



for
**Agrifood
Systems**

Module 3
Transformative
strategy



ValueLinks for Agrifood Systems

Framework

1 Scope of transformation

Analysis & Strategy

2 Agrifood system analysis

3 Transformative strategy

Transformative Actions Menu

4 Green & social business models

5 Reliable & fair business linkages

6 Services for innovation

7 Financing and insurance

8 Nutritious food and standards

9 Policies for AFS transformation



Module 3 Transformative Strategy

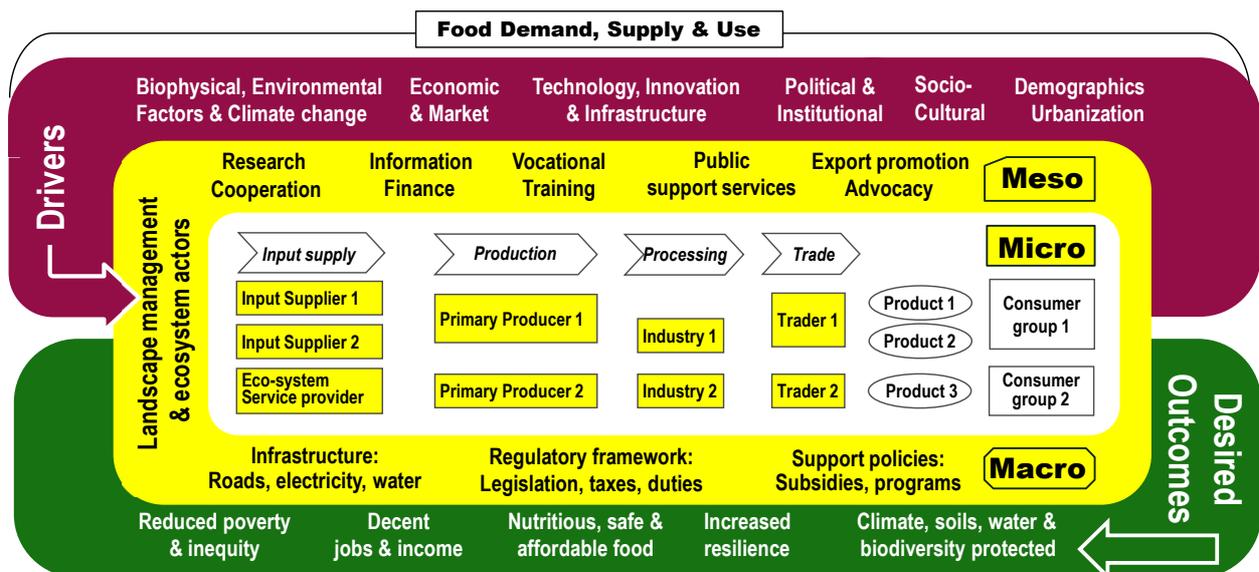
01 Transformation drivers and change agents

02 Strategic considerations & transformative initiatives

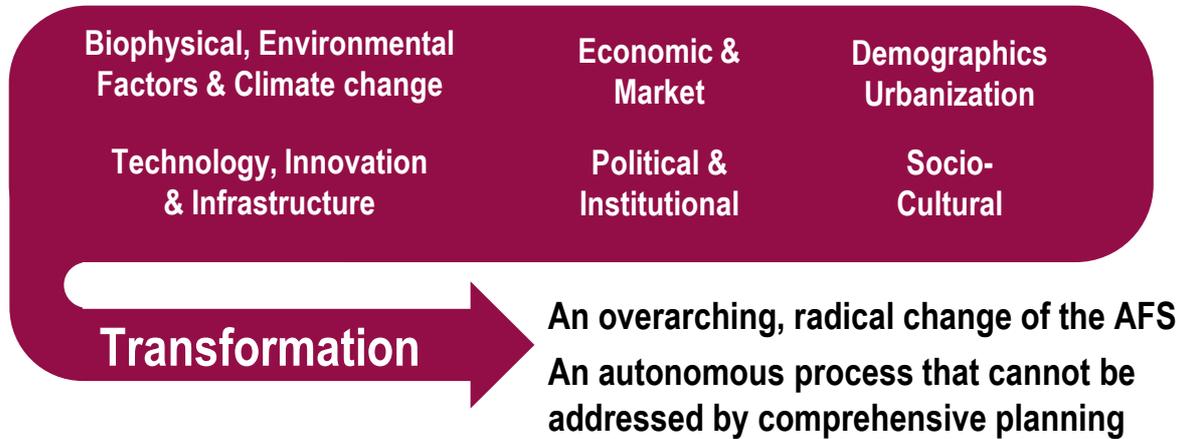
03 Desired outcomes and vision for transformation



ValueLinks for Agrifood Systems



Drivers of Transformation



Change agents ...

- Are conscious of transformation objectives
- Are innovators in their own field
- Consider themselves as frontrunners

They can be found anywhere in the food system:

- Research institutes
- Enterprises with innovative business models
- Government agencies and authorities
- Local communities
- Professional associations
- NGOs and political pressure groups



Transformative action ...

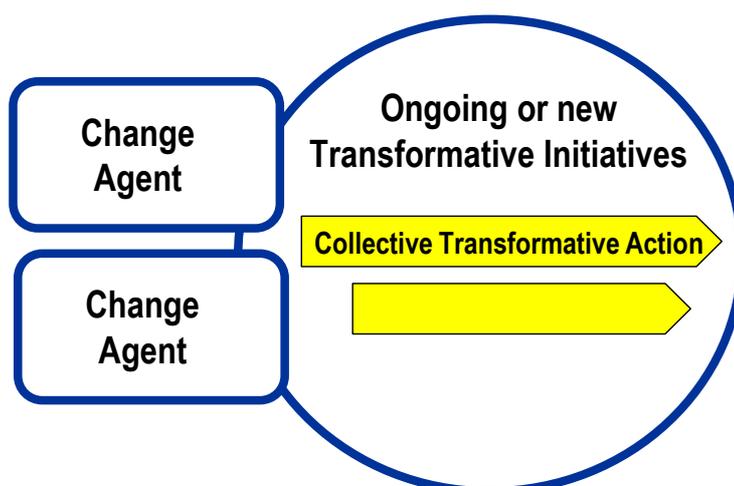
- Is an intervention of one or several change agents into the ongoing transformation process
- Is committed to the innovation of a selected aspect of the food system
- Undertaken by actors who are willing and able to organize collective action

Transformative initiatives ...

- Are alliances of several change agents organizing collective transformative actions in the common interest
- Foster dialogue and joint learning, coordinate actions, handle goal conflicts and keep an eye on the risk of maladaptation



Transformative actions and initiatives



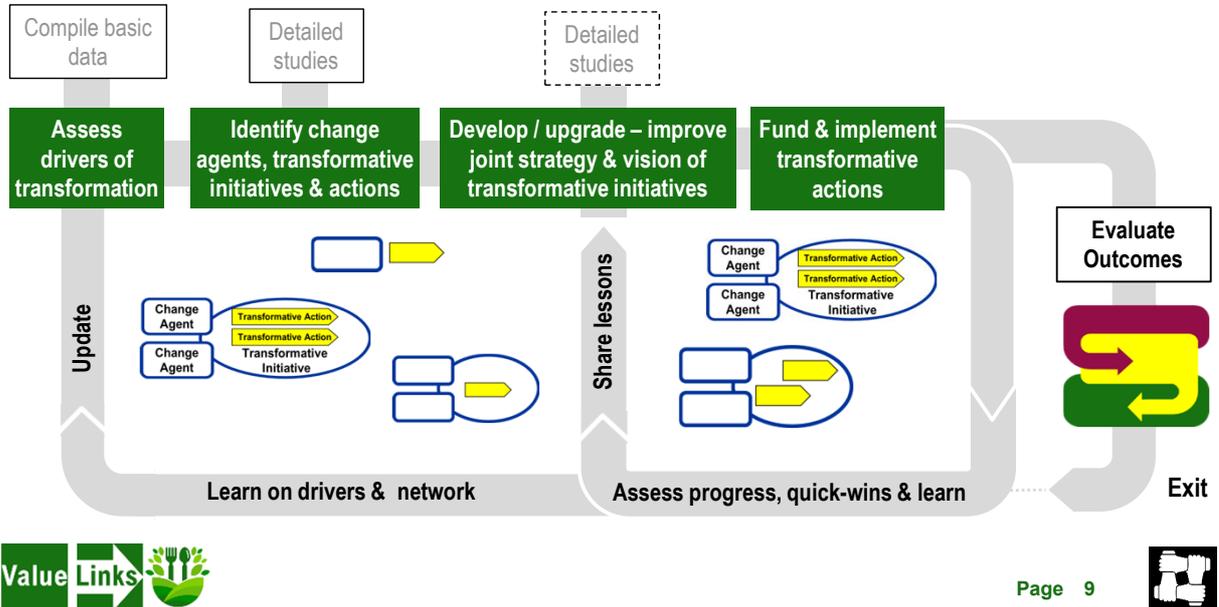
Transformative change



In specific elements
of the AFS



Strategy development & materializing transformative initiatives



General principles of process facilitation

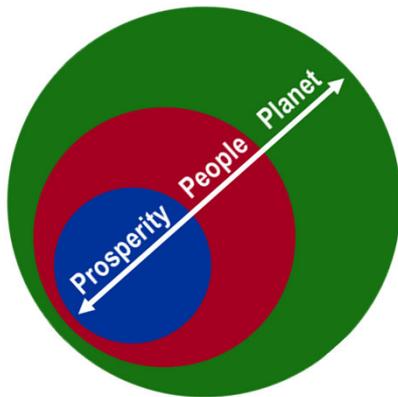
External agencies facilitate transformative action in collaboration with AFS partners.
They should not carry out operational functions in the AFS.

Tasks of facilitators

- Make sure the actors in a network understand each other and gain mutual trust
- Take off from the existing own initiatives and ideas of network partners in the AFS
- Make sure this is a “win-win game”
- Make information and data available, clarify issues, create transparency
- Go for quick visible results to gain momentum while being prepared for a long-term process
- Facilitate joint learning and evaluation
- Ensure the coordinated efforts of different contributors of funds, resources and donors



Strategic considerations, assessing drivers



What are main biophysical, environmental factors & climate drivers?

e.g. in terms of climate change/climate hazards, environmental degradation, over-exploitation of resources, environmental policies?

What are main socio-cultural, demographics & urbanization drivers?

e.g. in terms of gender issues, food and nutrition needs, income gaps, (youth) unemployment, urban demand, social policies?

What are main economic & market drivers?

What are main technology, innovation & infrastructure drivers enhancing competitiveness?

e.g. in terms of market demand, market trends, digitalisation/mechanisation, economic policies?



Group work 2

Tuesday afternoon

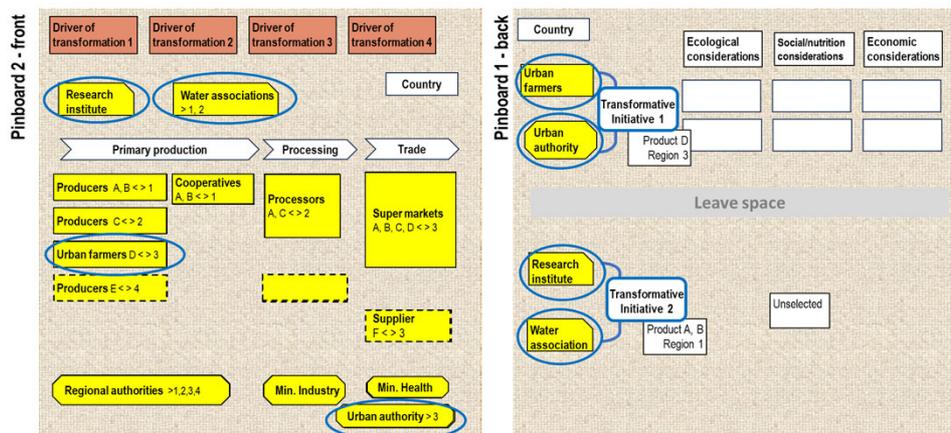
Pinboard 2 front

- Identify Transformation drivers, (top of pinboard)
- Mark Change Agents (AFS map)

Pinboard 1 back

- Duplicate change agents
- Identify ongoing or create new transformative initiatives
- Transformative Initiative members elaborate on concrete strategic considerations for the future as relevant

Strategic considerations



Module 3 Transformative Strategy

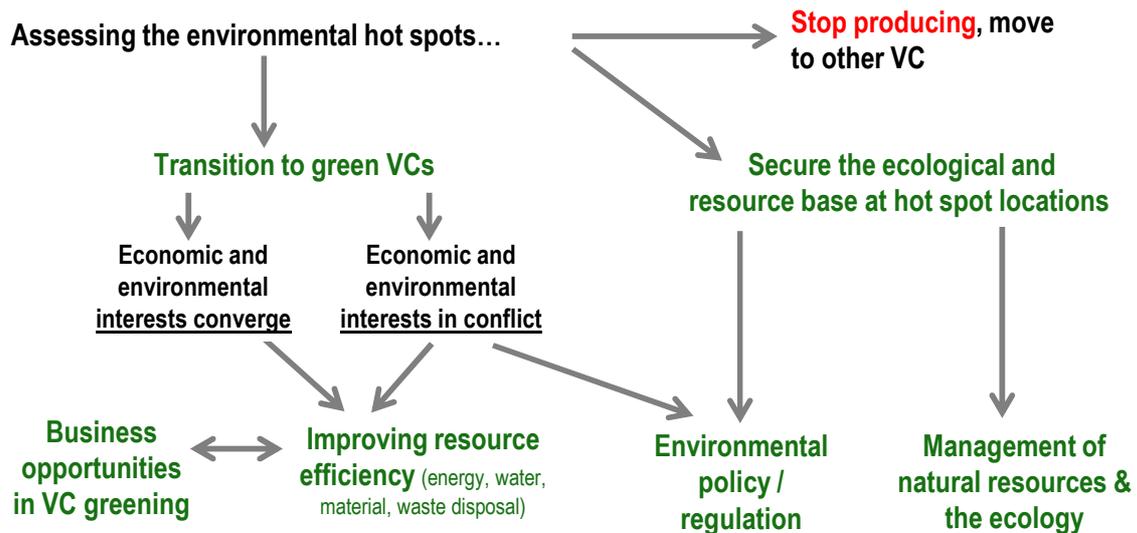
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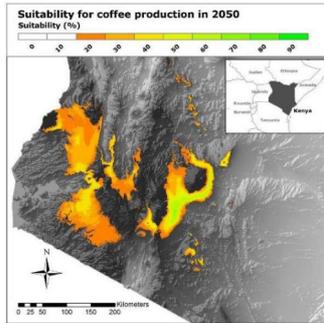
03 Desired outcomes and vision for transformation



Strategic considerations for the environment



Climate change adaptation strategies



Transitional zone for keeping coffee

Diversification within coffee

→ Change from Arabica to Robusta coffee

Increasing resilience through agronomic measures

- Breed more drought resistant and heat tolerant varieties
- Intensify agro-forestry, especially shade tree cultivation
- Introduce water-efficient (drip) irrigation

Increasing social resilience

- Strengthen awareness, capacities & cohesion of producer groups & cooperatives
- Strengthen linkages between farmers, communities, regional and national disaster management units

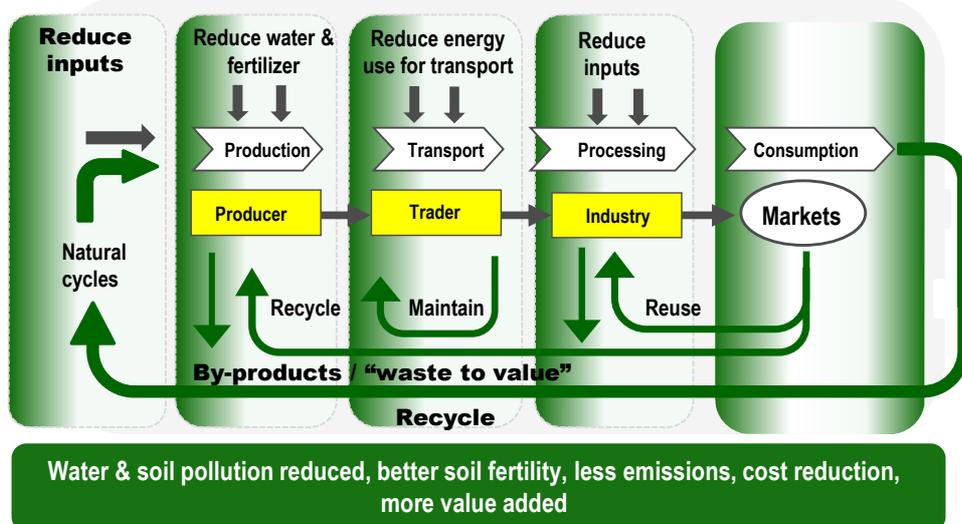
Adaptation for phasing out coffee

Diversification

- Dairy cattle, dairy goats
- Passion fruit, banana



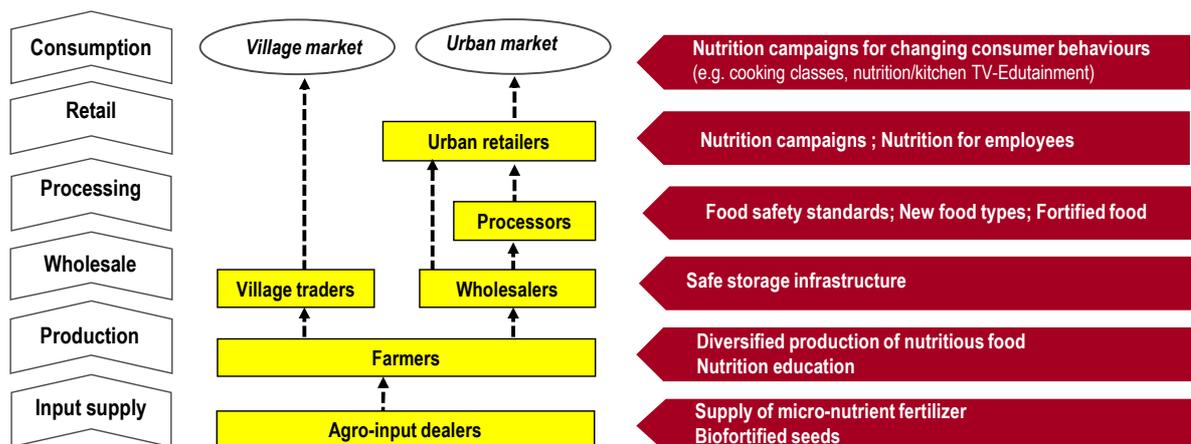
Greening Agri-Food Systems: Promoting a circular economy



The pillars of food security



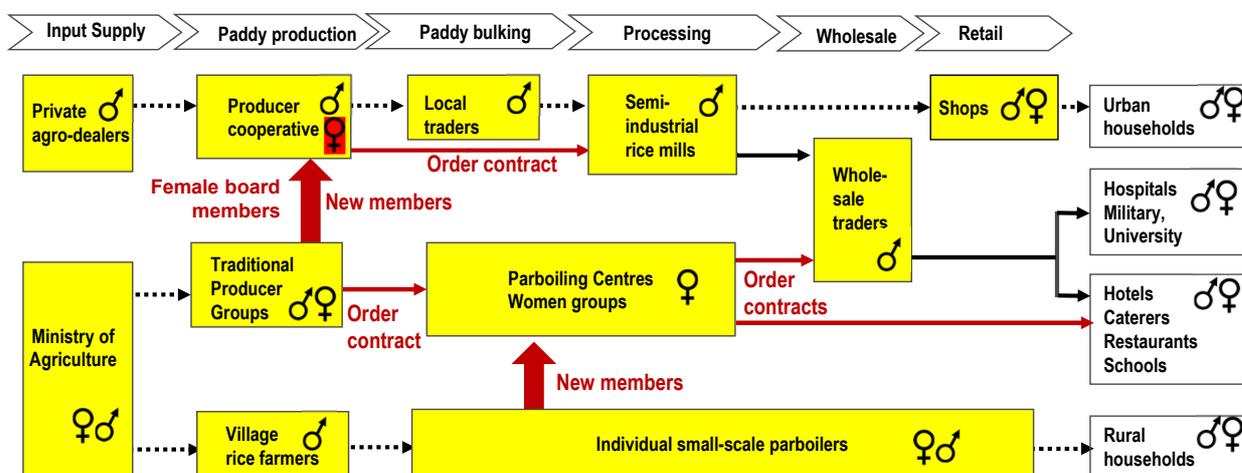
Strategic options to improved nutrition



Source: Adapted from GIZ Working Paper „The Potential of Agricultural Value Chains to Improve Nutrition“
 (<https://www.snrd-africa.net/production-and-supply-of-nutritious-foods-at-centre-of-value-chain-discourse-2/>)



Social and economic empowerment of women – Rice VC



Strengthening youth employment

- **Improve on-farm productivity & income**
 - Better care → More yield → More labour needed
 - **More on-farm employment**
 - **Farming business more attractive for youth**
 - More volume for downstream stages
 - More services deployed in handling & processing
 - **More off-farm employment**
- **Improve technical knowledge and skills**
Quality education, vocational training and mentoring along up-to-date curricula
- **Promote youth entrepreneurship on & off farm**
- **Investment grants & loans for young entrepreneurs**

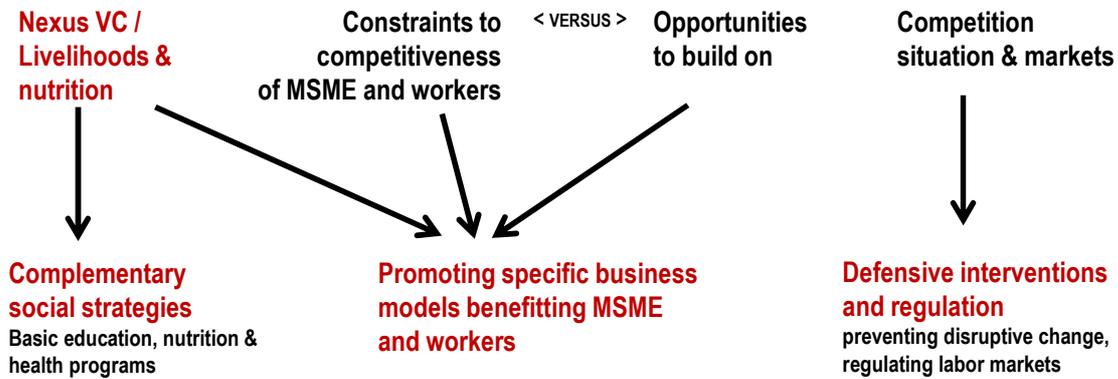
- **Technical service business models**
 - Modernize primary production & (small-scale) processing
 - **More youth employment through services**
- **Eco-system-services as youth business**
 - Secure the ecological and resource base
 - **New jobs for youth from services**
- **Youth programs in producer organizations**
 - **More employment from operations**
 - **New jobs from digitization & technical services for members**
 - **Attracting youth as members**

- **Strengthen youth voice in policy dialogue and program design**
- **Educate the public to reform social norms limiting youth development**

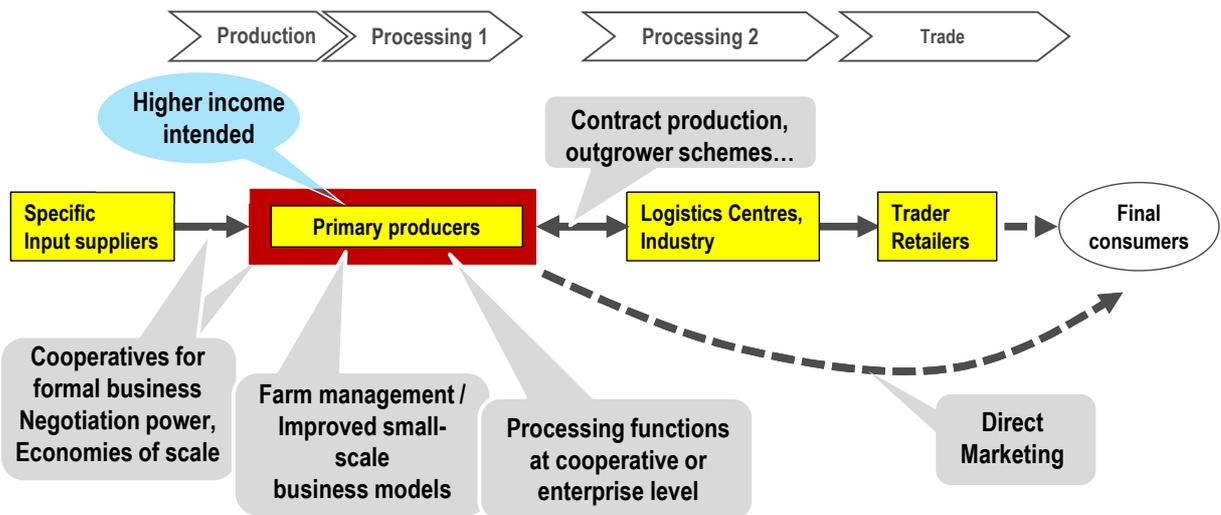


Strategic considerations for pro-poor growth

Assessing MSME and workers in the value chain



Business models to alleviate poverty



Living income / Living wages

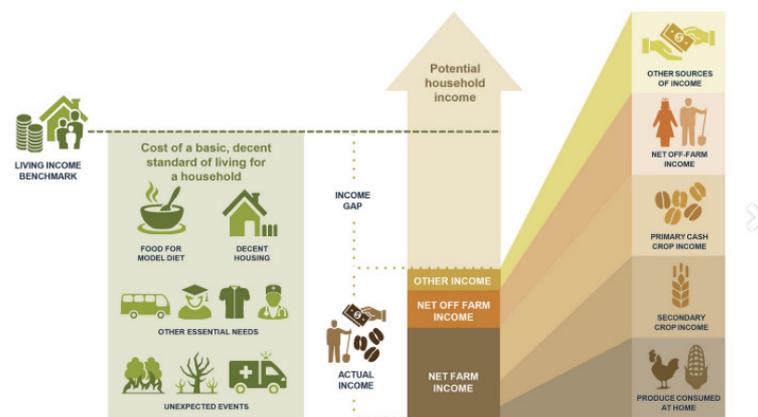
What is different?

- Living wage relates to *employment*
- Living income relates to *independent work* (self-employment)

Lever to increase income for farmers:

- Collective action → e.g. price negotiations
- Productivity improvement
- Quality improvement
- Other income streams
- ...

The Living Income Story



For more information and to join the community visit: www.living-income.com Contact: livingincome@isealalliance.org

Supported by the Federal Ministry for Economic Cooperation and Development Implemented by giz iseal

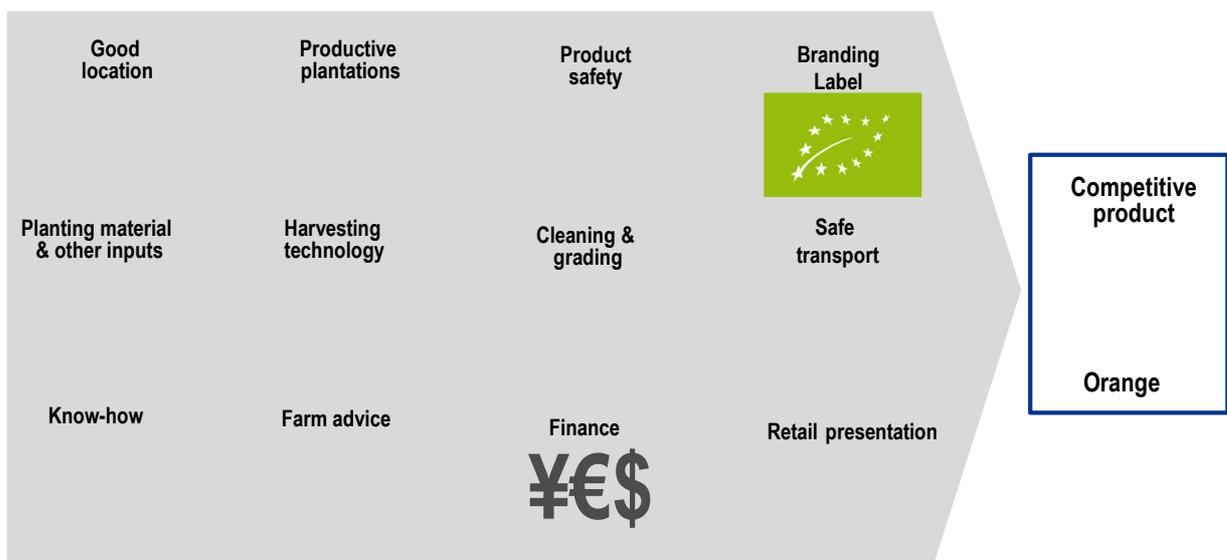


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Factors of competitiveness



Discussing drivers and trends of market change

Food market analysis



Identifying market opportunities

- General demand trends (prices and volumes)
- Supply gaps
- Market access requirements
- Investment needs and existence of investors
- Assessment of competitors and competing products

Interviewing buyers

- Qualitative judgements on the points above
- Specific buyer requirements
- Specific demand trends
- Identifying real market opportunities



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Visioning the transformation ... and why it matters



- Focus on drivers, desired outcomes and opportunities
- Strategic direction

Which transformation do we envisage within 5 years?



- Basis for consensus and resource commitment
- Joint scope

AFS actors with a joint view on the future will be motivated to cooperate and to commit resources



Trade offs from agrifood systems transformation

Multiple environmental trade-offs

Higher fruit and vegetable production contribute to water scarcity in different locations

Affordability and availability

Cheapest healthy diets cost 60% more than diets that only meet minimum requirements of essential nutrients

Trade-offs with pandemics and zoonosis

Particularly relevant in contexts of animal-sourced food consumption

Political economy trade-offs

Employment, productivity, income, cost of living, fiscal consequences

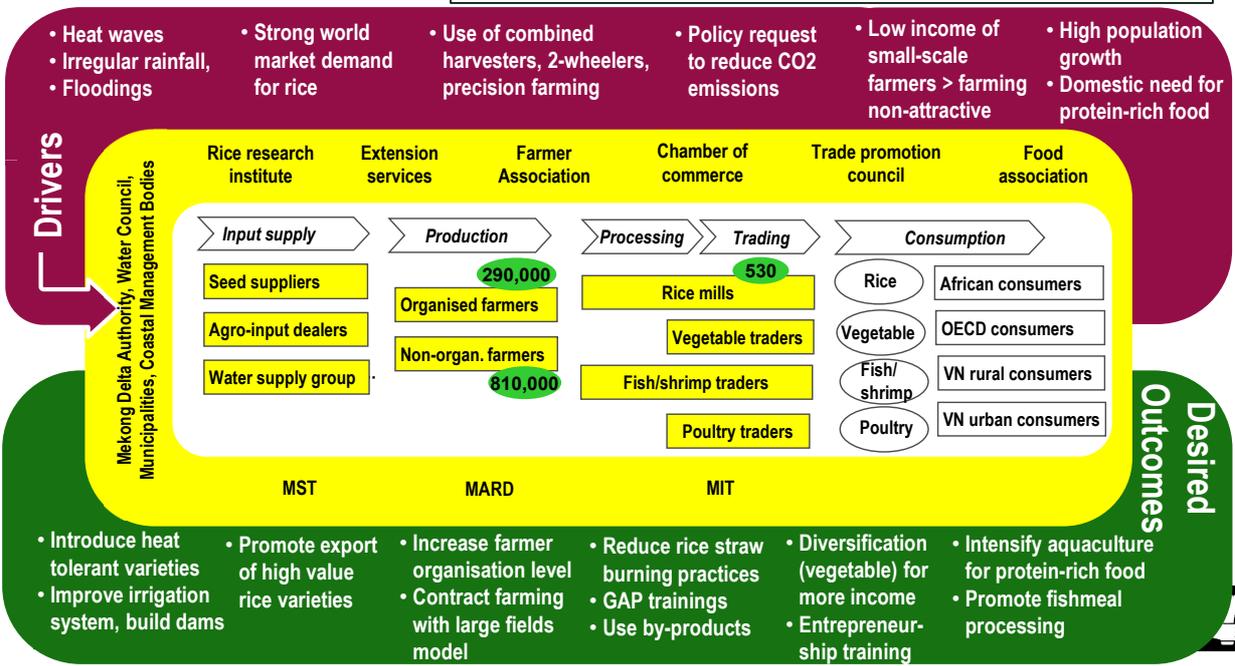


Manage and balance trade-offs



Mekong Delta AFS

By 2030, the Mekong Delta AFS is climate-change resilient with doubled production of protein-rich food



Group work 3 Transformative initiatives

Wednesday morning

Pinboard 1 back

- Formulate & agree on **desired outcomes** for the transformative initiative chosen while building on strategic considerations
- Elaborate and agree upon **vision statement**

