



# WP6

## Deliverable 6.2

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*Strategic framework for guiding decision-makers in the choice of appropriate support instruments (including the relevant evaluation and learning arrangements)*

Highclere Consulting

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Small Farms, Small Food Businesses and Sustainable Food Security

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## Acronyms and Abbreviations

Africa Union (AU)

African Continental Free Trade Area (ACFTA)

Agricultural Knowledge and Innovation System (AKIS)

EU Common Agricultural Policy (CAP)

Comprehensive African Agricultural Development Programme (CAADP)

Economic Partnership Agreements (EPAs)

European Union (EU)

Farm Advisory System (FAS)

EU's General Scheme of Preferences (GSP)

Food and Agriculture Organization (FAO)

(CAP) Managing Authority (MA)

New Partnership for Africa's Development (NEPAD)

New Member States (NMS)

Official Development Assistance (ODA)

Prevalence of Undernourishment (PoU)

'Policy Coherence for Development' (PCD)

Revealed Competitive Advantage (RCA)

Regional Economic Communities (REC)

Single (Area) Payment Scheme SPS/SAPS

Small Farms (SF)

Small Food Businesses (SFB)

Strategic Plans (SP)

Task Force Rural Africa (TFRA)

World Food Programme (WFP)

World Health Organization (WHO)

# Executive Summary

The current deliverable (D6.2) is divided into two parts each corresponding to one of its two main audiences, namely:

- **Academics** who might be interested in understanding methodological issues regarding the development process of SALSA's Strategic Framework (**Part 1**), and;
- **Policy makers and practitioners** who seek to use SALSA's Strategic Framework for decision making (**Part 2**).

## Part 1 – Scientific Methodology

The **aim of D6.2** is to provide policy makers with a strategic framework for guiding their decisions regarding the choice of appropriate support instruments (see **Section 1**). The SALSA Strategic Framework is based on a synthesis of the following **data**: (1) SALSA project outputs (WP1-WP6); (2) SALSA participatory processes with policy stakeholders and SALSA experts (concluded in D6.1 on enabling conditions for small farms and other SALSA expert sessions); and (3) Secondary sources stemming from both academic and practitioners' literature, which were used to triangulate findings (see **Section 2**). The Discussion and Conclusions chapter (see **Section 3**) provides answers to the three research questions of the deliverable.

The **key messages** stemming out of the three research questions are:

- In Europe changes needed for supporting small farms have to do with adapting both the regulatory and the direct support menu of options available through the EU Common Agricultural Policy (CAP) to the particular needs of small farms, while for the African context, a key recommendation is for policy makers to pay more attention to the process of policy implementation.
- Overall, there is a great need for a revival of national- and regional-level Agricultural Knowledge and Innovation Systems (AKISs), as well as the more specific improvements in Farm Advisory System (FAS) structures. This implies providing more financing for better staffing, resources and training, as well as diversification of services in both Europe and Africa.
- EU can support relevant mechanisms by assuring complementarity of EU programmes, structural funds for particular macro-regions, as well as more cooperation between Directorates with a focus on developing appropriate measures for small farms and small food businesses.

## Part 2 – SALSA Strategic Framework

The resulting SALSA Strategic Framework is also **composed of three parts**:

1. General recommendations for diverse entities/ organizations working at various scales (EU/AU, National, Regional, Local);
2. Territorially Tailored Food System Policies, and;
3. Two Policy Tools, corresponding to the European Union and African contexts. The Strategic Framework and its specific components are explained in detail in **Section 4.1**.

The rest of the sections of **Chapter 4** provided the detailed recommendations tailored for the institutions and geographical contexts mentioned above.

**There are two suggest ways for policy makers to read the framework:**

- **Read the chapters and sections that are of most interest to them.**
- **Go over the recommendations from top to bottom, starting from the vision and descending through the ‘General Recommendations’ and the ‘Territorially tailored policy recommendations’, as indicated by the arrow.**

As an introduction / general framing of SALSA’s Strategic framework into the Horizon 2020’s Societal Challenge 2, **Section 4.2** provides a zoom in perspective on FNS challenges from global, to EU-AFR trade, national and reaching the regional food system level that SALSA focused on.

Part 1 of the Strategic Framework – the first level of **General Recommendations for diverse entities** is overarching **vision for small farms for the 2030/2050 horizons** (developed on the basis of WP4 and WP5) with objectives, which is the departing point of the framework (**Section 4.3**). The second level of recommendations is composed of different sections for policy makers at EU/AU, National/Regional/Local authorities and AKIS actors (see Sections **4.4.2 – 4.4.7** for EU and Section **4.5** for Africa).

Part 2 of the Strategic Framework - **Territorially-based Food System Policies** are based on three specific sub-frameworks (A, B and C), which correspond to the sub-sections of the four macro-regional chapters of the Strategic Framework (see **Sections 4.4.8** for Eastern Europe, **4.4.9** for Southern Europe, **4.4.10** for Northern Europe and 4.5.6 for Africa):

A) **The ‘General Enabling Conditions’ sub-framework** based on the macro-regional needs and enabling conditions which emerged out of SALSA’s four macro-regions, namely Eastern Europe, Southern Europe, Northern Europe and Africa.

B) **The ‘Regional Food System Types’ sub-framework**, based on the departs from the classification of food systems types developed by SALSA in **Deliverable 3.3**, where a distinction was made between Regional, Balanced and Export-type food systems is made.

C) **The ‘Regional Small Farmer Types’ sub-framework** departs from the classification of small farmer types developed by SALSA in **Deliverable 3.2** which distinguishes between five main types of small farms across both Europe and Africa



## Part 1 – Scientific Methodology

Due to the academic audience this section addresses, Part 1 of the deliverable addresses scientific topics related to the aims, objectives and methodologies used in order to develop the policy recommendations from Part 2 – SALSA Strategic Framework.

# 1. Aims, Objectives and Research Question

In the context of the SALSA project, the overall aim of WP6 is to identify, develop and disseminate policy tools and other support mechanisms that are most appropriate for maintaining and enhancing the contribution of small farms to sustainable Food and Nutrition Security (FNS) in the European and African context (SALSA Objective 4).

The results of the WP6 analysis will be presented in three deliverables, of which Deliverable 6.2 is the second one.

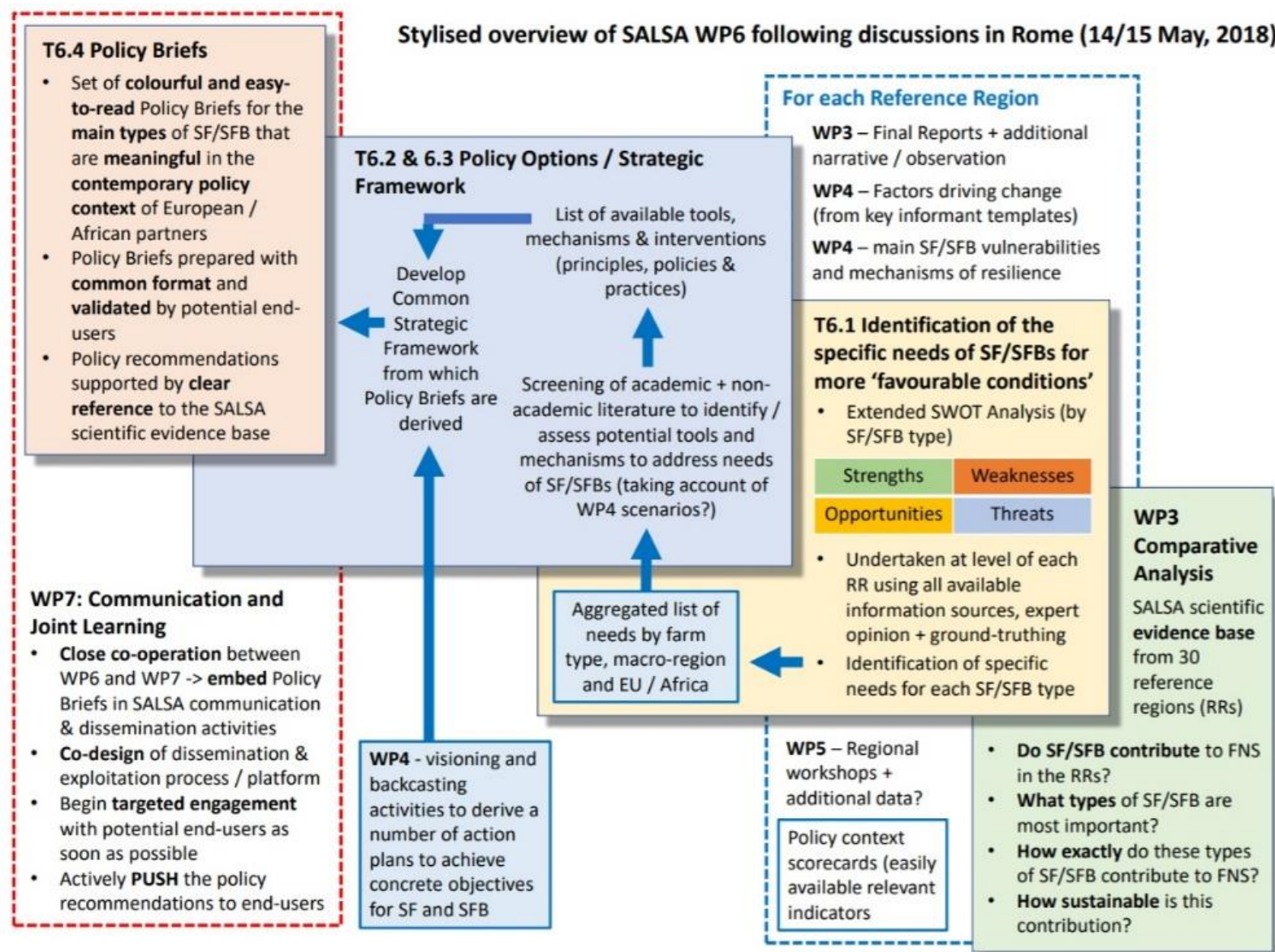
- Deliverable 6.1 - Report on enabling conditions and existing policy instruments that are to, directly or indirectly, promote the development of small farms and a corresponding tailoring of international cooperation and agricultural research and development
- Deliverable 6.2 - Strategic framework for guiding decision-makers in the choice of appropriate support instruments (including the related evaluation and learning arrangements).
- Deliverable 6.3 - Policy Briefs with policy lessons and recommendations that are relevant for EU policy development as well as the EU strategy for international cooperation in research and innovation, paying particular attention to the Europe-Africa dialogue

This document is **Deliverable 6.2**, built on the outcomes of **Deliverable 6.1** and the subsequent three WP6 tasks (see Figure 2), namely (1) T6.1 on the Identification of specific needs, (2) Policy Options, and (2) T6.3 the Strategic Framework.

- **T6.1** supported the synthesis of the evidence base developed throughout the SALSA project (more specifically WP 3-5), its interpretation towards the identification of *evidence-based small farmer and small food business needs* through a specific *SWOT analysis (Strength Weaknesses Opportunities and Threats analysis)*. It also provides a policy stakeholder-based review (T6.3) of the extent to which existing current policy instruments have been or can be adapted to the particular needs and opportunities of small farms.
- **T6.2** develops a coherent set of policy options for Europe and Africa, on which the SALSA strategic framework from the current deliverable is being built. The policy tool includes an intervention logic, description of measures and simple operational procedures.
- The four macro-regional workshops organized under **T6.3** were used to elaborate and test the policy options formulated on the basis of **T6.1** and **T6.2**, while the three research question of the particular task have been used to develop the current deliverable (see research questions below).

Unlike the work of other WPs within SALSA, which aim to contribute directly to testing some of the hypothesis that form the conceptual framework of the project, WP6 is a conclusive work-package, aiming to only offer policy recommendations on the basis of the evidence base already developed throughout the project.

Figure 1- Overview of the relationship between the outcomes of WP6 Tasks



As mentioned in **T6.2**, the current deliverable is aimed **at guiding the decisions of policy stakeholders through the contemporary policy context, in particular:**

- The **ongoing CAP reform** (post 2020-CAP, as well as the remaining implementation of the 2014-2020 programming period)
- The **European Innovation Partnership for agricultural productivity and sustainability** (EIP-Agri)
- Other **EU funded policy networks at regional, national and European level** (European Network for Rural Development and National Rural Networks)
- The **EU strategy for international cooperation in research and innovation regarding Europe-Africa relationships**

In order to be able to **guide this wide array of policy stakeholders, from multiple levels of governance to the appropriate policy recommendations** stemming out of the SALSA's policy work the current deliverable develops in **Part 2 a Strategic Framework** (and also **Figure 1** below).

This framework (also highlighted below), is meant to **help policy makers select recommendations tailored to:**

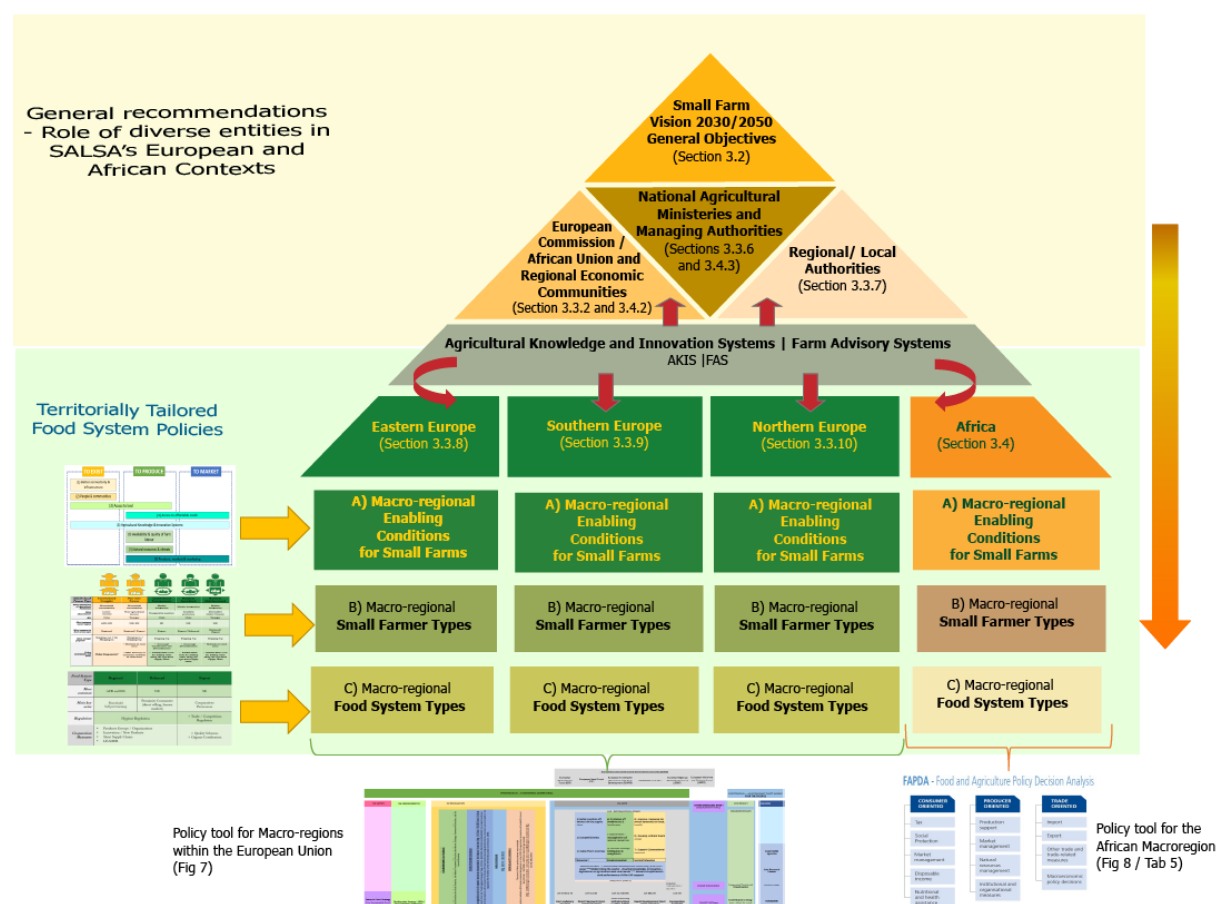
- **Tailored both to their context** (European or African),
- **Type of institution** (European Commission/ African Union, CAP Managing Authorities and National Agricultural Ministries, Region and Local Authorities)
- **Level of institution** ((European, National, Regional, Local)),
- **The territorial characteristics of the small farms and food system they are seeking to influence** (from the Territorially Tailored Food System Policies).

There are two suggest ways for policy makers to read the framework:

1. **Read the chapters and sections that are of most interest to them.**
2. **Go over the recommendations from top to bottom, starting from the vision and descending through the 'General Recommendations' and the 'Territorially tailored policy recommendations', as indicated by the arrow.**

The deliverable also makes specific reference to the complementary role of support instruments and mechanisms, such as regulation, direct support, AKIS and new models (also referred to as policy mixes – see **Section 4 -Discussion Section**) and the role of diverse entities (public/private, local/non-local, active citizens) whenever necessary (see structure of section 3.3 and 3.4).

Figure 2 - SALSA Strategic Framework to guide decision makers in the choice of appropriate instruments (see section 4.1 for full elaboration)



According to the Description of Action, the **research questions of the current deliverable** are therefore:

1. What changes might be needed in order to facilitate the development of small farms?
2. How can agricultural knowledge and innovation systems become supportive of small farms?
3. In what ways can EU policy best support relevant mechanisms?

These will be discussed in the final Discussion and Conclusion chapter of Part 1 (chapter 3).

## 2. Methodology

### 2.1. Data Sources

The development of the current deliverable (the Strategic Framework) relies on: a synthesis of (1) SALSA project outputs, (2) SALSA participatory processes with policy stakeholders and SALSA experts, as well as (3) secondary sources stemming from both academic and practitioners' literature. Table 2 below provides a detailed overview of sources used for each of the main sections of the current deliverable:

*Table 1 - Data Sources of SALSA D6.2*

<b>D6.2 Section</b>	<b>Data Sources Used</b>
<b>Strategic Framework</b> (T6.3)	<ul style="list-style-type: none"> <li>- Integration of key SALSA findings (WP1, WP3, WP4 and WP5)</li> <li>- Policy-related tools and publications</li> </ul>
<b>Policy Tools (EU/AFR)</b> (T6.2)	<ul style="list-style-type: none"> <li>- European Commission Websites and Publications</li> <li>- African Union Websites and INGO Publications</li> <li>- SALSA Review of National Agricultural Policies for Small Farms and FNS (WP6 assignment conducted by partners in Cape Verde, Ghana and Kenya)</li> <li>- Academic, INGO and Practitioners' Literature Scan (Academic Articles, Reports, FAO FAPDA Tool and National Profiles, ARC2020, Politico)</li> </ul>
<b>Recommendations for European, African and National level policy makers</b> (T6.2)	<ul style="list-style-type: none"> <li>- Curated synthesis of policy recommendations from previous SALSA WPs (WP1, WP2, WP3, WP4 and WP5, cross-referenced when necessary)</li> <li>- SALSA D6.1 conclusions, based on SALSA's Macro-regional workshops and SWOT-based methodology (see D6.1 for further explanation of primary and secondary data sources and participatory methodology)</li> <li>- SALSA Reflections on Macro-regional workshops during Brasov Consortium Meeting (May 2019)</li> <li>- Academic and Practitioners' Literature Scan (Academic Articles, Reports, FAO publications, ARC2020, Politico)</li> </ul>
<b>Macro-regional recommendations</b> (T6.3)	<ul style="list-style-type: none"> <li>- SALSA Findings per macro-region (WP1, WP2, WP3, WP4 and WP5)</li> <li>- SALSA WP6 Macro-regional workshops (and D6.1)</li> </ul>
<b>Discussion</b>	<ul style="list-style-type: none"> <li>- Practitioners' Literature Scan (ARC2020, Politico)</li> </ul>



## 2.2. Methodology

### *Policy Tools*

**The development of D6.2 started with the creation of the T6.2 Policy tools.** Two different policy tools were developed in the European and African contexts, due to substantial differences in policy frameworks between the two continents and a desire to be as specific as possible in terms of policy recommendations.

**For the EU Policy Tool the WP6 team conducted** a broad review of programmes, policies and regulations of the European Union, going beyond the realm of agriculture and exploring other supporting domains, such as research, innovation and health. Due to the common set of measures implemented in each Member State (MS), as well as a lack of resources for national-level analysis, the tool only included EU-level policy options (annotated according to the best available information on the post-2020 programming period taxonomy, see Figure 6).

**For the African regions,** due to the lack of an overarching continental policy framework similar to the Common Agricultural Policy (CAP) of the EU, the **FAO Food and Agriculture Policy Decision Analysis tool (FAPDA)** was chosen to help classify the nationally-based policies for agriculture, small farms and FNS (FAO, 2015e). The advantages of using this tool are its clear, reputable and well-developed structure, as well the fact that the tool is already being used to assess the contribution of various policies to FNS. Each of SALSA's African project partners (from Cape Verde, Ghana and Kenya) were asked to conduct a review of National Agricultural Policies for Small Farms and FNS, and to classify each according to the FAPDA taxonomy (see codes/numbering in Annex III). The FAPDA taxonomy was copied by SALSA 'as is', without further editing (see Table 5 and Annex III). Their reviews were then triangulated, whenever possible, with the FAO FAPDA Factsheets for each country (FAO, 2015a, b, c, d and 2017). Partners were also advised to provide further comments on the level of success of these policies in targeting small farms for enhancing FNS. The comparative findings for the three countries, coded according to the FAO FAPDA coding, are discussed in Section 4.5.3.

### *Territorially Tailored Food System Policies – Sub-Framework A 'Macro-regional enabling condition for small farms'*

**In order to focus the broad range of policy options outlined through the two Policy Tools on the key priority interventions from each contemporary policy context, the conclusions of D6.1** (on each of the four macro-regionally based enabling conditions and existing policy instruments) **were used to select the appropriate policy mechanisms and mixes that could help address the identified needs.** While D6.1 relies on an evidence-based SALSA data synthesis and expert validation processes (detailed within the respective deliverable), it is important to underline here the fact that the final conclusions relied heavily on the expertise and validation of a diverse range of policy makers from national, regional and local levels. **While expert opinion within SALSA's WP6 team was at times used to further filter their recommendations for relevance, it was not possible to do this systematically in every instance** (further see Section 2.3 on Limitations).

### *Territorially Tailored Food System Policies – Sub-Framework B – “Macro-regional Food System Types”*

Due to the fact that only these two indicators were selected for the SALSA Food Systems Typology, **developing appropriate policy recommendations for the three food system types was particularly challenging.**

The central **assumption** around which Sub-Framework B recommendations are built was that, due to their ability to access extra-regional, and even international export supply chains, **export food systems were most advanced, even though they contribute least to regional food system availability.** The assumption is made on a series of observations. Firstly, the cooperative systems most encountered as key first actors for small farms in export-type food systems seem to be **reasonably functional** in spite of reported weaknesses, enabling small farms to overcome their autonomy-related limitations (see **SALSA Deliverable 1.3**), as well as **dealt already with more complex logistical regulation needed for accessing export markets.** Out of the project’s four macro-regions, only the Southern European one, with the highest proportion of export-based food systems, mentioned a need to work on international trade related regulations such as GSP regulations. Secondly, according to the vision articulated through SALSA’s foresight work (see **Section 4.3**), policy stakeholders related to small farms believe that **the future of small farms is related to gaining added value** through niche markets, but **in some cases also through trade value adding exports.** This is because **small farms see export market as one strategy for earning higher incomes, a strong motivator for them to keep producing** (see **SALSA Deliverable 4.2**).

Furthermore, as *balanced and regional food systems* seem rather similar in terms of the needs reported by stakeholders to develop stronger regional supply chains and more flexible hygiene regulation. Following from the first assumption, this could be because more food system infrastructures are needed in order to develop both within the region and be able to increase the share of key products exported outside of the region (leading to an export type of food system). For these reasons, *a second assumption is made that both regional and balanced types of food systems could benefit from the same types of regulation and cooperation measures.* SALSA findings from both **Deliverables 4.2 and 5.1** indicated that **adapting hygiene regulation to the needs and capabilities of small farms was seen as one the main drivers providing or inhibiting access to small farms’ markets,** and is therefore a fundamental issue (baseline issue) to be addressed if farmers are to be encouraged towards greater market entry. **It is for this reason that these have been included in this sub-framework as the fundamental regulatory enablers for regional and balanced food systems.**

Table 2 from SALSA Strategic Framework Section 4.1 (where this particular Sub-Framework is presented) builds on these two assumptions and develops a **layered set of recommendations** for the development of tailored recommendations for each typology. Some limitations of this approach are discussed in Section 2.3 below.



## *Territorially Tailored Food System Policies – Sub-Framework C ‘Macro-regional small farms typology*

The **‘Macro-Regional Small Farmer Types’ Sub-Framework** departs from the five main types of small farms across both Europe and Africa, developed by SALSA in **Deliverable 3.2** (see Table 3 in section 4.1). Research into secondary sources was conducted by the SALSA WP6 team into the possible types of policy interventions that could be most appropriate for such types. Furthermore, during the SALSA macro-regional workshops participating policy stakeholders were asked as to whether they see any particular policy trajectories for each small farm type. Several frameworks were identified, however none that could be considered all-encompassing.

Therefore, in the end, three pathways / premises for recommendations were selected as being most relevant, each with their own assumptions. These can be seen as three alternative lenses through which policy makers can interpret the SALSA evidence base and were designed to be applied simultaneously or separately.

The **FIRST** pathway to go over Sub-Framework C would be to consider the **Age variable** (third row of sub-framework C below, namely ‘Age’), as suggested during the SE and AFR macro-regional workshops. This is because farmers represent an aging population in Europe, and young farmers are harder to keep in African rural areas, making it a priority for **policy makers to prioritize interventions targeting in particular younger types of farms** (these are the ‘Part time’ and ‘Business Multifunctional’ types of farmers).

The **SECOND** pathway to navigate policy recommendations for SALSA’s small farm types can be provided by the **simplified 3-step strategy classification system** provided by Doward (2009) and endorsed by UK’s DFID (2015), namely *Stepping out, Hanging in and Stepping up* (explained in Figure 5 below, and integrated as row 6 on ‘Main Strategy’ in Sub-Framework C above in section 4.1). While such a framework is surely simplistic for the diversity of contexts under each category of small farms, it helps in considering a few basic scenarios for how various types of small farms are likely to respond to policy intervention in the future.

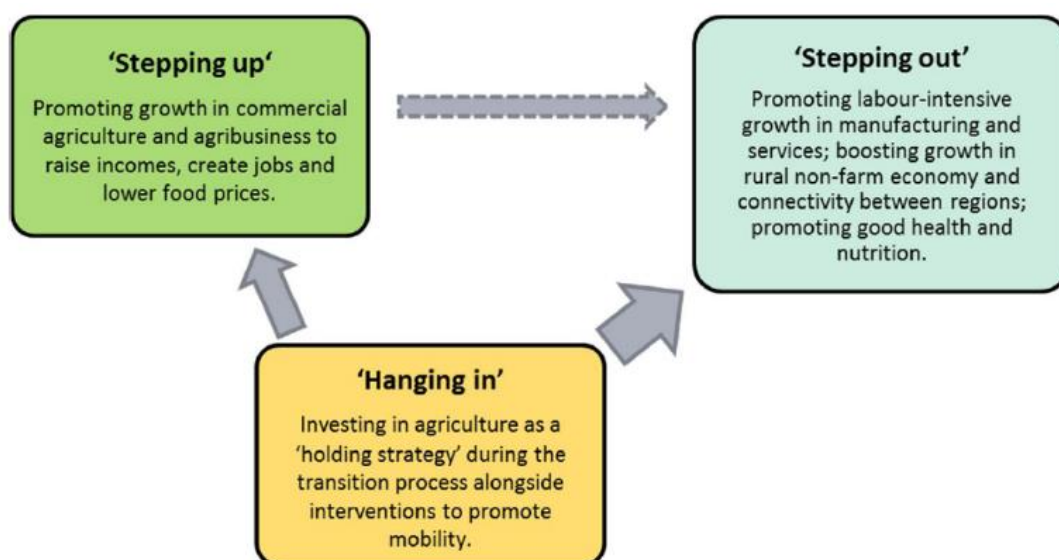
The **two small farm types which require most consideration are the less market integrated ones, namely the ‘Conventional strugglers’ and the ‘Part time’ types**, as their motivations and trajectories are less clear than those of more market integrated ones.

For the **‘Conventional strugglers’ small farm type** several researches (in particular Fritsch *et al.* (2010) and OECD, (2008)) *have questioned whether their age, motivations, risk-averse attitudes and limited resources enable them to respond to policies supporting greater market integration*. For this reason, **policy makers seeking to intervene in regions with high number of ‘Conventional Struggler’ farmers should:**

- a) **Consider whether ‘Stepping out’, ‘Hanging in’ and ‘Stepping Up’ strategies are more important, depending on local circumstances.**
- b) **Assure leaner administrative procedures for subsidies and business management to allow them to ‘Hang in’ regional food systems and maintain their contribution to food**

availability for their household, as well as their informal networks (which is their current pattern of contribution to regional food systems, according to findings in **SALSA Deliverable 3.2**).

*Figure 3 - Stepping Up, Stepping out, Hanging in. Pathway for Regional Small Farmer Type Framework interpretation*



*Source: Doward (2009) and endorsed by UK's DFID (2015) – Included as Row 6 (Main Strategies) in Table 4 on Sub-Framework C*

The **'Part time'** typology of small farms is the one where only half of the small farmers interviewed received subsidies (see **Deliverable 3.2**), but considering this category is mostly composed of young farmers, **priority should be put on maintaining them in rural areas** (though **'Hanging in'** strategies), **assuring a diversity of activities ('Stepping Up' strategies)**.

For the **'Conventional Entrepreneurs', 'Business Specialized' and 'Business Multifunctional' small farm types**, which are already market integrated, **'Stepping Up' strategies**, encouraging them to seek ways to secure and increase their position in regional food systems through cooperative membership, certification and diversification (as also recommended through pathway three below). Other tools which can be used to support these three market integrated types can be found in Annex I, which outlines the **ENRD RDP tools for adding value along the agri-food supply chain**.

A **THIRD** pathway could be to encourage small farms to progress towards the **'Business Multifunctional'** typology of small farms (last row of sub-framework C), This is because,

based on conclusions from SALSA's D3.3<sup>1</sup>, this particular small farm type contributes to regional food availability (aligns with SALSA's objectives) and earn good incomes (aligns with one of the main motivations of farms). **In order to do so, policy makers may consider encouraging small farms** (especially from less market integrated types, such as 'Conventional Strugglers' and 'Part time' farmers), **to upgrade their production through cooperative membership, certification and diversification.** These three types of measures are also the main distinguishing elements between the three well market integrated small farmer types (on the right side of the Table 5 above), which are best combined through the 'Business Multifunctional' type that embodies them all.

## 2.3. Limitations

Considering the high importance of the conclusions of D6.1 on selecting the priority policy interventions for D6.2, it is important to re-state in the current deliverable some of the possible implications of the D6.1 chosen methodology on the resulting policy recommendations made through the current strategic framework.

### *Subjectivity of participatory processes*

The departure point of D6.1 is an evidence-based SWOT (based on both SALSA and secondary data), the interpretation of the results, as well as the participatory processes used to prioritize and review policy instruments, relied on SALSA expert opinion (during the national and macro-regional SWOT development process) and policy stakeholders (during the macro-regional stakeholder). Such participatory methods and expert-based assessments are widely used for many different goals, and especially in policy making, because they are expected to lead to higher impact policy goals and tools than technically defined policies. **While lending some legitimacy, context and experience to numbers, this participant-based process brings also an inherent degree of subjectivity to the results.**

Firstly, despite the SALSA project took great care to involve a broad range of stakeholders from multi-level governance to assure inclusive representativeness of findings, the trade-off was that not all had first-hand, in depth technical and historical knowledge of the measures they proposed.

Secondly, the personal biases of experts and stakeholders, their own professional backgrounds and agenda are likely to have influenced the conclusions found in the WP6 deliverables. This includes the personal biases, experience or lack thereof of SALSA's WP6 team, especially in what concerns the AFR policy context.

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<sup>1</sup> Based on statements from D3.3 "When contrasting food system groups with the most common types of small farms present in the region, the key conclusions that can be drawn are that "conventional struggler" small farms are the most common type of farms in food systems where SF contribute most to regional availability, and "conventional entrepreneurs" are the most common type of small farms in food systems where SF contribute least to regional availability. Both these groups are also the most numerous types. Ideally, **for SF to contribute to the regional availability of food products, small farmers should not need to be poor and struggle to get by.** Thus, other formulas need to be found, that allow them to contribute to the availability of regional FNS but at the same time being able to provide good livelihoods for their families.

**The types of small farms that meet both these criteria would be the "business specialised" and "business multifunctional".** Both these types are common across all regions, but especially relevant in Northern European regions, where small farmers are very scarce. These types may have resulted from an adaptation to an increasing industrialised agriculture, whereby they needed to survive either by growing or by looking for new market niches avoiding mainstream commercialisation networks.

Thirdly, limitations stemming from the design of the participatory workshops, including limited or over-representation of certain countries or groups due to resources, are likely to influence the emphasis placed on certain small farm needs and priority interventions. SALSA project partners were asked to invite one policy stakeholder per SALSA region due to resource constraints, with the exception of the SE macro-regional workshop hosted in Brussels. In all other three workshops, however, there was an over-representation of actors from the host-countries (Romania, Scotland and Kenya). In the case of the AFR macro-regional workshop, due to logistical issues, the Cape Verdean and Tunisian regions did not have a policy stakeholder present at the workshop.

Nevertheless, WP6 aimed to reduce as much as possible by including **triangulation measures** (including assuring consistency with SALSA data, as well as practitioners' literature). For the purposes of **Deliverable 6.1** the SALSA WP6 policy experts triangulated the conclusions about enabling conclusions and small farm needs according to practitioners' literature (see **Section 2.1**).

### *Researchers lack of in-depth knowledge on African policy frameworks*

Lastly, for the **African macro-region**, due to diverse policy options at a national level, it was not possible to match the FAO FAPDA classifications with macro-regionally based conclusions. Therefore, the policy recommendations selected refer more to types of interventions, while the FAO FAPDA classification serves as a snapshot view of the main policy interventions for small farms and FNS in each country. Furthermore, the more limited knowledge of the WP6 researchers with the African context might reduce the representativeness of the data. Policy conclusions related to Africa should be considered with care by policy makers and further triangulated, if possible.

### *Exploratory Sub-Framework B – Food System Typology*

Due to the fact that only these two indicators were selected for the SALSA Food Systems Typology, **developing appropriate policy recommendations for the three food system types was particularly challenging**. Nevertheless, an **assumption** was made that, due to their ability to access extra-regional, and even international export supply chains, **export food systems were most advanced, even though they contribute least to regional food system availability** (see Methodology section 2.2 above).

**For these reasons, all recommendations based on Sub-Framework B should be considered by policy makers as exploratory and requiring further research.**

### *Exploratory Sub-Framework C – Small Farmers Typology*

**Developing appropriate policy recommendations for the SALSA Small Farms Typology has been a particularly challenging endeavour**, as all five types unravelled fulfil a unique role in assuring regional FNS and are therefore important in the regional landscape.

**For the purposes of the current strategic framework, policy makers should consider all recommendations from subsequent sections based on Sub-Framework C as exploratory and requiring further research.**

### 3. Discussion and Conclusion

The following section will seek to provide some brief conclusive answers to the main research questions of the current deliverable (see **Section 1**).

#### 3.1. What changes might be needed in order to facilitate the development of small farms?

Taking into account the findings in **Section 3.3 on Europe**, the **key messages regarding the changes needed have to do with adapting both the regulatory and the direct support menu of options available through the CAP to the particular needs of small farms**. The overview of the CAP (**Section 4.4.1**) indicates that available mechanisms have structurally failed to address these issues during the previous two programming periods. Direct support measures under the CAP need to be coupled with appropriate eligibility criteria or delimited thematic sub-programmes for small farms to be able to access them. Assuring that small farms can benefit from innovation and that food systems are geared towards including small farms for the achievement of FNS requires cross-sectoral collaboration between authorities and a system's approach when considering and planning small farm development. Furthermore, one of the main contributions of the SALSA project is the typology of small farmer and their food systems, demonstrating the variety within this stakeholder group, as well as their specific needs. Benefitting from the increased flexibility of the post-2020 CAP programming period and its Strategic Plans, policy makers should seek to tailor their current mechanisms also to the specific territorial needs indicated in the macro-regional chapters of the Strategic Framework. Last but not least, policy makers should consider developing policies aiming to answer recommendations about what small farms might need in the future by reflecting on the objectives set out in **Section 4.3.1** stemming from SALSA's foresight work.

**For the African context, a key recommendation is for policy makers to pay more attention to the process of policy implementation.** Stakeholders from SALSA's studied regions report policies have been formulated but not well applied. While the analysis in **Section 4.4** highlights a wide range of policy frameworks and programmes for supporting small farms, some arguably more innovative, specific and progressive than in Europe (innovation hubs for young farmers in Ghana), their lack of impact on their target beneficiaries should lead to a deeper evaluation regarding their appropriateness.

#### 3.2. How can Agricultural Knowledge and Innovation Systems become supportive of small farms?

The current deliverable has discussed Agricultural Knowledge and Innovation Systems both as a stand-alone policy theme, and within the context of each of the other priority interventions needed in each macro-region to support small farms. **Overall, there is a great need for a revival of national- and regional- level AKIS, as well as the more specific FAS structures.** This implies providing more financing for better staffing, resources and training in both Europe and Africa. In a European context specifically, FAS need a diversification of services beyond basic CAP measures and education on cross-conditionalities. Diverse types of FAS services, from demonstration to



Smart based services and strategic advisory should be developed to help small farmers upgrade their production to new standards as well as their way of producing with resource-efficient processes.

Art 72 of the current post-2020 CAP regulatory proposal makes provisions for budget allocation for knowledge exchange and information, which could be increased in order to help MS to support the above-mentioned changes.

The upgrading of professional education curricula at a European level has been positive but needs to be continued and properly integrated down to the regional levels where maintaining youth interested in agriculture is a priority. Independent actors, such as NGOs and LAGs, can also play an important role in the AKIS ecosystem, if provided with continued funding opportunities to do so. The EIP Operational Groups under Art 71 on Cooperation could also be dedicated to developing methods and good practices for the environmental adaptation of small farms.

Small farms are keen to learn about a large variety of product, market and marketing topics, but also about how to align their production towards sustainable and climate resilient systems. Particularly in EE there is a need for building also softer skills among youth and cooperative leaders, especially in what concerns leadership, cooperation skills, as well as digital skills among older farmers. In SE there is also an increasing need to better coordinate public and private FAS, particularly in certain sectors such as agro-chemicals, in order to ensure proper alignment in terms of overall regulatory coherence. A rural networking approach to FAS could help promote knowledge exchange between old and young farmers in particular in areas with new entrants, such as SE and NE, but also between small farms in general. Investment measure (Art 70 under the post-2020 regulatory proposal (EC, 2018b) can help development a specific risk management tool for small farmers to better be able to adapt to new technologies and other types of innovation.

### 3.3. In what ways can EU policy best support relevant mechanisms?

Policy at a **European Commission** level should maintain its **complementarity within the ‘A European Green deal team’ and the Farm to Fork strategy**. Various Directorates should encourage EE MS to assure **complementary funding** for infrastructure and rural services from the ESIF in order to assure that the post 2020 programming period will put an end to the structural issues affecting the connectivity of rural communities in the macro-region. **Research and innovation** funding could be dedicated to further **improving LPIS related technologies** in order to close current technical barriers preventing the achievement of cheaper compliance monitoring of small farms. Furthermore, **DG Agri could take a guiding role towards member states in advising them towards good practices in the development of thematic sub-programmes for small farms**, in order to assure that the changes exposed in **Section 4.1** are addressed. Furthermore, any upcoming **Climate Change Adaptation projects at a European level should be properly implemented at a national level and regional level**, where small farms are found, in order to address this urgent gap in their governance. For export-based regions like Southern Europe, the lower socio-environmental requirements for non-EU states in the GSP trading scheme, as well as the lack of transparency and adaptability of Hygiene and Quality regulation (in particular PDO and PGI) are issues worth tackling.

For the European context, **Cooperation measures** (Art 71 of the current regulatory proposal, EC, 2018b) **remain the most important form of direct support for small farms, both through short supply chain measures and through broader collaboration opportunities provided through CLLD/LEADER type programmes and EIP Agri Operational Groups (such as OG Food Value).** The latter ones are needed in order to develop solutions for a wide range of rural issues, from generational renewal to services. During the post 2020 programming period, resources under these measures should be allocated to enhancing the collaboration and ties with consumers in all forms, as well as promoting the environmental benefits of small farms, regional, seasonal and healthy diets, especially in LFA areas – in accordance with the vision identified for small farms for 2050 articulated in **Section 4.3.** Agri-environment measures, as well as further investments in agro-tourism infrastructures could help enhance this strategic positioning of small farms in European food systems.

European small farmer communities continue to face significant challenges with maintaining their communities alive, including generational renewal and the integration of new entrants. Continuing the Young farmers' scheme and extending it also specifically to small farms might not be enough to address the generational renewal and to reverse the farming population decline, so the commission could further adapt regulation to also recognize new entrants beyond 40 as a new category to be nurtured through its CAP menu.

While the EU contexts has a well-developed policy menu and offers significant continuous funds (compared to more innovative, donor-based AFR subsidy system), **both contexts face challenges in developing effective mechanisms for small farms.** Therefore, more cooperation on this topic through the **EU-AFR mechanisms and cooperation programmes could help cross-fertilize idea and lead to innovation.** While AFR countries might be interested in how to develop softer supply chain cooperation measures (type LEADER, short supply chains) could help promote the territorial approach in AFR countries as well, the EU could learn from the progressive small farmer programmes in the South, as well as the more technology and media based information systems for small farms. Last but not least, both SE and AFR countries face severe climate change threats and could benefit from mutual learning programmes.

## Part 2 – SALSA Strategic Framework for guiding policy makers in the choice of appropriate instruments

Part 2 of the current deliverable – the SALSA Strategic Framework - serves as a guide for a wide range of multi-level policy makers from across the European and African contexts to choose the appropriate support instruments for maintaining and enhancing the contribution of small farms to FNS.

The Strategic Framework starts with a schematic figure, showing a systematized way through which policy makers can create the most appropriate policy mix for the context that they seek to influence. The rest of the sections of part 2 is composed of the corresponding sections, which elaborate on the policy recommendations provided.



## 4. SALSA Strategic Framework

### 4.1. Explaining the SALSA Strategic Framework

The SALSA Strategic Framework guides decision-makers in the choice of appropriate support instruments for small farms (see **Figure 4**) and is built upon an integration of SALSA findings with strategic knowledge about the types of policy tools available, as well as the responsibilities of each institutional level in both Europe and Africa .

This framework (also highlighted below), is meant to **help policy makers select recommendations tailored to:**

- **Their context** (European or African),
- **Type of institution** (European Commission/ African Union, CAP Managing Authorities and National Agricultural Ministries, Region and Local Authorities)
- **Level of institution** ((European, National, Regional, Local)),
- **Territorial characteristics of the small farms and food system they are seeking to influence** (from the Territorially Tailored Food System Policies).

Policy makers may use the framework by

A) Reading the chapters and sections that are of most interest to them.

B) Going over the recommendations from top to bottom, starting from the vision and descending through the ‘General Recommendations’ and the ‘Territorially tailored policy recommendations’, as indicated by the arrow.

Figure 4 below provides a schematic overview of the overall structure of this framework. Each level (read – row) of the figure is part of:

Part 1) The **General Recommendations – Role of Diverse entities in SALSA’s European and African contexts** (yellow area, corresponding to level 1 - Vision & Objectives, Level 2 - Type of Institutions);

Part 2) A **Territorially Tailored Food System Policy sub-frameworks** that could be applied at a macro-regional or regional scale (**green area**, sub-frameworks A, B and C);

Part 3) One of the **two Policy Tools for the European and African contexts**, from which policy interventions can be selected using 1) and 2) as ‘filters’ or ‘selectors’ from the overall menu provided by the Tools;

**The remainder of this section will elaborate on each of the composing elements of SALSA’s complex and highly flexible framework.**

**Part 1 - General recommendations**

- Role of diverse entities in SALSA's European and African Contexts

**Part 2 - Territorially Tailored Food System Policies**

**Part 3 - Policy Tools for Europe and Africa**

*Figure 4 -  
SALSA's Strategic  
Framework for  
Guiding Decision  
Makers in the  
choice of appropriate  
support mechanisms.  
(Own elaboration)*

## *Part 1 - General Recommendations – Role of Diverse Entities in SALSA’s European and African Contexts (yellow area)*

The overall strategic framework departs from the ‘Small Farms Vision for 2030/2050’ (first level of recommendations – top of the pyramid in Fig 4), as identified through SALSA’s foresight work (see **Deliverable 4.2**), as well as the ‘General Objectives’ stemming from the triangulation and aggregation of both current governance gaps, as well as the future steps needed to realize this vision (see **Section 4.3**).

The second level of recommendations of the strategic framework (second row from the top of the pyramid in Fig 4) addresses various levels of policy makers, from the continental level (European Commission/ African Union and Regional Economic Communities) to ‘National/ Regional Authorities’ and ‘Regional / Local Authorities’. Advice contained in this section is important because authorities at each of these policy scales play a different role in either policy or regulatory formulation, programme management or implementation.

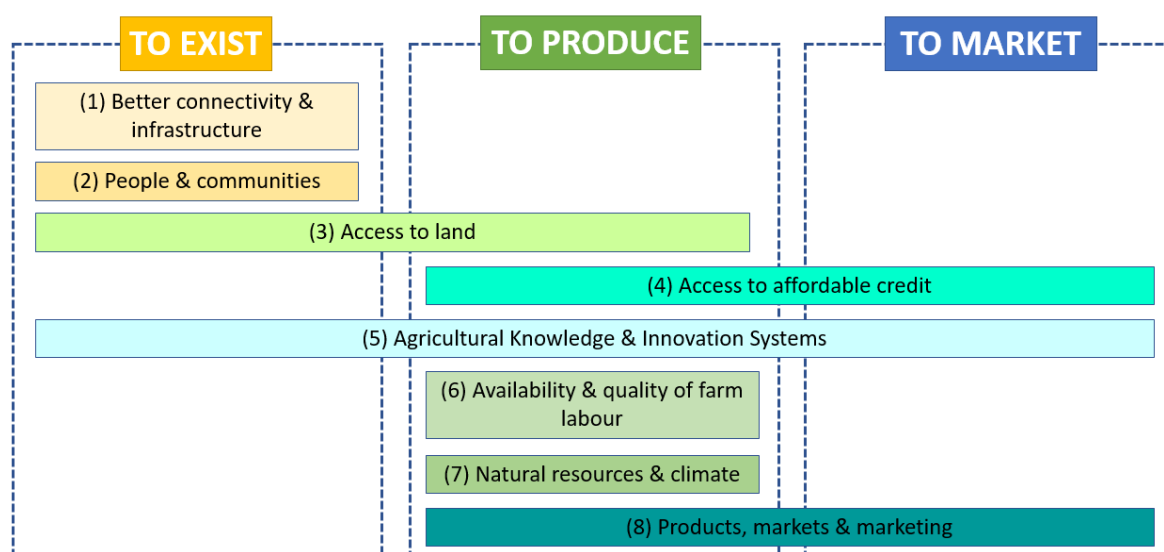
Due to the **cross-cutting nature of the Agricultural Knowledge and Innovation Systems (AKIS)**, as well as the more specific Farm Advisory Services (FAS) at national and regional level, these topics will be dealt with both vertically (in **Sections 4.4.3-4.4.7**) and horizontally (within the sections dedicated to each macro-region), as an important enabling condition.

## *Part 2 - Territorially Tailored Food System Policies (Green area)*

As of the third level of the strategic framework (third row of the pyramid in **Figure 4**) the **territorially-based policy tailoring kicks in**. The section underneath (light green) can help tailor policy interventions to the great diversity of macro-regional, regional characteristics and small farm types identified through SALSA (as per one of the policy recommendations of **Deliverable 1.3**).

A. The ‘**Macro-regional Enabling Conditions**’ sub-framework, can help guide decision-makers in the choice of priority areas of interventions to help small farmers *exist, produce and market* (see **Figure 5**). This classification of enabling conditions was also used in **Deliverable 5.1 for understanding governance arrangements**, and for the purposes of D6.2 it has been cross-mapped against on the 8 ‘policy themes’ resulting from the SWOT-based macro-regional level priority needs identified through **Deliverable 6.1**.

Figure 5 - SALSA General Enabling Conditions – Sub-Framework A



B. The ‘Macro-regional Food System Types’ Sub-Framework departs from the classification of food systems types developed by SALSA in **Deliverable 3.3**, where a distinction was made between *Regional, Balanced and Export-type food systems*, depending on the share of key products which stays in a particular region, as well as the extent of the contribution of small farms to this particular product flow.

Due to the fact that only these two indicators were selected for the SALSA Food Systems Typology, **developing appropriate policy recommendations for the three food system types was particularly challenging.**

Nevertheless, an *assumption* was made that, due to their ability to access extra-regional, and even international export supply chains, *export food systems were most advanced, even though they contribute least to regional food system availability* (see Methodology Section 2.2 for argumentation and Limitations section 2.3 for discussion on weaknesses).

**For the purposes of the current strategic framework, policy makers should consider all recommendations from subsequent sections based on Sub-Framework B as exploratory and requiring further research.**

**This ‘Macro-regional Food System Types’ Sub-framework (see Table 5) provides recommendations to policy makers about the two main types of interventions: A) Types of regulations needed for the food system, and B) Cooperation measures needed in order to progress towards *export-type food system*.**

Methodology **Section 2.2** and Limitations **Section 2.3** provide further details and elaboration regarding the process of developing the ‘Macro-regional Food System Sub-framework’.

Table 2 - *SALSA Food System Types - Strategic Sub-Framework B (Own elaboration based on SALSA Data and WP6 Expertise, see Methodology section 2.2)*

<i>Food System Type</i>	<b>Regional</b>	<b>Balanced</b>	<b>Export</b>
<i>Most common</i>	AFR and EE	NE	SE
<i>Main key actor</i>	Household Self-provisioning	Proximity Consumers (direct selling, farmer markets)	Cooperatives Processors
<i>Needs for Regulation</i>	Hygiene Regulation		+ Trade / Competition Regulation
<i>Needs for Cooperation Measures</i>	<ul style="list-style-type: none"> <li>• Producer Groups / Organizations</li> <li>• Innovation / New Products</li> <li>• Short Supply Chains</li> <li>• LEADER</li> </ul>		+ Quality Schemes + Organic Certification

C. The ‘Macro-Regional Small Farmer Types’ Sub-Framework departs from the five main types of small farms across both Europe and Africa, developed by SALSA in **Deliverable\_3.2** (see Table 3).

Developing appropriate policy recommendations for the SALSA Small Farms Typology has been a particularly challenging endeavour, as all five types unravelled fulfil a unique role in assuring regional FNS and are therefore important in the regional landscape.

Nevertheless, three pathways / premises for recommendations were identified, each with their own assumptions (these are discussed in Methodology Section 2.2 for argumentation and Limitations Section 2.3 for discussion on weaknesses). These can be seen as three alternative lenses through which policy makers can interpret the SALSA evidence base. They can be applied simultaneously or separately.






For the purposes of the current strategic framework, policy makers should consider all recommendations from subsequent sections based on Sub-Framework C as exploratory and requiring further research.

There are at least three pathways through which this ‘Macro-Regional Small Farmer Types’ Sub-framework (Sub-Framework C in Figure 3 below) could be used to decide on policy recommendations.

The FIRST pathway to go over Sub-Framework C would be to consider the Age variable (third row of sub-framework C below, namely ‘Age’). Because farmers represent an aging population in Europe, and that young farmers are harder to keep in African rural areas, policy

makers may choose to prioritize interventions targeting in particular younger types of farms (these are the ‘Part time’ and ‘Business Multifunctional’ types of farmers) in order to enhance food system *stability and access* into the future.

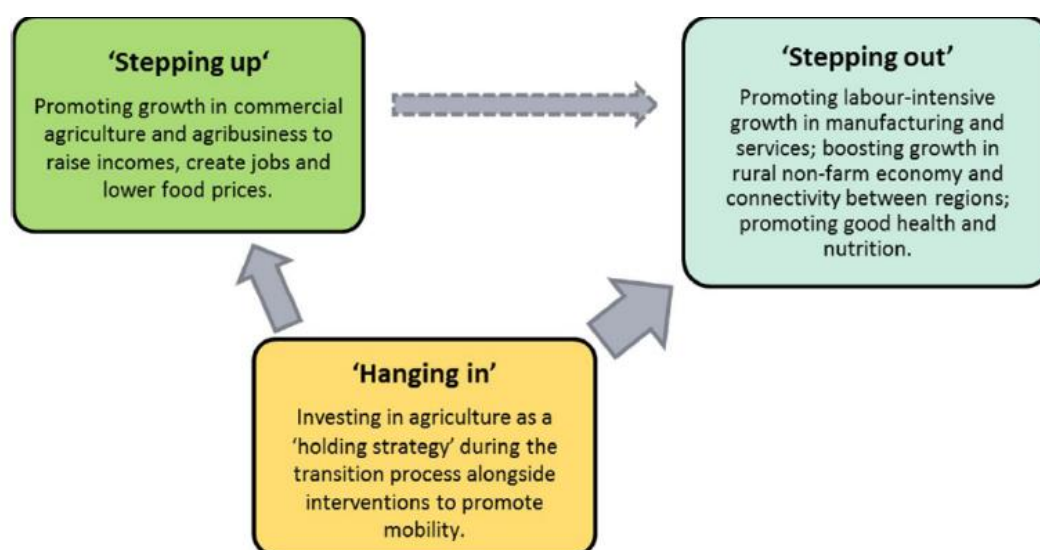
Table 3 - *SALSA Small Farmer Types - Strategic Sub-Framework<sup>2</sup> C (Own elaboration)*

					
<b>SALSA Small Farmer Type</b>	<b>Conventional Struggler</b>	<b>Part-time Farmer</b>	<b>Conventional Entrepreneurs</b>	<b>Business Specialized</b>	<b>Business Multifunctional</b>
Main Orientation of Agricultural Production	Household consumption	Household consumption	Market integration	Market integration	Market integration
Main characteristic	Lower Income	Non-agricultural income	Cooperative members	Certified production	Diversified Market Channels
Age	Older	<u>Younger</u>	Older	Older	<u>Younger</u>
Most common macro-region	AFR, EE	NE, EE	SE	NE	NE
Most common in food system type	Regional	Regional/Export	Export	Export/Balanced	Balanced/Export
Main strategy	Stepping out / Up/Hanging in	Hanging in / Stepping Up	Stepping Up	Stepping Up	Stepping Up
Policy instruments and Tools	<i>Policy Responsive?</i>	<ul style="list-style-type: none"> <li>• Maintain in rural areas</li> <li>• Offer diversity of economic activities in rural areas</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage Certification and Diversification</li> <li>• ENRD RDP tools for Adding value along the agri-food supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage Diversification</li> <li>• ENRD RDP tools for Adding value along the agri-food supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain in rural areas</li> <li>• ENRD RDP tools for Adding value along the agri-food supply chain</li> </ul>

<sup>2</sup> See Annex I for an outline of the ENRD RDP tools for adding value along the agri-food supply chain

The **SECOND** pathway to navigate policy recommendations for SALSA's small farm types can be provided by the simplified 3-step strategy classification system provided by Doward (2009) and endorsed by UK's DFID (2015), namely *Stepping out, Hanging in and Stepping up* (explained in Figure 5 below, and integrated as row 6 on 'Main Strategy' in Sub-Framework C above). While such a framework is surely simplistic for the diversity of contexts under each category of small farms, it helps in considering a few basic scenarios for how various types of small farms are likely to respond to policy intervention in the future.

Figure 6 - *Stepping Up, Stepping out, Hanging in. Pathway for Regional Small Farmer Type Framework interpretation – Included as Row 6 (Main Strategies) in Table 4 on Sub-Framework C*



Source: Doward (2009) and endorsed by UK's DFID (2015) – Included as Row 6 (Main Strategies) in Table 4 on Sub-Framework C

The two small farm types which require most consideration are the less market integrated ones, namely the **'Conventional strugglers'** and the **'Part time'** types, as their motivations and trajectories are less clear than those of more market integrated ones.

For the **'Conventional strugglers'** small farm type several researches (in particular Fritsch *et al.* (2010) and OECD, (2008)) have questioned whether their age, motivations, risk-averse attitudes and limited resources enable them to respond to policies supporting greater market integration. For this reason, **policy makers seeking to intervene in regions with high number of 'Conventional Struggler' farmers should:**

- a) Consider whether **'Stepping out', 'Hanging in' and 'Stepping Up'** strategies are more important, depending on local circumstances.
- b) Assure leaner administrative procedures for subsidies, social protection and business management to allow them to **'Hang in'** regional food systems and maintain their



contribution to food *availability* for their household, as well as their informal networks (which is their current pattern of contribution to regional food systems, according to findings in **SALSA Deliverable 3.2**).

The **‘Part time’ typology of small farms** is the one where only half of the small farmers interviewed received subsidies (see **Deliverable 3.2**), but considering this category is mostly composed of young farmers, **priority should be put on maintaining them in rural areas** (though **‘Hanging in’** strategies), **assuring a diversity of activities** (**‘Stepping Up’** strategies).

For the **‘Conventional Entrepreneurs’, ‘Business Specialized’ and ‘Business Multifunctional’ small farm types**, which are already market integrated, **‘Stepping Up’ strategies**, encouraging them to seek ways to secure and increase their position in regional food systems through cooperative membership, certification and diversification (as also recommended through pathway three below). Other tools which can be used to support these three market integrated types can be found in Annex I, which outlines the **ENRD RDP tools for adding value along the agri-food supply chain**.

A **THIRD** pathway could be to encourage small farms to progress towards the **‘Business Multifunctional’ typology of small farms (last row of sub-framework C)**. This is because, based on conclusions from SALSA’s D3.3<sup>3</sup>, this particular small farm type contributes to regional food availability (aligns with SALSA’s objectives) and earn good incomes (aligns with one of the main motivations of farms). In order to do so, policy makers may consider encouraging small farms (especially from less market integrated types, such as ‘Conventional Strugglers’ and ‘Part time’ farmers), to upgrade their production through cooperative membership, certification and diversification. These three types of measures are also the main distinguishing elements between the three well market integrated small farmer types (on the right side of the **Table 5** above), which are best combined through the ‘Business Multifunctional’ type that embodies them all.

### *Part 3 - Policy Tools – Europe and Africa (Blue Area)*

The purpose of Parts I (General recommendations) and II (Territorially based recommendations) are to help policy-makers identify the priority interventions from the two Policy Tools developed for each of the main policy contexts of the SALSA project<sup>4</sup> – namely that for SALSA’s Macro-regions within the **European Union (see Figure 7)** and the **one for Africa (see Table 5)**. For clarification, the tools show the full range of tools available to policy makers from a range of policy domains (research, trade, agriculture) in either their European or African contexts, without selecting specific tools. For the African context, the tool chosen (with its elaboration on the codes/ numbering of specific types of policies in **Annex III**), was used in

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<sup>3</sup> Based on statements from D3.3 “When contrasting food system groups with the most common types of small farms present in the region, the key conclusions that can be drawn are that “conventional struggler” small farms are the most common type of farms in food systems where SF contribute most to regional availability, and “conventional entrepreneurs” are the most common type of small farms in food systems where SF contribute least to regional availability. Both these groups are also the most numerous types. Ideally, **for SF to contribute to the regional availability of food products, small farmers should not need to be poor and struggle to get by**. Thus, other formulas need to be found, that allow them to contribute to the availability of regional FNS but at the same time being able to provide good livelihoods for their families. **The types of small farms that meet both these criteria would be the “business specialised” and “business multifunctional”**. Both these types are common across all regions, but especially relevant in Northern European regions, where small farmers are very scarce. These types may have resulted from an adaptation to an increasing industrialised agriculture, whereby they needed to survive either by growing or by looking for new market niches avoiding mainstream commercialisation networks.”

<sup>4</sup> With the limitations discussed in sections 2.2 and 2.3



**Section 4.5.3** in order to conduct a cross-comparison of national agricultural policies in SALSA's African countries studied. Further details about the process of elaboration of the two tools has been described in **Section 2.2** on Methodology, as well as **Section 2.3** on Limitations of the tools.

It is important to note that due to limited resources dedicated to the project, it was not possible to include policy options in the Policy Tool for the European SALSA regions outside of the European Union, namely the Scottish regions and Norway.

Figure 7 - Policy Tool showing the full range of policy options available within SALSA's regions from within the European Union (not relevant for Scotland and Norway), see in section 2.2 on Methodology for further details

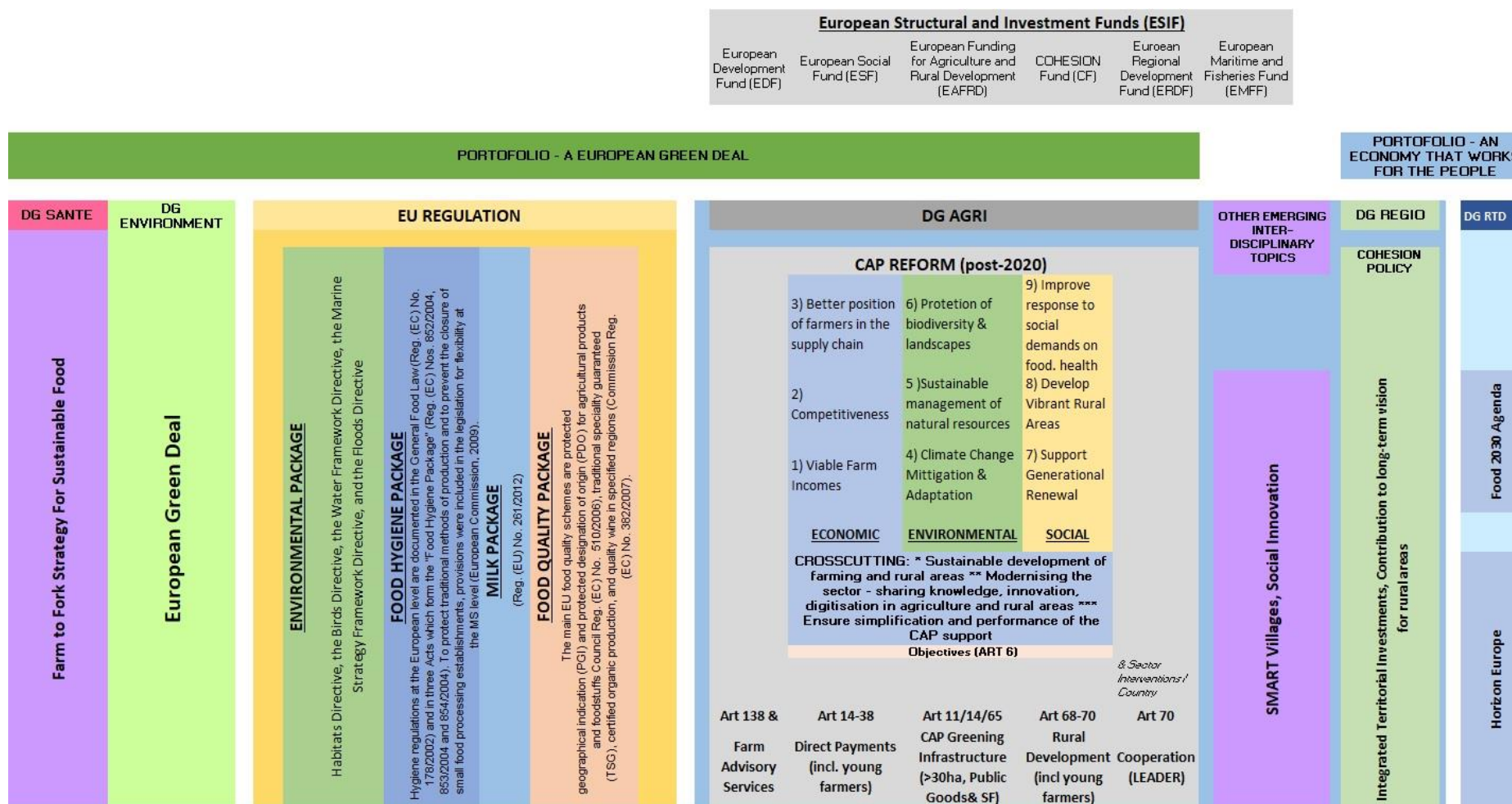
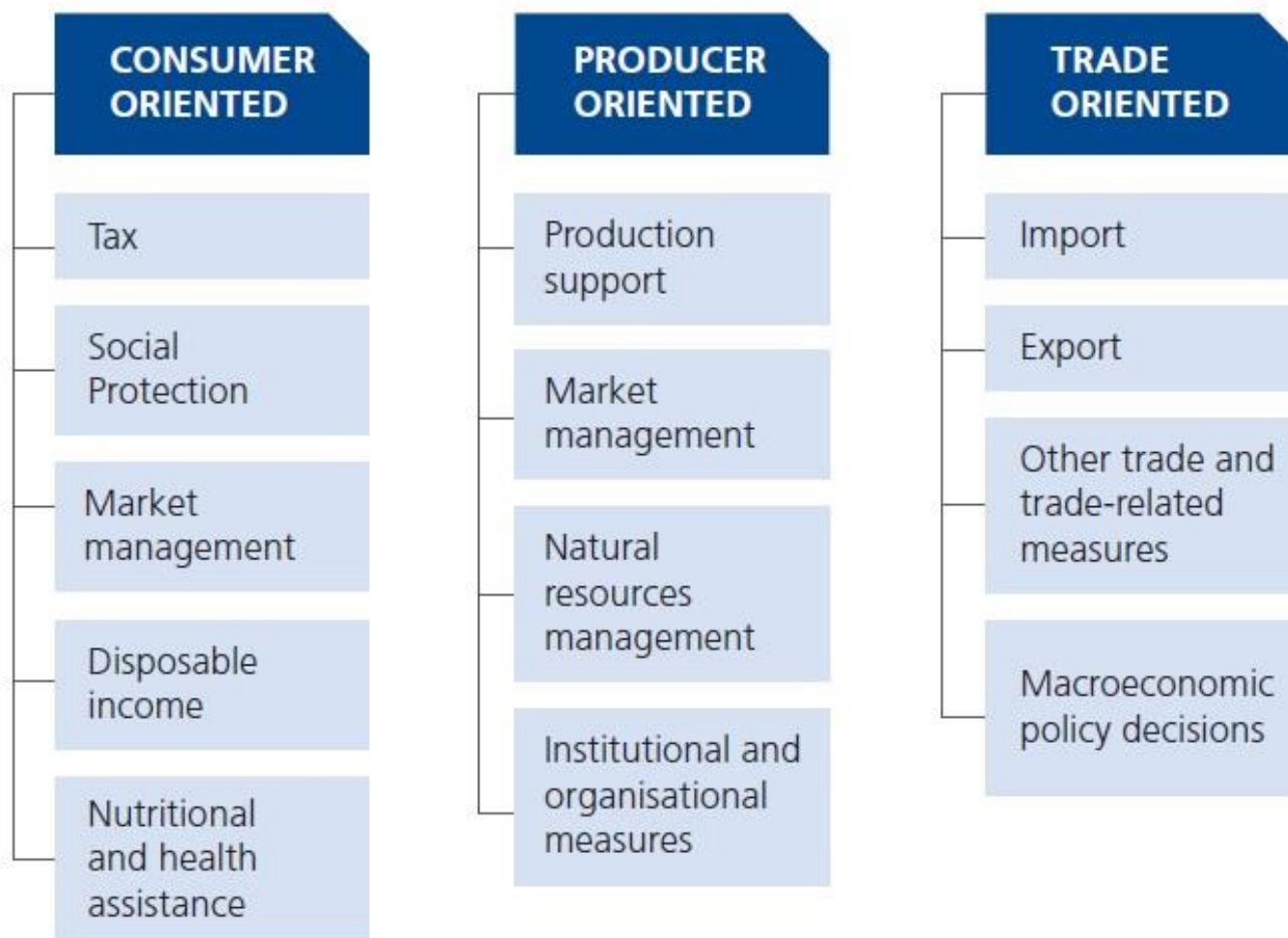


Figure 8 - SALS Policy Tool for the African macro-region – FAO FAPDA Policy Classification Tool

## FAPDA - Food and Agriculture Policy Decision Analysis



*Source: Taken from FAO, 2015, elaborated in Annex III with complete list of sub-policies – see Section 2.2 regarding further methodological details about the source*

## 4.2. Introductory Context Setting for the Strategic Framework

### 4.2.1. *Small farms at various scales of Societal Challenge 2*

SALSA's Strategic Framework for decision makers is aimed at **develop appropriate policy recommendations for maintaining and enhancing the potential contribution of small farms towards solving some of the issues surrounding Societal Challenge 2**, namely:

- Securing viable food production in face of a growing world food demand;
- Ensuring sustainable management of natural resources and climate action;
- Contributing to a balanced territorial development of the EU's rural areas and their communities.

**These primary production-level challenges are enhanced by those relating to the functioning of the agri-food sector and the provision of healthy diets**, in particular assuring food and feed security and safety, a competitive European agri-food industry and a matching with sustainable consumption.

From the onset, the SALSA project departed from the understanding that **the contribution of small farms to FNS can be best understood at regional level, from a food systems perspective (see SALSA's Conceptual Framework – see D1.1).**

Nevertheless, **the following section aims to sketch an overarching context for small farms' positioning within the current debates on Food and Nutrition Security at varying policy levels, by zooming in from the global, to the continental, national and regional level.** Understanding the FNS challenges at varying scales can help policy makers understand where **priority action is needed due to severe food insecurity** (marked by nutritional diseases). In a context where global trade, and in particular the one between EU-AFR, can both increase FNS by increasing availability and access for poorer consumers in resource constrained areas, as well as potentially prevent the development of national agricultural systems, **small farms can play an import role in import substitution to enhance regional FNS. This requires them to be organized in supply chains in which they have a competitive advantage, built on regional food systems with policies that are tailored to small farms' and territorial characteristics revealed by the SALSA project.**

### 4.2.2. *FNS at a Global Level*

At the **global level**, where the Food and Agricultural Organization (FAO) and other international organizations work, the **severity of Food and Nutrition Security (FNS) issues is often measured from the perspective of final consumers' access to sufficient quantities of nutritious food (rather than of the small farms producing the food)** at all times (FAO, IFAD, UNICEF, WFP and WHO, 2018). This implies that extreme food insecurity in an international development policy context is defined in terms of the prevalence of **nutritional diseases**. The **Prevalence of Undernourishment (PoU) is the traditional FAO indicator used to monitor severe hunger at the global and regional level** (FAO, IFAD, UNICEF, WFP and WHO, 2018), alongside measurements of childhood stunting, but also **increasingly obesity** - in what has been called the triple burden of malnutrition (Capacci *et al.*, 2013).

To help understand **where SALSA's countries stand from this global perspective of FNS**, **Table 4** (see below) was constructed by extracting data on SALSA's countries from FAO's report 'State of FNS' (2017d). The current table indicates that in **SALSA's European macro-regions undernourishment-related nutritional diseases seem to non-existent or statistically insignificant**. This, together with Europe's position as a top food exporter, would indicate that Europe is outperforming many other regions in terms of the *availability dimension of FNS*. Nevertheless, the overall **FNS balance of Europe might be frail when looking at the access and utilization dimensions**. Some studies indicate that, in spite of the abundance of affordable food on the European market, 43 million Europeans are still at risk of food poverty (De Schutter, 2019). Furthermore, WHO data pointing towards a high incidence of obesity in several countries such as Italy, Spain, the UK, and increasingly in Poland and Eastern Europe (see **Table 4**). Other statistics indicate that 60% of Europeans are overweight or obese, which may rise to 90% by 2030 level (FAO, IFAD, UNICEF, WFP and WHO, 2018).

When comparing the situation in SALSA's African regions, **we notice stark differences in terms of level of FNS-related nutritional diseases, but for various reasons** (see **Table 4**). Firstly, when compared to the three European SALSA macro-regions, the **African macro-regional data still indicates severe issues related to food insecurity and nutritional issues**. Although the past 15 years have showed a decrease in the amount of undernourished people in Kenya, the numbers have increased for Malawi and Ghana, while other SALSA African countries seem to have stagnated (Tunisia and Cape Verde). Childhood wasting, anaemia and obesity continues to be an issue in all the SALSA African countries studied, in spite of decades of dedicated work from development organizations dedicated to this topic. In the overall context of the African continent, Malawi is reported to have some of the most alarming rates of food insecurity on the continent according to the 2017 Global Food Hunger Index, while Kenya and Cape Verde suffer from severe levels of food insecurity (Global Hunger Index, 2017). Both of the latter countries have made some progress towards meeting the previous Millennium Development Goals (MDG) commitments on FNS, while Ghana faces only a moderate risk thanks to its achievement of having met both MDG and World Food Security (WFS) targets for the period 2014-2016 (Global Hunger Index, 2017 and FAO, 2015d).

The global implications of these nutritional-related FNS statistics re-emphasizes **the need formulated within Societal Challenge 2 to develop integrated and trans-disciplinary policies for the whole food system (from farm to fork) in both Europe and Africa**. These policies should be able to better integrate both measures for producers, particularly small farms, and provide easier access to nutritious food and healthier consumption, especially for vulnerable societal groups.

#### 4.2.3. *FNS from a Europe-Africa Trade Relations Perspective*

In spite of global societal challenges related to maintaining and enhancing food and nutrition security in terms of all its four dimensions (availability, access, stability and utilization), the current trade realities indicate the fact that in 2018, EU's agri-food trade confirmed for yet **another year EU's position as the largest global exporter and second largest importer of agri-**



**food products.** Europe is also Africa's main's trading partner, both for imports and exports, depending on the commodity. **Europe's exports (both in terms of commerce and food aid) are therefore one of the main mechanisms by which the EU food system affects global food security** (Metabolic, 2018) and in particular food availability. **European trade policy, agricultural subsidies, the Common Agricultural Policy are therefore important to consider for their impact on global food security.**

In this respect, although the EU's Common Agricultural Policy has undergone considerable reform, particularly in the field of subsidies for agricultural exports and in introducing the concept of 'policy coherence for development' (PCD), a number of trade-distorting features remain in the current CAP, such as import tariffs, direct decoupled payments, and export subsidies (Willem *et al.*, 2014 in Metabolic, 2018). While Bureau and Swinnen (2017) argue that the EU agricultural policies and the EU food aid policy no longer have a considerable impact on world markets and no longer have significant negative consequences for food security, reports by Metabolic consultancy indicate that some distortions remain (Metabolic, 2018). Although European food imports to Africa compete with those from Asian or Latin American countries, the low and subsidized food prices *may improve the access of some African consumers to food*, but also *hinder the ability of Africa's domestic farmers (composed of predominately small farms), to access and compete even in regional markets* (Metabolic, 2018). Last but not least, the 2019 UNDP report on the state of irregular African migration to Europe concludes that unequal and constrained trade relations are indirectly fueling the perceived crisis. European policy should therefore not only support the development of an African Continental Trade Area Agreement (ACFTA) to create intra-continental economic opportunities (UNDP, 2019), but also reconsider the EU's Economic Partnership Agreements (EPA). According to EURACTIV, several African leaders and regional blocks have criticized this system for charging higher tariffs for processed goods (such as coffee, chocolate), effectively protecting its own industries and preventing African countries from accessing higher value markets (Fox, 2019).

#### 4.2.4. FNS from a National Perspective

Studies of each country's **national food trade balance, and in particular import and exports flows for certain food crops and value chains**, may reveal whether these **correspond to the main key crops on which the country's small farms have a Revealed Competitive Advantage (RCA)**<sup>5</sup> (World Bank, 2018). Such an analysis could be a measure of farmers' integration in international value chains and open up discussions about **small farmers' role in import substitution** with the aim of increasing national FNS.

SALSA's findings from **Deliverables 3.1 and 3.3**<sup>6</sup> highlight that food systems for specific products from Southern European countries are particularly oriented for export (especially for key export

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<sup>5</sup> Revealed Comparative Advantage Index – Is a Trade Indicator used by the World Bank that has been used to help assess a country's export potential. The RCA indicates whether a country is in the process of extending the products in which it has a trade potential, as opposed to situations in which the number of products that can be competitively exported is static. See [https://wits.worldbank.org/wits/wits/witshelp/Content/Utilities/e1.trade\\_indicators.htm](https://wits.worldbank.org/wits/wits/witshelp/Content/Utilities/e1.trade_indicators.htm)

<sup>6</sup> Available on the SALSA Deliverables page soon <http://www.salsa.uevora.pt/en/salsa-reportspublications/salsa-reportspublications-2/>

crops such as citric fruits, olive oil, wine, etc.), while many food systems for products in the African and Eastern European regions remain of regional relevance. Lessons could therefore be learned about **which food system infrastructures and governance mechanisms** built at the level of individual regions **allow small farms to aggregate their produce towards the quantities and quality demands needed for export** (see **Section 4.1** on SALSA Strategic Framework). Both European Union and African Union policy frameworks (notably the CAP and the CAADP) contain mechanisms for either price or trade support for certain crops, and more attention could be also paid to selecting crops which are also appropriate for the cultivation, capital and processing needs of small farmers (See **Section 4.4**).

Over the next 30 years, the expected 70% increase in global food demand will likely be fuelled by the rapid economic growth of some of the worlds' most populous countries (e.g. Brazil, China, India and Russia). In a context where Europe's population is projected to age and stagnate, resulting in tighter rural labour supply and limited growth potential in demand for agri-food products, export markets are likely to become more important for Europe's agri-food producers (World Bank, 2018), including small farms. While section 3.2 will highlight small farmers' aspiration for greater value addition strategies (one of which is export), from the perspective of policy makers seeking to assess and secure small farms' contribution in assuring FNS, **it is yet unclear whether or not such an export orientation is positive for the *stability of regional and national food systems* by 2050.**

Nevertheless, in deciding appropriate approaches for tackling Societal challenge 2, **policy makers should consider the specific trade-offs between food security and environmental sustainability for each regional context and decide whether increasing productivity and closing the yield gaps with growing demand is indeed a scenario to strive for.** While Fan and Brezeska (2016) argue that this is a myth worthy of debunking, several other actors are bringing forward evidence of various conflicts between sustainability and increasing FNS. D'Odonico (2019) highlights that intensification is often associated with loss of livelihoods, extensification leads in many cases to land use change, deforestation and biodiversity loss, while sustainable intensification requires more investments in technology and water resources than current modelling scenarios show is available for certain regions<sup>7</sup>. In SALSA's Southern European macro-region, the issue of water scarcity (which would be necessary for sustainable intensification) has been mentioned also as an important need by policy workshop participants (see **SALSA Deliverable 6.1**), so policy makers should consider whether to continue relying on exports to meet their growing food demand in order to preserve this resource.

#### **4.2.5. Small Farms and FNS at a Regional Level**

At a **REGIONAL** level, **having a sufficient number of small farms in a territory is a desired outcome.** Small farms do contribute to FNS, as well as other relevant outcomes, therefore likely contributing to the regions' sustainability (see **Deliverables 3.2** and **3.3**), as well as providing other socially-relevant outcomes (e.g. attractive landscapes, vital local communities, cultural heritage and biodiversity preservation, socio-economic buffer for poor households, just to name some – see

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<sup>7</sup> Potentially controversial

**Deliverable 1.3).** Nevertheless, this might create contradictions with the general economic trends that would drive farmers towards scale enlargement, aggregation or disappearance (see **Deliverables 6.1 and 1.3**).

Thus, the **policy goal should be to adapt the food system and the welfare system to make them hospitable for small farms, by means of addressing the numerous needs they currently face** (detailed in SALSA **Deliverable 6.1**) **regarding *existing, producing and marketing*** (according to the framework in **Deliverable 5.1**, also used in the SALSA Strategic Framework in **Section 4.1**). Aging, depopulated villages and the departure of young people from the countryside affect the ability of small farms to ***exist***. The pressures on small farms' ability to ***produce*** stem from the growing pressures on the loss of agricultural land (either to other land uses or to bigger, more powerful industrialized farms), climate change and access to credit to upgrade production means. These pressures only increase when small farms seek to access the ***market***. Food systems have become highly competitive, demanding and rapidly changing in terms of quantities, prices, food safety regulation, branding and consumer preferences. In this context, access to knowledge and information for small farms has become more imperative than ever, as it allows them to understand the specific positioning that can assure their viability and how to adapt to such rapidly changing contexts. Some of these challenges are general to all farms in a region (those related to their existence in a particular rural area, environmental conditions), but others are specific to their size and related structural limitations (such as their ability to access credit or markets - see **SALSA Deliverable 1.3**).



Table 4 – State of food insecurity for SALSA countries, as indicated by the prevalence of nutritional diseases (author's extraction of data for SALSA countries 'as is', without further processing, from Table A1.2 of FAO's State of FNS report (2017d), whereby n.s = not significant, and n.a = not available)

		Undernourished people		No of severely food insecure people	No of children under 5 affected by wasting	No of children under 5 who are stunted		No of children under 5 who are overweight		No of adults who are obese		No of women of reproductive age affected by anemia		No of infants who are exclusively breastfed	
	Countries (mil)	2004–06	2014–16	2014-16	2016	2005	2016	2005	2016	2005	2016	2005	2016	2005	2015
SALSA Africa Macro-region	KENYA	10.2	8.8		0.3	2.4	1.8	n.a.	0.3	0.6	1.4	3.1	3.1	0.2	1
	MALAWI	3.3	4.5		0.1	1.2	1.2	0.2	0.1	0.1	0.3	1	1.4	0.3	0.4
	CAPE VERDE	<0.1	<0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	<0.1	<0.1	<0.1	<0.1	<0.1	n.a.
	GHANA	2	2.1	6.8	0.2	0.9	0.7	0.1	0.1	0.7	1.6	2.8	3.3	0.4	0.5
	TUNISIA	0.6	0.6		<0.1	0.1	0.1	0.1	0.1	1.3	1.9	0.8	1	<0.1	<0.1
SALSA Eastern European Macro-region	BULGARIA	0.5	0.2		n.a.	<0.1	n.a.	<0.1	n.a.	1.2	1.4	0.4	0.4	n.a.	n.a.
	ROMANIA	n.s.	n.s.		n.a.	0.1	n.a.	0.1	n.a.	3.2	3.9	1.3	1.2	<0.1	n.a.
	POLAND	n.s.	n.s.		n.a.	n.a.	n.a.	n.a.	n.a.	6.4	7.9	2.3	2.4	n.a.	n.a.
	LATVIA	n.s.	n.s.	<0.1	n.a.	n.a.		n.a.	n.a.	0.4	0.4	0.1	0.1	n.a.	n.a.
	CROATIA	0.1	n.s.	<0.1	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	0.8	0.3	0.3	n.a.	n.a.
SALSA Southern European Macro-region	GREECE	n.s.	n.s.	0.3	n.a.	n.a.	n.a.	n.a.	n.a.	2	2.4	0.3	0.4	n.a.	n.a.
	ITALY	n.s.	n.s.	0.6	n.a.	n.a.	n.a.	n.a.	n.a.	9.9	12.5	1.9	2.2	n.a.	n.a.
	PORTUGAL	n.s.	n.s.	0.4	n.a.	n.a.	n.a.	n.a.	n.a.	1.4	1.9	0.4	0.4	n.a.	n.a.
	SPAIN	n.s.	n.s.	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	7.8	10.3	1.5	1.7	n.a.	n.a.
SALSA North	UK	n.s.	n.s.	2.7	n.a.	n.a.	n.a.	n.a.	n.a.	10.9	14.5	1.4	2.3	n.a.	n.a.
	NORWAY	n.s.	n.s.	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	1	0.1	0.2	n.a.	n.a.

### 4.3. Vision regarding SF and SFB by 2030-2050

Based on the conclusions of SALSA's WP5 work (**Deliverable 5.1**), **SF and SFB in our sample do not currently see themselves as playing a major role in regional FNS (even though our empirical evidence highlights their varied contribution to this)**. This is important to note for policy makers who seek to stimulate small farms to continue contributing to regional FNS, as they should seek to understand and offer incentives aligned with the true motivators for small farms, which consequently lead to FNS outcomes.

SALSA WP4 foresight analysis workshops implemented in 13 SALSA regions (9 European and 4 African) helped identify **SALSA stakeholders' vision about the future roles of SF and SFB in regional FNS by the 2030 and 2050 horizons (Deliverable 4.2)**. These overarching conclusions hint that stakeholders in each macro-region are **assessing the competitive position of their SF in terms of market integration** and envisaging strategies for **greater value addition**, by:

- **Considering the regional, balanced or export orientation of the sampled food product systems in their region (Deliverable 3.3)**
- Contemplating the **threats and opportunities of integration in international markets** (desirable for stakeholders in most regions, except Scotland and Cape Verde)
- Focusing on the **specific niches** which SF could take up (Retro-innovation, Traditional diets, High-quality, nutritious, healthy products)

Considering the recent comparative decline of agricultural incomes when compared with other economic sectors (Matthews, 2019a), the vision by sectorial stakeholders for assuring higher small farm incomes is understandable. It also indicates that **SF will likely continue to provide the direct benefits they offer to food systems in terms of the various dimensions of FNS, rural landscapes etc. (see Deliverable 1.3), as long as their farm, as well as general ability to exist and live in the countryside, remains at the very least viable, if not prosperous.**

The conclusions of SALSA's foresight work conducted under WP4 (**Deliverable 4.2**) also highlighted that:

- Under a **Business-as-Usual scenario**, small farms and small food businesses related stakeholders seemed to be most concerned about the decline of both SF and SFB and its impact on the continuation of rural communities, more than on the impact of that decline in regional FNS.
- In **scenarios designed for unfavourable conditions for small farms**, the vision of SALSA's stakeholders is that the produce of small farms would only be available for a limited number of likely wealthier regional consumers, for which SF would play a relevant role in securing access to nutritious food.
- According to this foresight work, for small farms and small food business to secure an adequate level of regional FNS, a comprehensive set of enabling conditions would be totally required.

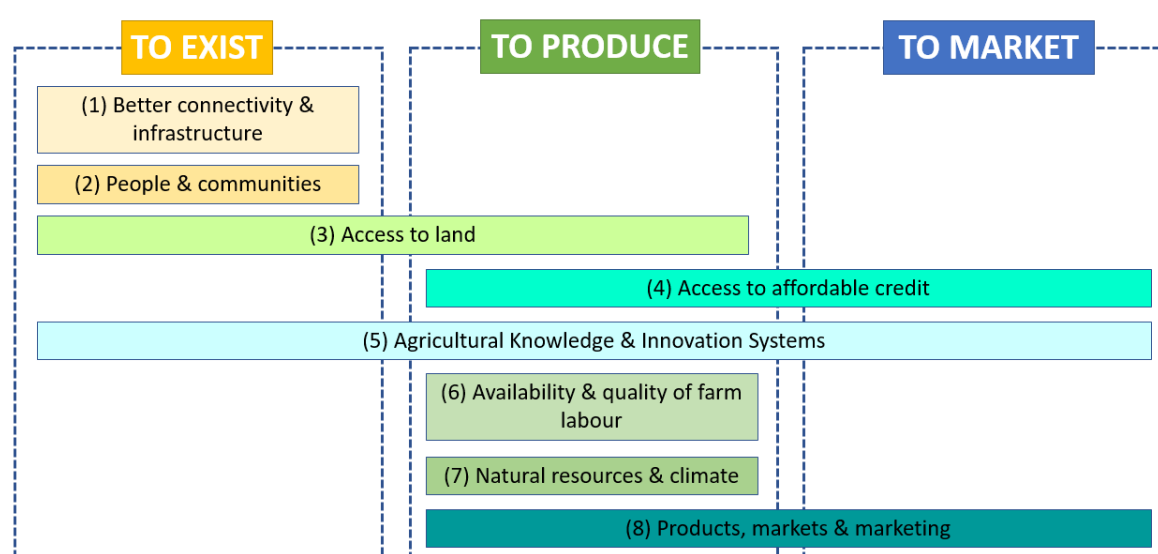
Therefore, the extent to which the upcoming programming periods of policy-related organisms manage to address the needs of small farms (**Deliverable 6.1**), also through the use of our proposed SALSA framework, will determine the choice between these possible futures. This will

also therefore also likely dictate the extent to which small farms and small food businesses are able to **play a substantial role in meeting Societal Challenge 2 and assuring FNS.**

### 4.3.1. General Objectives

For SF to play a substantial role in meeting Societal Challenge 2 and assuring FNS, the three basic types of enabling conditions highlighted in SALSA’s Strategic Framework – Part II – Sub-Framework A on Enabling Conditions for Small Farms Framework (see Figure 4) must be assured, namely to *Exist, Produce and Market*.

Figure 9 - SALSA Strategic Framework - Sub-Framework A on Enabling Conditions for small farms (re-pasting of Fig 5 in section 4.1)



To this end, the section below presents an aggregated summary of General Objectives (stemming from SALSA Deliverables 4.2 and 5.1), which we encourage relevant stakeholders to consider to cover current governance gaps, as well as to bridge towards the vision sketched in the previous section (see **Section 4.3** above).

### Enabling Conditions to Exist/Produce

#### Objective 1: Land Access

Agricultural support programmes should expand opportunities for securing **land access for small farms, and especially new entrants, by supporting farm succession planning and land banks**, particularly in European regions where rural depopulation pressures are prevalent, and in African regions where land tenure is threatened (see **Deliverable 5.1** for further elaboration).

#### Objective 2: Natural Resources and Climate

Climate change adaptation governance should be prioritised as a matter of urgency for the sustainability of small farms within the food system. This is true for all regions, but especially

so in less developed economies in cases where subsidy uptake and cooperative participation is low, such as the African reference regions in this sample. Although some governance frameworks already exist in place, this gap is particularly felt at national and local levels. Secondly, SALSA's WP5 work encourages cooperation projects between regions that have been experiencing and successfully dealing with climate change adaptation strategies, and those in need of support (see **Section 4.3** for further suggestions and **Deliverable 5.1** for further elaboration of this topic).

**Organic, diverse and environmentally friendly agricultural production in both European and African regions should be enhanced** by encouraging traditional varieties, livestock breeds and genetic sources which preserve the genetic heritage, as well as organic production (by strengthening organic consumer lobby). A reduction of pesticide/ closing of the nutrient cycle should also be considered. In the African context, priority interventions on this theme are specifically seen in terms of crop diversification, as well as awareness campaigns to encourage small farms to preserve and value the environment (see **Deliverable 4.2** for further details).

### **Objective 3: Access to Credit**

In order to **fund all the farm upgrades needed to meet the aforementioned vision (restructuring of production, increasing technology uptake)**, small farms in both Europe and Africa require financing options. In a European context, this includes developing leaner eligibility criteria for small farms to be able to have access to EU funding, as well as leaner taxation. In an African context, this is linked to receiving support for developing a business plan (see **Deliverable 4.2** for further details).

### **Objective 4: Productivity (Africa)**

In Africa, specifically, there is a pressing need for enhanced productivity. Methods include early maturing crop varieties, developing infrastructures that can help bring regular yearlong production for SF, providing access to inputs, and enforcement of seed laws for non-counterfeit products. Although market integration matters are also important, several SALSA African policy stakeholders saw increasing productivity at a farm level as being an essential precondition of reaching greater market integration.

### **Enabling Conditions to Market**

### **Objective 5: Products, Markets and Marketing**

National and regional governments should consider a more **tailored approach to the hygiene regulatory standards placed on small farms and small food businesses**, which will facilitate market access for these small producers without compromising on food safety. This is a fundamental condition, which mediates the ability of SF to integrate even in immediate regional markets, and is therefore a core condition, in both enabling (Africa) and disabling ways (Europe) (**Deliverable 5.1**). The tailoring of hygiene regulation includes developing a monitoring and enforcement mechanism for small farms that first provides warnings and advice, and, only in cases of continued lack of compliance, leads to penalization. Other forms of regulation that are important in a European context are the **EU Quality Schemes**, which require reduced bureaucracy and complexity in applications in order for small farms to be able to benefit from them (see **Deliverable 4.2** for further details).

**Particularly in African contexts** (in particular in Kenya and Ghana) public/private governance arrangements should **support the capacity to form, and access, cooperatives** to allow **better market access** for small producers and to prevent SF and SFB being exploited by middle-men/brokers (see **Deliverable 5.1**). SALSA's foresight work further supports this, by recommending the use of small farmer advocacy in order to eliminate this form of intermediaries (see **Deliverable 4.2**).

Several strategies and infrastructures are needed in order to **build value addition**.

Firstly, related to the topic of hygiene regulation is the hard requirement to develop **small-scale processing, packaging and distribution enterprises** that can enable small farms and SFB products to enter (and remain in) the regional food system and **create better value added processes** (see **Deliverable 5.1**). According to the vision articulated through SALSA's WP4 foresight work, in an European context this can also be done through funding start-ups, business incubators and stronger market orientation studies, while in Africa this task is often seen as being the responsibility of NGOs, which can fund rural growth centres and offer support for public-private funding (see **Deliverable 4.2** for further details).

Secondly, small farms need to learn about and be **supported towards the development of specific small farm brands, with labels indicating quality, local provenance, and health for niche products**, as well as better packaging.

In line with the recommendations of D1.3, a **great diversity of relations should be encouraged within food systems through regional-scale food strategies**. These strategies should explore ways to support more traditional markets, alongside support for more innovative approaches (see **Deliverable 5.1**), such as new virtual food networks, online distribution channels and food vending machines, joint selling platforms, hotels, restaurants and the tourism industry, integration of local traditional gastronomy in hotels and restaurants (see **Deliverable 4.2**). **Consumers are seen as an essential partner in the development of these strategies, but their engagement requires awareness raising campaigns** (on the role of small farms, traditional products, traditional recipes, seasonality, ethical purchasing criteria, food miles, proximity food, etc.) as well as the promotion of school education and on-farm visits.

### Cross-Cutting Objectives

#### **Objective 6: Agricultural Knowledge and Innovation Systems (AKIS)**

The **Agricultural Knowledge and Innovation Systems (AKIS)**, as well as the Farm Advisory System (FAS) or Agricultural Extension Officers (AES), are essential elements in supporting the progression to the aforementioned vision at all scales. Firstly, they should be **more widely available in remote rural regions, and better equipped and knowledgeable about the specific needs of small farms**, so they can provide more targeted production support (see **Deliverable 5.1**). Additional knowledge on which small farmers would like information is how to adapt to digital techniques such as precision agriculture. Support should be provided through a variety of measures, including farmer-to-farmer learning, field visits, demonstration plots, field days and other forms of technical assistance (see **Deliverable 4.2**).

Overall, taking into account both the vision and the objectives presented above, the three most important policy options both in European and African contexts? to consider for the future of small farms are:

- (1) Providing access to credit, financing, and a diversified AKIS to **enable access to (retro-innovation) technologies**, including for redesigning production systems and for enhancing collective actions / horizontal and vertical collaboration mechanisms in line with **necessary national/regional climate change adaptation requirements**
- (2) **Tailoring regulatory frameworks (for hygiene, quality standards) as well as subsidy support programmes** with leaner eligibility criteria and administrative burden for small farms
- (3) **Enhancing the diversity of value chains**, be they conventional or non-conventional, through enhancing collective actions / horizontal and vertical collaboration mechanisms as well as engaging consumers as partners and reconnect small farms and small food businesses
- (4) Measures for increased **cooperation support are needed, ones that go beyond the basic understanding of the word as a set of measures to enhance the concentration of small farms into cooperatives, into measures which promote collective action of small farms** and other horizontal/vertical actors in regional food systems. Future programming periods should also offer opportunities for building soft skills such as leadership, professionalization, commitment, trust, networks and alliances as essential building blocks of cooperation.

Departing from the vision sketched in **Section 4.3** above, and its corresponding general objectives that have just been outlined, the following sections investigate lower levels of the SALSA Strategic Framework presented in **Figure 4**, divided into two sections – **Section 4.4** presenting the General and Territorially based recommendations for SALSA’s European macro-regions, and **Section 4.5** presenting the General and Territorially based recommendations for SALSA’s African macro-regions.

## 4.4. Policy Recommendations for Europe

After a **short introductory history of CAP measures for small farms in Section 4.4.1**, the rest of the section (after Section 4.4.2) below follows the structure of the SALSA Strategic Framework.

### 4.4.1. *Short history of Common Agricultural Policy (CAP) measures for small farms*

The CAP has evolved tremendously since 1962, undergoing several fundamental reforms, including, the introduction of rural development measures (1999), the decoupling of subsidies from particular crops, the introduction of Direct Payments (under the Single (Area) Payment Scheme SPS and SAPS) (2003), and the introduction of greening measures (during the 2013 reform). Although the average farm size in Europe shows a predominance of medium to large farms, particularly in the NE macro-region, small farms have been part of the landscape of EU-15 countries due to the predominately small farm based farming structure in the SE macro-region.

The accession of 12 New Member States (NMS) (11 out of 12 in the CEE macro-region) brought millions of small farms into the EU, increasing their political importance and introducing semi-subsistence farming on the policy agenda (Davidova *et al.*, 2013). Nevertheless, the CAP policy instruments, as well as pre-accession programmes for NMS, were designed according to the agricultural landscape of the EU-15 countries, with little specific attention to the particular economic and education characteristics of small farms in CEE countries, and at times, the more challenging economic and infrastructure characteristics in each country (Gorton *et al.*, 2009). Particularly in CEE NMS, agricultural ministries and local governments in rural areas had to quickly develop institutional capacity to manage agricultural policy instruments that were new to them. Particularly challenging for these institutions, often dominated by a productivist mind-set, were the implementation of the environmental schemes and programmes to stimulate the non-farm rural economy towards the enhancement of food system *stability* (Gorton *et al.*, 2009). To help provide an overview of the available policy instruments available under the CAP (during the past two CAP programming periods), the section below will provide a brief literature review of their reported appropriateness for small farms.

Although the CAP provides direct financial support for small farms under the **Direct Payment system**, according to the S(A)PS, farmers receive a flat rate, per-hectare payment, irrespective of what is produced, as long as the land is kept in good agricultural condition (according to cross-conditionality clauses). While meant to promote the contribution to the *availability* dimension of FNS, in reality this approach remains intrinsically biased towards larger producers (Vēveris and Kālis, 2011, Burkitbayeva and Swinnen, 2018), with 82 percent of the total budget going towards only 20 percent of the recipients. (ARC2020b). Although limited, this form of financial support has a stabilizing effect on farm income on small farms offering them an incentive to remain part of agricultural food systems and rural communities (Davidova *et al.*, 2013). For CAP managing agencies, one of the main limitations of applying area-based payment schemes is the high administrative costs associated with processing and controlling relatively low value payments to very large numbers of small farms. Consequently, most of the NMS-11 have chosen eligibility



criteria for CAP area-based support that exclude a significant proportion of small farms (particularly from the <2ha, semi-subsistence subcategory) (Gorton *et al.*, 2009).

**EU Rural Development measures** aimed at improving the competitiveness of agriculture and forestry held a potential for promoting a successful transition of small farms towards more commercial orientation (Davidova *et al.*, 2013), supporting their contribution to the *access* dimension of FNS. During the 2007-2013 and 2014-2019 programming periods these measures involved support for restructuring, modernization, non-agricultural micro business creation, setting up producer groups, price support for remote mountainous areas or maintenance of ecosystems with high natural value (Davidova *et al.*, 2013). In particular, the Semi-subsistence farmers undergoing **restructuring measure** was seen as an essential stepping-stone for CEE countries to be able to consolidate semi-subsistence holdings (under 2ha) and orient them towards better productivity and market *access*.

In spite of the potential of all these measures, **small farms have been facing considerable barriers to access rural development measures due to the high level of bureaucracy** and, at times, financial risk involved in applying for them. During the **2007-2013 programming period**, rural development measures such as the advisory services, diversification, tourism and adding value to agricultural and forestry products had little to no activity in several of the NMS-11, threatening the diversity of economic activities and therefore also the *stability* of rural areas where small farmers reside. **Informal barriers, such as the high level of bureaucracy involved in the application process, the level of education and training for small farms** discourage many small-scale producers from applying for funding, particularly those with less market orientation (Davidova *et al.*, 2013).

During the **2014-2020 programming period**, there is a progressive increase of targeted support for small farms. Several new measures of importance to small farms were added to the CAP policy menu. Firstly, the support provided for **shortening urban-rural food supply chains** was seen as promising for reducing intermediaries between farm producers and final consumers through the development of farm shops, farmers' markets, box schemes and community supported agriculture. Nevertheless, more support for promoting the market integration of small farms in conventional supply chains (i.e. supermarkets) would also be welcome by adapting the **Food Hygiene package regulations** to also benefit small-scale producers (Davidova *et al.*, 2013), enhancing their contribution to the *access* dimension of FNS. Another important and dedicated support measure for simplifying administrative procedures for small farms was the **Small Farmers' Scheme**, which offered a fixed lump-sum annual payment for direct price support subsidies.

For the **upcoming 2021-2027 programming period**, many of the well-established categories of rural development measures will be carried forward to the new programming period. A novelty within the new CAP is that the national or regional governments will be given freedom to develop their own Strategic Plans, select and design their own measures and specific targets. The new programme envisages a better targeting of small and medium scale farmers through measures such as **capping of funds** for large-scale farmers and redistributive payments, new definitions of eligible genuine farmers and installation allowances for young farmers.

In spite of the careful evolution and flexibilization of CAP measures, as shown in **Deliverable 6.1** and **Section 4.3** above, several issues related to their adaptation to small farms have remained

insufficiently addressed already for 2-3 CAP programming periods. The sections below will provide further detail as to the necessary actions at each decision-making and implementation level.

Overall, the **main European agricultural policy instruments** available for the contemporary European context at large surround the **menu of measures offered under the Common Agricultural Policy (CAP)**, as well as the adjacent **Regulatory packages** that govern the internal market. (Hygiene, Quality, Environmental and Milk). Nevertheless, as the **agricultural domain interacts with health and nutrition, environmental, social protection, innovation and competitiveness domains**, the **Policy for SALSA's regions from within the European Union in Figure 7 displays the full broader range of complementary domains.**

After a **short introductory history of CAP measures for small farms in Section 4.4.1**, the **rest of the section (after Section 4.4.2) below follows the structure of the SALSA Strategic Framework:**

- Part I of the Strategic Framework - General Recommendations for various levels of European decision-makers are elaborated in sections 4.4.2-4.4.7), corresponding to various levels of institutions
- Part II of the Strategic Framework - leading to specific macro-regional recommendations that can help policy makers develop territorially-tailored food system policies is developed in sections 4.4.8 (EE), 4.4.9 (SE) and 4.4.10 (NE).

#### **4.4.2. Recommendation for the European Commission 'A European Green Deal' team**

##### **Maintain Integration**

From the perspective of the analysis conducted under SALSA, the **recent composition of the 'A European Green Deal' team of European Commissioners (Figure 11)** is encouraging for both enhancing FNS and for enabling SF to play the key role they envisage in the food systems of the 2030 to 2050 scenarios (Matthews, 2019b, EC, 2019a). Additionally, **the pairing of the Commissioners responsible for the Agricultural and Cohesion Policy portfolios for the realization of the 'long term vision to viable rural areas' objective seems favorable.** This is also in line with the needs to further build rural infrastructures highlighted in **Deliverable 6.1**, in particular those related to internet infrastructures, e-services, smart villages and potentially other types of community services. Nevertheless, the foreseen reduction in budget for CAP rural development measures during the post 2020 programming period may threaten the ability of the CEE to fully address these persisting needs.

##### **From Farm to Fork**

In particular, the outline of the **'Farm to Fork strategy for sustainable food'** seems to respond to the need to consider also the growing concerns regarding the need to **better integrate health and nutritional policies in Europe with agriculture ones** (as discussed in **section 4.2.1** on varying scales of FNS policy) **especially by engaging consumers.** This could help the utilization aspects of FNS become complementary and synergistic to the goals of agricultural policy.

As discussed in **Section 4.3** above, SALSA’s foresight work indicates that **small farms’ unique characteristics and best suited future positioning is related to high quality produce, but also market niches related to traditional agriculture, diets and local gastronomic culture.** Small farms can, therefore, be included as a distinct category of important actors in the **‘Farm to Fork strategy for sustainable food’ to further cement SF’s strategic positioning within food systems and enable them to reach this ambition.**

## EU Strategy on Adaptation to Climate Change

Secondly, the announcement that a new **EU Strategy on Adaptation to Climate Change** would be launched in 2020-2021 is a welcome development in the light of SALSA’s findings regarding an urgent need for the development of climate adaptation plans at national and regional level for small farmers. This must be coupled with further support for EU Member States to adapt and implement the new strategy in a comprehensive manner at national and regional level (as per one of the general objectives discussed in **Section 4.3**).

Figure 10 – The ‘European Green Deal’ Commissioners team

## Driving agricultural sustainability



Source: Taken from Allan Matthews (2019b)

### 4.4.3. Recommendation for European Commission – DG AGRI

## Integrated Administration and Control Systems (IACS)

SALSA’s WP2 work contributed towards developing a precise automated anomaly detection method for the Land Parcel Identification Systems (LPIS), which is one of the

**components of the complex Integrated Administration and Control System (IACS)**<sup>8</sup>. The IACS is used by all EU Member States (MS) for the dissemination and control of direct payment funds in the first pillar of the CAP. The LPIS, which is the reference system for locating and identifying each agricultural parcel in the EU that is declared in the farmers' annual application forms for Direct Payments, has to be as up to date as possible to **correctly quantify the eligible/ineligible area in each LPIS parcel**. Currently, such verifications are done using yearly very-high resolution ortho-imageries, which are further interpreted and triangulated by field visits.

The SALSA project used a method based on high-resolution Remote Sensing (RS)<sup>9</sup> imagery from the recent Copernicus Sentinel 1-2 satellite constellations<sup>10</sup>, machine learning methods and land cover identification in order to test whether EU MS can automatically assess LPIS quality. It showed not only the **usefulness of Sentinel data in providing accurate crop type maps, but also in providing the main methodological steps applied for the use of Sentinel data (S1-A/B, S2-A/B) for crop type mapping in small-sized parcels (<5 ha) and effectively in small-sized farms** (see the SALSA [WP2 deliverables](#)).

A 2018 analysis on the cost-effectiveness of the IACS system highlighted that, on average, the administrative burden for farmers, in terms of time spent and costs, remain at reasonable levels, but that the procedure is more burdening for small farms. For the EU as a whole, the costs of IACS are estimated at a yearly ~€10/ha of Utilized Agricultural Area (UAA) (representing between €1.7 billion and €1.9 billion), but with great variations between member states (between €2 to €208). Control and management costs represent 74% of this amount (EC, 2018a). The much-desired simplification and reduction of these administrative costs could be brought for both farmers and authorities through a RS and satellite data driven reduction of in-person inspections during the post-2020 CAP programming periods. Furthermore, a move towards greater technologization would also allow the introduction of a “Yellow Card” warning system for farmers, through which they could receive non-compliance warnings before receiving penalties (EC, 2018a).

Nevertheless, in order to better integrate these findings in the CAP IACS system, **both European and National/Regional CAP Managing Authorities and Payment Agencies** would need to make further and more specific adjustments to available technologies, control systems and inspection methodologies. Further proposals need to be made to determine how best to adapt the improving monitoring methodologies to the particularities of the farming structures of each MS and region. **The Table 5 below provides a basic overview developed by SALSA's WP2 researchers regarding some key questions related to the working of this system:**

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<sup>8</sup> Integrated Administration and Control System (IACS) is comprised of several components such as, the Land Parcel Identification System (LPIS), the animal registration system, the integrated system, an integrated geodatabase, the subsidy applications, the payments entitlements the farm registry system, etc. A comprehensive and sophisticated data model in IACS provides interoperability of all the above components.

<sup>9</sup> Remote Sensing (RS) imagery has been extensively used for agricultural management in EU to control LPIS and area-based agricultural subsidies given to the farmers in the framework of the CAP.

<sup>10</sup> Due to their spatial resolution and their frequent overpass capability, which enable acquiring annual imagery encompassing all EU countries.

Table 5 - Overview of SALSAs WP2 conclusions about the technical possibilities of applying satellite technologies for smart farms' benefit

Question	Technological elements, applications and readiness level	Readiness level
<b>1. Are available technologies ready for tailored monitoring of small farm parcels in order to achieve SMART AKIS and farm advisory services for small farms (historical planting and yield maps)?</b>	Derive trends in land management and territorial development.	<u>Readiness level (+/-)</u> Requires further development
	Assessing impact of EU policy on rural areas.	<u>Readiness level (+/-)</u> Requires further development
	Territorial management plans and tailored agriculture objectives at local level.	<u>Readiness level (+/-)</u> Requires further development
	Long-term impact of the EU CAP policy on the land with respect to target objectives. Success largely depends on the level of good governance present in the EU MS.	<u>Readiness level (+/-)</u> Requires further development
	CAP Eligibility - Compliance based on subsidies control. (1) Proactive control: On the fly automated cross checks of parcels declarations – Can reduce errors and discouraging false claims. (2) Post declaration control: Full-scale automatic compliance cross checks – Can lead to crop-specific advice in terms of modelling and time windows, better risk analysis, more effective controls and reduce overall error rate	<u>Readiness level (+/-)</u> Requires further development.
<b>2. How frequent do Earth Observations (EOs) need to be in order to be able to monitor crop growth and enable precision farming, crop yield estimations, develop early warning systems, crop commodity trading platforms and other decision support tools for crop commodity trading?</b>	Provide up-to-date Agri-Data on the land use (farmer activities) within the reference parcel.	<u>Readiness level (+)</u> Technology is ready
	Early warning of the risk for the non-conformant reference parcels.	<u>Readiness level (+)</u> Technology is ready
	Better control by covering agricultural areas that had previously not been considered before using alternative sampling approaches.	<u>Readiness level (+)</u> Technology is ready
<b>3. How can reliable data access be provided for various small farmer based applications and monitoring systems?</b>	Access the utility of Sentinel products within IACS procedures at EU and national level.	<u>Readiness level (+)</u> Technology is ready.
	Depiction of small parcels is limited.	<u>Readiness level (-)</u> Technology is not ready.
	Area quantification not in line with CAP requirements.	<u>Readiness level (-)</u> Technology is not ready.
	Less reliable results on small parcels; automated methods immature.	<u>Readiness level (-)</u> Technology is not ready



## Active farmer definition

Secondly, during the SALSA Brasov Consortium meetings, it was highlighted the need to **adjust the active farmer definition** (art. 9 from Regulation no 1307/2013). This indicates a need for the active farmer definition to be adapted to the needs of each MS/region and agricultural sector. (BV Consortium meeting). This became particularly relevant **according to the SALSA classification in areas with a growing percentage of Part-time farmers, such as reference regions in the NE macro-region**, because this category of farmers plays a significant role in maintaining the countryside alive, without being in most cases eligible for subsidies. This is further confirmed by SALSA's WP3 findings, which confirm that part-time small farms are the least likely to benefit from subsidies (see **SALSA Deliverable D3.2**).

## Guidance on thematic sub-programmes

Thirdly, DG AGRI could help member states implement **better thematic sub-programmes for small farms** by conducting an evaluation of those that have already been implemented during the 2014-2020 programming period. Although evidence regarding this topic is limited, policy stakeholders, farmers themselves and other experts indicated both a continued need for such sub-programmes (in order to increase the access of small farms to Pillar II funding), as well as the need to develop eligibility criteria together with small farms' organizations (which should also be encouraged to form). Such sub-programmes can only be successful when they can be properly adapted to SF's actual circumstances and needs.

### 4.4.4. Recommendation for European Commission – DG RTD, REA and DG REGIO

**Small farms, but especially small food businesses** are also **indirectly** impacted by the actions of the team of commissioners under the 'An economy that works for the people' objective, as they administer research and innovation and **regional competitiveness policies**.

## Cohesion Policy – RIS3 Smart Specialization Policies

Several SALSA reference regions (NUTS3 level) can also be found in **Cohesion Policy** regions (NUTS2 level), where the **RIS3 Smart Specialization Policies** might identify agriculture and food technology as an important sector for competitiveness. Despite this, SALSA stakeholders did not indicate that this policy area had played a substantial role for small farms. The risk might be, therefore, for regional competitiveness measures and programmes to enhance the competitiveness of larger farms or large-scale agri-business, without nurturing the specific strengths of the numerous small farms in these regions. Therefore, two immediate recommendations are: i) to promote any successful cases where RIS3 Smart Specialization policies have considered small farms' food systems and related small food businesses, if any, and ii) to encourage the provision of funding for food system micro-enterprising, linking rural and urban areas to promote further territorial cohesion.

## European Research and Competitiveness Programmes (Horizon Europe, EURASME, EIP-Agri)

The **European Research and competitiveness-related Programmes**, such as **Horizon Europe, EURASME and EIP-AGRI**, have already proposed to **develop and/or pilot** several innovative, as well as challenging smart farming e-services which make use of **Sentinel**

**technologies.** Smart farming services, also called agri-IoT e-services, are generally classified into precision farming, precision livestock farming, small-sized field farming and indoor farming. Examples are early hazard warnings, irrigation, fertilization, e-monitoring and pest control based on Integrated Pest Management (IPM), etc. SALSA findings indicate that **the Sentinel 1 and 2 sensors, together with Landsat 8, now provide a core capacity on which a viable set of globally consistent products in the agricultural domain could be developed**, according to the priorities outlined in Table 5.

These developments are particularly suited with the current **Agricultural Knowledge and Innovation System (AKIS) and Farm Advisory Systems based on SMART farming services.** The agri-IoT e-services specified above could play a key role in enabling small farms to remain viable in an ever riskier climatic and competitive context. To this end, specific assessments and proposals regarding the Technology Readiness Level (TRL) of various type of satellite measurements and applications are needed. Thus, the recommendations from SALSA are to invest increasingly the level of automation and the accuracy in agricultural applications of the following technologies:

- Object oriented multi-temporal approaches for land monitoring.
- Cloud-based services for big spatial data.
- Image pre-processing and processing
- Multi-spectral indices for agricultural monitoring.
- Detailed land cover products.

#### *4.4.5. Recommendations to National Agricultural Ministries*

##### **Complementarity of European Structural Investment Funds (ESIF)**

One of the primary, and most important, current roles for Agricultural Ministries is that of **negotiator for the budget of the national or regional Strategic Plans (SP) within each MS**, within the context of deciding the post 2020-2027 the Multiannual Financial Framework (MFF). To this end, an important condition is **assuring maximum complementarity of European Structural Investment Funds (ESIF).** Drawing in funding from the European Social Fund (ESF) and European Regional Development Fund (ERDF) could assure the financing of rural social innovation, e.g. Smart Villages projects, as well as a new Territorial Agenda on Community Led Local Development (CLLD) under LEADER (CoR, 2019). The availability of such measures within Strategic Plans would be indirectly, but still highly relevant for small farms, as it could **help their communities address the rural infrastructure and connectivity issues** highlighted in **Deliverable 6.1.**

##### **Revive the AKIS and FAS systems**

Secondly, and arguably most importantly, a consistent need throughout two of the three EU macro-regions in the project (namely SE and CEE), is the development of a well-functioning Agricultural Knowledge and Innovation System (AKIS), including the upgrading of Farm Advisory Services (FAS). Although the requirement to have CAP and cross-conditionality-related FAS is part of the CAP agreements, the **overwhelming recommendation coming out of the**



**SALSA findings is to diversify, professionalize, coordinate and extend the reach of extension services for small farms.** Due to their structural and functional limitations, small farms require access to **publically-funded** and professional FAS services, as well as further **alignment or regulation of private FAS towards societal and public objectives (Deliverable 6.1)**. Although this is likely to require a **larger budget allocation**, solutions should be sought for the **prioritization of this expenditure** towards these measures in order to help small farms adapt to a wide range of challenges. These include increased competition for regional markets, growing consumer demands, learn how to better deal with hygiene regulation, upgrade their production systems to more environmentally friendly and climate-adapted farming systems, as well as directly deal with climate and technological change.

Development of such a system likely requires a long-term strategy, as well as **cross-ministerial cooperation** with Education Ministries responsible for Vocational and Higher Education in Agriculture. Examples include Regional Development Ministries and Cohesion Funds Managing authorities, who can create complementarities for regions that have agriculture and food technologies in their SMART specialization strategy. Regions with Agricultural Universities could be further incentivized to collaborate with small-scale producers through mechanisms such as LEADER, EIP Agri and ENRD for providing advisory support to targeted groups, disseminating good practices and help develop new products using the research funded through SMART specialization strategies.

### National Agricultural ICT Plans

Development of these agri-IoT e-services has been particularly slow in the agricultural sector, mainly because the many corresponding **national agricultural plans do not prioritize the use of Information and Communication Technologies (ICT) in the agricultural sector**. This requires providing improvements to the business environment, as well as the agribusiness policy and regulation frameworks. In some African countries, most of the agri-IoT e-services are embedded within national plans, where the main objective is to provide basic e-services, such as early alert notifications and general information. EU MS with higher income expenditure are leading on implementing national level strategies on digital agriculture. In some cases, this is by **integrating the agri-food sector as a key focus within existing national digital strategies** that aim to transform wider industry and society. If small farms are to be enabled with the particularized Smart AKIS strategies highlighted in previous sections, as well as helped to bridge the connectivity gaps discussed in Deliverable D6.1, the development of rural internet infrastructure should be prioritized. These technological infrastructure breakthroughs must be integrated **with appropriate educational programmes (AKIS-related) that can start introducing young farmers to the new possibilities opened by technology**. In this respect, the development of [Agriculture and rural development Teacher's Resource Pack](#) developed by DG AGRI is a welcome development that should be promoted in the coming programming periods at various national and sub-national levels with both agricultural and educational authorities.

### Adapting regulation to small farms' needs

Last but not least, in line with the general objectives of tailoring regulation for small farmers' needs mentioned in **Section 3.2**, another crucial need for **agricultural ministries to resolve is assuring**

that all regulation, but in particular hygiene and quality regulation, is well adapted to the needs, understanding and capabilities of small farms.

At the other side of the spectrum, another suggestion stemming from SALSA's participatory processes has been the development of **regulation to recognize and protect small farming systems**, such as family farming (in Portugal) or crofting (Scotland, UK).

#### 4.4.6. Recommendations for National/Regional CAP Managing Authorities (MA)

##### CAP eligibility criteria and thematic sub-programmes for small farms

Small farms and small food businesses can play a key role in meeting many Strategic Objectives, so MAs should seek to highlight their specific contribution both in preparatory SWOT exercises and in the drafting of objectives.

Furthermore, national and regional MA should consider the eligibility of small farms in post-2020 Strategic Plans, especially through the lowering of eligibility criteria adapted to small farms' characteristics and capabilities. This has been a known problem since the beginning of the 2007 programming period (Davidova *et al.*, 2013), and, according to SALSA's policy stakeholders, it has already been unsuccessfully addressed during the 2014-2020 period (see Deliverable 6.1). Therefore, if it remains unaddressed during the post-2020 period, it will likely exacerbate the decline of small farms in Europe in favour of larger and more consolidated agricultural units. Solving this can be done for **individual measures** of the Strategic Plan, or **through the creation of a specific thematic Sub-Programme for Small-scale Farmers** (see Section 4.4.3) that can ring-fence a specific part of the budget for small farms. SALSA policy stakeholders in Bulgaria, for instance, indicated such a sub-programme during the 2014-2020 CAP programming period was largely unsuccessful in helping SF access financing, as the financing requirements were extremely restrictive. Examples include SF's inability to change or increase the economic size of the holding, the crops or the specialization of the farm from the initial proposal in their business plan, among other restrictions.

**If other member states intend to run thematic sub-programmes during the post-2020 programming period, we recommend that they have a different implementation, monitoring and control mechanism than those implementing the measures and schemes for large and medium sized farms.**

In order to understand their way of life and farming, and their importance and social significance for the area; namely, **to encourage the involvement and development small farmers' governance forms in the design of such programmes** (see Deliverable 5.1).

Another suggestion from stakeholders has been to tailor a **new and specific measure for small farms during the upcoming SP**, ones that do not copy the measures from previous programming period, but potentially integrate direct payment and rural development measures.

##### Prioritize support measures correctly

Besides assuring the basic programming is adequate for addressing the needs of small farms, it is also important to **pay particular attention to the order and therefore complementarity of launching CAP measures**. To this end, it is imperative that CAP advisory measures (M1 and

**M2 during the 2014-2020 programming period)**, which are often designed to be complementary, offer capacity building and support to the launch of productivity and market-oriented RDP measures on various strategic axes, **to be prioritized and launched on time**. Considering the tremendous importance placed by SALSA's policy stakeholders on enhancing the role of AKIS and Farm Advisory systems across Europe during the macro-regional workshops (see **Deliverable 6.1**), such programming details can make a significant difference in improving the provision of knowledge support to farmers.

### Redistributive payments

In **countries and regions with a high number of small farms, or where their continued existence** (and implicit contribution to FNS and other societal goods) **is under threat** (due to, for example, expanding farm sizes, as is the case of N France), **implementing progressive redistributive payments for small farms** is seen by policy stakeholders to be a positive measure. The improvement of the CAP Direct Payment system for small farms should not **only take into account the <5ha physical size definition used in Europe, but also the economic size and other relational definitions of SF**, such as the sector averages and cropping system of the farm (see **Deliverables 1.3 and 6.1**).

This latter issue applies specifically to the case of France, where expert stakeholders have reported that horticulture farms under 5ha do not receive direct payments because of decisions at MA level, as well as the lack of specificity of European regulations to support this specific farm type. **This measure has been highly controversial during the formulation of the post-2020 CAP programme design**, especially due to the price pressure affecting all farms in food systems, and in particular those in more vulnerable value chains such as milk (Schulz, 2019). Nevertheless, the reality is that, due to their functional limitations related to their size (**Deliverable 1.3**), small farms are even more affected by such trends than larger scale farmers, whose bulk production is more appropriate for the requirements of mainstream value chains. Another option to explore in order to solve this problem is moving from a ha-based CAP support system to one with Agricultural Working Units based support.

Furthermore, in order to **encourage those SF to live in the rural and mountainous areas** and to develop/continue their farming activities, it is important the future CAP to consider schemes that are supporting the maintenance or the development of their activities. These can be in the form of **compensatory payments, fixed annual payments or one-off aid for a certain period (similar to start-up aid)**. These schemes do not require much administrative work, knowledge, commitment and obligations from the farmers themselves.

### Reducing administrative burden for small farms

The increased flexibility available to MS regarding their strategic plans provides opportunities for **MS to design their CAP payments control systems reflective of local needs and to set priorities within the overall IACS framework**. The size and structure of the national agricultural sector, the organizational structure of the national authorities and the choices over information technology systems are all factors that influence the cost differences between countries. In order to reduce the administrative burden, **MA could undertake or refresh their segmentation analysis of the beneficiaries** so that solutions can be tailored to their needs. Nevertheless, such

a measure should be coupled with concrete research projects and investments in order to address also the technical barriers presented in **Section 4.3**.

### **Towards a new entrants' scheme**

Lastly, considering the increased freedom offered to MA during the post-2020 programming period in order to develop their own measures, reconsidering the specific design of generational renewal measures in the context of actual rural realities and assure the continued existence of small farms is important. SALSA policy stakeholders from Croatia, Bulgaria and France have suggested **that the popular Young Farmers measure could be re-designed towards a broader New Entrants' Scheme**, one also open to farmers over 40 years old, and where the eligibility criteria could also offer a fair chance to smaller farms to develop their agribusiness in a similar manner.

#### **4.4.7. Recommendations for Regional Public Authorities**

### **Facilitate a vibrant territorial approach to regional food systems**

In line with the policy recommendation stemming from SALSA's foresight work (the general objectives discussed in **Section 4.3**, as well as SALSA's empirically based conceptual framework, **the main recommendation for regional public authorities is to help enable the high diversity of relations for a vibrant territorial approach to the regional food system**. This includes supporting the synergies between national, regional development and agricultural funds discussed in previous sections and directing these for the **development of rural infrastructures to assure cohesive development for both rural and urban centres for the wellbeing of small farms**.

Furthermore, by participating in LAGs and supporting short supply chain initiatives, regional public authorities can help develop regional strategies on certain key regional value chains involving small farms, but also help nurture rural community leaders and facilitate the development of innovation rural-urban business models. Territorial food system strategies must be **adapted to regional specificities**, including mountainous areas, or the presence of Natura 2000 sites. This is likely to require further SWOT analyses and studies to understand the needs and structural characteristics of each region.

### **Implement regional climate adaptation plans**

One of the most urgent policy gaps for SF identified through SALSA's WP5 work on governance systems (see **SALSA Deliverable 5.1**) is that Regional Public Authorities must start **implementing existing climate adaptation plans, strategies, initiatives at regional level** in order to help support the growing challenge posed by climate change to the ability of SF to assure food *availability*. Research participants in areas that are most affected by changes in environmental patterns, such as the SE and AFR Macro-regions (see D6.1 and the general objectives discussed in **Section 4.3**.

#### **4.4.8. Macro-regional priorities –Eastern Europe (EE)**

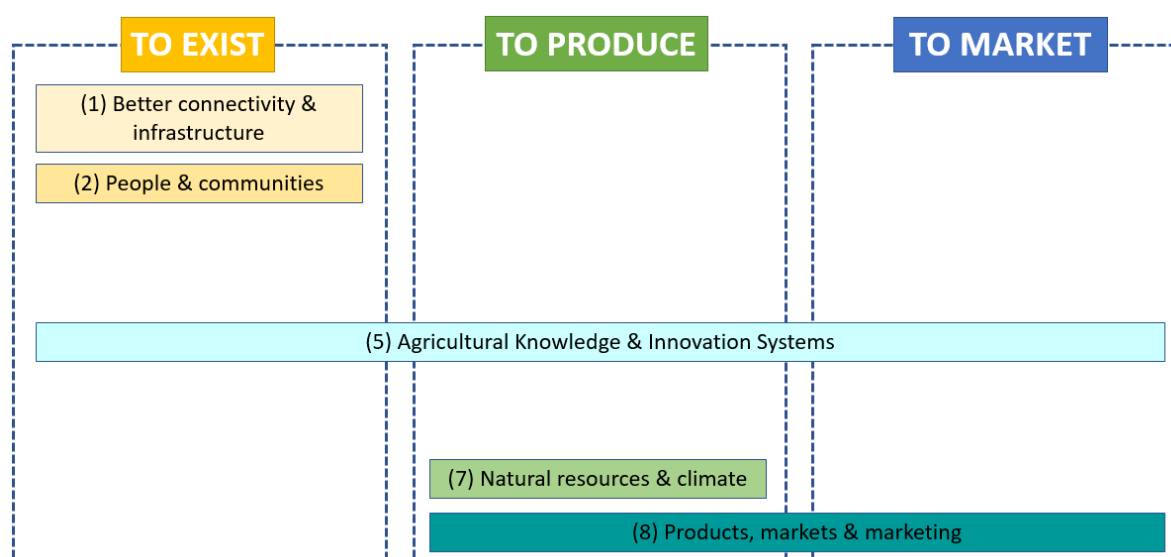
The **EE macro-region holds the largest number of small farms** in Europe– an estimated 4.4 million small farms (EUROSTAT, 2016). According to the same statistics, over 3 million of these

were found in Romania, an absolute outlier country due to its highly fragmented (yet also polarized) farming structure.

### A. Macro-regional Enabling Conditions for SF and FNS Framework

According to the prioritization of small farmers' needs conducted in SALSA D6.1, there are four main policy areas that require **priority interventions in the EE macro-region, namely: (1) Infrastructure, connectivity, people and communities, (2) Products, markets and marketing, (3) Agricultural Knowledge and Innovation Systems, and (3) Natural resources and climate.** The macro-regionally based policy recommendations for each of these policy themes will be discussed in terms of four dimensions (or less, depending on relevance), namely regulatory, direct support measures, AKIS and suggestions for new tools and good practices.

*Figure 11 - General Enabling Conditions for SF and FNS sub-Framework - Eastern Europe (Sub-Framework C for EE)*



#### (1) Infrastructure, connectivity, people and communities

The EE macro-regions still have a high need for both harder and softer investments in rural infrastructures.

#### Direct Support Measures

These include **improving the quality of rural roads and rural-urban public transport systems, as well as rural public services** (such as clean drinking water, sewage but also education), including **e-services**. During the 2014-2020 programming period, by large such measures have been financed through M6 and M7, but under the proposal for the post-2020 funds these would likely fall under Art 68 – Investments (EC, 2018b). Nevertheless, **SALSA's research reinforces the conclusions provided by the European Parliament's AGRI Committee study regarding the fact that the omission of specific measures that could be funded under this article,**

such as basic services in rural areas (Massot and Negri, 2018) , would risk leaving the most important need and enabling condition for EE MS identified through SALSA unaddressed. While Cohesion funds (and implicitly ERDF structural funds) traditionally responsible for bigger road and internet infrastructure projects could theoretically be used to cover these gaps, this line of funding has mostly been used to fund nationally and internationally relevant structures, rather than the regional ones needed to assure the proper connection of small farmers to markets. Some countries finance rural infrastructure projects through National Local Development Plans, which can complement the limited funding available through EFARD, and implicitly the CAP.

Furthermore, policy stakeholders from this macro-region recommended **the continuation of the Young Farmers’ support, but making eligibility criteria also more appropriate for small farms** (M6 of the 2014-2020 CAP and Art 69 of post-2020 proposal, see EC 2018b).

## AKIS

In accordance with some of the general objectives drawn from SALSA’s foresight and governance research (see **Section 4.3**), a specific recommendation for EE rural communities is to develop programmes for encouraging the **development of soft skills in rural areas, such as leadership, cooperation and trust, especially among youth**, in order to drive change in less dynamic and open communities. This can be achieved through several mechanisms including LEADER Cooperation measures, youth projects financed under the Erasmus+ programme and potentially other National Educational Programmes for youth in rural areas.

## New tools and good practices

Drawing on the Polish example, new multi-functional rural community centers could be built, providing access to community social but also training spaces for small farmers of all ages on using **e-services**. These have also been used to offer **digital training programmes for older farmers, which should be maintained and expanded**.

## (2) Products, markets and marketing

The main objectives for improving products, markets and marketing are the development of new value-added food supply chains, stronger consumer education about SF and improving legislation for direct sales.

## Regulation

As mentioned previously, more **flexibility, clear communication and lenient/ gradual non-compliance strategies are needed for the application of the Hygiene Regulation package** at a national level for small farms, as well as on national **fiscality measures**.

## Direct Support Measures

Regarding CAP funding, stakeholders encourage providing further and more specific support for small farms seeking to **integrate in Short Supply Chains (M16 from the 2014-2020 programming period), which will likely become part of Art. 71 on Cooperation during the post-2020 programming period (EC, 2018b)**. While the omission of the ‘short supply chains’ term in the regulatory proposal can be seen as a weakness, it can also be seen as an opportunity to develop more evolved and carefully tailored measures. These should include eligibility criteria that



favor the inclusion of small farmers, in particular for new partnerships and value-added products. The budget allocation for educational promotion towards consumers and social media promotion of smaller brand products should be enhanced. Eligible set-ups should include consumer-driven initiatives, direct buying groups, 'pick-your-own' farm visits, physical and online shops, mobile applications and CSAs. Relevant actors to maintain the configuration are NGOs, LAGs, Foundations, as well as tourist HORECA points (as a distinctly helpful actor in this configuration).

Local authorities could also play a role in maintaining the diversity of agri-food supply chains by **maintaining and increase the number of local farmer markets and craft markets** each weekend in attractive and well-circulated city squares.

## AKIS

Advisory support could be provided in **promoting successful Short Supply Chain types of initiatives and regional good practices among small farms** as a form of market education. Secondly, small farmers also require **more training regarding storytelling-based branding and marketing**, in order to develop better labeling and promotional activities, attract consumers and obtain added value for their produce.

### (3) Agricultural Knowledge and Innovation Systems

#### Regulation

SALSA stakeholders have advised national agricultural ministries to **develop of regulation for better aligning private advisors for agro-chemicals** with national and regional strategies, targets and objectives.

#### Direct Support Measures / AKIS

There are numerous and diverse expectations from SALSA policy regarding FAS in EE member states. **National FAS should provide free publically funded services for small farms, but also increase the level of training of staff, diversify services beyond informing about basic CAP conditionalities towards educating about regional good practices for SF.** Small farmers also require training programmes regarding agro-ecology, organic farming and cooperation projects. More materials should be translated from English into local languages. National AKIS strategies should pay particular attention to incentivizing universities to cooperate with small farmers and their organizations, as well as improving the curricula of professional agricultural high schools to make farming more attractive for youth. For the realization of the above-mentioned vision of National FAS, **Art 72 of the current post-2020 CAP regulatory proposal makes provisions for budget allocation for knowledge exchange and information.** This includes "promoting innovation, access to training and advice and exchange and dissemination of knowledge and information which contribute to achieving the specific objectives set out in Article 6.", as well as the set-up of Farm Advisory Services, with certain budget and time limitations. Although these measures likely correspond to the M1 and M2 from the 2014-2020 programming period, they offer an opportunity for MS to design their own measures. Last but not least, cooperation-type measures such as **LEADER** (Art 68 of the current post-2020 CAP regulatory proposal) **should be allowed and encouraged by national/regional MA to assure the role of territorial FAS (at national or regional scales, depending on circumstances) through**



**specific funding measures** to allow them to develop and disseminate the diversified FAS services suggested above.

### New Tools and Good Practices

Nevertheless, in spite of the best efforts to improve FAS, small farms, due to their structural limitations, might still be risk averse and reluctant to invest in innovation. For this reason, it would be advisable for the European Commission to **adjust Art 70 of the post-2020 regulatory proposal** (EC, 2018b) in order to allow for the development a **specific risk management tool for small farmers to better be able to adapt to new technologies and other types of innovation**.

### (4) Natural resources and climate

The objectives for assuring sustainable management of natural resources and climate issues are to increase advice and training on climate change, as well as organic farming and agro-ecology among small farmers.

### Regulation

In order to assure the effectiveness of environmental objectives, authorities **should improve the implementation and controls for the Environmental regulation package**, as well as related conditionalities. Secondly, **national and regional water irrigation strategies should be expanded and adapted to the needs of small farms**, including by financing water storage facilities in drought areas.

### Direct Support Measures

SALSA stakeholders noted that **the Agri-environment measures** (M10 and M11 from the 2014-2020 programming period) **should be continued through the post-2020 Strategic Plans** (according to Art 67 of the current draft of the CAP regulatory proposal). Furthermore, in order to encourage rural small farming communities to preserve natural resources Art 68 in Investments and Art 69 on rural business start-ups should **continue to offer support for the development of agri- and eco-tourism business and infrastructures**. Furthermore, cooperation measures from the post 2020 CAP such as short supply chains (Art 70 of EC, 2018b) could be used to promote the environmental benefits of local food. Furthermore, **investment measures under Art 68 should be prioritized to support the switch to environmentally friendly production means for small farms** (including solar panels, fuel-efficient tractors), without which their ability to finance such improvements is unlikely.

### AKIS

Maintaining and encouraging LAG and NGO support measures for building capacity on Agri-environment measures was also seen as an important measure for the post-2020 programming period.

### B. Macro-regional Food System Types Framework

According to the **SALSA Food Systems Typology**, the macro-region contains a **mix of Regional, Balanced and Export types, but with a slightly greater number of regional food systems than export-oriented ones**. As explained in the explanation of the Strategic Framework

in **Section 4.1**, these types of food systems could be developed by improving the flexibility of Hygiene regulation, but also increasingly of quality schemes to increase small farmers' access to them. Secondly, the findings further enhance the need to continue investing in cooperation measures (especially in increasing the capacity of cooperatives) also during the post-2020 programming period in order to build more pathways towards export.

### C. Macro-regional Small Farmer Types Framework

In terms of the **SALSA Small Farm Typologies** developed from our sample (see **SALSA Deliverable 3.2**), the **most common across the macro-region is the Conventional Strugglers**, followed by **Conventional Entrepreneurs and Business Specialized**. This indicates the need for **regional authorities to consider whether the Conventional strugglers in their region are policy responsive**. **Conventional entrepreneurs** could be encouraged towards certification through AEM or other quality schemes, but this needs to be paired with funding in order to increase consumer education in order to assure such schemes work. For **Business Specialized** types, encouraging the diversification of farm marketing channels through short supply chain measures would likely help them to upgrade towards the Business Multifunctional type, which both contributes through diversified channels to FNS, but also earns high incomes.

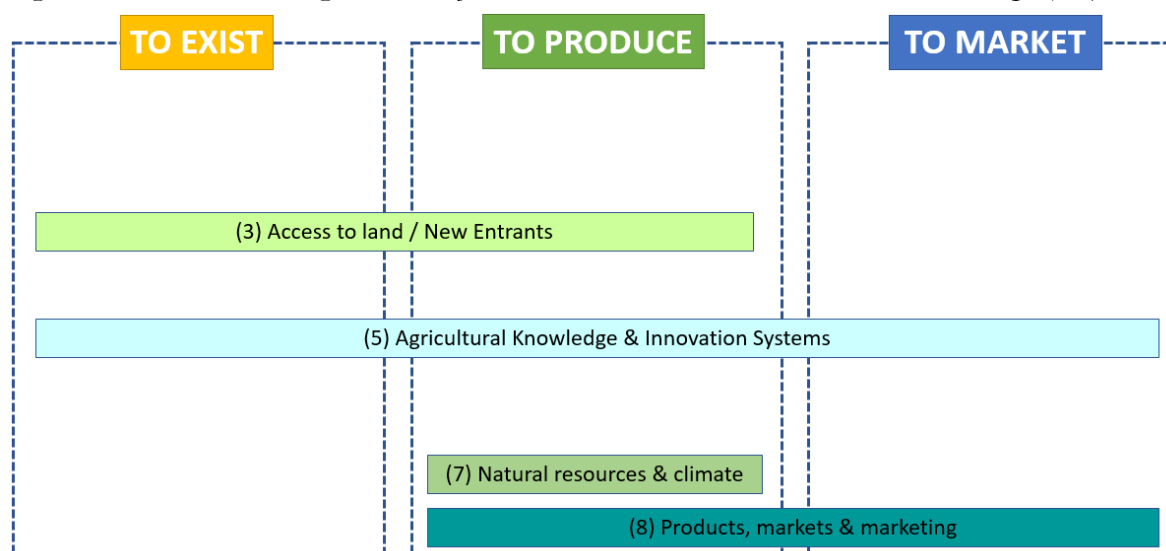
#### 4.4.9. Macro-regional priorities – Southern Europe (SE)

The **SE macro-region holds the second largest number of small farms** in Europe – an estimated 1.9 million small farms (EUROSTAT, 2016).

### A. Macro-regional Enabling Conditions for SF and FNS Framework

According to the prioritization of small farmers' needs (see **SALSA Deliverable 6.1**), there are four main policy areas that require **priority interventions in the SE macro-region, namely: (1) Access to land/ New Entrants (2) Products, markets and marketing, (3) Natural resources and climate and (4) Agricultural Knowledge and Innovation Systems**. The macro-regionally based policy recommendations for each of these policy themes will be discussed in terms of four dimensions, namely regulatory, direct support measures, AKIS and suggestions for new tools.

*Figure 12 - General Enabling Conditions for SF and FNS Sub-Framework - Southern Europe (SE)*



## (1) Access to land/ New Entrants

The main objective of the access to land/new entrants policy theme for SE is to support generational renewal by providing benefits to new entrants to small farming.

### Direct Support Measures

To this end, some SALSA stakeholders suggested that one possible measure would be **changing the CAP direct payment system from an area-based calculation to one tied to business plans and performance criteria (such as contribution to basic ecosystem services, social capital)** in order to also highlight the additional services brought by rural communities. Secondly, stakeholders from these regions would like to see the post-2020 CAP Art 69 (of EC, 2018b) and its adjacent regulation on defining small farms adapted so as to **also recognize new entrants as a distinct category deserving similar direct support, but having slightly different requirements and expectations**. Fiscal incentives could also be provided for new entrants by local and regional authorities.

### AKIS

Both Art 71 on Cooperation, as well as Art 72 on Knowledge Exchange and Information could be used by MA to develop softer **support measures for rural networking, demonstrations farms and general knowledge transfer between old and young farmers**. This could be done through adaptations of the LEADER programme, as well as EIP-Agri or FAS structures, depending on regional circumstances. Secondly, **FAS should consider developing basic programmes on agronomy for new entrants and marketing**.

### New tools and good practice

Drawing on the Spanish experience, **land banks** could be a good practice to promote in order to improve the access of farmers who want to cultivate to land, as well as to confront the problem of farmland abandonment in many rural and peri-urban areas. The role of cooperation and the involvement of local and regional authorities are essential to overcome the barriers for an effective implementation of land banks.

## (2) Products, Markets and Marketing

### Regulation

For the SE macro-region, **adjusting regulations governing small farmers' competitive environment** with regards to non-EU imports. In this regard, certain stakeholders request **upgrading the social and environmental requirements of the EU's GSP trading scheme and labeling importing foods** in order to provide a level playing field for European small farms. Trade agreements that define legal conditions and standards of production protect small farms from situations of unfair competition.

Regulation on minimum prices, such as in the Milk regulatory package, are desired for multiple sectors, as well as further clarifications to competition law. These requests to modify regulation are to be added on top of the **urgent requirement to adapt hygiene regulation to small farms by going even beyond flexibility rules**. Last but not least, SALSA stakeholders emphasized the

need to **increase the transparency and traceability of the EU Quality package, in particular of the PDO and PGI regulations.**

### **Direct Support Measures**

In terms of market support measures, in the SE macro-region there is also strong support for the **continuation and enhancement of the short supply chain measures** (M16 during the 2014-2020 programming period, currently under Art 71 on Cooperation of EC, 2018b). Nevertheless, during the upcoming programming period, the emphasis should be much more on increasing consumer awareness regarding these initiatives, small farms and their benefits. This coincides with the priority needs in the EE macro-region (see **Section 4.4.8**), as well as the General Objectives presented in **Section 4.3.1**. Secondly, new cooperation measures in the macro-region could be developed to support inter-branding between small farmer cooperatives, and the LEADER programme could also be oriented towards providing more support for small farms through the European Social Fund.

### **New Tools and good practices**

Policy stakeholders noted the need to develop new tools for **market valorization of SF's contribution to biodiversity conservation** in order to help remunerate small farms for the additional benefits that they bring through their farming practices.

Furthermore, Italy's 'Campania Amica' approach to promoting small farmers in urban markets is a good practice model that could be replicated in other EU countries.

## **(3) Natural resources and climate**

### **Regulation**

Regarding environmental regulations and cross-conditionality, SALSA stakeholders advised to **maintain the exceptions made for small farms in terms of greening requirements.**

### **Direct Support Measures**

The **short supply chain measure** (M16 during the 2014-2020 programming period, currently under Art 71 on Cooperation of EC, 2018b) was again viewed as a **favourable mechanism through which the environmental benefits of small farms could be promoted.** This coincides with the priority needs in the EE macro-region (see **Section 4.4.8**).

To ensure better environmental protection though, **the Agri-Environment Scheme (AES) (under Article 65 – Environmental, climate and other management commitments of EC, 2013b) should be more results-oriented and collective modalities of small farmer participation could be developed.**

Lastly, **investments in large irrigation infrastructures financed through national programmes should be balanced against long-term sustainability objectives for the region, the potential reliance on less intense production methods and other alternatives** (such as using funds to support small scale small farm production).

## AKIS

The **EIP Operational Groups under Art 71 on Cooperation** could also be dedicated to developing methods and good practices for the climate change adaptation of small farms.

## New Tools

SE macro-regional stakeholders also advise the European Commission to **adjust Art 70 of the post-2020 regulatory proposal** (EC, 2018b) in order to allow for the development a **specific risk management tool for small farmers to better deal with climate change**.

## (4) Agricultural Knowledge and Innovation Systems

### Regulation

Stakeholders from Southern Europe advise national authorities to **develop regulation or other incentives to allow for a controlled market entry and operation of private advisors**. Two important changes are required. Firstly, **public and private AKIS actors should be better coordinated** in terms of in order to avoid duplication of efforts and assure complementarity. Secondly, **private advisors should be restricted to operate only to specific domains** in order to better align with common strategic objectives for AKIS at a national and regional level. In this respect, the French experience with Bayer might serve as a good practice case study.

### Direct Support Measures / AKIS

In particular for countries where austerity measures have been implemented, such as Greece, the **revival of FAS** is a growing necessity. To this end, **national governments should increase public expenditure on AKIS to assure better staffing of local offices, better training of advisors**, as well as more impactful dissemination of information. As in the EE macro-region, SE stakeholders request a **diversification of AKIS services beyond basic support with CAP measures (Section 4.4.8)**. Current **advisory service programmes on animal and plant health should be maintained and enhanced through agile networks of agents**.

Under Art 72 on Knowledge Exchange and Information, **national authorities should consider extending eligibility criteria for associations or collective actions groups**, as well as develop **funding lines for procedures to identify needs, match them with innovation solutions and provide support small farmers to implement them**. This can also be done through visits to demo-farms or other types of training.

## B. Macro-regional Food System Types Framework

According to the **SALSA Food Systems Typology**, this macro-region contains a proportion of **Export types**, with specialized production, contributing less to regional FNS. This particular orientation of food system is already reflected through the emphasis on adjusting trade and competition-related regulation, as well as the transparency of quality schemes (see recommendations in **Section 4.4.9 – A (2)** above on Products and Markets in the SE macro-region).

### C. Macro-regional Small Farmer Types Framework

In terms of **SALSA Small Farmer Typologies**, the **most common across the macro-region** are the **Conventional Entrepreneurs and Business Specialized**, with some **Conventional Strugglers** as well. In order to help Conventional Entrepreneurs to develop further and consolidate their position in food systems they could be encouraged to take up certification. Both them and the Business specialized farmers would also do well in terms of diversifying their produce with the help of short supply chain measures under Art 71 of the regulatory proposal to the post-2020 CAP (EC, 2018b). Regional policy makers would have to assess whether conventional struggler farmers in their region are policy responsive, and which development trajectory is most appropriate for them.

#### 4.4.10. Macro-regional priorities – Northern Europe (NE)

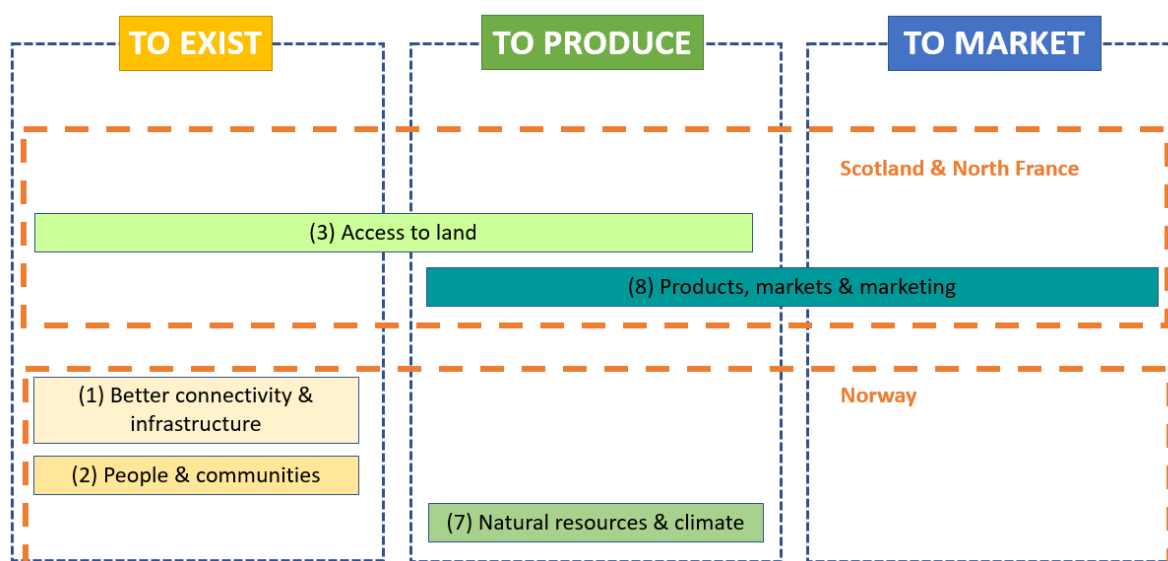
The **NE macro-region** holds the **lowest number of small farms** in Europe – an estimated 200,000 small farms (EUROSTAT, 2016).

### A. Macro-regional Enabling Conditions for SF and FNS Framework

Due to reasons better explained in the methodology and limitations sections of **Deliverable 6.1**, the prioritization of issues for the NE macro-region was conducted at a national level. Figure 10 below shows the results of this exercise, in particular **some common concerns between Scottish and the Northern French region of Ile-de-Villaine regarding (1) Products, markets and marketing and (2) Access to land**. This might reflect the common management of the two regions through the CAP framework.

In the case of Norway, the priority issues were different, namely **(1) Better infrastructure, connectivity, people and communities**, as well as **(2) Natural resources and climate and (3) Agricultural Knowledge and Innovation Systems (AKIS)**. Priority interventions for the macro-region were identified through a common discussion session and will be highlighted below. These departed often from recognizing the strengths of small farmer production and finding mechanisms that can help acknowledge and remunerate these benefits. Due to the different policy domains governing each of the three country and regional contexts, reference will be made at times to generic types of measures, leaving it to decision makers to decide how their particular policy context can accommodate for these measures.

Figure 13 - General Enabling Conditions for SF and FNS Sub-Framework - Northern Europe



#### (1) Small farmer and regional produce labeling and visibility

Participants felt that **produce from SFs entering the local food chain** through short supply chain type measures, or similar, should **benefit from appropriate labelling, validating and promoting their regional contribution to FNS for key products.**

#### (2) Mechanisms for small farmer involvement in community development

In order to recognize the mutual dependent between small-scale farms (in the retention of community facilities schools, shops and recreational facilities) and the community (for purchasing produce and supporting various markets), **small farmers should remain eligible initiators of CLLD, LEADER and Smart Village type initiatives in rural areas and benefit from specific funds to invest in such projects.** Possible projects under such initiatives could include opportunities to integrate new entrants, train them in agricultural techniques and therefore increase the *stability* of regional food systems.

#### (3) Farming Less Favored Areas (LFAs)

**Financial support and other mechanisms to support small farms from Less Favoured Areas should be continued** in the NE macro-region, as small farmers' preferred farming systems including livestock or horticulture are ideal for these regions.

#### (4) Climate change:

The short supply chains SFs can play an important role in climate change mitigation by encouraging local food consumption, the diversification of production, educating consumers and better organising local food chains. **National climate change mitigation strategies should therefore offer support measures for such regional schemes, as well as incentives or compensation for the lower carbon production of small farms.**



Furthermore, **climate change adaptation frameworks should also consider financing mechanisms to support the transition of small farmers towards more sustainable technologies and production systems.**

#### **(5) Redistributive payments**

NE stakeholders support the idea of **redistributive payments towards small farms** during the post 2020 programming period in order to redress current discrepancies and recognize the contribution to public good and FNS which they bring.

#### **(6) Cooperation**

Policy makers should seek to develop a **broad range of cooperation measures** (in line with some of the conclusions of **Section 4.3.1** on General objectives), **going beyond the siloed way of working in food systems and enabling cross-sectorial collaboration, communication and improving support for cooperation in marketing and distribution of produce.** This can be achieved under the post-2020 CAP through Art 71 of the proposed regulation (EC, 2018b), but collaboration towards other dimensions (such as education, social organization and housing) could to some extent also be enhanced more specifically through CLLD/LEADER and Smart Villages.

#### **(7) Access to land**

The lack of access to land was deemed to be one of the biggest barriers to SF production across all 3 regions. In **Scotland the Land Reform in Scotland policy**<sup>11</sup> is designed to improve Scotland's system of land ownership so that land may “contribute to a fair and just society while balancing public and private interests” and support more people productively using land. This is a step in the right direction, **but more efforts should be put into its proper implementation.** In other regions it was believed that **opportunities and support for individuals to rent small areas of farmland for small scale production** should be implemented. For this, rural cooperation measures (Art 71 of the proposed regulation EC, 2018b), can enhance networking between younger and rural farmers in areas where generational renewal is much needed, but is unlikely to be based on farm succession.

#### **(8) AKIS**

For small farms to succeed innovative marketing methods the underlying supports needs to exist, not just as subsidies, but as marketing initiatives, advice, training and innovation support. A **well-functioning FAS** close to the local level is therefore important.

### **B. Macro-regional Food System Types Framework**

According to the **SALSA Food Systems Typology**, the macro-region contains a proportion of **regional food systems**, but small farmers produce a small part of the food produced in the region and therefore have a low contribution to regional FNS. The food system typology matches the macro-regional needs identified in **Deliverable 6.1**, namely to improve hygiene regulation to allow for small scale processing in certain regions, as well as the emphasis on developing innovative

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<sup>11</sup> <https://www.gov.scot/policies/land-reform/>

short supply chains, focused on promoting small farmers' strengths in terms of local, environmentally friendly and community resilient agriculture.

### C. Macro-regional Small Farmer Types Framework

In terms of **SALSA Small Farmer Typologies**, there is a close tie between **Business Specialized, Business Multifunctional and Part-time self-provisioners**. For the last category the diversification of rural opportunities is important, and therefore, for European regions which fall under CAP, Investment measures under Art 68, as well as rural business start-up ones under Art 69 (EC, 2018b) could be used creatively to support the renewal of rural communities through a variety of economic activity.

For Business Specialized types, short supply chain measures and the indirect capacity building support should be enhanced to encourage them to find ways to diversify their income streams in a similar way to the Business Multifunctional types.

## 4.5. Policy Recommendations from Africa

After a short introductory history of Africa's Policy Context (in section 4.5.1) and EU-AFR Trade and Cooperation Programmes, section 4.5.3 will explain the sketch of National Level policies for small farms identified in SALSA's main African project countries, namely Cape Verde, Ghana and Kenya.

As of section 4.5.3, policy recommendations are provided according to the structure of the SALSA Strategic Framework:

- Part I of the Strategic Framework - General Recommendations for various levels of African decision-makers are elaborated in sections 4.5.4-5, corresponding to various levels of institutions
- Part II of the Strategic Framework - leading to specific macro-regional recommendations that can help policy makers develop territorially-tailored food system policies is developed in section 4.5.6

### 4.5.1. Overview of African Policy Context

Agricultural policy in Africa developed very differently than in Europe, as individual countries developed their own agricultural policies and strategies since independence. Rather than developing a system of subsidies for agriculture (as in Europe), many African countries taxed their agricultural sectors and applied overhauled exchange rates, thus depressing prices and returns to their farmers, while subsidizing imports. This led to low growth of the agricultural sector and of the economy (TFRA, 2019). However, several countries in sub-Saharan Africa (including Ghana and Malawi – SALSA reference region countries) continue to subsidize agricultural inputs, in particular inorganic fertilizer (Jayne *et al.* 2018).

Nevertheless, the development of the **African Union (AU)** as an economic bloc, composed of 54 member states, was meant to help develop the continent towards a similar integrated economic union as in Europe and the ASEAN regions. Taking this step was imperative for the economic development of the continent, as Africa is home to 14.8 per cent of the global population, but only 3% of the global GDP. In 2003 AU countries developed an overall plan for agricultural development: the **Comprehensive African Agricultural Development Programme (CAADP)**, which operates at national, regional and continental level (see Annex II). It represents a set of principles and broadly defined strategies for agricultural policy. Although continental in scope, CAADP operates through integrated national and regional strategies. Member States signing up to CAADP committed to allocating at least 10% of public expenditure to the agricultural sector and sought to achieve 6% annual growth in agricultural output. (TFRA, 2019). **In spite of the positive agenda, by 2019, out of the SALSA partner countries, only Cape Verde, Kenya and Malawi were on track with their bi-annual monitoring report scores, while Tunisia and Ghana were not.**

In June 2014, African Heads of State and Government adopted the **Malabo Declaration** on “Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods” The Malabo declaration builds on the successes and lessons learnt from 10 years of

implementing the **Maputo declaration** (2003-2013) and sets commitments to be achieved by 2025 in in the African agricultural sectors.

In June 2015, the **negotiations started between Africa Union's (AU) Heads of State to establish the Continental Free Trade Area (ACFTA)** aiming to support the ongoing effort to boost intra-African trade (projections mention it could reach 15% between 2010-2022, as opposed to 10% currently), as well as stimulate structural transformation in African countries. As a step towards the integration towards the CFTA, the AU recognizes **eight regional economic communities (REC)** and five sub-groups (see **Table 6**). Most of them have followed diverse, largely uncoordinated paths, and deadlines to liberalize trade among their members have not been met (UNCTSAD, 2018). It is important to mention that about **80% of all intra-African traded volumes flows through RECs in 2015**. The RECs have been central to various transformative programmes of the continent, including the **New Partnership for Africa's Development (NEPAD)** adopted in 2001 and the **AU's Agenda 2063** adopted by its Summit in January 2015. **Meeting the standards required for integrating into global value chains will be a gradual process for Africa's agricultural exports. In the interim, gains can be made from integration into regional value chains** (UNCTAD, 2018).

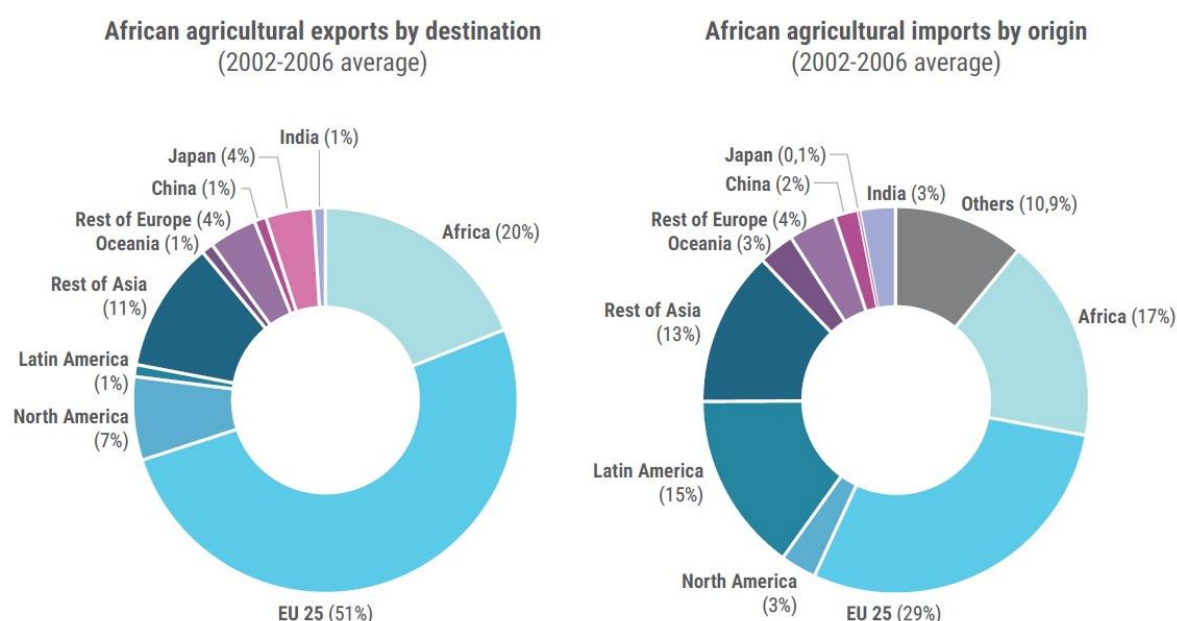
*Table 6 - Overview of SALSA countries as part of Africa's various RECs*

Regional Economic Community	Countries (with SALSA Countries in Bold)
ECOWAS – <b>Economic Community of West African States</b>	Benin, Burkina Faso, <b>Cape Verde</b> , Côte d'Ivoire, Gambia, <b>Ghana</b> , Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo
ECCAS – <b>Community of Central African States</b>	Angola, Burundi, Cameroon, Central Africa Republic, Chad, Republic of the Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda, and São Tomé and Príncipe
UMA – <b>Arab Maghreb Union</b>	Algeria, Libya, Mauritania, Morocco, and <b>Tunisia</b>
SADC - <b>Southern African Development Community</b>	Angola, Botswana, Democratic, Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South, Africa, Swaziland, Tanzania, Zambia, and Zimbabwe
COMESA – <b>Common Market for Eastern and Southern Africa</b>	Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, <b>Kenya</b> , Libya, Madagascar, <b>Malawi</b> , Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe
IGAD - <b>Intergovernmental Authority on Development</b>	Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda
CEN-SAD – <b>Community of Sahel-Sahara States</b>	Benin, Burkina Faso, Central African, Republic, Chad, Comoros, Côte d'Ivoire, Djibouti, Egypt, Gambia, <b>Ghana</b> , Guinea, Guinea-Bissau, <b>Kenya</b> , Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Togo, and <b>Tunisia</b>
EAC – <b>East African Community (EAC)</b>	Burundi, <b>Kenya</b> , Rwanda, Tanzania and Uganda.

#### 4.5.2. EU-Africa Trade and Cooperation Programmes

For African countries, the EU market is still the most important market for agricultural exports (31% in 2017), but also a source of imports. Depending on the market however, EU exporters to African markets compete, for example, with poultry exports from Brazil or the US, milk powder exports from New Zealand and Australia, wheat from Russia or Ukraine, tomato paste exports from China and the US. Hence, from an African perspective, just focusing on trade policy dealing with the EU trade flows is not sufficient as the EU trade flows could be easily replaced with exports from other global competitors (TFRA, 2019).

Figure 14 - African exports and imports by destination (Metabolic, 2018)



African agricultural imports by origin and exports by destination. Reproduced from Rakotoarisoa et al, 2011.

In terms of trading agreements, EU's General Scheme of Preferences (GSP) provides duty-free, quota-free access to the EU market to all Least-Developed Countries (34 of which are in Africa), while African countries (currently 14) implementing the **Economic Partnership Agreements (EPAs)** with the EU also benefit from such free access (TFRA, 2019). In order to assure that the EU's internal CAP, as well as its trade policy is not impacting negatively the agricultural sectors of other countries, the concept of '**policy coherence for development**' (PCD) was developed and incorporated into the EU trade policy strategy since 2015 ('Trade for all'). A specific tool was included therein for analyzing the potential impact of important EU policy initiatives on developing countries (TFRA, 2019) (see discussion in **Section 4.2.3** on reviews of its effectiveness). SALSA's African countries have developed the following types of trade agreements with the EU.

Figure 15 - Trade agreements with EU of SALSA AFR Countries (2019)

Tunisia	Trade Agreements
Cape Verde	General System of Preferences + (GSP+)
Ghana	Interim European Partnership Agreement (iEPA)
Kenya	General System of Preferences (GSP)
Malawi	Everything But Arms (EBA)

The Africa-EU political partnership led to the adoption of the **Joint Africa-EU Strategy**, followed by the 2017 Abijan Summit, which was particularly significant for the agri-food sector with the commitment to work together to promote Africa's agricultural production and productivity. This commitment, allied to the AU-EU Agricultural Ministries conference in June 2017, provided the political framework within which the EU Commission took the initiative to establish the **Task Force Rural Africa** (TFRA, 2019). In March 2019 the TFRA published a report regarding an **agenda for rural transformation**, which advises on **four key strategic actions**. These are:

- (1) **A territorial approach** to income and job creation by looking at the integration of rural and urban areas within a given region,
- (2) Focusing on **sustainable land and natural resource management**,
- (3) **Sustainable transformation of African agriculture**
- (4) The development of the **African food industry and food markets**.

While SALSA's vision regarding small farmers' future is aligned with all objectives, one concern is that local and regional **value chain development approaches focused on private sector investments and good safety standards need to be coupled with appropriate small farmer support in order to assure that such growth is inclusive**.

In the context of the rapidly expanding African population trends highlighted in section 4.2, as well as rapid urbanization, the **risk is for the growing urban food demand in the area to be satisfied through expanding trade and food imports, rather than connecting with rural production** (Vorley and Lançon, 2016). There is evidence that domestic rural supply from smallholders is displacing imports where there is **strong policy investment in sector productivity and infrastructure**. Analysis by the International Food Policy Research Institute (IFPRI) recommends that **to generate a supply response from smallholders**, more emphasis should be placed on **reducing production costs through technological change and expanded input use, rather than trade measures** that raise food prices (Chapoto, 2013 in Vorley and



Lançon, 2016). Agricultural policies in Africa should change from raising farm productivity of a few staples, towards a strategy for meeting urban demand for non-grain products, especially horticulture, livestock and processed foods (which require cold storage, processing and the development of hygiene regulation). Local policy, while clearly important in ensuring that rural areas rather than importers ‘win’ from urbanization and economic growth, will not fully deliver on its potential without a governance framework for sub-national territorial economic development that transcends ‘rural’ or ‘urban’ policy silos (Berdegue and Proctor, 2014 in Vorley and Lançon, 2016). Local authorities are, however, faced with major challenges including financial over-dependence on central government and lack of capacity to collect and manage revenue, caused partly also by informal trade (Vorley and Lançon, 2016).

**Small farms and even informal small food businesses in rural African environments should therefore be at the center of economic growth policies in order to promote virtuous cycles of regional development, as well as prevent further aggravation of the migrant crisis that started in 2017.**

To help prevent such an issue, EU Commissioner Juncker launched in September 2018 a new **Africa-Europe Alliance for Sustainable Investment and Jobs**. Within the context of the 2021-2027 Multi-Annual Financial Framework (MFF) and the CAP post 2020 -, this strategy will also frame the context within which the African agri-food sector and rural areas will develop (TFRA, 2019). The **EU-Africa Dialogue** also has as a component regarding **Research and Innovation**. This has been formalized in 2016 through the [\*‘Roadmap towards a jointly funded EU-AFR Research and Innovation Partnership on Food and Nutrition Security and Sustainable Agriculture’\*](#), **SALSA’s particular angle on understanding small farmers’ contribution to FNS is aligned with Theme 3 – Global Value Chains and Markets**, where the issue of mechanisms for linking smallholder farms and rural communities to markets is raised.

In spite of the numerous levels of EU-AFR cooperation, the success of these efforts will be judged through actual positive changes to the issues faced by African countries, as well as the ability to negotiate appropriate trade and integrated continental, national and regional strategies in Africa to support genuine structural change (UNDP, 2019).

#### **4.5.3. National level policies for SF and FNS (with reference to FAO FAPDA Tool)**

**An analysis of national policies for small farmers and FNS in SALSA’s African partner country (Cape Verde, Ghana and Kenya) was conducted using the FAO FAPDA tool outlined in Figure 8 (and detailed in Annex III) and part of the SALSA Strategic Framework (see Sections 4.2 and 2.2 for underlying methodology).**

In the section below, policies discovered in SALSA’s core African countries will be marked with the FAPDA codes of policy types included in Annex III.

The comparative results of this framework will be discussed for each of the three main types of policies included in the tool, namely for **Consumption**, **Production** and **Trade** and numbered according to the system developed by the tool.



## Consumption Policies

According to the brief scan conducted by SALSA African partners, in both **Ghana and Kenya** consumption-oriented food policies are more oriented towards **social protection-type food assistance, and in particular school feeding** (FAPDA code 1.2.1) and **food subsidy** (FAPDA 1.2.2). These policies are meant to address the undernutrition related issues discussed in **Section 4.2. In both cases the policies do require the involvement of local smallholder farmers, which is positive for increasing their contribution to FNS.** In **Ghana**, although these programmes led to better school enrollment, implementation issues such as the sporadic payment of cash transferred limited their impact (FAO, 2015a). In **Kenya**, due to the country's decentralized governance, the National School Feeding Programme has been implemented at subnational level, providing children milk three times per week from local farms. Nevertheless FAO (2015b) cautioned that the implementation of these policies across the various ministries, but also in Kenya's decentralized governance system, still requires improvement to achieve its goals.

In the case of **Cape Verde**, the National Food Security Programme is more oriented towards **market management type measures**, in particular **on building food stock** (code 1.3.1.0) and **consumer protection** (code 1.3.3). This approach might be due to the country's need to assure food security as an island state. In **Ghana**, the same type of buffer stock type measures (code 1.3.1.0) did not lead to the positive results expected, despite significant investments (FAO, 2015a).

For **Ghana**, the Food and Agriculture Sector Development Policy (FASDEPII) focuses **on nutrition and health assistance**, in particular on **enhancing public awareness and dietary practices** (code 1.5.2.0). This is in line with its successful efforts to redressing its undernutrition related issues discussed in **Section 1.2** (FAO, 2015a). The country also has policies to build food stocks (code 1.3.1.0), but more with the idea of stabilizing prices through the Planting for food and jobs (PFJ) programme (this is the main programme to implement FASDEP II between 2017-2020).

Overall, the FAO FAPDA analysis of SALSA's African partners' consumption oriented food policies reveals three different national approaches to sustainable consumption in each of the above-mentioned countries, but more analysis is needed in order to understand whether opportunities to integrate small farmers into these governmental programmes have been sufficiently reaped.

## Production Policies

**In SALSA's African partner countries some of the most popular types of production policies are related to agricultural input measures** (code 2.1). In particular the **Ghanaian** Food and Agriculture Sector Development Policy (FASDEPII), with its National Seed Policy (2013) and National Seed Plan (2015), and the **Kenyan** National Agriculture Investment Plan (NAIP 2019-2024), as well as the Agricultural Sector Growth and Transformation Strategy (ASTGS 2019-2029) provide **fertilizer subsidies** (code 2.1.1.1), **seed subsidy vouchers** (code 2.1.1.4) **for small farms** (see also Jayne *et al.* 2018). The Ghanaian FASDEPII programme also contains measures for seed distribution (code 2.1.1.5), technology and quality assessment (code 2.1.1.6) and specialized input measures for the livestock sector (through the Ghana Livestock Development Policy and Strategy 2016-2025 (code 2.1.1.9). Although these measures were meant to support farmers through the

2008 price spikes and increase the rate of fertilizer application, fertilizer consumption in Ghana remains low and the input subsidy programmes tends to still favor larger scale farmers (FAO, 2015a). Furthermore, although the Ghanaian government launched Agriculture Mechanization Service Enterprise Centers (AMSEC) to support the purchasing of tractors, analyses show that they do not represent a viable business model in a country dominated by small farms (FAO, 2015a).

Other input measures concern **agricultural research and technologies** (2.1.4.1). In **Cape Verde** this was done through the Strategic Plan and Plan of Action of the National Agrarian Research System (2017-2024). In Kenya the equivalent has been the Capacity building Strategy for Agriculture Sector (2016-2021) for technical assistance and training (2.1.4.2). National governments in **Cape Verde, Ghana** have also provided policy support to promote **irrigation infrastructures** (2.1.7), but also **Kenya** has invested in a large-scale irrigation scheme order to depart from the constraints of rain-fed agriculture, especially in drought prone areas (FAO, 2015b). According to our policy scan, Ghana seems to be the only country to have developed **food safety standards measures** (2.1.8.5) in the forms of standards, as well as trainings, but it is as of yet unclear in how far small farmers have been educated about this.

**Natural resources management measures** (2.3) are a second important category of producer support measures implemented across SALSA's AFR national contexts. Both **Ghana and Kenya have developed Climate Change Adaptation and Mitigation Policies** (2.3.0.5) through the National Climate-Smart Agriculture and Food Security Action Plan of Ghana (2016-2020) and Kenya Climate Smart Agriculture Strategy (2017 – 2026), while **Ghana and Cape Verde** have implemented **land use planning and land management measures** (2.3.1.1). Cape Verde in particular also developed a national plan against desertification.

Thirdly, SALSA's African countries developed a series of **market management measures** (2.2). The **Kenyan** government implemented **general market interventions** (2.2.1) through **national policy decisions regarding** (2.2.0.1) **for price intervention on staple commodities, price review/ stabilization and price setting for maize, as well as government procurement for domestic farmers** (2.2.0.3). The country also exempted small farmers from tax for joining cooperatives (2.4.0.3) to encourage the aggregation of small farmers within the supply chain. **Ghanaian and Cape Verdian food policies seem to focus on a value chain development approach** (2.2.2), including the building of post-production facilities and roads in Ghana.

## Trade Policies

According to the brief SALSA policy scan, **Ghana** is the only country aiming to **eliminate export subsidies** (3.2.2), and trade-distorting domestic support at WTO, but this is a policy which could have both positive and negative consequences for small farms. As a main exporter of cocoa and other agricultural commodities, Ghana has an interest in facilitating exportation. However, the elimination of policies could increase cheap food imports that could destroy local production and bring about increase in price of food produced domestically. Nevertheless, an analysis by FAO (2015b) mentions that while policies have generally been in line with regional agreements by 2015, the country has breached the duty-free importation of goods from ECOWAS countries by applying a wide range of taxes on imports (such as on rice in 2013). Ghana's EPA-light agreement with the EU also eliminated tariffs to virtually all of Ghana's exports to the EU and on 80% of imports from the EU until 2023.

In the case of **Kenya**, secondary information from FAO (2015b) indicates that, although it is part of the EPA, the country imposes more rules and regulations on imports from its regional partners than on imports from the rest of the world. Therefore, despite the intention to foster regional integration, its policies have tended to protect its national markets while hampering the development of regional trade. The EPA remains the country's main trading partner, with the EU as second. The renewed EPA trade agreement with the EU, gaining duty-free quotas into the EU for all Kenyan products (with transition periods for rice and sugar), while opening 80% of the Kenyan market to EU imports.

In both cases it is uncertain whether regional food system structures support the aggregation of small farms to the level at which they could benefit from these existing macro-regional and international trade routes.

#### *4.5.4. Recommendation for AU – CAADP Authorities, REC and National Agricultural Ministries*

**Explicitly acknowledge the diversity of small farms and food businesses in agricultural and food policies is an important recommendation for AU-CAADP, REC and National Agricultural Ministries in SALSA's African countries.** The CAADP implements its plans through several thematic areas, out of which, some correspond to the policy themes driving the SALSA process (see **Table 7** below). Whilst the CAADP process enables countries to adapt CAADP principles to national contexts, the agricultural and food policies of most African countries do not systematically differentiate between different farm types. But the needs (in terms of services and support actions) of farms of different sizes and market integration are different, and this should be reflected in all policies and interventions. An evidence based national typology of farms developed by SALSA could be useful for this (see **Section 4.1**).

**Criteria related to the integration of small farms in the implementation of CAADP framework commitments could be included in the bi-annual evaluations conducted by signatory states**, in order to assure that such continental policies are properly integrated with national realities. Furthermore, more studies on good practice and guidance could be provided for countries with a decentralized system of governance, regarding how to best assure appropriate regional budget allocation.

For authorities working to promote the goals of the **RECs and the agreements of the Abuja Food Security summit**, one consideration could be to consider how trade protected crops (such as tobacco) could be matched the crops cultivated by small farms in each country in order to help build economies of scale on the basis of aggregating small farms. This could be done in a similar manner as in export-oriented SE macro-region of SALSA by encouraging the development of functional cooperatives. **Such policies should however be carefully balanced against the needs of households to further sustain themselves through their own produce.**

Furthermore, given the nature of the smallholder agriculture in Africa, the efforts of organizations such as IFAD in helping small farms to be better organized through national and regional cooperatives should be maintained and enhanced. Such initiatives help small farms enhance their

productivity, facilitate their access to inputs, and ensure the timely take off of produce from farm to markets.

*Table 7 - CAADP Framework matching with SALSAs policy themes for small farms*

Small farm needs (SWOT themes)	CAADP results framework (2015-25)
<b>1) Better connectivity and infrastructure</b>	3.5 Increased public and private investments in agriculture (NAIPs)
<b>2) People and communities</b>	1.4 Resilience and sustainability (HSDI) 2.4 increased resilience of livelihoods and improved management of risks in the agricultural sector
<b>3) Access to land</b>	Not addressed directly
<b>4) Access to affordable credit</b>	Included in value chain development
<b>5) Agricultural knowledge and information systems</b>	3.6 Increase capacity to generate, analyse and use data, information, knowledge and innovations; African science and research agenda
<b>6) Availability and quality of farm labour</b>	2.3. Expanded local agro-industry and value chain development inclusive of women and youths
<b>7) Natural resources and climate</b>	2.5 Improved management of natural resources for sustainable agriculture (also resilience and risk mgt)
<b>8) Products, markets and marketing</b>	2.2 Increased intra-African regional trade and better functioning of national and regional markets

**National Agricultural Ministries** in the African countries studied should continue concerted efforts to meet the 10% budget allocation commitment made through the Malabo declaration. This commitment should be maintained also in the case of countries with a decentralized governance system.

#### **4.5.5. Recommendations for EU- AFR Dialogue and Cooperation Programmes**

##### **EU strategy for cooperation in research and innovation regarding Europe-Africa relationships**

In order to avoid the limitations discussed in D6.1 and **Section 2.3** of the current report, future research programmes funded under **Horizon Europe** should seek to include a **balanced representation of EU and AFR partners**, in order to assure that both sides can have similar levels of responsibilities in all aspects of the project (including in particular research design).

Another recommendation would be to **develop language-based or regional cooperation projects for research and innovation** (Portuguese, French, English speaking countries), **or in more heterogeneous geographical groups** (Southern Europe and Northern Africa) in order

help improve communication and transferability of findings (within similar geographical areas). Thematic platforms / fora developed along these lines could help boost networking among African and European researchers. The EU has a long history of supporting regional agricultural research networks in Africa (ASARECA and CAADP), and EU-Africa collaboration via PAEPARD, but support to some of these initiatives has been reduced in the past few years.

Furthermore, Horizon Europe should **continue supporting inter-continental research**. The SALSA project experience demonstrates that agricultural and food systems research across continents, with research sites in both Europe and Africa, can result in valuable insights and learning in both directions. Lessons from Europe are valuable to African partners, as their countries are developing rapidly. An understanding of strengths and weaknesses of European agricultural policies (and their impacts on small farms) can improve decision making. European partners can learn from Africa about informal and community-based approaches to support food and nutrition security. Hence funding such trans-continental research through equitable research partnerships should be a priority.

**Flexibility of grant agreements.** More flexibility in the terms and conditions of the grant agreements under the Horizon 2020 programme, to take into account differences in organizational and legal frameworks in partner countries, would facilitate the application of the same methodology in different contexts and reduce transaction costs in cross-continental partnerships.

Finally, further **reconciling the research topics** in which AFR research partners are included with the ‘Roadmap towards a jointly funded EU-AFR Research and Innovation Partnership on Food and Nutrition Security and Sustainable Agriculture’ could help ensure further coherence of research work for all partners involved.

#### *4.5.6. Macro-regional recommendations – Africa (AFR)*

##### *A. Macro-regional Enabling Conditions for SF and FNS Framework*

According to the prioritization of small farmers’ needs conducted in SALSA D6.1, there are five main policy areas that require **priority interventions in the AFR macro-region**. These are: **(1) Youth engagement in agriculture** (combining People & Communities, and Availability & Quality of Farm Labour), **(2) Access to Funding and Affordable Credit**, **(3) Better Infrastructure & Connectivity**, **(4) Natural resources and climate** and **(5) Products, Markets and Marketing**. Although participants in the workshop on which these policy suggestions were developed came predominantly from Kenya, some of the suggestions of **good practices** may be useful to **consider across the macro-region**. However, these suggestions are not based on the perceptions of individual workshop participants and not on a systematic review of the experiences and practices mentioned. There was no time during the workshop to validate suggestions in the larger group, and hence these need to be considered with caution.

The following section will distinguish between four types of interventions (or less, depending on relevance), namely regulatory, direct support measures, AKIS and suggestions for new tools and good practices.

## (1) Youth engagement in agriculture

### Direct Support Measures

Engaging youth is the most important priority for the continuity of rural communities. A poor match between youths' education and the practical needs of the farming sector emerged. Moreover, several barriers prevent young people to become successful farmers: difficulty in accessing land and credit, limited opportunities for youth to participate in policy design, lack of attractive opportunities such as use of modern technology in farming or support for innovative agriculture. Agriculture is not promoted to youth as a skilled and potentially lucrative enterprise.

Improvements are needed in particular in relation to policy development, technology transfer and innovation. Youths rarely have the opportunity to be involved in the design of agricultural policies that affect them – resulting in policies that do not respond to their needs. Therefore, youth governance bodies should be part of the programme design process.

Youth tend to be attracted to technical and social innovation in agriculture, but there is not enough support for youth innovation and entrepreneurship. Agricultural research does not normally address the needs and interests of young farmers explicitly.

More funding is needed in order to support youth innovation and entrepreneurship in the agricultural sector, in order to identify and make use of the business opportunities for small farmers, particularly in linking urban and rural areas. Furthermore, innovation stemming out of youth agri-entrepreneurship should be re-incorporated into local food systems to assure the success of such businesses on the local market. A few examples of the policies and programmes noted by stakeholders from some of SALSA's African regions are presented in the boxes below.

In **Kenya**, there are a number of innovative **initiatives and policies supporting youths** (training, apprenticeships, funding, etc.), many of which aim to make farming more attractive to youths and preparing them through appropriate training and experiences (e.g. via incubation centres). **The Kenyan National Youth Development Policy (2018)** aims to empower Youth to productively contribute to sustainable development, including “transforming agriculture and agri-business to make it attractive to the youth”. TVET (Technical and Vocational Education and Training) internships are available for youths in Kenya and via Agricultural Colleges and Farm Institutes in Ghana.

In **Ghana** the **National Youth Council** is responsible for promoting youth issues, but has not been able engage the whole youth population. There are also **youth programmes in agriculture**, but mainly run by NGOs (e.g. UWEZO fund, Kenya; Planting for Food and Jobs in Ghana).



## (2) Access to Funding and Affordable Credit

### Regulation

In most of SALSA's African countries (such as Kenya) removing certain social barriers to access credit, such as age and gender, could help small farms access credit. ICT and mobile-enabled credit schemes have been noted by SALSA's stakeholders from African regions as having had a positive effect for small farmers in rural areas (particularly in Tunisia, Kenya and Cape Verde) – even though there are also concerns of them contributing to indebtedness.<sup>12</sup>

### Direct Support Measures

Small farms in SALSA's African regions face difficulties in accessing appropriate and affordable agricultural credit for agricultural inputs, implements and investment. They do not have access to crop insurance in case of crop failure (e.g. as a result of climate change induced risks). Existing financial institutions do not normally prioritise the credit needs of small farms.

A few examples of the policies and programmes noted by stakeholders from some of SALSA's African regions are presented in the boxes below.

Several SALSA African countries (**Ghana, Malawi and Tunisia**), offer **input subsidies**. While these have been noted for limited positive effects, there is an increasing body of literature on their negative environmental impacts. Such programmes encourage high external input farming practices rather than support agro-ecology and sustainable intensification. Hence, this support should be carefully reviewed, based on evidence, and separated from other political motivations.

In **Kenya**, some policy and programmes tackling sustainable natural resource management and conservation agriculture are not sufficiently considering the needs of small farms, such as their labour practices. **A more detailed understanding of the economics of small farms through facilitated needs assessment workshops, as well as more inclusion of small farmer organizations in programme design is needed** in order to assure better targeting and effectiveness.

## (3) Better Infrastructure & Connectivity

### Direct Support Measures

This group was again dominated by Kenyans, and so the table above reflects mostly experiences from Kenya and Ghana – which, in comparison to other African countries, have relatively well developed infrastructure and good levels of internet connectivity as in other African countries. In particular, power supply is fairly regular here, including in rural areas. This is due to [“Last mile”](#)

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<sup>12</sup> <https://qz.com/africa/1722613/mobile-money-lending-in-kenya-helps-but-also-spikes-debt/>, <https://www.standardmedia.co.ke/business/article/2001275242/how-mobile-loan-platforms-have-lured-kenyans-into-debt-trap>

and ‘Rural Electrification’ programmes in most rural areas in Kenya and Ghana respectively. Also the cost of electricity connection has gone down in Kenya (1,500 Kenyan Shilling), improving access also for poorer farmers. Good mobile phone coverage in Kenya by several companies, even in rural areas enables agricultural messages sent to farmers through SMS and voice in local languages (ESOKO, mfarm). Local FM radio and TV stations broadcasting in local languages have also improved information on markets for farmers (see policy theme 5). However, the improvements needed relate to road quality and irrigation infrastructure. The latter are often government-run and poorly maintained, because of challenges at the procurement stage. Smaller irrigation schemes, in addition to the large ones, would also be important particularly for small farms.

#### **(4) Natural resources and climate**

In terms of Natural Resources and Climate, three interventions were prioritised by SALSA policy stakeholders present at the Kenya workshop:

- Firstly, agricultural extension services are paramount for educating farmers and local government about climate change risks and adaptation strategies.
- Secondly, micro-irrigation systems can help farmers overcome drought.
- Thirdly, special programmes are required to reduce the felling of trees for firewood.

**Kenya** established a number of successful programmes and interventions that supported sustainable natural resource management and climate change adaptation, such as the [devolved climate finance system](#). Other successful examples include the introduction of climate smart agriculture, conservation agriculture and agroforestry in Ghana. Most of these interventions were as part of donor-funded or non-state actor supported projects and programmes with limited coverage and time scale.

Three main areas of improvement relate to **shortage of resources for NRM and climate change, dependency on donor funding, and lack of evidence-based programme design**. As most programmes addressing NRM and climate change are funded by sources from outside Kenya, in particular international development agencies, bilateral donors and NGOs, there is a risk of discontinuity. Whilst these programmes have often established successful pilots, they have generally struggled to take success to scale by covering larger geographic areas / more farms (scaling out) and to achieve sustainability by becoming self-supporting (scaling up). Hence such programmes need to build in exit strategies and ensure that government agencies have the financial and technical capacity, as well as political will, to implement them.

In both **Ghana and Kenya important legal changes now enable women to own and inherit land**. In the long term, this is believed to support sustainable land management practices.

## **(5) Products, markets and marketing**

The priority policy interventions identified by SALSA's African workshop participants were to develop processing and storage for value addition to small farms' produce, as well as developing more structured demand systems (based e.g. on multi-stakeholder platforms and price control systems), especially for younger, more entrepreneurial farmers.

A positive development in recent years has been the increased availability of market information disseminated through media channels (about minimum or market prices, depending on national context), which has helped farms better understand their market positioning. Following reviews of impact and reach, programmes should be maintained and enhanced.

A few examples of the policies and programmes noted by stakeholders from some of SALSA's African regions are presented in the boxes below.

Some Kenyan attendees mentioned that many agricultural inputs that small farmers buy are counterfeits, so **developing and implementing clear regulations on this should be on the governments' agenda**. Furthermore, in order to support the development of cooperatives, the specific Kenyan regulations applying to such collective forms of small farmer organization should be properly implemented at district level.

Policy stakeholders from **Kenya and Malawi** reported the good level of household food consumption achieved by many small farmers, but that **low productivity was preventing some to integrate into regional markets**. Therefore, continued policy attention, particularly through Agricultural Extension Officers (AEO), as well as regulation against poor quality inputs (mentioned above), should be offered to small farmers to help them overcome these limitations.

Although it was noted that many small farms benefit from more liberalised markets with a broad choice and the high demand for produce from small farmers (for food, but especially for cash crops such as tea, coffee, cocoa), **Malawian** representatives mentioned that there should be **more structured markets that would allow for contract farming**. This would help provide more predictability and reduce risks for small farms. A better understanding of who the regional aggregators are and the roles they play in each district would also benefit small farms.

## **B. Macro-regional Food System Types Framework**

According to the **SALSA Food Systems Typology**, the macro-region predominately **Regional, types of food systems**, with only two Balanced/Export regions in Ghana. This indicates the need to develop hygiene regulation and train small farmers in how to abide by these, in order to help build towards stronger regional food systems. Also, although the African policies observed in **Section 4.5.3** did not indicate that national agricultural policies in African countries focused on softer measures such as the short supply chain support in Europe, considering the type of food

systems in the studied regions, this would be an advised route. This recommendation is also in line with the conclusions of FTRA (2019), which encourages more urban-rural linkages as part of a territorial approach to food systems. Nevertheless, cooperatives remain one of the most important structures in such foods, so more attention should be paid to successful models of small farmer aggregation in order to allow them to be integrated with national, macro-regional and continental ambitions.

### C. Macro-regional Small Farm Types Framework

According to the **SALSA Small Farmers Typology**, the macro-region contains a **mix of Conventional Strugglers, Part-time farmers and some Conventional Entrepreneurs**. The high proportion of small farmer types with weaker market integration, the first question according to the envisaged SALSA framework would be to decide their motivations and level of policy responsiveness. This is particularly true of conventional strugglers.

National Agricultural Ministries should also acknowledge that **part time farming can be a viable option that requires specific support**. Whilst part-time farming is a reality for small-scale farms both in Africa and Europe, there is no or limited acknowledgement of this strategy and virtually no targeted support. Donor frameworks such as DFID's Conceptual Framework on Agriculture envisage just three options for farmers: 'Stepping up' (agricultural intensification and market integration), 'Stepping out' (leaving agriculture for non-farm employment) or 'Hanging in' (unsustainable coping strategy). However, supporting small-scale part-time farming for its contribution to local and regional food and nutrition security, alongside the development of rural non-farm employment, may be a valid strategy deserving specific targeted support to small farms. Part-time farms might be more responsive to the diversification of rural businesses and the provision of rural services in order to remain in rural areas.

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## Annexes

### Annex I – EU Rural Development Tools (2014-2020) for adding value along the agri-food supply chain

*SOURCE: ENRD (2017)*

<b>STRATEGIC APPROACH</b>	<ul style="list-style-type: none"> <li>▶ RDP – Focus Area 3A - Agri-food chain integration &amp; quality</li> <li>▶ National/regional/local food strategies</li> <li>▶ Research &amp; Innovation Strategies (RIS3)</li> <li>▶ LEADER Local Development Strategies</li> </ul>
<b>IDEAS, BUSINESS PLANS, ADVICE</b>	<ul style="list-style-type: none"> <li>▶ Knowledge and information (M1)</li> <li>▶ Advisory services (M2)</li> <li>▶ Cooperation (M16)</li> <li>▶ LEADER (M19)</li> </ul>
<b>SKILLS ACQUISITION</b>	<ul style="list-style-type: none"> <li>▶ Knowledge and information (M1)</li> <li>▶ Advisory services (M2)</li> <li>▶ Cooperation (M16)</li> <li>▶ LEADER (M19)</li> </ul>
<b>FINANCE FOR INVESTMENTS</b>	<ul style="list-style-type: none"> <li>▶ Physical investments (M4)</li> <li>▶ Farm and business development (M6)</li> <li>▶ Investment in forestry areas (M8.6)</li> <li>▶ LEADER (M19)</li> <li>▶ Financial Instruments (FIs)</li> <li>▶ European Structural and Investment Funds (ESI Funds)</li> <li>▶ European Fund for Strategic Investments (EFSI)</li> </ul>
<b>COOPERATION &amp; ORGANISATIONS</b>	<ul style="list-style-type: none"> <li>▶ Producer organisations (M9)</li> <li>▶ Cooperation (M16)</li> <li>▶ LEADER (M19)</li> </ul>
<b>MARKET ACCESS &amp; QUALITY</b>	<ul style="list-style-type: none"> <li>▶ Quality schemes (M3)</li> <li>▶ Organic farming (M11)</li> <li>▶ Animal welfare (M14)</li> <li>▶ LEADER (M19)</li> <li>▶ Cooperation (M16)</li> </ul>

## Annex II - CAADP Declaration

<b>Commitment 1: Re-committing on CAADP Process</b>	
<b>Commitment 2: Enhancing Investment Finance in Agriculture</b>	<ul style="list-style-type: none"> <li>• Uphold 10% public spending target on agriculture</li> <li>• Operationalize the African Investment Bank</li> </ul>
<b>Commitment 3: Ending Hunger by 2025</b>	<ul style="list-style-type: none"> <li>• At least double productivity (focusing on inputs, irrigation, mechanization)</li> <li>• Reduce PHL at least by half</li> <li>• Nutrition: reduce percentage of underweight children to 5% and stunting to 10%</li> </ul>
<b>Commitment 4: Halving Poverty through Agriculture by 2025 through inclusive Agricultural Growth and Transformation</b>	<ul style="list-style-type: none"> <li>• Sustain Annual sector growth in Agricultural GDP at least 6%</li> <li>• Establish and/or sustain inclusive public/private partnerships for at least five (5) priority agricultural commodity value chains with strong linkage to smallholder agriculture</li> <li>• Create job opportunities for at least 30% of the youth in agricultural value chains</li> <li>• Preferential entry and participation by women and youth in gainful and attractive agri-business</li> </ul>
<b>Commitment 5: Boosting Intra-African Trade in Agriculture Commodities</b>	<ul style="list-style-type: none"> <li>• Triple intra-Africa trade in agricultural commodities and services</li> <li>• Fast track continental free trade area and transition to a continental Common External tariff scheme</li> </ul>
<b>Commitment 6: Enhancing Resilience to climate variability</b>	<ul style="list-style-type: none"> <li>• Ensure that by 2025 at least 30% of farm/pastoral households are resilient to shocks</li> <li>• Enhance investments for resilience building initiatives, including social security for rural workers and other valuable social groups, as well as for vulnerable ecosystems</li> <li>• Mainstream resilience and risk management in policies, strategies and investment plans</li> </ul>
<b>Commitment 7: Enhancing Mutual Accountability for Actions and Results</b>	<ul style="list-style-type: none"> <li>• Through the CAADP results framework, conduct a biennial agricultural review process</li> </ul>

## Annex III – FAO FAPDA Tool – Full Elaboration

Code	Theme	Code	Policy Decision	Code	Policy Decision
<b>CONSUMPTION</b>					
1.1	<b>Tax</b>	1.1.0	<b>Unspecified tax policy</b>	1.1.0.0	Unspecified tax policy
				1.1.1.0	Value Added Tax (VAT)
		1.1.1	<b>Indirect tax</b>	1.1.1.1	Tax on fuel and water
				1.1.1.2	Other indirect tax
		1.1.2	<b>Direct tax</b>	1.1.2.0	Income tax
1.2	<b>Social Protection</b>	1.2.0	<b>Unspecified tax policy</b>	1.2.0.0	Unspecified tax policy
				1.2.1.0	In-kind food transfer
				1.2.1.1	Food for work
		1.2.1	<b>Food Assistance</b>	1.2.1.2	School feeding
				1.2.1.3	Soup kitchen and food pantries
				1.2.1.4	Food Coupons
		1.2.2	<b>Food Subsidy</b>	1.2.2.0	Food Subsidy
				1.2.3.0	Unconditional cash transfer
		1.2.3	<b>Cash transfer (income support)</b>	1.2.3.1	Conditional cash transfer (CCT)
				1.2.3.2	Cash-for-work
		1.2.3	<b>Other subsidies</b>	1.2.4.0	Subsidies on fuel, power and water
1.3	<b>Market management</b>	1.3.0	<b>Unspecified market policy</b>	1.3.0.0	Unspecified market policy
				1.3.1.0	Establishment or modification of food stock
		1.3.1	<b>Food Stock</b>	1.3.1.1	Release of food stock
		1.3.2	<b>Price control</b>	1.3.2.0	Food price control
				1.3.3.0	Institutional reform measure
		1.3.3	<b>Food safety and consumer protection</b>	1.3.3.1	Legal and regulatory measures for consumer protection
				1.3.3.2	Food safety regulation and standards
1.4	<b>Disposable income</b>	1.4.0		1.4.0.0	Unspecified disposable income policy

Code	Theme	Code	Policy Decision	Code	Policy Decision
		Unspecified disposable income policy	1.4.1.0	Salaries of civil servants	
			1.4.1.1	Minimum wage	
			1.4.1.2	Credit for consumption	
			1.4.1.3	Unemployment compensation	
			1.4.1.4	Employment programmers	
1.5	Nutrition and health assistance	1.5.0	Unspecified nutrition and health interventions	1.5.0.0	Unspecified nutrition and health policy
		1.5.1	Specific nutrition intervention	1.5.1.1	Interventions to improve intake/absorption of micronutrients
				1.5.1.2	Breastfeeding promotion
		1.5.2	Nutrition information and awareness	1.5.1.3	Therapeutic feeding
				1.5.2.0	Public awareness and dietary practices
		1.5.3	Water, sanitation and hygiene	1.5.3.0	Drinking water
				1.5.3.1	Sanitation and hygiene
		PRODUCTION			
2.1	Production support	2.1.0	Unspecified production support	2.1.0.0	Unspecified production support
		2.1.1	Agricultural input measures	2.1.1.0	General input measures
				2.1.1.1	Fertilizer subsidies/vouchers
				2.1.1.2	Fertilizer distribution
				2.1.1.3	Local production of fertilizers and agricultural inputs
				2.1.1.4	Seed subsidies/vouchers
				2.1.1.5	Seed distribution
				2.1.1.6	Seed technology and quality assessment systems
				2.1.1.7	Fuel resources for production
		2.1.1.8	Machinery support (subsidies or distribution)		



Code	Theme	Code	Policy Decision	Code	Policy Decision
		2.1.2	<b>Agricultural tax</b>	2.1.1.9	Livestock and livestock feed distribution
				2.1.2.0	Unspecified agricultural tax
				2.1.2.1	Tax on inputs or fixed capital
		2.1.3	<b>Finance and credit facilities</b>	2.1.2.2	Farm income tax
				2.1.3.0	Unspecified credit and finance facilities
				2.1.3.1	Access to credit
		2.1.4	<b>Knowledge generation and dissemination</b>	2.1.3.2	Financial support through public banks
				2.1.4.0	Unspecified policy for knowledge generation and dissemination
				2.1.4.1	Agriculture research and technology
		2.1.5	<b>Livestock, fisheries and aquaculture</b>	2.1.4.2	Technical assistance, extension and training
				2.1.5.0	Livestock policies and regulations
		2.1.6	<b>Production subsidies</b>	2.1.6.0	Production subsidies
		2.1.7	<b>Productive assets and irrigation infrastructure</b>	2.1.7.0	Support for productive assets
				2.1.7.1	Support for irrigation infrastructure
		2.1.8	<b>Genetic resources and sanitary measures</b>	2.1.8.0	Unspecified genetic resources and sanitary measures
				2.1.8.1	Animal genetic resources measures
				2.1.8.2	Plant genetic resources measures
				2.1.8.3	Animal health measures
				2.1.8.4	Plant health measures
				2.1.8.5	Food safety measures
2.2	<b>Market management</b>	2.2.0	<b>General market intervention</b>	2.2.0.0	Unspecified government market intervention
				2.2.0.1	Price intervention on staple commodities

Code	Theme	Code	Policy Decision	Code	Policy Decision
		2.2.1	<b>Agricultural risk management</b>	2.2.0.2	Price interventions on cash crop commodities
				2.2.0.3	Government procurement for domestic farmers
				2.2.1.0	Unspecified risk management measures
				2.2.1.1	Marketing, production and derivate contracts
				2.2.1.2	Insurance and reinsurance
		2.2.2	<b>Value chain developments</b>	2.2.1.3	Public/mutual fund and contingent risk financing
				2.2.2.0	Unspecified value chain development measures
				2.2.2.1	National market information system
				2.2.2.2	Post production facilities
				2.2.2.3	Rural roads and transport infrastructure
				2.2.2.4	Promotion of farmer markets and community markets
2.3	<b>Natural resource management</b>	2.3.0	<b>Conservation and management of natural resources</b>	2.3.0.0	Unspecified measures for the management and conservation of natural resources
				2.3.0.1	Water policies and regulations
				2.3.0.2	Ecosystem and habitat preservation
				2.3.0.3	Forest policies and regulations
				2.3.0.4	Fisheries and aquaculture resources
				2.3.0.5	Climate change mitigation and adaptation measures
		2.3.1	<b>Land policy</b>	2.3.0.6	Renewable energy and energy efficiency measures
				2.3.1.0	Unspecified land policy measure
				2.3.1.1	Land-use planning and land management
				2.3.1.2	Land ownership, tenure and tilling
2.4		2.4.0		2.4.0.0	Unspecified institutional measure

Code	Theme	Code	Policy Decision	Code	Policy Decision
	Institutional and organizational measures		Institutional and organizational measures	2.4.0.1	Public institution
				2.4.0.2	Privatization
				2.4.0.3	Institutional enforcement of producer organizations
<b>TRADE</b>					
3.1	Import	3.1.0	Import tariff	3.1.0.0	Import tariff
				3.1.1.0	Import ban
		3.1.1	Import restrictions and bans	3.1.1.1	Import quota
				3.1.1.2	Tariff-rate quota
				3.1.1.3	Other import restrictions
		3.1.2	Import subsidy	3.1.2.0	Import subsidy
		3.1.3	Trade defense measures	3.1.3.0	Anti-dumping duties, countervailing duties, safeguard measures
		3.1.4	Non-tariff barriers	3.1.4.0	Sanitary and phytosanitary measures (SPS)
				3.1.4.1	Technical barriers to trade
		3.1.5	Other measures that affect imports	3.1.5.0	Other measures that affect imports
3.2	Export	3.2.0	Export tax	3.2.0.0	Export tax
				3.2.1.0	Export ban
		3.2.1	Export restrictions	3.2.1.1	Export quota
				3.2.1.2	Other export restrictions
		3.2.2	Export subsidy	3.2.2.0	Export subsidy
				3.2.3.0	Sanitary and phytosanitary measures and technical standard improvements
		3.2.3	Export promotion	3.2.3.1	Other export promotion measures
				3.2.4.0	Other measures that affect exports
3.3	Other trade and trade-related measures	3.3.0	Competition policy	3.3.0.0	Competition policy
		3.3.1	Government procurement through imports	3.3.1.0	Government procurement through imports
		3.3.2	Trade facilitation	3.3.2.0	Trade facilitation

Code	Theme	Code	Policy Decision	Code	Policy Decision
		3.3.3	<b>Foreign exchange policy</b>	3.3.3.0	Foreign exchange policy
		3.3.4	<b>Free or preferential trade agreement</b>	3.3.4.0	Free or preferential trade agreement
		3.3.5	<b>Customs union</b>	3.3.5.0	Customs union
		3.3.6	<b>Common market/economic unions</b>	3.3.6.0	Common market/economic unions
		3.3.7	<b>Other trade and trade-related measures</b>	3.3.7.0	Other trade and trade-related measures
3.4	<b>Macro-economic policy decisions</b>	3.4.0	<b>Macroeconomic policy</b>	3.4.0.0	Macroeconomic policy
		3.4.1	<b>Agricultural expenditure in the national budget</b>	3.4.0.1	Agricultural expenditure in the national budget