



# **New Decade for Cooperative Agribusiness Development**

**Route 2030: Agriterra's strategy**

**&**

**Farmer-Focused Transformation  
DDE–Agriterra strategic partnership 2021–2030**

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## List of acronyms and definitions

<b>Acronym</b>	<b>Name</b>
AAACO	Alliance Africa Agricultural Cooperative Organisation
ABC-Fund	Agri-Business Capital Fund
ADB	Asian Development Bank
AECID	Spanish Agency for International Development Cooperation
AIN	Agro-info.net
AfDB	African Development Bank
ASEAN	Association of Southeast Asian Nations
AU	African Union
BA	Business Advisor
BHAG	Big Hairy Audacious Goal
BHOS	Digital Agenda for Foreign Trade and Development Cooperation
CBI	Centre for the Promotion of Imports
CGIAR	Consortium of International Agricultural Research Centres
CIAT	International Center for Tropical Agriculture
CO2	Carbon dioxide (emissions)
COVID-19	Coronavirus disease 2019
CRAFT	Climate Resilient Agribusiness for Tomorrow
DAFC	Danish Agriculture and Food Council
DC	Delegated Cooperation
DCED	Donor Committee for Enterprise Development
DDE	Sustainable Economic Development Department
DE	Germany
DG DEVCO	Directorate General of Development and Cooperation
DGIS	Directorate General International Cooperation
DGGF	Dutch Good Growth Fund
DSM	Dutch State Mines
EC	European Commission
EKN	Embassy of the Kingdom of the Netherlands
ERP	Enterprise Resource Planning
EU	European Union
FACT	Farmers Advocacy Consultation Tool
FCSB	Farmers' Common Sense in Business
FDI	Foreign Direct Investments
FO	Farmers' Organisation
FTE	Full Time Employee
GCF	Green Climate Fund
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HQ	Headquarters
IADB	Inter-American Development Bank
ICA	International Co-operative Alliance
IDH	Sustainable Trade Initiative
IFAD	International Fund for Agricultural Development
IFDC	International Fertilizer Development Centre
IFPRI	International Food Policy Research Institute
IGG	Inclusive Green Growth
L&A	Lobby and Advocacy
L&D	Learning and Development
LTO	Dutch Agriculture and Horticulture Organisation
M&E	Monitoring and Evaluation

Acronym	Name
MCS	Multi-annual Country Strategy
MTK	Central Union of Agricultural Producers and Forest
NAJK	Nederlands Agrarisch Jongeren Kontakt
NCBA CLUSA	National Cooperative Business Association Cooperative League of the United States of America
NDA	National Determined Authority
NGO	Non-governmental organisation
NL	The Netherlands
PDCA	Plan-Do-Check-Act
PSD	Private Sector Development
RRRF	Rapid Response Recover Facility
RVO	Rijksdienst voor Ondernemend Nederland
SACCO	Savings and Credit Cooperative
SDG	Sustainable Development Goal
ODA	Official Development Assistance
ToC	Theory of Change
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UPA	Unión de Pequeños Agricultores
US	United States of America
USAID	United States Agency for International Development
VNFU	Vietnam National Farmers Union
WFO	World Food Organisation
WFP	World Food Programme
ZLTO	Southern Agriculture and Horticulture Organisation

## Definitions<sup>1</sup>

**Farmers' organisation:** formal or informal (registered or unregistered) membership-based collective action groups serving its members, whose livelihood (partly or in full) comes from agriculture (crops, livestock, fisheries, etc.) such as associations, federations, cooperatives, union of cooperatives, and private companies owned by farmers. In Agriterra's case, the client farmers' organisations tend to be formal entities because informal organisations are unlikely to qualify as clients after an initial assessment.

**Cooperative (society):** an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In addition to a membership relationship, a cooperative also has a contractual relationship with its members and may distribute profits among its members.

**Agricultural cooperative:** (also known as a farmers' co-op) is an agricultural organisation governed by cooperative principles, where farmers pool their resources for certain agricultural areas of activity. Agricultural cooperatives can be divided into two broad groups: agricultural service cooperatives, which provide services (e.g. inputs, labour) to their individual farming members, and agricultural marketing cooperatives,

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<sup>1</sup> The terms farmers' organisation and cooperative are used interchangeably in the document. Both types of organisations are served by Agriterra, although the vast majority of clients are traditionally cooperatives or unions of cooperatives.

where production resources (factory, machinery, land) are pooled to purchase, transform, and sell the crops produced by farmer members.

**Cooperative union/federation:** (also called secondary cooperative) is an organisation whose members are primary cooperatives. It is a special organisational structure through which cooperatives can fulfil the sixth cooperative principle, cooperation among cooperatives. Cooperative unions/federations unite primary cooperatives, usually from the same crop production or activity.

**National agricultural cooperative federation:** the apex organisation that unite agricultural cooperatives within a country to represent and promote the social and economic interests of its members (cooperatives and farmers) and endorse the development of the agricultural sector nationwide, by engaging with national and international stakeholders such as the national government and multilateral organisations.

**Savings and credit cooperative:** (SACCO) is a financial organisation governed by cooperative principles for the purpose of encouraging members to save, use pooled funds to lend to members at reasonable rates of interest, and provide financial services to enable its members to improve their economic and social welfare.

**Agricultural association:** a formal membership-based organisation for the collective action of its members, whose livelihood (partly or in full) comes from agriculture. An association is a not-for-profit entity. Members pay membership fees and elect their own board. An association is not allowed to distribute profits among its members. The main task of most national farmer associations is to articulate the voice of their members and represent their interests to policymakers and other stakeholders.

**Private company owned by farmers:** a shareholding company where most stocks and voting rights are held by a group of farmers with shared interests. Cooperatives can be shareholders of a private company. Often farmers resort to privately owned companies when the national cooperative law is vague or incomplete and, thus, creates market failures for cooperatives such as insecure property rights or a more stringent access to finance.

## Executive summary

Agriterra is an agri-agency founded and steered by LTO-Nederland, Nederlands Agrarisch Jongeren Kontakt (NAJK), Vrouwen van Nu, and the National Cooperative Council (NCR). It has a vision that farmers' associations and cooperatives can have a positive influence by accelerating the development process, making it more balanced in terms of food supply and employment, and ensuring in the long run a more equal distribution of income and democratic decision-making and relations in society. Additional benefits are the empowerment of rural women and young people, and the potential to improve rural resilience and adaptation to climate change.

Agriterra provides practical and high-quality advice, training and exchange services to farmers' organisations and cooperatives that have the potential for development and impact in rural areas. We deploy specialized services to strengthen the core endeavours of a farmers' organisation – lobby and advocacy, farmer-led business, and/or sustainable services. These three main trajectories are supported on two transversal tracks, financial management and governance, which are the cornerstones of an efficient, sustainable, transparent and democratic organisation. Three crosscutting issues – gender, youth and climate – embedded in Agriterra's tools and activities complement the main trajectories.

The extensive and expanding network of Agripool partners in the Netherlands and worldwide, combined with locally rooted teams of business advisors, provides an ideal blend of knowledge, expertise and execution power for our advice and training services to cooperatives. This allows Agriterra to contribute to the Sustainable Development Goals, particularly SDG8 (decent work and economic growth) and SDG 2 (zero hunger).

In these turbulent times of COVID-19 and climate change, farmers' organisations and cooperatives remain vital in providing food for many rural and urban citizens, as well as sustaining the economic fabric and creating jobs on which many rural dwellers rely. The need for professional cooperative development services has never been higher. That's why Agriterra has formulated the BHAG of becoming the leading service-provider for farmers' organisations and cooperatives worldwide.

This document has two sections. The first sets out Agriterra's overall strategy for the next decade, including an overview of our Theory of Change, our three-track approach, our value proposition, lessons learned from experience and projections for the next 10 years. The second comprises the proposal for a 10-year strategic partnership between Agriterra and DGIS: 'Farmer Focused Transformation'. After defining the key elements (goals, expected results and budget), this section explains the new monitoring and evaluation methodology, provides a sensitivity risk assessment and gives an overview of main assumptions and risks.

The Farmer Focused Transformation proposal is 100 per cent aligned with Agriterra's overall strategy, but with specific objectives and scope. The timespan envisaged for the DGIS-Agriterra strategic partnership is 10 years – the goals for the first 5 years are:

- Support to 1 million farmers through 320 farmers' organisations
- 50 million euro mobilized as a result of lobby and advocacy proposals
- 60 million euro in mobilized capital for farmers' organisations; 70 farmers' organisations linked to financial institutions
- 30 new farmer-led enterprises that improve farmers' access to markets and agri-services
- 10,000 direct jobs supported, and 110,000 on-farm jobs supported

- 30,000 people trained (9,000 women and 4,500 young people), 50 female leadership training courses, 30 youth councils and 20 women's councils

These objectives are part of the programmatic approach for system transformation in the Sustainable Economic Development Department (DDE) focus countries. They include the results in private sector development (PSD) transition countries that will be achieved with DGIS funding.

In the DDE focus countries, Agriterra's integrated approach of farmer-led business, sustainable services and farmer lobby and advocacy will be deployed across the full spectrum to strengthen and support the position and share of organised farmers in sustainable economic development. Our work at grassroots level is directly related to improving the business climate and national agricultural policies and regulations. On the basis of a country strategy and in coordination with Embassies of the Kingdom of the Netherlands (EKN) and RVO's PSD instruments, this is expected to lead to an increase in the effectiveness, efficiency and sustainability of combined Dutch efforts and investment.

In the PSD transition countries, Agriterra will apply the same integrated set of services and the financial contribution of DGIS will be gradually reduced.

For Agriterra to remain a relevant global player with a secure future, and to avoid divestment of achievements to date, maintaining the current scale of operations in both DDE focus countries and PSD transition countries are the minimum requirements. New strategic partnerships will be essential to further leverage the outreach and impact of Agriterra's practical approach and contribute to a sound enabling environment for private sector development. Such partnerships will also lead to increased agricultural productivity, rural industrialization and on-farm and off-farm employment for men and women in rural areas.

DGIS and Agriterra have created momentum for the meaningful transformation of economic circumstances building on farmer interests. The programme presented here has all the elements required to lift the partnership between DGIS and Agriterra to the next level of development impact.

The Farmer Focused Transformation plan requires a total subsidy of 77 million euro from DGIS for the period 2021-2030, 49 million euro of which for the first five years.

## Preface

Without a doubt, 2020 will be remembered as the year of the coronavirus disease (COVID-19). The pandemic came in waves, crossing the globe and paralyzing most of the industrialized countries (including the Netherlands). It has reached all the countries in Asia, Africa and Latin America where Agriterra is active. The scope of this health crisis and its impact on the global economy and employment are still unclear but will undoubtedly be enormous and unprecedented. Economies have come to a standstill, businesses have gone bankrupt and unemployment and poverty are a gloomy prospect for many people. The rural economy in many developing countries has been hit particularly hard by the COVID-19 pandemic. Agricultural market supply chains have been distorted, there are shortages of agricultural labour, and farmers are unable to grow or sell their crops. In this scenario, agricultural cooperatives are both victims and part of the solution. On the one hand, they have directly experienced the consequences of lost or sharply reduced supply, reduced or cancelled demand, and logistical problems – many cooperatives have therefore run into liquidity problems. On the other hand, cooperatives are well positioned to offer support and structure to farmers and their families when crisis strikes. They serve their members and provide economic and social support in times of need.

Time will reveal the ultimate impact of COVID-19 on the world economy, on developing countries, on the agricultural sector and on our work as Agriterra. For the time being, the world is facing uncertain times but despite the COVID-19 crisis, this programme proposal for the period 2021-2030 is a document of hope and expectations. This optimism is based on the 23 years that Agriterra has been working with farmer organisations and cooperatives worldwide. Over all these years, we have witnessed the hard work, inventiveness, leadership and perseverance of farmers and their organisations to make the best of it in all circumstances. Cooperatives are down to earth and practical in the way they work, generally resilient and instrumental in keeping the rural economy afloat to the best of their abilities. For example, by buying and transporting consumer goods collectively to their members, selling products collectively on local/regional markets, but also by advocating for assistance to members or by setting up facilities for e-commerce and online marketing.

From Tanzania to Bolivia, from Indonesia to South Sudan: in recent years we have seen more and more farmers taking their future into their own hands, joining forces with their fellows to tackle the multiple challenges of agricultural production. Farmers invest money, production and manpower in cooperatives to create access to markets, to technology and to development. They have discovered that they are not dependent on projects, grants, NGOs or governments, but that they can direct their own future. That is the tipping point for genuine development and the point where ambition and potential come together.

This document is therefore about the emergence of a new generation of farmer organisations and cooperatives. Farmer-led entities that rid themselves of the ideological burden of the past and count on Agriterra for sound advice for and by fellow farmers and cooperatives from the Netherlands and around the world; a genuine support to realise their own ambitions. Agriterra wants to be their advisor and critical friend.

This is also a proposal about inspiration. Inspiration from cooperatives that dare to demonstrate the long and winding road to development. Inspiration from women and young people who dare to take leadership and who give concrete form to diversity in their cooperatives. Agriterra wants to inspire and be inspired.

Finally, this document is also a proposal on ambition: the start and end point of every cooperation is the ambition to achieve an impact at scale through our services; the ambition to become the best in what we do; the ambition add value to our clients and partners. The main driver for our work is therefore ambition: of the farmers, of the cooperatives, of the Dutch cooperatives and organisations, of the Agripoolers, of our strategic partners. Agriterra is driven by ambition.

At Agriterra we convert advice, inspiration and ambition into action to assist farmers' organisations and cooperatives maximize their potential as part of the post-COVID-19 solution and reconstruction and to fearlessly assist them in addressing the wicked problems of these times.

This document is divided in two different sections. The first, which comprises Chapters 1 to 4 sets out the overall strategy of Agriterra for the next decade. Chapter 1 provides an overview of the Theory of Change of Agriterra, our modalities of work, the three-trajectory approach and our value proposition. Chapter 2 relates to the external and internal context in which Agriterra operates, our expanding network of international partners and our ambitions and projections for the future. Chapter 3 reflects on the past five years, the lessons we have learned and the steps we want to take to become future proof as agri-agency. Finally, chapter 4 gives an overview of the financial roadmap for Agriterra's route 2030 strategy.

The second section of the document, that includes Chapter 5 to 9, explains the ambitions for the strategic partnership proposal with DGIS for the period 2021-2030. These ambitions for the strategic partnership with DGIS are explained in Chapter 5, includes goals and expected results, transitions in focus and non-focus countries, the institutional development projects, and the strategic partnership alliances expected to be achieved with the support of DGIS. Chapter 6 includes an explanation of the new monitoring and evaluation system. Chapter 7 explains the budget distribution. Chapter 8 provides the results of a sensitivity analysis and describes the main assumptions and risks. Finally, Chapter 9 includes our final observations.



# SECTION 1

## ROUTE 2030

### **Agriterra's strategy**

# 1. Agriterra's core values and work

## Created by farmers' organisations to serve farmers' organisations

When Agriterra's founding organisations, LTO-Nederland, Nederlands Agrarisch Jongeren Kontakt (NAJK), Vrouwen van Nu, and the National Cooperative Council, created this development cooperation agency in 1997, their premise was that countries with a strong farmer community, with strong farmers' organisations, create agricultural sectors which combine profitability, inclusiveness and resilience, as evidenced by The Netherlands and many other countries and regions such as France, South Korea, New Zealand and the Basque Country.

Agriterra's founding organisations also felt a responsibility to address the pressing problem of global hunger and poverty. They recognised the pivotal role that strong farmers' organisations play in alleviating hunger and poverty, as well as their power to reduce market distortions to support ambitious farmers to thrive. Their rationale for forming Agriterra was accepted by two NGOs and later by the Dutch Government, initiated by a covenant in 2003 to underscore the importance of policy-wise collaboration, and in 2007 by supporting the development of Agriterra.

Agriterra has developed into an agri-agency that provides high-quality, hands-on advice, training, and exchange services to farmers organisations with impact in rural areas. By professionalizing and strengthening these farmers organisations, Agriterra contributes to positive economic development and better income distribution. Agriterra has become the internationally renowned service provider on cooperative development, serving as the vehicle to provide support to farmer organisations and cooperatives in developing countries and encouraging them to play their part in the structural transformation of economies.

Agriterra's core values are rooted in the firm belief that agriculture is a vital sector not only for providing good nutrition and food security, but specially for increasing economic development in the first stages of economic growth and structural transformation, from agriculture to manufacture and services; from rural to urban.

The ongoing structural transformation of economies in developing countries is expressed through a silent revolution of entrepreneurial farmers driving development. Agriterra believes that a paradigm shift in development cooperation is happening which requires proper support to those remaining in farming and the others moving into manufacturing and services.

Agriterra believes that inclusive economic growth in developing countries is shaped by strong social institutions, such as farmers' organisations and cooperatives. In terms of sustainability and scalability of development programmes, the strengthening of farmers' organisations and cooperatives is recognized as one of the instruments to create long lasting socio-economic impact. It is also a proven means to recover from and/or mitigate the effects of external shocks and threats.

## Agriterra's Theory of Change

Through its 23 years of work around the world, Agriterra has found that farmers' organisations are the key for harnessing the collective drive that individual farmers have for economic, social and political progress. We hold a three-word motto: Unity makes

strength. This is the driving belief behind Agriterra's Theory of Change (ToC) which is briefly summarized in table 14 in annex 1.

Individual farmers in developing countries face challenging barriers in both the market and the political arena. They are held back by many factors - their weakness as individuals; remoteness and poverty; expensive and inconvenient access to agricultural inputs; low pricing power with buyers and suppliers – and their voices are unheard by policymakers. However, the agricultural sector in developing countries is a key instrument to shape the (unavoidable) structural transformation that takes place in these countries.

This structural transformation moves developing countries from rural societies based on subsistence agricultural sector which employs the majority of the population, towards manufacturing and services-oriented societies with rising levels of productivity, income and welfare. Transformation always implies a shift of people working in agriculture to other economic sectors.

Therefore, how the structural transformation evolves has long lasting effects on society. Without a balanced reassignment of agricultural resources, the structural transformation process can degenerate into rural exodus and depopulation, severe income inequalities among urban centres and the periphery, unsustainable urban massification, increasing urban unemployment and its side effects (crime, domestic violence, pollution), growing ecological and environmental threats derived from urban congestion and neglected rural areas, and food insecurity, hunger and malnutrition.

These powerful unbalancing forces often witnessed in structural transformations can be counterbalanced with a vibrant rural sector in which agricultural activity, the agro-industry and agri-services play a leading role to generate employment (on-farm and off-farm jobs) and economic growth in rural areas, raise productivity and living standards for rural dwellers, and create public and political awareness about the rural sector. As a result, a vibrant rural sector in developing countries alleviates social inequality, hunger, and poverty, and enables young people to secure off-farm employment in the villages close to their families' farms.

Nevertheless, the market and political barriers faced by individual farmers create a paramount challenge to developing a vibrant rural sector. This is the reason why farmers' organisations have been established during the last two centuries as key players to ensure vital agricultural sectors and support the dynamism of rural areas.

In a nutshell, organised farmers increase their purchasing and selling pricing power, define common goals to create a united voice for policymakers, and establish agri-services that offer competitive market solutions to farmers. Therefore, when farmers' organisations lobby the government to invest in better infrastructure (advocacy), build a factory to add value to the crops (farmer-led business), or hire extension officers to train farmers (sustainable services), they exert a fundamental driving force on the rural fabric and the rural community, generating economic activity and jobs in impoverished rural areas.

However, farmers' organisations and cooperatives are not immune to organisational and market failures. Usually, a farmer can supply the produced crop to the farmers' organisation, becoming a supplier, pay the membership fee to become a member (owner), purchase agricultural inputs from the organisation becoming a customer, and be voted as a board member (director). This polyhedral relationship between a farmer and the organisation generates structural challenges including the agency problem, access to

finance, free riding, common resources abuse, unqualified directors, and internal control problems.

*Kibinge Coffee Farmers' Cooperative in south Uganda has 2,300 members and 47 employees. In collaboration with Agriterra they achieved their ambition to establish their own factory to roast, process and package coffee. This investment was possible thanks to a 1.5 million euro loan from a financial institution. The cooperative was able to become bankable because of improved management practices and a rapid capitalization process through members contributions, increasing equity by 74 percent in just three years!*  
 [Agriterra success story 2016-2020]

**How we work. Strict selection for support and local support embedded in an international farming community**

To overcome the intrinsic organisational and market challenges that farmers' organisations face, Agriterra has developed, over more than 20 years of work around the world, a portfolio of online/offline tailored services such as assessment, ad-hoc business advice, exchange visits, peer-to-peer advice and training courses to strengthen agricultural farmers' organisations and cooperatives (see Figure 1).

**Figure 1. Agriterra's services for farmers' organisations**



For this purpose, Agriterra has developed a sound eight-step system conducive to results and the achievement of the Big Hairy Audacious Goals (BHAG) of farmers' organisations as shown in Figure 2.

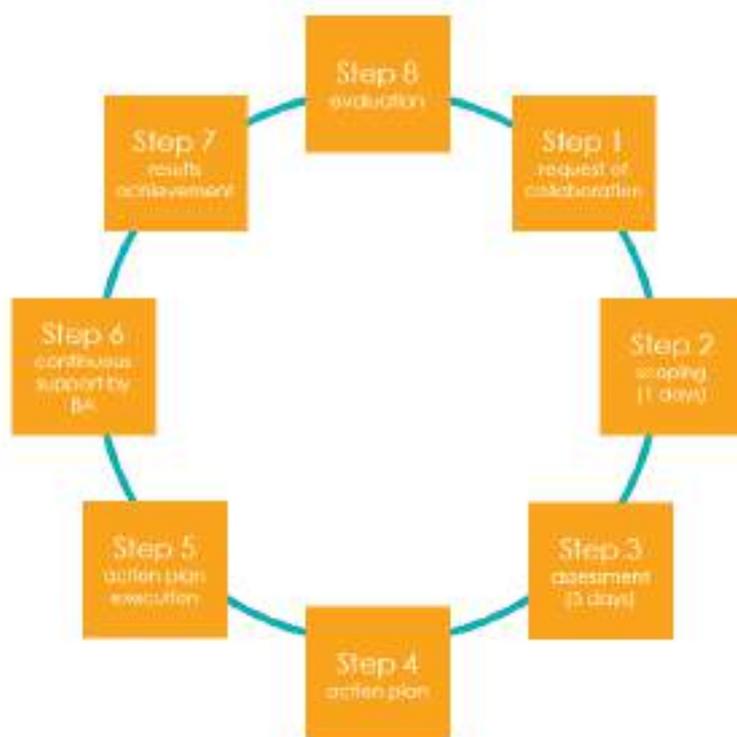
People's participation in rural development is deeply embedded in Agriterra's work, but it goes beyond the traditional focus of inducing farmers to form cooperatives and associations, as it focuses on those who, through their own initiative, have already established a farmers' organisation. This really stands out in Agriterra's approach which explicitly is not project-driven but centred around the ambitions and capacities of the organised farmers themselves. Agriterra believes this is the only way to provide significant, sustainable and legitimized progress. Therefore, Agriterra takes ambition as a starting point and applies a well elaborated selection mechanism to identify the farmers' organisations for which its services could be most effective. By applying its unique and robust selection process, the agri-agency can identify farmers who are ready to take on leadership roles and are committed to self-development. For Agriterra it is important to capitalize on the enabling environment. That is why Agriterra only works with ambitious farmers and farmers' organisations by selecting those most eager to reach development in each country.

The first step is a direct request for Agriterra support by a farmers' organisation; in other instances the first step might be that Agriterra contacts the farmers' organisation after a landscape mapping exercise at country level. This first contact triggers the whole eight-step system. Once the business advisors receive a request for support, the process enters step two with the use of a prospective tool, called scoping.

Scoping is a one-day evaluation of the goals of a farmers' organisation and its capabilities (assets, board, employees, financial resources, members). If the scoping goes well (i.e. the farmers' organisation meets minimum standards, the board, management and members show a proactive and transparent attitude towards Agriterra, and the organisation has the ambition to become a client and achieve a certain BHAG), then the process advances to step three, the assessment.

The assessment is a one-week evaluation to define the BHAG with the organisation, and to identify the internal and external bottlenecks that prevent the organisation from achieving it. The assessment evaluates multiple areas including the organisation's history, its business model, its financial structure and financial risks, any governance system, human resources capabilities, gender and youth inclusion, climate challenges, external reputation and advocacy outreach, and – most importantly – the willingness to change. If the assessment is concluded satisfactorily for both parties it is followed by step four in which Agriterra, based on the information obtained during the assessment, develops (in collaboration with the leaders of the farmers' organisation) an action plan that defines specific activities, such as consultancies, exchange visits, grants, internships, peer-to-peer advice and trainings, oriented to support the farmers' organisation in reaching certain milestones in the short-time (one year) aimed at achieving the BHAG in the medium or long-term.

**Figure 2. Eight-step working system developed by Agriterra**



Once the action plan has been agreed by both parties and ratified through a contractual agreement then comes step five, the implementation of the activities defined in the action plan, structured in one or more main working trajectories: (1) lobby and advocacy, (2) farmer-led business, and (3) sustainable services. Step six is a continuous support and monitoring process to the farmers' organisation by the business advisor, in order to adapt the strategy and activities in a timely manner and adjust the work to the changing reality and still reach the objectives. At step seven,

the farmers' organisation capitalizes on the continuous support by a dedicated team of local business advisors (more than 75 per cent of the team is local), plus the ongoing implementation of capital-knowledge transfer activities by peer experts (the so-called Agripoolers) to its directors, workers and farmers, and achieve tangible results (such as better advocacy proposals, access to finance, and the development of new services for farmers). This peer-to-peer approach – combined with the local presence and expertise – complete this unique, practical and customized approach, which is appreciated by Agriterra's clients for its agri-food knowledge, its peer-to-peer networks, and its supporting partners worldwide (as acknowledged by ECORYS evaluation).

To conclude the eight-step system, Agriterra performs an evaluation of the activities developed, the peer-to-peer support, the progress attained towards the BHAG, and the achievements obtained by the farmer's organisation. If the results of the evaluation are satisfactory for both parties, Agriterra renews the cycle in step four, defining a new action plan in accordance with the leaders of the farmers' organisation to reach the BHAG. If the results of the evaluation are unsatisfactory, the collaboration is terminated temporarily or permanently.

### **A three-trajectory approach. Farmer's organisation driving progress**

Since the 2016-2020 programme with DGIS called *Farmer Common Sense in Business* (FCSB), Agriterra has been deploying its specialized services within a three-trajectory approach. This focuses on strengthening the core endeavour of a farmers' organisation, whether this is lobby and advocacy, farmer-led business, and/or sustainable services. These three trajectories are supported on two transversal tracks – financial management and governance – which are the cornerstone for an efficient, sustainable, transparent, and democratic organisation.

This working strategy is complete by three crosscutting issues embedded in Agriterra’s tools and activities, formed by gender, youth and climate, as represented by Figure 3.

**Figure 3. Main trajectories, transversal themes, and cross-cutting issues**



**1. Lobby and advocacy. A united voice to farmers**

Lobby and advocacy refers to those intelligence, networking, writing, communication, and campaigning activities performed by the farmers’ organisation and its members (farmers), intended to raise awareness, promote change, or obtain resources for a specific issue relevant to a particular group of farmers.

The World Bank states that, for smallholders, farmers’ organisations are essential to give them a political voice and hold policymakers and implementing agencies accountable (Byerlee et al., 2007), and the International Fund for Agricultural Development (IFAD) acknowledges the value of farmers’ organisations in developing more participatory agricultural policies in the countries it targets.

Over the last decade, Agriterra has developed an evidence-based lobby and advocacy methodology to support farmers’ organisations to identify relevant issues, discover and define practical solutions through participatory methodologies with their internal and external stakeholders, and implement an effective communication and advocacy process. Lobby and advocacy work has tackled issues such as unfair taxation, cooperative laws, access to government extension services and donor programmes, export licences, seed quality regulations, and land rights.

*In Vietnam, lobby and advocacy has been rolled out to a total of 26 provinces, training more than 40 trainers from the farmers’ organisations and 20 master trainers and successful lobbying with government funds by rolling out consultations, research, proposal writing and lobbying in 7 Vietnamese provinces. The use of the lobby and advocacy trajectory led to 17 million euros in funding in these 7 provinces, with more than 2,000 farmers consulted to strengthen proposals for lobbying.*  
 [Agriterra success story 2016-2020]

The lobby and advocacy trajectory has huge potential to create systemic changes in entire value chains and rural communities at the primary level (associations, cooperatives), at the secondary level (federations, unions of cooperatives) and at local, subnational and national levels. Besides, the lobby and advocacy trajectory has a direct impact on the farmer-led businesses and sustainable services performed by farmers' organisations by engaging and managing their external stakeholders, reaching decision makers in public institutions, and connecting with public and private entities to access donor programmes. Successes to date include the Vietnam National Farmers Union (VNFU) giving strategic advice to the government to allocate 19.2 million euro spending on agricultural investments and subsidies among farmers' organisations; the 8.9 million euro trade benefit obtained by the Bolivian federation Fegasacruz in 2019 (and projected benefits of 31 million euro for 2020) after the restrictions on exporting meat to China were lifted; and the 2 million euro invested to build a dam in Rwanda lobbied by the cooperatives union Ucoribu. And 6.8 million in donor projects has been raised by farmers' organisations with the support of the Agriterra inclusive lobby methodology Farmers Advocacy Consultation Tool (FACT) .

## **2. Farmer-led business. Bankability and jobs**

A farmer-led business is the activity of a farmers' organisation by which it purchases the crops of its members (paid in cash or on credit) to sell them to third parties in any shape or form, with or without added value. This includes raw materials, by-products, intermediate inputs, or final goods. This activity is commonly carried out by agricultural cooperatives.

The farmer-led business trajectory remains the core of Agriterra's work. A total of 49.5 euro million in working capital and the 10.4 euro million in investment capital has been raised by farmers' organisations through Agriterra support, and fifteen large investment projects have been implemented so far thanks to the FCSB programme (2016-2019).

The farmer-led business trajectory gives special attention to 'bankability'. This is the state in which farmers' organisations seeking to grow their operations are able to negotiate competitive financing terms and choose the most suitable financing option for their operational (working capital) and investment (investment capital) activities. Agriterra supports farmers'organisation in every step of the way towards bankability, from drafting business plans with an agripool expert, to develop technical blueprints with an industrial designer. All of this is done with the ambition oing increase their working capital and enlarging their capacity to source crops from farmer members, or access investment capital and expand their capacity to add value to the crops through new processing facilities.

But bankability is not an end in itself. Rather it is the means to increase crop purchasing (in both volume and price paid to the farmers) and to support on-farm and off-farm jobs through this propelled rural industrialization. In turn these expanding enterprises offer more opportunity to unemployed women and youth. Lack of *good* jobs is an endemic problem in developing countries as the expression of an unbalanced structural transformation. It is why there are so many (wrongly called) entrepreneurs stuck in small unprofitable businesses with no scalability (street vendors, recyclers, and the like), since people create their own jobs in the absence of other opportunities. Hence the off-farm salaried jobs working as a white-collar or blue-collar worker in a cooperative, plus the on-farm jobs supported by the steady purchase of crops by the cooperative, represent a high level of income stability, which is one of the strongest predictors of becoming middle class among the poor. Good jobs give income stability and allow families to focus on the

future, build the workers' careers and education, and facilitate access to financial services to invest in education, farm productivity, and improve living conditions (Banerjee and Duflo, 2011). Cooperatives account for 100 million jobs worldwide, which is 20 per cent more than multinationals (Herbel et al., 2012).

### **3. Sustainable services**

Sustainable services include services provided by a farmers organisation to its members (farmers), who pay for them directly or indirectly – the final purpose is to increase agricultural productivity or facilitate life in the rural area. The scope of services is broad: providing agricultural inputs, renting agricultural machinery, financial services, laboratory testing, logistics services, rented warehousing facilities, certification and traceability services, general information services and also advisory services (extension services) to improve agricultural productivity. These agri-services may also be offered to third parties (non-members) to increase the profitability and financial solidity of the service unit.

When all farmers are considered, public agricultural extension services worldwide fall short. On average they reach only 5–10 per cent of the farmers in developing countries; an additional 10 per cent receive information from agricultural suppliers who address mostly the bigger commercial farmers and enterprises (FAO, 2018). In view of these limitations in agricultural extension capacity, particularly for small and medium-sized farms, there is a dire need to develop these capabilities within farmers' organisations and cooperatives, especially since extension services often create demand from farmers for agricultural inputs and other services.

Extension and agricultural input services in farmers' organisations are key elements to increase the commitment, quality and production volumes of members. This should boost the members' supply to the cooperative (hence improving the cooperative business) and the return on the investment will be realised. If extension and input supply services are well embedded in the organisational structure of the organisation – with well trained staff on sustainable production techniques and able to use suitable ICT-based agro solutions and modern technologies – the organisation can support farmers to become more productive, to increase food security in terms of quantity and quality, and to safeguard the land for the next generation.

Agriterra supports farmers' organisations not only by training extension officers and farmers on sustainable agricultural techniques for higher productivity, but also by providing peer-advice. Farmers' organisations are thus enabled to develop a portfolio of services that are financed (directly or indirectly) by the farmers, through the increasing business volume of the organisation, which will end its dependence on government subsidies or donor programmes. The focus of the service is immaterial as long as the farmers play a leading role in defining the requirements and in creating the demand. The farmers must also have a willingness to invest in the services, and the cooperative must create an organisational structure (including financial projections) that is sustainable over the long term.

An important area of sustainable services is the provision of and access to financial services. Agriterra advises grassroots cooperative financial institutions known as savings and credit cooperatives (SACCOs), which are paramount organisations for rural areas and the farming community because of their business capillarity reach in the countryside. SACCOs specialize in affiliating smallholder farmers as members, and offering tailor-made financial services, such as interest-bearing savings accounts, and loans to invest in their farms and buy agricultural inputs. SACCOs also capture funds and provide liquidity

and investment capital from/to other agricultural cooperative organisations, so that when Agriterra works with SACCOs it creates a symbiotic relationship among its client farmers' organisations that generate additional synergies.

#### 4. Gender, youth and climate. Agriterra's cross-cutting issues

Agriterra's theory of change (ToC) advocates that farmers' organisations contribute to a more equal distribution of income and wealth. Agriterra specifically targets the inclusion (and empowerment) of women and youth in this equation, as these groups are often underrepresented and underserved. The inclusion of gender and youth in collective organisations and rural economic institutions like farmers' organisations and cooperatives is neither automatic nor guaranteed, despite the fact that the cooperative principles include democracy, inclusiveness, and non-discrimination.

Agriterra recognises that gender and youth are not binary, and that terms and definitions related to gender and youth are diverse and context-specific, continue to evolve, and are subject to the world around us. At the same time, Agriterra also believes that gender and youth norms are changeable over time and that they can be influenced collectively. Agriterra addresses gender and youth within its own organisation and continuously at all levels of intervention. There is a mainstreaming approach into the three main trajectories. The aim is to integrate gender and youth perspectives into the preparation, design, implementation, monitoring and evaluation of its projects and activities. In time this can transform the power dynamics and structures that reinforce gender and youth inequalities in society. For this, the different tools employed by Agriterra (scoping, assessment, action plans, and health check) are gender- and youth-sensitive, addressing specific questions on these topics to trigger action.

*Through the youth trajectory of Agriterra the Rwandan coffee cooperative Abakundakawa set-up a new youth council and by its initiative more than 100 lots of compost were created, which helped the members in the organic farming programme to increase their supply to the coffee washing station by 50 percent. Additionally, more than 250 youth members joined the cooperative after the annual general meeting decided to offer them a discount on their membership entrance fee.*  
[Agriterra success story 2016-2020]

Specialized training in female and youth leadership has been deployed worldwide, with more than 120 farmers' organisations trained. And by involving female and young professionals, trainers and decision-makers as peer-to-peer experts, Agriterra sensitizes members and employees of a farmers' organisation and shifts the organisational culture towards a more gender and youth inclusive environment. By sensitizing and training decision-makers in the farmers' organisation (board members, management, future leaders) they gain the knowledge and tools they need to promote gender and youth balance initiatives inside the farmers' organisation and the wider community. Agriterra supports these initiatives to empower women and young farmers, with technical advice and experts. Achieving empowerment might require the adaptation of internal policies and practices, and the institutionalisation of women and youth councils as advisory bodies ingrained into the farmers' organisations' structures.

Agriterra believes that climate change is a crucial agricultural challenge, since no other economic sector is impacted by the effects of the changing climate more than agriculture. The sector is also a sizeable contributor to climate change emissions. The rapidly growing

global population in developing countries demands higher levels of food production, putting additional pressure on forests and food systems worldwide. To meet these objectives, agriculture production must not only considerably increase but, at the same time, become substantially more sustainable and resilient. This means farmers' organisations and farmers are as essential in tackling climate change as in fighting poverty.

The climate track is the latest working trajectory developed by Agriterra. It has been thoroughly tested in Vietnam and is being rolled out successfully in more countries including Rwanda, Kenya and Peru. The climate trajectory has as its cornerstone the 'climate clever check', a tool designed by Agriterra based on best practice in climate-smart approaches and adapted to Agriterra's work with cooperatives. This tool is used to analyse five key dimensions of climate-clever agricultural practices (water, waste & energy, crop & livestock, soil, and knowledge transfer) and to identify, with a set of good practices for reference, which climate issues cause most problems, and whether the farmers' organisations and its farmers are able to implement effective climate-clever solutions. Based on the areas identified for improvement, the right experts are mobilized by Agriterra to develop specific solutions for specific problems (in direct cooperation with the farmers' organisations) and to provide training on the best climate-clever practices to farmers and extension officers.

## **Value propositions**

What has Agriterra to offer? First, our proposition to our prospective clients: farmers' organisations and cooperatives worldwide.

### *Value proposition towards cooperatives*

To cooperatives and farmers' organisations, Agriterra offers an integrated customized package of advice, exchange and training services that improves business performance, leads to new investment and increased member satisfaction while valuing the ownership and ambition of the cooperative itself. This is backed by the experience and expertise of established cooperatives worldwide and is offered with flexible cost recovery/ payment terms.

By delivering impact to organised farmers, we also offer a value proposition to many other stakeholders seeking this impact.

### *Value proposition towards public investors (donors)*

To public investors, Agriterra offers the capacity to locally support cooperatives to enhance food security and value-chain development with an inclusive and territorial approach, by putting farmer-led organisations at the centre of development. This results in a sustainable and scalable system that reduces poverty and boosts income among farming communities. There is substantial impact in terms of farmers reached, hectareage of land managed for climate resilience, rural employment and external public-private sector investment.

### *Value proposition towards national governments*

To national government, Agriterra offers top-notch knowledge and services on lobby and advocacy trajectories, involving policymakers. This will spur economic growth in agriculture, facilitate tripartite partnerships (government/ private-sector/ coops), and lead to better informed and supportive farming communities.

Agriterra's track-record working with local and international private sector partners to make value chains more sustainable and improve food security has grown over the past decade.

#### *Value proposition towards the private sector*

To private sector partners, Agriterra offers a business-minded approach with local management and execution capacity. We provide quality- and quantity-enhancing services to farmers via their organisations, with hands-on coaching for current or future supplying cooperatives to become more reliable and bound by jointly agreed contract terms. This in turn lead to sustainable higher and better volumes of the resources needed by private sourcing companies and/or providing other social or environmental benefits in this part of the supply chain.

Recently Agriterra has increased its position in agricultural finance by managing the Technical Assistance Facility for the Agri-Business Capital Fund. Agriterra is now in a stronger position to link financial institutions with farmers' organisations.

#### *Value proposition towards financial institutions*

To financial institutions, Agriterra offers local risk-reducing capacity to cooperative borrowers by providing pre- and post-investment support in operationalizing the loans. This improves loan repayment rates and attracts more capital to funds. At the same time Agriterra provides a pipeline for investments through their client portfolio.

In summary: by supporting ambitious farmers who through collective action improve their farming practice, processing, marketing, and other services and are able to voice the interest of farmers with special attention paid to youth and women, Agriterra builds strong rural cooperatives. These co-ops serve as the outlet where governments, donors, NGOs, companies and research institutes can engage with authentic groups and help them fulfil their objectives.

## 2. Agriterra in a rapidly changing world

Agriterra operates in a world that is changing rapidly. Population growth, the effects of climate change on and caused by agriculture, migration, conflicts, natural disasters and economic downturn all affect Agriterra's work and target population. On top of these developments, COVID-19 is having an enormous impact now and into the foreseeable future. According to the Global Report on Food Crises 2020 of the World Food Programme (WFP), the COVID-19 pandemic could almost double the number of people suffering acute hunger, pushing it to more than a quarter of a billion by the end of this year. In addition, the International Food Policy Research Institute (IFPRI) states in their 2020 Global food policy report that there is less support for agriculture than for other forms of economic assistance even though poverty and hunger is mostly felt in that sector and surroundings.

COVID-19 is disrupting agricultural value chains that affect shipments of farm inputs, planting, harvesting, processing, and trade. In order to mitigate the effects of such disruption on vulnerable populations and to stabilize livelihoods and food security in Africa, Asia, and Latin America, it is essential to address the financing and capacity building needs of rural enterprises. This is particularly so for those who live and work in rural areas – the farmers – through their cooperative businesses and saving and credit cooperatives (SACCOs). More than ever, farmer organisations and cooperatives are facing challenges in aggregating the capital, labour and production resources they need to organise and disseminate support in rural communities (a task they perform together with governments and other stakeholders).

Local value chains need to be strengthened and sensible investments need to be made, supported by organisations on the ground that can leverage this support and help farmers and their organisations leapfrog to state-of-the-art sustainable farming systems while keeping value-addition in the countryside and improve food security. These essential responses are illustrated in Agriterra's core work and overall strategy.

Climate change is an even bigger issue than COVID-19, one that is by default a crucial farmers' issue, and hence an issue for farmers' organisations. No other economic sector is impacted by the effects of the changing climate more than agriculture, and the rapidly growing global population demands higher levels of food production, which puts further pressure on farming systems worldwide.

In developing countries, we see a growing demand for private sector involvement and foreign direct investment. Inclusive food systems are required to ensure that economies support all people in Africa, Asia and Latin America. Farmers' organisations are increasingly being recognized as vital entities for institutionalizing and scaling up economic progress, social structures and climate-resilient systems.

### SDG goals

The Sustainable Development Goals (SDGs) remain the leading framework to tackle current global challenges. The two leading premises for Agriterra to contribute toward the SDG framework are:

1. The explicit acknowledgement that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs (including education, health, social protection and job opportunities) while tackling

climate change and environmental protection (United Nations, the 2030 Agenda for Sustainable Development 2015).

2. The fact that current food systems in developing countries are in dire need of improvement to meet increasing demands on agricultural productivity due to the combination of rising income, population growth, the need to meet nutritional requirements, biodiversity protection and climate change adaptation and mitigation. Investment in agriculture is crucial to increase the capacity for agricultural productivity, and sustainable food production systems are necessary to help alleviate the perils of hunger (United Nations, the 2030 Agenda for Sustainable Development 2015).

Agriterra's work and approach contribute to a broad range of themes and can be directly linked to the DGIS-PSD (private sector development) framework with a focus on SDG 8 (Decent Work and Economic Growth).

The key indicators for our success are bankability and capitalization of farmers' organisations; access to working and investment loans, agreement with strategic investors, internal capitalization processes, and donor investment grants; economic growth led by new investments in agro-industry and agri-services through new farmer-led enterprises; decent jobs in rural areas through agriculture (on-farm jobs) and agro-industry (direct jobs). These key indicators belong to SDG 8 and are central to our work. This goal is translated by the United Nations into more specific targets to which Agriterra contributes. They include 8.1 (sustain per capita economic growth in the least developed countries), 8.3 (promote development that support productive activities, decent job creation, and encourage the growth of enterprises, including access to financial services), 8.4 (decouple economic growth from environmental degradation), 8.5 (achieve full and productive employment and decent work), 8.6 (substantially reduce the proportion of youth not in employment, education or training), and 8.10 (strengthen the capacity of domestic financial institutions to encourage and expand access to banking and financial services for all).

*Joinas SACCO has a membership composed of dairy farmers located in central Kenya 15 per cent of its members are young farmers and 60 per cent are women. With the support of Agriterra Joinas increased its membership by 93 per cent in 5 years. It developed new financial services with a growth in deposits of 125 per cent and loans by 84 per cent, strengthening its liquidity. With better staff training and structural reorganisation (with the creation of new departments), Joinas improved its compliance with the national regulatory framework to 90 per cent, relocated to new offices, and rebranded its image and products.*

[Agriterra success story 2016-2020]

Besides the link with SDG 8, Agriterra has impact on other SDGs because of its inclusive approach. Following the sequence of activities, outcomes and impacts listed in Agriterra's ToC in chapter 2, the impact of Agriterra's work is on economic growth, more equal distribution of income and wealth, the democratization of society (Blokland & Schuurman, 2016), and a positive contribution to climate change adaptation and mitigation. Agriterra's actions with its core values and key services thus contribute to SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 13 (Climate

Action), SDG 15 (Life on Land), SDG 16 (Peace, Justice and Strong Institutions), and SDG 17 (Partnerships for the Goals).

**Figure 4. Contributions to the SDGs**



**Table 1. SDG targets of Agriterra's key services**

No.	SDG target
<b>No Poverty</b>	
1.1	Eradicate extreme poverty (people living on less than \$1.25 a day)
1.5	Build the resilience of the poor to climate-related extreme events and other economic, social and environmental shocks and disasters
1.b	Create sound policy frameworks to support accelerated investment in poverty eradication actions
<b>Zero Hunger</b>	
2.3	Double the agricultural productivity and incomes of small-scale food producers through secure and equal access to productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
2.4	Ensure sustainable food production systems and implement resilient agricultural practices
2.a	Increase investment in rural infrastructure, agricultural research and extension services
<b>Gender Equality</b>	
5.5	Ensure women's full and effective participation and equal opportunities for leadership at decision-making in economic life
5.a	Undertake reforms to give women equal rights to economic resources
<b>Decent Work and Economic Growth</b>	
8.1	Sustain per capita economic growth in the least developed countries
8.3	Promote development that support productive activities, decent job creation, and the growth of enterprises, including access to financial services
8.4	Decouple economic growth from environmental degradation
8.5	Achieve full and productive employment and decent work
8.6	Reduce the proportion of youth not in employment, education or training, and
8.10	Strengthen the capacity of domestic financial institutions to expand access to banking for all (SACCOs)
<b>Industry, Innovation and Infrastructure</b>	
9.3	Increase the access of small-scale industrial and other enterprises in developing countries to financial services and their integration into value chains and markets
<b>Climate Action</b>	
13.1	Strengthen resilience and adaptive capacity to climate-related hazards

13.3	Improve education and awareness-raising on climate change mitigation and adaptation
<b>Life on Land</b>	
15.1	Promote sustainable use of terrestrial and freshwater ecosystems, in particular forests
<b>Peace, Justice and Strong Institutions</b>	
16.6	Develop effective, accountable and transparent institutions at all levels
16.7	Ensure inclusive, participatory and representative decision-making at all levels
<b>Partnerships for the Goals</b>	
17.3	Mobilize additional financial resources for developing countries from multiple sources
17.6	Enhance North-South, South-South cooperation to access technology, innovation and enhance knowledge sharing
17.7	Promote transfer and diffusion of environmentally sound technologies to developing countries
17.11	Significantly increase the exports of developing countries
17.17	Encourage and promote effective public, public-private and civil society partnership

### Becoming a worldwide advisory agri-agency

Agriterra expects that COVID-19 and the resulting economic crisis will affect development cooperation. It seems certain that there will be a reduction of total funds and that funds normally available to the agricultural sector will be redirected towards reducing the impact of COVID-19 in developing countries (e.g. via the health sector).

Nevertheless, farmers' organisations and cooperatives remain vital for the food security of many rural and urban citizens, as well as sustaining the economic fabric and employment in rural areas. Agriterra's mission is more important than ever, and Agriterra's ambitions to increase its operations in Africa, Asia and Latin America remain unchanged. But this holistic approach to working with farmers' organisations and cooperatives on advocacy, agricultural practices, agri-services, bankability, business, climate, extension services, industrialization, gender, governance, technification and youth requires a new strategy of broader institutional partnerships.

This new strategy will reinforce the restructuring plan initiated in 2015 when Agriterra began the transition from a co-financing development cooperation agency to an advisory agri-agency. Based on the observation that capital flows had changed and that official development assistance (ODA) funds were less significant than the new flows of private capital (through multi-national companies and national firms with sourcing and selling aspirations, plus an ever-growing financial sector where banks and investment funds were seeking to increase their portfolios in agriculture and agribusiness), Agriterra evolved into an organisation that delivers advisory services. In line with this changing environment, the focus was no longer capturing funds to grant to farmers' organisations. Instead, Agriterra aims to offer the expertise and knowledge needed through an international network of partner cooperatives and agripool experts, to make farmers' organisations bankable to access the funds available from private companies, as well as enhancing the agri-services provided by organisations to their members to increase the quality and quantity of crops produced to supply national and international customers.

This transformation led to organisational growth as a result of working with more clients in more countries through the tailor-made support of business advisors as shown in Table 2. The reasons for expanding operations into new countries were the creation of a higher impact, the demand by DGIS and third parties, and the requirement to develop an

international network of partners and experts that allowed Agriterra to position itself as a leading player in cooperative development.

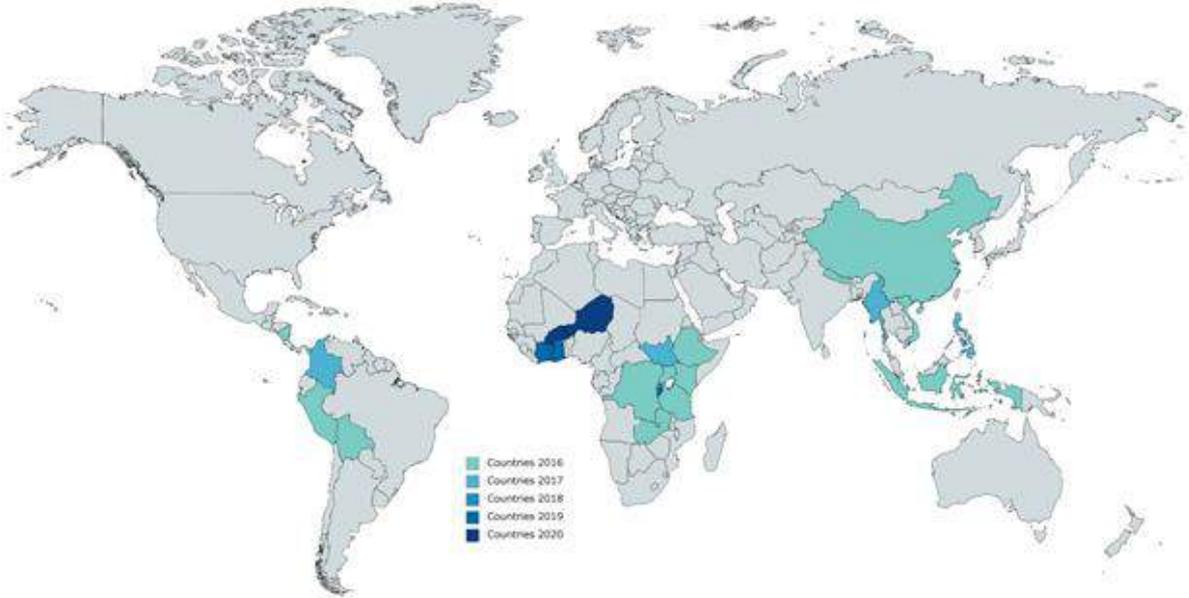
**Table 2. Agriterra’s growth in country offices, clients and employees (2016-2020)**

Year	2016	2017	2018	2019	2020*
Countries offices	13	17	18	21	23
Clients	164	278	291	357	361
Employees	84	111	120	156	165

\*Projected results

The growth of Agriterra over the last five years has led to the current presence in three continents: Africa (Burkina Faso, Burundi, DR Congo, Ethiopia, Ghana, Ivory Coast, Kenya, Niger, Rwanda, South Sudan, Tanzania, Uganda, Zambia), Asia (China, Indonesia, Myanmar, Nepal, Philippines, Vietnam), and Latin America (Bolivia, Peru, plus Colombia and Nicaragua through the strategic partnership with ACODEA - Spain). **Figure 5. Agriterra’s growth on countries map (2016-2020)** Figure 5 shows the growth in countries where Agriterra operates (with ACODEA) from 2016 until 2020, seeing a greater expansion first in Southeast Asia and later in East Africa.

**Figure 5. Agriterra’s growth on countries map (2016-2020)**



To expand successfully, Agriterra had to assess the agri-agency structure to deal with issues such as the connection between the head office in Arnhem and the country offices, as well as new strategies of risk management. This profound evaluation resulted in a more decentralized operation with the introduction of a new leadership style through the development of self-organising teams – this has been further expanded by the creation of more independent teams. This was necessary because in the early stages of office development, financial administration becomes more complex, particularly when Agriterra participates in programmes involving third-party funding, whether short-term

advisory assignments or participation in larger programmes (such as the USAID GrowCoop programme in the Philippines, Ecodit programme in Vietnam, and the IFAD TAF-ABC Fund in several African countries).

The rapid growth of Agriterra's advice led to a steep learning curve with a lot of pressure on human resources, as our services were delivered by many new staff members in new countries. This involved a great deal of up-front training. However, now that Agriterra has become relevant worldwide it is time to capitalize on its expanded structure to continue the funding diversification strategy, as well as to deliver SDG results far beyond Decent Work and Economic Growth. During the last five years, Agriterra has built a sound track-record of programme execution. The agri-agency is now well positioned as a reliable fund manager and services-provider for public programmes, and as partner for private companies that want to locally source or create social impact.

### Partnerships for the future

Agriterra has seen a growing interest in its work from non-DGIS partners over the last five years. In addition to national public development agencies such as IFAD, GIZ (DE) and USAID (US), other external institutions such as government agencies like RVO (NL) and CBI (NL); financial institutions (ABC-Fund, Rabobank, Root Capital); NGOs like Antoon Jurgens Fonds (NL), NCBA CLUSA (US), IDH (NL), IFDC (US), Nuffic (NL), SNV (NL); and Dutch companies like East West Seeds, DSM, Enza Zaden, Heineken and Tony's Chocolonely have increasingly sought our support to improve the impact and business of organised farmers. This effort in partnership development, together with a more visible and distinctive profile as cooperative expert, has allowed Agriterra to access complementary skills and resources and to secure, to date, over EUR 6 million in third-party funding for the next two years (2021-2022).<sup>2</sup>

Agriterra is also working with Dutch and international networks (LandAc, Netherland Food Partnership, International Cooperative Alliance (ICA), World Farmers Organisation (WFO)) and European farmers' organisations (DAFC – Denmark, MTK – Finland, Unión de Pequeños Agricultores (UPA) and Cooperativas Agroalimentarias - Spain) to further strengthen the position of organised farmers on SDGs goals such as agricultural practices, climate change and youth and women's participation. A great example of a high-level partnership has been Agriterra's role as main consultant for the ASEAN Roadmap for Enhancing the role of Agricultural Cooperatives, which provides the current basis for cooperative development efforts in the 11 member countries of the Association of Southeast Asian Nations (ASEAN).

A growing number of governments call on Agriterra to help them to segment their cooperative landscape, to advise on reforming cooperative legislation and/or to assist them to build a cooperative development practice. This has been the case in Ethiopia, Vietnam and Indonesia, it and offers a unique opportunity to bring our approaches to scale and to contribute to agricultural and rural policy development and ultimately modernise the cooperative sector at country level.

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<sup>2</sup>Centre for the Promotion of Imports (CBI), Dutch State Mines (DSM), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Sustainable Trade Initiative (IDH), International Fertilizer Development Center (IFDC), National Cooperative Business Association Cooperative League of the United States of America (NCBA CLUSA), Rijksdienst voor Ondernemend Nederland (RVO), United States Agency for International Development (USAID)

**Figure 6. Agriterra's current partners**



In 2018 and 2019, Agriterra's managing director participated in the EU–AU Taskforce Rural Africa and coordinated with the Dutch ministries of foreign affairs and agriculture to contribute to integrated Dutch government perspectives and make recommendations on food security and private sector development.

Especially in these turbulent times of COVID-19 and climate change, Agriterra's work is proving its merit because of its farmer-centred approach, its local and international network and the significant success via its hands-on service tracks. Agriterra has remained strongly embedded in the Dutch community of agribusiness and agricultural cooperatives and has become internationally recognized for its thought leadership on cooperative business development. The SDGs areas of focus have led Agriterra to consider how our work and network can be further developed in a cost-effective manner. The agri-agency believes that deepening into these areas of work can be justified when they are deployed at scale, which is why Agriterra has formulated the BHAG to become the leading and preferred analytical, training, and advisory partner for cooperatives.

**Figure 7. Agriterra’s Agripool partners**



New strategic partnerships are now required to further leverage the outreach and impact of Agriterra’s practical approach. This is why, in its Route 2030 to self-reliance, Agriterra relies on DGIS support to facilitate the crystallization of these new strategic partnerships. This will involve, for example, facilitating the accreditation of the agri-agency to the Green Climate Fund (GCF) to strengthen the climate trajectory, leveraging its institutional influence to access funds from the Inter-American Development Bank (IADB) as well as the Spanish Agency for International Development Cooperation (AECID) to reinforce Agriterra’s activities in Latin America, and endorse Agriterra to gain access to the European Union (EU) Delegated Cooperation so to be able to focus on promoting sustainable and resilient food chain, ensuring food security, food loss and waste prevention, promoting sustainable food consumption and facilitating a transition to sustainable agri-food system globally in the framework of the EU Farm 2 Fork Strategy (EC, 2019, 2020). Therefore, DGIS support is a critical success factor in setting the stage for these programmes and partnerships and is part of the agreement for our transition. More detail on these strategic partnerships is given in chapter 5.

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### 3. Looking back and forward

Agriterra has been proud to be one of the Dutch Government's instruments for private sector development in rural areas for the past 14 years, serving as a vehicle to provide support to organised farmers (women and men) in developing countries and encouraging them to play their part in the structural transformation of economies.

#### Results: Farmers Common Sense in Business (FCSB) Programme

In the 2016-2020 FCSB programme Agriterra created significant impact and contributed heavily to private sector development in rural areas. So far, Agriterra has mobilized nearly 1,000 Dutch agripoolers from cooperatives such as Royal FrieslandCampina, youth rural organisations such as NAJK, financial services cooperatives such as Rabobank and farmers' associations such as Southern Agriculture and Horticulture Organisation (ZLTO). It has also deployed students from Dutch research institutions such as HAS University of Applied Sciences, Utrecht University, and Wageningen University, from Dutch public entities like the Netherlands' Cadastre and the Ministry of Agriculture, and from multiple Dutch private firms. Agriterra has developed 30 high-level exchange visits and study tours to The Netherlands with almost 500 participants, all of them members of farmers' organisations, coming from developing countries to learn first-hand from Dutch expertise. Agriterra has also collaborated directly in development projects on the ground with Dutch companies. Agriterra has deep Dutch roots and it will continue to have them. Table 3 summarises the results.

**Table 3. Key performance indicators for FCSB**

Goals	Results 2016-2019*
<b>Outreach (unique farmers)</b>	1.18 million
<b>Farmers organisations connected to banks</b>	97
<b>New processing facilities established</b>	40
<b>Loans mobilised (euro)</b>	60 million
<b>Public funds secured through policy change (euro)</b>	26.1 million
<b>Increase in paying members (individuals)</b>	162.000
<b>Female board participation (percentage)</b>	25%
<b>Youth councils set-up (units)</b>	44

\*data from 1 January 2016 to 31 December 2019

This programme has been of special importance for Agriterra given the rapid growth experienced by the organisation, especially the increased number of local business advisors and the consolidation of offices and activities in new countries, which has allowed Agriterra to provide more advice to clients at a lower cost, increasing cost-efficiency. However, this growth has created challenges in terms of overall management, building staff capacity and monitoring results while maintaining the quality of services and consolidating the focus of the organisation as a worldwide leader in cooperative organisational development. The main lessons learnt during the FCSB programme and the best practices that Agriterra will implement to overcome these challenges are described below.

*Anapqui is a Bolivian national association that represents 2,080 small producers of quinoa. The organisation had the ambition to renovate its processing plant and improve operations. With the support of Agriterra, Anapqui went on an exchange visit to Noradino cooperative in Peru, to give staff and directors hands-on experience with management tools. This led to the implementation of an integrated measurement system that uses real-time information to calculate production costs. Agriterra also supported Anapqui to develop a feasibility plan to refurbish its quinoa processing plant, which led to an investment of 120,000 euro, 70 per cent from an investment loan and 30 per cent from its own capital. With the support of agripoolers, Anapqui improved its quality standards, shared and agreed them with its members, which significantly reduced sourcing losses. Later, following the strategic plan developed with Agriterra, Anapqui invested nearly 1 million dollars to construct and equip a production plant to manufacture added-value products from quinoa such as cookies, bread, flour, energy bars and chocolates.*

[Agriterra success story 2016-2020]

### **Rebalancing and integrating the three work trajectories**

Most of Agriterra's efforts in the FCSB programme have been focused on its key service trajectory farmer-led business, which is aimed at making cooperatives bankable by operationalising their ambition to scale up and link them to the banking sector for working and investment capital. This has been very successful in terms of mobilizing loans, supporting jobs, and bringing other benefits for our clients.

Nonetheless, this successful approach also diverted attention from the other two trajectories, so there were only modest achievements in the FCSB programme for lobby and advocacy and sustainable services. This exposed Agriterra to the risk of not attending fully to all three tracks and focusing too much on the client rather than systemic change, as was flagged in the external evaluation.

To overcome this challenge Agriterra has set SMART, clearly defined goals relevant to most clients for the three intervention trajectories. Agriterra has also remodelled the monitoring and evaluation (M&E) system by defining simple results-chains based on clear milestones (outputs) in the development of a farmers' organisation towards each of these goals. This new setting will give more balance to the three trajectories, supported by the already implemented learning and development (L&D) programme to improve and align the recruiting and onboarding process of new business advisors, enhance the knowledge and skills of more mature ones, and create specialized roles and profiles among the different business advisors that compose a country team. There will be an ongoing programme of training, coaching or mentoring and career development plans (e.g. specializing in advocacy trajectories). For more information on the Learning and Development programme and the new M&E framework, see chapter 6.

Agriterra aims to develop country strategies to gain a strategic view of the agriculture sector and sub-sectors in the respective countries and regions. This will maximise the added value of interventions and guide client and sector selection, with a focus on value chains to increase the relevance of Agriterra's interventions and integrate all three approaches strategically at country level (not necessarily at client level).

Agriterra will link advocacy and lobbying through its country strategies to give input and impetus to Agriterra's cluster of clients within a country. This will not only provide a better understanding of each country's cooperatives sector and policies but also modernize clients' views and working methods to lobby for change of country policies. The upfront country analysis will also allow Agriterra to more actively lobby governments for improved economic governance based on its work with clients. Local interventions must align with national efforts (and vice versa) – this alignment is supported by country-level landscape mapping exercises performed by Agriterra.

In a nutshell, Agriterra will pay special attention to rebalancing and integrating the three approaches (lobby and advocacy, farmer-led business, sustainable services) by redefining and clarifying the programme goals, supported by an improved internal monitoring and learning mechanism. Agriterra will also develop country strategies in partnership with strategic allies and by seeking further cooperation with like-minded organisations. This will allow the integration of all three trajectories and made them more complementary.

### **Better integration of gender and climate**

During the FCSB programme the top-up programme on *rural jobs, youth and women* was introduced, showing the potential of Agriterra's work on youth, gender and support to employment in rural areas. The external evaluators particularly highlighted the results on youth councils and youth leadership as playing a key role in the engagement and empowerment of young farmers. They also believe that a mainstreaming approach to gender could foster female participation and empowerment within farmers' organisations. An internal gender policy to support a more integrated approach and embed gender into Agriterra's way of work has therefore been developed. This internal policy contemplates appointing regional focal business advisors to monitor and steer the gender activities with clients as well as support business advisors to deploy them effectively. The policy also envisions specific online training to sensitize and increase knowledge among business advisors on gender themes and how to mainstream gender across other interventions with farmers' organisations. Agriterra is also committing to specific goals on gender (e.g. the number of women trained, the number of female leadership training courses implemented, and the number of women's councils set up by farmers' organisations) to capitalize on the successful strategy followed for youth in the FCSB programme.

*In order to bring awareness of the importance of women in the agricultural sector, Agriterra elaborates and distributes a magazine called Powerwomen that contains inspiring stories of strong-willed female leaders. The stories are collected from inspirational women who work in Agriterra's client cooperatives and. All women followed Agriterra's Female Leadership in Agricultural Cooperatives Masterclass.*

[Agriterra success story 2016-2020]

Another priority for Agriterra is climate. Climate change has enormous consequences for farmers and their organisations, since they are directly impacted by climate change but at the same time exert a sizeable contribution to it – close to 25 per cent of the world's carbon dioxide emissions (CO<sub>2</sub>) (Smith et al., 2014). Therefore, in the next decades climate adaptation and mitigation is one of the main global challenges faced by agriculture. This is a pressing reality that must be addressed and Agriterra is up to the task. Since 2018 Agriterra has been part of a Dutch consortium within the Climate

Resilient Agribusiness for Tomorrow (CRAFT) project in Kenya, Tanzania and Uganda. The project aims to identify and develop business opportunities in climate-smart practices, technologies, models and climate services, and to support cooperatives in business-case development and investment. More recently, Agriterra's choice of intervention to address climate change is to sensitize farmers' organisations and their members on the importance of climate-clever agricultural practices to trigger action.

Climate-clever practices are actions that will benefit the cooperative, the farmers and the climate at the same time, through more efficient farming that leads to more profitable farms, and higher quality and larger crop supply, and thus more business for the cooperatives, while having a lower impact on the environment. In 2020, Agriterra developed a 'climate clever check', a tool designed to analyse five key dimensions of climate-clever agricultural practice and identify which climate issues cause most challenges. Having carried out the check, it is possible to mobilize the right experts to offer practical solutions for the cooperative through Agriterra's international network of agripoolers. The climate-clever check has been successfully piloted in Bolivia, Kenya, Peru, Rwanda and Vietnam (in Vietnam in cooperation with the International Centre for Tropical Agriculture (CIAT)). It is expected to be rolled out in more countries before the end of the year – Indonesia, Philippines, Tanzania, and Uganda. An additional pilot programme called *Finca Productiva* has been launched this year in Bolivia and Peru to focus climate action on cocoa cooperatives, by linking climate-clever agricultural practices to international markets through certified products that require farmers to implement mandatorily sustainable agricultural practices.

Climate action is intertwined with the new strategic line that Agriterra is developing to boost its work on sustainable agricultural intensification, sustainability and food security. This is a pressing issue for the global farming community, especially in developing countries, since the world population is projected to rise to 9.8 billion by 2050 and food demand to increase by more than 50 per cent (animal-based foods by 70 per cent), with CO2 emissions tripling without productivity gains (Searchinger et al., 2018). This pressing need for additional food is accelerating deforestation in developing countries. For instance, about 60 per cent of new agricultural land in Africa comes from intact forests and is mainly used for subsistence agriculture (Neuville e.o., 2018). The solution to reduce both CO2 emissions and deforestation is to transform small-scale farming practice via sustainable agricultural intensification such as optimization of nitrogen fertilizer use, reduced tillage, switch slash-and-burn agriculture to agroforestry, and implement carbon fixation practices.

Agriterra is therefore updating the farmer sustainable-services approach and upgrading the existing toolbox towards a more focused approach on climate change mitigation, and sustainable food production. This was necessary as the farmer sustainable-services trajectory was not used consistently and, sometimes, led to one-off training events. In these enhanced approach the Plan-Do-Check-Act (PDCA) learning cycle becomes the pivotal instrument for learning and action, allowing for continuous feedback and monitoring as and when needed. The PDCA cycle starts by compiling baseline data on agricultural practices and on the extension services given by a cooperative during the assessment, and completes the introspective analysis by checking their best practices through the climate clever check and the advisory services check to create awareness among leaders, employees and farmers on the status of their agricultural practices and extension services. This sensitization phase creates the momentum to generate (in collaboration with the cooperative) a smart strategy to tackle the sustainable agricultural intensification problems identified. If needed, the strategic planning phase can be reinforced with training on sustainable services that leads to a specific action plan on

sustainable agricultural intensification, with clear actions and deadlines for the cooperative.

Then comes the time to act, when the cooperative undertakes the activities defined in the action plan to boost agricultural intensification in a sustainable way, with the continuous support of Agriterra. This support includes training on record keeping, the value creator tool, exchange visits to learn more advanced techniques in situ and, of course, the peer-to-peer advice and technological exchange through Agriterra's international network of agripoolers. The agripool is being expanded to include more experts on sustainable farming, on precision farming and geodata (in cooperation with Danish experts), and on agroforestry management by farmers' organisations (with Finnish cooperation). The PDCA cycle is completed, and thus renewed, with the continuous follow-up by Agriterra business advisors on the ground, and feedback from extension officers, the farmers and their organisations to adjust or expand the strategic plan and Agriterra's support.

To develop the full potential of the improved sustainable services trajectory, Agriterra expects to tap into the funds of the GCF, since the inclusion of agri-agencies (such as Agriterra) and cooperatives enhances ownership of the implementation of the Paris Agreement amongst the community of world farmers. Mobilizing GCF climate finance for peer-to-peer cooperation is a valuable means of enhancing technology transfer and sharing best practice in climate-smart agriculture (WFO, 2020).

### **Cooperative landscape mapping countrywide and professionalisation of data collection and analysis**

Agriterra has set the mapping and analysis of national cooperative landscapes as a strategic goal for the next five years. This will allow a better understanding of the cooperative sector in each geographic area or value chain, so that advisory and training support to cooperatives can be specifically tailored. It should also attract partners to professionalize the agricultural sector and modernize the cooperative sector.

Companies with sourcing objectives and governments or financial institutions wishing to invest their rural development funds effectively require this insight. Agriterra has seen many examples of governments that actively promote the development of cooperatives despite having little insight into the state of the cooperative sector – this results in generic support and policies with limited impact. Governments of countries such as Kenya, Ethiopia, Nepal and Uganda, but also of more developed countries such as Chile have expressed interest in our cooperative landscape analysis work. For this purpose, at the beginning of 2020 Agriterra developed an internal online tool, called scoping +, to automatically collect and process data on cooperatives. The results can serve as a baseline against which to evaluate and adjust public support programmes given to agricultural cooperatives. Once this pilot programme has been completed the automatic cooperative mapping tool will be roll out in new countries.

*Agriterra, in collaboration with Cooperative Alliance of Kenya and Cooperative University of Kenya, performed a cooperative landscape exercise in ten counties of Kenya and presented the outcome at a national seminar in Nairobi. The landscape overview will be used as a basis for identifying cooperatives that can be assessed as clients of Agriterra while other partners will be able to access this information too.*  
[Agriterra success story 2016-2020]

Agriterra also teamed up with the Dutch organisation Scope Insight during April to June 2020 to analyse the potential to become strategic allies in the landscaping exercise. Specialized teams from both organisations meet frequently to explore how the products, work methodologies and software systems could be intertwined. As part of this exercise, Agriterra is testing the scoping tool of Scope Insight in Uganda.

This emerging landscape work will generate large amounts of data on cooperatives and farmers' organisations, pushing Agriterra towards Big Data management and analysis. This will enable Agriterra and other stakeholders to implement more tailored approaches to technical assistance and cooperative business development.

So far, Agriterra has collected data on clients, but not all has been rigorously stored or used for analysis. This realization, plus feedback from the programme evaluation, has motivated Agriterra to rethink its approach to data management. We will be prioritizing data collection and analysis, and have started to design a coherent M&E process, embedded in disciplined data collection, systematic storage, and skilful data analysis. For more information on the new M&E system, please refer to chapter 6.

## 4. Budget Route 2030 strategy

Agriterra's ambition is to become the leading and preferred service provider for farmer organisations and cooperatives worldwide.

### Budget for achieving strategic ambitions together with partners

Agriterra's ambition for growth needs new strategic partnerships. We could achieve greater impact in the countries where we operate if we expand our portfolio and/or develop new services. This would further fuel the structural transformation described earlier in the countries we operate in.

For Agriterra to grow, the portfolio of strategic partners needs to grow too. Table 4 details the target amounts for the envisaged new coalitions.

**Table 4. Envisaged partnerships and financial contributions (2021-2030)**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
EU - delegated cooperation	0	2,000	3,000	4,500	5,000	14,500
Green Climate Fund	0	0	2,000	3,500	4,000	9,500
Landscaping (through IFAD)	0	500	500	500	500	2,000
Danish/Finish government	0	0	1,000	1,000	2,000	4,000
Spanish government	0	1,000	2,000	2,000	2,000	7,000
<b>Total</b>	<b>0</b>	<b>3,500</b>	<b>8,500</b>	<b>11,500</b>	<b>13,500</b>	<b>37,000</b>

Amounts in euro x 1,000	2026	2027	2028	2029	2030	Sub-total	Overall total
EU - delegated cooperation	6,000	6,500	7,000	7,000	7,500	34,000	48,500
Green Climate Fund	4,500	4,500	5,000	5,000	5,000	24,000	33,500
Landscaping (through IFAD)	500	1,000	1,000	1,000	1,000	4,500	6,500
Danish/Finish government	2,000	2,200	2,200	2,200	2,200	10,800	14,800
Spain government	2,500	2,800	2,800	2,800	2,800	13,700	20,700
<b>Total</b>	<b>15,500</b>	<b>17,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,500</b>	<b>87,000</b>	<b>124,000</b>

### Contributions from strategic partners & coalitions

It is unlikely that all of these contributions will materialise. For this reason, only 60 per cent of the totals are incorporated into the budget (Table 5) which represents Agriterra's aspiration for growth.

Annual turnover would grow from 15 million euro in 2021 to over 20 million euro in 2025. Expanding the horizon to 2030, the indicative figures show further growth of the annual turnover toward 23 million euro.

**Table 5. Route 2030 budget 2021-2030**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
Contribution DDE	11,000	11,000	10,000	9,000	8,000	49,000
Contributions new strategic partnerships & coalitions	0	2,100	5,100	6,900	8,100	22,200
Contributions one-off grants and assignments	4,000	4,000	4,000	4,500	4,500	21,000
Subtotal turnover from other donor contributions	4,000	6,100	9,100	11,400	12,600	43,200
<b>Total turnover</b>	<b>15,000</b>	<b>17,100</b>	<b>19,100</b>	<b>20,400</b>	<b>20,600</b>	<b>92,200</b>

Amounts in euro x 1,000	2026	2027	2028	2029	2030	Sub-total	Overall total
Contribution DDE	7,000	6,000	5,000	5,000	5,000	28,000	77,000
Contributions new strategic partnerships & coalitions	9,300	10,200	10,800	10,800	11,100	52,200	74,400
Contributions one-off grants and assignments	5,000	5,500	6,000	6,500	7,000	30,000	51,000
Subtotal turnover from other donor contributions	14,300	15,700	16,800	17,300	18,100	82,200	125,400
<b>Total turnover</b>	<b>21,300</b>	<b>21,700</b>	<b>21,800</b>	<b>22,300</b>	<b>23,100</b>	<b>110,200</b>	<b>202,400</b>

In the next section, we will illustrate how the DGIS-programme fits this strategic ambition and enables us to create a baseline for growth and increased impact. This will be done by consolidating what Agriterra has created in the last 14 years of working through the DGIS and concentrating our efforts in ten focus countries.

## SECTION 2

# FARMER-FOCUSED TRANSFORMATION

**DDE–Agriterra strategic partnership 2021-2030**

## 5. Strategic partnership with DGIS 2021-2030

### A changing but strategic partnership

The DGIS programme on systemic transformation in selected countries leads to an important deviation from earlier versions of the programme. Formerly, the Agriterra strategy was translated directly into a DGIS programme. Under this systemic transformation programme, DGIS still will be a strategic partner of Agriterra, but with specific objectives and a more limited scope than Agriterra's overall strategy. Agriterra therefore requires substantial additional inputs from other donors to meet its strategic objectives.

Notwithstanding this reduced financial importance, DGIS continues to be our strategic partner, because of the substantial volume and long time-span of its commitment (77 million euro over 10 years), and because of the support for crucial aspects of Agriterra's ideocracy such as the Agripool and other institutional aspects. The relationship is also strategic because it is based on a covenant in which mutual policy exchanges were agreed. The option is now to re-take the idea of the covenant and lift it to strategic levels in the ministry, involving other departments, probably with Inclusive Green Growth (IGG) and other ministries (such as the Ministry of Agriculture) in due course.

An active stand of DGIS is key in broadening the collaboration base for Agriterra and by inviting other strategic partners to join the support for Agriterra's farmer-led and participatory approach to rural development.

Invitations to these new strategic partners will add to Agriterra's internationalisation strategy, which is also expressed in the recruitment of Agripool experts from an increasing number of countries, the proposed embedding of country offices in the local farmer and cooperative movement, the funding base involving financiers from different parts of the world. It may eventually be expressed Agriterra's governance, and we invite farmer organisations to explore these ideas in our strategy development.

Seen from the DGIS angle, 'strategic' refers to the integrated deployment of our three services. This holds the promise of achieving transformations in the DGIS focus-countries, not only in terms of the ongoing structural transformation, but also in sub-systems of the economy such as banking, investment, agricultural production, social organisation, gender relations or youth involvement.

These transformations are planned with the embassies and (local) partners in a multi-year country strategy (MCS). The strategy development process provides the forum to check our country analysis and to determine how to achieve long-term results reducing poverty and inequality. Agriterra and the Dutch government can show where our added value contributes to these crucial development goals. Transformations involve influencing policy and financial commitment (with resources delegated to the embassy), complemented by several activities (such as those of Agriterra) that, due to the specific expertise and networks required, are best financed centrally.

The goal of our partnership is therefore big, hairy and audacious. It depends on broadening our network with new strategic partners and ambitious local cooperatives, and on integrated services attracting new stakeholders and achieving the planned impact. This impact must be enlarged because the development cooperation component is rapidly decreasing as a proportion of overall resource mobilisation for farmer-led initiatives (that now rely more on their own labour and capital investment). Impact will be increased through the careful selection of cooperatives and moving them into a pivot

position between, on the one hand, market parties, policymakers and other stakeholders, and on the other hand farming families.

### DGIS development objectives

In the 2018 policy document *Investing in Global Prospects – For the World, For the Netherlands*, the Dutch government put the SDGs as the backbone of its own development policy (BHOS). Agriterra’s will particularly focus on SDGs 8 and 2 as shown in Table 6 in reference to the Results Framework.

**Table 6. Results Framework DGIS (BHOS) policy and SDGs**

Policy Theme	Result Area	Indicator	SDG
Private Sector Development	Business Development	Number of direct jobs supported	8
		Number of companies with supported plans to invest, trade or provide services	
Food Security	Stimulating sustainable and inclusive growth in the agricultural sector	Number of farmers with improved productivity and income	2
	Creating ecologically sustainable food systems	Number of hectares of agricultural land being used in a more ecologically efficient manner	

The BHOS policy clearly states that it “wants to use Dutch knowledge and expertise worldwide to help achieve the SDGs and to take advantage of new business opportunities”. Agriterra is one of the instruments for achieving this and is unique because of its governance structure (with the main Dutch farmer organisations and cooperatives represented on the board) and the way it uses both Dutch and international peers (Agripool) in its dealings with cooperatives and farmers’ organisations.

In the framework of the BHOS policy, DDE (the Sustainable Economic Development Department) will concentrate on three portfolios instrumental to achieve SDG8:

1. Sustainable economic development in focus countries.
2. Improved access to regional and international markets.
3. Access to financial services.

Agriterra’s core business is particularly aligned with the first and third portfolios since it strengthens economic institutions (farmers’ organisations and cooperatives) and increases access to finance by (organised) smallholder farmers.

DDE and Agriterra share the vision that the Netherlands can make the difference in agriculture for developing countries thanks to the outstanding Dutch position in this sector. Agriterra and DDE strive for interventions with a long-term perspective that contribute to the development of a modern, vital agricultural sector which is both economically viable and socially just. This can only be achieved through concrete intermediate results in terms of job creation, mobilizing finance and increasing productivity.

The proposed long-term strategic partnership between DGIS and Agriterra is in line with this ambition and builds on the existing covenants between Agriterra and the Ministry signed in 2003 and 2011.

## 2025 Goals & Key performance Indicators

The goals envisioned for the partnership with DGIS in its first five years are:

1. Agriterra supports 1 million farmers through 320 farmers' organisations.
2. 50 million euro mobilized as a result of lobby and advocacy proposals.
3. 60 million euro in mobilized capital for farmers' organisations with 70 farmers' organisations linked to financial institutions.
4. 30 new farmer-led enterprises that improve farmers' access to markets and agri-services.
5. 10,000 direct jobs and 110,000 on-farm jobs supported.
6. 30,000 people trained (9,000 women and 4,500 youth), with 50 female leadership training courses, 30 youth councils and 20 women's councils.

These goals will all be achieved through strengthening cooperatives and farmers' organisations (Agriterra's core business) to ensure sustainability and scalability of the interventions. Table 7 breaks shows the reporting indicators for the goals listed above.

**Table 7. Agriterra's Goals and Key Performance Indicators**

Goal	Indicator	Target	Brief definition
1 Agriterra supports 1 million farmers through 320 farmers' organisations	Farmers supported	1 million farmers	Sum of the average number of active farmers in all the primary and secondary level client farmers' organisations, plus all the farmers benefited by laws, regulations and donor projects obtained with the support of Agriterra
	FOs supported	320 organisations	Sum of all the farmers' organisations with, at least, one-year project with Agriterra
	By providing tailor-made services		
	Peer-2-peer advice	2,000 agripoolers	<i>Sum of all the agripoolers deployed by Agriterra</i>
	Consultancies	1,000 consultants	<i>Sum of all the consultants deployed by Agriterra</i>
	Smart grants	5 million euro	<i>Sum of the economic value of all grants in euros donated by Agriterra directly to the farmers' organisations</i>
2 50 million euro mobilized as a result of lobby and advocacy proposals	L&A mobilization	50 million euro	Attributable sum of all the economic benefits in euros obtained for farmers or farmers' organisations through the approval and implementation of laws, regulations and donor projects advocated by farmers' organisations with the support of Agriterra
	By developing lobby & advocacy proposals		
	L&A advocacy proposals	150 proposals	<i>Sum of all the law, regulation and donor project proposals developed by the farmers' organisations with the support of Agriterra</i>

Goal		Indicator	Target	Brief definition	
3	60 million euro in mobilized capital for farmers' organisations with 70 farmers' organisations linked to financial institutions	Mobilized capital	60 million euro	Attributable sum of all the economic value in euros of all the mobilized capital raised by farmers' organisations through financial contracts and equity agreements obtained with the support of Agriterra, including internal capitalization	
		FOs linked to financial institutions	70 organisations	Sum of all the farmers' organisations that raise capital through a financial contract or an equity agreement with a financial institution with the support of Agriterra	
4	30 new farmer-led enterprises that improve farmers' access to markets and agri-services	New farmer-led enterprises	30 units	Sum of all the new, expanded or improved facility, factory, machinery, storage or transport, developed by farmers' organisations with the support of Agriterra, intended to increase the value added of the crops purchased from members or offer better services to the members, in the stage of completion, regardless of the source of finance	
		By developing entrepreneurial plans			
		Entrepreneurial plans	150 units	Sum of all the business, commercial, services and strategic plans, plus the technical designs developed by farmer's organisations with the support of Agriterra	
5	10,000 direct jobs supported and 110,000 on-farm jobs supported	Direct jobs supported	10,000 jobs	Average sum of all the FTE employees as directly reported by all the supported farmers' organisations by Agriterra over time	
		On-farm jobs supported	110,000 jobs	Average sum of all the on-farm jobs directly supported by all the supported farmers' organisation by Agriterra over time	
6	30,000 people trained of which 9,000 women and 4,500 youth, implementing 50 female leadership trainings, and establishing 30 youth councils and 20 women councils	People trained	30,000 people	Sum of all the registered participants in trainings and exchange visits performed by Agriterra	
		Women trained	9,000 women	Sum of all the female registered participants in trainings and exchange visits performed by Agriterra	
		Youth trained	4,500 young	Sum of all the young registered participants in trainings and exchange visits performed by Agriterra (< 35 years)	
		Female leadership trainings	50 trainings	Sum of all the female leadership trainings plus female leadership masterclasses performed by Agriterra	
		Youth councils	30 units	Youth councils created by farmers' organisations with the support of Agriterra	
		Women councils	20 units	Women's councils created by farmers' organisations with the support of Agriterra	

To determine the demarcation and extent of Agriterra's 2025 goals there has been a conscious and systematic documentation, consultation, definition, and validation process; carried out by a multidisciplinary group along a six-month period.

The process to define Agriterra's 2025 goals started with a two-pronged approach based on, first, a systematic review of Agriterra's ToC, underlying assumptions, annual activity reports, and the results and lessons learnt from previous programs. And second, a systematic review of metrics and indicators employed by donors, with special attention to the measurement methodology of DGIS indicators, but also taking into consideration the metrics proposed by other leading cooperation agencies such as EU, GIZ, IFAD, USAID, plus the international standards for PSD programs proposed by the Donor Committee for Enterprise Development (DCED). This extensive documentation process allowed Agriterra to better understand what Agriterra does and what donors expect from result measurement, to come up with an efficient results framework from a cost-effectiveness perspective, since any proposed goal has to be aligned with our measurement tools, processes and systems (agro-info.net) for an efficient reporting.

Once the basic scaffolding of the results framework was defined during the last stages of the documentation process, it entered the consultation stage when it was shared and discussed internally with different levels of the organization: business advisors, country representatives, support staff, and management team; as well as with external parties such as our farmers' organizations and cooperatives, specialized consultants, and other strategic partners, during participatory meetings and one-to-one consultations.

The feedback and proposals obtained during the consultation process were systematized and used to perform a comprehensive re-evaluation of the results framework in order to refine their descriptions, define realistic but ambitious targets, and clarify their measurement methodologies. The targets for the 2025 goals were delineated taking into account our experience and results achieved in the execution of projects, specially the last 5-year program FCSB with DGIS, as well as the financial restrictions pertaining the new program. This is a critical constrain that we cannot overlook, since the proposed budget for the oncoming five years (2021-2025) is 17 percent lower than the current budget allocated for the FCSB 2016-2020 (49 million euro versus 59 million euro for the first five years), therefore, our ambitions have to be realistically limited<sup>3</sup>[1].

To counterweight the reduction in funds available for the new DGIS program Agriterra proposes to focus its activities and goals on what it does best, the three working trajectories. Limiting the extent of the cross-cutting issues (gender, youth), and entrusting climate initiatives and goals to (other) more climate-oriented programs or donors who might assign sufficient additional funding to efficiently deploy climate trajectories. At the same time, the proposed new goals consider the learning curve experienced by Agriterra during the previous FCSB program and the international structure and network that the agri-agency has developed over the years. This is the reason why Agriterra proposes to reach 1 million farmers, similar to the current FCSB program, despite the 17 percent defunding, and increase from 55 to 60 million euro the mobilized capital for farmers' organizations and cooperatives.

Furthermore, some goals are new compared to the FCSB and try to better capture the spirit of our work, such as the 50 female leadership trainings developed during the

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<sup>3</sup> [1] On top of the 17 percent defunding, the inflationary process for the next five years is considered, which will further erode our economic capacity to deploy resources.

current program (with 20 trainings executed in the period 2016-2019), or the number of people trained. We aim at 30,000 farmers and employees of farmers' organizations trained with our in-depth trainings such as the governance training, our most frequent training, which since 2016 has trained in its three-day full-time course (approx. 24h) more than 350 farmers' organizations and 4,000 members, or the financial management training (the second most frequent training), with its five-day full-time course (approx. 40h) which has trained, since 2016, more than 250 organizations and 3,700 people. Now, as Agriterra we are eager to advance to the next level with the on-line implementation of our training that the COVID-19 crisis has forced upon our way of work.

To conclude the goals definition process, the proposed Agriterra's 2025 goals were communicated to the entire Agriterra community for internal validation and, after approval by the management team, were discussed and ratified by Agriterra's board of directors and incorporated into this proposal.

SDG 8 is the leading framework for this programme. For each goal the indicator, definition, assumptions, calculations and the way data is collected and controlled are detailed in annex 2. Progress and results on these goals will be monitored and reported on. Annex 2 provides an overview of the wider spectrum of SDGs and subgoals to which this programme contributes. However, monitoring and reporting will be limited to the goals related to SDG 8.

This proposal for the DDE-Agriterra strategic partnership consists of three components: 1) programme in DGIS focus countries, 2) programme in PSD transition countries, 3) partnership development and institutional investments. These distinctions have been made to provide insight into the transition to a limited number of focus countries (as proposed by DDE) and the reduction of financial dependency by Agriterra from DGIS funding. However, all three components are in fact inextricably linked – results in the DGIS focus countries can only be achieved if the other three components are also realized.

### **DGIS focus countries**

This core element focuses on Agriterra's contribution to system change in 10 DGIS focus countries. In these countries, Agriterra's integrated approach (farmer-led businesses, sustainable services and farmers' lobbying and advocacy) will be deployed across the spectrum to strengthen and support the position of organised farmers in sustainable economic development. Our work at grassroots level, advising and training cooperatives (e.g. in setting up a processing plant) is directly related to improving the business climate and national agricultural policies and regulations using our farmer lobby methodology FACT (farmers' advocacy consultation tool). On the basis of a country strategy and in alignment with Embassies of the Kingdom of the Netherlands (EKN) and RVO's Private Sector Development toolbox, this is expected to increase the effectiveness, efficiency and sustainability of combined Dutch efforts and investment.

For the DGIS focus countries, a long list has been created from which 10 will be selected for the DDE-Agriterra partnership. These are countries where there is greatest potential for Agriterra's approach in terms of representative client portfolios, being embedded in local structures of farmers' organisations and cooperatives, and cooperation with local authorities (e.g. government ministries such as agriculture or cooperatives).

As for the geographical focus, since the core of BHOS strategy lies in Africa, most of the selected countries are located there, specifically in the sub-Saharan area. For both DDE

and Agriterra some countries in Southeast Asia remain key. The long list of countries comprises Bolivia, Burkina Faso, Colombia, Burundi, DR Congo, Ethiopia, Ghana, Indonesia, Ivory Coast, Kenya, Niger, Rwanda, South Sudan, Tanzania, Uganda, Vietnam. Agriterra is already operational in all of them through its country offices and is well positioned to providing the services and access to markets and finance that cooperatives and farmers’ organisations need.

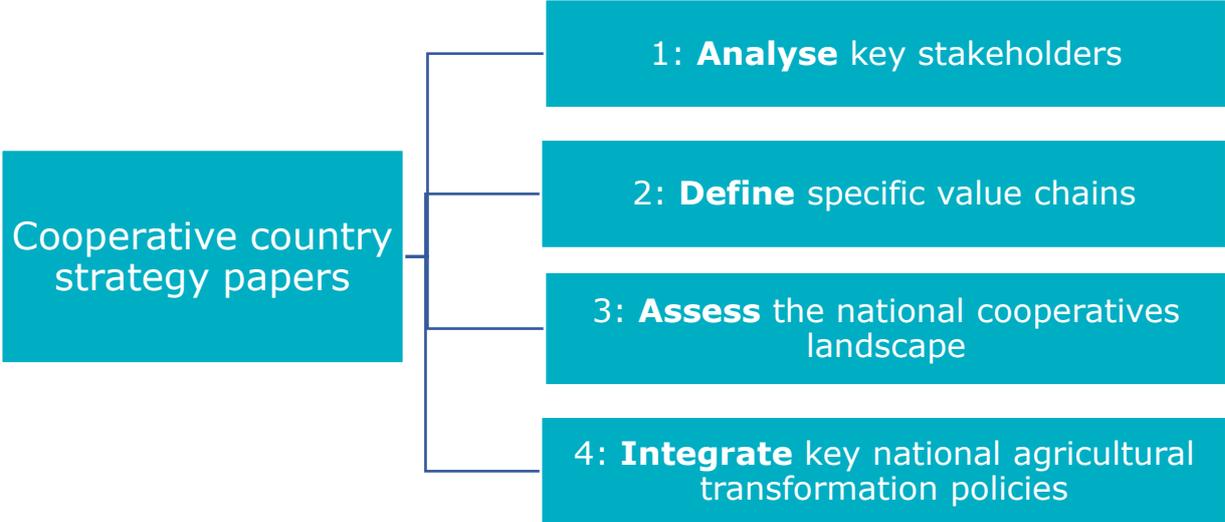
In 2021, transition to focus countries will start in four countries (Ethiopia, Rwanda, Uganda and Vietnam) and in the following years two countries from the longlist will be added each time. Eventually, in 2024 the final selection of the 10 focus countries will take place based on a mid-term review. The deepening of the Agriterra approach in these countries, as desired by DDE, ultimately requires on average a portfolio of EUR 1 million per year per country. Deepening in the long term therefore depends on additional funding being found, as in 2026 a total of EUR 7 M/year of funding from DDE is foreseen with a further decrease to EUR 5 M/year in the subsequent years.

To assure effective alignment with interventions by other stakeholders in general and multi-annual country plans of the Embassies in particular, Agriterra will develop a cooperative country strategy paper for each of the DGIS focus countries taken up in a particular year. These will follow a four-stage approach, with each stage including different activities. These are:

1. Analyse key stakeholders relevant to the cooperative sector: their role, contribution, openness to change, relevant networks.
2. Define cooperatives and farmers’ organisations specific value chains with the highest potential (for rural economic development in general and farmer-led business development in particular) so as to categorize and tailor advisory or training support to cooperatives.
3. Assess the national cooperative sector: segment the cooperative landscape according development stage and potential of cooperatives; define key bottlenecks for agricultural transformation; and list potential for transformative lobby issues.
4. Integrate key national agricultural transformation policies.

Agriterra’s four-stage approach to the country strategy papers is shown in Figure 8.

**Figure 8. Agriterra’s 4 stage approach for the country strategy papers**



With the country strategy as a starting point, the eight-step working system comes into effect, in which potential clients are screened and selected for their development potential. The assessment includes the financial health check and the governance health check and the climate clever check. Ambition and willingness to change are crucial elements on which an organisation is selected. In each country we strive for a good mix of organisations and value chains, with a balance between farmers' organisations with potential for advocacy on cross-sectoral themes and cooperatives with potential for sustainable services and business development. A BHAG is determined with each client and an advisory trajectory is drawn up in the form of an action plan. Advice, training and exchange are the regular building blocks of an action plan, for which guidance is provided by local teams of business advisors and peer-to-peer advice from agripoolers.

### **PSD transition countries**

This component refers to countries on the list of PSD countries (as used by RVO, the Dutch Good Growth Fund (DGGF) etc.), but which have not been selected as focus countries. For several years Agriterra has been active in these countries with a local team of business advisors and has built up a valuable network and track record. With a presence in these PSD countries, the commitment of internationally renowned expertise of Dutch agribusiness for economic development and rural transformation is guaranteed, and the profile of the Netherlands as a knowledge partner for sustainable agricultural development and innovation worldwide is raised. Preserving and strengthening Agriterra's presence and international cooperative network in the different regions is a precondition for successful interventions in DGIS focus countries. The global scope contributes to a good mix of context, culture and language with Dutch agripoolers, deepens Agriterra's cooperative expert profile and increases our learning capacity.

Similar to its approach in the DDE focus countries, Agriterra will develop a country strategy in each PSD transition country and will apply the integrated set of services linked to our eight-step working system and three-track approach. The ultimate goal is to embed our local teams in the local structures of farmers' organisations and cooperatives. This will increase the outreach of our services, help build a strong advisory position with regard to legislation and government policy, and strengthen cooperative businesses in the market.

In these countries the financial contribution of DGIS will be gradually reduced over the next four years. New strategic partnerships for these countries must therefore be explicitly targeted: delegated cooperation resources for these PSD transition countries are required to ensure that the Agriterra programme can continue in the longer term. The DDE contribution to Agriterra can serve as a lever to facilitate financing by other donors and strategic partners for activities in these PSD transition countries. The results achieved in these countries will be included on a pro rata basis in the reporting to DDE.

### **Institutional investment & strategic partnership development**

This component addresses the service function of headquarters to our country offices. It also covers the development of new partnerships crucial to achieving the full scope of our efforts in DGIS focus countries and to preserving our programmes in the PSD transition countries in the longer term.

### ***Institutional investment***

This relates to the service function of Agriterra headquarters and includes maintenance of the personal risk protocol and procedures, Agro-info.net (AIN) as a tool for monitoring and evaluation, product innovation, learning and development, compliance and peer review and compliance of country offices, and implementation of an improved M&E methodology. The aim is to further improve the quality of our services and ultimately to achieve uniform quality of our services and products in all countries, further strengthening our profile as a cooperative expert and increasing the impact of our work. It is also important that the unique qualities of Agriterra (i.e. Agripool and the commitment of the Dutch agripoolers) remain financially viable even without the support of other financiers and strategic partners.

### Compliance and peer review

The Agriterra way of working is embedded in our ideas about development and the dynamising role of cooperatives and farmer organisations. It is supported by our systems, procedures and manuals. Agriterra is moving from a centrally organised organisation in the Netherlands to decentralised country offices, and the head office in Arnhem increasingly functions as a support and service centre for the country offices. Internal compliance and peer review will enable Agriterra to guarantee quality and uniformity in its services: the uniqueness of the organisation's culture and working methods will be retained and made visible worldwide. This transition requires initial investment in the conversion of systems, processes, manuals and staff training but will eventually optimize the functionality of the Agriterra operating structure.

### ICT development

Agro-info.net (AIN) was initially developed as a management information application to store and process historic and up-to-date data on cooperatives and farmers' organisations worldwide. The application contains data about Agripool experts and brings together information on projects, advisory assignments and training events with and for farmer-led organisations and businesses. In future Agro-info.net will become primarily an M&E system into which the renewed M&E methodology will be integrated. Additional planned improvements include synchronization of the new ERP system Dynamics365 with Agro-info.net, further enhancement of the training website, automatic data registration from tools employed on the ground into AIN, and optimizing the process of Agripool registration, selection and mobilization.

The current development capacity for Agro-info.net must be continued for the next two years after which development capacity might be fully or partially be scaled down and will switch to a maintenance modality. However, even if no new functionality is developed, the system will continue to require resources for helpdesk, updates (security, compatibility, bug fixes), etc.

### Diversity in Agripool

Agriterra's solid base of Agripool partners in the Netherlands and Spain continues to be a core strength and unique feature of its work. At the same time, Agriterra has benefited from its growing international network of cooperatives, whose expertise and connections can be leveraged to advance the objectives of Agriterra and its clients.

Internationalization builds on the cooperative principle and on the vital strength of being a network organisation. By working with coops, lifting them to next level of business development, guiding them through a learning journey, we generate new experts from current and former clients, ready to share their expertise and lessons learned with their

peers. Special attention will be given to further increase the numbers of young and female agripoolers in our portfolio.

We are constantly growing our agripool database – a unique blend of local and international, male and female, junior and senior hands-on experts in a broad range of topics. This gives Agriterra’s clients access to an unprecedented pool of knowledge and expertise for peer-to-peer advisory, training and exchange.

*Allima Cacao is a young local cooperative of cacao farmers deep in the Peruvian Amazon forest. Agriterra supported Allima to evolve from being an association to become a cooperative by bringing in agripool experts from Uruguayan cooperatives. With its slogan “believing is seeing” the new cooperative structure, coupled with a stronger internal financial management and governance thanks to Agriterra’s training courses, increased its members’ contributions and raised equity by 50 per cent, and revenue by 340 per cent in just one year! Following Agriterra’s advice Allima invested in a better internet connection and now can find out about markets and prices. [Agriterra success story 2016-2019]*

The current COVID crisis provides an opportunity to develop Agriterra’s knowledge pool for more long-term support trajectories, with more emphasis on blended (online/off-line) and distant advisory and training. More of the experts’ preparatory and follow-up work will be done more online. This will increase impact, create flexibility (e.g. in case of travel restrictions) and cost-efficiency.

#### Product development

Our unique focus on cooperatives and farmers’ organisations, the quality obtained through experienced farmers, farm leaders and staff of cooperatives (the agripoolers), our extensive knowledge of the countries in which we operate through local presence, plus the mobilisation of the organised farmers’ network has allowed us to develop state-of-the-art training modules. We offer them in five disciplines: Management and Organisation, Governance and Leadership, Financial Management, Business Development, and Advocacy and Lobby. The modules provide practical know-how in more than 10 languages, with a methodology that builds on teamwork. The range of training modules matches our three-track provision of services: strengthening farmer-led businesses, improving sustainable farmer services, and supporting lobbying and advocacy.

In 2020, with the aim of anchoring quality, we began a certification process for the first set of training modules and trainers. In due course, certification will be implemented for all our regular training products. We also believe that the trend towards blended learning will not stop when the COVID-19 pandemic is extinguished, and we will continue to invest in the further development and adaptation of blended training products tailored to the demands of our clients and trainers.

#### Learning and development

Committed, ambitious and high-performing employees are crucial if Agriterra is to deliver its goals. Cooperative knowledge, training and advisory skills, determination, endurance and flexibility are among the most important assets of successful employees, so Agriterra has developed a learning and development strategy to make sure that our employees deliver the best results.

Agriterra expects to become the employer of choice for leading professionals in the fields of cooperative development. Only with the best and most motivated staff will Agriterra be able to reach its BHAG in becoming the number one globally renowned expert on cooperative development.

The main cost will be out-of-pocket expenses for the development and roll-out of blended training activities –development of e-learning courses and tutorials, rolling out training, advisory and leadership skills, and exchanging cooperative knowledge. There would also be non-billable hours required for training, coaching, and mentoring colleagues.

#### Monitoring and evaluation

Agriterra is upgrading its M&E system to address issues that highlighted in the ECORYS evaluation. Investment is needed to implement and operationalize the new M&E framework. Chapter 6 provides an extensive overview of our new M&E methodology.

#### ***Strategic partnership development***

Agriterra can broaden its funding base by developing new partnerships and programmes. DGIS support will be needed to identify new (multilateral) strategic allies and additional funding sources. As explained before, this is crucial to deepen our efforts in DGIS focus countries as well as to maintain our programmes in the PSD transition countries in the longer term. The broader funding base should preferably be achieved by institutional financiers/strategic partners and not only by project funding through calls and tenders. DDE and Agriterra agree that it is undesirable to have to focus our acquisition capacity on tendering – hence the need for long-term institutional partnerships with entities that acknowledge the added value Agriterra can bring to their programmes and policies. Maintaining our niche as a cooperative expert is a prerequisite for success.

Agriterra will identify potential strategic partnerships in the field, while DGIS will support Agriterra in pursuing opportunities through:

- networking
- public support
- providing co-financing options for non-DGIS partnership developments

#### EU - Delegated Cooperation

The Netherlands is committed to closer cooperation with the EU to achieve the SDGs. One way of doing this is to make use of Delegated Cooperation (DC) with the European Commission (EC). This enables EU funds to be deployed to implement joint priorities of member states and the European Commission. Delegated Cooperation means that projects are jointly developed and financed and are implemented by a public sector body. DGIS is accredited to manage DC funds.

A trajectory for Agriterra to be selected for Delegated Cooperation began in 2020. The main aim is that Delegated Cooperation will result in additional funding which will benefit both Agriterra and DGIS in terms of impact, finance and coordination for PSD and focus countries.

The EU's Farm2Fork strategy will be the leading document for the future agricultural agenda for the priorities of DG DEVCO (the Directorate General of Development and Cooperation). This proposal on cooperative development touches upon multiple DEVCO priorities and EU programmes in terms of strengthened and inclusive value chains, development of cooperative business models, focus on international cooperation (Agripool) and strengthening local markets and promoting intra-regional trade. It is expected that the Agriterra–DDE proposition will give an important boost to the private

sector development agenda of the EU, unlocking the Dutch potential in terms of knowledge and expertise on agricultural production, cooperative development and the role of women and youth.

### Climate partnerships

Climate change and the role of (organised) farmers in climate adaptation and mitigation strategies is a topic considered key at Agriterra. For some years we have been stressing the importance of helping farmers' organisations to enhance their resilience to climate change. As a result, we have been working on a variety of schemes with international organisations based on common perspectives related to climate change and the role of cooperatives in mitigation and adaptation strategies. These are: The Global Cooperative Partnership for Climate Smart Food and Forestry, accreditation to the Green Climate Fund (GCF) and the Alliance Biodiversity International and International Center for Tropical Agriculture (CIAT).

#### *Global Cooperative Partnership for Climate Smart Food and Forestry*

This partnership has been developed together with DAFC, the Danish Agriculture and Horticulture Organisation, MTK (The Central Union of Agricultural Producers and Forest Owners – Finland) and LTO MTK (which is called the 'Global Cooperative Partnership for Climate Smart Food and Forestry and LTO Netherlands').

The partnership aims to promote the role of agriculture and forestry in achieving resilient farming and 2050 climate neutrality. More specifically, it focuses on sustainable, efficient animal and agricultural production, an increase of forest cover and carbon sequestration. The cooperative partnership will work towards the goals stated under the Paris Agreement. In order to deploy its strategy, the partnership will develop project proposals for the GCF and address the six action needs stated in EU-AU Task Force Rural Africa recommendations;<sup>4</sup> the partnership will also work towards SDG delivery. The BHAG of the partnership is that Agriterra becomes the first agricultural organisation accredited to the GCF – this will scale up our approach on cooperative development and expand our network of Agripool partners to Denmark and Finland so as to use their expertise (especially on agricultural technology and agroforestry).

For this ambitious initiative Agriterra will require a specific support from DGIS to advocate strategic partnerships with the Governments of Denmark and Finland.

#### *Green Climate Fund*

The GCF is the world's largest dedicated fund helping developing countries to reduce their greenhouse gas emissions and enhance their response to climate change. It was set up by the United Nations Framework Convention on Climate Change (UNFCCC) and is one of the key instruments for the Paris Agreement. The GCF channels climate finance to developing countries which have joined other nations in committing to climate action.

With this fund, Agriterra intends to contribute as an accredited entity working specifically towards sustainable intensification and improved land-use and agroforestry. In many

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<sup>4</sup> The six action needs stated in *An Africa-Europe Agenda For Rural Transformation* (EC 2019) are – **1:**Support rural governance and an innovative local action programme, based on a territorial approach, **2:** Mainstream environmental sustainability and promote climate action, **3:** Start a knowledge, innovation and networking initiative for transformation of agriculture and rural areas, **4:** Improve access to private finance and to EU cooperation instruments for small and medium size agriculture and food business, **5:** Scale up sustainable value chain development, regional integration and intra-regional trade, **6:**Bring together European and African expertise for agriculture and rural development.

developing countries the productivity gap is still huge and adoption of sustainable intensification, particularly with IT tools, feed efficiency, genetics, plant breeding and manure management, can result in higher yields per hectare and lower greenhouse gas (GHG) emissions per kilogram of product. Although the approach can bring a higher emissions footprint per farm, it is expected to lead to an economically sustainable path to climate-neutral food production.

The accreditation process for the GFC fund is a long-term project. Agriterra has already moved forward thanks to the Global Cooperative Partnership for Climate Smart Food and Forestry mentioned above and by successfully lobbying Danish farmers leading to the resolution of the World Farmers' Organisation in favour of the establishment of an agricultural accredited entity to the GCF. Accreditation to the GCF would facilitate knowledge transfer from world class agricultural advisory systems (such as the Danish and Dutch) to farmers and cooperatives in developing countries.

The underlying principle is that Agriterra will act as the implementing agency and LTO, DAFC and MTK will provide Agripool expertise, supporting our programme by facilitating access to Dutch, Danish and Finnish knowledge on agricultural production, agricultural technology and agroforestry.

In some countries (e.g. Ethiopia, Indonesia, Burkina Faso) initial steps have been taken in the form of concept notes for National Determined Authorities (NDA) to the GFC. In collaboration with accredited entities, these concept notes need to be developed into fully fledged proposals for micro projects of 10 million euro each. Implementation of a micro project via/with an already accredited entity may serve as an important step towards Agriterra's accreditation.

Support from DGIS is needed in terms of networking and lobby with national governments and accredited multilateral organisations as well as financial support to project development.

#### *Alliance of Bioversity International and the International Center for Tropical Agriculture (CIAT)*

Agriterra is currently finalizing a five-year agreement with the Alliance formed by Biodiversity International and CIAT. The Alliance is part of the Consortium of International Agricultural Research Centers (CGIAR), the world's largest agricultural research and innovation partnership for a food-secure future. It delivers research-based solutions that harness agricultural biodiversity and sustainably transform food systems to improve people's lives. It works with local, national and multinational partners from low- to high-income countries across Latin America and the Caribbean, Asia and Africa, and with both public and private sectors.

The objective of the partnership is to promote global knowledge and tool sharing, and to ensure a more strategic framework for cooperation at all levels, including mutual engagement on topics of shared interest and joint fundraising activities. More specifically, the partnership aims to maximize the development of cooperatives and farmers worldwide to build their resilience to the impacts of climate change, reducing and mitigating their negative impacts wherever possible, and to increase their agricultural productivity, economic sustainability and access to finance. This will be promoted through global knowledge and tool sharing.

This requires support from DGIS in terms of funds to operationalize this agreement.

### Cooperative Landscaping Africa

Agriterra, ScopeInsight and the Alliance Africa Agricultural Cooperative Organisation (AAACO) share the vision of rural economies where business professionalism is recognized and rewarded. AAACO is an African sectoral organisation of the International Cooperative Alliance (ICA), the global umbrella organisation for cooperatives. ScopeInsight is a business intelligence company specialized in agribusinesses and agricultural value chains in emerging markets (through strengthening data ecosystems, improving market transparency, and advancing the professionalism of agribusinesses).

The consortium of these three entities aims to standardize the methodology used to map cooperative landscapes and to ensure that data-driven cooperative development trajectories lead to measurable economic impact. The complementarity of the three organisations has led to a value proposition based on analysing cooperative landscapes, categorizing cooperatives based on their development stage, cooperative development services and structured reassessment of cooperative performance and economic impact. Agriterra will need DGIS for lobbying and to mobilise funding from governments, multilateral agencies and financial institutions.

### Cooperative innovation Latin America (IADB, AECID).

ACODEA and Agriterra are sister agri-agencies that share common goals focused on organised farmers' development; they collaborate in many areas of internal and external organisational activity. In the current FCSB programme, Acodea is in charge of the DGIS-funded activities in Nicaragua and Colombia. Both entities have jointly developed various training materials and tools aimed at farmers' organisations and have tested their effectiveness in the field with the joint participation of staff from both entities. They share their Agripool networks, where ACODEA carries out the integral management of the Agripool network in Spain. ACODEA and Agriterra have joint monitoring and reporting systems, as well as homogeneous evaluation and control protocols.

Agriterra was established by Kees Blokland based on his revolutionary experiences with farmer organisations in Nicaragua, working through FAO and the DGIS. Twenty-three years later, Agriterra still has a prominent position in Latin America and we feel proud of the results achieved in the past five years, particularly in Bolivia and Peru. To this day, Latin America remains a testing ground for our approach and is of great importance for the development of knowledge in the field of cooperative entrepreneurship.

With Acodea, Agriterra has a natural partner for cooperative development in Spanish-speaking countries. At the same time, there are signs that the Spanish government is investigating options for greater involvement of the agri-food sector in Spain in international cooperation and wants to focus more on programmes in Africa. It is possible that the DDE-Agriterra partnership could serve as an example and inspiration for them. In addition, the membership of the Netherlands in the IADB also offers opportunities for preserving and further exploit Agriterra's network and goodwill in Latin America.

### ASEAN Cooperative Roadmap (Asian Development Bank)

Agriterra has been proud advisor in the development the ASEAN Cooperative Roadmap (the ASEAN Roadmap for Enhancing the Role of Agriculture Cooperatives in the Global Value Chain 2018-2025). The roadmap will support efforts to facilitate trade among member countries and to provide a vision and direction for enhancing participation of ASEAN agricultural cooperatives in global value chains and inclusive agricultural businesses. The roadmap also serves as a reference to harmonize the legal framework and institutional arrangements for agricultural cooperatives in ASEAN member countries.

The USAID-funded Grow Coop programme in the Philippines is inspired by our experiences with the ASEAN roadmap, as well as our role in the development of the Vietnamese government's Cooperative Development Plan. In Asia in particular, there appears to be a demand for a more integrated approach to cooperative development, in which experience in working with cooperatives at grassroots level is of great value for an advisory role in policy development. Asia therefore has great potential for impact on scale.

For Asia, Agriterro will need DGIS to advocate strategic partnership with the Asian Development Bank (ADB).

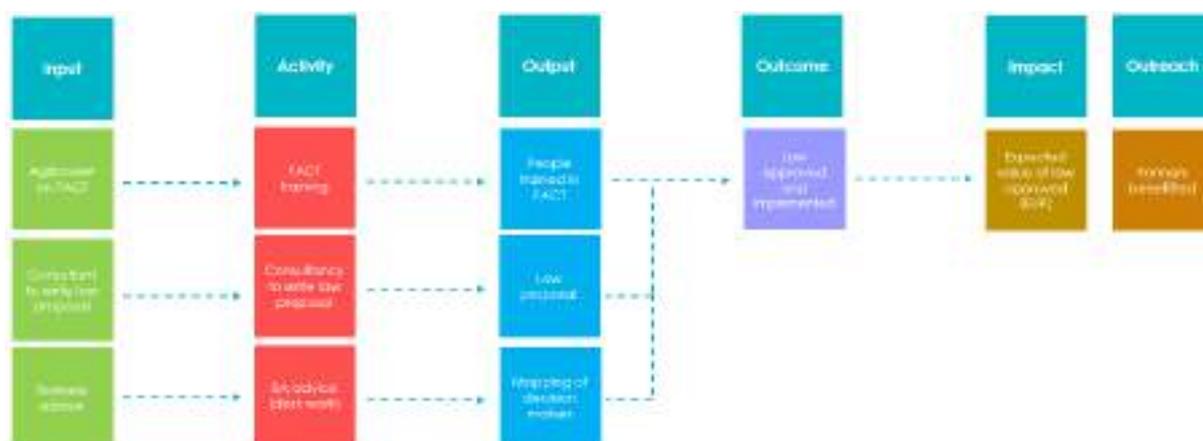
## 6. Monitoring and Evaluation framework

For efficient, data-driven, results-oriented management of the DGIS programme, ongoing monitoring and periodic evaluation are crucial. DGIS is primarily responsible for M&E in terms of reporting to the minister on the high-level indicators (PSD results framework); Agriterra will support the implementation of the DGIS/PSD M&E framework by reporting on projected results (based on the DGIS framework and other international standards<sup>5</sup>) of the 2021-2030 programme with verifiable data and documentation.

Agriterra's M&E strategy is based on three simple concepts (results chain, documentation and attribution) organised to create a powerful methodology. Agriterra executes a logical sequence of actions that support a farmers' organisation to reach an objective, defined by the results chain. Coupled with systematic documentation of the actions undertaken, this allows results obtained by the farmers' organisation to be confidently attributed, totally or in part, to Agriterra's efforts (DCED, 2018).

Agriterra is upgrading its M&E system to address issues highlighted in the ECORYS evaluation. Starting with the results chain, Agriterra has better aligned the M&E framework to clarify the configuration of inputs, activities, outputs, outcomes, impacts, and outreach and represent in a more accurate structure of Agriterra's work. Agriterra then defined different results chains, based on the ToC, to represent the various working trajectories and interlink the M&E framework components (see example in Figure 9).

**Figure 9. Example of a lobby and advocacy trajectory results chain**



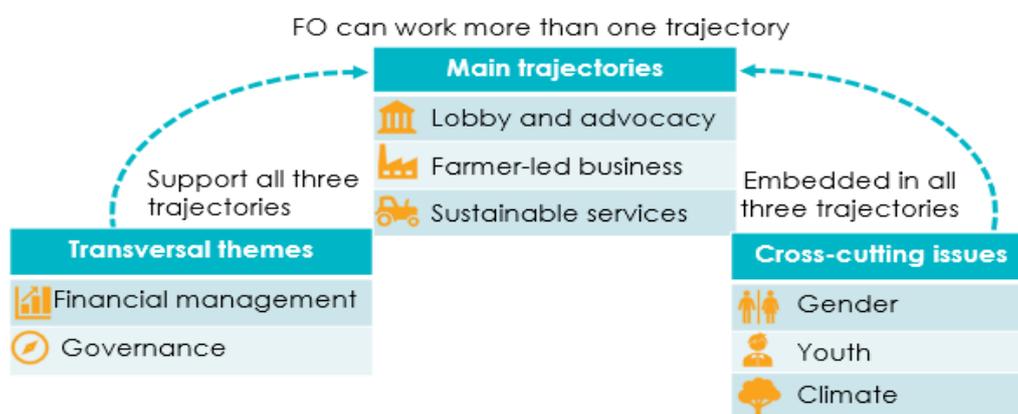
The results chains articulate Agriterra's ToC within a logical framework to make explicit the causal links between inputs, activities, outputs, outcomes, impacts and outreach, and to define the M&E indicators. This theoretical simplification of Agriterra's work was designed and agreed internally by employees and management, in partnership with Agriterra's main donors and farmers organisations, and in direct consultation with peer agri-agencies and external experts. Given the complexity of the M&E system that includes several inputs (e.g., agripooler, business advisor, consultant, funds...), multiple activities (assessment, exchange visit, scoping, trainings, smart grants...), near 100 outputs, and several outcomes with their impact and outreach, the combinatory of interventions and results is too complex to approach in this program proposal. Nevertheless, further information regarding the M&E framework is provided at the end of annex 1, as well as Agriterra reached the compromise to further develop the proposed M&E framework hand in hand with the specialized staff of the Ministry during the next six

<sup>5</sup> Common international standards obtained from DGIS, GIZ, IFAD, OECD, and USAID.

months, to cater the needs of DGIS in terms of results attribution, reporting specifications and continuous learning.

In the new programme with DIGS 2021-2030, Agriterra builds upon the previous FCSB 2016-2020 programme. Agriterra’s services will maintain a focus on strengthening farmers organisations with two transversal tracks: (1) financial management, and (2) governance, which are the cornerstones of an efficient, sustainable, transparent and democratic organisation. Good practices that allow farmers’ organisations to build a solid organisational structure – such a structure is a necessary, but not sufficient, condition to improve/expand the raison d’être of farmers’ organisations (which has three main trajectories: (1) lobby and advocacy, (2) farmer-led business, and (3) sustainable services). While implementing these three trajectories, Agriterra mainstreams the crosscutting issues of: (1) gender, (2) youth, and (3) climate, as represented in Figure 10.

**Figure 10. Main trajectories, transversal themes and cross-cutting issues**

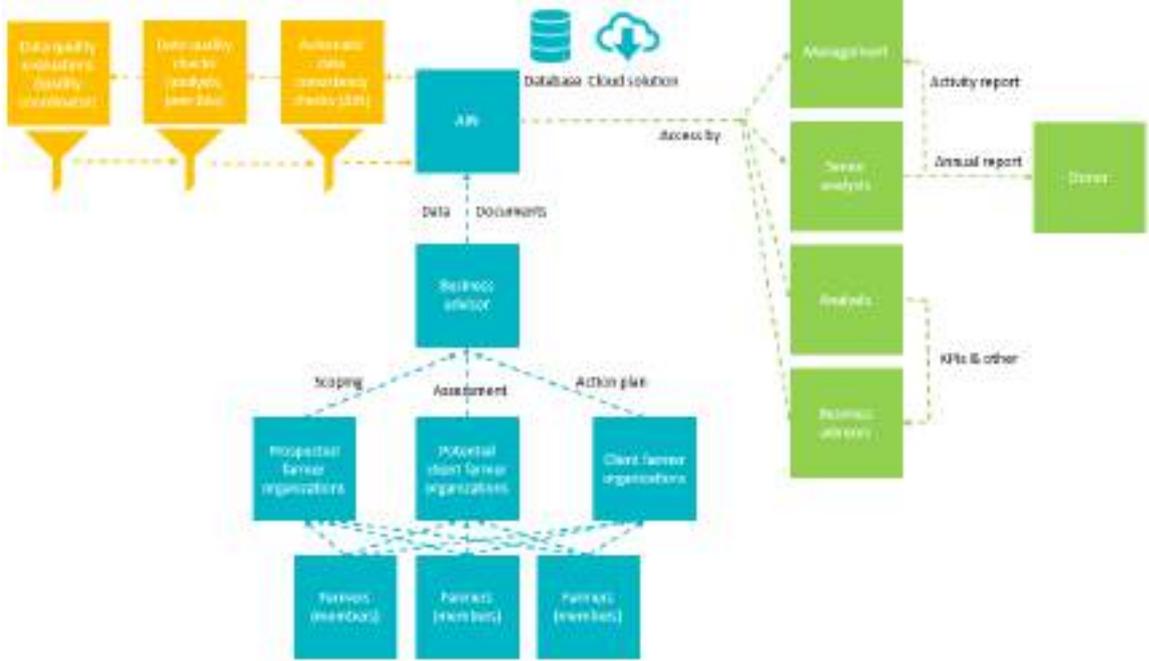


In 2012, IFAD described Agriterra’s M&E system as optimal from a cost-benefit perspective (Agriterra, 2012). Documentation of all the M&E framework components (from inputs to impact and outreach) will be centralized in the Agro-info.net information system developed by Agriterra in 2005. Comprehensive project and organisational data have been published as open source on [www.agro-info.net](http://www.agro-info.net) since then. This software is used by Agricord’s member agri-agencies.

Documentation is twofold. On the one hand, there is the data gathering and storing process (e.g. on staff, members, directors, legal personality). The data is obtained through tools developed by Agriterra (such as scopings, assessments, training health checks, project evaluations, and financial KPIs) and implemented, mainly, by business advisors in the field. This constitutes the primary source of information stored in Agriterra’s database through agro-info.net. On the other hand, there are official documents gathered regularly by business advisors from farmers’ organisations. These include annual financial statements, acts of constitution, bylaws, internal regulations, proof of legal personality etc. There are also ad-hoc documents produced as a direct or indirect result of Agriterra’s activities such as action plans, project contracts, project evaluations, activity reports, strategic plans, business plans, commercial contracts with buyers, financial contracts with financial institutions, law proposals etc. All this information is also stored by business advisors in agro-info.net for subsequent analysis.

Attribution is based on a careful analysis of data and documentation to guarantee the required level of quality and consistency, so that results with a farmers’ organisation can be claimed with a high degree of certainty. The quality control process has been reinforced by adding additional controls. First, the repository software agro-info.net is being expanded to include additional automatic data quality checks (consistency checks) and to create restricted access for different users. Second, the overall data and documentation registration interface and procedures have been revised to make the software more intuitive for users – this should facilitate data registration and reduce human error. Third, a brand-new internal panel of experts has been created to review and approve, correct (or reject) the outcomes, impacts and outreach claimed by country-level business advisors – this should lead to more homogeneous, consistent aggregated reports to donors. And fourth, the role of the quality coordinator has been reinforced and expanded to take a more active role on data registration, analysis and reporting control. **Figure 11** graphically conceptualises the data and documentation flows within Agriterra.

**Figure 11. Data and documentation flows within Agriterra**



To ensure adequate monitoring by DGIS, a combination of mandatory reporting, targeted supervision and support evaluation missions are proposed.

Agriterra publishes an annual static performance analysis of all its client farmers’ organisations. This analysis, called Top 74, ranked the best performing organisations (from 1 to 74) according to performance indicators such as the evolution of key financial ratios; growth in membership, employment, income, and profit; and project execution parameters. But every day Agriterra’s database adds new information and becomes more complex. For instance, every year Agriterra registers in agro-info.net more than 50 indicators for each client organisation. This, multiplied by an average of 300 client farmers’ organisations a year, adds more than 15,000 data entries to the database every year.

This great data resource will allow Agriterra to implement, during the next 2021-2030 programme, a new big-data econometric analysis based on the study of longitudinal panel databases to track the whole trajectory of a client from three years before starting

to work with Agriterra, until the end of the collaboration. This should enable Agriterra to properly answer recurring questions such as 'What is the average impact of Agriterra on a farmers' organisation per euro invested?', 'Do larger organisations overperform compared to smaller organisations?', 'Is there any attribute of farmers organisations key to success?' or 'Are highly capitalised (low leveraged) organisations more stable over time?' As well as evolving the Top 74 ranking evaluation towards a new statistical methodology based on the analysis of trends, focused on sustainable growth trajectories for the farmers' organizations and cooperatives Agriterra works with.

## 7. Budget DDE–Agriterra partnership

Historically Agriterra’s budget depended mostly on DDE funding. In future, DDE has indicated that it would like to reduce its contribution in both absolute and relative terms. Funding from other sources will therefore become increasingly important. DGIS has committed to support this ambition through financial contributions over the coming decade (2021-2030) of 77 million euro. As Agriterra needs time to diversify its funding portfolio, it was agreed to gradually decrease the DGIS contribution starting from 11 million euro in 2021. In this proposal Agriterra details in the budget for 2021 to 2025. DGIS contribution of 49 million euro will be needed in this period for a consolidation scenario that with third party contributions has an overall budget of 78 euro million. Indicative figures are also included for 2026 onwards, but these will need to be revised at a later stage. For now, most of the figures relative to the period after 2025 are presented in annex 3.

### Consolidation of the current operating base

For Agriterra to remain a relevant global player, and to avoid divestment of what we have built so far, maintaining the current scale of operations is a minimum requirement for a healthy viable future. To compensate for inflation and the decline in financial support from DDE, additional funding will be needed. As full cost recovery in competitive grants and tenders often proves difficult, it is critical for Agriterra to obtain new strategic partners and funding besides DDE.

In Table 8 the minimal viable scenario required to consolidate the current operating base is translated into a budget for the coming decade. Based on the contribution from DDE, and the funding secured from other sources, the turnover in 2021 will be approximately 15 million euro. To maintain this size of the organisation, the total turnover is corrected for inflation (2% per annum, rounded to the nearest 0.5 million) for future years. Turnover is therefore envisaged to gradually grow within this scenario.

**Table 8. Total envisaged budget for consolidation based on DGIS input (2021-2025)**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
Contribution DDE	11,000	11,000	10,000	9,000	8,000	49,000
Contributions new strategic partnerships & coalitions	0	500	1,500	2,500	3,500	8,000
Contributions one-off grants and assignments	4,000	4,000	4,000	4,500	4,500	21,000
Subtotal turnover from other donor contributions	4,000	4,500	5,500	7,000	8,000	29,000
<b>Total turnover</b>	<b>15,000</b>	<b>15,500</b>	<b>15,500</b>	<b>16,000</b>	<b>16,000</b>	<b>78,000</b>

As agreed with DDE, Agriterra has the clear assignment to further diversify its funding portfolio in the coming years. Within the scope of this proposal, Agriterra commits itself to acquire funding from other sources within the DDE focus countries up to 2025, in line with the budget in table 8. DDE has committed to support finding new partners. As building these partnerships will require significant time and effort before bearing fruit, we assume that financial contributions from new strategic partners will not become available before mid-2022. Within this consolidation scenario, this income stream should gradually grow toward euro 3.5 million per annum in 2025. Income from one-off grants and assignments in this period will stabilise at its current level of roughly 4 to 4.5 million euro per annum.

Looking beyond 2025, the funding from sources outside DDE needs to grow further to compensate for the decline in DDE funding and for inflation. For now, we envisage the income from new strategic partners to grow significantly in this period, and that income from grants and tenders will grow modestly (see *Table 9*). At a mid-term review of the programme, these estimates need to be updated and aligned to the reality and context at that time.

**Table 9. Total envisaged budget for consolidation based on DGIS input (2026-2030)**

Amounts in euro x 1,000	2026	2027	2028	2029	2030	Sub-total	Overall total
Contribution DDE	7,000	6,000	5,000	5,000	5,000	28,000	77,000
Contributions new strategic partnerships & coalitions	4,500	5,500	7,000	7,000	7,000	31,000	39,000
Contributions one-off grants and assignments	4,500	5,000	5,000	5,500	6,000	26,000	47,000
Subtotal turnover from other donor contributions	9,000	10,500	12,000	12,500	13,000	57,000	86,000
<b>Total turnover</b>	<b>16,000</b>	<b>16,500</b>	<b>17,000</b>	<b>17,500</b>	<b>18,000</b>	<b>85,000</b>	<b>163,000</b>

Putting DGIS contributions into historic perspective, *Table 10* demonstrates that the share of DGIS funding within the overall value of the DGIS programme decreased from 95 per cent in the period 2007-2010, to 76 per cent in 2021-2025. Tentative figures for 2026-2030 show a further decline to 47 per cent. The DGIS contribution compared to Agriterra's overall programme will decrease to 63 per cent on average for 2021-2025, and indicatively reduce to 33 per cent for 2026-2030.

From 2021, DGIS contributions (and hence the DGIS programme with Agriterra) will become not only relatively but also absolutely a decreasing part of Agriterra's operations.

**Table 10. Historic development DGIS contribution**

Amounts in euro x 1,000	2007-2010	2011-2015	2016-2020	2021-2025	2026-2030
DGIS contribution (euro)	39,377	56,030	59,506	49,000	28,000
DGIS programme (euro)	41,300	66,704	75,646	64,750	59,250
DGIS funding on total turnover (%)	95%	84%	79%	76%	47%
Total Agriterra turnover (euro)	41,300	66,704	75,646	78,000	85,000
<b>DGIS funding on total Agriterra turnover (%)</b>	<b>95%</b>	<b>84%</b>	<b>79%</b>	<b>63%</b>	<b>33%</b>

*Table 11* illustrates the use of this budget. As explained in chapter 5, the DGIS contribution has three components, so *Table 11* splits the DGIS contribution over these components. The funding allocated in the DGIS focus countries is stable at roughly 4 million euro per annum until 2025. In 2021 the DGIS contribution is the primary funding source for the first four focus countries. Toward 2024 the number of focus countries will grow to 10. The required additional funding for setting up offices in more focus countries is primarily funded through contributions from sources outside DDE.

**Table 11. Use of Consolidation scenario Budget (2021-2026)**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
<i>Number of DGIS focus countries</i>	4	6	8	10	10	8 (avg.)
Direct investment into DGIS focus countries	3,750	4,000	4,250	4,500	4,250	20,750
Direct investment in PSD transition countries	5,750	5,750	4,750	3,500	2,750	22,500
Institutional strengthening of Agriterra	1,500	1,250	1,000	1,000	1,000	5,750
<b>Total DGIS contribution</b>	<b>11,000</b>	<b>11,000</b>	<b>10,000</b>	<b>9,000</b>	<b>8,000</b>	<b>49,000</b>
Contribution 3rd parties in focus countries	750	2,250	3,250	4,500	5,000	15,750
<b>Total systemic transformation DGIS programme</b>	<b>11,750</b>	<b>13,250</b>	<b>13,250</b>	<b>13,500</b>	<b>13,000</b>	<b>64,750</b>
Contribution 3rd parties PSD transition countries	3,250	2,250	2,250	2,500	3,000	13,250
<b>Total Agriterra consolidation programme</b>	<b>15,000</b>	<b>15,500</b>	<b>15,500</b>	<b>16,000</b>	<b>16,000</b>	<b>78,000</b>

Part of the consolidation takes place outside the focus countries with funds to be obtained from other contributors in projects with their own objectives. For the moment we are leaving this part (13.25 million euro in the first five years) out of the programme with DGIS and therefore the goals to be obtained with these funds are not included in the current proposal. As evidenced, the share of DGIS' contribution allocated to PSD transition countries (not being focus countries) follows a decreasing trend from 5.75 million euro in 2021 to 2.75 million euro in 2025.

The proposed details of programme development and third party contributions outside the DGIS programme during the last five years of the consolidation scenario are given in annex 3 table 15. DGIS input in the last five years is 28 million euro (as opposed to 49 million euro in the first five years). Budgets in focus countries increasingly depend on third party funds. The indicative figures beyond 2025 envisage a further decline in PSD countries towards 1 million euro per annum. A decreasing share of the DGIS contribution over the whole period will be used for institutional projects, as explained in this chapter.

In Table 12, the expenditure figures are translated into an average budget per office. In the consolidation scenario, the average funding for an office within the DGIS focus countries will stabilise at around 925,000 euro per annum. As Agriterra will start in 2021 with the four focus countries which currently utilise the largest budgets, the average budget slowly declines in the first four years (as relatively smaller offices are added to the pool of focus countries). In the growth scenario, the offices in focus countries will be able to expand their operations to roughly 1.1 million euro per annum.

**Table 12. Expenditure per office and leverage on DGIS input (consolidation scenario)**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
Number of DGIS focus countries	4	6	8	10	10	8 (avg.)
Number of PSD transition countries	15	13	11	9	9	11 (avg.)
Average budget per country in DGIS focus countries	1,125	1,042	938	900	925	986
Average budget per PSD transition country	600	615	636	667	639	631
Leverage DGIS contribution on systemic transformation programme (%)	7%	20%	33%	50%	63%	32%

Looking at the average budget for offices in the PSD transition countries within the consolidation scenario, the annual turnover will be around 600,000 euro. This budget slowly increases over time to compensate for inflation. Also, in the PSD transition countries the annual budget per office will significantly increase in the growth scenario, from 600,000 euro in 2021 to over 900,000 euro in 2025.

Table 12 also demonstrates to what extent Agriterra will leverage DGIS' contribution with funding from other sources. At the end of the transition period in 2024, the leverage within the focus countries will have grown from 7 per cent in 2021 towards 50 per cent in 2024 in the consolidation scenario. This leverage will grow even further in future years, and based on the tentative figures up to 2030, the leverage may grow to 140 per cent in the consolidation scenario. The total leverage of the DGIS funding on the overall Agriterra 2030 strategy is even larger. In the consolidation scenario it grows from 36 per cent in 2021 towards 100 per cent in 2025. Tentative figures for 2030 even indicate a further growth of this leverage to 260 per cent in the consolidation scenario, as can be seen in the table 16 that compares both scenarios in the period 2026-2030 in annex 3.

### Continuity reserve

As a result of the Corona crisis, Agriterra's continuity reserve will be mostly depleted by the end of 2020. At the time of writing, forecasts show that this reserve will likely hold roughly € 300.000 at the start of the new programme. This low level poses a significant threat to the continuity of the organisation. The importance to repair the continuity reserve was also stressed by Agriterra's accountant, Grant Thornton.

The board of Agriterra has set that the desired continuity reserve should be equal to the sum of the total gross annual salaries of employees on the Agriterra payroll. Thus far, this goal has never been reached. Within the current context this target would translate in a reserve of roughly €6 million. As the risk-profile of the organisation is changing, the optimum reserve position will be analysed again in 2021 in consultation with the Agriterra board. The outcome of this analysis will be validated by an accountant, and shared with DGIS.

The management team has made a first rough provisional analysis, which suggests that the optimum funding level of the reserve might be somewhat lowered compared to the target which is currently set. However, besides the current ongoing operational risks, an important new risk was identified related to the further diversification of the funding portfolio of Agriterra over more donors and projects. Income is likely to become more volatile, and as long as no new strategic partners have joined DGIS, funding will become

more specifically earmarked and less flexible. This requires a more agile and flexible organisation which can easily scale up and down. Absorbing these ongoing changes requires a solid financial buffer. It seems therefore that a provision of at least 50% of all salary and office costs for 6 months is a bare minimum. It is therefore anticipated that the reserve will need to grow to at least €4 million in the coming years. As described above, these tentative figures will have to be further validated in a detailed risk analysis in 2021.

### First loss provision

As the low continuity reserve was identified as a major risk, its repair is of critical importance for the success of this new programme. This repair hinges on the surcharge for risk and continuity within the tariffs Agriterra charges to her donors. On the short term, this leaves the organisation exposed to a significant risk.

Agriterra will therefore reserve 2 million euro out of the overall contribution from DGIS of 77 million, as a first loss provision. This provision will function as a temporal addition to the continuity reserve, for the period the optimum level has not been reached. The provision can be utilised by the board of Agriterra (applying the same considerations as to utilising the continuity reserve), and may result in a depletion of the overall subsidy. Once the desired continuity reserve is reached, the first loss provision will be dismantled.

### Tariff system

Agriterra uses a tariff system to charge the services that are provided. Up to 2020 the system was based on individual tariffs per employee, with a distinction between chargeable and non-chargeable hours. The tariffs were calculated by taking the employee's gross salary as a starting point, adding additional cost through a multiplier to cover for the non-chargeable hours, risk & continuity, and overhead costs (office rent, office costs, general costs, and depreciation).

For the new programme the following changes will be made to the tariff system:

- **Standardised rates**  
In the old system, tariffs were calculated on an individual basis. Consequently, the individual tariff indirectly reflects the individual salary of employees. As the acquisition and management of projects which are not funded through DGIS grows, the number of employees needing to work with these tariffs has also substantially grown. To protect the privacy of our employees around their pay level, the new system will categorise employees in clusters. These clusters will be based on seniority (junior, medior, senior) and will be calculated per country.
- **Cost base**  
Up to 2020, the tariffs were calculated, taking the gross salary as a starting point. Additional salary related components, like the employer's contributions to social security, were covered through the multiplier. In recent years Agriterra has opened offices in many of the countries we operate in. Employees in these offices are often employed through a local payroll. The methodology for charging remuneration components to the employee or employer differs greatly between countries. To improve consistency within our tariff system, the starting point of our tariffs will include all salary related components. As a result the base figure will be higher, and the multiplier will be lower. This change however will not affect the resulting tariff.
- **Chargeable hours**  
In the old system, chargeable hours were further split into DD (direct advise) and

DN (direct support). As the distinction between these two types is often subjective, it has been removed in the new tariff system. The only distinction will thus be chargeable and non-chargeable hours.

- Overhead costs

In the old system only the overhead costs for office rent, office costs, general costs, and depreciation were included in the tariff's multiplier. Other indirect cost components, like communication and staff development, were charged to DGIS on a project basis (and therefore attracted chargeable hours). As the income portfolio of Agriterra is diversifying, it is no longer desirable to charge these costs fully to DGIS. They are therefore transferred to the internal (tariff based) budget, and will be covered through the tariff system. This change will increase the multiplier and tariffs (for all donors), but will lower DGIS' contribution to institutional projects.

- Risk and continuity

For many years, Agriterra included a 10% surcharge in the tariffs, as a provision to mitigate risk and to support continuity. In recent years this percentage was lowered to 3%. Thus far, Agriterra has not been able to build a healthy continuity reserve, and the recent Covid crisis has revealed the organisation's vulnerability. At the end of 2020 the continuity reserve will be mostly depleted, and the organisation's continuity is seriously at risk.

Agriterra's management, board and accountant have stressed the importance to repair the continuity reserve. Agriterra will therefore return to the old surcharge of 10%.

Once the desired continuity reserve is reached, any surplus in the reserve will be utilised in the next year in line with the organisation's objectives.

## Comparing consolidation to growth

Comparing the budget of the growth option of the overall Agriterra strategy (section I) with the budget of consolidation option of the DGIS programme (section II), the striking difference is the bigger budgets per country and the increasing leverage on DGIS funds. Compare Table 12 and Table 13.

**Table 13. Expenditure per office and leverage on DGIS input (Growth Scenario)**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
Number of DGIS focus countries	4	6	8	10	10	8 (avg.)
Number of PSD transition countries	15	13	11	9	9	11 (avg.)
<u>Consolidation scenario</u>						
Average budget per country in DGIS focus countries	1,125	1,042	938	900	925	986
Average budget per PSD transition country	600	615	636	667	639	631
Leverage DGIS contribution on systemic transformation programme (%)	7%	20%	33%	50%	63%	32%
Leverage of DGIS contribution on Agriterra's 2030 strategy (%)	36%	41%	55%	78%	100%	59%
<u>Growth scenario</u>						
Average budget per country in DGIS focus countries	1,125	1,100	1,044	1,120	1,135	1,105
Average budget per PSD transition country	600	712	886	911	917	805
Leverage DGIS contribution on systemic transformation programme (%)	7%	24%	41%	74%	89%	43%
Leverage of DGIS contribution on Agriterra's 2030 strategy (%)	36%	55%	91%	127%	158%	88%

Bigger budgets per country, both in focus countries as in PSD countries, means more impact with selected clients. The leverage on DGIS funds is only illustrated in terms of project and partner contributions but will be boosted in impact terms by more funds from the financial institutions and members of cooperatives.

The comparison illustrates that the consolidation achievable within the envisaged DGIS programme is a minimal scenario. It might prove to be the only realistic one in the upcoming economic crisis due to COVID-19 and its aftermath. Yet our ambitious strategy should motivate both Agriterra and DDE to strive to gain the interest of other strategic partners in this farmer-focused transformation path and bring our farmer-oriented, cooperative-driven and participatory way of farmer-to-farmer cooperation to its full potential. In annex 3 table 17 and 18 we present quantitative evidence of this full potential for both the period 2021-2025 and for the period 2026-2030.

## 8. Assumptions, sensitivity & risk assessment

### Assumptions related to the overall strategy:

#### Economic growth is accelerating worldwide

Economic growth is exponential. China grew as much in 38 years as France did in 130 years. This sets the perspective for how developing countries can quickly rise from poverty. However, specific circumstances, erroneous policies (e.g. in Nicaragua, Venezuela) or worldwide crisis (e.g. the financial crisis of 2008, the COVID-19 pandemic) can undermine this general trend and can significantly influence developments in the short term.

Agriterra selects developing countries with the potential to develop a sound and conducive economic, policy and business climate and focuses its efforts on contributing to cooperative sector development, leading to economic growth.

#### The structural transformation of the economy is central to any realistic development agenda

Structural transformation is the pathway out of poverty. It leads to farmers leaving agriculture for productive employment elsewhere at the same time as productivity in agriculture is growing. It is natural that only a select number of farmers can cope with the complexity of the market and the exigencies of technological advances.

The countries that have developed successfully are those that have shifted their resources from agriculture to manufacturing and services. Inclusive growth and higher income for the majority requires higher productivity in labour-intensive sectors, including agriculture.

However, to prevent rural exodus, former farmers need to find employment in rural manufacture and services (e.g. processing plants) near their home. That is the best guarantee for maintaining the food and employment balances during this delicate transformation.

There is a causal relationship between the organisation of farmers' (more farmers' organisations and cooperatives, and more farmers becoming members) and economic development, political participation, and income equality.

This assumption is central to Agriterra's thinking. In his thesis, Agriterra's founder (Blokland, 1992) analysed the economic viable proposition of the farmers' union at stake, which was based on a farmer-to-farmer group selection of agricultural technology that gave evidence of fast productivity gains, a cooperative and labour-intensive agro-industrialization, collective influence on economic policy by skillful advocacy based on member participation and consultation with experts, and a farmer-owned bank to boost investment in farmer strategic projects. The assumption's viability is evidenced through modelling, which resulted in a faster structural transformation, with less imbalances in employment and food supply.

Agriterra has studied the general relationship between farmers' organisations and economic development. Various mechanisms explain the causal relationship, based on the observations that farmers' organisations:

- are schools for democracy

- enable joint conceptualisation and policy formulation
- are channels for uploading ideas from members for advocacy
- are channels for downloading information, goods and services to members
- enable specialisation and mobilisation of labour and capital at local level
- increase market power for individual farmers.

Investment made by farmers themselves show real commitment and is crucial in attracting investment from third parties, banks, investors, governments and companies.

This relationship between organisation and development is evident in both early and late industrializers. South Korea, for example, claims that its rapid development has only been possible because of the organisation of farmers into cooperatives. Yet in this case, government support was also a determining factor. The type of bottom-up development of cooperatives that, via mergers, grow into big cooperatives like those in the Netherlands is not necessarily an option for developing countries due to the complexities of the market and competition from multinationals. Therefore, economic development in developing countries requires the co-creation with government and civil society (NongHyup, NACF: in Agriterria, 2016).

In any case, it only happens when farmers realize that development is linked to their labour and capital input and start to invest in common ventures. This is the Tipping Point in the development process<sup>6</sup>. Local farmers' associations, as they were in the Netherlands, South Korea, and will be in any developing country, are the natural incubators of new ventures. Farmer-led enterprises are the most important way for farmers to take development into their own hands.

### **Economic growth reduces poverty**

The world produced more economic output over the last two centuries than in all the previous centuries combined. This explosion of wealth-creation led to a massive decrease in poverty.

An important caveat is needed here: relative inequality has diminished, but global absolute inequality has not and in most of the developing world inequalities are increasing. Because of these disparities, it is key to focus on how the benefits of growth are distributed.

However, this is first and foremost a responsibility of the developing countries, their governments, business community and civil society. It demonstrates that countries can adopt ideas and technologies that took advanced countries centuries to develop and leapfrog from extreme poverty into the age of abundance within a couple of generations. Agriterria brings these ideas and technologies by means of (Agripool) advice, training and knowledge exchanges. Agriterria prefers to work in developing countries with the potential for a sound business climate, where there is greater efficiency to alleviate poverty.

### **There is mutual reinforcement between growth and human development**

Income growth is a major contributor to the human development of a nation. Gross domestic product (GDP) has a strong effect on literacy and health outcomes, both through private expenditure and government programmes. Conversely, human

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<sup>6</sup> Blokland, 2018

development affects economic growth (education has a strong effect on labour productivity, for example). The quality of private entrepreneurs, of public policymakers and of investment decisions is inevitably influenced by the education of officials and managers.

The quantity and quality of investment, both domestic and foreign, together with the choice of technology and the overall policy environment, constitute other important determinants of economic performance. Moreover, the volume of both domestic and foreign investment and the rates of total factor productivity will undoubtedly be higher when a system's human capital level is higher.

Introducing knowledge and enabling investments goes to the heart of Agriterra's efforts.

### **Assumptions related to the partnership with DDE:**

- DGIS remains committed to take all the actions necessary for Agriterra to create new strategic partnerships. Agriterra will take the lead in this process and will be responsible for its success.
- DDE provides Agriterra with a clear definition of systemic transformation and what is needed to put this concept into practice.
- DDE continues to support the development of cooperatives as a key element of its policy in PSD and focus countries.
- DDE enhances the special relation that Agriterra has with the Ministry of Foreign Affairs and the DGIS as a consequence of the covenant.
- DDE will broaden the policy dialogue with Agriterra and involve other departments of the ministry and other ministries.

### **Risks**

#### **Risks emerging from the environment**

Agriterra's operations take place in developing countries with all their related risks. Risks are bigger because all our work is based on the deployment of people with extensive travel in remote areas where health care is deficient and emergency services are poor. Political turmoil, natural disasters, health crisis (COVID-19) and social struggle add to the imminent risks. Agriterra has therefore developed a good system of prevention, training and response to such emergencies and has the backing from renowned institutes in this respect. The situations that needed attention so far have been tackled with success and without negative consequences for those implied.

The COVID-19 crisis has posed new challenges and Agriterra has put several measures in place to respond quickly and decisively. These are: The Rapid Response Recover Facility (RRRF); the switch to more online services and training; and the change of perspective of our Agripool service (thanks to which Agriterra is currently deploying more regional, national and local experts). The risk is that a squeeze to reduce costs (imposed by pressure from the emerging funding structure) might prevent the emergency prevention and response system being maintained and managed as required.

## Risks emerging from funding structure

The DGIS programme of systemic transformation in selected countries leads to an important deviation from the former funding structure.

Agriterra now requires substantial additional inputs from other donors to meet its strategic objectives.

To understand the risks linked to changes in Agriterra's funding structure, the following issues need to be carefully monitored:

- To avoid becoming a fundraiser and maintain certain operational levels, Agriterra urgently needs more strategic partners similar to DGIS.
- Small assignments should be contracted by invoicing standard services for the agreed tariffs and costs.
- All projects and programmes with third parties should be aligned with Agriterra's strategy, comply with the Agriterra format and the budgets, as far as possible, should include all overheads and contributions to institutional programmes
- Activities should be planned, monitored, and accounted for using reporting systems geared towards the needs of the financier.

Agriterra has already adapted its procedures, contracted new staff and started to implement a new accounting system to meet these objectives. Yet most of the objectives need response from other financiers and will affect the strategic objectives and eventually the DGIS programme objectives when they are not met.

For an evaluation of these risks, we distinguish between the regular third-party funding which has evolved since 2017 and the funding obtained in the additional strategic partnerships we are seeking. Along the first track, we reckon that it will be possible to raise sufficient assignments and projects that complement the DGIS contribution in the selected countries of the DGIS programme.

In the focus countries we aspire to work with an annual budget of at least 900,000 euro per office (corrected for inflation over time). The budget in other PSD transition countries will be lower but should not go below an average annual budget of 600,000 euro per office per year to remain viable. To realise these country budgets, additional funding is required from sources besides DDE. These needs grow over time, as the contribution from DDE decreases. Income from one-off grants and assignments is projected to remain stable at its current level until 2025. Therefore, the joined ambition of DDE and Agriterra to develop new strategic partnerships and coalitions is a critical factor.

There is a risk of not achieving this additional funding from new partnerships. And the current level of funding from grants and assignments is no guarantee for the future. The risks are increasing due to the COVID-19 pandemic and the economic crisis it is provoking. Donors will have less to spend and might change their objectives toward health-related activities. There is a risk that the DGIS programme might not meet the partnership objective. This is even more so because strategic partners will first be invited to support activities outside the 10 selected countries for DGIS.

There is an additional risk that Agriterra might not be able to charge third parties or strategic partners for standard services at agreed tariffs and costs, or to include overheads or contributions to institutional costs in budgets. This might lead to overspending on DGIS contributions to institutional programmes or jeopardize coaching and mentoring, and monitoring and evaluation activities.

Table 19 in annex 3 shows the impact of a 50 per cent stagnation in acquisition of funding sources outside DDE. If Agriterra were to maintain the 10 DDE focus countries, the budget for each country would be significantly reduced (from roughly 1 million euro in 2021 to 675,000 euro in 2025). In the PSD transition countries, there would be less room to reduce budgets, and the stagnating acquisition could only be remedied in those countries by closing at least two offices. If the situation did not improve, further office closures would be unavoidable.

### **Risks of fraud and human trafficking**

In any environment where institutional funds are flowing, there is the risk of economic and moral abuse. Agriterra works in a challenging environment and is aware of risks such as fraud, bribes, conflict of interest, diversion of funds and abuse of position. Some developing countries also face societal problems such as human trafficking, sexual abuse, racism and sexism. The impact of any type of abuse could be high in terms of reputational costs and lack of accountability towards donors.

To reduce these risks as far as possible, Agriterra takes preventive measures in the process and at the social level. In our processes we invest in our community values, financial control mechanisms and implement a fraud protocol.

Agriterra has an internal Code of Conduct in which the ethics, social norms, and responsibilities of Agriterra employees and proper practices are explained. Through effective internal communication we boost our principles focusing on shared responsibility, fairness and reasonableness.

### **Risks emerging from the institutional set-up of Agriterra**

The transformation of Agriterra from a co-financing entity into an advisory service provider implies increasing local presence and the establishment of offices. The current 23 offices outside Europe are at different levels of development. In 2020, Agriterra set norms for the stages of office development, linked to evolution of the programme in the country and the acceptance of Agriterra by the national government and organised farmers. In our long-term vision, local governance of the offices is ensured by a board that represents local farmer and cooperative entities. In this way, the local office reaches a state of co-dependence and eventually independence in which it is bound to Agriterra by vision, mission and administrative procedures.

The route to this stage of independence (from local presence via a registered office) is full of risks. These risks are larger when, due to financial interdependence, offices or Agriterra as a whole would be liable for major financial setbacks (such as fraud, labour conflicts or accidents) in a country office.

An online Enterprise Resource Planning (ERP) accounting system will be implemented to diminish risks from 2021 onwards. The time lapse between expenditures, registration and checks at headquarters are substantially reduced because of the possibilities of real-time monitoring. The pursuit of independent country offices will further diminish the impact of any setback, by creating a 'firewall' protecting the organisation from uncontrolled fallout. With financial independence for country offices, the damage stays localized even if it might lead that office to bankruptcy. If firewalls are not in place, damage might affect other parts of the organisation, possibly even jeopardizing the DGIS-programme as a whole.

Estimating the magnitude or frequency of negative incidents is difficult – very few have occurred during the 23 years of Agriterra’s existence. But experience teaches us that one type of incident is particularly likely: miscalculations in project planning, errors in implementation and non-acceptance of certain expenditure in programme budgets. The likeliness and frequency are increasing with the increasing number of third-party agreements, different conditions to comply with and budget rules. The impact of these risks on individual offices can be serious because they have little equity or reserves.

### **Risks emerging from the lack of equity**

Up to the point of being a registered office, Agriterra proposes (for the moment) to share risk with the local offices. But in later stages the local office will create its own equity reserves to meet any financial setbacks.

Sharing or not, equity has become a relative concept in Agriterra, now that all equity is reducing in the COVID-19 crisis. The risks related to lack of equity are huge – every minor financial setback can bring an organisation to the verge of bankruptcy. This risk can only be countered by allowing Agriterra to make a positive return on its activities, as was done in the period 1997-2020, allowing the organisation to accumulate a continuation reserve. Building up this reserve from scratch in an organisation working in a difficult environment under the risks mentioned above seems impossible.

This analysis suggests that an additional safeguard should be built in, destinating at forehand 3% of the total contract with the DGIS (2,310,000 euro) to a first guarantee that will exist along the self-built continuation reserve. The board of Agriterra will decide upon its use and will report this in the annual financial statement. Any positive balance above the self-built continuation reserve at the end of the ten-year period will be used for the general DGIS programme objectives.

### **Risks associated with programme implementation**

Cooperation with the NL embassy and other Dutch and international stakeholders requires good coordination and in fact deserves a compelling BHAG that drives and inspires the collaboration. One element that could damage programme implementation is the negative connotation some people (even staff at EKN) may have of cooperatives. It is not yet clear what role EKN sees for itself in connecting and cooperating with parties and how it will define and implement the concept of systemic transformation. It is expected to be a process of learning by doing, which eventually may have an impact on the implementation of the programme.

**Figure 12. Risks**

Type of Risk	Likelihood	Impact	Risk	Mitigation measures
Risks emerging from the environment (economic, political, social, force majeure) that endanger personnel (Agripoolers and staff) engaged by Agriterra	Low/ Medium	Medium	Due to the need to keep costs low (imposed by pressure from the emerging funding structure) the emergency prevention and response system are not maintained and managed as required.	<ul style="list-style-type: none"> <li>• Good system of prevention, training and response to this kind of crisis</li> <li>• Support from renowned institutes</li> <li>• Crisis Management Team in case of emergencies and all possible crisis situations concerning safety. This team acts as a focal contact point</li> <li>• Make efforts to delink political issues from the programme</li> <li>• Improve our online services and deploy more local, national and regional agripool networks (COVID-19)</li> <li>• Put in place our Rapid Response Recovery Facility system</li> </ul>
Risks emerging from funding structure	Medium	High	<ul style="list-style-type: none"> <li>• Need for more long-term reliable strategic partners</li> <li>• Possibility to invoice standard services for the internally agreed tariffs and costs for small assignments</li> <li>• Third parties' projects/ programmes should fit in with the Agriterra strategy, comply with the Agriterra format<sup>7</sup> and be budgeted for full costs including all overheads and contributions to institutional programmes</li> <li>• Activities should be planned, monitored, and accounted for considering at</li> </ul>	<ul style="list-style-type: none"> <li>• Improving the capacity of the internal team working on acquisition, establish roles of account managers for strategic partners</li> <li>• Checking new partnerships and projects during the acquisition and implementation phase against the mandate of Agriterra</li> <li>• Improving the quality of compliance by acquiring experienced professionals working on project management, preparing training on this subject</li> </ul>

<sup>7</sup> The distinctive format and method developed and implemented by Agriterra utilising and comprising the Intellectual Property Rights and certain standard operational procedures, plans, directions, specifications, methods, management and advertising techniques and identification schemes (part of which are contained in the Manual)

Type of Risk	Likelihood	Impact	Risk	Mitigation measures
			forehand the financier and the reporting systems should be geared towards their needs.	
Risks of fraud and risks of human trafficking	Low	Medium / high	<ul style="list-style-type: none"> <li>Fraud, bribes, conflict of interest, diversion of funds, abuse of position, human trafficking, sexual abuse, racism, sexism</li> <li>The impact could be high due to high reputational costs</li> </ul>	<ul style="list-style-type: none"> <li>The force of building a community with values and clear communication</li> <li>Code of Conduct in place explains the ethics, social norms, rules and responsibilities of Agriterra employees and proper practices for Agriterra.</li> <li>Fraud protocol in place</li> <li>Boost internally and externally the principle of our responsibility, fairness and reasonableness, and to use the 'Right tone of voice'</li> <li>Measures to take in case of fraud and corruption by Agriterra staff are included into the Field Security Manual per country</li> </ul>
Risks emerging from financial setbacks spreading from one country due to the institutional set-up of Agriterra	Low/ medium	high	<ul style="list-style-type: none"> <li>Agriterra is liable for major financial setbacks in country offices. Setbacks in a country office can vary from fraud, to labour conflicts or accidents and have the danger to affect the whole organisation</li> <li>If firewalls are not in place, there might be impact on other parts of the organisation and it might even jeopardize the DGIS programme</li> <li>The impact of these risks on individual offices will have impact because they have little equity or reserves.</li> </ul>	<ul style="list-style-type: none"> <li>By implementing an online accounting application of the ERP type, the time laps between expenditures, registration and checks in HQ are substantially reduced because of the possibilities of real time monitoring.</li> <li>Progressive financial independent offices so damage stays localized</li> <li>The pursuit of independent country offices is to further diminish the impact of eventualities. It will create a firewall to protect the organisation</li> <li>Notwithstanding mitigation measures, these setbacks produce image damage and trust in our work and can trigger a chain of events that increases the risks pointed to in the first section.</li> </ul>

Type of Risk	Likelihood	Impact	Risk	Mitigation measures
Risk due to the low equity position of Agriterra	Low/medium	High	<ul style="list-style-type: none"> <li>The risk related to the absence of equity</li> <li>Difficulty in building up this reserve in an organisation working in a challenging environment</li> </ul>	<ul style="list-style-type: none"> <li>Agriterra to make a positive return on its activities</li> <li>Build in an additional safeguard, destinating at forehand 3% of the total contract with the DGIS (2,310,000 Euro) to a first loss continuation reserve that will exist along the self-built continuation reserve</li> <li>The board will decide upon its use</li> </ul>
Risks associated with programme implementation	Medium	Medium	<ul style="list-style-type: none"> <li>Risks related to effective cooperation with DDE officers (turnover, disagreements, etc.)</li> <li>Risks related to collaboration with other stakeholders</li> <li>Negative perception of cooperatives by partners</li> <li>Unclear definition of systemic transformation and how this works in practice</li> </ul>	<ul style="list-style-type: none"> <li>Clear communications and active dialogue with DDE officers will be facilitated</li> <li>Agree on joint BHAG with DDE and with each individual EKN</li> <li>Active dialogue with all stakeholders will be facilitated during the Programme implementation</li> <li>Learning by doing and open communication about expectations.</li> </ul>

## 9. Final observations

Agriterra has grown from a concept on farmer-led development cooperation launched in 1992 to a fully fledged agri-agency with operations in many countries. It provides unique services, has gained rich experience and is thoroughly embedded in the Dutch farmer and cooperative movement. Despite some setbacks over the years, it is becoming more embedded in the international scene due to its resounding successes.

At the beginning of 2020 we felt ready to scale up. We deduced this from the successes we had in making cooperatives bankable, the growing willingness of farmers to invest in their own cooperatives, and the increasing interest of governments to imitate our success or to introduce innovations from our approaches in their countries. An external evaluation pinpointed issues that we need to improve, and confirmed the relevance, effectivity and growing efficiency of our way of working. During the last year of the programme now completed, we improved our registration of multiple funders and the links to assignments and results that they had financed. We re-evaluated our M&E system and set the institutional framework for a professional decentralised agri-agency. We found ways to blend advice, training and exchanges, using more online contacts as triggered by the COVID-19 crisis.

The programme negotiation was fierce but brought new insights and pathways to the future, breaking away from the existing unity of Agriterra's strategy and DGIS programme. Yet we value the new opportunity to engage many more stakeholders and financiers in our farmer-led and participatory way of international cooperation for development. We can clearly see how this might boost the impact in terms of economic development, with vibrant rural areas that offer new employment opportunities to the offspring of those who up to now had no other option than to till the land.

DGIS and Agriterra push for meaningful transformation of economic circumstances building on farmer interests. The programme that we present here has all the elements for success.

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## Annex 1 – Agriterra’s simplified Theory of Change

**Table 14. Agriterra’s simplified ToC**

<b>Situation</b>	<b>Problem</b>	<b>Solution</b>
<p>Structural transformation.</p> <p>Reallocation of resources from:</p> <ul style="list-style-type: none"> <li>• rural to urban</li> <li>• agricultural to manufacturing and services</li> </ul>	<p>Unbalanced structural transformation:</p> <ul style="list-style-type: none"> <li>• income inequity centre-periphery</li> <li>• rural exodus, depopulation and rural neglect</li> <li>• food insecurity, hunger and malnutrition</li> <li>• unsustainable urban growth, increasing urban unemployment, slum development and pollution</li> </ul>	<p>Revitalize rural areas as a counterbalance through:</p> <ul style="list-style-type: none"> <li>• agriculture</li> <li>• agro-industry</li> <li>• agri-services</li> </ul> <p>to generate:</p> <ul style="list-style-type: none"> <li>• employment</li> <li>• economic growth</li> <li>• increasing productivity and welfare</li> </ul> <p>in rural areas</p>
<b>Situation</b>	<b>Problem</b>	<b>Solution</b>
<p>During structural transformation:</p> <ul style="list-style-type: none"> <li>• stagnant rural growth</li> <li>• switch of economic and political power and growth from periphery to centre</li> <li>• increasing rural backwardness trapped in subsistence agriculture</li> </ul>	<p>Market and political barriers faced by individual farmers given their individuality, remoteness and poverty:</p> <ul style="list-style-type: none"> <li>• reduces market power with buyers and suppliers</li> <li>• limits access and increases price of agri-services and technologies</li> <li>• voice unheard by policymakers</li> </ul>	<p>Farmers united in farmers’ organisations:</p> <ul style="list-style-type: none"> <li>• through volume and expertise increase pricing power with suppliers and crop buyers</li> <li>• offer competitive agri-services and accessible technological solutions</li> <li>• create a united voice to reach policymakers</li> </ul>
<b>Situation</b>	<b>Problem</b>	<b>Solution</b>
<p>The idiosyncrasy of farmers’ organisations:</p> <ul style="list-style-type: none"> <li>• farmers are owners, suppliers, customers, directors</li> <li>• common resources for all members</li> <li>• non-expert board members</li> <li>• bylaws that restrict external investors</li> <li>• etc.</li> </ul>	<p>Organisational and market failures faced by farmers’ organisations:</p> <ul style="list-style-type: none"> <li>• agency problems (farmer owner, supplier, customer, director)</li> <li>• free-rider problems (common resources)</li> <li>• internal control problems (non-expert board members)</li> <li>• access to finance problems (restrictive bylaws)</li> <li>• etc.</li> </ul>	<p>Tailor-made services to strengthen farmers’ organisations (online/offline):</p> <ul style="list-style-type: none"> <li>• business advisory</li> <li>• specialized consultants</li> <li>• exchange visits to more advanced FOs</li> <li>• smart grants (transfer of funds)</li> <li>• internships</li> <li>• peer-to-peer (agripoolers)</li> <li>• training</li> </ul>
<b>Situation</b>	<b>Problem</b>	<b>Solution</b>
<p>Limited resources for development aid:</p> <ul style="list-style-type: none"> <li>• diminishing development aid</li> <li>• development organisations must allocate resources more efficiently</li> </ul>	<p>Compliant farmers with low ambition:</p> <ul style="list-style-type: none"> <li>• rentier farmers awaiting grants</li> <li>• farmers’ organisations with the sole purpose of capturing grants</li> <li>• unscalable programmes</li> <li>• unsustainable programmes</li> </ul>	<p>Working with ambitious farmers:</p> <ul style="list-style-type: none"> <li>• selection through scoping</li> <li>• selection through assessment</li> <li>• annual project evaluations</li> <li>• selective and limited grants</li> <li>• co-financing of projects</li> <li>• leveraging funds from public and private sector</li> </ul>

Indicator 1	Farmers supported
<b>Definition Outreach</b>	Average sum of all active farmers as directly reported by the primary and secondary-level client farmers' organisations ( <i>i</i> ) over time ( <i>t</i> ), plus the number of farmers benefited by laws, regulation and donor projects ( <i>n</i> ) obtained by farmers' organisations with the support of Agriterra
<b>Assumptions</b>	Agriterra calculates active farmers as directly reported by the farmers' organisation. If the organisation is supported with a multi-year project ( <i>t</i> ) the number of active farmers supported is calculated as the average of the annual active farmers reported during the multi-year period. E.g. (active farmers year <i>t</i> + active farmers year <i>t+1</i> + active farmers year <i>t+3</i> ) / 3. By employing the average number of farmers supported at primary and secondary-level organisations (those with a closer relationship with the farmer), Agriterra levels out the support received by farmers during different project timespans. For national apex organisations, with a more indirect relationship with the farmer, Agriterra only counts those farmers benefited by laws, regulations and donor projects. The same farmer can be counted more than once if the farmer belongs to multiple client organisations, or if the farmer benefits from several laws, regulations or donor projects
<b>Calculation</b>	$[(\text{active farmers}_{i,t} + \dots + \text{active farmers}_{i,t+n}) / T] + \dots + [(\text{active farmers}_{S+n,t} + \dots + \text{active farmers}_{S+n,t+n}) / T] + \text{farmers benefited by law}_n + \dots + \text{farmers benefited by donor project}_{n+k}$
<b>Target</b>	31 December 2025: 1,000,000 farmers
<b>Data collection and storage</b>	The business advisor fills in AIN, on a yearly basis, the number of active farmers per client farmers' organisation, before requesting closure of the project. The business advisor uploads in AIN the required documentation to claim the outcome law, regulation, or donor project approved and the expected number of farmers benefited, before requesting validation to the panel of experts
<b>Responsible</b>	Business advisor (data), analyst (quality control) and panel of experts (quality control)
<b>Quality control</b>	Agriterra analyst reviews and validates the number of active farmers in a farmers' organisation before closing a client's project. Agriterra's panel of experts reviews and approves/rejects the trajectory and farmers benefited by laws, regulations or donor projects case by case, based on the documentation and information provided by the business advisor and other methods of validation such as phone interviews with the farmers' organisation or desk study research. Additional quality-control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research
<b>Disaggregation</b>	<ul style="list-style-type: none"> <li>By sex: man / woman</li> <li>Age: young / mature (&lt;35 years)</li> <li>By country</li> </ul>

Indicator 2	Farmers' organisations supported
<b>Definition Outreach</b>	Sum of all the farmers' organisations ( <i>n</i> ) supported through, at least, a one-year project with Agriterra. Therefore, the farmers' organisation becomes a client of Agriterra
<b>Assumptions</b>	If the same farmers' organisation benefits from a multi-year project, it is only counted once. A farmers' organisation is defined as a formal or informal (registered or unregistered) membership-based collective action group serving its members, whose livelihood (partly or in full) comes from agriculture (crops, livestock, fisheries, etc.). It might be an association, a federation, a cooperative, a union of cooperatives or a private company owned by farmers
<b>Calculation</b>	Client farmers' organisation <sub>n</sub> + client farmers' organisation <sub>n+1</sub> + ...
<b>Target</b>	31 December 2025: 320 organisations
<b>Data collection and storage</b>	The business advisor creates the farmers' organisation profile and uploads the data and documentation from the scoping and the assessment in AIN, before obtaining the status of client. The business advisor also creates the project with the client farmers' organisation in AIN, before requesting activation of the project. Additional documentation might include the contract between Agriterra and the client organisation
<b>Responsible</b>	Business advisor (data), analyst (quality control) and agri-advice manager (quality control)
<b>Quality control</b>	Agriterra analyst reviews and validates the farmers' organisation data and documentation before obtaining the client status. The Agriterra analyst reviews and validates the project data and documentation before activating the project. The agri-advice manager also reviews and approves the project contract before signing it. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

Indicator 3	Agripooler
<b>Definition Input</b>	Sum of all agripoolers ( <i>n</i> ) directly mobilized by Agriterra to perform an activity. An agripooler is defined as an external expert mobilized by Agriterra to perform an online or offline activity on behalf of Agriterra, who belongs to a farmers' organisation as a member or employee. Agripoolers tend to directly advise or train the farmers' organisations' employees and members on specific topics, previously defined as a priority between the organisation and Agriterra
<b>Assumptions</b>	The same person can be counted more than once as an agripooler if he/she participates in different activities
<b>Calculation</b>	Agripooler <sub>n</sub> + agripooler <sub>n+1</sub> + agripooler <sub>n+2</sub> + ...
<b>Target</b>	31 December 2025: 2,000 agripoolers
<b>Data collection and storage</b>	The business advisor or agripool recruiter creates the agripooler profile and fills the number of agripoolers by activity in AIN, before requesting activation of the activity to the peer business advisor.

	Additional documentation might include agripooler's risk assessment form, copy of agripooler's identification card or passport, curriculum vitae, contract between Agriterra and agripooler's farmers' organisation
<b>Responsible</b>	Business advisor (data) and peer business advisor (quality control)
<b>Quality control</b>	Agriterra peer business advisor reviews and validates the agripooler data and documentation included in AIN, before activating the activity and generating the agripooler's contract. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research
<b>Disaggregation</b>	<ul style="list-style-type: none"> <li>• By sex: man / woman</li> <li>• Age: young / mature (&lt;35 year)</li> <li>• By nationality</li> <li>• By country of assignment</li> <li>• By type of activity: assessment / exchange visit / peer-2-peer / training (ToT)</li> <li>• By mode of activity: locally / online / locally and online</li> <li>• By theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate</li> </ul>

Indicator 4	Consultant
<b>Definition Input</b>	Sum of all consultants ( $n$ ) directly mobilized by Agriterra to perform an activity. A consultant is defined as an external expert hired by Agriterra to perform an online or offline activity on behalf of Agriterra, who does not belong to a farmers' organisation. Consultants tend to directly advise or train the farmers' organisation's employees and members on specific topics, previously defined as a priority between the organisation and Agriterra
<b>Assumptions</b>	The same person can be counted more than once as a consultant if he/she participates in different activities
<b>Calculation</b>	$Consultant_n + consultant_{n+1} + consultant_{n+2} + \dots$
<b>Target</b>	31 December 2025: 1,000 consultants
<b>Data collection and storage</b>	The business advisor creates the consultant personal profile and fills the number of consultants by activity in AIN, before requesting activation of the activity to the peer business advisor. Additional documentation might include a consultant's risk assessment form, copy of a consultant's identification card or passport, curriculum vitae, contract between Agriterra and consultant
<b>Responsible</b>	Business advisor (data) and peer business advisor (quality control)
<b>Quality control</b>	Agriterra peer business advisor reviews and validates the consultant's data and documentation included in AIN, before activating the activity and generating the consultant's contract. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research
<b>Disaggregation</b>	<ul style="list-style-type: none"> <li>• By sex: man / woman</li> <li>• Age: young / mature (&lt;35 year)</li> <li>• By nationality</li> <li>• By country of assignment</li> <li>• By type of activity: assessment / consultancy / exchange visit / peer-2-peer / scoping / training (ToT) /</li> <li>• By mode of activity: locally / online / locally and online</li> <li>• By theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate</li> </ul>

Indicator 5	Smart grant
<b>Definition Activity</b>	Sum of all the economic value in euros of grants ( $n$ ) directly transferred from Agriterra to farmers' organisations. A smart grant is a predetermined amount of money directly transferred from Agriterra to a farmers' organisation to develop specific activities predefined between the organisation and Agriterra to support the working trajectory towards the BHAG
<b>Assumptions</b>	The value of smart grants is reported in euros as registered in the project budget in AIN – this might differ from the value received by the farmers' organisations due to bank transfer fees and exchange rate fluctuations between euro and local currency from the day the smart grant is registered to the day the money is transferred
<b>Calculation</b>	Value euro of $grant_n + value\ euro\ of\ grant_{n+1} + value\ euro\ of\ grant_{n+2} + \dots$
<b>Target</b>	31 December 2025: 5,000,000 euro
<b>Data collection and storage</b>	The business advisor fills in the budget information of a project with a farmers' organisation in AIN, including the total value of the grant, the subdivisions of its costs and its targets, before requesting the activation of the project to the analyst. Additional documentation might include the contract between Agriterra and the farmers' organisation
<b>Responsible</b>	Business advisor (data), analyst (quality control) and agri-advice manager (quality control)
<b>Quality control</b>	Agriterra analyst reviews and validates the project budget before activating a client's project. The agri-advice manager also reviews and approves the project contract before signing it. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research
<b>Disaggregation</b>	<ul style="list-style-type: none"> <li>• By country of assignment</li> </ul>

	<ul style="list-style-type: none"> <li>By theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate</li> </ul>
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Indicator 6	Value of laws, regulations and donor projects implemented
<b>Definition Impact</b>	Attributable sum of all the economic benefits expressed in euros obtained by farmers or farmers' organisations through the approval and implementation of laws, regulations and projects proposals ( <i>n</i> ) developed by farmers' organisations with the support of Agriterra. Exchange rate as per <a href="#">OANDA</a> between legislation/project currency and euros on the day the legislation/project has been ratified (interbank rate at 0%)
<b>Assumptions</b>	The calculation of the long-term expected value of a law or regulations at the inception stage is subject to major deviations from the final implementation value and it might differ depending on the calculation methodology used. Agriterra will therefore always present the calculation methodology
<b>Calculation</b>	(EUR value law <sub>n</sub> x attribution rate) + (EUR value donor project <sub>n+1</sub> x attribution rate) + (EUR value regulations <sub>n+2</sub> x attribution rate) + ...
<b>Target</b>	31 December 2025: 50,000,000 euro
<b>Data collection and storage</b>	The business advisor uploads in AIN the required documentation to claim the outcome law or regulation approved or donor project approved, plus any other supporting document, the ratification date, the public or private institution profile, a brief narrative report, links to the activities trajectory, the expected value and currency, the exchange rate to euros, the expected number of farmers and farmers' organisations benefited and the attribution rate, before requesting validation to the panel of experts
<b>Responsible</b>	Business advisor (data) and panel of experts (validation and quality control)
<b>Quality control</b>	Agriterra's panel of experts reviews and approves/rejects the trajectory and impact case by case, based on the documentation and information provided by the business advisor and other methods of validation such as phone interviews with the farmers' organisation or desk study research. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

Indicator 7	Lobby and advocacy proposal
<b>Definition Output</b>	Sum of all the laws, regulations and donor project proposals ( <i>n</i> ) developed by farmers' organisations with the support of Agriterra. Law or regulations proposals are documents targeted at public entities to obtain direct (e.g. transfer of resources, extension services) or indirect (e.g. tax incentives, new road) benefits for farmers or their organisations by implementing changes in the legal or economic system. Donor project proposals are documents targeted at public or private donors to obtain direct benefits for farmers or farmers' organisations in the form of funds transferred or services provided without a refund to the donor
<b>Assumptions</b>	A farmers' organisation can develop more than one law, regulation or donor project proposal with the support of Agriterra, if they focus on different issues or are addressed to different decision-makers. Projects in where 100 per cent of the benefits to the farmers or farmers' organisations (funds and services) are routed and provided through Agriterra are not considered as donor project proposals
<b>Calculation</b>	Law proposal <sub>n</sub> + regulation proposal <sub>n+1</sub> + law proposal <sub>n+2</sub> + donor project proposal <sub>n+3</sub> ...
<b>Target</b>	31 December 2025: 150 units
<b>Data collection and storage</b>	The business advisor uploads in AIN the required documentation to claim the law, regulation or donor project proposal, any other supporting document, a brief narrative report on how the output was achieved, and links the output to all the activities that supported the farmers' organisation to accomplish the output, before requesting closure of the project to the analyst
<b>Responsible</b>	Business advisor (data) and analyst (quality control)
<b>Quality control</b>	Agriterra analyst reviews and validates the output before closing a client's project. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

Indicator 8	Value of financial resources mobilized
<b>Definition Impact</b>	Attributable sum of all the economic value expressed in euros of all the financial contracts ( <i>n</i> ) and equity agreements ( <i>n</i> ) obtained by farmers' organisations with the support of Agriterra. Exchange rate as per <a href="#">OANDA</a> between financial contract or equity agreement currency and euros on the day the contract or agreement has been signed (interbank rate at 0%)
<b>Assumptions</b>	Financial resources mobilized include economic contributions by members in the form of internal capitalization to their farmer's organisations triggered by the support of Agriterra
<b>Calculation</b>	(EUR value financial contract <sub>n</sub> x attribution rate) + (EUR equity agreement <sub>n+1</sub> x attribution rate) + (EUR value financial contract <sub>n+2</sub> x attribution rate) ...
<b>Target</b>	31 <sup>st</sup> December 2025: 60,000,000 euro
<b>Data collection and storage</b>	The business advisor uploads in AIN the required documentation to claim the financial contract or equity agreement, plus any other supporting document, the contract or agreement signature date, the financial institution profile, a brief narrative report, links to the activities trajectory, the value and currency as per the contract, the exchange rate to euros, and the attribution rate, before requesting validation to the panel of experts

<b>Responsible</b>	Business advisor (data) and panel of experts (validation and quality control)
<b>Quality control</b>	Agriterra´s panel of experts reviews and approves/rejects the trajectory and impact case by case, based on the documentation and information provided by the business advisor and other methods of validation such as phone interviews with the farmers organisation or desk study research. Additional quality control analyses performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

<b>Indicator 9</b>	<b>Farmers' organisations linked to financial institutions</b>
<b>Definition Outreach</b>	Sum of all the farmers' organisations (n) that obtain a new financial contract or equity agreement with a financial institution, defined as a contractual relationship entered with a formal agreement between the farmers' organisation and a financial institution, reached with the support of Agriterra
<b>Assumptions</b>	A farmers' organisation is considered to be linked to a financial institution if it signs a new financial contract or equity agreement with a financial institution, regardless if previously it acquired another financial product from the same or a different financial institution. The same farmers' organisation cannot be counted twice
<b>Calculation</b>	Farmers' organisation with new financial contract + farmers' organisation with new equity agreement <sub>n+1</sub> + farmers' organisation with new financial contract <sub>n+2</sub> + ...
<b>Target</b>	3 <sup>rd</sup> December 2025: 70 organisations
<b>Data collection and storage</b>	The business advisor uploads in AIN the required documentation to claim the financial contract or equity agreement with a financial institution, plus any other supporting document, the contract signature date, the financial institution profile, a brief narrative report, links to the activities trajectory, the value and currency as per the contract, the exchange rate to euros, and the attribution rate, before requesting validation of the outreach to the panel of experts
<b>Responsible</b>	Business advisor (data) and internal panel of experts (validation and quality control)
<b>Quality control</b>	Agriterra´s panel of experts reviews and approves/rejects the trajectory and impact case by case, based on the documentation and information provided by the business advisor and other methods of validation such as phone interviews with the farmers' organisation or desk study research. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

<b>Indicator 10</b>	<b>New enterprises</b>
<b>Definition Outcome</b>	Sum of all the new, expanded or improved facility, factory, storage, machinery or transport (n) intended to increase the value added of the crops purchased from members or the quality or range of the services provided to the members, in the stage of completion, which has been facilitated with the support of Agriterra through an entrepreneurial plan or by facilitating the bankability of the organisation, and which requires an investment of at least USD 500,000 country equivalent as per the <a href="#">World Bank</a> (latest year available), regardless of the source of finance
<b>Assumptions</b>	A new enterprise is attributable to Agriterra only with a direct contribution through an entrepreneurial plan or by facilitating the bankability of the organisation, which are necessary but not sufficient requisites for attribution. The panel of experts might impose more restrictive conditions on a case by case basis
<b>Calculation</b>	New enterprise <sub>n</sub> + new enterprise <sub>n+1</sub> + new enterprise <sub>n+2</sub> + ...
<b>Target</b>	31 December 2025: 30 units
<b>Data collection and storage</b>	The business advisor uploads in AIN the required documentation to claim the new enterprise (construction contract, machinery supply contract, facility pictures, etc.) plus any other supporting document, the completion date, a brief narrative report on how the outcome was achieved, and links the outcome to all the activities that supported the farmers organisation to accomplish the outcome, before requesting validation to the panel of experts
<b>Responsible</b>	Business advisor (data) and panel of experts (validation and quality control)
<b>Quality control</b>	Agriterra´s panel of experts reviews and approves/rejects the trajectory and impact case by case, based on the documentation and information provided by the business advisor and other methods of validation such as phone interviews with the farmers' organisation or desk study research. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

<b>Indicator 11</b>	<b>Entrepreneurial plans</b>
<b>Definition Output</b>	Sum of all the business, commercial, services and strategic plans plus the technical designs (n) developed by farmers' organisations with the support of Agriterra. The entrepreneurial plan is a written document in which a farmers' organisation describes how a (new) business activity is going to take place by laying out, with different levels of detail, the technical details of the proposal, which might include aspects such as marketing, finance, operations, human resources, technical design, to ensure that the business idea is feasible economically, technically or socially
<b>Assumptions</b>	The entrepreneurial plan can encompass the production of goods, the rendition of services, or both. For internal customers (members), for external customers (non-members), or both
<b>Calculation</b>	Business plan <sub>n</sub> + commercial plan <sub>n+1</sub> + strategic plan <sub>n+2</sub> + services plan <sub>n+3</sub> + ...
<b>Target</b>	31 December 2025: 150 units

<b>Data collection and storage</b>	The business advisor uploads in AIN the required documentation to claim the entrepreneurial plan, plus any other supporting document, a brief narrative report, and links to the activities trajectory, before requesting closure of the project to the analyst
<b>Responsible</b>	Business advisor (data) and analyst (quality control)
<b>Quality control</b>	Agriterra analyst reviews and validates the output before closing a client's project. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

Indicator 12	Direct jobs supported
<b>Definition Impact</b>	Average sum of all the FTE employees as directly reported by a client farmers' organisation ( <i>i</i> ) over time ( <i>t</i> ). It is not a cumulative measure. Therefore, when the farmers' organisation is supported with a multi-year project ( <i>t</i> ) the number of FTE employees supported is calculated as the average annual FTE employees reported during the multi-year period. E.g. (FTE employees year <i>t</i> + FTE employees year <i>t+1</i> + FTE employees year <i>t+3</i> ) / 3
<b>Assumptions</b>	A FTE job is equivalent to one full-time job, two part-time jobs and five seasonal jobs. E.g. a farmers' organisation that employs 10 full-time workers, 10 part-time workers and 10 seasonal workers, is equivalent to 17 FTE jobs (10 + 5 + 2). Employees are counted as directly reported by the farmers' organisation
<b>Calculation</b>	$\frac{[(\text{FTE employees} + \dots + \text{FTE employees}_{i,t+n}) / T] + \dots + [(\text{FTE employees}_{i+n,t} + \dots + \text{FTE employees}_{i+n,t+n}) / T]}$
<b>Target</b>	31 December 2025: 10,000 jobs
<b>Data collection and storage</b>	The business advisor fills in AIN, on a yearly basis, the number of full-time, part-time and seasonal employees per client farmers organisation, before requesting closure of the project
<b>Responsible</b>	Business advisor (data) and analyst (quality control)
<b>Quality control</b>	Agriterra analyst reviews and validates the number of full-time, part-time and seasonal employees on a farmers' organisation before closing a client's project. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

Indicator 13	On-farm jobs supported
<b>Definition Impact</b>	Average sum of all the on-farm jobs directly supported by a client farmers' organisation ( <i>i</i> ) over time ( <i>t</i> ). On-farms jobs are calculated as the annual value of crops purchased by the farmers' organisation divided by the annual minimum salary in the country. It is not a cumulative measure. Therefore, when the farmers' organisation is supported with a multi-year project ( <i>t</i> ) the number of on-farm jobs supported is calculated as the average of the annual on-farm jobs supported during the multi-year period. E.g. (on-farm jobs year <i>t</i> + on-farm jobs year <i>t+1</i> + on-farm jobs year <i>t+3</i> ) / 3
<b>Assumptions</b>	Given that agriculture in most developing countries in the rural areas where Agriterra works is based on smallholding family farms, with low levels of technology and agricultural inputs, they are close to the subsistence income level. At this level, almost all the income that a farmer obtains from the crops sold to the farmers' organisation goes to cover the cost of labour of the main farmer, the cost of labour of family members who help the main farmer in the farm activity (husband/wife, children, other family members), and the costs of seasonal labourers (extra labourers during harvest etc.). The minimum salary in the rural areas of these countries is always higher than the subsistence income level - this difference accounts for the agricultural input expenses of smallholding farms, on top of the potential extra profit earned by a farmer in the form of dividends paid annually by the farmers' organisation. This reality in Agriterra's current portfolio of clients allows us to calculate, by this proxy (value of crops purchased by farmers' organisation / country's minimum annual salary) the direct on-farms jobs sustained by the farmers' organisation with a reasonably high confidence level
<b>Calculation</b>	$\frac{[(\text{value of crops purchased} / \text{minimum salary}_{i,t}) + \dots + (\text{value of crops purchased} / \text{minimum salary}_{i,t+n}) / T] + \dots + [(\text{value of crops purchased} / \text{minimum salary}_{i+n,t}) + \dots + (\text{value of crops purchased} / \text{minimum salary}_{i+n,t+n}) / T]}$
<b>Target</b>	31 December 2025: 110,000 jobs
<b>Data collection and storage</b>	The business advisor uploads in AIN, on a yearly basis, the financial statements (audited whenever possible). The analyst fills in AIN the value of crops purchased by the farmers' organisation based on the data obtained from the financial statements (when available) or obtained by the business advisor directly from the farmers' organisation
<b>Responsible</b>	Business advisor and analyst (data) and analyst (quality control)
<b>Quality control</b>	Agriterra analyst reviews and validates the value of crops purchased by the farmers' organisation before closing a client's project. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

Indicator 14	People trained / Women trained / Young people trained
<b>Definition Outreach</b>	Sum of all the people trained in all the training sessions or exchange visits ( <i>n</i> ) carried out by Agriterra, disaggregated by sex and youth (<35 year). The same person can be counted more than once if he/she participates in different activities. A person is considered young when he/she is less than 35 years

<b>Assumptions</b>	Agriterra considers a person trained when any person participates in an Agriterra training or exchange visit, regardless of the relationship with the farmers' organisation at the time of attending the activity, such as employee, director, member, or collaborator with the organisation. The same person can be counted more than once if he/she participates in different training activities
<b>Calculation</b>	people (w/y) trained in training <sub>n</sub> + people (w/y) trained in exchange visit <sub>n+1</sub> + people (w/y) trained in training <sub>n+2</sub> + ...
<b>Target</b>	31 December 2025: 30,000 people 31 December 2025: 9,000 women 31 December 2025: 4,500 young
<b>Data collection and storage</b>	The business advisor fills in the number of people trained by training or exchange visits, differentiating by sex and age (above or below 35 years), and uploads the attendance list signed in AIN before requesting closure of the activity to the peer business advisor. Additional documentation might include participants' risk assessment forms, copies of participants' identification card or passport, photographs of the activity, final report of the activity
<b>Responsible</b>	Business advisor (data) and peer business advisor (quality control)
<b>Quality control</b>	Agriterra peer business advisor reviews and validates the number of people trained, disaggregated by sex and youth, during a training or exchange visit before closing the activity. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research
<b>Disaggregation</b>	<ul style="list-style-type: none"> <li>• By sex: man / woman</li> <li>• Age: young / mature (&lt;35 years)</li> <li>• By country of assignment</li> <li>• By type of activity: exchange visit / training (ToT)</li> <li>• By mode of activity: locally / online / locally and online</li> <li>• By theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate</li> </ul>

<b>Indicator 15</b>	<b>Female leadership training</b>
<b>Definition Activity</b>	Sum of all the female leadership training courses ( <i>n</i> ) carried out by Agriterra. Female leadership training includes leadership training attended by both men and women, and the masterclass on female leadership which caters only for women only
<b>Assumptions</b>	By sensitizing and training decision-makers at the farmers' organisation level (board members, management-level employees, future leaders etc.) with specific training on gender, Agriterra equips them with the knowledge and tools to promote gender balance initiatives inside the farmers' organisation and the community
<b>Calculation</b>	Female leadership training <sub>n</sub> + female leadership training <sub>n+1</sub> + masterclass on female leadership <sub>n+2</sub> + female leadership training <sub>n+3</sub> + ...
<b>Target</b>	31 December 2025: 50 training events
<b>Data collection and storage</b>	The business advisor uploads in AIN the required data and documentation to develop the training: terms of reference and mission request form before requesting activation of the activity, and list of participants and final report before requesting closure of the activity to peer business advisor
<b>Responsible</b>	Business advisor (data) and peer business advisor (quality control)
<b>Quality control</b>	Agriterra peer business advisor reviews and validates the female leadership training or masterclass on female leadership data and documentation before activating and closing the activity. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

<b>Indicator 16</b>	<b>Youth councils</b>
<b>Definition Outcome</b>	Sum of all the youth councils ( <i>n</i> ) implemented within the farmers' organisations as a result of the youth sensitization and articulation trajectory driven by Agriterra. A youth council is an advisory body of elected young farmers, established within a farmers' organisation, that counsels and guides youth-related issues
<b>Assumptions</b>	Only one youth council per farmers' organisation may be registered. Given the difficulty in attributing a quantifiable impact from the youth sensitization and articulation trajectory driven by Agriterra, and the existing social and cultural structures which require a long-term holistic approach to be altered, Agriterra will limit itself to measure (as a proxy for the impact of the youth trajectory) the number of youth councils established by farmers' organisations. Agriterra will also monitor the number of young people who are directors, members, and staff of farmers' organisations
<b>Calculation</b>	Youth council + youth council <sub>n+1</sub> + youth council <sub>n+2</sub> ...
<b>Target</b>	31 December 2025: 30 units
<b>Data collection and storage</b>	The business advisor uploads in AIN the required documentation to claim the youth council (binding internal document ratifying the constitution of a youth council in the farmers' organisation) plus any other supporting document, the ratification date, a brief narrative report, and links to the activities trajectory, before requesting validation by panel of experts
<b>Responsible</b>	Business advisor (data) and panel of experts (validation and quality control)
<b>Quality control</b>	Agriterra's panel of experts reviews and approves/rejects the results and trajectory case by case, based on the documentation and information provided by the business advisor and other methods of

	validation such as phone interviews with the farmers' organisation or desk study research. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research
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<b>Indicator 17</b>	<b>Women's councils</b>
<b>Definition Outcome</b>	Sum of all the women's councils ( <i>n</i> ) implemented within the farmers' organisations as a result of the gender sensitization and articulation trajectory driven by Agriterra. A women's council is an advisory body of elected female farmers, established within a farmers' organisation, that counsels and guides gender-related issues
<b>Assumptions</b>	Only one women's council per farmers' organisation may be registered. Given the difficulty of attributing a quantifiable impact from the gender sensitization and articulation trajectory driven by Agriterra, and the existing social and cultural structures which require a long-term holistic approach to be altered, Agriterra will limit itself to measure (as a proxy for the impact of the gender trajectory) the number of women's councils established within the farmers' organisations. Agriterra will also monitor the number of women who are directors, members, and staff of farmers' organisations
<b>Calculation</b>	Women's council + women's council <sub>n+1</sub> + women's council <sub>n+2</sub> ...
<b>Target</b>	31 December 2025: 20 units
<b>Data collection and storage</b>	The business advisor uploads in AIN the required documentation to claim the women's council (binding internal document ratifying the constitution of a women's council in the farmers' organisation) plus any other supporting document, the ratification date, a brief narrative report, and links to the activities trajectory, before requesting validation by control panel
<b>Responsible</b>	Business advisor (data) and panel of experts (validation and quality control)
<b>Quality control</b>	Agriterra's panel of experts reviews and approves/rejects the results and trajectory case by case, based on the documentation and information provided by the business advisor and other methods of validation such as phone interviews with the farmers' organisation or desk study research. Additional quality control analyses are performed by Agriterra with random samples of clients, projects and activities based on desk studies plus on-field research

Why Agriterra proposes these goals?

They are based on our ToC articulated through the M&E framework. The M&E framework includes the standard 6 components: (1) inputs, (2) activities, (3) outputs, (4) outcomes, (5) impact, and (6) outreach, as presented by the following Figure 13.

**Figure 13. Monitoring and evaluation components represented as a pyramid**



Therefore, our goals and subgoals include indicators from all 6 components. E.g., 2,000 agripoolers (input), 50 female leadership trainings (activity), 150 entrepreneurial plans (output), 30 new enterprise (outcome), 10,000 direct jobs supported (impact), and 1,000,000 farmers benefited (outreach). To allow a proper registration of the 6 components and facilitate the process of attribution of results, Agriterra follows a simple M&E logic: if we follow the logic of a results chain and document this process, Agriterra can claim attribution, totally or in part, of the impact obtained to report to DGIS and other stakeholders, as visualized in Figure 14.

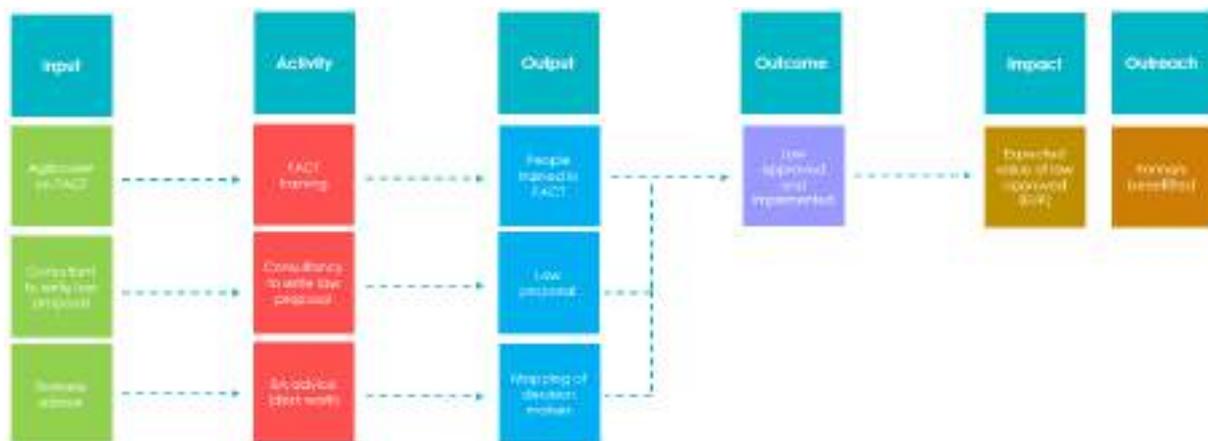
**Figure 14. Monitoring and evaluation concept simplified**



Now, moving from the conceptual and intangible M&E aspects to a more concrete and tangible results chain trajectory.

To illustrate a results chain trajectory, suppose Agriterra supports a cooperative to advocate for a national law to promote organic cocoa production, which is part of the lobby and advocacy trajectory. Agriterra could support the cooperative by hiring an agripooler (input) specialized on lobby training, to give a FACT training (activity), so that Agriterra trains 10 high-ranking members (output) in the cooperative on lobby and advocacy techniques and tools, which they can use to advocate the Ministry of Agriculture to promote a national law in favour of organic cocoa production (outcome), that once implemented will allocate EUR 1 million (impact) to benefit an estimated of 10,000 organic cocoa farmers (outreach). Additionally, Agriterra could reinforce this results chain by hiring a consultant (input), who supports the cooperative with the development of the law proposal draft (activity), to equip the cooperative with a bill to approach the Ministry of Agriculture with a more concrete proposition, facilitating the law approval (outcome) and its impact and outreach. Furthermore, Agriterra could assign one of its business advisors (input) to perform desk work (activity) and chart the Ministry staff to better understand which people are more relevant and how they need to be approached, and further equip the cooperative with a stakeholder mapping (output) of the Ministry of Agriculture, to improve the advocacy activities of the cooperative and expedite the law approval (outcome) with its impact and outreach. All these combinations are represented in figure 9 (already presented in M&E section 6).

**Figur 9. Example of a lobby and advocacy trajectory results chain**



To finish the lobby and advocacy trajectory example and link it to our goals, the 10,000 organic cocoa farmers (outreach) benefitted by the law are counted as part of the number of farmers supported in Goal 1. The Eur 1 million invested by the Ministry of Agriculture (impact) to support the cocoa farmers are part of the funds mobilized as a result of lobby and advocacy proposals in Goal 2. The law proposal developed with the support of Agriterra is part of sub-Goal 2, lobby and advocacy proposals. The number of members of the cooperative trained in lobby and advocacy (output) are included in the number of people trained in Goal 6. While the agripooler and consultant (input) hired by Agriterra to train and support the cooperative are part of the sub-Goal 1, agripoolers and consultants provided as services of Agriterra. It is by this logic that we can intertwine our ToC (results chain), way of work (inputs and activities), and results (outcome, impact and outreach), to our goals.

To conclude this brief explanation on the proposed M&E system, Agriterra will apply two simple assumptions when addressing the attribution of results. First, no result can be claimed without a clear results chain of inputs, activities and outputs demarcated within the same trajectory path than the result claimed. This is, Agriterra cannot claim the impact and outreach of a law approved and implemented if it has not executed a lobby and advocacy trajectory with the farmers' organisation that led to the approval of such law. Second, the more inputs and activities deployed by Agriterra which are directly linked to the achievement of an outcome, the higher the attribution of impact and outreach. The level of attribution increases with the number of activities performed by Agriterra to achieve the result. So, it is not the same to perform just one training in advocacy, than complement this training with a consultancy and business advisor desk work. In the first case the level of results' attribution is lower (if any) than in the second case.

## Annex 2 – Agriterra’s six goals, the DGIS indicators and the SDGs

### *Goal 1 - Agriterra supports 1 million farmers through 320 farmers’ organisations*

The number of farmers supported by Agriterra measures the DGIS indicator ‘number of farmers with improved access to input and/or output markets’, while the number of farmers’ organisations supported measures DGIS indicator ‘economic institutions supported, help farmers and employees to strengthen their economic position by organizing in cooperatives’, and the economic value of smart grants measures the DGIS indicator ‘amount of donor investment’. Goal 1 is linked to SDG targets 2.3 (double the agricultural productivity and incomes of small-scale food producers through secure and equal access to productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment) and 16.6 (develop effective, accountable and transparent institutions at all levels). The mobilization of agripoolers and consultants contributes to SDG targets 17.6 (enhance North-South, South-South cooperation to access technology, innovation and knowledge sharing), and 17.7 (promote transfer and diffusion of environmentally sound technologies to developing countries).

### *Goal 2 - 50 million euro mobilized as a result of lobby and advocacy proposals*

The millions mobilized relate to DGIS indicator ‘amount of donor investment’, and the proposals developed by organized farmers with the support of Agriterra to the ‘number of lobbying and advocacy initiatives’. This second goal contributes to SDG targets 1.b (create sound policy frameworks to support accelerated investment in poverty eradication actions), 16.7 (ensure inclusive, participatory and representative decision-making at all levels) and 17.17 (encourage and promote effective public, public-private and civil society partnerships).

### *Goal 3 - 60 million euro in mobilized capital for farmers’ organisations with 70 farmers’ organisations linked to financial institutions*

The millions mobilized in capital for farmers’ organizations relate to DGIS indicator ‘amount of private co-investment by companies and financial institutions’, and the number of farmers’ organisations linked to financial institutions to the ‘number of firms that obtain financial services’. The third goal contributes to SDG targets 2.a (increase investment in rural infrastructure, agricultural research and extension services), 8.3 (promote development that supports productive activities, decent job creation, and the growth of enterprises, including access to financial services), 9.3 (increase the access of small-scale industrial and other enterprises in developing countries to financial services and their integration into value chains and markets), and 17.3 (mobilize additional financial resources for developing countries from multiple sources).

### *Goal 4 – 30 new farmer-led enterprises that improve farmers’ access to markets and agri-services*

This goal relates to DGIS indicator ‘number of completed infrastructure projects’, and the entrepreneurial plans developed by organized farmers with the support of Agriterra to the ‘number of companies with a supported plan to invest, trade or provide services’. This fourth goal contributes to SDG targets 8.1 (sustain per capita economic growth in the least developed countries) and 8.3 (promote development that support productive activities, decent job creation, and the growth of enterprises, including access to financial services).

*Goal 5 – 10,000 direct jobs supported, and 110,000 on-farm jobs supported*

This goal includes both the direct jobs supported, which measures DGIS indicator 'number of direct jobs supported by private sector development programmes', as well as the on-farm jobs supported, that measures the 'indirect jobs supported by programmes for private sector development'. The fifth goal contributes to SDG targets 1.1 (eradicate extreme poverty) and 8.5 (achieve full and productive employment and decent work).

*Goal 6 – 30,000 people trained of which 9,000 women and 4,500 youth, 50 female leadership trainings, 30 youth councils and 20 women councils*

The number of women trained, and female leaderships trainings performed by Agriterra is a proxy for DGIS indicator 'women with a stronger position in agriculture', and the set-up of women's councils is a proxy for DGIS indicator 'number of demonstrable contributions to women's rights and gender equality by private sector institutions'. This last goal contributes to SDG targets 5.5 (ensure women's full and effective participation and equal opportunities for leadership at decision-making in economic life) and 5.a (undertake reforms to give women equal rights to economic resources). The number of young people trained contributes to SDG target 8.6 (reduce the proportion of youth not in employment, education or training), and the number of female leadership trainings executed by Agriterra reinforced its contribution to SDG 5 (Gender Equality).

## Annex 3 - Tables referring to the second phase of scenarios and to full potential of growth scenario

**Table 15. Use of Programme Budget (2021-2030)**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
<i>Number of DGIS focus countries</i>	4	6	8	10	10	8 (avg.)
Direct investment into DGIS focus countries	3,750	4,000	4,250	4,500	4,250	20,750
Direct investment PSD transition focus countries	5,750	5,750	4,750	3,500	2,750	22,500
Institutional strengthening of Agriterra	1,500	1,250	1,000	1,000	1,000	5,750
<b>Total DGIS contribution</b>	<b>11,000</b>	<b>11,000</b>	<b>10,000</b>	<b>9,000</b>	<b>8,000</b>	<b>49,000</b>
Contribution 3rd parties in focus countries	750	2,250	3,250	4,500	5,000	15,750
<b>Total systemic transformation DGIS programme</b>	<b>11,750</b>	<b>13,250</b>	<b>13,250</b>	<b>13,500</b>	<b>13,000</b>	<b>64,750</b>
Contribution 3rd parties PSD transition countries	3,250	2,250	2,250	2,500	3,000	13,250
<b>Total Agriterra consolidation programme</b>	<b>15,000</b>	<b>15,500</b>	<b>15,500</b>	<b>16,000</b>	<b>16,000</b>	<b>78,000</b>

Amounts in euro x 1,000	2026	2027	2028	2029	2030	Sub-total	Overall total
<i>Number of DGIS focus countries</i>	10	10	10	10	10	10 (avg.)	9 (avg.)
Direct investment into DGIS focus countries	4,250	4,000	3,000	3,000	3,000	17,250	38,000
Direct investment PSD transition countries	1,750	1,000	1,000	1,000	1,000	5,750	28,250
Institutional strengthening of Agriterra	1,000	1,000	1,000	1,000	1,000	5,000	10,750
<b>Total DGIS contribution</b>	<b>7,000</b>	<b>6,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>28,000</b>	<b>77,000</b>
Contribution 3rd parties in focus countries	5,000	5,500	6,750	7,000	7,000	31,250	47,000
<b>Total systemic transformation DGIS programme</b>	<b>12,000</b>	<b>11,500</b>	<b>11,750</b>	<b>12,000</b>	<b>12,000</b>	<b>59,250</b>	<b>124,000</b>
Contribution 3rd parties PSD transition countries	4,000	5,000	5,250	5,500	6,000	25,750	39,000
<b>Total Agriterra consolidation programme</b>	<b>16,000</b>	<b>16,500</b>	<b>17,000</b>	<b>17,500</b>	<b>18,000</b>	<b>85,000</b>	<b>163,000</b>

**Table 16. Comparison of consolidation scenario and growth scenario (2026-2030)**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
Number of DGIS focus countries	4	6	8	10	10	8 (avg.)
Number of PSD transition countries	15	13	11	9	9	11 (avg.)
<u>Consolidation scenario</u>						
Average budget per country in DGIS focus countries	1,125	1,042	938	900	925	986
Average budget per PSD transition country	600	615	636	667	639	631
Leverage DGIS contribution on systemic transformation programme (%)	7%	20%	33%	50%	63%	32%
Leverage of DGIS contribution on Agriterra's 2030 strategy (%)	36%	41%	55%	78%	100%	59%
<u>Growth scenario</u>						
Average budget per country in DGIS focus countries	1,125	1,100	1,044	1,120	1,135	1,105
Average budget per PSD transition country	600	712	886	911	917	805
Leverage DGIS contribution on systemic transformation programme (%)	7%	24%	41%	74%	89%	43%
Leverage of DGIS contribution on Agriterra's 2030 strategy (%)	36%	55%	91%	127%	158%	88%

Amounts in euro x 1,000	2026	2027	2028	2029	2030	Sub-total	Overall total
Number of DGIS focus countries	10	10	10	10	10		
Number of PSD transition countries	9	9	9	9	9		
<u>Consolidation scenario</u>							
Average budget per country in DGIS focus countries	925	950	975	1,000	1,000	970	978
Average budget per PSD transition country	639	667	694	722	778	700	666
Leverage DGIS contribution on systemic transformation programme (%)	71%	92%	135%	140%	140%	112%	61%
Leverage of DGIS contribution on Agriterra's 2030 strategy (%)	129%	175%	240%	250%	260%	204%	112%
<u>Growth scenario</u>							
Average budget per country in DGIS focus countries	1,185	1,210	1,220	1,250	1,310	1,235	1,170
Average budget per country in PSD transition countries (euro)	939	956	956	978	1,000	966	885
Leverage DGIS contribution on systemic transformation programme (%)	109%	135%	184%	190%	202%	159%	85%
Leverage of DGIS contribution on Agriterra's 2030 strategy (%)	204%	262%	336%	346%	362%	294%	163%

**Table 17. Full potential to be obtained in Growth Scenario (2021-2030)**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
<i>Number of DGIS focus countries</i>	4	6	8	10	10	8 (avg.)
Direct investment into DGIS focus countries	3,750	4,000	4,250	4,500	4,250	20,750
Direct investment PSD transition focus countries	5,750	5,750	4,750	3,500	2,750	22,500
Institutional strengthening of Agriterra	1,500	1,250	1,000	1,000	1,000	5,750
<b>Total DGIS contribution</b>	<b>11,000</b>	<b>11,000</b>	<b>10,000</b>	<b>9,000</b>	<b>8,000</b>	<b>49,000</b>
Contribution 3rd parties in focus countries	750	2,600	4,100	6,700	7,100	21,250
<b>Total systemic transformation DGIS programme</b>	<b>11,750</b>	<b>13,600</b>	<b>14,100</b>	<b>15,700</b>	<b>15,100</b>	<b>70,250</b>
Contribution 3rd parties PSD transition countries	3,250	3,500	5,000	4,700	5,500	21,950
<b>Total Agriterra consolidation programme</b>	<b>15,000</b>	<b>17,100</b>	<b>19,100</b>	<b>20,400</b>	<b>20,600</b>	<b>92,200</b>

**Table 18. Full potential to be obtained in Growth Scenario (2026-2030)**

Amounts in euro x 1,000	2026	2027	2028	2029	2030	Sub-total	Overall total
<i>Number of DGIS focus countries</i>	10	10	10	10	10	10 (avg.)	9 (avg.)
Direct investment into DGIS focus countries	4,250	4,000	3,000	3,000	3,000	17,250	38,000
Direct investment PSD transition countries	1,750	1,000	1,000	1,000	1,000	5,750	28,250
Institutional strengthening of Agriterra	1,000	1,000	1,000	1,000	1,000	5,000	10,750
<b>Total DGIS contribution</b>	<b>7,000</b>	<b>6,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>28,000</b>	<b>77,000</b>
Contribution 3rd parties in focus countries	7,600	8,100	9,200	9,500	10,100	44,500	65,750
<b>Total systemic transformation DGIS programme</b>	<b>14,600</b>	<b>14,100</b>	<b>14,200</b>	<b>14,500</b>	<b>15,100</b>	<b>72,500</b>	<b>142,750</b>
Contribution 3rd parties PSD transition countries	6,700	7,600	7,600	7,800	8,000	37,700	59,650
<b>Total Agriterra consolidation programme</b>	<b>21,300</b>	<b>21,700</b>	<b>21,800</b>	<b>22,300</b>	<b>23,100</b>	<b>110,200</b>	<b>202,400</b>

**Table 19. Use of Programme Budget with 50% reduced funding from 3rd parties**

Amounts in euro x 1,000	2021	2022	2023	2024	2025	Sub-total
<i>Number of DGIS focus countries</i>	4	6	8	10	10	8 (avg.)
Direct investment into DGIS focus countries	3,750	4,000	4,250	4,500	4,250	20,750
Direct investment PSD transition focus countries	5,750	5,750	4,750	3,500	2,750	22,500
Insitutional strengthening of Agriterra	1,500	1,250	1,000	1,000	1,000	5,750
<b>Total DGIS contribution</b>	<b>11,000</b>	<b>11,000</b>	<b>10,000</b>	<b>9,000</b>	<b>8,000</b>	<b>49,000</b>
Contribution 3rd parties in focus countries	375	1,125	1,625	2,250	2,500	7,875
<b>Total systemic transformation DGIS programme</b>	<b>11,375</b>	<b>12,125</b>	<b>11,625</b>	<b>11,250</b>	<b>10,500</b>	<b>56,875</b>
Contribution 3rd parties PSD transition countries	1,625	1,125	1,125	1,250	1,500	6,625
<b>Total Agriterra strategic ambition</b>	<b>13,000</b>	<b>13,250</b>	<b>12,750</b>	<b>12,500</b>	<b>12,000</b>	<b>63,500</b>
Average budget per country in DDE focus countries	1,031	854.1	734.3	675	675	793.9
Average budget per country in PSD countries	491.6	528.846	534.09	527.7	472.2	510.9