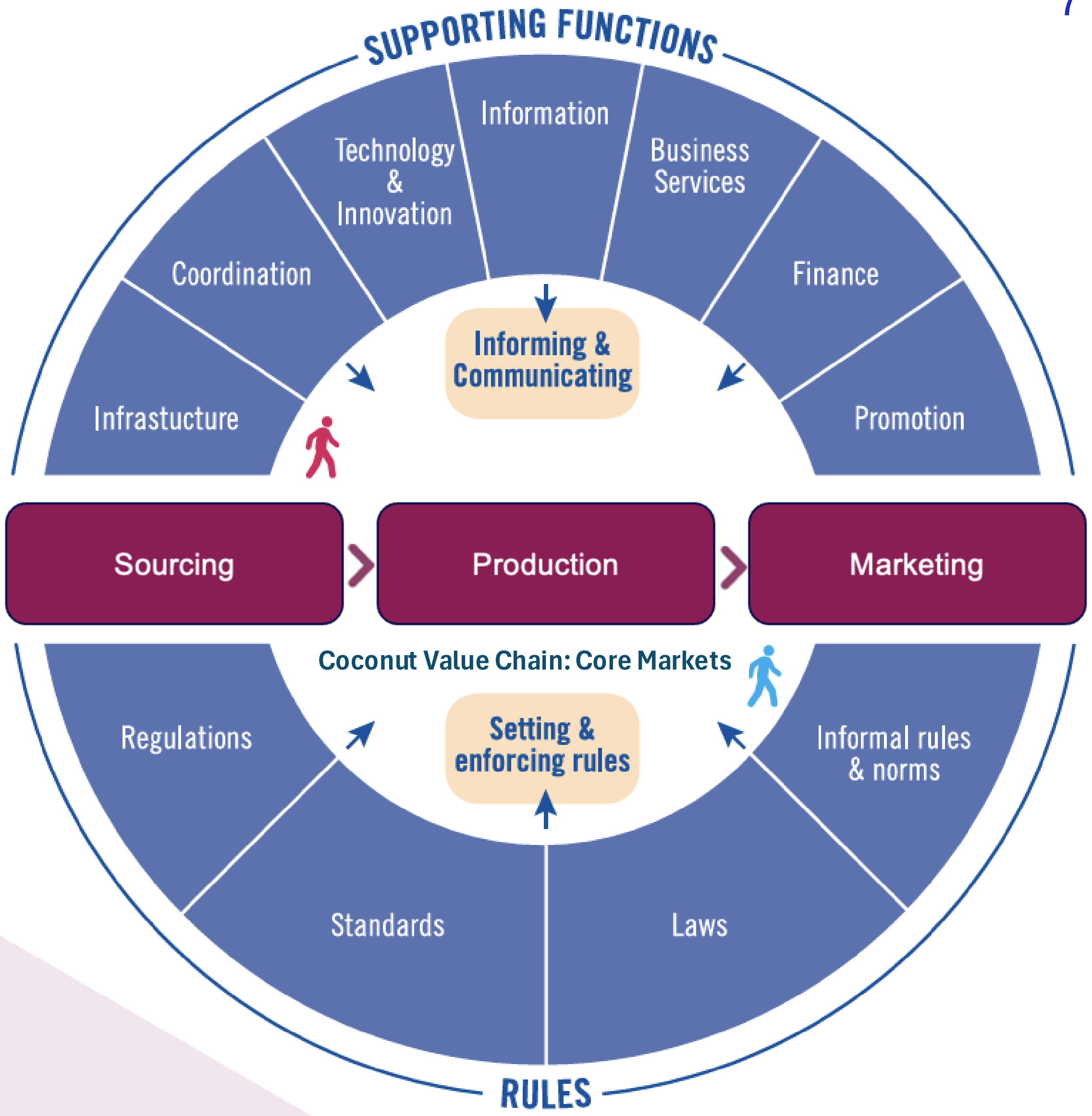
Questions on “Forum” membership

- Who are the VC actors in Core Markets?
- Who provide Supporting Functions?
- Who set Rules?
- Who enforce Rules?
- Where is the weakness in the market system? Who are needed to address it?

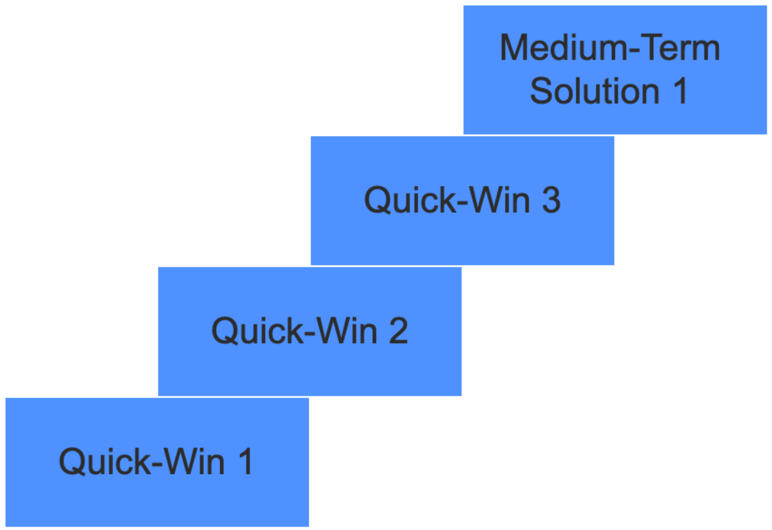


Tips for keeping "Forum" alive and dynamic

Creating a "Forum" is not an end but a means to address concrete common challenges.

- Start w/ quick wins to create a momentum.
- Create a dynamic sequence of quick wins transitioning to medium-term solutions.
- Focus on concrete common challenges that require collaboration across boundaries.

Progression from Quick-Wins to Medium-Term Solutions



Coordination matters in value chain development

“The degree of cooperation and coordination along the value chain determines the competitiveness of a sector or individual market channel.”

ILO (2009) Value Chain Development for Decent Work: A guide for development practitioners, government and private sector initiatives.

Thank you!
Salamat Karajaw!