

REPORT ● ● ● ● ●

AGRITERRA'S FARMERS FOCUSED TRANSFORMATION THEORY OF CHANGE



MARCH 2021





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Title : Agriterra's Farmers Focused Transformation – Theory of Change
Publisher : Agriterra
Project (Number) : 21at-8916 - Monitoring, Evaluation and Learning
Number AgriStudies : 57161
Country : World
Category : Institutional development

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Acronyms

AIN	Agro-info.net
BHAG	Big Hairy Audacious Goal
CO2	Carbon Dioxide
DCED	Donor Committee for Enterprise Development
DDE	Sustainable Economic Development Department
DGIS	Directorate-General for International Cooperation
EU	European Union
FACT	Farmers Advocacy Consultation Tool
FAO	Food and Agriculture Organization of the United Nations
FCSB	Farmer Common Sense in Business
FDI	Foreign Direct Investment
FFT	Farmers Focused Transformation
FO	Farmers Organization
FTE	Full Time Equivalent
GDP	Gross Domestic Product
GIZ	German Corporation for International Cooperation

IATI	International Aid Transparency Initiative
ICA	International Cooperative Alliance
IFAD	International Fund for Agricultural Development
IGG	Inclusive Green Growth Department
MEL	Monitoring Evaluation and Learning
OECD	Organisation for Economic Co-operation and Development
PSD	Private Sector Development
SDG	Sustainable Development Goal
SFS	Sustainable Food System
ToC	Theory Of Change
UN	United Nations
USAID	United States Agency for International Development
WB	World Bank

SUMMARY

How does Agriterra know that it contributes to economic development?

By knowing that our individual actions with a farmers' organization, such as a training in governance to the board, an agripooler who shares knowledge with extension officers or an exchange visit to meet prospective clients, can trigger a chain of results that leads eventually to higher goals: less poverty, better food security, more environmental friendly and resilient agricultural practices and, ultimately, to a faster sustainable economic development.

This cluster of result chains is known as the Theory of Change (ToC) and it allows us to illustrate the process by which our actions lead to the intended results. In a nutshell, our Theory of Change states that Agriterra enhances and accelerates a sustainable economic development by addressing three critical issues: (1) lobby and advocacy interventions to public and private institutions led by farmers to improve the rural and agricultural ecosystem and empower farmers, (2) businesses led by farmers that add value to the crops produced by farmers, industrialize rural areas and generate rural employment, and (3) sustainable services offered to farmers that increase agricultural productivity and food supply.

The reasons for believing in the success of our interventions are many. First, our Theory of Change is embedded in a general theory of economic development based on historical patterns of structural change, which are backed by ample theoretical and empirical literature. Second, we have identified a group of actors - farmers' organizations and cooperatives - critical to the realization of a balanced economic development and the sustainability of the results achieved. Thus, Agriterra's way of work is threefold. We equip and strengthen farmers' organizations so they can boost their services for farmers to increase their productivity and loyalty. We facilitate, through bankable investment plans, the development of their agroindustry to generate rural off-farm and off-farm employment. We prepare farmers' organizations and cooperatives to lobby effectively and accountably in favour of farmers to improve the agricultural enabling environment and boost rural development.

Agriterra measures performance indicators at several levels of the result chain, from input to impact, following international standards to determine the effectiveness and efficiency of our activities. Our monitoring, evaluation, and learning (MEL) system has been developed over many years in cooperation with renowned stakeholders and, according to the International Fund for Agricultural Development (IFAD), the system is optimal in cost-benefit terms. Our MEL system enables us to claim with a reasonable degree of certainty that we have contributed to poverty eradication, food security and sustainable economic development.

We know we do the right things because we have a clear Theory of Change, embedded in a general theory on economic development, we work through critical actors for development, and we measure rigorously what we do and achieve.

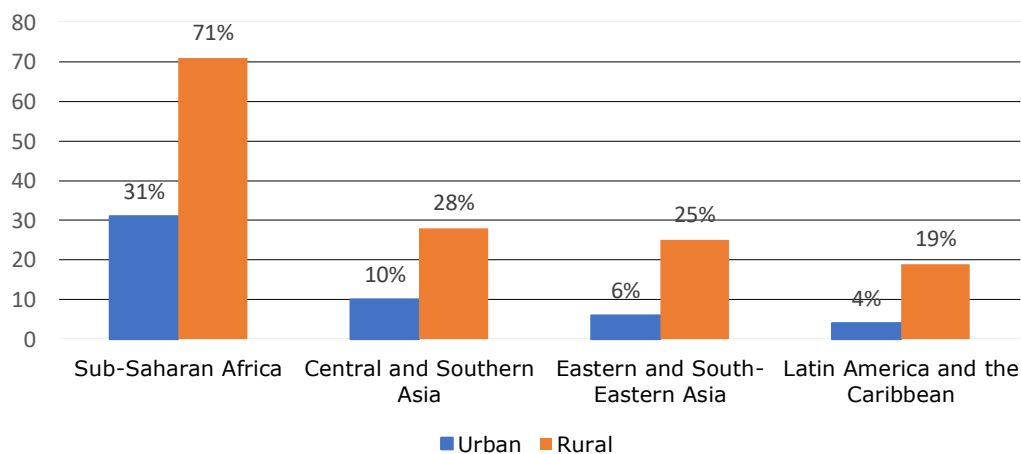
1 CONTEXT ANALYSIS. HOW DOES ECONOMIC DEVELOPMENT HAPPEN?

1.1 Main problem

Agriterra sees development as embracing progress across a broad spectrum: economic (higher incomes), social (more equality, including gender and generational relations), political (more participation and democracy) and ecological (less environmental damage and better ability to respond to climate change). Agriterra’s values encompass welfare, wellbeing, the conservation of nature and equality between social groups, and the belief that differences in gender, age or race should not lead automatically to differences in income or political participation. Our Theory of Change starts from the idea that without economic growth, progress on other issues cannot advance, because poverty and inequality produce ecological damage and lack of democracy. However, if we disaggregate poverty, malnutrition, and other welfare indicators, we find that they are endemic problems principally among rural agricultural smallholders in developing countries.

Rural agricultural poverty is perhaps the most valid generalizations about the poor that we can find in the economic literature. There is a well-documented literature on the large disparities between urban and rural areas using different measures of well-being (Young, 2013). Well over two-thirds of the world’s poorest people live in rural areas and engaged primarily in subsistence agriculture (Todaro and Smith, 2015)¹. This stylized fact about poverty distribution is represented in figure 1, where the percentage of population living in rural and urban areas per region where Agriterra works is represented according to the multidimensional poverty index with data from United Nations (UN).

Figure 1. Percentage of the population living in multidimensional poverty by region, year 2018



Source: World Social Report 2020, United Nations

¹ In Africa and Asia, they account for about 80 percent of all poverty groups and about 50 percent in Latin America, despite the increasing urbanization levels of their societies (Todaro and Smith, 2015).

Additionally, since farm output tends to be comparatively heavy, fragile and perishable, food is predominantly produced close to where it is consumed. This link between local food production and consumption turns stronger in less developed countries where subsistence agricultural food production is consumed within the family and where unpaved roads (if any) make food transportation much more expensive (Timmer, 1996).

Therefore, any development program designed to alleviate poverty and malnutrition must necessarily be directed to a large extent towards rural development in general and the agricultural sector in particular. This generalization becomes more significant in less developed countries where agriculture and the rural sector still play a major role in the economy because agriculture makes up such a large share of the gross domestic product (GDP) and employment.

But why is poverty in all its manifestations so disproportionately severe in the rural areas of less-developed countries?

The importance of within-country gaps in income, productivity and wellbeing, or dualism, is another stylized fact in development economics. Less developed countries are not uniformly poor and even the poorest countries have organizations, sectors and regions that operate at high levels of productivity. A dualistic economy rings true with anyone who has spent time in developing countries, where modern glass buildings and shiny downtown areas coexist with huge populations of farmers scratching the soil with hand tools (Gollin, 2014). The idea of dualism remains ubiquitous in the development and growth literature today. Here is where Agriterra plays a major role to support development by putting economic growth centre-stage, Agriterra's Theory of Change parallels the development dynamics embedded in the structural transformation of an economy.

1.2 Theoretical framework

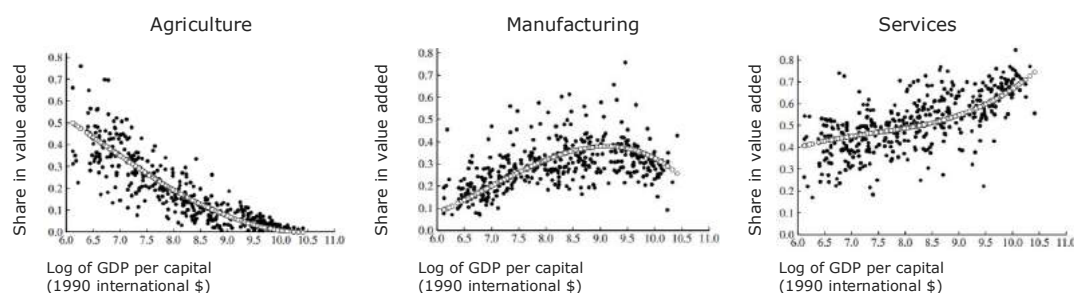
1.2.1 Structural transformation

The structural transformation of a country is a major shift in the sectorial composition of its economic structure, when an agricultural-based economy with a huge proportion of its population working in agriculture reallocates over time in manufacturing and services, driving modern economic growth. There is plenty of supporting literature on the topic, including the early and seminal contributions of Clark (1957), Chenery (1960), Kuznets (1966) and Syrquin (1988).

In the early stages of structural transformation, as economic growth proceeds and GDP per capita raises, the country's economy experiences a decrease in both the employment and the value-added share in agriculture in favour of an increase in employment and value added in manufacturing; primarily in light industries such as food, beverages and textiles, given that they are less capital-intensive and more consumer oriented; as well as services.

These stylized facts are represented graphically in figure 2 where the value-added sectoral share as a percentage of national GDP, for multiple countries, is plotted against the GDP per capita (in logarithmic values) for each country for the period 1975-2005, creating the black and grey dots. The tendency is represented by the white dots, signalling a decreasing importance of agriculture in the economy as GDP per capita increases, displaced first by manufacturing and in a later stage by services.

Figure 2. Share of value added for three economic sectors, years 1975 - 2005



Source: Herrendorf et al. (2014), using United Nations statistics division national accounts in constant values

The reallocation of economic activity during the structural transformation implies that agriculture loses relative and absolute importance with respect to manufacture and services, and the population that is engaged in agriculture leaves it once new opportunities emerge in these sectors. So that, finally, in developed countries only a minority of the economic workforce is employed in agriculture, whereas the manufacturing and services sectors produce and employ far more.

The patterns of structural transformation can vary, depending on the sectoral composition of economies, the size, or the insertion in the world economy. Even regions and small-sized countries, or countries with a particular resource endowment, can show different patterns and therefore depart from the normal gradual process of structural transformation. Yet, taken the world, the structural transformation process takes place, and for Agriterra, working in agrarian countries and regions, this transformation is a fact (Blokland, 2018).

1.2.2 Lewis' turning point

The best-known early theoretical model of development based on the structural transformation of a subsistence economy was that formulated by Arthur Lewis (1954) and later extended by Ranis and Fei (1961). In Lewis model the underdeveloped economy consists of two sectors. The first sector is a rural, informal and traditional agricultural subsistence sector characterized by the existence of surplus labour. This is, people whose marginal labour productivity is zero or negative, so that their work really does not contribute to the household welfare and it can be withdrawn from agriculture without any loss of output. But how a person who does not produce anything for the household can survive? The model assumes that peasants share their output. This may be thought of as passing around the family members the food bowl from which each person takes the food required for his/her subsistence.

The second sector, as opposed to the first one, is an urban, modern, formal and more productive industrial sector characterized by the demand of surplus labour from agriculture. Since this sector has higher productivity it offers wages above the subsistence level to entice agricultural workers to abandon their subsistence agricultural practices and relocate into the industrial and services sectors.



Wakulima Dairy cooperative workers in Kenya

The high productivity level of the modern sector not only allows to pay an above the subsistence level wage to workers, but still leaves a margin to realize a profit. These profits are reinvested, increasing the capital stock of the modern sector (buildings, vehicles, machinery) and the demand for additional agricultural workers who, in turn,

produce more manufactures and generate more profits to be reinvested again to further increase the capital stock of the modern sector.

This process of self-sustaining expansion of the industrial sector in terms of capital stock, output and employment continues until all the surplus agricultural labour is absorbed by the modern urban sector. Thereafter, farmers can be withdrawn from the traditional sector only at higher than subsistence wages because the declining labour-to-land ratio means that the marginal productivity of rural labour is no longer zero and this opportunity cost must be offset through higher wages to the workers. This self-sustaining growth where industrial workers see their wages increase while agricultural workers see their productivity increase is known as the *Lewis' turning point*. Marking a turning point in the country's development process after which economic growth becomes self-sustained.

However, times and again the structural transformation fails, as it does up to now in many parts of Africa, Asia, and Latin America.

1.2.3 Balanced structural change

Lewis traditional approach to economic development regards agriculture to play a passive and supportive role by providing sufficient cheap manpower to an expanding industrial economy, which is thought to be the dynamic leading sector in an overall strategy of economic development. Until recent decades the prevailing view was that agriculture is a declining sector for which no policy efforts towards modernization were needed because the sector declines naturally (Timmer, 2002).

Historically this approach to agriculture as a resource reservoir, available to be tapped by economic planners and refilled by natural forces, led to fatal consequences by misplacing the emphasis of economic development on rapid industrialization by squeezing off the peasantry to siphon their resources to finance the capital requirements of industrialization efforts. As well as it created an urban bias that disproportionately diverted most public investment into urban areas and too little to rural areas (Lipton, 1993).

More contemporary economists view investment and capital accumulation in the modern sector a necessary but not sufficient condition for economic growth, since a set of interlinked changes in the economic structure of a country are required to allow the transition from a traditional economic system to a modern one (Chenery, 1960). It is during the early stages of structural transformation that agriculture commences to supply the food required to feed industrial and services workers, many raw materials used as inputs in early manufacturing industries (food and beverages, textile), as well as savings, taxes, and foreign exchange if the agricultural production is exported. Already during the earliest stages of development, through the commercialization of agricultural output and the financialization of its transactions with the modern sector, the rural agricultural sector can depart from a traditional and informal sector dominated by nonmarket institutions towards a modern and formal sector led by market forces.

The progressive commercialization of agriculture made possible by the development of an efficient market system is a major stimulus to agricultural productivity and creates substantial employment in agricultural related industries. The fact is that in more developed economies far more workers are engaged in agroindustry than in farming itself (Timmer, 2002).

Therefore, investment and productivity must increase in both sectors, as they are not independent processes, but are highly interrelated, since the two sectors provide a

market for each other's products, bringing agricultural productivity closer to that in the industrial sector².



New coffee processing machinery in Nucafe cooperative in Uganda

Consideration of this interdependence during the take-off process is really nothing else but a reflection of the balanced growth path, a key concept in the current development literature. Without an integrated rural development, in most cases, industrial growth either would be stultified or, if it succeeded, would create severe internal imbalances in the economy, leading to a dual economy with pockets of poverty and malnutrition in rural areas.

The basic insight in economic development is that there are large differences in income and productivity within countries as well as across countries. The within-country disparities reflect underlying inequality in access to resources by farmers in rural areas, keeping their average productivity low, as do living standards³.

² Lewis in a posterior article conceded that for some countries the key in the first steps of development is an agriculture-led growth where the productivity of farmers increase steadily and some portion of this increase goes into capital formation (Lewis, 1968).

³ Nowadays the idea of dualism remains ubiquitous in the development and growth literature. In many of the lowest-income countries the average productivity of labour in agriculture is less than half the average productivity in non-agricultural sectors (Gollins et al., 2014), while the average labour productivity of agriculture in less developed countries is 45 times lower than in high-income countries (Caselli, 2005; Restuccia et al., 2008).

2 AGRITERRA'S THEORY OF CHANGE. HOW DO WE CONTRIBUTE TO CHANGE?

2.1 A vibrant rural sector

Agriterra's Theory of Change maintains that the inequality in access to resources by farmers in rural areas can be explained by the fact that individual farmers in developing countries face challenging barriers in both the market and the political arena. They are held back by many factors -disadvantages consequence of their small size, 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.

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 (dual economy), 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 that can degenerate in riots and political instability (Todaro and Smith, 2015).

To reduce the adverse effects of the development process, the conservation of an employment balance and a food security balance are particularly important. Both balances are fragile, and the structural transformation puts them at risk when agriculture loses ground to other sectors and reduces the rate of active population employed, sometimes from 80 percent at the beginning of the transformation down to 2-3 percent. It is hard to imagine that these changes would not lead to employment problems. In a similar vein, the relative decline of agriculture can easily jeopardize food production in relation to the demand from the non-farming population. Where there is massive unemployment and foods shortages, street riots and rebellion are not far behind.

These powerful unbalancing forces often witnessed in the process of structural transformation can be counterbalanced with a vibrant rural sector in which agricultural activity, the agroindustry 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. This effect is more pronounced -and that is the core of Agriterra's thinking- when farmers push themselves for these sectoral changes, by establishing processing and trading cooperatives, collective insurance and banking, and even in the social realm, health centres and schools. As a result, a vibrant rural sector in developing countries alleviates social inequality, hunger, and poverty, and enables young people and women to secure off-farm employment in the villages close to their families' farms. Nowadays, it is well understood that the growth of agriculture in developing countries has a great positive impact on the poor, since agricultural-related growth reduces poverty in both the rural and the urban areas through faster income increases in the bottom quintile of the population, with ample evidence that agricultural growth strengthens the linkage between economic growth and poverty alleviation (Gallup et al., 1998; Timmer, 2002).

So when talking about re-balancing the transformation farmer-led development clustered around the community is important because they can spur employment creation in rural areas and alleviate the exodus from agriculture to cities. The same goes for food demand by farmer-led enterprise workers. Because of their close connections to the farming community the risk of not having to eat decreases, as compared to someone who leaves the village and goes to the city. Therefore farmer-led development stands as an alternative to traditional development paradigms aimed at state-led industrialization or foreign direct investment (FDI) attraction in the form of multinationals.

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' organizations have been established during the last two centuries as key players to ensure vital agricultural sectors and support the dynamism of rural areas.

2.2 Blokland's tipping point

Agriterra's Theory of Change states that an influential role of farmers' organizations in societies and economies in developing countries leads to more growth, good governance and democracy, and better distribution of income and wealth, leading to less poverty and hunger. According to the International Cooperative Alliance (ICA) farmers' organizations and cooperatives are superior forms of organizations with noble mission and high purposes (ICA, 1995), that strive to create a higher social order and cooperative common wealth (Karthikeyan, 2013).

Idealizations aside, the reality is that well 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' organizations lobby the government to invest in better infrastructure (lobby and 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 local community, generating economic activity and jobs in impoverished rural areas. Growth is faster and more equally distributed when farmers join into self-organized, self-steered and self-financed associations and cooperatives. This assumption is central to the thinking of Agriterra, and it is sustained by ample empirical evidence.

Key Assumption 1

Farmers' organizations lead to development that goes faster, with less inequality and is better attuned with other societal interests

Innovation and growth require the capital, infrastructure, and entrepreneurial capacity that, most likely, many smallholding farmers only united can achieve. Farmers' organizations are the natural incubators of new ventures for smallholding farmers, the most important way for farmers to take development into their own hands (Blokland, 2019). Once farmers realize that united they do not need to wait for external parties to provide development, a tipping point is reached. This is known as the *Blokland's tipping point*. The moment they take development in their hands by subscribing a same entrepreneurial idea and investing on it with their own capital, leveraged with private capital when needed, things change according to the ambitions of the farming families. This creates a silent revolution of structural transformation that finds its expression when farmers drive development (Reardon et al., 2012). It is therefore necessary to strengthen these organizations so that they can have that influential role in society and economy.

Among other benefits, farmers' organizations have been proved to foster agricultural productivity and specialization which, in turn, develops private markets and increases food production and rural income (Yang and Liu, 2012). Once the private markets are established, cooperatives work as a counterbalance force to private traders in the area. Through the aggregation of supply and demand from their member farmers, cooperatives facilitate market access and gain market power to raise the average price

of crops paid to farmers and reduce the average cost of agricultural inputs (Bijman et al., 2012).

Additionally, voluntary participation in farmers' organizations promotes a culture of checks and balances and bilateral information flows (upwards and downwards) that foster schools of democracy that enable dialogue, democracy and an efficient policy formulation that contribute to a favorable enabling environment (Paxton, 2002; Blokland and Schuurman, 2016).

Therefore, for smallholders in rural areas, farmers' organizations are essential to achieve competitiveness and reduce hunger and poverty (World Bank, 2007; Herbel et al., 2012). This might be the reason why there is such a strong correlation between the importance of cooperatives in a country and the social progress of the country (Dave Grace and Associates, 2014). It is therefore necessary to strengthen these organizations so that they can have that influential role in society and economy.

2.3 Farmers' organizations and economic development conceptual framework

As explained above and shown in figure 3, farmers' organizations can benefit farmer members into three major areas: (1) sustainable services, (2) farmer-led business, (3) lobby and advocacy.

Sustainable services include services provided by a farmers' organization to its farmer members, who pay for them directly or indirectly, with the final purpose to increase agricultural productivity. The scope of services is broad: providing agricultural inputs, renting agricultural machinery, financial services, laboratory testing, logistics services, certification and traceability services, general information services and extension services to improve agricultural productivity.

The final purpose of sustainable services is to support farmers to become more productive, which in turn leads to:

- a. A more efficient use of agricultural resources (soil, water, fuel, fertilizer, pesticides).
- b. An increase in food production in terms of quantity and quality.
- c. An increase in farmer's income through a more efficient use of inputs and a higher output.

Consequently, an increasing agricultural productivity achieved by the provision of sustainable services by the cooperative to its farmer members has a positive direct impact to reduce hunger and malnutrition, foster farmers' income and economic growth, and increase environmental sustainability.

A farmer-led business is the activity of a farmers' organization 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. A farmer-led business encompasses activities such as the transformation of crops into raw materials, by-products, intermediate inputs, and final goods, the distribution of these products to wholesalers and retailers and the commercialization to intermediaries, final consumers and public institutions. The aim of a cooperative when it develops a farmer-led business is to ingrain itself into the agricultural value chain, which facilitates market access to individual farmers and increases their market power through joint transformation and commercialization.

This results in:

- d. An improved food distribution by adding to the market a new food supplier, competing food products and enhancing the distribution capillarity.
- e. An increase in farmers' income through a higher crop purchasing, in both volume and price paid to the farmers.
- f. The creation of off-farm jobs along the food value chain (storage, production line, sales, logistics) that offer more opportunities to unemployed women and young people, and facilitate food distribution.

As a result, the market articulation achieved by the development of a farmer-led business has a positive direct impact to reduce hunger and malnutrition, foster on-farm and off-farm workers' income and economic growth.

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

Lobby and advocacy has a direct effect on the farmer-led businesses and sustainable services performed by farmers' organizations by engaging and managing their external stakeholders, reaching decision makers in public institutions and connecting with public and private entities to:

- g. Influence the allocation of economic incentives such as taxes, subsidies and grants to benefit farmers' organization and farmers.
- h. Influence the investment decision in infrastructure and innovation programs which promote rural areas and agricultural productivity.
- i. Influence the policy making process to create laws and regulations that foster agriculture.

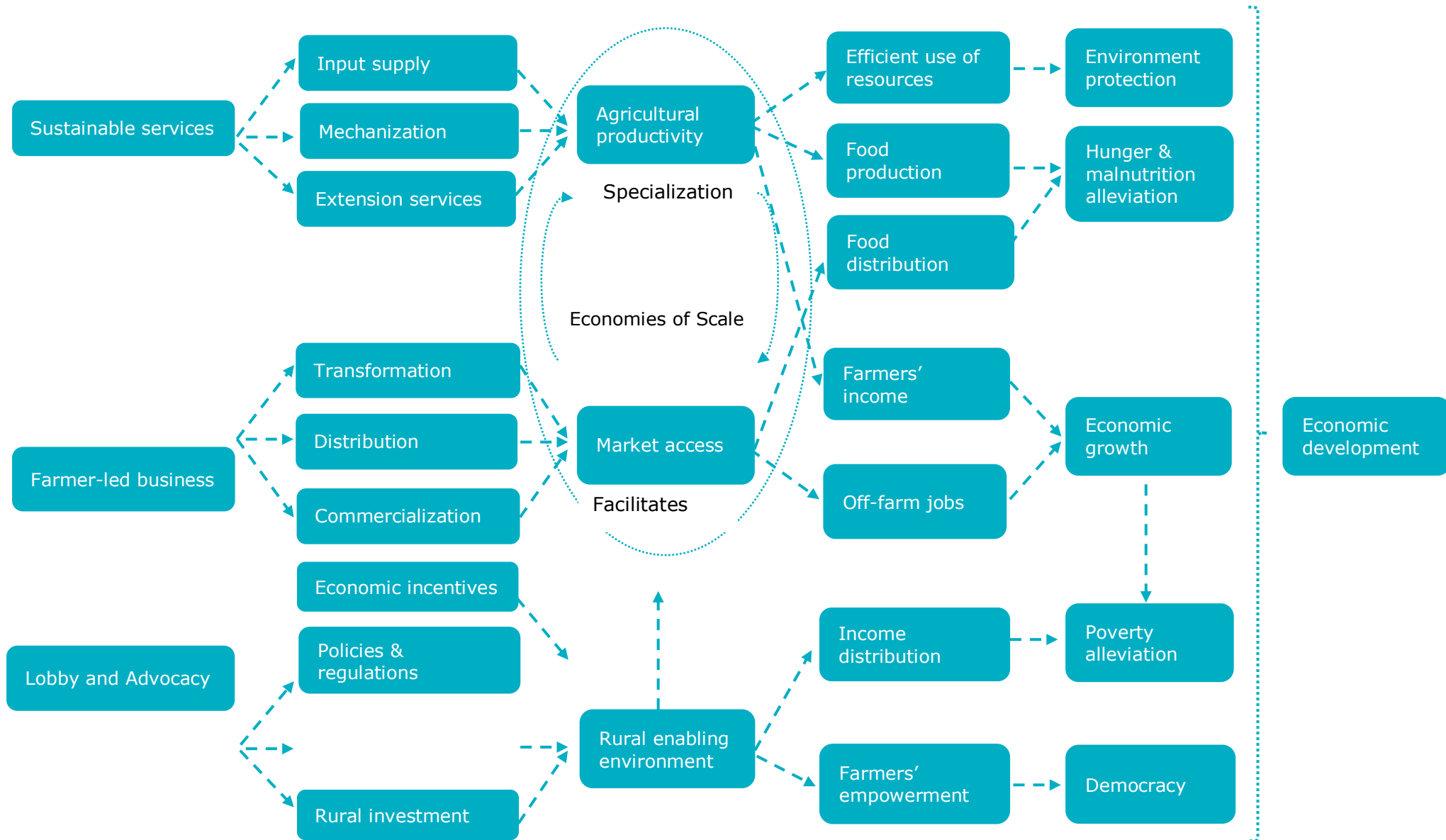
The result of a more professional lobby and advocacy capacity of the farmers' organizations and their farmer members has a positive impact on the enabling rural environment that stimulates specialization and economies of scale of agriculture, agroindustry, and agri-services in rural areas. Which, in turn, leads to a more balanced income distribution by reducing the urban bias as well as a higher farmer empowerment since they better make their voices heard by relevant stakeholders to express their needs and propose solutions, with a positive impact on democracy and poverty alleviation.

Combining all these effects together the result is a reinforced economic development, with results focused on hunger and poverty alleviation, but contributing also to a faster economic growth, a more democratic society and higher levels of environmental sustainability.

To guarantee a structured approach to work with farmers' organization Agriterra conceptualizes this theory of economic development through farmers' organizations in a more concrete conceptual framework represented in figure 3.

On the left side it presents the three main trajectories performed by farmers' organization and cooperatives, this is: sustainable services, farmer-led business and lobby and advocacy, as well as the main activities that the organization performs in each trajectory to support its farmer members. This is followed by the main impact that each trajectory has on agriculture and rural areas and by their positive effects on economic development.




Figure 3. Conceptual framework for farmers' organizations and economic development



3 RISK ANALYSIS AND MITIGATION

To facilitate a coordinated approach to work with farmers' organization Agriterra, conceptually, divides its work into the three main trajectories explained in the previous section and graphically simplified in figure 4. These are: (1) lobby and advocacy, (2) farmer-led business, and (3) sustainable-services.

Figure 4. Agriterra's main trajectories

Main trajectories	
	Lobby and advocacy
	Farmer-led business
	Sustainable services

However, when working with farmers' organizations, to achieve the expected results, a structured and effective approach to implement these three trajectories is a necessary but not a sufficient condition, since there are risks that must be addressed and mitigated. The four principal risks encountered by Agriterra are: (1) country context and conditions towards farmers' organization and cooperatives, (2) farmers' ambition and willingness towards change, (3) farmers' organizations intrinsic problems -financial management and governance-, and (4) program sustainability in the long term. The next four subsections develop in detail each of the four main risks and the solutions proposed by Agriterra to tackle each one.

3.1 Understand the country context

Agriterra and its client farmers' organizations are not islands. This is the reason why Agriterra develops country strategies, in partnership with strategic allies and by seeking further cooperation with like-minded organizations, to allow the integration of all three trajectories and made them more complementary and our work more effective.

Agriterra develops country analyses to gain a strategic view of the agricultural sector and sub-sectors in the respective countries and regions where it works. This maximizes the added value of our interventions and guides cooperative and sector selection, with a focus on value chains embedded in Sustainable Food Systems (SFS), to increase the relevance of Agriterra's interventions and integrate all three trajectories strategically at country level⁴. For more information on how Agriterra embeds SFS into its line of work please refer to [annex 1](#).

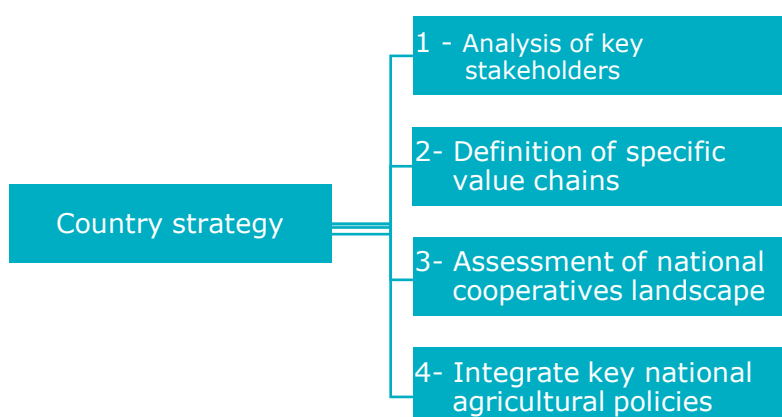
To ensure an effective alignment of our interventions with other stakeholders and the national and local government, Agriterra develops a country strategy through a

⁴ Food systems encompass the entire range of actors and their interlinked value-adding activities involved in the production, distribution, consumption and disposal of food that originate from agriculture, forestry or fisheries. Sustainable food systems are food systems that deliver food security and nutrition to the population in such a way that the economic, social and environmental bases to generate food security and nutrition for future generations are not compromised. This means that the food system is profitable (economic sustainability), generates wider benefits for society (social sustainability) and has a neutral or positive impact on the natural environment (environmental sustainability) (FAO, 2014a).

country analysis that employs a SFS assessment, using a four-stage approach, with each stage including different activities.

These are: (1) analysis of key stakeholders relevant to the cooperative sector: their role, contribution, openness to change, relevant networks; (2) definition of cooperatives and farmers' organizations 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 and training services to cooperatives; (3) assessment of the national cooperative sector: segment the cooperative landscape according to development stage and potential of cooperatives, define key bottlenecks for agricultural transformation, and list potential for transformative lobby issues; and (4) integrate key national agricultural transformation policies. Agriterra's four-stage approach to develop the country strategy is shown in figure 5.

Figure 5. Agriterra's four-stage approach to develop a country strategy



Additionally, the country strategy allows Agriterra to further refine its lobby and advocacy trajectory and give input and impetus to Agriterra's cluster of farmers' organizations within a country. The country strategy embedded in a SFS approach not only provides a better understanding of each country's cooperative sector and policies but also modernize farmers' organizations' views and working methods to lobby for change of country policies. The upfront country analysis allows Agriterra to offer a more effective advisory services and trainings in lobby and advocacy to farmers' organizations when lobbying governments and private institutions for better economic policies, since we can provide farmers' organizations with the decision-makers landscape and we can support them to align their advocacy efforts in local interventions with national efforts (and vice versa).

3.2 Work with ambitious farmers

Agriterra is aware of the limited and diminishing resources for development aid, so that development organizations need to allocate resources more efficiently. This entails to avoid working with compliant farmers with low ambition such as rentier farmers awaiting donor grants and farmers' organizations maintained with the sole purpose of capturing donor funds, which are reduced to unscalable trajectories and unsustainable results once the program ends. Therefore, Agriterra views its selection process as the most important first step in its targeted approach to support farmers' organizations and cooperatives. To Agriterra, being organized already is an indication that the members might see a future in farming, and it selects amongst the organized those farmers' organizations and cooperatives that are the clearest in their goals and the most dedicated and committed to realizing them. These are the farmers' organizations and cooperatives Agriterra chooses as its clients.

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' organization. Agriterra's approach is explicitly centred around the ambitions and capacities of the organized farmers. Agriterra believes this a very effective 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' organizations for which our support can be most effective. By applying our unique and robust selection process, we can identify farmers who are ready to take on leadership roles and are committed to self-development. That is why Agriterra only works with ambitious farmers and farmers' organizations by selecting those most eager to take their development in their own hands.

Key Assumption 2

Selection leads to better development outcomes

This approach includes several strategies that are graphically represented in figure 6: (1) screening ambitious farmers in the selection mechanism, (2) periodical assess progress and willingness to change, (3) minimize grants and co-finance activities.

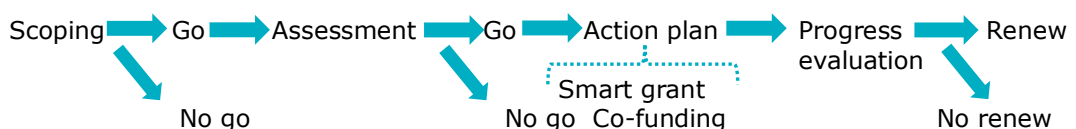
The screening mechanism is a two-stage selection process that consists first on a scoping, a one-day evaluation of the goals of a farmers' organization, its capabilities (assets, employees, financial resources), and the proactivity and transparency of the board, management and members. And later, if the scoping is fruitful, an assessment, a one-week evaluation that assesses multiple areas including the organization's history, its business model, financial structure and risks, governance system, human resources, gender and youth inclusion, climate challenges, external reputation, advocacy outreach, and -most importantly- the willingness to change directly linked to, using Agriterra's terminology, their big hairy audacious goal (BHAG). This is, the ambitious goal that the farmers' organization and its farmer members envision to reach in the medium and long term.

Additionally, Agriterra assess the ambition of farmers' organizations periodically, when the progress evaluation is performed to check that the activities defined in the action plan between Agriterra and the client organization have been executed and the results achieved. Only when successful, does Agriterra renovate the collaboration with the organization for the next period.

Finally, Agriterra uses selective and limited grants to support the action plans defined with the farmers' organization, which are called smart grants. They are called smart grants because they are small monetary allowances given by Agriterra to the farmers' organization (often between €5.000 and €10,000) to fund the development of a specific activity or product, previously identified as a priority to strengthen the organization and later agreed between Agriterra and the farmers' organization, such as the purchase of an accounting software, hire key personnel or pay an engineering company to develop the blueprint of a factory.

Furthermore, is common practice within Agriterra to request a certain level of co-funding to the farmers' organization to complement the smart grant funds. This way we not only increase the amount of funds available for the execution of the action plan by leveraging through the smart grants the organizations own resources but, since our grants are small in absolute terms and the recipients must contribute with co-funding, we significantly reduce the probability to work with rent-seeking farmers and farmers' organizations that work with development agencies not to realize their ambitions but only to access free resources.

Figure 6. Agriterra's approach to select and work with ambitious farmers



3.3 Overcome cooperative organizational problems

Agriterra believes the path to catalyse the potential increase in agricultural productivity by smallholder farmers is to build the capacity of farmers' organizations and cooperatives, whose membership consists of smallholder farmers committed to farming.

However, farmers' organizations and cooperatives are not immune to organizational problems. A farmer can supply the produced crop to the farmers' organization, becoming a supplier; pay the membership fee to become a member (owner); purchase agricultural inputs from the organization becoming a customer; and be voted as a board member (director). This polyhedral relationship between a farmer and the organization generates structural organizational challenges including the agency problem, access to finance, free riding, common resources abuse, unqualified directors, information asymmetries, and internal control problems, among others.

The main challenges of a cooperative is to ensure that the executive body pursues the goals determined by the owners and not their own goals, and to balance the owners short-term needs (high prices for crops, inputs at low cost, annual dividends) with the organization long-term sustainability (Djankov et al., 2007). Good financial and governance practices are key factors in reducing risk for members and external investors, attracting investment capital, and improving the performance of a cooperative, especially in developing countries (Wakaisuka et al., 2016).



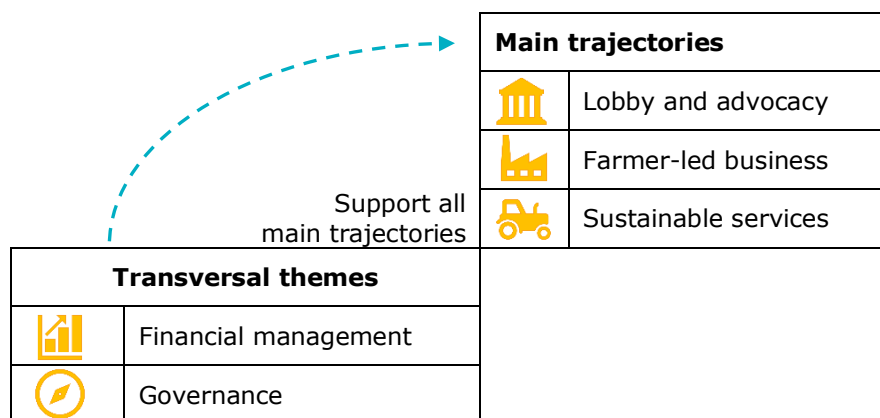
Vietnamese cooperative farmer driving a tractor

the owners short-term needs (high prices for crops, inputs at low cost, annual dividends) with the organization long-term sustainability (Djankov et al., 2007). Good financial and governance practices are key factors in reducing risk for members and external investors, attracting investment capital, and improving the performance of a cooperative, especially in developing countries (Wakaisuka et al., 2016).

Additionally, good financial management and governance practices makes the cooperative members gain confidence that the assets of the organization are operated and managed for their benefit (Kyazze et al., 2017), establishing and maintaining trust among members and promoting responsibility (Ruben and Heras, 2012), so that members sell more crops to the cooperative, buy more products and services from the organization, and align their personal interest with the communitarian interest.

As a result, Agriterra includes the financial management and governance trajectories as transversal themes to support all three main trajectories as shown in figure 7.

Figure 7. Agriterra's main and transversal trajectories



3.4 Address other sustainability challenges

A good financial management and governance are key to ensure sustainable results after the intervention ends. However, there are other challenges to improve the long-term sustainability of our interventions such as gender balance in traditional rural areas, generational succession in agriculture and farmers' organizations, and a sustainable agriculture resilient to climate change.

Agriterra's Theory of Change advocates that farmers' organizations contribute to a more equal distribution of income and wealth. Agriterra specifically targets inclusiveness of women and youth in this equation, and their empowerment, as these groups are often underrepresented and underserved. It is estimated that in addition to work in the household, women provide 40 percent of agricultural labor in Africa, Asia and in Latin America (Palacios et al., 2017). However, much of this work is invisible in the sense that women frequently receive no payment for this work. Nowadays it is clear that since women produce a large share of agricultural output and supply a large share of the labor (which has been increasing over time) any successful agricultural intervention requires raising women's empowerment and ensuring that gender-specific strategies are at the core of rural development programs (Todaro and Smith, 2015).

In a similar vein, young people make up for a third of the working population in developing countries, a majority living in rural areas, but account for 70 percent of total unemployed with the striking fact that the average age of farmers in most countries is above 50 years old (Afande et al., 2015)⁵. The poor participation of young people in agriculture and agribusinesses is a matter of concern, aggravating the graying of the agricultural sector because of an increasing exit and decreasing entry into agriculture of the rural youth generated by the obstacles to access resources such as land or credit (Gale, 2002). Which, in turn, translates into low levels of involvement of youngsters in the decision-making process of farmers' organizations as reported by the Food and Agriculture Organization of the United Nations (FAO, 2014b).

Although the cooperative principles promote democracy, inclusiveness, and non-discrimination of its members, inclusiveness of gender and youth in collective organizations and rural economic institutions like farmers' organizations and cooperatives is not an automatic or guaranteed value given the enrooted patriarchal traditional values in rural areas. The necessity of addressing women and youth challenges to implement Agriterra's interventions is captured in the maxim that we cannot just add women and youth and stir, it is a carefully elaborated approach to address these challenges.

Agriterra believes that gender and youth norms are changeable over time and that collectively they can be influenced. Agriterra promotes a mainstreaming approach to gender and youth action embedded into the three main trajectories, aiming to integrate the gender and youth perspective into the preparation, design, implementation, monitoring, and evaluation of its projects and activities, to transform the power dynamics and structures that perpetuate gender and youth inequalities in societies. The mainstreaming approach is based on an assess-sensitize-train-take action strategy embedded in multiple layers. To implement this strategy, the different tools employed by Agriterra such as scoping, assessment, and health checks, are gender and youth sensitive, addressing specific questions on these topics to trigger action. Then, Agriterra targets women and young farmers with the will to become leaders or who are already leaders with tailor-made trainings to equip them with leadership skills and tools, as well as target the leaders of the organization (board members, managers, lead farmers) to sensitize and equip them with the knowledge and tools to promote gender and youth balance initiatives inside the farmers' organization and the community.

⁵ There is no universally accepted definition of youth. Youth is often understood as the period of adolescence during which young people make the transition from childhood to adulthood, become sexually mature and experience increasing social and economic autonomy (Thorsen, 2007). Most often the age span of the different youth categorizations starts at 15-16 years and goes up to 35-40 years. Agriterra employs an age range between 16 and 35 years.

These initiatives, such as review and adjust the bylaws or internal regulations to guarantee that women and youth rights and equality are legally endorsed and protected; structure and implement a specific activity or business initiative managed by women or young farmers; or establish a women or youth council and operationalize it with a clear mission, planned activities, and budget; are supported by Agriterra, when needed, with technical advice and experts. Additionally, by supporting rural industrialization, Agriterra creates new opportunities in expanding farmer-led enterprises for unemployed women and youth to combat against the lack of *good* jobs which is an endemic problem for these segments of the population in developing countries. With cooperatives catering for 100 million jobs worldwide which is 20 percent more than multinationals (Herbel et al., 2012), they create off-farm salaried jobs to work as a white collar or blue-collar worker and on-farm jobs supported by the steady purchase of crops. These on-farm and off-farm jobs allow rural inhabitants stuck in small, unscalable and unprofitable businesses, for lack of better alternatives, such as street vendors, recyclers, and the like, to obtain a job that brings a high level of income stability, which is one of the strongest predictors of becoming middle class among the poor since it allows 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 their living conditions (Banerjee and Duflo, 2011).

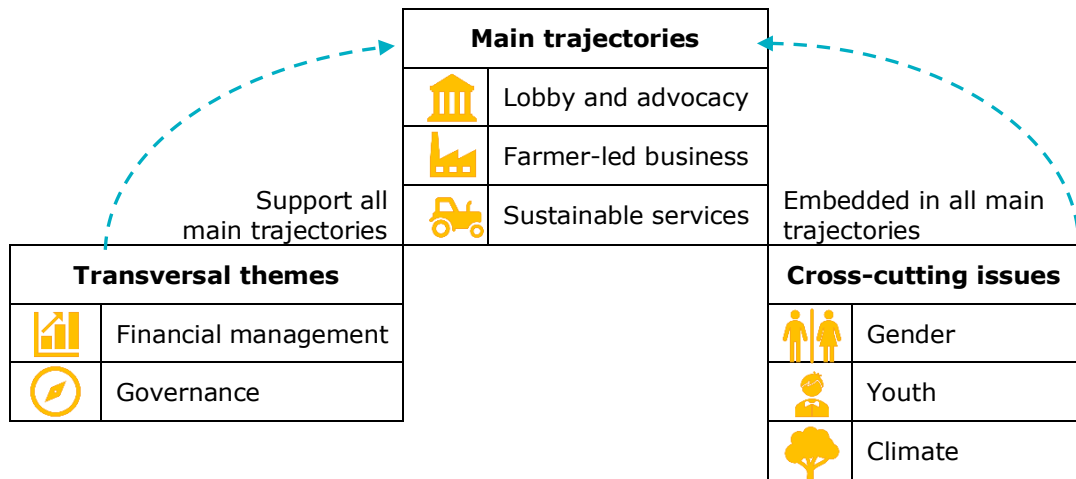
Furthermore, Agriterra's strongly believes that climate change is a crucial agricultural challenge, since no other economic sector is impacted by the effects of the changing climate more than agriculture, as well as the sector is a sizeable contributor to climate change emissions. The rapidly growing global population in developing countries demands higher levels of food production, putting additional pressure on forests and food systems worldwide.

To meet these objectives, agricultural production must not only double by 2050 but, at the same time, become substantially more sustainable and resilient. This means farmers' organizations and farmers are as essential in tackling climate change as in fighting poverty. According to recent estimates, emissions of carbon dioxide (CO₂) in agriculture will triple by 2050 without productivity gains (Searchinger et al., 2018) while resource constraints over water, soil, biodiversity and land will challenge the viability of many agricultural systems, with developing countries and smallholding family farmers in Africa, Asia and Latin America being the most vulnerable and affected by these problems (Pretty and Bharucha, 2014).

To equip farmers and farmers' organization with the necessary skills and tool to overcome these challenges, the climate trajectory has as its cornerstone the climate clever check, a tool designed by Agriterra to analyze five key dimensions of climate clever agricultural practices (water, waste & energy, crop & livestock, soil, and knowledge transfer), and identify, with a set of good practices for reference, which climate issues cause most problems, and whether the farmers' organizations and its farmers are able to implement effective climate clever solutions. The aim of Agriterra's climate trajectory is to raise awareness among leaders, employees and farmers on the status of their agricultural practices and extensions services. This sensitization phase creates the momentum necessary to generate, in collaboration with the cooperative, a smart strategy to tackle the sustainable agricultural intensification problems identified, designing a specific action plan with clear actions and deadlines for the cooperative. Then it 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, among other activities, the record keeping training, the value creator tool, exchange visits to learn in situ more advanced learning techniques and, of course, the peer-to-peer advise and technological exchange through Agriterra's international network of agripoolers based on the identified areas for improvement.

As a result, Agriterra includes the gender, youth, and climate trajectories as cross-cutting issues embedded in the three main trajectories as shown in figure 8.

Figure 8. Agriterra's eight working trajectories



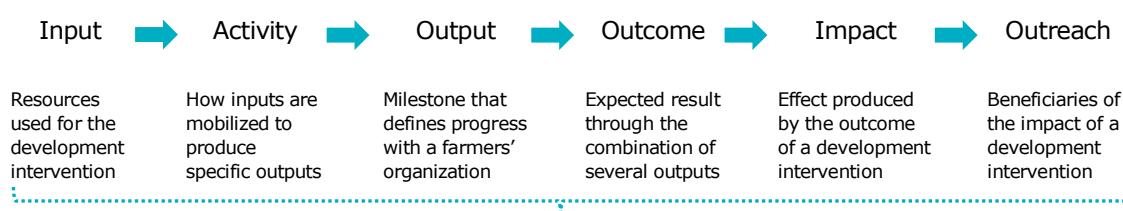
4 MONITORING EVALUATION AND LEARNING FOR THE THEORY OF CHANGE

4.1 Result chain and theory of change framework

Each of the eight trajectories are result driven, generating a result chain that follows international standard based on guidelines for effective international cooperation, built on an ABCD rule: (1) achieve clarity of goals, purpose and actions, (2) benefit from learning and using information to improve work, (3) communicate credible results, (4) demonstrate accountability to donors, beneficiaries and the public. This practical framework for private sector development programs allows us to monitor progress towards Agriterra’s objectives.

Agriterra’s methodology is based on the concept of results-based management, a strategy focused on defining causality, achieving goals, and continuous improvement through evaluation. The process is based on cause-and-effect relationships between development interventions and the expected results conceptualized through result chains (DCED, 2017). The result chain is a simplification, intended to help users reason through the causal links between inputs, activities, outputs, outcomes, impacts and outreach, to build a result framework, as the one depicted in figure 9.

Figure 9. Result chain used in results-based management



Trajectory

Agriterra’s line of work demarcated according to the Theory of Change






The use of a result chain implies that an effective performance assessment can only take place if clear objectives and verifiable targets at output, outcome, impact and outreach level have been defined at the outset of the program, to demonstrate a chain of results from project inputs, to activities, outputs, outcomes, impacts and beneficiaries as proposed by the Organisation for Economic Co-operation and Development (OECD, 2015).

For this Agriterra has defined clear indicators at each level of the result chain: (1) input, (2) activity, (3) output, (4) outcome, (5) impact, (6) outreach; with each level constituting the building blocks that provide the basis for, and valuable monitoring information on progress towards, the attainment of the desired next level result when working with farmers’ organizations (FO).

Given the complexity of Agriterra’s operations, there are many inputs required for the successful implementation of an activity. For instance, a training often includes: flight tickets, participants’ transportation vehicle/s, lodging, training room, and training materials (workbook, stationery, flip chart, diplomas), but also a certified trainer who is responsible for the training sessions, a business advisor who organizes the event, a client information officer that books transportation and lodging, a financial administration analyst who arranges payments; as well as computers, phones, project registration software and the like.










Inasmuch as Agriterra is mainly a knowledge transfer institution between the knowledge hold by most advanced farmers and specialists, as a conceptual simplification, we focus our input indicators in the experts mobilized through the activities, defining five key input indicators such as: (1) agripooler, (2) business advisor, (3) consultant, (4) intern; as well as (5) the funds used to implement the activities, as represented in table 1.

Table 1. Definition of key inputs

	Agripooler	expert deployed by Agriterra to advice a client FO who is either a member or an employee of another FO
	Business advisor	employee of Agriterra who gives direct support to a client FO
	Consultant	expert deployed by Agriterra to advice a client FO who is neither a member nor an employee of another FO
	Funds	economic resources used by Agriterra to finance the activities developed to support a client FO
	Intern	university student deployed by Agriterra to support a client FO

The complexity of Agriterra´s inputs finds its equal at the activity level. Agriterra executes activities in five continents; more than thirty countries; with different expert profiles and nationalities; online, offline and mixed; embedded in any of the eight working trajectories; focused on different topics; with diverse length; engaging members, directors, managers or employees of a farmer´s organization as well as other stakeholders (civil servants, researchers, lead farmers...). Thus, again, we have to employ a conceptual simplification to be able to represent in a simplified manner the work performed during our interventions. Therefore, we group our activities in nine key categories, which are broad clusters of assignments with some similar characteristics as explained in table 2: (1) assessment, (2) business advice, (3) consultancy, (4) exchange visit, (5) smart grant, (6) internship, (7) peer-to-peer, (8) scoping, and (9) training. Table 2 contains a short description for each of the nine assignment groups defined by Agriterra.

Table 2. Definition of key activity categories

	Assessment	one-week evaluation performed with a FO with the aim of creating a working trajectory between Agriterra and the former to reach a goal
	Business advice	knowledge-transfer activity between a business advisor and a FO
	Consultancy	knowledge-transfer activity between a consultant and a FO
	Exchange visit	knowledge-transfer activity that involves a pre-arranged study visit for the members, directors and workers of a FO
	Smart grant	transfer of economic resources from Agriterra to a FO for the execution of specific pre-defined activities by the FO
	Internship	knowledge-transfer activity between an intern, usually a university student, and a FO
	Peer-to-peer	knowledge-transfer activity between an agripooler and a FO
	Scoping	one-day evaluation performed with a FO to assess its potential to become a client for Agriterra
	Training	knowledge-transfer activity between a trainer and the members and workers of FOs with a structured syllabus

Agriterra´s approach is explicitly centred around the ambitions and capacities of the organized farmers, because we believe this is an efficient way to provide significant, sustainable and legitimized development. This is the reason why we define output indicators that signal small changes at the level of the farmers´ organization which mark clear milestone accomplishments towards the achievement of an outcome as well as towards the professionalization of the organization. We have identified close to one hundred output indicators that, to further simplify the conceptualization of our work and interventions, are segmented into one of the eight working trajectories as represented in table 3.

Table 3. Outputs and working trajectories

























Lobby and advocacy	Farmer-led business	Sustainable services	Financial management
 Baseline study of legislation	 Infrastructure design	 Demonstration plot	 Financial statements
 Law or regulation proposal	 Business plan	 New input supplier	 Bookkeeping system
 People trained in advocacy	 New customer	 Extension services plan	 Internal capitalization plan
Governance	Gender	Youth	Climate
 Organizational manual	 Gender policy	 Youth policy	 Climate clever check
 Legal compliance	 Project executed by women	 Succession program	 Climate policy
 Operations manual	 People trained in female leadership	 Annual youth plan	 People trained in climate by FO

Table 3 contains, for explanatory purposes, only three output indicators per work trajectory. The full list and description of output indicators per trajectory can be found in [annex 2](#).

The next level to the outputs in the result chain is the outcome, which consists of an expected result achieved by a farmers' organization through the combination of several outputs that can pertain to different trajectories. Each outcome has three different characteristics: (1) a directly link to a meaningful and measurable positive impact, (2) with a relevant outreach related to the indicators of sustainable development embedded in our Theory of Change, (3) as well as a direct contribution to the Sustainable Development Goals (SDG).

Table 4 includes a list of the main outcomes and their description. This structuring allow us to present in a simplified but rather comprehensive framework the articulation of Agriterra's Theory of Change in a standardized MEL structure that; despite its flexibility to cater to the reporting needs of different projects, implemented in different countries, with different beneficiaries; provides homogeneous, comparable and aggregable indicators as shown in figure 10.

Table 4. Outcomes









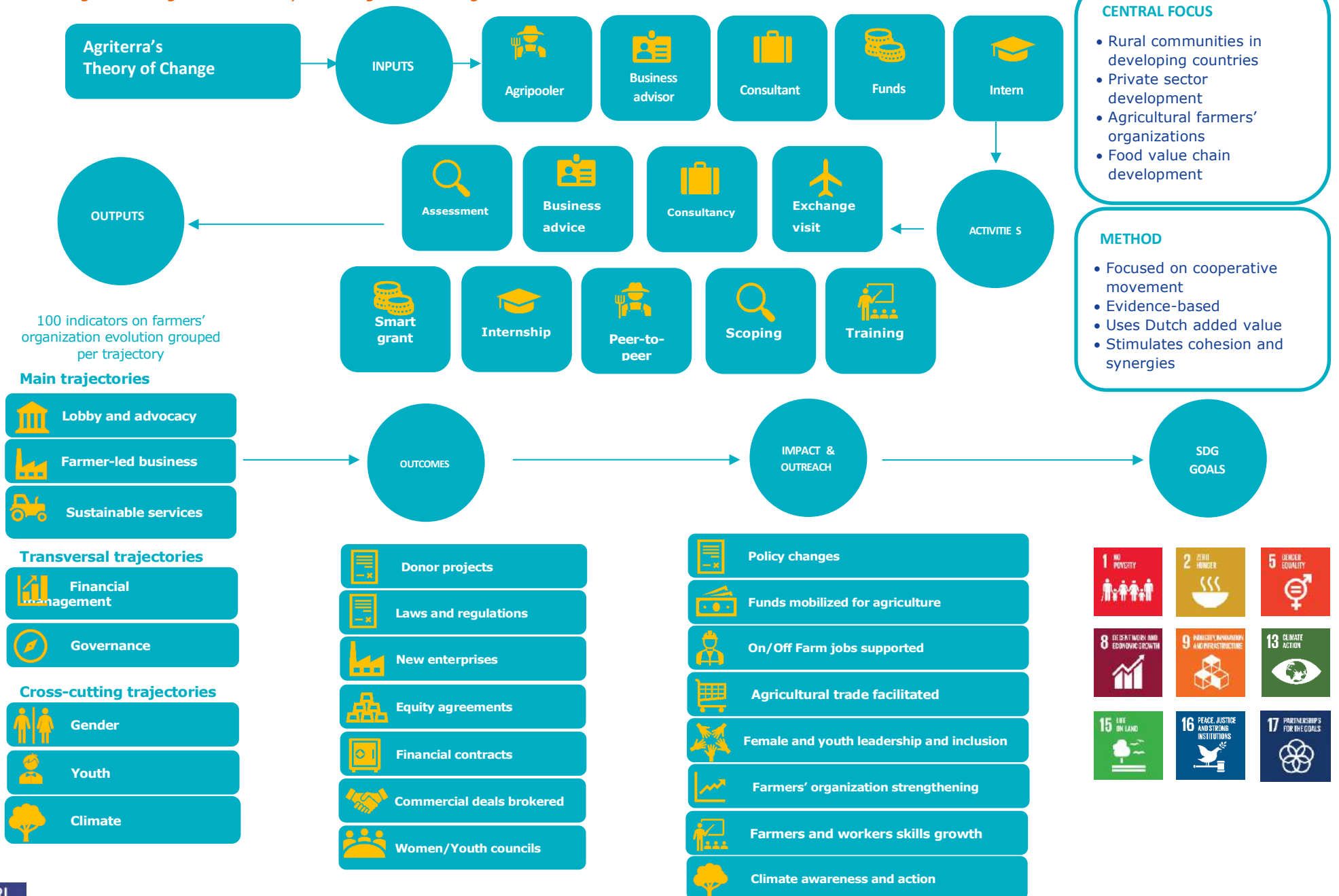
	Donor project approved and implemented	Project proposal document targeted at public or private donors to obtain direct benefits for farmers or FOs in the form of funds transferred or services provided to the farmers or the FOs without a refund to the donor
	Law approved and implemented	Law or regulation proposal targeted at public entities to obtain or indirect benefits for farmers or their FOs by implementing changes in the legal or economic system, which has been approved by the relevant public authority and its implementation has started
	New enterprise	New, expanded or improved facility, factory, storage, machinery or transport intended to increase the added value of the crops purchased from members or the quality or range of the services provided to the members, in the stage of completion
	Equity agreement	Formal obligation between a FO and an capital investor by which the former obtains economic resources (or capital)
	Financial contract	Contractual obligation between a FO an a financial institution by which the former obtains a loan for its working capital requirements (short-term) or for its investment capital requirements (long-term), with the obligation to pay back the principal plus interests agreed in the contract
	Commercial deal brokered	Commercial contract between a FO and a client by which the FO supplies its production in any shape or form to the client in exchange for an economic remuneration agreed in the contract
	Women council	Official advisory body of elected female farmers, established within a FO, that counsels and guides gender-related issues
	Youth council	Official advisory body of elected young farmers, established within a FO, that counsels and guides youth-related issues

Figure 10. Agriterra's theory of change monitoring and evaluation framework



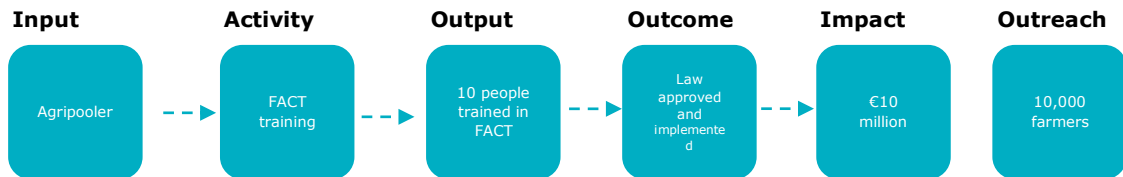
4.2 How does the monitoring evaluation and learning framework works?

The MEL framework developed by Agriterra is flexible enough to adapt to the heterogeneity of our project portfolio since we work in more than 20 countries, including Africa, Asia, Europe and Latin America; with hundreds of clients every year that differ in their legal entity (associations, cooperatives, federations, etc.), business model, size, experience, professionalism and resources; supporting different trajectories such as lobby and advocacy, farmer-led business and sustainable services; and obtaining diverse results such as funds mobilized from the public sector, loans mobilized from financial institutions, new agro-industries and jobs supported. However, despite the high level of heterogeneity in our work and results, the MEL framework combines its different components to allow their comparability and aggregability in order to provide comprehensive and meaningful data for reporting.

To give the require flexibility to our MEL framework to cope with our project portfolio heterogeneity while, at the same time, the required level of aggregability and comparability to our work and facilitate the process of attribution of results, Agriterra's MEL system often combines different result chains to present a logical sequence of events that lead to an attributable results.

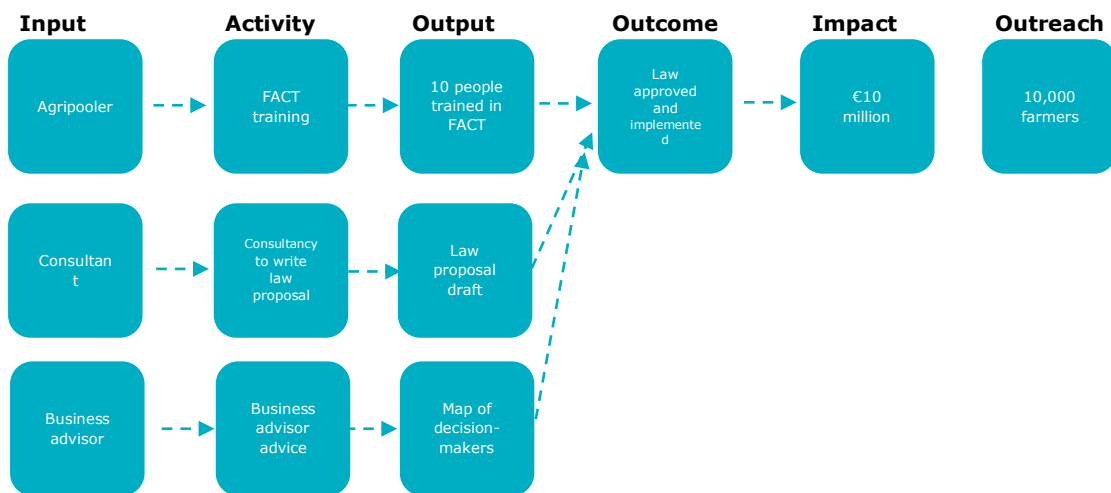
To illustrate a simple result chain based on the lobby and advocacy trajectory, suppose that Agriterra supports a federation whose BHAG is to achieve a national law that promotes organic cocoa production. Agriterra supports the federation by hiring an agripooler specialized in lobby (input) to give a farmers advocacy consultation tool (FACT) training (activity), so that Agriterra trains 10 high-ranking members of the federation on lobby techniques (output) to advocate the government more effectively. Once the law is approved and implemented (outcome), it allocates €1 million (impact) to benefit 10,000 farmers (outreach), as represented in figure 11.

Figure 11. Example of a lobby and advocacy trajectory result chain with one activity



However, usually, Agriterra supports the BHAG of a farmers' organization through multiple activities, which can be properly registered with our MEL system. Suppose now that during the FACT training the federation identifies the need for a law proposal to nudge the Ministry, as well as a map of decision-makers to address the right people. As it is common practice in Agriterra to take the capacity building into action, after the training, a specialized consultant is hired (input) to support the cooperative with the development (activity) of a law proposal draft (output) to facilitate its approval (outcome) and the subsequent impact and outreach. Furthermore, Agriterra assigns a business advisor (input) who performs desk work (activity) to create a map of decision-makers (output) to better understand who must be approached by the federation to facilitate the law approval (outcome), its impact and outreach, as represented in figure 12.

Figure 12. Example of a lobby and advocacy trajectory result chain with multiple activities



The MEL framework can increase its complexity to cater for different interlinks that different but related result chains might present. Suppose that Agriterra supports a cooperative whose BHAG is to build a dairy factory to increase the price and quantity of milk purchased from farmers. As represented in green color in figure 13, Agriterra begins the farmer-led business trajectory by hiring a consultant (input) to study the feasibility of this idea (activity) and develop a business plan (output). The business plan finds that the factory is feasible, but it requires an investment of €300,000, an amount that the cooperative does not have.

To raise the money Agriterra begins the financial management trajectory, represented by the orange color in figure 13, and hires an agripooler (input) who gives a strategic financial management training (activity) to increase the financial skills of 6 leaders of the cooperative (output). During the training the cooperative defines three sources of finance: internal capitalization, local banks and donation. To promote internal capitalization Agriterra hires another agripooler (input) to give an internal capitalization training (activity) to train 8 directors of the cooperative (output). Later, another agripooler (input) supports the board of directors (activity) to create a capitalization strategy (output) that is approved during the annual general meeting (outcome), raising € 100,000 from members (impact). Furthermore, with the business plan in hand, their enhanced financial skills and the strengthened equity position through internal capitalization, the cooperative approaches a local bank who approves an investment loan (outcome) valued at € 100,000 (impact).

To obtain the remaining funds, through the lobby and advocacy trajectory, represented by the blue color in figure 13, the business advisor (input) gives business advice (activity) to develop with the cooperative a donor project proposal (output) that is presented to different donors. One of the donors approves the project (outcome) and gives the cooperative a grant of €100,000 (impact). As a result of the support given by Agriterra, the cooperative builds the new farmer-led enterprise (outcome), which employs 10 workers (impact) and duplicates the value of milk purchased from farmers, supporting the equivalent of 300 on-farm jobs (impact) and benefiting 1,000 dairy farmers (outreach).

All along, following a gender trajectory (represented in purple color in figure 13), Agriterra employs a female agripooler (input) to give a female leadership trainings (activity) that raises awareness and sensitizes 24 leaders and farmers of the cooperative (output), as well as to advise the cooperative to adjust the bylaw and internal regulations (activity) to promote gender equality (output), which crystalizes into a women's council (outcome) as an advisory body of elected female farmers which promotes female employment in the new factory (result).

Figure 13. Example of a multi-activity and multi-trajectory result chains



Furthermore, Agriterra on a regular basis (often annually) gathers information from the farmers' organizations such as the financial statements figures, data on membership, workforce, women and youth participation, and health checks on financial management and governance, among others. This information allows us to report additional results on organization strengthening and the inclusion of women and youth. The main indicators employed by Agriterra in the MEL system are included in table 5, clustered by the relevant pillar of our work: projects, farmers' organizations and farmers, including the indicator level in the result chain, the registration system, the quality control, the reporting document and the documentation used for attribution and validation.

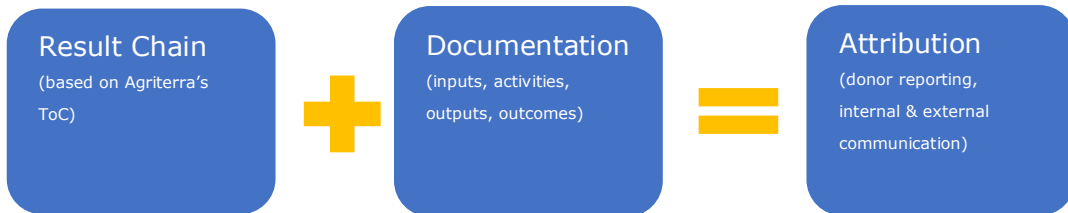
Table 5. Monitoring evaluation and learning indicators of Agriterra

Pillar	Level	What do we measure?	How do we measure?	Registry	Responsible	Quality control	Where do we report?	Documentation
Projects	Inputs	Employees	Daily use of hours per activity and project	Dynamics 365	Employee	Peer employee	Annual activity report Donor report	Labor contract, Planning Performance Appraisal, Home Front Form
		Experts: agripoolers, consultants, interns	Experts mobilized by Agriterra per activity	AIN	Business advisor	Peer business advisor Client information analyst	Annual activity report Donor report	Expert contract, flight tickets, Risk Assessment Form, bank transfer receipt
	Funds	Funds allocated and executed per donor, project and activity	Dynamics 365	Financial administration	Financial manager Chief operating officer External auditors	Annual financial statements Annual activity report Donor report	Grant contract, bank account, bank transfer receipt, accountancy ledger, expenses reports,	
Activities	Assignments: scoping, assessment, training, advisory, exchange visit, internship	Assignment type and other characteristics (duration, place, experts and employees involved, trajectory...)	AIN	Business advisor	Peer business advisor Manager agri-advice Client information analyst	Final report on assignment Website news Third-party publication	Terms of reference, mission request form, mission announcement letter, mission checklist, assignment final report, evaluation survey	
Farmers' organizations (clients)	Outputs	100 progress indicators	Indicator target and achievement	AIN	Business advisor	Client information analyst	Annual activity report Donor report	Training attendance list, law proposal, donor proposal, business plan, commercial plan, marketing study, business licence, supplier contract, health check, tax number, board minutes, bylaws, internal regulation, gender policy, succession plan, climate policy...
	Outcomes	Lobby and advocacy	Laws and donor projects approved and implemented	AIN	Business advisor	Panel of experts	Annual activity report Donor report Website news	Law or regulation official document, donor contract
		Farmer led business	Commercial deals brokered	AIN	Business advisor	Panel of experts	Annual activity report Donor report	Commercial contract
		Farmer led business & sustainable services	New enterprises	AIN	Business advisor	Panel of experts	Annual activity report Donor report Website news Third-party publication	Business plan, infrastructure design, construction contract,
			Equity and financial agreements	AIN	Business advisor	Panel of experts	Annual activity report Donor report Website news Third-party publication	Financial contract, internal capitalization agreement
	Inclusiveness	Women and youth councils implemented	AIN	Business advisor	Panel of experts	Annual activity report Donor report Website news	Council constitution record	
	Impact	Employment	Full time equivalent employees	AIN	Business advisor	Client information analyst	Annual activity report Donor report	Labor force list (when available)
		Inclusiveness	Ratio of women and young members, directors and employees	AIN	Business advisor	Client information analyst	Annual activity report Donor report Stories on women and young farmers	Membership list (when available), labor force list (when available), directors list
			Ratio of women and young members and employees trained	AIN	Business advisor	Peer business advisor Client information analyst	Annual activity report Donor report	Training attendance list, Risk assessment form
		Financial performance	Key performance indicators	Excel	Business advisor	Client information analyst	Donor report	Annual financial statements (if possible audited)
			Financial strengthening	Excel	Business advisor	Peer business advisor	Donor report	Financial health check
		Value of financial resources mobilized	AIN	Business advisor	Peer business advisor	Annual activity report Donor report Website news Third-party publication	Financial contract, internal capitalization agreement	
	Organizational performance	Governance strengthening	Excel	Business advisor	Peer business advisor	Donor report	Financial health check	
		Value of commercial deals brokered	AIN	Business advisor	Panel of experts	Annual activity report Donor report Website news Third-party publication	Supply contract	
	Outreach	Farmers' organizations supported	Projects and assignments executed per farmers' organization	AIN	Business advisor	Client information analyst	Final report on project Annual activity report Donor report	Project contract, project final report, project closing memo
Farmers' organizations linked to banks			AIN	Business advisor	Panel of experts	Annual activity report Donor report	Financial contract	
Farmers	Impact	On-farm employment	Full time equivalent employments sustained by the farmers' organization	AIN	Business advisor	Client information analyst	Annual activity report Donor report	Annual financial statements (if possible audited)
		Lobby and advocacy	Value of laws and donor projects implemented	AIN	Business advisor	Panel of experts	Annual activity report Donor report Website news Third-party publication	Law or regulation official document, donor contract, secondary information (official news, donor reports, consultancy studies)
	Outreach	Farmers reached	Farmer associated per client farmer's organization	AIN	Business advisor	Peer business advisor Client information analyst	Annual activity report Donor report	Membership list (when available)
		Farmers trained	Farmer & training characteristics (gender, youth, organization, country, type of training...)	AIN	Business advisor	Peer business advisor Client information analyst	Annual activity report Donor report	Training attendance list, risk assessment form
		Farmers benefited	Farmers benefited by laws & projects	AIN	Business advisor	Panel of experts	Annual activity report Donor report Website news Third-party publication	Law or regulation official document, donor contract, secondary information (official news, donor reports, consultancy studies)

4.3 Quality control

Agriterra's MEL strategy is based on three simple principles (result chain, documentation, and attribution) which are organized to create a powerful methodology: the execution by Agriterra of a logical sequence of actions that support a farmers' organization to reach a certain objective, defined by the result chain, coupled with a systematic documentation of the actions undertaken, leads to the capacity of attribution of the results obtained by the farmers organization, totally or in part, by Agriterra (DCED, 2017). Figure 14 shows in a graphical way this simple, yet powerful, MEL strategy concept.

Figure 14. Monitoring evaluation and learning principles

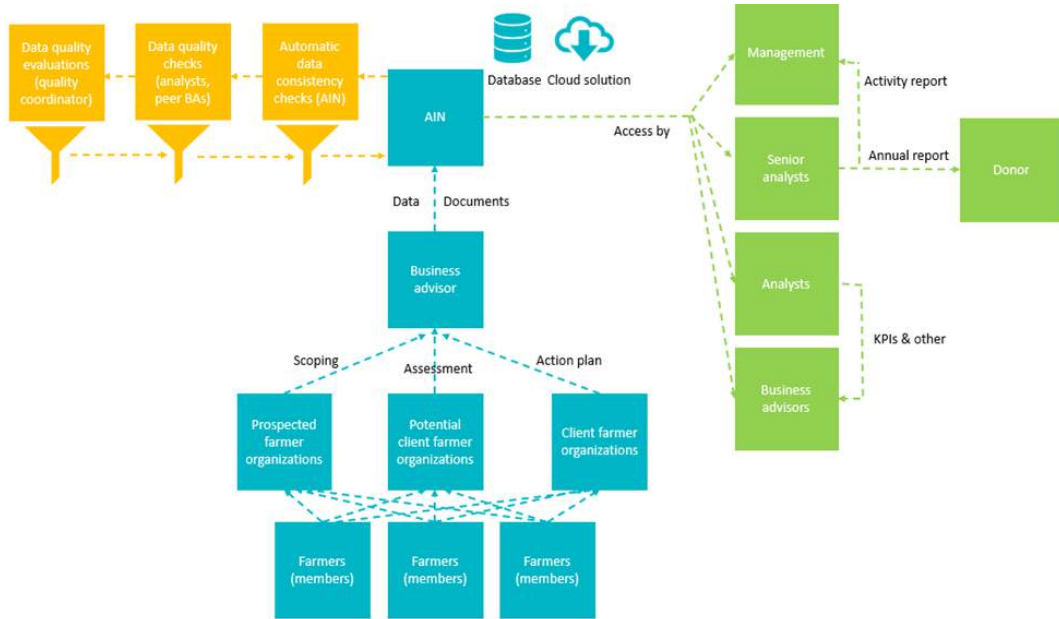


The documentation process of all the MEL framework components, from inputs to impact and outreach, is centralized in the information and documentation repository system *agro-info.net* (AIN) developed by Agriterra. Comprehensive project and organizational data have been published as open source on *www.agro-info.net* since 2003, and this information is accessible to anyone. In 2012, IFAD coined the Agriterra's AIN system as optimal from a cost-benefit perspective, and currently this software is being used by different agri-agencies that are members of Agricord.

The documentation procedure is twofold. On the one hand, there is the data gathering and storing process (e.g. figures on farmers' organizations related to their staff, members, directors, legal personality and the like). The data is obtained through the different tools developed by Agriterra and implemented, mainly, by business advisors on the field such as: scopings, assessments, health checks, project evaluations and financial KPIs, among others, which constitute the primary source of information that feeds Agriterra's database through AIN. On the other hand, the file gathering, composed first of official documents collected regularly by business advisors in the field from farmers' organizations such as: annual financial statements, act of constitution, bylaw, internal regulation, proof of legal personality, etc., and second the ad-hoc documents produced as a direct or indirect result of Agriterra's activities like: action plans, project contracts, project evaluations, activity reports, strategic plans, business plans, commercial contracts with buyers, financial contracts with financiers, law proposals, etc. All these data and documents are properly stored by business advisors in AIN for subsequent analysis.

The attribution is based on a careful analysis of data and documentation to guarantee the required level of data quality and consistency, and to be able to claim with a high degree of certainty the attribution of a specific result with a farmers' organization. The quality control includes three layers. First, Agriterra's software *agro-info.net* performs automatic data quality checks (also called consistency checks) and compartmentalizes access to data for different users, limiting their ability to include or modify information accordingly. Second, there is an additional quality check performed by personnel of Agriterra, either a peer business advisor (for assignments), a client information analyst (for projects), or an internal panel of expert (for impact), to review and approve, correct, or reject, the activities and results claimed by business advisors and obtain more homogeneous and consistent aggregated reports to donors. Third, periodically, Agriterra performs quality control checks of projects selected at random with a team of internal and external experts managed by the quality coordinator. Figure 15 graphically conceptualises the data and documentation flow within Agriterra in which the blue section represents the data and documentation process performed at country level by business advisors when working with farmers' organizations, in orange the three different layers of quality control and in colour green the internal division of data analysis and reporting activities.

Figure 15. Data and documentation flow within Agriterra



This quality control system embedded in our MEL strategy enables us to claim with a high degree of certainty that we have contributed to poverty eradication and economic development through our support to farmers' organization. Our data is International Aid Transparency Initiative (IATI) proof and published according to this OECD standards, enabling interested parties to use our data for further research into development practice.

5 FARMERS FOCUSED TRANSFORMATION GOALS 2025

5.1 Goals 2025 for the Sustainable Economic Development Department

To determine the demarcation and extent of the Farmers Focused Transformation (FFT) Goals 2025 for the Sustainable Economic Development Department (DDE) first we performed a systematic review of Agriterra's Theory of Change, underlying assumptions, annual activity reports, and the results and lessons learnt from the previous program Farmer Common Sense in Business (FCSB) to better understand what results best define our approach of work and expected impact. Second, we performed a systematic review of metrics and indicators employed by donors, with special attention to the measurement methodology of the Directorate-General for International Cooperation (DGIS) indicators, but also taking into consideration the metrics proposed by other leading cooperation agencies such as European Union (EU), the German Corporation for International Cooperation (GIZ), the International Fund for Agricultural Development (IFAD) and the United States Agency for International Development (USAID), plus the international standards for Private Sector Development (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 (AIN) for an efficient reporting.

Once the results framework was defined, we 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, 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 define realistic but ambitious targets, and clarify their measurement methodology. The targets for the Goals 2025 were delineated considering 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 program⁶. To counterweight the reduction in funds available for the FFT program Agriterra focuses its activities and goals on what it does best, the three main trajectories: (1) lobby and advocacy, (2) farmer-led business, and (3) sustainable services. Limiting the extent of the gender and youth cross-cutting issues, and entrusting climate initiatives and goals to (other) more climate-oriented programs.

The contribution of Agriterra the FFT program for the 2021-2025 period is translated in the following six Agriterra Goals 2025:

1. Agriterra supports 1 million farmers through 320 farmers' organizations.
2. € 50 million mobilized because of lobby and advocacy proposals.

⁶ The budget for the oncoming five years (2021-2025) is 14 percent lower than the current budget allocated for the FCSB 2016-2020 (€51 million versus €59 million for the first five years), therefore, our ambitions have to be realistically limited.

3. € 60 million mobilized capital for farmers' organizations with 70 farmers' organizations 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 farmers' organizations (Agriterra's core business) to ensure the sustainability and scalability of our interventions. Table 6 shows the reporting indicators for the goals listed above.


Table 6. Agriterra's Farmers Focused Transformation Programme Goals 2025


Goal	Indicator	Target	Brief definition
1 Agriterra supports 1 million farmers through 320 farmers' organizations	Farmers supported	1 million farmers	Sum of the average number of active farmers in all the primary and secondary level client farmers' organizations, plus all the farmers benefited by laws, regulations and donor projects obtained with the support of Agriterra
	FOs supported	320 organizations	Sum of all the farmers' organizations with, at least, one-year project with Agriterra
	By providing tailor-made services		
	Peer-2-peer advice	2,000 agripoolers	Sum of all the agripoolers deployed by Agriterra
	Consultancies	1,000 consultants	Sum of all the consultants deployed by Agriterra
	Smart grants	€ 5 million	Sum of the economic value of all grants in euros donated by Agriterra directly to the farmers' organizations
2 €50 million mobilized as a result of lobby and advocacy proposals	L&A mobilization	€ 50 million	Attributable sum of all the economic benefits in euro obtained for farmers or farmers' organizations through the approval and implementation of laws, regulations and donor projects advocated by farmers' organizations with the support of Agriterra
	By developing lobby & advocacy proposal		
	L&A advocacy proposals	150 units	Sum of all the law, regulation and donor project proposals developed by the farmers' organizations with the support of Agriterra
3 €60 million in mobilized capital for farmers' organizations with 70 farmers' organizations linked to financial institutions	Mobilized capital	€ 60 million	Attributable sum of all the economic value in euros of all the mobilized capital raised by farmers' organizations through financial contracts and equity agreements obtained with the support of Agriterra, including internal capitalization
	FOs linked to financial institutions	70 farmers' organizations	Sum of all the farmers' organizations 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	New farmers enterprises	30 units	<ul style="list-style-type: none"> • Number of completed infrastructure projects
	By developing entrepreneurial plans		


Goal	Indicator	Target	Brief definition	
farmers' access to markets and agri-services	Entrepreneurial plans	150 units	Sum of all the business, commercial, services and strategic plans, plus the technical designs developed by farmers' organizations 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' organizations 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' organization 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' organizations with the support of Agriterra
		Women councils	20 units	Women's councils created by farmers' organizations with the support of Agriterra

All these indicators included in table 6 that define Agriterra's FFT program Goals 2025 are described in further detail below one by one, including its name, definition, the indicator's level within a certain result chain, the assumptions behind the reporting procedure, the calculation methodology, the target set by Agriterra for 31st December 2025, the disaggregation levels of reporting for the indicator, and the DGIS and SDG goals the indicator contributes to. Table 6 includes a direct link to the indicator's description below, as well as the indicator's name in the description contains a direct link back to table 6 to facilitate the reader moving back and forward within the document.


Indicator 1	Farmers supported
Definition	Average sum of all active farmers as directly reported by the primary and secondary-level client farmers' organizations (i) over time (t), plus the number of farmers benefited by laws, regulation and donor projects (n) obtained by farmers' organizations with the support of Agriterra
Result chain level	Outreach
Assumptions	Agriterra calculates active farmers as directly reported by the farmers' organization. If the organization is supported with a multi-year project (t) 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 t + active farmers year t+1 + active farmers year t+3) / 3. By employing the average number of farmers supported at primary and secondary-level organizations (those with a closer relationship with the farmer), Agriterra levels out the support received by farmers during different project timespans. For national apex organizations, 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 organizations, or if the farmer benefits from several laws, regulations or donor projects

Calculation	$[(\text{active farmers}_{i,t} + \dots + \text{active farmers}_{i,t+n}) / T] + \dots + [(\text{active farmers}_{i+n,t} + \dots + \text{active farmers}_{i+n,t+n}) / T] + \text{farmers benefited by law}_n + \dots + \text{farmers benefited by donor project}_{n+k}$
Target	1,000,000 farmers
Disaggregation	<ul style="list-style-type: none"> • Sex: man / woman • Age: young (<35 years) / mature • Country
DGIS indicator	Number of farmers with improved access to input and/or output markets
SDG Goal	 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


Indicator 2		Farmers' organizations supported
Definition	Sum of all the farmers' organizations (n) supported through, at least, a one-year project with Agriterra. Therefore, the farmers' organization becomes a client of Agriterra	
Result chain level	Outreach	
Assumptions	If the same farmers' organization benefits from a multi-year project, it is only counted once. A farmers' organization 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	
Calculation	Client farmers' organization _n + client farmers' organization _{n+1} + ...	
Target	320 organizations	
Disaggregation	<ul style="list-style-type: none"> • Country • Type of farmer organization 	
DGIS indicator	Economic institutions supported, help farmers and employees to strengthen their economic position by organizing in cooperatives	
SDG Goal	 16.6 Develop effective, accountable and transparent institutions at all levels	

Indicator 3		Agripoolers
Definition	Sum of all agripoolers (n) 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' organization as a member or employee. Agripoolers tend to directly advise or train the farmers' organizations' employees and members on specific topics, previously defined as a priority between the client organization and Agriterra	
Result chain level	Input	
Assumptions	The same person can be counted more than once as an agripooler if he/she participates in different activities	
Calculation	Agripooler _n + agripooler _{n+1} + agripooler _{n+2} + ...	
Target	2,000 agripoolers	
Disaggregation	<ul style="list-style-type: none"> • Sex: man / woman • Age: young (<35 years) / mature • Nationality • Country of assignment • Type of activity: assessment / exchange visit / peer-2-peer / training (ToT) • Mode of activity: locally / online / locally and online • Theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate 	
SDG Goal	 17.6 Enhanced North-South, South-South cooperation to access technology, innovation and knowledge sharing 17.7 Promote transfer and diffusion of environmentally sound technologies to developing countries	

Indicator 4		Consultants
Definition	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' organization. Consultants tend to directly advise or train the farmers' organization's employees and members on specific topics, previously defined as a priority between the client organization and Agriterra	

Result chain level	Input
Assumptions	The same person can be counted more than once as a consultant if he/she participates in different activities
Calculation	$\text{Consultant}_n + \text{consultant}_{n+1} + \text{consultan}_{n+2} + \dots$
Target	1,000 consultants
Disaggregation	<ul style="list-style-type: none"> • Sex: man / woman • Age: young (<35 years) / mature • Nationality • Country of assignment • Type of activity: assessment / consultancy / exchange visit / training (ToT) • Mode of activity: locally / online / locally and online • Theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate
SDG Goal	 17.6 Enhance North-South, South-South cooperation to access technology, innovation and knowledge sharing 17.7 Promote transfer and diffusion of environmentally sound technologies to developing countries

Indicator 5	Smart grants
Definition	Sum of all the economic value in euro of grants (n) directly transferred from Agriterra to farmers' organizations. A smart grant is a predetermined amount of money directly transferred from Agriterra to a farmers' organization to develop specific activities predefined between the organization and Agriterra to support the working trajectory towards the BHAG
Result chain level	Activity
Assumptions	The value of smart grants is reported in euro as registered in the project budget. This might differ from the value received by the farmers' organizations 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
Calculation	EUR value of $\text{grant}_n + \text{EUR value of grant}_{n+1} + \text{EUR value of grant}_{n+2} + \dots$
Target	€5,000,000
Disaggregation	<ul style="list-style-type: none"> • Country • Theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate
DGIS indicator	Amount of donor investment



Indicator 6	Value of laws, regulations & donor projects implemented
Definition	Attributable sum of all the economic benefits expressed in euro obtained by farmers or farmers' organizations through the approval and implementation of laws, regulations and projects proposals (n) developed by farmers' organizations with the support of Agriterra. Exchange rate as per OANDA between legislation/project currency and euro on the day the legislation/project has been ratified (interbank rate at 0%)
Result chain level	Impact
Assumptions	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
Calculation	$(\text{EUR value law}_n \times \text{attribution rate}) + (\text{EUR value donor project}_{n+1} \times \text{attribution rate}) + (\text{EUR value regulations}_{n+2} \times \text{attribution rate}) + \dots$
Target	€60,000,000
Disaggregation	<ul style="list-style-type: none"> • Country
DGIS indicator	Amount of donor investment
SDG Goal	 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 17.17 Encourage and promote effective public, public-private and civil society partnerships


Indicator 7	Lobby and advocacy proposal
Definition	Sum of all the laws, regulations and donor project proposals (n) developed by farmers' organizations with the support of Agriterra. Law or regulation proposals are documents targeted at public entities to obtain direct (e.g. transfer of resources, extension services) or indirect (e.g. tax incentive, new road) benefits for farmers or their organizations 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' organizations in the form of funds transferred or services provided without a refund to the donor
Result chain level	Output
Assumptions	The same farmers' organization 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' organizations (funds and services) are routed and provided through Agriterra are not considered as donor project proposals
Calculation	Law proposal _n + regulation proposal _{n+1} + law proposal _{n+2} + donor project proposal _{n+3...}
Target	150 units
Disaggregation	• Country
DGIS indicator	Number of lobbying and advocacy initiatives
SDG Goal	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 17.17 Encourage and promote effective public, public-private and civil society partnerships

Indicator 8	Value of financial resources mobilized
Definition	Attributable sum of all the economic value expressed in euros of all the financial contracts (n) and equity agreements (n) obtained by farmers' organizations with the support of Agriterra. Exchange rate as per OANDA between financial contract or equity agreement currency and euros on the day the contract or agreement has been signed (interbank rate at 0%)
Result chain level	Impact
Assumptions	The financial resources mobilized include economic contributions by members in the form of internal capitalization to their farmer's organizations triggered by the support of Agriterra
Calculation	(EUR value financial contract _n x attribution rate) + (EUR equity agreement _{n+1} x attribution rate) + (EUR value financial contract _{n+2} x attribution rate)...
Target	€60,000,000
Disaggregation	• Country • Type of financial resource: working capital / investment loan / equity investment / internal capitalization
DGIS indicator	Amount of private co-investment by companies and financial institutions
SDG Goal	2.a Increase investment in rural infrastructure, agricultural research and extension services 8. Promote development that supports productive activities, decent job creation, and the growth of enterprises, including access to financial services 17.3 Mobilize additional financial resources for developing countries from multiple sources

Indicator 9	Farmers' organizations linked to financial institutions
Definition	Sum of all the farmers' organizations (n) that obtain a new financial contract or equity agreement with a financial institution, defined as a contractual relationship entered through a formal agreement between the farmers' organization and a financial institution, reached with the support of Agriterra
Result chain level	Outreach
Assumptions	A farmers' organization 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' organization cannot be counted twice
Calculation	Farmers' organization with new financial contract + farmers' organization with new equity agreement _{n+1} + farmers' organization with new financial contract _{n+2} + ...
Target	70 farmers' organizations
Disaggregation	• Country • Typology or organization • Type of financial resource: working capital / investment loan / equity investment

SDG Goal		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
Indicator 10 New enterprises		
Definition		Sum of all the new, expanded or improved facility, factory, storage, machinery or transport (n) implemented by farmers' organizations, intended to increase the added value of the crops purchased from farmer members or the quality or range of the services provided to the farmers 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 organization, and which requires an investment of at least USD 500,000 country equivalent as per the World Bank (latest year available), regardless of the source of finance
Result chain level		Outcome
Assumptions		A new enterprise is attributable to Agriterra only with a direct contribution through an entrepreneurial plan or by facilitating the bankability of the organization, which are necessary but not sufficient requisites for attribution. Internally a panel of experts might impose more restrictive conditions on a case by case basis
Calculation		New enterprise _n + new enterprise _{n+1} + new enterprise _{n+2} + ...
Target		30 units
Disaggregation		• Country
DGIS indicator		Number of completed infrastructure projects
SDG Goal		8.1 Sustain per capita economic growth in the least developed countries 8. Promote development that supports productive activities, decent job creation, and the growth of enterprises, including access to financial services

Indicator 11 Entrepreneurial plans		
Definition		Sum of all the business, commercial, services and strategic plans plus the technical designs (n) developed by farmers' organizations with the support of Agriterra. The entrepreneurial plan is a written document in which a farmers' organization describes how a (new) business activity is going to take place by laying out, with different levels of detail, the technical characteristics of the proposal, which might include aspects such as marketing, finance, operations, human resources, technical design, etc.. to ensure that the business idea is feasible economically, technically and socially
Result chain level		Output
Assumptions		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
Calculation		Business plan _n + commercial plan _{n+1} + strategic plan _{n+2} + services plan _{n+3} + ...
Target		150 units
Disaggregation		• Country
DGIS indicator		Number of companies with a supported plan to invest, trade or provide services
SDG Goal		8. Promote development that supports productive activities, decent job creation, and the growth of enterprises, including access to financial services

Indicator 12 Direct jobs supported		
Definition		Average sum of all the full time equivalent (FTE) employees as directly reported by a client farmers' organization (i) over time (t). It is not a cumulative measure. Therefore, when the farmers' organization is supported with a multi-year project (t) 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 t + FTE employees year t+1 + FTE employees year t+3) / 3
Result chain level		Impact
Assumptions		A FTE job is equivalent to one full-time job, two part-time jobs and five seasonal jobs. E.g. a farmers' organization 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' organization
Calculation		$[(\text{FTE employees}_{i,t} + \dots + \text{FTE employees}_{i,t+n}) / T] + \dots + [(\text{FTE employees}_{i+n,t} + \dots + \text{FTE employees}_{i+n,t+n}) / T]$
Target		10,000 jobs

Disaggregation	<ul style="list-style-type: none"> Country Sex: man / woman Age: young (<35 years) / mature
DGIS indicator	Number of direct jobs supported by private sector development programmes
SDG Goal	1.1 Eradicate extreme poverty 8.5 Achieve full and productive employment and decent work





Indicator 13 | On-farm jobs supported

Definition	Average sum of all the on-farm jobs directly supported by a client farmers' organization (i) over time (t). On-farms jobs are calculated as the annual value of crops purchased by the farmers' organization divided by the annual minimum salary in the country. It is not a cumulative measure. Therefore, when the farmers' organization is supported with a multi-year project (t) 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 t + on-farm jobs year t+1 + on-farm jobs year t+3) / 3
Result chain level	Impact
Assumptions	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' organization 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, often, 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' organization. This reality in Agriterra's current portfolio of clients allows us to calculate, by this proxy (value of crops purchased by farmers' organization / country's minimum annual salary) the direct on-farms jobs sustained by the farmers' organization with a reasonably high confidence level
Calculation	$\left[\frac{\text{value of crops purchased}_{i,t}}{\text{minimum salary}_t} + \dots + \frac{\text{value of crops purchased}_{i,t+n}}{\text{minimum salary}_{t+n}} \right] / T + \dots + \left[\frac{\text{value of crops purchased}_{i+n,t}}{\text{minimum salary}_t} + \dots + \frac{\text{value of crops purchased}_{i+n,t+n}}{\text{minimum salary}_{t+n}} \right] / T$
Target	110,000 jobs
Disaggregation	<ul style="list-style-type: none"> Country
DGIS indicator	Number of direct jobs supported by private sector development programmes
SDG Goal	1.2 Eradicate extreme poverty 8.5 Achieve full and productive employment and decent work




Indicator 14 | People trained / Women trained / Young people trained

Definition	Sum of all the people trained in all the training sessions or exchange visits (n) carried out by Agriterra, disaggregated by sex and youth (<35 year)
Result chain level	Outreach
Assumptions	Agriterra considers a person trained when any person participates in an Agriterra training or exchange visit, regardless of the relationship with the farmers' organization at the time of attending the activity, such as employee, director, member, or collaborator with the organization. The same person can be counted more than once if he/she participates in different training activities. A person is considered young when he/she is less than 35 years old
Calculation	People (w/y) trained in training _n + people (w/y) trained in exchange visit _{n+1} + people (w/y) trained in training _{n+2} + ...
Target	30,000 people 9,000 women 4,500 young
Disaggregation	<ul style="list-style-type: none"> Country Sex: man / woman Age: young (<35 years) / mature Type of activity: exchange visit / training / training of trainers Mode of activity: locally / online / locally and online Theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate

SDG Goal		8.6 Reduce the proportion of youth not in employment, education or training
Indicator 15	Female leadership training	
Definition	Sum of all the female leadership training courses (n) 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 women	
Result chain level	Activity	
Assumptions	By sensitizing and training decision-makers at the farmers' organization 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' organization and the community	
Calculation	Female leadership training _n + female leadership training _{n+1} + masterclass on female leadership _{n+2} + female leadership training _{n+3} + ...	
Target	50 trainings	
Disaggregation	<ul style="list-style-type: none"> • Country • Sex: man / woman • Age: young (<35 years) / mature • Type of activity: exchange visit / training / training of trainers • Mode of activity: locally / online / locally and online • Theme of activity: lobby and advocacy / farmer-led business / sustainable services / financial management / governance / gender / youth / climate 	
DGIS indicator	Women with a stronger position in agriculture	
SDG Goal		5.5 Ensure women's full and effective participation and equal opportunities for leadership at decision-making in economic life

Indicator 16	Youth councils	
Definition	Sum of all the youth councils (n) implemented within the farmers' organizations 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' organization, that counsels and guides youth-related issues	
Result chain level	Outcome	
Assumptions	Only one youth council per farmers' organization 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' organizations. Agriterra will also monitor the number of young people who are directors, members, and staff of farmers' organizations	
Calculation	Youth council _n + youth council _{n+1} + youth council _{n+2} ...	
Target	30 units	
Disaggregation	<ul style="list-style-type: none"> • Country • Typology of organization 	

Indicator 17	Women's councils	
Definition	Sum of all the women's councils (n) implemented within the farmers' organizations 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' organization, that counsels and guides gender-related issues	
Result chain level	Outcome	
Assumptions	Only one women's council per farmers' organization 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' organizations. Agriterra will also monitor the number of women who are directors, members, and staff of farmers' organizations	
Calculation	Women's council _n + women's council _{n+1} + women's council _{n+2} ...	
Target	20 units	
Disaggregation	<ul style="list-style-type: none"> • Country • Typology of organization 	

DGIS indicator		Number of demonstrable contributions to women's rights and gender equality by private sector institutions
SDG Goal		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

5.2 Proposed indicators for the Inclusive Green Growth Department

Nutrition and climate are the main challenges targeted by the Inclusive Green Growth Department (IGG) of DGIS. Agriterra's Goals 2025 do not contain explicit results linked to these areas of intervention, so Agriterra and IGG agreed to initiate conversations to define clear indicators to embed in our MEL system and report annually.

The proposed indicators for IGG within the FFT program for the 2021-2025 period are:

1. Number of companies engaged in inclusive agribusiness.
2. Major laws or regulations improving food security and nutrition.
3. Small-scale food producers supported.

These indicators are calculated as shown in the following table 7.

Table 7. Agriterra's proposed indicators for IGG

No	Indicator	Brief definition	Calculation methodology
1	Number of companies engaged in inclusive agribusiness	Company that signs a commercial agreement with a farmers' organization to supply agricultural inputs or purchase agricultural crops in any form or shape with the support of Agriterra	Sum of all the companies that sign a commercial agreement with a farmer organization with the support of Agriterra
2	Major laws or regulations improving food security and nutrition	Law or regulation approved and implemented with the support of Agriterra that benefits, at least, tens of thousands of undernourished people or small-scale food producers	Sum of all the major laws and regulations that improve food security, nutrition or benefit smallholding farmers obtained with the support of Agriterra
3	Small-scale food producers supported	Food-producer farmers that are supported by an intervention of Agriterra	Sum of the average number of active farmers in all the primary and secondary level client farmers' organizations supported by Agriterra that produce edible crops (excluding timber, cotton, etc.)

Additionally, there are other indicators that could be reported but they would need an agreed definition between Agriterra and IGG, and possibly additional funds for their implementation.

These are:

1. Hectares of farmland directly reached.
2. Hectares of farmland under more than 2 conservation practices.
3. Female small-scale food producers progressively empowered.
4. CO2 equivalent emissions avoided.

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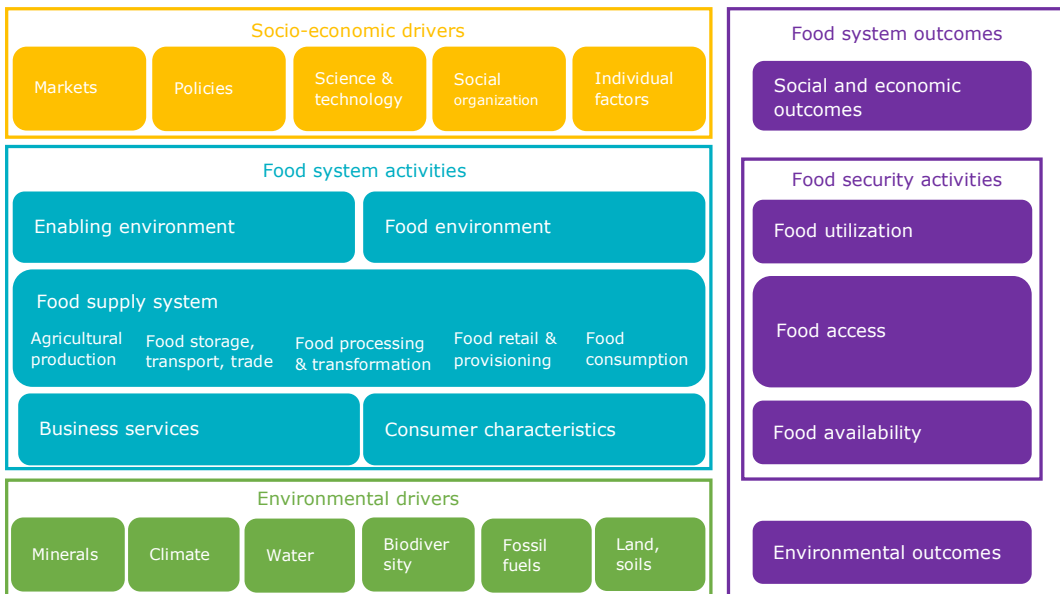
ANNEXES

Annex 1

Mr Francesco Rampa, head of the Sustainable Food Systems team of the Economic and Agricultural Transformation programme for the European Centre for Development Policy Management worked in March 2020 with Agriterra to analyse and propose the best approach to embed into our work the SFS approach. His main conclusions are further discussed in this annex.

As per the following figure 16 a SFS is composed of sub-systems (e.g. farming system, food transformation system, food distribution system, etc.) and interacts with other key systems (e.g. energy system, market system, policy system, etc.).

Figure 16. Components of a sustainable food system



A SFS approach is a way of thinking and doing that considers the food system in its totality, considering all the elements, their relationships and related effects. It is not confined to one single sector (e.g. cocoa, coffee, dairy), sub-system (e.g. value chain, market) or discipline, and thus broadens the framing and analysis of a particular issue as the result of an intricate web of interlinked activities and feedbacks.

It considers all relevant causal variables of a problem and all social, environmental, and economic impacts of the solutions to achieve transformational systemic changes. As such, the sustainable food systems approach addresses the limitations of many traditional approaches to improving food security and nutrition, which tend to be sectoral or focus on one sub-system. Encouraging Agriterra, its client farmers' organizations and other relevant stakeholders to see the bigger picture will facilitate multi-stakeholder collaboration and policy coordination at different levels to promote a more balanced relationship and jointly address the challenges faced. A SFS approach can help identify such synergies, as well as facilitate the coordination needed to simultaneously accomplish multiple objectives between Agriterra and other relevant stakeholders.

As a baseline, Agriterra already works in most of the food system activities such as agricultural production and business services through the sustainable services trajectory; the food storage, transport, trade, food processing and transformation, and food retail and provisioning through the farmer-led business trajectory; and the enabling environment through the lobby and advocacy trajectory.

So, the first step to embed the SFS approach in Agriterra's practice is to develop country strategies in partnership with strategic allies and by seeking further cooperation with like-minded organizations. The country strategy facilitates local offices to enhance the complementarity of all three trajectories (lobby and advocacy, farmer-led business and sustainable services) within the country and further insert the three cross-cutting issues (gender, youth and climate) into our work to expand Agriterra's interventions into the socio-economic and environmental drivers. Enhancing our work to improve the environmental drivers by deploying the climate clever health check in all countries and take climate awareness into action with specialized advice given by agripoolers and consultants.

Annex 2

No.	Trajectory	Name	Definition
Lobby and advocacy trajectory			
1	Lobby and advocacy	Advocacy manager appointed	Newly hired or internal staff appointed to lead and coordinate the lobby and advocacy activities of the farmers' organization for which Agriterra played a significant contribution
2	Lobby and advocacy	Advocacy plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization describes how a lobby and advocacy trajectory is going to take place by laying out, with different levels of detail, the technical specifics of the strategy, which might include aspects such as: activities to perform, chronograms, allocation of human resources, allocation of budget, etc.
3	Lobby and advocacy	Baseline study of legislation or state of affairs	Document developed by a farmers' organization with the support of Agriterra, in which the organization describes in detail the current situation regarding a specific legislation framework or other relevant topic (e.g. road infrastructure, organic production), which is subsequently used to argument and document a law, regulation or donor proposal
4	Lobby and advocacy	Donor proposal	Document developed by a farmers' organization with the support of Agriterra, targeted at public or private donors to obtain direct benefits for farmers or farmers' organizations in the form of funds transferred or services provided without a refund to the donor. If addressed at public entities, usually it is targeted to a narrower group of beneficiaries than law or regulation proposal
5	Lobby and advocacy	Law or regulation proposal	Document developed by a farmers' organization with the support of Agriterra, targeted at public entities to obtain direct (e.g. transfer of resources, extension services) and indirect (e.g. tax incentives, new road) benefits for farmers or farmers' organizations by implementing changes in the legal or economic system. They can be used by lobbyists to lead the political agenda and facilitate the decision-making process
6	Lobby and advocacy	Meeting with decision makers	Relevant meeting between the farmers' organization representatives and public or private decision makers to address an issue related to a lobby and advocacy trajectory for which Agriterra played a significant contribution (e.g. meeting with the Ministry of Agriculture for to promote an agricultural land reform, meeting with a multilateral agency to apply for a new donor program)
7	Lobby and advocacy	People trained in advocacy by Agriterra	Staff or members of a farmers' organization trained in a FACT training or a related training performed by Agriterra. A related training is a different activity than a FACT official training, but which addresses as a principal topic the obtention of lobby and advocacy skills and tools by the participants, <u>including exchange visits</u> focused on this topic
8	Lobby and advocacy	People trained as trainers in advocacy	Staff or members of a farmers' organization trained in a Trainer of Trainers (ToT) FACT training performed by Agriterra
9	Lobby and advocacy	People trained in advocacy by farmers' organizations	Staff or members of a farmers' organization trained by a certified trainer of Agriterra in an official FACT training or a non-certified trainer for a related training, when not directly performed by Agriterra (e.g. Agriterra trains three leaders of a

No.	Trajectory	Name	Definition
			cooperative as trainers in FACT and they replicate the training within the cooperative)
10	Lobby and advocacy	Stakeholder mapping	Document, developed with the support of Agriterra, that lays out, often supported by a visual representation scheme, the most relevant institutions and people who can influence a lobby and advocacy proposal and how they are interconnected. This document is often used to guide the advocacy work by determining the effort and priority to reach the different decision-makers
Farmer-led business trajectory			
1	Farmer-led business	Business license	Official document obtained by a farmers' organization with the support of Agriterra, by which the organization obtains legal validation as an operating business entity in a certain industry
2	Farmer-led business	Business plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization describes in detail how a (new) business is going to achieve its goals by laying out a detailed proposal from a commercial, financial, and operational perspective, to ensure that the business idea is feasible economically, technically and socially
3	Farmer-led business	Comercial manager appointed	Externally hired or internal staff appointed and operative as commercial manager to lead and coordinate the commercial activities of the farmers' organization for which Agriterra played a significant contribution. The commercial manager in the farmer-led business trajectory refers to the person leading the commercialization of the production from farmer members purchased by the farmers' organization, with or without added value processing, to third-party customers (e.g. commercial manager that sells butter, cheese and milk for a dairy cooperative to clients like supermarkets, hotels, bars and restaurants, schools, grocery shops). In the hierarchy of a farmers' organization the commercial manager, often, ranks above most employees of the commercial department (sales, marketing, logistics, etc.) but below the general manager
4	Farmer-led business	Commercial plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization sets commercial goals and results, allocates resources, and defines activities to ensure that staff, members and other stakeholders are aligned toward the commercial goals of the organization. If the commercial plan is part of a business plan, select the output business plan and use this output only for standalone commercial plans
5	Farmer-led business	Customer relation management system	Customer relation management (CRM) system implemented and operative with the support of Agriterra, designed to facilitate the farmers' organization management, analysis and tracking of the activities with potential and current customers. By compiling data from different communication channels (website, phone, email, social media, contracts) the organization learns more about its target audiences and how to best cater for their needs, facilitating the development of a customer-centric business culture
6	Farmer-led business	Infrastructure design	Blueprints developed by a farmers' organization with the support of Agriterra, in which the organization defines the size, capacity and construction requirements for a new, expanded or improved facility, factory or storage (e.g.

No.	Trajectory	Name	Definition
			infrastructure design of a new coffee processing factory)
7	Farmer-led business	Marketing activity	Activity developed by a farmers' organization with the support of Agriterra, in which the organization communicates relevant information to its customers in a new form or by a new channel (e.g. the organization uses the website to showcase its products, it updates its branding, it creates a new commercial brochure or catalogue, it sets a stand in a trade fair, etc.)
8	Farmer-led business	Marketing health check	Marketing health check performed by Agriterra with a farmers' organization
9	Farmer-led business	Marketing plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization lays out the marketing strategy, defining the timeline of activities to move from the current marketing position and reach the proposed marketing goals based on the target market and customer needs. If the marketing plan is part of a commercial plan, select the output commercial plan and use this output only for standalone marketing plans
10	Farmer-led business	Market research	Market research performed by the farmer's organization with the support of Agriterra, in an organized effort to gather information about target markets and customers, to better understand them by identifying and analysing the needs of the market, the market size and the competition
11	Farmer-led business	New customer	Commercial relationship between the farmers' organization and a new third-party customer (excluding farmer members) related to a farmer-led business trajectory developed with Agriterra. This output collects information on the client portfolio diversification. It must be a <u>new and effective client</u> . It excludes new orders from existing clients, as well as potential clients with no effective purchasing orders
12	Farmer-led business	New product	New product developed by a farmers' organization with the support of Agriterra. The organization can either expand its business with a new crop (e.g. tomato to beans), with more added value (e.g. raw tomato to tomato sauce), or with a new variety (e.g. tomato sauce to spiced tomato sauce). This output collects information on the product portfolio diversification
13	Farmer-led business	Operations manager appointed	Externally hired or internal staff appointed and operative as operations manager by a farmers' organization for which Agriterra played a significant contribution, to supervise and direct the staff responsible for every stage of the added value production processes required to transform the production purchased by the farmers' organization from its farmer members, and ensure a high quality and cost effective production system. In the hierarchy of a farmers' organization the operations manager, often, ranks above most factory employees but below the general manager
14	Farmer-led business	People trained in farmer-led business by Agriterra	Staff or members of a farmers' organization trained in an official marketing training or a related training performed by Agriterra. A related training is a different activity than the official Agriterra's marketing training but which addresses as a principal topic the obtention of marketing skills and tools by the participants, or any other skill directly related to a farmer-led business such as good manufacturing practices,

No.	Trajectory	Name	Definition
			quality control, inventory management and logistics, etc., <u>including exchange visits</u> focused on this topic
15	Farmer-led business	People trained as trainers in farmer-led business	Staff or members of a farmers' organization trained in a Trainer of Trainers (ToT) marketing training performed by Agriterra
16	Farmer-led business	People trained in farmer-led business by farmers' organization	Staff or members of a farmers' organization trained by a certified trainer of Agriterra in an official marketing training or a non-certified trainer for a related training, when not performed by Agriterra (e.g. Agriterra trains three leaders of a cooperative as trainers in marketing and they replicate the training within the cooperative)
17	Farmer-led business	Premium certification	Certification obtained or renewed by a farmers' organization with the support of Agriterra, which verifies a certain characteristic of the product commercialized by the organization, increasing its added value and the price paid by customers. This output refers to product certifications such as Organic, Fair Trade, Rain Forest, etc. certifying the production purchased by the farmers' organization from its farmer members and commercialized to third-party customers
18	Farmer-led business	Processing assessment	Documented analysis of the production processes used by a farmers' organization to add value to the crops purchased from member farmers with the support of Agriterra, that details the findings and proposes technical improvements to increase the efficiency of the production system (e.g. modify work shifts, implement production KPIs, rearrange machinery layout, etc.)
19	Farmer-led business	Production quality certification	Certification obtained by a farmers' organization with the support of Agriterra, which declares that the organization meets certain standard production quality criteria so that the processes and products elaborated are fit for their purpose. The production quality certification can range from a local/national production certification, to internationally recognised certifications such as good manufacturing practices (GMP), hazard analysis critical control points (HACCP), or ISO 9001 on quality management. The quality certification in the farmer-led business trajectory refers to the added value production processes for the production purchased from farmer members by the farmers' organization to commercialize to third-party customers
20	Farmer-led business	Value chain analysis	Document developed by a farmers' organization with the support of Agriterra, in which the organization analyses the activities along a product (crop/livestock) value chain to recognize which activities are the most valuable to the organization and which ones could be improved or provided to create a competitive advantage for the organization. Often, Agriterra employs the <u>value creator tool</u> to perform the value chain analysis, but a related methodology can be used
Sustainable services trajectory			
1	Sustainable services	Agreement with agricultural research institution	Collaboration agreement between the farmers' organization and an agricultural research institution related to a sustainable services trajectory developed with Agriterra (e.g. MoU with a local university to perform a soil quality mapping of farmlands pertaining to the cooperative)
2	Sustainable services	Agreement with financial supplier for farmers	Agreement between the farmers' organization and a financial institution for the provision of financial services <u>to farmer members</u> with a preferential treatment in the financial conditions offered by the

No.	Trajectory	Name	Definition
			financial institution to the farmers, related to a sustainable services trajectory developed with Agriterra (e.g. agreement between a cooperative and a local bank to provide credit for input provision to its farmer members at preferential rates, with no collateral, or with a faster approval mechanism)
3	Sustainable services	Agricultural information mechanism	Tool developed by a farmers' organization with the support of Agriterra, in which the organization communicates relevant agricultural information to its farmer members in a new form or by a new channel (e.g. the organization uses the website to display dairy daily prices, it distributes an agricultural best practices manual among farmers, it sends weather forecasts to members' via WhatsApp, it broadcast by radio an agricultural information program, etc.)
4	Sustainable services	Agricultural input provision by Agriterra	Economic value of agricultural inputs purchased by a farmers' organization with the funds provided by Agriterra, ranging from fertilizers to agricultural tools. Value in euros of Agriterra's funds transferred to the organization with the sole purpose of purchasing agricultural inputs of any kind (e.g. fertilizer, seeds, seedlings, spades, burlap sacks, etc.)
5	Sustainable services	Demonstration plot	Agricultural plot set up by a farmers' organization with the support of Agriterra, in which the organization creates an environment in which to demonstrate and teach appropriate agricultural techniques and technologies, to its farmers as well as venues to test new agricultural methods side by side with traditional ones
6	Sustainable services	Extension officer appointed	Externally hired or internal staff appointed and operative as extension officer by a farmers' organization for which Agriterra played a significant contribution, to support farmer members to make better decisions to increase agricultural production through the transmission of agricultural techniques and technologies
7	Sustainable services	Extension services plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization set its extension services goals and describes in detail how these goals are going to be achieved by laying out a detailed proposal from a technical, financial, and operational perspective, to ensure that the extension services are efficient and sufficient to cater the needs of farmer members
8	Sustainable services	Members production database	System developed by a farmers' organization with the support of Agriterra, in which the organization records the members' agricultural information (hectares, crops, yield, production system, etc.) in an organized and systematic form. The database can range from a physical logbook, to an Excel spreadsheet, to a software module
9	Sustainable services	New input supplier	Commercial relationship between the farmers' organization and a new third-party supplier of agricultural inputs (excluding farmer members) related to a sustainable services trajectory developed with Agriterra. This output collects information on the agricultural input supplier portfolio diversification. It must be a <u>new and effective supplier</u> . It excludes new orders from existing suppliers, as well as potential suppliers with no effective supply orders. The agreement can encompass either the supply to the farmers' organization, the direct supply to its farmers or

No.	Trajectory	Name	Definition
			both, including any agricultural supply (e.g. seeds, fertilizer, seedlings, machinery, etc.)
10	Sustainable services	New service provided by the organization	<u>New</u> service developed by a farmers' organization with the support of Agriterra, that it is directly rendered by the farmers' organization to its farmer members, but which can be offered to third-parties as a revenue generating source too. This output is differentiated from agreements with research institutions, financial suppliers, and new input suppliers, in that the service is provided by the farmers' organization itself to the farmer members and not outsourced to third-party suppliers
11	Sustainable services	People trained in sustainable services by Agriterra	Staff or members of a farmers' organization trained in an official sustainable services or record-keeping training, or a related training performed by Agriterra. A related training is a different activity than the official Agriterra's sustainable services or record-keeping training but which addresses as a principal topic the obtention of skills and tools by the participants to improve the services offered by the farmers' organization to its members or to learn better agricultural practices, <u>including exchange visits</u> focused on this topic
12	Sustainable services	People trained as trainers in sustainable services	Staff or members of a farmers' organization trained in a Trainer of Trainers (ToT) sustainable services or record-keeping training performed by Agriterra
13	Sustainable services	People trained in sustainable services by farmers' organization	Staff or members of a farmers' organization trained by a certified trainer of Agriterra in an official sustainable services or record-keeping training or a non-certified trainer for a related training, when not performed by Agriterra (e.g. Agriterra trains five extension officers of a cooperative as trainers in record-keeping and they replicate the training within the cooperative)
14	Sustainable services	Soil analysis	Soil analysis performed with a testing kit or by a laboratory to a soil sample obtained from a farmers' organization member farmer's agricultural plot with the support of Agriterra, generating a soil analysis report that can be employed by the farmers' organization members or staff to take remedial actions to improve soil quality
15	Sustainable services	Sustainable services health check	Sustainable services health check performed by Agriterra with a farmers' organization
Financial management trajectory			
1	Financial management	Annual operation plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization lays out the planned activities and corresponding resources (budget) for the year, subdivided on a constant basis (monthly, semesterly) for its proper implementation and monitoring. The annual operation plan operationalizes the strategic plan by defining with a greater level of detail the activities, targets, and budget to be implemented during the year and which are required to reach the organization's objectives and goals
2	Financial management	Asset or staff insurance	Insured assets or staff of a farmers' organization with the support of Agriterra. Insure the human and capital resources is a good practice that any organization must implement to safeguard its assets from unexpected negative shocks (e.g. road accident, fire, flood, etc.)

No.	Trajectory	Name	Definition
3	Financial management	Asset registry	Registry developed by a farmers' organization with the support of Agriterra which records relevant information about the assets owned or controlled by the organization such as description, age, purchase value, depreciation, and current value, among other. A proper asset registry allows the organization to record accurate depreciations and show its real value in the financial statements
4	Financial management	Bank account	Newly open bank account with the support of Agriterra for a farmers' organization that previously did not have one
5	Financial management	Bookkeeping system	System developed by a farmers' organization with the support of Agriterra, in which the organization records its financial transactions (purchases, payments, sales, receipts, etc.) in an organized and systematic form. A proper bookkeeping system allows the organization to perform accurate accounting and financial reporting
6	Financial management	Cash flow	Document developed by a farmers' organization with the support of Agriterra, in which the organization measures its cash position through the generation of cash via revenues to pay its obligations and fund its operating expenses. A cash flow facilitates the organization to perform useful financial analyses to manage liquidity imbalances through financial planning
7	Financial management	Fee policy	Document or articles developed by a farmers' organization with the support of Agriterra, in which the organization sets clear rules in writing for the membership fee contributions and penalties in case of non-compliance. It does not have to be a separate document, but a set of articles embedded into the bylaw or internal regulation. It is a good practice to have a policy fee in writing and approved by the general assembly so that all members can look at and comply with their economic obligations
8	Financial management	Financial management health check	Financial management health check performed by Agriterra with a farmers' organization
9	Financial management	Financial manager appointed	Externally hired or internal staff appointed and operative as financial manager by a farmers' organization for which Agriterra played a significant contribution, to lead and coordinate the financial activities of the organization. In the hierarchy of a farmers' organization the financial manager, often, ranks above all the employees in the financial department but below the general manager
10	Financial management	Financial statements	Written record developed by a farmers' organization with the support of Agriterra, that conveys the activities and financial performance of an organization during a fiscal year in a predefined format.
11	Financial management	General manager appointed	Externally hired or internal staff appointed and operative as manager by a farmers' organization for which Agriterra played a significant contribution, to lead and coordinate the overall activities of the organization in pursuit of efficiency. In the hierarchy of a farmers' organization the general manager, often, ranks above all employees but below the board
12	Financial management	Internal accountant appointed	Externally hired or internal staff appointed and operative as accountant by a farmers' organization for which Agriterra played a significant contribution, to perform among other duties the financial accounting, management accounting, tax accounting and cost accounting

No.	Trajectory	Name	Definition
13	Financial management	Internal capitalization strategy	Document developed by a farmers' organization with the support of Agriterra, in which the organization identifies the future financial needs and defines the mechanisms by which members will contribute to meet, in full or in part, these financial requirements
14	Financial management	Management report	<u>Newly</u> implemented document or presentation developed by a farmers' organization with the support of Agriterra, in which the organization reports with a certain periodicity (monthly, quarterly) an accurate depiction of the organization's finances and operations, including its revenues, expenses, profits, capital, and cash flow, to provide in-depth data to decision-makers such as the board members and other stakeholders. Sometimes it is referred to as <u>financial report</u> . It must be a <u>newly implemented report</u> for an organization that previously did not employ one
15	Financial management	Management software	Computer software implemented and operative by a farmers' organization with the support of Agriterra, designed to facilitate the organization management with modules that refer to accountancy, financial management, financial reporting, asset registration, inventory management, production, and human resources, among other
16	Financial management	People trained in financial management by Agriterra	Staff or members of a farmers' organization trained in an official financial management training or related training performed by Agriterra. A related training is a different activity than the official Agriterra's basic or strategic financial management training but which addresses as a principal topic the obtention of financial management skills and tools by the participants, <u>including exchange visits</u> focused on this topic
17	Financial management	People trained as trainers in financial management	Staff or members of a farmers' organization trained in a Trainer of Trainers (ToT) financial management training performed by Agriterra
18	Financial management	People trained in financial management by farmers' organization	Staff or members of a farmers' organization trained by a certified trainer of Agriterra in an official financial management training or a non-certified trainer for a related training, when not performed by Agriterra (e.g. Agriterra trains the manager of a cooperative in financial management and he/she replicates the training within the cooperative)
19	Financial management	Strategic plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization defines its mission, vision and long-term strategy, sets clear goals aligned with the strategy, establishes specific activities to achieve these goals, and allocates resources accordingly. A strategic plan is a key instrument in the development of an organization that facilitates a predefined set of standards for decision-making and resources allocation to all members and employees
20	Financial management	Tax compliance	Activity performed by a farmers' organization with the support of Agriterra, in which the organization improves its compliance with tax laws and regulations to pay its taxes in a timely and accurately manner and avoid potential tax inspections, fines and penalties (e.g. consultancy managed by Agriterra to inform the board)

No.	Trajectory	Name	Definition
			members and the management team about new tax rules to facilitate compliance)
21	Financial management	Tax number	<u>Newly</u> obtained tax number with the support of Agriterra for a farmers' organization that previously did not have one. The tax number is a code used for tax purposes by most national governments to identify individuals and organizations and facilitate their bureaucratic procedures
Governance trajectory			
1	Governance	Annual report	Document developed by a farmers' organization with the support of Agriterra, in which the organization provides annually information to the members and other stakeholders such as a chronicle of the activities performed over the past year (usually accompanied with graphics, photos, and narrative), as well as relevant financial and operational information. As a best practice the annual report must be handed out to all members time before the annual general assembly and presented and discussed during the assembly
2	Governance	Board minutes	Written record developed by a farmers' organization with the support of Agriterra, in which the organization registers in writing the proceedings and actions of a Board of Directors, such as that once written in a minute book and approved at the next meeting, the minutes are accepted as a true representation of the proceedings they record and can be used as evidence in legal matters
3	Governance	Board succession plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization outlines the process that it has to follow in order to arrange an orderly replacement of board members with qualified, trained and experienced new members. As a best practice the replacement takes into consideration the fair representation in the board of the membership structure in terms of gender, age and territory
4	Governance	Bylaws and internal regulation	Document developed by a farmers' organization with the support of Agriterra, in which the organization enacts the rules to regulate itself and defines a framework for its operation and management. The document is presented as provided by the national authority on cooperatives or other types of farmers' organizations, who establishes commons standards that all national bylaws and regulations must comply with. It does not have to be a new bylaw or internal regulation. It also encompasses updated or adjusted bylaws or internal regulations (e.g. by law modifications are required in the bylaw, the internal regulations require an extension to include new rights and obligations resulting from new services developed by the organization, etc.)
5	Governance	Certificate of registration	Official document obtained by a farmers' organization with the support of Agriterra, by which the organization obtains legal validation as an entity within a certain territory. This document certifies the valid existence of the organization as a functioning entity and allows the farmers' organization to carry out activities under its name lawfully
6	Governance	Code of conduct	Document developed by a farmers' organization with the support of Agriterra, in which the organization outlines the norms of conduct, responsibilities and proper practices for members and staff of the organization to rule what is

No.	Trajectory	Name	Definition
			acceptable or not acceptable as proper behaviour. As a best practice the code of conduct must include the norms and practices for each board and supervisory board member
7	Governance	Communication with members	Activity developed by a farmers' organization with the support of Agriterra, in which the organization communicates relevant information to its members in a <u>new form</u> or by a <u>new channel</u> (e.g. the organization uses the website to feed internal news to members, it creates a WhatsApp group for members, it sets an announcement panel, the board visits the communities to inform the bases, etc.)
8	Governance	General assembly minutes	Written record developed by a farmers' organization with the support of Agriterra, in which the organization registers in writing the proceedings and actions of a general assembly, such as once it is written in a minute book and approved by the next assembly, the minutes are accepted as a true representation of the proceedings they record and can be used as evidence in legal matters
9	Governance	Governance health check	Governance health check performed by Agriterra with a farmers' organization
10	Governance	Human resources manager appointed	Externally hired or internal staff appointed and operative as human resources manager by a farmers' organization for which Agriterra played a significant contribution, to enhance the organization's human resources by planning, implementing, and evaluating employee relations and other resources. In the hierarchy of a farmers' organization the human resources manager ranks above all the employees in the human resources department but below the general manager
11	Governance	Human resources manual	Document developed by a farmers' organization with the support of Agriterra, in which the organization defines the procedures to recruit, induce, train, evaluate, discipline, and dismiss staff, as well as administering employee-benefit programs. The human resources manual is an essential tool to manage personnel and to articulate the human resource department
12	Governance	Legal compliance	Activity performed by a farmers' organization with the support of Agriterra, in which the organization improves its compliance with local or national laws and regulations and avoid potential fines and penalties due to legal violations, whenever the activity has not been registered in another output (e.g. consultancy managed by Agriterra to inform the board members and the management team about new legal rules to facilitate compliance)
13	Governance	Operations manual	Document developed by a farmers' organization with the support of Agriterra, in which the organization provides guidance for members and staff to perform their functions correctly and efficiently by documenting standard procedures for performing operations properly to produce goods and provide services. As a best practice the operations manuals should be available to and well known by all board members and employees of an organization
14	Governance	Organizational chart	Chart developed by a farmers' organization with the support of Agriterra, in which the organization shows through a graphic representation the structure of the organization showing the relationships of the different positions or jobs within it and the different hierarchies and lines of

No.	Trajectory	Name	Definition
			authority and communication among the different positions
15	Governance	Organizational manual	Document developed by a farmers' organization with the support of Agriterra, in which the organization provides additional information to the organizational chart about the authority and responsibilities of each position, as well as the channels to be used in obtaining decisions or approvals for proposals. As a best practice the organizational manual must include the roles and responsibilities for each board and supervisory board member
16	Governance	People trained in governance by Agriterra	Staff or members of a farmers' organization trained in an official governance training or related training performed by Agriterra. A related training is a different activity than the official Agriterra's governance training but which addresses as a principal topic the obtention of governance skills and tools by the participants, <u>including exchange visits</u> focused on this topic
17	Governance	People trained as trainers in governance	Staff or members of a farmers' organization trained in a Trainer of Trainers (ToT) governance training performed by Agriterra
18	Governance	People trained in governance by farmers' organization	Staff or members of a farmers' organization trained by a certified trainer of Agriterra in an official governance training or related training, when not performed by Agriterra (e.g. Agriterra trains the president of a cooperative in governance and he/she replicates the training within the cooperative)
19	Governance	Supervisory board creation	Internal control body instituted and operative in a farmers' organization with the support of Agriterra. The supervisory board is a group of appointed members in a general meeting, that promote the interests of members through the supervision of the activities carried out by the board of directors, management and other staff, as well as control that the activities of the organization comply with the bylaws, the internal regulations and other approved procedures
Gender trajectory			
1	Gender	Annual women plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization lays out the planned activities for women members and daughters of farmer members and the corresponding resources (budget) for the year, subdivided on a constant basis (monthly, semesterly) for its proper implementation and monitoring. Often, the plan is defined on an annual basis, however, the women plan can encompass more than one year
2	Gender	Gender policy	Document developed by a farmers' organization with the support of Agriterra, which establishes a vision and commitments to guide the process of gender mainstreaming and empowerment to influence internal policies, procedures and practices that accelerate gender equality and justice within the organization. Alternatively, a gender policy can be interpreted in a broader sense as any formal rule or procedure that impacts the organization towards gender empowerment and equanimity. For instance, the gender policy can be laid out in the bylaws or the internal regulations by adjusting the relevant clauses and sections (e.g. equal access to membership, equal access to the board, positive action to empower women in the board, etc.), or it

No.	Trajectory	Name	Definition
			can be laid out in a protocol against workplace harassment, among others
3	Gender	People trained in female leadership by Agriterra	Staff or members, of any sex, of a farmers' organization trained in an official female leadership training, female leadership masterclass or related training performed by Agriterra. A related training is a different activity than the official Agriterra's female leadership training or masterclass but which addresses as a principal topic female empowerment, <u>including exchange visits</u> focused on this topic
4	Gender	People trained in gender leadership by farmers' organization	Staff or members, of any sex, of a farmers' organization trained in a gender leadership training or related training, when not performed by Agriterra (e.g. Agriterra transfers funds to the cooperative so that it hires a consultant to give trainings in female empowerment)
5	Gender	Project executed by women	Collaborative planned enterprise defined with the support of Agriterra, where women provide good or services, or execute activities (financially) supported by the farmer's organization (e.g. women set up a profitable business unit, they work on the idle land, they manage a local trade fair, they provide services to farmer members or third-parties, etc.). The project must be <u>new</u> (no extensions of existing ones) and in the <u>implementation phase</u>
Youth trajectory			
1	Youth	Annual youth plan	Document developed by a farmers' organization with the support of Agriterra, in which the organization lays out the planned activities for young members and offspring of farmer members and the corresponding resources (budget) for the year, subdivided on a constant basis (monthly, semesterly) for its proper implementation and monitoring. Often, the plan is defined on an annual basis, however, the youth plan can encompass more than one year
2	Youth	People trained in youth leadership by Agriterra	Staff or members, of any age, of a farmers' organization trained in an official youth leadership training (kick-off youth workshop, youth council masterclass, youth leadership masterclass) or related training performed by Agriterra. A related training is a different activity than the official Agriterra's youth leadership training but which addresses as a principal topic the empowerment of young farmers, <u>including exchange visits</u> focused on this topic
3	Youth	People trained in youth leadership by farmers' organization	Staff or members, of any age, of a farmers' organization trained in a youth leadership training or related training, when not performed by Agriterra (e.g. Agriterra transfers funds to the cooperative so that it hires a consultant to give trainings in youth empowerment)
4	Youth	Project executed by young people	Collaborative planned enterprise defined with the support of Agriterra, where young people provide good or services, or execute activities (financially) supported by the farmers' organization (e.g. young farmers set up a profitable business unit, they work on the idle land, they give agricultural trainings, they provide services to farmer members or third-parties, etc.). The project must be <u>new</u> (no extensions of existing ones) and in the <u>implementation phase</u>
5	Youth	Succession program	Document developed by a farmers' organization with the support of Agriterra, in which the organization lays out rules and activities to put in place to facilitate either the succession of young

No.	Trajectory	Name	Definition
			farmers at the farmers' organization level, or the succession of young farmers at the farm level
6	Youth	Youth policy	Document developed by a farmers' organization with the support of Agriterra, in which the organization establishes a vision and commitments to guide the process of youth mainstreaming and empowerment to influence internal policies, procedures and practices, and accelerate youth equality and generational succession within the organization. Alternatively, a youth policy can be interpreted in a broader sense as any formal rule or procedure that impacts the organization towards youth empowerment and facilitates generational succession. For instance, the youth policy can be laid out in the bylaws or the internal regulations by adjusting the relevant clauses and sections (e.g. equal access to membership, equal access to the board, positive action to empower youth in the board, etc.)
Climate trajectory			
1	Climate	Climate clever check	Climate clever check performed by Agriterra with a farmers' organization
2	Climate	Climate policy	Document developed by a farmers' organization with the support of Agriterra, which establishes the vision and commitments to guide the process of climate mainstreaming to influence internal policies, procedures and practices to accelerate the implementation of climate clever actions within the organization and its farmer members. Alternatively, a climate policy can be interpreted in a broader sense as any formal rule or procedure that impacts the organization towards climate mainstreaming. For instance, the climate policy can be laid out in the bylaws or the internal regulations by adjusting the relevant clauses and sections (e.g. organic production, sustainable agricultural practices, etc.)
3	Climate	People trained in climate clever practices by Agriterra	Staff or members of a farmers' organization trained in climate clever practices by Agriterra, <u>including exchange visits</u> focused on this topic. Climate clever practices include energy, waste and water efficiency, soil conservation practices, sustainable farming techniques, and agricultural knowledge and data management
4	Climate	People trained in climate clever practices by farmers' organization	Staff or members of a farmers' organization trained in climate clever practices, when not performed by Agriterra. Climate clever practices include energy, waste and water efficiency, soil conservation practices, sustainable farming techniques, and agricultural knowledge and data management (e.g. Agriterra transfers funds to the cooperative so that it hires a consultant to give trainings in efficient water management)