

S.5 Aligning Efforts in the Smallholder Farmers Support Ecosystem

1. What, in brief, is the solution?

Smallholder farmers work the majority of agricultural land and produce 70% of all food consumed globally. It is imperative that the UN Food Systems Summit pays proper attention to advancing this substantial part of the food system. Many actors and initiatives – including initiatives owned and led by smallholder farmers themselves via farmers’ organizations – exist to support smallholder development across a range of action areas, from agronomic practices to technology improvements, from market access to financial services, and more. There are a lot of tried and tested approaches around different action areas, and different ways of bundling different types of services and product offerings to smallholders. However, the overall landscape of initiatives and actors working with smallholders remains quite fragmented. Indeed, a recent report published by Duke University revealed that [1]”in 2018, bilateral DAC donors reported a total of 13,649 aid activities for agriculture, with average funding of US\$0.5 million per aid activity, while multilaterals accounted for 2,275 aid activities, with average funding of US\$1.2 million. At the country level, there is an abundance of small uncoordinated projects, which causes high-transaction costs for recipient countries and inefficiencies in pursuing common SDG objectives.

This game changer aims at addressing this fragmentation issue by aligning efforts in the smallholder farmers support ecosystem (henceforth, “Smallholder Ecosystem” proposal). It is proposed as part of Action Track 4 due to its anchoring around empowerment, agency, and supporting structures to strengthen the livelihoods of actors in food systems – in this case, women and men who make a living from smallholder agriculture.

Goal

The ultimate goal of this proposal is that a large number of smallholder farmers in emerging economies have better and more efficient access to an ecosystem of integrated and mutually supportive services to improve their livelihoods, resilience, food security and productivity. The direct objective of this proposal is to facilitate alignment, high-impact and cost efficient collaborations, and accelerate learning loops among different actors and initiatives working with smallholder farmers to strengthen their access to resources, services, markets, and know how, with particular focus on amplifying the impact of tried and tested approaches.

2. What problem is it trying to address within food systems?

Smallholders in many cases are void of several of the following:

- Access to stable markets
- Access to knowledge, technology and the results of innovation
- Access to capital and finance
- Effective ways to mitigate producer and market risks
- Countervailing power in value chain structures
- Land ownership
- Education and training
- Access to digital resources
- Representation by well-functioning farmer organisations.

As a result, yields from the farm are typically low, smallholder farmer income is around the bare poverty line, risks accumulate at farm level and outlook to improve the business and livelihood is minimal.

Against this background, the specific problem that this proposal addresses is the fragmentation of efforts, approaches, and resources mobilized to support smallholders in accessing these different types of services and assets, which results in foregone opportunities for synergies among types of services and initiatives, high transaction costs for smallholder farmers engaging with different initiatives and service providers, slow or inefficient learning loops, and as a result, limited impact.

Context

In the last few years, several initiatives by public and private sector – including smallholder organizations - have accumulated lessons learned from a variety of interventions across the smallholder ecosystems. This has also further highlighted the various weak points which need to be addressed to deliver on a holistic smallholder ecosystem approach.

This initiative aims to strategically capitalize on these different interventions and approaches to facilitate alignment and scale. The focus will be on integrated value chain approaches, as singular interventions have more often than not proven less effective and in some cases produced unwanted negative side-effects. In this integrated approach, the initiative will aim at realising farm family living incomes, nutritional outcomes, and social equity and inclusion all while ensuring sustainable business models for effective continuity.

Approach

Fragmentation of initiatives is partly the natural result of the different mandates and business models of different actors in the ecosystem support space, and partly the result of the information asymmetry/high transaction costs associated with different actors discovering what others are doing and/or with documenting and making available to others actionable knowledge resources. Rather than taking the approach of establishing an alliance of institutions or a platform of actors working in the smallholder support ecosystem, which may amplify rather than eliminate the underlying factors behind fragmentation, this game-changer is focused on the production of a smart, user-friendly, regularly updated non-proprietary data system that organizes highly actionable information that can: 1) inform actors' programming and targeting of underserved and vulnerable groups; 2) align the ecosystem around a common approach to benchmarking services and service providers for quality and impact; 3) accelerate learning loops without the need for extensive capacity building programming.

Concretely, a digital knowledge system would be established with a curated, geo-referenced data interface tracking: 1) key ongoing or planned initiatives under a number of key headings of smallholder support systems; 2) a digital directory of service providers for different countries vetted by one or more of the participating partners based on a transparent set of criteria; 3) non-confidential data on impact tracking and lessons learned from different programmatic models; 4) a marketplace function for participating actors with interest in seeking collaborations. The system could be complemented by periodic forums gathering smallholder organizations and service providers designed to refine existing models, ensure that services are strongly anchored into smallholders' demand and responsive to it, and accelerate the pace of innovation and mutual learning through peer discussion.

The key headings for initiatives to be tracked are:

1. Farmer Trainings (thematic and geographic)

2. Data (types, privacy and security)
3. Financial Solutions (credit to insurance and aggregated and / or individual with a gender lens)
4. Farmer IDs (access to markets, finance and other services)
5. Traceability (responsible sourcing and building a record)

The above initial technical areas have been identified taking into account (i) a smallholder ecosystem approach of production to distribution, (ii) currently listed action track 4 game changers which link / touch upon smallholder farmers, (iii) on-going initiatives in the ecosystem, and (iv) pertinent gaps that could be better addressed through collaboration and possibly standardization. Hence, this work provides the subsequent opportunity to build on the data and knowledge systems by identifying specific sub-areas, like data sharing and supporting regulations etc, to be collectively further developed by combining expertise, data, and services in the field.

To streamline the above efforts and focus on the technical areas, and provide back bone support on network, data and knowledge brokering, fits a content-driven **coordinating body** like the Netherlands Food Partnership, hosting and curating the data system.

Conclusion

The proposed game changer submission to the Food Systems Summit Action Track 4 while complementing the other submissions also addresses critical farmer-centric digital, trainings and financial solutions that are not touched upon so far. The aim is to not reinvent the wheel and rather to link the solving of key gaps through key technical and operational partnerships.

[1] *The Financing Landscape for Agricultural Development*, available at [AgDevFinancing-WFPC-Dec2020.pdf \(duke.edu\)](#)