



Federal Ministry  
for Economic Cooperation  
and Development

# Transformation of Agricultural and Food Systems

*BMZ Strategies*

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CORE AREA STRATEGY

[bmz.de](https://www.bmz.de)

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# List of abbreviations

AfCFTA	African Continental Free Trade Area
AFR100	African Forest Landscape Restoration Initiative
AU	African Union
BMZ	Federal Ministry for Economic Cooperation and Development
CAFI	Central African Forest Initiative
CFS	Committee on World Food Security
CGIAR	Global Research Partnership for a Food Secure Future
DEval	German Institute for Development Evaluation
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
G7	Group of Seven
G20	Group of Twenty
GAFSP	Global Agriculture and Food Security Program
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HDP nexus	Humanitarian-Development-Peace nexus
IFAD	International Fund for Agricultural Development
ITPGRFA	International Treaty on Plant Genetic Resources for Food and Agriculture
IWRM	Integrated Water Resources Management
KfW	Kreditanstalt für Wiederaufbau
NGOs	non-governmental organisations
OECD	Organisation for Economic Co-operation and Development
pro-WEAI	project-level Women's Empowerment in Agriculture Index
PTB	Physikalisch-Technische Bundesanstalt (National Metrology Institute of Germany)
RAI	Principles for Responsible Investment in Agriculture and Food Systems
REC	Regional Economic Communities
RRI	Rights and Resources Initiative
SDGs	Sustainable Development Goals
SUN	Scaling Up Nutrition
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNDROP	United Nations Declaration on the Rights of Peasants
UN-Habitat	United Nations Human Settlements Programme
UNICEF	United Nations Children's Fund

USA	United States of America
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security
WASH	Water, Sanitation and Hygiene
WFP	United Nations World Food Programme
WTO	World Trade Organization

# SDG glossary

Sustainable Development Goals (SDGs) from the 2030 Agenda cited and referred to in this paper.

- SDG 1 End poverty in all its forms everywhere.
- SDG 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than 1.25 US dollars a day.
- SDG 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- SDG 2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.
- SDG 2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.
- SDG 2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
- SDG 2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
- SDG 2.5 By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilisation of genetic resources and associated traditional knowledge, as internationally agreed.
- SDG 3 Ensure healthy lives and promote well-being for all at all ages.
- SDG 5 Achieve gender equality and empower all women and girls.
- SDG 6 Ensure availability and sustainable management of water and sanitation for all.
- SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- SDG 10 Reduce inequality within and among countries.
- SDG 12 Ensure sustainable consumption and production patterns.
- SDG 12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries.

- SDG 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
- SDG 13 Take urgent action to combat climate change and its impacts.
- SDG 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
- SDG 14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognising that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.
- SDG 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

# 1 Executive summary and key messages

**A transformation of agricultural and food systems within planetary boundaries is possible!** All people have the right to sufficient, safe and nutritious food. To achieve this, our food systems need to do much more than they are doing today, but also do something different. They must be more effective and more efficient, be resilient to shocks of all kinds, and be set up in an environmentally, economically and socially sustainable manner that will enable them to contribute to income and employment, overcome poverty, and create prosperity. The rights and interests of producers – in particular small-scale producers – need to be balanced fairly against those of consumers. Protecting the climate and conserving natural resources, such as land, water and biodiversity, are also essential factors for well-functioning agricultural and food systems. Our aim in the **core area “Transformation of Agricultural and Food Systems”** is to work with a broad range of partners from governments, civil society, international organisations, academia, and the private sector to realise a transformation of agricultural and food systems within planetary boundaries. This will help us lay the foundation for strong social cohesion and create opportunities for future generations.

The focus of the **“Food and Nutrition Security” area of intervention** is on realising the human right to adequate food, especially for disadvantaged and vulnerable population groups. We support the governments of our partner countries in the Global South in their efforts to make this right a yardstick against which they measure their actions. This may be through measures in production, in access to food or

through income-generating activities, social protection systems, and nutrition interventions. We also focus in particular on people in crisis and conflict situations. Fish, as a healthy foodstuff and an important source of income for many people in our partner countries, deserves greater attention.

In the **“Rural Development” area of intervention**, our aim is to improve the living conditions and prospects in rural areas, including for young people. In so doing, we want to help reduce inequalities between urban and rural areas while simultaneously harnessing their close linkages. A territorial approach that works across sectors in an integrated manner is at the core of this area of intervention. Rural governance and participation, secure tenure rights, regional economic development, as well as the conservation and rehabilitation of natural resources (such as forests, water resources, land and biodiversity) in keeping with agroecological principles, and contributions to climate change mitigation and resilience are key pillars of our interventions.

In the **“Agriculture” area of intervention**, we are strengthening, above all, sustainable agricultural value chains and food systems, from local production and regional marketing in our partner countries all the way through to global markets. Our support is geared primarily to smallholders. Through agricultural research, innovation, investment and better organisation, the aim is to increase local value added and, by extension, boost income and employment. Protecting the climate and biodiversity are particularly important aspects for us, as is

climate change adaptation. At the same time, we are pushing for sustainable consumption in Europe as a means of improving both the global agricultural trade system and the food system, and are working to develop coherent policies at German government and European Union (EU) level.

Our activities in the core area “Transformation of Agricultural and Food Systems” are synonymous with a **holistic, multisectoral approach**. The three areas of intervention, namely “Food and Nutrition Security”, “Rural Development”, and “Agriculture” go hand in hand and complement one another.

## 2 Description and assessment of framework conditions and analysis of the situation

### 2.1 Main challenges, development potential and megatrends

**All people have the right to sufficient, safe and nutritious food.** People in rural areas also need to be given the prospect of a better future, with the chance to work and earn a living, as well as attractive living conditions. To achieve this, our food systems – from how we produce food to the way we distribute, process, consume, and recycle it as part of a circular economy in rural and urban regions – need to do much more than is the case at present, but also do something different. They need to become climate-smart, be resilient to shocks of all kinds, and be set up so as to be efficient and sustainable, in environmental, economic, and social terms. To this end, food systems need to span various policy areas in terms of their design. They need to balance the rights and interests of producers – in particular small-scale producers – against those of consumers in a fair manner. They must also provide income and employment which make it possible for people to lead a dignified existence, and which in turn contributes to poverty reduction as well as to food and nutrition security. These notions are the lines along which the global community drew up the 2030 Agenda and are reflected in particular in the second development goal “End hunger, achieve food security and improved nutrition and promote sustainable agriculture” (SDG 2) and in the guiding principle of “leave no one behind”. SDG 2 can be achieved by making affordable food

available and by improving the income situation of disadvantaged households; it therefore has strong interactions with the goal of reducing poverty (SDG 1). Strong links also exist with all of the other goals, most notably health (SDG 3) and gender equality (SDG 5), decent work and economic growth (SDG 8), reduced inequalities (SDG 10), sustainable consumption and production (SDG 12), climate action (SDG 13), life below water (SDG 14), and the conservation of the natural resources of water (SDG 6) as well as land, forests and biodiversity (SDG 15).

Our **food systems** are in a state of imbalance, with hunger and malnutrition existing concurrently alongside overexploitation, excess and waste. Following decades of progress, the number of people globally suffering from hunger and malnutrition has been on the rise since 2015. Hunger affected as many as 810 million people in 2020. Two thirds of the world’s hungry and malnourished live in rural areas. At the same time, the number of overweight and obese people is increasing, including in developing countries and emerging economies. The COVID-19 pandemic has exacerbated the negative trends in malnutrition, particularly among the urban population. As part of a Recover Forward approach, it is important for crisis management interventions to be considered in conjunction with measures for long-term sustainable development when it comes to tackling the consequences of the COVID-19 pandemic.

The **causes of hunger and malnutrition** are complex and wide-ranging. Low production and productivity in local agriculture, inequality of access to resources, farming systems that are unsuitable for local conditions, high levels of food loss, inadequate transportation and marketing opportunities, as well as agricultural trade that is both ineffective and unfair, are all factors limiting the availability of food. Weak labour productivity and the low level of value added that is generated on the ground in sectors upstream and downstream of production are also a primary cause of poverty, especially in rural areas. Social safety nets, which are able to support the poorest and absorb risks, are virtually non-existent. A lack of knowledge regarding a healthy diet and hygiene, coupled with poor eating habits, only make nutritional problems worse. The consequences of climate change will be a key challenge facing agricultural production over the coming decades. Armed conflicts and the fragility they bring are another factor driving the deteriorating food and nutrition situation. At the same time, hunger can fuel new conflicts or intensify existing ones, particularly within a context of fragility and high inequality. Violent conflicts are currently the primary cause of acute hunger for almost 100 million people across 23 countries.

The majority of people in developing countries live in rural areas. Despite a general improvement in **rural living conditions** in recent decades, too many young people continue to leave their homes and migrate to bigger towns and cities, or even abroad. Besides poverty per se, the reasons cited are a lack of attractive employment prospects (including agriculture, which is regarded as “unfashionable”), the unequal distribution of resources, and the state of the environment. Rural development and agriculture are hampered significantly by insecure access to land, capital and inputs, which has a knock-on effect in terms of income and employment. Added to this are living conditions that are generally deemed unattractive, a lack of infrastructure and inadequate

scope for political participation. In many places, the innovation systems for the agriculture and food sector and the rural economy are underdeveloped. Inappropriate land management practices increase land degradation, which in turn reduces agricultural production and income. As well as being a considerable source of income if used sustainably, forests are essential for resilient (agricultural) ecosystems and regulating water balance, as well as for the natural storage of carbon. Yet in developing countries and emerging economies, they are disappearing rapidly. Overfishing and illegal fishing are reducing the contribution of the fisheries sector to the supply of protein-rich foodstuffs. Conflicts over water resources are increasing. Institutional and political weaknesses often play a significant role: inadequate framework conditions such as legal uncertainty, corruption, inefficient public administration, or land grabbing all handicap the overall development of rural areas, as does a lack of investment in education, infrastructure and the provision of public services. There are not enough incentives for the private sector to become involved on a lasting basis. Misguided agricultural and trade policies have an adverse impact on food and nutrition security.

International influences affect rural and agricultural development as well as food and nutrition security in our partner countries. Global agricultural trade remains unfair in the way it is structured. For developing countries and emerging economies alike, this poses problems on a number of levels. Trade barriers such as customs duties, quotas, and non-tariff measures prevent the integration of regional markets and make it more difficult to export agricultural products to Europe and other lucrative markets. External policies, such as the European Union’s Common Agricultural Policy and Common Fisheries Policy, can also have a negative impact on partner countries. Consumption patterns in industrialised countries – the excessive consumption of animal products, for instance – is placing a strain on the world food situation. Economic, political, and

environmental shocks, such as global economic crises, wars, the harmful impacts of climate change, or pandemics, are endangering food security in many different ways.

A number of **global megatrends** are driving and changing these challenges. The world's population is expected to increase by a further two billion people over the next few decades. Most of this growth will occur in the countries of sub-Saharan Africa, which already face serious food and nutrition problems. As more and more people move to towns and cities, diets and the demands placed on food systems are changing, leading to higher levels of urban poverty and malnutrition on balance. Sustained economic growth will heighten demand for more resource-intensive and higher-quality food, thereby increasing the pressure on (agricultural) ecosystems. This is also the result of the gradual shift away from an oil-based to a plant-based economy and the competing use of resources. Digital technology is increasingly permeating all areas of economic life. While climate change and biodiversity loss represent an enormous challenge for agriculture, these issues are compounded by unsustainable food systems. For instance, the agriculture and food sector accounts for between 25 and 30 per cent of global greenhouse gas emissions.

The **development potential** of rural areas is often not harnessed to the full, especially in terms of offering young people a future in liveable regions. As well as providing the foundation on which to feed urban and rural populations, rural areas can also be an engine for social and economic development and offer attractive jobs. Where urban and rural spaces remain tightly interwoven and families retain close ties, rural areas support regional identities and cohesion, and continue to be a place of retreat in old age and in times of crisis. Young people hope to find suitable prospects where they live so as not to have to move away permanently. Digital technology in particular offers a wide range of opportunities in this regard.

Meeting the global increase in demand for healthy food provides the local agriculture and food sector with opportunities to create lots of jobs, including low-skilled ones. It can raise the low level of productivity that is often characteristic of agriculture and reduce the high levels of food loss. Achieving this requires both public and private investment. Agroecological strategies provide a solid basis on which to increase productivity in a resource-efficient and sustainable manner. Transaction costs in rural areas can be reduced through investment in infrastructure and, increasingly, through digital technology. Better governance – for example in the field of land tenure – as well as strong civil society and professional organisations have the potential to strengthen the position of rural stakeholders, in particular small farmers, and to contribute to fair opportunities on sales markets. The sustainable use of water bodies, land and forests can be instrumental in terms of reducing greenhouse gas emissions and storing carbon, as well as halting biodiversity loss. Sustainable land and water management, together with appropriate and diverse systems of production (including the processing, crafts and trades, and service industries), mitigate the effects of extreme weather events and strengthen the resilience of ecosystems and people. Increased output per area unit also creates scope to set aside areas of land or return them to nature. Better local governance and greater participation by disadvantaged groups can also steer political attention and resources to rural areas.

At regional level, infrastructure improvements and regional integration policies, such as the fledgling African Continental Free Trade Area (AfCFTA), herald the promise of more stable agricultural and food markets. Internationally, there is still scope for much greater policy coherence in relevant areas such as agriculture, trade, investment, the environment, climate, combating desertification, and disaster relief. Reducing the consumption of animal products in the Global North and in many emerging economies, and promoting

sustainable value chains both in and from the Global South, can relieve the pressure on environmental resources worldwide and alleviate social and economic imbalances.

Overall, **it is not a lack of options that is the obstacle to this potential being used sustainably, but instead a lack of political will.**

## 2.2 International context and experience of working with other partners

Rural development, food security and agriculture traditionally play a prominent role in German and international development policy. Following a sharp drop in interest in these issues during the 1990s, not only among donors but also many partner countries, the food price crisis of 2007-2008 marked the point at which they once more became a focus of the international agenda. The activities of donors have also helped to significantly reduce hunger and malnutrition and to bring about a marked improvement in rural living conditions. At the same time, there was a limit to which unsustainable approaches could be applied in order to increase production. As the role of the agricultural sector in tackling environmental problems worldwide becomes ever clearer, the call for the sector to become more sustainable grows ever louder. This includes demands for improvements to be made in value chains and in consumption. More recent approaches, such as sustainable food systems, climate-sensitive or climate-smart agriculture, agroecology, or One Health address these close interrelationships between the sectors. While it is possible in some cases to draw on the decades-long experience of German and international development in this regard, new options also need to be trialled and integrated.

The launch of the special initiative “One World – No Hunger” in 2014 saw Germany become the world’s second largest bilateral donor in the area of food and nutrition security, behind the USA.

The **2015 G7 Elmau Summit Declaration**, in which the G7 committed to lift 500 million people out of hunger and malnutrition by 2030, marked a milestone. Germany was the only G7 country to significantly increase its investment in this area. The Federal Ministry for Economic Cooperation and Development (BMZ) is also committed to improving employment opportunities for young people in rural areas and provided the political impetus for doing so with the launch of the **G20 Initiative for Rural Youth Employment** in 2017.

The development approach promoted by the BMZ is one that integrates not only social, environmental, economic, political, and institutional aspects, but also human rights, gender equality, and the inclusion of persons with disabilities. The BMZ actively incorporates these aspects into its work in international organisations and with other donors.

## 3 Strategic conclusions and focus of German cooperation in the period 2021 to 2026

### 3.1 Approach and interests

Enabling all people to have the right to access secure, adequate and balanced food, within planetary boundaries, is possible! Of all the SDGs, poverty and hunger play a prominent role for most of our partner countries, which is why the transformation of agricultural and food systems is also an important priority for BMZ. We want to continue supporting our partner countries but also maintain and build on our leading role in the international debate and among donors. To this end, we will continue to play our part in helping to set the global agenda, while also contributing to policy discussions at international and national level, and thus to the attainment of the **2030 Agenda**.

Eradicating poverty, hunger, and malnutrition serves not only to realise basic human rights, including the right to adequate food; it is also fundamental to the development of each individual's personality, to peace and freedom from conflict, and to reducing the root causes of displacement. To achieve this, agricultural productivity in many places in our partner countries needs to be increased sustainably. By promoting sustainable use of natural resources, this will simultaneously work towards ensuring that planetary boundaries are respected. Issues regarding poverty and distribution need to be at the heart of any considerations in this regard. Our aim, therefore, is to be a major catalyst in the coming years, not only for local and global

agriculture and food systems that are socially, environmentally and economically sustainable, but also for the development of rural areas. Transformation processes based on agroecological principles and other innovative approaches for sustainable agriculture are to be initiated and strengthened. As well as using inputs in moderation, the focus here is on diversifying and modernising agriculture and, additionally, the rural economy. All population groups, especially those groups that are disadvantaged, are involved and their rights respected.

The 2030 Agenda underlines the shared responsibility of all stakeholders, from policy-makers and the private sector, to the scientific and academic community and civil society. What is more, it applies universally. The global effects of national action – for instance with regard to climate change, trade, sustainable consumption, and sustainable production – also need to be taken into account. The BMZ strives to improve people's living conditions and the environment of the Global South and wants to contribute to reducing climate change. In that connection, our engagement is at various **levels of decision-making and intervention**.

- **Global and international:** We work with the United Nations (UN), the World Trade Organization (WTO), the World Bank, regional development banks and sectoral funds, multi-stakeholder forums and networks such as the Committee on World

Food Security (CFS), the United Nations Convention to Combat Desertification (UNCCD), and the CGIAR agricultural research partnership. We also help to shape the content of programmes run by UN specialised agencies, such as the International Fund for Agricultural Development (IFAD), the UN Food and Agriculture Organization (FAO), and the World Food Programme (WFP), and provide funding for them. We use these programmes to promote coordinated action in the fight against hunger.

- **Regional:** We work with regional organisations such as the African Union (AU) and Regional Economic Communities (REC). We support such organisations in particular in those areas where they both offer and safeguard more viable solutions to regional challenges than the approaches adopted by national governments.
- **EU:** We are involved in the implementation of European initiatives such as the Green Deal and Team Europe. As well as helping to shape EU development policy, we liaise with other Member States regarding international processes and contribute to joint programming approaches. We promote policy coherence for development across EU strategies and policies, most notably the Common Agricultural Policy, Common Fisheries Policy and Trade Policy, the Aid for Trade Strategy and the Farm to Fork Strategy.
- **Partner countries:** Our policies and programmes are guided by the problems and priorities of our partner countries (**partner orientation**). We support these countries in drawing up and implementing their strategies, and work with national institutions to carry out our projects and programmes.
- **Germany:** Besides our work with different German government ministries, we also cooperate with civil society, the private sector, and the scientific and academic community. We are committed to a European

agriculture and food system which is as development-friendly as possible and push for sustainable consumption. We work with other federal ministries to shape Germany's Sustainable Development Strategy and contribute to its implementation.

We use a range of instruments and forms of cooperation which are deployed in a context-specific and mutually complementary manner. At all levels, we make an active contribution to agenda setting and drawing up policy, our aim being to achieve policy coherence within the German government and the EU. We adopt a number of different approaches, such as dialogue on development policy, advisory services and capacity development, as well as the financing of governmental and non-governmental partners; these approaches are used in a way that is mutually complementary and tailored to specific requirements. In order to respond in a needs-driven and partner-focused manner and to make areas of intervention effective and efficient, we take innovative steps to develop these approaches further. Policy-based lending and basket financing can also serve as suitable implementation mechanisms.

Besides governmental partners, we work with various civil society stakeholders (in particular churches), businesses and associations as well as research institutions (universities, foundations, think tanks, and networks) in Europe and in partner countries. We work with official implementing organisations of German development cooperation (most notably the Deutsche Gesellschaft für Internationale Zusammenarbeit [GIZ], KfW Development Bank and Germany's national metrology institute, the Physikalisch-Technische Bundesanstalt [PTB]) and enter into new partnerships and forms of cooperation). For instance, we want to use innovation and development partnerships to continually strengthen cooperation between African and German farmers' organisations on the one hand, and impact investment funds or the private sector on the other. Dialogue with the various groups,

through multi-stakeholder platforms and other formats, is important in order to achieve outcomes that are not only effective in development terms but also gain broad social acceptance. We intend to harness the opportunities provided by triangular cooperation with emerging economies to share expertise.

With our approaches in the core area “Transformation of Agricultural and Food Systems”, we are pursuing an integrated, multi-sectoral course of action that encompasses all relevant stakeholders at macro, meso and micro level. The three areas of intervention, namely “Food and Nutrition Security”, “Rural Development” and “Agriculture” go hand in hand and complement one another. Assigning measures to the individual areas of intervention in a clear-cut manner is not always possible; the approaches described in section 4 are relevant across the areas of intervention. Incorporating related sectors – such as health, climate, the environment, or water – that are closely intertwined with the core area “Transformation of Agricultural and Food Systems” can generate synergies.

### 3.2 Development policy objectives

**The objective of the BMZ is to transform agricultural and food systems within planetary boundaries. To this end, we endeavour to establish food systems which serve to provide all people with healthy and balanced diets, which are based on sustainable production in well-functioning markets, and which contribute to employment and income generation for people of all genders. We want to combat poverty, reduce inequalities, strengthen people’s resistance to crises and disasters as well as to the consequences of climate change, and generally create attractive opportunities in rural areas over the long term. We want to strengthen environmental sustainability in agriculture and other sectors of the economy, preserve the Earth’s key resources – namely land, biodiversity and water – and help curb climate change.**

In the core area “Transformation of Agricultural and Food Systems” in particular, conflicts of interest – such as those that exist between intensification and extensification, food and the protection of resources, economic activity and nature – are a common feature. In agreement with the respective partner, they need to be weighed up and decided upon on a case-by-case basis. This Core Area Strategy can only determine the basic direction to be followed; there is no general formula for resolving such conflicts of interest. The key guidelines for dealing with these conflicts are sustainability in all its dimensions and the quality criteria.

**Quality criteria** as defined in the BMZ 2030 reform strategy must be taken into account and incorporated as cross-cutting issues in the various different approaches. Quality criteria are our “hallmark” of value-based, sustainable and forward-looking development cooperation. There are currently six quality criteria (“Human Rights, Gender Equality and Disability Inclusion”, “Anti-corruption and Integrity”, “Poverty Reduction and Inequality Reduction”, “Environmental and Climate Impact Assessment”, “Conflict Sensitivity (“Do No Harm”)", and “Digital Technology”). The strategic focus for each of the quality criteria will be set out in specific strategy papers.

The **quality criteria** are applied in the core area “Transformation of Agricultural and Food Systems” and are essential for the attainment of objectives. We fulfil the **human rights aspect** – especially with regard to the human right to adequate food – by focusing on human rights standards and principles, and in particular by emphasising participation, transparency, good governance as well as the duty of care and accountability, above all on the part of countries and other stakeholders such as companies. Our particular focus here is on poor, disadvantaged, and vulnerable stakeholder groups. Gender equality and the transformation of gender roles are absolutely essential to achieving the goals of the core area “Transformation of Agricultural and Food Systems”.

Reducing and eradicating hunger is also crucial to **combating poverty and to the “leave no one behind” principle**. Many of the aforementioned objectives and priorities can contribute to the reduction of harmful **inequalities** between and within societies. This applies to rural regions and urban areas, to inequalities in income, rights, and opportunities between sexes, age groups, persons with and without disabilities and ethnic groups. Both the planning phase and the monitoring process need to incorporate as many relevant stakeholders and target groups as possible, especially those that are marginalised or affected by poverty and hunger. **Environmental protection and climate mitigation** feature prominently in the list of objectives for the core area “Transformation of Agricultural and Food Systems” as they are essential for achieving sustainability. The BMZ’s obligatory environmental and climate impact assessments ensure that adverse impacts on mitigation and the environment, including biodiversity, are avoided or reduced and that systematic account is taken of the anticipated impacts of climate change. To this end, climate risk analyses are drawn up with and used by our partners. The use of naturebased solutions is crucial here due to the manifold ecological, social, and economic advantages they offer. The opportunities presented by **digital technology** are huge, particularly for rural areas and for agriculture with its high transaction costs. We intend to seize these opportunities and reduce the digital divide by supporting not only the development and judicious use of digital instruments in agricultural production, processing and marketing, but also inclusive digital infrastructure and the digital literacy of people in rural areas. We also want to and are able to contribute to the **fight against corruption** by promoting transparency, accountability, and participation, all of which are vital to the attainment of various goals. Using digital instruments is one way in which we work to ensure that the process of accessing resources such as land and water – particularly for people who often have no formalised land and water rights – is transparent. Careful consideration needs to be given to the principle

of **“do no harm”** where various conflicts of interest and incompatible objectives arise: in fragile contexts and crisis regions especially, interventions in agriculture, rights to the use of resources, and agricultural price structures can trigger conflicts and intensify food and nutrition insecurity. This is why early analyses of stakeholders and risks and the development of measures using participatory approaches are imperative.

## 4 The future direction of Germany's development cooperation in the areas of intervention: Strategic policy orientations

### 4.1 Area of intervention: “Food and Nutrition Security”

**The aim of the measures in the “Food and Nutrition Security” area of intervention is to end hunger and ensure access by all, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round (SDG 2.1), and to end all forms of malnutrition (SDG 2.2). We therefore support effective and inclusive food systems.**

We support our bilateral partners in making the human right to adequate food a goal of their policy delivery and in implementing this right. Measures in the “Food and Nutrition Security” area of intervention are multisectoral in their design and are guided by the FAO's Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security. Our activities in this connection are directed towards the four dimensions of food security defined by the FAO: availability of nutritious food (e.g. by encouraging the production of healthy food); access to food (e.g. by creating income-generating measures for food insecure households); utilisation (e.g. by providing nutrition education and

counselling as well as healthcare and sanitation); and stability (e.g. by fostering resilience to individual and collective crises). In terms of implementation, we combine measures that remedy the immediate causes of malnutrition (“nutrition-specific”, e.g. food and nutrient intake), with measures that address the underlying causes (“nutrition-sensitive”, e.g. agricultural productivity or poverty).

To realise our objective, we work with national and international partners to advance relevant food and nutrition security strategies and their further development. Multilateral stakeholders such as the World Food Programme (WFP) or the United Nations Children's Fund (UNICEF), which are able to implement measures effectively thanks to strong in-country structures, are particularly relevant. Cooperation with civil society at international, national and local level also improves the capacity to directly assist people who are difficult to reach due to the situation that prevails on the ground. Cooperation with private donors and foundations, as well as with the private sector, plays an important role too. We also work to actively highlight the issue in other international and intergovernmental forums (e.g. G7, G20, CFS) and are involved in strategic multi-stakeholder

initiatives such as the Scaling Up Nutrition (SUN) Movement.

We consider the growing importance and complexity of crisis management, reconstruction, and infrastructure when selecting instruments. For instance, transitional development assistance is used in particular in the nexus and peace partner countries of German development cooperation to strengthen the resilience of vulnerable population groups to food crises and to improve their food and nutrition security in contexts of crisis.

In terms of quality criteria, we focus on the criteria and objectives listed in section 3. The “leave no one behind” principle is very much the guiding basis for action in the “Food and Nutrition Security” area of intervention. We believe in a rights-based approach when designing measures and focus primarily on disadvantaged and vulnerable persons and groups. One way in which we do this is to specifically target the poorest households, women of reproductive age, pregnant and lactating women, persons with disabilities, mothers and young children, and people in crisis situations.

The “Food and Nutrition Security” area of intervention is shaped by the following fields of activity:

#### **Increasing the availability of healthy food**

The availability of food depends on production, transportation, storage, processing and marketing on the ground. Food production not only needs to be adapted to the different climates and natural conditions but must also be nutrition-sensitive, i.e. it must pursue the aim of sufficient food and a balanced diet for all. By providing support for agricultural extension services, especially for marginal farmers, we promote increased productivity and more diversity in terms of what is produced. This applies in particular to foodstuffs with a high nutritional value as well as to the year-round availability of food, e.g. through measures in the further processing and storage of agricul-

tural and fish products or small-scale fruit and vegetable growing. Wherever the lack of micro-nutrients cannot be sufficiently remedied by way of a traditional, varied diet, we also consider the cultivation of varieties that are rich in vitamins and minerals (biofortification). We provide information on potential health risks that foods can pose. We support the inclusion of aspects of nutrition, sustainability, biodiversity conservation, climate change mitigation, and climate resilience in vocational education and training. We also work with the scientific and academic community and the private sector on issues regarding the future of food, for instance by supporting research into novel foods. We support the improvement of food safety in our partner countries. Our support of the WFP Innovation Accelerator to help promote innovative solutions and to examine the potential of urban agriculture for disadvantaged households is an example of how our focus is turning more and more to the increasingly critical question of providing for the urban population and the urban-rural nexus.

#### **Ensuring access to healthy food for all**

There are various ways in which access to healthy food can be enhanced: one way is to improve the variety and affordability of available food, supported where necessary by targeted and efficient food subsidy programmes; another way is to provide support for people on the demand side. The poorest households in particular need access to training, productive employment, and income-boosting measures both within and outside of agriculture, e.g. through improved links to markets and marketing services. These households also require special help with regard to loans and other financial services too. This may take the form of basic financial literacy or support for savings groups. Gender-sensitive and gender-transformative approaches are important factors here, as is the promotion of collective decision-making in households regarding what should be grown, purchased and consumed. Moreover, equal and inclusive access to resources and the distribution of food within the

household are essential for a healthy diet and the nutrition of the whole family. In our efforts to achieve this, we not only work to provide support to women but also promote measures to raise awareness among men. Nutrition-sensitive cash transfers, the provision of food or vouchers, conditional support services (e.g. Cash for Work or Food for Work measures), or school meals programmes are important social protection measures that can be designed to be particularly effective from a nutritional perspective. Local produce can often be used for such measures. As is evident from the COVID-19 pandemic, these types of measures also need to be improved in urban areas. Being able to access food without having to rely on the market is often important. The support we provide to small subsistence-oriented farms and households ultimately improves the capacity to do this.

### **Promoting healthier eating habits**

The nutritional status of pregnant women and infants sets an early course for human development. Fetal and infant malnutrition of any kind, particularly during the first 1,000 days of development, leads to long-term and irreversible damage. However, aside from food availability and access, good food preparation and a balanced diet are important for the health, performance and well-being of older children and adults too. Our nutrition education measures focus in particular on women since it is they who usually play the key role when it comes to preparing and distributing food within households. Feeding a healthy family requires them to understand the importance of healthy nutrition. At the same time, measures are carried out to raise awareness of family nutrition among men as well, in line with a gender-transformative approach. Whereas excessive meat consumption causes serious environmental and health problems – and reducing its consumption globally is listed as an objective elsewhere in this strategy – animal and fish products play an important role as a valuable source of proteins, vitamins and minerals for poor people with a diet that is

limited in its diversity. Animals are another important, in some cases essential, component of small-scale and pastoral farming systems. In our partner countries, we support the use and further development not only of individual nutrition education and counselling approaches but also of mass and social media in order to achieve long-term changes in eating habits. Nutrition education also needs to be integrated into other measures, for example in education and agriculture interventions. Furthermore, we provide support for strengthening basic services, especially in the fields of water, sanitation and hygiene (WASH), health care and family planning, as well as for strengthening information systems on potential health risks and how to avoid them under a One Health approach which considers the relationships between humans, animals and the environment.

### **Safeguarding food and nutrition security in crisis contexts**

People's food and nutrition security is particularly at risk in crisis contexts, the nature of which may vary considerably and also comprise multiple crises. Food and nutrition security in crisis contexts therefore requires a multisectoral and multidimensional approach which brings together context-specific solutions for particularly disadvantaged population groups (community-based approaches) across the various, often mutually reinforcing crises. In line with the humanitarian-development-peace nexus (HDP nexus), approaches aimed at strengthening resilience are the primary channel through which we help to prevent and reduce humanitarian needs and the various risks to which vulnerable people are exposed. Under such approaches, prevention and resilience take precedence over response measures. For instance, we support early warning systems so as to prevent extreme events from resulting in famine. Where the scale of a crisis exceeds people's capacity for self-help, short-term measures are applied, for example to secure livelihoods, stabilise markets or to provide food aid. Another method that can be applied to supplement these measures is to enrich food

with micronutrients (food fortification). In promoting fortification, we comply with the international standards of the United Nations and make our support dependent on the food and nutrition security situation on the ground, on the target group and on any monitoring system that is already in place. Irrigation, erosion control measures and the supply of seeds are all ways in which we help to provide (renewed) impetus to agricultural production. In all measures, care should be taken to avoid risks such as the displacement of local production, and to dovetail short-term measures closely with medium-term and long-term measures, including for tackling the consequences of the COVID-19 pandemic (Recover Forward). To make interventions conflict-sensitive in line with the principle of “do no harm”, we carry out early-stage stakeholder and risk analyses as well as participatory planning and monitoring wherever possible.

### **Promoting sustainable fisheries and aquaculture for food and nutrition security and higher incomes**

Sustainable fisheries and aquaculture play an essential role in food and nutrition security in many developing countries. Besides providing proteins, vitamins and high-quality fats, fish products are also an important source of income for some 200 million people in developing countries. The potential of the sector is not always harnessed to the full and the overuse of animal protein as fish feed, and of biocides in aquaculture, pose their own environmental risks. Fisheries and aquaculture also provide important common goods such as fishing grounds, which nowadays are often either fished to their sustainable limit or are already overfished. That is why, both in policy dialogue and in our projects – and also given the complex international value chains of fish and seafood – we promote the sustainable development of this sector and provide support in particular for small-scale, artisanal fisheries and aquaculture, and for environmental, economic and socially sustainable processing and marketing in keeping with a blue economy approach. One

way in which this is achieved is through the provision of extension services on the following issues: on fishing practices and sustainable management of fish stocks; on sustainable breeding techniques and agroecological principles in aquaculture; and on refrigeration and further processing. We also contribute to the implementation of the EU’s zero-tolerance approach towards illegal, unreported and unregulated fishing by supporting partner countries in setting up effective monitoring and control systems. We promote the implementation of key international agreements of the FAO, such as the Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication, the Code of Conduct for Responsible Fisheries, and the Agreement on Port State Measures, and advocate a global treaty against harmful fisheries subsidies (SDG 14.6).

## **4.2 Area of intervention: “Rural Development”**

**The aim of the measures in the “Rural Development” area of intervention is to reduce poverty in rural areas (SDG 1), deliver lasting improvements in the economic and social opportunities available to the people living in these areas, as well as protect and rehabilitate natural resources, and use them sustainably. In particular, we want to overcome the high level of multidimensional poverty in rural areas, generate secure employment and income opportunities in agriculture as well as in other sectors, and create an infrastructure which can be used for the general public and for young people too. We want to pursue an agroecological and sustainable development path which includes climate change mitigation and climate resilience.**

In pursuing these aims, we adopt a territorial, cross-sectoral and integrated approach that is relevant to practically all of the SDGs. Responsible rural governance plays an important role here. This encompasses broad political participation in decision-making (including context-

specific regional development planning), and the safeguarding of equitable access to land and other resources.

Achieving these objectives in collaboration with our partners is only possible if we build on the knowledge of local and indigenous populations. Participatory approaches and shared knowledge building are fundamental and the policy framework serves as our starting point. The requisite changes need to be firmly established within partner countries' sectoral policies and mainstreamed in overarching development strategies in accordance with an integrated global approach.

To this end, a coherent approach at interministerial level, in the EU, and among international donors, especially with regard to sector policy dialogue, is essential. In addition to the use of bilateral instruments, cooperation with international organisations, programmes or forums, such as the FAO, IFAD, the Global Agriculture and Food Security Program (GAFSP), UNCCD, and the CFS are particularly relevant in this geospatially specific area of intervention. A multidisciplinary approach which includes, in particular, cooperation with research bodies and think tanks, is also important. Achieving sustainability while at the same time increasing productivity requires innovative approaches. The BMZ wants to step up cooperation with civil society in this field. The mobilisation of private donors is to be expanded further and strategies are to be tested.

The “Rural Development” area of intervention is shaped by the following fields of activity:

#### **Improving regional development in rural areas**

We assist our partners with the setting up and implementation of a context-specific, cross-sectoral political and institutional framework for rural development. We attach great importance to working on a conducive general and regulatory environment for sustainable development, and to building institutional capacity. The focus is on regional planning, as well as the participa-

tory design of planning and decision-making processes and regulatory frameworks (e.g. for land-use planning and rural institutions), in accordance with the overarching governance approaches of our development cooperation, and their implementation on the ground. Key cooperation partners in this regard include not only national but also sub-national stakeholders, such as provincial governments and municipal authorities, citizen representation bodies, and civil society and private sector associations. We endeavour to integrate national climate action plans and national commitments and objectives under the 2030 Agenda into local planning and implementation.

Depending on the context and on partner priorities, delineations along political and administrative boundaries may be pertinent but also along physiographic boundaries. The focus may be on specific elements, including regional economic cycles, rural-urban connectivity, vocational education and training, employment, One Health, energy, water supply, transport and communication, market infrastructure and storage, digital technology, cooperatives, and rural machinery rings.

Diversification is a fundamental principle in this regard. It enables regions – and the economic and social potential that they bring – to be used effectively, new sources of income and finance to be tapped, risks to be offset and shocks to be absorbed.

Promoting the Alternative Development approach to addressing the root causes of illicit drug crop cultivation is part of rural development. With our projects in this area, we are working together with partner governments to promote approaches that are geared towards development, health, and human rights in regions that are particularly affected. We support projects that are designed to put in place legal alternatives to the cultivation of drug crops, such as growing agricultural produce and providing access to sales markets for legal products in order to improve the livelihoods of people, most notably vulnerable

population groups, and to create sustainable rural development. We also incorporate these experiences into national policy advice and international dialogue at EU and UN level.

### **Strengthening good rural governance and safeguarding access to land**

We work to ensure good rural governance that guarantees legal certainty and transparency, and combats corruption. Modern and traditional institutions, most notably local administrations, which safeguard political participation and access to (natural) resources in rural areas, are important components of rural development.

Equal access to land plays a particular role in this regard. The links between secure and long-term land (use) rights, the protection of traditional land users, conflict reduction and increased productivity are proven. They are also fundamental to domestic revenue mobilisation, for instance within the framework of a property tax. We therefore advocate for securing legitimate land rights and equal access to land (especially for women and marginalised population groups such as indigenous peoples, pastoral communities, and young people), and are committed to addressing social norms, solving and preventing conflicts over land, as well as promoting transparency and tackling corruption. The UN's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT) guide the actions of BMZ's projects in the area of land policy. A particular aspect of land tenure security concerns the award of long-term lease or purchase contracts to international and national investors, a widespread practice in many partner countries to promote private sector investment in land and to boost agricultural productivity. These investments are often associated with land grabbing. Against this backdrop, the German government pushes for compliance with the UN's Principles for Responsible Investment in Agriculture and Food Systems (RAI), which, together with the VGGT, set out further preconditions for responsible investments and call for measures.

Further support measures are often essential for capitalising on secure land rights over the long term. This is why, when it comes to the sustainable rehabilitation and use of land, water resources or forests, we support nexus approaches which specifically combine measures to protect rights and resources. Other examples include strengthening the enforceability of farmers' demands in commercial relations through improved access to justice, and strengthening judicial institutions which are independent and operate with integrity.

Guaranteeing the protection and use of natural resources on a lasting basis also requires the support of favourable environmental governance structures in relation to land, water resources, agroecology and forests. Key organisations and partners include UN-Habitat (the United Nations Human Settlements Programme), the International Land Coalition for the promotion of civil society participation, and the Rights and Resources Initiative (RRI) for promoting forest conservation through securing tenure rights for indigenous peoples.

### **Supporting agroecological transformation**

Agroecology is a holistic approach which is closely tied to rural development and goes beyond support for agriculture. We follow internationally agreed guidelines and recommendations of the FAO and CFS, especially the former's 10 Elements of Agroecology. Depending on the context, these elements aim to either strengthen or restore the foundations for sustainable agricultural and food systems, fulfilling principles such as diversification, regional processing and marketing, the reduction of inputs, or the prevention of post-harvest losses. Furthermore, factors such as the consideration of cultural identity and tradition, justice, participation, and good governance have equal status within the canon of agroecological principles.

Our aim is to proactively support the gradual, yet continuous fulfilment of these principles as part of a coherent approach.

In terms of implementation, we draw a distinction between projects which are explicitly agroecological in nature (the main purpose of which is agroecology, including the transformation of entire systems and of organic farming) and the mainstreaming of agroecological approaches (targeted integration of elements of agroecology, e.g. soil rehabilitation, water resources management, regional economic cycles).

From an economic perspective, agroecology is particularly viable if the “genuine” costs (i.e. including those costs which to date have not been measured in monetary terms) of the environmental and health damage caused by current systems, for example, are taken into consideration. That is why we work to provide a better assessment of, and where possible internalise, external costs of agriculture and appropriate compensation systems (e.g. taxation of damage caused, payment for environmental services). The benefits and impacts of agroecological projects and conversion processes must be ensured, which is why monitoring and evaluation play a key role in this area. The same applies to knowledge management, the collating and sharing of traditional and modern knowledge on agroecological practices.

### **Protecting natural resources and using them sustainably**

The protection of natural resources has a key role to play in the interrelated nature of rural development and food security. The resilience of (agricultural) ecosystems and of people in rural areas to external shocks such as climate-related disasters, locust plagues, and pandemics is enhanced if biodiversity levels are healthy and if other resources, namely land, forests, water, and fishing grounds, are in good condition. Stable and diverse (agricultural) ecosystems and landscapes are also crucial in terms of long-term adaptation to and potential mitigation of

climate change. This involves systems of use which are shaped by agroecology and which aim to implement international agendas for sustainable development, climate change mitigation and adaptation, and disaster risk management in rural areas in a coherent fashion.

We work in a variety of ways to conserve and rehabilitate natural resources in rural areas. Land is the basis for production in the agriculture and forestry sectors. As well as enabling agriculture to be more productive in the long-term, soil conservation measures also strengthen resilience to shocks, serve climate adaptation purposes – due, among other things, to the stabilisation of the regional water balance – and also contribute to greenhouse gas reduction through the greater levels of CO<sub>2</sub> stored by healthy soils. The international development goal for Land Degradation Neutrality (LDN) underlines the particular importance of land for global sustainability, the restoration and sustainable use of which we support. Under Germany’s Presidency of the Council of the European Union in 2020, we forged a number of coordinated EU positions on international drought management and land rights in the Council Working Party on International Environmental Issues – Desertification. We want to continue advancing these positions at both policy level and in implementation. Specific measures for managing soil sustainably and in a way which will increase production, such as the use of compost, crop residues and measures to combat soil acidification, are being trialled and subsequently scaled up on a broad basis.

We regard forests as “allies” in the fight against hunger and poverty. Our goal is to ensure that they are used more effectively and more sustainably. The sale of timber and non-timber products from sustainable forestry and the use of such products for personal needs, soil improvement and erosion control measures, water regulation, and the provision of other ecosystem services are key components in an integrated approach of rural development. To this end, we systematically promote regional

multi-stakeholder initiatives such as the Central African Forest Initiative (CAFI), or the African Forest Landscape Restoration Initiative (AFR100), as a means of restoring forests and tree-rich landscapes in Africa. The role of forests in the area of the environment and climate is explained in the core area strategies “Responsibility for Our Planet – Climate and Energy” and “Protecting Life on Earth – The Environment and Natural Resources”.

We are increasingly looking to implement sustainable land and forest management together with Integrated Water Resources Management (IWRM). In terms of absorbing rainfall and providing a buffer against runoff, farmland and forests are essential components in the sustainable and stable use of water resources. At the same time, they have a significant influence on the water that evaporates from a landscape and – in relation to irrigation in particular – the water that a landscape consumes. The extent to which water is a public good in that regard, the individual use of which has major external impacts on other users and the environment, is particularly great. Our aim is therefore to push for IWRM to feature prominently in the regional planning for rural areas which we promote, as well as in land and forest measures.

Sustainable resource use as part of a comprehensive approach to rural development requires innovations as well as the integration of alternative production methods and new ways to use resources. Careful attention must be paid to the rights to own and use these resources, especially the rights of women and minorities in this respect, and targeted measures to strengthen these rights are often required. We consider the bio-based economy to provide opportunities for innovative structural change from which our partner countries too can benefit. However, the competing uses of resources need to be balanced and taken into account and environmental and social sustainability needs to be guaranteed. Adverse effects on the local food supply must be avoided. This

should be thoroughly examined in each case and requires institutions that are highly effective and serve the general interest.

### 4.3 Area of intervention: “Agriculture”

**The aim of development interventions in the “Agriculture” area of intervention is to increase the agricultural productivity, employment and incomes of small-scale food producers on a sustainable basis (SDG 2.3). In doing so, we want to help reduce poverty (SDG 1.1) and at the same time contribute to climate change mitigation, including strengthening the capacity for adaptation to and resilience to climate change (SDG 2.4), and to maintaining the genetic diversity of seeds, cultivated plants and their related wild species (SDG 2.5). The aim is also to increase sustainable consumption and reduce food losses (SDG 12.1/3).**

Sustainable agricultural systems which are capable of producing and bringing to market food in sufficient quantity and of sufficient quality, despite significant climate change, and which can do so within planetary boundaries while using as few resources as possible and complying with a human rights-based approach, are what we want to achieve. At the same time, economic opportunities should be created for regions where agriculture is the main activity so that people in rural areas can be offered a brighter future thanks to increased and improved levels of income and employment. Agriculture is, after all, the basis for providing a sustainable global food supply and a driver of local and regional economic activity and employment. It also bears responsibility for public goods and for preserving the natural resource base. Global agricultural policy is therefore an integral part of global climate policy.

From identifying issues that will determine our future, to focusing on sectoral policy – including helping to shape European agricultural policy and advising on national agricultural

policies in partner countries – and jointly implementing bilateral measures, our work encompasses a range of responsibilities. We also cooperate with multilateral organisations and forums (e.g. in CGIAR, GAFSP, the Global Crop Diversity Trust) and liaise closely with other donors. Our cooperation with civil society is vital too. We work closely with representatives of local, regional and global non-governmental organisations (NGOs), as well as with associations, such as African and European farmers' associations. In addition, we collaborate on a political level and/or in joint projects with private donors and organisations and with the private sector in Germany, Europe and at local level. We also apply the BMZ's "Reference framework for development partnerships in the agriculture and food sector", which places a special emphasis on sustainability and responsibility of business activities, as well as with the UN Guiding Principles on Business and Human Rights. This also includes sustainability certifiers in agricultural supply chains and trading companies, for instance.

In terms of agriculture and agricultural policies, the situation in our partner countries varies considerably. This is why we work with our partners on the ground to develop approaches that are adapted to local settings. In most of our partner countries, the focus is on increasing productivity and income sustainably as part of a value chain approach. In the emerging economies of Asia and Latin America, as well as in some African countries, the primary concern is the design of sustainable value chains and supply chains which can provide key stimulus for the development of entire rural regions.

Within the political dimension of the "Agriculture" area of intervention, we promote agricultural policy dialogue with partner governments and in partner countries, while in Germany, Europe, and worldwide we promote dialogue on the future of agricultural systems. As far as specific cooperation measures are concerned, we support South-South exchange and also use

a wide range of formats for dialogue and discussion in addition to project work. In the absence of cooperation with the private sector and civil society, widespread application of the results of our measures and their impact is not possible. As a result, we provide incentives for the creation of an enabling environment geared primarily towards local, private sector involvement by micro, small and medium-sized enterprises in our partner countries and also foster cooperation instruments such as fund-based approaches and competitive bidding procedures (e.g. develoPPP).

The "Agriculture" area of intervention is shaped by the following fields of activity:

#### **Bolstering innovation as a driving force**

Innovation is the driving force for the attainment of the aims listed above. This is the case not only for agricultural production itself but also the agricultural value chain as a whole, i.e. the upstream and downstream sectors, including the agricultural processing industry and the prevention of post-harvest losses that result from poor storage and inadequate marketing. The target groups for innovation activities are primarily farmers (including smallholders) and entrepreneurs. Innovation occurs not only by developing new practices but also by applying existing practices in new ways at the local level, and by adapting and refining such practices.

We provide funding for agricultural research as a central source of innovation. To make the transfer of innovation more effective, we also want to position agricultural research better – in structural and strategic terms – on the international stage and in our partner countries. Improving the way in which international applied and basic research is dovetailed (for instance in the CGIAR System) with local and indigenous knowledge and contexts through participatory approaches is particularly important to us in this regard. When it comes to developing and implementing innovative concepts, we work with a range of partners – representing the private sector, civil society and

the field of science and academia – from Europe, our partner countries and international organisations, and also use start-ups. These partnerships give rise to innovative solutions, the broad-based implementation of which we support through public institutions and systems, such as agricultural advisory services, and with the backing of private sector investments (locally and internationally).

While biodiversity is essential for maintaining soil fertility and for the ecological functionality and resilience of (agricultural) ecosystems, it also provides the foundation for innovation in plant breeding. To ensure that food systems remain productive and resilient in the long term, our aim is therefore to promote agrobiodiversity conservation and use both within natural surroundings and in gene banks (in situ and ex situ approaches). For example, we support the Global Crop Diversity Trust in its mission to ensure long-term agricultural crop diversity and to implement the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).

We also collaborate internationally with professional bodies by assisting our partners with issues such as organisational development and institutionalisation, as well as South-South and North-South exchange. This assistance can take various forms, such as developing training methods and curricula for the purposes of scaling up approaches, providing advice on market access and certification, and offering support with national strategy development processes.

Innovations in the areas of digital technology, appropriate mechanisation, and seeds provide major opportunities for agriculture that is sustainable socially, environmentally and economically. The scope to achieve sustainable increases in productivity and to use natural resources more sustainably, as well as opportunities relating to processing, storage, or transparency thanks to complete traceability of supply chains, are just a few examples. We want to create scope for agricultural potential in

areas other than food production – the bio-based economy, for instance, or bioenergy and bio-based alternatives to petroleum products – as long as they do not pose a risk to food security. As is the case with forests which are cleared to make way for agricultural land, we keep a watchful eye on instances where there are competing interests over how land should be used.

### **Support access to inputs, knowledge and self-organisation**

In sustainable agriculture, efforts to improve productivity often fail due to a lack of access to knowledge, inputs, land, capital, and self-organisation, which is why we are defining this area as a priority. We want to support our partners with opportunities for initial and ongoing training and draw on local knowledge. In this context, capacity building relates not only to farming, but also to sustainable animal husbandry and animal production (including by pastoralist groups), agroforestry, and aquaculture; it places an emphasis on strengthening the strategic, technical and entrepreneurial skills of stakeholders along the value chains, such as managing operations cost-effectively and understanding markets. Through our work in this area, we want to assist women and young people in particular. We are also working at various levels to ensure that stakeholders can both access and use a range of seeds which are, most notably, compatible with the location and the climate where they are sown.

While access to water and the sustainable use thereof is pivotal to long-term and sustainable productivity, it is also key to a notion of holistic health. That is why we promote equitable access to irrigation through efficient and innovative irrigation technologies as well as Integrated Water Resources Management. In addition to water, we also support access to and use of renewable energy in agriculture.

For small farmers and small enterprises, being able to invest in their establishments is conditional on gaining access to financing. In addi-

tion to safeguarding their own basic supplies and securing their own self-sufficiency, access to financing is also required to be able to produce goods for the market and thus increase income and, importantly, provide flexibility in terms of decisions concerning their own lives and economic activity. Medium-sized enterprises too often suffer from a lack of access to investment capital, and are termed the ‘missing middle’. This is why we use agricultural financing programmes to support access to lending, savings services and insurance schemes, in particular via local financial institutions where we simultaneously build capacity over and above our approaches and to which we provide financial backing in the form of loans, equity and guarantees. When it comes to developing and diversifying establishments, we combine agricultural financing with intensive support. In this connection, we work with countries’ official agricultural financing programmes and national development banks, as well as with international financing partners and investment funds. By supporting insurance to protect against the consequences of climate change, we are helping to strengthen resilience.

Besides giving farmers and other stakeholders in agricultural value chains a voice with which to address policy-makers and society, self-organisation increases resilience and also leads to the sharing of knowledge, technical capacity and skills. We support the self-organisation of the groups concerned at local, national, regional and global level, for example in cooperatives, but also as part of collaborations with suitable German, European and international organisations.

### **Promoting more value addition in partner countries through access to fair markets and fair agricultural policy**

To encourage both the uptake of innovations and increases in productivity, and to secure higher prices and generate more income for better quality and sustainability, agricultural markets need to be structured as a level playing field. This applies to national and regional

markets as well as to international value chains or the global agricultural trade. By strengthening fair markets and by influencing agricultural policies and agricultural trade policies as well as trade agreements worldwide with the goal of making them (more) coherent for development, we want to create equality of opportunity for all stakeholders in the agricultural sector, promote regional and intercontinental trade in capital goods and consumer goods from agriculture, and make the global agricultural trade accessible to small-scale producers. We work to ensure that the orientation of trade-related agreements and of the African Continental Free Trade Area (AfCFTA) is sensitive to agricultural development. This also includes developing compensation mechanisms for poor and disadvantaged regions and population groups that can be used in response to changes in trade policy and are also able to cushion the impacts of climate change and to make adaptation possible.

We want to help bring about a positive change in global, European, and local agricultural policy too, and coordinate this more coherently with economic, climate and trade policies at all levels, but also with social policies in partner countries. To this end, we work with our partner countries to support political structures which involve producers and other stakeholders fully in the process of formulating local agricultural policy. At the same time, our own policy – the European Common Agricultural Policy and the configuration of the European agricultural and food system, for instance – needs to be made more sustainable so as to mitigate adverse external effects.

### **Shouldering our global responsibility for the social and environmental sustainability of supply chains**

We want to promote the regional processing and marketing of agricultural products. We also bear a particular responsibility for production conditions and the social, economic and environmental implications of supply chains in which agricultural goods from all over the world are brought to the EU and Germany. Here

we rely on a smart mix of regulatory and voluntary measures, ranging from legislative provisions, certification, and multi-stakeholder partnerships, to activities carried out both in and with partner countries. To that end, we want to use participatory processes to work together towards solutions for greater sustainability and for compliance with human rights due diligence obligations in supply chains. Our priorities here are on the creation of productive employment and a living income, the fair distribution of added value for producers in partner countries, the prevention of exploitative child labour, and the establishment of deforestation-free supply chains. We support initiatives and alliances along the supply chains and also use digital technologies such as blockchain, which allow for greater transparency and traceability. In this context, we want to contribute towards strengthening the voice of small farmers and the legal protection that they are afforded, including in accordance with the United Nations Declaration on the Rights of Peasants from 2018 (UNDROP). Our partners in these activities are relevant trade organisations and trade actors, from the regional and continental level all the way up to World Trade Organization (WTO) level.

Consumer behaviour in Europe also needs to become more sustainable, which is why we provide consumers with information regarding production conditions locally and the impacts of their decisions about what to buy. Within the German government and the European Union, we work towards achieving policy coherence, particularly with regard to the agricultural trade system and agricultural policy. Promoting social and environmental sustainability in agricultural supply chains is also a priority area. Key instruments to that end are fair trade and also certification schemes, which we work with and strengthen. The “Sustainable Supply Chains” initiative area extends similar approaches to other sectors.

Unsustainable agriculture – in particular the extensive use of fertilisers and pesticides, as well as land being exploited as a result of soil depletion and monoculture farming – is one of the primary causes of biodiversity loss. We will therefore expand and follow up on biodiversity-friendly approaches and methods in the portfolio. As in all areas, the principle of “do no harm” applies as a general rule.

## 5 Measuring success

Measuring results – i.e. the outputs, outcomes and impacts of a development cooperation measure according to the definition of the Organisation for Economic Co-operation and Development (OECD) – using programme and module objective indicators is central to the operative controlling of development cooperation programmes and modules in the core area “Transformation of Agricultural and Food Systems”. Attention must be paid to ensure that those objectives which are set down in country strategies and development cooperation programmes are closely aligned with the objectives set in this Strategy.

Gender equality is particularly important in the core area “Transformation of Agricultural and Food Systems”. We are therefore in favour of disaggregating data regarding goal attainment among women in as many programmes and projects as possible. Data must also highlight any disparities so that appropriate measures can be taken to help reduce inequalities. In order to measure the transformation of gender empowerment, we recommend using indicator sets such as the project-level Women’s Empowerment in Agriculture Index (pro-WEAI) among the target group. The effects with regard to particularly marginalised, disadvantaged groups should also be recorded separately, for example by age group. In the case of this latter category, this is done primarily to allow conclusions to be drawn on the topic of youth employment.

Moreover, standard indicators which can be aggregated are to be used to record results across programmes and projects in order to further improve the means available for communicating the results achieved through German development cooperation. In the core

area “Transformation of Agricultural and Food Systems”, the following standard indicators in particular can be used:

- Number of people reached by interventions aiming at the reduction of hunger and malnutrition
- Number of people with improved food availability or improved access to food
- Number of people with improved diets
- Number of agricultural holdings that have benefited from access to financial services, inputs or agricultural extension services
- Area of land used for agriculture and/or grazing that has been managed sustainably
- Number of people in the agricultural sector or in rural areas who have additional employment
- Number of jobs created/safeguarded
- Number of people earning a higher income
- Volume of reduced or avoided greenhouse gas emissions [in tonnes of CO<sub>2</sub> equivalent]
- Area of land used or managed in a manner to serve biodiversity conservation
- Number of people who have benefited directly from the contribution made by German development cooperation: a) to the protection of forests; b) to the restoration of forests; or c) to the sustainable management of forests

- Area of forest which has been: a) protected; b) restored; and c) managed sustainably as a result of the contribution made by German development cooperation

Policy options and opportunities for intervention in the core area “Transformation of Agricultural and Food Systems” are constantly changing as a result of internal or external factors. This is the reason why, in addition to indicators – which record results – and a monitoring and evaluation system, we want to make use of other instruments for learning and further development; we also want to strengthen the capacity of partners to examine their own objectives and measures. We want to intensify dialogue between the BMZ, implementing organisations of German development cooperation and partners in accompanying research and establish regular formats for exchange.

The work conducted in the core area “Transformation of Agricultural and Food Systems” is to be evidence-based. Evaluation studies carried out by the German Institute for Development Evaluation (DEval), implementing organisations, as well as other donors and academic institutions for the further development of approaches supported by the BMZ in individual partner countries and regional programmes should be used. Individual and comparative studies are to be compiled for this purpose, together with systematic reviews, and used to develop the support approaches further. Where possible, the work is to incorporate and use partner countries’ systems and research institutions, and strengthen them in the process.

We use a combination of academic disciplines and qualitative and quantitative methods which deliver knowledge that is relevant to the BMZ. These include ethnological studies, institutional and network analyses, surveys of experts, or comparative case studies which may be undertaken through accompanying research or by implementing organisations.

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