

SFSA Strategy Paper

2021-25

June 2021

Introduction

Changes and Continuity

The Syngenta Foundation (SFSA) ran its last major Strategic Review more than a decade ago. Since then, SFSA has grown and diversified considerably. The annual Syngenta investment, external co-funding and the numbers of partners, projects and employees have all markedly increased. So have the spread of crops and topics on which we work and the choice of countries in which we do so. In this way, we have greatly increased our impact on smallholder farming systems. However, to achieve our Vision and Mission, we need to stay focused on our strengths and priorities.

In parallel, our operating environment also continues to alter. The changes offer some opportunities for smallholder farmers. But they also include major global challenges which we must address. Climate change leads the list. We describe some of the most important change-drivers in a separate paper called “New challenges, new opportunities”. Like other papers referenced here, this is briefly summarized below. The detailed papers form an integral part of our strategy documentation.

This is a Strategy, but not a plan. As you will read, the Strategy will be used to plan activities, globally and in our focus countries, that will enable us to achieve our new targets by 2025.





WHAT WILL WE CHANGE OVER THE NEXT FEW YEARS? WHAT WILL WE KEEP ESSENTIALLY THE SAME?

Some key aspects of our work stay unchanged. Our focus remains on translation of innovations into successful, locally run business models supporting the innovations' use by smallholders. We continue to concentrate on 'pre-commercial' smallholders in selected African and Asian countries. Our work stays focused on Seeds, Insurance and Agriservices, supported by R&D and Policy.

However, the following pages also present several changes from the recent past. We will:

- ensure that all our activities help make smallholder agriculture climate-smarter and more resilient
- review our focus crops and cropping systems
- make women farmers and entrepreneurs a particular focus of our activities
- enable scaling of appropriate innovations in technologies, services and practices
- concentrate on three strategic outcomes, for which we have set initial 2025 targets.
- further strengthen multi-stakeholder partnerships and our efforts in resource mobilization.

Before moving onto these changes, we look first at who we are and what we aspire to achieve: our Vision, Mission, values and identity.

Our Vision and Mission

Our Vision is a bright future for smallholder farming.

Our Mission is: To strengthen smallholder farming and food systems, we catalyse market development and delivery of innovations, while building capacity across the public and private sectors.

What do we mean by a 'bright future'? And for which kind of 'smallholder farming'? This bright future is one in which farming is an attractive profession for the next generation. It is profitable, productive and uses modern technologies. It is resilient both to sudden shocks and longer-term threats. Smallholders will be much younger in future and considerably fewer in number. They are also businesspeople: entrepreneurial, highly motivated to learn, improve and grow their farms, and open to off-farm opportunities.

Our Mission reflects how we'll strive to achieve our Vision. Five aspects are important:

SYSTEMS – SFSA looks beyond individual farms, businesses or projects, towards overall transformation in the way that agriculture works and is supported, at scale.

MARKET – SFSA believes that sustainable improvement in smallholders' livelihoods is only possible through properly functioning markets. Entrepreneurship plays a central role here.

DELIVERY – We want farmers to access affordable, appropriate, value-adding technologies and innovations, and to use them productively.

BUILDING CAPACITY – We want to create a legacy of institutions supporting the ag sector.

PUBLIC AND PRIVATE SECTORS – Typically, companies deliver innovation, but the public sector often creates it, as well as being a regulator and potential enabler. Partnerships are essential.

Taken together, our efforts will help revitalize rural areas.

Our Values

In 2020, SFSA developed a set of values building on those of Syngenta AG. These values reflect who we are and what we believe.

PASSION – Driving to achieve our vision and create sustainable impact is at the heart of all we do.

INNOVATION – We invest in and enable innovations for long term impact, that help smallholders prosper and thrive in a sustainable and resilient way. Agility and an entrepreneurial mindset are crucial here.

INTEGRITY – Ethics, safety and compliance are core to the way we operate. As our Statutes demand, we work outside the commercial arena of Syngenta; remaining independent in our views and decisions.

RESPECT AND GROWTH FOR ALL – We embrace a diverse and inclusive culture in our teams and programs that encourages opportunities for all, notably women, and respects diverse opinions and abilities.

COLLABORATIVE SPIRIT – Our work in partnership and programs is based on trust and transparency.

RELIABILITY – We earn trust by delivering on our commitments and creating value for our beneficiaries.



Our Identity

Our identity describes who we are uniquely. It is a combination of features (the 'What') and attitudes (the 'How'). Together, they contribute to determining how we act, globally and locally.

FEATURES

A combination of the following features makes SFSA unique. We: are Swiss based, a rightly recognized seal of quality for international foundations.

- are Swiss based, a rightly recognized seal of quality for international foundations.
- are a company-supported foundation working in the same thematic field as our corporate funder.
- primarily work as an implementer but give selected grants in support of our Strategic Outcomes.
- identify and incubate innovations needed by smallholders. We help translate innovations into successful, locally run business models, supporting their access to and use by smallholders.
- 'learn-by-doing' by partnering with public and private actors from innovation to scaling-up.

ATTITUDES

SFSA employees worldwide share a set of views. We are:

- convinced that we must respond to under-served smallholders' needs, rather than pushing solutions.
- grateful for support from Syngenta. We respect its employees' expertise and seek to engage them.
- committed to building capacity and resilience across food systems. We are flexible and adaptive to local settings, diverse and inclusive. We are constructively disruptive. We are cooperative, co-creative, reliable and generous. We pursue scientific rigor and quality in delivery.

Having summarized SFSA's 'Who, What & How', we now turn to 'Where': our operating environment.

The changing context for our work

This section describes four major factors affecting our work. A separate paper provides details.

- As well as continuing to grow rapidly, the world's population is also becoming more urban and younger. Urbanization and income growth increase demand for processed and convenience food, meat, fruit and vegetables. Consumers increasingly demand greater traceability and sustainability in food production. A transformation to healthier diets by 2050 would require substantial shifts in consumer behavior and in production.
- Climate change is humanity's most serious global challenge. Its impact is felt across society and the entire economy. However, smallholder farming regions in the tropics, especially in Sub-Saharan Africa, are expected to be among those most negatively affected.
- Numerous innovative technologies will help make farming more profitable, efficient and environmentally friendly. Several such technologies are relevant for smallholder agriculture. Digital tools offer opportunities throughout our work, but above all in scaling.

How will we take this changing context into account? With whom will we work, and where? What are the major intended outcomes? We examine these questions in the sections below.



Who, where, what and how: our work in 2021-25



WHICH SMALLHOLDERS DO WE SEEK TO BENEFIT?

Our target beneficiaries are ‘pre-commercial’ smallholders in selected African and Asian countries. They typically lack a stable income, but they have land and can make decisions on its use. These farmers usually have limited access to reliable markets and to the resources to purchase agricultural inputs, technologies and most services. SFSA typically works with smallholders farming on less than two hectares.

Rather than targeting a specific age-group, we seek to work with people who expect to have land access and continue farming in the next generation. Consolidation of farms will contribute to the bright future of those smallholders who run larger operations than their parents.

SFSA aims to ensure Diversity & Inclusion in its activities. In 2021-25, we will add a new dimension to our work here: developing innovations and programs specifically designed to support female smallholders and entrepreneurs. By 2025, wherever locally feasible, we aim for at least 50% of program benefits to accrue to women. This work will complement our evolving youth programs.

WHERE WILL WE WORK?

SFSA has employees in Mali, Senegal, Nigeria, Kenya, India, Bangladesh, Indonesia, the Mekong region and China. SFSA does not currently intend to set up any further country teams. Switzerland has been the Foundation's headquarter country for 40 years and will remain so. Through partners, we are also involved in activities in further countries. Such partnerships are likely to increase. We strongly support 'south-south' collaboration.

WHAT WILL WE ACHIEVE BY 2025?

SFSA is strategically targeting multiple benefits across four impact areas. These are:

- Poverty reduction and job creation,
- Gender equality, youth and social inclusion,
- Nutrition, health and food security and
- Climate security and environmental health.

We have quantified several targets based on current performance and anticipated programs. We will continue to refine them, and set additional targets, e.g. for impacts and outcomes related to female smallholders and women-led businesses.

Our current **top-line impact targets for 2025** are:

At least
20% net income
increase for five
million smallholder
families

Greater **gender
equality** and
youth opportunities
across the
agricultural sector

Better **nutrition,
health** and **food
security**

Smallholder farms
cope with **climate
change** in a
climate-smart and
resilient way

Our **new Strategic Outcomes (SO)** for 2025 serve as our commitments; they complement each other to generate desired impact. The following table shows outcome targets listed under the SO to which they most directly apply. Some contribute to more than one.

SO1

Smallholders get the tools they need

Smallholder farmers, particularly women & youth, access and know better how to use a wide choice of affordable, sustainable solutions and services

Significant increase in the number of scalable business models, which create more than \$100m of value annually from new SFSA-supported product sales and farmers' spending patterns

Greater investment resulting from SFSA influence supports development and access to innovations, to implement programs and policies across the agri-value chain

SO2

Smallholders cope well with climate change

Significant increase in ha farmed by smallholders in line with improved management and resilient agricultural practices

Increased investment each year in CSRA**, including through enhanced market demand, return on investment (profitability), supportive subsidies, insurance programs

Successful education and awareness for farmers and strengthened capacity in relevant institutions for CSRA innovation and delivery

SO3

Smallholders benefit from thriving markets

Help create and promote at least 15,000 successful SFSA-supported enterprises* committed to smallholders, especially youth and women, generating significant employment opportunities

Greater capacity in institutions, public and private, across and supporting the agri-value chain

Improved national, regional and international policies and regulations that support local producers' competitiveness, decent job creation, entrepreneurship and innovation in the agri-, food and adjacent sectors

* 'Enterprises' here mean e.g. input companies /markets, farmer groups, aggregators, agriservice centers, off-takers and output markets.

** CSRA = Climate-smart resilient agriculture (see section below).

SFSA contributes to the 2025 impact and outcome targets through its portfolio of projects and programs. SFSA will use Key Performance Indicators (KPI's) to assess each program's contribution. The work includes, for example, developing, testing and adapting new technologies or solutions (seeds, insurance, etc.) that can improve farm performance (SO1: 'Smallholders get the tools they need'). Such activities turn into positive outcomes if farmers and businesses change their behavior to use/offer the new solutions, and if there are no negative results.

Ensuring that the design and use of such solutions helps smallholders mitigate and/or adapt to climate change contributes to SO2, 'Smallholders cope well with climate change'. Programs that build the capacities of relevant public and private institutions, or improve the policy environment, aim to contribute to SO3 ('Smallholders benefit from thriving markets').

The following sections focus on three key themes we will pursue to help achieve our target outcomes. These are scaling-up, climate-smart resilient agriculture, and priority crops and cropping systems.

HOW WILL WE PROGRESS INNOVATIONS TOWARDS SCALE-UP?

In agricultural development, numerous innovative products, services and business models have been piloted. Few, however, have reached scale, especially on smallholder farms. For SFSA, successful scaling means significantly improving the incomes and resilience of large numbers of smallholders.

Our approach to scaling continues to evolve. We identify and develop / adapt innovations that meet farmers' needs. To achieve smallholder adoption at scale, we believe in using market systems. Easiest is scaling through existing market players – if they have delivery channels to smallholders. However, such players often ignore low-income farming communities because they do not regard them as attractive customers. To overcome such market failures at scale, we strengthen 'last mile' / 'first mile' delivery, service and financing models. We do this notably through agriservice aggregation models that realize economies of scope and scale.

SFSA is currently developing a systematic phased approach to scaling, as laid out in our Scaling position paper. SFSA programs will design for scale-up from the start, whether co-developing innovations or in-sourcing those incubated by others. Where scaling organizations exist, SFSA will hand off early. More typically, SFSA will support the establishment of multi-stakeholder scaling platforms or 'Catalytic Intermediaries', or use such platforms already established by others. The platforms will convene the necessary public, private and other stakeholders to mobilize human and financial resources that SFSA cannot provide alone. They can thus tackle challenges across entire value chains and market systems. If we exit too early, the risk is high that self-sustaining scaling fails to happen. Before 'handing off' an innovation, SFSA wants it to benefit a critical number of users and customers. This critical mass is typically that share of the market which convinces businesses, investors and/or governments to invest in further growth. Additional support comes from our Policy work to strengthen the enabling environment.

More details on how we will use this scaling approach are given in the section below on our work through 2025. We turn first, however, to Climate-Smart Resilient Agriculture (CSRA).

HOW WILL WE HELP SMALLHOLDERS DEAL WITH CLIMATE RISKS?

Smallholders in developing countries need special support to adapt to increasingly volatile production conditions and to improve their resilience. We must play our role in providing that support. SFSA is therefore making CSRA a core component of its renewed strategy. Everything we do must deliver tangible climate-smart benefits to the farmers with whom we work. This section is drawn from our separate paper on this topic.

SFSA can already demonstrate a strong base of individual climate-related solutions. Most recently, these include initial work on integrated soil health solutions for smallholders. However, climate change is a systemic challenge. We must therefore build farming solutions that mitigate and adapt to climate change systemically and sustainably. This is best done through collective action. Our ambition is to combine long-term resilience and mitigation benefits with rapid economic gains for adopters, creating value on farms and along value chains. Our work will match local contexts. The figure outlines our three CSRA pillars. We will support this work through Policy research and advocacy.

Smallholders will only adopt and maintain CSRA practices at scale if these deliver both rapid and continuing material returns on investment. SFSA will focus on interventions that (i) align with climate mitigation objectives, and (ii) actively increase climate resilience/adaptation, but only if these (iii) have clear potential to contribute robustly to farm profitability.

Focusing on CSRA opens opportunities for internal and external collaboration to address this systemic challenge. It also helps us focus better on context. Farming systems face varying consequences from climate change, requiring context-specific solutions. In 2021/22, we shall therefore also be rigorously reviewing the crops and systems in which we work.



RESILIENCE



MITIGATION



PROFITABILITY

DEFINITIONS

Increase capacity of farming systems to deal with shocks	Reduce negative impact of farming systems on the environment	Create remunerative and productive farming systems
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INDICATORS

<ul style="list-style-type: none"> → Sustained productivity → Post harvest loss → Income and crop diversification 	<ul style="list-style-type: none"> → Resource use efficiency → Soil Health → Emission reductions 	<ul style="list-style-type: none"> → On-farm profitability → Productivity → Market access
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HOW WILL WE DECIDE ON WHICH CROPS & FARMING SYSTEMS TO FOCUS?

Identifying crops and farming systems on which to focus calls for a thorough understanding of evolving demand in local markets. We can then craft solutions to challenges faced across priority crop value chains. Areas for our action include early generation seed, private sector investment, policy, farmer awareness and 'last mile' delivery.

We will follow a criteria-based approach, clarifying SFSA's position on crops and cropping systems and helping us decide where to invest. This approach, amplified in a companion position paper, involves assessment of the crops, value chains and local macro-economic environments. All three pillars are important. Crop assessment will guide our choice of varieties to be advanced to commercialization. Value chain analysis will provide deeper understanding of the links required to bring varieties from research through to profitable use by smallholders. Examination of macro-economic factors in each country indicates those that could affect the agricultural sector.

WHAT WILL WE DO TO ENABLE INNOVATION, DELIVERY / ADOPTION AND SCALING THROUGH 2025?

We will seek to maintain a balance between three groups of items in our portfolio. These are the innovations in early incubation, those already being delivered and adopted by selected groups of smallholders or entrepreneurs, and those now being scaled to much larger numbers.

At present, most of our work is organized through our sub-portfolios of Agriservices, Seeds and Insurance, including R&D that focuses on innovation and initial adoption. Policy work helps unlock barriers and pave the way for significant scale. Based on the Strategy, we will adapt our work and create space for new initiatives, while adapting to the changing context.

Given the breadth of challenges and opportunities we are tackling, we will look for synergies across the Foundation's work. For example: our ASC models can provide market channels for seeds and insurance in markets underserved by existing players.

The following sections provide a high-level framework for our expected work between now and 2025. Our 2021 portfolio review is the next step in specifying change. It will help our country teams align their work with the Strategy, paving the way for plans through 2025.



Innovation

In line with our Strategic Outcomes and the changing context, we will concentrate on the following:

- We will focus our **SEEDS AND CROPS RESEARCH** on neglected crops and on rotations that provide options for farmers to diversify their farming systems and contribute to mitigation and adaptation. We will pay particular attention to women's needs and capacity. We will also scout for new climate-smart varieties from public sector breeding programs.
- **AGRICULTURAL INSURANCE SERVICES (AIS)** and partners create innovative products to reduce smallholders' risks associated with climate, weather, pests and diseases. AIS will develop solutions for additional crops such as vegetables, as well as new insurance products. We will also refine the Resilience Engine, our digital platform for product innovation, data, insurance administration and provision of value-added services.
- **DIGITAL TOOLS** being developed include those that support early-stage breeding and digitization of variety registration. Other tools help rural agri-entrepreneurs operate efficiently, bundle their farmer offerings (including relevant seeds and insurance) and connect at low transaction costs and transparently with value chain players and financial institutions.

In addition, with our strong focus on CSRA, we will strengthen our innovation work in soil health. This includes soil diagnostics, soil amendments, crop rotations, and incentive models.

Future innovations will help smallholders' transition to more remunerative and resilient farming systems. We will develop gender-responsive solutions and identify innovative agriculture technologies or services that attract youth into farming.

We are developing a systematic approach to scouting, testing and adapting innovations through 'GATE'. This digital platform helps us manage technology evaluation, transfer and integration across our activities. We will also embed clear SFSA exit strategies into the design of every intervention.



Delivery / adoption

Our main approach to improving access, , affordability and delivery of innovations to smallholders has been through our Agriservices work. Entrepreneurial Agriservice Center (ASC) models form its core. ASCs link marginalized smallholders to innovative technologies (including seeds and insurance), advice and training, and extend input and output markets into underserved communities. This will be enabled by improved functioning and use of digitally enhanced ‘last mile’ delivery models and interoperability and data handling across the broader digital ecosystem.

We will strengthen models linking the ASCs sustainably to country ‘Network Manager’ businesses eager to engage with lower-income smallholders. Such businesses include input suppliers, local distributors, financial intermediaries and off-takers. We will prioritize supporting women and youth to become ASC owners/operators. We will strengthen links to food companies and other organizations tackling the challenges of poor nutrition. This will create opportunities for local smallholder sourcing that can increase demand for improved and orphan crops.

Delivery of improved Seeds will improve through strengthened market mechanisms and value chains that overcome market failures for marginalized or orphan crops. We will strengthen programs that serve this aim. We will focus more comprehensively on building capability and capacity within the CGIAR, NARS and other seed system players, as well as on Policy work to contribute to Strategic Outcome 3. A Handbook will enable interested organizations, including seed companies, to use our Product Life Cycle approach to commercialization.

Our Insurance team’s main delivery partners are aggregators and financial

institutions. We will improve smallholder insurance ‘bundling’ (with other farm risk-reduction solutions) as well as integrated delivery models with our partners. Our Policy work will help local regulators create the necessary conditions for solutions’ establishment and expansion. AIS will spearhead the creation of a ‘co-opetition’ platform for the smallholder insurance sector to help overcome common challenges and spread best practice. AIS will accompany this with the establishment of learning curricula and other capacity-building interventions that enable participants to understand smallholder needs and design and deliver suitably tailored solutions.



Scaling

Our pioneer example of a multi-stakeholder approach to scaling through Catalytic Intermediaries in Agriservices is the Agri-Entrepreneurs Growth Foundation (AEGF) in India. AEGF helps create self-employment opportunities for entrepreneurial young people who choose not to migrate to cities. We want to launch appropriate versions in other countries and aim for at least AEGF to be self-sustaining by 2025. Critical for this is ensuring equitable benefits for smallholders, ASC owners and the network manager businesses that see value in engaging with them.



A major contributor to success will be improved digital tools for seeds advancement, insurance, onboarding, training, deploying and mentoring agri-entrepreneurs. We will integrate these tools with digital tools offered by others, recognizing that we need to focus on selected components.

In the Seeds domain, we will build an African-led and -governed mechanism as a Catalytic Intermediary to scale up variety commercialization and adoption. This will enable increased engagement with and support from partners and donors; it will thus reduce dependence on SFSA for such work. The platform will partner with the CGIAR, other public research organizations (including NARS), AGRA and seed companies to build capacity across the region's national seed systems. Policy work on good regulatory practices will help create and expand new markets nationally and regionally. In Asia, our primary scaling-up focus is currently on AAA Maize in India and Myanmar. By 2025, we will hand over to other scaling organizations ongoing delivery of the AAA product pipeline.

Large-scale insurance programs will be strengthened in Bangladesh, in Africa through ACRE Africa, and launched in Indonesia. These will prove that the solutions can be largely commercially viable, boosted by strong public sector engagement and smart subsidies to reach high numbers of smallholders.

Starting in 2022, informed by programs such as Demand-Led Breeding, AVISA and our AIS work, we will develop a systematic SFSA approach to capability development and capacity-building for local organizations. This work will help achieve Strategic Outcome 3.

We turn now to some of the mechanisms that will enable us to achieve these aims.

Organizational delivery model

OUR ORGANIZATION AND COMPETENCIES

We will continue to improve ourselves to be the best Foundation we can. SFSA has some 200 talented and experienced employees. Many have backgrounds in private sector research, commercial or support functions. Most employees work in and come from the countries in which we deliver our programs. We strive to unleash the potential of our most important resource, our people. We will do so through constant attention to Diversity & Inclusion, for example recruiting from a wide pool of candidates. We want to remain an attractive place to work, for example by continuously nurturing and supporting our teams' skills, capabilities and career development at SFSA.

INFLUENCING AND RESPONDING TO THE AGRIBUSINESS SECTOR

SFSA works independently of Syngenta. However, we share many views with Syngenta and its competitors large and small. We also challenge the Syngenta Group, and its entire sector, to provide better solutions for low-income smallholders. Our numerous partners include Syngenta's competitors and other agribusinesses. We strive to be a partner of choice for organizations with no links to Syngenta that also look to create a bright future for smallholder farming.



Partnerships and Resource Mobilization



Tackling the systemic challenges in smallholder agriculture requires holistic solutions. As a small organization, we lack the technical, people and financial resources to tackle these on our own. SFSA works with partners in developing countries and emerging markets operationally and in thought leadership. We partner with the public sector, other foundations, international R&D organizations, think tanks, universities, the private sector, social entrepreneurs and NGOs.

Our Partnership Value Proposition is our strong presence across a dozen countries, with expertise to make change happen on the ground. We work primarily as an implementer with strong technical, market-led know-how and connections. We are well placed to convene public and private sector organizations and develop the innovative partnerships needed for market foresight, scale and system change.

Our 2021-2025 Partnership and Resource Mobilization Approach continues to focus on SFSA as a trusted intermediary, (a) identifying and directly incubating ‘missing’ innovations in our target smallholder communities, and then (b) integrating these innovations into successful, locally run business models supporting their use by smallholders.

We continue to seek partners who want to co-invest in any or all stages from research and innovation through to scale.