

Invitation to Co-Create:

Shaping the Farmers-Focused Transformation (FFT) Partnership for the period 2026-2030



For:DGIS (specifically DDE and IGG) and other relevant parties for the co-
creation processFrom:AgriterraDate:14 December 2023
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1. Introduction

This document is an invitation (to DGIS in particular yet also relevant to other stakeholders) to join in a co-creation process to give substance to the Farmers-Focused Transformation (FFT) programme for the period 2026-2030.

The full FFT programme runs from 2021 to 2030 and is fully subsidised by the Netherlands Ministry of Foreign Affairs. The 10-year FFT programme period is divided into two parts, in which the first 5 years (2021-2025) of the programme are described in detail in the initial proposal. Yet, the second 5 years (2026-2030) period is to be given shape and substance based on the learnings of the first 5 years. The co-creation process as proposed in this document is dedicated in that order.

This document is structured in four parts:

- 1. Introduction to the FFT programme 2021-2030.
- 2. How the process and timeline of the co-creation process during 2024 and 2025 will be.
- 3. Who will play which role during the co-creation process.
- 4. Which developments are to be considered in shaping the 2026-2030 period of FFT.

2. FFT programme 2021-2030, and related Acting Now and AgriGrade programmes

Per 2020, DGIS and Agriterra signed a covenant to renew their partnership, including the implementation of a 10-year programme (2021-2030) called Farmers-Focused Transformation (FFT). The FFT programme is funded by two policy departments of DGIS, namely DDE and IGG. The programme operates on the premise that Farmers' Organisations (FOs) play a pivotal role in rural economies and societies, fostering growth, good governance, and democracy. The vision of the FFT programme is to empower FOs to unlock their potential, focusing on the <u>organisational level</u>.

Per November 2022, a top-up of FFT, the 3-year programme 'Acting Now for Food Security and Resilient Food Systems' (abv. Acting Now) was agreed between DGIS and Agriterra, focusing on food security and resilient food systems running from 2023-2025. Acting Now takes the FFT-approach a step further, addressing the <u>individual level</u>, by emphasising food and nutrition security of FOs' active member farmers (smallholders) and their families, with a particular focus on women and youth. In the Acting Now top-up programme activities, Agriterra aims to bridge the gap between the organisational and individual levels by ensuring that well-run and efficiently managed FOs offer demanddriven extension services and that their business strategies are conscious of Food and Nutrition Security. This places Agriterra in a perfect position to contribute to several Sustainable Development Goals at once, particularly SDG 1 (no poverty), SDG 2 (zero hunger), SDG8 (decent work and economic growth) and SDG 13 (climate action).

Per November 2023, another relevant agreement to FFT was agreed upon with DGIS, when DGIS granted a parallel 3.5-year project named AgriGRADE running from 2024-2026, conducted by a consortium led by Scope Insight. Agriterra is one of the implementing partners of the AgriGRADE consortium. When setting up this new 3.5-year new project, it was agreed with DGIS that part ($\leq 626,000$) of the subsidy for the FFT-programme is to be dedicated to support the success of the commencing AgriGRADE project.

3. Proposed structured co-creation process during 2024 and 2025

To shape the FFT partnership 2026 – 2030, we propose a structured co-creation process. Through co-creation, we envision a collaborative approach together with DGIS and relevant stakeholders to actively contribute to the design, development, and refinement of our partnership beyond 2025. Our anticipated co-creation approach emphasises the joint creation of programme goals, strategies, and activities, ensuring that the implementation plan for FFT 2026-2030 is a product of shared insights, expertise, and perspectives. The emerging blueprint for the implementation of the FFT 2026-2030 period is designed to be agile, responsive to demand, and value chain orientated, leveraging aid-and-trade prospects whenever feasible.

The 2021-2025 period's design was chiefly connected to optimising multiple identical KPIs at the programme level. This rigid approach was crucial to enhance the competencies of decentralised teams. Moving into the next phase, we plan to harness the strengths of our decentralised teams. We aim to overcome the initial challenges encountered in phase 1 by adopting tailored approaches led by the decentralised teams, allowing for unique, and more context-specific interventions.

For the co-creation of the Agriterra/DGIS partnership beyond 2025, we envision a twoyear process overall. The focus of 2024 is the co-creation of the programme, with ample in-person meetings with DGIS and key stakeholders. 2025 will focus on consolidation, proposal writing and submission.

The below figure 1 outlines the summary of the co-creation process as we envision it including key milestones. These steps as well as the roles and responsibilities will be further detailed in the following sections.



Figure 1: Envisioned Co-Creation Process and Key Milestones.

The key elements of our co-creation approach during 2024-2025:

Mutual engagement: We want to ensure that all stakeholders are actively involved and participating throughout the process of shaping FFT 2026-2030. This engagement may involve workshops, meetings, and collaborative sessions where ideas are exchanged and feedback is sought.

Iterative feedback: Rather than a linear development process, co-creation involves iterative cycles of feedback and refinement. All stakeholders will provide input throughout the development of the envisioned partnership, allowing for continuous improvement and adjustment based on feedback.

Shared Vision and Goals: The co-creation process ensures that there is a shared understanding of the project's vision, objectives, and intended outcomes. Creating collective understanding and alignment on Agriterra's Theory of Change for this partnership, for example, will be crucial for building mutual commitment and a unified approach.

Inclusive Decision-Making: Inclusive decision-making is a core aspect of our cocreation approach. The stakeholders will have a say in key decisions, ensuring that the partnership beyond 2025 reflects the priorities and perspectives of all involved stakeholders.

Flexibility and Adaptability: Co-creation recognises that the development of a proposal is not a static process. It allows for flexibility and adaptability, acknowledging that adjustments may be necessary based on changing circumstances or new insights that emerge during the co-creation process.

Ownership and Commitment: Through co-creation, we foresee that Agriterra, DGIS and the stakeholders' part of the programme will develop a sense of ownership and commitment towards the partnership. This shared commitment enhances the likelihood of successful programme implementation and sustainability of the partnership.

Open Communication: Effective communication is paramount in co-creating the next phase of a partnership. By encouraging open and transparent communication channels, we aim to foster an environment where concerns, expectations, and adjustments can be addressed promptly, contributing to a stronger collaborative foundation throughout the process.

Gantt Chart of the proposed co-creation process

In Figure 2, the GANTT chart of the proposed co-creation process is presented including the key activities, milestones, and responsible actors. Seven distinct phases can be identified:

1. Implementing the ongoing FFT 2021-2025

Just in parallel to the co-creation, Agriterra and its' partners continue to pursue the implementation of the FFT 2021-2025 programme, in accordance with the initiation set up and including all regular implementation and reporting activities. Though notably, the date of 1/1/2026 will be instrumental and communicated as an end to the current set up of activities, anticipating a modified set-up as a result of the co-creation process.

2. Set up of co-creation structures

This phase consists of three core activities. The first one is to agree on the co-creation process together with the Working Group and DGIS. This will be followed by a co-creation kick-off workshop presenting the initial ideas for FFT phase 2. Finally, a workplan will be created and the necessary teams formed.

3. Bring forward the mid-term evaluation process of the FFT 2021-2025 implementation

In order to include the learnings on the implementation of the first years of the FFT programme, we propose to bring forward the planned mid-term evaluation by an external evaluator. Our suggestion is to commence this evaluation by October 1st, 2024, and complete it by April 2025. This advancement would enable us to distribute, discuss and decide on the best way forward before submitting the final phase 2 proposal, expected to be submitted in June 2025. We envisage this midterm evaluation to be a 'reflection' exercise, focusing on actionable recommendations for the Phase 2 programme, rather than an in-depth evaluation.

The proposed shift in the evaluation timeline will serve multiple benefits. Firstly, it will allow for the timely capture and application of lessons learned, thereby maximising their utility in the subsequent phase of the programme. Secondly, it will provide the organisation with ample time to adapt and assimilate the information gleaned from this evaluation, ensuring the smooth transition and execution of future plans.

As a result of this shift, the end evaluation of the FFT programme in 2031 can be more rigorous, encompassing the entire FFT programme duration including the potential Acting Now 2 programme and top-up through delegated cooperation. This approach will ensure a comprehensive review and analysis of our programme, providing a robust foundation for future initiatives and interventions.

4. Defining the 4P partnerships

Agriterra's Multi-Annual Plan 2024-2026 reflects essential learnings from the first three years of FFT, emphasising the need of cooperation between governments, business agents that include the Dutch private sector, and Farmers' Organisations (FOs) who agree to work together to reach a common goal or carry out a specific task while jointly assuming risks and responsibilities, and sharing benefits, resources, and competencies. This form of collaboration is called a Public-Private-Producer Partnership (4P) and is a novel concept encouraged by IFAD that aims to enhance the effectiveness of partnerships by ensuring smallholder producers are not just recipients, but respected partners in agricultural value chains¹.

In a 4P partnership, Agriterra plays a pivotal role as an "honest broker". With a deep understanding of the needs and concerns of all parties involved - small farmers, publicsector actors, and private companies - Agriterra is adept at building trust and uniting these diverse players. The primary objective is to ensure that smallholder farmers are not left behind, maintaining our core work in supporting strong farmer organisations to formally participate in market-based transactions.

Our role extends to objectively assessing opportunities and constraints, assisting in establishing and negotiating 4P business models, and facilitating related contractual arrangements. Furthermore, Agriterra aids in 4P project implementation, monitoring, and evaluation (M&E), calling upon international expertise when needed (Agripool). This

¹ How to do 4P in Agricultural Value chains (IFAD, 2016)

strategic and supportive role ensures the smooth functioning and success of the 4P partnerships. Finally, this model will open create new opportunities to increase seed funding for FOs, engagement with government on enabling policy, regulatory frameworks, and advises the private sector on inclusive investments, contributing to an improved enabling environment for FOs to excel.

Agriterra will engage the Dutch Agro-Sector during the co-creation process. We will initiate targeted dialogues and workshops with key stakeholders from the Dutch agricultural sector. Through a preliminary round of consultations during 2023, we have already identified a range of Dutch private sector partners in our network of interest for further exploring such long-term collaborations such as: Tony's Chocolonely, Verstegen, Friesland Campina, ETG Commodities, and others. As a result, Agriterra gives substance to Dutch government policy regarding Aid and Trade and ambition to invest in closer collaboration between businesses, knowledge institutes, CSO/NGO's as well as Dutch government i.e., DGIS, LNV, RVO and Dutch Embassies.

Each 4P project can be designed in various ways, each unique yet contributing towards the same programme outcomes. For instance, a 4P could be specifically geared towards a single commodity like cocoa in multiple countries, or it could focus on a theme such as lobbying and advocacy or increased access to finance, or a value chain. Each 4P will have a dedicated owner and a team working in a decentralised manner, sometimes across countries, to monitor the 4P's progress and its contribution to the desired outcomes.

5. Updating an overarching Theory of Change and MEL framework for the 2026-2030 period

The heart of the co-creation process is the development of the overarching Theory of Change (ToC) of the FFT 2026-2030 period in which the 4P approach is leading. Each will be designed bottom-up and in an inclusive manner, maximising local and external expertise.

Multiple 4Ps will be cultivated, each with their own independent impact pathway and specific projects. The various pathways will feed into a core set of desired outcome indicators determined at programme level. This means that the overall and annual progress of the programme will put more emphasis on each of the 4Ps, assessing their achievements, challenges, and adaptions rather than focusing on the contribution of each 4Ps to the programme KPIs.

The MEL framework will also be updated for the 2026-2030 period, considering the overlap as well as the uniqueness of the new programmes in our partnership, particularly Acting Now and AgriGrade. For FFT 2026-2030 we propose a framework that is in line with the recommendations made in the 'Dutch Development Policy 2012-2020²' IOB-review. This means maintaining focus on measuring real and tangible results for the target group, more flexible, more qualitative and more demand-driven (from the perspective of the cooperatives in the countries that Agriterra works in). IOB recommends treating 'learning' as the main aim of MEL and 'accountability' as a secondary aim. We particularly want to focus on the following recommendations for our FFT 2026-2030 programme design:

• Formulate clear programme theories that describe the relationship between the programme and its desired outcomes and explain the main assumptions underlying the achievement of these desired outcomes.

² <u>Summary — Evaluation of the Policy agenda for aid, trade and investment art. 1 |</u> <u>Report | Policy and Operations Evaluation Department (IOB) (iob-evaluatie.nl)</u>

- Consideration of the idea of a learning lab on key FNS interventions from Agriterra, Solidaridad and RVO (ARFSA programme). Potentially this could be in collaboration with NFP.
- Provide more information about the long-term results (in both quantitative and qualitative terms) by ensuring that they are more prominent in M&E mechanisms.
- Emphasise qualitative and process-related information in M&E mechanisms and use this information for learning purposes.
- Regularly review quantitative result indicators and put them to more flexible use.
- Make more use of METIS/IATI as part of the M&E process.
- Show ambition but be realistic about FFT 2026-2030 objectives.

Crucial to this process is also considering the 'unintended results.' As Koch (2023), describes in <u>his latest work on this topic</u>: unintended results of ODA are many, but they are neither unpredictable nor unavoidable. They should be incorporated into the ToC before the intervention. Especially because unintended results do not have to be negative side-effects only, they can just as well be positive.

6. Proposal & Finance Mobilisation Consolidation

A main tenet of the 4P model is to leverage public funds with additional resources from private sector parties, development partners and producer organisations themselves, aiming for long-term financial viability. The model is regarded as a powerful instrument to scale up development impact, as well as address shrinking public resources.

Hence, emphasis will be placed on increasing 'non-ODA' financing from private and producer organisations both Dutch and international in the 4Ps. Agriterra will discuss initially with the Dutch Agro sector and member producer organisations on this potential and will also seek to better leverage its linkages to other organisations including banks and other financial institutions.

Notably, in the co-creation process a dedicated activity is to explore the possibility and potential of securing EU funding through 'Delegated Cooperation.' The EU Delegation Cooperation mechanism can further develop more 4P partnerships, respond to growing demand of producer organisations to adhere to new EU regulations, including the EU Deforestation Free Products Regulation (EUDR), CSRD and CSDDD.

In this phase, the final proposal will be complete, including detailed activity charts, budgets, partnership declarations and required documents as a basis of the proposal.

7. Final proposal and approval process

After submission of the final proposal for the 2026-2030 period sufficient time of minimum 6 months is reserved for the administrative process of feedback and approval. In such manner per 1/1/2026 a flying start of the updated programme set-up is guaranteed.

Figure 2: Gantt Chart of proposed co-creation process.

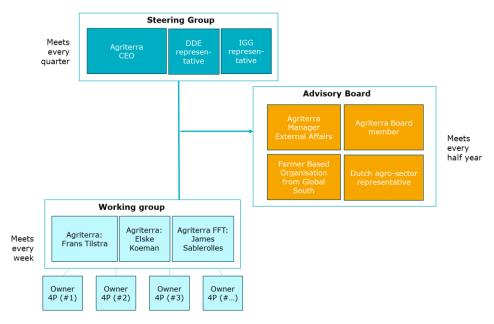
				Planned	activitie	es		C	omplet	e												
Phase	Activity	Responsible	Deliverable	2023 Nov		024 Jan	Feb Ma	r Apr IV	lay Jun	ne July	Aug S	ept Oct	t Nov I	202 Dec J	Feb Ma	ar Apr IV	1ay Ju	ne Jul	y Aug S	ept Oct N	lov Dec	2026 Jan
1. Implement FFT	Delivering on current commitments	Agriterra	Phase 1 2021-2025 implemented																			
	Agree on co-creation process	Co-creation WG / DGIS	Co-creation plan agreed																			
2. Setting up co-creation structure	Co-creation kick off workshop conducted	Co-creation WG / DGIS	Initial ideas FFT phase 2 presented																			
Structure	Team formation and updated timeline	Co-creation WG	Proposal work plan																			
3. External Evaluation	TOR for evaluation drafted	Co-creation WG / DGIS	TOR drafted																			
	Approval TOR by DGIS		Approved TOR																			
	Contracting Evaluator		Contracted Evaluator																			
	Evaluation conducted		Final Evaluation Report																			
	Results and recommendations shared and discussed. Key points highlighted for proposal		Evaluation Sensemaking Workshop									<u>, , , , , , , , , , , , , , , , , , , </u>	<u>, , , , , , , , , , , , , , , , , , , </u>									
	Initial meetings with Dutch agro-sector partners	Co-creation WG/ Dutch Agro-sector partners	Initial ideas note on potential partnerships												 							
	Select 4P Project Leaders	Co-creation WG	4P project leaders appointed																			
	TORs developed for 4P Project Development	Co-creation WG	Draft TORs submitted to SG																			
4. 4P Partnerships Development Phase	TORs approved	Steering Group	Final TORs																			
	Regional Design Workshops conducted	Co-creation WG / Regional Stakeholders	Recommendations on regional interventions																			
	MoU signed with partners	4P leaders	MoU												 							
	Final draft 4P projects shared with working	4P leaders 4P leaders	Draft proposal Final proposal																			
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		Co-creation WG /	Feedback on draft	
	ToC development workshop	DGIS	ToC presented	
		Co-creation WG /	Annotated outline	
5. Overarching ToC developed	ToC draft presented	Steering Group	with feedback	
5. Overarening foe actemped		Co-creation WG/		
			with Dutch Agro-	
	4P partnership input for ToC design	partners	sector partners	
		Co-creation WG /		
	Revision of Theory of Change	DGIS	ToC	
		Co-creation WG /		
	Annotated outline of proposal	Steering Group	with feedback	
6. Proposal and Budget	Concertistation of buildents many marinet	Co-creation WG / DGIS	First due ft buildest	
consolidation	Consolidation of budgets per project	DGIS	First draft budget	
	Final draft proposal and budget incorporating			
	evaulation feedback	DGIS	proposal and budget	
7. Final submission and approval			Final proposal	
process			reviewed and	
		DGIS	commented on	
	Regular check-in moments to discuss review,	Co-creation WG /		
	BEMO, contracting	DGIS	Agriterra/DGIS Final approved	
	Aproval Phase 2 proposal	DGIS	proposal	
		FFT	proposal	
		implementation	Kick-start inception	
	Implementation starts of FFT 2026-2030	team	of FFT 2026-2030	
	2010		0.000 2000	

4. The associated proposed co-creation organisation

Our objective is an approved and contracted partnership agreed upon with DGIS by the start of 2026. To lead the co-creation effort, Agriterra will set up a dedicated co-creation structure to manage and oversee the overall process. Throughout the process, relevant stakeholders will be involved when needed. We will set up a steering group with participation from DGIS and Agriterra management. The advisory board will include representatives from Agriterra's board and management, as well as stakeholders whom our programme aims to target, namely the farmer organisations as well as the Dutch agrosector. The team structure in figure 3 below highlights which individuals will be involved in the co-creation process.





We see that the below groups of stakeholders are crucial to inform, consult and involve in the co-creation process:

- Agriterra HQ and regional colleagues through meetings and design workshops, to ensure interventions are (financially) viable and based on the realities on the ground.
- Agriterra board members through involvement in advisory board, we will ensure the proposed direction of the co-created partnership is in line with Agriterra's vision, mission, and strategic direction.
- Farmer cooperatives and organisations through focus group discussions or key informant interviews, to ensure we incorporate the needs and realities of our programme beneficiaries.
- Relevant DGIS departments through meetings and workshops, to ensure our proposed interventions are aligned to policy objectives of both DDE and IGG.
- Dutch and local private sector companies through face-to-face meetings and workshops, to assess how we can link aid and trade objectives.

This initiative takes a proactive approach to engage these stakeholders at the right time for the design of the FFT programme 2026-2030. The following section provides further detail how these different groups of stakeholders will be engaged and highlights their role and responsibility.

Co-Creation Steering Group

The co-creation steering group will be set up to provide strategic advice and direction for shaping the partnership. This group will play a crucial role in guiding and overseeing the design of the next phase of FFT. The Steering Group will be responsible for making key decisions related to the strategic direction, will be reviewing budgets and resource allocation. The steering group will also be responsible for endorsing the final proposal before it is formally presented to DGIS for final approval. We propose the steering group be compiled of the following individuals:

Role/ Organisation	Responsibilities
Agriterra Account Manager &	Engage in dialogue with Agriterra to assess and reflect
focal point at DGIS, Ministry of	on how Agriterra's presented interventions for FFT
Foreign Affairs (DDE)	2026-2030 align with DDE policy objectives.
IGG focal point at DGIS,	Engage in dialogue with Agriterra to assess and reflect
Ministry of Foreign Affairs	how Agriterra's presented interventions for FFT 2026-
	2030 align with IGG policy objectives.
CEO at Agriterra	Advisory and quality assurance during the co-creation
	process ensuring the next phase FFT is in line with
	Agriterra's strategic direction.

Co-Creation Advisory Board

The co-creation advisory board plays a crucial role in providing guidance, expertise, and strategic insights to ensure the success of the co-creation process. The advisory board is made up of multiple stakeholders, including Agriterra practitioners, Agriterra board members, selected members from the cooperatives we work with, as well as select Dutch agro-sector representatives. Their role is to serve as a group of internal and external experts who provide guidance and advice to the co-creation working group and steering group. As the board members represent various stakeholders, their diverse perspectives help in considering a broad range of interest and ensuring that the co-created solutions are well-rounded and inclusive.

Role/Organisation	Responsibilities
Agriterra Board representative	Advisory and quality assurance during the co-creation process ensuring the next phase FFT is in line with Agriterra's mission, vision, and strategic direction.
Manager External Affairs Agriterra	Advisory and quality assurance during the co-creation process ensuring the next phase FFT is in line with Agriterra's mission, vision, and strategic direction.
Global South Cooperative Representative	By consulting these stakeholders through key informant interviews and multi-stakeholder platforms, we plan to incorporate their voices during the design of our programme. We encourage accountability and transparency right from the project design by adopting a participatory approach, hereby ensuring we are not presenting a top-down programme, but one that is rooted in the needs and realities on the ground.
Dutch Agro-sector representative	Advisory and quality assurance during the co-creation process ensuring the next phase FFT is in line with the interest and needs of the Dutch Agro Sector.

Co-creation Working Group

The day-to-day process will be managed by the co-creation working group. The following table provides an overview of its key members and their roles and responsibilities.

Name	Organisation	Responsibilities
James Sablerolles	Agriterra (HQ)	As the key counterpart, responsible for the programme coordination, delivery of the 2021-2025 programme, the FFT 2026-2030 programme design and communication with DDE and IGG.
Frans Tilstra Elske Koelman	Agriterra (HQ)	Responsible for managing the co-creation process, which entails keeping a clear track of timelines, deliverables and coordinating the input from Agriterra's HQ as well as regional based colleagues. Responsible for connecting with key EU based stakeholders and partners that need to be involved in the co-creation process.

5. Developments determining the FFT 2026-2030 period

This section highlights key internal and external developments and trends that should be taken into consideration during the co-creation phase of FFT 2026-2030. These include geopolitical and socio-economic trends; technological developments; new International Corporate Social Responsibility legislation; (changing) objectives of Dutch Foreign Policy and learnings; learnings from the implementation of both FFT and Acting Now and organisational developments at Agriterra. We believe these developments should be reflected in the FFT 2026-2030 programme.

Policy developments

The FFT-2026-2030 period is to align with Dutch Foreign Policy objectives as laid out in the 'Do what we do best' Policy Document on Foreign Trade and Development Cooperation (2022) and with Dutch foreign policies on Equal rights for women and girls, food security, sustainable agriculture and water management, climate change, biodiversity, and the Africa Strategy. Our aim is to align our FFT 2026-2030 programme and our mission to strengthen farmer cooperatives in the best way possible with DGIS' policies on priority themes including food, water, civil society, and with private sector engagement (as laid down by VNO-NCW in the Africa strategy for Dutch Industry, 2020).

It is well understood that economic relations in the world are shifting, because of geopolitical tensions and socio-economic trends. In response, the Dutch government aims to maintain an open stance towards international trade, but to protect Dutch interests if necessary. In addition, The Netherlands is focusing more on SMEs, start-ups and scale-ups, and women entrepreneurs. Furthermore, the government intends to do more for Dutch private companies in a select number of markets and focus its trade instruments more on sustainability and digitisation.

The new FFT 2026-2030 agreement should reflect Dutch governments' efforts to focus developments cooperations policies to 'make a genuine difference for people in developing countries. This includes focus on a limited number of Development Cooperation focus countries and a selection of themes in which the Netherlands excels, such as water and food security. In the so-called 'Combination countries,' Agriterra will maintain and expand its approach to set up producer-public-private partnerships (4P), that include specific Dutch agricultural expertise, for instance in water and soil management, input development and farm practices.

The Netherlands government identify 25 focus countries (of which 14 are 'combination countries') in the 'Do what we do best' policy note. Agriterra is already active in the following combi-track countries: Vietnam, Indonesia, Ivory Coast, Ghana and Kenya. Through our engagement with Dutch embassies in our focus countries across West Africa and Asia, as well as project activities in the MENA region (Jordan), we have noted an

interest in cooperative development services in other countries of interest to the Dutch government as well as the Dutch private sector.

Global trends

Global trends and developments seriously affect our work with farmer organisations. The COVID-19 pandemic and consequent policy responses disrupted global supply chains and hindered the import of both agricultural commodities and agro-inputs in many developing economies, affecting farmer resilience. Farming households' ability to deal with economic shocks has been reduced because inputs have become more expensive and less accessible, while food prices have become more volatile, which does not play in the interest of farmers or farmers' organisations. The invasion of Ukraine by Russia in 2022 exacerbated this effect.

Another major challenge for smallholder farmers is climate change. Changing rainfall patterns, extreme drought and torrential rains all have a detrimental effect on farmers' climate resilience. There is an urgent need to reduce dependency, hence, to increase farmer resilience through investing in agroecology, strengthening the governance, financial management and business decision making of farmer-led enterprises, and lobbying for a more conducive policy environment for local food production and processing.

Technological developments

Simultaneously, new innovations in agricultural technology have unlocked opportunities for farmers to reduce and sustain their inputs (thus reducing costs and environmental and societal impacts) and to increase their productivity and earning capacity. Digital solutions also increase for farmers and their cooperatives to external finance, reducing their dependency on middlemen and strengthening their bargaining power in their respective value chains.

Another pressing reason for farmers and cooperatives to deploy innovative technologies such as satellite imagery, farm practice apps for mobile phones and online supply chain traceability tools is complying with to new regulations such as EUDR, CSRD and CSDDD. Although in most cases it is the operator, or company that puts agricultural commodities on the European market, that is responsible, the burden of compliance is in practice shared with suppliers, in this case farmers and cooperatives.

Especially the EUDR requires large investments in time, money and expertise from farmers and their supply chain partners to make supply chains verifiably traceable, or they risk losing access to the European market.