

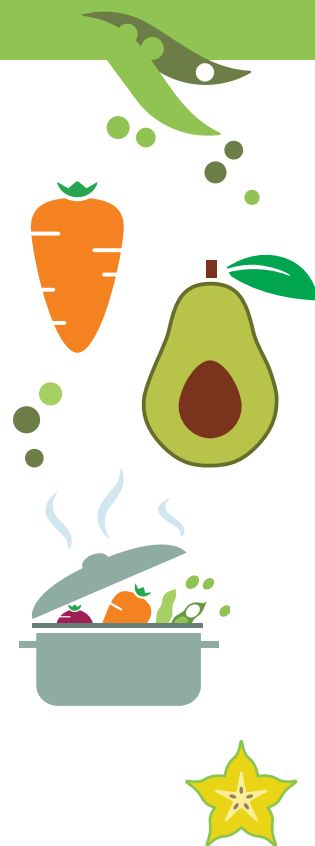


Nutrition-sensitive value chains

A guide for project design

A first-of-its-kind, this new Guide from IFAD presents practical, step-by-step guidance for shaping value chain projects to improve nutrition. The Guide highlights challenges and opportunities in establishing nutrition-sensitive value chains (NSVCs) and looks at how they can produce positive outcomes, not only in terms of generating income but also for improving nutrition for smallholder producers.

The Guide was developed using an in-depth participatory and consultative approach. Beginning from available evidence, the NSVC framework was developed, field tested and then validated by national and international experts. The Guide is relevant not only for IFAD but also for others that recognize the critical importance of incorporating nutrition and improving diets through value chain projects. Governments, NGOs, civil society, the private sector, and other institutions and development agencies working in agriculture, food systems, nutrition and rural development will find the Guide useful.



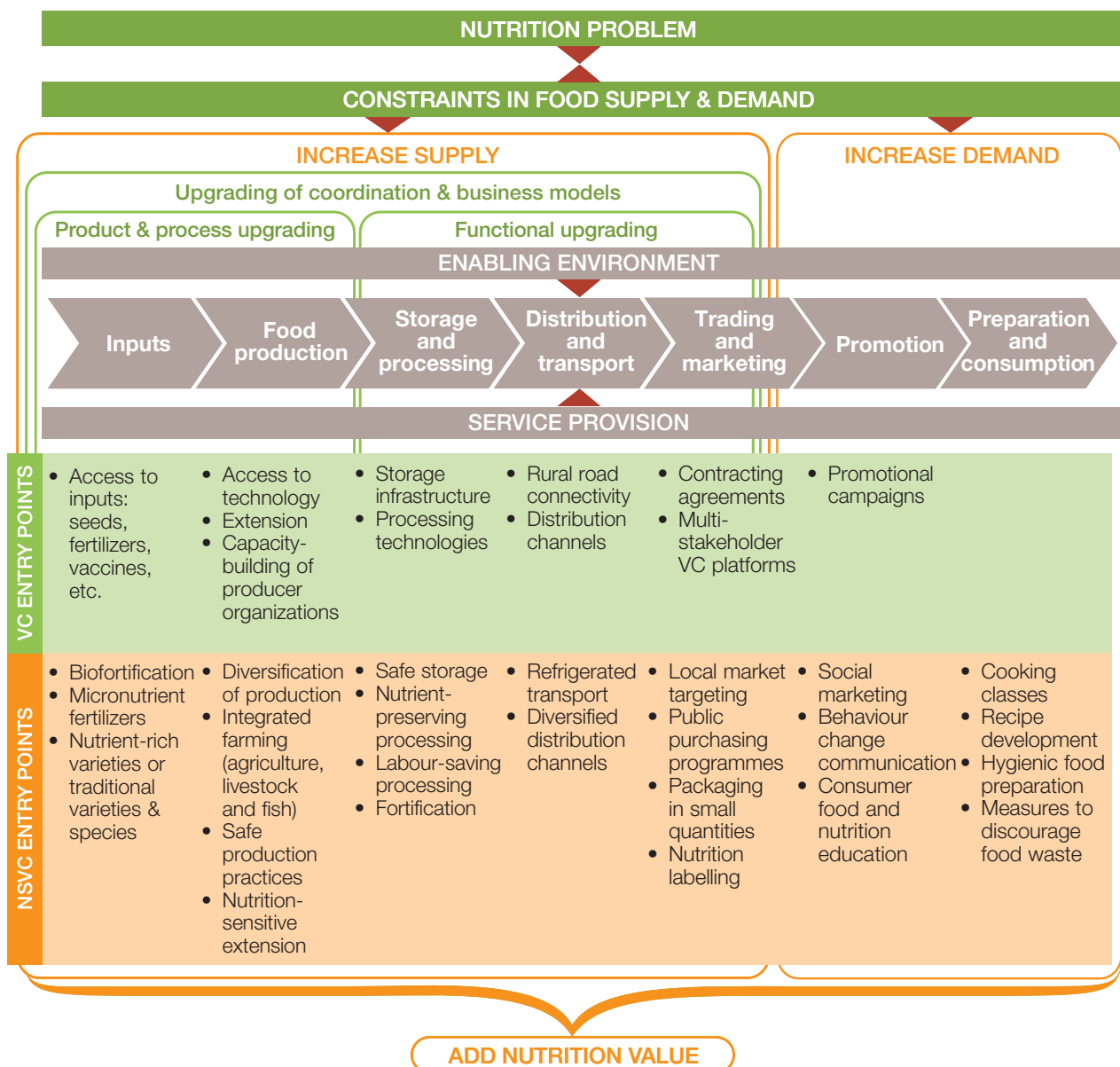
Analytical framework: Traditional vs Nutrition-sensitive value chains

A value chain encompasses the different activities needed to bring a product from the initial input stage, through the various phases of production and, finally, to consumers.

Traditional. A traditional value chain project for smallholder producers looks primarily at connecting production to the market, with the objective of improving the income and well-being of rural populations.

Nutrition-sensitive. A nutrition-sensitive approach considers how developing food value chains can also contribute to improving nutrition. As core elements of food systems, value chains influence supply and demand of foods. However, applying a nutrition lens to food value chains can unpack the complexity of food systems and identify specific interventions to leverage the potential of VCs and markets for nutrition.

FIGURE 1. The NSVC framework: Strategies and entry points



Practical advice for applying a nutrition lens to value chains

Balancing the usual VC goal of maximizing returns with the goal of improving the nutrition of smallholder producers presents a challenge. Thus, the Guide provides practical advice for applying a nutrition lens to value chains. Doing so calls for preparing to deal with fundamental shifts from the traditional VC approach, such as:

- shift from a focus on improving supply to meet existing demand to a focus that takes consumers' nutritional needs into consideration – this may involve creating demand by, for example, using social marketing campaigns, food and nutrition education, or behaviour change communication;
- shift from a commodity focus that addresses one value chain at a time to one that considers several commodities and their roles within the food system in order to contribute to healthier diets and healthier choices in the market;
- target smallholders and recognize their roles as producers as well as consumers;
- broaden the concept of value in the value chain from a purely economic focus to one that incorporates value that is relevant for nutrition, such as looking at nutritional value, food loss and waste, and food safety;
- take into account the additional effects that VC development may have in terms of gender empowerment, climate change and environmental sustainability, and consider the linkages and measures necessary to ensure positive outcomes in these dimensions.

5-step pathway to NSVCs

The five-step approach developed by IFAD (shown in Figure 2) has four preparatory steps comprising the sequence of diagnostic studies needed to identify the appropriate activities and interventions to support NSVC development. The information gathered in each of these studies then feeds into the fifth step: Putting the project together. With this approach, project managers are assured that value chain development contributes to improving nutrition, primarily through improving diet quality, while it still makes business sense and, at the same time, empowers women, protects the environment and improves the lives of the rural poor, especially smallholders.

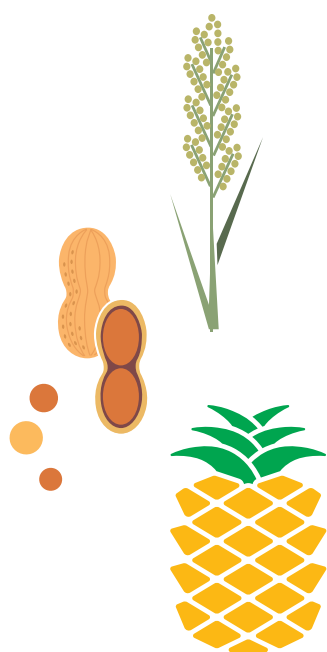
FIGURE 2. Overview of the nutrition-sensitive value chain design process

Diagnostics					
	STEP 1: Nutrition situation analysis	STEP 2: Commodity selection	STEP 3: NSVC analysis	STEP 4: Intervention options	STEP 5: Putting the project together
Key elements of each step	<ul style="list-style-type: none"> • Nutritional status • Causes of malnutrition • Diet characterization and identification of diet gaps 	Selection criteria: <ul style="list-style-type: none"> • Nutrition-improvement potential • Market potential • Income-generation potential • Gender • Environment and climate 	<ul style="list-style-type: none"> • VC mapping and characterization • Analysis of constraints and opportunities in: <ul style="list-style-type: none"> - Supply - Nutrition value - Demand 	<ul style="list-style-type: none"> • Types of intervention • Cost-effectiveness • Target group • Tensions and trade-offs 	Objective
					Intervention strategy
					Targeting strategy
					Implementation arrangements
					M&E
				Budget	

All elements of the project are available for download.

- **Volume I: Guide. Nutrition-sensitive value chains. A guide for project design:** provides an overview of the NSVC framework and a step-by-step guide for NSVC project design.
- **Volume II: Resources. Nutrition-sensitive value chains. A guide for project design:** offers an array of practical resources, templates and tools that can be used to conduct each step of the project design process described in Volume I.
- **Literature review: Nutrition-sensitive value chains from a smallholder perspective.** A framework for project design: describes the evidence that underpins the Guide, the elements of the operational framework, and the challenges and opportunities for developing NSVCs for smallholders. Published as part of the IFAD Research Series.
- **Developing NSVCs in Nigeria and Developing NSVCs in Indonesia:** country brochures use a practical and operation-oriented lens to describe how the NSVC approach can be applied at country level and what the expected results and recommendations will be. Field-testing the NSVC approach in Nigeria and Indonesia allowed validation and further shaping of tools and methods, and promoted a sense of ownership by country stakeholders.

The two-volume Guide is the main output of a three-phase project carried out by IFAD in collaboration with the CGIAR Research Program on Agriculture for Nutrition and Health (A4NH), with funding from the Governments of Germany and Canada.



Looking ahead

The project has had a catalytic effect, triggering interest from a wide range of institutions. IFAD's sister Rome-based UN agencies – the Food and Agriculture Organization of the UN (FAO) and the World Food Programme (WFP) – along with Bioversity International and the International Food Policy Research Institute (IFPRI) have adopted the NSVC framework as a common approach, jointly presenting it at the 43rd Session of the Committee on World Food Security in 2016.

The adoption of an inclusive, integrated and common nutrition-sensitive value chain framework will allow for strong collaboration, alignment and complementarity – essential for achieving sustainable impacts at scale.



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