

Presentation for:
GATe Retreat
20-24 Sept. 2021



Netherlands
Development
Organisation



Trade-offs in value chain interventions: Food-systems, Aspirations and outcomes

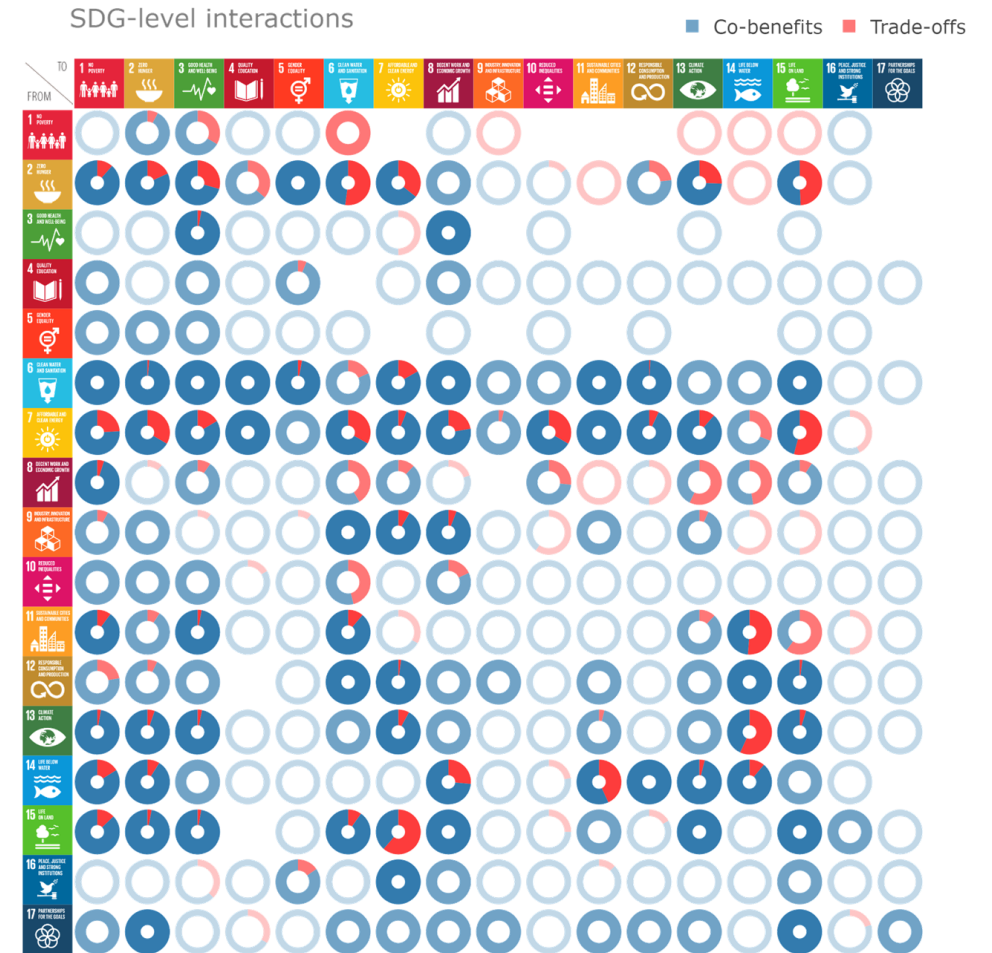
Kai Mausch

20.9.2021



Background

- SDG progress lacking behind progress required
- Zero poverty and zero hunger have been stagnating in many countries
- Environmental targets moving more into focus
- System of SDGs is by design interconnected
- Most actions are framed around progress towards one goal

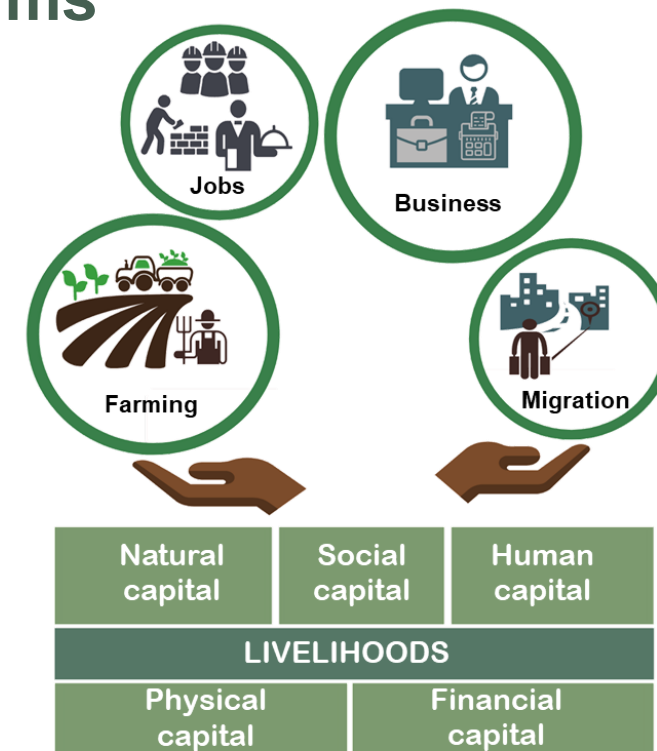


Pham-Truffert et al. 2020. <https://doi.org/10.1002/sd.2073>

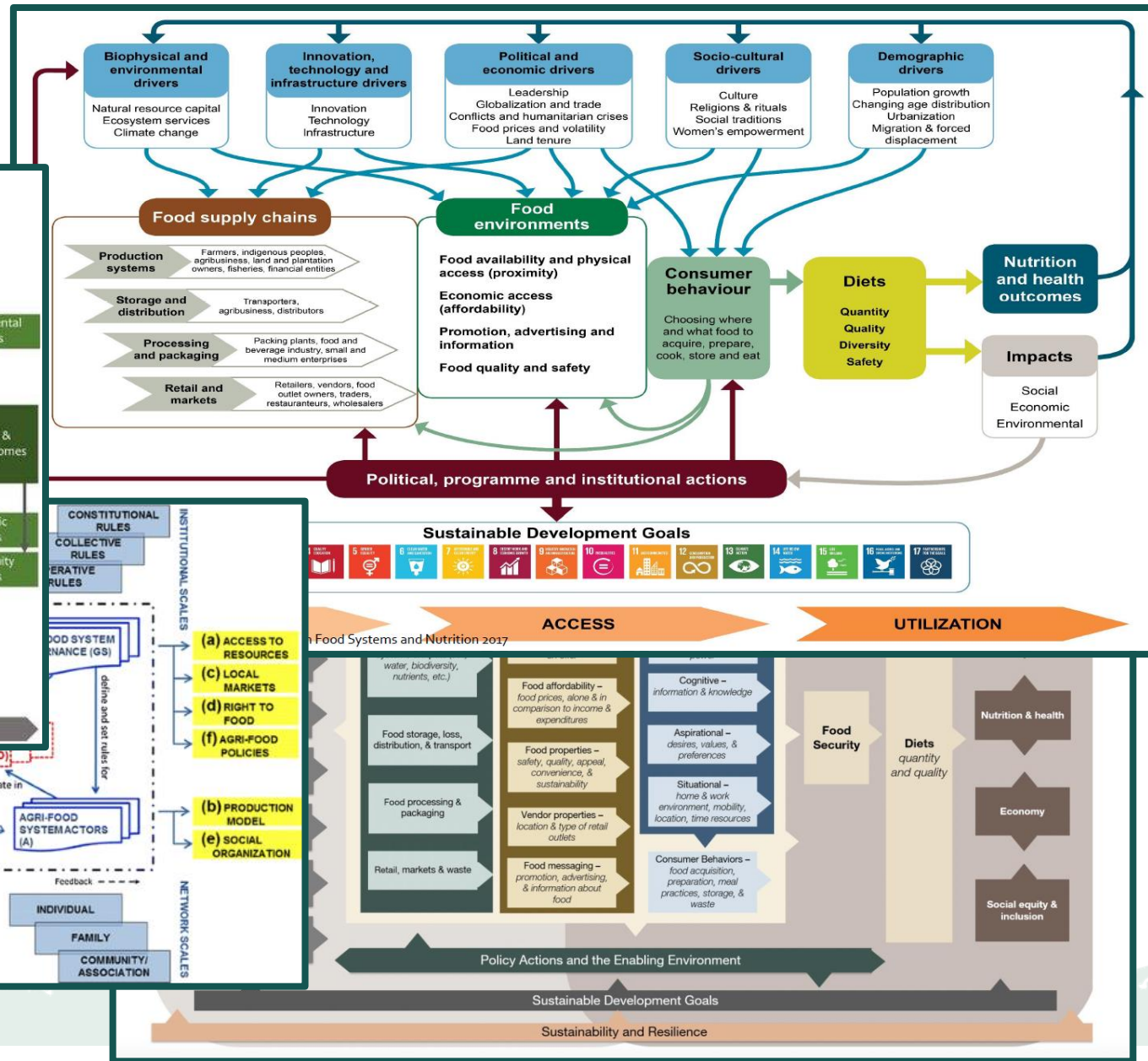
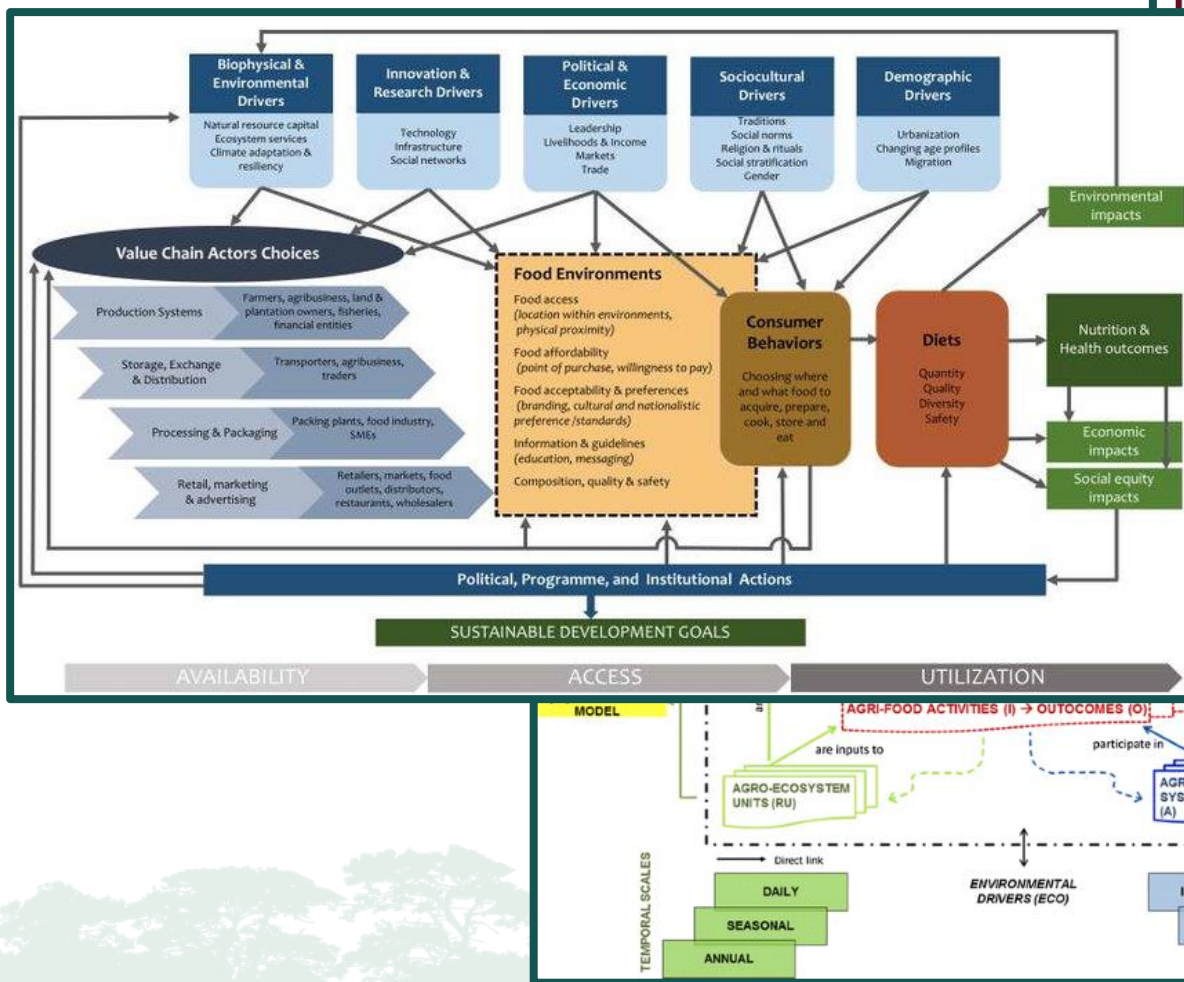


One of the key target groups – smallholder farms

- Multiple objectives of farming households
- Income diversification is the norm & increasing
 - On-farm – multiple crops, livestock and others
 - Off-farm – jobs, small businesses, migration
- Interventions keep broadening as interactions become clearer or more widely acknowledged



(Agri-)food systems



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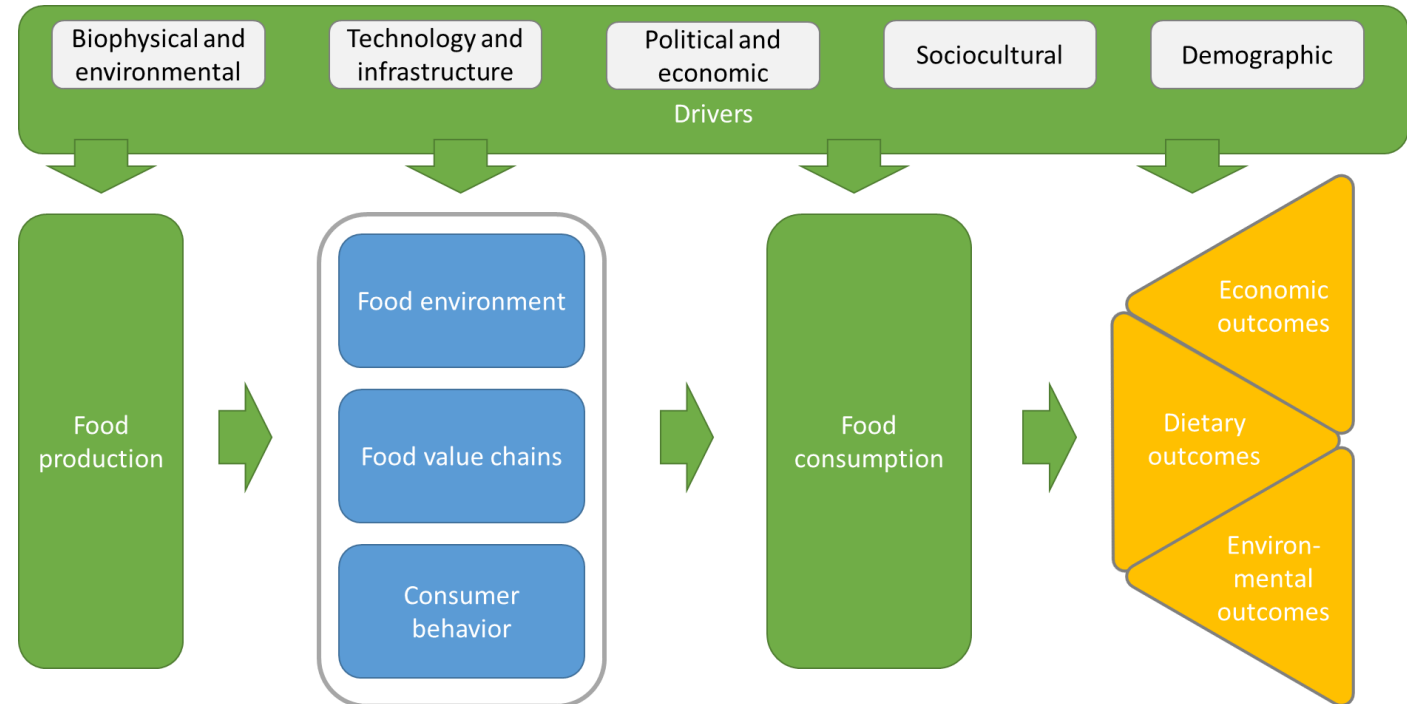
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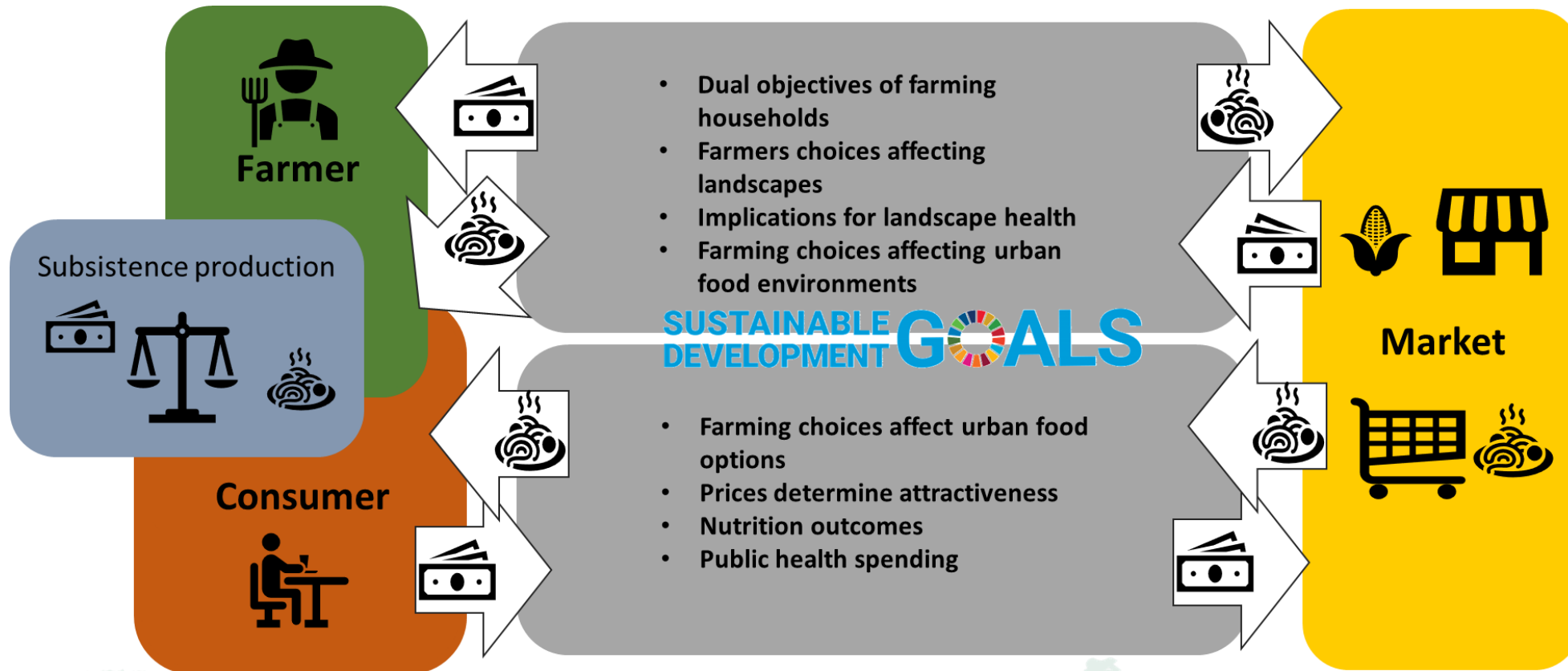
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A simplified overview of the agri-food system

- Most basic parts are:
 - production and consumption
 - connected by value chains
 - moderated by food environments and behavior
 - leading to outcomes
- We focused on the big 3 outcomes in agricultural VC development – income, diets and environment



Value chains within AFS



Pro-poor value chain interventions



- Increasing farmer incomes
 - Increase value capture (higher prices)
 - Increase production (intensification)
- Fair trade
- Contract farming
- Standards e.g. GlobalGAP
- Increased productivity (new varieties, input use, ...)



Greening value chains



- Agriculture, forests and other land uses (AFOLU) contribute 23% of global greenhouse gas (IPCC 2019)
- Could deliver up to 37% of the GHG emissions reductions needed to avoid 2 degree warming by 2030 (Griscom et al 2017)
- Agricultural expansion responsible for about 80% of global deforestation (FAO 2017)
- Certification a widespread mechanism (e.g. zero-deforestation)



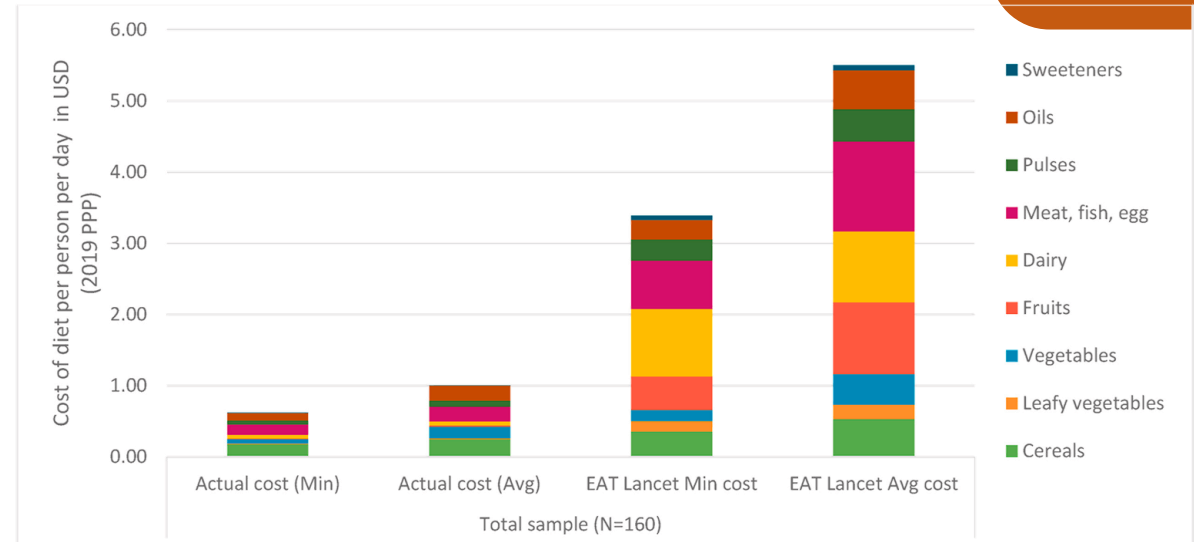
Nutrition sensitive value chain interventions

- Consumer focused
- Often urban centric
- Sometimes on farm diversification for home consumption
- Nutritionally insecure consumers decide based on price
- To incentivize and enable consumers to eat better, prices need to be lower for healthy food
- Intensification incentives – e.g. fertilizer subsidies, (bio)fortification

Subsistence production



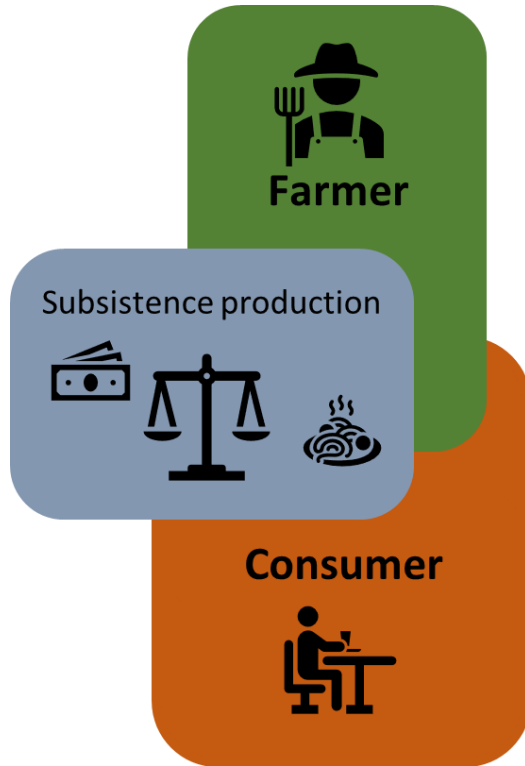
Consumer



Gupta et al. 2021 doi:10.1016/j.gfs.2021



Pro-poor value chains



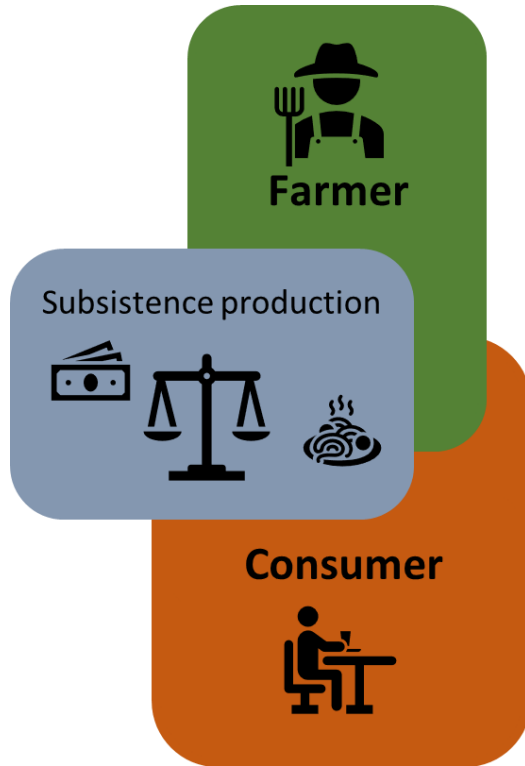
Entry point logics

- Leveraging private sector
- Increase bargaining power of small actors
- Strengthening response to changing market demand
- Institutional arrangements/ governance
- Linking small farmers to (more) markets
- Contract farming

Potential trade-offs

- Higher consumer prices
- Increased prices for farmers make produce unaffordable for other poor consumers
- 'Lock in' to contract farming schemes with little upgrading options
- In the long run, intensification at scale results in lower consumer prices and lower returns to farmers

Green value chains



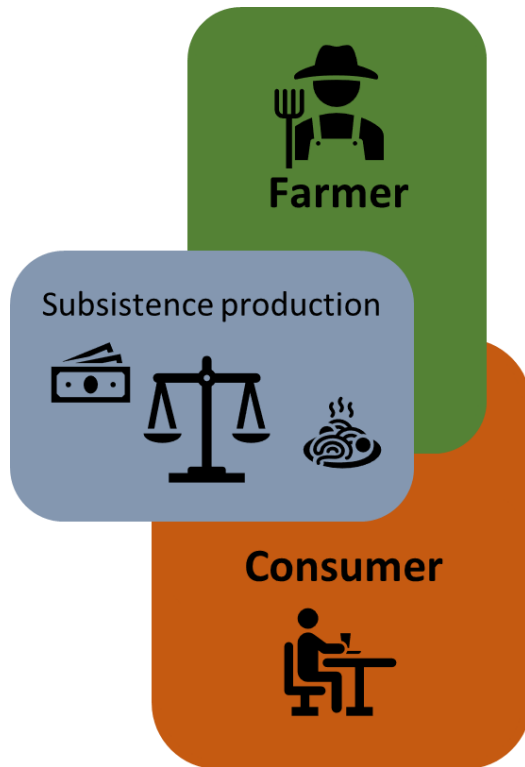
Entry point logics

- Internalizing negative externalities
- Capturing positive externalities
- Certification and labeling
- Sustainable production and business practices
- Sustainable intensification

Potential trade-offs

- Costs to small farmers / someone must (be willing) pay
- Increase in cost of production and therefore product
- Competitiveness of green VC (increased prices)
- Potentially negative effects on food prices and thereby nutrition
- Inherent trade-offs in breeding traits (e.g. lower inputs use tends to come with a yield penalty)

Nutrition sensitive value chains



Entry point logics

- Labeling and certification
- Health education / messaging / campaigns
- Biofortification
- Private sector upgrading for food safety
- Producers are also consumers

Potential trade-offs

- Higher incomes to farmers to increase ability to purchase more nutritious food result in higher consumer prices, making these foods less available to poor consumers
- Unhealthy food items would be consumed through other channels
- Making nutritious food available at a low cost will translate into lower returns to farmers
- Private sector not necessarily interested in nutrition
- Crowding out of natural solutions by biofortification
- Producers are often selling higher value produce and resort to lower nutrition produce for home consumption

Potential value judgements

Value Judgement

- Rich consumers can afford to pay more?
 - Equity is critically important?
 - Poor consumers should not be excluded from healthy diets?
 - Healthy diets take precedent over environmental health?
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Potential value judgements and resulting mitigation options for nutrition?

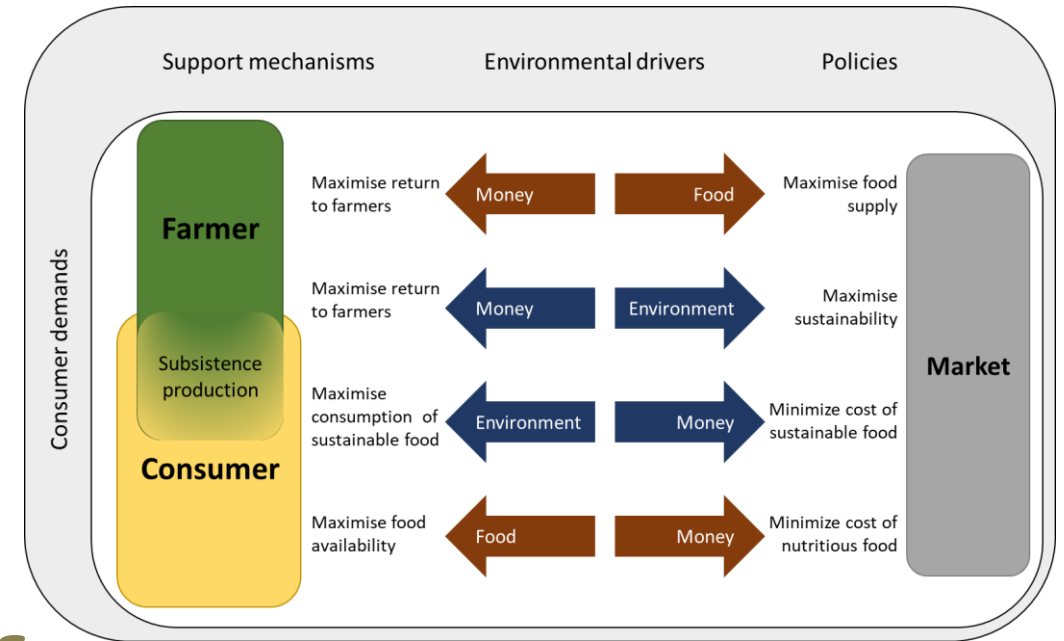
Value Judgement	Mitigation options	Entry points
<ul style="list-style-type: none">• Rich consumers can afford to pay more?• Equity is critically important?• Poor consumers should not be excluded from healthy diets?• Healthy diets take precedent over environmental health?	<ul style="list-style-type: none">• Rich consumers should pay more• Identification of sustainable intensification options• Regulation• Better considerations of indirect effects• Redistribution• Public investments• ‘Stacking the deck’ against exploitation	<ul style="list-style-type: none">• Targeted subsidies• Redirecting trade-flows• Supporting infrastructure for healthy foods• Food export taxes (south)• Removing food export subsidies on unhealthy foods (north)



Trade - tensions in goals

Supporting value chains to link rural and urban residents and create win-win outcomes?

- Value chain interventions are too narrow to achieve societal goals
- There are inherent trade-offs in food, income, and environmental targets
- Agri-food system perspectives for theories of change could offer solutions
- Open discussions of trade-offs would provide the basis for systemic change



Two critical trade-offs emerge for some domains of nutrition-sensitive value chain interventions. Firstly, interventions focusing on the (urban) market pathway can counter the 'No Poverty' target as price decreases of nutritious foods translate into lower farm incomes. This also undermines farming households' ability to purchase nutritious food items and may just shift malnutrition from urban to rural areas.

-- Mausch et al. 2020



Mausch, K., Hall, A. and Hambloch, C. (2020) Colliding paradigms and trade-offs: Agri-food systems and value chain interventions, *Global Food Security*, 26(C), 100439.
<https://doi.org/10.1016/j.gfs.2020.100439>.



Trade-offs – possible solutions

- **A stronger evidence base**
 - Insufficient evidence of interlinkages between VCs and the agri-food system - Causal relationships & trade-offs remain unclear, unacknowledged, and untested
 - Trade-off analysis coupled with foresight analysis needs to be streamlined through the system
- **More rigorous assumption development and testing**
 - Broader ex ante assessment within a wider framework – e.g. during ToC development
 - Make potential trade-offs transparent, particularly those that affect poor consumers and producers
 - M&E methods need to be adjusted to provide the required evidence beyond the target groups
 - Adaptive programming rather than rigorous pursuit of initially outlined targets and activities
- **Coupling value chain interventions with public policy interventions**
 - Pure market-based solution may be questionable solution for societal goals
 - Policy options need to come back to the table – coupling VC projects with wider policy levers



Mausch, K., Hall, A. and Hambloch, C. (2020) Colliding paradigms and trade-offs: Agri-food systems and value chain interventions, *Global Food Security*, 26(C), 100439.
<https://doi.org/10.1016/j.gfs.2020.100439>.



Trade-offs – possible solutions

- **Empowering new business models**
 - Pressure on businesses to incorporate societal outcomes into their targets offers opportunities
 - Collaboration could empower frontrunner market players to help disrupt dominate business models
 - Urgent need to understand where business and public interests are aligned or conflicting
- **Capacity to formulate systemic agri-food interventions**
 - An agri-food system perspective is still at its formative stage – while rapidly spreading
 - A clear need to move beyond commodity centric visions and entry points
 - Combine VC approaches with systems thinking, political economy and governance perspectives
- **The fundamental principle should always be ‘do no harm’**



Mausch, K., Hall, A. and Hambloch, C. (2020) Colliding paradigms and trade-offs: Agri-food systems and value chain interventions, *Global Food Security*, 26(C), 100439.
<https://doi.org/10.1016/j.gfs.2020.100439>.



Ways forward

- Not everyone can farm profitably
- Not everyone who farms wants to farm
- Complementing agricultural and VC approaches with
 - Social protection
 - Employment generation (non-agricultural)
 - Interagency cooperation
- Selecting the right person for the right support
- The key is in the mix

“ Undoubtedly, investments onto the agricultural sector are important and necessary but the chances of making these investments work for farming households depend on the understanding of their livelihoods’ structures and the links between the agricultural and other sectors as well as rural and urban areas. -- Gassner et al. 2019 ”

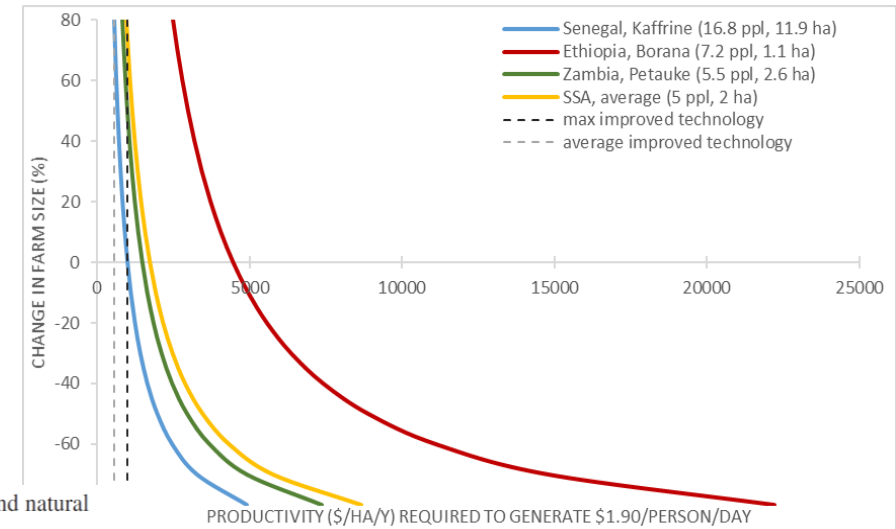


Table 1. Likely livelihood strategies of poor and less-poor livestock keepers, by market and natural resource potential

		Status	Local market opportunities	
			Low/ stagnant	High/ dynamic
Natural-resource potential	Low	Poor	Hang in (very difficult – subsistence livestock?)	Hang in (more local non-farm based)
		Less poor	Step out (migrate)	Step out (local non-farm)
	High	Poor	Hang in (farm / subsistence?)	Hang in (farm and non-farm)
		Less poor	Step out (migrate) Step up (‘exports’)	Step out (local non-farm) Step up (local markets)

Dorward A et al. (2009) <https://doi.org/10.1080/09614520802689535>



Gassner, A., Harris, D., Mausch, K., Terheggen, A., Lopes, C., Finlayson, R.F. and Dobie, P. (2019), Poverty eradication and food security through agriculture in Africa: rethinking objectives and entry points, Outlook on Agriculture, 48(4), pp. 309-315. <https://doi.org/10.1177/0030727019888513>.



Facilitating change and avoiding trade-offs

- Bottom-up and top-down *dialogue*
- Aligning/negotiating goals and aspirations likely to increase satisfaction and cohesion
- Governance will become more important as changes become more complex
- Transformational change, needs to be based on a set of guiding principles
 - Participation, representation and empowerment
 - Transparency
 - Accountability
 - Justice and equality
 - Adaptive learning



Value chains and food systems need to become more inclusive, efficient and diverse, as well as nutrition-sensitive and climate smart, to ensure that people have access to food at affordable prices and opportunities to shift to healthier diets.



Larson et al. (2021), Hot Topics in Governance for Forests and Trees: Towards a (Just) Transformative Research Agenda, Forest Policy and Economics, 131C, 102567. <https://doi.org/10.1016/j.forpol.2021.102567>

Mausch, K., Harris, D. and Revilla Diez, J. (2021), Rural aspiration in Africa – Reflections for development planning and design, European Journal of Development Research, 33-4, 795-808. <https://doi.org/10.1057/s41287-021-00407-y>



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Some options for the way forward

- Agriculture alone won't solve the SDGs
- As we move more into system transformation, governance will become a more important topic
- The process of achieving change will have to change
- Acknowledge that a single project is not helping everyone
- Agriculture is important but in different ways for different people
- Be clear on what agricultural + Value chain projects can deliver and for whom
- Interactions and interconnections require more cross-agency coordination on all levels
- Opportunity for embedding research into development programming more continuously and cost effectively

“

There is a need for a much broader societal debate locally as well as globally to define the goals in relation to acceptable trade-offs and mitigation measures and the resulting question on who can and should shoulder the costs.

-- Mausch et al. 2020

”

“

If we are upfront about the trade-offs we accept and why, we will generate and add to the micro narratives that may eventually reveal the systemic constraints. This trickle of evidence will lead to broader understanding and may push decision makers towards considering more systemic changes in the future.

-- Mausch et al. 2020

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Thank you

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cifor.org | worldagroforestry.org

foreststreesagroforestry.org | globallandscapesforum.org | resilientlandscapes.org

The Center for International Forestry Research (CIFOR) and World Agroforestry (ICRAF) envision a more equitable world where forestry and landscapes enhance the environment and well-being for all. CIFOR-ICRAF are CGIAR Research Centers.



References / further reading

- Mausch, K., Hall, A. and Hambloch, C. (2020) Colliding paradigms and trade-offs: Agri-food systems and value chain interventions, *Global Food Security*, 26(C), 100439. <https://doi.org/10.1016/j.gfs.2020.100439>.
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- Gassner, A., Harris, D., Mausch, K., Terheggen, A., Lopes, C., Finlayson, R.F. and Dobie, P. (2019), Poverty eradication and food security through agriculture in Africa: rethinking objectives and entry points, *Outlook on Agriculture*, 48(4), pp. 309-315. <https://doi.org/10.1177/0030727019888513>.

Aspirations to provide new ideas for approaching agricultural development differently

- Mausch, K., Harris, D. and Revilla Diez, J. (2021), Rural aspiration in Africa – Reflections for development planning and design, *European Journal of Development Research*, 33-4, 795-808. <https://doi.org/10.1057/s41287-021-00407-y>
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