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The Donor Committee for Enterprise Development

BEAM EXCHANGE

DCED Global Seminar 2024

Greening the MSD approach in agricultural programmes

October 1st 12h00-1:15 PM

This event is organized with generous support from Gatsby Africa and the International Labour Organization

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Greening the MSD approach in agricultural programmes

https://beamexchange.org/resources/1885/

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Agenda

Housekeeping (5 minutes)	• **Overview of session objectives and structure**
Guideline overview (10 minutes)	• Key points from the guidance note
Group activity (30 minutes)	• Group work (remember to appoint a presenter): 1. Strategy 2. Diagnosis 3. Vision 4. Intervention design 5. MEL 6. Management
Gallery walk (15 minutes)	• Let's share our insights!
Final discussion and Q&A (10 minutes)	• Discuss key takeaways from the gallery walk. • Questions, suggestions and reflections.

Help us improve and populate the knowledge repository!

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Mentimeter

Have you read the Greening MSD in Agriculture guidelines?

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Yes

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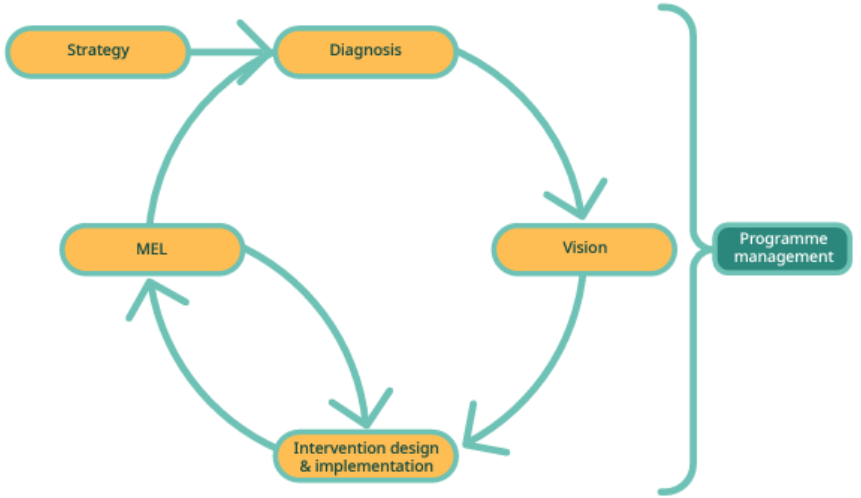
No

What you will find in the guideline

Chapter		Questions for greening MSD phases/components
1	Strategy	What type of greener agricultural systems change do you want to achieve?
2	Diagnosis	Have you analysed the agricultural system in a way that allows you to understand environmental dynamics?
3	Vision	Are you considering economic, social, AND environmental sustainability?
4	Intervention design and programme implementation	Are you being tactical or distortionary in pursuit of green objectives? Are the interventions contributing to your greening objectives systemic?
5	MEL	Are you basing decisions on evidence, and are you fostering a culture of knowledge, learning and adaptive management that considers the environmental dynamics?
6	Management	Can your team and/or your consortium partners deliver on greener programme objectives?



Spectrum

Greening approach	Programme aims to "Do No Harm" to the environment	Piloting interventions with explicit environmental objectives, within a larger portfolio of conventional agricultural interventions	Programme sets out to unify environmental protection, climate change adaptation or mitigation objectives and economic goals
Types of objectives (besides poverty reduction)	Private sector growth *e.g. increases in investment, yields and incomes*	Private sector growth and income increases with some objectives around the introduction of 'environmentally-friendly' practices *e.g. use of organic inputs, waste cascading*	Explicitly 'green' outcomes alongside increases in resilience *e.g. soil health, % land under conversion, lower GHG emissions*
Programme design features	No dedicated budget or team member to support greening considerations	Providing resources to draw on to support environment and climate change portfolio e.g. at implementer headquarters	Dedicating budget & staff to support achievement of greening targets
Types of implementation tactics	Due diligence to avoid negative environmental impacts Environment and climate change is treated as a cross-cutting issue	Improving resource efficiency in one sector *e.g. use of by-products to produce new goods, training on resource-efficient production processes* Promoting environment-friendly services *e.g. transition to e-transport for shipping* Strengthening environmental regulations *e.g. to cut agrochemical waste*	Targeting green agriculture sectors or focusing on agroecological tactics Promoting cross-cutting services for improved environmental outcomes Embedding environmental and climate change content into technical assistance
Forms of market actor engagement	Partnerships stipulate or support actors' due diligence to avoid harm	Partnerships with conventional market actors that include exploring greener business models Engaging with public actors to discuss removal of barriers to greener agriculture	Partnerships with conventional and green actors that always include environmental objectives in contracts Dedicated advocacy and support to public actors to advance policy for green agriculture

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Where would you situate yourself on the greening spectrum?

Doing no harm is enough - I prioritize private sector growth in my programmes

I'm curious and I'm open to exploring some environmental interventions while keeping my focos on private sector focus

I don't think environmental and poverty reduction objectives are mutually exclusive - in my programmes, I pursue both

Strongly disagree

Strongly agree

1. Strategy

1. Procurement
2. Strategic framework
3. Defining overarching objectives

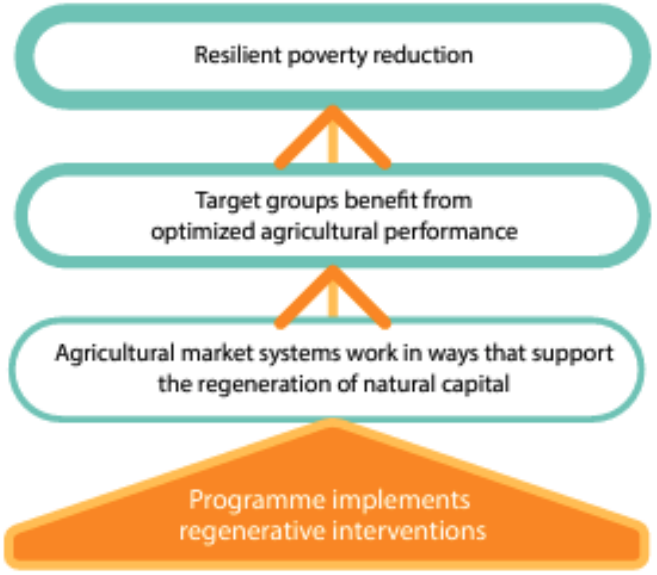


Table 2: Public policy objectives and stakeholders' incentives to engage

Public policy goal	Types of programme objectives	Types of system actors (potential partners) and their incentives for changing behaviour
Adaptation to the climate crisis	- adoption of heat, flood and drought resilient crops - better water management	**Agricultural communities** facing climate effects on crop yields, losses to pests and disease and water supply **Agri-businesses** facing disruption to supply chains for agricultural produce in the medium and long term **Public agencies** seeking to implement agricultural development strategies and national adaptation plans
Mitigation of GHG emissions	- cuts in post-harvest losses and food waste - cuts in methane from livestock - increases in tree cover - permanent pasture management	**National governments** aiming to fulfil international and bilateral agreements to limit GHG emissions **Corporations and agri-businesses** asked to comply with mandates and ESG guidelines to reduce GHGs **Agri-businesses** looking to make efficiency gains **Consumers** with preferences linked to sustainably produced and sourced products
Reduction in air and water **pollution**	- reductions in pesticide use and waste burning - cuts to fertiliser run-off and agrochemical leaching	**Agricultural communities** facing negative health outcomes from air and water pollution **Fishing communities** experiencing reduced catches **Urban communities** coping with water pollution from agro-processing discharges **Public agencies** seeking to implement air and water quality management plans

Sector (e.g. maize)	Answer	Alignment with objectives
Environmental sustainability [8]		
What is the sector's contribution to GHG?	?	H / M / L?
What is the sector's contribution to biodiversity loss, deforestation and/or soil degradation?	?	H / M / L?
Which natural ecosystems are impacted by the sector (fish stocks, rainforest, etc.)?	?	H / M / L?
What is the sector's resource intensity use (energy, water, land, etc.) per productive output?	?	H / M / L?
How much and what types of waste are generated because of production?	?	H / M / L?
How do production zones affect environmentally or culturally sensitive areas nearby?	?	H / M / L?
Environment-social sustainability nexus		
What are the most significant climate change-related risks and vulnerabilities affecting the target group and how are vulnerable populations affected by these climate risks?	?	H / M / L?

2. Diagnosis

1. Green-dive into sectors from strategy section
2. Map the market system (green functions and rules)
3. Get to root causes

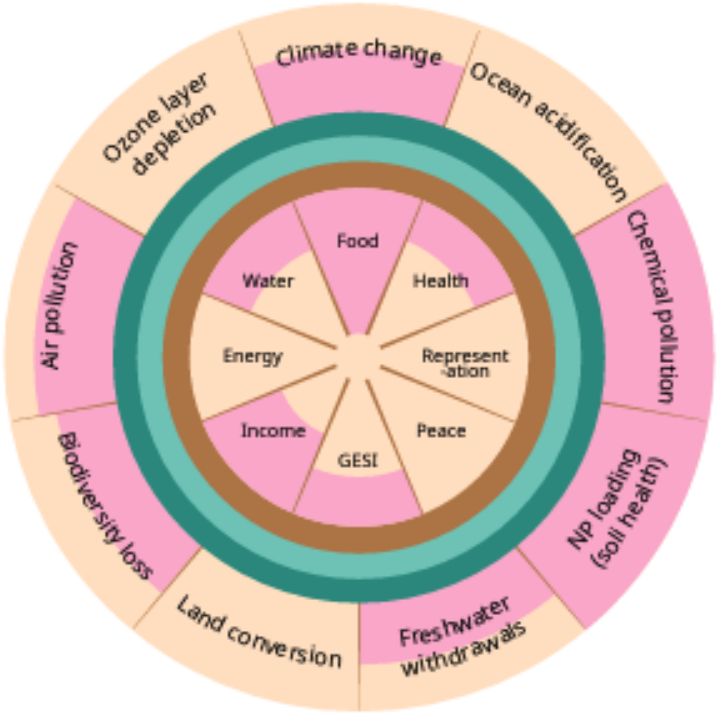
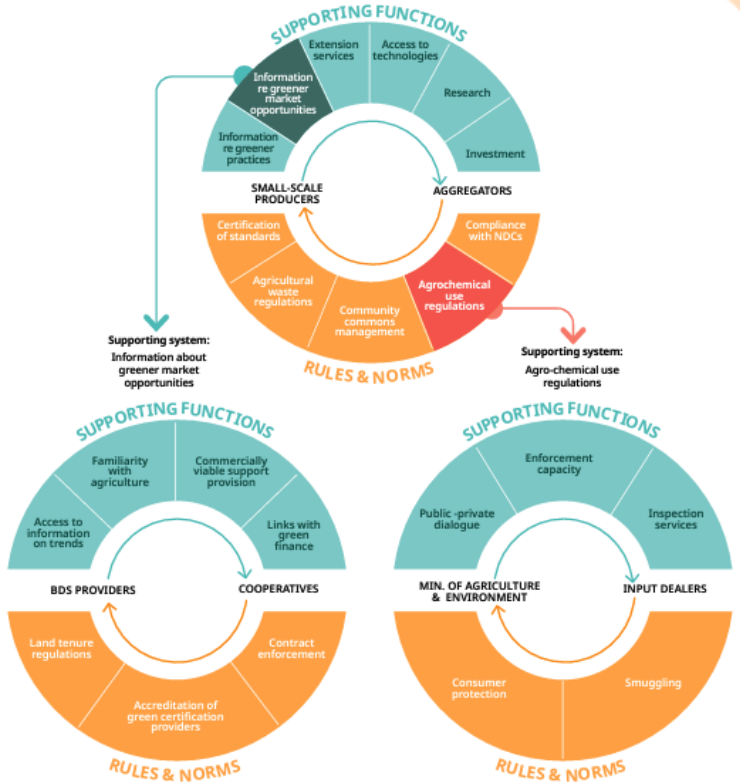


Table 8: Actor incentives and disincentives for green transition (examples)

	Incentives	Disincentives
Farmers and other producers	- Reduce the threats caused by resource scarcity and price volatility (e.g. fossil fuels for agricultural machinery operations) - Appetite to modernise through the adoption of technologies (e.g. smart irrigation systems) - Opportunity to access new premium markets (e.g. organic) - Opportunity to diversify income sources (e.g. through multiple avenues for value generation through farm diversification activities)	- Precarious livelihood leading to risk-aversion - No proven viability / clear consumer demand of new production methods - Limited access to support services (input suppliers, extension service, finance institutions...)
Public sector agencies	- **National level:** compliance with NDC commitments, market requirements (e.g. EU Green Deal and carbon border adjustment mechanism), pressure to reduce health hazards - **Subnational level:** need to reduce waste management costs, access to municipal sources of finance, lowering procurement costs for municipal public services	- Short-term political cycles that prevent politicians to support a long-term strategy - Lack of popularity of green transition measures amongst producer constituents - Vested interests of politicians exposed to corporate lobbying
Buyers (including end-consumers and intermediaries)	- Awareness of health hazards associated with agrochemical use - Awareness of agriculture contribution to environment and climate change leading to demand shifts	- Inability to pay a premium for sustainably produced goods (given subsidies on conventional agriculture) - Confusion around number of standards in use



3. Vision

1. Bridge the gap between the now and the future
2. Narrow down intervention focus
3. Develop nested theories of change showing links to greening objectives

Table 9: Who does and will do? Who pays and will pay?

Functions / rules	Who does	Who pays	Who will do	Who will pay
Links between business services and green finance providers	Donors	Donors	Business service providers	Finance provider association and producer associations
Accreditation of green certification providers[13]	No one	No one	National accreditation agency	Certification bodies who want to be accredited

Table 10: From destructive to regenerative practices[14]

Destructive	Sustainability-aware	Net no harm	Restorative
Practices that damage the environment (incl. inadvertently)	**Practices that limit environmental damage – but do not avoid it**	**Practices that neither harm nor restore the environment.**	**Practices that restore natural capital so that the environment thrives**
Example: Intervention initiated to reap quick wins before conducting an EIA. It ended up promoting stronger links between smallholders and buyers that prompted a switch to cultivating a high water-use crop.	Example: Informed by a CEDRIG exercise, intervention supported input dealers to promote higher quality inputs combined with training on proper application amongst customers.	Example: Intervention targets two sectors: a niche, green one where it is supporting market players to cascade agricultural waste into the textile industry, while simultaneously supporting rice farmers that use conventional practices.	Example: Intervention in the coffee agroforestry sector follows agroecological principles. The approach is supporting the natural regeneration of coffee plantations.[15]

4. Intervention design and programme implementation

1. Partner engagement: greening the conversation
2. Managing a portfolio of interventions adaptively
3. Aiming for scale

Figure 10: A hierarchy of support modalities. Adapted from Amir Allana

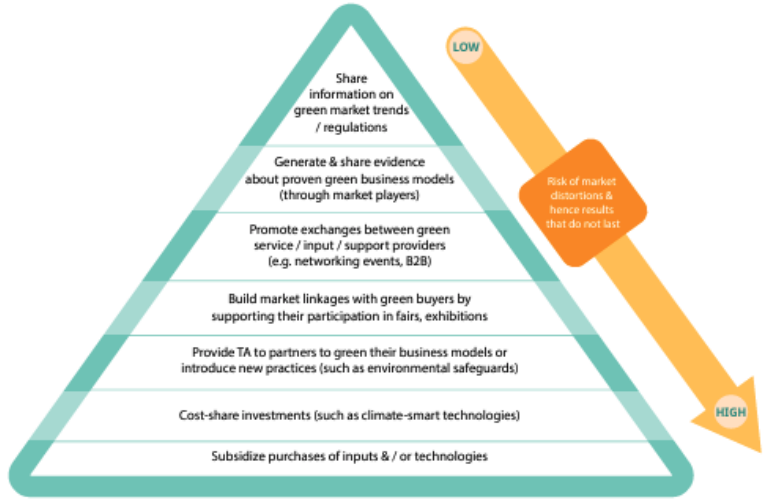


Figure 12: Example of modified AAER framework

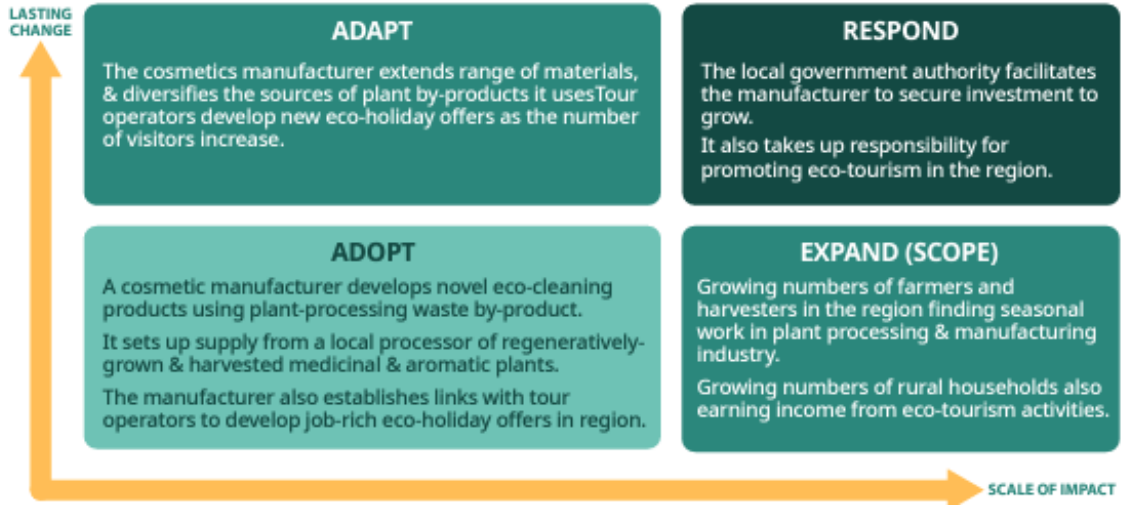


Table 12: What do we mean by green business model innovation?

Innovations around production - Support changes related to agricultural input and technique selection (e.g. introduction of climate resilient varieties, rotation systems, no-tilling, mulching) - Explore innovations around product design with equipment providers (e.g. higher degrees of modularisation to allow for easier repair and maintenance) - Introduce production process efficiencies to minimise agricultural waste and natural resource use	**Value cascades and cross-value chain links** - Support stronger linkages across industries and countries (e.g. regional markets for equipment spare parts with warranties) - Promote cross-value chain collaboration (e.g. agricultural waste feeding into textile industry with clear tracking of material flow)
New business models - Help equipment providers switch from perceiving buyers as consumers to seeing them as users (e.g. ownership remains with equipment provider and is returned at end of use stage) - Promote the introduction of performance-based models (e.g. tractor leasing) - Support the introduction of products as service models (e.g. selling subscriptions to GIS data services rather than GIS equipment)	**Links with the public sector** - Support market players to lobby to shift the tax burden away from labour / income and towards non-renewable resources - Promote green procurement practices among subnational entities (e.g. procure food for schools from 0 km farms) - Support governments to lobby internationally for better access to finance for green agricultural development (taking into account excluded voices)

5. MEL

1. Monitoring to inform management decisions
2. Fill in and use intervention guides
3. Support the generation of actionable green knowledge

Systemic change indicators

- Number of market actors that sell in markets that pay a premium for environmental sustainability since beginning of your intervention
- Per cent variation in turnover associated with income streams generated from environmental activities attributable to programme support
- Number of institutions with improved capacity to assess or address environmental degradation / climate change
- Number and type of innovative mechanisms introduced (e.g. PES, reorientation of subsidies)
- Per cent of women who report increased agency over natural resources
- Proportion of households adopting improved agricultural practices
- Proportion of respondents who observe an increase in soil fertility
- Proportion of households who observe that soil erosion has reduced

Outcome and impact indicators

- Per cent of producers feeling more confident in the capacity of their farming system to cope with climate change and natural disasters since programme start
- Rate of environmental and climate data generation and sharing
- Number of market actors who report additional income sources
- Number of ha of land under restoration/ number of hectares protected
- Proportion of respondents that observe that tree cover is maintained or increasing in their community
- Per cent target area with sustainable crop, livestock or NRM practices
- Per cent respondents who observe health of coastal and marine resources in their community is improving
- Per cent respondents who observe an increase in water quality/availability
- Proportion of households that have effective options for waste treatment and/or disposal
- Changes in GHG
- Changes in soil health
- Changes in biodiversity index
- Per cent of households who report feeling able to withstand natural shocks and bounce back within six months

6. Management

1. Hiring and nurturing the right skillset to deliver green outcomes
2. Systems and processes
3. Managing donor and country stakeholder expectations

Let’s break into groups

Strategy

Diagnosis

Vision

Intervention design

MEL

Management